ANNUAL REPORT 2023

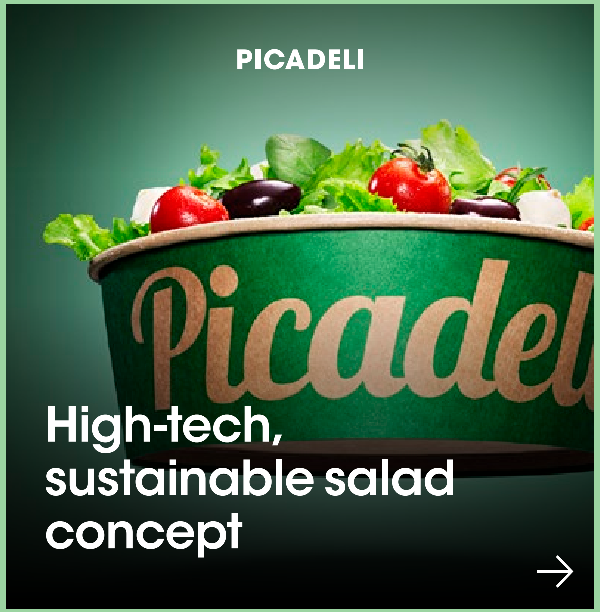
STRATEGIC POSITIONING FOR PROFIT ACCELERATION

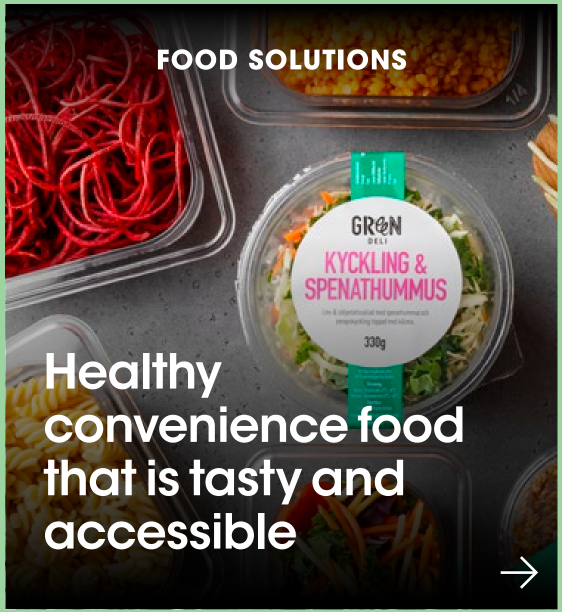
GREENFOOD®

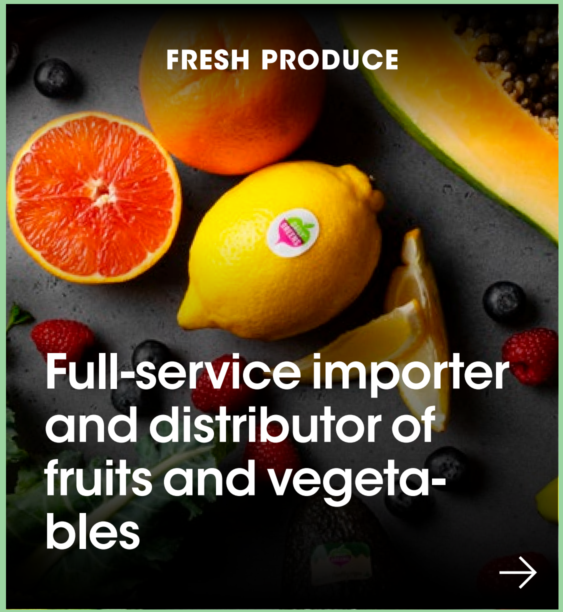
A PASSION FOR DELICIOUS AND HEALTHY FOOD

Greenfood is a frontrunner in the European market for healthy and sustainable food, offering delicious, affordable, and accessible options. From self-service salads and ready-made meals to fruits and vegetables sourced directly from farms spread across much of the globe. With a unique combination of tech-driven innovation, active community involvement and a focus on sustainability, Greenfood is leading the sustainable food revolution in the Nordic region and Europe, while continuously expanding its global presence. Through our two business areas, Picadeli and the Greenhouse business, split into the operational areas Food Solutions and Fresh Produce, Greenfood supplies fresh and healthy food, both raw and processed, to customers in hotels, restaurants and catering as well as retail.

OUR THREE OPERATIONAL AREAS







Greenhouse business

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2023

ROBUST GROWTH IN EARNINGS AND PROFITABILITY

Growth in sales
8.6%

Growth in adjusted EBITDA
42.2%

Increase in EBITDA margin
30.1%

OPERATIONS	SALES
PICADELI 244 average number of employees 39 million portions of self-serve salad	SEK 1,675 million
FOOD SOLUTIONS 281 average number of employees 14 million Food-to-Go products	SEK 1,215 million
FRESH PRODUCE 352 average number of employees 219,000 tons of fresh fruit & vegetables	SEK 3,284 million

EARNINGS

Adjusted EBITDA
SEK 311 million

Operating cash flow
SEK 94 million

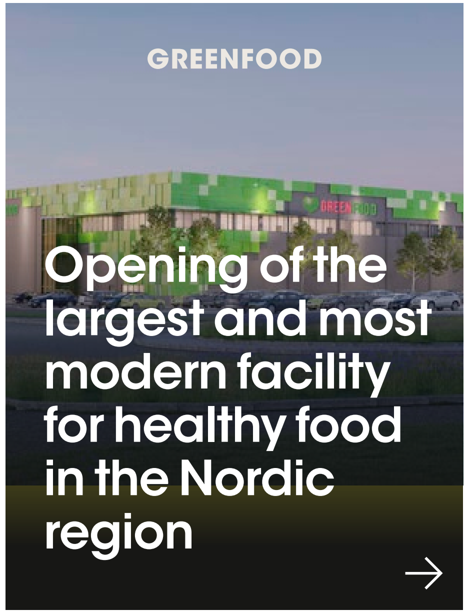
CASH

Available liquidity
SEK 214 million

External net debt
MSEK 2,263 million

Leverage
adjusted for capitalized leases
6.5 x

See definitions of financial measures on page 128.

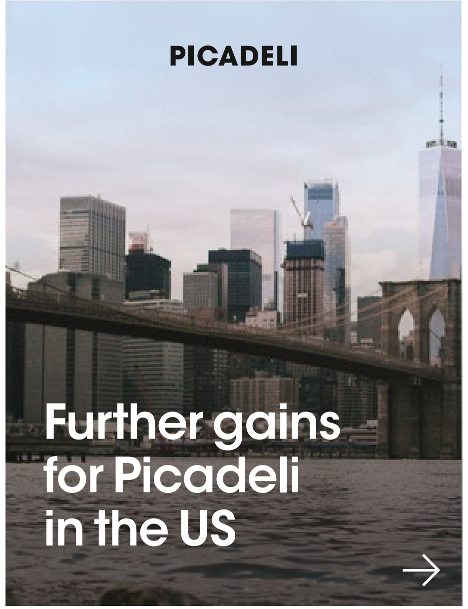


FOOD SOLUTIONS

Strong retail and restaurant performance

SUSTAINABILITY

Climate targets approved by Science Based Targets initiative



Click here to read more.

"The year the foundation was laid for strong expansion."

"Picadeli's presence is growing from New York to Washington. In 2023, we also broke new ground in the Midwest area, focused on St. Louis. New and expanded partnerships with established chains such as Albertsons, Schnucks and Sodexo have enabled rapid growth in the US."

ANOTHER STRONG YEAR FOR GREENFOOD

In 2023, Greenfood delivered its highest ever sales and earnings, and while proud of this accomplishment, we are by no means satisfied. Our robust growth, even amid economic challenges, highlights the resilience of our business and the appeal of our offerings. We have leveraged this momentum to make our biggest investments ever: the high-tech Greenhouse facility as well as Picadeli's forward push on the world's largest salad bar market – the US. Strong initiatives that position us to grow and increase our profitability even more.

Following the years of pandemic, war and inflation, which brought major and rapid changes globally, 2023 can be viewed as a fairly stable year. The major crises persist in many ways, but the world has had time to adapt. For us, fluctuations in prices as well as increasingly complex and volatile supply chains have become part of what we are expected to manage.

Profitability and growth in a price-sensitive market

Despite a turbulent macroeconomic environment, Greenfood delivered its highest sales and best earnings ever in 2023. The Group's total net sales for the financial year of 2023 were SEK 5,687.2 million, an increase of 8.6 percent compared with 2022. Adjusted EBITDA rose to SEK 311.4 million – a significant increase of 42.2 percent. Most of the growth in both sales and earnings was driven by Picadeli, with strong performance in Sweden, but especially growing internationally. Food Solutions also had a good year, with a substantial increase in both sales and earnings. Fresh Produce showed slower development as demand for fresh fruit and vegetables decreases with recession, and with sales to one of its biggest customers ending during the year due to an integration. Despite challenging developments, Fresh Produce only lost 2.6 percent in turnover thanks to a strong sales effort.

This year's strong growth on a Group level demonstrates the strength of the Greenfood concept: a food company focused on health-oriented foods that integrates the entire value chain, from raw material to finished products. We have the volume to leverage costs and invest in streamlining, and the insight and knowledge – all the way from farm to fork – to create products that are delicious, healthy and affordable.

A focus on streamlining and reducing prices contributed greatly to the success of 2023. A weak economy as well as high inflation and interest rates have put pressure on purchasing power, leading consumers to seek out more affordable options, such as our offering in Food Solutions – but especially Picadeli. A Picadeli salad now costs about half of a typical lunch in Sweden.

Previous streamlining of operations have paid off, particularly the centralization and automation of Food Solutions' operations in Finland in 2022, which led to a strong earnings improvement in 2023. We completed the same journey in Sweden this year, with the opening of the Greenhouse facility.

Advancing tech and widening geography

Our new, state-of-the-art Greenfood Greenhouse facility represents the biggest transformation of the company since the first Greenfood business was founded in 1964. We have changed the heart of the business, consolidating seven facilities into one large, new ecosystem for innovation, production and distribution of sustainable, healthy food. Modern refrigeration, automated logisitics and quality control, solar powered energy, and more, strengthens our technical edge, sustainability and competitiveness.

Years of planning and hard work went into realizing the vision of the Greenhouse facility. In 2023 in particular, the project required an enormous amount of effort and dedication from our employees. I am proud to say that they have faced this challenge in an outstanding manner. During major transformations it is easy to become too inwardly focused and lose sight of customer value and quality, thus losing customers. Therefore it is noteworthy that we have not lost customers, but rather we have grown through this transformation – which is an extraordinary accomplishment.

With this, the Greenhouse business is taking steps towards becoming as tech-driven as Picadeli, whose technical edge has long been the driving force. Picadeli's technology has also sharpened this year, with advances towards a whole new generation of salad bars as well as deeper integration with AI.

During the year, Picadeli continued its journey on the American market. Our foothold in the Mid-Atlantic region was strengthened – Picadeli's presence is growing from New York to Washington. In 2023, we also broke new ground in the Midwest area, focused on St. Louis. New and expanded partnerships with established chains such as Albertsons, Schnucks and Sodexo have enabled rapid growth in the US.

Plant-based food: a sustainable recipe for success

In 2023 our science-based climate targets were validated by the Sciences Based Targets initiative. Greenfood has committed to the most ambitious climate target: to limit global warming to 1.5 degrees. Translated into our own operations, this entails a stringent goal of 52 percent lower CO_2e emissions per kg of food sold by 2030.

Thanks to the Greenhouse facility, we are already well on our way. However, it will take a significant effort to reach the goal. This is essential for the climate and environment, and also important for our business. Sustainability requirements are increasing throughout our supply chain, and our Scope 1 and 2 emissions are our customers' Scope 3 emissions. Thus, investing in sustainability makes our offering more attractive and our business more competitive.

Long-term sustainability is also important for consumers. Ultimately, sustainable business entails using resource-efficient and long-term production methods. For consumers, this means affordable products that can be trusted.

Plant-based food constitutes the foundation of our offering. Without that fundamental component, our offering could never be as affordable, healthy, or sustainable – and thus not as attractive or competitive as it actually is. At the same time, Greenfood's unique innovation and technology-oriented approach provides the leverage and packages all the great aspects of healthy food into an offering that is fresh, tasty and accessible to all.

At the heart of Greenfood is a plant-based foundation paired with an innovative approach and technical know-how, supporting the vision of sustainable food production. This is, and will continue to be, the key to our success.

David von Laskowski,
Group President and CEO

PLANT-BASED FOR HEALTH AND SUSTAINABILITY

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

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

Grocery and convenience stores – a return to physical stores

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

Although inflation in 2023 was not as high as the year before, Swedish food prices rose by 12.1 percent, according to Statistics Sweden. Because of higher prices, consumers are still looking for low-cost options. Adjusted for inflation, sales in both grocery and convenience stores decreased by about five percent in 2023[1) 2)]. Nevertheless, Greenfood's sales to retailers have increased, due in part to affordable products, such as Picadeli's self-serve salad, and also to high exposure in discount chains.

E-commerce grew significantly during the Covid-19 pandemic. However, it has slowed since 2022, and in 2023 e-commerce grocery sales in Sweden decreased to 4.1 percent, from 4.5 the year before. For Greenfood, new contracts and partnerships have increased sales to e-commerce players in the past year.

HoReCa – trending toward plant-based products

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

According to Statistics Sweden's Restaurant Index, restaurants increased their sales value by 5.5 percent during the year, but adjusted for inflation, the increase was only 0.2 percent[3)]. A worse economy and less money in your wallet means less opportunity for eating out.

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

1) Dagligvaruindex (Grocery Index) annual report 2023
2) Convenience stores index Q4 2023
3) Statistics Sweden, Restaurant Index Q4 2023

STRONG SOCIETAL TRENDS DRIVING DEMAND FOR HEALTY FOOD

An increased awareness of the need to care for ourselves and the planet has put sustainable and healthy food in focus. This has led to changed dietary habits and increased demand for food based on fruits and vegetables. These changes now strengthen the market for sustainable and healthy food, benefiting companies like Greenfood in particular.

Health

Our food choices play a crucial role in our health, and there are numerous studies showing how our diet affects us. To maintain good health, we need to eat a varied diet rich in fruits and vegetables, whole grains, lean protein, and healthy fats. Despite this, few people consume enough fruits and vegetables. An increasingly widespread awareness of the extensive health benefits of a plant-based diet compared to other foods has led to a significant increase in demand.

Affordability

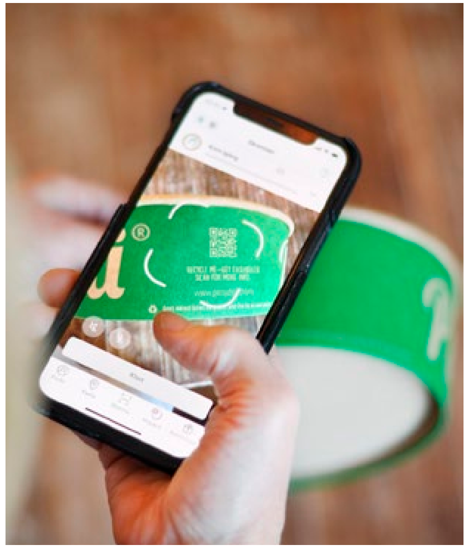
Household costs have gone up in recent years. Higher energy prices, more expensive transportation and higher interest rates contribute to higher prices for almost all goods. This means that many households are left with a smaller budget for food. Since plant-based products are generally cheaper than animal products, households can shift their consumption toward green foods that offer the same nutrition for less money.

Sustainability

As global awareness of climate and environmental issues increases, consumers are placing higher demands on the impact of food on our planet. Sustainability has become a central trend in the food industry as more and more households strive to minimize their environmental footprint. This increased awareness and demand are thus driving the growth of sustainable foods such as fruits and vegetables, as well as other alternatives that address both consumers' health needs and the well-being of the planet.

Digitalization

Food represents Europe's largest industry, yet it has not undergone the same degree of digitalization as other sectors. However, this is changing as digitalization and advancements in artificial intelligence (AI) open up new opportunities for customized assortments, automated ordering, and reduced food waste through secure orders. At the same time, digitalization is increasing consumers' knowledge about sustainable food and helping them make healthier and more sustainable choices.



Availability

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

Vertical farming

Vertical farming, especially when done locally in urban environments, represents an innovative solution for future food production. Vegetables grown vertically in closed water systems without the need for large land areas or direct sunlight are becoming increasingly common. With the Earth's population growth, available arable land is decreasing, and vertical farming methods, coupled with technological advancements such as artificial intelligence, offer a way to address this challenge. By establishing farms in urban areas, vegetables can be produced locally and efficiently, providing consumers with access to fresh, healthy food around the clock, year-round.

AN INNOVATIVE GUIDING LIGHT IN SUSTAINABLE AND HEALTHY FOOD

Greenfood is leading the way in the healthy, sustainable food revolution, with a unique combination of tech-driven innovation and a focus on sustainability. Growing awareness of health and the environment among consumers means that food operators must be able to match demand and innovate as preferences change. With our predominantly plant-based range and focus on innovative technological solutions, we are equipped to meet the food industry challenges of today and tomorrow.

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Sustainability is the green heart of the business

At Greenfood, sustainability is an integral part of the business. With a range consisting of 95 percent plant-based foods, our offer is well adapted to a world where sustainability is in focus. Still, we want to do more. All of our decisions should lead to a more sustainable society and we are therefore always looking at the big picture: food, environment, and people. We are constantly working to strengthen sustainability in these strategic focus areas. Our sustainability goals are not only measurable and ambitious; they have also been approved and confirmed by the Science Based Targets initiative. In the past year, Picadeli launched the Climate Foodprint label, which helps consumers choose sustainable options and reminds us to constantly work toward our ambitious sustainability goals.

Our range – healthy, delicious and plant based

Our existing plant-based offerings are well-positioned to capitalize on the rising demand for healthy food. We have taken several important steps toward developing a range that benefits both health and the planet. Our salad pioneer, Picadeli, has completely eliminated red meat and today the range consists of 90 percent vegetarian foods, of which 70 percent are vegan. Our company Ahlströms Factory offers healthy food concepts that allow more people to eat vegetarian meals. They have also developed a range of plant-based products made from Nordic produce and domestic plant-based proteins. To show that our food is both good and healthy, we use the accepted standard Nutri-Score which, in a simple way, informs people about the nutritional value of each product and shows its balanced nutritional content on a scale of A-E.

Ready-made food and convenient self-service – the future of healthy fast food

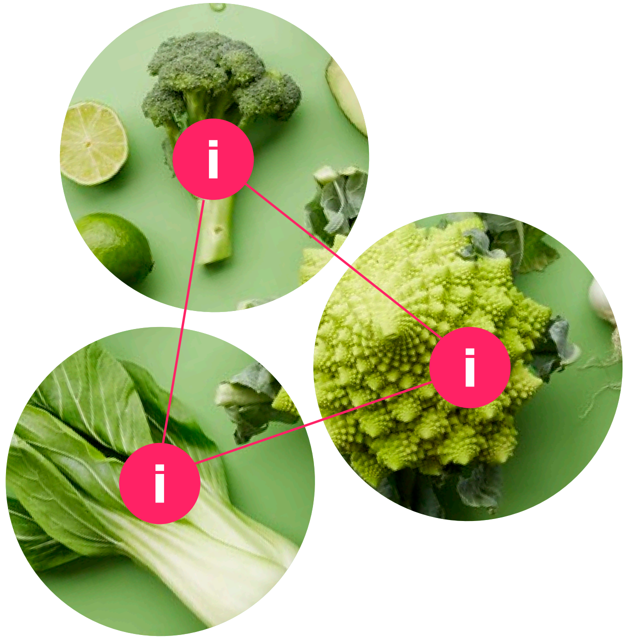
Greenfood's range for Food Solutions and Picadeli offers healthy food that is simple, convenient, and flexible. Our pre-chopped and pre-washed vegetables save consumers time. With ready-made sandwiches, wraps and salads, as well as Picadeli's convenient salad bars, Greenfood is ready to meet consumer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

A focus on technology strengthens all aspects of our business

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

OPERATIONAL STRATEGY

GREENFOOD'S THREE I'S – INTEGRATION, INSIGHT AND INNOVATION



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

Integration creates efficiency
Through three business areas with a common foundation of healthy, plant-based food, Greenfood achieves sufficient volume of fresh fruit and vegetables to streamline production and distribution. Several functions from sourcing to processing, deliveries and customer relationships can be shared across business borders and create economies of scale. Fruit and vegetable purchases are efficiently coordinated to ensure quality and the integrity of the supply chain. Processing can be centralized to bigger production units, for example, Food Solutions prepares and processes about half of the products that Picadeli sells. Similarly, the well-developed logistics of Fresh Produce can be used to also deliver products for other business areas. Integrating multiple functions enables us to create critical mass and cut costs.

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

Innovation wins the market
With insight into several stages of the value chain, we get a unique overview of the opportunities facing the industry and insights into consumer needs. Our size also means we have the financial muscles to leverage knowledge and turn it into new products and services. Continuous innovation in our Group contributes to a more detailed understanding of processing healthy, sustainable food, which in turn enhances our ability to innovate and deliver breakthrough solutions that respond to the needs and trends of the future.

SUSTAINABILITY STRATEGY

EFFECTIVE SOLUTIONS TO BE EVEN GREENER

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

Shared responsibility

We achieve our sustainability goals by integrating sustainability into our daily operations to create broad engagement among all employees. The entire organization strives to achieve a sustainable business and growth, led by the Group President and CEO who, in consultation with Group management and the Head of Sustainability, prepares strategies, policies and targets and follows up sustainability initiatives.

Operational sustainability initiatives are run by a sustainability committee comprising central sustainability functions and sustainability managers in the respective business area. The committee coordinates and follows up on the Group's objectives, develops action plans and sets priorities for key issues. Each business area also has one sustainability coordinator per company who follows up the Group's work at the company level. This provides clear governance and effective sustainability initiatives throughout the Group.

Our essential sustainability issues

Our sustainability initiatives are based on a materiality analysis that is revised regularly – the first in 2018 and the latest in 2023. With a dual materiality perspective, the analysis considers how the outside world impacts Greenfood, and how Greenfood impacts the outside world.

Nine key issues have been identified: food safety, food waste, healthy food, carbon footprint, biodiversity, packaging, water consumption, social responsibility in the supply chain and working conditions in the organization. This year's analysis shows that our product range and carbon footprint are most important, and biodiversity was identified as a new key issue.

Our most important stakeholders are those that are most impacted by and/or influence our activities: customers, employees, owners and suppliers.

[1] For visual presentation and methodology, see sustainability notes on page 71.

FOOD IS THE HEART OF OUR BUSINESS

Our vision is to democratize healthy, sustainable food and create a world where everyone has the opportunity to eat "green." To contribute to this vision, we supply the market with good, healthy food comprising mainly fruit and vegetables. Since plant-based foods generally have a lower climate impact per kilo than animal foods, eating fruit and vegetables has a lower environmental impact. It also helps to improve public health, as higher fruit and vegetable consumption lowers the risk of obesity, cardiovascular disease and certain types of cancer.

THE ENVIRONMENT IS THE PREREQUISITE FOR ALL GROWING THINGS

We minimize our environmental impact through smarter use of resources at every stage and by minimizing food waste and our emissions.

PEOPLE ARE OUR MOST IMPORTANT RESOURCE

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

SUSTAINABILITY STRATEGY

WE ARE PART OF THE SOLUTION

GREENFOOD'S CORE

Purpose
To make green, healthy food a fundamental right. In every way we can.

Offering
Delicious, sustainable and healthy fresh food.

VALUE-CREATING CATEGORIES

Food
Enables sustainable and healthy lifestyles

Environment
Smart use of resources

People
A responsible partner that works for well-being and accountability among people

FOCUS AREAS

Food:
- Healthy food
- Food waste
- Food safety

Environment:
- Carbon footprint
- Water consumption
- Biodiversity[1)]
- Packaging

People:
- Social responsibility along the supply chain
- Working conditions in our organization

Stable foundation

MARKET INSIGHT	GUIDING PRINCIPLES	REPORTING PRINCIPLES
Risk analysis, materiality analysis, legal insight, trend analysis	Policy and guidelines	Statutory obligation

Factors for success

PURPOSE-DRIVEN EMPLOYEES	INNOVATIVE	TECHNOLOGY DRIVEN

1) New focus area 2023.

SUSTAINABILITY STRATEGY

STRONGER GOVERNANCE OF OUR SUSTAINABILITY INITIATIVES

Our sustainability governance is continuously improved and now focuses on a stronger sustainability agenda and the new EU directives. We continuously improve our processes to meet and exceed our stakeholders' expectations.

In 2023, several clarifications and directives were published that Greenfood will take into account. The EU's Corporate Sustainability Reporting Directive (CSRD) sets reporting requirements and will be mandatory for Greenfood beginning with the reporting for the financial year 2024.

The EU Corporate Sustainability Due Diligence Directive (CSDDD) requires due diligence in the value chain with respect to human rights and the climate. Although this directive is a little further into the future, it is highly relevant for Greenfood, given the complexity of our value chains.

In 2023, we further developed the current due diligence process for suppliers with an annual assessment for risks in the areas of environment, human rights and governance that Greenfood has identified as significant in the supply chain.

During the year, Greenfood also developed a Human Rights Policy that will be adopted in 2024. The policy is based on the UN Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises.

OUR SUSTAINABILITY GOVERNANCE MODEL

MATERIALITY & STRATEGY

- Materiality analysis
- Strategy

GOVERNANCE STRUCTURE

- Sustainability management system
- Goals & expectations
- Reporting & follow-up of results

POLICY DOCUMENTS

Policies
- Sustainability policy
- HR policy
- Food policy
- Environmental policy

Standardized processes
- Instructions and Manuals

OUR CODE

Suppliers
- Contract
- Supplier Code of Conduct

Own organization
- Employee Code of Conduct (Social & Governance)

A COMPREHENSIVE HEALTY FOOD OFFERING

Greenfood's business can be divided into two overarching areas: Picadeli, our rapidly growing, global high-tech scale-up, and the Greenhouse business, which encompasses our large-scale production operations, Food Solutions and Fresh Produce.

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

Picadeli

An advanced, high-tech salad bar that constitutes a healthy and sustainable fast food concept aimed at grocery, convenience stores, and food service operators.

Food Solutions

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

Fresh Produce

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

Greenhouse business

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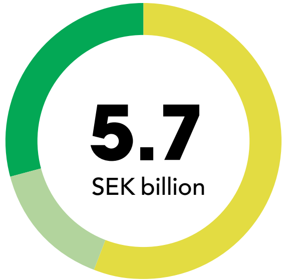
LEADING POSITIONS IN SEVERAL MARKETS

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

Employees 2023

- Fresh Produce, 40%
- Food Solutions, 32%
- Picadeli, 28%

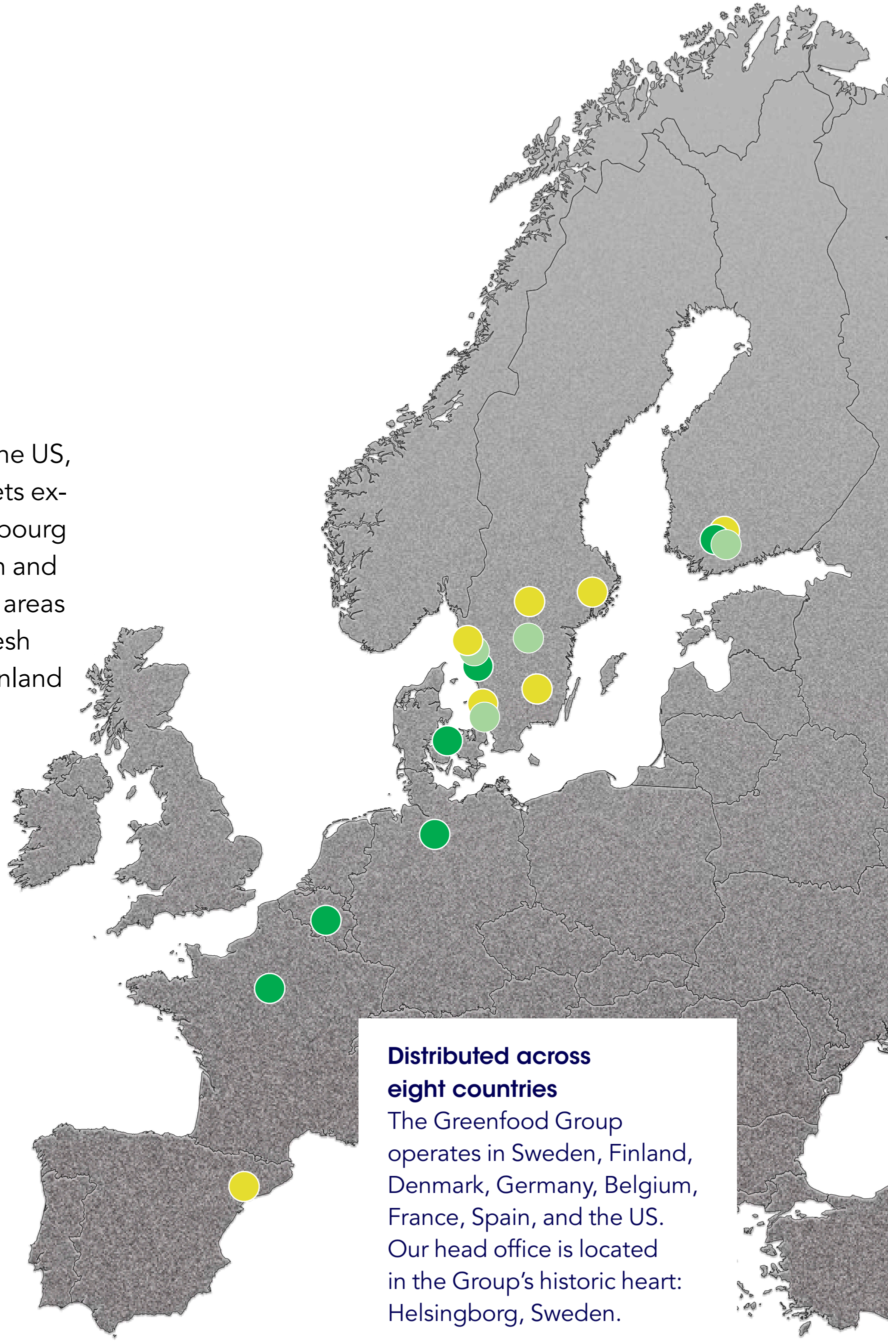
Sales 2023



- Fresh Produce, 56%
- Food Solutions, 15%
- Picadeli, 29%

Adjusted EBITDA 2023

- Fresh Produce, 25%
- Food Solutions, 26%
- Picadeli, 50%



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

AN ASSORTMENT OF SEVERAL STRONG BRANDS

Greenfood's portfolio includes several well-known brands. Here are our biggest ones.

Picadeli®

Picadeli is the European market leader with its high-tech salad concept, and it has recently expanded into the Food-to-Go segment.

Salla Carte

The Nordic region's leading brand in fresh processed fruits and vegetables aimed at HoReCa.

GREEN DELI

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

DAILY GREENS

Leading brand in fresh fruits and vegetables sourced directly from growers. Has become one of Sweden's largest brands for bananas in recent years.

TUOREKSET

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

ahlgood

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

GROUP – 2023

RECORD YEAR FOR BOTH OUTCOME AND DEVELOPMENT

Highest ever sales and earnings

2022 may have matched the previous sales record from 2019, but Greenfood reached new heights in 2023. Sales grew by 8.6 percent, reaching nearly SEK 6 billion. Growth was particularly strong for Picadeli, whose sales rose by 32.4 percent, while Fresh Produce declined slightly.

In 2023, operating profit, measured by adjusted EBITDA, rose by 42.2 percent despite strong inflation and a weak Swedish currency, which eroded margins and increased import costs, especially in Fresh Produce. The robust improvement in profit is due mainly to stronger results in Picadeli and Food Solutions, which increased by around 70 and 45 percent, respectively. The improved operating profit can be attributed to increased sales volume, enabling more efficient use of resources. In Picadeli, the trend continues of growing sales per salad bar, and thus a higher net per kilo of food sold.

