



2022

**Lantmännen Annual Report
with Sustainability Report**

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Sustainability Report

Statutory sustainability → pages 24-32, 137-174 and 191-193.

Listen to us!

Listen to selected parts of Lantmännen's Annual Report with Sustainability Report on a computer or mobile.

→ lantmannen.se/lyssna2022 (available in Swedish)

Lantmännen's Annual General Meeting

The Annual General Meeting will be held at Hilton Stockholm Slussen on Wednesday, May 3, 2023. The meeting will also be broadcast digitally.

Financial Reports

Interim 1st four months May 31, 2023
Interim 2nd four months October 4, 2023

Lantmännen's financial reports can be downloaded from → lantmannen.com/financial-information or ordered by calling +46 10-556 00 00. The reports are available in Swedish and English.



**From field to fork
with thriving farming!**



The Group in figures 2022

Net sales

MSEK 60,612

Net sales for the Group amounted to MSEK 60,612 (48,183), an increase of 26 percent.

Operating income

MSEK 2,307

Operating income was MSEK 2,307 (2,302) and adjusted for items affecting comparability MSEK 2,715 (2,323).

Income after financial items

MSEK 2,128

Income after financial items was MSEK 2,128 (2,181) and adjusted for items affecting comparability MSEK 2,536 (2,202).

Net income after tax

MSEK 1,791

Net income after tax amounted to MSEK 1,791 (1,887).

Cash flow

MSEK -2,468

Total cash flow before financing activities was MSEK -2,468 (1,704).

Proposed dividend

MSEK 1,080

The Board proposes a refund and supplementary payment of MSEK 374 (341), a contribution dividend of MSEK 403 (362) and a contribution issue of MSEK 303 (297). The Board also proposes a dividend on subordinated debentures of MSEK 15 (18).

Number of employees

10,356

The average number of Lantmännen employees was 10,356 (10,092), an increase of 3 percent.

Number of members

18,256

The number of Lantmännen members was 18,256 (18,726), a decline of 2.5 percent.

Reduced climate impact

31% CO₂e

From 2019 to 2022, Lantmännen reduced emissions by 31 percent, calculated as CO₂e tonnes per MSEK net sales.

Sales by market

For a detailed breakdown of net sales, see note 4 → page 91



Key figures

Financial performance measures	2022	2021
Net sales, MSEK	60,612	48,183
Operating income, MSEK	2,307	2,302
Operating margin, %	3.8	4.8
Income after financial items, MSEK	2,128	2,181
Net income after tax, MSEK	1,791	1,887
Cash flow before financing activities, MSEK	-2,468	1,704
Investments in non-current assets, MSEK	3,074	2,362
Net debt, MSEK	9,761	6,673
Total assets, MSEK	51,099	43,347
Return on operating capital, %	7.2	8.4
Return on equity, %	8.3	10.0
Equity ratio, %	44.9	46.4
Net debt (bank definition)/EBITDA	1.9	1.3

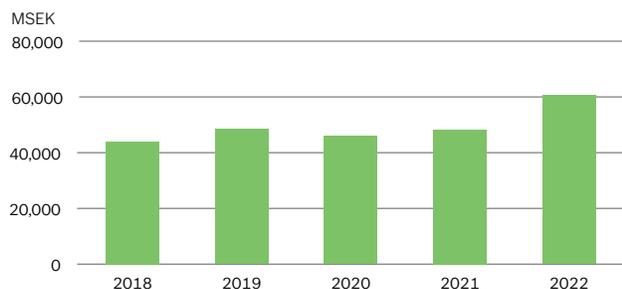
Excl. items affecting comparability	2022	2021
Operating income, MSEK	2,715	2,323
Operating margin, %	4.5	4.8
Income after financial items, MSEK	2,536	2,202
Net income after tax, MSEK	2,157	1,904
Return on operating capital, %	8.4	8.5
Return on equity, %	10.1	10.1

Non-financial key figures	2022	2021
Number of members	18,256	18,726
Average number of employees	10,356	10,092
of which women/men, %	35/65	35/65
Employee satisfaction/Leadership	70/76	70/76
Sick leave	5.2	4.4
Injury rate	13.5	14.3
Tonnes CO ₂ e/MSEK net sales	1.98	2.50
Weighted grain volume, thousand tonnes	2,482	2,422
of which Climate & Nature, volume, thousand tonnes	115	94

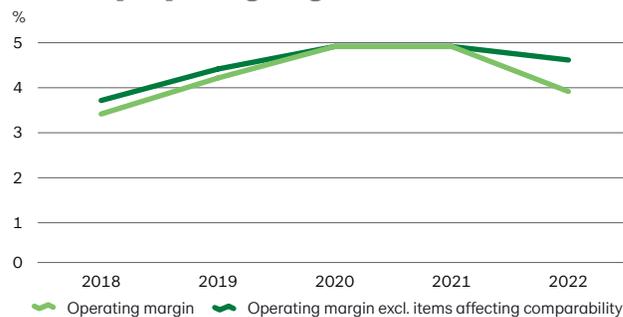
Lantmännen reports alternative performance measures in accordance with the European guidelines from ESMA (European Securities and Markets Authority).

For a description of financial performance measures, see → page 136 and for reporting principles, see → pages 161-163.

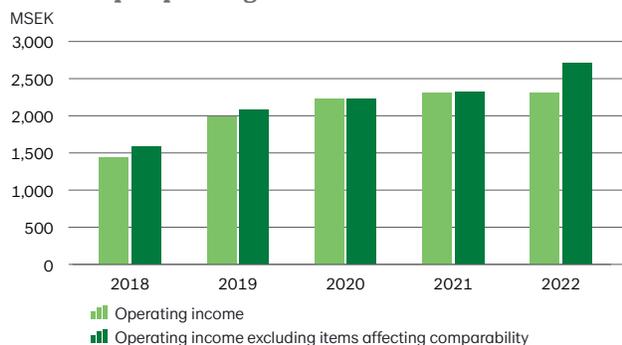
The Group's net sales



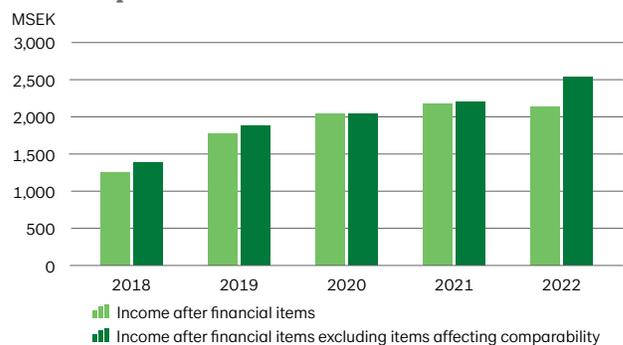
The Group's operating margin



The Group's operating income



The Group's income after financial items



Our Sectors and Business Areas

Lantmännen is a farmers' cooperative and Northern Europe's leader in agriculture, agricultural machinery, bioenergy and food products. We are owned by 18,000 members, and have 10,000 employees, operations in over 20 countries and an annual turnover of SEK 60 billion.



Agriculture Sector

The Agriculture Sector is Lantmännen's core business, promoting strong, competitive farming, with operations in Sweden and internationally. The Sector is based in Sweden and has a strong position in the Baltic Sea region and international ownership.

47% of the Group's sales

Grain, feed, fertilizer, crop production, machinery, servicing

→ see page 34



Energy Sector

The Energy Sector is one of Sweden's largest producers of bioenergy products and operates in a global market with the main focus in Europe.

10% of the Group's sales

Ethanol, protein feed, starch, gluten, vodka, fuel pellets, oat protein, alkylate petrol

→ see page 40



Food Sector

The Food Sector refines grain and other raw materials from arable land and produces flour, bread, breakfast products, pasta and ready meals. The Sector offers "Good food" to food retail and food service customers and the food industry.

29% of the Group's sales

Flour, bread, pasta, breakfast products, ready meals

→ see page 44



Swecon Business Area

Swecon is a partner of Volvo Construction Equipment and a dealer in machinery for the construction industry in Sweden, Germany, Estonia, Latvia and Lithuania. Swecon also offers servicing and support through its 96 service facilities.

13% of the Group's sales

Construction machinery, equipment, spare parts, training, servicing and support → see page 50



Real Estate Business Area

Lantmännen Fastigheter's task is to provide the Group's businesses with appropriate properties and optimize the return on externally leased properties.

1% of the Group's sales

Property leasing, property management and construction

→ see page 54

Lantmännen's business model

Lantmännen is a farmers' cooperative owned by Swedish farmers. Research, development and operations throughout the value chain enable us to take responsibility together from field to fork. Our business model creates the conditions for long-term, profitable and sustainable farming. Profit from our operations is reinvested in farming, which creates value for Swedish farming.

The farmers' cooperative

Our 18,000 members are both owners and business partners. Together, we utilize the benefits of the cooperative form of enterprise to contribute to the profitability of members' farms and optimize the return on their capital in the association.

Value from farmland

We refine arable land resources in a responsible way to create the best of what our farmland can provide. In this way, we create value for our members, develop innovative products and are part of food consumers' daily life.

Research and innovation

Our profit is reinvested in making farming thrive, either directly on members' farms, in Lantmännen's operations or in research and innovation. Every year, for example, approximately MSEK 400 is invested in research and development within farming of the future, bioenergy and food.

Operations from field to fork

We have operations throughout the value chain, from field to fork. Having a presence in several businesses, both locally and globally, creates business opportunities, stability and sustainability, and particularly a unique opportunity to influence development and take responsibility from field to fork.



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The harvest is the basis of Sweden's food supply and it is vital that Swedish farmers are able to bring in a good, high-quality harvest.



Chairman's comments

2022 an unforgettable year

The first thing that comes to mind when I think about 2022 is of course Russia's war in Ukraine, which affected both Lantmännen and the members in various ways throughout the year.

Ukraine has been an important part of international grain trading, but the war has restricted exports from Ukraine and the surrounding region, leading to a rise in world grain prices. Availability of inputs and raw materials was also affected. Supply has been limited and prices have risen, which has affected the cost situation for farming in Sweden. This means that financial performance differs significantly from farm to farm depending on when they bought inputs and sold their grain, and their type of production.

The harvest has been normal, or even a little better, in large parts of the country. In total, 5.8 million tonnes were harvested, which is slightly higher than the five-year average. The exception was the eastern parts of the country, which were below the average figure.



Membership activities during the year have been characterized by well-attended members' meetings and a high level of commitment from our elected representatives.

Active members

I welcome the fact that we have been able to resume physical meetings after the pandemic. We need to meet properly in order to develop organizations, relationships and business. Membership activities during the year have been characterized by well-attended members' meetings and a high level of commitment from the elected representatives. The Group Board has also set up several working groups with the task of making Lantmännen even better in various ways.

Consumer attitudes have changed

Society's attitude to Swedish farming has changed in a positive direction. There is an appreciation, which manifests itself in various forms, that Swedish farmers produce good quality food in a sustainable way. This change in attitude creates opportunities to increase production and to develop new business that strengthens the individual agricultural company.

Lantmännen's overall strategy, from field to fork, is a perfect fit – today and in the future. It has never been more relevant than now. Lantmännen takes total responsibility for the food we eat, from field to fork, bringing the farmer all the way into the kitchen.

Robust food chain

Sweden got a new government during the fall and, as always, hopes are raised when a new government takes office. In the light of developments in recent years – drought, pandemic and now war – there is support for advancing farming's positions in many areas and, for example, creating a robust food supply chain. The issue of Sweden's food preparedness will continue to be relevant for many years to come, and Lantmännen is in a key position to find solutions to ensure food security. Expanded Nordic collaboration on these issues is a high priority. We can learn from each other and find common solutions. It was therefore logical that the Lantmännen and Ultuna Student Union 'From Field to Fork Scholarship' this year went to an essay on how Sweden's self-sufficiency in beef can be increased.

Sustainability work bears fruit

Lantmännen's work for climate-neutral farming continues. There is great interest in our work. Never before have so many customers of Lantmännen contacted us, wanting to visit one of our three farms of the future, Viken, Bjertorp and Svalöv. Lantmännen's farms of the future carry out testing and evaluation of new cultivation methods, technological development and data collection. In short, farming of the future is demonstrated in real life, as well as how we create the conditions for a sustainable food chain.

In the work on climate targets and development of Lantmännen's Climate & Nature cultivation program in Sweden and Finland, we have reached the point where we can reap the benefits. Lantmännen will be able to offer food products produced in a fossil-free value chain.

Research and development creates profitability at members' farms

Lantmännen's investments in research and development have been considerable in 2022. In total, approximately MSEK 400 has been invested in research programs, product development and innovation. We are collaborating with SLU on the

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We face challenging times in an unsettled world, but we are strong as a company. We will continue to develop a world-class Lantmännen and world-class Swedish farming.

Grogrund program, which works on plant breeding aimed at producing varieties adapted to our north European climate. Lantmännen is also one of the initiators and founders of the company Agronod, whose business concept is data collection that can support measures to reduce climate impact and be of use to Swedish farmers. It is increasingly important for farmers to have ownership of the farm's data. In 2022, Lantmännen's research foundation financed about 20 projects with a total budget of MSEK 50. Overall, this helps to create the conditions for profitability at members' farms and to equip farming for the future.

World-class strategy, businesses and employees

The last year has challenged our business and operations in various ways, but it has also shown that we have a world-class strategy and employees who are able to handle uncertainty, risk and challenges. It is very pleasing that Lantmännen has been able to deliver its best result ever this year.

The record result for 2022 creates opportunities and confidence in the future for both active Swedish farmers and Lantmännen.

On the basis of the record result, Lantmännen's Board proposes a dividend of MSEK 1,080 to Lantmännen's members. The dividend proposal consists of a refund and supplementary payment totaling MSEK 374, a contribution dividend of 10 percent and a contribution issue of MSEK 303.

This is the highest dividend ever that Lantmännen's AGM will decide on in Stockholm on May 3 and it represents an important contribution to securing profitable, thriving Swedish farming and a robust Swedish food supply.

I would like to conclude by thanking Lantmännen's Group President & CEO Magnus Kagevik, who has had to manage many challenges in his first year. He has done so with inspiring leadership and with great care for Lantmännen and our employees and members in these turbulent times.

Mosslanda, February 2023

Per Lindahl
Chairman, Lantmännen





President's overview

Lantmännen stands firm

Lantmännen delivered a historically strong result for 2022, while facing major challenges in the external environment – including the ongoing war in Ukraine and an unstable global economy.

We currently find ourselves in a challenging situation, with significant economic uncertainty and a generally troubled external environment. 2022 was largely dominated by the tragic Russian war in Ukraine and its consequences. Since the start of the war, Lantmännen's top priority has been the safety of our employees in Ukraine. I am proud of the way our employees have dealt with the war and of their courage and commitment to continue producing and delivering food to the Ukrainian people.

Prices of all types of raw materials, energy and transport have risen to historically high levels in recent years. In the second half of 2022, inflation also rose to the highest levels in a very long time, both in Sweden and globally, resulting in higher key interest rates. In short, the global economy is under severe pressure, which affects all of Lantmännen's businesses. At the same time, Lantmännen delivered a historically strong result for 2022. Income after net financial items, adjusted for items affecting comparability, amounts to MSEK 2,536.

Our broad and stable business portfolio is a major reason for this, and as in previous difficult times, such as the 2018 drought and the coronavirus pandemic, some businesses have delivered stronger results while others have faced challenges. In 2022, the businesses in the Energy Sector and Swecon Business Area delivered their highest operating income ever, while our Food Sector businesses were squeezed by increased costs of raw materials and energy, which have not been fully offset by price increases.

How our Sectors and Business Areas performed

The Agriculture Sector's earnings were significantly higher than in the previous year, mainly driven by the Swedish agricultural operations. Earnings for the Finnish agricultural operations were lower than in the previous year as result of poorer earnings for the grain business. Lantmännen Maskin's earnings also declined, partly due to the general downturn in the machinery market.

The Energy Sector improved its earnings significantly compared with the previous year, largely due to historically high ethanol prices, as well as good production and sales for all businesses. Earnings were also positively affected by Lantmännen being the sole owner of pellet manufacturer Scandbio since April and by the addition of the UK company Coryton, which was acquired in February.

The Food Sector's earnings have declined compared with the previous year. All businesses in the Sector have faced major challenges in the form of rising prices of raw materials, energy and transport. Cost-based price increases to customers have been implemented, but the Sector's earnings were adversely affected by time lags and the price increases will need to be continued.

The Swecon Business Area delivered new record results in 2022. Machine availability has remained limited due to factors such as component shortages and difficulties related to shipping and logistics. Despite this, Swecon's sales have increased in all markets. Aftermarket sales also showed

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The new geopolitical market situation presents new strategic development opportunities for Lantmännen.

Together we will continue to develop Lantmännen to ensure profitable, thriving farming and, of course, keep the climate issue high on the agenda in all our businesses.



positive development, with good demand for both servicing and spare parts.

The Real Estate Business Area showed stable development, although earnings for 2022 were lower than in the previous year, largely due to lower profit shares from partly-owned companies and the negative impact of high energy prices.

Continued investments throughout the grain value chain

Lantmännen continues to invest throughout the chain from field to fork – partly in the form of new production facilities and product areas, and partly through collaborations and new cultivation concepts. Our gluten facility in Norrköping underwent final testing towards the end of 2022, with production scheduled to start in the first half of 2023. The gluten facility will complement the production of biofuels, carbon dioxide and feed. During the year, we also started the detailed design of a new large-scale pea protein production facility in Lidköping. The investments strengthen our operations in food ingredients and plant-based proteins.

Two other key investments are related to reducing the climate impact in the cultivation stage. During fall, the first batch of malting barley was harvested, grown according to Lantmännen's Climate & Nature cultivation method, which reduces climate impact by up to 30 percent. Spendrups will use approximately 3,000 tonnes of the malting barley harvest to brew almost 18 million liters of beer with lower climate impact. Lantmännen's collaboration with Yara on fossil-free mineral fertilizer will enable us to offer fertilizer produced with renewable energy rather than natural gas. This is a crucial step in achieving climate-neutral farming, and means that we will be able to offer the very first grain products from a fossil-free value chain this year.

Lantmännen is also investing in the rest of the Baltic Sea region. One example is the acquisition of the Finnish food company Myllyn Paras, which was completed in June.

With the company's mill and bakery business, we now have operations throughout the chain from field to fork in Finland, which strengthens the scope for long-term innovation and offering attractive and sustainable products on the Finnish market. Since 2015, we have made significant investments in Finland, which is now our second-largest market.

Lantmännen can manage the challenges

The great uncertainty in the external environment has led to rapid macroeconomic changes and extreme price movements in the market – a situation that is expected to persist. The economy is slowing across the whole of Europe and high inflation is placing pressure on businesses and individuals alike. Against this backdrop, it is heartening to note that Lantmännen stands firm and is ready to manage the challenges it faces.

First and foremost, we remain in a strong financial position, with a strong balance sheet and good results. This gives us important maneuverability to take action to deal with the challenges and to invest when opportunities arise. Secondly, we have a strong brand, which reflects the important role we play in society and the investments we are making for the future. Lantmännen is perceived as a purposeful, responsible and sustainable company, something we should all be proud of. Our clear focus on organization and talent development, skills supply and leadership helps us to perform better, adapt to changing conditions and create innovative solutions and offerings.

I am confident that we are well positioned to face the future in both the short and long term. Lantmännen's ambition is to be the world's best agricultural cooperative and I look forward to continuing to develop the Group together with all our members and employees.

Stockholm, February 2023

Magnus Kagevik
Group President & CEO

Significant events in 2022



City of Västerås acquires silo facilities from Lantmännen

An agreement has been reached whereby the city of Västerås will acquire and take over the silo facilities in the center of Västerås by 2029. *January 2022*



Magnus Kagevik new Lantmännen Group President & CEO

Magnus Kagevik, former Lantmännen COO and Head of the Energy Sector, succeeds Per Olof Nyman who has retired. Magnus has solid international experience, strong industrial expertise and is an appreciated leader. He also has a genuine interest in Swedish farming and its conditions. *April 2022*

Agreement for fossil-free fertilizer

Lantmännen and Yara are the first companies to sign a commercial agreement to launch fossil-free mineral fertilizer, produced with renewable energy. *January 2022*



Lantmännen Aspen acquires Coryton

Lantmännen Aspen expands internationally as it acquires specialty fuel supplier Coryton. With a base in the UK and operations on both the European and American continents, the acquisition creates opportunities and synergies within the growing sustainable fuel segment. *February 2022*



Acquisition of shares in KG:s Ägg

Lantmännen has acquired 30 percent of the shares in KG:s Ägg, a leading Swedish egg packaging company. The acquisition brings increased scope for development in the Swedish egg value chain and is in line with our strategy to increase initiatives and investments within food supply in Sweden. *March 2022*

Lantmännen's acquisition of Scandbio completed

In February, Lantmännen signed an agreement to acquire the remaining shares in Scandbio. Following approval by the relevant competition authorities, the acquisition has now been completed and Scandbio is wholly owned and operated by Lantmännen. *April 2022*

Update of Lantmännen's green bond 2022

Lantmännen's Board has decided to update its Medium Term Note (MTN) program, under which Lantmännen is able to issue green bonds. Finansinspektionen (the Swedish Financial Supervisory Authority) has approved and registered the base prospectus. *April 2022*



Swecon acquires Kewab Rental

Lantmännen-owned Swecon Anläggningsmaskiner has broadened its operations by acquiring the rental company Kewab Rental. With one of Sweden's biggest and widest range of large construction machines for rental and hire purchase, the acquisition creates synergies and the opportunity to meet customer demand for rental machines. *May 2022*



Lantmännen Cerealia in partnership with Mycorena

Lantmännen Cerealia has initiated a partnership with Foodtech company Mycorena, with the shared ambition to develop food of the future, based on mycoprotein, for the Nordic market. *May 2022*



Lantmännen in partnership with Spendrups

Lantmännen and Spendrups have started a collaboration where malt barley, the main ingredient in beer, is grown according to Lantmännen's Climate & Nature program. These cultivation methods reduce climate impact and promote biodiversity. *May 2022*

Lantmännen completes acquisition of Finnish Myllyn Paras



The acquisition is a key step in strengthening Lantmännen's position in Finland and broadening its range of grain-based products to meet the growing demand for products with local origin in the Nordics. Lantmännen welcomes the 110 employees into the Group. *June 2022*



Plant breeding of oats

Lantmännen's research company CropTailor and ScanOats in Lund have sequenced the entire genome of oats. This opens opportunities to develop oats that are healthy and can be grown sustainably. Plant breeding is crucial for sustainable, thriving farming and an innovative, forward-looking food industry. *May 2022*



Inauguration of Svalöv farm of the future

At Lantmännen's plant breeding department in Svalöv, future crops are developed much faster than before. With new cultivation chambers, enhanced computing power and an advanced laboratory, crop characteristics can be mapped with high precision. The aim is to develop new varieties with increased yields, better quality, and stronger resistance to climate change, disease and infestation. *June 2022*

Lantmännen Research Foundation – 2022 Open call

Each year, Lantmännen Research Foundation awards MSEK 25 to research in the entire value chain from field to fork. The goal is sustainable farming aiming for climate neutrality by 2050 and increased productivity to ensure viable agriculture and food supply over time. Through Lantmännen Research Foundation, we invite researchers to collaborate on future opportunities in agriculture, food, bioenergy and green materials.

July 2022



Lantmännen Agrovärme divested

Lantmännen has divested Lantmännen Agrovärme, which produces, distributes and sells district heating in southern and central Sweden. The buyer is Solör Bioenergi – one of the largest players in the Swedish and Nordic district heating market.

September 2022

Billion investment makes Lantmännen unique in northern Europe

The investment of over SEK 1 billion in a new large-scale production facility for pea protein in Lidköping strengthens Lantmännen's leading position in plant-based proteins. The pea proteins will complement the existing range of sustainable grain-based proteins from wheat and oats. The new facility is expected to be completed in early 2026. The billion-sized investment enables Swedish farmers to grow another crop in their crop rotation, which has several advantages for both environment and climate.

September 2022



Expansion in Romania

Lantmännen Unibake has begun the first step in a planned MEUR 90 investment in a state-of-the-art bakery in Romania. The total investment will create more than 300 new jobs on top of the 130 people already employed at Lantmännen Unibake Romania.

September 2022

FINN CRISP snacks – Grocery of the Year

The Grocery of the Year award, presented for the 16th year in a row, goes to FINN CRISP snacks – Creamy Ranch – from Lantmännen Cerealia. The prize, awarded by the industry organization Svensk Dagligvaruhandel, aims to draw attention to successful launches, while inspiring further innovation and product development.

October 2022



Lantmännen's history, major acquisitions, divestments and ownership interests

SVENSKA
LANTMÄNNEN
IS FOUNDED

2001

ACQUISITIONS

- Elsö Pesti
- Sopps
- Könicke

2010

DIVESTMENT

- SweChick

ACQUISITION

- Agro Bizz

2013

DIVESTMENTS

- Kronfågel
- Cerealias mill in Riga

ACQUISITION

- Strängnäs Valskvarn

FOUNDED

- Agroenergi Neova Pellets

2014

DIVESTMENTS

- Bygglant
- SW Seed Germany & Poland
- SW WinterOil Seed

ACQUISITIONS

- Vaasan
- Crop Tailor

2015

DIVESTMENT

- Doggy

ACQUISITIONS

- Kalmar Lantmäns machinery operations
- Dataväxt
- Frozen Bakery Products

2016

Lantmännen converts its HaGe Kiel shares into shares in team SE

team SE, a German company with operations in building materials and energy became the majority shareholder of HaGe Kiel and Lantmännen has converted its HaGe Kiel shares into newly issued team SE shares. Danish cooperative DLG is the majority owner of both HaGe and team SE.

October 2022

Reduced climate impact from plastic

By 2025, Lantmännen, Felleskjøpet (Norway) and Hornslyd Købmandsgaard (Denmark) will replace Trioworld's entire range of bale wrap film with products made from at least 30 percent recycled material. October 2022



Lantmännen ranks no. 1 as Sweden's most purposeful company

Management consultancy Lynxeye conducts an annual survey of how purposeful the general public perceive Sweden's 50 largest companies to be. Lantmännen takes first place as Sweden's most purposeful company. October 2022



2022 Harvest

According to the Swedish Board of Agriculture's latest forecast, the Swedish grain harvest for the year was 5.8 million tonnes, which was higher than the five-year average and what had previously been forecast. The harvest quality was generally good, with low water content. In addition, the total oilseed harvest is estimated at 0.4 million tonnes, 27 percent higher than the latest five-year average. A very intense harvest period put pressure on reception and transport capacity. Low grain stocks in exporting countries, combined with the war in Ukraine, led to historically high grain prices and an unusually volatile market. Lantmännen's broad network continues to be important for our trading activities. The outbreak of war initially brought higher demand for wheat from the EU.

MSEK 35 for growth on Swedish farms

Tillväxtbolaget has raised MSEK 35 in new capital from its owners to enable further investments on Swedish farms. Venture capital is needed to increase the productivity and profitability of Swedish agricultural enterprises.

October 2022

Lantmännen's business portfolio creates value from farmland for our members

ACQUISITIONS

- Anderson Bakery
- K-maatalous
- Orient Products
- Marline
- Byavärme

ACQUISITIONS

- Raisios cattle feed business
- ThermoSeed Global

ACQUISITIONS

- Bakery Du Jour
- Tate & Lyles oat business in Kimstad

ACQUISITION

- Parts of French Bakery in Norway

ACQUISITIONS

- Coryton
- KG:s Ägg
- Scandbio
- Kewab Rental
- Myllyn Paras

2017

- ### DIVESTMENTS
- LMB Danmark
 - Akershus Traktor

2018

2019

2020

2022

- ### DIVESTMENT
- Lantmännen Agrovärme

A valuable membership

Lantmännen's cooperative form of enterprise has many advantages, notably the democratic structure, one member one vote, and the economic benefits of being an owner who receives dividends and returns. As a cooperative enterprise, Lantmännen contributes to the profitability of members' farms, providing knowledge, research and development, and advice.

Involvement and activities in the districts

Members of Lantmännen are both business partners and owners of Lantmännen. They are members of an association that processes the grain that is produced and they are involved in stewardship of the earth for future generations.

