



Annual Report & Sustainability Report

2021



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About LMK Group

Under the brands Linas Matkasse, Godtlevvert, Adams Matkasse and RetNemt, LMK Group offers a subscription service for well-planned meal solutions on the Scandinavian market.

Local chefs and dieticians create well-balanced, nutritionally calculated recipes that are delivered to the customer's door with the right quantity of 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. Customers manage their subscription via a mobile app or via the website.

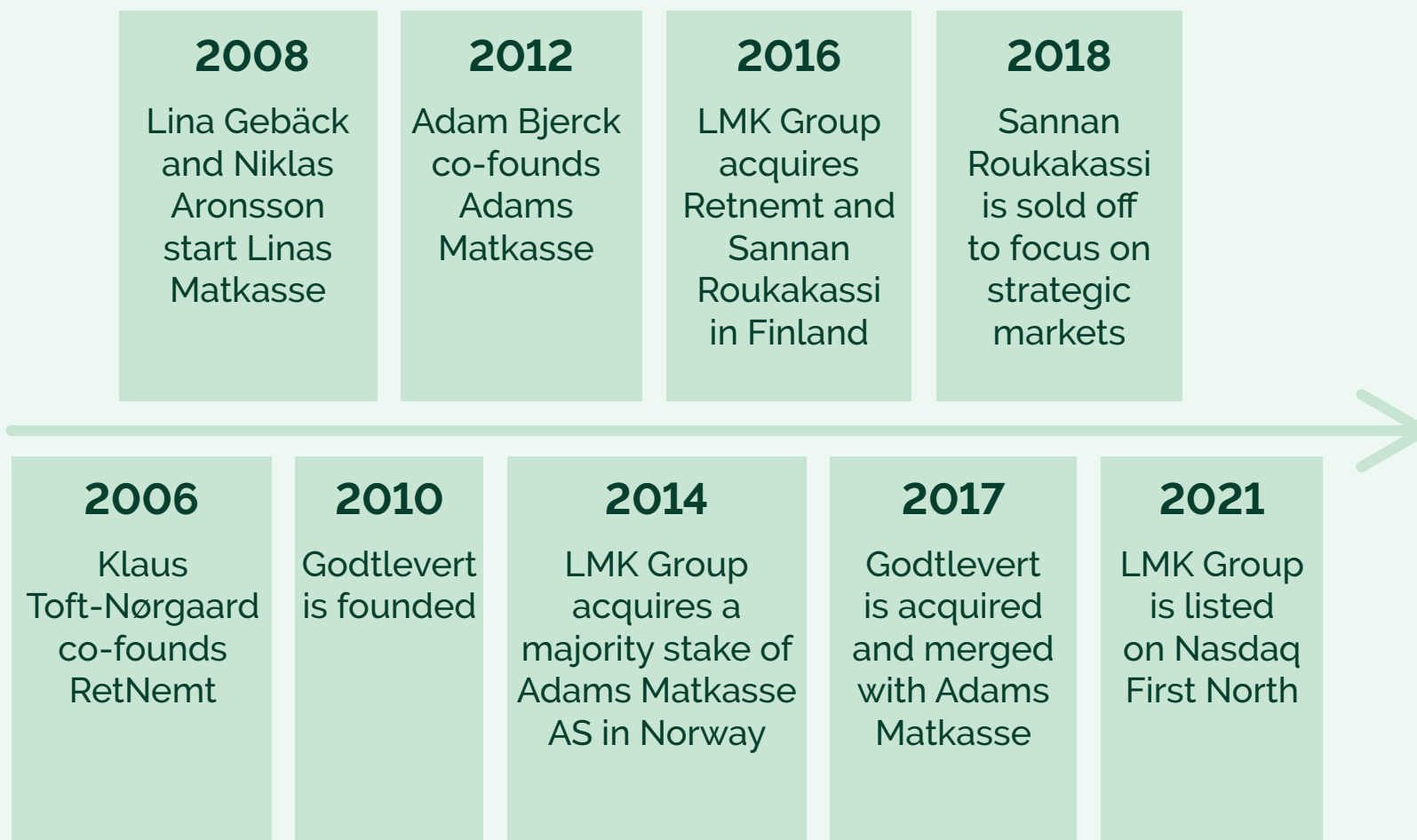
The service is enabled by innovative technology solutions and a strong, scalable supply chain with efficient processes. The Group's activities cover everything from recipe creation, planning and purchasing, marketing, production and logistics, to customer experience.

Through a strong local presence in each market, combined with insight from millions of data points and consumer panels, the company has a detailed understanding of customer behaviors and needs. This local customer focus has contributed to LMK Group's leading position in the Nordic market.

Founded in 2008, LMK Group created a completely new business model in the food industry. Today, the Group is the largest supplier of meal kits in the Nordic region and a leader in Scandinavian food tech. Since spring 2021, the company has been listed on Nasdaq First North Premier Growth Market. In 2021, the company had approximately 101,000 active customers, delivered 23.2 million meals, had sales of SEK 1387.3 million and an operating profit (EBIT) of SEK 46.9 million.



Timeline



LMK Group in Figures



Portions delivered in 2021

23.2 M



Employees

322

Dividend per share

1.75 SEK



Number of customers

101 000



Net sales

1 387 MSEK



Operating result (EBIT)

46.9 MSEK



Net sales growth

14 %



EBIT margin %

3.4 %



Cash flow from operating activities

78.7 MSEK



Earnings per share

1.6 sek

Map – LMK Group markets

NORWAY

GODTLEVERT & ADAMS MATKASSE

In average 139 full-time employees in production and office in Oslo. Market leader with approximately 95% market shares for the GodtLevert and Adams Matkasse brands.

SWEDEN

LINAS MATKASSE

In average 123 full-time employees in production in Mölnlycke and headquarters in Stockholm. Market leader in mealkits with approximately 30% market share for the Linas Matkasse brand.

DENMARK

RETNEMT

In average 60 full-time employees in production and office in Helsingør. Challenger position with approximately 20% market share for the RetNemt brand.



Comments from the CEO

The year 2021 was another remarkable year for the LMK Group highlighted by continued profitable growth and the further transformation of our flexible mealkit offering. In addition to growing by 14% and generating 106 MSEK in Adjusted EBITDA*, we also listed the company on the Nasdaq First North stock exchange, fully integrated our Danish subsidiary RetNemt and completed the shift of our production capacity to 100% customer unique.

For our customers, employees, and suppliers, 2021 will be seen as a year of both unique challenges and opportunities as a result of the covid-19 pandemic. Our organization finalized a complex transition from local, country-based operations to a truly Nordic organization with common values; embracing what it means to operate locally in our markets as well as benefiting from the scale advantages of a larger organization. We engaged our organization during the year to define a unique purpose Innovating the Mealtime Experience, supported by a culture that is shared across the organization. This statement embraces a rich heritage of entrepreneurship and disruptive technology development which has led to becoming a leading Nordic foodtech company pioneering a totally new industry, while redefining the dinner category.

We know our success lies in increasing the ease with which our customers can prepare healthy, sustainable meals, and in 2021 we delivered over 23 million of these meals. We embrace the fact that food is personal, every household is unique, and

tastes vary from person to person. At the beginning of the year, we set out to convert our production capabilities so that every mealkit delivered can be completely unique for each customer. We solved this challenge by rolling out pick-to-light lines to replace our former batch processing setup, completing the project in Q4. The capability gives us a significant advantage in continuing to truly innovate the product and service offering in a scalable production environment.

Finally, 2021 was a milestone year for us as we listed the company on the Nasdaq First North stock exchange at the end of March. The listing of the company raised 250 million SEK of fresh capital that was used to redeem the outstanding bond as well as acquire the remaining minority shareholding of our Danish subsidiary. With the listing, we welcomed [over 1000] new shareholders to the company to join us on our journey.

We are entering 2022 as one entity, well positioned to take advantage of our consolidated structure and ready to launch new concepts, such as ready-to-heat meals with which we will have the possibility to address new target groups and expand our addressable market. I would like to take the opportunity to thank our employees, suppliers and partners for their dedication and contribution to our joint success. Without their efforts we would not be where we are today!

Walker Kinman, CEO

* Adjusted EBITDA as defined in the interim report: Operating profit less Depreciation, less SEK 12.9 million in costs items affecting comparability. Items affecting comparability consist of cost from the stock exchange listing.



Vision – The Compass

As LMKG has grown, expanded geographically and evolved, the need for a common purpose and culture has also become more evident. So in 2021, work began on creating what became The Compass.

The Compass is a model based on three fundamental areas:

- 1) Our purpose** – WHY we exist
- 2) Our culture** – HOW to interact with each other
- 3) Our Strategy** – WHAT to focus on

It was important to involve employees as much as possible from the outset to capture the essence of the company and to ensure ownership. Therefore, the result does not come from management and is not shaped by a geographical area but is the sum of everyone's perspective and what is most important for the whole company.

We invited all employees to give their input via a survey, and then all employees who wished to participate were invited to give their perspectives in workshops. At the same time a "leadership forum" – a group of all the company's leaders – was formed and also worked on the material. The results were then summarized in small groups and became The Compass.

The launch took place via a live-streamed event to all employees, where presentations were interspersed with interviews, workshops and interactive elements. During the year, The Compass has been used as the basis for internal communication both during information meetings, in written communication via the company's Slack channel, and physically at production sites and offices. The employee survey carried out in the autumn shows that after the relatively short time since the launch of The Compass, it has already made an impact and been well received. Further implementation is planned for 2022, including the move into new offices in Oslo and Stockholm.



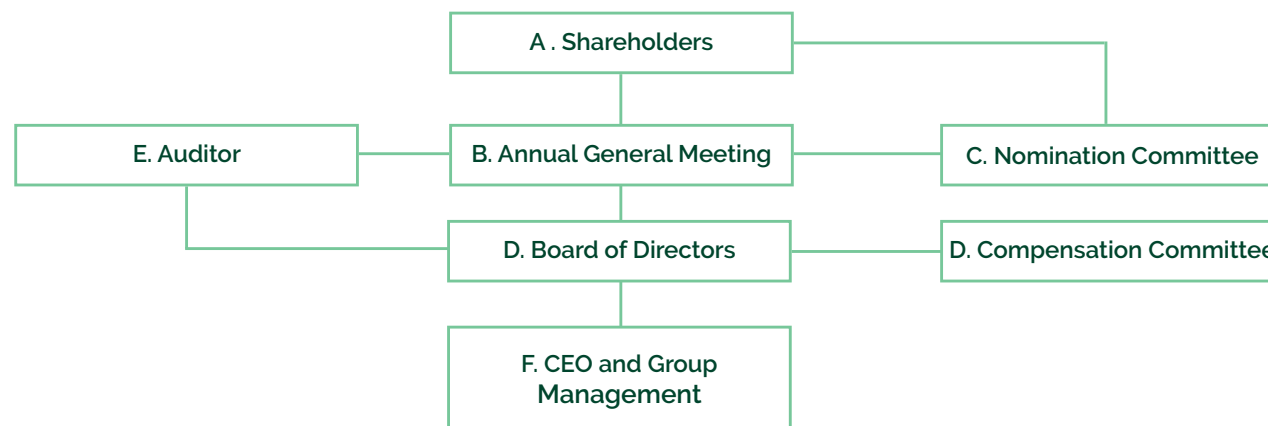
2021 Corporate Governance Report

Good corporate governance is an important element to ensure the trust of LMK Group AB (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 make it clear where responsibilities and powers lie in the organization.

This Corporate Governance Report has been prepared in accordance 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 accordance with the statutory audit.

LMK Group is a Swedish public limited company. LMK Group's corporate governance is generally based on Swedish law, 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, the Company applies Nasdaq First North Premier's rules for issuers and the Swedish Code of Corporate Governance.

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. In cases where LMK Group has chosen to deviate from the Code's rules, justification is provided.



Responsibility for the management and control of LMK Group is shared among the shareholders via 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 laws 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 the 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 1,600 shareholders, each share carrying one vote. The business is Scandinavian, with a presence in 3 countries.

As of December 31, 2021, LMK Group AB had 1,655 shareholders. The ten largest shareholders held a total of 59% of the capital and votes as of December 31, 2021.

Shareholders	Number of shares	Share of votes %
Herkules	1 499 177	11,8%
Niklas Aronsson	1 014 081	8,0%
Investors through Clearstream Banking	812 419	6,4%
Invus	679 030	5,4%
Carolina Gebäck	676 055	5,3%
Moneta	665 648	5,3%
ENCIERRO CAPITAL AS	621 000	4,9%
Life insurance company Skandia Mutual SEBP6	542 591	4,3%
Acton GMBH	505 050	4,0%
Investors through BNP Paribas Sec Services Paris	478 882	3,8%
In total, the 10 largest shareholders	7 493 933	59,1%
Other shareholders	5 184 659	40,9%
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 relat-

ed 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 seat 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 each shareholder can 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 www.lmkgroup.se/sv/ledning/.

B. Annual General Meeting

The Annual General Meeting of LMK Group is the highest decision-making body and the forum through which the shareholders exercise their influence over the company. The tasks of the Annual General Meeting are regulated by the 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 on Annual General Meetings and full minutes of previous Annual General Meetings and Extraordinary General Meetings are available at www.lmkgroup.se.

The Annual General Meeting is held annually within six months of the end of the fiscal year. Notice of the General Meeting 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.

2021 Annual General Meeting

The Annual General Meeting on March 14, 2021, which was conducted virtually due to the Covid-19 pandemic, was attended by shareholders representing approximately 100% of the share capital and votes of the company. Fredrik Kongsli was elected chairman of the meeting. The Meeting 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 to address the results for the year, which included not declaring a dividend for the 2020 fiscal year.

It was further decided that the number of Board members shall be five, without deputies, and that a certified accounting firm shall be appointed as auditor. It was decided that remuneration shall be paid to the members of the Board of Directors. Mathias Hedlund, Charlotte Gogstad, Fredrik Kongsli, Therese Reuterswård and Gert Munthe were re-elected as ordinary members of the Board. Mathias Hedlund was elected Chairman of the Board. It was decided to reappoint the auditing firm KPMG AB as auditor for the period until the end of the next Annual General Meeting.

It was decided to adopt the Nomination Committee instructions including guidelines for the appointment of the Nomination Committee for the 2022 Annual General Meeting. It was also decided to adopt a long-term incentive program for senior executives and a long-term incentive program for external directors.

Before the meeting was declared closed, it was decided to adopt new Articles of Association.

C. Nomination Committee

The main purpose and responsibility of the Nomination Committee is to present proposals for the election of the Chair 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 Board Chair. 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 2022 Annual General Meeting

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

Proposals for the Nomination Committee may be submitted to: ir@lmkgroup.se. The Nomination Committee can also be reached by mail addressed to LMK Group AB (publ.), Nomination Committee, Stormbyvägen 2, 163 55 Spånga, Sweden.

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

D. Board of Directors

The Board of Directors of LMK Group is, after the General Meeting, the highest decision-making body of the company. The Board of Directors is accountable to the General Meeting in accordance with the duty of care and the fiduciary duty imposed on the Board of Directors by applicable laws, regulations and rules. The Board of Directors is also responsible for the achievement of the company's objectives as decided by the Annual General Meeting and set out in the Articles of Association. The work of the Board is also governed by the rules of procedure adopted by the Board each year. The Board's rules of procedure also regulate the division of work and responsibilities between the Board, its Chairman and the CEO, and contain procedures for the CEO's reporting to the Board.

The current Rules of Procedure were adopted on January 29, 2021. It requires 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 tasks 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 operations. The main tasks of the Board are to set the overall objectives of the company's business and decide on the company's strategy to achieve these objectives; 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 picture 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 the law 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, all five members were re-elected. Mathias Hedlund was reappointed Chairman of the Board.

Independence of the Board of Directors

Gert W Munthe is also Chairman of the Board of Herkules Capital AS, which holds approximately 11.8% of the voting rights in LMK Group. Gert W Munthe cannot, therefore, be considered independent in relation to the company's major shareholders under the Code. Fredrik Kongsli, a partner in Herkules Capital AS, cannot be considered independent from LMK Group's major shareholders either. The other three members elected by the AGM, Charlotte Gogstad, Therese Reuterswärd and Mathias Hedlund, are independent both in relation to LMK Group, Group Management and the company's major shareholders in accordance with the Code. The Board thus fulfills the requirement of the Code that at least two of the Directors who are independent of the Company and its management are also independent of the Company's major shareholders.

