LMK GROUP

Annual Report & Sustainability Report

2022

LiNAS Godt Levert Adams. matkasse RETNEMT MÅLTIDSKASSER

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About LMK Group

Under the brands Linas Matkasse, Godtlevert, Adams Matkasse and RetNemt, LMK Group offers a subscription service for well-planned meal solutions in the Scandinavian market. Local chefs and dieticians create tasty, well-balanced, and nutritionally calculated recipes that are delivered to the customer's door with the exact right quantity of hand-picked high-quality ingredients.

Customers can choose from the widest range of recipes on the market, and the service saves time, helps reduce food waste and provides inspiration in the kitchen. The subscription is managed via a mobile app or via the website. The service is enabled by proprietary technology solutions and a strong, scalable supply chain with efficient processes.

LMK Group's activities cover everything from recipe creation, planning and purchasing, marketing, production, and logistics, to customer experience including its award-winning customer service. Through a strong local presence in each market, combined with insights from data points and consumer panels, we have a detailed understanding of customer behaviors and needs. This local customer focus has contributed to LMK Group's well-established position in the Nordic market.

Founded in 2008, LMK Group pioneered a completely new business model in the food industry. Today, we are a leading supplier of meal kits in the Nordic region and a leader in Scandinavian food tech. Our 389 employees work across five sites in Sweden, Norway and Denmark. Since spring 2021, LMK Group is listed on Nasdaq First North Premier Growth Market. In 2022, we had approximately 70,600 active customers, delivered close to 17 million meals, generated net sales of SEK 1,081.4 million and an operating profit (EBIT) of SEK -149.3 million. The business is operated through the subsidiaries Carolinas Matkasse AB in Sweden, Godtlevert-gruppen AS in Norway and RetNemt.dk ApS in Denmark.

Timeline

2006
Klaus Toft-Nørgaard co-founds RetNemt

2008
Lina Gebäck and Niklas Aronsson start Linas Matkasse

2010
Godtlevert is founded

2012
Adam Bjerck co-founds Adams Matkasse

2014
LMK Group acquires a majority stake of Adams Matkasse AS in Norway

2016
LMK Group acquires Retnemt and Sannan Roukakassi in Finland

2017
Godtlevert is acquired and merged with Adams Matkasse

2018
Sannan Roukakassi is sold off to focus on strategic markets

2021
LMK Group is listed on Nasdaq First North

LMK Group in Figures

Portions delivered in 2022
17 M

Employees
389

Net sales
MSEK 1,081.4

Operating result (EBIT)
(excluding goodwill impairment)
MSEK -29.3

Dividend per share
0.30 SEK

Deliveries
1,368 K

EBIT margin %
(excluding goodwill impairment)
-2.7 %

Number of customers
70.6 K

Average order value
SEK 791

Earnings per share
SEK -12.19

LMK Group's markets

NORWAY
GODTLEVERT & ADAMS MATKASSE
190 employees with net sales of MSEK 586.5 in 2022.

SWEDEN
LINAS MATKASSE
146 employees with net sales of MSEK 383.6 in 2022.

DENMARK
RETNEMT
53 employees with net sales of MSEK 111.4 in 2022.

Comments from the CEO

2022 – challenges and continued improvements

In 2023 it will be 15 years since Linas Matkasse was founded in Sweden. Already two years before, Retnemt started in Denmark. GodtLevert in Norway was launched in 2010 and Adams in 2012. We are now a Scandinavian company, but our strong local roots remain in all our markets. Our employees are strongly committed to helping our customers to a simpler everyday life where they can cook good, well-composed dinners using quality ingredients and with a minimum of food waste. We have many advantages from our accumulated long experience, but at the same time we operate in a category that is constantly evolving and that is why we continue to challenge and improve.

Updated strategy

Not least during 2022, we have made significant improvements both strategically and operationally - while at the same time struggling in a challenging market. Given the market conditions, we have reviewed the company's financial goals and concluded that profitable growth is our main objective, with the short-term priority being to stabilize revenue growth in 2023, followed by average annual net sales growth. We are adamant that our business must be profitable and self-financing. The new financial goals are supported by an updated strategic plan, in which we have identified three 'must-win battles' in the short term while working on long-term growth tracks.

A volatile environment

The year had a rough start for e-commerce and for us specifically; many discovered the benefits of subscribing to a mealkit during Covid, but in the aftermath of the pandemic, consumers reverted to ingrained behaviors, and home-cooked dinners had to compete with traveling and nights out. We also decided at the end of 2021 not to continue with external telemarketing because it did not bring us long-term profitable customer cohorts. These external and internal factors have obviously affected us and led to a loss of customers and a decline in sales compared to 2021.

We were obviously shocked when the war in Ukraine broke out in February, and we have continued to be appalled by the human suffering and damage to society that it continues to cause. The business implications in our markets are constantly ongoing with effects in the form of higher energy costs and dampened consumer confidence as some of the consequences.

Increased costs for energy and fuel have affected the prices of food and packaging materials, but also the purchasing behavior of consumers. Lower disposable income due to inflation, energy prices and rising mortgage rates are causing consumers to be more conservative in their spending. The slowdown in the e-commerce market has led to a lower customer base and lower volumes, but we have still increased our average order value during the year. Given the shift to online that society is going through, this is a temporary slump for e-commerce, which will however last for a while.

Increased efficiency
The lower volumes, higher sick leave rates at the beginning of the year, as well as the transition to new production technology, affected production efficiency at the beginning of the year, but starting in Q2 and continuing during the year, we managed to increase production efficiency with an all-time high in Q4 for customer unique production, which also contributed to improved customer experience.

We have made good progress in the transition to 100% customer-specific production with pick-to-light technology, which has enabled us to now offer the widest selection of recipes in the category. Our unique AI engine recommends dishes that are most likely to appeal to them based on their taste preferences, increasing customer loyalty and satisfaction.

During the year, we have combined our long-term supplier cooperation with Nordic purchasing agreements and other efforts from our purchasing team to secure access to ingredients of good quality and mitigate some of the effects of inflation.

Marketing efficiency
Our brands enjoy high awareness and are popular, but the competition is constantly evolving and we need to keep working to establish a unique impression in the minds of customers. During the year, we reorganized and streamlined our marketing organization to become more cost-effective in recruiting and retaining customers. We adapt our marketing, invest when it gives the best effect and we continue to develop on social media and with exciting collaborations.

In working with marketing efficiency, we have invested in our front-end tech platform. This creates better conditions for a more agile development going forward and enables a wide range of technical improvements which have made the website faster, increased search engine optimization (SEO), and provided better insights into visitor behavior. Furthermore, changes to the checkout process have resulted in an increase in conversion rates.

Thanks
I am proud of what we have achieved during the year and would like to take this opportunity to thank all my colleagues for their efforts. Despite having to navigate a very tricky e-commerce environment, we have made important investments, improved our operational efficiency, minimized the effects of inflation and developed our business by launching new products and partnerships. All this while having strengthened our employee engagement, which has made our company an even better place to work. I firmly believe in our offering and we do what it takes to continue to be a successful player in meal kits. 2023 will require us to perform at our peak and we have a strong team in place, ready to take on the challenges.

Walker Kinman
CEO

Strategy

During the year, Group Management, together with the Board, reviewed the company's financial goals. Based on current market conditions, it was concluded that the main goal is profitable growth, with the short-term priority being stabilization of revenue development in 2023, followed by an annual net sales growth of 6-8% thereafter. The new financial goals are supported by an updated strategic plan, which in the short term focuses on three 'must-win battles'. The must-win battles are further supplemented with long-term growth vectors.

These three 'must-win-battles' are:

- Increase Marketing Excellence
- Cultivate EPIC Customer Experiences
- Increase delivery volumes in Denmark

The long-term growth vectors are:

- Establish long-term partnerships
- Further increase convenience offerings
- Build add-on volumes

During the year, the organization has been involved in developing and has been informed aboutf the updated strategy to ensure collective coordinated progress.

Financial Targets

Growth
The Group's objective is stabilization of revenue development in 2023 and a net sales CAGR of 6-8% thereafter.

Profitability
The Group's goal is to achieve a long-term EBIT margin of approximately 4–6%.

Corporate Governance report 2022

Good corporate governance is an important element in ensuring the confidence of LMK Group AB's (publ) (LMK Group) stakeholders and also increases the focus on business value and shareholder value in the company. The Board of Directors and Group Management strive to make it easier for individual shareholders to follow the company's decision-making processes and to clarify where responsibilities and powers lie in the organization.

This Corporate Governance Report has been prepared inaccordance with the provisions of the Annual Accounts Act and the Swedish Corporate Governance Code (the "Code"). The corporate governance report has been audited by the company's auditor in connection with the statutory audit.

LMK Group is a Swedish public limited company. LMK Group's corporate governance is generally based on Swedish legislationj, primarily the Swedish Companies Act, the Articles of Association and internal rules, including policies and instructions. As the company is listed on Nasdaq First North Premier Growth Market, LMK Group applies Nasdaq First North Premier's rules for issuers and the Swedish Corporate Governance Code.

The Code is based on the "comply or explain" principle. This means that a company applying the Code may deviate from individual rules, but must then give reasons for the deviation.

Responsibility for the management and control of LMK Group is shared among the shareholders through the Annual General Meeting, the Board of Directors and its elected committees, and the CEO. Governance and internal control comply with the Swedish Companies Act, other legislation and regulations, applicable rules for companies traded on a regulated marketplace, the Articles of Association and the Board's internal governance instruments.

The goal of the LMK Group's work is to create added value for customers, suppliers and employees while contributing to sustainable social progress. The purpose of corporate governance is to define a clear division of responsibilities and roles among shareholders, the Board of Directors, the CEO and Group Management and the various control bodies.

A. Shareholders

LMK Group is a Swedish public limited company whose shares are traded on Nasdaq First North Growth Market Stockholm. LMK Group has approximately 1,800 shareholders, where each share carryies one vote. The business is Scandinavian, with a presence in 3 countries.

As of December 31, 2022, LMK Group AB had 1,849 shareholders. The ten largest shareholders held a total of 53% of the capital and votes as of December 31, 2022.

Shareholder	Number of shares	Share of votes %
Herkules	1,528,125	12.1%
Niklas Aronsson	1,014,081	8.0%
Invus	679,030	5.4%
Carolina Gebäck	676,055	5.3%
Livförsäkringsbolaget Skandia Ömsesidigt SEBP6	505,075	4.0%
Acton GMBH	505,050	4.0%
Investors through Clearstream Banking	503,273	4.0%
Moneta	455,500	3.6%
Nordea småbolagsfond Sverige	442,546	3.5%
Festina funds	390,871	3.1%
Total, 10 largest shareholders	**7,493,933**	**52.8%**
Other shareholders	5,978,986	47.2%
Total	**12,678,592**	**100.0%**

Articles of Association

LMK Group's current Articles of Association were adopted at the Extraordinary General Meeting on March 28, 2021. According to the Articles of Association, the company's business is the direct or indirect resale of food and related services, such as packaging, home delivery, planning and production of menus and recipes, as well as owning and managing real and personal property, and engaging in related activities. The Articles of Association also stipulate the rights of shareholders, the number of directors and auditors, that the Annual General Meeting shall be held annually within six months of the end of the fiscal year, how notice of the Annual General Meeting shall be given and that the registered office of the company's Board of Directors shall be in the municipality of Stockholm.

The fiscal year of the company is the calendar year. The Annual General Meeting shall be held in the municipality of Stockholm. The Articles of Association do not limit the number of votes that each shareholder may cast at an AGM. Furthermore, the Articles of Association do not contain specific provisions on the appointment and dismissal of directors and on the amendment of the Articles of Association. For the current Articles of Association, see lmkgroup.se/corporate-governance/.

B. Annual General Meeting

The Annual General Meeting (AGM) of LMK Group is the highest decision-making body and the forum through which the shareholders exercise their influence over the company. The duties of the Annual General Meeting are regulated by the Swedish Companies Act and the Articles of Association. The AGM decides on a number of key issues such as the adoption of the income statement and balance sheet, discharge from liability of the members of the Board of Directors and the CEO, dividends to shareholders and the composition of the Board of Directors. Further information about Annual General Meetings and full minutes of previous Annual General Meetings and Extraordinary General Meetings are available at www.lmkgroup.se.

The AGM is held annually within six months of the end of the fiscal year. Notice of General Meetings shall be given by advertisement in the Swedish Official Gazette and on the company's website, not earlier than six and not later than four weeks before the meeting.

2022 Annual General Meeting

At the Annual General Meeting on April 27, 2022, shareholders representing approximately 13% of the share capital and votes in the company participated. Mathias Hedlund was elected chairman of the meeting. The AGM adopted the income statement and balance sheet, as well as the consolidated income statement and consolidated balance sheet.

The meeting approved the Board's proposal for the distribution of the company's earnings. This included a dividend of SEK 22,187,536 in total, corresponding to SEK 1.75 per share. The AGM resolved to discharge each of the Board members and the CEO from liability for the financial year covered by the annual report.

It was further decided that the number of Board members shall be five without deputies and that a registered auditing firm shall be appointed as auditor. It was resolved that fees shall be paid to the Board members. Mathias Hedlund, Charlotte Gogstad, Therese Reutersward and Gert Munthe were re-elected as ordinary Board members and Johan Kleberg was newly elected. Fredrik Kongsli declined re-election. It was decided to re-elect the registered auditing firm KPMG AB as auditor for the period until the end of the next AGM.

It was also decided to adopt a long-term incentive program aimed at senior executives in the form of a warrant program and to issue warrants. In addition, it was decided to adopt a new long-term incentive program based on performance shares.

C. Nomination Committee

The main duty and responsibility of the Nomination Committee is to present proposals for the election of the Chairman of the Board of Directors, the members of the Board of Directors and the auditors of the company, as well as the fees and other remuneration for Board duties to each of the members of the Board of Directors and the auditors.

The company shall have a Nomination Committee consisting of one representative from each of the three largest shareholders or groups of shareholders in terms of voting rights who wish to appoint a representative, and the Chairman of the Board. If any of the three largest shareholders or shareholder groups in terms of voting rights waives its right to appoint a member to the Nomination Committee, the next largest shareholder or shareholder group shall be given the opportunity to appoint a member.

The current instructions for the Nomination Committee were adopted at the Annual General Meeting on March 14, 2021.

Nomination Committee for the 2023 Annual General Meeting
The Nomination Committee consists of Amaury de Poret, appointed by Herkules Capital, Niklas Aronsson representing himself, Björn Henriksson representing Nordea Småbolagsfond Sverige and Mathias Hedlund as Chairman of the Board of LMK Group.

Proposals to the Nomination Committee may be submitted to: ir@lmkgroup.se. The Nomination Commitee can also be contacted by mail at the address LMK Group AB (publ.), Nomination Committee, Löfströms Allé 5 (3tr), SE- 172 66 Sundbyberg, Sweden.

The members of the Nomination Committee have not received any remuneration from LMK Group.

D. Board of Directors

The Board of Directors of LMK Group after the General Meeting, is the company's highest decision-making body. The Board of Directors is accountable to the General Meeting in accordance with the duty of care and fiduciary duty imposed on the Board according to applicable legislation, regulations and rules. The Board of Directors is also responsible for the fulfillment of the company's goals decided at the AGM and set out in the Articles of Association. In addition, the work of the Board is governed by rules of procedure adopted by the Board each year. The Board's rules of procedure also govern the distribution of work and responsibilities among the Board, the Chairman and the CEO and contain instructions for the CEO's reporting to the Board.

The current rules of procedure were adopted on May 2, 2022 and require the Board to meet at least four times a year, in addition to the inaugural Board meeting.

The Board of Directors shall decide on all matters that are not within the scope of day-to-day management and on matters requiring the approval of the Board of Directors in accordance with the Companies Act or the Articles of Association. The Board's duties include setting strategies, business plans, budgets, interim reports and financial statements for LMK Group. Furthermore, the Board shall supervise the work of the CEO, appoint and dismiss the CEO and decide on significant changes in LMK Group's organization and business operations.

According to the Articles of Association, LMK Group's Board of Directors shall consist of a minimum of three and a maximum of nine members, without deputies. The company's Board consists of 5 ordinary Board members appointed by the General Meeting.

Name	Position	Year of birth	Elected	Independent of the company	Independent of major shareholders
Mathias Hedlund	Chairman	1970	2021	Yes	Yes
Charlotte Gogstad	Board member	1977	2021	Yes	Yes
Gert W. Munthe	Board member	1957	2018	Yes	No
Therese Reuterswärd	Board member	1981	2021	Yes	Yes
Johan Kleberg	Board member	1975	2022	Yes	Yes

The main duties of the Board are to set the overall goals of the company's business and decide on the company's strategy to achieve these goals; to ensure that the company has a well-functioning Group Management with appropriate remuneration conditions; to ensure that the company's external reporting is transparent and objective and provides an accurate view of the company's performance, profitability and financial position and risk exposure; to oversee financial reporting with instructions to the CEO and the establishment of requirements for the content of the financial reports submitted to the Board on an ongoing basis; to ensure that the company's insider policy and logbook procedure are complied with in accordance with legislation and the Swedish Financial Supervisory Board's guidelines, ensuring that there are effective systems for monitoring, controlling and managing the company's operations and financial position against set objectives; to monitor and evaluate the company's performance and alert and support the CEO in taking the necessary measures; to ensure that there is satisfactory control of the company's compliance with laws and regulations applicable to the company's business; to ensure that the necessary ethical guidelines are established for the company's conduct; and to propose to the AGM any dividend, share buyback, redemption or other proposals that fall within the AGM's competence.

Composition of the Board
According to the Articles of Association, LMK Group's Board of Directors shall consist of a minimum of three and a maximum of nine members. The current Board consists of five members elected by the General Meeting. Pursuant to the Nomination Committee's proposal, the Board members were re-elected and Mathias Hedlund was reappointed as Chairman of the Board.

Mathias Hedlund

Born 1970. Chairman of the Board since 2021.

Education: Bachelor's Degree in Business Administration from Stockholm University, Executive Education program at Stockholm School of Economics, and Executive Education program at Harvard Business School .

Other current positions: CEO of Etraveli Group AB and subsidiaries and owner and board member of Micchezza AB.

Previous positions (last five years): Chairman of NetEnt AB (publ) and EuroFlorist Intressenter AB, board member of Betsson AB (publ) and Semantix International Group AB.

Shareholding in LMK Group: Mathias Hedlund holds no shares in the company. Mathias Hedlund holds 28,800 warrants in the company.[1)]

Charlotte Gogstad

Born 1977. Board member since 2021.

Education: Bachelor of Arts – International Relations and Bachelor of Business Administration from Pacific Lutheran University, Master of Business Administration from London Business School, and Executive Leadership program at Harvard Business School.

Other current positions: Chief Operating Officer of Businessclass.com, board member of Topro Industri AS and Aurland Ressursutvikling (Norway's Best).

Previous positions (last five years): Vice President Product & Tech Enablement of Expedia.com Ltd., Senior Director Global Search Marketing and Senior Director Strategy & Business Development at Expedia.com Ltd.

Shareholding in LMK Group: Charlotte Gogstad holds no shares in the company. Charlotte Gogstad holds 9,600 warrants in the company.[1)]

Gert W. Munthe

Born 1957. Chairman of the Board 2018-2020 and Board member since 2021.

Education: Master of Business Administration and Master of International Affairs from Columbia University, and a Degree in Economics from the University of Oslo.

Other current positions: Chairman of Herkules Capital AS, Herkules Private Equity Fund 1, Herkules Private Equity Fund 4, Lytix Biopharma AS, Amicoat AS and Adnuntius Services AS.

Previous positions (last five years): Chairman and board member of Nevion AS and board member of Intelecom CC/IA AS (now Puzzel AS).

Shareholding in LMK Group: Gert W. Munthe holds no shares in the company.

1) The warrants were acquired n the framework of the long-term incentive program, which was established by the resolution of the AGM on March 14, 2021.

Therese Reutersward

Born 1981. Board member since 2021.

Education: Master of Science in Media Technology from the Royal Institute of Technology in Stockholm.

Other current positions: Chief Marketing Officer at Mentimeter AB, board member of Thule Group AB and Robam AB and member of advisory board at Beyond Retail AB.

Previous positions (last five years): Director of Product at MatHem AB, Head of Digital at Arla Foods AB, Nordic Head of E-Business at Nestlé Nespresso S.A and board member of Svensk Digital Handel.

Shareholding in LMK Group: Therese Reutersward holds no shares in the company. Therese Reutersward holds 9,600 warrants in the company.[1)]

Johan Kleberg

Born 1975. Board member since 2022.

Education: Bachelor of Economics from the Stockholm School of Economics.

Other current positions: CEO, chairman and part-owner of Bookbinders Design, chairman of In-grid AB and Pet Buddy Group, and board member of Matsmart AB.

Previous positions (last five years): CEO C More, CEO Adlibris.

Shareholding in LMK Group: Johan Kleberg holds 2,000 shares in LMK Group.

1) The warrants were acquired n the framework of the long-term incentive program, which was established by the resolution of the AGM on March 14, 2021.

Independence of the Board of Directorsk
Gert W Munthe is also chairman of Herkules Capital AS, which holds approximately 12.1% of the votes in LMK Group. Gert W Munthe cannot be considered independent in relation to the company's major shareholders according to the Code. Herkules Capital AS sold its entire holding on March 3, 2023 and Gert W Munthe announced that he will not stand for re-election at the 2023 AGM.

The other four members elected by the AGM, Charlotte Gogstad, Therese Reutersward, Johan Kleberg and Mathias Hedlund, are independent in relation to LMK Group, Group Management and the company's major shareholders according to the Code. The Board thus fulfills the requirement in the Code that at least two of the Board members who are independent of the company and Group Management must also be independent of the company's major shareholders.

Rules of procedure
The Board's rules of procedure with instructions for the division of labor between the Board and CEO regarding financial reporting are updated and adopted annually. In addition to the financial reporting and follow-up of ongoing business operations and profitability trends, Board meeting deal with the company's, goals, business strategies , acquisitions and significant investments as well as matters relating to the capital structure.

The Board holds its inaugural meeting at a Board meeting held directly after the AGM. At this meeting, the Board's rules of procedure are also established along with the CEO instructions, committee instructions and other internal governance instruments. The current Board held its inaugural meeting on May 2, 2022, at which all Board members were present.