“
Lantmännen creates business value and contributes to the profitability of the members' farms.

Involvement and dialogue in the districts, membership meetings, council of trustees and working groups are key ways of utilizing the strength of the cooperative enterprise. In this way, Lantmännen combines regional activities that are close to the customer with large-scale national and international business operations. Lantmännen's 20 districts are the basis for the members' influence and an important link between the members and Lantmännen. *The district boards* work on overall strategic issues regionally in close cooperation with Lantmännen Lantbruk and Lantmännen Maskin.

Benefits for members

Savings account

A savings account with Lantmännen is a safe choice to make money grow. Lantmännen members also receive an extra preferential interest rate.

Members' meetings

Every year, a number of different meetings and gatherings are organized for Lantmännen members. What is offered varies from district to district depending on needs and interest.

Ambassador program

Each district can propose participants in Lantmännen's Ambassador program for young members. Around 30-40 participants from across the country meet and are given the opportunity to get to know different parts of Lantmännen.

Training

All Lantmännen members can learn more about how the member organization works – e.g., through the website, LM² etc. New elected representatives on the district boards and nomination committees undergo a three-day training program. Participants are trained in Lantmännen's business operations, communication and IT security.

Grodden members' magazine

Grodden comes out four times a year. In addition to the Grodden magazine, there is also a Grodden podcast.



LM² portal

Members have access to the LM² portal's digital services. The LM² portal's business overview shows current agreements and order information. Under the Machinery



Lantmännen's AGM May 5, 2022

The meeting adopted the Board's proposal for a contribution dividend on both paid-in and issued contribution capital, a contribution issue and a refund and supplementary payment. The total adopted dividend was MSEK 1,000, the highest ever.

All Board members, the Group President & CEO, Group Management, the presiding officers, delegates, authorized auditors and member representative auditors attended the meeting, which could also be followed via webcast.



tab members will find servicing history, Lantmännen Maskin's e-commerce and the option to book a machine service.

My grain business gives a full overview of physical grain business with Lantmännen. For example, how much harvest of each crop a member has sold and at what prices. LM² also gives access to financial trading in grain, directly on one of the world's largest commodity exchanges.

Under the *Feed tab*, members can view all their feed agreement details and information on when they expire.

VäxtRåd's newsletters can be found in *Dataväxt's* services.

Where earnings are created

Most of the financial earnings within Lantmännen are generated in the processing activities, e.g. processing of grain into food or bioenergy, and through sales of construction machinery. A value-creating industrial and processing business provides a market for members' grain and generates added value.

Trading in contribution issues

Contribution issues are one of many good reasons to be a member of Lantmännen. They are based on the portion of the profit from Lantmännen's industrial operations that is distributed to the members.

Members of Lantmännen have been able to buy and sell contribution issues since 2009. Purchased contribution issues carry the same entitlement to contribution dividends and new contribution issues as paid-in contributions. There were 10 trading sessions in 2022 and the total turnover was MSEK 44 (52). The transaction price varied between 135 and 146 percent of the nominal value.

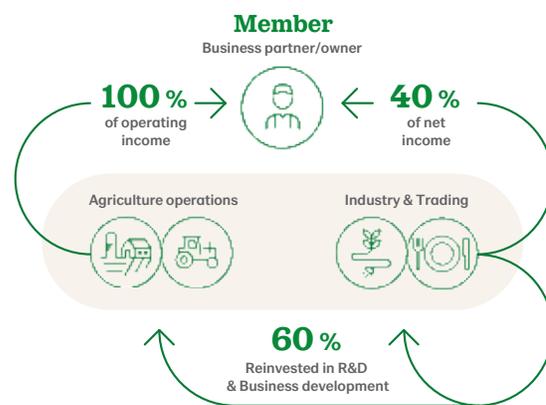
Dividend policy

The Board evaluated and updated the dividend policy in 2022. The intention is that the dividend level will be adjusted to the Group's earnings, financial position, cash flow and strategic investment needs. The Board's aim is that Lantmännen's will generate regular and stable dividends for members over time.

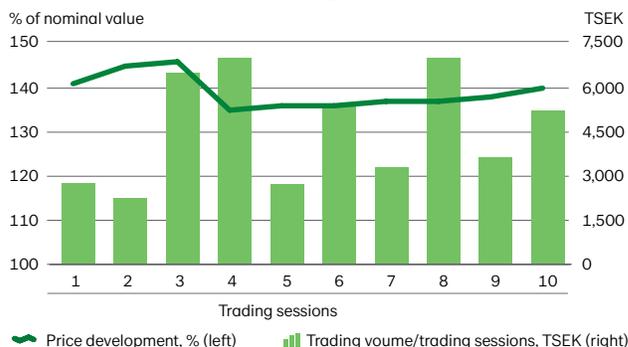
Members receive dividends through:

- *Refund* – calculated on members' purchases from Lantmännen Lantbruk Sweden, Lantmännen Maskin and Swecon's Swedish operations.
- *Supplementary payment* – calculated on members' sales of grain, oilseeds, pulses and forages to Lantmännen Lantbruk.
- *Contribution dividend* – paid in proportion to members' paid-in and issued contribution capital. The dividend is based on the results of the processing and industrial operations.
- *Contribution issue* – some of the earnings from Lantmännen's industrial operations are distributed to members by transferring collective capital to individual capital. The contribution issue distribution is 50 percent on trading with Lantmännen and 50 percent on paid-in and issued contributions.

Lantmännen's dividend model



Contribution issues – trading and price trend 2022



Dividend to members 2022

Refund, supplementary payment, contribution dividend and contribution issue are terms that keep coming up when we talk about benefits of being a Lantmännen member. All of the terms are linked to the fact that you are a member and that you benefit directly from both trading with and owning Lantmännen.

For 2022, the Board has proposed that the AGM adopt a dividend as follows: refund and supplementary payment of 2.0 (2.5) percent on trading with Lantmännen Lantbruk Sweden, excluding the fuel business, a 0.5 (-) percent refund on members' purchases from Lantmännen Lantbruk Sweden's fuel business and a 0.5 (1.5) percent refund on members' purchases from Lantmännen Maskin's and Swecon's Swedish operations. The total refund and supplementary payment is estimated at MSEK 374 (341).

The Board proposes a contribution dividend of 10 (10) percent of the contributions' nominal value, totaling MSEK 403 (362), and a contribution issue of MSEK 303 (297).

In addition, a 6.0 (7.25) percent dividend on subordinated debentures, totaling MSEK 15 (18), is proposed, based on the conditions in the subordinated debenture offer.

Contributed capital – paid-in and issued

Lantmännen's members invest capital through their contributions in the association. Contributed capital amounted to MSEK 4,027 (3,624) at the end of 2022 and consisted of paid-in contributions of MSEK 1,642 (1,512) and issued contributions of MSEK 2,385 (2,112).

The contribution issue members receive is collected in their account for issued capital and this is the capital that constitutes contribution issues. Our members can easily see their balance via LM² Finance.



Contributed capital

MSEK	2022	2021	2020	2019	2018
Paid-in contributions	1,642	1,512	1,402	1,373	1,318
Issued contributions	2,385	2,112	1,826	1,586	1,346
Total	4,027	3,624	3,228	2,959	2,664

Dividend¹⁾

MSEK	2022 ²⁾	2021	2020	2019	2018	2017	2016	2015	2014	2013
Refund and supplementary payment	374	341	305	208	157	245	231	188	135	129
Extra dividend	-	-	-	-	-	133	-	-	-	-
Contribution dividend	403	362	291	237	213	222	207	193	178	171
Contribution issue	303	297	306	288	250	100	70	50	150	-
Total	1,080	1,000	902	733	620	700	508	431	463	300

¹⁾ Reported amounts may include adjustments compared with previous years' proposals. ²⁾ Pursuant to Board's proposal for 2022.

“ All members get to share in the Group's profit and can influence how Lantmännen is governed.

Market and business environment

Lantmännen’s principal market is northern Europe, with a focus on the Nordic and Baltic Sea region. The war in Ukraine and the subsequent sanctions against Russia have affected our businesses and also contributed to a completely changed trade picture both in Europe and globally. The year has been marked by the complex situation of inflation, soaring prices of grain, feed, food and energy, supply disruptions and the energy crisis resulting from the global pandemic, as well as the current geopolitical turmoil in the world.

The effects of the war in Ukraine are reducing the global supply of agricultural products both this year and in future growing seasons. Farmers are at risk of continued disruptions and price increases in the global agri-supply chains. However, the current situation of reduced global supply and higher prices for agricultural products means that farmers can be paid more, while there is a risk that the continued high energy prices and more expensive inputs will erode profitability.

“
Strategic access to price-hedged sustainable energy and capacity supply is increasingly important for the entire food value chain.

For Lantmännen, the costs of several key raw materials and services for our industrial operations, such as electricity, natural gas and freight, have risen sharply. Transport problems and labor shortages have worsened, leading to supply problems, notably in the manufacturing sectors. This has

affected agricultural and construction machinery, which has been unable to meet demand due to long lead times for new machines.

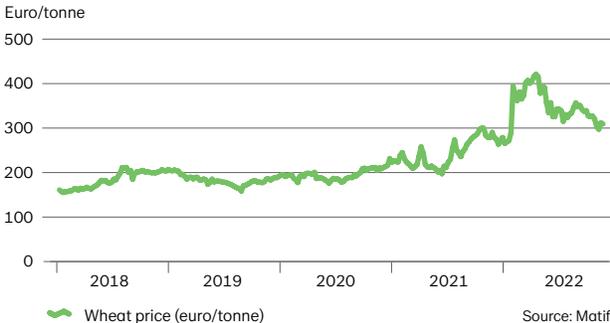
Commodity markets and the year’s grain harvest

The Black Sea region produces 30 percent of the world’s traded wheat and Russia was the world’s largest exporter of mineral fertilizer before the war in Ukraine. Rising energy prices in Europe are linked to reduced supplies of Russian oil and gas. High commodity and energy prices have caused inflation to rise to levels not seen for a very long time.

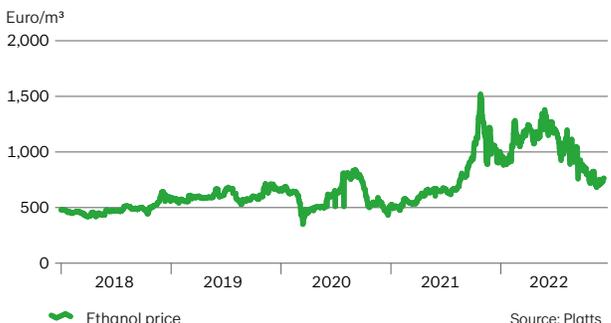
In 2022, sharp price increases for key agricultural and input raw materials and food ingredients meant that price adjustments had to be made throughout the value chain. The price of fertilizer for agriculture follows the price of energy. The situation is challenging for agricultural companies and puts pressure on livestock producers – mainly from high feed and energy prices.



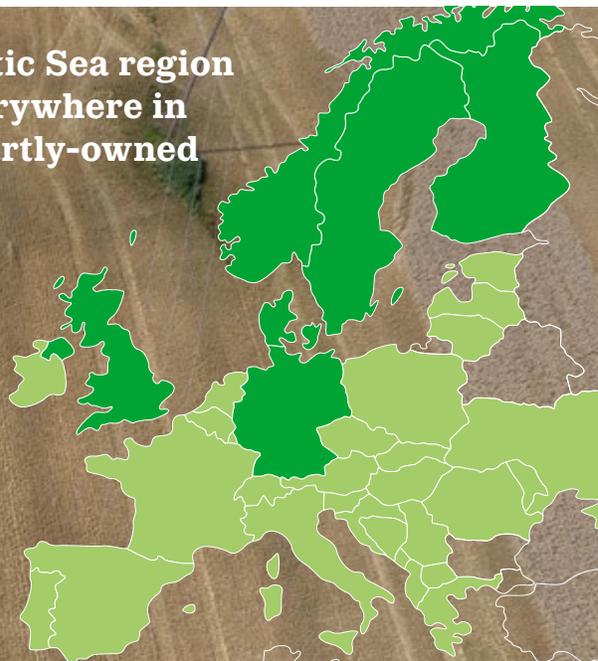
Wheat commodity exchange price trend



Ethanol commodity exchange price trend



“ Our main markets are in the Baltic Sea region and we are present virtually everywhere in the world through wholly and partly-owned companies.



Share of the Group's net sales



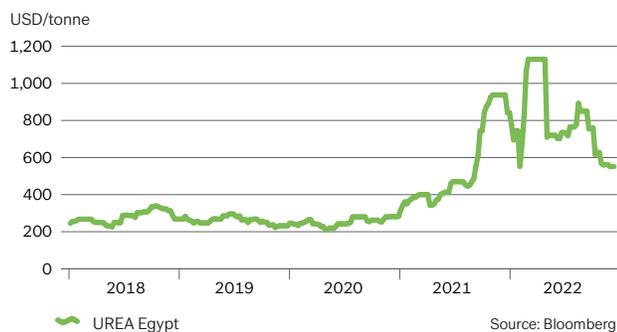
The Swedish grain harvest for 2022 was higher than the previous year's and a record harvest of oilseeds was noted. The 2022 grain harvest was 5.8 million tonnes, an increase of 16 percent from the 2021 harvest. The increase was mainly due to higher yields per hectare for all grain crops.

Winter wheat yielded a total Swedish harvest of 3.0 million tonnes, 10 percent above the average for the last five years. The total oilseed harvest is estimated at 0.4 million tonnes, 27 percent higher than the latest five-year average. The total harvest for pulses is estimated at 86 thousand tonnes, 31 percent above the five-year average.

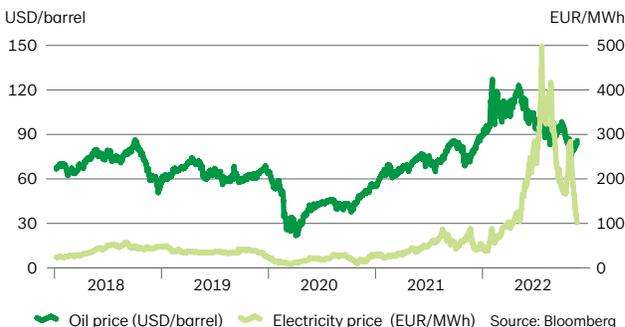
Inflation affects purchasing behavior

The high rate of inflation in Sweden and other European countries is persisting, with higher costs of inputs, energy and transport driving the inflation. Lantmännen has navigated between planning for cost containment and ensuring price compensation. However, the process of passing on price increases along the chain is affected by time lags, which is having a particularly negative impact on our food operations. Inflation has consequences for both retailers and end consumers. Lantmännen is monitoring how consumer behavior is changing and how it affects Lantmännen's businesses. The pandemic and the current global situation have underlined

Chemical fertilizer commodity exchange price trend



Oil and electricity commodity exchange price trend



the importance of local production and robust value chains, from both a business and societal perspective.

Focus on sustainability and climate issues

The EU's "Green Deal" is gaining momentum in the political arena. This means that a large number of regulations and strategies related to agriculture, the climate, energy and the environment are being revised. Learn more on → page 32.

In the market, sustainable products are being challenged in the short term by a cost focus due to inflation. In the longer term, ambitions are being strengthened and companies in the food value chain are joining the Science Based Targets initiative. This means a commitment to set climate targets for their value chain in line with what is needed to limit global warming to no more than 1.5 degrees.

“
Sustainable food supply is a key issue in resolving the climate challenge and ensuring biodiversity, while a growing population brings increasing needs.

Investment and policy instruments in the private and public sectors are being increasingly steered towards sustainable growth-oriented initiatives, as underlined by the EU Taxonomy.

Increased digitalization and access to relevant data is a key enabler for developing productivity, climate performance and sustainability across the value chain.

“
Global uncertainty has led to rapid macroeconomic changes and large price movements.

Inflation



Three global challenges for Lantmännen and agricultural companies

Population growth and increased prosperity

Climate, real and political

Geopolitical complexity

Population growth and increased prosperity – 10 billion people by 2050

Population growth forecasts and a rapidly growing middle class are driving global demand for agricultural and food products.

Climate, real and political – Net zero emissions by 2050

To meet the UN's net zero emissions target for 2050, the climate impact needs to be reduced throughout the value chain from cultivation to processing and transport. In parallel, the value chain needs to be adapted to a real change in climate.

Geopolitical complexity – Food security

We are living in a completely new external situation that has a tangible and new impact on the opportunities and activities of our businesses. From this perspective, securing infrastructure and capacity in the food value chain is key.

In the long term, this means that food production needs to increase in view of population growth, sustainability and an increasingly geopolitically complex world.

Strategy – Field to Fork 2030

Lantmännen's assignment is to contribute to the profitability of our members' farms and optimize the return on their capital in Lantmännen, and this is the basis for our strategy. The vision is to be the world's top agricultural cooperative: a world-class company and the leading player in the grain value chain from field to fork in northern Europe.

The agricultural company – at the center of Lantmännen's value chain



Lantmännen – a world-class company

Our strategic focus areas will contribute to world-class Swedish farming by *strengthening the competitiveness and profitability* of members' farms. This will be achieved by ensuring leading *profitability* in all our industrial operations and by leading and accelerating the development of *sustainable solutions* across the business.

Comprehensive work is also in progress to further strengthen trust in the *Lantmännen brand*. Our goal is to be the most *innovative company* and the most *attractive employer* in our industries.

“

Lantmännen's strategy creates sustainable value from field to fork as agriculture's best business partner.

Our operations maximize the value of members' grain and our portfolio companies contribute to financial stability.

Our grain strategy

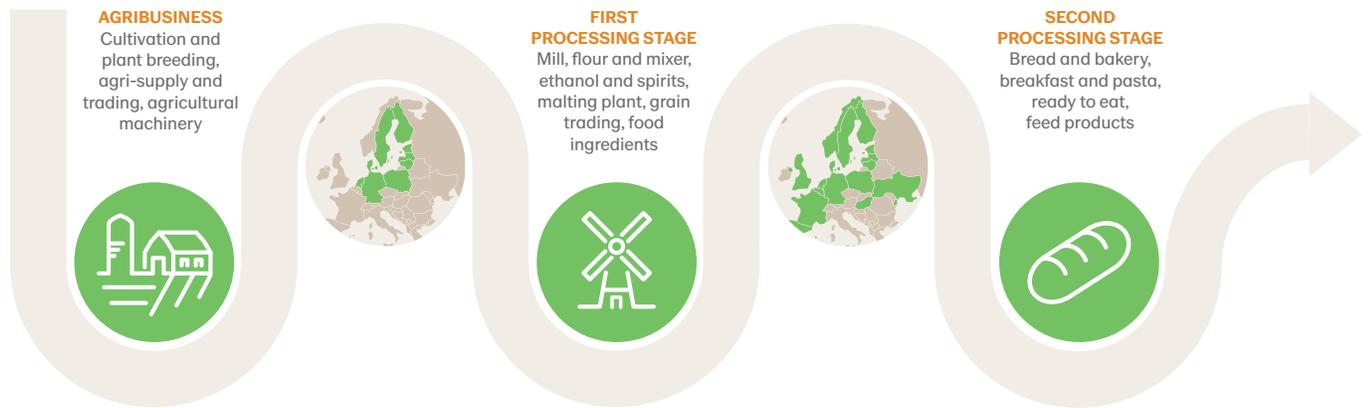
Lantmännen's grain strategy is based on increasing the Swedish grain harvest by 1 million tonnes per decade and achieving net zero climate impact by 2050. The grain strategy follows the grain value chain all the way, from describing how we source grain and create value through cultivation concepts to industrial operations and how we reach export markets.

A leading brand

The Lantmännen brand has a valuable position, based on our members, agricultural operations and our responsibility from field to fork. Branding includes developing this position and creating further influence for our consumer brands and businesses, and being an attractive employer. Branding also includes development and implementation of value-creating concepts from field to fork, such as Climate & Nature, organic labeling and origin labeling.

We are working to clarify the connection of all brands to Lantmännen and our responsibility. Lantmännen has been ranked as one of Sweden's most sustainable brands in customer surveys for many years.

Lantmännen as a strategic player throughout the value chain



Strategic initiatives for food security

The issue of securing strategic food production facilities is a priority from Lantmännen's perspective. The aim is to build resilience in the food value chain and the storage of critical inputs over time.

Sustainable business and a responsible employer

Our external analysis describes global challenges such as climate change and increased demand for raw materials for a growing population. Lantmännen's role is to drive progress towards farming of the future and sustainable food and bio-energy systems. We process and develop products and offerings with sustainable added value and have the knowledge to make farming more sustainable. Lantmännen is driving a number of sustainability issues that support the vision strategy Field to Fork 2030. Lantmännen is a responsible player and wants to be an attractive employer that offers a safe work environment, good leadership and an inclusive corporate culture.

From field to fork in Finland

Since 2015, Lantmännen has made significant investments in Finland, which is now our second most important market. We strengthened our position further with the acquisition of the Finnish food company Myllyn Paras during the year.

With Myllyn Paras's mill and bakery business, we now have operations throughout the chain from field to fork in Finland, which strengthens the scope for long-term innovation and strategic development of both agricultural and food activities. The similarities between the Swedish and Finnish agriculture and food sectors create synergies in the development of products and concepts. Investment in the Climate & Nature cultivation program in Finland continued during the year. Lantmännen also has collaborations within Nordic Oats to promote exports of oats and oat products from Sweden and Finland.



Lantmännen's continuing strategic development

- Further develop the green protein value chain
- Develop opportunities in the transition from fossil to renewable fuels
- Secure long-term electricity supply on competitive terms
- Develop a strategy for green fertilizer
- Further develop the strategy for Finnish operations
- Create offerings based on science-based targets as a driver for sustainable business opportunities from field to fork, with a focus on climate data
- Develop incentive systems to ensure that farmers are fairly remunerated in the market for sustainable production methods

Strategic targets

Each Lantmännen business has a business plan with financial targets. The strategic targets for the Group and businesses also include non-financial targets.

Return on equity

The Group's return target is dependent on the composition of the business portfolio. The current business portfolio is estimated as having a total return on equity potential of 8 percent. Return on equity was 8.3 (10.0) percent in 2022. The average return on equity for the last five years is 9.1 percent.

Target >8 %

Outcome 8.3 %



Equity ratio

Lantmännen's target for the equity ratio is a minimum of 40 percent, which reflects Lantmännen's desired financial risk profile and the Board's view of long-term financial stability. The equity ratio on December 31, 2022 was 44.9 (46.4) percent.

Target >40 %

Outcome 44.9 %

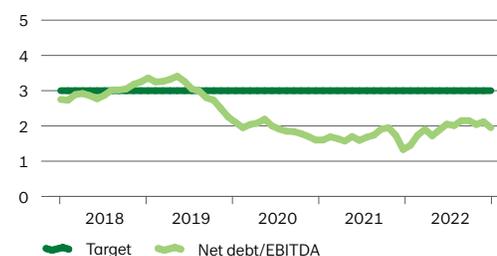


Net debt*/EBITDA

Net debt/EBITDA indicates how fast a company can repay its debt (expressed in years). Lantmännen's aim is to maintain a net debt/EBITDA ratio of below 3, in order to ensure financial stability. The present net debt/EBITDA ratio is 1.9 (1.3). *According to bank definition.

Target <3

Outcome 1.9

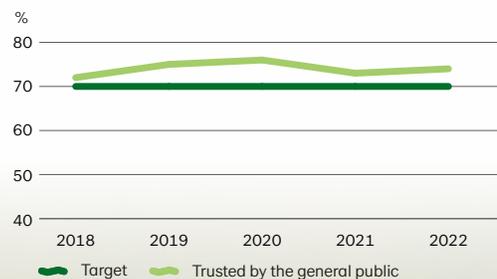


Trusted by the general public

För 2022, an average of 74 percent of the public said they trusted Lantmännen, which is among the highest results of all Swedish companies. Trust is the brand attribute proven to make the greatest contribution to business. This creates greater credibility and loyalty among customers and consumers, as well as attractiveness as an employer and business partner.

Target ≥70 %

Outcome 74 %



For a description of financial performance measures, see → page 136 and for reporting principles, see → pages 161-163.



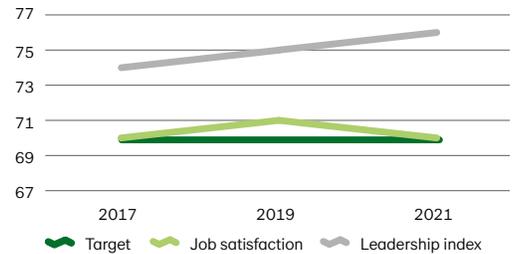
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We have ambitious sustainability targets and report on the progress of work in areas such as employees, sustainable products and climate.

Employees/Leadership

Our employees' commitment and good leadership are key to Lantmännen's success. These indexes are followed up in the Insight employee survey, conducted every two years. The employee survey in fall 2021 showed strong results. We achieved the job satisfaction target: 70 (71) and exceeded the leadership target: 76 (75).

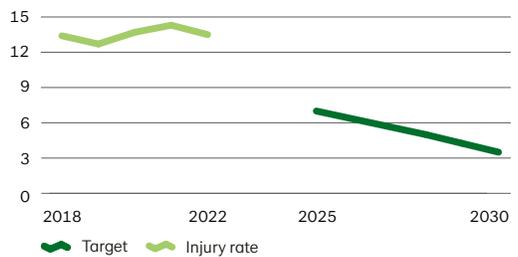
Target >70 Outcome 70 and 76



Injury rate

Lantmännen has a zero vision for work-related accidents. The target will be achieved with a risk-based and proactive approach, in which health and safety are part of day-to-day work, with a focus on continuous improvement. The injury rate fell to 13.5 from 14.3 in the previous year.

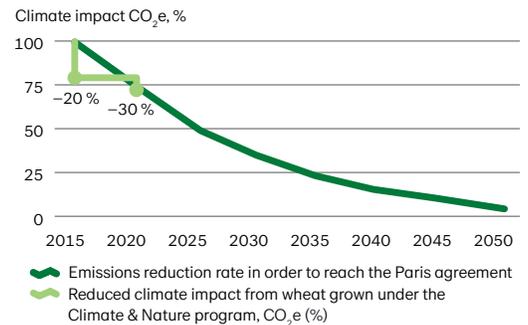
Target 2025 <7 Outcome 13.5



Sustainable products

The target is for the Climate & Nature cultivation program to halve the climate impact every decade in line with the reduction rate in the Paris Agreement. New 2020 criteria for fossil-free fuels reduced emissions by a further 10 percent/kg flour.

Target -50%/ten yr. Outcome -30% CO₂e



Reduced climate impact

The Group's target is to reduce climate emissions from its operations by 50 percent in the period 2019-2030, calculated as CO₂e tonnes per MSEK net sales. The target will be achieved by continuing the transition to fossil-free production and energy efficiency. From 2019 to 2022, emissions were reduced by approximately 31 percent.

Target -50%/ten yr. Outcome -31%



For a description of financial performance measures, see → page 136 and for reporting principles, see → pages 161-163.

Strategy for sustainable business

Our external analysis describes global challenges such as climate change and increased demand for raw materials for a growing population. Lantmännen's role in dealing with the global challenge is to drive progress towards farming of the future with sustainable food and bioenergy systems.

With operations throughout the grain value chain, Lantmännen has a unique opportunity to pursue sustainable business development, which is the basis for Lantmännen's and our members' long-term profitability. Lantmännen's Field to Fork 2030 strategy is leading and accelerating the development of sustainable solutions throughout the value chain. Based on renewable raw materials from arable land, we develop businesses that optimize cultivation, increase resource efficiency, close cycles and minimize the impact on people and the environment.

“
Responsibility and sustainability are a key driver we have been working on and reporting annually for over 20 years.

We have prioritized sustainability topics that are essential for Lantmännen's contribution to sustainable development and sustainable business. They are found in three areas: climate and ecosystems, sustainable products and renewable raw materials, and responsible employer and business partner. Our framework for sustainable business sets out ambitions

and targets for the priority issues and the outcomes are reported in the Sustainability Report. Learn more in [→](#) the Sustainability Report and GRI Index.

Governance

The Group Board is ultimately responsible for governance, monitoring and following up the Group's responsibility and sustainability work. Group Management drives responsibility issues and sustainable business development as part of strategic business planning. Learn more on [→](#) page 20. The Sectors and Business Areas pursue their relevant sustainability issues.