Name	Position	Year of birth	Elected	Independent of the company	Independent of major shareholders
Mathias Hedlund	Chairman	1970	2021	Yes	Yes
Charlotte Gogstad	Member	1977	2021	Yes	Yes
Fredrik Kongsli	Member	1985	2018	Yes	No
Gert W. Munthe	Member	1957	2018	Yes	No
Therese Reuterswärd	Member	1981	2021	Yes	Yes

Rules of procedure

The rules of procedure of the Board of Directors, including instructions for the division of labor between the Board and the CEO for financial reporting, are updated and adopted annually. In addition to the financial reporting and monitoring of ongoing business operations and profitability trends, the meetings of the Board of Directors deal with objectives, business strategies, acquisitions and significant investments, as well as matters relating to the capital structure.

The Board of Directors appoints its officers at a Board meeting held immediately after the Annual General Meeting. This meeting also establishes the Board's rules of procedure, including the CEO's instructions, committee instructions and other internal governance instruments. The current Board of Directors held its inaugural meeting on 29 January 2021, at which all members of the Board were present.

Chairman of the Board

At the Annual General Meeting of March 14, 2021, Mathias Hedlund was re-elected Chairman of the Board. The Chair of the Board shall direct the work of the Board and be responsible for the effective conduct of the Board's business and the fulfilment of its duties and responsibilities. The chair monitors the development of the business in dialogue with the CEO and is responsible for ensuring that the other members receive the information required for the Board's work to be carried out with maintained quality and in accordance with the Companies Act and other applicable laws and regulations, the Articles of Association and the Board's rules of procedure.

Board work in 2021

The Board addressed issues related to strategy, human resources and organization. Decisions were made on strategy, investments, financial budget and governing policies. In connection with the listing process, the Board also made decisions to enable the listing, including approval of the prospectus, press releases and a proposal for a new share issue.

The Board met 22 times over the course of the year, with attendance at Board meetings in 2021 as shown in the table below.

Board members	Board meetings
Mathias Hedlund	22
Charlotte Gogstad	21
Fredrik Kongsli	22
Gert W. Munthe	22
Therese Reuterswärd	22



Mathias Hedlund

Born in 1970. Chairman of the Board since 2021.

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

Other current positions: Chief Executive Officer of Etraveli Group AB and subsidiaries, and owner and board member of Micchezza AB.

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

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



Charlotte Gogstad

Born in 1977. Board member since 2021.

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

Other current positions: Vice President Product & Tech Enablement for Expedia.com Ltd.

Previous positions (last five years): Senior Director Global Search Marketing and Senior Director Strategy & Business Development for Expedia.com Ltd.

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



Fredrik Kongsli

Born in 1985. Board member since 2018.

Education: Bachelor of Arts – Economics at Columbia University and Master of Business Administration at INSEAD.

Other current positions: Partner in Herkules Capital AS, Chairman of the Board of Back To School AS, Beckmann AS, Olivia Holding AS and subsidiaries, Sibus AS, Kongsli Ventures AS and Kookooli AS, and member of the Board of Eterni Holding AS and subsidiaries, Oppkuven Investco AS and Mgmtco AS.

Previous positions (last five years): Board member of Puzzel AS, Puzzel Holding AS and Odlo Sport Holding AG.

Shareholding in LMK Group: Fredrik Kongsli holds no shares in the company.

¹⁾ The warrants were acquired in the framework of the long-term incentive program established by resolution of the Annual General Meeting on March 14, 2021.



Gert W. Munthe

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

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

Other current positions: Chairman of the Board 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): Chair and member of the Board of Directors of Nevion AS and member of the Board of Directors of Intelcom CC/IA AS (now Puzzel AS).

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



Therese Reuterswärd

Born in 1981. Board member since 2021.

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

Other current positions: Vice President of Marketing at Mentimeter AB, Board member of Thule Group AB and Board member of The feelgood Company AS

Previous positions (last five years): Chief Marketing Officer of Office Depot AB, Director of Product at Mathem AB, Head of Digital at Arla Foods AB, Nordic E-business Manager at Nestlé Nespresso S.A and board member of Svensk Digital Handel.

Shareholding in LMK Group: Therese Reuterswärd holds no shares in the company. Therese Reuterswärd owns 9,600 warrants in the company.¹⁾

¹⁾ The warrants were acquired in the framework of the long-term incentive program established by resolution of the Annual General Meeting on March 14, 2021.

Remuneration of the members of the Board of Directors

Fees and other remuneration to the members of the Board of Directors, including the Chair of the Board, are decided by the Annual General Meeting. At the Annual General Meeting held on March 14, 2021, it was resolved that the total remuneration for the members of the Board of Directors, 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, Fredrik Kongsli, Gert Wilhelm Munthe and Therese Reuterswård. In addition, the three directors who are independent of major shareholders are covered by a warrant program, which was decided at the Annual General Meeting of March 14, 2021.

The Company's directors 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 the Group Management. This is dealt with at least once a year without the presence of representatives of the Group Management.

Guidelines for remuneration of senior executives

At the 2021 AGM, the principles for remuneration of senior executives were decided. The Company strives to offer a total compensation package that is market-driven and thereby able to attract and retain qualified employees. Remuneration should be based on the employee's position, responsibilities and performance. The total remuneration of senior executives shall consist of a fixed salary, variable cash compensation and a retirement plan.

The fixed salary is the basis for the total remuneration. The fixed salary shall be based on the skills, responsibilities and performance of the member of the Group Management and shall be competitive with the prevailing market standards. The variable remuneration shall be linked to predetermined and measurable criteria and shall be based mainly on the Group's financial performance for each year. Variable remuneration paid in cash shall not exceed 100% of the fixed salary. Retirement plans shall be designed to reflect normally accepted levels and practices in the country where the executive is employed. Where possible, retirement plans should be defined contribution.

The Group applies a maximum notice period of twelve months. In the case of own termination, a period of six-months' notice generally applies. In the event of termination by LMK Group, severance pay of up to nine months' salary may be payable.

In addition to the before mentioned variable remuneration, share-based incentive programs may be decided from time to time, which shall be approved by the Annual General Meeting.

Compensation Committee

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

E. Auditor

LMK Group auditors are appointed by the Annual General Meeting. At the 2021 Annual General Meeting, the auditing firm KPMG AB was re-elected as auditor until the 2022 Annual General Meeting. 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 conflict of 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 of Directors and is responsible for the day-to-day management of the company in accordance with the Board's guidelines and instructions. In this context, the CEO shall ensure, through the necessary control systems, that the company complies with applicable laws and regulations. The CEO is the reporter at the Board meetings and shall ensure that the Board is provided with as much factual, comprehensive and relevant information as is necessary to enable the Board to make well-informed deci-

sions. In addition, the CEO maintains a continuous dialogue with the Chairman of the Board and keeps him informed of the company's and the Group's development and financial position. LMK Group's Executive Management consists of six people from three countries, representing different functions within the company: CEO, CFO, COO, CSCMO, CCO and CTO.

The Group Executive Committee holds weekly management meetings to discuss 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 other members of the Group Management.

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

Monitoring and internal control

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

The Group Management Team supports the CEO in his day-to-day work. The 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 the 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 financial reporting is part of a process

involving the Board, the Group Management and staff. The process has been designed to ensure the reliability of external reporting. The basis for internal control of financial reporting is an overall control environment in which organization, decision paths, authorities and responsibilities are documented and communicated in governing documents. LMK Group's finance function uses a common consolidation system and applies a common Group accounting instruction. The Group's finance function has a close and well-functioning cooperation with the controllers regarding financial statements and reporting, with all LMK Group subsidiaries reporting on a monthly basis. The reporting forms the basis for the Group's consolidated financial reporting.

In view of the size of the company and its activities, the Board has assessed that there is no need for an internal audit function at this time. Internal control is also monitored in the framework of the statutory external audit.

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

Approval Authority

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

Sustainability policy

The Board bears 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 information and communication.

Insider policy

The insider policy aims to inform employees and other interested parties within the Group about the laws and regulations applicable to the company's dissemination of information and the specific 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

LMK Group is exposed to a number of different risks through its Scandinavian presence. Risk management within the Group is governed by established policies and procedures, which are periodically reviewed by the LMK Group's Board of Directors.

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

Effective risk management reconciles operational business development with the requirements of owners and other stakeholders for control and long-term value creation. Risk management aims to minimize risks but also to ensure that opportunities are seized in the best possible way. Risk management covers the following risk areas: strategic risks, commercial risks, operational risks, financial risks and regulatory risks. The main approach to risk management is based on the key words identify, analyze, respond and control risk.

The risks identified in relation to financial reporting are managed through the company's control activities. Control activities aim to prevent, detect and correct errors and discrepancies. In order to minimize identified risks in financial reporting, overall policies, guidance, instructions and timetables have been established for financial reporting. Essentially all financial reporting is handled centrally by the finance function, but with some parts of the processes decentralized out in the organization. Within the framework of existing processes and procedures, there are built-in control activities at all levels of the organization, where management is carried out through manual controls such as reconciliations and inventories, automatic controls through IT systems and through general controls in the underlying IT environment. Control activities are also complemented by detailed financial analysis of results and monitoring against budget and forecasts, providing overall confirmation of the quality of reporting.

The effectiveness of the risk assessment process and the implementation of control activities is continuously monitored. Monitoring includes both formal and informal procedures used by those responsible at each level. Procedures include monitoring results against the budget and plans,

analysis and key performance indicators. The Board receives monthly reports on the Group's financial position and performance. The financial situation of the company is discussed at each Board meeting and the management analyzes the financial reporting in detail on a monthly basis.



Walker Kinman, CEO

Born in 1975. CEO since 2019.

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

Other current positions: Chairman of the Board and CEO of Carolinas Matkasse AB, Linas Matkasse Newco AB, Godtlevvertgruppen AS and WJK Strategic Consulting AB, and CEO for RetNemt.dk ApS.

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

Shareholding in LMK Group: Walker Kinman holds 169,740 shares in the company and 57,600 warrants.



Erik Bergman, CFO

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

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

Other current positions: None.

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

Shareholding in LMK Group: Walker Kinman holds 1,890 shares in the company and has acquired 19,200 warrants.¹⁾



Vibeke Amundsen, COO

Born in 1968. Chief Operating Officer since 2021.

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

Other current positions: None.

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

Shareholding in LMK Group: Vibeke Amundsen holds 6,000 shares in the company and 19,200 warrants.¹⁾

¹⁾ The warrants were acquired in the framework of the long-term incentive program established by resolution of the Annual General Meeting on March 14, 2021.



Klaus Toft-Nørgaard, CCO

Born in 1964. Chief Commercial Officer since 2022, former Chief Executive Officer RetNemt from 2004.

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

Other current positions: Chairman of the Board of RetNemt.dk ApS and CEO and Chairman of the Board of Toft Nørgaard 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 the company.¹⁾



Claes Stenfelt, CSCMO (Chief Supply Chain Management Officer)

Born in 1968. Group Chief Supply Chain Manager since 2018.

Education: Bachelor, Business Administration & Marketing.

Other current positions: None.

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

Shareholding in LMK Group: Claes Stenfeldt holds 15,000 shares and 19,200 warrants in the company.¹⁾



Anton Nytorp, CTO

Born in 1988. Chief Business Development Officer since 2022, previously head of Coop Norway's digital business CoopX.

Education: Anton holds a Master of Science in Industrial Engineering from Linköping University.

Previous positions (last five years): Project manager at Boston Consulting Group, where he worked with clients in the food and other consumer-oriented industries.

Shareholding in LMK Group: Shareholding in LMK Group: Anton Nytorp holds 10 000 shares in the company.¹⁾

¹⁾ The warrants were acquired in the framework of the long-term incentive program established by resolution of the Annual General Meeting on March 12, 2021.

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 2021 on pages 9-18 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 30 March 2022
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, 2021 was SEK 35, giving a market capitalization for LMKG of SEK 443.8 million. In 2021, 6,343,222 shares were traded, which corresponds to an average of 32,697 shares per day.

Other share information:

Short name: LMKG

ISIN: SE0015556873

LEI: 529900HKIZBVX08VLG76

Dividend policy

LMK Group dividend policy is meant to provide shareholders with a dividend that offers a good direct return while giving the company the opportunity to invest in strategic growth opportunities.

The target dividend over the next 3-5 years should amount to at least 1.75 SEK per share on an annual basis.





Sustainability Report

2021

Sustainability Report

- A word from the CEO
- Sustainability in focus
- Operational management and sustainability requirements
- We operate on the basis of the Global Sustainable Development Goals
- Stakeholder dialogue
- Climate impact
- Food waste
- Packaging and wrapping
- Food and quality
- Health
- Employees
- Social responsibility
- Auditor's opinion on the sustainability report

A word from the CEO

Our aim is “to innovate the mealtime experience”. We do this by making it easy for our customers to order delicious, well-composed and inspiring dishes. It reduces stress, planning and time-consuming shopping, with the crowding and lugging of bags from the grocery store that goes along with it. It enables good eating habits, stimulates joyful cooking in the kitchen and saves valuable time for quality family moments at the dinner table.

We all have to eat, but add to that health, diets, allergies, climate impact and social aspects, and it quickly becomes clear that food is an area that affects and engages everyone. Therefore, it is also natural and important to be clear about how our diet affects the environment, people and society. About one third of the climate impact of household consumption can be traced back to what we eat. We are well aware of the consequences of our activities. The fact that our model results in drastically less food waste than traditional grocery stores is not an excuse to be complacent, but we continue to learn and develop our systems, practices and processes.

In this Sustainability Report you can read about several important steps we have taken in our sustainability journey during the year. In particular, I would like to mention the following areas:

- New sustainability policy approved by our Board
- Climate calculated recipes
- Group-wide reporting of food waste from production
- Strong employee engagement
- High customer satisfaction
- The production of The Compass
 - Our Purpose and Culture

From being a local company in three countries, we have truly become a Nordic company with almost 500 employees with the integration of RetNemt in Denmark. This spring we also listed the company on Nasdaq First North. While a year of change and integration is positive, it has meant extra effort for many of our staff. Many have stepped up and contributed, and we have them to thank for where we are today. For most of the year, we had to do this amid a continuing pandemic, which also put extra pressure on our production. As well as feeling grateful for how we have performed, I am also proud, as this year's employee survey shows continued strong employee engagement.

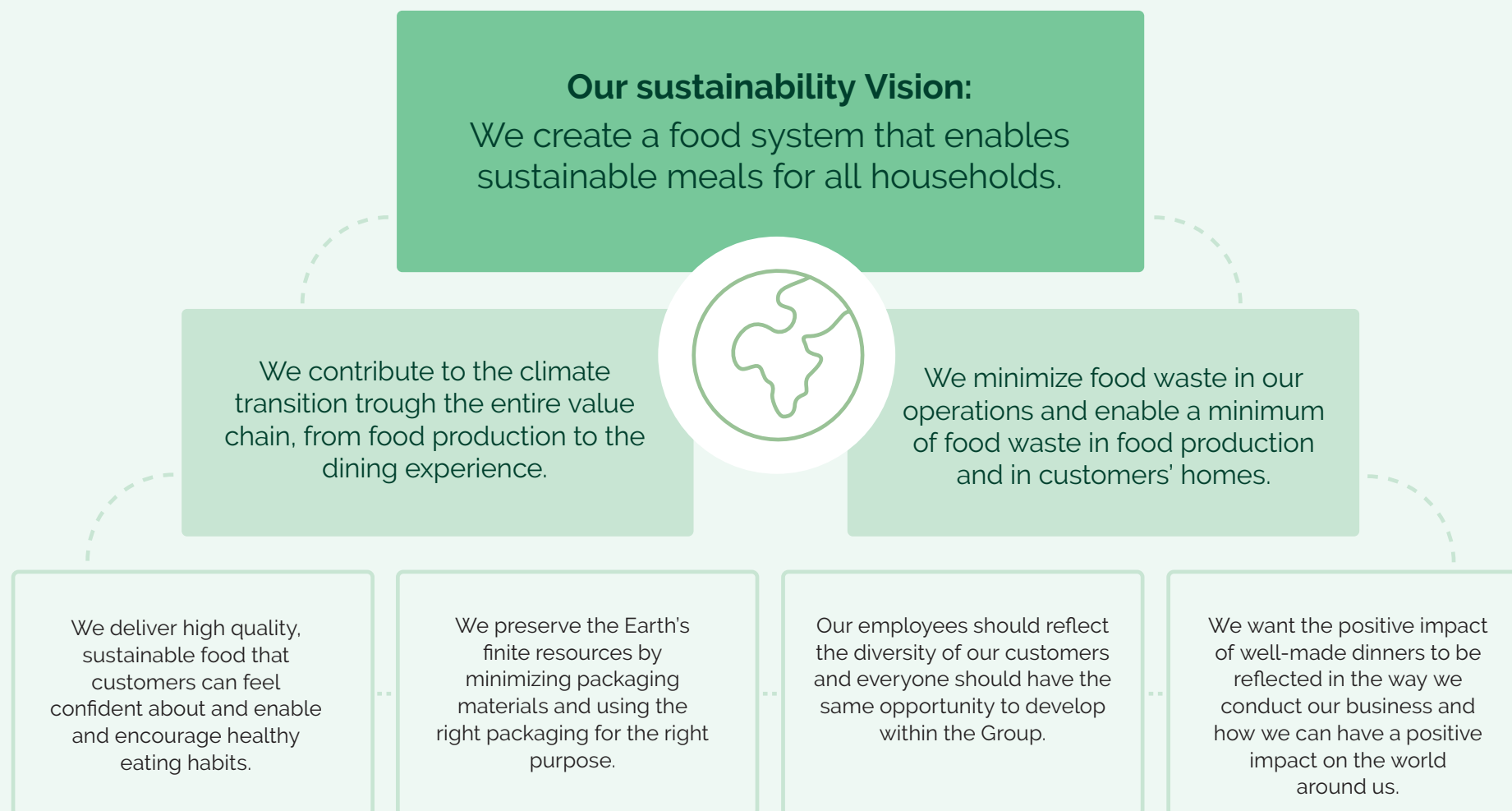
As we look back on 2021 to write this report, I am proud of what we have achieved, and excited about what more we can do. As we grow, so do the opportunities and responsibilities for us to make a positive impact. It is a responsibility we take very seriously and are happy to shoulder. We will have new opportunities to measure and analyze data that we can use as a basis for setting targets and monitoring our work. Among other things, we will gain more control of our carbon footprint and plastics and packaging.