Chairman of the Board
Mathias Hedlund was re-elected as Chairman of the Board at the constituent Board meeting held on May 2. The Chairman of the Board shall lead the Board's work and is responsible for ensuring that this work is carried out efficiently and that the Board fulfills its duties and responsibilities. The Chairman follows the development of the business in dialogue with the CEO and is responsible for ensuring that the other members continuously receive the information required for the Board's work to be carried out with maintained quality and in accordance with the Swedish Companies Act and other applicable laws and regulations, the Articles of Association and the Board's rules of procedure.

Board work in 2022
The Board dealt with issues related to strategy, human resources and organization. Decisions were made regarding strategy, investments, financial budget and governing policies.

During the year, the Board met 19 times, where the attendance at Board meetings in 2022 is shown in the following table.

Board member	Board meetings
Mathias Hedlund	19
Charlotte Gogstad	19
Fredrik Kongsli	7
Gert W. Munthe	19
Therese Reutersward	19
Johan Kleberg	12

Remuneration of the members of the Board of Directors
Fees and other remuneration to the Board members, including the Chairman of the Board, are determined by the AGM. At the AGM held on April 27, 2022, it was decided that the total remuneration to the Board members, for the period until the next annual general meeting, shall amount to SEK 1,300,000. SEK 500,000 shall be paid to the Chairman of the Board and SEK 200,000 each to Charlotte Gogstad, Johan Kleberg, Gert Wilhelm Munthe and Therese Reutersward. Furthermore, Charlotte Gogstad, Therese Reutersward and Mathias Hedlund are covered by the warrant program, which was approved at the AGM held on March 14, 2021.

The company's Board members are not entitled to any benefits when they resign as directors.

Evaluation of the CEO
The Board continuously evaluates the performance and competence of the CEO and Group Management. This evaluation is conducted once a year without the presence of representatives from Group Management.

Guidelines for remuneration of senior executives
At the AGM held on March 14, 2021, principles for remuneration of senior executives were decided. The company strives to offer total compensation that is market-based and thereby able to attract and retain qualified employees. Remuneration shall be based on the employee's position, responsibilities and performance. The total compensation for senior executives shall consist of fixed salary, variable cash compensation and pension.

The fixed salary forms the basis of the total compensation package. The fixed salary shall be based on the Group Management member's competence, responsibility and performance and shall be competitive with prevailing market conditions. Variable remuneration shall be linked to predetermined and measurable criteria and shall be mainly based on the Group's financial performance for the year. Variable remuneration paid in cash shall not exceed 100% of the fixed salary. Pensions must be designed to reflect normally accepted levels and practices in the country where the member of Group Management is employed. Where possible, pensions should be defined contribution plans.

The Group applies a maximum notice period of 12 months. In the event of termination by the executive, a notice period of six months generally applies. In the event of termination by LMK Group, termination benefits of up to nine months' salary may be payable.

In addition to the above-mentioned variable remuneration, share-based incentive programs may be decided from time to time, which shall be approved by the AGM.

Remuneration Committee
The Board of Directors of LMK Group as a whole fulfills the duties of the Remuneration Committee in accordance with the Swedish Corporate Governance Code. Members of Group Management shall not participate in such work. Duties related to remuneration issues include monitoring and evaluating compliance with these guidelines as well as preparing decisions on matters of remuneration policies, compensation and other terms of employment for Group Management. In addition, ongoing and completed programs for variable remuneration of Group Management shall be monitored and evaluated.

E. Auditor
LMK Group's auditors are appointed by the Annual General Meeting. At the 2022 AGM, the auditing firm KPMG AB was re-elected as auditor until the 2023 AGM. Authorized Public Accountant Ingrid Hornberg Román has been appointed auditor in charge. All services procured in addition to the statutory audit are specifically reviewed to ensure that there is no conflict of independence or interest. There are no agreements with related parties. For remuneration and other fees to auditors, see Note 6.

F. CEO and Group Management
The CEO is appointed by the Board and is responsible for the day-to-day management of the company in accordance with the Board's guidelines and instructions. In connection with this, the CEO must ensure, through the necessary control systems, that the company complies with applicable legislation and regulations. The CEO provides reports at Board meetings and makes sure that the Board receives as much factual, detailed and relevant information as is necessary to enable the Board to make well-informed decisions.

In addition, the CEO maintains a continuous dialogue with the Chairman of the Board and keeps him informed about the company's and the group's performance and financial position. The company's Group Management team consists of six people from three countries, representing different functions within the company: CEO, CFO, COO, Purchasing and Planning Director (CSCMO), Commercial Director (CCO) and Technical Director (CTO).

Group Management holds weekly management meetings and deals with performance monitoring, investments, productivity and development projects, organization and other strategic and tactical issues. Meetings are chaired by the CEO, who makes decisions in consultation with the other members of Group Management.

For principles, remuneration and other fees to the CEO and Group Management, see Note 5.

Klaus Toft-Nørgaard, *CCO*

Born 1964. Chief Commercial Officer since 2022, previously Chief Executive Officer RetNemt since 2004.

Education: Executive MBA, Copenhagen Business School and Diploma in Marketing, Southern Denmark University.

Other current positions: Chairman of RetNemt.dk ApS and CEO and chairman of Toft Norgaard Holding Aps.

Previous positions (last five years): CEO of RetNemt.dk ApS

Shareholding in LMK Group: Klaus Toft Nørgaard holds, through his wholly-owned company Toft Nørgaard Holding ApS, 345,163 shares in the company. Klaus Toft Nørgaard holds 19,200 warrants in warrant program 2021/2024 (1) and 25,000 warrants in warrant program 2022/2025. (2)

Walker Kinman, *CEO*

Born 1975. CEO since 2019

Education: Bachelor of Science, Business Administration & Finance Concentration from Boston University.

Other current positions: Chairman and CEO of Carolinas Matkasse AB, Linas Matkasse Newco AB, Godtlevert-gruppen AS and WJK Strategic Consulting AB and Board member and CEO of RetNemt.dk ApS.

Previous positions (last five years): CFO and board member of Emric AB, board member of Emric Finance Process Outsourcing AB, Emric Operations AB, Emric d.o.o. Beograd, PT Emric Asia and Head Finance Partner of Tieto Sweden AB.

Shareholding in LMK Group: Walker Kinman holds 207,240 shares in the company and 57,600 warrants. 1).

Anton Nytorp, *CTO*

Born 1988. Chief Technology Officer since 2022.
Education: Master of Science in Industrial Engineering from Linköping University.

Previous positions: Head of Coop Norway's digital business CoopX, project manager at Boston Consulting Group.

Shareholding in LMK Group: Anton Nytorp holds 31,500 shares in the company and 25,000 warrants in warrant program 2022/2025 (1).

Claes Stenfelt, *CSCMO*

Born 1968 Group Chief Supply Chain Officer since 2018.

Education: Bachelor, Business Administration & Marketing.

Other current positions: Board member of Carolinas Matkasse AB and Linas Matkasse NewCo AB.

Previous positions (last five years): Merchandising, Purchasing and Inventory Manager in Office Depot Svenska AB.

Shareholding in LMK Group: Claes Stenfeldt holds 24,000 shares and 19,200 warrants in warrant program 2021/2024 (1) and 25,000 warrants in warrant program 2022/2025.(2)

Erik Bergman, *CFO*

Born 1982. Chief Financial Officer since 2021, previously Head of Business Control since 2019.

Education: Master of Science in Business Administration and Economics from Stockholm University.

Other current positions: Board member of Carolinas Matkasse AB and Linas Matkasse NewCo AB

Previous positions (last five years): Finance Partner of Tieto Sweden AB and Business Controller of Emric AB

Shareholding in LMK Group: Erik Bergman holds 8,883 shares in the company and 19,200 warrants in warrant program 2021/2024 (1) and 25,000 warrants in warrant program 2022/2025 (2).

Vibeke Amundsen, *COO*

Born 1968 Chief Operating Officer since 2021.

Education: Master of Science, Norwegian Institute of Technology and Master of Management, Norwegian Business Institute.

Other current positions: Board member of RetNemt.dk ApS and Godtlevertgruppen AS

Previous positions (last five years): Director Warehouse Management at TINE BA and Senior Project Manager at Vinmonopolet.

Shareholding in LMK Group: Vibeke Amundsen holds 13,000 shares in the company and 19,200 warrants in warrant program 2021/2024 (1) and 25,000 warrants in warrant program 2022/2025 (2).

1) The warrants were acquired within the framework of the long-term incentive program, which was established according to the resolution of the AGM on March 14, 2021.

2) The warrants were acquired within the framework of the long-term incentive program, which was established according to the resolution of the AGM on April 27, 2022.

Monitoring and internal control

The Board and CEO are responsible for internal control, which is regulated by the Swedish Companies Act and the Code. The Board is responsible for the company's organization and management of the company's affairs and must ensure that the company's organization is designed so that the accounting, financial management and financial affairs of the company are controlled in a satisfactory manner. According to the Swedish Companies Act, the CEO of a company is responsible for the day-to-day management of the company according to the Board's instructions and guidelines. The CEO must also take the necessary measures to ensure that the company's accounts are kept in accordance with the law and that funds are managed in a proper manner.

The Group Management Team supports the CEO in his day-today work. Group Management includes a representative from each of the company's various functions. The organization is designed to enable rapid decision-making where operational decisions within a function are taken at functional level and decisions affecting multiple functions are taken by Group Management. Strategic decisions and overall financial decisions are made by the company's Board of Directors and Group Management. The Board of Directors sets the Group's strategy and financial targets annually.

Internal control of the financial reporting is part of a process that involves the Board, Group Management and staff. The process has been designed to ensure the reliability of the external reporting. The basis for the internal control of financial reporting consists of an overall control environment where organization, decision-making paths, powers and responsibilities are documented and communicated in governing documents. LMK Group's finance function uses a common consolidation system and applies a group-wide accounting instruction. The Group's finance function has close and well-functioning collaboration with controllers regarding financial statements and reporting, where all LMK Group's subsidiaries report on a monthly basis. This reporting forms the basis for the Group's consolidated financial reporting.

Considering the company's size and operations, the Board has assessed that there is no need for an internal audit function at present. Follow-up of internal control also takes place within the framework of the statutory external audit.

LMK Group has a number of policies for the Group's operations and its employees. These include, the following:

Approval Authority

This policy provides guidelines for the delegation and assignment of authority to approve transactions.

Sustainability Policy

The Board has overall responsibility for sustainability issues and works actively to ensure that the company maintains long-term, trusting relationships and good business ethics.

Information Policy

The Group's information policy is a document that describes the Group's general principles for providing information and communication.

Insider policy

The insider policy aims to inform employees and other stakeholders in the Group about the legislation and regulations, which are applicable to the company's dissemination of information and the special requirements imposed on persons active in a company listed on the Nasdaq First North Premier Growth Market regarding, for example, price-sensitive information.

Risk assessment and risk management

Through its Scandinavian presence, LMK Group is exposed to a number of different risks. Risk management within the Group is governed by established policies and routines, which are regularly revised by LMK Group's Board of Directors.

For further information on LMK Group's risks, see the Directors' Report.

Effective risk management combines operational business development with the requirements of owners and other stakeholders for control and good long-term value creation.

Risk management aims to minimize risks but also to ensure that opportunities are utilized in the best possible way. Risk management covers the following risk areas: strategic risks, commercial risks, operational risks, financial risks and regulatory risks. The risk management approach is mainly based on the keywords identify, analyze, respond and control risk.

The risks identified in respect of the financial reporting are managed through the company's control activities. Control activities aim to prevent, detect and correct errors and deviations. In order to minimize identified risks in the financial reporting, overall policies, guidelines, instructions and timetables have been drawn up for the financial reporting. Essentially, all financial reporting is handled centrally by the finance function, but certain parts of the processes are decentralized out in the organization. Within the framework of existing processes and routines, built-in control activities exist at all levels within the organization, where management occurs through manual controls in the form of reconciliations and inventories, automatic controls through IT systems and through general controls in the underlying IT environment. Control activities are also supplemented by detailed financial analyses of results as well as follow-up against budgets and forecasts, which provides an overall confirmation of the quality of the reporting.

The effectiveness of the risk assessment process and implementation of the control activities are continuously monitored. Follow-up includes both formal and informal procedures used by those responsible at each level. These routines include follow-up of results against budget and plans, analyses and key performance indicators. The Board receives monthly reports on the Group's financial position and performance. At each Board meeting, the company's financial situation is discussed and Group Management analyzes the financial reporting in detail on a monthly basis.

Auditor's report on the corporate governance statement

To the general meeting of the shareholders in LMK Group AB (publ), corporate identity number 559021-1263

Engagement and responsibility

It is the board of directors who is responsible for the corporate governance statement for the year 2022 on pages 10-18 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 auditing standard RevR 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.

Opinions

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

Stockholm, 31 March 2023
KPMG AB

Ingrid Hornberg Román
Authorized Public Accountant

The Share

LMK Group was listed on Nasdaq First North Premier Growth Market, with its first trading day on March 29,2021. The closing price on December 31, 2022 was SEK 5.46, giving a market capitalization for LMKG of MSEK 69.2.
In 2022, 3,837,035 shares were traded, which corresponds to an average of 15,166 shares per day.

Other share information:
Short name: LMKG
ISN: SE0015556873
LEI: 529900HKIZBVX08VLG76

Dividend policy
LMK Group's dividend policy aims to provide shareholders with a dividend that offers a good direct return while giving the company the possibility of investing in strategic growth opportunities.

The target dividend over time should amount to at least 50% of cash flow from operating activities less CAPEX and lease amortization.


LMK GROUP

Sustainability Report

2022


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A word from our CEO

Our purpose is "innovating the mealtime experience" – we have been doing this over the past 15 years. We have helped customers to simplify their everyday by making it easy for them to serve delicious, well-composed and inspiring dinners. This reduces stress, planning, and time-consuming shopping. It enables good eating habits, stimulates joyful cooking in the kitchen and saves valuable time for quality family moments at the dinner table.

In the framework of our business model, we have always had the reduction of food waste as a central theme for two clear reasons. First and foremost, it is the right thing to do. Nobody wants to throw out food from the refrigerator or consume food that they do not like, but which on principle they are not willing to waste. This distaste-for-waste has become even greater as more and more of us become aware of the impact that modern food production has on our environment, ecosystems and on animal health and welfare. The second reason is simply good business. Anything we waste in our own processes or in the customers' kitchen has an impact on our bottom line. By reducing waste, we improve the economics of our own operating model.

We do not have to invent a purpose, or to realize where and how we affect the environment, people, and society around us. What we must focus on is to improve our data and to establish KPIs across our businesses as we have become a Scandinavian entity operating in five locations in three countries. That is not to say that we have been standing still – we have continued to learn and to develop our systems, practices, and processes.

As we look back on 2022 to write this report, I am proud of our achievements, but I am also excited about what more we can do within sustainability.

I hope you find our Sustainability Report interesting. If you have any comments or questions about our activities, I look forward to hearing from you.

Walker Kinman
CEO

Sustainability strategy and stakeholder dialogue

Our sustainability work is based on our Sustainability Policy, which was approved by our Board of Directors in 2021. It is based on the UN's Sustainable Development Goals and takes into account how our activities affect the environment, people and society, while ensuring economic sustainability.

Overall, this policy covers commitments within the following areas: Food waste, Ingredients, Resource consumption, Health and Social responsibility. All these areas are relevant and important when working in the meal kit industry, as these are the areas where we either affect or are affected.

Impact areas

Food waste	Ingredients	Resource Consumptions	Health	Social Responsibility
12 Responsible consumption and production	12 Responsible consumption and production; 14 Life below water; 15 Life on land	9 Industry, innovation and infrastructure; 13 Climate action	3 Good health and well-being	2 Zero hunger; 8 Decent work and economic growth

Our sustainability Vision:
We create a food system that enables sustainable meals for all households.

We contribute to the climate transition throuh the entire value chain, from food production to the dining experience.

We minimize food waste in our operations and enable a minimum of food waste in food production and in customers' homes.

We deliver high quality, sustainable food that customers can feel confident about and enable and encourage healthy eating habits.

We preserve the Earth's finite resources by minimizing packaging materials and using the right packaging for the right purpose.

Our employees should reflect the diversity of our customers and everyone should have the same opportunity to develop within the Group.

We want the positive impact of well-made dinners to be reflected in the way we conduct our business and how we can have a positive impact on the world around us.

Stakeholder dialogue

We strive to take our stakeholders' expectations into consideration when deciding on our main sustainability topics. Furthermore, being data-driven is part of our culture, so we compile our insights from stakeholders and make decisions based on this information. We ensure an ongoing and transparent dialogue through continuous communication with our employees, customers, suppliers, owners, investors, and others who affect or are affected by the company and our operations. Some examples of our stakeholder dialogue:

- We conduct employee surveys twice each year, in which all employees are invited to participate. All employees also have annual performance appraisals with their immediate supervisor.
- We continuously inform and engage employees through digital and physical channels on topics which are relevant to the company.
- We regularly conduct customer surveys. The responses are analyzed and used to evaluate our offer and show us where to improve. Furthermore, we receive many valuable customer insights through our customer service department. We regularly conduct market research, competitor analysis and NPS surveys (customer loyalty tools).
- Our dialogue with suppliers is a vital resource in our efforts to deliver quality food to our customers, but also to inspire and challenge each other on how we can collectively improve in relation to sustainability and quality.
- Dialogue with owners and investors is ongoing and managed by the CEO and CFO, who also share relevant information with the rest of the organization.
- To ensure that the company's activities comply with applicable legislation and regulations, contact is maintained with the responsible supervisory and advisory authorities.
- During the year, we signed the Guide Against Greenwashing (Grönnvaskingsplakaten), a pledge to demonstrate our commitment to be fact-based and data-driven when it comes to sustainability communications. The initiative was launched by Skift - Næringslivets klimaledere (Business Climate Leaders), Zero, Future in our hands and WWF Norway.

In 2023, we will conduct a double materiality analysis in line with the newly approved EU Corporate Sustainable Reporting Directive. Changes and improvements to the current sustainability strategy may occur in the wake of this analysis.

Climate impact and transports

LMK Group is continuously working to reduce resource consumption through smart choices and efficient use of resources throughout the supply chain. In addition, LMK Group's services enable households to minimize the climate impact of their daily dinners especially by eliminating food waste.

Due to organizational changes, the planned analysis of our greenhouse gas emissions has not been completed during the year. However, it will be finalized during 2023, and will form the basis for goal-setting and greenhouse gas reduction plans. This analysis will be based on the Greenhouse Gas (GHG) Protocol and will initially cover all direct emissions (scope 1), while all indirect emissions (scope 2 and 3) will be quantified afterwards.

Overall, our way of operating helps to reduce greenhouse gas emissions through various steps.

1. Menu planning and purchasing

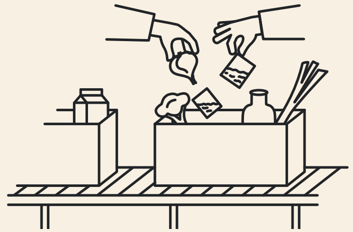
During the menu planning, we focus on providing various sources of protein with a lower climate impact. In the purchasing phase, we strive to buy local and seasonable vegetables and fruits to reduce the amount of driven kilometres.

2. Food production requirements

Continuous collaborations with suppliers to minimise overproduction and packaging and ensure good animal welfare.

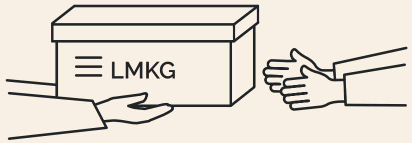
3. Production transport

Direct transportation to our production sites with circular packaging whenever possible.



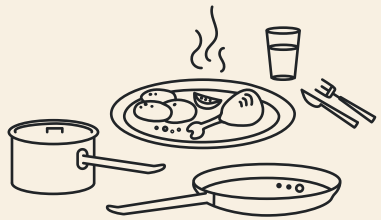
4. Production

Use of renewable energy at production sites, and a high focus on sorting our waste to ensure it gets recycled or reused.



5. Delivery to customers

Box sizes are optimised according to trucks to ensure fully stocked trucks. Last-mile routes are planned to minimise kilometres driven.



6. Household cooking

Recipes are nutritious calculated to ensure healthy and nutritious meals for the families. Exact amounts of each ingredient are delivered to ensure minimal food waste.

One of the ways through which we aim to minimize our climate impact is by focusing on our energy efficiency. Look to the table for the energy use at our production sites and offices. During February and May 2022, new machines for in-house printing of recipes have been installed in both the Swedish and Norwegian production facilities to increase automatization, which have caused an increase in the electricity use at these production sites. In relation to our office sites, we have moved to new offices in both Sweden and Norway, which has affected our energy use owing to a decrease in square meters in Sweden and an increase in square meters in Norway.

Location	2021	2022
Swedish production	688,000 kWh	717,701 kWh
Swedish office	52,400 kWh	29,939 kWh
Norwegian production	844,105 kWh	874,067 kWh
Norwegian office	48,250 kWh	188,012 kWh
Danish production	436,476 kWh	432,251 kWh
Danish office	17,119 kWh	18,662 kWh

During 2022, one of the areas where we took steps in the right direction was transports, where Gabriel Sjöholm is our new Nordic Logistics Manager.

What have been the most important advancements in terms of reducing the climate impact of our transports during 2022?

Firstly, we have performed an 'as-is' assessment to track our current CO2 footprint from production to customer. This will be used for setting targets and requirements for our transport companies. In addition, we have ensured that all transports are optimized from a fill-rate perspective, both in linehaul transports and in last-mile distribution. We have made several changes in our network to adjust freight capacity to our needs, which has made a big impact. Furthermore, we have a close dialogue with our carriers in order to continue increasing the amount of renewable fuels used.

What do you foresee as the biggest challenges when it comes to continuously reducing the climate impact of our transports?

Of course, one aspect is the need for the right long-term market conditions for freight companies to be able to invest in new fleets prioritizing electrical vehicles over gas, RME or HVO and diesel fuels. When delivering food, obviously the cool chain is critical which is partly a challenge when utilizing electrical vehicles.

Can you tell us something about how we are working with our transport partners to reduce emissions?

We have well utilized distribution routes already, but we are evaluating a co-distribution setup, which can enable us to further increase delivery options, ensure shorter time-windows, and even better geographical coverage with the same or lower CO2 impact. I am looking forward to summarizing the results during the first half of next year.

Gabriel Sjöholm
Nordic Logistics Manager

Sustainable menu planning

At LMK Group, our core product is the recipes and the ingredients used to create these. As described in the supplier relationships section, we are working closely with our suppliers to ensure the best quality ingredients for our customers.