The work is based on Lantmännen's Code of Conduct, which is a tool for steering the business towards ambitions and goals see [→](#) page 22. The Code of Conduct describes how Lantmännen's operations and employees must conduct themselves and make decisions to take responsibility from an environmental, social and business ethics perspective.

Sustainable business development is integrated into our processes and is central to Lantmännen's strategy for managing risks and opportunities. Lantmännen's work is driven by the Farming of the Future program, our brand strategy, research and innovation activities, green financing, the Business Ethics Compliance Program, supplier monitoring systems, Health & Safety Excellence strategy, Employee Branding, and external dialogue.

Milestones in Lantmännen's long-term work with sustainability and climate

Sustainable business development

Sustainable methods for seed treatment	Agroetanol invests in another line	Climate-declared food and climate-calculated feed	Launch of Climate & Nature cultivation program	Report Farming of the Future: Crop cultivation	Climate & Nature, improved performance	Report Farming of the Future: Beef & Dairy Green bond	Investment in plant breeding in Svalöv
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2001 – 2007 – 2009 – 2015 – 2019 – 2020 – 2021 – 2022

Responsibility

First Sustainability report	Code of Conduct adopted	Global Compact signed Climate target adopted	Updated climate target	Target for climate-neutral primary production by 2050	Climate targets achieved	New climate targets for 2030	New materiality analysis
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Lantmännen's framework for sustainable business



“ In 2022, our climate work and development of the Climate & Nature cultivation program took important steps towards a fossil-free food value chain.

Farming of the Future – our plan

Swedish farming is considered to be among the most sustainable in the world, yet we still face new challenges. More renewable resources for food and energy are needed, while the impact on climate must be further reduced. Lantmännen has a clear strategy to meet the challenges – a plan we call Farming of the Future.

In the Farming of the Future report, Lantmännen shows that yields can increase while climate and environmental impacts are reduced. Lantmännen's goal is to create conditions for a sustainable primary production with increased yields and climate neutrality by 2050.



With operations throughout the value chain from field to fork, we have unique opportunities to drive change

We are creating a fossil-free value chain

Under Climate & Nature, Lantmännen's program for Farming of the Future, grain is grown according to criteria for reduced climate impact and increased biodiversity. With Climate & Nature, we drive development, meet the market's demand for sustainably produced food and create opportunities for farmers to reduce the climate and environmental impact of cultivation. Wheat, rye, barley and oats are grown under the program, and products from the program have reduced the climate footprint by up to 30 percent since 2015.



Kungsörnen's flour range comes from the Climate & Nature cultivation program, as do pancake products and AXA oats.

Now we are adding a crucial piece of the puzzle – fossil-free fertilizer – enabling what is probably the world's first large-scale fossil-free food production. The commercial offering from the cultivation is in line with the reduction rate in the Paris Agreement and *Science Based Targets initiative's* targets for the agricultural sector. This means a significant further reduction in the climate footprint. Lantmännen's role in the transition will be to continue to drive commercial offerings for large-scale implementation.

Increased harvests with reduced climate impact

Lantmännen's Field to Fork 2030 strategy describes the need for increased food production, taking into account population growth and sustainability. In simple terms, this means that the Swedish grain harvest needs to increase by one million tonnes per decade and at the same time reach net zero emissions by 2050.

Lantmännen is driving this development, with the main building blocks being fossil-free plant nutrients and fuels, together with precision farming, digitalization, management, plant breeding and carbon sequestration. We test future solutions and demonstrate them in practice on our Farms of the Future and develop concrete market offerings in our businesses. Together with other stakeholders, we want to overcome the challenges by 2050.



The Viken Farm of the Future is Lantmännen's own dairy farm. Here we test and drive the development of sustainable and productive dairy production.

Industrial investment enables sustainable farming

The market demand for Swedish-grown green proteins is increasing. Lantmännen's goal is to make Sweden self-sufficient on green proteins and profitably increase the pea cultivation in Sweden to 40,000 hectares.

An investment of over SEK 1 billion in a new large-scale production facility for pea protein in Lidköping will strengthen Lantmännen's leading position in plant-based proteins. The investment will enable Swedish farmers to grow an additional crop in their crop rotation, and has several advantages for both environment and climate. Pea protein complements Lantmännen's existing range of sustainable grain-based proteins for food and could also become an important substitute for imported soybeans.

“ Farming of the Future is our vision and strategy for sustainable and profitable farming. The target is a sustainable primary production with halved climate impact every decade until 2050.



Knowledge

We continue to build on our knowledge base, with the report as a starting point

In the two special reports “Farming of the Future: Crop Cultivation” and “Farming of the Future: Beef & Dairy” we analyzed the possibilities for a more sustainable future production, with increased production and reduced climate impact in line with science-based targets, in close cooperation with other players throughout the animal value chain.



Proof

We test future solutions and demonstrate them in practice on our Farms of the Future

Farms of the Future provides proof of how productivity, resource efficiency and environmental impact can be improved for sustainable and profitable farming of the future. In 2022, we launched the Svalöv Farm of the Future, where we carry out state of the art plant breeding. We also run two other Farms of the Future - Bjertorp for crop production and Viken for dairy production and feed development.



Offering

We develop concrete offerings to the market – wheat, rye, barley and oats grown according to Climate & Nature

Climate & Nature, Lantmännen’s program for Farming of the Future, continues to grow in volume in Sweden and has now been launched in Finland. The roll-out is an important step towards more sustainable Finnish food production. In 2022, Climate & Nature has been developed to introduce fossil free fertilizer as an important next step.



Collaboration

We work closely with other players in order to overcome the challenges and close the innovation gap by 2050

Lantmännen is initiating and running a number of collaborative projects in the sector. Examples include Agrosfär, a tool for calculating and sharing climate data from farming, and Sustainable Supply Chain for Food, a collaboration for accelerating a commercialization of more sustainable food.



Learn more about Lantmännen’s road to climate neutral farming at lantmannen.com/farming-of-the-future

Research develops business

Lantmännen is well positioned for the work required in crop development and farming efficiency to meet the future challenges of global supply and profitability of our owners' farms.

Lantmännen invests approximately MSEK 400 annually in research and development to meet future challenges and ensure competitiveness. The aim is to increase the value from field to fork and create business in cooperation with agricultural companies.

Digitalization – driving sustainable food systems

Digital initiatives support primary production through the development of precision farming solutions in the plant breeding program Dataväxt, improved decision support and digital interfaces for farmers in LM². This is about optimizing processing steps from production to customer and consumer. Lantmännen's investment in the Agronod platform for sharing farming data enables continued development and sustainable innovation in the food system.

Making farming thrive

Priority areas for development are plant breeding, fossil-free and recycled plant nutrient products, grain storage monitoring systems and emissions from arable land. Sustainable and profitable livestock production requires research on high quality roughage, innovative feed strategies for free-range laying hens and pigs under varying weather and climate conditions and the development of recycled feed phosphate.



Innovation and research are needed for the development of Farming of the Future in crop and livestock production.

Plant-based raw materials for food

One of Lantmännen's research areas is the development of food from grain and other plant-based raw materials. Examples of project areas include the health effects of grain and legume-based foods, improved bread quality and fractionation to produce new ingredients and foods.

Bioenergy and green materials

Lantmännen conducts research projects that contribute to a more bio-based society based on grain and pulses. Research is underway to develop biochemicals such as bioplastics and other renewable materials. Raw materials from farming provide side streams and, with knowledge and different processing methods, components such as starch, protein, fiber, cellulose and lignin can have increased value in innovative applications.

Strategic research collaboration

Strategic partnerships are important for Lantmännen's research initiatives and Lantmännen participates in several of Formas' centers for food research and innovation. Under the Mistra Food Futures program, strategies for a sustainable Swedish food system for healthy food will be developed. Learn more on [→](#) page 32.



The Greenhouse

The Greenhouse is Lantmännen's program for open innovation. It is a platform where colleagues, startups and members can develop ideas together and build solutions around a theme. In 2022, a Greenhouse program on the topic of smart farming was arranged, with several activities such as innovation days, demo days and accelerator programs. Learn more at [→ lantmannen.com/greenhouse](https://lantmannen.com/greenhouse)



LANTMÄNNEN
RESEARCH FOUNDATION

During the year, Lantmännen Research Foundation invested MSEK 25 in research to create new business opportunities for Lantmännen and on members' farms. One example is a newly launched study on carbon sequestration of agricultural fields, which is run by the Finnish Meteorological Institute and Lantmännen's Finnish operations. In addition, the Foundation's investment resulted in an increase of over 100 percent from other funders. See [→ lantmannen.com/research-and-innovation/research-foundation/](https://lantmannen.com/research-and-innovation/research-foundation/)

Our employees

Lantmännen works in a long-term framework to attract and develop employees and leaders. Cooperation and commitment are important to us; we work constantly to create a stimulating and safe work environment.

The purpose of Lantmännen's employer brand and communication is to create pride and engagement among existing employees and to attract and arouse the interest of potential employees. We want to be an employer whose employees enjoy their work and develop – with a good working environment, good leadership, plenty development opportunities, and, with ambitious, challenging and inspiring goals.

We aim to give employees internal growth and development opportunities in specialist and management careers. It is also our aim for half of all managerial recruitments to be filled with an internal candidate; the outcome for 2022 was 48 percent.

“

At Lantmännen, employees can influence and make a difference – not only to our future solutions and success, but also to society.

We are committed to skills and leadership development for all employees and run a wide range of employee and leadership training programs each year, from local courses to longer global leadership development programs. During the year, a new Group-wide digital training platform (Workday) was rolled out, with an improved interface and enhanced

functionality that creates a better experience and adds value to the training our employees receive.

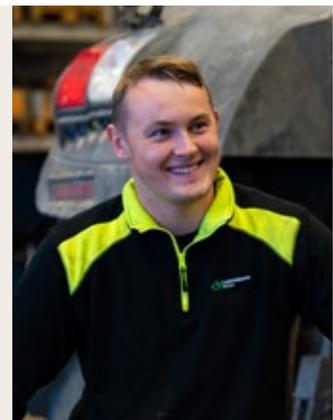
All Lantmännen employees have performance appraisals with their immediate supervisor, with a primary focus on individual goals, development plans and acting in accordance with Lantmännen's values – openness, a holistic view and drive. In addition, an employee survey to monitor development of employee satisfaction and leadership is conducted every two years. The most recent survey, in 2021, showed a strong result, with a score of 70 (71) for the Employee satisfaction index and 76 (75) for the Leadership index.

In August 2022, a new round of Lantmännen's popular graduate trainee program began: out of more than 800 applicants, nine trainees have the opportunity to try out a number of different roles in the Group's various businesses. The graduate trainee program lasts 15 months, and is designed to give graduate trainees a holistic view of Lantmännen as a company and prepare them for a continued career within the Group.

During the year, Lantmännen as an employer received a number of awards from talent networks and in external rankings: including a silver in Talent Company of the Year, awarded by 4Potentials, and for the third consecutive year we are a "Career Company" – one of Sweden's 100 most attractive companies, elected by a jury. In 2022, Lantmännen appeared on the "Young Professional Attraction Index" for the first time, a survey run by Academic Work and Kantar Sifo, which measures how attractive companies are to young professionals.



“
Lantmännen values employees' commitment and desire to develop.





Openness and respect

We have a friendly culture based on openness and respect for each other, where it is easy to make your voice heard and exert influence. By taking ownership of results, cooperating and exploring new opportunities, together we take our business to an even higher level.



International career opportunities

We are an international group with exciting business throughout the value chain. With our breadth in agriculture, machinery, bioenergy, food and real estate, we can offer career opportunities in different industries, countries, companies and areas of expertise.

A safe work environment

Lantmännen's goal is to achieve health and safety excellence at our workplaces by 2030. The focus of Lantmännen's strategy is to change the safety culture by integrating health and safety work more clearly into leadership, employee management and daily operational and strategic processes. An important part of this involves creating conditions for changed behavior and Lantmännen has therefore developed a number of tools and training courses. In 2022, we rolled out our new digital training, combined with a physical workshop, Health & Safety Awareness Training, which aims to raise awareness among managers and employees about Lantmännen's work on health and safety. All Sectors also continue to work on long-term action plans in this area.

During the year, the UN's World Day for Safety and Health

at Work raised awareness of health and safety, and during a week, a Group-wide training course on qualitative accident investigation was held.

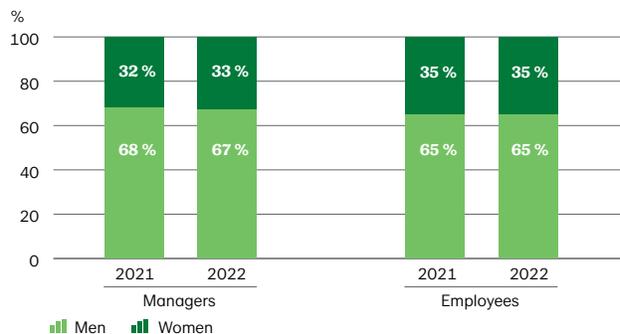
We create and maintain a good safety culture by identifying and minimizing risks in order to prevent injury. This is done by conducting around 60 inspections per year in our production facilities and continuous health and safety training. A web-based tool for reporting, investigation and follow-up of accidents, near misses and risk observations is available to all employees, as well as statistics for analyses and decisions.

In 2022, the injury rate fell to 13.5 (14.3). The target for the injury rate is to be below 1 by 2030. Continuous work is done to identify and follow up areas for improvement. Sick leave increased to 5.2 (4.4) in 2022. Learn more on [page 157](#).

Our employees – Geographic distribution



Gender distribution





Looking to the future

Lantmännen is a cooperative with companies in many industries and rooted in a proud history. We continue our successful journey and develop our businesses with a clear strategy for growth, exploring new markets and expanding globally.



Lantmännen Graduate Trainee Program

Lantmännen's graduate trainee program provides training in leadership, change management and project management, while Lantmännen's Summer Internship offers young potentials the opportunity to build on their experience within our operations.

Lantmännen has an established whistleblowing system giving employees a simple and anonymous way of reporting malpractice and violations of Lantmännen's Code of Conduct, values, guidelines or policies, as well as suspected irregularities. A total of 19 reports from three countries were recorded in 2022. All cases have been investigated and acted on.

We value employees' skills, qualities and experience, and work actively to create an inclusive culture where cooperation, commitment and safety are highly regarded. We work on gender equality and diversity in a long-term perspective through defined goals, activity plans and regular follow-up. No form of discrimination, bullying or harassment is accepted and we have guidelines and procedures on how to deal with this if it occurs.

Our operations in Ukraine

Since the start of Russia's war in Ukraine early in the year, Lantmännen's top priority has been the safety of our employees in Ukraine. Management and employees have worked hard to maintain operations in Ukraine as much as possible, in order to produce and distribute food to the local market.

With good internal cooperation between different business areas, we have also been able to distribute bread to refugees on Ukraine's borders with Romania and Poland and provide assistance for our employees and their families, including transport and accommodation.

Our employees, work-related accidents and near misses

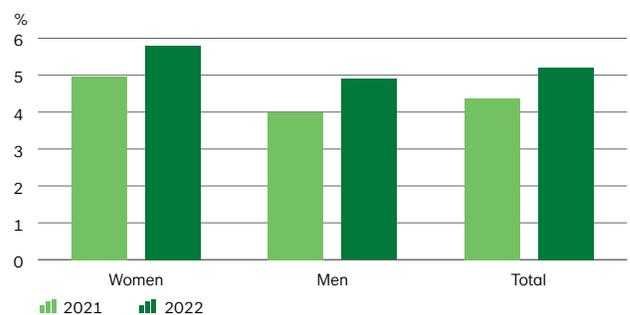
	2022	2021
Number of fatalities due to accidents	0	0
Number of accidents ¹⁾	233	247
Injury rate ²⁾	13.5	14.3
Number of reported near misses ³⁾	2,692	2,831
Number of risk observations	15,334	13,271

¹⁾ Work-related accident resulting in at least one day's absence after the accident occurred.

²⁾ Injury rate is defined as the number of accidents per million actual hours worked.

³⁾ Near misses are defined as unintended events that could have resulted in ill health or an accident.

Sick leave



Collaboration for sustainable growth

Lantmännen has a leading role in the development of Swedish farming, the food value chain, bioenergy and food production. We drive issues for robust and sustainable growth in priority areas through collaboration.

Lantmännen's agenda for sustainable growth in the Swedish agriculture and food sectors creates opportunities for our members, Lantmännen and the food sector. The agenda is in line with the Swedish food strategy, international sustainability goals and food security objectives.

Key regulatory issues

Lantmännen pursues regulatory issues of key importance to our businesses and strategies. In Sweden, Lantmännen focuses on the competitiveness of agriculture and food production, and biofuels. Food security as part of total defense involves Lantmännen, working in cooperation with LRF, the Confederation of Swedish Enterprise and the Swedish Food Federation.

The EU is discussing crop-based biofuels, bioenergy and the role of agriculture in climate action. Work has intensified due to new external events, with rising prices of food, energy and plant nutrients. The EU's "Green Deal" means that all EU regulations and strategies related to agriculture, the climate, energy and the environment are being revised. This may affect the bioenergy and food value chains, both in the primary production and industry stages. Although the Green Deal contains some negative elements in terms of the competitiveness of European agriculture, it is considered generally positive for Lantmännen's business as it increases demand for bio-based alternatives to fossil fuel.

Current dialogue topics

We engage in collaborations on issues that are particularly important for Swedish farming and our stakeholders.

- **Thriving farming:** LRF, KRAV, Sweden Food Arena, Spannmålsodlarföreningen, LRF Plant Breeding and Co-operatives Sweden.
- **Responsibly produced food:** Swedish Food Federation, DLF, Consumer associations, Sustainable Supply Chain for Food and Swedish Platform for Risk Crops.
- **Green energy/Bio-economy:** Haga Initiative, Drivkraft Sverige, Copa-Cogeca, Svebio, World Bioenergy Assoc. and ePURE.
- **Robust food security:** Consultative Group for Emergency Preparedness Planning for Food Security (SKAL), LRF, Swedish Food Federation and Confederation of Swedish Enterprise.

Learn more at lantmannen.com/sustainable-development/cooperation-and-dialogue

Sustainable growth in the sector

Eight particularly important areas have been identified where Lantmännen is active together with academia, business sector players and authorities. Investing in all areas will accelerate robust and sustainable growth.

Joint efforts for profitable growth in the Swedish agriculture and food sector

Crop production – Grogrund



Animal research – SustAinimal



Digitalization – Agronod



Supply and preparedness – Grain infrastructure



Venture capital – Tillväxtbolaget



Food exports – Nordic Oats



Innovation – Sweden Food Arena

More than 60 Swedish food sector participants collaborate for innovation-based growth.

Swedish green proteins – Pea protein facility



Our Sectors and Business Areas

Lantmännen's operations are divided into three Sectors and two Business Areas. Lantmännen also has ownership shares in several international companies. Lantmännen is both a business partner for agriculture and a part of consumers' daily life.

Agriculture Sector	34
Energy Sector	40
Food Sector	44
Swecon Business Area	50
Real Estate Business Area	54
International ownership	56



Agriculture Sector

The Agriculture Sector, which constitutes Lantmännen's core business, develops and markets products and services to promote strong, competitive farming. The Agriculture Sector is based in Sweden and has a strong position in the Baltic Sea region through its international wholly and partly-owned companies, and accounts for 47 percent of Lantmännen's sales.

The Agriculture Sector includes *Lantmännen Lantbruk Sweden*, *Lantmännen Maskin*, *Nötcenter Viken*, *Lantmännen Kraft*, *Lantmännen Bioagri*, *Lantmännen Agro in Finland*, *Lantmännen Agro in Denmark* and *Lantmännen Seed in the Netherlands*. The Sector is responsible for Lantmännen's ownership interests in the Scandagra Group in the Baltic region, Scandagra Polska in Poland and the technology company Dataväxt AB.

During the year, operations were affected by the war in Ukraine and sanctions against Russia. Rising prices of logistics services, inputs, raw materials and energy have forced us to find new suppliers and new trade routes. The Agriculture Sector has handled the new conditions well and operations have shown positive development during the year, particularly in crop production, which has managed to navigate the volatile market.

The feed business has shown its strength, with Lantmännen having been able to optimize feed based on available raw materials and customers' needs, thus strengthening its position in the market.

Outlook

The volatile commodity market and developments in the external environment are expected to continue creating uncertainty for suppliers and customers in 2023. High fertilizer and fuel prices will affect us, and our members' profitability. The availability and price of energy is an uncertainty factor that has a major impact on Lantmännen's and its members' production.

Experience and new business contacts from a turbulent 2022 have left us well equipped for 2023. We will continue to invest in business development, with an increased focus on our sales channels, as well as technological and digital development. We will also review new business models and services to reduce the implementation gap that exists in farming in terms of using available technology and knowledge. We continue to work on development under the Farming of the Future program at our three farms of the future, Bjertorp, Svalöv and Nötcenter Viken.

Agriculture Sector, key figures	2022	2021
Net sales, MSEK ¹⁾	30,376	22,834
Operating income, MSEK	516	374
Operating margin, %	1.7	1.6
Return on operating capital, %	5.2	4.5
Investments in non-current assets, MSEK	285	186
Average number of employees	1,733	1,727
of which women/men, %	25/75	24/76
Women/men in executive management, %	42/58	33/67
Injury rate	8.1	11.3
Sick leave, %	4.5	4.1
CO ₂ emissions, thousand tonnes ²⁾	12	9

¹⁾ Including intra-Group sales. ²⁾ Includes Lantmännen Maskin from 2022.

Excl. items affecting comparability	2022	2021
Operating income, MSEK	516	374
Operating margin, %	1.7	1.6
Return on operating capital, %	5.2	4.5



Brands



Nötfor
Fårfor

Piggfor
Renfor

Pullfor
Protect



Sustainability areas in focus

The Sector works to promote sustainable agriculture with energy-efficient and safe machinery, resource-efficient production, climate-smart cultivation methods and feed raw materials, and low-impact transport. It also works on innovation and development of climate-effective feed, technological and digital development, precision farming and plant breeding. As part of Farming of the Future we have launched our farms of the future, where we develop offerings to meet market demand and adapted cultivation methods to meet climate and environmental challenges.

Sustainable products and renewable raw materials

In 2023, Lantmännen Lantbruk will launch fossil-free mineral fertilizer on the Swedish market in partnership with Yara. The use of renewable energy reduces the climate footprint by 80-90 percent. During the year, we also entered

into an agreement with Felleskjøpet (Norway) and Hornsyld Købmandsgaard (Denmark) to switch our stretch film range to products made from recycled plastic raw materials.

Responsible employer and business partner

Health and safety is a focus area of the Agriculture Sector's strategy, and we work actively towards the goal of creating a safe, secure and healthy workplace. The work is conducted at both central and local level throughout the Sector. We also focus on responsible sourcing and business relationships.

“
We develop offerings and cultivation methods to meet climate and environmental challenges.”



Lantmännen Lantbruk Sweden

Lantmännen Lantbruk Sweden offers a wide range of products for crop and livestock production. The business is the leader in the grain market through its purchasing of grain, oilseeds, pulses and forages which are sold on to grain traders and Swedish and international industry. The business showed positive development in all its areas during the year. The feed business was affected by rising prices of feed raw materials and energy, and a generally unsettled market, but volumes remained stable. The crop production business showed strong development, managing to navigate the unstable market for plant nutrients, plant protection and specialty products. The year's grain harvest, with good volumes and quality, has created favorable conditions for the grain business.

Grain

Lantmännen Lantbruk Sweden buys and sells grain, oilseeds and pulses. Half of the quantity is used in Lantmännen's own industries. External sales are significant, with exports accounting for the largest share, with sales mainly to Europe and North Africa, and also North America.

According to the Swedish Board of Agriculture's latest forecast, the Swedish grain harvest for the year was 5.8 million tonnes, which was higher than the five-year average and the previous forecast. The harvest quality was generally good, with low water content. A very intense harvest period put pressure on reception and transport capacity. Low grain stocks in exporting countries, combined with the war in Ukraine, led to historically high grain prices and an unusually

Lantmännen Lantbruk Sweden, key figures

	2022	2021
Net sales, MSEK ¹⁾	20,363	14,102
Operating income, MSEK	339	159
Operating margin, %	1.7	1.1
Return on operating capital, %	5.8	3.6
Investments in non-current assets, MSEK	234	150
Average number of employees	758	797
of which women/men, %	33/67	33/67

¹⁾ Including intra-Group sales.

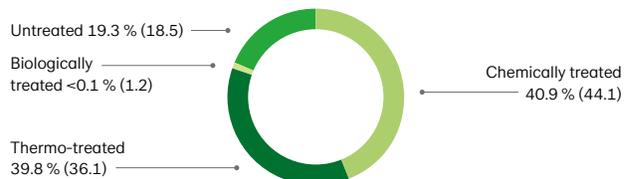
Excl. items affecting comparability

	2022	2021
Operating income, MSEK	339	159
Operating margin, %	1.7	1.1
Return on operating capital, %	5.8	3.6

Use of total volume of sold grain



Seed treatment (calculated as percentage of volume in tonnes)



volatile market. Lantmännen's broad network continues to be important for our trading activities. The outbreak of war initially meant higher demand for wheat from the EU, but high grain prices are likely to affect demand going forward.

Feed

Lantmännen Lantbruk develops, produces and sells feed and supplements. The feed business was significantly affected by the war in Ukraine when raw materials, particularly from protein suppliers, became unavailable and grain prices rose sharply, resulting in historically high feed prices. New supplier contacts for raw materials previously traded from Russia and Ukraine were established.

High feed prices combined with soaring energy and fuel prices have created economic instability for livestock producers. A high settlement price has enabled profitability to be maintained for dairy and chicken producers. Pig and egg production suffered a decline in profitability during the year as the industry struggled to pass on the necessary price increases for eggs and pork to cover increased costs.



Profitable and sustainable crop production requires the right crops, inputs and cultivation strategies.

Climate change and a growing global population present significant, new and ever-changing challenges and opportunities for agriculture.

Crop production

Lantmännen Lantbruk refines, produces and sells seeds in the areas of seed grain, pulses, oilseeds and grass seed. We market and sell other crop production inputs.

Sales of spring seed during the year were lower than normal, partly due to extensive fall sowing and partly due to a shortage of seed as a result of poor harvests in 2021. Winter rape seed sales records were broken during fall. Uncertainty in livestock production has contributed to a reduction in the conversion of ley, which has affected sales of forages.

The mineral fertilizer situation was dramatic during the year, with the price of regular fertilizer products more than tripling compared with 2021. Buyer interest was relatively stable, but with limited supply. Large volumes of fertilizer were previously traded from Russia but we have had to find new suppliers. Other merchandise business developed well during the year. The Future Fit Breeding project, aimed at accelerating advances in plant breeding, was completed at the Svalöv farm of the future. Learn more at lantmannenlantbrukmaskin.com



Nötcenter Viken

The Viken farm of the future is managed by Nötcenter Viken and is Lantmännen's own dairy farm, with 420 dairy cows, 450 heifers and calves and 365 hectares of crop production. We test Farming of the Future in practice at the farm and conduct experimental activities for sustainable and productive milk production. Production results at Viken continued to develop well during the year and are 18 percent higher than the average milk production in Sweden. The experimental activities include a sub-project under the SustAnimal collaboration, in which we investigate the composition of the animals' diet with the aim of achieving the most sustainable milk production possible. The Viken farm is also a meeting place for participants in the agricultural sector.

Lantmännen BioAgri

Lantmännen BioAgri sells and develops *ThermoSeed* – a unique biological method that makes seeds healthy and resilient with heat treatment. The company also develops and markets biological seed treatment products. A new bio-stimulant, a product of biological origin that improves crop productivity, was brought to market during the year. Learn more at lantmannenbioagri.com

Lantmännen Krafft

Lantmännen Krafft is Sweden's largest horse feed supplier and one of the largest in the Nordic region, with additional markets in Europe and the US. The company continued to show good sales figures during the year, but is under pressure from rising prices of raw materials, transport and energy. During the year, KRAFFT was launched in the Climate & Nature cultivation program as part of our climate initiatives and to create an even clearer link to the Lantmännen brand. Learn more at kraffthorsenuitration.com



Lantmännen Maskin

Lantmännen Maskin imports, markets and sells agricultural machinery and spare parts and provides services in Sweden. The product portfolio contains strong brands, including Valtra, Fendt, Kuhn, Väderstad and Joskin.