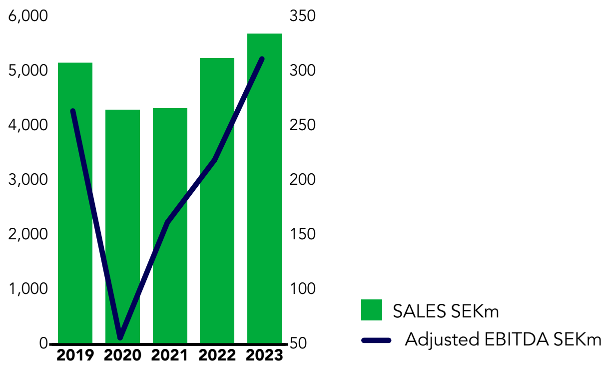
The biggest transformation in Greenfood's history

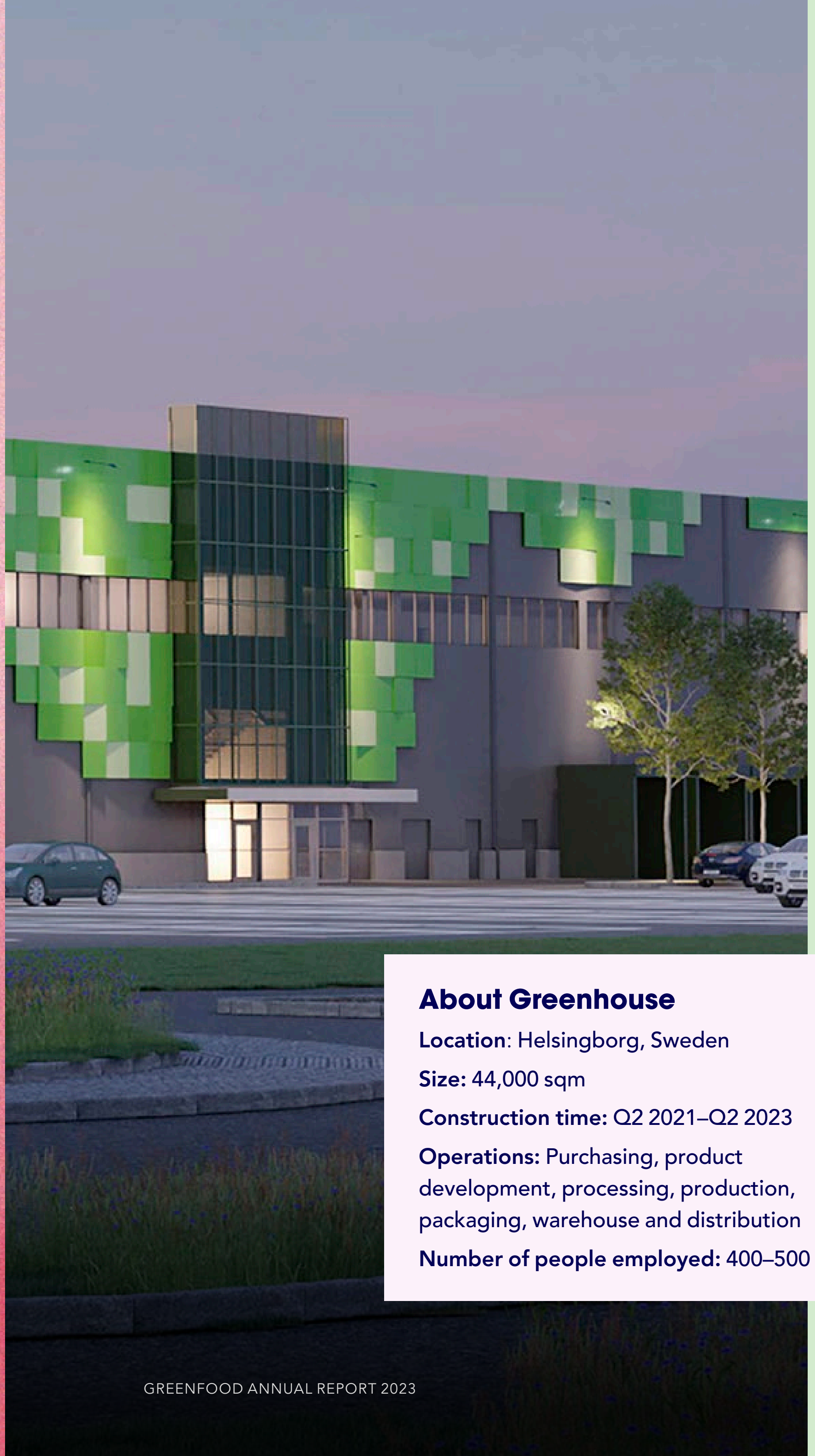
The most significant event for Greenfood during the year was the move into the Greenhouse, marking the biggest investment and transformation since the company's inception in 1964. It has also been the year's biggest challenge, and has entailed a heavy workload for our staff. The Greenhouse represents an advancement of our positions, allowing Greenfood to be more efficient and profitable, to deliver better products, and to gain market share.

Approved sustainability targets and lower emissions

In 2023, we took a major step forward in our work with sustainability when our climate targets were approved by the Science Based Targets initiative (SBTi). Greenfood has committed to SBTi's most ambitious target: to limit global warming to 1.5 degrees. This involves a stringent goal for Greenfood to reduce emissions per kilo of produced food by 52 percent from 2021 until 2030. Several initiatives were carried out during the year to work toward the goal. One of the most significant was the move into the Greenhouse. The energy efficiency and optimization of logistics flows at the facility mean significant improvements for the carbon footprint of our products. The Greenhouse also includes a major investment in solar panels on the roof. This complements several other solar energy initiatives in Greenfood, and means that at the end of the year, we had an installed capacity covering a significant share of Greenfood's total electricity consumption.

Sales and EBITDA 2019–2023





CASE

Greenhouse – concentrating efforts in Helsingborg

Greenfood's new Greenhouse facility makes us faster, stronger and unified. The facility is the biggest investment in Greenfood's history, and its technology and size create enormous competitive advantages, along with opportunities for both innovation and expansion.

Two years after starting construction in 2021, the Greenhouse facility was ready for use this year. The vision was always a single large property: a cohesive unit with optimal logistics, both internally and externally, that minimizes energy consumption and waste – and maximizes efficiency.

Efficient production and optimized logistics

The Greenhouse facility covers the entire value chain: sourcing, product development, processing, production, packaging, storage and distribution. From multiple production units and even more external warehouses, we are now gathered in one place. Having production right beside the raw materials makes logistics cheaper and the production costs of our finished products lower. Customers also cut transportation costs, because they can get their delivery of both fresh and finished products from a single place.

Ultra-modern technology throughout the facility makes production and logistics even more efficient. For example, picking and packing has been largely robotized, which drastically reduces costs and time spent. The new warehouse is divided into different temperature zones with guaranteed temperatures from 2 to 12 degrees. Investing in energy-efficient, fully automated refrigeration systems makes it cheap to operate, and being able to adapt the temperature to the product lengthens shelf life and reduces waste. New technical equipment and digitalization of the internal value chain have significantly improved opportunities for quality control. This is further simplified operationally by having the entire value chain under one roof.

About Greenhouse

Location: Helsingborg, Sweden
Size: 44,000 sqm
Construction time: Q2 2021–Q2 2023
Operations: Purchasing, product development, processing, production, packaging, warehouse and distribution
Number of people employed: 400–500

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Sustainability in focus

The Greenhouse also makes Greenfood greener. The facility has electric car chargers for all, and the roof is to be covered with solar panels. In combination with modern and fully automated climate systems and light sources, the energy economy and carbon footprint of the building is significantly improved. The Greenhouse takes us a major step toward our goal to reduce greenhouse gas emissions by 55 percent per ton of food sold by 2025. And the facility is being further developed. The installation of truck chargers to enable a fully electrified logistics chain is in preparation, and the solar panels will reach full capacity in May 2024. The low environmental impact will be a huge competitive advantage in the future. Our scope 2 emissions are our customers' scope 3 emissions, and having a lower environmental impact makes it even more attractive to buy from Greenfood.

Greenhouse also helps reduce food waste and improve food quality. The flexible ordering system minimizes customer lead times and allows for round-the-clock collection of goods. Delivering just in time and just the right quantity maximizes quality and minimizes waste. Food safety standards are continuously rising, and the investment in the Greenhouse means Greenfood is already equipped to meet stricter requirements.

A foundation for growth and innovation

At 44,000 square meters, the Greenhouse is one of the largest food facilities in Europe. And even though seven of Greenfood's facilities have been consolidated into one, there is still room to spare. The unused capacity offers a chance to scale up the business by up to 50 percent – big clothes for Greenfood to grow into.

Despite its size, Greenhouse makes the organization smaller and faster, and brings both employees and the business units closer to one another. It strengthens cohesion and makes it easier to exchange ideas and improve processes. Additionally, the cost level per square meter is significantly lower than before, and we are also closer to our customers. Essential concepts for the Greenhouse project are transparency and openness, which is why customers are offered their own offices in the facility. Customers have full insight into production, can review their products at the warehouse, and have a direct link to our buyers and product developers.

Having the entire value chain – from sourcing to delivery – under one roof also makes product development much more efficient. New ideas can be tested, refined and implemented in a timeframe that was not possible before. Overall, Greenhouse means higher productivity and better quality and sustainability at a lower cost, while picking up the pace of innovation and allowing us to grow. This strategic position strengthens Greenfood's competitiveness and confirms our leadership in technology and sustainability in the food industry.

Solar panels covering 20 percent of Greenfood's needs

The Greenhouse facility's roof is to be covered by 18,000 square meters of solar panels. This will generate an estimated 3.8 megawatts of electricity, which covers one fifth of Greenfood's total electricity consumption. The facility will be owned and operated by Öresundskraft, securing green energy for an already green Greenhouse.

The Greenhouse facility won Logistics Facility of the Year 2023

Every year, business magazine Intelligent Logistik appoints the Logistics Facility of the Year ("Årets Logistiketablering"). In competition with 40 different facilities, our Greenhouse facility ultimately won the 2023 award. Essential to the win was the Greenhouse project's thorough focus on sustainability, from the green concrete foundation to the solar panel-covered roof.

The evaluated criteria were:

- To address a genuine market need while optimizing operations
- Innovative and surprising
- Environmentally certified in accordance with BREEAM
- Designed to prioritize employee well-being

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PICADELI

FOODTECH PIONEER AND MARKET LEADER IN HEALTHY FAST FOOD

In Picadeli, Greenfood is revolutionizing the concept of fast food by offering a salad bar that combines sophisticated technology with innovative design. The result is a healthy and sustainable food experience that is accessible to everyone.

Employees 2023

Picadeli's share of the Group, 28%

Sales 2023

Picadeli's share of the Group, 29%

Adjusted EBITDA 2023

Picadeli's share of the Group, 50%

A healthy and sustainable fast food concept

Launched in 2009, Picadeli was propelled by a vision of democratizing healthy food by making it delicious, affordable and accessible to all. Thanks to Greenfood's extensive experience with plant-based food combined with an advanced, high-tech salad bar, Picadeli has developed a fast food concept aimed primarily at the grocery and convenience sector that is perfectly in line with the health and sustainability trends permeating our society today. It is a salad bar in which consumers combine their own salad by selecting from a wide range of ingredients, 70 percent of which are vegan. Consumers have a healthy and affordable salad in a matter of minutes. Picadeli's offering thus targets a segment whose needs have never been met before on such a large scale. A segment that finds itself between cheap but unhealthy fast food, and healthy but more expensive fast casual.

A complete solution that delivers customer benefits

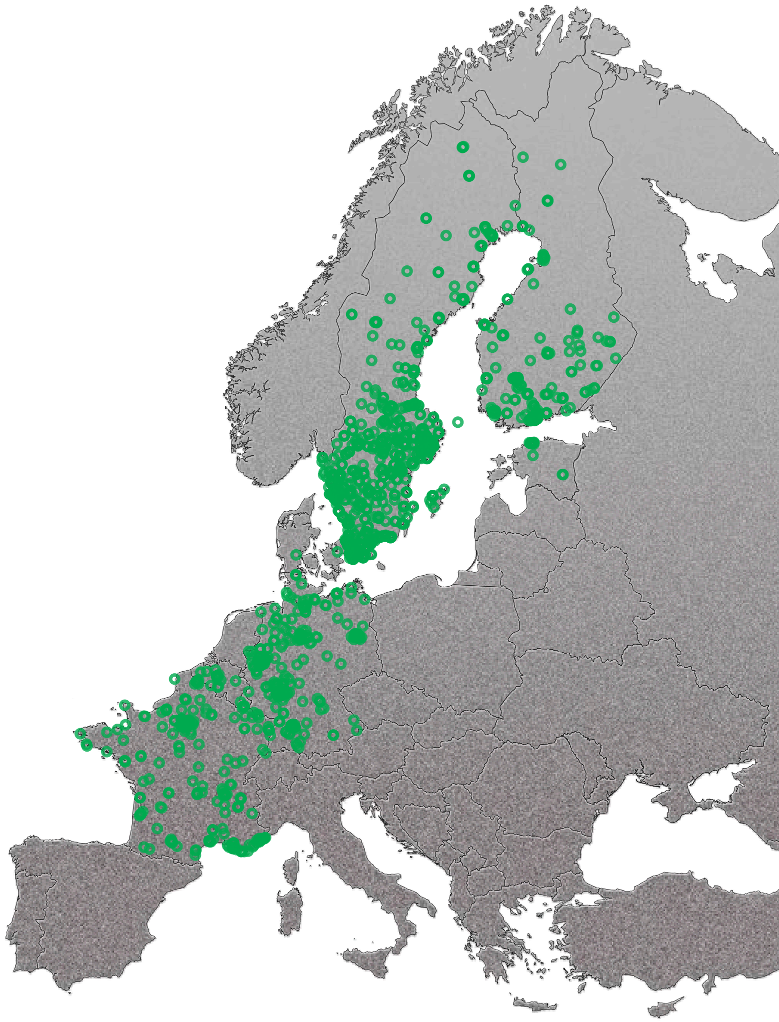
Picadeli offers a complete turnkey concept that includes everything from an innovative, fresh and delicious assortment to high-tech salad bars, logistics, support, service, and customer insights. The salad bars feature hygiene-focused design solutions such as automated hand disinfectant and hoods for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

Market leader in multiple European markets, and a solid position in the US

Picadeli is established in Sweden, Finland, Germany, France, Belgium, Estonia, Denmark, Luxembourg and the US – with a leading position in the first four markets. Since launching in 2009, we have established almost 2000 salad bars – and Picadeli continues to grow. In 2022 alone, the number of active salad bars grew by 19.7 percent. We have the strongest hold on the Swedish market, and in Finland we have also achieved a high degree of establishment and have become a natural part of a large number of stores in the markets. Our position on these relatively mature markets shows the degree of penetration that is possible, and gives an indication of Picadeli's growth potential in the coming years.

Scalable and fast-growing business model

By offering cost-effective salad bars mainly for stores, Picadeli's innovative business model is revolutionizing the food industry. Allowing customers to use the salad bar themselves keeps our organization agile, facilitates rapid expansion and minimizes the need for large initial investments. Unlike traditional fast food chains, which require extensive set-up costs and work to generate customer flows, we leverage existing



customer flows in the grocery sector for immediate profitability with new installations. Our flexibility also allows for easy relocation of salad bars if necessary, which dramatically reduces the risks of expansion. The possibility of both wholly owned and franchised operations means our concept is not only scalable, but also adaptable for rapid growth in new markets.

SMART SALAD WITH DATA AND AI

With a smart design, data collection and artificial intelligence, Picadeli has created a salad bar that minimizes customer effort and offers a simplified, fresher and more delicious experience for consumers. Each salad bar has a variety of sensors that collect data in real time which are then sent to our central database. This generates constant customer and consumer insights and makes it possible to continuously develop and improve the concept. Consumer preferences are analyzed in real time and the product range is adapted accordingly. By reading the temperature and time since a product was refilled at the bar, we can determine when the product is nearing the end of its shelf life and needs to be replaced. Plus, with our ArcOrder AI system, a new order is automatically placed based on a forecast of when the item will run out or reach its best-by date.

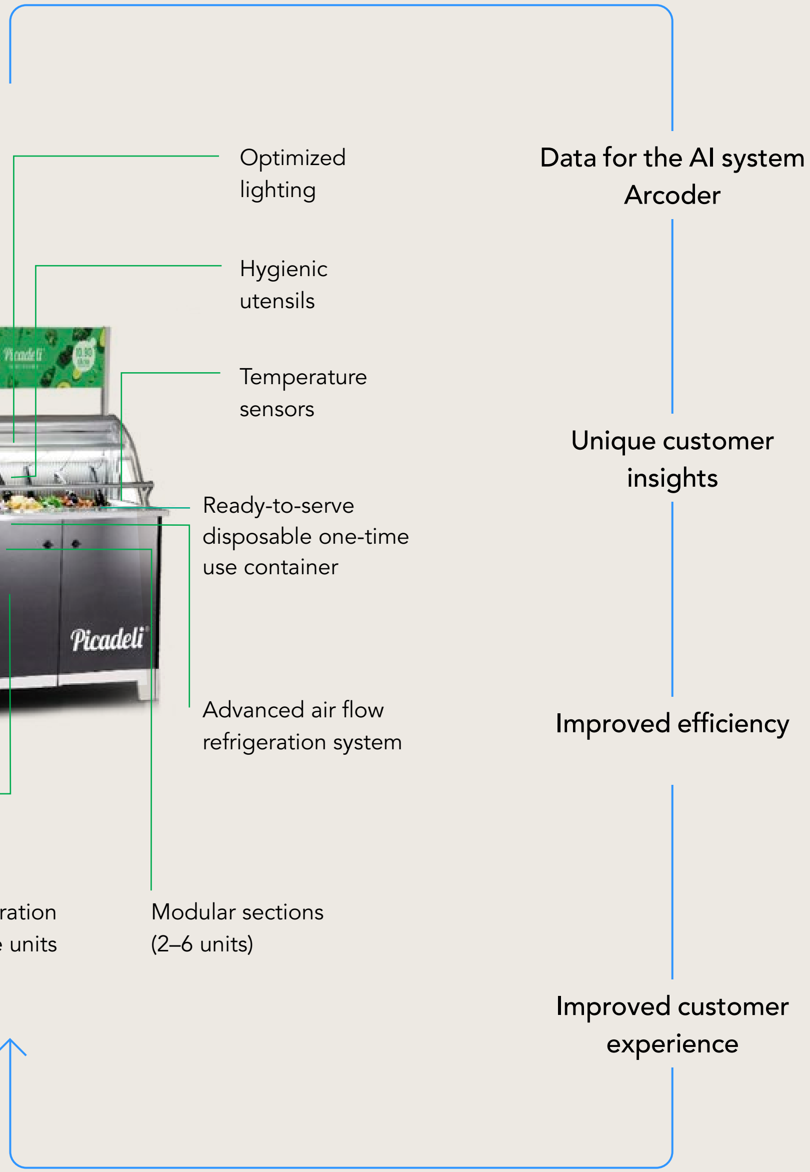
Unique customer insights
Ability to better understand consumer behavior and purchasing patterns, and incorporate this information into operations.

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

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

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

ARCTIC – A COMPLETE SOLUTION MODULAR, EFFICIENT AND FRESH



Picadeli's Arctic salad bar was designed with hygiene in mind. The materials, technology and user-friendliness contribute to a fresh and flavorful experience.

PICADELI – 2023

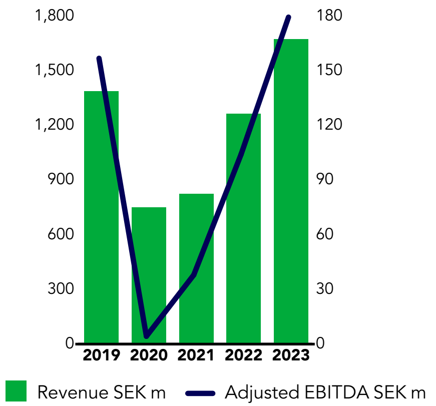
BIGGER AND STRONGER THAN EVER

Record sales and earnings

In 2023, Picadeli's strong growth trend continued: both sales and earnings clocked in significantly higher than the previous year. Sales rose by 32.4 percent, allowing Picadeli to recover and surpass pre-Covid-19 pandemic levels. The robust sales are a result of newly opened salad bars, as well as increased sales per active salad bar.

Operating profit increased even more: adjusted EBITDA nearly doubled and grew by 72.2 percent compared to 2022. The strong improvement in earnings is attributable to higher volumes – increased revenues from more salad bars and more sales per salad bar exceed the associated costs.

Sales and EBITDA 2019–2023



Expanded range and geography

All of the markets in which Picadeli operates have been hit by inflation, and the recession is apparent. However, greater price sensitivity favors Picadeli. In Sweden a Picadeli salad now costs about half as much as a regular lunch. In 2023, our share of points of sale outside Sweden increased. In Germany, we now have 50 percent more salad bars than before the pandemic, and Luxembourg was established as a new market this year.

In addition to new salad bars featuring the latest technology, we invested in digitalizing and upgrading existing salad bars throughout the year. This increased digitalization leads to greater efficiency and provides deeper consumer insights.

Our consumer insights have proved invaluable as Picadeli moves into the food-to-go segment. Our product developers have successfully crafted a variety of wraps, with flavors, names and packaging based on thorough research and deep consumer understanding, which have proven to be very popular in the Swedish and Finnish markets. Picadeli is now the largest food-to-go brand in Sweden, and the second largest in Finland. And our Ceasar wrap is the best-selling wrap in Sweden.

Commitment and transparency

During the year, Picadeli conducted and presented the second edition of the 'Vegocracy report', a trend report that looks at the relationship between people's diet and health, based on a survey of 11,000 people in seven countries. The report is part of our ambition to understand consumers, and thereby create products that enable people to eat sustainably and healthily.

As a result of this greater level of understanding, during the year Picadeli launched the "Climate FoodPrint", a product label that clearly shows the product's climate footprint and makes it easy to make climate conscious choices. We also extended NutriScore, a label that provides a simple indication of the nutritional content of food, to cover an increasing number of our products during the year.

Picadeli also continued its efforts to reduce the environmental impact and make its products healthier. As part of these efforts, we reduced the amount of plastic by introducing a paper lid in several international markets and decreased the share of animal proteins by focusing on launching plant-based proteins. We also reduced the climate footprint of the range by, for example, replacing pork-based bacon with turkey bacon, removing sugar snaps, and replacing feta cheese with salad cheese in several of our products.

CASE

Picadeli USA – Conquering the world's largest salad bar market

Since after the pandemic, Picadeli has been working towards establishing itself in the world's largest salad bar market: USA. Favorable weather, a culture that promotes healthy eating, and wide acceptance of salad as a meal grants Picadeli enormous potential in the American market. In 2023, several achievements were made that mean the Picadeli flag is now safely planted in several US states.

Negotiations for Picadeli's entry into the U.S. market began in May 2020 and concluded with a successful agreement in August of the same year. Following that agreement, 2021 was marked by intensive efforts to prepare the technology and processes and to certify the salad bars for the new market.2022 saw the first Picadeli salads being served on American soil.

Picadeli's entry into the US market began in the Mid-Atlantic region, with the establishment of outlets from New York and New Jersey to Philadelphia and Washington D.C. In 2023, this was supplemented by entry into the Midwest market, with a particular focus on St Louis. These densely populated regions provide the opportunity to grow and test both concepts and forms of cooperation before a coast-to-coast establishment.

The launch of Picadeli in the US has been based mainly on partnerships with major chains such as Albertsons, Schnucks, Sodexo, and Compass. Through these partnerships, Picadeli has already achieved broad market penetration, and has been able to test its concept among several parts of American society. Picadeli is not only available in shops, but also in company canteens, railway stations, airports and on army bases – and since the fall semester of 2023 Picadeli is also available on its first university campus.

The US organization is run as a fully autonomous company, which had just over 10 employees in 2023. As entirely new logistics chains and partnerships are needed, a complete organization capable of standing on its own is required. A complete new establishment also means that all salad bars are fully equipped with data collection and AI, allowing for effective quality control, automated ordering, and the continuous gathering of consumer insights.

Understanding consumers is crucial when entering a new market. Although American salad preferences are not entirely different from European preferences, there are important differences. It is clear that the iceberg lettuce needs to be replaced with romaine – iceberg lettuce is fine on burgers, but not in a salad. And bacon in the salad is a must.

These differences have not escaped the attention of Picadeli's product developers. Red meat is completely excluded from Picadeli's range, so identifying a worthy replacement for pork bacon was crucial. Following extensive testing and tasting, a turkey bacon was launched in late 2023: "Turkey Bacon Crumble". With this, Picadeli is well placed to continue democratizing sustainable and healthy food in one of the world's oldest democracies.

Picadeli launches in North America

2022

Number of employees Picadeli USA

+10

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"Food-to-Go offers a wide range of ready-made sustainable and healthy food."

FOOD SOLUTIONS

SUSTAINABLE AND HEALTHY FOOD THAT MAKES EVERYDAY LIFE EASIER

Food Solutions is part of the overall part we call the Greenhouse business and is our business area for food that makes everyday life easier, both for consumers and professionals. We divide this segment into two sub-areas: Food-to-Go, which offers convenience products directly to stores, and Fresh Cut, which supplies grocery stores' fruit and vegetable counters and professionals in the HoReCa industry with prepared and processed raw materials.

Employees 2023

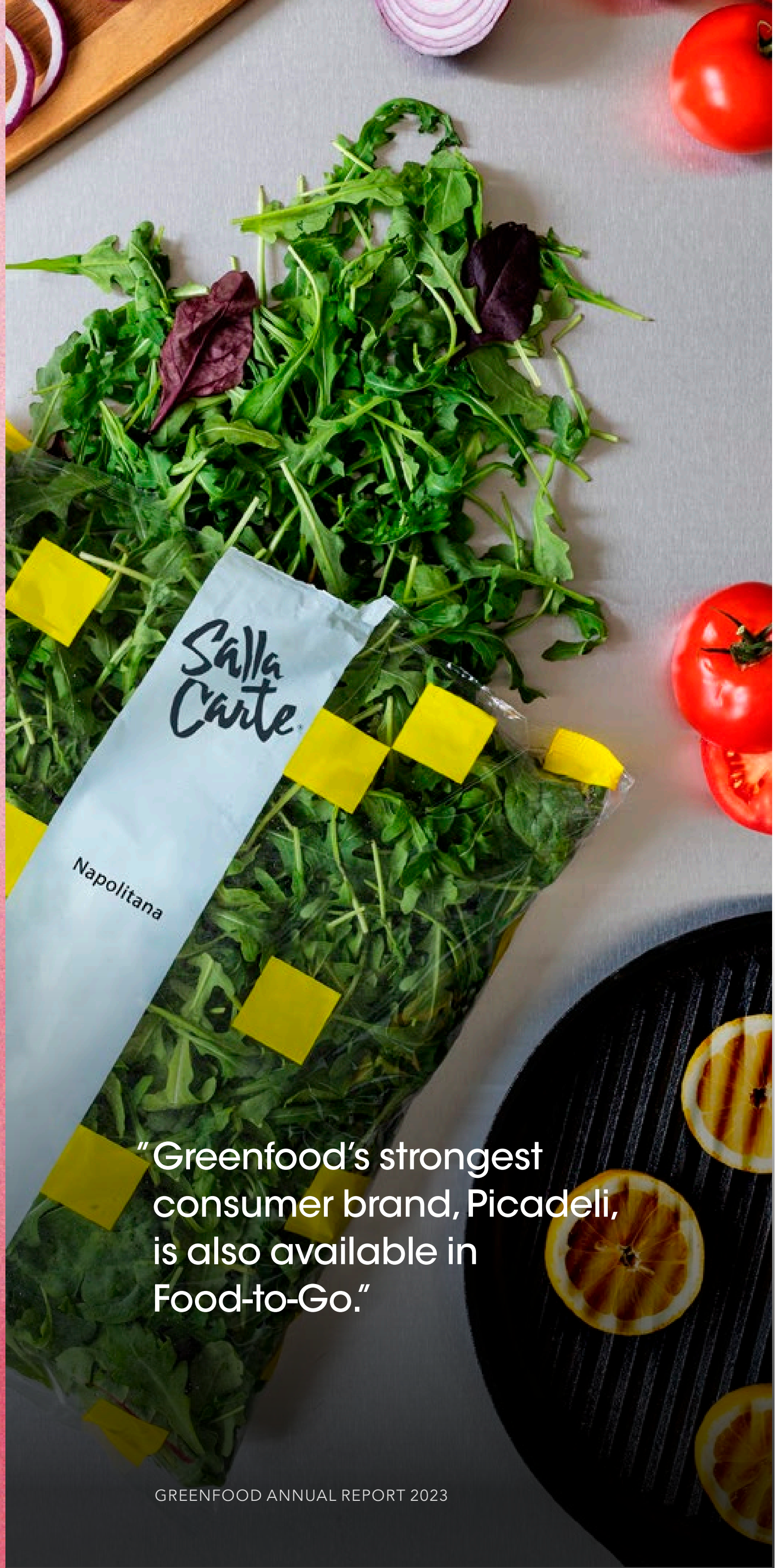
Food Solutions' share of the Group, 32%

Sales 2023

Food Solutions' share of the Group, 15%

Adjusted EBITDA 2023

Food Solutions' share of the Group, 26%



"Greenfood's strongest consumer brand, Picadeli, is also available in Food-to-Go."

Meals for active and conscious consumers

The Food-to-Go sub-area targets consumers in both convenience and grocery stores who want a quick and easy meal that is still sustainable and healthy. In particular, the range addresses the growing consumer demand for flexible and simple meal solutions, without compromising on health, environmental impact and taste.

In Food-to-Go there is a wide range of ready-made sustainable and healthy food, including wraps, ready-made salads, baguettes and sandwiches. Through our own strong brands, like Picadeli and GreenDeli, we build relationships directly with consumers, but we also manufacture for customers under private labels.

Prepared plant-based products

In the other sub-area, Fresh Cut, we simplify daily life by offering freshly cut and rinsed fruits and vegetables, such as salad mixes, sliced apples and much more. The customers are mainly in HoReCa and grocery retailing, with an increasing share of fast food chains.

Sales are made through the own brands, such as SallaCarte, and also through private labels. With a product range featuring around 350 different products, Fresh Cut has one of the widest selections on the market. A result of a 30-year history in the segment.

Market leader in Sweden and Finland

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

Strong and growing brands

Greenfood's strongest consumer brand, Picadeli, is also available in Food-to-Go, with pre-packed salads, wraps, and sandwiches. Picadeli's wraps have quickly become the best-selling wraps on the Swedish market. Sales are made in the Picadeli business area, but a large part of the production takes place in Food Solutions. In addition to Picadeli, there is also GreenDeli, which offers classic products and flavors. The Food-to-Go range is available at Pressbyrån and 7-Eleven, as well as in well-stocked grocery stores and Convini vending machines.

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

FOOD SOLUTIONS – 2023

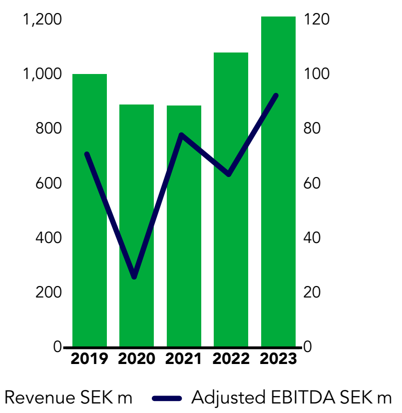
A CHALLENGING YEAR THAT STIMULATED DEVELOPMENT

Good sales growth and stronger results

The market for Food-to-Go and Fresh Cut was stable during the year and did not grow much. Nevertheless, sales in Food Solutions increased by 12.3 percent during the year. Sales growth was good in the Swedish market, and also in Denmark. Sales to large restaurant chains as well as meal-kit companies such as Hello Fresh increased. Great progress was also made in the retail sector, where sales of ready-to-eat salads increased significantly.

Earnings measured by adjusted EBITDA increased in 2023 by 45.4 percent compared to 2022. The strong development can be attributed mainly to last year's centralization of Food Solutions' business operations in Finland. The consolidation resulted in strong efficiency gains, and thus lower costs. The merger of the Swedish business operations into the Greenhouse facility will not take full effect until next year.

Sales and EBITDA 2019–2023



Centralization and development

The main event and challenge of the year in Food Solutions was also the Greenhouse facility. With the 2022 centralization in Finland and the 2023 centralization in Sweden, Food Solutions has gone from seven production units in the Nordics to only two. The extra work has put a heavy burden on the organization in recent years, but will lead to major efficiency gains in the future, both logistically and organizationally. The last move took place in November 2023, but the process of adapting the business activities to the premises will continue well into 2024.

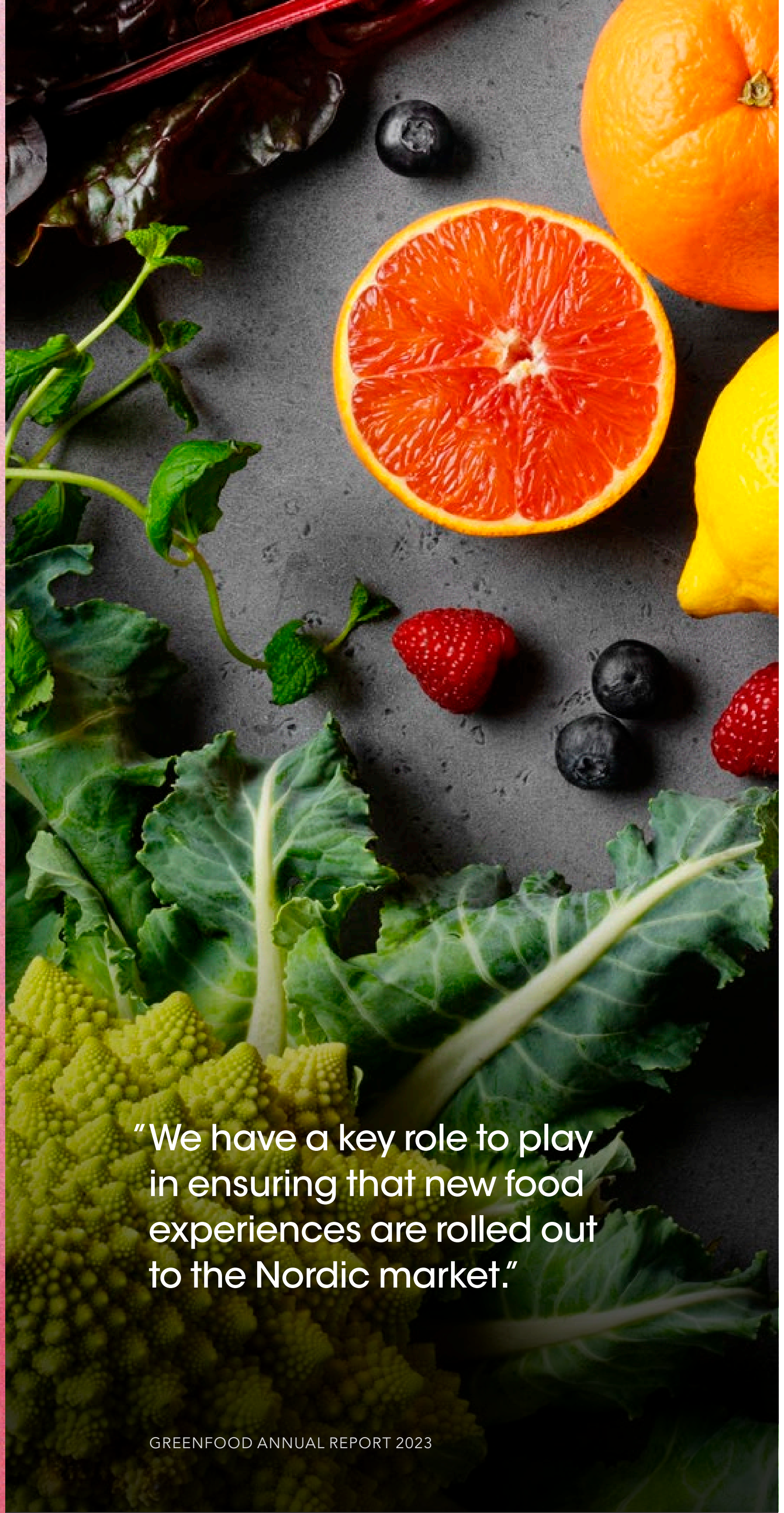
The strengthened business operations in Finland have not only delivered a very good result, underpinned by both cost efficiency measures and strong sales efforts. The Tuorekset brand has also developed several new product lines, including salad mixes and a brand new wok mix. The year also saw the appointment of a new CEO responsible for Food Solutions in Finland.