I will conclude with the most important thing: how important it is that we constantly strive to be better today than we were yesterday, and that we continue to challenge the status quo. 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 in focus



Operational management and sustainability requirements

The 2021 Sustainability Report for LMK Group has been submitted by the Board of Directors and describes the Group's (including the brands Linas Matkasse, Adams Matkasse, Godtlevet and RetNemt Måltidskasser) overall sustainability goals and strategies. The ambition is to describe the activities from an economic, social and environmental perspective. 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 2021 Sustainability Report is not based on Global Reporting Initiative guidelines, but on the company's objectives, strategies and processes, as well as stakeholder dialogue and materiality analysis. The sustainability work is, in turn, based on the UN Sustainable Development Goals.

The goal of the LMK Group's work is to create added value for customers, suppliers and employees while contributing to sustainable social progress. Achieving this requires consideration for the environment, economic viability and social commitment.

The Board bears overall responsibility for sustainability issues and works actively to ensure that the company 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 the year, a new sustainability policy was approved for the Group.

We have also started monitoring a number of sustainability performance indicators on a quarterly basis at Group level. The first KPIs reported are food waste from production, share of domestic meat raw materials and initiatives to reduce the amount of plastic in consumer packaging.

Of course, we strongly oppose all forms of bribery and corruption. We comply with applicable anti-corruption laws and regulations wherever we do business, and we support and respect internationally recognized human rights. During 2021, we have not noticed any violations of human rights or corruption within LMKG.

In our Supplier Code of Conduct, we outline our approach to corruption and human rights, and require compliance with good working conditions and environmental and labor legislation. In 2021, we created a Group-wide Code of Conduct for our suppliers.

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 anti-corruption arise primarily at the supplier level and through our purchases. We mitigate these partly through

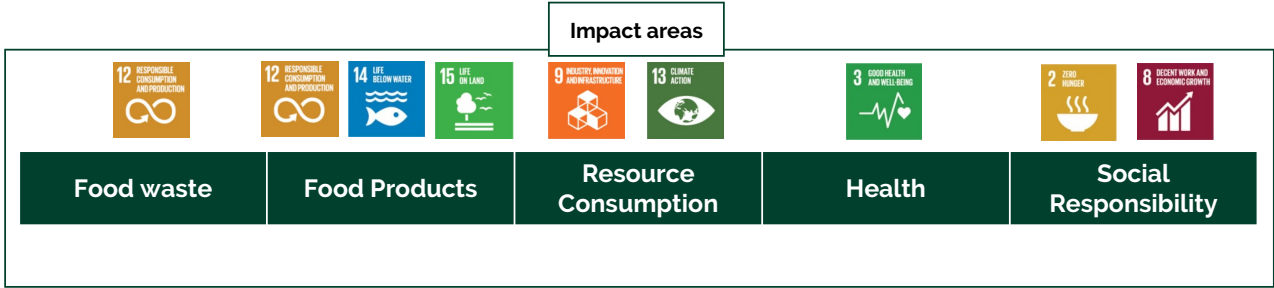
supplier requirements and follow-up, and partly through careful planning and selection of products and suppliers. Risks in the personnel area include sick leave and work environment risks, which we counteract with personnel policies and systematic work environment work.



We operate on the basis of the Global Sustainable Development Goals

Our sustainability work is based on the UN's Sustainable Development Goals, taking into account how our activities affect people, society and the environment. The goal of LMK Group is to create added value for customers, suppliers and employees while contributing to sustainable social development.

In 2021, a new sustainability policy was developed for the entire LMK Group. This forms the basis for internal and external communication, goals, key figures and action plans for the sustainability work of the coming years. The sustainability policy covers commitments in the areas of environment, climate, ethical trade and social responsibility.



Stakeholder dialogue

We are responsive to our stakeholders' expectations of us and uphold our data-driven culture where decisions are made based on insights. Therefore, we strive for transparency and ongoing communication with employees, customers, suppliers, owners, investors and others who affect or are affected by the company and our operations. Some examples of stakeholder dialogue:

- To constantly listen to how the organization is doing, we conduct annual employee surveys in which all employees are invited to participate. All employees also have annual performance appraisal meetings with their immediate supervisor.
- To get a picture of the needs of customers, both current and former, regular customer surveys are conducted. The responses are used to evaluate our offer and show us where there is room for improvement.
- The company's customer service is a very important channel through which we get feedback from customers and we can answer their questions. In 2021, Godlevvert/Adams Matkasse in Norway won Best in Test's award for best customer service in the category online food and beverage for the third time.
- We regularly conduct market research, competitor analysis and NPS surveys (customer loyalty tools).
- Dialogue with owners and investors is ongoing and managed by the CEO and CFO.

- Our dialogue with suppliers is a vital resource in our efforts to deliver first-class food to customers, but also to inspire and challenge each other on how we can collectively improve in sustainability and quality.

In 2021, an extended analysis of how different markets perceive our brands from a sustainability perspective was carried out through our participation in the Sustainable Brand Index survey. Godlevvert, Adams Matkasse and Linas Matkasse were all ranked in the "Sustainability Leader" category in Sustainable Brand Position, and RetNemt placed just outside the scale. According to the survey, respondents rate all brands in all three countries as more responsible than the market in general. Linas Matkasse ranked 2nd out of 19 in the industry ranking and 58 out of 390 companies overall in Sweden, and Godlevvert ranked 2nd out of 9 in the industry ranking and 73 out of 254 overall in Norway. (RetNemt and Adams Matkasse were not included in the large joint survey.)

Through media monitoring, we follow the exposure of the brands in the media and we have started to work on a more proactive dialogue with the media. During the year, a number of sustainability-themed press releases were published, for example on climate-calculated recipes, LMK Group's participation in Plastic Promise and the cooperation with Urban Oasis.

To ensure that the company's various activities comply with applicable legislation and regulations, contact is maintained with the responsible supervisory and advisory authorities.

We are aware that sustainability challenges cannot be solved in isolation; therefore we engage in networks where the purpose and participants can help us improve and we can contribute with knowledge and inspiration. During the year we have been involved in the following collaborations

Norway

- Green Dot
- Plastic Promise
- The Salt Partnership – working together to reduce salt in food
- Norsk Vegetar – network focusing on sustainability goals on good health and responsible consumption and production

Sweden

- The Swedish Environmental Protection Agency's working group to reduce the impact of packaging
- SAMS – network for coordination of food waste work in Sweden



Climate impact

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

To contribute to the UN's global goal of reducing negative climate change through a climate transformation of society, the company is continuously working to find opportunities to reduce resource consumption through smart choices and efficient use of resources throughout the supply chain.

In addition to the climate impact of its own operations, LMK Group's services enable households to minimize the impact of their daily dinners. Areas that contribute to climate impact such as transport, packaging and especially food waste can be significantly reduced compared to shopping in a conventional store.

In 2021, work began on a Group-wide climate mapping exercise to determine the potential of the business in the transition. This work will be intensified in 2022, laying the groundwork for a joint climate report and overall targets in this area, even as many of the individual initiatives and actions taken throughout the year have contributed to the transition. The mapping will cover both the direct carbon emissions to which the company contributes, but also the potential savings that can be made indirectly.



How we lower climate impact through our processes



1. Menu planning and purchasing

Choice of suppliers, assortment and recipes allowing seasonal planning, increasing share of vegetables and greens, climate-smart recipes, climate-reported recipes, education for households on climate-smart cooking (e.g., encouraging the cooking of vegetables and pasta in the same water).

In 2021, a pilot project was launched with the publication of climate-calculated recipes in Lina's Matkasse. Initially, it included climate calculations on 10 of the most popular recipes and this was followed up in the autumn with additional recipes. With the help of the climate calculations, customers are given the opportunity to choose recipes that minimize their climate impact. The data on which the climate calculations are based was developed by the Swedish research institute RISE and is based on their climate database. The climate database is based on life cycle analyses of more than 750 foods representing Swedish food consumption.



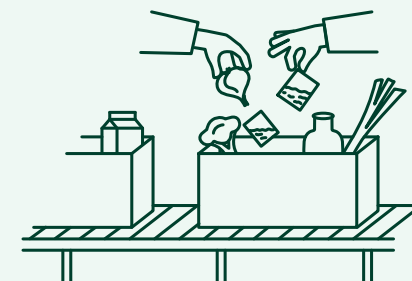
2. Food production requirements

More efficient production methods, less pesticides, good animal welfare



3. Production transport

Direct transport to our production, seasonal planning and local sourcing where possible.



4. Production

Renewable energy in production facilities, minimization and sorting of waste generated.



6. Household cooking

Creates the conditions for minimal waste, as recipes are nutritionally calculated and quantity balanced; creates the possibility for customers to choose recipes based on the carbon footprint of the ingredients.

Quote from supplier:

"Following the switch to more sustainable packaging, Alna has succeeded in making production much more efficient. The substantial plastic reduction also has a very positive impact on the environment. Packaging optimization ensures that Alna achieves higher pallet utilization, which in turn results in fewer trucks on the road and a smaller CO2 footprint."

Vette S. Ulrichsen,
Key Account Manager Alna As



5. Delivery to customers

Optimized transport to transshipment warehouses and then out to households in smaller trucks.

Electricity consumption from production (kWh):

Production plant	2019	2020	2021
Mölnlycke (renewable electricity – hydropower)	679 000	659 000	688 000
Oslo (renewable energy)	Missing data	1 024 000	844 000
Helsingör production and office	Missing data	633 000	454 000
Office Spånga (fossil-free electricity)	71 000	53 900	52 400
Office Oslo	78 000	57 000	48 000

Energy consumption (kWh) per delivered portion

Production plant	2019	2020	2021
SE	0,082	0,070	0,072
NO	Missing data	0,124	0,087
DK	Missing data	Missing data	0,17



Waste quantities from production

Minimizing the amount of waste and sorting the waste generated as much as possible is one of the areas of production activities. Waste is generated mainly in the form of transport packaging for the transport of foodstuffs from producers and during cleaning. In order to reduce the amount of disposable transport packaging, all operations are connected to national recyclable bin systems. In Norway these are IFCO for vegetables and NLP for other goods, in Sweden SRS trays, and in Denmark EuroPool.



Production plant in Mölnlycke

Waste fraction (metric tons)	2019	2020	2021
Corrugated board	195	172	238
Food waste	43	21	18
Soft plastic	3.5	5.5	8
Combustible	62	94	62
Coarse combustible waste	41	19	7
Waste fraction (g/portion)	2019	2020	2021
Corrugated board	21,3	16,9	23
Food waste	4,7	2,1	1,7
Soft plastic	0,4	0,5	0,8
Combustible	6,8	9,2	6,0
Coarse combustible waste	4,5	1,9	0,7

Production plant in Oslo

Waste fraction (metric tons)	2019	2020	2021
Corrugated board	219	127	135
Food waste	11	14,8	18,6
Energy plastic/plastic film	3,3	7,4	18,9
Paper	69	154	144
Wood waste (untreated and treated)	41	19	7
Wellpapp	27	47	40
Unsorted waste	16	14	27
Waste fraction (g/portion)	2019	2020	2021
Corrugated board	29,9	14,5	13
Food waste	1,5	1,7	1,82
Energy plastic/plastic film	0,4	0,8	1,9
Paper	9,4	17,6	14,1
Wood waste (untreated and treated)	3,7	5,4	3,9
Unsorted waste	2,2	1,6	2,6

Food waste

We minimize food waste by handling food with care and respect in our own operations and by creating the conditions to minimize food waste in food production and in customers' homes.

Minimizing food waste throughout the food supply chain is an important part of the company's sustainability work, both from a values perspective and from an economic perspective. From the very first menus, recipes were optimally planned to ensure that all ingredients were consumed while purchasing goods for the customer's order. The company therefore only buys what the customer actually orders. In this way, the company operates in a way that creates the conditions for minimal food waste.

Any food that, for one reason or another, cannot be delivered in customers' shopping bags but is still of good quality is donated to charity. When non-edible food waste is produced, it becomes organic waste, which is composted or used in biogas production in the first instance or ultimately incinerated. The edible foods that can not be sent to customers are mainly vegetables with beauty defects, incorrect deliveries and food with a short expiration date.

In 2021, the company formulated a target that the amount of organic waste from the production facilities will not increase from the level measured in 2020. From the very beginning, minimizing food waste has been part of our business. As we will be increasing flexibility for customers, both in terms of meal choice and ordering days, leading to a bigger range of products, increased complexity and shorter ordering windows, it is our goal to maintain the relative levels of food waste at record low levels.



Examples of actions that contribute to reduced food waste

1. Menu planning and purchasing



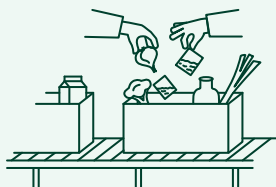
2. Food production requirements



3. Production transport



4. In-house food handling



5. Delivery to customer



6. Household cooking



1. **Menu planning and purchasing** – selecting suppliers and assortments that enable seasonal planning, the right amount for each portion, and well-balanced meals.
2. **Food production requirements** – use of odd cuts (in cooperation with suppliers, we can use parts of vegetables or cuts that might otherwise go to waste)
3. **Production transport** – direct transport to our production, without intermediate storage and risk of waste from repackaging, etc.
4. **In-house food handling** – careful and gentle receiving and efficient handling through sorting and packing. Targets are measured and monitored in g/portion. Any leftover food that can be eaten is sent to charity.

5. **Delivery to customer** – fast and efficient transport in a sealed corrugated box in an unbroken cold chain to prevent food spoilage through mishandling, shock, temperature or contamination.

6. **Household cooking** – correct quantities, well-balanced (nutritionally calculated) recipes and clear instructions create the conditions for customers to eat all the food supplied.

To minimize the total amount of food waste in society that is likely to occur, cross-sectoral cooperation is needed. The company therefore participates in a number of networks and dialogues with suppliers, authorities and consumer organizations to work together to minimize food waste.

Food that is "left over" from production is given to organizations that can use it for food in other contexts.



When there is food left over in Mölnlycke, it is collected and sent to Smyrna Church, which donates food to needy families.

In Oslo, leftover food is collected and sent to Holdbart. They sort the food, price it and sell it in their stores in Norway. When the use-by 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 common goals of not throwing away any edible food, making cheap food available to those in need and, at the same time, earning a little money for your efforts," says Bjørnar Bjønness Waage, Nordic Category and Quality Manager.

In Helsingør, leftover food is donated to Røntofte Crisis Center.

Key figures from production

Organic waste from each production plant. Target of no increase in food waste per portion delivered in relation to the amount of waste sent out in 2020. In 2021 work was done to develop waste management, which has meant that the measurements could not be carried out in Denmark. In Sweden and Norway, waste volumes have remained more or less constant, despite an expanded assortment and a more flexible offer to customers.