We also strive to create varied, healthy and sustainable recipes for our customers. One focus area in terms of sustainability is the source of protein in the recipes. Currently, we offer nutritious alternatives like fish and vegetarian proteins, which have a lower climate impact, but it is up to the customers to set their preferences. Look to the table for an overview of the main source of protein in the recipes sold during 2022.

To provide customers with an epic customer experience, we constantly develop our services, concepts, and offerings. This is achieved by maintaining a close dialogue with our customers, both through follow-up after each delivery and through customer surveys and customer service requests.

During 2022, we have updated our rating scale to a universal 1-5 scale and we also updated our historical data to match this. This has created minor deviations in the historical data, but the implementation phase also affected the number of ratings, especially at Linas Matkasse and RetNemt. Despite inflation and increased ingredient prices, we have managed to keep the ratings close to 2021 levels, ensuring attractive prices and delicious meals for our customers.

Main source of protein	LMK Group	Linas Matkasse	Godtlevert	Adams Matkasse	RetNemt
Fish & shellfish	23%	20%	27%	31%	11%
Poultry	26%	24%	30%	23%	33%
Beef	15%	15%	11%	15%	23%
Pork	20%	13%	26%	22%	25%
Plant-based	16%	28%	6%	9%	8%

You can see the development in ratings since 2021 in the table below.

Brand		2021	2022
Total for LMK Group	Av. rating	75.40	74.70
	No. of respondents	642,574	342,032
Linas Matkasse	Av. rating	74.80	73.20
	No. of respondents	362,400	159,742
God-tlevert	Av. rating	75.70	76.40
	No. of respondents	167,958	99,715
Adams Matkasse	Av. rating	77.10	77.50
	No. of respondents	106,401	54,422
RetNemt	Av. rating	70.00*	71.70
	No. of respondents	5,815**	28,153

*Average numbers based on week 39-52 due to the merge with RetNemt in September 2021.

**Number of respondents based on week 39-52 due to the merge with RetNemt in September 2021.

Food Safety

A key area of responsibility for us is to ensure that the food we deliver to our customers not only taste good but is also safe to consume. Every week, consumers put their trust in us to supply them with the recipes and ingredients they need for their dinners, and we cannot breach that trust by delivering food that makes people ill or injured or suffer an allergic reaction. Therefore, we ensure food safety through our routines and processes, and good deviation management if something unexpected happens. We focus on quality assurance in every step of our processes, from close communication with our suppliers, through our production routines, to the distribution to the customer's doorstep.

Animal welfare

During the year, we updated our Product Policy containing guidelines and criteria that apply to the ingredients we pack in the meal kits. This policy covers general and specific category requirements, which are to be taken into consideration for menu planning, purchasing, marketing, and production.

One area covered in the policy is animal welfare. About 15% of the recipes sold during the year were vegetarian and/or vegan. For the remaining meals, LMK Group is committed to only working with suppliers who care for the welfare of the animals. We also strive to purchase local animal protein, meaning from animals, which are born, bred, and slaughtered in the country they are sold in.

In general, animal welfare is a well-developed and highly prioritized topic in our Scandinavian markets. All our suppliers are required to adhere to local animal protection legislation as stipulated in our Supplier Code of Conduct.

LMK Group has chosen to work towards ensuring that the requirements of the ECC (European Chicken Commitment) are implemented by 2026. As part of that ambition, during the year we have:

- updated our mapping of current chicken suppliers' status in relation to the ECC
- continued our ongoing dialogue with our chicken suppliers on animal welfare
- started purchasing chicken for the Swedish market from Atria, which focuses on local breeders

In Sweden, animal protection laws are the toughest in the world, and the trade body's (Svensk Fågel) strict rules are monitored by control programs, which are stricter than what is required by EU law. https://svenskfagel.se/

In Norway, our supplier Ytteröy is working towards implementing the ECC requirements in parts of their production by 2024 (https://ytteroykylling.no/dyrevelferd/). Our supplier Jaeder is working towards achieving the highest possible standards of animal welfare. http://jaeder.no/jaederkjokenet/dyrevelferd/

In Denmark, we buy chicken from De Danske Familiegårde, which only breeds slow-growing free-range chicken, without the use of antibiotics. https://www.dedanskefamiliegaarde.dk/velf%C3%A6rdsprincipper/

LMK Group is committed to continue improving on this topic, in a way that is in line with local requirements, taking into account all aspects of sustainability (including environmental and economic), and catering to our customers' needs.
In the chart below we report the total average status for our chicken suppliers. In many areas, they are working actively with changes, which we will be reporting on an annual basis.

ECC requirements	Status Dec 31, 2022
Comply with all EU animal welfare laws and regulations, regardless of the country of production.	100%
Implement a maximum stocking density of 30kg/m2 or less. Thinning is discouraged and if practiced must be limited to one thin per flock.	0%
Adopt breeds that demonstrate higher welfare outcomes: either the following breeds, Hubbard Redbro (indoor use only); Hubbard Norfolk Black, JA757, JACY57, 787, 957, or 987, Rambler Ranger, Ranger Classic, and Ranger Gold, or other breeds that meet the criteria of the RSPCA Broiler Breed Welfare Assessment Protocol.	0%
Meet improved environmental standards including:	
At least 50 lux of light, including natural light.	25%
At least two meters of usable perch space, and two pecking substrates, per 1,000 birds.	0%
On air quality, the maximum requirements of Annex 2.3 of the EU broiler directive, regardless of stocking density.	100%
No cages or multi-tier systems.	100%
Adopt controlled atmospheric stunning using inert gas or multi-phase systems, or effective electrical stunning without live inversion.	25%
Demonstrate compliance with the above standards via third-party auditing and annual public reporting on progress towards this commitment.	50%
At least 20% free range.	0%

Food waste

Minimizing food waste is an integrated part of LMK Group's business model. All recipes are planned for optimal usage of all ingredients leaving very little food waste after the food has been prepared by our customers. Furthermore, we make sure to purchase our ingredients based on the customer's orders so that we only order the amount we will send to our customers.

However, we cannot completely avoid excess food from production and therefore we donate any edible leftover food to local charities in Denmark and Sweden and sell it to Holdbart in Norway. Any inedible food gets sorted as organic waste and is used for biomass, which is used to produce biogas.

Holdbart

Holdbart sorts the food and sells it through their stores in Norway. When the best-before date approaches, they lower the price with the aim that all food should be sold/distributed to be eaten. "This collaboration is a great example of how we and our partner Holdbart work with the shared goals of not discarding any edible food and making cheap food available to those in need," says Bjørnar Bjønness Waage, Nordic Category and Quality Manager.

Key figures from production

Look to the table for the amount of food waste per portion for each production facility. Due to multiple factors, we have had an increase in our total food waste from 1.93 g/portion in 2021 to 3.84 g/portion in 2022, and from 3.08 g/SEK 100 in revenue in 2021 to 5.62 g/SEK 100 in revenue in 2022. However, our food waste levels are still low compared to the service industry (hotels, restaurants, and commercial kitchens) where according to SAMS annual report 2021 the levels amounted to 53 g/portion (in Sweden).

Switching to our fully customizable meal kits, we have also increased the complexity within production and the purchasing process. This has caused a slight increase in food waste in Norway and Sweden, so we are continuously working to get the amount of food waste back to 2021 levels. To decrease food waste levels in Norway, we have started collaboration with Matscentralen, a network of food banks that redistributes surplus food from the food industry to non-profit organizations that help disadvantaged people.

In June 2022, we improved our waste management system at the production plant in Helsingør. This allows us to sort our waste even better than before and thereby ensure that all food waste is sent to production of biomass instead of some of it being incinerated. This also enables us to work data-driven on minimizing the amount of food waste in Denmark going forward. Because of this change, we have also chosen to exclude the Danish food waste numbers for 2021 as these were largely based on assumptions relating to the previous waste management system in Helsingør.

When looking at the Danish numbers, these are affected by the fact that we repack some of the ingredients in Helsingør to ensure that the customers get the exact amounts they need for the recipes. This leaves us with trimmings like the tops of leeks and other vegetables, which are discarded as food waste within production. Furthermore, we focus on having good and fresh ingredients in our boxes in all countries, which mean that we discard damaged and inedible ingredients.

Food waste, g/portion	2021	2022
Sweden	2.04	2.13
Norway	1.82	3.15
Denmark	Missing data	14.08
Total	1.93*	3.84

*Based on Sweden and Norway as data from Denmark is missing as organic waste was sorted differently in 2021.

Packaging

To deliver quality meal kits to our customers, we need appropriate packaging. Having the right packaging materials and formats helps to protect the food and maintain shelf life, which also reduces food waste. At LMK Group, we are working to reduce the amount of packaging needed to deliver our meal kits to customers. A description is provided below of how we work to minimize the environmental impact of packaging.

1. **Packaging for the transport of ingredients** to the warehouses is made of recycled or circular packaging to the greatest extent possible. Dialogue is ongoing with all suppliers to increase the use of recycled or circular packaging. The disposable packaging that arrives at the production facility with goods deliveries is sorted into the appropriate recycling categories.
2. **Packaging for the meal kit** consists of cardboard boxes, which come in three sizes for the best possible match between the amount of food ordered and the box size. The boxes come with one or more cooling elements. During 2022, we have started phasing out gel ice and have replaced it with ice packs, which consist only of water. Thereby, the water can be used to water plants and the plastic bag can be recycled as plastic waste.
3. **Individual food packaging** makes up a large part of household waste and we work closely with suppliers to minimize the amount of packaging material and to develop better packaging materials. See examples of this under Supplier relationships.
4. **Packaging for shipment of meal kits** tto customers consists of plastic film for pallet wrapping to ensure that boxes do not tilt during transport and injure people or damage the food.

In addition to ensuring the best possible packaging for our meal kits and ingredients, we also advise our customers on how to recycle and reuse the packaging at home. The cardboard box can be reused and so can the ice packs. When the box must be discarded, it can be sorted as cardboard waste, or it can be left outside the door for our drivers to collect and recycle.

We have started to change from gel ice that contains water and polyacrylate, to ice bags containing fresh water only, while we still ensure the food quality throughout distribution to the customer. We have also carried out thorough work to optimize the placement of ingredients in the meal kit, to avoid the risk of damaged ingredients during distribution."

Andrea Hagen
Nordic food safety and quality manager

Key figures from production

Quantities of cardboard, plastic, paper (used for printed recipes), EPS boxes, gel ice and ice packs are shown in the table. Cardboard, gel ice and ice are directly linked to our sales volume and accordingly have decreased from 2021 to 2022.

Before the technical integration of RetNemt in September 2021, all meal kits for RetNemt were delivered in EPS boxes. The drivers collected these from customers, and they were washed and disinfected to be reused as meal kit packaging up to 6 times before being sent to our supplier for reuse as insulation in houses. Furthermore, we do some repackaging of vegetables and other ingredients at RetNemt in order for customers to receive the exact amount needed. To do this, we add some plastic packaging around certain repackaged ingredients.

Packaging material (metric tons)	2021	2022
Swedish production		
Cardboard	530.00	373.87
Plastic	22.15	14.04
Paper	19.80	29.84
Gel ice	773.41	529.92
Norwegian production		
Cardboard	625	499.52
Plastic	18.86	16.52
Paper	21.53	29.57
Gel ice	660.74	324.04
Ice (frozen tap water)	0.00	318.08
Danish production		
Cardboard	27.79	111.61
EPS boxes	68.25	0.00
Plastic	11.25	7.37
Paper	4.99	2.17
Plastic for repackaging	3.89	1.92
Ice (frozen tap water)	559.78	313.36

Supplier relationships

We prioritize having close relationships with local suppliers. We can utilize the size of our business to collaborate with our suppliers to make our products according to our customers' preferences and to continuously improve in relation to sustainability. All our suppliers sign our Supplier Code of Conduct, which specifies principles for ethical business behavior, protection of the environment and animal welfare, labor laws, freedom of association and the right to collective bargaining, amongst other things. Breach of the Supplier Code of Conduct can lead to termination of the contract with LMK Group. During the year, there were no known violations of the LMK Group's Supplier Code of Conduct among our suppliers.

At the start of the year, we changed our chicken supplier in Sweden to Lönneberga Kyckling, which uses vacuum packed chicken instead of chicken packed in plastic trays. This provides a plastic reduction of 57% and equal, or better, shelf life. This change in Sweden also led to a transition to similar packaging from our supplier Ytterøy in Norway.

Throughout the year, we have challenged the status quo for how we purchase and transport coconut milk. Together with our supplier ALNA, we have found a way to transport raw coconut cream in barrels from the country of origin to ALNA, where the cream is rehydrated and packaged in portioned bags produced with recycled plastic, thereby eliminating the need for transporting water and packaging material while also minimizing the use of packaging.

We have worked on packaging optimization throughout the year, focused on increasing our cross-border cooperation. Optimal use of packaging has also been added as a prerequisite for all the customized ingredients we develop for our meal kits. Throughout 2022, we have established several Nordic agreements for tailor-made ingredients and there will be more in 2023

Bjørnar Bjønness Waage
Nordic Category and Quality Manager.

Waste management

To ensure that we stay data-driven in minimizing waste at our production facilities, we have established a new waste management system in Helsingør during the year. This new system will improve the sorting of our waste and ensure that most of it is either reused or recycled instead of being incinerated.

One of the actions taken to minimize the amount of disposable transport packaging has been to ensure that most of our suppliers work with national recycling bin systems. In Norway, these are IFCO for vegetables and NLP for other goods, in Sweden, SRS trays, and in Denmark, EuroPool and IFCO. Besides minimizing our waste, which primarily comes from packaging materials used by our suppliers in the transportation of ingredients, we also have a strong focus on sorting our waste correctly.

Waste fraction (metric tons)	2021	2022
Swedish production		
Coarse combustible waste	10.64	3.74
Combustible waste	51.08	31.96
Cardboard	237.97	181.54
Plastic	7.60	5.02
Wood (treated & untreated)	6.36	3.64
Organic waste	18.06	17.22
Norwegian production		
Combustible waste	27.31	17.05
Cardboard	135.47	155.86
Iron and metal	2.17	0.06
Mixed paper	144.01	57.03
Plastic	10.89	9.95
Wood (treated & untreated)	39.84	28.55
Organic waste	18.61	24.52

Waste fraction (metric tons)	2021	2022
Danish production		
Coarse combustible waste	1.46	2.64
Combustible waste	104.36	50.17
Cardboard	53.15	34.9
Glass	1.39	2.68
Iron and metal	0.03	0.14
Plastic	1.90	2.30
EPS	15.56	5.40
Wood (treated & untreated)	2.76	0.00
Organic waste	Missing data*	22.48

*Data from Denmark is missing as organic waste was sorted differently in 2021.

Internal health, safety and wellbeing and human rightss

We want to be an attractive employer with competent, engaged, and well-informed employees, as they are key to our success. Our workforce should reflect the diversity of our customers, and everyone should have the same opportunity to develop within LMK Group. We emphasize the importance of an inclusive culture, stressing that we are "better together". The Compass, developed and launched in 2021, outlines our corporate culture and summarizes our strategic success factors. It is a tool used across the organization and in the 2022 employee survey, 70% of respondents claimed to "know The Compass well".

While we have continued to develop our organization and services, we have also focused on the cost structure, including the reduction of headcount, predominantly via employee turnover and limited rehiring.

In December 2022, LMK Group had 389 employees (473 December 2021), of which 146 are employed in Sweden, 190 in Norway and 53 in Denmark.

During the year, we saw a decrease in FTEs from 342 in December 2021 to 260 in December 2022. The average FTE figure for 2022 was 307 (322 in 2021) of whom 53% were women and 47% were men. In 2022, we saw a 4.7% decrease in average FTEs compared to 2021.

Human rights and anti-corruption

We aim to conduct our business in an ethical way and therefore have a zero-tolerance towards bribery and corruption, and we are committed to respecting human rights and the equality of all people. This is manifested in governance documents such as our Code of Conduct. Furthermore, we carefully plan and select our products and suppliers to ensure that they are aligned with our guidelines and procedures on these topics.

During 2022, almost all of our suppliers signed new contracts referring to our Supplier Code of Conduct. The remaining suppliers have signed our previous contract, which includes a specific section on human rights and decent working conditions. In 2023, all suppliers will sign the new contract referring to our Supplier Code of Conduct. Any potential risks within this area are most likely to occur at the supplier level and in connection with our purchasing. In cases where we are concerned that a supplier does not comply with our Supplier Code of Conduct, we can request that they send documentation showing the correct conduct. In severe cases, we can require a mandatory audit. No adverse impacts or risks were identified during 2022.

During 2022, we started a process to review and update the LMK Group Code of Conduct, which was finalized during Q1 2023.

Learning and development

During the year, a Learning Management System was rolled out to aid the ongoing learning and development of the organization. This system will also play a key part in ensuring company-wide awareness and confirmation of corporate policies.

We provide internal training courses, as well as external training based on needs identified at an individual level in connection with performance appraisals.

Employee dialogue

All employees are encouraged to participate in the annual employee survey and pulse surveys. The 2022 survey had a response rate of 90%, an improvement from 78% in 2021. Overall, this year's employee survey showed strong improvements in many areas. The engagement index and leadership index scores remained at a good level. Team efficiency showed a positive trend, and also the organizational and social work environment displayed a strong positive development. Denmark in particular showed major positive improvements and is now scoring well on all indices. In previous surveys, employees (12% in 2021) stated that they have felt exposed to bullying, sexual harassment or other discrimination. We have a zero tolerance for harassment and have implemented targeted activities to tackle this issue. In the 2022 survey, the number of employees stating this decreased to 7%. Even if we are not at a zero level yet, our work is having a positive effect and we are continuing these efforts in 2023.

Work environment and health

Our employees' health and wellbeing are our priority. To ensure that all employees always arrive home as healthy as when they left for work, we have both long-term preventive plans through, for example, health and safety grants, but also ongoing workplace safety work, with a special focus on production facilities. During the year, we had 11 reported workplace injuries (11 in 2021), of which 5 resulted in sick leave (7 in 2021). We have also improved reporting, set targets and created a plan for preventive measures.

Employees are expected to speak up if they observe something that seems to conflict with the Code of Conduct, the company culture or if they have concerns about any aspect of the business practices. Concerns and violations can be reported to the immediate manager, an HR representative or through our confidential and anonymous whistleblower function. All such reports are reviewed and investigated by a selected employee from the HR team to ensure the confidentiality of the reporting person. During 2022, one report was filed with the whistleblower function.

A conversation with HR

What have been some of the highlights of 2022 from an employer point of view?

The most visible highlights are our new office facilities; we have renovated our office in Helsingør and moved to new and modern offices in Oslo and Stockholm. We are investing in people's full potential with these new offices, which are tailor-made for our specific needs. With great social spaces, meeting facilities and fully equipped test kitchens, we are set up for the new way of working, says Martin Neerland, Nordic HR Manager.

Furthermore, we have continued developing our leaders through our Leadership Toolkit, with training, workshops and seminars. One recurring topic is how we embed The Compass into our daily work and operations, says Martin.

I also must mention a safe and good return to our offices after the pandemic, where we have settled into a balanced hybrid solution for office employees, says Christina Nielsen, Head of HR DK & SE.

What will be the key areas to drive going forward in terms of how we develop LMK Group as a responsible employer and great place to work?

This starts with our culture, so we will continue our work with The Compass and how it is implemented in our processes and daily work to ensure that our culture is strong. Our leaders are important drivers of our culture and our employee experience. Going forward, we will continue to strengthen our leaders' ability to deliver at the highest level. To achieve this, we will leverage our new Learning Management System, to strengthen Learning and Development, not just for our leaders, but for all our colleagues," says Martin.

We will also continue to improve how we work with health and safety across all countries; train leaders in sick leave follow up, and enhance reporting and analytics to support leaders, by focusing on reduction of sick days in our operations," says Christina.

Christina Nielsen
Head of HR DK & SE

Martin Neerland
Nordic HR Manager

Healthy eating habits

As a meal kit supplier, we want to promote healthy eating behaviors among our customers by offering easy access to nutritious and well-balanced meals without the hassle of shopping and meal planning. To give a deeper insight into the benefits of our meal kits, we have had a conversation with one of our menu planners, Malin Hattlebak.

One of the biggest positive aspects of subscribing to a meal kit from LMK Group is that you can easily eat a wide variety of food for dinner. Many people have a few recipes they rotate between as part of a busy life. We have received feedback from customers who discovered that they like dishes and food items that they previously did not enjoy, such as fish- and vegetarian dishes and different types of vegetables, thanks to our meal kits.

Another benefit of ordering our meal kits is the chance to eat more meals "made from scratch". In a busy life, fast solutions are an easy fallback if dinners are not planned. With our meal kit, it is possible to save time on planning and going grocery shopping. The time saved, can be used for preparing the meals and eating dinner together as a family. This can result in more nutritious and healthy meals, and psychological wellbeing from eating together as a family.

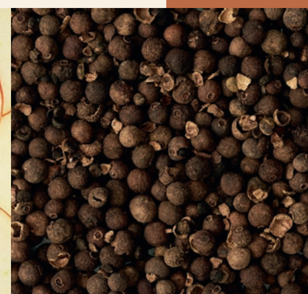
Malin Hattlebak
Menu planner

Nutritious recipes

In the beginning of 2022, a Nutrition Squad was established to facilitate our strategic work with nutrition on a Nordic level within LMK Group. The squad consists of experts within nutrition, food scientists and chefs.

One of the focus areas for our Nutrition Squad has been to create a common routine for how nutrition is calculated across our four brands. This work enables us to track the most important KPIs for nutrition, while ensuring that we reach our annual nutrition goals. See our 2022 results for LMK Group (LMKG), Linas Matkasse (LM), Godtlevert (GL), Adams Matkasse (AM) and RetNemt (RN) on the next page.

Besides the targets shown in the table, we have set a target to obtain fiber data for all ingredients before 2023 to be able to set data-driven targets going forward. For added sugar, we will work with this mainly by keeping sales of candies etc. at a low level and by maintaining a low content of added sugars in relevant ingredients through the nutrition work conducted in product development.