Over the years, Food Solutions has increased its exposure to the retail sector, which now accounts for about a third of sales, much of which is sold to discount chains. And with regard to HoReCa, our major customers are fast-food chains; this contributes to the resilience of the business area in a recession. One example of a major customer is McDonald's, with which we have also established a closer collaboration, as the packaging of mini carrots is now done in-house at Food Solutions.

Environmental and food waste efforts

After 2023, Food Solutions now has all its production gathered in two modern facilities, both of which are adapted to the business needs and designed to minimize resource utilization regarding production and transport. All in all, this represents a significant reduction in the climate footprint of our operations, and much of this improvement will become more visible next year.

One area of focus for Greenfood's sustainability efforts during the year was reducing food waste. Food Solutions, and in particular Fresh Cut, accounts for a large part of our food waste and has therefore been at the heart of many of the initiatives. One such initiative is that Salico has partnered with the Animal Feed Project to enable production residues to be turned into animal feed.



FRESH PRODUCE

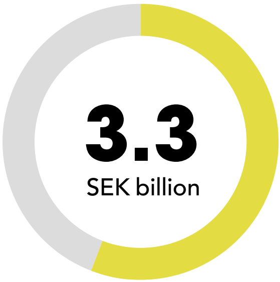
FRESH FRUITS AND VEGETABLES FROM AROUND THE WORLD

At Fresh Produce, we buy and resell fruits and vegetables to customers from local and global suppliers, primarily to customers in the Nordic market. Fresh Produce is the oldest part of Greenfood's business and accounts for over half of our sales. Together with Food Solutions, Fresh Produce forms the overall part of the business that we call the Greenhouse business.

Employees 2023

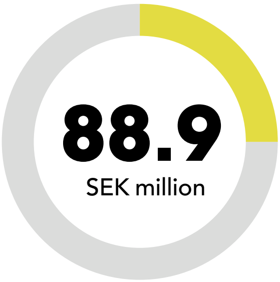
Fresh Produce's share of the Group, 40%

Sales 2023



Fresh Produce's share of the Group, 56%

Adjusted EBITDA 2023



Fresh Produce's share of the Group, 25%

Fresh fruits and vegetables for every need

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

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

Fresh Produce's purchasing operations are located in the Nordic region and in Spain, and we can also reach producers across large parts of the world via our purchasing channels. The proximity of our purchasing operations to European producers enhances our expertise in the purchasing, quality, and handling of fruits and vegetables. This benefits our customers who are primarily located in the Nordic region.

Green importer since 1964

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

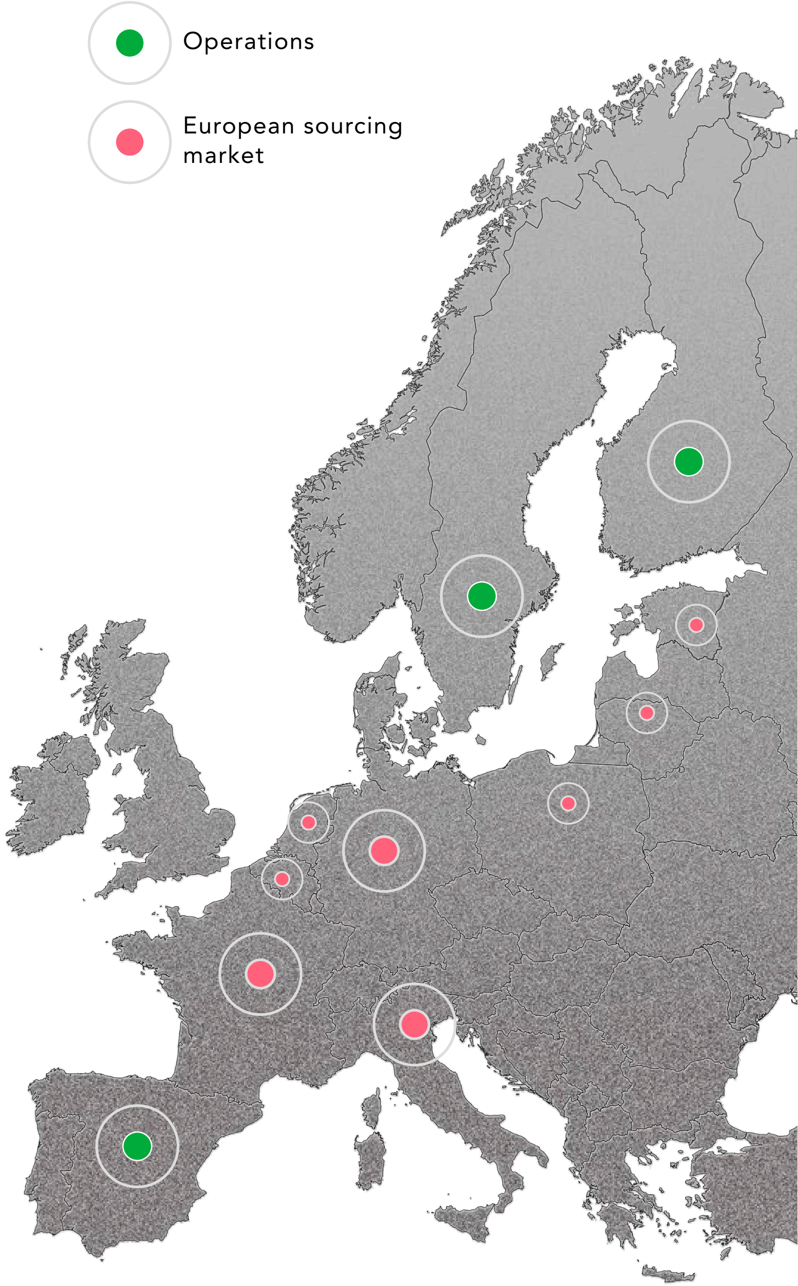
Market leader in Finland and No. 2 in Sweden

With total annual deliveries of over 219,000 tons of fresh fruits and vegetables to our customers, Greenfood has a strong position on the Swedish and Finnish markets. On the Swedish market, Greenfood is the second largest independent player, with several major customers such as ICA, Hemköp, Dagab, Lidl and Mathem.

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

Home to strong brands

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



FRESH PRODUCE – 2023

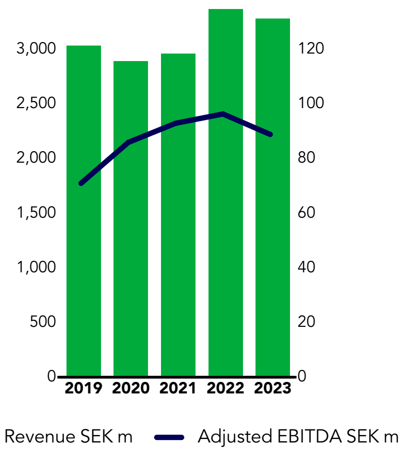
STRATEGIC POSITIONING FOR THE FUTURE

Strong sales efforts offset lost contracts

During the year, Fresh Produce lost one of its largest contracts, with sales of around SEK 400 million, resulting in a decline in revenue. Despite this, sales decreased by only 2.6 percent compared to 2022, reaching SEK 3.3 billion in 2023. The only relatively small loss of revenue under the circumstances was due to the very strong sales efforts, which resulted in several new contracts, mainly in wholesaling and digital retailing.

Operating profit measured by adjusted EBITDA also fell compared to the previous year. Overall, profits fell by 7.8 percent, with a margin of 2.7 percent. The fact that a large contract was largely offset by several smaller ones means that the margins are slightly lower. The lower profit is also partly explained by inflationary effects and the weaker Swedish krona, which affected import prices.

Sales and EBITDA 2019–2023



Modernization and new energy

The year was marked by the move and adaptation to Greenhouse, with the aim of maximizing efficiency and minimizing cost. It took up a lot of resources but also infused the company with new energy. One clear outcome of Greenhouse is the modern banana ripening facility, which not only helped Greenfood strengthen its position in the Swedish banana market but also established it as the leading provider of banana ripening services in Sweden. This strategic enhancement is part of a broader pattern of innovation, including our partnership with Agtira for local urban farming in Haninge. The construction started during the year, promising the availability of Swedish products throughout the year, further expanding our market reach.

This theme of growth continues with Trädgårdshallen in Växjö, which has undergone a positive transformation after a prolonged period of market development, leading to an expansion of business and improved profit margins. Such developments synergize well with Fresh Produce's achievements, which include securing a new long-term contract with Svensk Cater and boosting sales to existing customers, such as supplying bananas to Lidl. Each of these advancements not only highlights our capacity for adaptation and growth but also reinforces our leadership in the market.

Shorter transport distances and better growing conditions

The consolidation to Greenhouse also resulted in a drastic reduction in the number of internal transports. Overall, the mileage has been reduced by 200,000 to 250,000 kilometers, which reduces our carbon dioxide emissions by between 160 and 190 tons per year.

Another important area of our sustainability work is our engagement with growers. During the year, Fresh Produce launched a sustainability training initiative for Swedish growers, which will be expanded in the future to support growers in all the countries from which we import. To support banana workers in Ecuador, Greenfood signed a statement on human rights in the country's banana sector during the year.

During the year, a new partnership for food donations was launched with Stadsmissionen (the City Mission). Our partnership with Operation Smile continued, with sales of our bananas contributing to over 1,600 cleft lip, cleft jaw and cleft palate surgeries through the initiative.

CASE

Healthy partnerships in Morocco

To ensure a year-round supply of tomatoes, citrus fruits and strawberries, we have established sustainable and long-term partnerships with local producers in Morocco. These partnerships enrich our range of products with high-quality fresh produce, and allow us to participate in ensuring positive and sustainable development.

Morocco is an important export country for agricultural products. To be able to offer a full range of fresh produce all year round, we have long been importing Moroccan tomatoes, citrus fruits and strawberries. In recent years, Greenfood has started working with Moroccan suppliers. Close and long-term cooperation will promote positive developments relating to production and retailing, ranging from the strawberries in the fields to the refrigerated counter in the grocery store.

Since 2022, in Morocco we have participated in the Ethical Trading Initiative Sweden (ETI), which promotes sustainability in global supply chains with a focus on human and labor rights. With ICA, Axfood, Coop and Oxfam, among others, we have created an approach based on roundtable discussions with importers, local suppliers, and local trade unions. In this tripartite dialogue, we identify, discuss and deepen our understanding of priority issues. In 2023, the issues under discussion were Transportation of Work, Responsible Sourcing Practices, and Certification.

Greenfood's ambition level has never been higher – by having an active presence we take responsibility for the conditions for local farmers.

The work in the Moroccan market gives us a model for dealing with complexity. The ETI tripartite dialogue is invaluable for mutual learning with local suppliers, trade unions and competitors. These insights guide us in similar projects going forward, and shape our strategic approach to the supply chain. Through having an active presence, Greenfood can be a force for meaningful change.

One thing is certain, the route for tomatoes, citrus fruits and berries from Morocco to Sweden will not be the same in the future. Advances in technology, sustainability and consumer preferences mean that the fresh produce supply chain is constantly evolving. Among other things, consumer demands regarding transparency are increasing – and we are prepared for this. Going forward, there are significant opportunities to use technology to improve traceability and transparency in the supply chain.

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GREENER FOOD, GREENER CLIMATE

WE ARE DRIVING THE MOVE TOWARD GREENER FOOD

Greenfood strives to go beyond simply being part of the solution to the world's escalating environmental and social problems. We want to be an engine of change driven by a determination to exceed expectations. By integrating sustainability into our core business and by driving pioneering initiatives, we are actively taking responsibility for not just solving, but making a real difference in the fight against climate change and other global challenges. In this way, we strengthen our long-term competitiveness and create long-term, profitable and sustainable growth.

For us, sustainable action is about driving progress toward achieving sustainable production and consumption. We do this by looking at the big picture, prioritizing where the impact is greatest, and collaborating across company boundaries. We take account of how people and the environment are affected by our business and by the decisions we make. At the same time, we are well aware of the fact that the issues are complex. With our focused work, we underpin development and progress.

Targets, internal structure and an entrepreneurial culture contribute toprogress being made

We have another eventful year behind us, in which we made great strides forward regarding sustainability. This was in terms of results, investment and internal development.

An important milestone in our sustainability work was getting the Group's climate targets approved by the Science Based Targets initiative. Greenfood has committed to the most ambitious SBTi target: keeping warming below 1.5 degrees. The focus is now achieving significantly lower CO_2 emissions throughout our supply chain. The work with SBTi is in line with our other targets and ambitions and this creates the conditions for being able to offer even more sustainable food in the future.

During the year, we moved into our new healthy food facility: Greenfood Greenhouse. This state-of-the-art facility strengthens Greenfood's leading position in healthy food and provides a good basis for creating an even better customer offer. With the Greenfood Greenhouse, we are getting ready to meet the sustainability requirements of the future.

Offices, a warehouse and production facilities have been created with sustainability in mind and we expect to see clear results of the move in terms of both food waste and climate benefits.

During the year we further refined our Group–wide sustainability strategy and improved both working methods and tools. All with the ambition of achieving our ambitious targets in an efficient way. The best results are achieved with sustainability efforts when everyone knows the direction we want to move in and the plan to get there.

During the year, biodiversity has been added as a strategic focus area relating to the environment, and targets for the focus area will be defined in 2024. Three well-defined internal projects have also been introduced to help us meet our sustainability targets, reduce sustainability-related risks by ensuring good control in the value chain, and improve reliable data collection and analysis. In addition, an internal sustainability platform has been developed with the aim of providing clarity within the organization in terms of direction, targets and priorities.

With these activities, investments and decisions, we demonstrate our desire to continuously develop and achieve our ambitious sustainability agenda. The path is well defined for Greenfood to achieve its own ambitious targets and comply with current and future legal and customer requirements.

3 QUICK QUESTIONS WITH HEAD OF SUSTAINABILITY LISA ISAKSON

Lisa Isakson, Head of Sustainability

How is Greenfood contributing to a more sustainable world?
"With food, we can contribute to better health and also a healthier planet. The basis of our product range is plant-based ingredients, and by focusing on making healthy food tastier and more accessible, we enable more people to live more sustainably and healthily. This is why what we do is so important: the more people who choose to consume healthy plant-based diets, the better it is for both people and the planet. Being able to make a difference drives us forward as an organization!"

What were the most important developments regarding sustainability in 2023?
"During the year, our largest ever sustainability investment came into operation: Greenfood Greenhouse. The facility is an important part of our ambition to reduce our climate footprint and strengthen our leading position in healthy fresh food. We also had our science-based climate targets approved and validated by SBTi and we started the installation of one of Sweden's largest solar energy installations. By looking to the future, we have created good conditions for our work in the coming years."

What is the focus going forward?
"One are of focus is our climate work. There are no easy solutions; it will take hard, dedicated work to achieve our climate goals. In 2023, we also expanded our sustainability strategy with a new area of focus: Biodiversity. The next step is to define clear targets in the focus area to steer our activities towards adaptations that strengthen biodiversity. Last but not least, we will have a strong focus on Improve knowledge of and control over the supply chain. regarding both environmental and social aspects."

OUR MAIN AREAS: FOOD, ENVIRONMENT & PEOPLE

Our sustainability initiatives are divided into three main areas: Food, Environment and People. We are passionate about making food delicious, accessible and healthier for consumers and the planet. We want to be part of the solution to society's challenges, in terms of both public health and the environment. Everything Greenfood stands for and everything we do depends on a healthy planet. For our continued development tomorrow, we must contribute to a healthy planet today.

Food is so much more than just food. Unlike much other consumption, the solution to food sustainability challenges can never be to stop eating. Instead, there are two possible paths to sustainable food consumption: dietary changes and improved production methods. Another aspect of food consumption is the importance of making healthy food available to everyone. Having a healthy diet should not be a class issue, as it is to some extent today.

Food production contributes to greenhouse gas emissions, water stress, land exploitation and biodiversity loss. To reduce our impact, we focus on aspects such as increasing the share of plant-based products, streamlining production, improving transportation, reducing food waste and switching to renewable energy.

Everything we do with regard to social sustainability is based on people. In terms of both our own employees and people in our supply chain. We make every effort to understand their circumstances, working conditions, rights and aspirations so that we can adapt our activities and working methods to make a positive contribution to their lives.

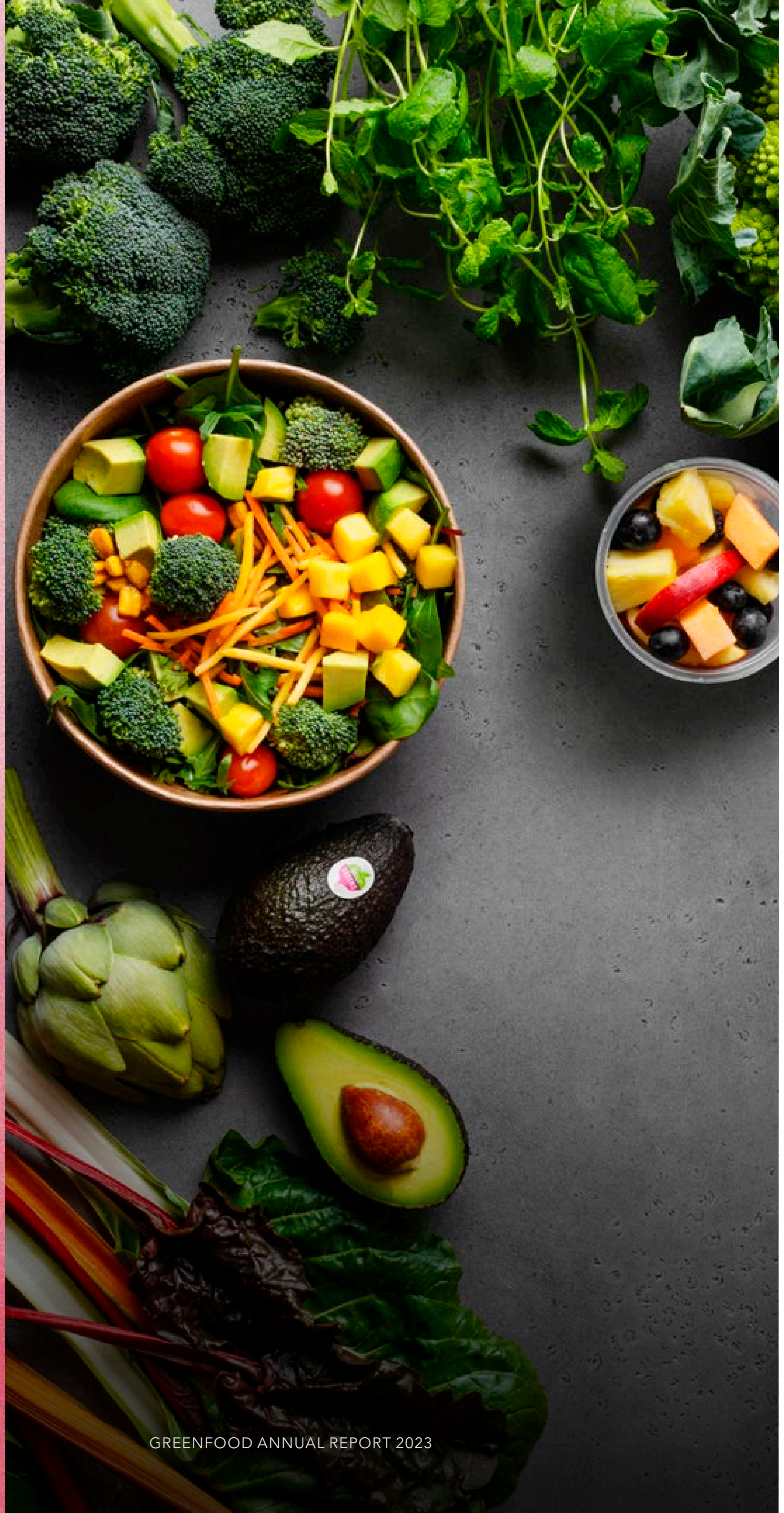
Our work in Food, Environment and People should also support economic sustainability – a profitable business is the basis for us to contribute, through food, to a better world for people and the environment.

OUR CONTRIBUTION TO THE UN'S GLOBAL GOALS

The 17 Sustainable Development Goals of the UN's 2030 Agenda set out the path for countries and businesses to work for a more sustainable future. By getting more people to eat green and healthy options, we are helping to reduce the impact on our climate while contributing to better public health. We divide sustainability into three main categories: Food, People and Environment and we see that we can have the biggest impact in goals 2, 8, 12, 13 and 15.

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

SDG	Target	What we are doing	Connected focus areas
Goal 12 Ensure we use nature's resources in production and consumption responsibly in order to reduce the negative impact on climate, environment and human health.	12.3 Halve global food waste. 12.4 Sound management of chemicals and waste 12.5 Substantially reduce waste generation 12.8 Increase awareness of sustainable lifestyles	We contribute to reducing food waste through technical innovations, innovative product development and increased knowledge levels. We work actively to reduce our own food waste as well as other waste. We gradually introduce new packaging with a lower environmental impact. We work with information to help raise consumer insight into choosing a more sustainable lifestyle for themselves and the environment.	• Food waste • Packaging • Water
Goal 13 Take immediate steps to fight climate change and its consequences.	13.2 Integrate measures against climate change into policy and planning 13.3 Increase knowledge and capacity to deal with climate change	Our climate targets are approved by the Science Based Targets initiative, with the ambition to keep climate change to a maximum of 1.5 degrees compared to pre-industrial times. We have released a sustainability-linked bond tied to targets to reduce our climate impact. We will reduce our carbon footprint through environmentally friendly logistics, process improvement, product range adjustments, and the use of new technology. We have also worked hard to create an organization that is ready to face the challenges entailed by work with sustainability.	• Climate impact
Goal 15 Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, halt and reverse land degradation and halt biodiversity loss.	15.1 Conserve, restore and ensure sustainable use of terrestrial and freshwater ecosystems 15.2 Promote sustainable forest management, halt deforestation and restore degraded forests 15.5 Protect biodiversity and natural habitats	In 2023, biodiversity became a new focus area in Greenfood's sustainability work. We initiated dialogues to identify partners and plan to conduct a first assessment of our environmental footprint according to Science Based Targets for Nature. Furthermore, we are exploring how we can reduce deforestation via our purchasing decisions and by identifying products that have a higher risk profile. In addition, we have worked hard to develop a sustainable outdoor environment at our head office, Greenhouse, that supports biodiversity and restores natural habitats.	• Biodiversity



FOOD

Healthy and climate-smart meals are plant-based

The focus is always on food at Greenfood. Our guiding principle, Green convenience today for a greener tomorrow, provides us with guidance to continuously ensure that tasty, plant-based tasty and healthy food contributes to a more sustainable future for the whole planet. The majority of our products are vegetarian, and our range of fruit and vegetables is constantly growing.

Healthy food	Food safety	Food waste
Get more people to discover good, healthy, sustainable and plant-based food.	Systematic quality assurance of working methods, processes and standards to ensure maximum quality and food safety.	Using technology and focusing on innovation to improve operational efficiency and reduce food waste.
TARGET: 90 percent of Greenfood's own brands to achieve a Nutri-Score[1] of A or B by 2025.	**TARGET 1:** By 2025, 100 percent of Greenfood's purchases to be made from suppliers who have signed our Code of Conduct. **TARGET 2:** All food suppliers are certified according to a food safety standard by 2025 at the latest.	**TARGET:** Reduce food waste by 20 percent per ton of food sold by 2025 and by 40 percent by 2030 (compared to baseline year 2019).

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

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Healthy food – tasty and simple

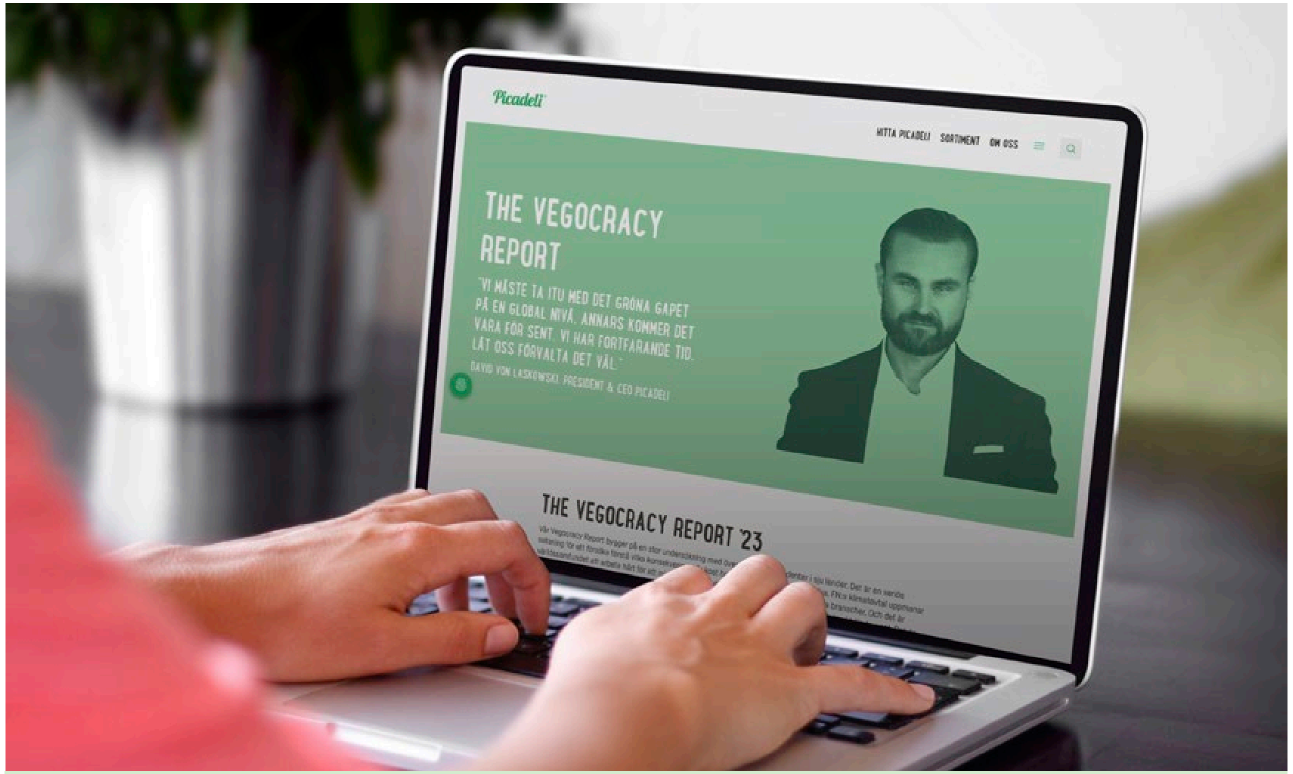
There is now strong consensus among the world's scientists that many lifestyle diseases, such as cardiovascular disease and obesity, are rooted in what we eat. Other research suggests that we need to eat more plant-based foods and less meat to feed a growing population and combat climate change.

Declining consumption of fruit and vegetables in society is a problem highlighted by the WHO. But at Greenfood, we like green. For example, Picadeli has reversed its previous trend and is increasing sales of vegetables.

Another example is Ahlströms, our innovation company that sells meat alternatives, which has succeeded in increasing the share of vegan and vegetarian lunches by holding theme weeks in school canteens. At its highest, 77 percent of students chose the vegetarian/vegan lunch over the animal option.

By 2025, Greenfood has set the goal that 90 percent of everything sold will have a Nutri-Score A or B. Our work on using the Nutri-Score labeling standard as a guide for our assortment continued during the year. In 2023, 97 percent of our own brands reached level A or B under the previous requirements.

In 2023, Picadeli introduced Nutri-Score and Climate FoodPrint as guidance on all its products in Europe. This is a way for us to bridge the gap identified between what people say they want to do/think is important on the one hand and how they actually act on the other. The so-called green gap is described in our own report Vegocracy; more



Vegocracy report

In 2023, Picadeli published the Vegocracy report, a comprehensive study with over 10,000 respondents from seven countries. The report provides deep insights into consumer behavior, building on Picadeli's thought leadership in healthy fast food. In 2023, the focus was on "The Green Gap". In other words, many people know how they should live and eat for both the environment and their health, but they don't actually do it in practice. Why? In particular, the report highlights the lack of understanding about personal impact. A clear outcome was the desire for intuitive guidance in shops, which resulted in Picadeli introducing Nutri-Score and its own climate label, Climate FoodPrint. But more must be done to raise awareness in schools and in public debate, and governments need to do more to support the scientific data that can no longer be ignored.

In Picadeli's quest to deliver insightful analysis year after year, the report has generated countless articles and publications, as well as continuing invitations to prestigious forums such as Almedalen, Future Food and ShopTalk, further cementing its position as a leader in the industry.

information is available on page 44. By making information available to customers in connection with the making of purchases, in the form of Nutri Score and Climate FoodPrint, Picadeli wants to help close the green gap.

Greenfood is also committed to making it possible, through various initiatives, for more people to have access to healthy, green food. A zero rate VAT for fruit and vegetables could, for example, help contribute to improving public health and reducing the burden on the environment. Another issue where Greenfood's and other stakeholders' advocacy efforts have pleasingly yielded results is the Swedish government's decision to prepare for the introduction of support for the EU School Scheme, which aims to have more fruit and vegetables in schools from the 2025–2026 school year. Another example is when Picadeli organized an open seminar for municipal politicians in Vänersborg on the importance of vegetables for young people's development. This was in response to the fact that schoolchildren's access to a variety of vegetables in school canteens had fallen due to budget cuts.

Food security – a given

All Greenfood's products must be safe and nutritious. For us, food safety is a prerequisite for a sustainable and long-term business. We work with recognized certifications such as BRC Food, FSSC 22 000 and Global GAP, both in our own business operations and in the supply chain. These certifications are followed up with their own audits regarding food quality and traceability. Which suppliers are visited is based on the characteristics of the products, for example audits of suppliers have been carried out in the EU in countries such as Spain, France, Romania and Sweden.

Our Supplier Code of Conduct has sections related to food safety, for example stating that we only approve pesticides that are allowed in the EU. Already in the product development phase, we strive to make recipes as simple as possible and avoid unnecessary additives. We conduct regular product analysis and testing of incoming goods and work with internal training and process development to ensure that all goods meet our high standards.

Food waste – reduced through innovation and partnerships

One third of the world's food production is thrown away instead of being eaten. This is an enormous waste that has tangible consequences for climate, land use, biodiversity and more. As a food producer, we have a responsibility to counteract this issue.

Greenfood's food waste is the single largest waste area in our business operations. Per ton of food sold, food waste in 2023 was 3.6 percent. Wasted food has unnecessarily consumed resources such as farmland, fertilizers, transport, and water.

Picadeli's health initiative: "The allowance for healthy eating"

Since 1988, a fitness allowance has been available from employers as an incentive for Swedish employees to live a healthier lifestyle. But the regulations do not permit the allowance to be spent on what actually provides the greatest health benefits i.e. food.

In 2023, Picadeli therefore introduced the "The allowance for healthy eating", a campain which draws attention to the need for changes in the regulatory framework. For a limited time, it was possible to use the fitness allowance to improve health by eating more healthily.

This is how it was done:

1. The customer bought a digital training session for SEK 58 at www.friskmatsbidraget.se and saved the receipt
2. The customer was emailed a voucher worth SEK 58 which could be exchanged for a salad
3. The customer put together a Picadeli salad and paid for it with the voucher
4. The customer gave the receipt for the training session to their employer and received SEK 58 from the fitness allowance

Reducing food waste is a high priority for us, so we are actively working to optimize our food supply chain and our processes. To avoid food reaching its expiry date, we work hard to redirect flows. For example, we work with charitable organizations to donate unsold food and we also work in a circular way with the by-products that arise, to recycle resources as much as possible. The obvious ambition is to always find a way to make the waste edible, for humans or animals.

Our commitment to reducing waste is evident in everything we do, from creating new products from by-products that would otherwise be thrown away, to the development of Picadeli's AI-based salad bar featuring technology that optimizes both sustainability and order forecasting. We are also working on developing better packaging that extends the life of products and has less impact on the environment. By developing innovative technological solutions, exploring new packaging solutions, and maximizing the use of raw materials, we can reduce both our own and our customers' food waste.

An example of our work to reduce food waste is the work with cauliflower where the stem can be made into a vegetable rice. It is packaged and sold to HoReCa and retail by Salico OY and is also used in cauliflower rice mix sold as an ingredient in Picadeli's salad bars or used as an ingredient in Food-to-go products.

Greenfood's definition of food waste is unusually stringent, as only food for humans or animals counts as approved end products. Peel, leaves and stems where the residues are used for biogas, soil improvement, or heat recovery are counted as food waste, which means that eggshells, vegetable leaves and melon peels are included in the Group's reported 3.6 percent.

In 2023, Salico OY in Finland started test deliveries of animal feed. Salico AB in Sweden received approval for the handling of animal feed in December 2023 and can start a completely new flow of animal feed from Greenhouse in Helsingborg, which will help reduce waste.

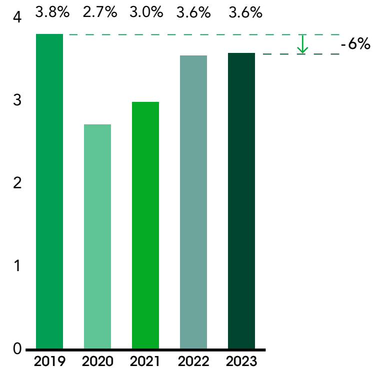
Greenfood is also a member of SAMS (Samarbete för minskat matsvinn – Cooperation for reduced food waste), via which companies share their experiences with reducing food waste. During the year, Greenfood participated in workshops for the evaluation of the Swedish action plan for reduced food waste. Tests with potential partners to find circular solutions were also carried out during the year and will continue in 2024.

The Group's goal is to reduce food waste by 20 percent per ton of food sold by 2025 compared to the baseline year 2019. Greenfood has not yet been in line with the target, mainly because the two companies in the Group that generate the most food waste moved into Greenhouse, which led to increased food waste in the initial phase. The share of food waste increased during parts of 2023, so major efforts were made to reverse the trend. In the second half of 2023, the trend was reversed and food waste started to decrease despite increasing volumes. A key action was the detailed survey carried out at Greenfood's four largest sites, which contribute over 90 percent of the total food waste.

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

The result for the full year 2023 was a food waste rate of 3.6 percent, which is –6 percent compared to the baseline year 2019. Thanks to the measures taken, the target is projected to be achieved by the end of 2024.

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



In 2023, the move to Greenhouse caused increased food waste for the affected companies. A major optimizationeffort that has already produced good results has begun.