Food waste g/portion	2020	2021
Sweden	2,00	1,82
Norway	1,71	1,78w
Denmark	0,72	Missing data
Total	1,74	1,82 (SE/NO)



Packaging and wrapping

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

Packaging is required to deliver food, to protect the food, to protect the surrounding environment and to maintain the shelf life of the food. Packaging requires resources in the form of paper, plastic and other materials, and these have a climate impact both through their production and disposal. In addition, many of the substances used in packaging can harm the environment if they are not collected properly. The company is actively working to choose the best materials to protect and transport food and to reduce the amount of packaging. Below is a description of how we work in our part of the food supply chain to minimize the climate and environmental impact of packaging.

1. **Packaging for the transport of foodstuffs** to the warehouses is made up of recycled packaging to the extent possible. Dialogue is ongoing in each country with suppliers to increase the use of recycled packaging. The disposable packaging that arrives at the production facility with goods deliveries is sorted into the appropriate categories.
2. **Packaging of meal kit:** The meals in Linas Matkasse, Godlevert and Adams Matkasse are sent out in corrugated boxes. The boxes come with one or more cold packs called gel-ice. The contents of the cooling bags are mainly water and a small amount of SAP (super absorbent polymer). The amount of SAP is about 0.6 grams per liter of water. In 2021, RetNemt switched its delivery packaging from reusable Styrofoam boxes.
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 work towards better packaging materials. In 2021, work began to require suppliers to 1) minimize the amount of plastic, 2) replace plastic with paper where possible and 3) replace all black plastic packaging with other plastic.

Quote from supplier:

"Being a supplier to the food boxes challenges us as a vegetable supplier in terms of packaging, quality assurance and sustainability. Demands from LMK Group have led us to take several measures to reduce unnecessary packaging. This includes packaging improvements and plastic reduction without compromising the sustainability or quality of the products we deliver."

John-Olav Måkestad, General manager TL Måkestad



Examples of initiatives and measures to reduce the amount of plastic and packaging in boxes:

- Some foods, especially root vegetables and some vegetables, are packed directly without separate product packaging. This saves large amounts of packaging material.
- Replaced hard plastic packaging for grated cheese with a thin plastic bag, saving about 2 tonnes of plastic in 2021 (Norway)

In addition to minimizing packaging materials and ensuring the best possible packaging for each food, we instruct customers on how to handle the packaging delivered to households. For corrugated boxes and gel-ice, customers are encouraged first to reuse these and later to recycle the corrugated box and gel-ice bag in the household waste. The corrugated box can also be returned at future deliveries. In the first half of 2021, this possibility was paused, as drivers were instructed not to hand over the food box personally, due to pandemic restrictions, but this possibility was reintroduced in September.

Key figures from production

Quantity of corrugated cardboard, plastic film (used to wrap pallets for intermediate transport from production) and gel-ice purchased.

Material (kg)	Sweden	Norway
Corrugated board	530 000	625 000
Gel-ice	773 414	660 744
Plastic film	3500	4 200
Paper	51534	51534
Material (g/portion)	Sverige	Norway
Corrugated board	51	61
Gel-ice	75	65
Plastic film	0,34	0,41
Paper	69	Missing data



Food and quality

We deliver high quality, sustainable food that customers can feel confident about.

It is important for us to offer our customers good quality food that is sustainably produced in terms of climate impact, ecology and ethics. In order to offer this, we make decisions about how the dinners are composed, as well as which food is ordered and delivered to the customer. The company sets requirements for how the goods sent out in the boxes are produced, i.e., how they are grown, harvested, processed or otherwise handled.

All suppliers have contracts with annexes setting out sustainability requirements. In 2021, Group-wide annexes and a common template for supplier agreements were developed.

Some of the sustainability issues that are high on the agenda are:

- Local raw materials for the categories where relevant, on seasonality and availability.
- Fresh seasonal ingredients based on availability.
- Focus on a high proportion of vegetarian recipes and vegetables in the dinners, which helps to minimize the climate impact and benefits public health.
- Category-specific statements such as the desire to buy organic products, fish from sustainable fisheries, local meat, free-range eggs, etc.
- Animal welfare, which in 2021 has entailed the company's commitment to compliance with the criteria of the European Chicken Commitment (ECC) by 2026. The ECC imposes animal welfare requirements on chicken farming, partly in addition to statutory requirements.

Categories	Proportion of goods from Sweden	Proportion of goods from Norway
Chark	92%	Missing data
Poultry	100%	100%
Meat	99%	99%
Dairy except cheese	49%	99%
Deli	Missing data	73%
Total	82%	99%





In order to constantly develop our services, concepts and offerings, we maintain a close dialogue with our customers, both through follow-up after each delivery and through customer surveys and customer service requests.

The rating given by customers for each meal has gradually increased in recent years.

Adams Matkasse

Grading (0–100)	Number of respondents	Year
77.48	112 422	2021
76.67	114 425	2020
74.58	76 378	2019
72.95	111 318	2018

Godtlevert

Grading (0–100)	Number of respondents	Year
75.82	174 037	2021
75.51	167 027	2020
73.23	130 181	2019
72.39	147 724	2018

Linäs Matkasse

Grading (0–100)	Number of respondents	Year
74.94	399 977	2021
73.73	447 066	2020
73.32	274 974	2019

Number of cases handled by customer service under the category "food matter action cases," which can include suspected food poisoning, foreign objects, etc. Over the course of the year, work has been done to recategorize customer cases in order to better follow up on them. This means that data are not comparable between years and are not presented in this report, but will be presented in the future.

Health

We enable and encourage healthy food and eating habits.

Promoting varied eating habits has always been one of the cornerstones of the company's activities. By contributing to healthy eating habits, we want to enable and create the conditions for a healthy lifestyle and contribute to improved public health.

The company has a great responsibility to develop recipes and select products that contribute to healthy and sustainable meals for the customer, and to ensure that goods are handled correctly and sustainably throughout the production flow. From farm to customer's kitchen. Our menu coaches and test kitchens inspire and help customers to reduce their intake of red meat and introduce alternative protein sources, among other things. There are also options for those with allergies or intolerances, including the possibility of choosing meals with lactose and gluten-free products. In 2021, we started to report the nutritional value per serving for the recipes of all brands.

By calculating the nutritional value of the recipes, the customer can feel confident that they are getting healthy and balanced meals. The nutritional calculation is done in relation to the Nordic Nutrition Recommendations (NNR 2012) and in practice means that nutritional values are not only reported but the recipes are adjusted to be within the recommendations. NNR 2012 provides guidelines for eating habits that, in turn, provide the conditions for good overall

health, combined with good physical activity. The guidelines explain how to eat to get the amount of vitamins, minerals, protein, fat and carbohydrates recommended in the nutritional recommendations.

In addition to the content of the meal boxes, customers are educated about healthy eating. Among other things, the company provides tips on how to best store a particular type of food, how to make it easier to teach children to eat vegetables, and information on important hygiene practices. This is done through report sheets in the boxes, via blogs and social media, and in the menu sheets.

The company assures every step of the food handling process to ensure that the food customers receive is completely safe to eat. From production, receipt and packing into boxes, to transport and delivery, procedures are in place to minimize the risk of food quality deterioration or hygiene risks to customers. Each meal box is handled in an unbroken cold chain in a sealed package.

The company is responsive to the customer in the event of any complaints, questions or criticism regarding the choice of goods and/or any comments on the condition of the goods on delivery. Recommendations on what is considered morally and ethically acceptable food are constantly changing, and the company tries to keep its ears open and stay abreast of trends and currents as much as possible. We participate in a number of industry associations and networks to absorb new research and knowledge.



Key figures vegetarian recipes:

- Percentage of recipes offered that are vegetarian in total for LMK Group, 18%
- Percentage of recipes delivered that are vegetarian in total for LMK Group, 18%
- Share of delivered volume of fruit & vegetables (based on weight), almost 50% for LMK Group

Employees

We want to be an attractive employer with competent, committed and well-informed employees. Our employees should reflect the diversity of our customers, and everyone should have the same opportunity to develop within the Group.

We emphasize the importance of an inclusive culture, stressing that we are "better together". Through a strong shared culture of respect and care for each other, and leadership that brings out the best in people, we can succeed together.

In 2021, the Group had an average of 506 employees, which equals 322 full-time employees, of which 52% were women and 48% were men. The Group employs 166 people in Sweden, 242 in Norway and 98 in Denmark.

The company stands up for human rights and the equality of all people. This work is based on governance documents such as the Code of Conduct. It includes employees, as well as suppliers and partners. In addition to the Code of Conduct, our work is based on a number of policies and guidelines. During the year, work was done to coordinate HR policies for all countries.

At the time of employment, all employees are informed of policy documents that describe the company's approach in key ethical areas to ensure a safe and good working environment for staff. We provide internal training courses, as well as external training based on needs identified at individual level in connection with performance appraisal meetings.

Employee dialogue

All employees have the opportunity to participate in an annual employee survey. The 2021 survey had a response rate of 78%, an improvement from 74% recorded in 2020. The responses showed largely unchanged results compared to the previous year, but worth noting is the increase in engagement and that team effectiveness, despite the pandemic, remains at a relatively high level.

Område	2021	2020
Engagement	83	79
ENPS	83	79
Leadership	84	80
Organizational and social work environment	84	80
Team effectiveness	78	77

All departments draw up action plans based on their results and progress will be monitored in a shorter Pulse Survey in Q1 2022.

Danish integration

During the year, a project was conducted with the aim of integrating the Danish activities into the Group, both functionally and culturally. The timing of the work coincided with the development of the company's cultural manifesto, the Compass which, combined with the transition to common policies and an open and welcoming attitude from employees, was crucial to the successful progress of the project.

Work environment and health

We take it for granted that our employees will come home as healthy and unharmed as when they left for work. It is work that is both long-term prevention through, for example, health and safety grants, but also ongoing workplace safety work, with a focus on the production facilities. During the year, we had 11 reported workplace injuries, of which 7 led to sick leave. Work is underway to improve reporting, set targets and create an activity plan with preventive measures.

Covid-19

The Group has implemented a range of measures to reduce the risk of infection among employees, suppliers and customers. These measures include distance working for office staff, increased teleworking and hygiene practices in production facilities, and changes in delivery routines to reduce driver-customer contact. At the beginning of the year, despite extensive preventive measures, the production plant in Oslo was hit by a Covid outbreak. Throughout the pandemic, we have taken measures to limit the spread of infection by keeping distances, increasing cleaning, different start and end times for teams and encouraging employees to stay at home if they are symptomatic. Despite this, the pandemic period has been characterized by increased sickness absence, which we have covered with temporary workers. Throughout the pandemic, we have been able to maintain production and deliver as planned.

For all our office staff, we have made teleworking possible and also adapted the offices with flexible workplaces for those who need to get there to do their work. We have continuously provided internal information and encouraged compliance with the authorities' recommendations.

Increased focus on internal communication

One area where employees wanted improvement in 2020 was in internal communication. In response, monthly digital briefings were introduced, where company management and other employees share news, focus areas and projects based on The Compass. An evaluation showed that the meetings were well received. The focus on internal communication was also a contributing factor to the hiring of a communications manager for the Group.

During the year, we also introduced the Leadership Forum, aimed at empowering our leaders and developing their leadership. The Forum consists of two full-day meetings each year and informal exchanges in between.

In 2021, a new HR system was implemented in Sweden and Norway and will be implemented in Denmark in 2022. This will enable better measurement and monitoring of areas such as equity and education for all our markets.



Social responsibility



We also 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.

A path to work

As an employer, we have an opportunity to help people into the worklife. Through a collaboration with Jobbsprånget and Arbetsförmedlingen job center in Mölnlycke, we have about 10 employees working in our production facility. Jobbsprånget is an internship program that offers four-month internships to new arrivals with the aim of making use of their skills and speeding up their introduction to the Swedish labor market.

"In Smyrna Church we run a food pantry called Manna, where people in need can pick up food bags. Thanks to contacts and food wholesalers, we receive a lot of fresh produce with a short date that we distribute. We distribute food to about 200 families a week and the food we receive from Linas Matkasse and other donors means a lot.."

Tina Brunegård,
Deacon and head of
Smyrna's social work



"At RetNemt, we have an agreement with the city of Helsingør about job training for job seekers who have had difficulty entering the labor market. Through the contract, they acquire new skills they can add to their resumé, increasing their employability. In 2021, we had six employees who came to us through the municipality; three of them became permanent employees of RetNemt, and one was offered an apprenticeship. In addition, we have five employees in subsidized employment, which is an opportunity for people who, due to reduced working capacity, cannot find employment under ordinary working conditions. Instead, they work with us as many hours as their doctor and the municipality have assessed that they can."

Johnny Henriksen,
Logistic Manager Denmark



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 2021 on pages 21-43 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 30 March 2022
KPMG AB

Ingrid Hornberg Román
Authorized Public Accountant



Annual report and group consolidation

January-December 2021

Annual report and group consolidation January-December 2021

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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 2021 fiscal year.

The business in general

LMK Group provides meal solutions to over 100,000 active customers. The business was founded in 2008 and has since established itself in Scandinavia and is active in three countries: Sweden, Norway and Denmark. LMK Group operates under the four brands Linas Matkasse (Sweden), Godtlevort and Adams Matkasse (Norway), and RetNemt Måltidskasser (Denmark). The business is operated through the subsidiaries Carolinas Matkasse AB in Sweden, Godtlevortgruppen AS in Norway and RetNemt.dk ApS in Denmark. LMK Group has achieved a strong market position and has high brand awareness in several of the Group's markets.

LMK Group considers itself first and foremost as a service company in the food sector, directly targeting the end consumer. The Group offers its customers the opportunity to customize their meal kit by choosing from a wide range of recipes and having a package delivered to their home with high-quality, locally grown ingredients in the right quantities needed to prepare the food. By subscribing to the Group's meal kits, customers get varied, inspiring and tasty food and contribute to reducing food waste. The business consists of everything from online user experience to recipe creation, sourcing, marketing, production and logistics on the needs and preferences of customers. Many of the Group's solutions are driven by a detailed understanding of customer behaviors and needs based on insights from millions of data points and consumer panels.

The business has seen strong growth in 2021, with over 1.9 million orders delivered and sales of approximately SEK 1.4 billion.

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

Significant events during the fiscal year

IPO

LMK Group was listed on Nasdaq First North Premier Growth Market, with its first trading day on March 29, 2021. In connection with the listing, a new share issue was carried out, which raised proceeds of SEK 250 million before deduction of transaction costs for the Group. The listing also included a sale of shares offered by existing/selling shareholders of SEK 250 million and an over-allotment option. The new share issue was used to acquire the remaining part of RetNemt.dk ApS, the redemption of the outstanding corporate bond and transaction-related costs.

Repayment of corporate bond

During the year, the Group exercised its right to redeem all outstanding bonds early, as communicated in the prospectus. A net liquidity impact of SEK 169.8 million occurred in April, including accrued interest, a waiver fee and a redemption fee of 5.0% under the terms of the bond.

Acquisition of RetNemt

In connection with the IPO, the new issue was used to acquire the remaining 41.52% of the shares from the founder and former CEO of RetNemt for SEK 54.9 million. As part of the acquisition, a directed share issue of LMK Group shares of SEK 27.4 million was made to the seller. In connection with the acquisition, a loan was also repaid to the seller in respect of previously acquired shares.

Integration of RetNemt

During the year, the Danish operations were integrated with the other operations in the Group to form a group-wide organization. This aimed to take advantage of the synergies that exist between the different functions. The integration also included investment in production to implement the Group's common production technology and to move the Danish operations to the Group's common technical platform used in Norway and Sweden.

Customer-specific production

During the year, the Group continued to invest in production technology, including the implementation production equipment with Pick-to-Light technology, which contributes to increased efficiency in the production of customized/individual orders. LMK Group achieved the goal of moving away from batch production to producing all meal kits uniquely for each customer, enabling all customers to tailor their own orders with the choice of individual recipes, add-ons and other items from the Group's various mini stores. It also enables a unique customer contact with different customer groups, resulting in a more direct communication, which the Group believes leads to increased customer loyalty and increased competitiveness.

Improved product and service offering

The customer-oriented production technology enables the LMK Group to tailor its service and product offering. This has taken the form of flexible meal solutions where customers can customize their choice of meal sizes, number of days, and choose from a variety of recipes. It also means the Group can offer premium recipes, for example in the form of chef collaborations. During the year, Linas Matkasse launched a mini store with selected meal kits and additional products, a concept

that had previously been available to customers of Godtlevant and Adams Matkasse. The mini shop provides breakfast items, snacks and consumables used for cooking. The sale of additional products has been a major contributor to an increase in the average order value per shipment.

During the year, Adam's Matkasse made it possible for customers to select taste preferences and to have a customized menu suggestion presented to them using machine learning.

During the year, LMK Group also improved its service offering by shortening lead times from order to delivery, offering all areas the option of weekly delivery and providing greater flexibility in the choice of delivery day.