The record sales at the end of 2021 took their toll at the beginning of 2022 with reduced demand for new machines. High inflation, rising interest rates and energy price hikes affected customers' investment appetite during the year.

Although the total market for machinery fell during the year, Lantmännen Maskin increased its market share in the declining market. The machinery business was affected by delays in deliveries of new machines throughout the year. The spare parts business performed well during the year. The workshop business was adversely affected by high sick leave at the beginning of the year and a lower number of delivered machines.

Work on replacing the ERP system continued during the year and was intensified during fall. Commissioning is scheduled for the first quarter of 2023. Despite a turbulent year, affected by external factors, Lantmännen Maskin continues its long-term work according to plan, with process optimization in the business bringing increased returns. The new ERP system is part of this long-term development journey. Learn more at lantmannenlantbrukmaskin.com



The long-term strategy, aimed at further strengthening processes and profitability, continues as planned.

Lantmännen Maskin, key figures	2022	2021
Net sales, MSEK ¹⁾	3,320	3,636
Operating income, MSEK	1	20
Operating margin, %	0.0	0.6
Return on operating capital, %	0.0	1.7
Investments in non-current assets, MSEK	32	19
Average number of employees	776	750
of which women/men, %	13/87	10/90

¹⁾ Including intra-Group sales.

Excl. items affecting comparability	2022	2021
Operating income, MSEK	1	20
Operating margin, %	0.0	0.6
Return on operating capital, %	0.0	1.7

Total market for tractors in Sweden





Lantmännen Agro Finland

The operations in Finland, Lantmännen Agro Oy, provide agri-supply for crop production, feed, and spare parts and equipment. Sales are conducted through independent Lantmännen-profiled dealers, agricultural stores and direct sales. The company also trades in grain in the Finnish and international markets, and produces and sells feed directly to customers with livestock production and horses.

Significant winter losses of fall-sown crops and a very low harvest in 2021 led to a shortage of seed. The poor harvest in 2021, combined with rising input prices, resulted in poor profitability for farmers, which had a major impact on machinery sales in 2022. The 2022 grain harvest amounted to 3.6 million tonnes, exceeding the country's total use. However, the rye harvest was lower than normal, resulting in import needs. Two former dealers were acquired in September and Lantmännen Agro

now has seven of its own agricultural stores in strategically important locations.

With the acquisition of the milling company Myllyn Paras in 2022, Lantmännen now has an integrated grain value chain from field to fork, from purchasing of grain from farmers to milling and bakery operations. Coordination of roles in the market creates the conditions for a sound grain business and competitive supply to the industry. Together, Lantmännen Lantbruk in Sweden and Agro in Finland have a market-leading position in good quality food oats. By coordinating oat exports, we can offer customers good quality food oats with good security of supply and on competitive terms, while achieving a strong export business.

Learn more at [👉 lantmannenagro.fi](https://lantmannenagro.fi)

Lantmännen Agro Finland, key figures

	2022	2021
Net sales, MSEK ¹⁾	6,094	4,479
Average number of employees	165	148
of which women/men, %	39/61	36/64

¹⁾ Including intra-Group sales.

Brands

Opti Melli Maituri Herkku Benemilk 

Operations in other countries

Lantmännen Agro – Denmark

Lantmännen Agro A/S is mainly engaged in the purchase of grain in Denmark, which is an important asset in Lantmännen's internal grain value chain. Some quantities are sold to external customers and the company also sells significant quantities of fertilizer. Learn more at [👉 lantmannenagro.dk](https://lantmannenagro.dk)

Lantmännen Seed – Netherlands

Lantmännen Seed BV conducts plant breeding of triticale and potato at the processing station in Emmeloord, Netherlands. The business developed well during the year with the Fontane potato variety and the Lumaco rye wheat variety, and sales results in Germany and France were good. Learn more at [👉 lantmannenseed.com](https://lantmannenseed.com)



Energy Sector

The Energy Sector is one of Sweden’s largest producers of bioenergy products and accounts for 10 percent of the Group’s sales. The Sector manufactures and markets sustainable ethanol fuel, protein feed, carbon dioxide, starch products, gluten, vodka, beta glucan, oat protein, alkylate petrol, lubricants and other chemical products, and solid processed wood fuels. The Sector operates in a global market with the main focus in Europe.

The Energy Sector includes *Lantmännen Biorefineries* which comprises *Lantmännen Agroetanol*, *Lantmännen Reppe*, *Lantmännen Oats* and *Lantmännen Functional Foods*. The Sector also includes *Lantmännen Aspen* and *Scandbio*.

The Sector offers responsibly produced and environmentally smart energy, food and industrial products, with facilities in Sweden, France, the UK, Latvia, Finland and Denmark. The Sector has wholly or partly-owned companies in the Nordic region, France, Germany, the UK and the US.

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We process renewable raw materials into products that can replace fossil fuels.

Bioenergy accounts for more than a third of Sweden’s energy use, and sustainable transport and biofuels are crucial to

reducing carbon emissions. Increased use of low level blends of ethanol in petrol is a cost-effective way of reducing the transport sector’s emissions.

The Sector performed very positively during the year, with strong growth driven by stable production and high demand for most products. The Sector’s long-term work on hedging prices of raw materials and key inputs mitigated the impact of the generally sharp rise in costs during the year, which had a favorable impact on results.

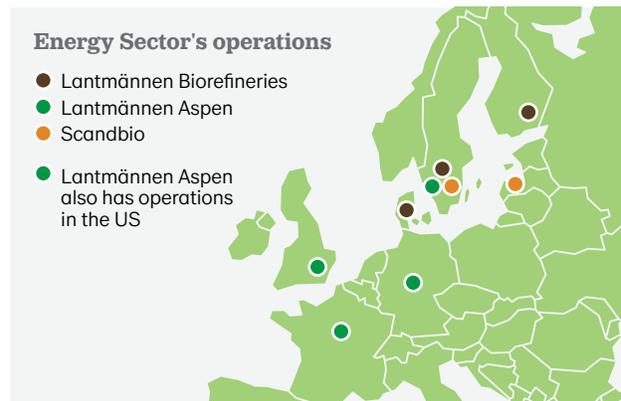
Outlook

Demand for Agroetanol’s climate-smart ethanol is expected to remain high in the Nordic region and Europe due to more stringent requirements on reducing greenhouse gas emissions from transport. We are continuing to broaden the raw material base with alternative starchy raw materials that can be used for biofuel production. The surge in demand for processed wood fuels that affected Scandbio during the year is expected to continue in the early part of 2023.

Energy Sector, key figures	2022	2021
Net sales, MSEK ¹⁾	6,801	4,595
Operating income, MSEK	1,165	615
Operating margin, %	17.1	13.4
Return on operating capital, %	46.8	42.3
Investments in non-current assets, MSEK	703	312
Average number of employees	515	364
of which women/men, %	29/71	30/70
Women/men in executive management, %	27/73	27/73
Injury rate	11.4	10.7
Sick leave, %	2.9	2.6
CO ₂ emissions, thousand tonnes	22	18

¹⁾ Including intra-Group sales.

Excl. items affecting comparability	2022	2021
Operating income, MSEK	1,165	615
Operating margin, %	17.1	13.4
Return on operating capital, %	46.8	42.3



Brands





Sustainability areas in focus

The Energy Sector produces ethanol with world-leading climate performance, develops feed and products for the food industry from Swedish raw material and markets environmentally friendly petroleum products. We work to develop circular business models, efficient production and low-impact transport, safe work environments, and responsible sourcing and business relationships. In ethanol production, residual products from the food industry are recycled.

Sustainable products and renewable raw materials

The Energy Sector offers products with documented added value for the climate, the environment and health. Production is based on renewable raw materials such as grain and wood, and Aspen is developing products with an increased proportion of renewable components. Efficient and largely renewable energy use contributes to a low climate impact from production and product.

Responsible employer and business partner

Each Sector company manages its own work environment and safety, which is a strategic focus area. These issues are top priority and are addressed daily in meetings and other forums. The work is based on prevention and includes reporting risk observations, work environment and safety inspections, and establishing good cooperation with safety representatives. Contingency planning with the rescue services was strengthened during the year and exercises were carried out.

“
We work to develop circular business models and process residual products into ethanol, protein feed and carbonic acid.”



Lantmännen Biorefineries

Lantmännen Biorefineries is a collective organization for *Lantmännen Agroetanol*, *Lantmännen Reppe*, *Lantmännen Oats* and *Lantmännen Functional Foods*, with common functions for sales, purchasing, product development, HR, economy and technical projects.

Lantmännen Agroetanol is a large-scale biorefinery with grain as its main raw material. The company processes the renewable raw material into alternatives to fossil or non-sustainable products. Grain and starchy residues are processed into ethanol, carbonic acid and a protein-rich feed material.

Lantmännen Agroetanol is the Nordic region's largest producer of ethanol with a world-leading climate performance and a carbon footprint that is more than 95 percent lower than fossil fuels. The annual production capacity of the Händelö facility in Norrköping is 230,000 m³ of ethanol, 200,000 tonnes of protein-rich Agrodank feed and about 120,000 tonnes of carbonic acid. The product portfolio was stable in 2022 with a continued focus on broadening the raw material base.

Markets normalized in 2022 following restrictions linked to Covid-19 but were then heavily affected by the war in Ukraine. Extremely high and volatile energy prices have led several ethanol producers to cut production. Ethanol prices have remained at historically high levels for most of the year.

Lantmännen's ethanol is sold in the European market where there is demand for biofuels with high climate performance. The domestic market increased in 2022 driven by the reduction obligation and the introduction of E10 in 2021.

The recycling business with residual products from the food industry creates a circular economy and contributes to profitability.

Completion of the gluten production facility in Norrköping is in its final phase and the facility is scheduled to

be commissioned during the first half of 2023. Sales of food gluten on both the national and international markets have started, with a positive response from customers.

Lantmännen has an ongoing provision of MSEK 500 in connection with *the European Commission's investigation of Lantmännen Agroetanol* and two other ethanol producers for alleged violation of EU competition law. On July 7, 2022, Lantmännen Agroetanol received a Statement of Objections from the European Commission related to the case. Lantmännen – which has cooperated fully with the EU Commission during the investigation – denies the allegations and continues to fully exercise its right of defense. Learn more at lantmannenagroetanol.se/en/

Lantmännen Reppe creates value by processing wheat into wheat gluten, starch products, vodka and animal feed, and is one of Sweden's oldest companies. Reppe is a key player in the grain value chain, producing and supplying ingredients and finished goods to the food, paper and beverage industries. Lantmännen Reppe has one of the Nordic region's largest distilleries, which produces high-quality vodka and demand has increased, with many new customers. Deliveries of starch products to the paper industry were irregular during the year. Development work in all product segments has resulted in new customers and applications.

Gluten-free wheat starch was launched during the year and the detailed design of a new large-scale pea protein production facility in Lidköping was started.

Lantmännen Oats creates value from oats by processing into beta glucan and oat protein. The ingredients are sold to companies operating in bakeries, health food and sports nutrition. Beta glucan is a soluble fiber found in oats with a proven cholesterol-lowering effect. The market has been challenging during the year as many of the products are in the premium segment and are affected by a higher general price level and a weaker economy. A plant for shelling and heat treatment of oats was completed during the year. Learn more at lantmannenoats.com

Lantmännen Functional Foods works on development, marketing and sale of special foods (medical and functional foods), dietary supplements and ingredients with health claims for both food and feed. Brands include Salovum, SPC-Flakes, PromOat, AvenaCare and PrOatein. Learn more at lantmannenfunctionalfoods.com

Lantmännen Biorefineries, key figures	2022	2021
Net sales, MSEK ¹⁾	4,307	3,486
Average number of employees	252	243
of which women/men, %	29/71	29/71

¹⁾ Including intra-Group sales.



Lantmännens Aspen

Lantmännens Aspen, with its brands Aspen, Agrol, Marline and Coryton, manufactures and markets bespoke fuels, lubricants and chemical products that create benefits for machinery, people and the environment. The products are produced in Sweden, France and the UK and sold in about 30 countries in Europe and the US and Canada.

Aspen offers environmentally friendly fuels, such as alkylate petrol and HVO diesel for small engines such as lawnmowers, brush cutters, chainsaws, outboard engines, and motor sports.

Agrol provides high quality lubricants and chemical maintenance products for the professional market for agriculture, forestry and contracting in the Nordic region. The products help to reduce maintenance costs and the environmental impact.

Marline offers fuels for small engines and is the leading brand of alkylate petrol in France. Marline has a strong position in machine rental and hardware retail and complements Aspen's position in specialist servicing.

Coryton, acquired during the year, is a leading producer of bespoke fuels for the motor industry and motor sports, with its base and production in the UK.

Lantmännens Aspen's total sales increased during the year, despite the drought in Europe. Sales in the US and Canada developed positively. The market for lubricants showed good growth. Learn more at [aspenfuels.com](https://www.aspenfuels.com), [agrol.se](https://www.agrol.se), [marline.fr](https://www.marline.fr), [coryton.com](https://www.coryton.com)

Lantmännens Aspen, key figures	2022	2021
Net sales, MSEK ¹⁾	1,693	1,113
Average number of employees	174	116
of which women/men, %	32/68	31/69

¹⁾ Including intra-Group sales.



Scandbio

Scandbio is one of the major producers of fuel pellets in Sweden and helps companies and consumers reduce their climate footprint. Production is carried out by purchasing waste products from local sawmills, mainly in the form of sawdust and cutter shavings. After drying the sawdust and adding cutter shavings, the mixture is pressed into fuel pellets. Production takes place at five plants in Sweden and Latvia. Sales are conducted in Sweden, Latvia and Denmark where there is a permanent warehouse and local sales organization.

The market is global and the year has been marked by shortages in Europe due to rising prices of energy sources such as electricity, oil, gas and coal. The war in Ukraine also significantly reduced the supply of fuel pellets as Russia, Belarus and Ukraine were major net exporters to Europe.

During the year, a number of investment projects were carried out to ensure availability and improve productivity, including the replacement of a number of pellet mills. Efforts to improve fire protection continue with the investment in expanded sprinkler systems at the production site.

From previously being 50 percent owned by Lantmännens, Scandbio became a wholly-owned subsidiary on April 1, 2022 after the remaining shares were acquired.

Learn more at [scandbio.com](https://www.scandbio.com)

Scandbio, key figures	2022	2021
Net sales, MSEK ¹⁾	806	-
Average number of employees	84	-
of which women/men, %	19/81	-

¹⁾ Including intra-Group sales.



Food Sector

The Food Sector refines grain and other raw materials from arable land and produces flour, bread, breakfast products, pasta and ready meals. Lantmännen's green sprout emblem, which can be found on the product packaging, is a guarantee of responsibly produced food. The Sector offers "Good food" to customers in food retail, food service and the food industry, and accounts for 29 percent of the Group's sales.

The Food Sector consists of *Lantmännen Unibake*, *Lantmännen Cerealia*, *Myllyn Paras* and Lantmännen's ownership interests in partly owned *Viking Malt* and *KG:s Ägg*. The Sector produces food in 47 facilities in 15 countries under well-known brands such as *Kungsörnen*, *AXA*, *START!*, *Bonjour*, *Hatting*, *Korvbrödsbagarn*, *Schulstad*, *FINN CRISP*, *Amo*, *Vaasan*, *GoGreen* and *Gooh*.

The market was affected by the war in Ukraine as well as the continuing rise in inflation, changing consumption patterns, rising interest rates and high energy and fuel prices. Russia's war in Ukraine and the subsequent sanctions prompted Lantmännen to separate the Russian bakery operations from the rest of the Group in spring as a step in a potential divestment of the operations. After this, the Russian operations no longer had an effect on the Sector's results.

Taste, health, origin, sustainability and convenience remain important consumer trends in the Nordic region, together with products with low climate impacts and organic goods. Demand for non-animal-based proteins and *functional foods* is increasing.

Acquisition of Myllyn Paras

The acquisition of Myllyn Paras, a Finnish group active in flour, hulled grains, pasta and bakery products, was completed in June. Integration of the milling operations into Lantmännen Cerealia and the bakery business into Lantmännen Unibake started in 2022 and is expected to be completed in 2023. The milling operations in Finland mean that Lantmännen has ownership throughout the value chain and the opportunity to develop attractive offerings from field to fork.

Outlook

Rising inflation and a lower supply of raw materials, as well as higher prices of packaging materials, energy and transport, lead to price increases for retailers and consumers. Our goal is to constantly adapt to market conditions and to be a leading food company, based on arable land resources, through efficiency improvements, digitalization and optimization of our production facilities.

Good food from Lantmännen



Food Sector, key figures	2022	2021
Net sales, MSEK ¹⁾	18,908	15,558
Operating income, MSEK ²⁾	-171	775
Operating margin, %	-0.9	5.0
Return on operating capital, %	-0.9	4.8
Investments in non-current assets, MSEK	994	889
Average number of employees	6,444	6,373
of which women/men, %	41/59	42/58
CO ₂ emissions, thousand tonnes	79	90

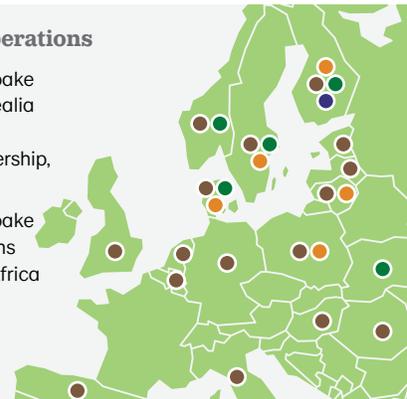
¹⁾ Including intra-Group sales.

²⁾ Operating income was affected by items affecting comparability of MSEK -699 (impairment, MSEK -566 and restructuring costs, MSEK -133). The Sector's items affecting comparability were distributed as follows: Unibake MSEK -144 and Cerealia MSEK -555.

Excl. items affecting comparability	2022	2021
Operating income, MSEK	528	850
Operating margin, %	2.8	5.5
Return on operating capital, %	2.9	5.2

Food Sector's operations

- Lantmännen Unibake
- Lantmännen Cerealia
- Myllyn Paras
- International ownership, Viking Malt
- Lantmännen Unibake also has operations in the US, South Africa and Australia



Sales by market	2022	2021
Nordic countries	62 %	61 %
Rest of Europe	30 %	32 %
Rest of world	8 %	7 %



Sustainability areas in focus

Key sustainability topics include healthy products and raw materials from a sustainable value chain with a low climate impact, resource-efficient production, sustainable packaging solutions, transport with a low climate impact, safe work environments, and responsible sourcing and business relationships. “Good Food from Lantmännen” is used to communicate responsible food production from field to fork.

Sustainable products and renewable raw materials

Market demand for nutritious food with a low climate and environmental impact is increasing. To accelerate work in this area and demonstrate our high level of ambition, our food businesses have signed up to the Science Based Targets initiative.

New criteria in the Climate & Nature program have enabled what is probably the world’s first large-scale fossil-free food production.

The bakery business has adopted a global sustainability strategy that extends throughout the value chain and creates business opportunities with increased competitiveness.

Responsible employer and business partner

Safety work has been strengthened through the implementation of the “7 Rules of Safety” health and safety program. Health and safety is top priority and although our preventive work with risk observations has yielded positive results, accidents at work remain at a relatively high level. Geopolitical instability and increased sanctions as a result of Russia’s war in Ukraine have increased the focus on business ethics issues.

“
Lantmännen’s food businesses have signed up to the Science Based Targets initiative.



Lantmännen Unibake

With more than 30 bakeries, operations in over 20 countries and sales in more than 60 countries worldwide, Lantmännen Unibake has positioned itself as a global player with a local market focus in bake-off, frozen and fresh bakery products to food retail, food service and convenience stores. With its consistently high level of quality and reliable deliveries, the company is the first choice for many of the world's largest food suppliers.

2022 was an extraordinary year for Lantmännen Unibake, with several challenges affecting the business, a high consumer price index and accelerating prices of energy and raw materials. At the beginning of the year, the pandemic still affected parts of Unibake's business with restrictions and lockdowns in key markets in Europe, but measures were successfully implemented to avoid serious consequences for the business. No further lockdowns are foreseen but Lantmännen Unibake has action initiatives in place and can implement them immediately if needed.

Russia's war in Ukraine and the expected long-term European inflation pose new challenges for Lantmännen Unibake. As an immediate response to the war, Lantmännen Unibake ceased all imports and exports to and from Russia, and the local operations were separated from Lantmännen Unibake and the Lantmännen Group as the first step of a potential divestment.

While inflation was rising, there was also a historically strong increase in raw material and energy prices. The situation made it vital to radically reduce the impact of the challenges to ensure a continued flow of raw materials to Unibake's markets while reducing the cost increases. Unibake was successful in reducing the impact.

Bakery products are important sources of nutrition and Lantmännen Unibake does not expect any major changes in consumer demand. But the current high volatility, combined with customer uncertainty, requires a constant fine-tuning of how we approach customers and

Good food from Lantmännen



Lantmännen Unibake, key figures	2022	2021
Net sales, MSEK ¹⁾	14,082	11,674
Average number of employees	5,149	5,037
of which women/men, %	41/59	42/58
Women/men in executive management, %	11/89	9/91
Injury rate	15.3	17.4
Sick leave, %	5.5	4.7

¹⁾ Including intra-Group sales.

Lantmännen Unibake's brands



meet demand, as well as our ability to anticipate and adapt to change.

Lantmännen Unibake has focused on premium products within its categories in recent years. We believe that this is still relevant and that consumers appreciate high quality bakery products. At the same time, we focus on meeting market demand for a standard low-price range.

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Sustainability for us is based on strong partnerships throughout the value chain, from customer to supplier.

In 2022, Unibake’s investment program for profitable growth continued in line with our global growth strategy.

Lantmännen Unibake also continued its health and safety work and began the global implementation of the “7 Rules of Safety” program. Intensifying competition for skilled staff in all parts of the organization led to an increased focus on attracting and retaining employees, particularly in the bakeries. New concepts and channels were introduced as part of *employer branding* aimed at bakery staff.

In 2022, Unibake signed up to the *Science Based Targets initiative* as part of our “*Baking for a Better World*” sustainability strategy. Meeting the defined targets is an important step in reducing the climate footprint of Unibake’s operations and value chains together with customers and suppliers. The sustainability strategy was rolled out in close dialogue with our companies in order to embed and develop local plans to support the global targets and accelerate the effect.

Our major investments included several new bakery lines in the UK, Finland and the Baltic region and an automated warehouse in Sweden. The year also saw the groundbreaking of a major new investment: a facility in Romania to promote growth in south-eastern Europe.

Lantmännen Unibake invested in global IT solutions and infrastructure to support the company’s growth strategy. The investments will continue in 2023 and Unibake will also begin the transition to a cloud-based ERP system.

Outlook

Lantmännen Unibake enters 2023 expecting continued volatility but with full confidence in its strategies. Unibake will continue its profitable growth journey, while adapting to the effects of inflation and climate change, including preparing for the energy transition. As a leading industrial bakery company, Lantmännen Unibake continues to work towards its climate targets under the *Science Based Targets initiative*.





Lantmännen Cerealia

Lantmännen Cerealia develops, produces and markets grain-based products such as flour, hulled grains, muesli, granola, pasta, pancakes and crispbread, a vegetarian range of pulses, food grains, whole grains and vegetables, a frozen vegetarian range, and ready meals. Operations are conducted in Sweden, Norway, Denmark, Finland and Ukraine.

Sales are made to consumers through food retail stores, to restaurants and caterers in the food service sector, and to industrial customers and bakeries on a business-to-business basis. Lantmännen Cerealia also has an export business, mainly crispbread and oat products, to about 30 countries around the world.

The macroeconomic climate with an uncertain and volatile external environment had a significant impact on the business in 2022. Raw material prices, particularly wheat, continued to rise sharply in 2022, as did prices of other inputs and transport. Russia's war in Ukraine heightened uncertainty in the energy market and energy prices reached new record levels. After the pandemic eased at the beginning of the year, the market was hit by inflation, which changed

consumption patterns. Rising interest rates and high energy and fuel prices are affecting consumers' personal finances, and we are seeing consumers buying more low-cost products.

The need for robust food systems means that availability of inputs and products will be valued more highly in the future. Lantmännen is well positioned, as we have businesses and expertise that lend themselves well to collaboration throughout the value chain.

The safety of our Ukrainian employees has been top priority since the war began in early 2022. Both management and employees have worked hard to ensure that Lantmännen Cerealia's operations in Ukraine can continue. By producing and selling food locally, we help the Ukrainian people, the country's economy and our employees.

The Russian business, which produces crispbread mainly for the local market, was separated and ring-fenced from Cerealia and the Lantmännen Group in spring 2022. FINN CRISP exports to the Russian market also ceased completely after the outbreak of the war.



Lantmännen Cerealia, key figures	2022	2021
Net sales, MSEK ¹⁾	4,913	4,286
Average number of employees	1,243	1,336
of which women/men, %	43/57	42/58
Women/men in executive management, %	40/60	31/69
Injury rate	15.4	9.4
Sick leave, %	5.5	3.8

¹⁾ Including intra-Group sales.

Lantmännen Cerealia's brands



Good Nordic positions continue

In the Nordic region, growth in food retail has slowed down after a few strong years and the market is declining, particularly for flour. Demand for Kungsörnen's macaroni is good, and our market share in the breakfast categories in Sweden continues to grow. In Finland, we increased our market share in the crispbread segment, mainly driven by successful launches of rye snacks and thin crisp products.



With sustainability at the heart of our business, our goal is to offer top quality healthy products produced with sustainable cultivation methods.

Lantmännen Cerealia's business has been marked by significant cost increases during the year. To protect profitability, we have taken several initiatives and acted quickly and proactively, making price adjustments to customers in all sales channels. However, the net impact on earnings is negative, mainly due to higher energy costs.

The food service market saw a recovery in the first half of the year. Lantmännen Cerealia strengthened its market position during the pandemic, driven by strong sales to public sector customers in Sweden.

In Sweden, we are marketing “*Our Swedish pantry*”, which has yielded good results, with strong demand for popular categories such as pancakes and pasta continuing. Inflation and high energy costs put significant pressure on smaller customers in the food service and bakery business during the year.

We are showing stable development together with our industrial bakery customers in the Nordic countries. Capacity has increased after the commissioning of the Kimstad facility, from where we sell oat kernels to the industry.

Lantmännen Cerealia and Gooh gained additional market shares in the ready meals category during the year through increased distribution and the launch of two vegetarian dishes.

Our FINN CRISP Snacks continue to challenge traditional snacks. During fall, FINN CRISP Snacks Creamy Ranch won the *Grocery of the Year* award in Sweden.

The FINN CRISP export business has been negatively affected by the halted volumes to the Russian market.

In October, a fire broke out at Cerealia's factory for pancakes and Raggmunk's products in Laholm. No-one was injured but the incident caused a prolonged standstill in production. Production is expected to resume in the first half of 2023.

Lantmännen Cerealia develops sustainable offerings and during the year launched Kungsörnen Swedish Pasta, a mid-premium product made from Swedish-grown durum wheat, as well as a range of vegan burgers, mince and meatballs based on Swedish-grown peas under the GoGreen brand. These have been well received by both customers and consumers, reflecting market demand for locally grown produce and products with a lower climate footprint.

Outlook

In a market characterized by high inflation, we are well positioned with affordable products. We see that our position, with a high proportion of local origin and production, is well aligned with customer demand for stability and robustness in the supply chain. In December, Lantmännen Cerealia signed up to the Science Based Targets initiative, thereby gearing up its climate work for the coming years.

Lantmännen Cerealia continues to work on strengthening profitability through efficiency improvements and by securing a competitive product portfolio.





Swecon Business Area

Swecon is a dealer in machinery for the construction and civil engineering industry in Sweden, Germany, Estonia, Latvia and Lithuania, and a partner of Volvo Construction Equipment. Swecon offers a broad range of construction machinery, equipment, spare parts, training, servicing and support through its 96 service facilities. The Business Area accounts for 13 percent of the Group's sales.