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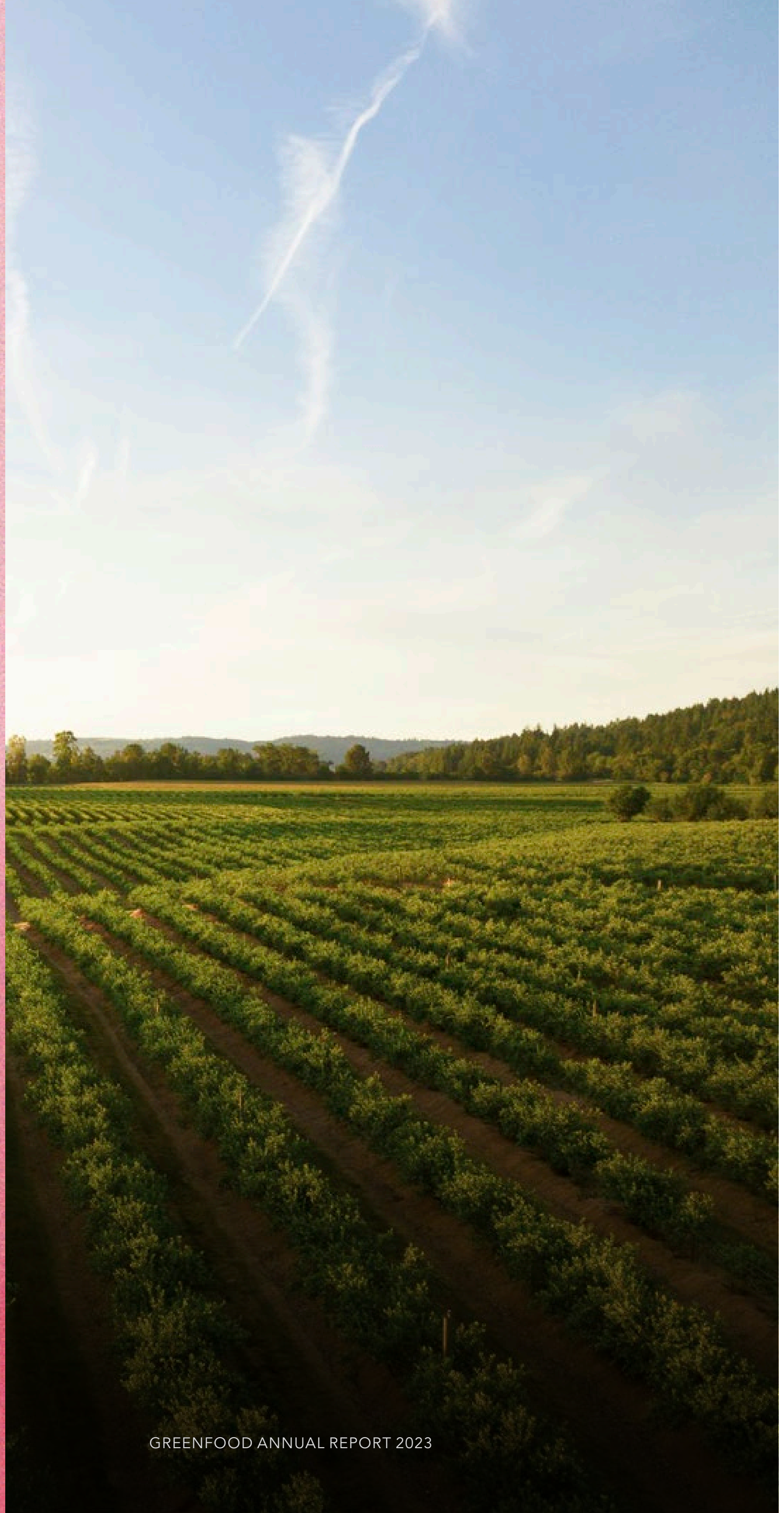


ENVIRONMENT

A healthy planet that supports life is essential for allowing us to continue providing healthy food to more people and grow our business over time. The obvious link between Greenfood's products and a healthy planet means that our organization works in a targeted and structured way to minimize the environmental impact from both our own business operations and our supply chain.

Climate Reduce our carbon footprint through sustainable logistics, production and process improvements, adjusting product ranges and using new technology.	**TARGET 1:** Reduce total emissions in Scope 1 & 2 by 55 percent per ton of food sold by 2025. Baseline year 2020. **TARGET 2:** Science Based Target. Reduce absolute emissions in Scope 1 and 2 by 42 percent by 2030. Baseline year 2021 **TARGET 3:** Science Based Target. Reduce Scope 3 emissions from purchased goods and services and upstream transportation, per ton of food sold, by 52 percent by 2030. Baseline year 2021.
Packaging Reduce the use of packaging materials through smart product development, innovation and supplier requirements.	**TARGET 1:** Reduce plastic use by 50 percent by 2025. Baseline year 2021. **TARGET 2:** By 2025, all of Greenfood's own brands' packaging shall be recyclable. **TARGET 3:** By 2025, 80 percent of our own brand's packaging shall be made of renewables materials and 100 percent by 2030. **TARGET 4:** By 2025, all of Greenfood's own brands' plastic packaging shall be completely recyclable.
Water consumption Reduce water consumption in our own operations and address the water issue in our supply chain.	**TARGET 1:** WWF's Water Stewardship "Internal Action" level to be reached within our own production by 2023. **TARGET 2:** All companies in our supply chain shall reach WWF's "Internal Action" level by 2025.
Biodiversity Increase biodiversity by addressing the issue in the supply chain.	During the year, work began on formulating biodiversity targets and strategies. There are conflicting objectives between biodiversity, climate and water stress and our ambition is to address this using an integrated strategy. For example, intensive farming can be good from a climate perspective but often has negative impacts on biodiversity and ecosystem services.

CARBON FOOTPRINT

Food production and cultivation is highly dependent on a reliable and predictable climate and is thus sensitive to climate change. At the same time, the food industry also has a major negative impact on the climate. Overall, this means that the food industry not only needs to switch to more climate-friendly products, such as fruit and vegetables, but also has to change production methods and improve efficiency where possible.

99 percent of the greenhouse gas emissions in Greenfood's value chain consist of Scope 3 emissions, i.e. emissions outside its own business operations: upstream and downstream. Scope 1 refers to emissions from the company's own business operations and Scope 2 refers to purchased energy used in properties, vehicles etc. owned by the company.

During the year, Greenfood's science-based targets for all three scopes were approved. The Science Based Target initiative (SBTi) is a global partnership that guides and endorses companies in setting climate targets in line with the Paris Agreement. Greenfood's ambitions are in line with the 1.5 degree goal, which is the toughest target. The approval of the targets means that our targets and the path to reach them are of a high scientific standard.

The Scope 3 categories that we have included in our SBTi target are purchased goods and services and upstream transportation and distribution. These are the categories from which we have our biggest emissions.

Well on track to meet the Scope 1 and 2 targets

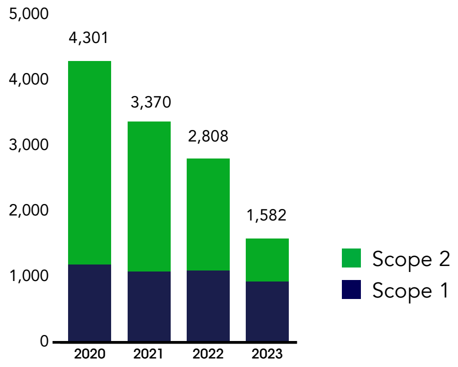
During 2023, climate emissions from the company's own business operations were reduced by 44 percent. Compared to the baseline year 2021, our emissions decreased by 53 percent. This means that we have already reached our target level for Scope 1 and 2. The outcome in Scope 1 and 2 is a result of using an increased share of renewable energy in our production facilities and the implementation of energy efficiency improvements. An updated company vehicle policy and the installation of charging points have also contributed to an increased shift to electric vehicles. With the upcoming installation of solar panels on Greenhouse and an expected reduction in energy use in 2024, we expect a continuing reduction in our Scope 1 and 2 emissions.

Our climate targets in line with the Science Based Targets initiative

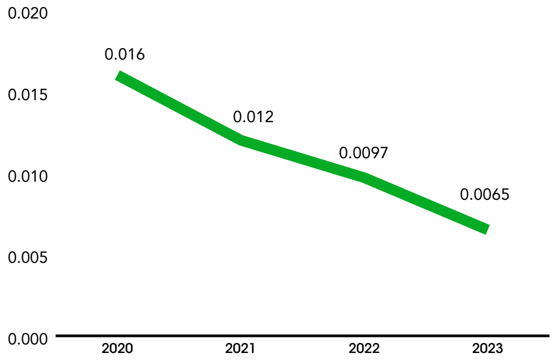
Scope 1 & 2: Reduce climate impact by 42 percent between 2021 and 2030.
Scope 3: Reduce the climate impact of purchased goods and services and upstream transportation and distribution by 52 percent per ton of food sold, between 2021 and 2030.

SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

Scope 1 and 2 – total emissions
Market-based emissions, tCO_2e



Scope 1 and 2 – emissions per ton of food sold
Market-based emissions, tCO_2e per ton of food sold



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CARBON FOOTPRINT

Greenfood considers working together, sharing knowledge and contributing to a larger shift as being very valuable. During the year, we signed the Helsingborg Climate Agreement, which is an association of companies and organizations that want to work to achieve a sustainable and climate-smart society.

Self-produced solar energy for our most energy-hungry warehouses

Using energy audits conducted during the year, we continued to identify the biggest energy guzzlers. Where possible, we are improving efficiency and investing to reduce energy needs. Our new energy-efficient Greenhouse facility is an example of this, as it allows us to increase our capacity without increasing our energy consumption. In addition to energy efficiency measures, we work to ensure that our energy sources are as fossil-free as possible.

The Greenfood business areas that consume the most energy are Food Solutions and Fresh Produce. This is mainly due to the fact that they have warehouses that need to be cooled, which is energy-intensive, but since the energy needs are greatest during the summer there are good possibilities to utilize our self-produced solar energy. During the year, we invested in photovoltaic installations adjacent to three of our properties: Greenhouse, Greenfood Iberica and Trädgårdshallen.

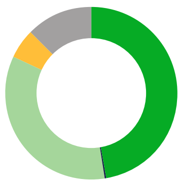
Our work to achieve the Scope 3 targets continues

Our target is clear: we will more than halve our emissions by 2030 in terms of emissions relating to products and transport. These two categories account for 95 percent of our total emissions, so a concerted effort is needed here.

More accurate Scope 3 measurements show higher emissions

Our emissions from purchased goods and services and upstream transport and distribution per ton of food sold have increased by 11 percent compared to the baseline year 2021. This is mainly due to a mea-

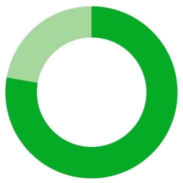
Scope 1[1)] – sources of emissions
Total Scope 1 emissions by source, tCO_2e



	2022	2023
Cars	514	440
Forklifts	3	3
Trucks	301	318
Natural gas	51	51
Cooling media	105	116
Biogas	1	0
Total	**975**	**928**

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

Scope 2[2)] – sources of emissions
Total Scope 2 emissions by source, market-based, tCO_2e



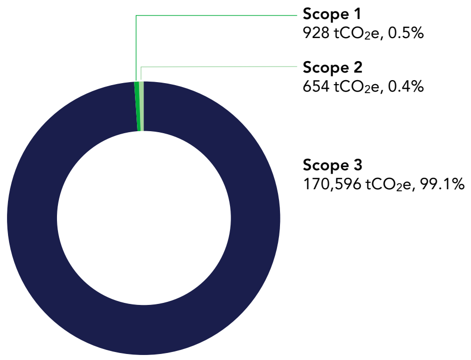
	2022	2023
Electricity	1,597	509
District heating	118	145
Total	**1,715**	**654**

Location-based, tCO_2e

	2022	2023
Scope 1	975	928
Scope 2	721	730

2) Scope 2 includes indirect greenhouse gas emissions from purchased energy.

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



CARBON FOOTPRINT

sured increase in emissions related to our transport, which in turn is a result of improved data collection.

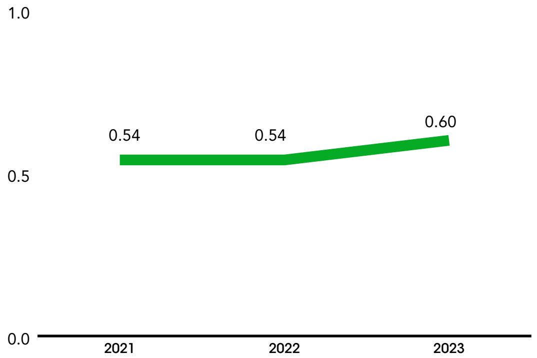
Emissions from the food purchased are relatively unchanged at the Group level, measured against the baseline year. However, at the business area level, all areas have reduced their Scope 3 emissions from purchased food, but as the distribution between the business areas in terms of volume of food sold has changed, this reduction is not reflected in the overall outcome. Fresh Produce, which has the lowest climate impact per kg of food purchased, has reduced its share as a business area, which means that emissions at the Group level are nevertheless unchanged. However, the reduction in emissions at the business area level indicates that the action plans put in place are taking us in the right direction.

Reducing the climate footprint of our products

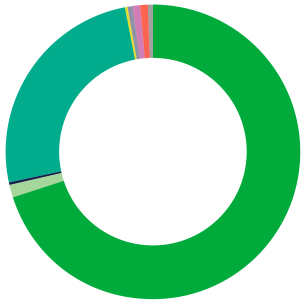
The food we purchase accounts for 69 percent of our total carbon footprint. Our product range consists mainly of fruit and vegetables. These are climate-smart food products that enable consumers to eat food that is good for both the environment and their health. To further reduce the climate impact of our products we focus on adjustments to our product range and on production methods with a lower climate impact.

Looking forward, we will work on transforming our purchasing. We want to gradually replace products from fossil-fuel heated greenhouses with products from fossil-free heated greenhouses. We also want to see the use of BAT (best available technology) fertilizers in the cultivation of our products

Scope 3 emissions per ton of food sold from purchased food and upstream transportation and distribution
Market-based emissions, tCO_2e per ton of food sold



Scope 3[1] – sources of emissions
Total Scope 3 emissions by source, tCO2e



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

	2023
Purchased goods and services	119,524
Capital goods	2,288
Upstream fuel and energy related activities	509
Upstream transportation and distribution	43,332
Waste generated in own operations	163
Business travel	484
Employee commuting	959
Downstream transportation and distribution	1,110
Use of sold products	275
End-of-life treatment of sold products	1,144
Downstream leased assets	808
Total	**170,596**

CARBON FOOTPRINT

and in a longer perspective increase the amount of mineral fertilizer produced in a fossil-free way.

Updated product range reduces climate footprint

Working with our product range offers many opportunities to lower our climate impact - and we need to get customers on board. To guide customers to more climate-friendly choices in both Picadeli's salad bars and regarding our Food-to-go products, we use Climate FoodPrint, a label that shows the product's climate footprint.

In the Picadeli product range, we have also reduced the share of animal proteins by launching more products in the fruit & vegetable category and increasing the share of plant-based proteins, such as BBQ bites made from soy. We have also replaced bacon with chicken bacon in several Green Deli products, removed sugar snap peas and replaced feta cheese with salad cheese in several products to reduce the climate footprint.

Overall, our efforts have enabled us to reverse the declining trend in fruit and vegetable sales for Picadeli since 2019.

Shorter journeys and sustainable modes of transport

At Greenfood, we want to minimize the amount of products transported by air, increase the share of locally grown products, and actively choose modes of transport and fuels with a lower climate impact. Transporting fresh goods is demanding. While shipping methods and fill rates impact emissions and efficiency, it is important that the goods arrive and can be eaten in order to minimize food waste – a challenge with no easy solutions.

To reduce the climate impact of our transport, we are working intensively to draw up requirements and action plans to gradually shift volumes to more low-emission transport solutions and increase the proportion of fossil-free transport. For example, changing modes of transport from trucks to ships and trains, or increasing the use of fossil-free fuels in vehicles.

During the year, internal transportation was reduced thanks to the consolidation of operations at our Greenhouse production site. Preparations were also made to install charging points for 11 heavy vehicles outside Greenhouse. In 2024, we will also invest in our first electric truck.

Meetings of the future: sustainable travel and digital if possible

For an organization that operates in many markets, digital meetings are an enabler. At the same time, face-to-face meetings can be very valuable and some business travel may be required.

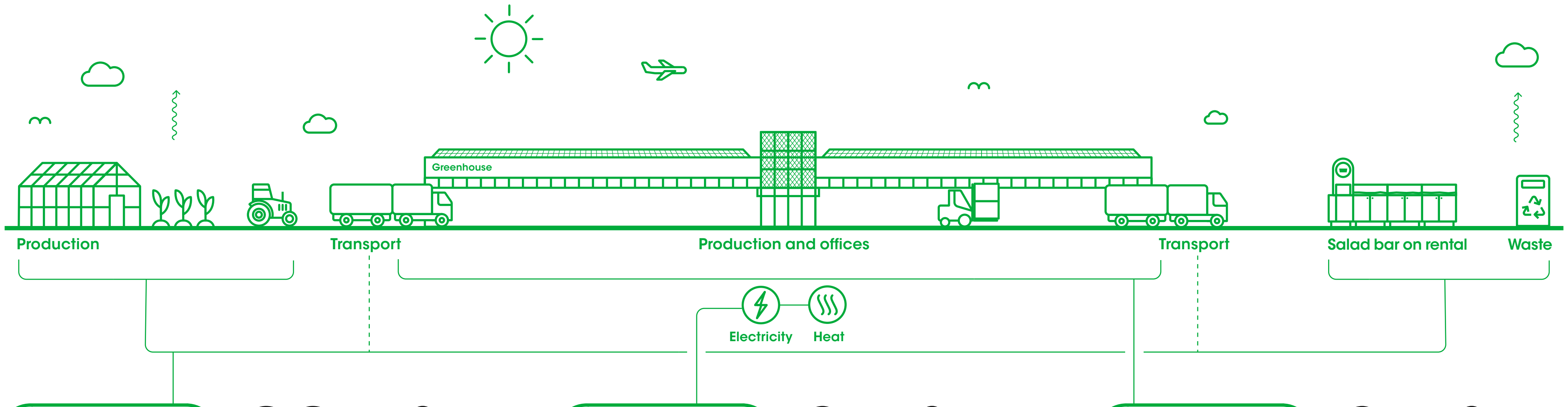
Unfortunately, emissions from business travel increased significantly from 2022 to 2023. It will be an important task in the coming years to review which trips are made, with which means of transport and then steer towards reduced travel through more digital meetings and increase the proportion of trips by train and electric car.

Local vertical cultivation reduces transport emissions and waste

During the year, Greenfood signed a Farming as a Service agreement with the food tech company Agtira. This means that Agtira is responsible for everything until and including harvest and that Greenfood then takes over and distributes via its channels. Agtira's main facility is in Härnösand, and local cultivation sites have also been established next to grocery stores in three towns. This keeps both transportation and food waste to a minimum.

CARBON FOOTPRINT

Greenhouse gas emissions thoughout our value chain



SCOPE 3 **99,1%**

Scope 3 includes indirect greenhouse gas emissions, other than to purchased energy, that occur outside of Greenfood's operations. Included here are the measurement areas of purchased goods and services, incoming and outgoing transport, business trips, handling of our waste, as well as fuel and energy-related activities (not already included in Scope 1 or 2).

SCOPE 2 **0,5%**

Scope 2 covers indirect greenhouse gas emissions from purchased energy. Included here is consumption of purchased electricity and district heating.

SCOPE 1 **0,4%**

Scope 1 covers direct emissions of greenhouse gases from sources owned or controlled by Greenfood. This includes company-owned or leased vehicles and machinery, refrigerants and natural gas.

PACKAGING

88%

Recyclable packaging material

Smart packaging to reduce environmental impact and improve functionality

Packaging should protect food during transportation and ensure that the product lasts as long as possible. The packaging should also highlight the brand, provide product information, and be safe from health and allergy perspectives. Greenfood's packaging also has to meet the requirements and objectives defined in our packaging policy. The policy has a comprehensive approach that takes environmental and climate impacts into account at an early stage of packaging development. It also encourages each company to take its own initiative and drive change.

Today, around 60 percent of of the packaging material in our brands is made from renewable raw materials, and 88 percent is recyclable. Unfortunately, there is no guarantee that a recyclable packaging will be recycled. We see a need to work closely with customers, consumers and communities to increase the rate of recycling. Several of our companies have also started working with packaging suppliers to find more sustainable solutions. In some cases, customers are also involved.

During the year, the issue of packaging was addressed by several projects and initiatives. We have improved our management in different parts of our business by increasing the share of collected plastic, switching to mono-material plastic packaging to improve recyclability, and switching to paper lids for the Picadeli salad bar in several countries.

"60 percent of the packaging material for our own brands is made from renewable raw materials, and 88 percent of it is recyclable."

New compostable salad bowl and paper lid

In 2023, Picadeli launched a compostable paper salad bowl certified as plastic-free by Flustix. The bowl looks like a regular salad bowl but has a water-based dispersion coating on the inside. We of course advocate recycling, but if the bowl ends up in nature, it will degrade over time. The bowl also meets the regulatory requirement for the takeaway sector to offer a reusable option, as there is an exemption for products that are entirely paper-based.

Picadeli has also introduced an award-winning cardboard lid that will eliminate 250 tons of plastic annually and began phasing it in during fall 2023.

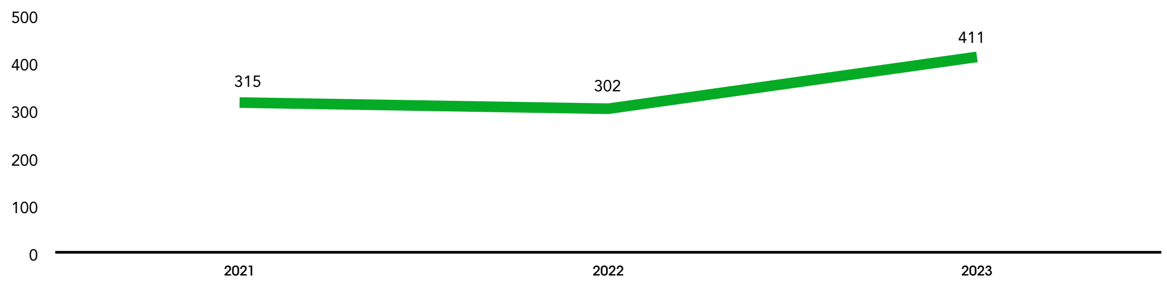
WATER CONSUMPTION

"During the year, several workshops were held with Fresh Produce staff to further address water stress risks in the supply chain."

Continuous monitoring of water use in our production process
For several years, we have been measuring water consumption and emissions, especially in our production facilities, which is where the most water is used. In our own production, we have implemented several measures relating to water consumption. Using digital tools, we follow the water's path to see where excess water goes, monitor the water temperature, and calculate how much water is consumed. We vacuum to separate biological waste from return water, thereby optimizing water management. Due to the double production facilities associated with the move to Greenhouse, water use increased by 36 percent in 2023. By next year, our water consumption is expected to decrease again.

Water impact in the supply chain
Water is essential for all living beings, and it is crucial for companies that produce fresh fruit and vegetables around the world. Greenfood's commitment to the water issue concerns both pollution and water scarcity. Fresh Produce requires suppliers to be certified to Global GAP (Good Agriculture Practice). Many suppliers also have or are working toward achieving Global GAP SPRING, which is an addition to the Global GAP certification that deals specifically with water management. In 2024, we will rework our approach so that we have new, ambitious targets for water use in our supply chain from 2025 and onwards.

Water consumption in own production facilities
1,000s of cubic meters of water consumed



BIODIVERSITY

Consideration of biodiversity in the supply chain

Current food production systems are based on agricultural expansion and overuse of resources. This contributes to climate change and biodiversity loss. Land use change – particularly deforestation – has been identified as a major cause of biodiversity loss. The loss disrupts the delicate balance of the ecosystem, threatens food security and affects human health and well-being. Many companies are also affected financially.

Tackling biodiversity loss is crucial for ensuring a sustainable and resilient future and policies on sustainable land use, responsible sourcing and reducing food waste can help address these challenges. At Greenfood, we worked during the year to refine our supplier requirements and supplier assessment with regard to risks relating to biodiversity loss.

How Greenfood works with biodiversity

We depend on fertile farmland and ecosystem services for our production. Our business operations thus both affect and are affected by biodiversity, which has made it one of our priority focus areas.

To help in this regard, we are adapting the production methods for our food. We require all products to be grown using only EU-compliant pesticides, regardless of whether they are grown inside or outside the EU. We also work actively to bring in certified products. At present, certified foods such as MSC and ASC for seafood and ekologiskt (organic), KRAV and Fairtrade account for 13 percent of the total volume sold (in kg).

At our head office, Greenhouse in Helsingborg, we have focused on protecting and restoring natural habitats by planting flora that matches the nearby Bruce's Forest nature reserve. No less than 50 different species have been planted and the area intertwines the vegetation around Greenhouse, creating a natural corridor to other green areas and a good habitat for birds and pollinating insects.

Greenhouse's outdoor environment was designed with a focus on promoting biodiversity, with the area being divided into three zones. One zone focuses on edible plants, another zone mimics the old Scanian agricultural landscape and a third zone has been filled with 25 different species of meadow flowers, wild roses, elderberries, and cherries.

PEOPLE

We want everyone who works for Greenfood – somewhere in the value chain – to have a good workplace. We strive to create good working conditions within our own organization own organization as well as for others working in our supply chain. We are convinced that by joining forces and together with our and together with our suppliers, we can contribute to improved working conditions and more satisfied employees at all levels.

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

WORKING CONDITIONS

Our employees are our most important resource

In 2023, Greenfood had a total of 1,188 employees in our companies in Europe and the US. No matter the company or continent, our goal is always to provide safe and secure workplaces that are free from discrimination and harassment, and where people can thrive. We believe that we have good opportunities to be seen as an attractive employer by offering work in an international group with good development opportunities that works with a vital business area – food.

The Code of Conduct guides us

Our Code of Conduct and the principles upon which it is based[1] guide us and help us run our operations in a way that demonstrates responsibility for individuals, business, and the environment. We strive to have an open-minded corporate culture where ethical, social and environmental issues can be discussed openly. By abiding by our Code of Conduct, we build trust and long-term relationships with our suppliers and partners. New employees are asked to read and sign the Code of Conduct. Our managers and human resources functions work continuously to ensure compliance with the Code of Conduct.

Job satisfaction, equal opportunities and leadership

In Greenfood's organization, we work in a structured way with our target areas. In the category of own employees, the target areas are: working conditions, reconciliation of parenthood and work, pay and employment conditions, recruitment and promotion, and training and skills development. The target areas are categorized under three main areas: job satisfaction, equal opportunities and leadership.

During the year, work continued with employee surveys as a tool for monitoring what progress we are making toward target fulfillment in each area. In 2023, one of the Fresh Produce business areas chose to further develop this work by also conducting monthly measurements. This survey is called Pulse and was launched in late 2023.

Of the Group's employees, almost 3 of 5 were given the opportunity to participate in employee surveys in 2023; not everyone was offered the opportunity because the rollout of the pulse system delayed the participation of some employees or because their company has too few employees to ensure anonymity. For these companies that took part, the average response rate was 72 percent. The vast majority of our employees enjoy their work, with an eNPS value of 80 among respondents. Another measure Greenfood uses is the so-called "green score" (see fact box for more info), and this was for example fulfilled by all Picadeli companies. More information about Picadeli's work with "Great place to work" is available on next page.

Gender balance in management positions

Greenfood aims to have a gender split for employees with staff responsibilities and in management teams of around 40/60. The Group average is currently 33 percent female employees with management responsibilities and 31 percent women on management teams.

Leadership training helps empower women in the organization. For the last four years, the group has run an internal leadership training program and in 2023 the goal was to have an more female than male participants in order to reach the target of gender balance in management positions. Female participation in the 2023 leadership training was 53 percent.

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

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

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WORKING CONDITIONS

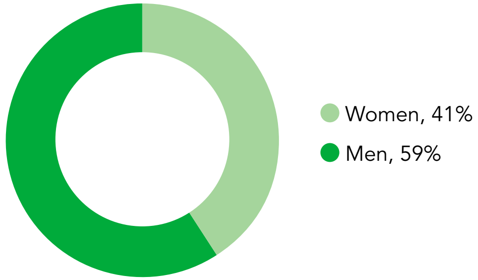
More reported incidents but fewer accidents

The business operations in the Group most affected by injuries are our production and storage companies. This is expected given the risks associated with, for example, forklift traffic, loading and unloading and production machinery. There are therefore clear processes for monitoring occupational health and safety on site.

The trend of increased reporting of the number of incidents continues. At the same time, the number of accidents and injuries is decreasing relative to the number of reported incidents. This is a clear result of the work done to increase internal understanding of why reporting is important. It allows for a systematic investigation of causes in order to take action and avoid future accidents. We see a clear link between our continuous development of working methods, reporting and follow-up and a reduction in the number of accidents and injuries.

Absence due to sick leave decreased during the year to 4.0 percent (4.7).

Employees 2023[1)]



[1)] Based on number of employees by the end of the year.

Work environment in numbers

	2021 (number)	2022 (number)	2023 (number)
Incidents	185	289	229
Accidents	69	74	65
Injuries followed by sick leave	33	26	44
Serious injury[1)]	1	0	0
Diseases	15	8	4
Deaths	0	0	0

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

Picadeli – A great place to work

We are proud to say that Picadeli is "A Great Place to Work™" certified in all its markets, with a 100 percent response rate in the business area. Our employees highlight in particular pride and camaraderie: pride in what they achieve together, and the experience of safe, good camaraderie. We have also received top marks for how we welcome new "Picadelians".

Facts about certification

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

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

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SUPPLY CHAIN

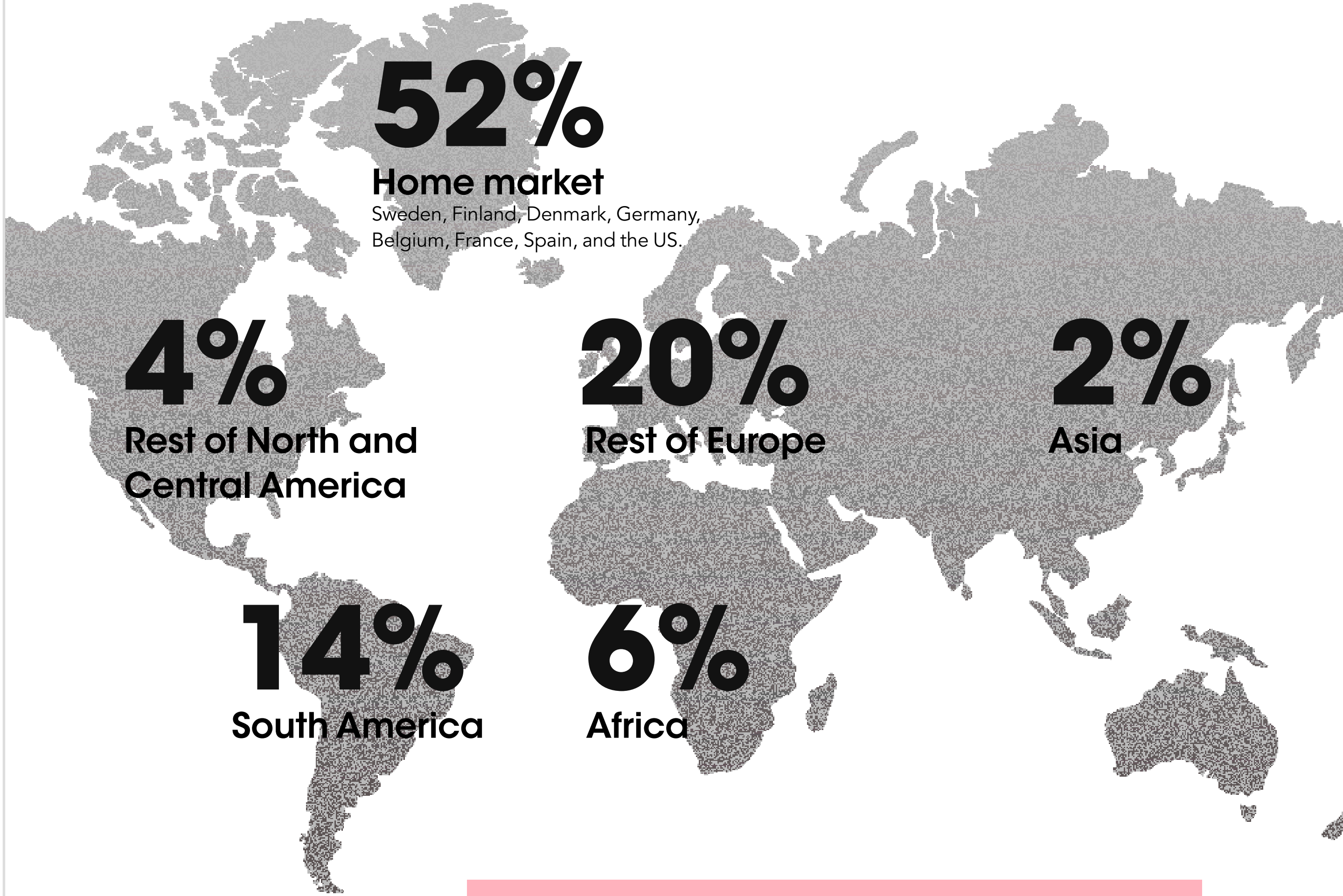
Human rights in a dispersed supply chain

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

There is a risk that human rights may be violated in our supply chains and we work actively to identify, prevent and eliminate such risks. These include wage conditions, precarious employment, forced labor, opportunities for trade union involvement, and the impact on the local community. Through our membership in Amfori BSCI and Ethical Trading Initiative Sweden, we have access to support and tools that contribute to the effectiveness of our work. We work in this forum with others in the industry to exchange experiences and contribute to jointly improving conditions in our supply chains.

In 2023, Greenfood conducted audits in Morocco, Turkey, Ecuador, India and South Africa. These were done either by ourselves or by third-partyauditors.

In 2023, the general stability has changed in several supplier countries; then Greenfood does its own research, via industry organizations such



Greenfood's supply chain is large. The raw materials and products originate in several different countries. The map shows the geographical origin of around 95 percent of Greenfood's purchases of goods and products (measured by weight).

SUPPLY CHAIN

as ETI Sweden and direct dialogue with suppliers. Examples of countries where this has happened are Peru, Ecuador and Sudan.