KPI	2022 target	2022 results	2023 target	Comments
Energy	500-750 kcal per portion	LMKG: 702 kcal LM: 626 kcal GL: 719 kcal AM: 703 kcal RN: 758 kcal	600-750 kcal. Limit number of recipes that deviate from the guidelines per recipe	According to The Nordic Nutrition Recommendations 2021, the estimated average energy requirement for an adult male/female, with average activity level (PAL 1.6), is 2442 kcal per day. We calculate that dinner makes up 25-30% of the daily energy requirement, corresponding to 672 kcal. We therefore set the lowest target for energy a bit higher than for 2022, to ensure the portions are not too small.
Fat	25-40E% per portion	LMKG: 35,6E% LM: 33,6E% GL: 39,1E% AM: 38,8E% RN: 30,9E%	25-40E%	It has been decided to place more emphasis on saturated fat than total fat due to the higher health impact from saturated fat.
Saturated fat	12E% per portion	LMKG: 12,3E% LM: 12,7E% GL: 13,0E% AM: 12,8E% RN: 10,6E%	Below 13E% in all brands	Through the partnership for a healthier diet, we have stated that we will contribute to reducing the population's intake of saturated fat to a maximum of 13E% by 2025. We have less strict targets for 2023 due to the extraordinary economic the situation.
Salt	N/A	LMKG: 3,2g pr. portion LM: 3,7g pr. portion GL: 2,8g pr. portion AM: 2,8g pr. portion RN: 3,6g pr. portion	Below 3,5g/portion in all brands	No defined target for 2022 but working on common goal from Partnership for Healthier Diets of 7g per day by 2025.
Protein	Min. 15E% protein per portion	LMKG: 23.2E% LM: 22.3E% GL: 22.3E% AM: 22.8E% RN: 25.2E%	Minimum 15E% protein, avoid recipes with less than 10E% protein..	Recipes with less than 10E% have been avoided through nutritional calculation of individual recipes.
Vegetables	Min. 200g vegetables per portion	LMKG: 216g LM: 204g GL: 215g AM: 218g RN: 229g	Min. 200g vegetables per portion	

Partnership for Healthier Diets

The partnership is a collaboration between the food industry and the Norwegian health authorities to improve the diet of the population. We signed that we want to contribute to reduce salt, added sugar and saturated fat, and increase the intake of fruits and berries, vegetables, wholegrains, and seafood in the population's diet. Even though the partnership is with the Norwegian health authorities, we signed for all brands as the nutritional challenges and recommendations are equal in all Nordic countries.

Social responsibility

We want the positive impact of well-made dinners to be reflected in the way we conduct our business and in how we can have a positive impact on the society around us. Given the local nature of our business, we have reevaluated our social responsibility activities during the year, with the aim of focusing on local initiatives, which bring value to the communities where we are active and where can engage with our employees and stakeholders.

As a consequence, we have discontinued Plate For Plate, a project LMK Group has been running through the charitable organization Aid Services for more than 10 years. Through the project, school children in Kenya have gotten school lunches, which encourage school attendance as well as learning and development. Plate For Plate has been enabled both by monetary contributions from LMK Group, as well as customers being able to top-up their meal kit orders. We are proud that the project has contributed to 7.7 million school lunches being served since 2014. We are very happy that one of the founders of Linas Matkasse, Niklas Aronsson, continues to drive this project with the support of a new partner.

In February, we were deeply troubled by the suffering and uncertainty caused by the invasion of Ukraine and because we have work colleagues from these regions. Given that most parts of the western world have united to impose sanctions against Russian companies, we also evaluated our supply chain to ensure compliance with our policies. We were able to confirm that we have no dependencies on input materials from Russia. When it comes to assisting with the humanitarian crisis caused by the war, LMK Group donated SEK 100,000 to the UNHCR's work to help refugees. Furthermore, we matched SEK 33,982 in donations made by our employees. During the year, we also adopted a policy that all full-time employees should be able to use two workdays each year to do volunteering work for a number of aid organizations. We will continue to develop this initiative going forward.

Combatting food waste is built into our business model, however, there are still occasions when our production facilities have perfectly edible leftover food that can be put to good use. In Helsingør, leftover food is donated to Røntofte Crisis Center. When there is food left over in Mölnlycke, it is collected and sent to Smyrna Church, which donates food to families in need. In our Norwegian operations, leftover food is sold at discount prices by Holdbart, ensuring food with a short expiration date is eaten and not discarded. Furthermore, excess edible food with very short expiration dates, which cannot be sold through Holdbart, is donated to Matscentralen in Oslo. Our employees in Oslo also distributed 2,700 Christmas meal kits to families in need, together with Frelsesarmeen and also served warm soup, coffee, and Christmas sweets in connection with this.

Sustainability governance

The Board has overall responsibility for sustainability issues and works actively to ensure that the Group maintains long-term, trusting relationships and good business ethics. The Board has delegated responsibility to the Management Team to establish policy documents and structures to ensure compliance. During 2022, a new Head of ESG has been hired and a cross-functional ESG Squad has been established.

The ESG Squad is responsible for recommending our sustainability strategy and related goals, which are in turn approved by the Management Team. In collaboration with the rest of the organization, they work to implement sustainability initiatives in line with the strategy, while following up on KPIs to stay data-driven.

Board of Directors

Nordic Management Team

ESG Squad

Assessment and management of business risks
Responsibility for continuously identifying, assessing, and preventing various risks in the business lies with the Management Team. The risks have been divided into commercial, financial, operational, and regulatory risks, and have been assessed in terms of impact and likelihood, and preventive strategies have been developed.

Risks in the areas of environment, social issues, human rights, and corruption arise primarily at the supplier level and through our purchasing activities. We mitigate these risks partly through our Supplier Code of Conduct and follow-up, and partly through careful planning and selection of products and suppliers. Risks in the personnel area include sick leave and work environment risks, which we counteract through systematic work environment management.

About this report

The 2022 Sustainability Report for LMK Group has been submitted by the Board of Directors. It covers LMK Group's (including the brands Linas Matkasse, Adams Matkasse, Godtlevert and RetNemt Måltidskasser) overall sustainability strategy and work for the fiscal year 2022, which runs from 1st of January 2022 to 31st of December 2022. The ambition is to describe the activities from an economic, social, and environmental perspective, while reporting on our sustainability governance.

The report includes LMK Group's statutory Sustainability Report as required by the Swedish Annual Accounts Act. LMK Group has chosen to prepare the statutory Sustainability Report as a separate report from the Annual Report, which is presented on these pages. The 2022 Sustainability Report is based on the company's objectives, strategies, and processes, as well as the stakeholder dialogue and materiality analysis. The sustainability work is, in turn, based on the UN's Sustainable Development Goals.

Auditor's opinion regarding the statutory sustainability report

To the general meeting of the shareholders in LMK Group AB (publ), corporate identity number 559021-1263

Engagement and responsibility

It is the board of directors who is responsible for the sustainability report for the year 2022 on pages 21-41 and that it is prepared in accordance with the Annual Accounts Act.

The scope of the examination

Our examination has been conducted in accordance with FAR:s auditing standard RevR 12 The auditor's opinion regarding the statutory sustainability report. This means that our examination of the statutory sustainability report 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 opinion.

Opinion

A statutory sustainability report has been prepared.

Stockholm, 31 March 2023
KPMG AB

Ingrid Hornberg Román
Authorized Public Accountant

Annual report and group consolidation

January-December 2022

Annual report and group consolidation
January-December 2022

Directors' Report

The Board of Directors and the CEO of LMK Group AB (publ) ("LMK Group") hereby present the Annual Report and the Consolidated Financial Statements for the 2022 fiscal year.

The business in general

LMK Group provides a subscription-based service for well-planned meal solutions under the brands Adams Matkasse (Norway), Godtlevert (Norway), Linas Matkasse (Sweden) and RetNemt (Denmark). Local chefs and dietitians create tasty, well-balanced and nutritionally calculated recipes, which are delivered to the customer's door with just the right amount of hand-picked, high-quality ingredients. The customer can choose from a wide range of recipes and the service saves time, reduces food waste and provides inspiration in the kitchen. The subscription is managed via a mobile app or via each brand's website. The service is made possible by proprietary technology solutions and a strong, scalable supply chain with efficient processes. LMK Group has achieved a strong market position and has high brand recognition in several of the Group's markets.

The business was founded in 2008 and since then has established itself in Scandinavia and is currently active in three countries; Sweden, Norway and Denmark. The business is operated through the subsidiaries Carolinas Matkasse AB in Sweden, Godtlevertgruppen AS in Norway and RetNemt.dk ApS in Denmark.

LMK Group is part of a group where LMK Group AB (publ) prepares consolidated accounts for the largest group.

Significant events during the fiscal year

Market factors influenced consumers' purchasing behavior

The year 2022 was a turbulent year where various external factors contributed to changing customer behavior, which affected e-commerce development. The easing of Covid restrictions with a pent-up demand for travel and restaurant visits was followed by rapidly accelerating inflation. Household spending was affected by rising inflation, increased energy costs and higher mortgage interest rates, leading to lower disposable income which has impacted consumer purchasing behavior and food e-commerce.

The impact of inflation on costs

Inflation in the Nordics accelerated during the year, and by the end of the year had reached levels not seen in decades. Food inflation has the largest impact on the Group's costs, but inflation has also been very noticeable in packing materials, electricity and logistics. Some of the increased costs have been offset through coordinated Nordic purchasing, menu streamlining and other efficiency improvements. Despite this, price increases were necessary to maintain the quality of ingredients and the dining experience for customers.

A full year of customer-unique production

During the year, the Group has produced all meal kits by 100% customer-unique production, where the last customer-unique production line was installed in December 2021. The full transition to the new production technology affected production efficiency during a start-up period. During the first half of 2022, additional investments were made to further boost efficiency.

Expanded customer offering

Customer-unique production technology enables LMK Group to tailor its service and product offering. Among other things, this has taken the form of flexible meal solutions where the customer can adapt their choice of meal sizes, number of days and choose from a variety of recipes. This has also enabled a significant expansion of the number of recipes for customers to choose from. The Group now offers over 80 recipes weekly in both Lina's Matkasse and Godtlevert, over 60 recipes in Adam's Matkasse and 40 recipes in RetNemt. This also means that the Group can offer premium recipes, for example in the form of chef collaborations. LMK Group also provides a mini store offering breakfast items, snacks and consumables used in cooking. The sale of additional products has been a contributing factor to an increased average order value per delivery.

During the year, LMK Group also improved its service offering through shorter lead times from order to delivery and offered greater flexibility in choosing the delivery day.

Chief Commercial Officer

During the first quarter, a reorganization was carried out focusing on commercial resources with the aim of increasing organizational efficiency by bringing together business development, sales and marketing. In connection with the reorganization, Klaus Toft Nørgaard was appointed Chief Commercial Officer. The role replaced the two previous roles of Chief Marketing Officer and Chief Business Development Officer. The role is also part of the Group Management team.

War in Ukraine

The consequences of the war are mostly indirect, through higher energy prices, which have led to price surcharges for distribution, which in turn has contributed to food price inflation. The war has also contributed to greater uncertainty in the Group's ability to predict raw material and other input costs. Group Management and the Board closely follow developments and continuously take measures to limit negative effects on the Group.

Development of the company's operations, results and position

Amount in MSEK	2022	2021	2020	2019	2018
Net Sales	1 081,4	1 387, 3	1 217,0	1 085,6	1 326,3
Operating margin %	-13,8%	3,4%	7,5%	-13,4%	-27,2%
Balance sheet total	776,1	960,8	838,6	804,1	1 015,0
Equity ratio %	58%	63%	33%	33%	44%

Definitions:
Operating margin: Operating profit/net sales
Balance sheet total: Total Assets
Equity ratio: Equity (including non-controlling interests) in relation to total assets.

Net sales and profit

Net sales for the period amounted to MSEK 1,081.4 (previous year: 1,387.3), which was a decrease of 22.0% compared to the same period last year. Adjusted for exchange rate effects, this corresponds to a decrease of 24.6%. The decrease in net sales was primarily related to a lower customer base, where both the inflow of customers and customer retention were strongly affected by changed purchasing behavior among consumers, driven by various external factors (see section under Significant events during the year).

During the year, several initiatives were implemented to reduce the impact of high inflation. These initiatives included coordinated Nordic purchasing, menu streamlining and improvements in production efficiency. Personnel costs amounted to MSEK 223.5 (220.2), which was 1.5% higher than the previous year. The higher personnel costs were mainly during the first quarter. During the year, the company successively reduced personnel costs, mainly through natural employee turnover with limited replacement recruitment, which meant that personnel costs during the fourth quarter were 6.3% lower than the same period last year. The average number of full-time equivalents in 2022 was 307 (322), a decrease of 4.7%.

It is very likely that the markets in which the Group operates will continue to be negatively affected by external factors, where inflation, energy costs and higher mortgage interest rates are expected to weigh on household disposable income. This, combined with a significant increase in the cost of capital, which affects the discount rate, has contributed to the Group decision to recognize a goodwill impairment of MSEK 120, related to carrying amounts for Sweden and Denmark. The impairment was based on a discounted cash flow assessment, where the estimated WACC (discount rate) increased from 12.9% to 17.9% in Sweden and from 12.4% to 17.6% in Denmark. The WACC also increased in Norway, but no write-down requirement has been identified there. The impairment does not affect the Group's liquidity position and has no impact on its operations.

EBITDA amounted to MSEK -99.5 (92.8) and EBITDA excluding impairment of goodwill amounted to MSEK 20.5 (92.8), which corresponds to an adjusted EBITDA margin of 1.9% (6.7%).

Depreciation amounted to MSEK 49.9 (45.9). The Group's operating profit (EBIT) amounted to MSEK -149.3 (46.9). EBIT excluding goodwill impairment amounted to MSEK -29.3 (46.9) or -2.7% (3.4%) of net sales.

Net financial items amounted to MSEK -5.3 (-20.0). Profit/loss before tax amounted to MSEK -154.7 (26.9). The tax expense for the period amounted to MSEK 0.1 (-9.5).

Cash and cash equivalents, cash flow and financial position

Cash and cash equivalents at year-end amounted to MSEK 56.0 (160.7). Cash flow from operating activities for the full year amounted to MSEK -40.5 (+78.7). Cash flow from changes in working capital amounted to MSEK -44.6 (16.3) and was largely due to changes in trade payables. This was explained by calendar effects, shorter payment terms and a lower volume. Shorter payment terms are related to the so-called UTP Act (the Act on the Prohibition of Unfair Trade Practices in the Purchase of Agricultural and Food Products (2021:579)), which prohibits payment terms longer than 30 days.

During the year, the acquisition of tangible fixed assets amounted to MSEK 13.2 (22.4). LMK Group made large non-recurring investments during 2021 and in the first half of 2022. These investments were related to the integration of the Danish operations and conversion to 100% customer-uniques production in Sweden and Norway. Both initiatives have now been completed.

During the year, the Group paid a dividend of MSEK 22.2 (0.0).

Equity amounted to MSEK 447.6 (608.0) and corresponds to an equity ratio of 57.7% (63.3%).

Non-current lease liabilities amounted to MSEK 124.2 (97.3) and right-of-use assets amounted to MSEK 137.2 (103.3). New offices in Oslo and Stockholm mainly explained the increase in lease liabilities and right-of-use assets compared to 2021.

Cash and cash equivalents less interest-bearing debt gives a Net debt of MSEK 92.5 (-47.0). Excluding IFRS 16 Leasing debt, it corresponds to MSEK -31.7 (-144.3).

Parent company

LMK Group AB (publ) is the parent company of the LMK Group and is a Swedish holding company where the operating activities are carried out in the subsidiaries. The company has 3 employees. Net sales for the full year amounted to MSEK 4.9 (5.6). The parent company's net sales include management fees and Group licenses that have been eliminated in the Group consolidation. The parent company's business focus is to carry out group-wide tasks where the costs mainly consist of organizational consulting costs, legal and audit costs. The costs amounted to MSEK 14.1 (23.4) and the operating result amounted to MSEK -9.2 (-17.7).

During the year, a write-down of shares in Group companies of MSEK 280 was made. This was a result of a higher discount rate in combination with adjusted financial forecasts. The write-down does not affect the company's liquidity position and has no direct impact on its operations.

During 2022, the parent company received Group contributions of MSEK 8.0 (5.0).

Equity amounted to MSEK 492.1 (794.0).

The parent company shares, to a large extent, the risks of its subsidiaries.

Information on risks and uncertainties

The Group, like all businesses, is exposed to risks that can affect the Group negatively but which can also add value to the company if they are managed correctly. Risks that can affect the Group include the risk of labor market disputes, IT and information security risks, employee risks and regulatory risks. The financial risks are described in Note 26.

The main risks related to the company's industry and business include the following:

- The Group operates in a highly competitive industry which includes a range of other food and meal providers. Competition has also increased significantly in recent years. There is a risk that today's extensive competition, as well as future increases in competition, will lead to increased sales costs, partly to attract new customers and partly to retain existing customers.

- As the Group operates in a highly competitive industry, the reputation and the recognition of the Group's brands, and the positive values that customers associate with them, are of central importance to its growth and success. Damage to the Group's brands or the Group's reputation may adversely impact the Group's results and there is a risk that negative publicity or negative announcements about the Group, for example regarding the freshness of ingredients, the quality of the food box and contamination of food, may negatively affect the value of the brands.

  Two of the Group's brands are currently strongly associated with two individuals, Carolina "Lina" Gebäck and Adam Bjerck. If these individuals act in a way that the public considers offensive or in a way that conflicts with the Group's values, the Group's reputation and brands risk being damaged. Measures have been taken to reduce the association of these individuals with the brands, including no longer showing pictures or the full names of either Adam or Lina for advertising purposes. Neither Adam nor Lina are active in the company.

- The Group's main costs are related to food and the Group's results are directly dependent on the prices of groceries, fruit and vegetables. Furthermore, there is a risk that certain products may be in short supply for various reasons and that the Group cannot adapt to price fluctuations at short notice and that an increase in the Group's costs cannot be passed on to customers.

- The Group's production operations are located at a limited number of production facilities in Sweden, Norway and Denmark. The business is dependent on the reliability of these production facilities and security of supply is an important factor in the Group's service delivery and for maintaining good customer relationships. Interruptions or disruptions in production may make it difficult, or impossible, for the Group to fulfill its obligations or meet customer expectations and to deliverorders on time. This may be the case in connection with disruptions at short notice, but it is especially true in the event of major total production interruptions that last for a longer period of time.

- Food handling imposes high demands in terms of traceability, hygiene and handling. Deficient control in any part of the handling process or supply chain can lead to contamination, allergic reactions or other types of damage. A functioning and effective alarm system for handling deficiencies that may pose a risk in relation to food safety is essential for operating the business in a responsible and safe manner. As the food bags contain fresh products, including meat, fish and dairy products, the business is particularly vulnerable to product spoilage or customers failing to properly store or prepare delivered products before consumption, as well as to third-party suppliers failing to maintain food safety, proper temperature and other requirements related to handling or transport of the Group's goods. In the event of contamination or suspected contamination of an ingredient, the Group may have to recall certain products or grocery bags, which can be costly and negatively affect the Group's reputation and thus lead to reduced turnover. Incorrectly packaged products or mislabeled ingredients can result in customers suffering allergic reactions and other health problems, which can lead to claims being made against the Group.

- LMK Group's products are significantly affected by market changes. Major changes in consumption patterns and purchasing behavior due to external factors can lead to reduced demand or lower margins as a result of increased price pressure.

Guidelines for remuneration of senior executives

Fees and other remuneration to Board members, including the Chairman of the Board, are determined by the AGM. At the AGM held on April 27, 2022, it was decided that the total fees for the Board members, for the period until the next AGM, shall amount to SEK 1,300,000. SEK 500,000 shall be paid to the Chairman of the Board and SEK 200,000 each to Charlotte Gogstad, Johan Kleberg, Gert Wilhelm Munthe and Therese Reuterswärd. Furthermore, Charlotte Gogstad, Therese Reuterswärd and Mathias Hedlund are covered by a warrant program, which was approvedat the AGM on March 14, 2021.

The company strives to offer total compensation that is market-based and thereby able to attract and retain qualified employees. The remuneration shall be based on the employee's position, responsibilities and performance. The total compensation for senior executives shall consist of fixed salary, variable cash remuneration and pension.
In addition to the above-mentioned variable remuneration may be added from time to time other decided share-based incentive programs.

Note 5 shows the distribution between senior executives and other employees.

Future development
The markets in which the company operates will most likely experience a recession for a large part of 2023. Inflation, energy costs and higher mortgage rates will continue to be factors that reduce household disposable income, and capital costs have increased significantly. Based on these conditions, the Board, together with the Group Management team, has concluded that profitable growth is the Group's main goal, with the short-term priority being to stabilize revenue development in 2023, followed by an average annual net sales growth of 6-8% thereafter.

One of LMK Group's competitive advantages is the ability to produce meal kits in an efficient and profitable manner. In the coming year, LMK Group also has the ambition to continue implementing efficiency improvements in all functional areas of the business in order to drive further improvement in the variable contribution margin.

LMK Group has several strong brands that are associated with innovation, high quality, inspiration and healthy and tasty food. These strong brands mean that the Group is well prepared for future developments and the continued high level of competition in food e-commerce.

LMK Group intends to continue investing in increased marketing expertise, with the ambition to increase efficiency and to lower costs for retaining and acquiring customers. The Group will also continue investing in what the company calls Epic Customer Experiences. This involves various initiatives aimed at improving the different steps in the customer journey (onboarding, delivery and customer retention), as well as the physical products.

Employees
In December 2022, LMK Group had 389 employees (473 in December 2021), 146 of whom were in Sweden, 190 were in Norway and 53 were in Denmark.

During the year, the number of full-time equivalents decreased by 24% from 342 in December 2021 to 260 in December 2022. The average number of full-time equivalents in 2022 was 307 (322), a decrease of 4.7%, of whom 53% were women and 47% were men.

Sustainability report
Sustainability, social and environmental issues are a central part of LMK Group's Code of Conduct and operations. LMK Group thus conducts its work in a socially responsible way. LMK Group prepares sustainability reports. LMK Group AB is subject to the Annual Accounts Act's sustainability reporting requirements.

In accordance with Chapter 6, Section 11 of the Swedish Annual Accounts Act, LMK Group AB (publ) has chosen to prepare the statutory Sustainability Report as a separate report from the Annual Report. The Sustainability Report can be found on pages 21-41 of this document.

Proposed appropriation of the company's result
The following amounts (SEK thousand) are at the disposal of the Annual General Meeting:

Share premium reserve	1 166 540
Retained earnings	-395 416
Net loss for the year	-280 239
Total	490 884

The Board proposes that the result be distributed as below: (SEK thousand)

Dividend	3 804
To be carried forward	487 081
Total	490 884

The Board proposes that the retained earnings of SEK 490,884 thousand be allocated, that SEK 0.30 per share corresponding to SEK 3,804 thousand, based on the number of shares as of December 31, 2022, be distributed to the shareholders and that the remaining amount of SEK 487,081 thousand be carried forward, of which SEK 1,162,736 thousand to share premium reserve and SEK -675,655 thousand to profit/loss carried forward.