Covid-19 restrictions

The Covid-19 pandemic has affected the LMK Group in several ways, but most importantly, increased social distancing, restrictions on restaurants, travel bans or travel have led many more people to turn to e-commerce for food. LMK Group has experienced a change in seasonal pattern, increased inflow of new customers, and lower customer acquisition costs during parts of the year where restrictions were in effect. The changing seasonal pattern meant that fewer customers took a break during holidays and festivities and, instead, continued to consume meal kits. Starting in the second quarter, LMK Group experienced a return of customer behavior to a seasonal pattern that was more similar to the pre-Covid-19 pattern. However, it is not possible to quantify the impact of the Covid-19 pandemic on the Group's sales.

The Group implemented a range of measures to reduce the risk of infection among employees, suppliers and customers. These measures included teleworking for office staff, increased teleworking and hygiene practices in production facilities, and changes in delivery routines to reduce driver-customer contact.

Increased focus on sales and marketing

LMK Group has had a clear focus on new customer acquisition in 2021 and has increased its investment in sales and marketing from 129.9 million in 2020 to 178.2 million in 2021, representing an increase of 37%. In relation to sales, investment in sales and marketing activities has increased from

10.7% of net sales in 2020 to 12.8% in 2021. The corresponding figure for 2019 was 9.1%.

New Board of Directors

On 24 January, a new board of directors was elected. The company's Board of Directors consists of Mathias Hedlund (Chairman), Charlotte Gogstad, Fredrik Kongsli, Gert W. Munthe and Therese Reuterswärd.

The current Board has been appointed for the period until the end of the Annual General Meeting to be held in 2022.

Warrants

At the Annual General Meeting held on March 14, 2021, the shareholders of LMK Group resolved to introduce long-term incentive programs based on warrants aimed at the Company's senior executives and certain additional key employees, as well as to external directors. A total of 340,800 warrants were issued, of which 280,800 are outstanding as of December 31, 2021.

If the maximum number of outstanding warrants in the two incentive programs is exercised to subscribe for shares, this will result in a dilution corresponding to a total of 2.2 percent of the total number of shares.

Development of the company's business, results and position

Amount in SEK million	2021	2020	2019	2018
Net sales	1 387,3	1 217,0	1 085,6	1 326,3
Operating margin %	3.4%	7.5%	-13.4%	-27.2%
Equity ratio %	63%	33%	33%	44%

Definitions:

Operating margin: Operating profit/Net sales

Equity ratio: Equity (including non-controlling interests) in relation to the balance sheet total.

Net sales and profit

The Group's net sales amounted to SEK 1,387 million (previous year: SEK 1,217 million), an increase of 14.0% compared to 2020. As 50% of net sales are related to the Norwegian operations, net sales are highly influenced by the consolidation currency between Norwegian kroner and Swedish kronor. Adjusted for exchange rate effects, this corresponds to an increase of 13.3%.

The Group's operating profit amounted to SEK 46.9 million (91.5), corresponding to an operating margin of 3.4% (7.5%). During the year, the Group incurred one-off costs related to the IPO, amounting to SEK 12.9 million. Operating profit was largely impacted by the growth strategy with an increase of SEK 48.3 million in sales and marketing, representing 12.8% of net sales, up from 10.7% in 2020. The operating result was also affected by the focus on customer-specific production, which entails a transformation and learning period that affected production efficiency.

Depreciation amounted to SEK 45.9 million (43.6), including depreciation on customer contracts of SEK 11.2 million (11.2) related to previous acquisitions of subsidiaries, which will be fully depreciated by the end of 2022. Net financial income amounted to SEK -20.0 million (-28.0). Profit before tax amounted to SEK 26.9 million (63.5).

The tax expense for the period amounted to SEK -9.5 million (+3.7). A large part of the Group's interest expenses previously consisted of costs related to the now repaid corporate bond, which due to the Group structure had a limited deductibility.

Cash and cash equivalents, cash flow and financial position

Cash and cash equivalents at the end of the year amounted to SEK 160.7 million (80.4). The increase in cash compared to last year was largely generated by the operating profit. Cash flow from operating activities amounted to SEK 78.7 million (122.2). The increase in inventories and the change in trade payables were mainly related to the timing of deliveries around the New Year.

Cash flow from investing activities amounted to SEK -88.1 million (-9.9), of which SEK 54.9 million related to the acquisition of RetNemt. Investments in tangible fixed assets

amounted to SEK 22.4 million (4.5). This was an increase of SEK 17.8 million, and was related to investments in production equipment and refurbishment in connection with the RetNemt integration and investments in customer-specific production equipment in Norway and Sweden.

Equity amounted to SEK 608.0 million (280.2), corresponding to an equity ratio of 63.3% (33.4%).

Parent company

LMK Group AB (publ) is the parent company of the LMK Group and is a Swedish holding company where the operational activities are carried out in the subsidiaries. The company has 3 employees. The parent company's net sales amounted to SEK 5.6 million (1.0) and are related to management fees. The Parent Company's business focus is to carry out group-wide tasks where the costs mainly consist of organizational consulting costs and legal and audit costs. The operating result for the year was SEK -17.7 million (-7.3). The increased costs were mainly related to the IPO in the first and second quarter. During 2021, the parent company received Group contributions of SEK 5.0 million (7.0).

The Parent Company's cash and cash equivalents amounted to SEK 209.3 million (0.0) at the end of the period and equity amounted to SEK 794.0 million (528.3).

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

Information on risks and uncertainties

The Group, like all business activities, is exposed to risks that can have a negative impact on the Group but can also add value to the company if properly managed. Risks that may affect the Group include the risk of labor disputes, IT and information security risks, employee risks, and regulatory risks. The financial risks are described in Note 27.

Principal risks related to the Company's industry and business include:

- The Group operates in a highly competitive industry that 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, both to attract new customers and to retain existing customers.

- As the Group operates in a highly competitive industry, the reputation and recognition of the Group's brands, and the positive values that customers associate with them, are central to its growth and success. Damage to the Group's brands or the Group's reputation may adversely affect the Group's results, and there is a risk that negative publicity or negative announcements concerning the Group, for example, regarding the freshness of ingredients, the quality of the food box and contamination of food, may adversely 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, while still the face of the Group's products or even afterwards, 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.
- Food handling places high demands on traceability, hygiene and handling. Lack of control in any part of the handling or supply chain can lead to contamination, allergic reactions or other types of damage. A functioning and effective alarm system for dealing with deficiencies that may pose a risk to food safety is essential for the responsible and safe operation of the business. As the food boxes contain fresh products, including meat, fish and dairy products, the business is particularly vulnerable to products being spoiled or customers failing to store or cook delivered products properly before consumption, as well as to third-party suppliers failing to maintain food safety, proper temperature and other requirements related to the handling or transportation 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 food boxes, which could be costly and negatively impact the Group's reputation and thus lead to a reduction in turn-

over. Mispackaged products or mislabelled ingredients can result in customers suffering allergic reactions and other health problems, which can lead to claims being made against the Group.

- The Group's main costs are related to food and the Group's earnings are directly dependent on the prices of groceries, fruits and vegetables. Furthermore, there is a risk that certain products may become scarce for various reasons and that the Group may not be able to adapt to price fluctuations on short notice and that an increase in the Group's costs may not be passed on to customers.
- The Group's production activities are located in a limited number of production facilities in Sweden, Norway and Denmark. The business depends on the reliability of the production facilities, and security of supply is an important factor in the Group's service delivery and in maintaining good customer relations. Interruptions or disruptions in production may make it difficult, or impossible, for the Group to meet its obligations or expectations from customers and to deliver in accordance with orders on time. This is especially true in the case of major total production interruptions lasting for a longer period of time, but also to a lesser extent in the case of short-notice disruptions.

Guidelines for remuneration of senior executives

Fees and other remuneration to the members of the Board of Directors, including the Chair of the Board, are decided by the Annual General Meeting. At the Annual General Meeting held on March 14, 2021, it was resolved that the total remuneration for the members of the Board of Directors, 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, Fredrik Kongsli, Gert Wilhelm Munthe and Therese Reuterswärd. In addition, the three directors who are independent of major shareholders are covered by a warrant program, which was decided at the Annual General Meeting of March 14, 2021.

The Company strives to offer a total compensation package that is market-driven and thereby able to attract and retain

qualified employees. Remuneration should be based on the employee's position, responsibilities and performance. The total remuneration of senior executives shall consist of a fixed salary, variable cash compensation and a retirement plan.

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

Expected future development

Online grocery sales saw strong growth in 2020 and 2021, largely driven by changes in customer behavior as a result of Covid-19 restrictions, which have contributed to more people choosing to buy groceries online. It is difficult to determine how Covid-19 will develop and to what extent restrictions will be applied in the various markets in which LMK Group operates. During periods when restrictions were applied, LMK Group experienced a different seasonal pattern with fewer customers pausing their deliveries during holidays and festivities, as well as a weaker decline in deliveries ahead of summer and winter breaks. The Group's core business will continue to be subject to tough comparables as the Nordic meal-kit market returns to its pre-pandemic pattern of behavior. This will mainly affect the first half of 2022.

One of LMK Group's competitive advantages is its ability to produce meal kits efficiently and profitably. In the coming years, LMK Group aims to continue making efficiency improvements in all areas of the business, 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 good food. The strong brands ensure 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 to invest in new customer acquisitions and innovative development of products and services with the customer in focus.

At the beginning of 2022, LMK Group has experience food prices are growing at a faster pace than before, which is partly driven of the conflict in Ukraine. At the time of the annual report establishment, it is difficult to estimate how the

conflict in Ukraine will affect LMK Group and how the conflict influence future development of raw material prices. The board and the management closely follows the development and takes continuous action measures to limit the negative effects on the company.

The Management Team and the Board of Directors examine various strategic growth opportunities and evaluate possibilities for efficient investment of the Group's cash. The Group's cash flow offers potential for both dividends and investment in growth.

LMK Group dividend policy is meant to provide shareholders with a dividend that offers a good direct return while giving the company the opportunity to invest in strategic growth opportunities.

The target dividend over the next 3-5 years should amount to at least 1.75 SEK per share on an annual basis.

Employees

In 2021, the Group had an average of 322 employees, of which 51% were women and 49% were men. The Group employs 123 people in Sweden, 139 in Norway and 60 in Denmark. The employees should reflect the diversity of our customers, and everyone should have the same opportunity to develop within the Group. Gender equality is part of the diversity work.

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 manner. LMK Group prepares sustainability reports. LMK Group AB is subject to the sustainability reporting requirements of the Annual Accounts Act. In accordance with Chapter 6, Section 11 of the Swedish Annual Accounts Act, LMK Group has chosen to prepare the statutory Sustainability Report as a separate report from the Annual Report and is presented on pages 21-43.

Proposal for the appropriation of the company's result

The following amounts (SEK thousand) are at the disposal of the Annual General Meeting:

Share premium reserve	1 188 237
Balanced earnings	-385 240
Net loss for the year	-10 176
Total	792 821

The Board of Directors proposes that of the retained earnings of SEK 792,821, SEK 1.75 per share be paid out in ordinary dividend, corresponding to SEK 22,188 thousand, based on the number of shares as of December 31, 2021. The remaining amount of SEK 770,633 thousand are to be balanced in a new account, of which SEK 1,166,049 thousand and to a balanced result SEK -395,416 thousand.

The dividend proposed by the Board corresponds to 2.8 percent of the Parent Company's equity and 3.6 percent of the Group's equity, respectively.

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 possibility of fulfilling 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 amounted to 62 percent. After payment of the proposed dividend, LMK Group is expected to continue to have a good financial position.

LMK Group dividend policy is meant to provide shareholders with a dividend that offers a good direct return while giving the company the opportunity to invest in strategic growth opportunities.

The target dividend over the next 3-5 years should amount to at least 1.75 SEK per share on an annual basis.

For the Group's and Parent Company's other results and positions, please refer to the following financial statements and the related notes to the financial statements.

Consolidated income statement

1 January - 31 December

SEK thousands	Not	2021	2020
Net Sales	2	1 387 337	1 216 977
Other operating income	2	8 498	7 861
		1 395 835	1 224 838
Goods for resales		-854 849	-746 951
Other external expenses		-227 804	-162 178
Personnel costs	5	-220 151	-180 400
Depreciation		-45 862	-43 582
Impairment of goodwill and intangible assets	10	-	-
Capital gains/losses on disposal of subsidiaries		-	-
Other operating expenses	4	-250	-219
Operating profit		46 919	91 508
Interest income		178	172
Interest expenses		-21 115	-27 532
Other financial income		1 365	1 640
Other financial expenses	7	-443	-2 254
Net financial items	7	-20 015	-27 974
Profit before tax		26 904	63 534
Tax	8	-9 547	3 735
Net profit for the year		17 357	67 269
Profit/loss for the period attributable to:			
Parent company's shareholders		17 357	65 034
Non-controlling interests		-	2 235
Net profit for the year		17 357	67 269
Earnings per share SEK, before and after dilution	9	1,60	-11,71

Consolidated income statement and comprehensive income

1 January - 31 December

SEK thousands	Not	2021	2020
Net profit for the year		17 357	67 269
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		29 631	-40 819
Tax attributable to items that have been or may be reclassified to the profit/loss for the period			
		29 631	-40 819
Items that cannot be transferred to profit/loss for the year		-	-
Other comprehensive income for the period		29 631	-40 819
Comprehensive income for the period		46 988	26 450
Comprehensive income for the period attributable to:			
Parent company's shareholders		46 988	24 645
Non-controlling interests		-	1 805
Comprehensive income for the period		46 988	26 450

Consolidated statement of financial position

SEK thousands	Not	2021-12-31	2020-12-31
ASSETS	27		
Goodwill	10	240 648	222 907
Trademarks	11	315 884	306 265
Customer contracts and relationships	12	11 657	24 607
Other intangible assets	13	17 929	16 662
Total intangible assets		586 118	570 442
Leasehold improvement	14	2 125	3 044
Machinery and other technical installations	15	11 935	4 792
Equipment	16	15 426	6 130
Rights of use assets	28	103 348	105 997
Total tangible assets		132 834	119 963
Financial investments		–	–
Deferred tax assets	8	24 457	24 032
Other non-current receivables		5 700	3 077
Total other non-current assets		30 157	27 109
Total non-current assets		749 109	717 514
Inventories	17	14 049	5 444
Accounts receivable	18	12 114	9 138
Tax assets	8	1 245	1 360
Prepaid expenses and accrued income	19	18 830	20 995
Receivables from Group companies		–	705
Other receivables		4 776	3 024
Cash and cash equivalents	20	160 733	80 416
Total current assets		211 747	121 082
Total Assets		960 856	838 596

Consolidated statement of financial position, continued

SEK thousands	Not	2021-12-31	2020-12-31
EQUITY	21		
Share capital		1 170	929
Other contributed capital		1 188 237	912 569
Translation reserve		14 606	–15 025
Retained earnings including profit/loss for the year		–595 968	–623 545
Equity attributable to shareholders in parent company		608 045	274 928
Non-controlling interests		–	5 301
Total equity		608 045	280 229
Liabilities	27		
Bond	22; 27	–	136 128
Non-current liabilities to credit institutions	23	–	–
Non-current lease liabilities	27; 28	97 345	94 071
Contractual liabilities	1	4 863	6 002
Other non-current liabilities	25	–	22 958
Deferred tax liabilities	8	68 305	69 601
Total non-current liabilities		170 513	328 759
Liabilities to credit institutions	22; 23	3 509	3 076
Current lease liabilities	27; 28	16 426	21 749
Accounts payable	27	92 626	69 384
Tax liabilities	8	10 524	10 638
Other liabilities	25	12 027	87 329
Accrued expenses and prepaid income	26	47 186	37 432
Total current liabilities		182 298	229 608
Total liabilities		352 811	558 367
Total equity and liabilities		960 856	838 596

Consolidated statement of equity

SEK thousands	Equity attributable to shareholders in parent company					Holding without determined influence	Total Equity
	Share capital	Other Contributed Capital	Conversion Reserve	Balanced earnings including this year's Results	Total		
Opening equity 2020-01-01	929	912 569	25 363	-676 478	262 384	3 496	265 879
Comprehensive income for the year							
Net profit for the year				65 034	65 034	2 235	67 269
Comprehensive income for the year			-40 388		-40 389	-431	-40 819
<i>Comprehensive income for the year</i>	-	-	-40 388	65 034	24 645	1 805	26 450
Transactions with the Group's owners							
Transactions attributable to subsidiaries							
Change in liability for issued put option to non-controlling interest				-12 100	-12 100		-12 100
<i>Total transactions attributable to subsidiaries</i>	-	-	-	-12 100	-12 100		-12 100
Total Transactions with the Group's owners				-12 100	-12 100		-12 100
Closing equity 2020-12-31	929	912 569	-15 025	-623 545	274 929	5 301	280 229