In 2024, the Group will work to identify the origin of compound ingredients. We will continue to develop the cooperation with our suppliers, including those further away in the supply chain, while also focusing on further strengthening processes for managing suppliers with identified risks. 81 percent (88) of Greenfood's purchasing volumes were from suppliers who have signed our Code of Conduct.

Preventing corruption internally and externally
Corruption and poor business ethics can lead to non-compliance with legal requirements and can affect our profitability and credibility. We prevent corruption in our own operations by providing training and with internal processes. Our anti-corruption policy helps employees identify situations in which corruption may arise and how they should act in such cases.

Our Supplier Code of Conduct makes it clear that corruption is not tolerated.

Since 2018, we have had an external whistleblowing system via which employees or others in the supply chain can report misconduct that violates laws and regulations or the ethical guidelines of our Code of Conduct. The system guarantees complete anonymity and is managed by an independent party. In 2023, a total of 24 cases were reported through the whistleblowing function, mostly by customers and consumers using the function as a general contact channel, but two cases that constituted deviations from Greenfood's Code of Conduct were identified. It was possible to close all the cases during the year and the function is considered to be working well.

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

COMMUNITY ENGAGEMENT

Together for a better society

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

During the year, we had several active partnerships that generate involvement and support our sustainability efforts. For example, we have collaborated with Generation PEP, which focuses on young people's well-being and aims to encourage young people to exercise more. We already have several partnerships for food donations, for example with Matmissionen in Sweden and Les Restaurants du Cœur in France. Greenfood contributes in this way by putting food that cannot be sold to good use.

Donations of the year

FUNDACIÓN INGENIO Enraizados con la tierra
PLANT FOR LIFE
Operation Smile
RSCUED
LES RESTAURANTS DU COEUR LES RELAIS DU COEUR
ViaDia KESKI-UUSIMAA
GENERATION PEP! SWEDEN
matmissionen handla med omtanke

Financial donations for the year

This year's donations have gone to organizations that support those in need in various ways. Recipients of our donations include Fundacion Ingenio in Spain, Operation Smile and Generation PEP.

Daily Greens donations increase in line with sales

For our Daily Greens brand, donations are linked to sales. For example, Daily Greens contributes to an operation on children born with a cleft lip, cleft jaw or cleft palate for every container of bananas sold. So far, 1,695 children have had such operations since 2020, including 576 in 2023.

Plant for life – we collect to plant trees

For every ton of fruit and vegetables sold by Greenfood Iberica from Daily Greens, a tree is planted by the organization Plant for the Planet. The funds donated so far have enabled 3,640 trees to be planted in 2023. A total of 25,678 trees have been planted so far. Plant for the Planet calculates that every planted tree absorbs 200 kg CO_2 during its lifetime. If we assume that each planted tree lives its full lifetime, this means that the trees planted in 2023 will absorb 4,370 tons of CO_2.

> "We have several active partnerships that generate involvementand support our sustainability efforts."

AUDITOR´S REPORT ON THE STATUTORY SUSTAINABILITY REPORT

Unofficial translation of the Swedish original

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

Engagement and responsibility

It is the board of directors who is responsible for the statutory sustainability report for the year 2024 on pages 14-16 and 37-61 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 12 The auditor's opinion regarding the statutory sustainability report. This means that our examination of the statutory sustainability report is substantially different and less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinion.

Opinion

A statutory sustainability report has been prepared.

Helsingborg, 25 April 2024

PricewaterhouseCoopers AB

Signatures on Swedish original

Eric Salander
Authorised Public Accountant

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ACCOUNTING IN ACCORDANCE WITH THE EU TAXONOMY REGULATION

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

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

		Share of economic activities eligible for the EU taxonomy (% of total)	
	Total, SEK million	**Eligible**	**Eligible and aligned**
Turnover	5,687[1)]	0.7	0.0
Capital expenditure (CapEx)	866[2)]	66.1	0.4
Operating expenditure (OpEx)	62[3)]	2.0	0.0

1) Net sales in accordance with the consolidated income statement. See p. 87.
2) Capital expenditure includes intangible assets and property, plant and equipment and rights of use as shown in the consolidated balance sheet. See consolidated financial statements, Notes 17–19.
3) Operating expenditure includes the Group's direct costs related to building renovations, short-term leases and maintenance and repairs as shown in the Group's income statement. Constitutes part of other external costs in the consolidated income statement. See consolidated financial statements, Note 8.

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

Assessment of compliance with the Taxonomy Regulation Services regarding road transport of goods (6.6)

Greenfood is eligible for the activity "Services regarding road transport of goods" (6.6) according to the environmental objective "Limitation of climate change". This includes revenue within road transport within the subsidiary Greenfood Iberica as well as costs for repairing owned trucks within the subsidiary Trädgårdshallarna. 0.7 percent of the revenue and 2.0 percent of the operating expenses are related to "Services regarding road transport of goods" and are not aligned with the EU taxonomy.

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

Greenfood is eligible for the activity "Installation, maintenance, and repair of renewable energy technologies" (7.6) according to the environmental objective "Limitation of climate change", due to the installation of solar panels. 0.2 percent of the capital expenditures relate to "Installation, maintenance, and repair of renewable energy technologies", and of these 100 percent fulfill the requirements for alignment with the EU taxonomy.

Installation, maintenance and repair of electric vehicle charging stations in buildings (7.4)

Greenfood is eligible for the activity "Installation, maintenance and repair of electric vehicle charging stations in buildings" (7.4) according to the environmental objective "Limitation of climate change". This is linked to the installation of charging points at our new Greenhouse property. 0.2 percent of the capital expenditures relate to "Installation, maintenance, and repair of renewable energy technologies", and of these 100 percent fulfill the requirements for alignment with the EU taxonomy.

Acquisition and ownership of buildings (7.7)

Greenfood is eligible for the activity "Acquisition and ownership of buildings" according to the environmental objective "Limitation of climate change". 64.1 percent of capital expenditure relates to "acquisition and ownership of buildings" and the majority of this is linked to the acquisition of our new property "Greenhouse". Greenfood relies on third party information to prove alignment with the EU taxonomy and as this was not available, an assessment of alignment with the taxonomy could not be carried out.

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

Greenfood is eligible for the activity "Transport by motorcycles, passenger cars, and light motor vehicles" (6.5) according to the environmental objective "Limitation of climate change". It is the leasing of passenger cars within Greenfood AB, and about 1.6 percent of the capital expenditures belong to "Transport by motorcycles, passenger cars, and light motor vehicles". Extensions of leasing agreements are not included, but only new agreements that were added during 2023. Greenfood relies on third party information to assess alignment with the taxonomy. As this information was not available, a full assessment of alignment with the taxonomy could not be carried out.

Accounting principles

There are three financial KPIs that are reported: the proportion of the business that is environmentally sustainable according to the taxonomy regarding turnover, capital expenditure and operating expenditure, which are to be reported broken down by the EU's six environmental objectives. Greenfood's method for calculating the three KPIs is described below.

Turnover

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

Capital expenditure (CapEx)

The value of the assets that are eligible for the taxonomy corresponds to the acquisition value of these through the total acquired fixed assets, including right-of-use assets during the current reporting period (see notes, 17, 18, and 19). Total capital expenditure refers to the year's acquisitions of tangible and intangible assets.

Capital expenditures for Greenfood that are eligible for the taxonomy are solar panel installations, charging infrastructure for electric vehicles, and new leasing contracts for real estate and passenger cars.

Operating expenditure (OpEx)

According to the taxonomy, operating expenditure that is eligible should correspond with direct, non-capitalizable costs for daily maintenance that may be or may become environmentally sustainable. More specifically, this includes building renovation and maintenance and repair.

For Greenfood, this includes repair and maintenance costs for trucks, as well as repair and maintenance of property. From a Group perspective, the cost share is small as the financial impact is limited. However, costs seen as contributing to Greenfood's transition process through reduced greenhouse gas emissions, such as operating costs related to the Group's solar panels, purchased green electricity and fuel costs, are not included in the taxonomy.

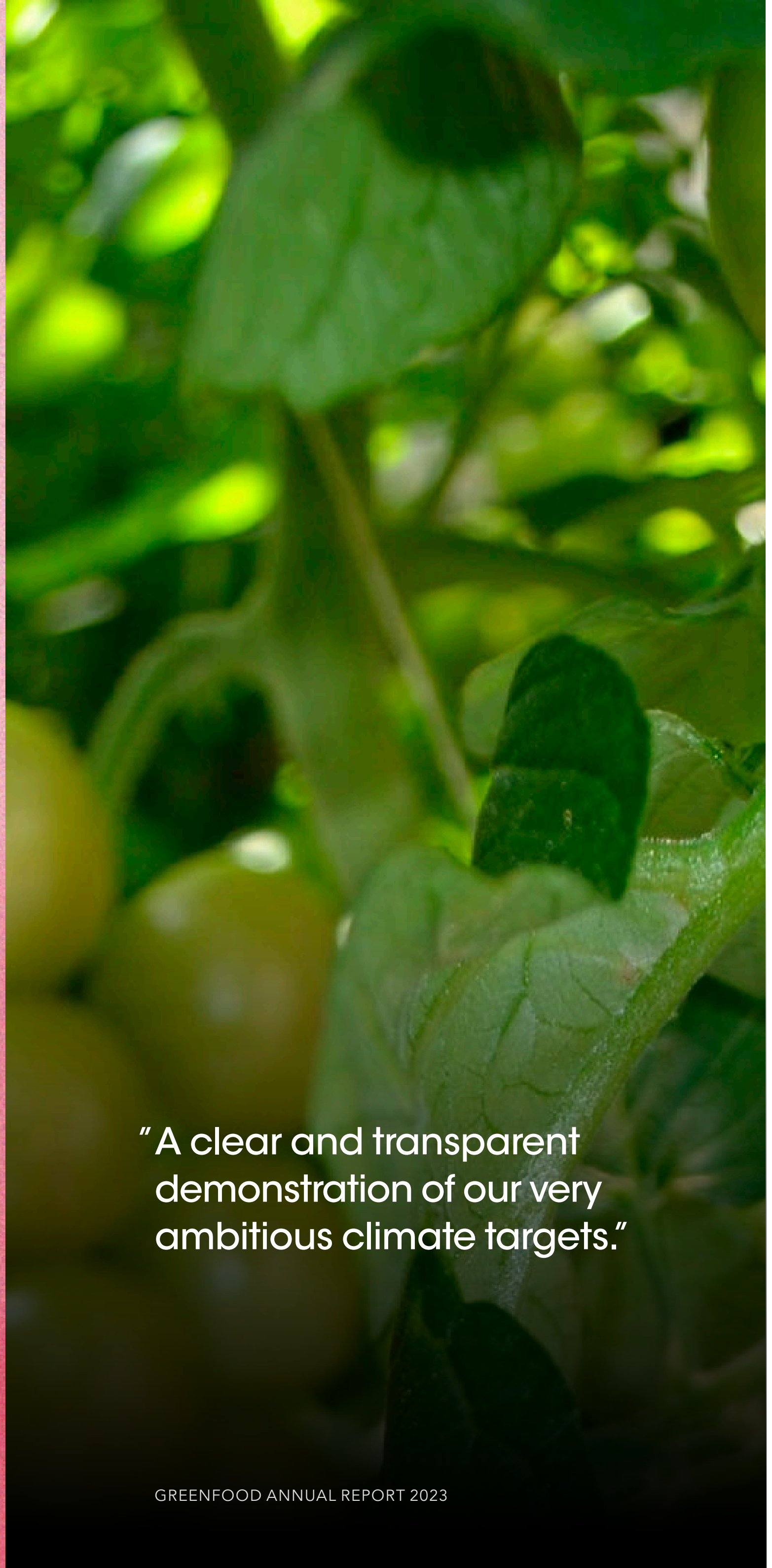
Nuclear and fossil gas related economic activities, in accordance with (EU) 2022/1214

Row	Nuclear energy related economic activities	
1	The company conducts, finances or is exposed to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear energy processes with minimal waste from the fuel cycle	No
2	The company carries out, finances or is exposed to the construction and safe operation of new nuclear facilities for the production of electricity or process heat, including for district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using the best available technology.	No
3	The company carries out, finances or is exposed to the safe operation of existing nuclear facilities producing electricity or process heat, including for district heating or industrial processes such as hydrogen production from nuclear energy, as well as safety upgrades of these.	No
	Fossil gas related economic activities	
4	The company undertakes, finances or is exposed to the construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	No
5	The company carries out, finances or is exposed to the construction, renovation and operation of plants for the combined production of heating/cooling and electricity using fossil gaseous fuels	No
6	The company carries out, finances or is exposed to the construction, renovation and operation of heat production facilities that produce heat/cooling using fossil gaseous fuels.	No

Turnover				Substantial contribution criteria						DNSH criteria (Do No Significant Harm)									
Economic activities	Code	Turnover	Proportion of turnover in 2023	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Minimum protection measures	Percentage aligned with taxonomy requirements (A.1.) or eligible for taxonomy requirements (A.2.) turnover, in 2022	Category enabling activities	Category transition activity
		SEK million	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	M	O
A. ECONOMIC ACTIVITIES ELIGIBLE FOR THE TAXONOMY																			
A.1 Environmentally sustainable (taxonomy-aligned) economic activities																			
Turnover of environmentally sustainable (taxonomy-aligned) economic activities (A.1)		0.0	0.0%	–	–	–	–	–	–	–	–	–	–	–	–	–	0%		
Of which enabling activities		0.0	0.0%	–	–	–	–	–	–	–	–	–	–	–	–	–	0%	M	
Of which transition activities		0.0	0.0%	–						–	–	–	–	–	–	–	0%		O
A.2. Taxonomy-eligible but not environmentally sustainable economic activities (not aligned with taxonomy) (g)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Services regarding road transport of goods	CCM 6.6	41.7	0.7%	EL	EL	N/EL	N/EL	N/EL	N/EL								0%		
Turnover for taxonomy-eligible but not environmentally sustainable economic activities (not aligned with taxonomy) (A.2)		41.7	0.7%	0.7%	–	–	–	–	–								0%		
A. Capital expenditure of taxonomy-eligible economic activities (A.1 + A.2)		41.7	0.7%	0.7%	–	–	–	–	–								0%		
B. ECONOMIC ACTIVITIES NOT ELIGIBLE FOR TAXONOMY																			
Turnover of economic activities not eligible for the taxonomy		5,645.5	99.3%																
TOTALT		5,687.2	100.0%																

Capital expenditure (CapEx)				Substantial contribution criteria						DNSH (Do No Significant Harm) criteria									
Economic activities	Code	Capital expenditure	Share of capital expenditure in 2023	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Minimum protection measures	Percentage aligned with taxonomy requirements (A.1.) or eligible for taxonomy requirements (A.2.) capital expenditure, in 2022	Category enabling activities	Category transition activity
		SEK million	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	M	O
A. ECONOMIC ACTIVITIES ELIGIBLE FOR THE TAXONOMY																			
A.1 Environmentally sustainable (taxonomy-aligned) economic activities																			
Installation, maintenance and repair of electric vehicle charging stations in buildings	CCM 7.4	1.4	0.2%	Y	–	N/EL	N/EL	N/EL	N/EL	–	Y	–	–	–	–	Y	0%	M	–
Installation, maintenance, and repair of renewable energy technologies	CCM 7.6	1.7	0.2%	Y	–	N/EL	N/EL	N/EL	N/EL	–	Y	–	–	–	–	Y	0%	M	–
Capital expenditure of environmentally sustainable activities (Taxonomy-aligned) (A.1)		3.1	0.4%	0.4%	–	–	–	–	–	Y	Y	Y	Y	Y	Y	Y	0%		
Of which enabling activities		3.1	0.4%	0.4%	–	–	–	–	–	Y	Y	Y	Y	Y	Y	Y	0%	M	
Of which transition activities		0.0	0.0%	0.0%						–	–	–	–	–	–	–	0%		O
A.2. Taxonomy-eligible but not environmentally sustainable economic activities (not aligned with taxonomy) (g)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Acquisition and ownership of buildings	CCM 7.7	554.7	64.1%	EL	EL	N/EL	N/EL	N/EL	N/EL								0%		
Transport by motorcycles, passenger cars, and light motor vehicles	CCM 6.5	14.3	1.6%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
Capital expenditure of taxonomy-eligible but not environmentally sustainable economic activities (not aligned with taxonomy) (A.2)		569.0	65.7%	65.7%	–	–	–	–	–								0%		
A. Capital expenditure of taxonomy-eligible economic activities (A.1 + A.2)		572.1	66.1%	66.1%	–	–	–	–	–								0%		
B. ECONOMIC ACTIVITIES NOT ELIGIBLE FOR TAXONOMY																			
Capital expenditures of economic activities not eligible for the taxonomy		293.4	33.9%																
TOTALT		865.5	100.0%																

Operating expenditure (OpEx)				Substantial contribution criteria						DNSH (Do No Significant Harm) criteria									
Economic activities	Code	Operating expenditure (OpEx)	Share of operating expenditure in 2023	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Minimum protection measures	Percentage aligned with taxonomy requirements (A.1.) or eligible for taxonomy requirements (A.2.) operating expenditure, in 2022	Category enabling activities	Category transition activity
		SEK million	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	M	O
A. ECONOMIC ACTIVITIES ELIGIBLE FOR THE TAXONOMY																			
A.1 Environmentally sustainable (taxonomy-aligned) economic activities																			
Operating expenditure for environmentally sustainable (taxonomy-aligned) economic activities (A.1)		0.0	0.0%	–	–	–	–	–	–	–	–	–	–	–	–	–	0%		
Of which enabling activities		0.0	0.0%	–	–	–	–	–	–	–	–	–	–	–	–	–	0%	M	
Of which transition activities		0.0	0.0%	–						–	–	–	–	–	–	–	0%		O
A.2. Taxonomy-eligible but not environmentally sustainable economic activities (not aligned with taxonomy) (g)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Services regarding road transport of goods	CCM 6.6	1.3	2.0%	EL	EL	N/EL	N/EL	N/EL	N/EL								0%		
Operating expenditure for taxonomy-eligible but not environmentally sustainable economic activities (not aligned with taxonomy) (A.2)		1.3	2.0%	2.0%	–	–	–	–	–								0%		
A. Operating expenditure of taxonomy-eligible economic activities (A.1 + A.2)		1.3	2.0%	2.0%	–	–	–	–	–								0%		
B. ECONOMIC ACTIVITIES NOT ELIGIBLE FOR TAXONOMY																			
Operating expenditures of economic activities not eligible for the taxonomy		61.0	98.0%																
TOTALT		62.3	100.0%																



GREENFOOD'S SUSTAINABILITY-LINKED BOND – THE BASIS FOR GREEN GROWTH

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

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

Highest rating in independent review

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

What is a sustainability-linked bond?

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

	TARGET	STATUS	Focus needed / On track / Achieved
1	Reduce climate emissions in Scope 1 and Scope 2 by 55 percent per ton of food sold by 2025 (baseline year 2020).	Reduced by 60.2 percent, which means we are in line with our 2025 target level.	
2	**a)** Define science-based targets for reducing climate emissions and have these validated by Science Based Targets initiative by 2023.	**a)** In August 2023, our science-based climate targets were validated by SBTi.	
	b) Reduce our climate impact in line with science-based climate targets by 2025.	**b)** Work is currently underway to define a 2025 target in line with these.	
3	Reduce food waste by 20 percent per ton of food sold by 2025 and by 45 percent by 2030 (baseline 2019).	Reduced by 6.0 percent. By obtaining permission in 2023 to handle animal feed, we expect a larger reduction in 2024.	

TARGET 1 – Reduced climate emissions in Scope 1 and 2
In 2023, our Scope 1 and 2 carbon emissions per ton of food sold were 60.2 percent lower than the 2020 baseline year, which means we are on course to achieve our 2025 target level. The decrease compared to the baseline year is explained by a higher share of renewable energy in our production, increased energy efficiency and consolidation of production facilities. With the installation of solar panels at Greenhouse, and an expected reduction in energy consumption in 2024, we predict further reductions in our Scope 1 and 2 emissions.

TARGET 2 – Scientific climate targets
In August 2023, our targets were approved by SBTi. Greenfood commits to reducing its absolute Scope 1 and 2 greenhouse gas emissions by 42.0 percent by 2030, compared to the 2021 baseline year. Greenfood also commits to reduce Scope 3 greenhouse gas emissions from purchased food, as well as upstream transportation and distribution, by 51.6 percent per ton of food sold, within the same timeframe. The second part of this KPI is to define an interim target for 2025 in line with our SBTi targets, and that work has started. The interim target will be published in our Sustainability Linked Bond Framework at Greenfood.se in 2024.

TARGET 3 – Reduced food waste
In 2023, food waste per ton of food sold was 6.0 percent lower than in the baseline year 2019. This indicates that the temporary increase associated with the move to Greenhouse has now been addressed. A highlight of the year was that approval was granted for the handling of animal feed at Greenhouse. The approval is an important milestone in reaching the food waste reduction target by 2025. The two production sites that account for the majority of our food waste (over 80 percent combined) are now licensed to handle animal feed. In 2024, we hope to start regular deliveries of non-edible food waste to feed producers, and aim to carry out test deliveries already in the first quarter of the year.

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

SUSTAINABILITY NOTES

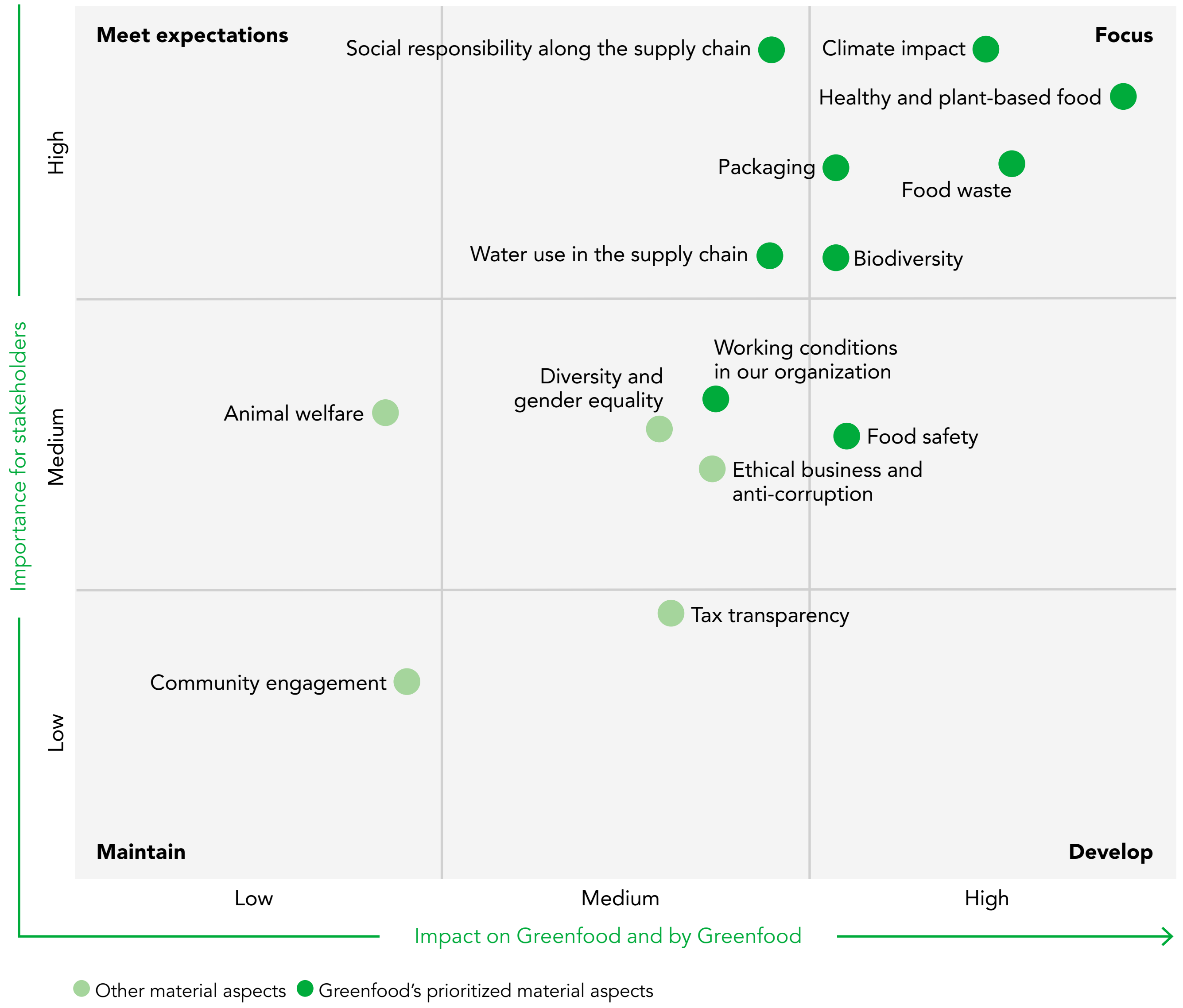
Materiality analysis

In 2023, a new and comprehensive analysis of the business was carried out. The analysis has a double materiality perspective, which means that we have considered how the Group is impacted by changes to various aspects of sustainability, such as climate change, but we have also analyzed our impact on society and environment.

In the materiality analysis result, we identify the following focus areas as the most important to work with in our sustainability initiatives:

- Climate impact
- Healthy and plant-based food
- Food waste
- Social responsibility along the supply chain
- Packaging
- Water use in the supply chain
- Biodiversity
- Working conditions in our organization
- Food safety

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



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AUDITOR'S LIMITED ASSURANCE REPORT ON GREENFOOD AB'S SUSTAINABILITY LINKED BOND

Unofficial translation of the Swedish original

To Company Greenfood AB (publ), org.nr 559035-9104

Introduction
We have been engaged by the Board of Greenfood AB (publ) to undertake a limited assurance of Greenfood AB's Sustainability Linked Bond reporting according to the criteria presented in Greenfood AB's Sustainability Linked Bond Framework dated September 2021 (pages 20–25) for the period 2023 as outlined on pages 69–71 ("Sustainability Reporting").

Responsibilities of the Group Management
The Group Management are responsible for the preparation of the Sustainability Reporting in accordance with the criteria's outlined in Greenfood's Sustainability Linked Bond Framework ("the framework") dated September 2021 (pages 20–25) available on Greenfood's website (www.greenfood.se) and consist of the accounting and calculation principles that the company has developed. This responsibility includes the internal control relevant to the preparation of a Sustainability Report that is free from material misstatements, whether due to fraud or error.

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

We conducted limited assurance procedures in accordance with ISAE 3000 (revised) Assurance Engagements Other than Audits or Reviews of Historical Financial Information. A limited assurance engagement consists of making inquiries, primarily of persons responsible for the preparation of the Sustainability Report, and applying analytical and other limited assurance procedures. A limited assurance engagement has a different focus and a considerably smaller scope compared to the focus and scope of an audit in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden.

The audit firm applies ISQM 1 (International Standard on Quality Management) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We are independent in relation to Greenfood AB (publ) according to generally accepted auditing standards in Sweden and have fulfilled our professional ethics responsibility according to these requirements.

The procedures performed in a limited assurance engagement do not allow us to obtain such assurance that we would become aware of all significant matters that could have been identified if an audit was performed. The conclusion based on a limited assurance engagement, therefore, does not provide the same level of assurance as a conclusion based on an audit has.

Our procedures are based on the criteria defined by the Board of Directors and the Group Management as described above. We consider these criteria suitable for the preparation of the Sustainability Report.

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

Conclusion
Based on the limited assurance procedures we have performed, nothing has come to our attention that causes us to believe that the Sustainability Reporting is not prepared, in all material respects, in accordance with the criteria's defined by in Greenfood AB's Sustainability Linked Bond Framework dated September 2021 (pages 20–25).

Helsingborg den 25 april 2024

PricewaterhouseCoopers AB

Signatures on Swedish original

Eric Salander
Auktoriserad revisor

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ORDERLY GREEN GROWTH

CORPORATE GOVERNANCE REPORT

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

Shares and shareholding

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

Shareholders' voting rights

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

Articles of Association

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

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

In 2023, the General Meeting did not authorize the Board to decide on new share issues or acquisition of own shares (provided that it does not require an amendment to the Articles of Association, according to Chapter 13, Section 35 of the Companies Act). Previously, only one bonus issue has been carried out in connection with the conversion of Greenfood AB to a public limited company in October 2021.

Internal control over financial reporting

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

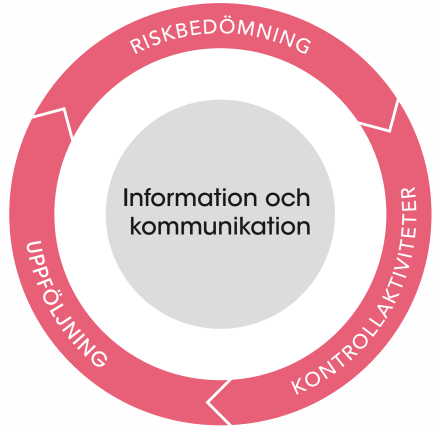
Control environment

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

Risk assessment

Each business area conducts risk assessments on an ongoing basis, and the assessment is that the Group navigate these through a good understanding of the business and good cooperation with business partners. However, this approach must be complemented by a more robust operational model for identifying and reporting on risks. Roles and responsibilities must be formalized and clarified. See also the risk section on page 79.

Control environment



Control activities

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

Information and communication

In 2022, Greenfood's Board of Directors adopted an information policy that regulates Greenfood's disclosure of information. By providing reliable information and communicating clearly, Greenfood can build trust with investors and other stakeholders.

The information policy regulates how information is communicated and includes guidelines for all internal and external communication. The policy aims to clarify the distribution of responsibilities for communication and to contribute to consistent communication within and outside the company. In addition, the company's insider policy contains detailed information on the disclosure of insider information.

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

Monitoring of internal control

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

Greenfood's Code of Conduct

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

Greenfood's Code of Conduct

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

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

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

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

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

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

Clearer sustainability alignment provides greater focus

During the year, Greenfood made its sustainability work more efficient by implementing a uniform sustainability management system. This system, available to all companies and employees within the Group, integrates sustainability initiatives across different business areas by collecting policy documents together and making them available, defining targets related to focus areas, and standardizing reporting processes.

"The new sustainability management system is an important part of directing our organization towards common sustainability targets and maintaining our high level of ambition," says Lisa Isaksson, Head of Sustainability at Greenfood.

GREENFOOD'S BOARD OF DIRECTORS

Stefan Jacobsson
Chairperson

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

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

Anette Rosengren
Member of the board

Nordic Managing Director at Philip Morris International

Current non-executive board member of Orthex Oyj

Previously a board member at Altia Oyj, the Swedish Food Federation (Livsmedelsföretagen), Confederation of Swedish Enterprise (Svenskt Näringsliv), DLF, Lantmännen Research Foundation, Center of Innovation, European Snacks Association and Lantmännen Axa

Previous work experience from Unilever, Kraft Foods, Lantmännen and Fazer

BSc in Marketing from Lund University

Tiemo Grimm
Member of the board

Managing Director at Nordic Capital

19 years of experience in finance

Current or previous board member at six other companies owned by Nordic Capital

Previously an investment banker at Lazard

MBA from the University of Passau, Germany

Hanna Shen
Member of the board

Investment Manager at Nordic Capital

Previously a strategy consultant at Boston Consulting Group

BSc in Business Administration from the University of Mannheim

Anders Johansson
Member of the board

Director at Fidelio Capital
Currently board member at iBinder

Previously a board member at Vet-Family and Nextmune

Previous professional experience from Areim and Bank of America Merrill Lynch

MSc in Accounting, Strategy and Control from Copenhagen Business School

GREENFOOD'S MANAGEMENT

David von Laskowski
CEO of Greenfood & Picadeli

At Greenfood since 2014

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

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

Mattias Engberg
CFO

Part of group management since 2014

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

MBA from Rotterdam School of Management

Lisa Isaksson
Head of Sustainability

Part of group management team since 2018

Over 20 years of experience in the food industry. Has been responsible for the Group's sustainability work since 2018 and also has broad experience from marketing and communication with brands such as Picadeli, Ridderheims, Santa Maria, Dafgård, and Gorbys

Bjorn Johansson
CEO of Food Solutions

Part of group management team since 2010

Industry experience since 1989 with leading positions in the food industry

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

David Bennertun
Chief Commercial Officer Sales Picadeli

Part of group management since 2017

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

Ted Stenshed
CEO of Fresh Produce

Part of group management since 2017

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

WE WORK CONTINUOUSLY TO REDUCE RISK

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

Greenfood's Board of Directors has overall responsibility for ensuring that the Group employs adequate risk management, including through identification, assessment and reduction of risks. Operational responsibility lies with the CEO who is responsible for ensuring that the company manages the risks in line with the framework approved by the Board of Directors. Greenfood has a policy package to support the management of significant risks. Other risks are managed naturally in the ongoing work via board reporting and management team meetings.