The dividend proposed by the Board corresponds to 0.8 percent of the parent company's equity and 0.8 percent of the Group's equity.

In light of the expected financial development, the Board finds that the proposed dividend is justified with regard to the business's goals, scope and risks, and with regard to the ability to fulfill the company's future obligations. If the dividend had been paid at the end of the year, the Group's equity ratio would have amounted to 57 percent. LMK Group is expected to continue to have a good financial position after payment of the proposed dividend.

LMK Group's dividend policy aims to provide shareholders with a dividend that provides a good return while giving the company the possibility to invest in strategic growth opportunities.

The goal of the dividend is for it to amount to at least 50% of the cash flow from operating activities les acquisitions of fixed assets and amortization of lease liabilities over the next few years.

For the Group's and the parent company's results and position in general, please refer to the followingt financial statements with accompanying notes.

Financial Reports

Consolidated income statement

January 1 – December 31

SEK Thousand	Note	2022	2021
Net Sales	2	1 081 441	1 387 337
Other operating income	2	4 885	8 498
		1 086 326	**1 395 835**
Goods for resales		-661 018	-854 849
Other external expenses		-180 748	-227 804
Personnel costs	5	-223 498	-220 151
Depreciation		-49 873	-45 862
Impairment of goodwill and intangible assets	10	-120 000	–
Other operating expenses	4	-520	-250
Operating loss/profit		**-149 331**	**46 919**
Interest income		1 002	178
Interest expenses		-7 274	-21 115
Other financial income		1 396	1 365
Other financial expenses	7	-445	-443
Net financial items	7	**-5 320**	**-20 015**
Profit/Loss before tax		**-154 651**	**26 904**
Tax	8	87	-9 547
Net profit/loss for the period		**-154 563**	**17 357**
Profit/loss for the period attributable to:			
Parent company's shareholders		-154 563	17 357
Non-controlling interests		–	–
Net profit/loss for the period		**-154 563**	**17 357**
Earnings per share SEK, before and after dilution	9	**-12,19**	**1,60**

Consolidated income statement and comprehensive income

January 1 – December 31

SEK Thousand	Note	2022	2021
Net profit/loss for the period		**-154 563**	**17 357**
Other comprehensive income			
Items that have been or may be transferred to profit/loss for the period			
Translation differences for the period when translating foreign operations		15 804	29 631
Tax attributable to items that have been or may be reclassified to		–	–
		15 804	29 631
Items that cannot be transferred to profit/loss for the year		–	–
Other comprehensive income for the year		**15 804**	**29 631**
Comprehensive income for the year		-138 759	**46 988**
Comprehensive income for the period attributable to:			
Parent company's shareholders		-138 759	46 988
Non-controlling interests		–	–
Comprehensive income for the period		**-138 759**	**46 988**

Consolidated statement of financial position

SEK Thousand	Note	2022-12-31	2021-12-31
Assets	26		
Goodwill	10	130 872	240 648
Trademarks	11	320 198	315 884
Customer contracts and relationships	12	3 800	11 657
Other intangible assets	13	19 675	17 929
Total intangible assets		**474 545**	**586 118**
Leasehold improvement	14	1 716	2 125
Machinery and other technical installations	15	11 303	11 935
Equipment	16	19 731	15 426
Right-of-use assets	27	137 208	103 348
Total tangible assets		**169 958**	**132 834**
Deferred tax assets	8	27 583	24 457
Other non-current receivables		8 296	5 700
Total other non-current assets		**35 880**	**30 157**
Total non-current assets		**680 383**	**749 109**
Inventories	17	13 330	14 049
Accounts receivable	18	9 635	12 114
Tax assets	8	909	1 245
Prepaid expenses and accrued income	19	10 951	18 830
Other receivables		4 858	4 776
Cash and cash equivalents	20	56 002	160 733
Total current assets		**95 686**	**211 747**
Total Assets		**776 069**	**960 856**

Consolidated statement of financial position, continued.

SEK Thousand	Note	2022-12-31	2021-12-31
EQUITY	21		
Share capital		1 170	1 170
Other contributed capital		1 166 540	1 188 237
Translation reserve		30 411	14 606
Retained earnings including profit/loss for the year		-750 531	-595 968
Equity attributable to shareholders in parent company		**447 590**	**608 045**
Non-controlling interests		–	–
Total equity		**447 590**	**608 045**
Liabilities	26		
Non-current lease liabilities	26; 27	124 245	97 345
Contractual liabilities	1	4 298	4 863
Deferred tax liabilities	8	68 576	68 305
Total non-current liabilities		**197 119**	**170 513**
Liabilities to credit institutions	22	3 687	3 509
Current lease liabilities	26; 27	24 268	16 426
Accounts payable	26	53 969	92 626
Tax liabilities	8	1 716	10 524
Other liabilities	24	14 244	12 027
Accrued expenses and prepaid income	25	33 477	47 186
Total current liabilities		**131 360**	**182 298**
Total liabilities		**328 479**	**352 811**
Total equity and liabilities		**776 069**	**960 856**

Consolidated statement of equity

SEK Thousand	Equity attributable to shareholders in the parent company						
	Share Capital	Other contributed Capital	Conversion reserve	Balanced earnings including this year's results	Total	Holding without determined influence	Total Equity
Opening Equity, 1 January 2021	929	912 569	-15 025	-623 545	274 928	5 301	280 229
Comprehensive income for the year							
Net profit for the year				17 357	17 357		17 357
Other comprehensive income for the year			29 631		29 631		29 631
Comprehensive income for the year	–	–	29 631	17 357	46 988	–	46 988
Transactions with the Group's owners							
Contribution from and value transfers to owners							
New share issue	242	277 199			277 441		277 441
Transaction cost new share issue, after tax		-5 503			-5 503		-5 503
Premiums for warrants		4 309			4 309		4 309
Repurchase warrants		-337			-337		-337
Total contribution from and value transfers to owners	242	275 668	–	–	275 910	–	275 910
Transactions attributable to subsidiaries							
Change in liability for issued put option to non-controlling interest				4 919	4 919		4 919
Acquisition of non-controlling interests, inflytande sedan tidigare				5 301	5 301	-5 301	–
Total transactions attributable to subsidiaries	–	–	–	10 220	10 220	-5 301	4 919
Total transactions with the Group's owners	242	275 668	–	10 220	286 130	-5 301	280 829
Closing Equity, 31 December 2021	1 170	1 188 237	14 606	-595 968	608 045	0	608 045

Consolidated statement of equity, continued.

SEK Thousand	Share Capital	Other contributed Capital	Conversion reserve	Balanced earnings including this year's results	Total	Holding without determined influence	Total Equity
	Equity attributable to shareholders in the parent company						
Opening Equity, 1 January 2022	1 170	1 188 237	14 606	-595 968	608 045	0	608 045
Comprehensive income for the year							
Net profit for the year				-154 563	-154 563		-154 563
Other comprehensive income for the year			15 804		15 805		15 805
Comprehensive income for the year	–	–	15 804	-154 563	-138 758	–	-138 758
Transactions with the Group's owners							
Contribution from and value transfers to owners							
Dividends paid		-22 188			-22 188		-22 188
Premiums for warrants		566			566		566
Repurchase warrants		-75			-75		-75
Total contribution from and value transfers to owners	–	-21 697	–	–	-21 697	–	-21 697
Transactions attributable to subsidiaries							
Total transactions attributable to subsidiaries	–	–	–	–	–	–	–
Total transactions with the Group's owners	–	-21 697	–	–	-21 697	–	-21 697
Closing Equity, 31 December 2022	1 170	1 166 540	30 411	-750 531	447 590	0	447 590

Consolidated statement of cash flows

January 1 – December 31

SEK Thousand	Note	2022	2021
Operating activities	32		
Profit/loss before tax		-154 651	26 904
Income tax paid		-10 156	-13 728
Adjustment for items not included in cash-flow		168 875	49 231
		4 069	62 407
Increase (–)/Decrease (+) in inventories		1 079	-8 310
Increase (–)/Decrease (+) in operating receivables		11 345	-2 640
Increase (+)/Decrease (–) in operating liabilities		-56 977	27 249
Cash flow from operating activities		**-40 484**	**78 707**
Investment activities			
Acquisition of tangible assets		-13 169	-22 373
Acquisition of intangible assets		-8 768	-7 561
Acquisition of partly owned subsidiaries, non-controlling influence since before		–	-54 881
Leasehold deposit		-2 395	-3 279
Cash flow from investment activities		**-24 332**	**-88 094**
Financing activities			
New share issue		–	277 441
Transaction cost		–	-5 503
Premiums for warrants		491	3 972
Dividends paid		-22 188	–
Amortization of loans, including bond		–	-155 042
Payment accrued interest when repaying bond		–	-20 521
Amortization of lease liability		-21 871	-18 304
Cash flow from financing activities		**-43 568**	**82 043**
Cash flow for the period		-108 384	72 656
Cash and cash equivalents at the beginning of the period		160 733	80 416
Exchange rate difference in cash and cash equivalents		3 652	7 661
Cash and cash equivalents at the end of the period		**56 002**	**160 733**

Parent company - Income statement

January 1 – December 31

SEK Thousand	Note	2022	2021
Net Sales		4 862	5 641
		4 862	5 641
Personnel costs	5	-7 775	-6 972
Other operating expenses	4	-6 298	-16 443
Operating loss		**-9 211**	**-17 774**
Resultat från finansiella poster:			
Impairment of goodwill and intangible assets	31	-280 000	–
Interest income	7	951	–
Interest expenses	7	-1	-10
Other financial income	7	2	11
Loss after financial items		**-288 259**	**-17 774**
Received group contribution		8 000	5 000
Loss before tax		**-280 259**	**-12 774**
Tax	8	20	2 598
Net loss		**-280 239**	**-10 176**

Parent company - Income statement and comprehensive income

January 1 – December 31

TSEK	Note	2022	2021
Net profit		**-280 239**	**-10 176**
Other comprehensive income			
Items that have been or may be transferred to profit/loss for the year			
		–	–
Items that cannot be translated into profit/loss for the year		–	–
Other comprehensive income for the year		–	–
Comprehensive income for the year		**-280 239**	**-10 176**

Parent company - Statement of financial position

January 1 – December 31

SEK Thousand	Note	2022-12-31	2021-12-31
Assets			
Non-current assets			
Financial fixed assets			
Shares in subsidiaries	31	296 354	576 354
Deferred tax asset	8	6 161	6 142
Total financial assets		302 515	582 496
Total non-current assets		**302 515**	**582 496**
Current assets			
Short term receivables			
Receivables from Group companies	30	193 271	218 682
Current tax asset		218	6
Other receivables		36	36
Prepaid costs and accrued revenue	19	187	128
Total short term receivables		193 712	218 851
Cash and cash equivalents	20	–	–
Total current assets		**193 712**	**218 851**
Total Assets		**496 228**	**801 347**

Parent company - Statement of financial position

January 1 – December 31

SEK Thousand	Not	2022-12-31	2021-12-31
Equity and liabilities			
Equity	21		
Restricted equity			
Share capital		1 170	1 170
Non-restricted equity			
Premium reserve		1 166 540	1 188 237
Retained earnings		-395 416	-385 240
Profit/loss for the year		-280 239	-10 176
Total Equity		**492 054**	**793 991**
Non-current liabilities			
Total non-current liabilities		–	–
Current liabilities			
Liabilities to Group companies	30	–	2 197
Accounts payable		581	88
Other liabilities		1 001	393
Accrued expenses and prepaid income	25	2 592	4 678
Total current liabilities		4 173	7 356
Total equity and liabilities		**496 228**	**801 347**

Parent company - Equity statement

January 1 – December 31

SEK Thousand		Unrestricted equity		
		Share premiums	Balanced earnings including this years's results	Total Equity
Opening Equity, 1 January 2021	929	912 569	-385 240	528 258
Comprehensive income for the year				
Net profit for the year			-10 176	-10 176
Other comprehensive income for the year				–
Comprehensive income for the year	–	–	190 504	190 504
New share issue	242	277 199		277 441
Transaction cost new share issue, after tax		-5 503		-5 503
Premiums for warrants		4 309		4 309
Repurchase warrants		-337		-337
Closing Equity, 31 December 2021	1 170	1 188 237	-395 416	793 991
Opening Equity, 1 January 2022	1 170	1 188 237	-395 416	793 991
Comprehensive income for the year				
Net profit for the year			-280 239	-280 239
Other comprehensive income for the year	–	–	–	–
Comprehensive income for the year	–	–	-280 239	-280 239
Dividends paid		-22 188		-22 188
Premiums for warrants		566		566
Repurchase warrants		-75		-75
Closing Equity, 31 December 2022	1 170	1 166 540	-675 655	492 054

Parent company - Statement of cash flows

January 1 - December 31

SEK Thousand	Note	2022	2021
Operating activities	32		
Profit/loss before tax		-280 259	-12 774
Adjustment for items not included in cash-flow		280 000	-1 427
		-259	-14 201
Increase (–)/Decrease (+) in operating receivables		25 139	-210 559
Increase (+)/Decrease (–) in operating liabilities		-3 183	3 732
Cash flow from operating activities		**21 697**	**-221 028**
Investment activities			
Acquisition of partly owned subsidiaries, non-controlling influence since before		–	-54 881
Cash flow from investment activities		–	-54 881
Financing activities			
New share issue		–	277 441
Transaction cost		–	-5 503
Dividends paid		-22 188	–
Premiums for warrants		491	3 972
Cash flow from financing activities		**-21 697**	**275 909**
Cash flow for the period		–	–
Cash and cash equivalents at the beginning of the period		–	–
Cash and cash equivalents at the end of the period		–	–

Notes

Not 1 Important accounting principles

(a) Compliance with standards and the law
The Group's Financial Statement has been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as adopted by the EU. Furthermore, the Swedish Financial. Reporting Board's recommendation RFR 1 Supplementary Accounting Rules for Group Concerns has been applied.

The parent company applies the same accounting principles as the Group except in the cases listed below in the section "Parent company accounting principles".

The annual report and consolidated accounts have been approved for issue by the Board of Directors and the CEO on March 27, 2023. The Group's consolidated income statement, consolidated income statement and comprehensive income and report on consolidated statement of financial position and the parent company's income statement and balance sheet will be subject to approval by the Annual General Meeting on April 27, 2023.

(b) Valuation criteria applied when preparing the financial statements
Assets and liabilities are recognised at historical acquisition value.

(c) Functional currency and reporting currency
The parent company's functional currency is SEK, which is also the reporting currency for the parent company and for the Group. This means that the financial reports are presented in SEK. All amounts, unless otherwise indicated, are rounded to the nearest thousand.

(d) Assessments and estimates in the financial statements
The preparation of the financial statements in accordance with IFRS requires management to make assessments and estimates and to make assumptions that affect the application of the accounting principles and the reported amounts of assets, liabilities, income and expenses. The actual outcome may differ from these estimates and assessments.

Estimates and assumptions are reviewed regularly. Changes in estimates are reported in the period in which the change is made if the change only affected this period, or in the period in which the change is made and future periods if the change affects both the current period and future periods.

Assessments made by management in the application of IFRS that have a significant impact on financial statements and estimates that may result in significant adjustments in the following year's financial statements are described in more detail in Note 34.

(e) Material applied accounting principles
The accounting principles set out below have, with the exceptions described in more detail, been applied consistently to all periods presented in the Group's financial statements. The Group's accounting principles have also been applied consistently by the Group's companies.

(f) New IFRS which is not yet in place
New and amended IFRS with future application is not expected to have a material effect on the company's financial reports.

(g) Classification, etc.
Fixed assets consist essentially of amounts expected to be recovered or paid after more than 12 months from the balance sheet date, while current assets consist essentially of amounts expected to be recovered or paid within 12 months of the balance sheet date. Long-term liabilities consist in all material respects of amounts that the company at the end of the reporting period has an unconditional right to choose to pay beyond 12 months after the end of the reporting period. If the company does not have such a right at the end of the reporting period– or the liability is expected to be settled within the normal business cycle, then the amount of the debt is recognised as a short-term liability.

(h) Consolidation principles and business acquisitions
(i) Subsidiaries
Subsidiaries are companies that are under the control of LMK Group AB (publ). There is control if LMK Group AB (publ) has influence over the investment, is exposed to or is entitled to variable returns from its involvement and can use its influence over the investment to influence returns.

The assessment of the existence of a controlling interest takes into account potential voting rights and whether de facto control exists.

Subsidiary companies are reported according to the acquisition method and consolidated from the time the control is transferred to the Group (the time of acquisition). The method implies that the acquisition of a subsidiary is regarded as a transaction whereby the Group indirectly acquires the company's assets and takes over its liabilities. The acquisition analysis determines the fair value on the acquisition date of acquired identifiable assets and assumed liabilities as well as any non-controlling interests, with the exception of deferred tax. Transaction expenses, with the exception of transaction expenses attributable to the issue of equity instruments or debt instruments, which are incurred are reported directly in the year's profit/loss account.

In business acquisitions where transferred remuneration, possible non-controlling interests and the fair value of a previously owned share exceeds the fair value of acquired assets and assumed liabilities that are reported separately, the difference is reported as goodwill. When the difference is negative, so-called low-price acquisitions, this item is reported directly in profit for the year.

Goodwill and trademarks are not depreciated but tested for impairment at least once per year. Other intangible assets in the consolidated financial statements are amortized over the asset's expected economic life.

(ii) Transactions eliminated in the case of consolidation
Intra-group receivables and liabilities, income or expenses and unrealised gains or losses arising from intra-group transactions between Group companies are eliminated in full when preparing financial statements. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no need for impairment.

(i) Foreign currency
(i) Transactions in foreign currency
Transactions in foreign currency are converted into the functional currency at the prevailing exchange rate on the transaction date. Functional currency is the currency of the primary economic environments in which the companies conduct their business. Monetary assets and liabilities denominated in foreign currencies are converted into the functional currency at the exchange rate prevailing on the balance sheet date. Exchange differences arising from the recalculations are reported in profit for the year. Non-monetary assets and liabilities recognised at historical acquisition value are translated at exchange rates at the time of the transaction. Non-monetary assets and liabilities recognised at fair values are translated into the functional currency at the rate prevailing at the time of fair value measurement.

(ii) Foreign operations' financial statements
Assets and liabilities in foreign operations, including goodwill and other Group surplus and undervalues, are translated from the functional currency of the foreign operation into the Group's reporting currency, SEK, at the exchange rate prevailing at the balance sheet date. Income and expenses in a foreign operation are translated into SEK at an average value that is an approximation of the prevailing exchange rates on each transaction date. Translation differences that arise from currency translation of foreign operations are reported in other comprehensive income and accumulated in a separate component in equity, referred to as translation reserves. Should the foreign business not be wholly owned, the conversion difference is allocated to non-controlling interest on the basis of its proportional ownership.

(j) Revenue
(i) Performance commitments and revenue accounting principles
Revenue is valued on the basis of the compensation specified in the contract with the customer. The Group recognises revenue when control over a good or service is transferred to the customer.

The Group's revenue consists mainly of revenue from the sale of goods (mealkits). The revenue is reported when the Group has delivered the goods to the customer. Since several types of goods are delivered at the same time, the Group has chosen not to allocate the replacement of the various goods in a mealkit on different performance commitments. Customer loyalty schemes that enable customers to acquire additional goods at a discount are considered to give the customer a substantial right and thus constitute a separate commitment, see below. Payment is made by card payment or invoice. In case of card payment, the customer will be charged a few days after delivery. Invoices usually become due within 14 days, but to a large extent within the Group they are sold on to factoring with immediate payment without recourse. The smaller proportion of invoices that have recourse has been transferred to a bank and cash equivalents received. These trade receivables have not been written off from the financial position statement because the company retains the principal risks and benefits, which is the credit risk. The amount received from the bank is reported as a bank loan.

(ii) Customer loyalty programme
The Group has a customer loyalty program wherein the customer receives points for completed purchases. These are used to give the customer a discount on future purchases. Loyalty points are reported as a separate delivery item. This is done by allocating part of the received compensation to loyalty points, based on standalone sales prices and taking into account the number of points expected to be redeemed.

The amount allocated to the loyalty program is initially recognised as prepaid income (contractual liability) in the financial position report and is recognised as income when the loyalty points are exercised or matured. Loyalty Points must be repaid within 36 months, after which unused points expire.

(k) Leasing
When an agreement is concluded, the Group assesses whether the agreement is, or contains, a lease. A contract is, or contains, a lease if it transfers the right to determine for a certain period the use of an identified asset in exchange for payment.

At the commencement of the lease or upon review of agreements that are found to contain several components, leasing and non-leasing components, the Group allocates the compensation under the contract to each component based on its stand-alone price. However, for leasing of buildings and land in which the Group is a lessee, the Group has chosen not to distinguish between non-leasing components and reports leasing and non-leasing components paid at fixed amounts as a single leasing component.

(i) Leases where the group is a lessee
The Group recognises a right of use asset and a lease liability at the start date of the lease. The right of use is initially valued at acquisition value, which consists of the initial value of the lease liability plus lease payments paid at or before the start date plus any initial direct expenses. The right of use asset is amortised on a straight-line basis from the start date to the earlier end of the asset's useful life and the end of the lease period, which is normally the end of the lease term for the Group. In the rarer cases where the acquisition value for the right of use reflects that the Group will exercise an option to purchase the underlying asset, the asset is amortised at the end of its useful life.

The lease liability – which is divided into long-term and short-term elements – is initially valued at the present value of the remaining lease payments over the expected lease period.

The lease term consists of the non-terminable period plus additional periods in the contract if it is deemed reasonably certain at the start date that these will be utilised.

Leasing fees are normally discounted at the Group's marginal borrowing rate, which in addition to the Group/Entity's credit risk reflects the respective contract's leasing rate, currency and the quality of the underlying asset as intended collateral. However, where the implicit interest rate of the lease can be easily fixed, that interest rate is used, as is the case for parts of the Group's leases of production equipment.

The lease liability includes the present value of the following-fees during the assessed lease period:

- fixed fees, including substantially fixed fees;
- variable leasing charges linked to the index or price ("rate"), initially valued using the index or price ("rate") that was in force at the start date;
- any residual value guarantees that are expected to be paid;
- the exercise price of a call option that the Group is reasonably confident of utilising and
- penalties payable on termination of the lease if the assessed lease period reflects that such termination will take place.