Consolidated statement of equity

SEK thousands	Equity attributable to shareholders					Holding without determined influence	Total Equity
	Share capital	Other Contributed Capital	Conversion Reserve	Balanced earnings including this year's Results	Total		
Opening equity 2021-01-01	929	912 569	-15 025	-623 545	274 929	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							
Transactions attributable to subsidiaries							
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
Repurchasing warrants		-337			-337		-337
Total contribution from and value transfers to owners	242	275 668	-	-	275 910	-	275 910
Transaktioner hänförliga till dotterbolag							
Change in liability for issued put option to non-controlling interest				4 919	4 919		4 919
Acquisition of non-controlling interests, controlling interest since before				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 2021-12-31	1 170	1 188 237	14 606	-595 968	608 045	0	608 045

Consolidated statement of cash flows

1 January - 31 December

SEK thousands	Not	2021	2020
Operating activities	33		
Profit before tax		26 904	63 534
Income tax paid		-13 728	-7 629
Adjustment for items not included in cash-flow		49 231	60 203
		62 407	116 108
Increase (-)/Decrease (+) in inventories		-8 310	988
Increase (-)/Decrease (+) in operating receivables		-2 640	-8 359
Increase (+)/Decrease (-) in operating liabilities		27 249	13 494
Cash flow from operating activities		78 707	122 231
Investment activities			
Acquisition of tangible assets		-22 373	-4 540
Acquisition of intangible assets		-7 561	-5 395
Acquisition of partly owned subsidiaries, non-controlling influence since before		-54 881	-
Disposal of subsidiaries/operations, net liquidity impact		-	-
Disposal of financial assets		-	-
Promissory notes receivable		-	-
Leasehold deposit		-3 279	-
Cash flow from investment activities		-88 094	-9 935
Financing activities			
New share issue		277 441	-
Transaction cost		-5 503	-
Premiums for warrants		3 972	-
Change in bank overdraft facility		-	-9 703
Buyback bondshare		-	-9 360
Amortization of loans, including bond		-155 042	-
Payment accrued interest when repaying bond		-20 521	-
Amortization of lease liability		-18 304	-16 459
Cash flow from financing activities		82 043	-35 522
Cash flow for the year		72 656	76 774
Cash and cash equivalents at the beginning of the year		80 416	9 829
Exchange rate difference in cash and cash equivalents		7 661	-6 187
Cash and cash equivalents at the end of the year		160 733	80 416

Resultaträkning för Parent company

1 January - 31 December

SEK thousands	Not	2021	2020
Net Sales		5 641	1 000
		5 641	1 000
Personnel costs		-6 972	-
Other operating expenses	4	-16 443	-8 339
Operating profit		-17 774	-7 339
<i>Financial items :</i>			
Impairment of goodwill and intangible assets	32	-	-
Reversal of impairment of goodwill and intangible assets	32	-	190 000
Other financial expenses	7	-10	-3
Other financial expenses		11	-
Profit/Loss after financial items		-17 774	182 659
Received group contribution		5 000	7 000
Profit/Loss before tax		-12 774	189 659
Tax	8	2 598	846
Net Profit/loss for the year		-10 176	190 504

Parent company - Income statement and comprehensive income

1 January - 31 December

SEK thousands	Not	2021	2020
Net profit for the year		-10 176	190 504
<i>Other comprehensive income</i>			
Items that have been or may be transferred to profit/loss for the period		-	-
Items that have been or may be transferred to profit/loss for the year		-	-
Other comprehensive income for the year		-	-
Comprehensive income for the year		-10 176	190 504

Parent company - Statement of financial position

1 January - 31 December

SEK thousands	Not	2021-12-31	2020-12-31
Assets			
Non-current assets			
Financial assets			
Financial assets	32	576 354	521 473
Deferred tax asset	8	6 142	2 116
<i>Total financial assets</i>		582 496	523 589
Total non-current assets		582 496	523 589
Current assets			
Short term receivables			
Accounts receivable		–	–
Receivables from Group companies		9 377	8 286
Current tax asset		6	7
Other receivables		36	–
Prepaid expenses and accrued income	19	128	–
<i>Total short term receivables</i>		9 546	8 293
Cash and cash equivalents	20	209 305	–
Total current assets		218 851	8 293
Total Assets		801 347	531 882

Parent company - Statement of financial position

1 January - 31 December

SEK thousands	Not	2021-12-31	2020-12-31
Equity and liabilities			
Equity	21		
<i>Restricted equity</i>			
Share capital		1 170	929
<i>Non-restricted equity</i>			
Premium reserve		1 188 237	912 569
Retained earnings		-385 240	-575 744
Profit/loss for the year		-10 176	190 504
Total equity		793 991	528 258
Non-current liabilities			
<i>Total non-current liabilities</i>			
Short term liabilities		–	–
Liabilities to Group companies		2 197	987
Accounts payable		88	655
Current tax liabilities		–	–
Other liabilities		393	119
Accrued expenses and prepaid income	26	4 678	1 863
<i>Total current liabilities</i>		7 356	3 624
Total equity and liabilities		801 347	531 882

Parent company - Equity statement

1 January - 31 December

SEK thousands	Restricted equity	Non-restricted equity		Total equity
	Share capital	Premium reserve	Retained earnings and profit/loss for the year	
Opening equity 2020-01-01	929	912 569	-575 744	337 754
Comprehensive income for the year				
Net profit for the year			190 504	190 504
Other comprehensive income for the year				
Comprehensive income for the year	-	-	190 504	190 504
Shareholder contributions received				
Closing Equity 2020-01-01	929	912 569	-385 240	528 258
Opening equity 2021-01-01	929	912 569	-385 240	528 258
Comprehensive income for the year				
Net loss for the year			-10 176	-10 176
Other comprehensive income for the year	-	-	-	-
Comprehensive income for the year	-	-	-10 176	-10 176
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
Repurchasing warrants		-337		-337
Closing Equity 2021-12-31	1 170	1 188 237	-395 416	793 991

Parent company - Statement of cash flows

1 January - 31 December

SEK thousands	Not	2021	2020
Operating activities			
Profit/loss before tax	33	-12 774	189 659
Justering för poster som inte ingår i kassaflödet		-1 427	-190 000
Adjustment for items not included in cash flow		-	-
		-14 201	-341
Increase (-)/Decrease (+) in operating receivables		-1 253	-376
Increase (+)/Decrease (-) in operating liabilities		3 732	717
Cash flow from operating activities		-11 723	0
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	-
Premiums for warrants		3 972	-
Cash flow from financing activities		275 909	-
Cash flow for the year		209 305	0
Cash and cash equivalents at the beginning of the year		-	-
Cash and cash equivalents at the end of the year		209 305	-

Notes

Notes to the financial statements

Note 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 issued by the Board of Directors and the CEO on March 30, 2022. The Group's report on results and report of results and other comprehensive income and report on 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, 2022.

(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 35.

(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. For acquisitions made in 2015, non-controlling interests are recognised in proportion to the identifiable net assets of the acquired subsidiary.

(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.

(iii) Issued put option to non-controlling interests

Issued put option to non-controlling owners refers to agreements that entitle them to sell shares in subsidiaries at a price determined by a formula fixed in the shareholders' agreement at a future date. The amount that may be paid if the option is exercised is initially recognised at the present value of the redemption price, which is valid at the time when the option can first be exercised, as a financial liability with an equivalent amount directly in equity in retained earnings. Changes in liability at subsequent valuation are also recognised directly against equity in retained earnings. In the event that the put option expires without its being exercised, the debt is written off and the corresponding adjustment is made to equity in retained earnings.

(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 be not 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 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.

(iii) 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) Tax

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. Reporting of liability issued put option to non-controlling interests, see section h consolidation principles and business acquisitions (iii) issued put option to non-controlling interests.

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

Financial assets

The Group derecognizes 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 risks and benefits of ownership have been transferred or in which the Group does not transfer or materially retain all the risks and benefits 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.

(iv) 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
- 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.

(l) 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.

(li) 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***(l) 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.

(li) 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 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 and IAS, 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 thousands	2021	2020
Revenues from contracts with customers	1 387 337	1 216 977
<i>Other operating income</i>	8 498	7 861
	1 395 835	1 224 838

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 thousands	2021	2020
Geographic market		
Norway	695 572	577 368
Sweden	513 991	487 322
Denmark	177 774	160 148
Other Countries	–	–
Time of revenue recognition		
Goods recognized at a given time	1 387 337	1 216 977
Total Revenue from contracts with Customers	1 387 337	1 216 977
Other income	8 498	7 861
Total External Revenue	1 395 835	1 224 838

Group	31 december 2021	31 december 2020
SEK thousands		
Accounts receivable	12 114	9 138
Contractual liabilities	4 863	6 002

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 2020-01-01 and 2021-01-01, approximately one third has been recognized as income in 2020 and 2021, respectively.

Note 3 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
- Other countries

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

Geographical areas Group		
SEK thousands	2021	2020
Fixed assets		
Norway	337 888	304 552
Sweden	340 356	352 235
Denmark	40 708	33 618
Other Countries	–	–
	718 952	690 405

Information about major customers

The group has no major customers.

Group operating segments	Norway		Sweden		Denmark		Other Countries		Group-wide and Eliminations		Total consolidated	
SEK thousands	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Net sales from external customers	695 572	574 326	513 991	482 168	177 774	160 483	–	–	–	–	1 387 337	1 216 977
Net sales from other segments	–	113	–	679	–	–	–	–	–	-792	–	–
Operating profit before depreciation (EBITDA)	62 451	69 157	22 113	46 074	97	9 693	–	–	8 370	10 385	93 031	135 309
Depreciation											-45 862	-43 582
Impairment losses on goodwill and intangible assets											–	–
Capital gains/losses on disposal of subsidiaries											–	–
Other operating expenses											-250	-219
Financial items, net											-20 015	-27 975
Consolidated profit before tax											26 904	63 533

The column "Group-wide and eliminations" regarding "Operating profit", refers to costs for Group-wide functions of SEK -16.0 (2020: -12.7) million and differences in accounting principles of SEK 24.4 (2020: 23.1) million. 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 thousands	2021	2020
Group		
Exchange losses on receivables/liabilities of an operating nature	-250	-219
<i>Other</i>	-	-
	-250	-219
Parent company		
Exchange losses on receivables/liabilities of an operating nature	-53	-46
Audit fee	-2 882	-1 044
Consultancy fee	-10 882	-6 685
<i>Other</i>	-2 626	-564
	-16 443	-8 339

Note 5 Employees, personnel expenses and remuneration to senior executives

Employee remunerations SEK thousands	2021	2020
Group		
Salaries and allowances, etc.	169 068	137 886
Pension costs, defined contribution plans (see further note 24)	9 664	6 559
Social security fees	32 450	26 149
Other compensations	8 969	9 806
	220 151	180 400

Average number of employees	2021	varav män	2020	varav män
Parent company				
Sweden	2	100%	-	0%
Total parent company	2	100%	-	0%
Subsidiaries				
Sweden	121	47%	104	53%
Denmark	60	44%	55	42%
Norway	139	52%	99	52%
Total Subsidiaries	320	49%	258	50%
Group total	322	49%	258	50%

Gender balance in management	2021-12-31 Percentage of women	2020-12-31 Percentage of women
Parent company		
Board	40%	13%
Other senior management	33%	33%
Group		
Board	24%	5%
Other senior management	33%	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			
	2021		
SEK thousands	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)

Parent company			
	2020		
SEK thousands	Senior management	Other employees	Total
Salaries and allowances	200	–	200
(of which bonuses, and the like)	(–)	(–)	(–)
Parent company total	200	–	200
(of which bonuses, and the like)	(–)	(–)	(–)
Social expenses	63	–	63
(of which pension cost)	(–)	(–)	(–)

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

Group	2021	2020
	Senior management (11 persons)	Senior management (6 persons)
SEK thousands		
Group		
Salaries and allowances	13 289	9 471
(of which bonuses, and the like)	(–)	(–)
Pension	1 848	1 271

In 2021, a long-term incentive program was introduced based on warrants aimed at the company's senior executives and certain additional key employees conditional on employment, and to external board members. A total of 340,800 warrants were issued. In 2021 60,000 warrants have been repurchased by the company, which means that outstanding warrants per 31 December 2021 was 280,800.

At the 2021 AGM, the principles for remuneration of senior executives were decided. The Company strives to offer a total compensation package that is market-driven and thereby able to attract and retain qualified employees. Remuneration should be based on the employee's position, responsibilities and performance. The total remuneration of senior executives shall consist of a fixed salary, variable cash compensation and a retirement plan. The fixed salary is the basis for the total remuneration. The fixed salary shall be based on the skills, responsibilities and performance of the member of the Group Management and shall be competitive with the prevailing market standards. The variable remuneration shall be linked to predetermined and measurable criteria and shall be based mainly on the Group's financial performance for each year. Variable remuneration paid in cash shall not exceed 100% of the fixed salary. Retirement plans shall be designed to reflect normally accepted levels and practices in the country where the executive is employed. Where possible, retirement plans should be defined contribution. The Group applies a maximum notice period of twelve months. In the case of own termination, a period of six months' notice generally applies. In the event of termination by LMK Group, severance pay of up to nine months' salary may be payable. In addition to the before mentioned variable remuneration, share-based incentive programs may be decided from time to time, which shall be approved by the Annual General Meeting.

Note 6 Remuneration to auditors

SEK thousands	2021	2020
Group		
KPMG		
Audit	2 146	1 390
Auditors' activities over and above the auditing assignment	2 025	154
Tax advice	60	60
Beierholm		
Audit	277	197
	4 508	1 801

Parent company

KPMG		
Audit	1 143	455
Auditors' activities over and above the auditing assignment	2 025	154
Tax advice	20	20
	3 188	629

The term, "Auditing assignment" should be taken to mean statutory audits of the annual and consolidated accounts and accounting, as well as the management by the Board of Directors and the CEO, together with audits and other tasks of an accounting nature carried out in accordance with agreement or contract. These include other tasks that are the responsibility of the company's auditor to carry out as well as to provide advice or other assistance prompted by observations made during such audit or through the performance of other such tasks.

Note 7 Net financial items.

Group SEK thousands	2021	2020
Interest income	178	172
Other financial income	1 365	1 640
Total interest income derived from financial assets valued at amortised acquisition value	1 544	1 812
Financial liabilities that are valued at accrued acquisition value		
Corporate bond	-14 663	-19 849
Interest expenses to credit institutions	-	-
Interest expenses relating to leasing	-6 057	-6 635
Other interest expenses	-395	-1 048
Exchange rate losses	-392	-93
Guarantee fee	-	-2 140
Other financial expenses	-52	-21
Financial expenses	-21 559	-29 786
Net financial items reported in earnings	-20 015	-27 974

Parent company SEK thousands	2021	2020
---------------------------------	------	------

Profit from shares in group companies

Write-downs	-	-
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Parent company SEK thousands	2021	2020
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Interest income and similar income items

Interest income, group	-	-
Interest income, other	-	-
Other	11	-
Total	11	-

Interest expenses and similar expense items

Other interest expenses	-10	-3
Interest expenses, corporate bond	-	-
Other	-	-
Total	-10	-3
of which Group	-8	-
of which other	-2	-3

Note 8 Taxes

Reported in the profit and loss statement

Group SEK thousands	2021	2020
Current tax expense		
Tax expense for the year	-11 736	-14 472
Adjustment of tax attributable to previous years	-	-
	-11 736	-14 472
Deferred tax expense		
Deferred tax on temporary differences	2 189	18 207
Deferred tax due to changes in tax rates	-	-
	2 189	18 207
Total reported tax expense for the Group	-9 547	3 735

Parent company SEK thousands	2021	2020
---------------------------------	------	------

Current tax expense

Tax expense for the year	-	-
	-	-

Deferred tax expense

Deferred tax on temporary differences	2 598	846
Deferred tax due to changes in tax rates	-	-
	2 598	846
Total reported tax expense for the Group	2 598	846

Note 8 Taxes, cont.

Reconciliation of effective tax

Group SEK thousands		2021		2020	
Profit before tax		26 904		63 534	
Tax at the applicable tax rate for Parent company	20,6%	-5 542	21,4%	-13 596	
The effect of other tax rates for foreign Subsidiaries	4,2%	1 117	0,9%	563	
Non-deductible or non-taxable items	-14,9%	-4 006	-7,5%	-4 753	
Effect of other permanent differences	-0,9%	-247	-0,5%	-292	
Increase in loss carry forwards without corresponding activation of deferred tax	0,0%	-	0,0%	-	
Utilization of previously non-capitalized loss carry forwards	0,0%	-	9,9%	6 319	
Activation of previously non-capitalized loss carry forwards	0,0%	-	24,4%	15 495	
Effect of changes in tax rates/and tax laws	-3,2%	-869	0,0%	-	
Reported effective tax		-35,5%	-9 547	5,9%	3 735

2021 and 2020 includes non-deductible interest expenses, due to the interest deduction restrictions for these years.