Despite the uncertain external environment, Swecon has continued to perform strongly. The markets in Sweden and the Baltic countries have been relatively stable, while the German market has weakened. The order intake in early 2022 showed an upward trend, which leveled off in the second half of the year. The challenges of price increases and major disruptions in the supply chain continued. A consequence of long lead times is that the order backlog remains at high levels. The pandemic has increased sick leave and the war in Ukraine has augmented the logistics problems.

In May 2022, Swecon acquired the Swedish machine rental company Kewab Rental AB, an acquisition that enables Swecon to meet the growing demand for rental machines in the construction industry. Expected synergies are increased availability of used machines, a strengthened servicing business and a more competitive offering.

Several customer events and activities took place as society opened up after the pandemic. Swecon and Construction Equipment Dealer Team participated in the new,

all-electric FIA World Rallycross Championship to highlight the potential of the transition to an electric future.

Development of the web-based customer portal mySwecon continued and graphs illustrating the climate footprint of the machines were added, with the aim of creating incentives for more efficient use from an environmental point of view. mySwecon is an effective tool that gathers together Swecon's digital services in one place.

Demand for electric machines remains high and the number of machine models was increased in 2022.



Connected machines and workplaces create new opportunities to optimize and streamline production and reduce the climate footprint.

Swecon Business Area, key figures	2022	2021
Net sales, MSEK ¹⁾	8,647	7,750
Operating income, MSEK	593	471
Operating margin, %	6.9	6.1
Return on operating capital, %	35.8	33.3
Investments in non-current assets, MSEK	564	480
Average number of employees	1,316	1,266
of which women/men, %	12/88	12/88
Women/men in executive management, %	25/75	22/78
Injury rate	15.3	16.0
Sick leave, %	6.4	5.1
CO ₂ emissions, thousand tonnes	5	-

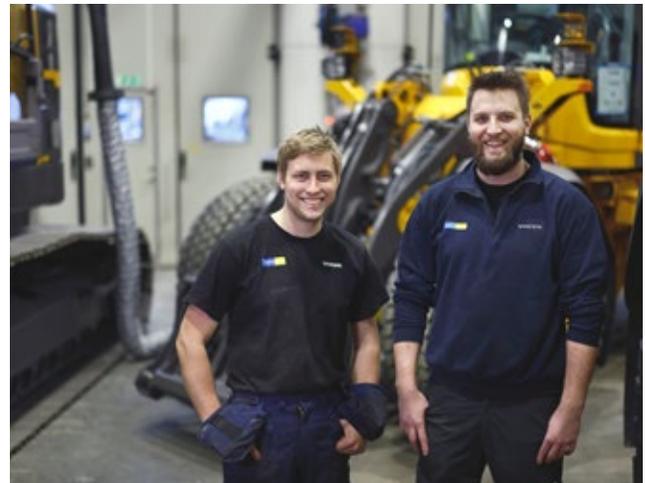
¹⁾ Including intra-Group sales.

Excl. items affecting comparability	2022	2021
Operating income, MSEK	593	471
Operating margin, %	6.9	6.1
Return on operating capital, %	35.8	33.3



Brand





Sustainability areas in focus

Swecon's vision is to lead the sustainability transition among dealers of heavy equipment. Swecon has identified four focus areas that are monitored on a quarterly basis: *Gender equality*, *Customer satisfaction*, *Supplier monitoring* and *Swecon's climate impact*. Swecon's sustainability work is conducted in line with Lantmännen's and Volvo CE's long-term sustainability targets.

Sustainable products and renewable raw materials

The target is for Swedish facilities to be fossil-free by 2025, and all facilities by 2040. To achieve this, systematic efforts are needed to reduce energy use, emissions from transport and to switch to renewable fuels at the facilities. In 2022, the Uppsala facility tested renewable fuel in the service vans with good results. From the beginning of 2023, Swecon Sweden's new policy for all service vans and spare parts vehicles is to use renewable fuel wherever practicable. As part of the fossil-free conversion and to inspire customers

to choose fossil-free fuels, Swecon is refueling new Volvo machines with renewable fuel at customer delivery.

Responsible employer and business partner

The gender equality focus area is pursued through several activities. During the year, Swecon and the Swedish Confederation of Transport Enterprises launched an initiative for increased attractiveness on the labor market. Another important area is health and safety. To create awareness of Swecon's safety work, safe@swecon, these issues are included in the agenda of all meetings with employees. To make the process easier, there is an app for reporting work environment events and making suggestions for improvement.

“
Systematic work on switching to renewable fuels is in progress.”



Outlook

The market is showing signs of saturation with high inflation and high energy and diesel prices that will continue to affect Swecon's customers and business. Long lead times from the supply chain are expected in the early part of 2023, which will keep demand for used machines high. The rental market is expected to grow due to the uncertainty in the external environment. Supplier forecasts contain a high level of uncertainty and more frequent price increases are expected.



Swecon prioritizes the green transition, introducing more electric machine models on the market.

Investments in digitalization and electrification are continuing. The project to increase the proportion of connected machines for proactive service also continues. Swecon is developing new offerings in electrification, charging infrastructure and energy storage to meet the increasing proportion of electrically powered machines.

It has, for some time, been difficult to recruit service technicians and increasingly difficult to attract applicants for other positions. The focus is on finding and recruiting technicians, while training existing staff is a high priority.

Operations

Sweden

Despite the Swedish economic situation, the forecasts for the construction industry remain positive. Rental companies and large companies continue to order machinery while smaller firms are holding back. Price is increasingly important for customers. Reduced and uncertain deliveries





from suppliers have disrupted planning and limited sales, which is expected to continue in 2023. Demand in the service market has been, and still is, at a high level.

Deliveries of wheel loaders to the Swedish Defence Materiel Administration under the framework agreement continued in 2022.

The rental market is growing and customers in the segment are expanding their rental fleets.

In June, the Swedish Machine Fair was held in Solvalla with more than 11,200 visitors over three days. Swecon's theme was digitalization, sustainability and electrification, and the brand promise *Enjoy Life with Machines* was launched during the fair.

Germany

The German economy has deteriorated and business conditions are considered to have worsened as the economy enters a recession. Inflation and significant cost increases are putting pressure on customers' operating costs.

Machine sales are still relatively stable, but an increasing proportion of customers' purchase decisions are being postponed. The order backlog remains high while the order intake is falling. Long lead times from suppliers are affecting deliveries to customers. Sales of used machines are down due to low availability as a result of long lead times for new machines. The transition to electric machines in Germany is slow, as expected government subsidies have been delayed and are still under discussion.

A new spare parts warehouse has been established in Dortmund after the fire at the central spare parts warehouse in Bochum in 2021.

In September, the NordBau fair was held in Neumünster and Swecon's theme was digitalization and electromobility. The mySwecon digital portal was highlighted, as well as the possibility to rent or buy machines via digital webshop.

Baltic region

Activity in the previously stable Baltic market slowed down towards the end of 2022, mainly due to high inflation and uncertainty in production costs, which reduced investment interest. The building and road construction sectors are facing major cost increases that have already forced some companies to terminate their contracts. Concerns related to the war situation in Ukraine are also a strong contributing factor.

A large order from a rental company in Lithuania increased the order book in 2022, but delays in the Rail Baltica project affected Swecon's business.

During the World Rallycross Championship, Swecon presented the first electric machines on the Baltic market.





Real Estate Business Area

Lantmännen Fastigheter's task is to provide the Group's businesses with appropriate properties and optimize the return on externally leased properties. Lantmännen Agrovärme was divested during the year. The Business Area accounts for 1 percent of the Group's sales.

In 2022, Lantmännen Fastigheter continued the task of securing the future operation of the Group's strategic properties. In parallel, regular day-to-day management, project development and real estate transactions were carried out.

- The property Industrin 3 in Järna, housing Cerealia's pasta factory and Gooh, was acquired.
- An agreement was signed to divest parts of Almby in Örebro for housing development.
- Construction of a cold store for Lantmännen Unibake in Örebro is underway and expected to be completed in 2023.
- Construction of machinery plant in Sala and Nyköping started, with completion expected in 2023.
- Strategic acquisition of the properties Ugglan 8 in Eslöv and Lövkojan 6 in Oxelösund for planning and design.
- The development plan for the old mill in Uppsala was legally adopted and generated a capital gain of MSEK 254.

The aim of investments in development properties is to maximize the development potential and increase the value of the properties. Examples of this include development of properties in Malmö, Örebro, Kävlinge, Dalby, Karlstad, Norrköping and Tygelsjö. In a number of these locations, properties are being

developed with Hemsö in the community property company Lanthem.

Lantmännen Real Estate manages Lantmännen's Grodden pension fund property portfolio. The portfolio is about 100,000 m² and includes the head office in Stockholm and the Triton office building in Malmö.

The property market was affected by the changed external environment, with the construction market experiencing longer delivery times and higher material prices. The rental market was not significantly affected but a change is expected if the economy weakens. The transaction market was affected by lower activity and rising yield requirements. The market expects yield requirements to increase further in 2023 as inflation and interest rates rise.

Outlook

The property market is forecast to slow down but Lantmännen Fastigheter's portfolio is well balanced with stable tenants. For construction, there is uncertainty about delivery times and material prices. Energy prices are expected to remain at high levels. Our strategic work to ensure management of the long-term standard of the property portfolio continues.

Real Estate Business Area, key figures

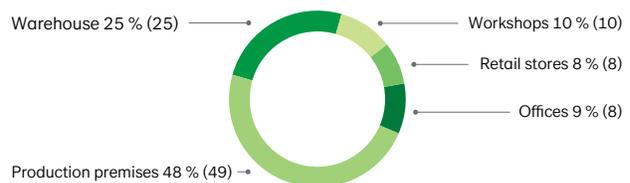
	2022	2021
Net sales, MSEK ¹⁾	592	584
Operating income, MSEK	503	344
Operating income, adjusted for property sales, MSEK	244	279
Return on operating capital, %	14.6	11.1
Return on operating capital, excluding property sales, %	7.1	9.0
Investments in non-current assets, MSEK	522	395
Average number of employees	49	47
of which women/men, %	40/60	39/61
Women/men in executive management	38/62	40/60
Injury rate	-	-
Sick leave, %	0.5	0.3
Total CO ₂ emissions, thousand tonnes	2	4

¹⁾ Including intra-Group sales.

Excl. items affecting comparability

	2022	2021
Operating income, MSEK	249	290
Return on operating capital, %	7.2	9.3

Real Estate Business Area, surface distribution



The properties represent a total surface area of approximately 1,200,000 m².



Sustainability areas in focus

Key sustainability topics for Lantmännen Fastigheter are making buildings energy efficient and future-proof for climate change and responsible sourcing and business relationships. Lantmännen Fastigheter adopted a new environment and climate strategy during the year. One step in the strategy involved taking responsibility for coordinating the increased installation of solar energy and charging stations at Lantmännen's facilities in Sweden.

Sustainable products and renewable raw materials

We develop the property portfolio for long-term ownership and management, and improvement and active work on the property portfolio take place together with the customers. The ambition is to increase the use of renewable energy in the buildings and increase energy efficiency.

Responsible employer and business partner

Lantmännen Fastigheter operates construction projects and the industry in general has high work environment, health and safety risks. Safety work is carried out proactively by identifying and minimizing risks in the work environment and by regular monitoring. The complexity of construction projects means that we have a strong focus on business ethics and responsible sourcing.

“
Lantmännen Fastigheter is working to increase the installation of solar energy and charging stations at its facilities in Sweden.



International ownership

An important part of Lantmännen’s Field to Fork 2030 strategy is to profitably develop strategic portfolio holdings, primarily in the Nordic region, Germany, Poland and the Baltic countries. Sweden is our base and the Baltic Sea region is our expanded home market for international investments.



Scandagra Group Ownership 50 %

Scandagra Group operates in the Baltic region and has a turnover of approximately EUR 1 billion and about 390 employees. The company is jointly owned (50-50) by Lantmännen and DLG. The operations are conducted through three sales companies – Scandagra Eesti, Scandagra Latvia and Scandagra Lietuva. The sales companies engage in the sale of crop production inputs and the purchase and sale of grain. Scandagra Eesti also has a feed plant with a production capacity of just over 100,000 tonnes. Lantmännen’s share of income is included in the Agriculture Sector.

Learn more at [➔ scandagra.com](https://scandagra.com)

Scandagra Polska Ownership 50 %

Scandagra Polska is a merchant of grain and other inputs in the Polish agricultural market, has a turnover of approximately EUR 250 million and about 130 employees. The company is jointly owned (50-50) by Lantmännen and DLG. Scandagra Polska is one of many traders in the large and fragmented Polish market. Lantmännen’s share of income is included in the Agriculture Sector.

Learn more at [➔ scandagra.pl](https://scandagra.pl)



“

The starting point for Lantmännen’s portfolio strategy is the assignment to create profitability at members’ farms.

An important part of the Group's strategy is to expand the grain business through international ownership.



Viking Malt Ownership **37.5 %**

Viking Malt refines grain, and supplies about 600,000 tonnes of malt annually to breweries and distilleries in northern Europe, and a number of customers around the world. Viking Malt produces malt in Finland, Sweden, Denmark, Poland and Lithuania. The company has a turnover of approximately EUR 300 million and about 270 employees. Lantmännen owns 37.5 percent of the company, with the remainder being owned by the Finnish company Polttimo. Lantmännen’s share of income is included in the Food Sector. Learn more at [➔ vikingmalt.com](https://vikingmalt.com)

team SE Ownership **10.7 %**

team SE (Team) has operations in building materials, energy and agriculture and offers customers a wide range of services. In October 2022, team SE became the majority shareholder of HaGe Kiel, one of the largest agricultural trading companies in Germany, active in agri-supply sales to farmers, and feed manufacture and sales. The Team group is one of the largest employers in northern Germany and, after the takeover of HaGe Kiel, has an annual turnover of approximately EUR 7 billion and about 4,300 employees. Learn more at [➔ team.de](https://team.de)



Lantmännen Annual Report

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Board of Directors' Report 2022

The Board of Directors and Group President & CEO of Lantmännen ek för, Corporate Identity No. 769605-2856, hereby present the annual report for the 2022 financial year. The earnings and financial position of the Parent Company and Group are presented in the following income statements, statements of financial position and cash flow statements, with associated comments and notes.

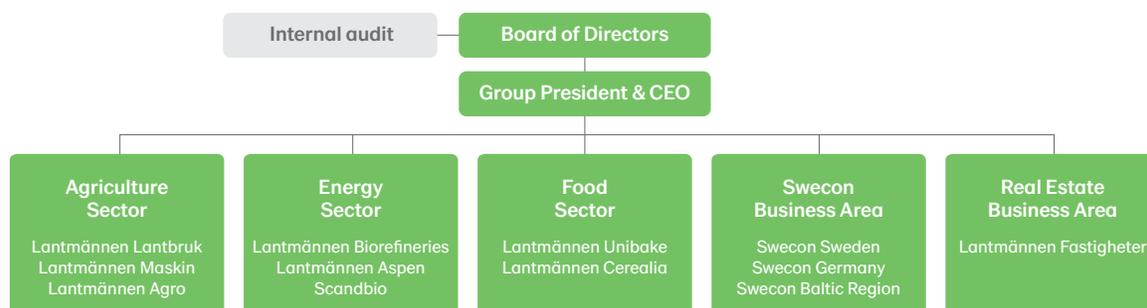
The Group in brief

- **Net sales** for the Group amounted to MSEK 60,612 (48,183), an increase of 25.8 percent, distributed as follows: 19.7 percent organic growth, 2.5 percent currency translation effects and 3.6 percent acquired and divested operations.
- **Operating income** was MSEK 2,307 (2,302) and adjusted for items affecting comparability MSEK 2,715 (2,323). The Energy Sector, Swecon Business Area and Agriculture Sector reported improved operating income.
- **Income after financial items** amounted to MSEK 2,128 (2,181) and adjusted for items affecting comparability MSEK 2,536 (2,202).
- **Net income after tax** was MSEK 1,791 (1,887).
- **Investments** in non-current assets totaled MSEK 3,074 (2,362), and acquisitions and divestments amounted to MSEK -761 (-5).
- **Cash flow before financing activities** was MSEK -2,468 (1,704).
- **The Board** proposes a total dividend of MSEK 1,080 (1,000) to members, consisting of a refund and supplementary payment of MSEK 374 (341), a contribution dividend of MSEK 403 (362) and a contribution issue of MSEK 303 (297). The Board also proposes a 6.0 (7.25) percent dividend on subordinated debentures, totaling MSEK 15 (18).

Description of financial performance measures → see page 136.



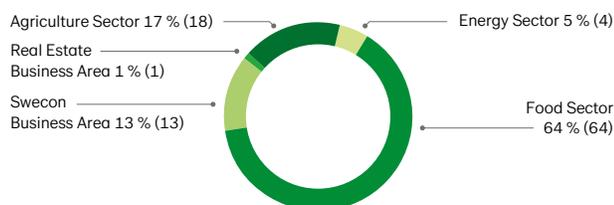
Lantmännen's organization



The Group's business

The Group is divided into *the Agriculture Sector, the Energy Sector, the Food Sector, the Swecon Business Area and the Real Estate Business Area*. Lantmännen is owned by 18,000 Swedish farmers, who are also members, business partners and important customers. Lantmännen has 10,000 employees and operations in about 20 countries.

Distribution of the Group's employees



The Agriculture Sector constitutes the Group's core business, with 47 percent of Lantmännen's sales. The Sector develops and offers products and services to promote strong, competitive farming. The Sector is based in Sweden and has a strong position in the Baltic Sea region through its international wholly and partly-owned companies. *The Swedish operations* offer a wide range of products for crop production, livestock production and agricultural machinery, and are the market leader in grain. *The Finnish operations* trade in grain in the Finnish and international markets, and produce and sell feed. The Sector is responsible for Lantmännen's ownership interests in the *Scandagra Group* in the Baltic region and *Scandagra Polska* in Poland.

The Energy Sector is one of Sweden's largest producers of bioenergy products and accounts for 10 percent of the Group's sales. The Sector's companies manufacture and market environmentally smart energy, food and industrial products. The Energy Sector includes *Lantmännen Biorefineries*,



with *Lantmännen Agroetanol, Lantmännen Functional Foods, Lantmännen Oats* and *Lantmännen Reppe*. The Sector also includes *Lantmännen Aspen* and *Scandbio*.

The Food Sector refines grain and other raw materials from arable land and produces, among other things, flour, bread, breakfast products, pasta and ready meals. The Sector offers "Good food" to customers in food retail, food service and the food industry, and accounts for 29 percent of the Group's sales. The Food Sector consists of *Lantmännen Unibake, Lantmännen Cerealia, Myllyn Paras* and Lantmännen's ownership interests in partly owned companies *Viking Malt* and *KG:s Ägg*.

The Swecon Business Area is a dealer in machinery for the construction and civil engineering industry in Sweden, Germany, Estonia, Latvia and Lithuania, and a partner of Volvo Construction Equipment. Swecon offers a broad range of construction machinery, equipment, spare parts, training, servicing and support through its service facilities. The Business Area accounts for 13 percent of the Group's sales.

The Real Estate Business Area manages the Lantmännen Group's property portfolio. Lantmännen Fastigheter's task is to provide the Group's businesses with appropriate properties and optimize the return on externally leased properties. The Business Area accounts for 1 percent of the Group's sales.

Long-term financial targets and outcomes

Lantmännen defines the overall profitability target as a return on equity of least 8 percent. Return on equity in 2022 was 8.3 (10.0) percent and adjusted for non-recurring items 10.1 (10.1) percent. Lantmännen's target for the equity ratio is at least 40 percent. The equity ratio was 44.9 (46.4) percent at the end of 2022. The target for Net debt (bank definition)/EBITDA is to be below 3 and the outcome for 2022 was 1.9 (1.3).



Changes in the Group

Lantmännen Aspen acquired the UK company Coryton Advanced Fuels, which produces bespoke fuels in the UK, Germany and Korea.

Lantmännen acquired 30 percent of the shares in KG:s Ägg, a leading Swedish egg packaging company.

Lantmännen acquired the remainder of Scandbio, which is now fully owned and operated by Lantmännen.

Lantmännen Swecon acquired the rental company Kewab Rental.

Lantmännen converted its shares in Hauptgenossenschaft Nord AG (HaGe Kiel) into newly issued shares in team SE, a German company with operations in building materials, energy and agricultural trading. After the conversion, Lantmännen has an ownership share of 10.7 percent in team SE.

Lantmännen completed the acquisition of the Finnish food group Myllyn Paras, which has grain processing as its core business. The acquisition is an important step in further broadening Lantmännen's position in Finland.

Lantmännen divested Lantmännen Agrovärme to Solör Bioenergi.

Russia's war in Ukraine and the subsequent sanctions prompted Lantmännen to separate the Russian bakery operations from the rest of the Group in spring as a step in a potential divestment of the operations. The assets in Russia were written down by a total of -500 MSEK during the year. After this, Lantmännen concluded that it could no longer exercise full control over the Russian operations, which were reclassified from subsidiaries to associates at the end of the year and are no longer consolidated. After the reclassification, the financial exposure of the Russian operations is MSEK 634 (shares in associates, MSEK 388 and loan receivables, MSEK 246).

Lantmännen's Annual General Meeting

Lantmännen's Annual General Meeting was held on May 5, 2022. The meeting adopted the Board's proposal for a contribution dividend on both paid-in and issued contribution

capital, a contribution issue and a refund and supplementary payment. The total adopted dividend was MSEK 1,000, the highest ever. All Board members, the Group President & CEO, Group Management, presiding officers, delegates, authorized auditors and member representative auditors attended the meeting, which could also be followed via webcast. At the meeting, Sonat Burman-Olsson, Jan Ehrensvärd and Per Wijkander were re-elected to the Lantmännen Board and Jan-Erik Hansson was elected as a new Board member.

Other important events

Lantmännen has been named Sweden's most purposeful company in a survey conducted by the brand management consultancy Lynxeye. Lantmännen scored highly on responsibility and is one of the companies in this year's study that Swedes trust the most.

Lantmännen has increased its ownership in the Nordic chicken group Scandi Standard. After previously having owned five percent of Scandi Standard, Lantmännen now has a holding of ten percent.

During the year, both Unibake and Cerealia signed up to the Science Based Targets Initiative, with the aim of strengthening efforts to reduce the carbon footprint across the value chain with customers and suppliers.

Events after the end of the period

Thomas Isaksson, currently Managing Director of Vaasan Oy and Head of Lantmännen Unibake's Fresh Bakery business area, has been appointed as new Executive Vice President Lantmännen Cerealia Business Area and a new member of Lantmännen's Group Management, starting March 1, 2023. He succeeds Lantmännen's Group President & CEO Magnus Kagevik, who has held the position in an acting role since August 2022.

Risks and risk management

Risks are inherent in all business activity. Risks can arise from events, decisions or mismanagement that affect Lantmännen's



business goals. A properly managed risk can lead to opportunities and value creation, while an improperly managed risk can damage and have an adverse effect on the business. Risks are identified, assessed and reported annually as part of Lantmännen's strategy and business planning process (ERM). Below is a description of risks that have been assessed as greatest based on probability and impact for Lantmännen.

Weather and climate change

Climate change, with more extreme weather conditions such as drought and heavy precipitation, and natural disasters, can have a major impact on harvests and cause a global supply-demand imbalance. Development of cultivation methods, variety breeding and geographical adaptation are necessary. There must also be preparedness for grain trading, increased drying capacity in grain handling, production and supply disruptions for sensitive commodities. Weather and climate change also affects the choice of geographical location for building construction and facilities. The transition to a fossil-free, circular economy presents both challenges and opportunities for the businesses.

Regulatory changes and geopolitical risks

Amended laws and regulations may affect the conditions for crop production, for example with regard to plant protection products and plant breeding. Lantmännen is monitoring the issues and working on alternative methods. The EU's hitherto negative view of crop-based biofuels poses a risk to our biofuel production but Lantmännen is lobbying for a favorable regulatory framework. In addition, demand for renewable energy will increase going forward. Amended laws and regulations may restrict or impose higher requirements for Lantmännen's operations. Developments are followed and analyzed on an ongoing basis and each Sector and business monitors changes and adapts its operations.

Ethanol price volatility

Operating income for the Norrköping ethanol plant is greatly

dependent on the relationship between prices of grain, feed and ethanol, and political decisions such as the EU tariff rules. The risk is managed through physical and financial hedging of grain, ethanol and feed prices for Lantmännen Biorefineries' purchases and sales. Scope for ethanol hedging varies, but has been improved by more liquidity in the futures market. Extensive development in the ethanol business to broaden the raw material base and product range means less dependence on the ethanol/grain price relationship.

Effects of the war in Ukraine

Russia's war in Ukraine has affected Lantmännen's operations mainly in these countries, but it also poses challenges in the world market in terms of supply of grain and other commodities. Reduced export opportunities from Ukraine have a major impact on the energy and agricultural markets.

Lantmännen has separated the Russian operations and is monitoring developments and adapting to the current situation.

Cyber security and IT operations

The Food and Energy Sectors remain vulnerable to cyber attacks through extortion and fraud. Lantmännen launched a comprehensive program to improve the Group's cyber security at the turn of 2021-2022. Enhanced detection capabilities and additional training for production staff have been implemented, among other things. Systematic work on information security has been upgraded, with a focus on increased risk management.

Fire and property damage, threats and sabotage, and health and safety

Lantmännen conducts operations with a risk of fire, explosion or outside threats in the form of damage or sabotage. Property can be damaged and employees injured, and production downtime affects earnings and market positions. Lantmännen has insurance for operational risks and follows a defined program for risk mitigation through, e.g., loss prevention inspections and systematic health and safety work.



The majority of the insurance programs are managed through the Group's own insurance company Dirual Försäkrings AB.

Business ethics risks

Lantmännen operates in countries and industries with varying exposure to corruption and problems relating to competition law. Business ethics is part of the Code of Conduct, and there are also policies and a business ethics compliance program. A risk analysis, targeted activities to manage risk areas, and systematic monitoring and reporting are conducted every year.

Risks associated with market changes, the economy and supply and demand

Changes in the economy, imbalances in supply and demand for raw materials and inputs, with consequences for price or Lantmännen's relative competitiveness, may affect business. Lantmännen's brand may be adversely affected if operations are not conducted sustainably, do not comply with laws and regulations, or products do not live up to the brand promise. Customer awareness and reviews may quickly spread to many people, in particular through social media. Lantmännen works continuously on innovation, brand-building and long-term relationships with business partners. Clear requirements are set for raw materials, suppliers and our own production and we follow market requirements and customers' wishes for relevant services and products. Lantmännen monitors the economic situation and adapts costs accordingly.

Financial risks

Lantmännen is exposed to financial risks that could cause fluctuations in earnings, cash flow and items in the statement of financial position. This risk management is described in Lantmännen's financial policy, the Group's overall governing document for financial risks, adopted annually by the Board. Financial status reporting and compliance with the financial policy are regularly reported to Group Management and the Board. The central treasury

function is responsible for financing, control of financial risk, liquidity planning and payment solutions. Risk consolidation and control minimizes risks and also the costs of measures such as hedging currency flows and financing of Lantmännen.

Sustainable business development

Sustainable business development is key to Lantmännen's corporate strategy and focuses on arable land resources in the grain value chain. This work is a response to, and a part of, risk management.

Lantmännen develops and offers products with sustainable added values that reduce environmental and climate impacts, increase resource efficiency and promote better health. Lantmännen's Group-wide climate targets mean a reduction in emissions that is in line with the Paris Agreement.

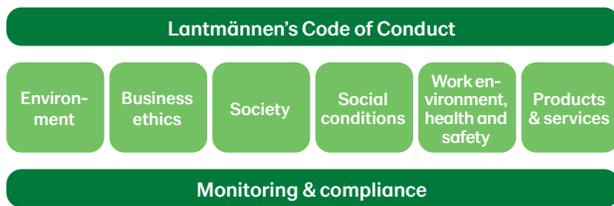
Working with customers and suppliers offers potential to significantly reduce the impact on the environment and natural resources, and to generate profitable growth from new and existing businesses that meet the needs of the outside world and the market for responsibly produced food, bioenergy and bio-based materials.