The value of the debt is increased by the interest expense for each period and is reduced by the leasing payments. The interest rate it is calculated as the value of the debt times the discount rate. The leasing liability for the Group's premises with index linked rent is calculated on the prevailing rent at the end of the reporting period. At this time, the liability is adjusted with the corresponding adjustment to the right of use assets. reported value. Similarly, the value of the liability and the assets are adjusted in case of a reassessment of the lease period.

This occurs when the termination date within the previously assessed lease period for local leases has passed, or significant events occur, or the circumstances are significantly changed in a way that is within the Group's control and affects the current assessment of the lease term. The Group presents right of use assets and lease liabilities as separate items in the statement of financial position.

For leases that have a lease term of 12 months or less or with an underlying asset of low value, less than SEK 50,000, no right of use asset or lease liability is recognised. Leasing fees for these leases are recognised as an expense on a straight line basis over the lease period.

(l) Financial income and expenses
The Group's financial income and expenses include:

- Interest income,
- Interest expenses,
- Dividends.

Interest income or expenses are reported according to the effective interest method. Dividends are recognised at the date on which the Group's right to payment is determined. Interest income and expenses are calculated by the application of the effective interest method to the carrying amount of the asset (when the asset is not credit impaired) or at the accrued acquisition value of the financial liability. For financial assets that have become credit impaired after initial recognition, interest income is calculated by applying the effective interest rate to the accrued acquisition value of the financial asset. If the asset is no longer impaired, interest income is recalculated by the application of the effective interest rate on the gross carrying amount.

(m) Taxes
Income taxes consist of current tax and deferred tax. Income taxes are recognised in profit or loss for the year except where the underlying transaction is recognised in other comprehensive income or in equity, whereby the associated tax effect is recognised in other comprehensive income or in equity.

Current tax is tax payable or obtained related to the current year, applying the tax rates that are determined, or de facto determined, at the balance sheet date. Current tax also includes adjustment of current tax attributable to earlier periods. Deferred tax is reported according to the balance sheet method based on temporary differences between reported and tax values of assets and liabilities. Deferred tax is not recognised for any temporary differences in goodwill arising from the first accounting report. Furthermore, temporary differences relating to shares in subsidiaries where the date of reversal of the temporary difference can be controlled and is not expected to be reversed in the foreseeable future. Deferred tax for temporary differences is recognised only to the extent that the temporary difference is likely to be reversed in the foreseeable future and there are available taxable revenues towards which the temporary difference can be used. Deferred tax is calculated using the tax rates and rules determined, or de facto determined, at the balance sheet date.

(i) Deferred tax
Deferred tax assets are reported in the financial position report to the extent that it is likely that the tax benefit will be utilized. Deferred tax is calculated with the application of the tax rates and rules that are determined, or de facto determined, at the balance sheet date. Deferred tax assets and liabilities are recognised net when there is a legal right to offset taxable assets and liabilities and the Group can and intends to settle the net tax payable.

The Group treats expenses as deductible and income as tax-free based on interpretation of relevant laws and regulations and when it is considered likely that such treatment will be approved by the Swedish Tax Agency. The Group recognises uncertain and disputed tax positions with the expected amount to be paid.

In the event of a loss occurring in the most recent periods, a deferred tax asset is recognised as a result of loss carry-forwards only to the extent that there is convincing evidence that sufficient future taxable income will be generated. Estimated forward taxable income is not considered as such evidence unless the company has demonstrated its ability to generate significant taxable income for the current year or there are other specific events that provide sufficient evidence that future taxable profits can be expected. Uncertainty about new transactions and events and the interpretation of new tax rules may also affect the assessment.

(n) Financial instruments
Trade receivables are recognised when they are issued. The Group makes use of factoring. For the majority of accounts receivable transferred to the factoring company, the credit risk ceases, which is why the customer receivable is derecognized at that time. For a small proportion of transferred accounts receivable, the factoring company has a right of regress. These accounts receivable and debt to the factoring company are only derecognized once payment has been received from the customer. Other financial assets and financial liabilities are recognised when the group becomes a party to the contractual terms of the instrument.

(i) Financial assets
The Group's financial assets, primarily trade receivables and other receivables, are classified as valued at accrued acquisition value. These financial assets are measured at fair value plus transaction costs at initial recognition with subsequent valuation at accrued acquisition value in accordance with the effective interest method adjusted for reserves for expected credit losses. A receivable without a significant financing component is valued at the transaction price.

A financial asset shall be valued at accrued acquisition value if it meets both of the following conditions and is not identified as measured at fair value through profit or loss
- it is held within the framework of a business model whose objective is to hold financial assets for the purpose of obtaining contractual cash flows;
- the agreed terms of the financial asset give rise at specified times to cash flows which are only payments of principal and interest on the outstanding principal amount.

(ii) Financial liabilities
The Group's financial liabilities are classified as valued at accrued acquisition value. Financial liabilities valued at accrued acquisition value mainly refer to trade payables, other current liabilities and interest-bearing liabilities. These liabilities are measured at fair value at initial recognition plus transaction costs with subsequent valuation at accrued acquisition value in accordance with the effective interest method.

(iii) Removal from the statement of financial position (derecognition)

Financial assets
The Group removes a financial asset from the statement of financial position when the contractual rights to the cash flows from the financial asset cease or if it transfers the right to receive the contractual cash flows through a transaction in which substantially all the risks and rewards of ownership have been transferred or in which the group does not transfer or retain substantially all the risks and rewards of ownership and it does not retain control over the financial asset.

Financial liabilities
The Group derecognizes a financial liability from the statement of financial position when the commitments stated in the agreement are fulfilled, annulled or terminated. The Group also derecognizes a financial liability when the contractual terms are modified and the cash flows from the modified liability are significantly different. In this case, a new financial liability at fair value is recognised based on the modified terms.

When a financial liability is derecognized, the difference between the carrying amount that has been removed and the consideration paid (including transferred non-monetary assets or assumed liabilities) is recognised in profit or loss.

(iiii) Impairment of financial assets

Financial instruments
The loss reserve for trade receivables is always valued at an amount corresponding to expected credit losses during the remaining term of the receivable.

When it is determined whether a financial asset's credit risk has increased significantly since the initial recognition and when calculating expected credit losses, the Group assumes reasonable and verifiable information that is relevant and available without unnecessary costs or resources. This includes both quantitative and qualitative information and analysis based on the Group's historical experience and credit assessment and including forward - looking information.

The Group applies the simplified method for calculating expected credit losses. The Group estimates that the credit risk on a financial asset has increased significantly if it is overdue by more than 30 days.

The Group assesses that a financial asset is in default when:

- it is unlikely that the borrower will pay all his credit obligations to the Group, without the Group having recourse such as realising a security (if any is held); Or
- the financial asset is overdue more than 90 days.

Presentation of reserves for expected loan losses in the statement of financial position
Loss reserves for financial assets valued at accrued acquisition value have been deducted from the gross value of the assets.

Write-off
The carrying gross value of a financial asset is written off when the Group has no reasonable expectation of recovering the financial asset in whole or in part. For individual customers, the Group has a policy of writing off the carrying gross value when the financial asset has been in default for 90 days based on historical experience of the recovery of similar assets. For corporate customers, the Group makes individual assessments of the time and amount of write-off based

on whether there are reasonable expectations for recovery. Factoring does not take place for corporate customers. The Group has no expectations of significant recovery of the amounts written off. However, financial assets that have been written off may still be subject to enforcement measures to comply with the Group's procedures for recovering overdue amounts.

(o) Tangible fixed assets
Tangible fixed assets are reported in the Group at acquisition value after deductions for accumulated depreciation and any write-downs. The acquisition value includes the purchase price and expenses directly attributable to the asset to bring it into place and into a condition where it may be used in accordance with the purpose for which it was acquired.

The carrying amount of a tangible fixed assets is removed from the statement of financial position on scrapping or divestment.

The gain or loss arising from the scrapping or divestment of an asset is the difference between the selling price and the carrying amount of the asset. Profit and loss are recognised as other operating income/expense.

(i) Additional expenses
Additional expenses are added to acquisition value only if it is likely that the future economic benefits associated with the asset will be allocated to the enterprise and that the acquisition value can be reliably calculated. An additional expenditure is added to the acquisition value if the expenditure relates to the replacement of identified components or parts thereto. Other expenses for repairs and maintenance are shown as an expense in the period in which they arise.

(ii) Depreciation principles
Depreciation occurs on a straight-line basis over the estimated period of use of the asset. Depreciation is made to the estimated residual value, which is normally estimated at zero. Leased assets are also amortised over their estimated useful life or, if shorter, over the agreed lease period. The depreciation methods used, residual values and useful lives are reviewed at the end of each year.

Estimated useful lives:

• Leasehold improvement costs	Contract length
• Machinery and technical fixed assets	3 – 5 years
• Equipment	5 years

(p) Intangible assets
(i) Goodwill
Goodwill is valued at acquisition value less any accumulated write-offs. Goodwill arising from business combinations is not amortised. Goodwill is allocated to cash-generating units that are expected to benefit from the synergies arising from the goodwill-generating unit and is tested at least annually for impairment.

A cash-generating unit is the smallest identifiable group of assets that gives rise to payment, and that is essentially independent of other assets or groups of assets. In order to identify whether cash flows from an asset (or group of units) are independent of cash flows from other assets (or group of units), management considers various factors, including how the business is tracked e.g. based on service or product areas, areas of activity or geography. Any cash-generating unit or group of cash-generating units where goodwill has been allocated to represent the lowest level in the enterprise where goodwill is monitored internally.

(ii) Other intangible assets
Intangible fixed assets mainly consist of brands and customer relationships that are reported as a result of business acquisitions. Expenditure on development is activated to the extent that the future economic benefits associated with the development of an intangible fixed asset can be identified and calculated in a reliable manner. Intangible fixed assets are reported at acquisition value less accumulated depreciation and possible write-downs.

Expenses for development are recognized as an asset to the extent the economic benefits related to the development of an intangible asset are identifiable and can be reliably calculated. Intangible fixed assets are recognized at acquisition value less accumulated depreciation and potential write-offs. Expenses for development, where research results or other knowledge is applied to achieve new or improved products or processes, are recognised as an asset in the statement of financial position if the product or process is technically and commercially useful and the enterprise has sufficient resources to complete the development and subsequently use or sell the intangible asset. The carrying amount includes all directly attributable expenses; e.g. for materials and services, employee remunerations, registration of a legal right, depreciation of patents and licences, loan expenses in accordance with IAS 23. Other expenses for development are reported in the profit and loss statement for the year as an expense when they arise.

(iii) Depreciation principles
Depreciation is reported in the profit and loss statement for the year on a straight-line basis, over the estimated useful lives of intangible assets to the estimated residual value of zero.

The estimated useful lives are:

• customer contracts and relationships	7 years
• other intangible assets	5 years

(q) Inventories
Inventories are valued at the lower of acquisition value and net realisable value. The acquisition values of inventory items are calculated by applying the first-in, first-out (FIFO) method and include expenses incurred in the acquisition of inventories and their transportation to their current location and state.

(r) Cash and cash equivalents
Cash and cash equivalents include cash and bank balances with a maturity of less than three months from the acquisition.

(s) Impairment losses
The Group's reported assets are assessed at each balance sheet date to determine whether there is an indication of impairment. IAS 36 is applied to impairment losses of assets other than financial assets which are reported in accordance with IFRS 9, inventories and deferred tax assets. For excluded assets as described above, the carrying amount is assessed according to the respective standard.

(i) Impairment of tangible and intangible assets
If an indication of impairment is available, the recoverable amount of the asset is calculated (see below). In addition,

for goodwill, other intangible with an indeterminable useful life and intangible assets that are not yet ready for use, the recoverable amount is calculated annually. If it is not possible to establish substantially independent cash flows to an individual asset, and its fair value less selling costs cannot be used, the assets are grouped when assessing impairment requirements to the lowest level where substantially independent cash flows can be identified– a so-called cash-generating entity.

An impairment loss is recognised when the carrying amount of an asset or cash generating unit (group of units) is higher than the recoverable value. An impairment loss is recognised as an expense in the profit and loss statement for the year. Where impairment is identified for a cash-generating unit (group of units), the write-down amount is allocated firstly to goodwill. Thereafter, a proportional impairment of other assets included in the unit (group of units) is made. The carrying amount of a single asset is not reduced below the recoverable amount or zero. An impairment loss is recognised as an expense in the profit and loss statement for the year.

The recoverable amount is the highest of fair value less selling costs and value in use. When calculating the value in use, future cash flows are discounted by a discount factor that takes into account risk-free interest rates and the risk associated with the specific asset.

(ii) Reversal of impairment

An impairment loss on assets included in the IAS 36 application area is reversed if there is both an indication that the impairment requirement no longer exists and there has been a change in the assumptions on which the recoverable amount was calculated. However, impairment of goodwill is never reversed. A reversal is made only to the extent that the carrying amount of the asset after reversal does not exceed the carrying amount that would have been recognised, less depreciation where applicable, if no impairment loss had been made.

(t) Dividends

Dividends paid to the company's shareholders are reported during the current financial year when approved, at the latest with publication of the annual report. Dividends are recognised as liabilities after the Annual General Meeting has approved the dividend.

(u) Employee remunerations

(i) Short-term remunerations

Short-term employee remunerations are calculated without a discount and are recognised as an expense when the related services are received.

A provision is recognised for the expected cost of profit-sharing and bonus payments when the Group has a current legal or informal obligation to make such payments as a result of services received from employees and the obligation can be calculated reliably.

(ii) Defined contribution pension plans

Defined contribution pension plans are those plans where the company's obligation is limited to the contributions the company has undertaken to pay. In such a case, the size of the employee's pension is dependent upon the contributions that the company pays to the plan or to an insurance company and the return on capital that the contributions provide. Consequently, it is the employee who bears the actuarial risk (that the remuneration will be lower than expected) and the investment risk (that the invested assets will be insufficient to provide the expected remuneration).The company's obligations regarding contributions to defined contribution plans are recognised as an expense in the profit and loss statement for the year at the rate they are earned by the employees performing services on behalf of the company over a period.

(v) Contingent liabilities

Disclosure of contingent liability is made when there is a possible commitment arising from past events and the incurrence of which is confirmed solely by one or more uncertain future events beyond the Group's control, or when there is an obligation that is not recognised as a liability or provision because it is unlikely that an outflow of resources will be required or cannot be calculated with sufficient reliability.

(w) Cash flow statement

The cash flow statement has been prepared using the indirect method. Cash and cash equivalents include cash and bank balances. Cash received and payments made are reported separately for investment and financing activities, while operational activities include both cash and non-cash flows. Interest received and paid, and dividends received are reported as part of operational activities. Dividends paid are included as part of the financing activities.

Parent company accounting principles

The parent company has prepared its annual report in accordance with the Annual Accounts Act (1995: 1554) and the Swedish Financial Council reporting recommendation RFR 2 Accounting for legal entities. Also by the Financial Reporting Board issued statements applicable to listed companies are applied. RFR 2 means that the parent company in the annual report for it the legal person must apply all adopted by the EU IFRS and statements as far as possible within the framework for the Annual Accounts Act, the Social Security Act and with regard to to the connection between accounting and taxation. The recommendation indicates which exceptions and additions to IFRS to be done.

Differences between the Group's and the Parent Company's accounting principles.

The differences between the Group's and the Parent Company's accounting principles are set out below. The ones listed below the accounting principles for the parent company have been applied consistent in all periods presented in the parent company financial reports.

Classification and layout forms

An income statement and a report are reported for the parent company over profit and other comprehensive income, there for the group these two reports together constitute a report of results and other comprehensive income. It is also used for the parent company the terms balance sheet and cash flow analysis for the reports that in the group have the titles report over financial position and cash flow statement, respectively. The income statement and balance sheet have been prepared for the parent company according to the schedules of the Annual Accounts Act, while the report of results and other comprehensive income, the report of changes in equity and the cash flow analysis are based on IAS 1 Presentation of financial statements, respectively 7 Cash flow statement. The differences from the group's reports that apply to the parent company's earnings and balance sheets mainly consist of accounting of own capital and deferred tax assets.

Subsidiary
Shares in subsidiaries are reported in the parent company in accordance with the acquisition value method. This means that transaction expenses included in the carrying amount of holdings in subsidiary. In the consolidated accounts, transaction expenses are reported attributable to subsidiaries directly in the result when these arise.

If there is an indication of impairment, the asset's is calculated recoverable amount. An impairment loss is reported when the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is based on the value in use, which calculated on the basis of discounted future cash flows.

Accrued acquisition costs are reported in the Group's report on results and other comprehensive income while they are included in the acquisition value of the shares in the parent company.

Financial instruments and hedge accounting
The parent company has chosen not to apply IFRS 9 for financial instrument. However, some of the principles in IFRS 9 are still in place applicable - such as for write-downs, booking/cancellation and the effective interest method for interest income and interest expenses.

Anticipated dividends
Anticipated dividends from subsidiaries are reported in those cases the parent company alone has the right to decide on the dividend size and the parent company has decided on the dividend size before the parent company published its financial statements reports.

Group contribution
Group contributions received / submitted are reported as a year-end appropriation in the income statement. The received /left the group contribution has affected the company's current tax.

Note 2 Revenues

Revenue streams

Group	Total	
SEK Thousand	2022	2021
Revenues from contracts with customers	1 081 441	1 387 337
Other operating income	4 885	8 498
	1 086 326	1 395 835

Net sales refer to the sale of mealkits containing well-planned and healthy recipes and food.

Distribution of revenue from contracts with customers

The distribution of revenue from contracts with customers in main geographic markets, major product and service areas and the time of revenue recognition are summarized below

Group	Total	
SEK Thousand	2022	2021
Geographic market		
Norway	586 483	695 572
Sweden	383 558	513 991
Denmark	111 400	177 774
Time of revenue recognition		
Goods recognized at a given time	1 081 441	1 387 337
Total Revenue from contracts with Customers	1 081 441	1 387 337
Other income	4 885	8 498
Total External Revenue	1 086 326	1 395 835

Contractual liabilities

Information on receivables and contractual liabilities from contracts with customers is summarized below.

Group		
SEK Thousand	31 december 2022	31 december 2021
Accounts receivable	9 635	12 114
Contractual liabilities	4 298	4 863

Contractual liabilities consist of customer loyalty points that have not been utilized. The Group has customer loyalty programs that run for 36 months, which means that the income attributable to these programs will be reported over the next three years. In the event that the customer has not made any purchases in the last three months, the points earned will expire.

Of the opening contractual debt as of 2021-01-01 and 2022-01-01, approximately one third has been recognized as income in 2021 and 2022, respectively.

Note 3 Revenues and operating segments

The Group's operations are divided into operating segments based on which parts of the business the company's top decision makers follow up, so-called "management approach" or company's management perspective.

The Group's operations are organised in such a way that Group management makes forecasts and monitors the results generated in the Group's various geographic markets. Every operating segment has its own operational business and regularly reports the outcome of the operating segment's performance and resource requirements to Group Management. As Group Management monitors the results of operations and decides on resource allocation based on the geographical markets, these constitute the Group's operating segments.

The Group's internal reporting is therefore structured so that group management can monitor all geographical markets' Performances and results. It is on the basis of this internal reporting that the Group's segments have been identified, as the different parts have undergone a process aimed at merging segments that are similar. This means that segments have been merged when they have similar economic characteristics, such as similar gross margins, and that production processes, customers and distribution methods; and that they operate in an environment with similar regulations.

The classification into operating segments is based on different geographical markets.

The following operating segments have been identified:

- Norway
- Sweden
- Denmark

The operating segments' results have included directly attributable items and items that can be allocated to the segments in a reasonable and reliable manner. The reported items in operating segments' earnings are valued in accordance with the earnings that the company's top decision makers follow up.

Transfer prices between the Group's different operating segments are set on the basis of the principle of "arm's length" i.e. between independent parties, well informed and with an interest in the conduct of transactions.

Geographic market		
SEK Thousand	2022	2021
Total Assets		
Norway	376 313	337 888
Sweden	245 602	340 356
Denmark	22 588	40 708
	644 503	718 952

Information about major customers
The group has no major customers.

Group Operating Segments	Norway		Sweden		Denmark		Group wide and Eliminations		Total consolidated	
SEK Thousand	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Net sales from external customers	586 483	695 572	383 558	513 991	111 400	177 774	–	–	1 081 441	1 387 337
Net sales from other segments	–	–	–	–	–	–	–	–	–	–
Operating profit before depreciation (EBITDA)	29 353	62 451	-10 668	22 113	-17 877	97	20 255	8 370	21 063	93 031
Depreciation									-49 873	-45 862
Goodwill impairment									-120 000	–
Other operating expenses									-520	-250
Financial items, net									-5 320	-20 015
Consolidated profit before tax									-154 651	26 904

"The column "Group-wide and eliminations" regarding "Operating profit", refers to costs for Group-wide functions of -8.8 MSEK (2021: -16.0) and differences in accounting principles of 29.0 MSEK (2021: 24.4). The differences in accounting principles between the information regarding the operating segments and the principles applied in the preparation of the financial statements consist of the application of IFRS 16 Leasing"

Note 4 Other operating expenses

SEK Thousand	2022	2021
Group		
Exchange losses on receivables/liabilities of an operating nature	-520	-250
Other	–	–
	-520	-250
Parent company		
Exchange losses on receivables/liabilities of an operating nature	-8	-53
Audit fee	-870	-2 882
Consultancy fee	-3 327	-10 882
Other	-2 094	-2 626
	-6 298	-16 443

Note 5 Employees, personnel expenses and remuneration to senior executives

Employee remunerations SEK Thousand	2022	2021
Group		
Salaries and allowances, etc.	168 934	169 068
Pension costs, defined contribution plans (see further note 24)	11 164	9 664
Social security fees	33 887	32 450
Other compensations	9 514	8 969
	223 498	220 151

Average number of employees	2022	Men %	2021	Men %
Parent company				
Sweden	3	100%	2	100%
Total parent company	3	100%	2	100%
Subsidiaries				
Sweden	111	49%	121	47%
Denmark	46	33%	60	44%
Norway	147	50%	139	52%
Total Subsidiaries	304	47%	320	49%
Group total	307	47%	322	49%

Gender balance in management	2022-12-31 Percentage of women	2021-12-31 Percentage of women
Parent company		
Board	40%	40%
Other senior management	17%	33%
Group		
Board	24%	24%
Other senior management	17%	33%

Note 5 Employees, personnel expenses and remuneration to senior executives, cont.