Parent company SEK thousands		2021		2020	
Profit before tax		-12 774		-341	
Tax at the applicable tax rate for Parent company	20,6%	2 631	21,4%	73	
Non-deductible or non-taxable items	-0,1%	-15	-0,6%	-73	
Increase in loss carry forwards without corresponding activation of deferred tax	0,0%	-	0,0%	-	
Write-down of financial assets	0,0%	-	0,0%	-	
Activation of previously non-capitalized loss carry forwards	0,0%	-	248,1%	846	
Effect of changes in tax rates/and tax laws	-0,1%	-18	0,0%	-	
Reported effective tax		20,3%	2 598	248,1%	846

Reported in the statement of financial position

Deferred tax assets and liabilities. Deferred tax liabilities amount to SEK 68 305 thousand (2020: SEK 69 601 thousand). These are mainly attributable to brands SEK 67,056 thousand (2020: SEK 64,938 thousand), and customer agreements SEK 1 819 thousand (2020: SEK 4,647 thousand). Other tax effects SEK 0 thousand (2020: SEK 16 thousand), are mainly attributable to a developed IT system. Deferred tax assets amount to SEK 24,458 thousand (2020: SEK 24,032 thousand) and are mainly related to tax deficits in Sweden and Norway. Deferred tax assets in parent company amounts to 6 142 thousand (2020: 2 116 thousands). Deferred tax assets are reported based on expected profits in the coming years.

Unrecognized deferred tax assets

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

SEK thousands	2021	2020
Group		
Tax deficits	-	-
	-	-
Parent company		
Tax deficits	-	-
	-	-

In addition to the above losses, there are unutilised losses attributable to interest deduction limits that are time limited.

Changed tax rate

The tax rate was reduced to 20.6% for financial years beginning on or after 1 January 2021.

Note 9 Earnings per share

Earnings per share for total operations

SEK thousands	2021	2020
Earnings per share	1,60	-11,71

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

Earnings per share, before and after dilution

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

SEK thousands	2021	2020
Profit for the year attributable to shareholders of the parent company	17 357	67 269
Withheld dividend on preference shares	–	-122 782
Profit attributable to the parent company's ordinary shareholders	17 357	-55 513

Weighted average number of ordinary shares, before and after dilution

In thousands of shares	2021	2020
Weighted average number of ordinary shares	10 846	4 741
Weighted average number of ordinary shares, before and after dilution	10 846	4 741

The weighted average number of ordinary shares has been adjusted for a share split of 1:15, which was decided after 31 December 2020.

Not 10 Goodwill

Group	Goodwill
SEK thousands	

Cumulative acquisition value

Opening balance 2020-01-01	669 979
Exchange rate differences for the year	-26 072
Closing balance 2020-12-31	643 907

Opening balance 2021-01-01	643 907
Exchange rate differences for the year	17 741
Closing balance 2021-12-31	661 648

Accumulated depreciation and amortization

Opening balance 2020-01-01	-421 000
Impairment loss for the year	–
Exchange rate differences for the year	–
Closing balance 2020-12-31	-421 000

Opening balance 2021-01-01	-421 000
Impairment loss for the year	–
Exchange rate differences for the year	–
Closing balance 2021-12-31	-421 000

Carrying amounts

As of 2020-01-01	248 979
As of 2020-12-31	222 907

As of 2021-01-01	222 907
As of 2021-12-31	240 648

Impairment testing of goodwill and brands

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

SEK thousands	Goodwill	Trademarks
Sweden	111 308	176 654
Norway	107 879	139 230
Denmark	21 462	–
Carrying amount 2021-12-31	240 648	315 884
Sweden	111 308	176 654
Norway	89 692	129 611
Denmark	21 907	–
Carrying amount 2020-12-31	222 907	306 265

Not 10 Goodwill, forts.

If there is an indication of impairment, the asset's recoverable amount is calculated. For goodwill and other intangible assets with an indeterminable useful life, the recoverable amount is calculated annually regardless of whether there are indicators of impairment. An impairment loss is recognized when the carrying amount of an asset exceeds its recoverable amount.

The recoverable amount is based on the value in use, which is calculated on the basis of discounted future cash flows. These estimated future cash flows are based on the budget for the coming years and an assumption about the financial development for a four-year period. The forecasts are based on assumptions about sales and EBIT margins, based on historical experience, consideration of positive effects on demand as a result of the pandemic and the company's upcoming planned launches. The cash flows calculated after the first five years have been based on a constant annual growth rate of 2% (2% (2020)) for all countries, which corresponds to the long-term growth rate expected by management in the unit's markets.

The discount rate applied for the present value calculation of expected future cash flows consists of a weighted average cost of capital (WACC) after tax. The following discount rates have been used:

Discount rate after tax (WACC), %	2021	2020
Sweden	12.9	12.8
Norway	13.9	13.9
Denmark	12.4	12.5

Reasonably possible changes in the most important assumptions are not considered to have such an effect that they would individually reduce the recoverable amount to a value that is less than the book value.

Impairments

During 2020 and 2021 no impairment needs was identified.

Not 11 Trademarks

Group	Trademarks
Cumulative acquisition value	
Opening balance 2020-01-01	323 300
Scrapping and divestments	-
Exchange rate differences for the year	-14 029
Closing balance 2020-12-31	309 271
Opening balance 2021-01-01	309 271
Scrapping and divestments	-
Exchange rate differences for the year	9 619
Closing balance 2021-12-31	318 890
Accumulated depreciation and amortisation	
Opening balance 2020-01-01	-2 564
Scrapping and divestments	-
Depreciation for the year	-441
Exchange rate differences for the year	-
Closing balance 2020-12-31	-3 005
Opening balance 2021-01-01	-3 005
Scrapping and divestments	-
Depreciation for the year	-
Exchange rate differences for the year	-
Closing balance 2021-12-31	-3 005
Carrying amounts	
As of 2020-01-01	320 735
As of 2020-12-31	306 265
As of 2021-01-01	306 265
As of 2021-12-31	315 884

In view of the strong brands held by the company, it is considered that there is no specific useful life and therefore no depreciation according to plan. Trademarks are impairment-tested in accordance with the same principles as for Goodwill, see Note 10.

Note 12 Customer contracts and relationships

Group	
SEK thousands	Kundkontrakt och relationer
Cumulative acquisition value	
Opening balance 2020-01-01	97 867
Business acquisitions	-
Exchange rate differences for the year	-2 399
Closing balance 2020-12-31	95 468
Opening balance 2021-01-01	95 468
Business acquisitions	-
Exchange rate differences for the year	1 634
Closing balance 2021-12-31	97 102
Accumulated depreciation and amortisation	
Opening balance 2021-01-01	-58 693
Depreciation for the year	-13 393
Exchange rate differences for the year	1 225
Closing balance 2020-12-31	-70 861
Opening balance 2021-01-01	-70 861
Depreciation for the year	-13 503
Exchange rate differences for the year	-1 081
Closing balance 2021-12-31	-85 445
Carrying amounts	
As of 2020-01-01	39 174
As of 2020-12-31	24 607
As of 2021-01-01	24 607
As of 2021-12-31	11 657

Note 13 Other intangible assets

Group	Övriga immateriella Assets
Cumulative acquisition value	
Opening balance 2020-01-01	39 848
Other investments	5 393
Scrapping and divestments	-838
Exchange rate differences for the year	-2 574
Closing balance 2020-12-31	41 829
Opening balance 2021-01-01	41 829
Other investments	7 561
Scrapping and divestments	-2 823
Exchange rate differences for the year	2 174
Closing balance 2021-12-31	48 741
Accumulated depreciation and amortisation	
Opening balance 2020-01-01	-21 498
Scrapping and divestments	-
Depreciation for the year	-5 405
Exchange rate differences for the year	1 736
Closing balance 2020-12-31	-25 167
Opening balance 2021-01-01	-25 167
Scrapping and divestments	-
Depreciation for the year	-6 478
Exchange rate differences for the year	833
Closing balance 2021-12-31	-30 812
Carrying amounts	
As of 2020-01-01	18 350
As of 2020-12-31	16 662
As of 2021-01-01	16 662
As of 2021-12-31	17 929

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

Note 14 Improvement expenses to third party property

Group SEK thousands	Improvement expenses to third party property
Acquisition Value	
Opening balance 2020-01-01	6 764
Acquisitions	-
Divestments	-
Closing balance 2020-12-31	6 764
Opening balance 2021-01-01	6 764
Acquisitions	382
Divestments	-
Closing balance 2021-12-31	7 146
Depreciation	
Opening balance 2020-01-01	-2 429
Acquisitions	-
Depreciation for the year	-1 291
Divestments	-
Closing balance 2020-12-31	-3 720
Opening balance 2021-01-01	-3 720
Acquisitions	-
Depreciation for the year	-1 301
Divestments	-
Closing balance 2021-12-31	-5 021
Carrying amounts	
As of 2020-01-01	4 335
As of 2020-12-31	3 044
As of 2021-01-01	3 044
As of 2021-12-31	2 125

Note 15 Machinery and other technical fixed assets

Group SEK thousands	Machinery and other technical fixed assets
Acquisition Value	
Opening balance 2020-01-01	9 605
Acquisitions	2 202
Divestments	-
Exchange rate differences for the year	-575
Closing balance 2020-12-31	11 232
Opening balance 2021-01-01	11 232
Acquisitions	9 986
Acquisitions other	-
Divestments	-354
Exchange rate differences for the year	-124
Closing balance 2021-12-31	20 740
Depreciation	
Opening balance 2020-01-01	-4 582
Depreciation for the year	-2 126
Divestments	-
Exchange rate differences for the year	268
Closing balance 2020-12-31	-6 440
Opening balance 2021-01-01	-6 440
Business acquisitions	-
Depreciation for the year	-2 940
Divestments	1 029
Exchange rate differences for the year	-454
Closing balance 2021-12-31	-8 805
Carrying amounts	
As of 2020-01-01	5 023
As of 2020-12-31	4 792
As of 2021-01-01	4 792
As of 2021-12-31	11 935

Note 16 Equipment

Group SEK thousands	Equipment
Acquisition Value	
Opening balance 2020-01-01	13 602
Acquisitions	1 534
Ongoing construction	719
Divestments	-
Exchange rate differences for the year	-911
Closing balance 2020-12-31	14 944
Opening balance 2021-01-01	14 944
Acquisitions	11 706
Ongoing construction	644
Divestments	-
Exchange rate differences for the year	644
Closing balance 2021-12-31	27 938
Depreciation	
Opening balance 2020-01-01	-7 414
Depreciation for the year	-1 997
Divestments	-
Exchange rate differences for the year	597
Closing balance 2020-12-31	-8 814
Opening balance 2021-01-01	-8 814
Depreciation for the year	-3 209
Divestments	-
Exchange rate differences for the year	-488
Closing balance 2021-12-31	-12 512
Carrying amounts	
As of 2020-01-01	6 188
As of 2020-12-31	6 130
As of 2021-01-01	6 130
As of 2021-12-31	15 426

Note 17 Inventory

SEK thousands	2021-12-31	2020-12-31
Group		
Commodities	14 049	5 444
	14 049	5 444

Note 18 Accounts receivable

Accounts receivable are reported after having considered the loss reserve. Customer losses for the year amounted to SEK 3 936 (2020: 2 307) for the group. Customer losses for the parent company amounted to SEK 0 (2020: 0)

SEK thousands	2021-12-31	2020-12-31
Group		
Accounts receivable at face value	15 305	12 514
Provisions for losses on accounts receivable	-3 191	-3 376
	12 114	9 138

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 has not been derecognized from the statement of financial position as the company retains the main risks and benefits, which is the credit risk, see Note 27. The amount is reported as a Current liability, see Note 23."

The amount received from the bank by the company:

SEK thousands	2021-12-31	2020-12-31
Group		
The carrying amount of accounts receivable that have been transferred to bank	3 509	3 076
The carrying amount of the related liabilities	3 509	3 076
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 thousands	2021-12-31	2020-12-31
Group		
Accrued revenue from suppliers	2 055	2 330
Prepaid leasing fees	2 742	2 786
Prepaid goods costs	10 547	7 625
Other	3 486	8 254
	18 830	20 995
Parent company		
Other	128	–
	128	–

Note 20 Cash and cash equivalents

SEK thousands	2021-12-31	2020-12-31
Group		
The following components are included in cash and cash equivalents:		
Cash and bank balances	160 733	80 416
Total according to consolidated statement of financial position	160 733	80 416
Total according to consolidated cash flow statement	160 733	80 416
Parent company		
The following components are included in cash and cash equivalents:		
Cash and bank balances	209 305	–
Total according to consolidated statement of financial position	209 305	–
Total according to consolidated cash flow statement	209 305	–

Note 21 Total Equity

Share class - Thousands of shares	2021	2020
Ordinary Shares		
Issued as of 1 January	316	316
Cash issue	3 490	–
Share split	4 425	–
Re-titling	9 189	–
Redemption	-4 741	–
Issued as of December 31 – paid	12 679	316
Non-redeemable preference shares		
Issued as of 1 January	613	613
Cash issue	–	–
Share split	8 576	–
Re-titling	-9 189	–
Issued as of December 31 – paid	0	613

As of 31 December 2021, registered equity included SEK 1,170,129 (928,628) with a quota value of SEK 0.09 (SEK 1.00). Holders of ordinary shares are entitled to dividends that are determined in arrear and the shareholding entitles to voting rights at the Annual General Meeting with one vote per share.

Holders of ordinary shares are entitled to dividends that are determined in arrear and the shareholding entitles to voting rights at the Annual General Meeting with one vote per share. Holders of preference shares imply preferential rights over ordinary shares to an annual dividend equal to 12% of the subscription price for the current preference share series. To the extent that no dividend is paid, the preference shares shall entitle to receive the amount due before any dividends are distributed to holders of the ordinary shares. If the company is liquidated, preference shares are entitled to receive from the company's assets an amount equal to (i) the issue price of the current series of preference shares and (ii) outstanding dividend amounts (including earned distribution preference) for such series of preference shares, before any distribution is made to the owners of the ordinary shares. The shareholding entitles the right to vote at the Annual 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 23 Liabilities

The following is information about the company's contractual terms regarding interest-bearing liabilities. For further information on the company's exposure to interest rate risk and risk of exchange rate fluctuations, see Note 27.

SEK thousands	2021-12-31	2020-12-31
Long-term liabilities		
Corporate bond	-	136 128
PIK interest	-	17 626
Acquisition liabilities	-	-
	-	153 754
Current liabilities		
Acquisition liabilities	-	15 569
Overdraft facility	-	-
	-	15 569
Total interest-bearing liabilities	-	169 323

Terms and repayment periods

Terms and repayment periods, see table below.

SEK thousands	Currency	Nominal interest	Maturity	2021-12-31	
				Nominal value	Carrying value
Corporate bond	SEK			-	-
PIK interest	SEK			-	-
Acquisition liabilities	DKK			-	-
Total interest-bearing liabilities, excluding overdraft facility					-

SEK thousands	Currency	Nominal interest	Maturity	2020-12-31	
				Nominal value	Carrying value
Corporate bond	SEK	10,00%	2022-10-09	139 000	136 128
PIK interest	SEK	10,00%	2022-10-09	17 626	17 626
Acquisition liabilities	DKK	1,50%	2021-09-14	14 628	15 569
Total interest-bearing liabilities, excluding overdraft facility					169 323

PIK interest means that the interest rate increases the total debt and is paid when the loan matures.

Note 23 Debts to credit institutions

SEK thousands	2021-12-31	2020-12-31
Group		
Current liabilities		
Overdraft facility	-	-
Right of recourse factoring company	3 509	3 076
Other	-	-
	3 509	3 076

Liabilities due later than five years after the balance sheet date

Overdraft facility	-	-
Other	-	-

Note 24 Pension

Defined contribution pension plans

The group only has defined contribution pension plans

Payments for these plans are made on an ongoing basis according to the rules of each plan.