Ensuring responsibility and sustainable businesses

Lantmännen's Board of Directors is ultimately responsible for responsibility and sustainability work, for Lantmännen's Code of Conduct and its implementation and for ensuring the businesses develop in a sustainable direction. The Board's role is to direct, monitor and follow up responsibility and sustainability work. Group Management pursues responsibility issues and sustainable business development as part of strategic business planning. Each business in the Group is responsible for ensuring compliance with the Code of Conduct and policies, and working for sustainable operations, targets and strategies.

Responsibility and sustainability work is based on Lantmännen's Code of Conduct, which applies to all businesses





The Code of Conduct applies to all employees and summarizes the Group's guidelines for responsible ethical, social and environmental behavior.

and employees, Board members and elected representatives in the member organization, as well as Board members who represent Lantmännen in partly-owned enterprises. The Code of Conduct describes how Lantmännen must conduct itself and make decisions to take responsibility from an environmental, social and business ethics perspective. It also forms the basis for evaluation of potential acquisitions and holdings.

Responsibility and sustainable business development are integrated into our processes. The sustainable business framework with Group-wide objectives provides direction, and a number of strategies and programs operationalize the framework. The Sectors and Business Areas pursue their own specific sustainability issues. The Group's corporate functions provide support and guidance to the Group and the businesses in their development of strategies and sustainable business in order to protect and strengthen Lantmännen's brand and contribute to business value in the short and long term.

Lantmännen's climate targets apply to the entire value chain from field to fork. The targets are divided into primary production, Lantmännen's own production and purchased transport. The targets focus on fossil-free production and transport, continuing energy efficiency and investments and measures to reduce the climate footprint throughout the value chain. The aim is to take leadership in driving the

development of farming of the future through research, the impact agenda and business development. Lantmännen sees partnership and collaboration as crucial to finding solutions.

The scope for Lantmännen's Business Ethics Compliance Program is to ensure compliance with competition laws and anti-corruption legislation. The program includes regular risk assessments, communication, controls and monitoring as well as training. Lantmännen has also established a risk-based due diligence process to manage sustainability risks, with particular focus on corruption in relation to counterparties

To ensure responsibility in the supply chain, implementation and monitoring of Lantmännen's Supplier Code of Conduct is an integral part of the purchasing process. It applies to all suppliers and is monitored continuously based on risk. Lantmännen's Supplier Code of Conduct contains general guidelines to ensure a good work environment and social conditions, environmental responsibility, good business ethics, and safe, responsibly produced products. The Supplier Code emphasizes that there is zero tolerance for violation of anti-corruption or competition laws.

Employees can report any deviations from the Code through a whistleblowing system.

Compliance and monitoring

The Group's CSR Committee, headed by the Executive Vice President & CTO Lantmännen Group, has overall responsibility for ensuring that the organization is able to implement and monitor the Code of Conduct and the areas covered by the Code. Group Management's four-monthly follow-up with the business managers includes a Sustainability Business Review, which is based on the monitoring of minimum responsibility requirements. The reviews are reported regularly to Group Management and annually to the Board of Directors.

For Lantmännen's production in the food chain, there is an annual internal review of its commitments with regard to raw materials, responsible production and quality. The results are reported to Group Management.



Lantmännen's Group Compliance function reports regularly to the Group Board and Group Management on compliance status, identified risks and status of the work with our business ethics compliance program.

Operations subject to permit and notification requirements under the Swedish Environmental Code

In Sweden, Lantmännen conducts operations subject to permit requirements at 18 plants, and operations subject to notification requirements at approximately 70 plants, in accordance with the Environmental Code. These activities include mills, workshops and production facilities for feed, ethanol, food and heating. The main direct environmental impacts are noise, emissions into the air and water, and temporary storage of hazardous waste. Production units in other countries adapt their operations, apply for any required permits and report to the authorities in accordance with local laws.

Statutory and GRI reporting

In accordance with Chapter 6, section 11, of the Swedish Annual Accounts Act, Lantmännen ek för has chosen to present the statutory sustainability report separately from the Annual Report. This sustainability report covers Lantmännen ek för and its subsidiaries. The sustainability report was submitted to the external auditors at the same time as the Annual Report. The sustainability report can be found in this Annual Report with Sustainability Report on [pages 24-32, 137-174 and 191-193](#). As Lantmännen reports according to a Group structure of Sectors, reporting for companies is by Sector. Lantmännen is subject to the Annual Accounts Act's requirements on reporting in accordance with the Taxonomy Regulation as a non-financial undertaking, and complies with the requirements for reporting the Taxonomy-eligible and Taxonomy-non-eligible proportion for 2022. The Taxonomy reporting is part of the statutory sustainability report.

Lantmännen reports its sustainability performance annually and applies the GRI Universal Standards. The

Board issues the Sustainability Report and the statutory sustainability report. Lantmännen supports the UN's Agenda 2030 with the Global Goals, and has analyzed their implications for the operations and businesses.

Lantmännen supports the recommendations for voluntary disclosures of climate-related risks and opportunities from a financial perspective, the Task Force on Climate-related Financial Disclosures and the Task Force on Nature-related Financial Disclosures. In view of developments in the climate area, the EU Taxonomy Regulation and upcoming changes to the statutory sustainability report, Lantmännen has decided to wait to include additional reporting frameworks at this stage.

Research and development

Lantmännen conducts extensive work on innovation and has its own research foundation that supports knowledge development. Lantmännen invests approximately MSEK 400 annually in research and development to meet future challenges and ensure its competitiveness. The investments are made in several areas, with the aim of increasing the value from field to fork and creating new business in cooperation with agricultural companies.

Employees

The average number of employees during the year was 10,356 (10,092), and the number of full-time employees at December 31 was 10,141 (10,018). 3,833 (3,704) of the average number of employees were employed in Sweden. Lantmännen's aim is to be an attractive employer, characterized by its inspiring culture where skills are nurtured and developed throughout the Group.

Lantmännen's equal opportunity and diversity policy states that the Group shall safeguard and value the skills, qualities and experience of all employees, regardless of gender, age, ethnicity, beliefs, sexual orientation, disability or other individual differences. No form of discrimination,



bullying or harassment is accepted and we have guidelines and procedures on how to deal with this if it occurs.

Health, work environment and safety program

Lantmännen sees proactive and systematic work environment and safety initiatives as a prerequisite for a sustainable work environment and part of the strategy for achieving business goals. A safe work environment is a high priority and Lantmännen works continuously to identify and address risks in this area.

In 2022, Lantmännen continued to work on its work environment, health and safety strategy, with a long-term injury rate target of <1 by 2030. Part of the work environment program includes continuous monitoring throughout the organization, with annual reporting to Group Management. The roll-out of common tools, structured health and safety programs at the facilities, injury prevention inspections and a focus on health and safety issues have strengthened the level of safety and employees' safe behavior.

Remuneration policy

Lantmännen's remuneration policy stipulates that remuneration and benefits at Lantmännen must contribute towards attracting, engaging, motivating and retaining the employees Lantmännen needs for success in our business operations. Remuneration at Lantmännen must always be assessed from an overall perspective, including everything with a perceived value for employees in their employment. The annual remuneration policy review included training in the policy and its implementation in the Sectors and Business Areas. The training participants were given a tool to analyze the remuneration levels, in order to ensure that they are in line with the policy.

In addition to monetary compensation and benefits, Lantmännen also takes into account factors such as a good work environment, good leadership, and development and appreciation. Decisions on remuneration and benefits at Lantmännen should always be based on Lantmännen's values of openness, a holistic view and drive, and should be neutral in terms of gender, religion, ethnicity, disability and sexual orientation. For further information about Lantmännen's remuneration, see → note 6.

Outlook

Agriculture Sector

The volatile commodity market and developments in the external environment are expected to continue creating uncertainty for suppliers and customers in 2023. High fertilizer and fuel prices will affect us, and our members' profitability. The availability and price of energy is an uncertainty factor that has a major impact on Lantmännen's and its members' production. High grain prices mean high feed prices, and developments in milk, meat and egg settlement prices will have a major impact in the future.

The Agriculture Sector invests in business development, with an increased focus on sales channels, as well as technological and digital development. The Sector will also review new business models and services in the context of smart farming to reduce the implementation gap in farming.

Energy Sector

Demand for Agroetanol's climate-smart ethanol is expected to remain high in the Nordic region and Europe due to more stringent requirements on reducing greenhouse gas emissions from transport. We are continuing to broaden the raw material base with alternative starchy raw materials that can be used for biofuel production. The surge in demand for processed wood fuels that affected Scandbio during the year is expected to continue in the early part of 2023.

Food Sector

Rising inflation and a lower supply of raw materials, as well as higher prices of packaging materials, energy and transport, lead to price increases for retailers and consumers. Our goal is to constantly adapt to market conditions and to be a leading food company, based on arable land resources, through efficiency improvements, digitalization and optimization of our production facilities.

Lantmännen Unibake continues its profitable growth journey and adaptation to the effects of inflation and climate change, including preparations for the energy transition.

Lantmännen Cerealia is well positioned with affordable goods in a market characterized by high inflation. Lantmännen Cerealia continues to work on strengthening profitability through portfolio management and efficiency improvements.

Swecon Business Area

The market is showing signs of saturation with high inflation and high energy and diesel prices that will continue to affect Swecon's customers and business. Long lead times from the supply chain are expected in the early part of 2023, which will keep demand for used machines high. The rental market is expected to grow due to the uncertainty in the external environment.

Real Estate Business Area

The property market is forecast to slow down but Lantmännen Fastigheter's portfolio is well balanced with stable tenants. For construction, there is significant uncertainty about delivery times and material prices. Energy prices are expected to remain at high levels.

For comments about the Parent Company and the Board's proposed appropriation of profit, see → page 78.

The Group's net sales and earnings

- ➔ Lantmännen's net sales amounted to MSEK 60,612 (48,183)
- ➔ Operating income increased to MSEK 2,307 (2,302)
- ➔ Adjusted for items affecting comparability, operating income increased to MSEK 2,715 (2,323)

Net sales

Lantmännen's net sales for 2022 amounted to MSEK 60,612 (48,183), an increase of 25.8 percent, distributed as follows: 19.7 percent organic growth, 2.5 percent currency translation effects and 3.6 percent acquired and divested operations.

Sales increased in all segments, partly driven by high inflation. The biggest increase in sales was in the Energy Sector, which benefited from a strong ethanol market, but the Agriculture Sector also increased its sales significantly due to a sharp increase in prices of grain and inputs.

The Group's items affecting comparability ¹⁾

MSEK	2022	2021
Recognized operating income	2,307	2,302
<i>Items affecting comparability in operating income:</i>		
Capital gain on the divestment of Agrovärme	707	-
Capital gains/losses, Real Estate Business Area	254	54
Impairment, Food Sector	-500	-
Restructuring costs, Food Sector	-133	-75
Impairment related to Russian operations	-500	-
Provision for silo demolition and restoration costs	-59	-
IT investments in cloud services	-177	-
<i>Total items affecting comparability in operating income</i>	<i>-408</i>	<i>-21</i>
Operating income, adjusted for items affecting comparability	2,715	2,323
Recognized income after financial items	2,128	2,181
Items affecting comparability in operating income according to above	-408	-21
<i>Total items affecting comparability in net financial income</i>	<i>-</i>	<i>-</i>
Income after financial items adjusted for items affecting comparability	2,536	2,202
Return on equity, adjusted for items affecting comparability, %	10.1	10.1
Return on operating capital, adjusted for items affecting comparability, %	8.4	8.5

¹⁾ See also note 10.

Operating income

Operating income for 2022 was MSEK 2,307 (2,302) and adjusted for items affecting comparability MSEK 2,715 (2,323). The Energy Sector, Swecon Business Area and Agriculture Sector reported an increase in operating income.

Net items affecting comparability were MSEK -408 (-21) and comprised total capital gains of MSEK 961, impairment of property, plant & equipment and intangible assets of MSEK -1,000, provisions (e.g. restructuring) of MSEK -192 and investments in cloud services of MSEK -177.

Lantmännen's operating income was positively affected by MSEK 153 from acquired and divested operations and MSEK 77 from currency translation effects.

Net financial income and income after financial items

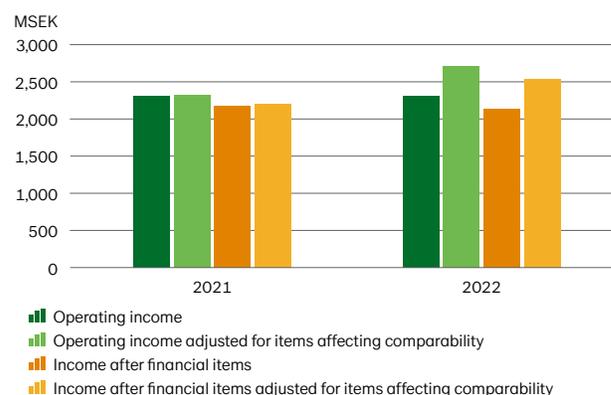
Net financial income amounted to MSEK -179 (-121). The change is mainly attributable to higher financing costs as a result of higher interest rates, but is also due to negative currency translation effects. Income after financial items totaled MSEK 2,128 (2,181) and adjusted for items affecting comparability MSEK 2,536 (2,202).

Tax and income after tax

Tax expense for the year was MSEK 337 (294).

Income after tax amounted to MSEK 1,791 (1,887), with MSEK 1,781 (1,877) of this figure attributable to members of the economic association and MSEK 10 (10) to non-controlling interests (minority ownership) in the Group's subsidiaries.

The Group's operating income



Consolidated Income Statement

MSEK	Note	2022	2021
Net sales	4, 5	60,612	48,183
Other operating income	5	2,893	886
Changes in inventories of finished goods and work in progress		127	-1,251
Raw materials and consumables		-22,312	-15,555
Merchandise		-18,132	-14,149
Employee benefits expense	6	-7,410	-6,506
Depreciation, amortization and impairment	7	-3,153	-2,097
Other operating expenses	8	-10,479	-7,378
Share of income of equity accounted companies	16	161	169
Operating income	10, 11	2,307	2,302
Finance income	9	121	68
Finance costs	9	-300	-189
Income after financial items		2,128	2,181
Tax	12	-337	-294
Net income for the year		1,791	1,887
Net income for the year attributable to:			
Members of the economic association		1,781	1,877
Non-controlling interests		10	10

Consolidated Statement of Comprehensive Income

MSEK	Note	2022	2021
Net income for the year		1,791	1,887
Other comprehensive income	22		
<i>Items that will not be reclassified to the income statement</i>			
Actuarial gains and losses on defined benefit pension plans, net before tax	25	726	327
Financial assets at fair value through other comprehensive income, net before tax	17	-17	-115
Items reclassified to balance sheet		26	-
Tax attributable to items that will not be reclassified	12	-162	-48
Total		573	164
<i>Items that will be reclassified to the income statement</i>			
Cash flow hedges, net before tax		355	204
Exchange differences on translation of foreign operations		903	386
Net gain on hedge of net investment in foreign operations, net of tax		-207	-28
Tax attributable to items that will be reclassified	12	-30	-37
Total		1,021	525
<i>Share of OCI in equity accounted companies</i>			
Items that will be reclassified to the income statement		89	32
Total		89	32
Other comprehensive income, net of tax		1,683	721
Total comprehensive income		3,474	2,608
Total comprehensive income attributable to:			
Members of the economic association		3,464	2,598
Non-controlling interests		10	10

Performance per segment (for full segment information see note 4)

MSEK	Agriculture Sector		Energy Sector		Food Sector		Swecon Business Area		Real Estate Business Area		Lantmännen Group	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Net sales	30,376	22,834	6,801	4,595	18,908	15,558	8,647	7,750	592	584	60,612	48,183
Operating income	516	374	1,165	615	-171	775	593	471	503	344	2,307	2,302
Return on operating capital, %	5.2	4.5	46.8	42.3	-0.9	4.8	35.8	33.3	14.6	11.1	7.2	8.4
Operating income, adjusted for items affecting comparability	516	374	1,165	615	528	850	593	471	244 ¹⁾	279 ¹⁾	2,715	2,323
Return on operating capital, adjusted for items affecting comparability, %	5.2	4.5	46.8	42.3	2.9	5.2	35.8	33.3	7.1 ¹⁾	9.0 ¹⁾	8.4	8.5

¹⁾ Operating income and return on operating capital excluding property sales.

Lantmännen Lantbruk Sweden

MSEK	2022	2021
Net sales	20,363	14,102
Operating income	339	159
Return on operating capital, %	5.8	3.6

Lantmännen Maskin Sweden

MSEK	2022	2021
Net sales	3,320	3,636
Operating income	1	20
Return on operating capital, %	0.0	1.7

Agriculture Sector

The Agriculture Sector's net sales for 2022 were significantly higher than in the previous year, driven by the Swedish agricultural operations. The increase was largely due to a sharp increase in prices of grain and inputs. Operating income amounted MSEK 516, an increase from MSEK 374 in the previous year. Operating income for the year was positively affected by the reversal of a provision related to electricity tax.

Global grain prices during the year reached historically high levels, although prices fell slightly towards the end of the

year. Large shipments from Russia and Ukraine contributed to the falling prices.

Lantmännen's feed business developed positively in 2022, driven mainly by good demand for Piggfor and Pullfor. The business has been affected by high prices of energy, raw materials and transport. However, reduced price volatility and fewer uncertainties in the supply chain towards the end of the year contributed to a more stable situation for the business.

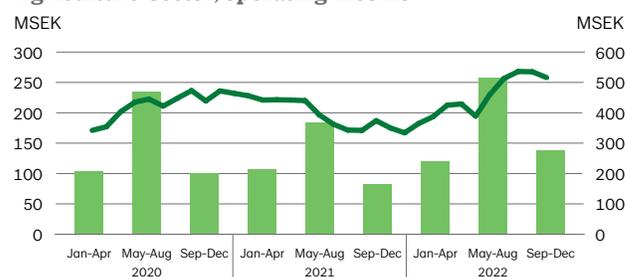
Earnings for the Finnish agricultural operations were lower than in the previous year, as a result of poorer earnings

Agriculture Sector, net sales



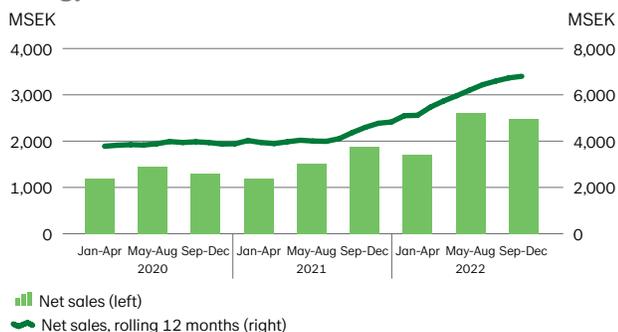
■ Net sales (left)
 — Net sales, rolling 12 months (right)

Agriculture Sector, operating income

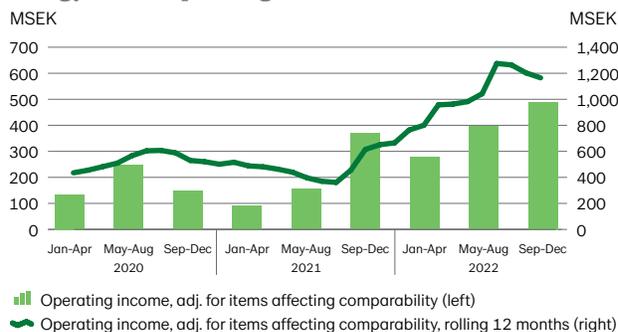


■ Operating income, adj. for items affecting comparability (left)
 — Operating income, adj. for items affecting comparability, rolling 12 months (right)

Energy Sector, net sales



Energy Sector, operating income



for the grain business. Like the Swedish operations, other businesses in the Finnish agricultural operations have been affected by high prices of energy, raw materials and transport.

Earnings for the Sector's international holdings were higher than in the previous year. Operations in the Baltic region and Poland showed strong growth during the year, while the German operations reported lower earnings. The share of income from HaGe Kiel is included in the Sector's results up to the end of October.

Lantmännen Maskin reported lower earnings than in the previous year, partly due to the downturn in the machinery market. Although total tractor sales were more than 20 per cent lower than in the previous year, Lantmännen Maskin has continued to strengthen its market share.

Energy Sector

The Energy Sector's net sales were significantly higher than in the previous year, and operating income amounted to MSEK 1,165 – a marked improvement from MSEK 615 in the previous year. Both increases were largely due to historically high ethanol prices, as well as good production and sales for all businesses. The result was also positively affected by the fact that Lantmännen has been the sole owner of pellet manufacturer Scandbio since April, as well

as the addition of the UK company Coryton, which was acquired in February.

Lantmännen Biorefineries was responsible for the majority of the Sector's increase in earnings and an ethanol production record was set during the year. Higher prices for raw materials used in ethanol production have been more than compensated by higher prices for ethanol and feed products. However, the high ethanol prices that characterized much of 2022 fell towards the end of the year.

Aspen continued to develop positively and increased its sales, despite a generally volatile energy market. The company Coryton has been integrated into the business and is developing according to plan.

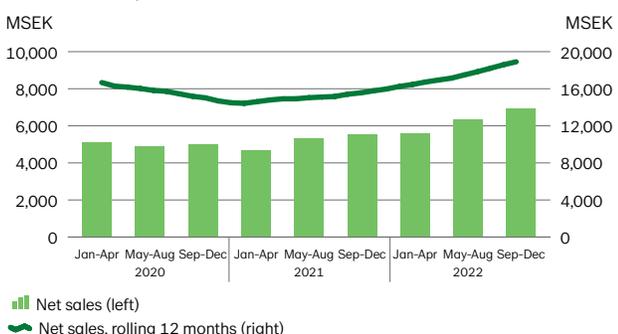
Scandbio's earnings have been positively impacted by increased demand and higher prices for wood pellets, and the company delivered a significantly higher result than in the previous year.

The investment in gluten production in Norrköping has continued as planned, and production is scheduled to start in the first half of 2023.

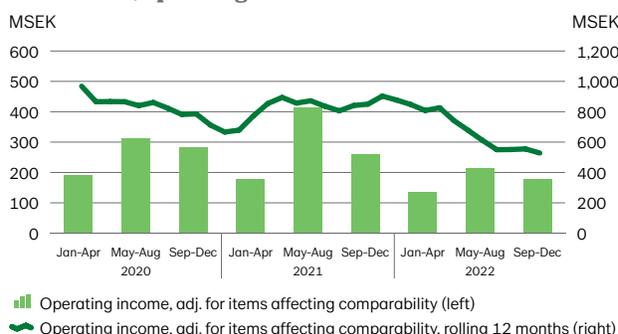
Food Sector

The Food Sector's net sales increased during 2022, while operating income adjusted for items affecting comparability

Food Sector, net sales



Food Sector, operating income



showed a significant decline, falling to MSEK 528 from MSEK 850 the previous year. All businesses in the Sector have faced major challenges in the form of rising prices of raw materials, energy and transport. Cost-based price increases to customers have been implemented, but the Sector's earnings were adversely affected by time lags. Continued price increases will be necessary.

Initiatives to counter the rising prices have been implemented in all production units in the Sector and include adjustments and increased production efficiency.

Lantmännen Unibake's sales increased compared with the previous year, partly due to higher sales volumes, but mainly due to price increases in response to sharply rising costs of inputs. The price increases implemented so far have partly mitigated the negative effects of the increased costs, but do not fully compensate.

A new production line for burger buns was installed at Unibake's bakery in Nowa Sól, Poland.

Lantmännen Cerealia's sales increased compared with the previous year. However, this is entirely driven by cost increases and subsequent price increases passed on to customers and consumers. The necessary price increases that have been implemented have led to even more intense price competition in many of Cerealia's product categories – particularly from private labels. In October, a fire broke out at Cerealia's pancake factory in Laholm, causing extensive damage to the production lines and bringing the factory to a standstill. Production is expected to resume in spring 2023.

Cerealia reported an item affecting comparability in the form of impairment of MSEK 500 in respect of mills in Denmark and Sweden and goodwill related to the Finnish operations.

Costs of integrating the company Myllyn Paras, acquired in June, had a negative effect on the Sector's earnings during the year. Myllyn Paras produces and sells flour, pasta, breakfast products and frozen bakery products.

Swecon Business Area

The Swecon Business Area's net sales for 2022 were higher than in the previous year, and operating income amounted to MSEK 593, which is a new record and a marked improvement from MSEK 471 in the previous year. Earnings have been positively affected by insurance compensation related to Swecon's facility in Bochum, Germany, where a major fire broke out in November 2021.

Machine availability has remained limited due to factors such as component shortages and difficulties related to shipping and logistics. Despite this, Swecon's sales have increased in all markets – partly driven by high inflation. Aftermarket sales also showed positive development, with good demand for both servicing and spare parts.

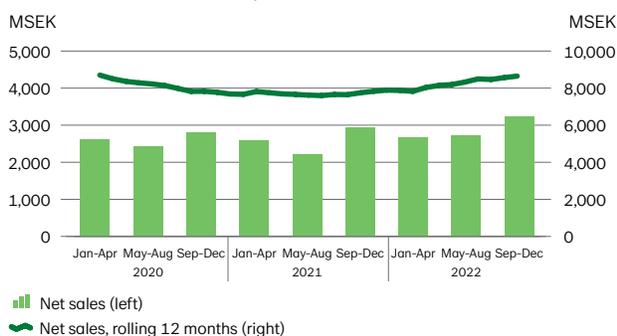
Indicators for the construction market suggest that the economy is entering a recession and that willingness to invest has declined among many customers. During the year, price increases were also implemented by all Swecon's suppliers. Despite this, demand for machinery has remained high during the year, although the order intake fell slightly towards the end of the year. Good demand combined with the shortage of machines meant that delivery times to customers increased significantly during the year.

Demand for electric machines continued to grow, particularly in the public sector – and the launch of new electric machines from Volvo has been well received. The number of machine models offered from Swecon was increased in 2022.

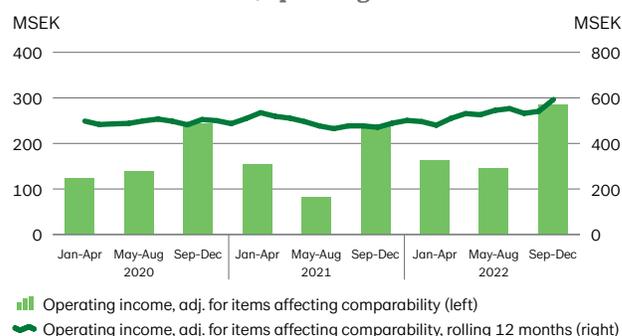
After a very low level of customer and marketing activity during the coronavirus pandemic, several fairs and events are being organized again. Swecon has, among other things, participated in the new, all-electric FIA World Rallycross Championship event to highlight the potential of a transition to an electric future.

Integration of the Swedish rental company, Kewab Rental, acquired in May, continues as planned.

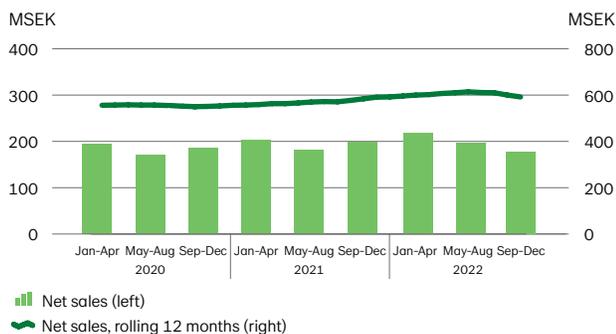
Swecon Business Area, net sales



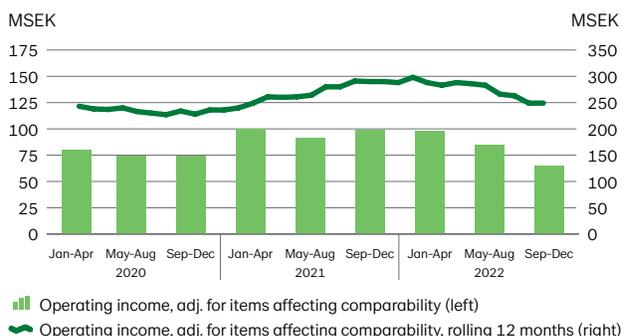
Swecon Business Area, operating income



Real Estate Business Area, net sales



Real Estate Business Area, operating income



Real Estate Business Area

The Real Estate Business Area's net sales were in line with the previous year. Operating income, excluding property sales and items affecting comparability, was MSEK 244, compared with MSEK 279 the previous year. The previous year's earnings were positively affected by higher profit shares from partly-owned companies.