Salaries and other remuneration and pension costs for senior executives parent company

Parent company	2022		
SEK Thousand	Senior management	Other employees	Total
Salaries and allowances	5 037	540	5 578
(of which bonuses, and the like)	(–)	(–)	(–)
Parent company total	5 037	540	5 578
(of which bonuses, and the like)	(–)	(–)	(–)
Social expenses	2 615	847	3 462
(of which pension cost)	(831)	(179)	(1 010)

Parent company	2021		
SEK Thousand	Senior management	Other employees	Total
Salaries and allowances	5 931	231	6 162
(of which bonuses, and the like)	(–)	(–)	(–)
Parent company total	5 931	231	6 162
(of which bonuses, and the like)	(–)	(–)	(–)
Social expenses	2 614	132	2 746
(of which pension cost)	(604)	(45)	(649)

Salaries and other remuneration and pension costs for senior executives in the Group

Group	2022	2021
SEK Thousand	Senior management (6 persons)	Senior management (6 persons)
Salaries and allowances	12 987	13 289
(of which bonuses, and the like)	(–)	(–)
Pension	1 910	1 848

Long-term incentive programs

In 2021, a long-term incentive program based on warrants was introduced to the company's senior executives and certain additional key employees conditional on employment, as well as to external board members. A total of 340,800 warrants were issued, of which 232,800 were outstanding as of 31 December 2022.

During 2022, a long-term incentive program based on warrants aimed at the company's senior executives and certain key employees subject to employment. A total of 152,500 were issued warrants, all of which were outstanding as of 31 December 2022.

At the Company's Annual General Meeting on April 27, 2022, the shareholders of LMK Group also decided to adopt a long-term incentive program based on performance shares aimed at the Company's executives and key personnel whereby 159,250 performance-based share rights were awarded free of charge. All share rights were outstanding as of December 31, 2022. The program earned in equal parts over vesting periods extending to March 1, 2024, 2025 and 2026 respectively, with allocation of vested shares during April 2026. The value per share right per the award date was calculated at SEK 30 for each third, after adjustment for the present value of expected dividends during the earning period. Earnings are dependent on conditions for Net sales and adjusted EBIT are achieved in 2022 and 2023. The targets are not expected to be achieved, which is why no cost has been reported for the programs during the year.

Guidelines for remuneration to senior executives

At the 2021 annual general meeting, principles for remuneration to senior executives were decided. The company strives to offer a total compensation that is market-based and that thereby able to attract and retain qualified employees. The compensation must be based on the employee's position, responsibilities and performance. The total compensation to senior executives shall consist of fixed salary, variable cash compensation and pension. The fixed salary forms the basis of the total compensation. The fixed salary must be based on of the group management member competence, responsibility and performance and must be competitive in relation to the current market standard. The variable compensation must be linked predetermined and measurable criteria and is mainly based on the group's financial results for each year. Variable compensation paid in cash must not exceed 100% of the fixed salary. Pensions must be designed in such a way that they reflect normally accepted levels and customs in the country where the group management member is employed. If possible, the pensions should be premium determined. The group applies a notice period of a maximum of twelve months. At own termination generally applies to six months' notice. Upon dismissal from LMK On the Group's side, severance pay can be paid with up to nine months' salary. In addition to the aforementioned movable compensation may be added from time to time decided share-based incentive programs, which must be decided by the annual general meeting.

Note 6 Remuneration to auditors

SEK Thousand	2022	2021
Group		
KPMG		
Audit	1 355	2 146
Auditors' activities over and above the auditing assignment	219	2 025
Tax advice	60	60
Beierholm		
Audit	257	277
	1 891	4 508
Parent company		
KPMG		
Audit	574	1 143
Auditors' activities over and above the auditing assignment	75	2 025
Tax advice	20	20
	669	3 188

Audit assignments refer to statutory audits of the annual and consolidated accounts and book-keeping as well as the board's and the CEO's management as well as audit and other review carried out in accordance with agreement.

This includes other tasks that the company's auditor is responsible for performing, as well as advice or other assistance that has been prompted by observations during such review or the implementation of such other tasks.

Note 7 Net financial items

Group SEK Thousand	2022	2021
Interest income	1 002	178
Other financial income	1 396	1 365
Total interest income derived from financial assets which is valued at amortized cost	**2 398**	**1 544**
Financial liabilities measured at amortised acquisition value – interest expense		
Corporate Bond	–	-14 663
Interest expenses relating to leasing	-7 139	-6 057
Other interest expenses	-135	-395
Exchange rate losses	-374	-392
Other financial expenses	-71	-52
Financial expenses	**-7 719**	**-21 559**
Net financial items reported in earnings	**-5 320**	**-20 015**

Parent company SEK Thousand	2022	2021
Profit from shares in group companies		
Impairment	-280 000	–
	-280 000	–

Parent company SEK Thousand	2022	2021
Interest income and similar income items		
Interest income, group	951	–
Other	2	11
Total	953	11
Interest expenses and similar expense items		
Other interest expenses	-1	-10
Other	–	–
Total	-1	-10
whereof Group	–	-8
whereof other	-1	-2

Note 8 Taxes

Reported in the profit and loss statement

Group SEK Thousand	2022	2021
Current tax expense		
Tax expense for the year	-4 453	-11 736
	-4 453	-11 736
Deferred tax expense		
Deferred tax on temporary differences	4 541	2 189
	4 541	2 189
Total reported tax expense for the Group	87	-9 547

Parent company SEK Thousand	2022	2021
Current tax expense		
Tax expense for the year	–	–
	–	–
Deferred tax expense		
Deferred tax on temporary differences	20	2 598
	20	2 598
Total reported tax expense for the parent company	20	2 598

Reconciliation of effective tax Group SEK Thousand		2022		2021
Profit before tax		-154 651		26 904
Tax at the applicable tax rate for Parent company	20,6%	31 858	20,6%	-5 542
The effect of other tax rates for foreign Subsidiaries	-0,7%	1 099	4,2%	1 117
Non-deductible or non-taxable items	17,5%	-27 036	-14,9%	-4 006
Effect of other permanent differences	0,1%	-196	-0,9%	-247
Increase in loss carry forwards without corresponding activation of	3,6%	-5 627	0,0%	–
Tax attributable to previous years	0,0%	-11	0,0%	–
Effect of changes in tax rates/and tax laws	0,0%	–	-3,2%	-869
Reported effective tax	***-0,1%***	***87***	***-35,5%***	***-9 547***

For the years 2021 and 2022, the reimbursement of interest expenses is included as interest deduction restrictions exist for these years.

Parent company SEK Thousand		2022		2021
Profit before tax		-280 259		-12 774
Tax at the applicable tax rate for Parent company	20,6%	57 733	20,6%	2 631
Non-deductible or non-taxable items	0,0%	-32	0,0%	-15
Increase in loss carry forwards without correspon-ding activation of	0,0%	–	0,0%	–
Write-down of financial assets	-20,6%	-57 680	0,0%	–
Tax attributable to previous years	0,0%	-2	0,0%	–
Effect of changes in tax rates/and tax laws	0,0%	–	0,0%	-18
Reported effective tax	***0,0%***	***20***	***20,3%***	***2 598***

Reported in the statement of financial position

Deferred tax assets and liabilities

Deferred tax liabilities amount to SEK 68,576 thousand (2021: SEK 68,305 thousand). These are attributed to: brands SEK 68,007 thousand (2021: SEK 67,056 thousand) and customer agre-ements SEK 569 thousand (2021: SEK 1,819 thousand).

Deferred tax assets amount to SEK 27,583 thousand (2021: SEK 24,457 thousand) and are prima-rily related to tax deficits in Sweden and Norway. In the Parent Company, the deferred tax assets amount to SEK 6,161 thousand (2021: SEK 6,142 thousand). Deferred tax assets are recognized based on expected gains in the coming years.

Unrecognized deferred tax assets

Deductible temporary differences and tax loss deductions for which deferred tax assets have not been recognised in the financial position report:

SEK Thousand	2022	2021
Group		
Tax deficits	25 577	–
	25 577	–
Parent company		
Tax deficits	–	–
	–	–

In addition to the above deficits, there are unused deficits attributable to interest deduction restrictions that are limited in time.

Change in tax rate

No change in the tax rate after the reduction to 20.6% for fiscal years beginning January 1, 2021 or later.

Note 9 Earnings As of share

Earnings As of share for total operations

SEK Thousand	2022	2021
Earnings As of share	-12,19	1,60

The amounts used in numerators and denominators are set out below.

Earnings As of share, before and after dilution

Profit for the year attributable to the parent company's ordinary shareholders.

SEK Thousand	2022	2021
Profit for the year attributable to shareholders of the parent company	-154 563	17 357
Withheld dividend on preference shares	–	–
Profit attributable to the parent company's ordinary shareholders	-154 563	17 357

Weighted average number of ordinary shares, before and after dilution

Weighted average number of ordinary shares	2022	2021
Weighted average number of ordinary shares	12 679	10 846
Weighted average number of ordinary shares, before and after dilution	12 679	10 846

Note 10 Goodwill

Group SEK Thousand	Goodwill
Cumulative acquisition value	
Opening balance 2021-01-01	643 907
Exchange rate differences for the year	17 741
Closing balance 2021-12-31	661 648
Opening balance 2022-01-01	661 648
Exchange rate differences for the year	10 224
Closing balance 2022-12-31	671 872
Accumulated depreciation	
Opening balance 2021-01-01	-421 000
Impairment	–
Exchange rate differences for the year	–
Closing balance 2021-12-31	-421 000
Opening balance 2022-01-01	-421 000
Impairment	-120 000
Exchange rate differences for the year	–
Closing balance 2022-12-31	-541 000
Carrying values	
As of 2021-01-01	222 907
As of 2021-12-31	240 648
As of 2022-01-01	240 648
As of 2022-12-31	130 872

Note 10 Goodwill, cont.

Impairment testing of goodwill and brands

Goodwill and brands are distributed among the Group's cash-generating units as follows:

SEK thousand	Goodwill	Varumärken
Sweden	11 308	176 654
Norway	115 593	143 544
Denmark	3 971	–
Carrying value 2022-12-31	130 872	320 198
Sweden	111 308	176 654
Norway	107 879	139 230
Denmark	21 462	–
Carrying value 2021-12-31	240 648	315 884

If there is an indication of the need of impairment, the asset's fair value is calculated. For goodwill and other intangible assets with an indefinite useful life, the fair value is calculated annually, regardless of the presence of indicators of the need of an impairment or not. An impairment is reported when an asset's reported value exceeds the fair value.

The fair value is based on the value in use, which is calculated based on discounted futures cash flows. These estimated future cash flows are based on the budget for the future year and an assumption about the financial development for a five-year period. The forecasts are based on assumptions about turnover and EBIT margins, based on historical experience and the company's upcoming planned launches. The forecasts have also taken this into account to the fact that the markets where the company operates will very likely be in recession for much of 2023. Inflation, energy costs and higher mortgage rates are coming to continue to be factors that reduce households' disposable income, which affects future volumes. The cash flows calculated after the first five years have been based on a constant annual growth rate of 2% for all countries.

Changes in external factors have led to a higher discount rate, mainly through a higher risk-free rate and a higher market risk premium. The discount rate which applied for the present value calculation of expected future cash flows consists of a weighted average cost of capital (WACC) after tax.

The fair value for Sweden is calculated at SEK 140 million and for Denmark at SEK 17 million. The impairment requirement has been assessed at SEK 100 million for Sweden and SEK 20 million for Denmark.

The following discount rates have been used:

Pre-tax discount rate (WACC), %	2022	2021
Sweden	22,5	16,2
Norway	24,2	17,8
Denmark	22,6	15,9

After -tax discount rate (WACC), %	2022	2021
Sweden	17,9	12,9
Norway	18,9	13,9
Denmark	17,6	12,4

A sensitivity analysis has been carried out on the updated test results, regarding further change in discount rate and growth assumptions.

For Sweden, a change in the discount rate of 1% would cause an impairment of approximately SEK 8.5 million. A change in the constant annual growth rate of 1% would cause an impairment of approximately SEK 4.8 million.

For Denmark, a change in the discount rate of 1% would cause a write-down of approximately SEK 2.1 million. A change in the constant annual growth rate of 1% would cause a write-down of approximately SEK 1.3 million.

Note 11 Trademarks

Group SEK Thousand	Trademarks
Cumulative acquisition value	
Opening balance 2021-01-01	309 271
Scrapping and divestments	–
Exchange rate differences	9 619
Closing balance 2021-12-31	318 890
Opening balance 2022-01-01	318 890
Scrapping and divestments	–
Exchange rate differences	4 314
Closing balance 2022-12-31	323 204
Accumulated depreciation and amortisation	
Opening balance 2021-01-01	-3 005
Scrapping and divestments	–
Depreciations	–
Exchange rate differences	–
Closing balance 2021-12-31	-3 005
Opening balance 2022-01-01	-3 005
Scrapping and divestments	–
Depreciations	–
Exchange rate differences	–
Closing balance 2022-12-31	-3 005
Carrying amounts	
As of 2021-01-01	306 265
As of 2021-12-31	315 884
As of 2022-01-01	315 884
As of 2022-12-31	320 198

Given the strong brands that the company holds, the company believes that there is no specific useful life and thus no depreciation according to plan. Trademarks are subject to impairment in accordance with the same principle as for Goodwill, see note 10.

Note 12 Customer contracts and relationships

Group SEK Thousand	Customer contracts and relationships
Cumulative acquisition value	
Opening balance 2021-01-01	95 468
Business acquisitions	–
Exchange rate differences	1 634
Closing balance 2021-12-31	97 102
Opening balance 2022-01-01	97 102
Business acquisitions	–
Exchange rate differences	915
Closing balance 2022-12-31	98 017
Accumulated depreciation and amortisation	
Opening balance 2021-01-01	-70 861
Depreciations	-13 503
Exchange rate differences	-1 081
Closing balance 2021-12-31	-85 445
Opening balance 2022-01-01	-85 445
Depreciations	-8 019
Exchange rate differences	-753
Closing balance 2022-12-31	-94 217
Carrying amounts	
As of 2021-01-01	24 607
As of 2021-12-31	11 657
As of 2022-01-01	11 657
As of 2022-12-31	3 800

Note 13 Other intangible assets

Group SEK Thousand	Other intangible assets
Cumulative acquisition value	
Opening balance 2021-01-01	41 829
Other investments	7 561
Scrapping and divestments	-2 823
Exchange rate differences	2 174
Closing balance 2021-12-31	48 741
Opening balance 2022-01-01	48 741
Other investments	8 846
Scrapping and divestments	–
Exchange rate differences	1 289
Closing balance 2022-12-31	58 876
Accumulated depreciation	
Opening balance 2021-01-01	-25 167
Scrapping and divestments	–
Depreciations	-6 478
Exchange rate differences	833
Closing balance 2021-12-31	-30 812
Opening balance 2022-01-01	-30 812
Scrapping and divestments	–
Depreciations	-7 652
Exchange rate differences	-737
Closing balance 2022-12-31	-39 201
Carrying amounts	
As of 2021-01-01	16 662
As of 2021-12-31	17 929
As of 2022-01-01	17 929
As of 2022-12-31	19 675

Other intangible assets consist mainly of the Group's proprietary technical and digitial platform which supports the Group's business processes.

Note 14 Improvement expenses to third party property

Group SEK Thousand	Improvement expenses to third party property
Acquisition Value	
Opening balance 1 January 2021	6 764
Acquisitions	382
Divestments	–
Closing balance 31 December 2021	7 146
Opening balance 1 January 2022	7 146
Acquisitions	926
Divestments	–
Closing balance 31 December 2022	8 072
Depreciations	
Opening balance 1 January 2021	-3 720
Acquisitions	–
Depreciations	-1 301
Divestments	–
Closing balance 31 December 2021	-5 021
Opening balance 1 January 2022	-5 021
Acquisitions	–
Depreciations	-1 335
Divestments	–
Closing balance 31 December 2022	-6 356
Carrying amounts	
As of 2021-01-01	3 044
As of 2021-12-31	2 125
As of 2022-01-01	2 125
As of 2022-12-31	1 716

Note 15 Machinery and other technical fixed assets

Group SEK Thousand	Maskiner och andra tekniska anläggningstillgångar
Acquisition Value	
Opening balance 1 January 2021	11 232
Acquisitions	9 986
Divestments	-354
Exchange rate differences	-124
Closing balance 31 December 2021	20 740
Opening balance 1 January 2022	20 740
Acquisitions	3 094
Divestments	-2 743
Exchange rate differences	1 309
Closing balance 31 December 2022	22 399
Depreciations	
Opening balance 1 January 2021	-6 440
Depreciations	-2 940
Divestments	1 029
Exchange rate differences	-454
Closing balance 31 December 2021	-8 805
Opening balance 1 January 2022	-8 805
Depreciations	-4 081
Divestments	2 375
Exchange rate differences	-586
Closing balance 31 December 2022	-11 096
Carrying amounts	
As of 2021-01-01	4 792
As of 2021-12-31	11 935
As of 2022-01-01	11 935
As of 2022-12-31	11 303

Note 16 Equipment

Group SEK Thousand	Inventarier
Acquisition Value	
Opening balance 1 January 2021	14 944
Acquisitions	11 706
Ongoing construction	644
Divestments	–
Exchange rate differences	644
Closing balance 31 December 2021	27 938
Opening balance 1 January 2022	27 938
Acquisitions	8 557
Ongoing construction	819
Divestments	–
Exchange rate differences	893
Closing balance 31 December 2022	38 207
Depreciations	
Opening balance 1 January 2021	-8 814
Depreciations	-3 209
Divestments	–
Exchange rate differences	-488
Closing balance 31 December 2021	-12 512
Opening balance 1 January 2022	-12 512
Depreciations	-5 623
Divestments	–
Exchange rate differences	-340
Closing balance 31 December 2022	-18 476
Carrying amounts	
As of 2021-01-01	6 130
As of 2021-12-31	15 426
As of 2022-01-01	15 426
As of 2022-12-31	19 731

Note 17 Inventory

SEK Thousand	2022-12-31	2021-12-31
Group		
Commodities	13 330	14 049
	13 330	14 049

Note 18 Accounts receivable

Trade receivables are recognized after taking into account the loss reserve. Bad debt losses for the group during the year amounted to SEK 2,430 thousand (3,936: 2021) In the Parent Company, customer losses amounted to SEK 0 thousand (0: 2021).

SEK Thousand	2022-12-31	2021-12-31
Group		
Accounts receivable at face value	11 667	15 305
Provisions for losses on accounts receivable	-2 032	-3 191
	9 635	12 114
Parent company		
Accounts receivable at face value	–	–
Provisions for losses on accounts receivable	–	–
	–	–

The company has transferred accounts receivable to a bank in the form of a factoring arrangement and received cash and cash equivalents. The accounts receivable do not have booked away from the financial condition report because the company retains the main risks and benefits, which constitute of credit risk, see Note 26. The amount is recorded as Short-term liability, see Note 22.

The amount that the company has received from the bank:

SEK Thousand	2022-12-31	2021-12-31
Group		
The carrying amount of accounts receivable that have been transferred to bank	3 687	3 509
The carrying amount of the related liabilities	3 687	3 509
Parent company		
The carrying amount of accounts receivable that have been transferred to bank	–	–
The carrying amount of the related liabilities	–	–

Note 19 Prepaid expenses and accrued revenues

SEK Thousand	2022-12-31	2021-12-31
Group		
Accrued revenue from suppliers	2 091	2 055
Prepaid leasing fees	3 372	2 742
Prepaid goods costs	1 132	10 547
Other	4 356	3 486
	10 951	18 830
Parent company		
Other	187	128
	187	128

Note 20 Cash and cash equivalents

SEK Thousand	2022-12-31	2021-12-31
Group		
The following components are included in cash and cash equivalents:		
Cash and bank balances	56 002	160 733
Total according to consolidated statement of financial position	56 002	160 733
Total according to consolidated cash flow statement	56 002	160 733
Parent company		
The following components are included in cash and cash equivalents:		
Cash and bank balances	–	–
Total according to consolidated statement of financial position	–	–
Total according to consolidated cash flow statement	–	–

Note 21 Total Equity

Share class – Thousands of shares	2022	2021
Ordinary Shares		
Issued as of 1 January	12 679	316
Cash issue	–	3 490
Share split	–	4 425
Re-titling	–	9 189
Redemption	–	-4 741
Issued as of December 31 – paid	12 679	12 679
Non-redeemable preference shares		
Issued as of 1 January	–	613
Cash issue	–	–
Share split	–	8 576
Re-titling	–	-9 189
Issued as of December 31 – paid	–	–

As of 31 December 2022, the registered share capital comprised SEK 1,170,129 (1,170,129) with a quota value of SEK 0.09 (SEK 0.09).

Holders of ordinary shares are entitled to dividends that are determined gradually and the shareholding entitles to voting rights at the general meeting with one vote per share.
The shareholding entitles to voting rights at the General Meeting with one vote per share.

Translation reserve
The translation reserve includes all exchange differences arising from the translation of financial statements from foreign operations that have prepared their financial statements in a currency other than the currency in which the Group's financial statements are presented. The Parent Company and the Group present their financial statements in the Swedish kronor (SEK).

Premium fund
When shares are issued at a premium, i.e. at an issue price higher than the quota value of the shares, an amount equal to the amount received in addition to the quota value of the shares shall be transferred to the share premium fund.

Retained earnings
Retained earnings consist of the previous year's retained earnings and profit after deduction of dividend paid during the year.

Note 22 Liabilities to credit institutions

SEK Thousand	2022-12-31	2021-12-31
Liabilities to credit institutions		
Right of recourse factoring companies	3 687	3 509
Other	–	–
	3 687	3 509
Liabilities due later than five years after the balance sheet date		
Overdraft facility	–	–
Other	–	–

Note 23 Pensions

Defined contribution pension plans
The Group only has defined contribution pension plans.
Payment to these plans is made on an ongoing basis according to the rules in each plan.

SEK Thousand	2022-12-31	2021-12-31
Group		
Costs of defined contribution plans	11 164	9 664
Parent company		
Costs of defined contribution plans	1 010	604

Note 24 Other liabilities

SEK Thousand	2022-12-31	2021-12-31
Other non-current liabilities		
Other	–	–
	–	**–**
Other current liabilities		
Acquisition liabilities	–	–
Other	14 244	12 027
	14 244	12 027

Note 25 Accrued expenses and deferred income

SEK Thousand	2022-12-31	2021-12-31
Group		
Accrued personnel costs	21 865	24 496
Accrued interest expenses	1 189	1 398
Accrued goods and delivery costs	2 342	11 698
Other	8 081	9 594
	33 477	47 186
Parent company		
Accrued personnel costs	2 112	3 595
Other	480	1 083
	2 592	4 678

Note 26 Evaluation of assets and liabilities, financial risks and risk management

Fair value
The fair value of interest-bearing liabilities is calculated by discounting future cash flows of principal and interest to current market rate.