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

Operational risks

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

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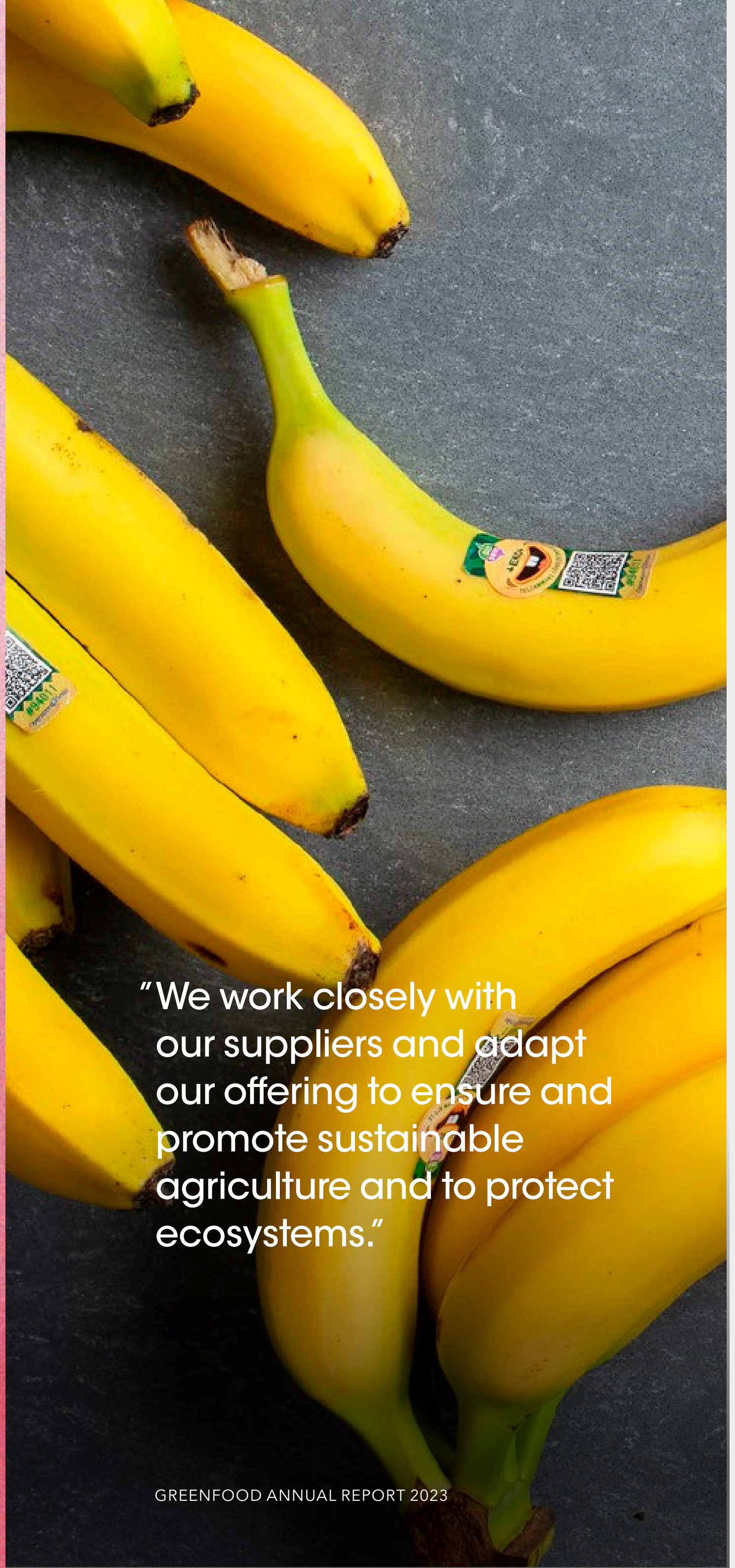

Market risks

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

Market risks cont.

Description of risk	Risk mitigation
Legal requirements and regulations With subsidiaries in multiple countries, Greenfood is impacted by different laws, taxes and regulations in different markets. It is of great importance for Greenfood to comply with regulations and adapt its operations to national and international laws. Violations or neglect of laws and regulations can damage the Group's reputation, lead to sanctions and fines, and negatively affect profitability. Upcoming societal adjustments and legislation to combat climate change make it particularly important for Greenfood to be active and agile when it comes to adapting to new regulations.	We regularly review the legal context in which we operate by ensuring that each subsidiary monitors and adapts its activities in accordance with the legal requirements initiated and the markets in which they are active. In the case of new legislation or regulations being introduced, appropriate actions are decided in good time before the new regulations are implemented. CSRD, CSDDD and the Deforestation Regulation are three legislative measures that will affect Greenfood and have an impact on our work processes. Adaptation to these legislative measures are ongoing so that we can ensure compliance well before the legislation enters into force.

Reputational risks

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

Financial risks

Description of risk	Risk mitigation
Currency	
Since Greenfood has operations and sales in several countries, fluctuating exchange rates, especially between SEK, EUR and USD, can create unexpected variations in cash flow and earnings.	Greenfood employs efficient forex management, with a policy that pragmatically addresses the flows in its various business areas.
Interest rates	
Elevated market interest rates increase Greenfood's costs and impair earnings and cash flow.	Greenfood continuously monitors developments on the interest rate market and considers various management options, according to the Group's finance policy. Greenfood's cash flow hedge was established in 2022. Its purpose is to mitigate interest rate risk in anticipation of further rate hikes and to minimize the impact of potential future increases (50% of the effect at an underlying STIBOR of 4%). Currently, the market expects stable or lowered interest rates. Current liquidity covers expected interest rate movements.
Financing risk	
The Greenfood Group's main financing is via a sustainability-linked bond that matures in November 2025. The underlying debt/equity ratio has steadily decreased, assuming the effects of capitalization of leasing is reversed, since the bond was issued but it is not yet at the level desired by the Board of Directors. The financing will need to be renewed before the end of 2025.	As a part of the Group's daily routines, the financing risk is handled on an ongoing basis. This includes refinancing activities of the sustainability-linked bond in connection with the due date, in November 2025, coming up. However, with the current development of the business, our underlying leverage with the reversal of capitalized leasing costs will improve during 2024. Consequently, access to refinancing will increase.
Liquidity risk	
In the event of deteriorating cash flow due to lower earnings levels, the Group may find itself in a situation where liquidity is insufficient to manage strategic growth ambitions.	Greenfood has, at the end of the year, liquidity that management and the board consider sufficient for the Group's plans. Should this change, Greenfood has at least two ways forward. Firstly, the company can utilize leverage within the limits allowed by the bond's regulations, such as through factoring or other forms of working capital financing. Secondly, Greenfood can decide to postpone growth investments.

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FRUITFUL FINANCIAL PERFORMANCE AND SUSTAINABLE ASSETS

DIRECTORS' REPORT

The Board of Directors of Greenfood AB (publ) hereby submits the Annual Report and consolidated financial statements for the financial year Jan 1, 2023 – Dec 31, 2023.

Information about the company

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

Several external factors had a direct and tangible impact on 2023, including in particular inflation, higher interest rates, and weaker consumer purchasing power. These factors have arisen due in part to Russia's invasion of Ukraine, but also to increased activity after COVID-19 restrictions were lifted. All companies in the Group have been affected, but Greenfood's range is holding up relatively well, even in challenging economic conditions, and the company has managed to improve or maintain its underlying earnings capacity.

Picadeli, a business area whose salad bars are primarily located in grocery and service stores, provides a unique concept for self-service salad. The concept is established in Sweden, Finland, France, Germany, Belgium, Estonia and in a test phase in the USA. In Sweden, Finland and France, the concept is very well established and is available at most grocery chains and in most of the larger cities. In Germany, Belgium and Luxembourg, the concept has been very well received and interest in the concept is continuing to grow. In 2020, the business area also established a joint venture company that will grow in the large U.S. market. After the first quarter of 2023, the business area realized the first twelve-month period without Covid-19 restrictions in Sweden. Since then, Picadeli has grown in terms of sales, number of purchasing stores, and profits. In 2023, the business area reported its highest profit level ever and entered 2024 in a strong position.

The Food Solutions business area develops, produces and delivers a broad range of products in the growing food-to-go category, as well as cut fresh fruit and vegetables for our customers in the convenience and grocery trades, as well as the HoReCa sector. Greenfood is a leading operator in Sweden and Finland with production and sales in both countries with significant exports to Denmark as well. In 2023, the business area's activities in Sweden were concentrated in a state-of-the-art facility in Helsingborg, the "Greenfood Greenhouse". This meant that three production units were closed and that the production was centralized. Although the business area was affected by the ongoing move of the business in 2023, this consolidation has generated effective, scalable solutions for Food Solutions' activities in Sweden. The impact of the initial change costs is also evident in the figures shown for the business area in the company's segment reporting. The business area has been negatively affected by inflation, especially related to goods imported from other EU countries. The organization has managed to counteract these effects somewhat through price increases and other measures.

Greenfood's Fresh Produce business area has a strong position in imports, exports, distribution and trade in fresh fruit and vegetables in their non-processed form. The business area builds a strong product range for the grocery trade and the HoReCa sector based on a deep knowledge of cultivation, product ranges, quality, logistics and handling of fruit and vegetables. The leading competence is an understanding of both the needs of the growers and the requirements of the customers. As the business area's products are generally traded with daily pricing, inflation does not have a direct impact, but the lower purchasing power among consumers has a negative impact on the range, with rejection of more exclusive products and greater focus on campaigns. The business area has also witnessed a change at the customer level, where discount stores are growing at the expense of other store concepts. A strong negative change in the HoReCa sector is not yet apparent. In Fresh Produce as well, a number of local companies have been concentrated in the "Greenfood Greenhouse" in Helsingborg. This has led to increased productivity, which will take effect during 2024 and beyond. In the first quarter of 2023, the business area lost volume when Bergendahl Food was acquired by Axfood and incorporated into Dagab Frukt & Grönt. Nevertheless, the underlying performance is in line with expectations.

Development of operations, performance and position

The Group's financial position

During the year, the Group achieved sales of SEK 5,687.2 million (5,238.8), adjusted EBITDA of SEK 311.4 million (219.0) and an operating loss of SEK –0.2 million (–40.5). Earnings were positively impacted by the growth generated in the Picadeli business area, which has a positive impact on adjusted EBITDA of SEK 75.3 million compared to the previous year. Fresh Produce had a decrease in sales decrease of −2.6 percent, which was mainly due to the loss of sales from Bergendahl as a result of its integration into Dagab. As a result of this and the increased costs related to Greenfood Greenhouse, adjusted EBITDA also deteriorated compared to the previous year, by SEK −7.5 million. Food Solutions reported adjusted EBITDA of SEK 92.5 million, an improvement of SEK 28.9 million compared to the previous year, mainly due to productivity improvements in the Finnish business operations.

By issuing a sustainability-linked bond in 2021, the Group obtained a four-year loan until November 2025. The bond has three sustainability-related conditions that must be met before the bond matures. The bond is described in detail in Note 25. During 2022, the bond was also listed on NASDAQ/Stockholm.

Interest rates increased during the year by about 2 percent, which had a negative impact on financial costs of SEK 14.2 million. Greenfood has an interest rate hedge of 50 percent of the loan if STIBOR exceeds 4 percent. This is described further in Note 3. The Group has subsidiaries in Sweden, Finland, Spain, France, Germany, Belgium, Denmark and the US. The average numer of employees at the end of the year was 891 (940).

Five year overview for the Group

SEK million	2023	2022	2021	2020	2019
Net sales	5,687.2	5,238.8	4,321.0	4,290.3	5,156.3
Return on equity	−0.2	−40.5	–81.2	−162.4	–5.1
Profit/loss before tax	−250.3	−190.6	−190.5	–254.4	–91.7
EBITDA	188.5	165.3	141.1	25,7	217,6
Adjusted EBITDA [1]	311.4	219.0	161.7	56.1	263.8
Balance sheet total	4,066.8	3,585.1	3,530.9	3,340.3	3,504.7
Equity/assets ratio [2]	6.9%	14.9%	19.5%	25.9%	29.1%
Return on equity [3]	−61.7%	−29.2%	−21.9%	−22.7%	−8.6%
Return on total capital [4]	0.1%	−1.1%	−2.3%	−4.6%	−0.1%
Average number of employees	891	940	937	971	1,139

Five year overview for the Group

SEK million	2023	2022	2021	2020	2019
Net sales	13.1	15.6	12.9	14.0	14.5
Return on equity	−17.1	−14.1	−7.0	−3.4	−17.2
Profit/loss before tax	−80.7	−81.2	−34.4	−38.1	−35.6
Balance sheet total	2,387.6	2,420.9	2,463.4	2,170.6	2,134.4
Equity/assets ratio[5]	35.4%	38.3%	41.2%	48.4%	49.0%
Return on equity [6]	−9.1%	−9.1%	−3.5%	−3.6%	−1.6%
Return on total capital [7]	3.2%	1.8%	1.8%	2.7%	−3.1%
Average number of employees	3	3	3	3	3

[1] EBITDA adjusted for comparison items and unestablished business operations, also see Note 5.
[2] Equity/Total assets.
[3] Profit/loss for the year / Average equity.
[4] (Profit/loss before tax + interest expense)/Average total assets.
[5] Adjusted equity/Total assets.
[6] Profit/loss for the year / Average equity.
[7] (Profit/loss before tax + interest expense)/Average total assets.

Research and development

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

Acquisitions and divestments

During 2023, in Fresh Produce the Group acquired the remaining shares in Greens & Friends AB. Within Picadeli, acquired shares in Picadeli France SAS, increased holding in Picadeli US Inc. through a new share issue and merged with Picadeli Hötorget Restaurang AB. In Food Solutions, a merger was carried out with the company Valintavarkaus OY being merged into Salico OY.

Parent company

Greenfood AB (publ), corporate identity number 559035-9104, with its registered office in Stockholm, owns and manages shares in subsidiaries and manages the Greenfood Group. The company has three employees and no invoicing to external customers. Greenfood AB (publ) is a wholly owned subsidiary of Greenfood MC AB, corporate identity number 559035-9096, with its registered office in Stockholm. Greenfood MC AB is in turn 89 percent owned by Greenfood TC AB, corporate identity number 559034-3645, with its registered office in Stockholm, and prepares consolidated financial statements for the largest Group, which includes Greenfood AB (publ) as a subsidiary. The majority owner of Greenfood TC AB is Greenfood Cidron S.A.R.L. in Luxembourg, which is indirectly owned by Nordic Capital VIII Alpha, L.P. and Nordic Capital VIII Beta, L.P. (jointly "Nordic Capital Fund VIII", which acts through its general partner Nordic Capital VIII Limited, and together with earlier funds, "Nordic Capital"). Nordic Capital is a leader in private equity investments in companies in the Nordic region and Europe's German-speaking areas, as well as healthcare companies globally. The minority owners of the rest of the shares are Fidelio Capital I AB (corporate identity number 556811-0851) via Acetaria Holding AB (corporate identity number 559051-3221), both based in Stockholm. Fidelio Capital I AB is a Swedish investment company that invests in small and medium-sized enterprises.

Significant events during the financial year

- Greenfood's climate targets were approved by SBTi.
- Picadeli continued its US expansion through a new partnership with Schnuck Markets.
- Greenfood-owned Salico OY entered into a new partnership with Valio Aimo.
- Greenfood and Agtira signed an agreement for a new vertical farming facility in Boden.
- The Group's new Greenhouse head office was opened.
- Greenfood invested in a new state-of-the-art banana ripening facility.
- Greenfood invested in robotic solutions and warehouse automation in its new Greenhouse.
- Greenfood started installing solar panels at its Greenhouse.
- The Greenford Greenhouse won Logistics Facility of the Year 2023.

Significant risks and uncertainties

Operational risks

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

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

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

How the company manages operational risk is described in further detail on pages 79–82.

External risks

Several factors disrupted the macroenomic environment in 2023:

1. the ongoing Russian invasion of Ukraine,
2. the conflict between Israel and Hamas,
3. inflationary pressure, and
4. interest rate increases leading to increased living costs.

Inflationary pressure, which has persisted following the Russian invasion of Ukraine, affected in particular the cost of raw ingredients and materials, fuel, energy, labor, and semiconductors. Greenfood implemented and pushed through mitigating actions to safeguard profitability in the value chain.

Interest rate increases negatively affected net financial costs, but the Group has mitigated the risks of further increases through an interest rate hedge entered into during 2022. The levels still remain within the Group's risk-span, with the hedge at 4 percent underlying 3-month STIBOR.

IT risks

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

Financial risk management and financial instruments

Greenfoods main fincing is through a sustainability-linked bond (SLB) with maturity in November 2025. As a part of the Group's daily routines, the financing risk is handled on an ongoing basis. This includes refinancing activities, with the due date of the SLB coming up. However, with the current development of the business, our underlying leverage with the reversal of capitalized leasing costs will improve during 2024. Consequently, access to refinancing will increase. Available liquidity is SEK 213.9 million at the end of the year, which management considers sufficient considering the CAPEX plans för 2024.

The Group uses financial instruments to a limited extent, and the instruments used are not fundamentally complex. Identified currency risks are mainly managed using forward contracts. How the Group handles financial risk is shown in note 3 Financial risk management and financial instruments.

Significant events after the end of the financial year

Picadeli has entered into a new agreement with the US grocery chain Coborn's. No other significant events have occurred since the end of the financial year.

Sustainability report

The Group's sustainability report can be read on pages 14–16 and 37-61 in this document.

Proposed appropriation of earnings (SEK)

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

Profit/loss brought forward	925,545,196
Profit/loss for the year	–80,710,755
	844,834,441
The Board proposes the following amount be carried forward:	
	844,834,441

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

ACCOUNTS

Consolidated income statement

SEK m	Note	2023	2022
Operating income			
Net sales	6	5,687.2	5,238.8
Other operating income	7, 34	60.1	56.7
		5,747.3	**5,295.5**
Operating expenses			
Goods for resale		–4,397.4	–4,071.9
Other external expenses	8–10, 34	–368.3	–322.5
Employee benefit expenses	11, 34	–791.6	–735.7
Depreciation, amortization and impairment	12, 17–19, 34	–188.7	–205.8
Other operating expenses		–1.5	–0.1
Operating profit/loss		**–0.2**	**–40.5**
Profit/loss from financial items			
Financial income	13, 14	5.0	2.3
Financial expenses	13, 14	–255.2	–152.4
Profit/loss before tax		**–250.3**	**–190.6**
Tax	15	–0.8	11.9
PROFIT/LOSS FOR THE YEAR		–251.2	–178.7
Attributable to:			
Shareholders of the Parent Company		–238.9	–168.6
Non-controlling interests		–12.2	–10.1

Consolidated statement of comprehensive income

SEK m	Note	2023	2022
Profit/loss for the year		**–251.2**	**–178.7**
Other comprehensive income			
Items that may be reclassified to the income statement:			
Cash flow hedging		4.0	–6.2
Exchange rate differences on translation of foreign operations		–2.1	14.3
Total other comprehensive income, net after tax		**1.9**	**8.1**
COMPREHENSIVE INCOME FOR THE YEAR		**–249.3**	**–170.6**
Attributable to:			
Shareholders of the Parent Company		–236.3	–160.5
Non-controlling interests		–13.0	–10.1

Consolidated statement of financial position

SEK m	Note	Dec. 31, 2023	Dec. 31, 2022
ASSETS			
Fixed assets			
Intangible fixed assets	17		
Goodwill		1,642.8	1,644.1
Trademarks		290.9	290.9
Other intangible assets		86,9	77.6
		2,020.6	**2,012.6**
Property, plant and equipment	18		
Land and buildings		53.8	56.9
Leasehold improvements		54.0	16.6
Plant and machinery		142.6	146.0
Equipment, tools, fixtures and fittings		133.6	85.3
Construction in progress		113.1	50.1
Right-of-use assets	19	819.3	277.7
		1,316.5	**632.7**
Other fixed assets			
Financial fixed assets	20	16.6	22.2
Deferred tax assets	15	48.2	55.6
		64.8	**77.8**
Total fixed assets		**3,401.8**	**2,723.1**
Current assets			
Inventories	21	148.2	160.4
Accounts receivable	22	303.0	372.0
Current tax receivables	15	10.1	11.2
Other receivables		32.2	31.1
Prepaid expenses and accrued income	23	82.9	55.8
Cash and cash equivalents	31	88.6	231.6
Total current assets		**664.9**	**862.0**
TOTAL ASSETS		**4,066.8**	**3,585.1**

SEK m	Note	Dec. 31, 2023	Dec. 31, 2022
EQUITY AND LIABILITIES			
Equity			
Share capital	24	0.5	0.5
Other capital contributions		29.8	29.8
Reserves		19.9	17.3
Retained earnings including profit/loss for the year		213.8	462.4
Total equity attributable to Parent Company shareholders		**264.0**	**509.9**
Non-controlling interests		17.2	23.8
Total equity		**281.2**	**533.7**
Non-current liabilities			
Bond loan	3, 25, 30	1,031.9	1,022.4
Liabilities to credit institutions	3, 25, 30	118.3	10.4
Liabilities to parent company	3, 25, 30	465.2	432.3
Other non-current liabilities	3, 25, 30	65.5	69.6
Lease liabilities	19	804.2	277.2
Deferred tax liabilities	15	2.9	16.8
Other provisions	26	60.7	70.9
Total non-current liabilities		**2,548.7**	**1,899.6**
Current liabilities			
Liabilities to credit institutions	3, 25, 30	6.0	6.8
Advance payments from customers		0.5	1.7
Lease liabilities	19	98.9	71.2
Accounts payable		444.6	432.4
Current tax liabilities	15	2.7	1.7
Other current liabilities	3, 25, 30	284.6	227.0
Accrued expenses and deferred income	27	399.6	411.0
Total current liabilities		**1,236.9**	**1,151.8**
TOTAL EQUITY AND LIABILITIES		**4,066.8**	**3,585.1**

Consolidated statement of changes in equity

SEK m	Note	Share capital	Other capital contributions	Reserves	Retained earnings including profit/loss for the year	Total equity attributable to Parent Company shareholders	Non-controlling interests	Total equity
Opening equity Jan. 1, 2022		**0.5**	**29.8**	**9.1**	**633.5**	**672.9**	**17.2**	**690.0**
Profit/loss for the year					–168.6	**–168.6**	–10.1	**–178.7**
Cash flow hedging				–6.2		**–6.2**		**–6.2**
Translation reserve for the year, net after tax				14.3		**14.3**	–0.1	**–14.2**
Comprehensive income for the year				**8.1**	**–168.6**	**–160.5**	**–10.1**	**–170.6**
New share issue from non-controlling interests					–	**–**	20.9	**20.9**
Transactions with non-controlling interests					–2.5	**–2.5**	–4.1	**–6.7**
Total		**–**	**–**	**–**	**–2.5**	**–2.5**	**16.7**	**14.2**
Closing equity Dec. 31, 2022	24	**0.5**	**29.8**	**17.2**	**462.4**	**509.9**	**23.8**	**533.7**
Opening equity Jan. 1, 2023		**0.5**	**29.8**	**17.2**	**462.4**	**509.9**	**23.8**	**533.7**
Profit/loss for the year					–238.9	**–238.9**	–12.2	**–251.2**
Cash flow hedging				4.0		**4.0**		**4.0**
Translation reserve for the year, net after tax				–1.3		**–1.3**	–0.8	**–2.1**
Comprehensive income for the year				**2.7**	**–238.9**	**–236.3**	**–13.0**	**–249.3**
New share issue from non-controlling interests					–	**–**	8.1	**8.1**
Transactions with non-controlling interests					–9.7	**–9.7**	–1.7	**–11.4**
Total		**–**	**–**	**–**	**–9.7**	**–9.7**	**6.5**	**–3.3**
Closing equity Dec. 31, 2023	24	**0.5**	**29.8**	**19.9**	**213.8**	**264.0**	**17.2**	**281.2**

Consolidated statement of cash flows

SEK m	Note	2023	2022
Operating activities			
Operating profit/loss		–0.2	–40.5
Adjustments for non-cash items:			
Depreciation, amortization and impairment	12, 17–19	188.7	205.8
Capital gains/losses		–0.1	–0.1
Deferment of tax payments	30, 34	36.6	54.9
Other items		–10.9	4.6
Interest received	14	2.5	2.0
Interest paid	14	–169.7	–96.6
Income tax paid		–5.7	–3.3
Cash flow from operating activities before changes in working capital		**41.2**	**126.7**
Changes in working capital			
Decrease(+)/increase(–) in inventories		13.1	–39.8
Decrease(+)/increase(–) in operating receivables		45.4	–63.0
Decrease(–)/increase (+) in operating liabilities		–6.0	122.9
Changes in working capital		**52.5**	**20.2**
Cash flow from operating activities		**93.7**	**146.9**

SEK m	Note	2023	2022
Investing activities			
Acquisitions of subsidiaries	29	–	–9.5
Acquisitions of intangible assets	17	–29.3	–27.4
Acquisitions of tangible fixed assets	18	–231.4	–103.4
Sales of tangible fixed assets		1.4	10.7
Sales/Investments in financial fixed assets	20	5.6	3.8
Cash flow from investing activities		**–253.6**	**–125.8**
Financing activities			
Transactions with non-controlling interests	29	–1.9	20.9
Loans raised	30	116.3	–
Repayment of loans	30	–23.4	–17.8
Repayments of lease liabilities attributable to leases	19, 30	–72.2	–77.6
Cash flow from financing activities		**18.8**	**–74.6**
Cash flow for the year		**–141.1**	**–53.4**
Cash and cash equivalents at beginning of the year		**231.6**	**277.4**
Exchange rate differences in cash and cash equivalents		–1.9	7.6
Cash and cash equivalents at end of year	31	**88.6**	**231.6**

Parent company income statement

SEK m	Note	2023	2022
Operating income			
Net sales	6	13.1	15.6
Other operating income	7	–	0.0
		13.1	**15.6**
Operating expenses			
Other external expenses	8	–12.9	–11.6
Employee benefit expenses	11	–17.3	–18.1
Operating profit/loss		**–17.1**	**–14.1**
Profit/loss from financial items			
Profit/loss from participations in Group companies	3	–	–60.0
Interest income and similar profit items	14	62.9	59.4
Interest expenses and similar profit/loss items	14	–157.1	–125.9
Profit/loss after financial items		**–111.3**	**–140.6**
Appropriations			
Submitted / Received group contribution		31.6	59.4
Profit/loss before tax		**–79.7**	**–81.2**
Tax on profit/loss for the year	15	–1.0	–6.7
PROFIT/LOSS FOR THE YEAR		**–80.7**	**–87.9**

Parent company statement of comprehensive income

SEK m	Note	2023	2022
Profit/loss for the year		–80.7	–87.9
Other comprehensive income		–	–
COMPREHENSIVE INCOME FOR THE YEAR		**–80.7**	**–87.9**

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Parent company balance sheet

SEK m	Note	Dec. 31, 2023	Dec. 31, 2022
ASSETS			
Fixed assets			
Participations in Group companies	16	1,407.7	1,407.7
Receivables from Group companies		933.5	892.6
Deferred tax asset	15	1.5	2.5
Financial fixed assets	20	–	2.9
Total fixed assets		**2,342.8**	**2,305.7**
Current assets			
Current receivables			
Receivables from Group companies		38.9	105.7
Current tax receivables		1.6	0.8
Other receivables		0.2	0.2
Prepaid expenses and accrued income	23	4.2	7.5
Total current receivables		**44.8**	**114.3**
Cash and bank balances	31	**0.0**	**0.9**
Total current assets		**44.8**	**115.2**
TOTAL ASSETS		**2,387.6**	**2,420.9**

SEK m	Note	Dec. 31, 2023	Dec. 31, 2022
EQUITY AND LIABILITIES			
Equity			
Restricted equity			
Share capital		0.5	0.5
		0.5	**0.5**
Non-restricted equity			
Profit/loss brought forward		925.6	1,013.4
Profit/loss for the year		−80.7	−87.9
		844.8	**925.5**
Total equity		**845.3**	**926.0**
Provisions			
Other provisions		–	2.9
Total provisions		**–**	**2.9**
Non-current liabilities			
Borrowing	25, 30	1,031.9	1,022.4
Liabilities to parent company	25, 30	465.2	432.3
Other non-current liabilities	25, 30	2.6	9.3
Total non-current liabilities		**1,499.6**	**1,464.0**
Current liabilities			
Accounts payable		3.4	1.1
Other liabilities	25, 30	11.3	3.1
Accrued expenses and deferred income	27	27.5	23.8
Total current liabilities		**42.6**	**28.0**
TOTAL EQUITY AND LIABILITIES		**2,387.6**	**2,420.9**

Parent company statement of changes in equity

	Restricted equity	Non-restricted equity		
SEK m	**Share capital**	**Profit or loss brought forward**	**Profit/loss for the year**	**Total equity**
Opening equity Jan. 1, 2022	**0.5**	**1,049.3**	**–35.9**	**1,013.9**
Appropriation of previous year's profit/loss		–35.9	35.9	–
Profit/loss for the year			–87.9	–87.9
Other comprehensive income		–	–	–
Comprehensive income for the year	**–**	**–**	**–87.9**	**–87.9**
Closing equity Dec. 31, 2022	**0.5**	**1,013.4**	**–87.9**	**926.0**
Opening equity Jan. 1, 2023	**0.5**	**1,013.4**	**–87.9**	**926.0**
Appropriation of previous year's profit/loss		–87.9	87.9	–
Profit/loss for the year			–80.7	–80.7
Other comprehensive income		–	–	–
Comprehensive income for the year			**–80.7**	**–80.7**
Closing equity Dec. 31, 2023	**0.5**	**925.5**	**–80.7**	**845.3**

Parent Company cash flow statement

SEK m	Note	2023	2022
Cash flow from operating activities			
Operating profit/loss		–17.1	–14.1
Adjustments for other non-cash items		9.5	10.4
Interest received	14	0.9	59.4
Interest paid	14	–121.2	–99.2
Income tax paid		–0.5	–
Cash flow from operating activities before changes in working capital		**–128.4**	**–43.5**
Changes in working capital			
Decrease(+)/increase(–) in operating receivables		42.5	–22.6
Decrease(–)/increase (+) in operating liabilities		4.6	5.0
Changes in working capital		**47.1**	**–17.6**
Cash flow from operating activities		**–81.3**	**–61.1**
Investing activities			
Capital contributions to subsidiaries		–	–60.0
Investments in other financial assets		–	–53.0
Cash flow from investing activities		**–**	**–113.0**
Financing activities			
Repayment of loans		21.0	–
Received (+)/ submitted (–) group contributions		59.4	14.7
Cash flow from financing activities		**80.4**	**14.7**
Cash flow for the year		**–0.9**	**–159.4**
Cash and cash equivalents at beginning of the year		0.9	160.3
Cash and cash equivalents at end of year	31	**0.0**	**0.9**

NOTES

Notes to the financial statements

Greenfood AB (publ), with corporate identification number 559035-9104, is a limited company registered in Sweden with its registered office in Stockholm. The address of the Head Office is Långebergavägen 181, Helsingborg.

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

The consolidated financial statements for 2023 consist of the parent company Greenfood AB (publ) and its subsidiaries, together referred to as the Group. Greenfood AB (publ) is a subsidiary of Greenfood MC AB with registered office in Stockholm, corporate identity number 559035-9096, which is in turn 89 percent owned by Greenfood TC AB with registered office in Stockholm, corporate identity number 559034-3645, with the remaining 11 percent owned by minority shareholders. Minimum consolidated financial statement is prepared by Greenfood AB (publ) but Greenfood TC AB prepares consolidated financial statements for the largest Group, which includes Greenfood AB (publ) as a subsidiary. The majority owner of Greenfood TC AB is Greenfood Cidron S.A.R.L. in Luxembourg, which is indirectly owned by Nordic Capital VIII Alpha, L.P. and Nordic Capital VIII Beta, L.P. (jointly "Nordic Capital Fond VIII"), which acts through its general partner Nordic Capital VIII Limited, and together with earlier funds, "Nordic Capital"). Nordic Capital is a leader in private equity investments in companies in the Nordic region and Europe's German-speaking areas, as well as healthcare companies globally. Minority owner of the remaining shares is Fidelio Capital I AB (corp. ID no. 556811 0851) through Acetaria Holding AB (corp. ID no. 559051-3221) both with their registered office in Stockholm. Fidelio Capital I AB is a Swedish investment company that invests in small and medium-sized enterprises.

The annual report and consolidated financial statements were approved for publication by the Board of Directors on April 25, 2024. The consolidated income statement, statement of comprehensive income and statement of financial position and the Parent Company's income statement and balance sheet are subject to adoption by the Annual General Meeting on May 2, 2024.

NOTE 1 Significant accounting principles

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

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

New and revised standards applied by the Group

In 2023, several new IFRS standards were approved for application beginning in 2023. The new standards deemed to have a significant impact on the Group are the following:

IAS 12 clarifies that the exemption from recognizing deferred tax arising from a single transaction is not applicable, even if the initial recognition gives rise to an equal asset and liability. The Group already recognizes deferred tax on right-of-use assets and lease liabilities net, but additional disclosure regarding deferred tax has been added in the note 15.

Other amendments to standards approved for application as of 2023 are not expected to have any significant impact on the Group's financial statements.

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

A new amendment to IAS 7 introduces enhanced disclosure requirements for entities that use supply chain finance (SCF), also known as reverse factoring, and is effective for annual periods beginning on or after January 1, 2024. Companies within the Group have entered into this type of arrangement during 2023, but do not assess that the standard will have a significant impact on the Group's financial reports, apart from an expanded disclosure requirement.

No other new and revised standards and interpretations that enter into effect after December 31, 2023 are expected to have any material impact on the consolidated financial statements.

Accounting Policy Operating Segment

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

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

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

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

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

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

Group joint functions consist essentially of corporate governance, coordination of IT, sustainability, consolidation, payroll management for the Swedish companies and the Group's cash pool.

Consolidated financial statements

Subsidiaries are companies that are subject to controlling influence (control) of Greenfood AB (publ). Control exists if the Parent Company has influence over the investment object, is exposed to or has the right to variable returns from its engagement and can use its influence over the investment to influence the return.

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Note 1, cont.

When assessing whether control exists, consideration is given to potential shares with entitlement to vote and whether de facto control exists.

Subsidiaries are included in the consolidated financial statements from the time that control is achieved in the acquisition to the point at which the Parent Company no longer has a controlling influence over the subsidiary. The accounting principles for subsidiaries are adjusted as necessary to agree with the Group's accounting principles. All intra-Group transactions, balances and unrealized gains and losses relating to intra-Group transactions have been eliminated in the preparation of the consolidated financial statements. However, transactions with the parent company are not eliminated.

Transactions with non-controlling interests

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

When the Parent Company loses control over a subsidiary, the profit or loss upon divestment is calculated as the difference between

i) the total of the fair value of the consideration received and the fair value of any remaining holdings, and

ii) the previous carrying amounts for the subsidiary's assets (including goodwill), and liabilities and any non-controlling interest.

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

Goodwill

Goodwill, which arises in the preparation of the consolidated financial statements, constitutes the difference between cost and the Group's share of the fair value of an acquired subsidiary's identifiable assets and liabilities on the acquisition date, adjusted for the minority share if applicable. At the time of acquisition, goodwill is recognized at cost and after initial recognition, it is valued at cost less any accumulated impairment. In testing for impairment, goodwill is distributed to the cash-generating units. There is no need for impairment.

Revenue

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

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

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

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

Some contracts include agreements that the Group provides certain compensations to its customers, such as marketing contributions. The majority of marketing contributions within the Greenfood Group are treated as a reduction of the transaction price, as in most cases they are not considered to constitute payment for a specific product or service.

A receivable is recognized when the goods have been delivered as this is the point at which the compensation becomes final (i.e., only time is required for payment to be made). There are no contract assets. The Group has no contracts with originally expected durations that exceed 12 months, which is why information on contracted, but not yet fulfilled performance obligations is not provided.

Dividends and interest income

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

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

Leases according to IFRS 16

The Group as lessee

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

Greenfood as the lessee recognizes an ROU asset and a lease liability, short- and long-term component, at the start date of the lease. The lease liability is initially valued at the present value of the remaining lease fees during an assessed lease period. This period is composed of the non-cancellable period with the possible addition of supplemental periods in the agreement, which are deemed to be reasonably certain to be utilized. The lease liability also includes, for example, the present value of fixed fees, variable fees linked to an index and any restoration expenses that are payable upon cancellation of a lease. ROU assets primarily relate to rented premises and vehicles and are depreciated straight-line over the shorter of the asset's useful life and the term of the lease.