High energy prices have had a negative impact on this year's results. The increased costs for electricity and heating will be compensated by rent increases.

At the end of the year, an agreement was signed for the sale of building rights in Örebro to K-fast Kilen AB.

Lantmännen has decided to install six solar PV systems: four in the South Region, one in the Stockholm Region and one in the Örebro Region. In addition, all new facilities that are built are to be equipped with solar cells. The target for 2023 is to install solar energy equivalent to a total of about 700 kW.

The sale of Lantmännen Agrovärme to Solör Bioenergi was completed in September, generating a capital gain of MSEK 707, which has been recognized as an item affecting comparability.

Consolidated Statement of Financial Position

- ➔ The equity ratio was 44.9 (46.4) percent
- ➔ Return on operating capital was 7.2 (8.4) percent
- ➔ Return on equity was 8.3 (10.0) percent

Assets and investments

Total assets were MSEK 51,099 (43,347) at the end of the year, an increase of MSEK 7,752, which is largely due to increased working capital, as well as acquired companies and other investments.

Property, plant and equipment amounted to MSEK 14,758, compared with MSEK 13,077 the previous year. Investments in property, plant and equipment amounted to MSEK 3,002 (2,169) and in addition to replacement investments, they included the gluten facility in the Energy Sector, the grain facility at Hargshamn, continued investments in Lantmännen Unibake's bakeries and the acquisition of Lantmännen Cerealia's production facility in Järna.

Investment property amounted to MSEK 690 (692).

Investments in intangible assets for the year amounted to MSEK 72 (193). Total intangible assets amounted to MSEK 10,031 (8,997), an increase of MSEK 1,034, which is largely due to acquired operations.

Current assets excluding cash and cash equivalents were MSEK 20,013 (14,215), an increase of MSEK 5,798 from the previous year. The increase is mainly in inventories but also in trade receivables and is largely an effect of higher commodity prices.

Liabilities and equity

Group equity was MSEK 22,932 (20,098) at the end of the year, with MSEK 101 (108) attributable to owners other than the members of the economic association, i.e. non-controlling interests in Group companies. Net income after tax increased equity by MSEK 1,791 (1,887), while dividends and changes in contributed capital reduced equity by MSEK 604 (513). Items recognized in other comprehensive income, such as actuarial gains on defined benefit pension plans and exchange differences on translation of foreign operations, increased equity by MSEK 1,683 (721).

The Group's net debt at the end of the year was MSEK 9,761 (6,673), an increase of MSEK 3,088, mainly due to increased working capital and acquisitions. The Group's liquidity reserve at the end of the year was MSEK 7,646 (9,071) and is calculated based on Lantmännen's current loan agreements and covenants. The equity ratio was 44.9 (46.4) percent at the end of the year.

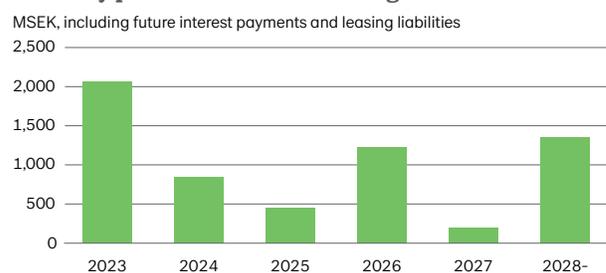
Net debt

MSEK	2022	2021
Liabilities to credit institutions	3,468	2,457
Issued securities, MTN loans	999	998
Savings and deposit accounts, members et al.	3,898	3,571
Pension liabilities	-	612
Subordinated debentures	250	250
Financial liabilities, leases	1,908	1,808
Other interest-bearing liabilities	772	185
Total interest-bearing liabilities including pension liabilities	11,295	9,881
Other interest-bearing assets	1,179	504
Short-term investments, less than 3 months	100	65
Cash and bank balances	255	2,639
Total interest-bearing assets	1,534	3,208
Group's net debt	9,761	6,673

Operating capital and net debt



Maturity profile of interest-bearing financial liabilities



Cont'd.

Consolidated Statement of Financial Position

MSEK	Note	2022 Dec 31	2021 Dec 31
ASSETS			
Non-current assets			
Property, plant and equipment	13	14,758	13,077
Investment property	14	690	692
Goodwill	15	6,186	5,619
Other intangible assets	15	3,845	3,378
Equity accounted holdings	16	3,195	2,697
Surplus in funded pension plans	25	237	-
Non-current financial assets	17	859	440
Deferred tax assets	12	301	273
Other non-current assets	18	660	252
Total non-current assets		30,731	26,428
Current assets			
Inventories	19	9,957	6,610
Trade and other receivables	20	9,883	7,461
Current interest-bearing assets	21	83	64
Current tax assets		90	80
Cash and cash equivalents	21	355	2,704
Total current assets		20,368	16,919
TOTAL ASSETS		51,099	43,347

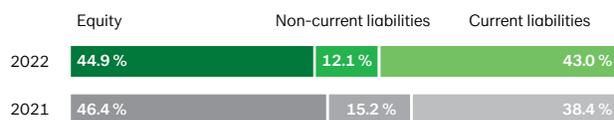
MSEK	Note	2022 Dec 31	2021 Dec 31
EQUITY AND LIABILITIES			
Equity			
Member contributions		4,027	3,624
Other contributed capital		3,110	3,110
Reserves		1,444	337
Retained earnings incl. net income		14,250	12,919
Total equity attributable to members of the economic association		22,831	19,990
Non-controlling interests		101	108
Total equity	22	22,932	20,098
Non-current liabilities			
Non-current interest-bearing liabilities	23, 24	4,445	4,795
Provisions for pensions	25	-	612
Deferred tax liabilities	12	1,222	898
Other non-current provisions	26	376	285
Other non-current liabilities	27	163	5
Total non-current liabilities		6,206	6,595
Current liabilities			
Current interest-bearing liabilities	23, 24	6,850	4,474
Trade and other payables	28	13,790	11,111
Current tax liabilities		372	209
Current provisions	26	949	860
Total current liabilities		21,961	16,654
TOTAL EQUITY AND LIABILITIES		51,099	43,347

Pledged assets and contingent liabilities, see note 34.

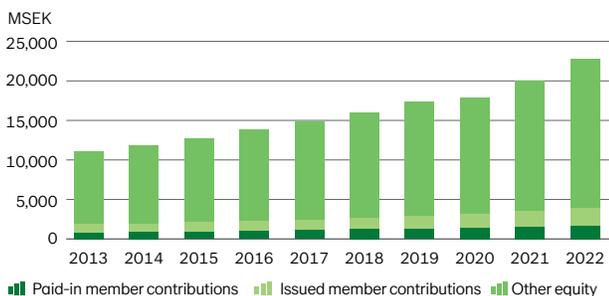
Development of the Group's assets



Development of the Group's equity and liabilities



Contributed capital and equity



Equity ratio and net debt/equity ratio



Consolidated Statement of Cash Flows

- ➔ Cash flow from operating activities MSEK 1,359 (3,927)
- ➔ Cash flow from investing activities MSEK –3,827 (–2,223)
- ➔ Cash flow before financing activities MSEK –2,468 (1,704)

Cash flow from operating activities

The cash operating surplus, i.e. cash flow from operating activities before changes in working capital, gave a positive result of MSEK 4,049 (3,944).

Cash flow from changes in working capital was MSEK –2,690 (–17). Working capital has increased significantly as a result of higher raw material prices and sales growth, which has had a negative effect on cash flow.

Cash flow from operating activities was MSEK 1,359 (3,927).

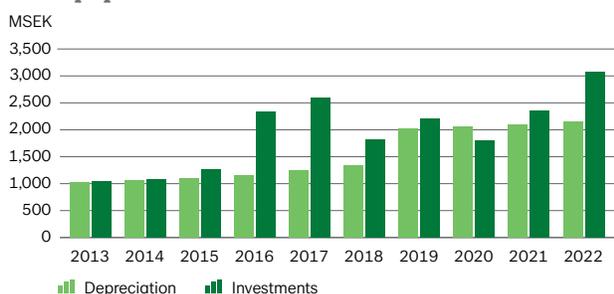
Cash flow from investing activities

Cash flow from acquisitions of operations was MSEK –1,827 (–5), primarily attributable to the acquisitions of Myllyn Paras and Coryton Advanced Fuels.

Divestments of operations generated a positive cash flow of MSEK 1,066 (–), attributable to the divestment of the Lantmännen Agrovärme group.

Investments in property, plant and equipment and intangible assets amounted to MSEK –3,074 (–2,362) and in addition to replacement investments, they included the gluten facility in the Energy Sector, the grain facility at Hargshamn, continued investments in Lantmännen Unibake's bakeries and the acquisition of Lantmännen Cerealia's production facility in Järna.

Depreciation/investments in property, plant and equipment



Investments in 2016, 2017 and 2018 include investments in Londerzeel, Belgium, as a result of the bakery that burned down in 2015.

Sales of property, plant and equipment and intangible assets generated a positive cash flow of MSEK 386 (163), due to, among other things, a large property sale in Uppsala.

Cash flow from investing activities was MSEK –3,827, compared with MSEK –2,223 the previous year.

Cash flow before financing activities

Cash flow before financing activities amounted to MSEK –2,468 (1,704) a decline of 4,172 MSEK.

Cash flow from financing activities

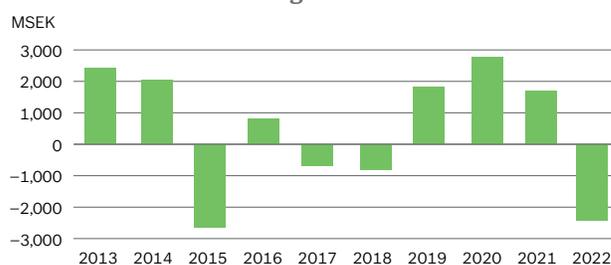
Financing activities had an impact of MSEK 96 (–424) on cash flow. The change in interest-bearing liabilities amounted to MSEK 700 (89), the increase being mainly due to increased loan financing for business acquisitions.

The dividend payment of MSEK –710 (–603) was distributed as follows: contribution dividend of MSEK –362 (–291) and refund and supplementary payment of MSEK –341 (–305) to members of the association.

Cash flow for the year

Cash flow for the year was MSEK –2,372 (1,280) and the Group's cash and cash equivalents ended the year at MSEK 355 (2,704).

Cash flow before financing activities



Cont'd.

Consolidated Statement of Cash Flows

MSEK	Note	2022	2021
OPERATING ACTIVITIES			
Operating income		2,307	2,302
Adjustment for non-cash items ¹⁾		2,164	1,987
		4,471	4,289
Financial items paid, net	35:1	-177	-113
Taxes paid		-245	-232
Cash flow from operating activities before changes in working capital		4,049	3,944
<i>Cash flow from changes in working capital</i>			
Change in inventories		-2,860	-472
Change in operating receivables		-1,484	-1,175
Change in operating liabilities		1,654	1,630
		-2,690	-17
Cash flow from operating activities		1,359	3,927
INVESTING ACTIVITIES			
Acquisitions of operations (incl. capital contribution)	35:2	-1,827	-5
Divestment of operations	35:3	1,066	-
Investment in property, plant & equipment		-3,002	-2,169
Investment in intangible assets		-72	-193
Sale of property, plant & equipment and intangible assets		386	163
Change in financial investments		-378	-19
Cash flow from investing activities		-3,827	-2,223
Cash flow before financing activities		-2,468	1,704
FINANCING ACTIVITIES			
Change in interest-bearing liabilities incl pension provisions	35:4	700	89
Paid-in contributed capital		207	184
Refunded capital contribution		-101	-94
Dividend paid		-710	-603
Cash flow from financing activities		96	-424
Cash flow for the year		-2,372	1,280
Cash and cash equivalents at beginning of year		2,704	1,415
Exchange differences in cash and cash equivalents		23	9
Cash and cash equivalents at end of year	35:5	355	2,704

¹⁾ MSEK	2022	2021
Adjustment for non-cash items		
Depreciation, amortization and impairment of non-current assets	3,153	2,097
Share of income of equity accounted companies	-132	-143
Capital gains/losses on sale of non-current assets and operations	-878	-52
Other non-cash items	21	85
Total	2,164	1,987

Consolidated Statement of Changes in Equity

MSEK	Note	Contributed capital	Other contributed capital	Reserves	Retained earnings incl. net income	Total Lantmännen's owners	Non-controlling interests	Total equity
Opening balance, January 1, 2021		3,228	3,110	-124	11,687	17,901	105	18,006
Net income for the year		-	-	-	1,877	1,877	10	1,887
Other comprehensive income, net of tax		-	-	461	260	721	-	721
Total comprehensive income		-	-	461	2,137	2,598	10	2,608
Distributions to owners		306	-	-	-902	-596	-7	-603
Contributed capital paid in by members		184	-	-	-	184	-	184
Contributed capital paid out to members		-94	-	-	-	-94	-	-94
Other change		-	-	-	-3	-3	-	-3
Closing balance, December 31, 2021	22	3,624	3,110	337	12,919	19,990	108	20,098
2022								
Opening balance, January 1, 2022		3,624	3,110	337	12,919	19,990	108	20,098
Net income for the year		-	-	-	1,781	1,781	10	1,791
Other comprehensive income, net of tax		-	-	1,107	576	1,683	-	1,683
Total comprehensive income		-	-	1,107	2,357	3,464	10	3,474
Realized change in value from OCI		-	-	-	-26	-26	-	-26
Distributions to owners		297	-	-	-1,000	-703	-7	-710
Contributed capital paid in by members		207	-	-	-	207	-	207
Contributed capital paid out to members		-101	-	-	-	-101	-	-101
Other change		-	-	-	-	-	-10	-10
Closing balance, December 31, 2022	22	4,027	3,110	1,444	14,250	22,831	101	22,932

More information about equity can be found in the Parent Company's statement of changes in equity on [page 82](#) and in note 22.

Equity attributable to members of the economic association, MSEK	2022	2021
Contributed capital, paid in	1,642	1,512
Contributed capital, issued	2,385	2,112
Other equity	18,804	16,366
Total equity attributable to members of the economic association	22,831	19,990

Parent Company Lantmännen ek för

Operations

The activities of the Parent Company Lantmännen ek för consist of Lantmännen Lantbruk's Swedish operations in the Agriculture Sector, Agro Oil and the corporate functions.

Net sales and operating income

Net sales amounted to MSEK 20,880 (14,589), an increase of MSEK 6,291 as a result of price increases, mainly for grain and fertilizers. Operating income was MSEK 376 (87), the increase being due to a capital gain on a property sale in Uppsala. Net financial items were MSEK 772 (430) and income after financial items was MSEK 1,148 (517).

Investments

Investments in non-current assets during the year totaled MSEK 272 (265).

Equity ratio

The equity ratio at the end of the year was 45.7 (47.2) percent.

Human resources

The average number of employees was 974 (1,035).

Member information

The number of members on December 31, 2022 was 18,256 (18,726). Refunded contributed capital is expected to be MSEK 79 in 2023. The outcome in 2022 was MSEK 101.

Proposed dividend

The Board of Directors proposes that dividends be paid to both direct members and local associations as follows:

Refund and supplementary payment of MSEK 374 (341)

- 2.0 (2.5) percent in refund and supplementary payment on members' trading with Lantmännen Lantbruk Sweden, excluding fuel business.
- 0.5 (-) percent refund on members' purchases from Lantmännen Lantbruk Sweden's fuel business.
- 0.5 (1.5) percent in refund on members' purchases from Lantmännen Maskin's and Swecon's Swedish operations.

Contribution dividend of MSEK 403 (362)

- Contribution dividend of 10 (10) percent on the nominal value of the contributions.

Contribution issue of MSEK 303 (297)

- The issue capital will be distributed as follows: 50 (50) percent based on members' contributions, paid-in and issued contributed capital, and 50 (50) percent on members' contribution-based turnover with the association in 2022.

Dividend on subordinated debentures of MSEK 15 (18)

- Dividend of 6.0 (7.25) percent on subordinated debentures, based on the conditions in the subordinated debenture offer.

Proposal for appropriation of profit

The Board of Directors proposes that the Parent Company's unappropriated earnings of TSEK 10,424,561 be allocated as follows:

	TSEK
Refund and supplementary payment	374,345
Contribution dividend	402,733
Contribution issue	303,000
Dividend on subordinated debentures	15,000
Carried forward	9,329,483
Total	10,424,561

The dividend is calculated on the basis of the membership roll as updated on December 31, 2022. The amounts may be adjusted as a result of changes in the membership roll up to date of the Annual General Meeting.

Due to trading in contribution issues, the Board has decided that the date on which holdings give entitlement to a dividend (contribution dividend and contribution issue) is the date of the Annual General Meeting.

Lantmännen's Annual General Meeting

The 2022 Annual Report will be presented for adoption at the Annual General Meeting to be held at Hilton Stockholm Slussen, on Wednesday, May 3, 2023. The meeting will also be broadcast digitally.

Parent Company Income Statement

MSEK	Note	2022	2021
Net sales	36	20,880	14,589
Other operating income	36	1,991	557
Changes in inventories of finished goods and work in progress		1,813	539
Raw materials and consumables		-15,561	-10,013
Merchandise		-4,035	-2,325
Employee benefits expense	6	-868	-841
Depreciation, amortization and impairment		-167	-164
Other operating expenses	37	-3,677	-2,255
Operating income	38, 41	376	87
Income from financial items			
Income from investments in Group companies	39	265	367
Income from investments in joint ventures/associates	39	640	25
Income from other securities and receivables classified as non-current assets	40	4	3
Interest income from Group companies		377	222
Other interest and similar income		103	55
Interest expenses to Group companies		-160	-79
Other interest and similar expenses		-183	-149
Exchange differences, financial items	41	-274	-14
Total financial items		772	430
Income after financial items		1,148	517
Group contributions received		1,141	1,098
Group contributions paid		-35	-39
Other appropriations	51	19	11
Income before tax		2,273	1,587
Tax on income for the year	42	-124	-107
NET INCOME FOR THE YEAR		2,149	1,480

Parent Company Statement of Comprehensive Income

MSEK	2022	2021
Net income for the year	2,149	1,480
Other comprehensive income		
<i>Items that will not be reclassified to the income statement</i>		
Financial assets at fair value through other comprehensive income, net before tax	-38	-24
Items reclassified to balance sheet	26	-
Tax attributable to items that will not be reclassified	-4	-
Total	-16	-24
<i>Items that will be reclassified to the income statement</i>		
Cash flow hedges, net before tax	354	203
Tax attributable to items that will be reclassified	-73	-42
Total	281	161
Other comprehensive income, net of tax	265	137
Total comprehensive income	2,414	1,617

Parent Company

Statement of Financial Position

MSEK	Note	2022 Dec 31	2021 Dec 31
ASSETS			
Non-current assets			
Intangible assets	43		
		239	353
		239	353
Property, plant and equipment			
Land and buildings	44	340	331
Investment property	45	19	19
Plant and machinery		506	484
Other non-current assets		309	188
		1,174	1,022
Non-current financial assets			
Investments in Group companies	46	12,374	11,614
Investments in joint ventures/associates	16	1,877	1,343
Receivables from Group companies		9,516	7,351
Receivables from joint ventures/associates		246	-
Other non-current financial assets		220	256
Deferred tax asset	42	29	-
Other non-current assets		546	94
		24,808	20,658
Total non-current assets		26,221	22,033
Current assets			
Inventories	47	3,911	2,698
Trade receivables	48	2,518	1,850
Receivables from Group companies		5,480	5,032
Receivables from joint ventures/associates	48	78	21
Other current receivables		1,458	849
Prepayments and accrued income	49	195	211
		13,640	10,661
Cash and bank balances		24	2,187
Total current assets		13,664	12,848
TOTAL ASSETS		39,885	34,881

MSEK	Note	2022 Dec 31	2021 Dec 31
EQUITY AND LIABILITIES			
Equity			
Restricted equity			
Contributed capital		4,027	3,624
Subordinated debentures		250	250
Statutory reserve		3,110	3,110
		7,387	6,984
Non-restricted equity			
Retained earnings		7,912	7,476
Net income for the year		2,149	1,480
Fair value reserve		-60	-44
Hedge reserve		424	143
		10,425	9,055
Total equity		17,812	16,039
Untaxed reserves			
	51	532	551
Provisions			
Provisions for pensions	52	1	1
Provisions for deferred tax	42	-	21
Other provisions	53	167	136
Total provisions		168	158
Non-current liabilities			
Non-current interest-bearing liabilities		2,107	2,560
Liabilities to Group companies		334	506
Other non-current liabilities		151	5
Total non-current liabilities		2,592	3,071
Current liabilities			
Current interest-bearing liabilities	54	4,179	2,290
Trade payables		3,965	3,259
Liabilities to Group companies		8,591	8,359
Liabilities to joint ventures/associates		32	0
Tax liabilities		345	109
Other current liabilities		866	628
Accruals and deferred income	55	803	417
Total current liabilities		18,781	15,062
TOTAL EQUITY AND LIABILITIES		39,885	34,881

Pledged assets and contingent liabilities, see [note 57](#).

Parent Company Statement of Cash Flows

MSEK	Note	2022	2021
OPERATING ACTIVITIES			
Operating income		376	87
Adjustment for non-cash items ¹⁾		-252	186
		124	273
Financial items paid, net ²⁾		101	574
Taxes paid		-15	-3
Cash flow from operating activities before changes in working capital		210	844
<i>Cash flow from changes in working capital</i>			
Change in inventories		-1,213	-452
Change in operating receivables		-807	-692
Change in operating liabilities		1,240	-894
		-780	-2,038
Cash flow from operating activities		-570	-1,194
INVESTING ACTIVITIES			
Acquisition of shares and interests, owner contributions etc.		-2,826	-11
Divested operations, share capital repayments		2,220	136
Investment in property, plant & equipment		-264	-170
Investment in intangible assets		-8	-95
Sale of property, plant & equipment and intangible assets		392	184
Change in financial assets		-2,937	-875
Cash flow from investing activities		-3,423	-831
Cash flow before financing activities		-3,993	-2,025
FINANCING ACTIVITIES			
Group contributions received		1,059	604
Change in interest-bearing liabilities	56	1,386	3,646
Paid-in contributed capital		207	184
Refunded capital contribution		-101	-94
Dividend paid		-721	-613
Cash flow from financing activities		1,830	3,727
Cash flow for the year		-2,163	1,702
Cash and cash equivalents at beginning of year		2,187	485
Cash and cash equivalents at end of year³⁾		24	2,187
MSEK			
		2022	2021
1) Adjustment for non-cash items			
Depreciation, amortization and impairment of non-current assets		167	164
Capital gains/losses on sale of non-current assets and operations		-325	-61
Fair value adjustment of financial instruments		-93	81
Other items		-1	2
Total		-252	186
2) Financial items			
Dividends received		221	335
Interest received		478	277
Interest paid		-324	-211
Realized exchange gains/losses		-274	173
Total		101	574
3) Cash and cash equivalents at end of year			
Cash and bank balances		24	2,187
Total		24	2,187

Parent Company Statement of Changes in Equity

MSEK	Contributed capital	Subordinated debentures	Statutory reserve	Fair value reserve	Hedge reserve	Retained earnings incl. net income	Total equity
Opening balance, January 1, 2021	3,228	250	3,110	-20	-18	8,395	14,945
Net income for the year	-	-	-	-	-	1,480	1,480
Other comprehensive income, net of tax	-	-	-	-24	161	-	137
Total comprehensive income	-	-	-	-24	161	1,480	1,617
Dividend paid ¹⁾	-	-	-	-	-	-613	-613
Contributed capital paid in by members	184	-	-	-	-	-	184
Contributed capital paid out to members	-94	-	-	-	-	-	-94
Appropriation of profit	306	-	-	-	-	-306	0
Closing balance, December 31, 2021	3,624	250	3,110	-44	143	8,956	16,039

	2022						
Opening balance, January 1, 2022	3,624	250	3,110	-44	143	8,956	16,039
Net income for the year	-	-	-	-	-	2,149	2,149
Other comprehensive income, net of tax	-	-	-	-16	281	-	265
Total comprehensive income	-	-	-	-16	281	2,149	2,414
Items reclassified to balance sheet	-	-	-	-	-	-26	-26
Dividend paid ¹⁾	-	-	-	-	-	-721	-721
Contributed capital paid in by members	207	-	-	-	-	-	207
Contributed capital paid out to members	-101	-	-	-	-	-	-101
Appropriation of profit	297	-	-	-	-	-297	0
Closing balance, December 31, 2022	4,027	250	3,110	-60	424	10,061	17,812

¹⁾ Contribution dividend MSEK -362 (-291), refund and supplementary payment MSEK -341 (-305), dividend on subordinated debentures MSEK -18 (-17), reported as interest expense in the Group.

MSEK 48 (41) of the contributed capital paid out comprises refunds to members who have left the association and MSEK 53 (53) is related to changed investment obligation criteria for individual members.

In 2023, an estimated MSEK 79 (101) in contributed capital will be refunded to members, distributed as follows: members who have left the association MSEK 29 (48) and changed investment criteria MSEK 50 (53).

The unmet obligation of members to invest in Lantmännen pursuant to the articles of association amounted to MSEK 440 (476) at December 31, 2022.

Contributed capital, MSEK	2022	2021
Paid-in contributed capital	1,642	1,512
Issued contributed capital	2,385	2,112
Total	4,027	3,624

Subordinated debentures totaling MSEK 250 were issued on January 23, 2020 with a term of 5 years and a maturity date of January 15, 2025. No repayment of debentures will be made before this date.

Notes – Group and Parent Company

Amounts in MSEK unless otherwise stated.

Lantmännen ek för conducts its operations as a cooperative economic association and is headquartered in Stockholm, Sweden.

The address of the main office is S:t Göransgatan 160 A. The corporate identity number is 769605-2856.

The operations of the Lantmännen Group are described in the Board of Directors' report and in Note 4, Segment reporting.

The 2022 financial statements for the Group and Parent Company will be presented for adoption by the Annual General Meeting on May 3, 2023.

Notes – Group

Note 1 Accounting policies

The principal accounting policies applied in preparing this annual report are summarized in this note. The same policies are normally applied for both the Parent Company and the Group. Parent Company policies that differ from those of the Group are described under separate headings.

BASIS OF PREPARATION

Lantmännen's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. IFRS includes International Accounting Standards (IAS) and interpretations of standards (IFRIC and SIC). In addition to the Annual Accounts Act and IFRS, the Swedish Financial Reporting Board's recommendation RFR 1, Supplementary Accounting Rules for Groups, has also been applied.

The Parent Company's annual financial statements have been prepared in accordance with the Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 2, Accounting for Legal Entities.

Lantmännen applies the cost method for measuring assets and liabilities, except for derivative instruments and the categories 'at fair value through profit or loss', 'at fair value through OCI' and 'financial liabilities at fair value through profit or loss'. Non-current assets and non-current liabilities essentially consist only of amounts expected to be recovered or paid after more than twelve months reckoned from the closing date. Current assets and current liabilities essentially consist only of amounts that are expected to be recovered or paid within twelve months reckoned from the closing date.

Standards, amendments and interpretations effective on or after January 1, 2022

New or amended standards and interpretations that came into force in 2022 have not had any material impact on the Group's or the Parent Company's financial reporting.

Standards, amendments and interpretations effective on or after January 1, 2023

A few new and amended IFRSs have not yet entered into force and have not been adopted early in preparing the Group's and the Parent Company's financial reports. These new or amended standards and interpretations published by the IASB are not expected to have any material impact on the Group's or the Parent Company's financial reporting.

ASSUMPTIONS AND ACCOUNTING ESTIMATES

To ensure preparation of the financial statements in accordance with IFRS, assumptions and estimates must be made that affect reported assets, liabilities, income and expenses, and other information disclosed. The actual outcome may differ from these estimates. The areas in which assumptions and accounting estimates have the greatest impact on carrying amounts are described in more detail in [note 3](#).

JUDGMENTS IN THE APPLICATION OF ACCOUNTING POLICIES

Contributed capital in an economic association is refunded when the member leaves the association. Based on the IAS 32 rules applicable to the contributed

capital of cooperative enterprises, Lantmännen has, with reference to the conditions that apply to capital contributions in accordance with its Articles of Association, made the judgment that the association's contributed capital shall be treated as equity in the consolidated financial statements.