Carrying amount of long-term receivables, accounts receivable, other current receivables, cash and bank, accounts payable, other non-current liabilities and other current liabilities constitute a reasonable approximation of fair value.

Financial risks and risk management
Through its operations, the Group is exposed to various types of financial risks.

- Credit risk
- Liquidity risk
- Market risk

Financial risk management framework
Responsibility for the Group's financial transactions and risks is managed centrally by the Group's finance function. The overall objective of the finance function is to provide cost-effective financing and to minimize adverse effects on the Group's earnings arising from market risks.

Liquidity risk
The liquidity risk is the risk that the Group may have problems fulfilling its obligations associated with financial liabilities. The Group is based on a 12-month liquidity plan covering all of the Group's units. The planning is updated every quarter. The Group's 3-year forecasts include medium-term liquidity planning. Liquidity planning is used to manage the liquidity risk and the costs of financing the Group. The goal is for the Group to be able to cope with its financial commitments in ups as well as downturns without significant unforeseeable costs and without risking the reputation of the group. The Group's policy is to minimize the need for borrowing by using excess liquidity within the Group through cash pools that have been set up by the central finance department. Liquidity risks are managed centrally for the entire Group by the central finance department.

The company's financial liabilities at year-end amounted to SEK 58 million (2021: SEK 96 million) and maturity structure of debt is shown in the table below.

Capital management
The Group's financial objective is to have a good financial position, which helps to ensure that investors, creditors' and market confidence and provide a basis for the continued development of business operations; while maintaining the long-term returns generated to shareholders are satisfactory. Capital management in the Group aims to ensure that the business is adequately capitalized to meet the risks in the business taking into account the scope of the Group's financing activities and associated risks and, in the long term, increasing the value of ownership. The capital structure is mainly affected by the profitability of the business, possible dividends and investments. Liquidity planning within the Group also takes into account how capital needs are expected to develop over the next 3 years.

The reported equity in the consolidated balance sheet is defined as capital.

	2022-12-31	2021-12-31
Equity ratio %		
Total equity	447 590	608 045
Balance sheet total	776 069	960 856
Equity ratio (Total equity/Total assets)	57,7%	63,3%

During the year, there was no change in the Group's capital management.

Neither the parent company nor any of the subsidiaries are subject to external capital requirements.

Note 26 Evaluation of assets and liabilities, financial risks and risk management, cont.

Maturity structure financial liabilities – undiscounted cash flows

2022-12-31	Currency	Nom. Amount original currency	Total thousand SEK	< 1 month	1-3 month	3 month -1 year	1-5 years	> 5 years
Accounts payable		53 969	53 969	53 969				
Leasing liabilities	SEK	52 470	59 465	998	1 997	8 986	43 271	4 213
Leasing liabilities	NOK	84 403	104 465	1 398	2 794	12 575	65 810	21 888
Leasing liabilities	DKK	4 553	7 324	202	404	1 817	4 901	–
Total			225 223	56 567	5 195	23 378	113 982	26 101

2021-12-31	Currency	Nom. Amount original currency	Total thousand SEK	< 1 month	1-3 month	3 month -1 year	1-5 years	> 5 years
Accounts payable		92 626	92 626	92 626				
Leasing liabilities	SEK	41 127	47 809	770	1 539	6 926	28 091	10 483
Leasing liabilities	NOK	62 906	78 181	859	1 717	7 727	38 874	29 004
Leasing liabilities	DKK	5 919	8 968	186	373	1 678	6 731	–
Total			227 584	94 441	3 629	16 331	73 696	39 487

Market risk

Market risk is the risk that the fair value of or future cash flows from a financial instrument vary due to changes in market prices. Market risks are divided by IFRS into three types; currency risk, interest rate risk and other price risks. The market risks that primarily affect the Group consist of interest rate risks and currency risks. According to current policy, the company does not hedge against market risks.

The Group's objective is to manage and control market risks within established parameters and at the same time optimize the result of risk-taking within given frameworks. The parameters have been determined with the aim that the short-term market risks (6–12 months) will only marginally affect the Group's earnings and position. In the longer term, however, sustained changes in exchange rates and interest rates will have an impact on consolidated earnings.

Interest rate risk

Interest rate risk is the risk that the value of financial instruments varies due to changes in market interest rates. Interest rate risk can lead to changes in fair values and changes in cash flows. A significant factor that affects interest rate risk is the fixed interest period.

The Group's interest rate risk arises mainly through long-term borrowing and is managed by the central financial function. The group currently has no long-term borrowing.

The Group has actively chosen not to secure itself against risks regarding changes in interest rates.

Sensitivity analysis – interest rate risk

The impact on interest income and interest expenses during next twelve-month period in the event of a rise/decrease in interest rates of 1 percentage point on the balance sheet date amounts to +/- alt. -/+ 0 TSEK (2021 +/- alt. -/+ 0 TSEK) – given the interest-bearing assets and liabilities that exist as of the balance sheet date.

Currency risk

The risk that fair values and cash flows regarding financial instruments may fluctuate when the value of foreign currencies changes is called currency risk. The group has limited exposure to currency risk on transactions because income and expenses are mainly in the same currency. The functional currency for the group companies is primarily in SEK. Transactions are primarily made in the currencies SEK, EUR, NOK and DKK.

The group has chosen not to hedge translation exposures in foreign currency.

Sensitivity analysis - currency risk

A 10% strengthening of the Swedish krona against other currencies as of 31 December 2022 would mean a change in equity by -693.4 (2021: SEK -34.1 million) and in profit by -34.9 (2021: SEK 15.3 million). The sensitivity analysis is based on all other factors (eg the interest rate) remaining unchanged. The same conditions were applied for 2021.

Credit risk

Credit risk is the risk that a client or counterparty of a financial instrument is unable to meet its commitment, thereby causes the Group a financial loss and arises mainly from the Group's accounts receivable. The carrying amount of financial assets constitutes the maximum credit exposure. Bad debt does not amount to significant amounts and has historically amounted to less than SEK 8.5 million.

Credit risk in cash and cash equivalents

The Group has cash and cash equivalents of SEK 56,002 thousand as of December 31, 2022 (2021: SEK 160,733 thousand). For cash and cash equivalents, banks and financial institutions counterparties, which are rated AA- to AA+, based on Standard & Poor's Credit Market Services Europe Ltd credit rating.

Credit risk in receivables from Group companies
The Parent Company's credit risk exposure is mainly affected by the individual characteristics of each Group company. Management takes into account however, the factors that may affect the credit risk of the group companies, including the risk of default in the country where the Group companies are active.

Changes in write-down reserves for accounts receivable
The change in impairment reserves for accounts receivable during the year was as follows.

	2022	2021
Group		
Opening balance as of January 1	3 191	3 376
Change in loss reserve	-1 158	-185
Closing balance as of December 31	2 032	3 191

Below is a summary of the credit risk exposure and feared credit losses for consumer accounts receivable as of December 31, 2022.

31 December 2022 SEK Thousand	Gross carrying amount	Loss reserves	Net
Not overdue	8 312	82	8 230
Overdue 1–30 days	79	2	77
Overdue 31–60 days	740	73	668
Overdue 61–90 days	508	152	357
Overdue 91– days	2 028	1 724	304
	11 667	2 032	9 635

31 December 2021 SEK Thousand	Gross carrying amount	Loss reserves	Net
Not overdue	10 096	100	9 996
Overdue 1–30 days	1 157	35	1 122
Overdue 31–60 days	510	79	431
Overdue 61–90 days	356	126	230
Overdue 91– days	3 187	2 853	335
	15 305	3 191	12 114

Note 27 Lease agreement

Leases where the company is a lessee
The Group's property, plant and equipment consists of both owned and leased assets.

The Group leases several types of assets. No lease agreements contain covenants or other limitations in addition to the security of the leased asset.

Right of use assets SEK Thousand	Real estates	Machines	Vehicles	Total
Depreciation during the year	-16 435	-1 897	-304	-18 636
Closing balance 2021-12-31	95 664	5 436	2 248	103 348
Depreciation during the year	-20 521	-1 904	-625	-23 050
Closing balance 2022-12-31	129 176	5 700	2 332	137 208

Additional right of use assets ("Additions to right-of-use assets") in 2022 amounted to SEK 55,243 thousand (2021: SEK 11,552 thousand). This amount includes the acquisition value of new acquisitions during the year rights of use and additional amounts when reconsidering leasing liabilities due to changed payments as a result that the leasing period has changed.

For a maturity analysis of the leasing liabilities, see Note 26 Financial risks and risk management in the section on liquidity risk

Amounts reported in earnings SEK Thousand	2022	2021
Group		
Depreciation of right-of-use assets	23 050	18 636
Depreciation of right-of-use assets	7 139	6 057
Costs of low-value leases	683	523

Amounts recognised in profit or loss SEK Thousand	2022	2021
Total cash outflows attributable to leases	23 733	19 159

The above cash outflow includes amounts for leasing agreements that are reported as well lease liabilities, as amounts paid for variable lease payments and leases of low value.

Realestate leasing
The Group leases buildings for its office premises. The leasing agreements for office premises have normally a term of 3-5 years. Some leasing agreements include an option to at the end of the leasing period renew the leasing agreement for another period with the same term.

Some leasing agreements include leasing fees that are based on changes in local price index. Some leasing agreements require the Group to pay fees relating to property taxes which is placed on the lessor. These amounts are determined annually.

Extension and termination options
Some leasing agreements contain extension options and termination options, respectively The Group can use or not use up to one year before the expiry of the non-cancellable the leasing period. When it is practical, the Group tries to include such options in new leasing agreements as it contributes to operational flexibility. The options can only used by the Group, not by the lessor. Whether it is reasonably certain that an extension option will be utilized or not determined on the commencement date of the leasing agreement. The group reconsider whether it is reasonably certain that an extension option will be exercised or not if there is an important event or significant changes in circumstances within Group control.

The Group's lease agreements for office premises mainly consist of non-cancellable periods of 3 years, which is extended by additional periods of 3 years if the Group does not terminate the agreement with 0 to 9 months notice. For offices, the Group assesses in the majority of cases that it is not reasonably certain that the agreements will be extended beyond the first period - i.e. the leasing period is usually assessed as a period. Reported lease liabilities for these agreements amount to SEK 40,771 thousand (2021: SEK 3,483 thousand).

The Group's agreement for the lease of other premises in the business consists of non-cancellable periods in 2-15 years, with options for the Group to exercise additional periods. The agreements contain no final end date. For agreements with a non-cancellable period of 5-15 years, it has considered that it is not reasonably certain that additional periods will be utilized. For agreements such as has a shorter non-cancellable period than 5 years, it is judged in most cases that it is reasonably safe that additional period or periods will be utilized, resulting in leasing periods if usually 7-15 years. Reported lease liability for these agreements amounts to SEK 99,285 thousand (2021: SEK 102,250 thousand)

During the year, the Group did not exercise any options that were not previously included in the lease liability. Significant changes may occur in the future in the event of a reconsideration of the leasing period would occur in respect of any of the Group's significant property agreements.

Other leasing agreements
The Group leases vehicles and equipment with leasing periods of 1 to 8 years. In some cases The Group has an opportunity to buy the asset at the end of the leasing period. In other cases, guarantees The Group the residual value of the leased asset at the end of the leasing period. Extension options occurs only to an insignificant extent.

Estimated residual value guarantees are reconsidered at each balance sheet date to revalue the lease liability and the right of use asset. On December 31, 2022, the Group estimates that residual value guarantees amount to SEK 341 thousand.

The Group also leases machines such as coffee machines and IT equipment with leasing periods in one to three years. These leasing agreements are leases of low value. The Group has chosen not to report right of use assets and lease liabilities for these leases.

Note 28 Pledged collateral, contingent liabilities and contingent assets

SEK Thousand	2022-12-31	2021-12-31
Group		
Pledged Collateral		
In the form of securities set for own liabilities and provisions		
Company mortgages	–	825
Shares	–	–
Total pledged collateral	–	825
Parent company		
Pledged Collateral		
In the form of securities set for own liabilities and provisions		
Shares	–	–
Total pledged collateral	–	–

Contingent liabilities and contingent assets
The Group has no contingent liabilities or contingent assets.

Note 29 Appropriation of profit or loss

Proposed appropriation of profit and loss
Unrestricted equity is available to the Annual General Meeting are as below.

Share premium reserve	1 166 540
Retained earnings	-395 416
Profit/loss for the year	-280 239
Total	490 884
The Board of Directors proposes the following profit allocation SEK thousands	
Dividend of SEK 0.3 per share	3 804
Carried forward to new account	487 081
Total	490 884

The board proposes that SEK 490,884 thousand be allocated to SEK 0.30 per share corresponding to SEK 3,804 thousand, based on the number of shares as of 31 december 2022. The remaining amount of SEK 487 081 thousand is carried forward to new account, of which SEK 1 162,736 thousand to the share premium reserve and SEK -675,655 thousand to retained earnings.

The dividend proposed by the Board corresponds to 0,8 percent of the parent company's equity, respectively 0,8 percent of the Group's equity..

The board asses that the proposed dividend is well-balanced with regards to the business targets, scope and risks. The group will continue to be able to fulfil the company's future obligations. If the dividend had been paid at the turn of the year, the equity / assets ratio in the Group would have been 57 percent. After payment of the proposedividend, LMK Group is expected to continue to have a good financial position.

LMK Group's dividend policy aims to provide shareholders with a dividend that provides a good dividend yield while providing the company has the opportunity to invest in strategic growth opportunities.

The goal of the dividend is for it to amount to at least 50% of the cashflow from current operations minus the acquisition of fixedassets and amortization of leasing debt over the next few years.

Note 30 Associated companies

Associated relationships

The parent company has an associated relationship with its subsidiaries, see Note 31. Details of the remuneration to the respective key senior executive, see Note 5.

Summary of related party transactions

Group			
SEK Thousand	Year	Claim associated company per 31 December	Debt associated company per 31 December
Associated company	–	–	–

Parent company				
SEK Thousand	Year	Claim associated company per 31 December	Debt associated company per 31 December	Revenue associated company
Associated company				
RetNemt.dk ApS	2022	–	–	–
RetNemt.dk ApS	2021	44	–	198
Godtlevertgruppen AS	2022	1 155	–	4 862
Godtlevertgruppen AS	2021	3 735	2 197	3 090
Carolinas Matkasse AB	2022	184 116	–	–
Carolinas Matkasse AB	2021	209 903	–	2 353
Linas Matkasse NewCo AB	2022	8 000	–	–
Linas Matkasse NewCo AB	2021	5 000	–	–

The companies' transactions with associated parties primarily consist of management costs and services. Transactions with associated parties are priced on market terms.

Note 31 Group companies

The consolidated financial statements include LMK Group AB (publ) and subsidiaries (the Group). Subsidiaries are companies over which LMK Group AB (publ) (directly or indirectly) has control. Control is achieved when the group is exposed to or is entitled to a variable return from its involvement in a company where it invested, and has the opportunity to influence this return through its influence over this company.

Participations in Group companies	Subsidiary's registered office, country	2022-12-31	Ownership % 2021-12-31
Linas Matkasse NewCo AB	Stockholm, Sweden	100%	100%
Carolinas Matkasse AB	Stockholm, Sweden	100%	100%
GodtlevertGruppen AS	Oslo, Norway	100%	100%
RetNemt.dk ApS	Helsingör, Denmark	100%	100%

Note 31 Group companies, cont.

Parent company	2022-12-31	2021-12-31
Cumulative acquisition value		
Opening balance	953 454	898 573
Shareholder contributions	–	54 881
Closing balance December 31	953 454	953 454
Accumulated depreciation and impairments		
Opening balance	-377 100	-377 100
Impairment	-280 000	–
Closing balance December 31	-657 100	-377 100
Carrying value December 31	296 354	576 354

As part of the acquisition of the remaining shares in the subsidiary Retnemt.dk Aps, the company left an unconditional shareholder contribution to the subsidiary Linas Matkasse Newco AB in 2021, which in turn provided an equally large shareholder contribution to Carolinas Matkasse AB, which completed the acquisition.

If there is an indication of the need for impairment, the asset's recovery value is calculated. The recovery value is based on the value in use, which is calculated based on discounted future cashflows. Changes in external factors have led to a higher discount rate, primarily through a higher risk-free interest rate and a higher market risk premium. Environmental conditions, including inflation, increased energy costs and higher mortgage interest rates, are also expected to have an impact on household consumption. With that in mind, the company has revised the estimated future cashflows.

The impairment requirement in 2022 for shares in subsidiaries has been assessed at SEK 280,000 thousand (2021: SEK 0 thousand).

Specification of the parent company's direct holding of shares in subsidiaries

Subsidiaries / Organization number / registered office	Number of shares	Shares %	Carrying value 31 Dec 2022	Carrying value 31 Dec 2021
Linas Matkasse NewCo AB, 559020-2536, Stockholm	727 064	100	296 354	576 354

Note 32 Specifications for cash flow statement

Cash and cash equivalents - Group SEK Thousand	31 Dec 2022	31 Dec 2021
The following components are included in cash and cash equivalents:		
Cash and bank balances	56 002	160 733
Total according to consolidated statement of financial position	56 002	160 733

Cash and cash equivalents - Parent company SEK Thousand	2022-12-31	2021-12-31
The following components are included in cash and cash equivalents:		
Cash and bank balances	–	–
Total according to statement of financial position	–	–

Interest paid and dividends received SEK Thousand	2022	2021
Group		
Interest received	1 002	178
Interest paid	-181	-32 438
	821	-32 260
Parent company		
Interest received	951	–
Interest paid	-1	-10
	950	-10

Adjustments for items that are not included in cash flow SEK Thousand	2022	2021
Group		
Depreciation	49 873	45 862
Impairment	120 000	–
Other non-cashflow impacting items	-998	3 369
	168 875	49 231
Parent company		
Impairment	280 000	–
Other non-cashflow impacting items	–	1 427
	280 000	1 427

Transactions that do not entail payments SEK Thousand	2022	2021
Group		
Acquisition of asset through leases	55 243	11 552

Reconciliation of liabilities arising from financing activities

SEK Thousand	Cash flow put option	Acquisition liabilities	Corporate bond	Leasing liabilities	Total debt originating from financing the business
Group					
Closing balance 2020	59 800	15 569	136 128	115 820	327 317
Cash flow	-59 800	-15 569	-136 128	-8 738	-220 235
Non-cash flow affecting changes					
Put option	–	–	–	–	–
New leasing agreements	–	–	–	11 552	11 552
Setup cost	–	–	–	–	–
Exchange rate differences	–	–	–	-4 863	-4 863
Closing balance 2021	–	–	–	113 771	113 771
Parent company					
Closing balance 2020	-	-	-	-	-
Cash flow	-	-	-	-	-
Closing balance 2021	-	-	-	-	-

SEK Thousand	Cash flow put option	Acquisition liabilities	Corporate bond	Leasing liabilities	Total debt originating from financing the business
Group					
Closing balance 2021	-	-	-	113 771	113 771
Cash flow	-	-	-	-22 531	-22 531
Non-cash flow affecting changes					
Put option	-	-	-	–	–
New leasing agreements	-	-	–	55 243	55 243
Setup cost	-	-	-	–	–
Exchange rate differences	-	-	-	2 029	2 029
Closing balance 2022	-	-	-	148 512	148 512
Parent company					
Closing balance 2021	-	-	-	-	-
Cash flow	-	-	-	-	-
Closing balance 2022	-	-	-	-	-

Note 33 Significant events after the end of the financial year

No significant events have occurred since the end of the reporting period.

Note 34 Important estimates and assessments

Management has together with the Board evaluated development, election and disclosures regarding the Group's accounting principles and estimates, as well as the application of these principles and estimates.

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

Some important accounting assessments made in the application of the Group's accounting principles are described below.

Key sources of uncertainty in estimates

The sources of uncertainty in estimates listed below refers to those that involve a significant risk that the value of assets or liabilities may need to be adjusted substantially in the coming financial year..

The Company management assesses that none of the asset and liability amounts without controlling influence that are reported are associated with a risk of having to be adjusted to a significant degree during the coming year. Goodwill and Trademarks has been identified as the most significant fixed assets where impairment testing is considered critical. Goodwill Impairment has been identified. The calculated recovery value for identified cash-generating units is based on a number of assessments and estimates based on management's best judgment. Changes to these could result in a significant effect on the recovery value. The most essential assumptions appears from note 10.

Note 35 Information concerning parent company

LMK Group AB (publ) is a Swedish-registered limited liability company based in Stockholm. The address of the head office is Löfströms Allé 5, 172 66 Sundbyberg.

The consolidated financial statements for 2022 relate to the parent company and its subsidiaries, together named the Group.

The parent company is listed on Nasdaq First North Premier Growth Market.

Declaration

The Board of Directors and the CEO declare that the annual accounts have been prepared in accordance with generally accepted accounting principles in Sweden and that the consolidated accounts have been prepared in accordance with the international accounting standards referred to in Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards. The annual report and the consolidated financial statements give a true and fair view of the position and performance of the parent company and the Group. The Directors' Report for the parent company and the Group gives a true and fair view of the development of the parent company's and the Group's business, position and profit or loss, and of the principal risks and uncertainties facing the parent company and the companies in the Group.

The annual report and the consolidated financial statements were approved for issue by the Board of Directors and the Chief Executive Officer on March 27, 2023, as stated above. The consolidated income statement and consolidated statement of comprehensive income and statement of financial position and the parent company's income statement and balance sheet will be subject to approval at the Annual General Meeting on April 27, 2023.

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Board member

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Walker Kinman
CEO

Our Audit report was submitted on March 31, 2023
KPMG AB

Ingrid Hornberg Román
Authorized Public Accountant

Auditor's Report

To the general meeting of the shareholders of LMK Group AB (publ), corp. id 559021-1263

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of LMK Group AB (publ) for the year 2022. The annual accounts and consolidated accounts of the company are included on pages 43-84 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. 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 statement of comprehensive income and statement of financial position for the group.

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.

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

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 1-9 and 20-41. The other information comprises also of remuneration report which we obtained prior to the date of this auditor's report. 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 intend to liquidate the company, to cease operations, or has no realistic alternative but to do so.

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.

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 LMK Group AB (publ) for the year 2022 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit 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 the Board of Directors' reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Companies Act.

Stockholm 31 March 2023
KPMG AB

Ingrid Hornberg Román
Authorized Public Accountant

KPMG