SEK thousands	2021	2020
Group		
Costs for defined contribution plans	9 664	6 559
Parent company		
Costs for defined contribution plans	604	-

Note 25 Other debt

SEK thousands	2021-12-31	2020-12-31
Group		
Other non-current liabilities		
Acquisition liabilities		–
Debt for issued put option ¹⁾		–
Other		22 958
	–	22 958
Other current liabilities		
Debt for issued put option ¹⁾	–	59 800
Acquisition liabilities	–	15 569
Other	12 027	11 960
	12 027	87 329

¹⁾ Upon the subsidiary Carolinas Matkasse AB's acquisition in 2016 of the majority of the shares in RetNemt.dk ApS, Carolinas Matkasse AB issued a put option to the seller regarding the remaining shares in RetNemt. The put option can only be exercised if the controlling influence over Carolinas Matkasse AB or its parent company is transferred to a third party, and if Carolinas Matkasse AB does not exercise the so-called drag-along of the seller's shares which is also included in the agreement. The redemption price is determined through an agreed price formula. In the Group, the obligation with respect to the put option is reported as a liability to non-controlling interests valued at the present value of the estimated future redemption price. The actual outcome upon settlement may be both higher or lower. In the event that the shares in Carolinas Matkasse AB or its parent company are listed, the agreement stipulates that the debt shall be settled with shares in Carolinas Matkasse AB or its parent company.

Note 26 Accrued expenses and deferred income

SEK thousands	2021-12-31	2020-12-31
Group		
Accrued personnel costs	24 496	21 888
Accrued interest expenses	–	719
Accrued rental costs	1 398	1 608
Accrued goods and delivery costs	11 698	5 219
Other items	9 594	7 998
	47 186	37 432
Parent company		
Accrued personnel costs	3 595	–
Accrued interest expenses	–	–
Other items	1 083	1 863
	4 678	1 863

Note 27 Evaluation of assets and liabilities, financial risks and risk management*Fair value*

As of December 31, 2021, the bond loan was repaid and repaid and had a carrying amount of SEK 0 thousand (2020: SEK 136,128 thousand) and a fair value of SEK 0 thousand (2020: SEK 139,000 thousand). The fair value is based on level 2 in the valuation hierarchy.

Fair value for interest-bearing liabilities are calculated by discounting future cash flows of principal amounts and interest at current market interest rates. Carrying amount of long-term receivables, accounts receivable, other current receivables, cash and bank, accounts payable, other long-term liabilities, issued put option 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-efficient financing and to minimise negative effects from market risk on the Group's performance.

Liquidity risk

The liquidity risk is the risk that the Group may incur problems fulfilling its obligations associated with financial liabilities. The Group has rolling 12-month liquidity plan that covers all of the Group's units. The plan is updated every quarter. The Group's forecasts, covering 3 years, include a medium-term liquidity plan. The liquidity plan is used to manage the liquidity risk and the costs of financing for the Group. The aim is for the Group to be able to meet its financial commitments in upturns for the entire Group by the central finance department. The Group had a bond loan with a nominal amount of SEK 139 000 thousands, which was recalled and repaid during the year.

The company's financial liabilities at year-end amounted to SEK 96 million (2020: SEK 308 million) and the maturity structure of the loan 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 investors', creditors' and market confidence and form a basis for the continued development of the business operations; while the long-term return generated to shareholders is satisfactory.

The Group's capital management aims to ensure that the business is adequately capitalised in order to meet the risks in the operations, taking into account the scope of the Group's financing activities and associated risks whilst in the long term increasing the shareholder value. The capital structure is mainly affected via the profitability of the business, dividends and investments.

The liquidity plan within the Group also takes into account how the capital requirement is expected to develop over the next 3 years. The reported equity in the consolidated balance sheet is defined as capital.

	2021	2020
Equity ratio		
Total equity	608 045	280 229
Total Assets	960 856	838 596
Equity ratio (Total equity/Total assets)	63.3%	33.4%

The management team and the board examine various strategic growth opportunities and evaluate opportunities for efficient investment of the Group's cash. The Group's cash flow offers potential for both dividends and investments in growth. LMK Group dividend policy is meant to provide shareholders with a dividend that offers a good direct return while giving the company the opportunity to invest in strategic growth opportunities.

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.

Maturity structure financial liabilities – undiscounted cash flows

2021-12-31	Currency	Nom. Amount original currency	Total thousand SEK	< 1 month	1-3 months	3 months -1 year	1-5 years	> 5 years
Group								
Corporate bond	SEK	–	–					
Guarantee fee	SEK	–	–					
PIK interest	SEK	–	–					
Acquisition liabilities	DKK	–	–					
Debt for issued put option	SEK	–	–					
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

2020-12-31	Currency	Nom. Amount original currency	Total thousand SEK	< 1 month	1-3 months	3 months -1 year	1-5 years	> 5 years
Group								
Corporate bond	SEK	139 000	139 000				139 000	
Guarantee fee	SEK	3 081	3 081				3 081	
PIK interest	SEK	17 626	17 626				17 626	
Acquisition liabilities	DKK	10 842	14 628			14 628		
Debt for issued put option	SEK	59 800	59 800			59 800		
Accounts payable		69 384	69 384	69 384				
Leasing liabilities	SEK	52 392	52 392	737	1 473	6 618	27 330	16 234
Leasing liabilities	NOK	80 319	76 669	927	1 855	8 057	33 371	32 459
Leasing liabilities	DKK	7 397	9 981	167	335	1 503	7 829	147
Total			442 561	71 215	3 663	90 606	228 237	48 840

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 long-term borrowing is linked to STIBOR (three months) see Note 23 for interest terms. 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. - / + SEK 0 thousand (2020 +/- SEK 1390 thousand) given the interest-bearing assets and liabilities that exist as of the balance sheet date."

Credit risk

Credit risk is the risk that a customer or counterparty in a financial instrument cannot fulfil its commitment and thereby the Group causes a financial loss and arises mainly from the Group's accounts receivable. The carrying amount of financial assets is the maximum credit exposure. Customer losses do not amount to significant amounts and have 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 160,733 thousand on 31 December 2021 (2020: SEK 80,416 thousand). For cash and cash equivalents are 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 each Group company's individual characteristics. However, management considers the factors that may affect the credit risk of the Group companies, including the risk of bankruptcy in the country where the Group companies operate.

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

2021-12-31	2021	2021
Group		
Opening balance 2021-01-01	3 376	1 821
Change in loss reserve	-185	1 555
Closing balance 2021-12-31	3 191	3 376

The credit risk exposure and anticipated credit losses for consumer trade receivables as of 31 December 2021 are summarised below.

31 December 2021 SEK thousands	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

31 December 2020 SEK thousands	Gross carrying amount	Loss reserves	Net
Not overdue	5 659	56	5 603
Overdue 1–30 days	2 607	78	2 529
Overdue 31–60 days	372	57	315
Overdue 61–90 days	229	81	148
Overdue 91– days	3 648	3 104	544
	12 515	3 376	9 138

Note 28 Lease agreements

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 SEK thousands	Real estate	Machines	Vehicles	Total
Depreciation during the year	-15 983	-2 659	-158	-18 800
Closing balance 2020-12-31	100 813	4 719	465	105 997
Depreciation during the year	-16 435	-1 897	-304	-18 636
Closing balance 2021-12-31	95 664	5 436	2 248	103 348

Additional usufruct assets ("Additions to right-of-use assets") in 2021 amounted to SEK 11,552 thousand (2020: SEK 24,923 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 27 Financial risks and risk management in the section on liquidity risk.

Amounts recognised in profit or loss SEK thousands	2021	2020
Amortisation of right of use assets	18 636	18 800
Interest on lease liabilities	6 057	6 635
Revenue from re-rental of rights of use	–	–
Costs for low value leases	523	494

Amounts recognised in cash flow statement SEK thousands	2021	2020
Total cash outflows attributable to leases	19 159	19 294

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.

Real estate 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 indices. 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 be 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 reconsiders 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 3,483 thousand (2020: SEK 6,926 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 of usually 7-15 years. Reported lease liability for these agreements amounts to SEK 102,250 thousand (2020: 102,638 TSEK).

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 have The Group 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 occur only to an insignificant extent. Estimated residual value guarantees are reconsidered at each balance sheet date to revalue the lease liability and the usufruct asset.

On December 31, 2021, the Group estimates that residual value guarantees amount to SEK 404 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 usufruct assets and lease liabilities for these leases.

Note 29 Pledged collateral, contingent liabilities and contingent assets

Shares in the subsidiary Carolinas Matkasse AB have been pledged as collateral for the loan in Linas Matkasse Newco AB.

SEK thousands	2021-12-31	2020-12-31
Group		
Pledged Collateral		
In the form of securities set for own liabilities and provisions		
Company mortgages	825	810
Shares	-	530 026
Total pledged collateral	825	530 836
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 30 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	1 188 237
Retained earnings	-385 240
Profit/loss for the year	-10 176
Total	792 821

The Board of Directors proposes that from the SEK 792,821 thousand available, distribute SEK 1.75 per share to the shareholders, corresponding to SEK 22,188 thousand, based on the number of shares as of December 31, 2021. The remaining amount of SEK 770,633 thousand is carried forward to new account, of which SEK 1,166,049 thousand to the share premium reserve and SEK -395,416 thousand to retained earnings.

The dividend proposed by the Board corresponds to 2.8 percent of the parent company's equity, respectively 3.6 percent of the Group's equity. The board assesses 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 62 percent. After payment of the proposed dividend, LMK Group is expected to continue to have a good financial position.

LMK Group dividend policy is meant to provide shareholders with a dividend that offers a good direct return while giving the company the opportunity to invest in strategic growth opportunities. The target dividend over the next 3-5 years should amount to at least 1.75 SEK per share on an annual basis.

Note 31 Associated companies**Associated relationships**

The parent company has an associated relationship with its subsidiaries.

Details of the remuneration to the respective key senior executive, see Note 5.

Summary of related party transactions

Group		Claim associated company	Debt associated company
SEK thousands	Year	December 31	December 31
Associated company			
Linas Matkasse Holding AS ¹	2021	-	-
Linas Matkasse Holding AS	2020	568	-
Linas Matkasse Holding II AS ¹	2021	-	-
Linas Matkasse Holding II AS	2020	137	-

Parent company		Claim associated company	Debt associated company	
SEK thousands	År	December 31	December 31	Revenue
Associated company				
Linas Matkasse Holding AS ¹	2021	-	-	-
Linas Matkasse Holding AS	2020	35	-	-
RetNemt.dk ApS	2021	44	-	198
RetNemt.dk ApS	2020	-	-	-
Godtlevtrgruppen AS	2021	3 735	2 197	3 090
Godtlevtrgruppen AS	2020	-	-	-
Carolinas Matkasse AB	2021	598	-	2 353
Carolinas Matkasse AB	2020	-	-	-
Linas Matkasse NewCo AB	2021	5 000	-	-
Linas Matkasse NewCo AB	2020	8 250	-	1 000

¹ after LMK Group was listed on the Nasdaq First North Premier Growth Market, the company is no longer associated company according to the regulations.

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

Note 32 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	Ownership %	
		2021-12-31	2020-12-31
Linas Matkasse NewCo AB	Stockholm, Sweden	100%	100%
Carolinas Matkasse AB	Stockholm, Sweden	100%	100%
Godtlevtrgruppen AS	Oslo, Norway	100%	100%
RetNemt.dk ApS	Helsingør, Denmark	100%	58%

Parent company	2021-12-31	2020-12-31
Cumulative acquisition value		
Opening balance	898 573	898 573
Shareholder contributions	54 881	–
Sold	–	–
Re-titled	–	–
Closing balance December 31	953 454	898 573
Accumulated depreciation and impairments		
Opening balance	-377 100	-567 100
Reversed impairment losses	–	190 000
Impairment losses	–	–
Closing balance December 31	-377 100	-377 100
Carrying value December 31	576 354	521 473

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, which in turn provided an equally large shareholder contribution to Carolinas Matkasse AB, which completed the acquisition. During 2018 and 2019, major changes were implemented within the subsidiaries that initially had an impact the subsidiaries' earnings and cash flow negatively, which led to an impact on what was assessed the recoverable amount. As a result, shares in Group companies recorded an impairment loss.

In 2020, the assessment was made that parts of the impairment could be reversed.

This as the transformation the company had performed was proven to be successful and improved on the previous assumptions, both based on a well-functioning unit economy with better efficiency and increased volume growth.

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

Subsidiaries / Organization number / registered office	Number of shares	Shares %	Carrying value	
			2021-12-31	2020-12-31
Linas Matkasse NewCo AB, 559020-2536, Stockholm	727 064	100	576 354	521 473

Note 33 Specifications for cash flow statement

Cash and cash equivalents - Group		
SEK thousands	2021-12-31	2020-12-31

The following components are included in cash and cash equivalents:

Cash and bank balances	160 733	80 416
Total according to consolidated statement of financial position	160 733	80 416

Cash and cash equivalents - Parent company		
SEK thousands	2021-12-31	2020-12-31

The following components are included in cash and cash equivalents:

Cash and bank balances	209 305	–
Total according to consolidated statement of financial position	209 305	–

Interest paid and dividends received		
SEK thousands	2021-12-31	2020-12-31

Group

Interest received	178	172
Interest paid	-32 438	-4 891
	-32 260	-4 719

Parent company

Dividend received	–	–
Interest received	–	–
Interest paid	-10	-1
	-10	-1

Adjustments for items that are not included in cash flow		
Parent company	2021	2020
Group		
Depreciation	45 862	43 582
Impairment	-	-
Capital gains/losses on disposal of subsidiaries	-	-
Capitalised interest	-	13 089
Other non-cashflow impacting items	3 369	3 532
	49 231	60 203
Parent company		
Impairment	-	-190 000
Reversed impairment	-	-
Corporate bond	-	-
Other	1 427	-
	1 427	-190 000
Transactions that do not entail payments		
Parent company	2021	2020
Group		
Acquisition of asset through leases	11 552	24 923

Reconciliation of liabilities arising from financing activities

SEK thousands	Overdraft facility	Debt for issued put option	Acquisition liabilities	Corporate bond	Leasing liabilities	Total debt originating from financing the business
Group						
Closing balance 2019	9 704	47 700	15 891	143 611	113 091	329 996
Cash flow	-9704	-	-	-9 360	-16 459	-35 522
Non-cash flow affecting changes						
Put option	-	12 100	-	-	-	12 100
New leasing agreements	-	-	-	-	24 923	24 923
Setup cost	-	-	-	1 877	-	1 877
Exchange rate differences	-	-	-322	-	-5 734	-6 056
Closing balance 2020	-	59 800	15 569	136 128	115 820	327 317

Parent company

Closing balance 2019	-	-	-	-	-	-
Cash flow	-	-	-	-	-	-
Closing balance 2020	-	-	-	-	-	-

SEK thousands	Overdraft facility	Debt for issued 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	-	-	-	-	-	-

Unutilized credits	2021	2020
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Group

Unutilized credits amount to	-	-
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Parent company

Unutilized credits amount to	-	-
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Note 34 Significant events after the end of the financial year

On March 9, 2022, Linas signed a new office agreement to move to a new location in Stockholm, with access during November 2022.

In January 2022, the Danish brand Retnemt launched its new model for meal kits. A model that has been used in the Swedish and Norwegian operations. The model involves a subscription model that allows the customer to customize their own weekly menu, both in terms of number of people, number of days and being able to choose from a selection of initially 30 different dishes.

Note 35 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 management deems that no reported asset and liability amounts except for issued put option to non-controlling interests are associated with a risk of having to be significantly adjusted during the next year.

Note 36 Information concerning parent company

LMK Group AB (publ) is a Swedish-registered limited liability company based in Stockholm, Sweden. The address of the head office is Stormbyvägen 2, SE-163 55 Spånga.

The consolidated financial statements for 2020 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 that the parent company and the companies in the Group face.

The annual report and the consolidated financial statements were approved for issue by the Board of Directors and the Chief Executive Officer on March 30, 2021, as stated above. The Group's statement of income and other 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, 2022.

Stockholm, March 30, 2022

Mathias Hedlund
Chairman of the Board

Fredrik Kongsli

Gert W. Munthe

Charlotte Gogstad

Therese Reuterswärd

Walker Kinman
VD

Our audit report was submitted on March 30, 2022
KPMG AB

Ingrid Hornberg Román
Certified Public Accountant

LMK Group AB (publ)
Stormbyvägen 2
163 55 Spånga, Sverige
559021-1263
www.lmkgroup.se

For more information, please contact:
Erik Bergman, CFO
Mail: ir@lmkgroup.se

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 2021. The annual accounts and consolidated accounts of the company are included on pages 45-88 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 2021 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 2021 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 1-8 and 20-43. The other information comprises also of the 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 2021 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 whether the proposal is in accordance with the Companies Act.

Stockholm 30 March 2022
KPMG AB

Ingrid Hornberg Román
Authorized Public Accountant