The lease fees shall be discounted with the lease's implicit interest, but in most leases, it is difficult to establish, so the Group has chosen a practical solution for portfolios of leases with similar characteristics. The general discount rate that was initially used when IFRS 16 was implemented was 3.75 percent, which corresponded to the loan rate that the Group had on its borrowing at that time. After years of lower rates, the global economy has suffered from inflation, resulting in higher interest rates, which has affected the Group's assessment of the discount rate on new contracts. The discount rate as of January 1, 2023 is 6.50 percent. The Group's operations is primarily concentrated to SEK, but also partly to EUR countries. Our assessment of the risk and the margin loan rate is revised in conjunction with every major contract entered.

The Group also applies the simplification rules for short-term leases, of less than one year, and leases where the underlying asset has a low value, of less than SEK 50 thousand, which accordingly

Note 1, cont.

are not recognized as ROU assets and lease liabilities. These payments are instead expensed straight-line in the income statement. For leases concerning office and warehouse properties, the Group has chosen to not separate non-lease components from lease components. Property tax is not included in the rent. If there is an extension option on the rent, it is taken into account as soon as it is considered probable that the option will be utilized.

Group as lessor
The Group is a lessor through operating leases regarding Picadeli counters that are let to customers, where salads are then sold to the end consumer. The classification has been established through a general assessment that essentially the leases do not transfer the financial risks and benefits associated with ownership of the underlying asset. Nor is the underlying asset transferred to the lessee once the lease expires. At the beginning of every lease, according to IFRS 16, a classification is made that determines if the agreement is a financial or operational lease. Lease income from operating leases is recognized as income on a straight-line basis over the lease term.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The cost consists of the purchase price, expenditures directly attributable to the asset to put it in the place and condition to be used, and estimated expenditures for disassembly and removal of

Note 1, cont.

the asset and restoration of the site it is on. Additional expenses are included in the asset or recognized as a separate asset only when it is probable that future financial benefits that can be attributed to the asset accrue to the Group and that the cost for the asset can be reliably calculated. All other costs for repairs and maintenance and additional expenses are recognized in the income statement in the period in which they arise.

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

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

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

Land is not depreciated.

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

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

Intangible assets

Internally produced intangible assets that originate from the Group's product development are only recognized if the following conditions are met:

- it is technically possible to complete the intangible asset and use or sell it,
- the company's intention is to complete the intangible asset and use or sell it,
- conditions exist to use or sell the intangible asset,
- the company shows how the intangible asset will generate probable future financial benefits,
- there are adequate technical, financial and other resources in place to complete the development process and to use or sell the intangible asset, and
- the expenditures that are attributable to the intangible asset during its development can be reliably calculated.

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

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

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

Acquisition through separate acquisitions

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

Acquisition as part of a business combination

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

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

Trademarks

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

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

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

Other intangible assets

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

Amortization periods for intangible assets are:

Capitalized development expenditures	5 years
Licenses	5 years

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

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

Note 1, cont.

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

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

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

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

Financial instruments

Balance sheet recognition and derecognition

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

Classification

The Group classifies its financial instruments in the following categories:

- financial assets recognized at fair value via profit or loss,
- financial assets recognized at amortized cost.

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

Measurement

Financial assets and financial liabilities, which at subsequent recognition are not measured at fair value through profit or loss, are recognized at initial recognition at fair value with supplements or deductions for transaction expenses. Financial assets and financial liabilities, which at subsequent recognition are measured at fair value through profit or loss, are recognized at fair value at initial recognition. Transaction expenses attributable to financial assets recognized at fair value through profit or loss are expensed directly in the income statement.

Investments in debt instruments

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

Investments in equity instruments

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

Fair value of financial instruments

The fair value of financial assets and financial liabilities is determined as follows:

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

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

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

Amortized cost

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

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

Cash and cash equivalents

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

Accounts receivable

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

Impairment losses

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

In accordance with the rules in IFRS 9, the Group applies a simplified method for impairment testing of accounts receivable. The simplification means that the reserve for expected credit losses is based on the loss risk for the receivable's entire duration and is recognized when the receivable is recognized for the first time.

Greenfood uses expected credit losses for remaining maturities to calculate the loss reserve. The accounts receivable are grouped based on non-due or due receivables in different intervals and a percentage credit loss is calculated for each grouping. These per-

Note 1, cont.

centages are based on the Group's historical loss levels over the past four years, for similar receivables. This has resulted in expected credit losses of 0.1–14 percent based on the credit range.

The expected credit loss excludes one of our Central European companies which showed a different development due to the pandemic and therefore an individual assessment has been made for this market as it deviates significantly from other markets in the Group which had a more similar development. Macroeconomic factors have also been included in the assessment. The credit period is normally 30 days.

A confirmed credit loss is recognized when it is considered probable that the customer will not be able to settle its debt, i.e. in the event of bankruptcy or distraint.

Accounts payable

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

Liabilities to credit institutions and other borrowings

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

Derivatives and hedge accounting

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

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

Inventories

Inventories are measured at the lower of cost and net realizable value. Cost is calculated by applying the first-in first-out method (FIFO). Net realizable value is the estimated selling price less estimated costs of completion and estimated costs necessary to make a sale. As the company's products are perishable, the value of the Group's inventory is low and there is only a low risk that the market value will be less than the historical value of the products.

Provisions

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

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

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

Government assistance

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

Cash flows

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

Parent Company accounting

The Parent Company applies the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 2 Accounting for Legal Entities. Application of RFR 2 means that the Parent Company shall apply all of the IFRS approved by the EU to the furthest possible extent within the scope of the Annual Accounts Act and the Safeguarding of Pension Commitments Act and shall observe the connection between accounting and taxation. Company management assesses that changes to RFR 2 that entered into force in 2023 or were decided to take effect have not had or will not have a material impact on the financial statements of the parent company's undertaking for the financial year. The differences between the accounting principles of the Parent Company and those of the Group are described below:

Classification and presentation methods

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

Financial fixed assets

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

Financial instruments

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

Group Contributions

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

Note 1, cont.

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

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

NOTE 2 Significant estimates and assessments

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

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

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

When calculating the present value, capital structure and market data for comparable listed companies and the Group's risk profile and expected future development were used. The valuation came out well above the carrying amount at December 31, 2023.

Deferred tax on loss carry-forwards
In connection with the calculation of deferred tax on temporary differences arising between tax and recognized values, there are both assessments and assumptions. These are above all associated with determining the recognized value as well as the possibility of using carry-forward of unused tax losses against future profits.

The corporate management started from the budget and a more long-term strategic plan to make an assessment concerning the future use of the loss carry-forwards, see further note 15.

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

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

For office and warehouse premises, the following factors have primarily been deemed material in the assessment of whether an option shall be extended or a lease canceled:

- Historical information has been used in the assessment of a lease's length
- When there are leasehold improvements, they are also taken into account
- Expenses linked to replacing or restoring the leased asset
- Interruptions in operations

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

NOTE 3 Financial risk management and financial instruments

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

Market risks

Currency risks

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

Transaction exposure

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

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

Currency	Dec. 31, 2023	Average exchange rate 2023	Dec. 31, 2022	Average exchange rate 2022
DKK	6.8	(1.54)	2.8	(1.43)
EUR	–1,122.5	(11.48)	–1,012.8	(10.63)
GBP	–1.6	(13.20)	–2.5	(12.47)
USD	–247.8	(10.61)	–148.0	(10.12)
Total	**–1,365.0**		**–1,160.6**	

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

Currency	Dec. 31, 2023	Closing day rate 2023	Dec. 31, 2022	Closing day rate 2022
DKK	0.5	(1.49)	0.6	(1.50)
EUR	–76.9	(11.09)	–91.9	(11.13)
GBP	–	(12.77)	–0.2	(12.58)
USD	21.4	(10.04)	2.5	(10.44)
Total	**–55.0**		**–89.0**	

Translation exposure

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

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

Currency	Dec. 31, 2023	Closing day rate 2023	Dec. 31, 2022	Closing day rate 2022
DKK	0.6	(1.49)	0.5	(1.50)
USD	40.1	(10.04)	53.1	(10.44)
EUR	224.9	(11.09)	219.3	(11.13)
Total	**265.6**		**273.0**	

Financial exposure

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

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

Interest-rate risk

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

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

As part of an effort to reduce interest rate risk, Greenfood AB (publ) entered into an agreement in June 2022 to hedge 50 percent of the underlying bond interest rate on the loan at 3-month STIBOR exceeding 4 percent. The period spans 28 months and the cash flow hedge is measured at fair value through comprehensive income. The company therefore applies hedge accounting as the derivative is

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Note 3, cont.

directly matched in time and amount to the interest payments for the bond loan. The hedging is carried out in accordance with the Group's finance policy.

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

Sensitivity analysis for market risks

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

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

	2023		2022	
SEK m	**Effect on profit/loss**	**Effect on total profit/loss**	**Effect on profit/loss**	**Effect on total profit/loss**
Transaction exposure				
EUR +5%	–13.4	–13.4	–8.9	–8.9
EUR –5%	+13.4	+13.4	+8.9	+8.9
Translation exposure				
EUR +5%	–1.3	–2.0	–3.3	–1.6
EUR –5%	+1.3	–2.0	+3.3	+1.6
Interest rate risk				
Interest +1.0%	–22.6	–22.6	–14.0	–14.0
Interest –1.0%	+22.6	+22.6	+14.0	+14.0

Note 3, cont.

Liquidity and financing risk

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

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

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

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

Dec. 31, 2023	**Within 3 months**	**3–12 months**	**1–5 years**	**More than 5 years**	**Total**
Bond loan	29.4	81.9	1,161.3	–	1,272.6
Liabilities to credit institutions	1.5	4.6	13.6	34.5	54.2
Liabilities to parent company	–	–	500.6	–	500.6
Other non-current liabilities	–	–	68.8	–	68.8
Lease liabilities	27.5	101.4	409.1	839.7	1,377.7
Accounts payable	444.6	–	–	–	444.6
Other current liabilities	100.6	127.0	–	–	227.5
Total	**603.7**	**314.9**	**2,153.4**	**874.1**	**3,946.1**

Dec. 31, 2022	**Within 3 months**	**3–12 months**	**1–5 years**	**More than 5 years**	**Total**
Bond loan	26.1	78.4	1,259.2	–	1,363.7
Liabilities to credit institutions	1.7	5.2	10.5	–	17.4
Liabilities to parent company	–	–	465.2	–	465.2
Other non-current liabilities	–	–	69.6	–	69.6
Lease liabilities	17.8	61.7	192.3	154.4	426.2
Accounts payable	432.4	–	–	–	432.4
Other current liabilities	44.1	190.2	–	–	234.3
Total	**522.3**	**335.4**	**1,996.8**	**154.4**	**3,008.9**

Credit and counterparty risks

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

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

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

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

Accounts receivable	**Dec. 31, 2023**	**Dec. 31, 2022**
Accounts receivable	303.0	372.0
Other current receivables	115.1	86.9
Cash and cash equivalents	88.6	231.6
Maximum exposure to credit risk	**506.7**	**690,5**

Note 3, cont.

Dec. 31, 2023	Fair value through profit or loss (compulsory)	Financial assets/liabilities at amortized cost	Carrying amount
Financial assets			
Other long-term receivables	–	16.6	16.6
Derivative instruments held for trading – currency options	1.5	–	1.5
Derivative instruments held for hedging purposes – interest rate swaps	–	2.5	2.5
Accounts receivable	–	303.0	303.0
Cash and cash equivalents	–	88.6	88.6
	1.5	**410.7**	**412.2**
Financial liabilities			
Bond loan	–	1,031.9	1,031.9
Liabilities to credit institutions, non-current	–	118.3	118.3
Liabilities to parent company, non-current	–	465.2	465.2
Derivative instruments held for trading – currency options	9.8	–	9.8
Derivative instruments held for hedging purposes – interest rate swaps	–	–	–
Additional purchase price	2.5	–	2.5
Other liabilities, non-current	–	65.5	65.5
Other liabilities, current	–	233.5	233.5
Lease liabilities, current and non-current	–	903.1	903.1
Accounts payable	–	444.6	444.6
	12.3	**3,262.1**	**3,274.4**

Dec. 31, 2022	Fair value through profit or loss (compulsory)	Financial assets/liabilities at amortized cost	Carrying amount
Financial assets			
Other long-term receivables	–	22.2	22.2
Derivative instruments held for trading – currency options	–	–	–
Derivative instruments held for hedging purposes – interest rate swaps	–	5.0	5.0
Accounts receivable	–	372.0	372.0
Cash and cash equivalents	–	231.6	231.6
	–	**630.8**	**630.8**
Financial liabilities			
Bond loan	–	1,022.4	1,022.4
Liabilities to credit institutions, non-current	–	10.4	10.4
Liabilities to parent company, non-current	–	432.3	432.3
Derivative instruments held for trading – currency options	0.1	–	0.1
Additional purchase price	4.5	–	4.5
Other liabilities, non-current	–	69.6	69.6
Other liabilities, current	–	182.9	182.9
Lease liabilities, current and non-current	–	348.4	348.4
Accounts payable	–	432.4	432.4
	4.6	**2,498.5**	**2,503.1**

Categorization of financial instruments

Carrying amount of financial assets and financial liabilities broken down by measurementcategory in accordance with IFRS 9 in SEK m is presented in the table.

Hedging reserve

The Group's hedging reserve consists of an interest rate derivative entered into in 2022 to reduce the risk of high interest rates on the bond loan. The terms of the interest rate derivative match the terms of the bond agreement and the nominal amount is 50 percent of the bond loan, i.e. SEK 525 million. The interest rate derivative matures in November 2024. The interest rate derivative is recognized at fair value through other comprehensive income, no deferred tax is recorded as the Group has unused tax loss carry-forwards. At the end of 2023, the fair value of the interest rate derivative amounted to SEK 0.4 (2.4) million, the change is recognized in other comprehensive income under the line cash flow hedging.

Note 3, cont.

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

2023	Fair value through profit or loss (compulsory)	Financial assets at amortized cost	Financial liabilities at amortized cost	Carrying amount
Operating profit/loss				
Other operating receivables – exchange-rate differences	–	33.5	–	33.5
Other operating liabilities – exchange-rate differences	–	–	0.1	0.1
	–	**33.5**	**0.1**	**33.6**
Finance net				
Interest income	2.4	–	–	2.4
Interest expenses	–	–	–216.6	–216.6
Exchange rate differences	1.5	0.7	–15.4	–13.2
	3.9	**0.7**	**–232.0**	**–227.4**

2022	Fair value through profit or loss (compulsory)	Financial assets at amortized cost	Financial liabilities at amortized cost	Carrying amount
Operating profit/loss				
Other operating receivables – exchange-rate differences	–	7.8	–	7.8
Other operating liabilities – exchange-rate differences	–	–	0.0	0.0
	–	**7.8**	**0.0**	**7.8**
Finance net				
Interest income	0.9	–	–	0.9
Interest expenses	–	–	–137.5	–137.5
Exchange rate differences	1.1	1.4	–0.5	1.9
	2.0	**1.4**	**–138.0**	**–134.6**

Valuation of financial instruments at fair value

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

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

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

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

Examples of observable data within level 2 are:

- Quoted prices for similar assets and liabilities.
- Data that can form the basis of an assessment of price, e.g., market interest rates and yield curves.

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

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

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

NOTE 4 Capital Management

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

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

The company's financial target is that the net debt divided by profit before depreciation (leverage) shall be less than 5 times. At the end of the financial year, leverage amounted to 7.27 (6.40) times. Net debt is then adjusted with liabilities to parent companies and profit adjusted for items affecting comparability as defined in Note 5. At the end of the financial year, the debt/equity ratio in SEK million amounted to:

	Dec. 31, 2023	Dec. 31, 2022
Borrowing	1,156.1	1,039.7
Lease liability	903.1	348.4
Other interest-bearing liabilities	293.1	245.7
Less - cash and cash equivalents and deposits	–89.4	–232.4
Net debt excluding debt to parent companies	**2,262.9**	**1,401.4**
Liabilities to parent company	465.2	432.3
Total net debt	**2,728.1**	**1,833.6**
Total equity	281.2	533.7
Total capital	**3,009.2**	**2,367.3**
Debt ratio excluding debt to parent companies	75%	59%
Debt ratio including debt to parent companies	91%	77%

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

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NOTE 5 Operating Segments

	Fresh Produce		Food Solutions		Picadeli		Group joint		Eliminations		Group	
Per operating segment	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**
Net External Sales	3,209.7	3,290.4	830.9	702.7	1,646.6	1,245.7	–	–	–	–	5,687.2	5,238.8
Net Internal Sales	74.2	79.7	384.2	379.1	28.1	18.7	–	–	–486.6	–477.5	–	–
Net Sales	**3,283.9**	**3,370.1**	**1,215.1**	**1,081.8**	**1,674.7**	**1,264.5**	**–**	**–**	**–486.6**	**–477.5**	**5,687.2**	**5,238.8**
Operating profit/loss	**–25.9**	**28.8**	**1.5**	**–14.0**	**80.9**	**–8.9**	**–56.8**	**–46.5**			**–0.2**	**–40.5**
Depreciation, amortization and impairment	60.5	64.8	62.5	60.5	64.1	79.4	1.5	1.1			188.7	205.8
EBITDA	**34.7**	**93.6**	**64.1**	**46.5**	**145.0**	**70.5**	**–55.3**	**–45.4**			**188.5**	**165.3**
Adjustment for items affecting comparability	54.3	2.8	28.5	17.1	5.5	4.4	5.7	–			94.0	24.3
Adjustment for unestablished units	–	–	–	–	29.0	29.4	–	–			29.0	29.4
Adjusted EBITDA	**88.9**	**96.4**	**92.5**	**63.6**	**179.6**	**104.3**	**–49.6**	**–45.4**			**311.4**	**219.0**
Finance net											–250.1	–150.1
Group profit/loss before tax											**–250.3**	**–190.6**
Other information												
Investments in intangible fixed assets	–6.8	–3.1	–5.1	–2.7	–21.8	–21.6	–	–			–33.8	–27.4
Investments in tangible fixed assets	–35.9	–27.6	–55.4	–35.2	–140.1	–40.5	–	–			–231.4	–103.4
Total investments	**–42.7**	**–30.7**	**–60.6**	**–37.9**	**–161.9**	**–62.1**	**–**	**–**			**–265.2**	**–130.8**

Sales by operating segment and area	**Fresh Produce**		**Food Solutions**		**Picadeli**	
	2023	**2022**	**2023**	**2022**	**2023**	**2022**
Sweden	2,366.1	2,469.6	270.3	204.2	1,122.4	884.2
Finland	704.2	692.5	478.8	424.7	128.3	84.4
Rest of Europe	24.9	128.1	81.8	73.8	353.6	267.1
Other markets	–	–	–	–	42.3	10.0
Total	**3,209.7**	**3,290.4**	**830.9**	**702.7**	**1,646.6**	**1,245.7**

Definitions

The Greenfood Group management team follows up on the three identified segments based on a monthly report with financial as well as non-financial ratios. The main segments have been identified as the three business areas of Greenfood: Fresh Produce, Food Solutions and Picadeli. To improve the clarity and comparability of the results, management adjusts (EBITDA) operating profit for items affecting comparability as well as not yet established businesses. All key ratios above are defined on page 128.

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

Out of total NRI of SEK 94 million, SEK 61.3 million are related to the Greenhouse move, SEK 19.6 million to a non-periodic inventory difference discovered in connection with the move to Greenhouse, as well as, damaged fruit. Remaining NRI's are related to other strategic restructuring costs.

An unestablished operation is a newly established, acquired or discontinued business that is under construction, not yet fully integrated or no longer operational. Management assess that when entering a new market, the costs prevent comparisons until the Company has a possibility to be profitable through customer contracts or an order stock with competitive terms that may, over time, support the Company. During 2023 the cost amounted to SEK 29.0 million (29.4) and are related to the non-establised Picadeli operations in the US.

External Net Sales per geographic market	**2023**	**2022**
Sweden	3,758.8	3,558.3
Finland	1,311.3	1,201.6
Rest of Nordic region	176.2	152.5
France	200.4	158.5
Germany	144.3	111.5
Rest of Europe	53.9	46.5
Other markets	42.3	10.0
Total	**5,687.2**	**5,238.8**

Intangible and tangible fixed assets per geographic market	**2023**	**2022**
Sweden	2,334.9	2,227.4
Finland	91.1	99.1
Rest of Nordic region	–	–
France	40.9	17.8
Germany	12.2	12.0
Rest of Europe	1.9	2.4
Other markets	36.7	8.8
Total	**2,517.7**	**2,367.5**

NOTE 6 Net Sales

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

Net sales are broken down by geographic market as follows.

	Group		Parent company	
	2023	**2022**	**2023**	**2022**
Sweden	3,758.8	3,558.3	13.1	15.6
Rest of Nordic region	1,487.5	1,354.1	–	–
Rest of Europe	398.6	316.5	–	–
Other markets	42.3	10.0	–	–
Total	**5,687.2**	**5,238.8**	**13.1**	**15.6**

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

	2023	**2022**
Fresh Produce	3,209.7	3,290.4
Picadeli	1,646.6	1,245.7
Food Solutions	830.9	702.7
Total	**5,687.2**	**5,238.8**

NOTE 7 Other operating income

	Group		Parent company	
	2023	**2022**	**2023**	**2022**
Lease income	29.4	21.8	–	–
Public grants	2.2	1.7	–	–
Other	28.5	33.2	–	0.0
Total	**60.1**	**56.7**	**–**	**0.0**

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

NOTE 8 Other external expenses

	Group		Parent company	
	2023	**2022**	**2023**	**2022**
Rents and other premises costs	64.8	93.0	0.0	0.0
Consumable equipment, software and consumable materials	92.4	80.3	0.3	0.3
Selling and marketing expenses	49.2	29.0	0.9	1.1
Transport expenses	43.6	31.3	1.6	1.1
Insurance expenses	4.0	4.3	0.0	0.4
Unsecured accounts receivable	10.5	–5.0	–	–
Contracted personnel	12.9	6.2	0.3	1.1
Consulting expenses	74.6	68.3	9.6	7.2
Other	–16.4	14.9	0.1	0.3
Total	**368.3**	**322.5**	**12.9**	**11.6**

During the year, electricity subsidies were received due to high electricity prices, which are included in other external expenses in the amount of SEK 11.1 (0.0) million, see also Note 34.

Rent and other costs for premises have decreased, mainly due to the previously mentioned restructuring of the Group and the move to the Greenhouse, which now houses several companies under one roof. The higher costs of consumable equipment etc. are due to higher costs for repair and maintenance of Picadeli counters. In 2023, Picadeli embarked on a project to carry out preventive maintenance, leading to higher costs in the short term, but lower costs in the long term, as less reactive technical issues are expected.

NOTE 9 Remuneration of auditors

	Group		Parent company	
	2023	**2022**	**2023**	**2022**
PwC				
Audit assignment	3.2	–	0.6	–
Audit activities in addition to audit assignment	–	–	–	–
Tax advice	0.1	–	–	–
Other services	0.0	–	–	–
Deloitte				
Audit assignment	0.6	3.0	–	0.6
Audit activities in addition to audit assignment	0.0	0.0	–	–
Tax advice	0.0	0.0	–	–
Other services	0.0	–	–	–
Other auditors				
Audit assignment	0.2	0.2	–	–
Audit activities in addition to audit assignment	–	–	–	–
Tax advice	0.0	–	–	–
Other services	0.0	0.0	–	–
Total	**4.1**	**3.2**	**0.6**	**0.6**

In 2023, Greenfood Group changed auditors to Pricewaterhouse-Coopers AB, and Deloitte AB, who have served as auditors since 2016, have thus resigned as the Group's auditors.

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

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

NOTE 10 Leases

Operating leases – lessor

The Group is a lessor through operating leases regarding Picadeli counters that are let to customers. The total of the year's lease income recognized as revenue for operating leases amounted to SEK 29.4 (21.8) million in the Group.

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

Due date:	**2023**	**2022**
Within one year	31.1	22.4
More than one year but within five years	62.2	44.7
Later than five years	–	–
Total	**93.4**	**67.1**

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

Average number of employees 2023	Women	Men	Total
Parent Company			
Sweden	1	2	3
Total in Parent Company	**1**	**2**	**3**
Subsidiaries			
Sweden	245	392	637
Denmark	–	1	1
Finland	60	108	168
Spain	10	8	18
France	19	20	39
Germany	4	7	11
USA	6	8	14
Total in subsidiaries	**344**	**544**	**888**
Total in the Group	**345**	**546**	**891**

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

Board members and other senior executives	Dec. 31, 2023	Dec. 31, 2022
Parent Company		
Women:		
Board of Directors	2	1
Other senior executives including CEO	1	1
Men:		
Board of Directors	3	4
Other senior executives including CEO	2	2
Total in Parent Company	**8**	**8**
Group		
Women:		
Board of Directors	–	1
Other senior executives including CEO	–	1
Men:		
Board of Directors	–	4
Other senior executives including CEO	3	5
Total in the Group	**3**	**11**
Total	**11**	

Salaries and benefits

Costs for employee benefits	2023	2022
Parent Company		
Salaries and other benefits	–8.9	11.5
Social security contributions	4.1	4.4
Pension expenses	4.3	1.8
Subsidiaries		
Salaries and other benefits	548.2	515.4
Social security contributions	147.6	137.1
Pension expenses	36.1	37.5
Total salaries and other benefits in the Group	*557.1*	*526.9*
Total social security contributions in the Group	*151.7*	*141.5*
Total pension expenses in the Group	*40.4*	*39.3*
Total in the Group	**749.3**	**707.8**
Other employee benefit expenses	42.3	27.9
Total employee benefit expenses	**791.6**	**735.7**

Assistance received due to high sick-pay expenses reduced the employee benefit expenses for the year by SEK 0.7 (2.6) million. The majority of this assistance was linked to salaries, remuneration and social security contributions, but pension expenses and other employee benefit expenses were also affected. Also refer to Note 34.

Pensions

The cost for the year for defined-contribution pension plans amounts to SEK 40.1 (39.3) million.

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

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

The collectively agreed insurance policies apply for both blue- and white-collar employees. The insurance policies for blue-collar workers are taken out with FORA and for white-collar employees with FORA and Collectum.

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

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

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

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

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

The collective consolidation level is composed of the market value of Alecta's assets as a percentage of insurance commitments calculated according to Alecta's actuarial methods and assumptions, which do not comply with IAS 19. The collective consolida-

Note 11, cont.

tion level is normally allowed to vary between 125 percent and 155 percent. If Alecta's collective consolidation level falls below 125 percent or exceeds 175 percent, actions must be taken to create the conditions enabling the consolidation level to revert to the normal interval. In the event of low consolidation, one action may be to increase the agreed price for new subscriptions and expansion of existing benefits. In the event of high consolidation, a measure can be to introduce premium reductions. At the end of 2023, Alecta's surplus in the form of the collective consolidation level amounted to 158 percent (172).

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

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

Agreement on severance pay

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

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

Salaries and benefits to senior executives

2023	Basic salary/ board fees	Variable remuneration	Other benefits	Pension	Total
Chairman of the Board (Stefan Jacobsson)	0.4	–	–	–	0.4
Board member (Anette Rosengren)	0.1	–	–	–	0.1
Board member (Tiemo Grimm)	0.1	–	–	–	0.1
Board member (Fabian Suessenguth, resigned January 2024)	0.1	–	–	–	0.1
Board member (Anders Johansson)	0.1	–	–	–	0.1
Board member (Hanna Shen, elected January 2024)	–	–	–	–	–
Chief Executive Officer (David von Laskowski)	2.8	0.3	0.2	3.7	7.0
Other executives	12.2	2.8	0.5	2.5	17.9
Other employees	705.9	12.8	4.0	44.0	766.6
Total	**721.6**	**15.9**	**4.7**	**50.2**	**792.4**

2022	Basic salary/ board fees	Variable remuneration	Other benefits	Pension	Total
Chairman of the Board (Stefan Jacobsson)	0.4	–	–	–	0.4
Board member (Anette Rosengren)	0.1	–	–	–	0.1
Board member (Tiemo Grimm)	0.1	–	–	–	0.1
Board member (Fabian Suessenguth)	0.1	–	–	–	0.1
Board member (Andreas Johansson, elected August 2022)	0.0	–	–	–	0.0
Board member (Martin Nilsson Erleman, resigned August 2022)	0.1	–	–	–	0.1
Chief Executive Officer (David von Laskowski)	5.1	3.1	0.2	1.2	9.6
Other executives	11.5	3.1	0.5	2.0	17.1
Other employees	650.9	–8.9	3.6	45.7	709.0
Total	**668.3**	**15.1**	**4.2**	**48.9**	**736.5**

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

	2023		2022	
	Depreciation and amortization	Impairment losses	Depreciation and amortization	Impairment losses
Goodwill	–	–	–	–
Other intangible fixed assets	–18.3	–1.5	–15.6	–2.9
Land and buildings	–3.1	–	–3.1	–4.2
Leasehold improvements	–2.8	–6.1	–3.2	–
Plant and machinery	–36.5	2.0	–35.0	–4.4
Equipment, tools, fixtures and fittings	–41.6	–0.9	–53.4	–1.6
Construction in progress	–	–	–	–
Right-of-use assets	–69.5	–10.4	–75.0	–7.5
Total	**–171.8**	**–16.8**	**–185.3**	**–20.4**
Total depreciation/amortization and impairment	**–188.7**		**–205.8**	
Less transitional support received for depreciation/amortization	–		–	
Total recognized in the income statement	**–188.7**		**–205.8**	

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NOTE 13 Exchange-rate effects

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

	Group		Parent company	
	2023	**2022**	**2023**	**2022**
Other operating expenses	01	0.0	–	–
Cost of goods sold	33.5	7.8	–	–
Financial income	2.3	2.4	–	–
Financial expenses	–15.4	–0.5	0.0	0.0
Total	**20.4**	**9.7**	**0.0**	**0.0**

NOTE 14 Financial income and expenses

	Group		Parent company	
Financial income	**2023**	**2022**	**2023**	**2022**
Interest income, parent company	–	–	62.8	59.4
Interest income	2.4	0.9	0.0	0.0
Exchange-rate differences	1.5	1.3	–	–
Fair value measurement, derivatives	0.7	1.1	–	–
Other financial income	0.5	–1.0	–	–
Total	**5.0**	**2.3**	**62.9**	**59.4**

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

	Group		Parent company	
Financial expenses	**2023**	**2022**	**2023**	**2022**
Interest expenses	–141.2	–94.9	–112.2	–83.9
Interest expenses, intra-Group	–32.9	–30.6	–32.9	–30.6
Interest expenses, lease	–42.5	–12.0	–	–
Fair value measurement, derivatives	–9.8	–	–	–
Exchange-rate differences	–5.6	–0.5	–	0.0
Submitted group contributions	–	–	–	–
Capital gain on sale of shares	–	–	–	–
Other financial expenses	–23.2	–14.4	–12.0	–11.5
Total	**–255.2**	**–152.4**	**–157.1**	**–125.9**

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

NOTE 15 Tax

	Group		Parent company	
	2023	**2022**	**2023**	**2022**
Current tax				
Current tax on profit/loss for the year	–7.8	–2.4	–	–
Adjustments recognized in the present year regarding prior years' current tax	–	–0.3	–	–
Total current tax	**–7.8**	**–2.7**	**–**	**–**
Deferred tax				
Attributable to temporary differences, intangible assets	2.0	0.0	–	–
Attributable to temporary differences, tangible assets	5.7	2.8	–	–
Attributable to fiscal deficit deductions	–7.2	10.9	–2,.6	–6.7
Attributable to ROU assets/lease liabilities	1.7	2.8	–	–
Translation difference	0.5	–3.9	–	–
Other items	4.2	2.0	1.7	–
Total deferred tax	**6.9**	**14.6**	**–1.0**	**–6.7**
Total tax on profit for the year	**–0.8**	**11.9**	**–1.0**	**–6.7**
Profit/loss before tax	–250.3	–190.6	–79.7	–81.2
Tax calculated at Swedish tax rate 20.6 percent	51.6	39.3	–16.4	16.7
Tax effect of changed tax rate	0.0	0.0	–	–
Tax effect of other tax rates on foreign subsidiaries	0.7	0.7	–	–
Tax effect of non-deductible expenses	–3.8	–4.4	–0.1	–12.6
Tax effect of reversal of non-deductible net interest expense (Sweden)	–30.5	–21.8	–18.2	–10.8
Tax effect of revaluation of previous years' loss carry-forwards not recognized	–15.6	0.3	–	–
Tax effect of adjustment of current and deferred tax attributable to earlier years	4.5	–0.4	–	–
Tax effect of unrecognized deferred tax assets on the year's tax loss carry-forwards	–6.9	–2.7	–	–
Tax effect of untaxable income	–	1.1	–	–
Other	–0.8	0.1	0.9	–
Reported tax expense for the year	**-0.8**	**11.9**	**–1.0**	**–6.7**

The tax amount for the year is SEK -0.8 (11.9) million, due to reversals of non-deductible negative net interest income and revaluation of previous years' reported deficits that reduce the year's capitalized loss carry-forwards. The effective tax rate was -0.34 percent. The average tax rate was 22 percent. It has been calculated through a weighing of the subsidiaries' profit/loss before tax with the local tax rates for the relevant countries.

Note 15, cont.

Deferred tax assets and deferred tax liabilities

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

	Group		Parent company	
	Dec. 31, 2023	**Dec. 31, 2022**	**Dec. 31, 2023**	**Dec. 31, 2022**
Deferred tax asset				
Loss carry-forwards	73.3	80.5	–	2.6
Other deductible temporary differences	19.7	11.6	1.5	–
Property, plant and equipment	7.6	2.8		
Lease liabilities	178.8	12.0	–	–
Deferred tax asset	**279.4**	**160.5**	**1.5**	**2.6**
Offset of offsettable assets/liabilities per jurisdiction	–231.2	–104.9	–	–0.1
As per balance sheet	**48.2**	**55.6**	**1.5**	**2.5**
Deferred tax liabilities				
Intangible assets	-61.4	-63.4	–	–
Property, plant and equipment	-0.1	-0.9	–	–
Right-of-use assets	-168.7	–57.2		
Other deductible temporary differences	-4.0	-0.1	–	–
Deferred tax liabilities	**-234.1**	**-121.6**	**–**	**–**
Offset of offsettable assets/liabilities per jurisdiction	231.2	104.9	–	–
As per balance sheet	**-2.9**	**–16.8**	**–**	**–**
Net deferred tax asset (+)/– liability (–)	**45.3**	**38.9**	**1.5**	**2.5**

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

Reconciliation of deferred tax assets/liabilities, net

	Group		Parent company	
	Dec. 31, 2023	**Dec. 31, 2022**	**Dec. 31, 2023**	**Dec. 31, 2022**
At start of year	38.9	20.3	2.5	9.2
Accounted for in income statement	6.9	14.6	-1.0	–6.7
Net acquisitions/divestments of subsidiaries	–	–	–	–
Translation differences	–0.5	3.9	–	–
At year-end	**45.3**	**38.9**	**1.5**	**2.5**

Deferred tax assets are valued at no more than the amount likely to be recovered, based on the current and future taxable profit. The Group has loss carry-forwards amounting to SEK 425.1 million, of which SEK 325.3 million forms the basis of the deferred tax assets of SEK 73.3 million. All loss carry-forwards have an unlimited maturity except those in Finland, which can be utilized for 10 years. The remaining time for them is five years at the lowest.

Group management considers unused capitalized loss carry-forwards to be justifiable as they expect a significant increase in underlying profit levels over the next four years, see also note 2 on significant estimates and assumptions.

The Group has chosen to not recognize tax on non-deductible net interest items, which arose as a result of the new interest deduction limitations in Sweden. This is because we do not consider it to be possible to deem if it will be possible to utilize them during the maturity period, which is six years. Non-deductible net interest income for the year amounted to SEK 140.8 million. Remaining negative net interest income at the end of 2023 amounted to SEK 434.9 (294.0) million.

All countries have calculated deferred tax according to the rates applicable locally. The tax rate in the Group varied between 20 percent and 33.33 percent.

NOTE 16 Group composition

The Group had the following subsidiaries on December 31, 2023:

Name	Corp. ID no. and country of operations	Operations	% voting rights	% voting rights
Greenfood AB (publ)	559035-9104, Sweden	Holding company	100%	100%
Greendeli Investment Holding AB	559016-4058, Sweden	Holding company	100%	100%
Greenfood Services AB	559016-8919, Sweden	Holding company	100%	100%
Picadeli AB	556814-8067, Sweden	Picadeli	100%	100%
Picadeli Aps	37 24 08 85, Denmark	Picadeli	100%	100%
Picadeli Deutschland GmbH	HRB 142975, Germany	Picadeli	100%	100%
Picadeli Finland OY	25 90 747-7, Finland	Picadeli	100%	100%
Picadeli France SAS	828 212 761, France	Picadeli	96.7%	96.7%
Picadeli France Restaurant SAS	891 648 115, France	Picadeli	100%	100%
Picadeli US Inc.	EIN 85-3549191, USA	Picadeli	59.3%	59.3%
Picadeli Logistics Belgium BV	0779.682.931, Belgium	Picadeli	100%	100%
Greenfood Fresh Cut AB	556914-7605, Sweden	Food Solutions	100%	100%
Greenfood Real Estate AB	559001-9203, Sweden	Picadeli	100%	100%
Måbo i Motala AB	556304-7959, Sweden	Picadeli	100%	100%
Mixum AB	556462-5803, Sweden	Picadeli	100%	100%
PF Food AB	556794-4771, Sweden	Food Solutions	50%	50%
Salico AB	556320-8874, Sweden	Food Solutions	100%	100%
Salico OY	15 68 508-1, Finland	Food Solutions	100%	100%
Greenfood Food Solutions AB	556890-1754, Sweden	Food Solutions	100%	100%
Ahlströms Factory AB	556801-2685, Sweden	Food Solutions	100%	100%
Svenska Smörgåstårtor Kvalité AB	556800-2934, Sweden	Food Solutions	100%	100%
Green Deli Oy	20 21 507-6, Finland	Food Solutions	100%	100%
LD Kiinteistöt OY	07 54 016-5, Finland	Food Solutions	100%	100%
Greenfood Fresh Produce Int'l AB	556115-6778, Sweden	Fresh Produce	100%	100%
Ewerman AB	556095-5840, Sweden	Fresh Produce	100%	100%
Greenfood Iberica S.L.U	B-65002453, Spain	Fresh Produce	100%	100%
Greenfood Fresh Food AB	559149-1682, Sweden	Fresh Produce	100%	100%
Satotukku OY	01 13 698-9, Finland	Fresh Produce	100%	100%
SP Greenfood Sourcing AB	556759-6811, Sweden	Fresh Produce	100%	100%
Trädgårdshallen Sverige AB	556381-2451, Sweden	Fresh Produce	100%	100%
Greens & Friends AB	556889-9990, Sweden	Fresh Produce	100%	100%
Lundgrens Primörer AB	556643-7976, Sweden	Fresh Produce	100%	100%

The Group has no significant non-controlling interests. Greenfood holds the Chairmanship of the Board of PF Food AB, of which it owns 50 percent, and is thus considered a Group company as controlling influence is applicable.

In 2023, Picadeli AB acquired an additional 3.3 percent of the shares in Picadeli France SAS and increased the minority share in Picadeli US by 0.4 percent through a new share issue. During the year, Greenfood Fresh Produce Int'l AB acquired the remaining shares from the minority in Greens & Friends AB, which was 100 percent owned at the end of the year. There were no business combinations or divestments of companies during the year.

In 2023, Picadeli Restaurant Sweden Hötorget AB merged into Picadeli AB, and Valintavarkaus OY into Salico OY. Both companies were dormant.

NOTE 17 Intangible assets

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

	Goodwill	Trademarks	Other intangible assets	Total
Opening cost Jan. 1, 2023	**1,646.6**	**290.9**	**210.6**	**2,148.1**
Merger	–1.2	–	–	–1.2
Acquisitions/investments	–	–	33.8	33.8
Exchange rate differences	–0.1	–	0.0	0.0
Sales/disposals	–	–	–6.7	–6.7
Reclassifications	–0.8	–	–4.8	–5.5
Closing accumulated cost Dec. 31, 2023	**1,644.5**	**290.9**	**232.9**	**2,168.4**
Opening depreciation	**–0.8**	**–**	**–78.1**	**–78.9**
Sales/disposals	–	–	6.0	6.0
Exchange rate differences	–	–	0.0	0.0
Depreciation for year	–	–	–18.3	–18.3
Reclassifications	0.8	–	–	0.8
Closing accumulated depreciation Dec. 31, 2023	**–**	**–**	**–90.4**	**–90.4**
Opening impairment losses	**–1.8**	**–**	**–54.9**	**–56.7**
Merger	–0.5	–	–	–0.5
Sales/disposals	–	–	0.7	0.7
Exchange rate differences	–	–	0.0	0.0
Impairment losses for the year	0.5	–	–1.5	–1.0
Closing accumulated impairment losses Dec. 31, 2023	**–1.8**	**–**	**–55.7**	**–57.5**
Carrying amount Dec. 31, 2023	**1,642.8**	**290.9**	**86.9**	**2,020.6**

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

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

	2023		2022	
	Goodwill	Trademarks	Goodwill	Trademarks
Picadeli	915.5	288.8	916.7	288.8
Fresh Produce	184.8	2.1	184.8	2.1
Food Solution	542.4	–	542.5	–
Carrying amount	**1,642.8**	**290.9**	**1,644.1**	**290.9**

Impairment testing of goodwill and trademarks is done annually and when indications of impairment requirements exist. The recoverable amount of a cash generating unit is determined based on calculations of value-in-use. The calculations proceed from estimated future cash flows based on financial forecasts approved by management that cover a five-year period. The generated five-year plan is based on where the companies currently stand and the Group's plans for the future. The first year's values reflect the budget provided. Because of Covid, historical development is not fully applicable and major investments were made in 2023, which have also affected the Group's results. Looking forward, the level of investment is lower and we therefore believe the assumptions made are reasonable. In the assessment of future cash flows, assumptions are primarily made regarding sales growth, operating margin, discount rate, investment requirements and the cost trend. The assessed growth rate is based on forecasts as a consequence of our activities. The forecast operating margin is based on previous results and the management's expectations of the market. The discount rate (WACC) is calculated and based on available market data for comparable companies and the Group's risk profile, and amounts to 8.5 (8.1) percent for business area Fresh Produce or 8.9 (8.2) percent after tax for the remaining business areas (10.7-11.2 (10.2-10.3) percent before tax). After a five-year period, a growth rate of 2.0 (2.0) percent is applied, which coincides with the Group's long-term assumption regarding inflation and the market's long-term growth. Based on the assumptions presented above, the value in use exceeds the carrying amount of goodwill. Reasonable changes in the above assumptions would not mean that an impairment requirement would arise regarding goodwill or trademarks.

Other intangible assets consist of capitalized development costs, primarily related to implemented information systems of various types and consultancy costs and licenses. The carrying amount of activated development expenses not yet subject to depreciation is SEK 54.5 (41.3) million. Reclassifications refer to internal transfers of salad counters where Picadeli AB sells salad counters to the subsidiaries, but also purchases back old salad counters for maintenance and software upgrades. In connection with this, the salad counters are reclassified to the correct group and the reclassifications of intangible and tangible fixed assets must therefore be viewed together.

NOTE 18 Tangible fixed assets

	Land and buildings	Leasehold improvements	Plant and machinery	Equipment, tools, fixtures and fittings	Construction in progress	Total
Opening cost Jan. 1, 2022	**104.1**	**47.2**	**373.4**	**450.9**	**27.1**	**1,002.7**
Merger	–	−4.3	–	−4.9	–	−9.2
Acquisitions/investments	0.2	12.8	26.8	12.5	51.1	103.4
Exchange rate differences	1.0	0.1	11.4	16.8	0.4	29.8
Sales/disposals	−12.2	–	−0.1	−47.8	−1.6	−61.6
Reclassifications	–	–	14.3	2.8	−26.9	−9.9
Closing accumulated cost Dec. 31, 2022	**93.1**	**55.8**	**425.8**	**430.3**	**50.1**	**1,055.2**
Opening depreciation	**−36.0**	**−18.7**	**−216.0**	**−288.4**	**−0.1**	**−559.1**
Merger	–	1.6	–	4.1	–	5.8
Sales/disposals	3.1	–	–	39.9	0.1	43.1
Exchange rate differences	−0.2	−0.1	−6.1	−11.2	–	−17.6
Reclassifications	–	–	–	10.6	–	10.6
Depreciation for year	−3.1	−3.2	−35.0	−53.4	–	−94.7
Closing accumulated depreciation Dec. 31, 2022	**−36.2**	**−20.3**	**−257.1**	**−298.4**	**–**	**−612.0**
Opening impairment losses	**–**	**−21.5**	**−18.1**	**−48.8**	**0.0**	**−88.5**
Merger	–	2.7	–	0.8	–	3.5
Sales/Disposals	4.2	–	–	3.7	–	7.9
Exchange rate differences	–	–	−0.2	−0.7	0.0	−1.0
Impairment losses for the year	−4.2	–	−4.4	−1.6	–	−10.1
Closing accumulated impairment losses Dec. 31, 2022	**–**	**−18.9**	**−22.7**	**−46.6**	**0.0**	**−88.2**
Carrying amount Dec. 31, 2022	**56.9**	**16.6**	**146.0**	**85.3**	**50.1**	**354.9**
Opening cost Jan. 1, 2023	**93.1**	**55.8**	**425.8**	**430.3**	**50.1**	**1,055.2**
Acquisitions/investments	–	29.0	13.0	23.2	166.1	231.4
Exchange rate differences	0.0	0.0	0.5	−0.6	−3.1	−3.2
Sales/disposals	–	−6.8	−31.3	−25.6	−1.1	−64.8
Reclassifications	–	17.2	15.6	50.3	−98.9	−15.7
Closing accumulated cost Dec. 31, 2023	**93.1**	**95.2**	**423.7**	**477.6**	**113.2**	**1,202.8**
Opening depreciation	**−36.2**	**−20.3**	**−257.1**	**−298.4**	**–**	**−612.0**
Sales/disposals	–	6.8	29.9	20.2	–	56.9
Exchange rate differences	0.0	0.0	−0.2	1.1	–	0.9
Reclassifications	–	–	3.5	17.1	–	20.6
Depreciation for year	−3.1	−2.8	−36.5	−41.6	–	−84.0
Closing accumulated depreciation Dec 31, 2023	**−39.3**	**−16.3**	**−260.5**	**−301.6**	**–**	**−617.6**
Opening impairment losses	**–**	**−18.9**	**−22.7**	**−46.6**	**0.0**	**−88.2**
Sales/Disposals	–	–	–	5.1	–	5.1
Exchange rate differences	–	–	0.0	0.0	0.0	0.0
Reversal of impairment losses	–	–	2.0	–	–	2.0
Impairment losses for the year	–	−6.1	–	−0.9	–	−6.9
Closing accumulated impairment losses Dec. 31, 2023	**–**	**−24.9**	**−20.7**	**−42.4**	**0.0**	**−88.0**
Carrying amount Dec. 31, 2023	**53.8**	**54.0**	**142.6**	**133.6**	**113.1**	**497.1**

NOTE 19 Leases

Balance-sheet items

Right-of-use assets	2023	2022
Properties	768.7	237.6
Cars	15.3	11.1
Forklifts	28.9	14.0
Machinery and equipment	6.5	15.0
Other	0.0	0.0
	819.3	**277.7**

Additional rights of use in 2023 totaled SEK 598.7 (11.3) million, of which SEK 514.3 million relates to Greenhouse. Modification of existing contracts in 2023 totaled SEK 36.9 (78.9) million. The increase is due mainly to extended lease agreements and index increases.

Lease liabilities	2023	2022
Current lease liabilities	98.9	71.2
Non-current lease liabilities	804.2	277.2
	903.1	**348.4**

Maturity analysis of lease liabilities, undiscounted amounts	2023	2022
Within 1 year	128.9	79.5
Between 1 and 2 years	123.0	59.6
Between 2 and 5 years	286.1	132.8
After 5 years	839.7	154.3
	1,377.7	**426.2**

The Group's Helsingborg-based companies moved into the Greenhouse in April - May 2023. In this property, the Companies have increased productivity, reduced climate impact and improved conditions to develop further with the Company's business partners

In 2023, Ewerman AB and Salico AB conducted a reassessment of the sublease of current properties. This resulted in a further impairment of the value of ROUs of SEK 10.9 (7.5) million to better reflect the value of the ROU asset. These properties are vacant at the end of the year, work is ongoing to rent out the premises. Within the Group, there is a sublease agreement that has generated 1.4 (0.0) MSEK in leasing income during 2023.

Profit or loss items

Depreciation and impairment on ROUs	2023	2022
Properties	−58.1	−61.1
whereof impairment	−10.4	−7.5
Cars	−9.8	−9.4
Forklifts	−8.8	−8.8
Machinery and equipment	−3.2	−3.2
Other	–	–
	−79.9	**−82.5**

Cash flow attributable to leases	2023	2022
Interest expense (included in financial expenses)	−42.5	−12.0
Expenses attributable to short-term leases	−3.8	−1.7
Expenses attributable to leases of low value	−5.0	−4.2
Disbursements for repayment of lease liabilities	−73.9	−74.3
	−125.2	**−92.2**

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

NOTE 20 Financial fixed assets

	Group		Parent company	
Non-current receivables	Dec. 31, 2023	Dec. 31, 2022	Dec. 31, 2023	Dec. 31, 2022
Opening carrying amount	**22.2**	**25.2**	**2.9**	**1.9**
New receivables	0.3	1.7	–	1.0
Incoming/outgoing other holdings of 10% of the shares	−2.1	2.1	–	–
Acquired/divested Group companies	–	–	–	–
Removed receivables	−3.8	−6.8	−2.9	–
Closing accumulated costs	**16.6**	**22.2**	**–**	**2.9**
Carrying amount	**16.6**	**22.2**	**–**	**2.9**

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NOTE 21 Inventories

	Dec. 31, 2023	Dec. 31, 2022
Raw materials and consumables	27.2	31.9
Work in progress	3.4	4.3
Finished products and goods for resale	107.0	120.1
Advance payment to suppliers	10.5	4.1
Carrying amount	**148.2**	**160.4**

Goods in inventory reported as an expense during the year amounted to SEK 3,851.8 (3,718.3) million. The total consolidated financial impairment is SEK 23.9 (20.7) million.

NOTE 22 Accounts receivable

	Dec. 31, 2023	Dec. 31, 2022
Accounts receivable, gross	327.0	391.6
Provision for future credit losses	–24.1	–19.6
Provision for uncertain receivables	–	–
Accounts receivable, net after reserve for uncertain receivables	**303.0**	**372.0**

	Dec. 31, 2023	Dec. 31, 2022
Provision for doubtful receivables at the beginning of the year	–19.6	–24.7
Provision/write-off for the year, doubtful receivables	–10.5	–2.5
Reversal of unutilized amount	–	6.9
Confirmed losses	6.0	1.6
Foreign exchange gains/losses on foreign currency receivables	0.0	–0.9
Total	**–24.1**	**–19.6**

Age analysis, accounts receivable	Dec. 31, 2023	Dec. 31, 2022
Not overdue	264.3	333.2
Overdue 1–30 days	35.1	28.6
Overdue 31–60 days	4.9	6.5
Overdue 61–90 days	2.6	4.3
Overdue > 90 days	20.2	18.9
Total	**327.0**	**391.6**

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

NOTE 23 Prepaid expenses and accrued income

	Group		Parent company	
	Dec. 31, 2023	Dec. 31, 2022	Dec. 31, 2023	Dec. 31, 2022
Prepaid rent	27.6	6.2	0.0	0.0
Prepaid insurance policies	0.5	0.6	–	0.0
Accrued interest income	–	–	–	–
Goods in transit	22.9	25.6	–	–
Other prepaid expenses	26.6	13.0	4.0	7.0
Other accrued income	5.2	10.5	0.1	0.5
Carrying amount	**82.9**	**55.8**	**4.2**	**7.5**

NOTE 24 Shares, equity and appropriation of profits

	Common A	Total
Opening balance, January 1, 2023	**0.5**	**0.5**
Closing balance, Dec. 31, 2023	**0.5**	**0.5**

All shares are common shares and have a quota value of SEK 1 (1), which is why the registered share capital as of December 31, 2023 amounts to SEK 0.5 (0.5) million.

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

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

The following is at the disposal of the Annual General Meeting	925,545,196
Profit/loss for the year	–80,710,755
The Board proposes the following amount be carried forward	**844,834,441**

No dividends were paid in 2023 or 2022.

NOTE 25 Borrowing

	Group		Parent company	
	2023	**2022**	**2023**	**2022**
Non-current liabilities				
Bond loan	1,031.9	1,022.4	1,031.9	1,022.4
Liabilities to credit institutions	118.3	10.4	–	–
Liabilities to parent company	465.2	432.3	465.2	432.3
Lease liabilities	804.2	277.2	–	–
Other non-current liabilities	65.5	69.6	2.6	9.3
Carrying amount	**2,485.0**	**1,812.0**	**1,499.6**	**1,464.0**
Current liabilities				
Liabilities to credit institutions	6.0	6.8	–	–
Lease liabilities	98.9	71.2	–	–
Other liabilities	227.5	176.0	8.4	1.1
Carrying amount	**332.4**	**254.0**	**8.4**	**1.1**

Borrowing

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

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

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

In addition to the bond, there is an agreement with Swedbank for a credit facility of SEK 200 million, running from November 2021 to May 2025, whereof SEK 3.9 million are utilized in the form of guarantees.

In connection with the new bond loan, new borrowing costs of SEK 37 million were capitalized, which are included under the heading Bond loan, but are amortized over the maturity period of four years. In addition to the aforementioned borrowings, the Group has local borrowings in France corresponding to SEK 52.7 (15.8) million, denominated in EUR; other loans that existed at the beginning of the year have been amortized.

Liabilities to parent company

Greenfood AB (publ) has liabilities to the parent company, Greenfood MC AB, comprising two parts. One part is a loan amount of SEK 200 million, with an interest rate of 8.0 percent. Interest is not paid on an ongoing basis, but is capitalized and paid when the loan is repaid. A total of SEK 146.4 (120.8) million of interest has been capitalized. The other part is a loan amount of SEK 70 million, with an interest rate of 6.5 percent. Here too, the interest is capitalized and in total, SEK 48.8 (41.6) million of interest has been capitalized. The loans mature on December 31, 2027.

Lease liabilities

Lease liabilities and leases are presented in Note 19.

Other liabilities

Other liabilities comprise temporary deferment of payment of employer's contributions, withheld tax and VAT according to the rules initially introduced as a result of the Covid-19 pandemic, SEK 293.1 (245.7) million. Of these, SEK 65.5 million is non-current and the rest is current based on the decisions made on extension at the closing date. The deferred payment amount includes accrued interest and fees of SEK 23.8 (13.0) million. New opportunities for extending the original year-long loans were introduced in 2023 and companies have applied for extensions as the loans fall due for payment. Most of the deferrals are amortized on an ongoing basis according to fixed payment plans of 36 months. In 2023, the Group amortized SEK 42.8 million and received new deferrals of SEK 79.4 million.

NOTE 26 Other provisions

	2023	2022
Restoration costs	50.8	61.5
Restructuring costs	0.6	–
Warranty costs	1.1	–
Additional purchase price	2.5	4.5
Legal claims	5.7	1.4
Pension provision	–	3.6
	60.7	**70.9**

Information on provisions

Restoration costs

Provision for restoration costs refers to dismantling or restoring existing premises after moving to Greenhouse. The rental agreements related to the previously used premises in Helsingborg fall due in December 31, 2026 and September 30, 2027, respectively. Currently, the restoration costs are uncertain both in terms of amount and timing, since we are still looking for a new tenant that can take over the premises. If that is the case the restoration costs will be utilized before the contract expires.

Restructuring costs

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

Warranty costs

The provision for warranty costs relates to various legal and other claims from customers, where customers are reimbursed for the cost of repairs. In 2023, only the Picadeli business area had warranty costs for their salad bars. The warranty covers all defects in materials and performance of the product with normal use and maintenance. This warranty is recorded at 2.5 percent of the salad bar's inventory value at the time of sale and is valid for 1 year for new salad bars and 6 months for used salad bars from the time the bar is installed in the store.

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

	Restoration costs	Restructuring costs	Warranty costs	Additional purchase price	Legal claims	Pension provision	Total
Carrying amount Jan. 1, 2022	49.4	2.1	0.3	4.5	1.9	1.9	**60.1**
Accounted for in income statement							
Additional provisions	12.1					1.7	**13.8**
Reversed unutilized amounts			−0.3				**−0.3**
Utilized during the year		−2.1			−0.6		**−2.7**
Carrying amount Dec. 31, 2022	**61.5**	**–**	**–**	**4.5**	**1.4**	**3.6**	**70.9**

	Restoration costs	Restructuring costs	Warranty costs	Additional purchase price	Legal claims	Pension provision	Total
Carrying amount Jan. 1, 2023	61.5	–	–	4.5	1.4	3.6	**70.9**
Accounted for in income statement							
Additional provisions		2.7	1.8		4.5		**9.0**
Reversed unutilized amounts				−2.0			**−2.0**
Utilized during the year	−10.7	−2.1	−0.6		−0.2	−3.6	**17.2**
Carrying amount Dec. 31, 2023	**50.8**	**0.6**	**1.1**	**2.5**	**5.7**	**–**	**−60.7**

NOTE 27 Accrued expenses and deferred income

	Group		Parent company	
	Dec. 31, 2023	**Dec. 31, 2022**	**Dec. 31, 2023**	**Dec. 31, 2022**
Salaries and holiday pay	93.5	94.4	6.2	6.7
Social security contributions	29.8	29.9	1.9	1.9
Accrued interest	18.1	15.6	18.1	15.1
Consulting expenses	3.6	2.2	0.3	0.1
Customer-related expenses	126.0	118.4	–	–
Freight expenses	14.7	34.2	–	–
Product costs	75.4	95.2	–	–
Other items	38.7	21.0	1.0	0.1
Carrying amount	**399.6**	**410.9**	**27.5**	**23.8**

NOTE 28 Pledged assets and contingent liabilities

	Group		Parent company	
Pledged assets	**Dec. 31, 2023**	**Dec. 31, 2022**	**Dec. 31, 2023**	**Dec. 31, 2022**
Chattel mortgages	5,926.6	5,943.4	–	–
Awarded claim	–	–	674.2	674.2
Shares in subsidiaries	–	–	1,407.7	1,407.7
Total	**5,926.6**	**5,943.4**	**2,082.0**	**2,082.0**
Contingent liabilities				
General surety for external debt	–	–	16.0	25.8
Other warranties	4.2	3.7	–	–
Total	**4.2**	**3.7**	**16.0**	**25.8**

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

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

NOTE 29 Business combinations and transactions with non-controlling interests

Business combinations and disposals and transactions with non-controlling interests 2023

The Greenfood AB (publ) Group did not carry out any business combinations in 2023. Greenfood Fresh Produce Int'l AB acquired the remaining shares in Greens & Friends AB and thus holds 100 percent of the shares in the company. In addition, another 3.3 percent of the shares in Picadeli France S.a.r.l have been acquired from the minority.

In November 2023, a new share issue was also carried out in Picadeli US Inc. totaling USD 2.0 million, of which the minority provided USD 0.8 million, equivalent to SEK 8.1 million at the time of the new share issue, in order to strengthen equity for future growth.

Net cash flow on acquisitions/divestments and transactions with minorities 2023

	Greens & Friends AB	Picadeli France S.a.r.l	Picadeli US Inc.	Total transactions with minorities
Cash paid/received compensation[1)]	−2.0	−8.1	8.1	−1.9
Less: Acquired cash and cash equivalents	–	–	–	–
Net cash flow	**−2.0**	**−8.1**	**8.1**	**−1.9**

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

	Svenska Smörgåstårtor Kvalité AB	Total acquisition/ divestment subsidiaries	Picadeli US Inc.	Total transactions with minorities
Cash paid/received compensation[2)]	−9.5	−9.5	20.9	20.9
Less: Acquired cash and cash equivalents	–	–	–	–
Net cash flow	**−9.5**	**−9.5**	**20.9**	**20.9**

1) Remuneration paid in cash includes new share issue of USD 0.8 million from Picadeli US Inc.
2) Remuneration paid in cash includes new share issue of USD 2.0 million from Picadeli US Inc.

NOTE 30 Changes in liabilities attributable to financing activities

	Group				Parent company		
Interest-bearing liabilities	**Non-current loan liabilities**	**Current loan liabilities**	**Lease liabilities**	**Other liabilities**	**Non-current loan liabilities**	**Current loan liabilities**	**Other liabilities**
Opening balance 2022	**1,430.2**	**194.9**	**333.3**	**–**	**1,416.7**	**7.1**	**–**
Items affecting cash flow							
Arrangement cost	–	–	–	–	–	–	–
Raising of loans	–	–	–	–	–	–	–
Repayment of loans/lease liabilities	−17.8	–	−77.6	–	–	–	–
Non-cash items							
Reclassification current component	3.6	−3.6	–	–	–	–	–
Arrangement cost non-cash	9.4	–	–	–	9.4	–	–
Deferment of tax payment	–	−11.1	–	66.0	–	–	–
New leases	–	–	77.7	–	–	−6.0	9.3
Translation differences	9.1	–	15.1	–	–	–	–
Capitalized interest	30.6	2.6	–	3.7	28.5	–	–
Closing balance, Dec. 31, 2022	**1,465.1**	**182.9**	**348.4**	**69.6**	**1,454.7**	**1.1**	**9.3**
Of which non-current lease liabilities			*277.2*				
Of which current lease liabilities			*71.2*				
Opening balance 2023	**1,465.1**	**182.9**	**348.4**	**69.6**	**1,454.7**	**1.1**	**9.3**
Items affecting cash flow							
Arrangement cost	–	–	–	–	–	–	–
Raising of loans	116.3	–	–	–	–	–	–
Repayment of loans/lease liabilities[1]	−5.3	−2.7	−72.2	–	–	–	–
Non-cash items							
Reclassification current component	−1.8	1.8	–	–	–	–	–
Arrangement cost non-cash	9.5	–	–	–	9.5	–	–
Deferment of tax payment	–	42.4	–	−5.8	–	–	–
New leases	–	–	627.7	–	–	7.3	−6.7
Translation differences	−1.3	0.1	−0.9	–	–	–	–
Capitalized interest	32.9	9.2	–	1.6	32.9	–	–
Closing balance, Dec. 31, 2023	**1,615.3**	**233.5**	**903.1**	**65.5**	**1,497.1**	**8.4**	**2.6**
Of which non-current lease liabilities			*804.2*				
Of which current lease liabilities			*98.9*				

1) On row repayment of loans/repayments of lease liabilities attributable to leases in the Consolidated statement of cash flows in addition to repayment of loans of SEK -8.0 million financial costs linked to supply chain financing and realized currency effects of a total of SEK -15.4 million, which are not attributable to financial liabilities in the above table, are also included.

NOTE 31 Cash and cash equivalents in the cash flow

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

	Group		Parent company	
	Dec. 31, 2023	Dec. 31, 2022	Dec. 31, 2023	Dec. 31, 2022
Cash and bank balances	88.6	231.6	0.0	0.9
Total	**88.6**	**231.6**	**0.0**	**0.9**

NOTE 32 Transactions with related parties

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

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

Loans from related parties

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

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

NOTE 33 Events after the closing date

In early 2024, Picadeli signed a new agreement with US grocery chain Coborn's. The agreement will initially add 15 new stores and strengthen Picadeli's presence in the American Midwest. No other significant events have occurred after the balance sheet date.

NOTE 34 Government assistance

In 2022 and 2023, the Group did not receive any government assistance due to the Covid-19 pandemic. However, the Group has received electricity subsidies of SEK 11.1 million, due to the high electricity prices in 2021 and 2022. The amount of aid is based on consumption by the companies during this period and was paid in June 2023. The different forms of assistance are presented below based on how they were recognized in the income statement or how the cost would have affected the income statement if the assistance were not received.

	Other income		Employee benefit expenses		Other external expenses		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
Other support, not Covid-19 related	1.6	1.3	–	–	11.1	–	12.7	1.3
Support for sick-pay expenses	–	–	0.7	2.6	–	–	0.7	2.6
Project support (Finland)	0.1	0.2	–	–	–	–	0.1	0.2
Total	**1.7**	**1.5**	**0.7**	**2.6**	**11.1**	–	**13.5**	**4.1**

Non-Covid-19 related assistance includes public salary subsidies, employment subsidies and electricity subsidies.

Subsidies are distributed in the following countries

	2023	2022
Sweden	13.0	2.9
Finland	0.9	0.3
France	–	0.1
Germany	0.4	–
Denmark	–	0.0
USA	–	0.9
Total	**13.5**	**4.1**

ASSURANCE OF THE BOARD

The annual report and consolidated financial statements were approved for publication by the Board of Directors on April 25, 2024. The consolidated income statement and statement of financial position and the Parent Company's income statement and balance sheet are subject to adoption by the Annual General Meeting on May 2, 2024.

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

Stockholm

Stefan Jacobsson
Chairperson of the Board

David von Laskowski
Chief Executive Officer

Tiemo Grimm
Board member

Anette Rosengren
Board member

Hanna Shen
Board member

Anders Johansson
Board member

Our auditor's report was issued April 25, 2024

PricewaterhouseCoopers AB

Eric Salander
Authorized Public Accountant

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AUDITOR'S REPORT

Unofficial translation of the Swedish original

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

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of Greenfood AB (publ) for the year 2023 except for the corporate governance statement on pages 74–78. The annual accounts and consolidated accounts of the company are included on pages 83–124 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 parent company and the group as of 31 December 2023 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 2023 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the corporate governance statement on pages 74–78. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

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

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

Basis for Opinions

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

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

Our Audit Approach

Audit Scope

We designed our audit by determining materiality and assessing the risks of material misstatement in the consolidated financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the group operates.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Key Audit Matters

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

Key Audit Matter

Valuation of Goodwill and Trademarks

Reference to note 17 in the annual report.

The value of Goodwill and Brands as of December 31, 2023, amounts to 1933.7 million SEK and constitutes a significant portion of the group's balance sheet. In accordance with IFRS, the group conducts an annual assessment of asset values based on the calculation of discounted future cash flows.

Some of the assumptions and judgments made by management regarding future cash flows and conditions are complex and have a significant impact on the calculation of the asset's utility value. This particularly applies to the following: growth rate, profit margins, and discount rate. Changes in these assumptions could lead to a change in the reported value of intangible assets and goodwill, making this a key audit matter.

No impairment need has been identified by management in the impairment tests conducted.

How our audit addressed the Key Audit Matter

In our audit, we have assessed the calculation model used and challenged the significant assumptions made by management in their tests.

We have evaluated the reasonableness of the budget presented by management and approved by the board by comparing historical outcomes against established budgets.

We have compared the growth in terminal value with independent forecasts regarding economic growth and assessed whether the assumptions used fall within a reasonable range. We have also assessed the discount rate (weighted average cost of capital "WACC") against comparable businesses and assessed whether the assumptions used fall within a reasonable range.

Additionally, we have evaluated management's assessment of how the group's calculation models are affected by changes in assumptions and compared this with the information presented in the annual report related to impairment tests.

We have also assessed the accuracy of the disclosures in the annual report.

Other information

The audit of the annual financial statements and consolidated financial statements for the fiscal year 2022 has been conducted by another auditor who has issued an audit report dated April 25, 2023, with unmodified opinions in the Report on the Annual Financial Statements and Consolidated Financial Statements.

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 1–73, 79–82 and128. 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 Director's 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.

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

Auditor's responsibility

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

A further description of our responsibility for the audit of the annual accounts and consolidated accounts is available on Revisorsinspektionen's website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor´s report.

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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 Director's and the Managing Director of Greenfood AB (publ) for the year 2023 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 Director's 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 Director's 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' 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.

A further description of our responsibility for the audit of the administration is available on Revisorsinspektionen's website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.

The auditor's examination of the corporate governance statement

The Board of Directors is responsible for that the corporate governance statement on pages 74-78 has been prepared in accordance with the Annual Accounts Act.

Our examination of the corporate governance statement is conducted in accordance with FAR's auditing standard 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.

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

PricewaterhouseCoopers AB, was appointed auditor of Greenfood AB (publ) by the general meeting of the shareholders on 15 May 2023 and has been the company's auditor since 15 May 2023.

Helsingborg 25 April 2024

PricewaterhouseCoopers AB

Signatures on Swedish original

Eric Salander
Authorized Public Accountant

OTHER INFORMATION

Definitions

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

Contact

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

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