Lantmännen has furthermore made the judgment that the refunds and supplementary payments payable to members, and which depend on the association's performance, shall be treated as dividends.

CONSOLIDATED FINANCIAL STATEMENTS

The Group's financial statements comprise the financial statements for the Parent Company and all Group entities in accordance with the definitions below. A Group entity is consolidated from the date on which the Group obtains control, or for associates significant influence, over the enterprise, while divested Group entities are included in the consolidated financial statements up to and including the date on which the Group still has control, or for associates significant influence, over the enterprise.

Subsidiaries

Subsidiaries are companies in which Lantmännen, directly or indirectly, holds or controls more than 50 percent of the votes or otherwise exercises control. There are no holdings not classified as subsidiaries where these conditions are met. In all companies currently classified as subsidiaries, Lantmännen owns more than 50 percent of the votes and capital.

The consolidated financial statements are prepared according to the acquisition method. The cost of an investment in a subsidiary is the cash amount and the fair value of any non-cash consideration paid for the investment. The value of the acquired net asset, the equity in the company, is determined by measuring acquired assets and liabilities and contingent liabilities at their fair value on the date of acquisition. Those fair values constitute the Group's cost. If the cost of an investment in a subsidiary exceeds the fair value of the acquired company's identifiable net assets, the difference is recognized as goodwill on consolidation. Whether a minority's share of goodwill should be measured and included as an asset is determined for each acquisition. If the cost is less than the final fair value of the net assets the difference is recognized directly in the income statement.

All intra-Group transactions, including receivables and liabilities, income and expenses as well as unrealized earnings, are eliminated in their entirety.

Associates and joint ventures

Associates are companies over which Lantmännen has a significant, but not controlling, influence. This is normally the case when the Group holds between 20 and 50 percent of the voting rights. Companies over which Lantmännen and other parties have contractual joint control are classified as joint ventures. Companies in which Lantmännen holds between 20 and 50 percent of the voting rights are classified as joint ventures or associates. Lantmännen's holdings in Russia (ownership share 100 percent) and in team SE (ownership share 10.7 percent) are classified as associates.

Investments in associates and joint ventures are accounted for using the equity method and are initially recognized at cost. Acquired assets and liabilities are measured in the same way as for subsidiaries, and the carrying amount includes

Note 1 continued

goodwill and other Group adjustments. The Group's share of the company's income after tax arising after the acquisition, adjusted for any depreciation/reversals of the consolidated value, is reported on a separate line in the income statement and is included in operating income. The share of income is calculated on the basis of Lantmännen's share of equity in the company. The equity method means that the consolidated carrying amount of investments in these companies corresponds to the Group's share of the equity of companies plus the residual value of fair value adjustments.

Unrealized gains and losses that do not involve an impairment loss are eliminated in proportion to the Group's investment in the associate.

Non-controlling interests (minorities)

The minority interest's share of a subsidiary's net assets is recognized as a separate item in consolidated equity. In the consolidated income statement, the minority's share is included in accounting profit and information is disclosed about the amount in connection with the accounting profit. Shared-based transactions with minority shareholders are recorded as transactions within equity. Any difference between the minority's share of equity and consideration paid or received is recognized directly as a change in equity attributable to the Parent Company's owners.

With each acquisition, Lantmännen assesses whether the minority's share of equity should be measured at fair value or as a proportion of identifiable net assets.

Translation of foreign Group entities

Statements of financial position and income statements for all Group entities whose functional currency is not the presentation currency are translated into the Group's presentation currency using the following procedures:

- Assets and liabilities are translated at the closing rate on each reporting date reported in the statement of financial position.
- Revenues and expenses are translated at the average rate for each year reported in the income statement and statement of comprehensive income.
- All translation differences that arise are recognized as a separate item under other comprehensive income in the statement of comprehensive income.

In cases where net investments in foreign operations are hedged with financial instruments the foreign exchange differences arising on translation of these instruments are also recognized in the statement of comprehensive income.

When a foreign operation is disposed of, the cumulative translation differences and exchange differences for any financial instruments held for hedging the net investment in the company are recognized as part of the gain or loss on disposal.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and are translated according to the same principles as the entity.

Parent Company

The Parent Company recognizes all investments in Group entities, associates and joint ventures at cost, adjusted where applicable for shareholder contributions and accumulated impairment.

FOREIGN CURRENCY TRANSACTIONS AND BALANCE SHEET ITEMS

The various entities within the Group present their reports in the currency of the primary economic environment in which they operate (the functional currency). The consolidated financial statements are prepared in Swedish kronor (SEK), which is the Parent Company's functional and presentation currency. Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the transaction date.

Foreign currency receivables and liabilities are remeasured at closing-date rates at the end of each reporting period. Exchange differences arising on such remeasurement, and upon payment of the transaction, are recognized in the income statement. However, exchange differences arising on remeasurement of items that are hedging transactions, and that qualify for hedge accounting, are recognized in other comprehensive income. Gains and losses on operating receivables and liabilities are netted and reported within operating income. Gains and losses on borrowings and financial investments are reported as financial items.

Exchange differences on receivables which represent an extended investment in subsidiaries are recognized in other comprehensive income in the same way as translation differences relating to investments in foreign subsidiaries.

SEGMENT REPORTING

Reported operating segments are consistent with the internal reporting submitted to the chief operating decision maker, who is the person that allocates resources and evaluates the results of the operating segments. At Lantmännen, this role is assumed by the Group President & CEO, who, on behalf of the Board, takes charge of day-to-day management and governance.

The business segments are consistent with the Group's operational structure, in which activities are divided into three Sectors and two Business Areas. The segments are organized around different types of products and services. The three Sectors are Agriculture, Energy and Food and the two Business Areas are Swecon and Real Estate. Activities not reported as a separate segment, mainly corporate functions, are reported as Other operations. A further description of the operating segments can be found in [note 4](#).

The segments are responsible for their operating income and the assets and liabilities used in their own operations, namely the operating capital. Financial items and taxes do not fall within the Sectors' responsibility; these are reported centrally for the Group. The same accounting policies are used for the segments as for the Group, apart from pensions (IAS 19 Group level only) and financial instruments (IFRS 9 Group level only).

Transactions between Sectors, segments and other operations are carried out on commercial terms.

PROPERTY, PLANT AND EQUIPMENT

Items of property, plant and equipment are recognized at cost less accumulated depreciation and any accumulated impairment. Cost includes expenditure that can be directly attributed to the acquisition of the asset, including the effect of cash flow hedges relating to investment purchases in foreign currencies. Start-up and pre-production costs that are necessary for bringing the asset to its predetermined condition are included in the cost. For major investments, where the total investment value is at least MSEK 300 and the investment period lasts at least 12 months, interest during construction is included in the cost of the asset.

Subsequent expenditure on property, plant and equipment increases the cost only if it is probable that the Group will have future economic benefit from the subsequent expenditure. All other subsequent expenditure is recognized as an expense in the period in which it is incurred.

Investment property

Investment properties are recognized at cost less accumulated depreciation and any accumulated impairment. The fair value of investment properties is provided as an additional disclosure, see [notes 14 and 45](#). In the Group, properties where more than 90 percent is rented to parties other than Group entities are classified as investment properties.

Parent Company

In the Parent Company, properties are classified as investment properties when more than 90 percent is rented to companies that are not part of the Lantmännen Group. Properties rented to Group companies are reported as operating properties.

Depreciation policies for property, plant and equipment

Land is assumed to have an indefinite useful life and is therefore not depreciated. Depreciation of other property, plant and equipment is based on cost less estimated residual value. Depreciation is straight-line over the asset's estimated useful life. Each component of a larger item of property, plant and equipment with a cost that is significant in relation to the asset's total cost and with a useful life significantly different from the rest of the asset is depreciated separately.

The following depreciation schedules are applied:

Buildings	15-100 years
Grain elevators	10-33 years
Property fixtures	10-25 years
Plant and machinery	5-20 years
Equipment, tools	5-15 years
Vehicles	5-10 years
Office equipment	3-10 years

Note 1 continued

LEASING

The Group is both a lessor and a lessee.

When a contract is signed, an assessment is made as to whether the contract is, or contains, a lease. A contract is, or contains, a lease if:

- There is an identified asset.
- The lessee has the right to substantially all the economic benefits from the use of the identified asset.
- The lessee has the right to control the use of the asset.

If the above conditions are not all met, the contract is not considered to be a lease or contain a lease and is therefore classified as a service contract.

Lessees

Lantmännen recognizes a right-of-use asset and a financial liability at commencement of the lease. Right-of-use assets are measured at cost and include the following:

- the lease liability on initial measurement;
- lease payments made at or before the commencement date, less any incentives received in connection with the signing of the lease;
- initial direct costs; and
- costs of restoring the asset to the condition prescribed in the terms of the lease.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the asset's useful life and the lease term. The right-of-use period has been assessed on the basis of knowledge of the length of underlying agreements as well as termination and extension clauses.

The lease liability is initially measured at an amount equal to the present value of the remaining lease payments on the date on which the leased asset is available for use, discounted at the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate.

Lease liabilities include the present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that depend on an index or a rate;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option, if it is reasonably certain that the lessee will exercise the option; and
- payments of penalties for terminating the lease, if the lease term reflects the assumption that the lessee will exercise the option.

The financial liability is recognized at amortized cost using the effective interest method. The liability is remeasured to reflect changes in future lease payments resulting from a change in index or, e.g., new assessments of amounts payable under future residual value guarantees, or the exercise of purchase, extension or termination options. Any remeasurement of the lease liability results in a corresponding adjustment of the right-of-use asset.

Lantmännen reports a right-of-use asset that is not investment property under property, plant and equipment and the lease liability as an interest-bearing liability.

Lantmännen has chosen not to report right-of-use assets and lease liabilities for short-term leases (lease term shorter than twelve months) and for low-value leases (value less than SEK 50,000), such as IT and office equipment. Lease payments for these contracts are recognized as an expense on a straight-line basis over the lease term.

Parent Company

In the Parent Company, lease payments are recognized as an expense on a straight-line basis over the lease term. The Parent Company only acts as a lessee.

INTANGIBLE ASSETS

An intangible asset is recognized when the asset is identifiable, the Group controls the asset, and it is expected to yield future economic benefits. Intangible assets such as goodwill, trademarks and customer relationships are identified and measured normally in connection with business combinations. Expenditures on internally generated trademarks, customer relationships and internally generated goodwill are recognized in the income statement as an expense when they are incurred.

Goodwill

Goodwill is the amount by which the cost of acquisition exceeds the fair value of the net assets acquired by the Group in a business combination. The value of the goodwill is allocated to the operating segment's cash-generating units which are expected to benefit from the acquisition that gave rise to the goodwill item. Goodwill is carried at cost less accumulated impairment losses and is tested annually for impairment. Goodwill impairment is not reversed.

Goodwill arising on acquisition of associates is included in the carrying amount of the associate and is tested for impairment as part of the assessment of the value of the total investment in the associate.

Net gains or losses on the disposal of Group entities include the remaining carrying amount of the goodwill attributable to the divested entity.

Trademarks

The value of trademarks is carried at cost less any accumulated amortization and impairment losses. Trademarks with an indefinite useful life are not amortized but are tested annually for impairment in the same way as goodwill. Trademarks that Lantmännen intends to continue using for the foreseeable future and that have a cost of at least MSEK 10 are classified as trademarks with an indefinite useful life.

The relief from royalty method is used to measure trademarks identified in a business combination.

Trademarks with a finite useful life are amortized on a straight-line basis over their expected useful life, which varies between 5 and 15 years.

Parent Company

The Parent Company recognizes the value of trademarks at cost less any accumulated amortization and impairment losses.

Customer and supplier relationships

Intangible assets in the form of customer and supplier relationships are identified in connection with business combinations. The value of customer relationships is calculated using the multi-period excess earning method, together with any other relevant information, and is carried at cost less accumulated amortization and impairment losses.

Existing customer relationships are currently considered to have a useful life of 5-20 years.

Research and development

Expenditure on research is recognized as an expense in the period in which it is incurred. Expenditure on development is recognized as an intangible asset only if it is technically and financially feasible to complete the asset, it is expected to provide future economic benefits and the cost of the asset can be measured reliably. For development of seed grain, this means that costs cannot be capitalized until an official variety test has shown potential success for the variety. For development of fuels, expenditure is capitalized only when the product can demonstrate technical acceptance and commercial potential and political decisions have been made. Currently, this means that all expenditure on the development of commercial and similar products is expensed as incurred.

Capitalized expenditure is amortized on a straight-line basis over the estimated useful life of 5-10 years.

Other intangible assets

Intangible assets also include patents, licenses and other rights. The assets are carried at cost less accumulated amortization and impairment losses.

Expenditure on development of business-related IC/IT systems is capitalized if the general criteria for capitalization are met and the total expenditure is estimated at more than MSEK 3.

Subsequent expenditure on other intangible assets increases the cost only if it is likely that the Group will have future economic benefit from the subsequent expenditure. All other subsequent expenditure is recognized as an expense in the period in which it is incurred.

Amortization is straight-line over the expected useful life of the asset, which is estimated at 3-20 years.

Note 1 continued

Accounting treatment of cloud-based software solutions

In April 2021, the International Financial Reporting Interpretations Committee (IFRIC) issued an agenda decision on the accounting treatment of costs related to cloud-based software solutions. Lantmännen is applying the agenda decision. The agenda decision mainly affects how configuration or customization costs in a Software as a Service arrangement are accounted for. For each project, Lantmännen examines whether the costs should be capitalized in accordance with IAS 38 or recognized as a service contract directly in the income statement in the period in which the service is received. Where the software supplier, either itself or through a subcontractor, is also responsible for the implementation of the software, it may be appropriate to accrue the costs over the duration of the contract.

IMPAIRMENT

Intangible assets with an indefinite useful life are not amortized but are tested for impairment annually or more frequently if there is an indication of impairment. The carrying amounts of assets that are amortized are regularly tested. At the end of each reporting period, an assessment is made as to whether there is any indication that the assets are impaired and need to be written down. The recoverable amount is estimated for these assets and for assets with indefinite useful lives. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. An impairment loss is recognized if the recoverable amount is less than the carrying amount. A previously recognized impairment loss is reversed if the reasons for the earlier impairment no longer exist. However, an impairment loss is reversed only to the extent that it does not increase the carrying amount of an asset above the amount that would have been determined had no impairment loss been recognized in prior years. Impairment of goodwill is never reversed.

For an asset that depends on other assets generating cash flows, the value in use of the smallest cash-generating unit to which the asset belongs is estimated. Goodwill is always allocated to the cash-generating units that benefit from the acquisition that generated the goodwill.

An asset's value in use is the present value of the estimated future cash flows that are expected from using the asset and its estimated residual value at the end of its useful life. When calculating value in use, future cash flows are discounted using a pre-tax interest rate that takes into account a market assessment of risk-free interest rates and risk associated with the specific asset. At Lantmännen the risk premium is estimated in relation to the proximity of the operation to the farmer. Operations close to the farmer have a lower risk premium level.

INVENTORIES

Inventories are measured at the lower of cost and net realizable value at the reporting date. The cost is estimated by applying the FIFO (first in/first out) method or weighted average prices. The cost of self-produced goods includes, in addition to direct costs, production-related overhead costs, based on normal production capacity. Borrowing costs are not included in the measurement of inventories. Net realizable value is the estimated selling price in operating activities less the estimated costs to complete and sell the product.

Lantmännen's grain reporting is at weighted average prices. At each reporting date, the cost of grain is calculated on the basis of purchases already made, contracted purchases and grain-related hedging transactions. Based on these factors, an average purchase cost is calculated per crop and relevant volume. This purchase cost is then applied to the grain volumes sold during the reporting period and to existing stocks at the reporting date.

If the calculated cost indicates the existence of loss transactions at any point, these are recognized directly in the income statement.

RECOGNITION AND MEASUREMENT OF FINANCIAL INSTRUMENTS

Financial instruments recognized in the statement of financial position include cash and cash equivalents, trade receivables, securities, loan receivables, derivatives, loan liabilities, trade payables and issued securities. Derivative instruments include forward contracts and swaps used primarily to cover risks relating to exchange rate and commodity price fluctuations and exposure to interest-rate risks. Derivative instruments are recognized in the statement of financial position when the agreements are made. Trade receivables are recognized in the statement of financial position when the invoice is issued. Trade

payables are recognized when an invoice is received. Other financial assets and financial liabilities are recognized in the statement of financial position on the settlement date. A financial asset or part of the asset is derecognized on the settlement date or when it expires. A financial liability or part of a financial liability is derecognized on the settlement date or when it is extinguished in another manner.

CLASSIFICATION OF FINANCIAL INSTRUMENTS

The classification of financial instruments forms the basis for their recognition and measurement.

Financial assets

Classification of financial assets is based on the business model that Lantmännen applies to manage the financial assets and the contractual cash flow characteristics of the financial assets.

The following three measurement categories are applicable to financial assets:

- Amortized cost
- Fair value through other comprehensive income
- Fair value through profit or loss

A financial asset is measured at amortized cost if:

- The financial asset is managed within a business model whose objective is to realize the financial asset's cash flows by collecting contractual cash flows; and
- The contractual cash flows are solely payments of principal and interest on the principal amount outstanding.

A financial asset is measured at fair value through other comprehensive income if:

- The financial asset is managed within a business model whose objective is to realize the financial asset's cash flows by collecting contractual cash flows and by selling the asset; and
- The contractual cash flows are solely payments of principal and interest on the principal amount outstanding.

For equity instruments not held for trading, Lantmännen may choose to present value changes in other comprehensive income on initial measurement.

All other financial assets are measured at fair value, with value changes reported in the income statement.

Business model assessment

Lantmännen assesses which business model a financial asset is managed in at the portfolio level or by type of financial asset, as this reflects how the financial assets are managed, evaluated and reported to management.

Information on which the business model assessment is based:

- policies and instructions for the current portfolio or type of assets and how they are applied in practice;
- evaluation and monitoring of the portfolio's return;
- risks affecting the return, and their management;
- compensation of staff managing financial assets, e.g. whether the compensation is based on changes in the fair value of assets; and
- frequency and volume of sales of assets, and the reason for the sales.

Financial assets held for trading or which are managed and evaluated based on their fair values are measured at fair value through profit or loss.

Assessment of contractual cash flows

For this assessment, interest is defined as compensation for the time value of money, compensation for credit risk for the principal amount outstanding over a specific period of time and other risks associated with the lending of capital.

To assess whether the contractual cash flows consist solely of payments of principal and interest on the principal amount outstanding, Lantmännen uses the contractual terms of the financial asset as its basis. The assessment is aimed at determining whether there are conditions that may change the time and/or size of the contractual cash flows in such a way that they no longer consist solely of payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost

Financial assets measured at amortized cost consist mainly of long-term and short-term loans, trade receivables and bank funds. The objective of these financial assets is to collect contractual cash flows.

Note 1 continued

Financial assets at fair value through other comprehensive income

Financial assets measured at fair value through other comprehensive income consist of holdings in shares that do not qualify as subsidiaries or associates, held for strategic reasons and to promote Lantmännen's business activities.

Financial assets at fair value through profit or loss

Financial assets measured at fair value through profit or loss consist of holdings of bonds, shares held as financial investments and derivative instruments with a positive fair value and not identified as hedging instruments in a hedging relationship.

Financial liabilities

Financial liabilities are measured either at amortized cost or at fair value through profit or loss.

Financial liabilities measured at fair value through profit or loss

Derivative instruments with a negative fair value are assigned to this category, unless the instrument has been identified as a hedging instrument in a hedging relationship. Changes in the values of these instruments are recognized in profit or loss.

Other liabilities

This category includes all liabilities except for derivative instruments. Other liabilities are carried at amortized cost. Interest-bearing loans are initially recognized at cost corresponding to the fair value of the performance received. The transaction costs are amortized over the term of the loan using the effective interest method.

Non-current financial assets

Equities and interest-bearing securities acquired for permanent use in operations are reported under non-current financial assets.

Short-term investments

Short-term investments include short-term bank deposits with an original maturity of between 3 and 12 months or instruments that are immediately marketable.

Cash and cash equivalents

Cash and cash equivalents comprise cash, immediately available bank deposits as well as money market instruments with an original maturity of less than three months.

IMPAIRMENT OF FINANCIAL ASSETS

Impairment losses are calculated and recognized for financial assets measured at amortized cost and financial assets measured at fair value through other comprehensive income. Impairment is not recognized for holdings of equity instruments. Reserves for credit losses are calculated and reported initially on the basis of twelve months' expected credit losses. If the credit risk has increased significantly since the financial asset's initial recognition, credit loss provisions are calculated and reported based on expected credit losses for the asset's entire remaining life. For trade receivables, which do not contain a significant financing component, a simplified approach is applied and credit loss provisions are calculated and reported based on expected credit losses for the entire remaining life, regardless of whether or not the credit risk has increased significantly.

Lantmännen mainly bases the calculation of expected credit losses on an individual assessment of the relevant receivable, together with information on historical losses for similar assets and counterparties. The historical information is continuously evaluated and adjusted based on the current situation and Lantmännen's expectation of future events.

HEDGE ACCOUNTING

Lantmännen applies hedge accounting, provided the criteria for hedge accounting are in place. The criteria for hedge accounting are as follows:

- The hedging relationship consists only of eligible hedging instruments and hedged items;
- At the inception of the hedging relationship there is formal designation and documentation of the hedging relationship and the Company's risk management objective and strategy for undertaking the hedge; and

- The hedging relationship meets all of the hedge effectiveness requirements (that there is an economic relationship, that the effect of credit risk does not dominate and that the hedge ratio is the same as that actually used in the hedge).

Most of Lantmännen's derivative contracts have been entered into to hedge risks such as currency risk and commodity risk. The majority of the derivative instruments held by Lantmännen are hedging instruments that qualify for hedge accounting. Financial derivative instruments that are hedging instruments hedge either an asset or a liability, a net investment in foreign operations or are a hedge of an actual or forecast transaction.

IFRS 9 defines three different hedging relationships: cash flow hedges, hedges of a net investment and fair value hedges. Lantmännen applies cash flow hedging and hedging of net investments.

Cash flow hedges

A cash flow hedge is a hedge held to reduce the risk of an impact on profit or loss from changes in cash flow relating to a highly probable forecast future transaction or in transactions associated with an asset or liability. In cash flow hedge accounting, fair value changes for the derivative instrument (hedging instrument) are recognized in other comprehensive income and accumulated in equity. When the hedged position is recognized in profit or loss, the result of the revaluation of the derivative instrument is also transferred to profit or loss.

Hedging of net investments

Hedging of net investments refers to hedges held to reduce the effect of changes in the value of a net investment in a foreign operation owing to a change in foreign exchange rates. Exchange gains or losses arising from remeasurement of the fair value of the instruments used for these hedges are recognized in other comprehensive income and accumulated in equity. The result is reclassified from equity to profit or loss upon disposal of the foreign operation. Net investments are currently hedged by borrowing and currency swaps in the relevant investment currency.

Fair value hedges

A fair value hedge is a hedge of the exposure to changes in fair value of a recognized asset or liability or an unrecognized firm commitment that is attributable to a particular risk and could affect profit or loss. For a fair value hedge, the gain or loss on the derivative instrument's fair value is recognized in profit or loss. The hedged item is remeasured at fair value, taking into account the hedged risk, and is recognized in profit or loss along with the gains or losses on the derivative instrument's fair value.

Parent Company

The Parent Company applies IFRS 9 in accordance with RFR 2. This means that the Parent Company applies the same policies as the Group for recognition and measurement of financial instruments and hedge accounting.

The Parent Company applies the exemption from measuring financial guarantee contracts in favor of subsidiaries, associates and joint ventures in accordance with IFRS 9, and uses instead the principles for measurement contained in IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

DETERMINATION OF FAIR VALUE

If a financial instrument is traded in an active market, the quoted prices are used to determine the fair value. This applies, for instance, to commodity futures and energy derivatives. For unlisted financial instruments, or if the market for a certain financial asset is inactive, the value is determined through the application of generally accepted valuation techniques. Lantmännen makes assumptions based on the market conditions prevailing at the reporting date. The fair value of forward exchange contracts and currency swaps is estimated based on current forward rates at the reporting date. Interest rate swaps are valued using estimates of future cash flows discounted to current market rates. Market rates and current credit margins are the basis for determining the fair value, for information purposes, of long-term borrowings. For financial assets and liabilities with short maturities, the fair value is estimated at cost adjusted for any impairment.

PROVISIONS

Provisions are recognized when Lantmännen has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of

Note 1 continued

resources will be required to settle the obligation. The amount of the provision is recognized the best estimate of the expenditure required to settle the obligation at the reporting date. For long-term material amounts, provisions are measured at the present value of the expenditure required to settle the obligation, taking into account the time value of money. Provisions for warranty obligations are made and estimated on the basis of previous years' warranty costs and an assessment of the future warranty risk. Provisions are made when the product or service has been sold. Provisions for restructuring measures are made when a detailed, formal plan for measures is in place and well-founded expectations have been created for those who will be affected by the measures. No provisions are made for future operating losses.

EMPLOYEE BENEFITS

Pensions

Lantmännen has both defined contribution and defined benefit pension plans, most of which are funded.

With defined contribution plans, the company pays fixed contributions to a separate legal entity and has no obligation to pay further contributions thereafter. The costs for these plans are charged to consolidated profit as the benefits are earned.

Defined benefit pension plans define an amount of pension benefit that an employee will receive on retirement, based on factors such as salary, years of service and age. The Group's companies bear the risk associated with paying out promised benefits. Plan assets in funded plans can only be used to pay benefits under the pension agreement.

The value recognized in the statement of financial position consists of the net of the estimated present value of the defined benefit obligation and the fair value of the plan assets associated with the obligation at the reporting date, either in a pension fund or in some other arrangement. Pension costs and pension obligations for defined benefit plans are calculated according to the projected unit credit method. This method allocates the costs for pensions as the employees carry out services for the company that increase their entitlement to future benefits. The company's obligation is calculated annually by independent actuaries. The obligation comprises the present value of the expected future payments. The discount rate that is used corresponds to the interest rate for high-quality corporate bonds or treasury bonds with a maturity that corresponds to the average term for the obligations and the currency. An interest rate equivalent to the interest rates of high-quality mortgage bonds is used for Swedish plans. These bonds are considered equivalent to corporate bonds as they have a sufficiently deep market to be used as the basis for the discount rate.

Actuarial gains and losses may arise in determining the present value of the defined benefit obligation and fair value of plan assets. These arise either when the actual outcome diverges from the previously calculated assumption or the assumption changes. Actuarial gains and losses are recognized in Other comprehensive income.

A special payroll tax is calculated on the difference between the pension obligation determined according to IAS 19 and the pension obligation determined according to the rules applied in the legal entity. The calculated future payroll tax is reported as part of the pension obligation.

Parent Company

The Parent Company applies the Pension Obligations Vesting Act (Trygghandlagen) and the Swedish Financial Supervisory Authority's rules relating to defined benefit pensions, which is a requirement for tax deductibility. The accounting follows RFR 2 Accounting for Legal Entities. The most significant differences from the rules in IAS 19 relate to the determination of the discount rate and the fact that the obligation is calculated on the basis of present salary level and that actuarial gains and losses are recognized in the income statement as soon as they arise.

Termination benefits

A provision for costs in connection with termination of personnel is recognized only if the company is obligated to end employment before the normal retirement date or when benefits are provided as an incentive to encourage voluntary termination. Estimated termination benefits are recognized as a provision when a detailed plan for the measure is presented.

Variable salary

Provisions for variable salary are expensed on an ongoing basis in accordance with the economic substance of current agreements.

TAXES

The Group's tax expense consists of current tax and deferred tax. Taxes are recognized in the income statement, except when the underlying transaction is recognized directly in OCI, in which case the related tax effect is also recognized in OCI. However, in the case of contribution dividends, refunds and supplementary payments, which are reported as dividends in the Group's equity, the tax effect of these tax-deductible items is recognized in the income statement as part of the year's tax expense. Current tax is the tax payable or receivable for the current year. Current tax also includes adjustments to current tax attributable to prior periods.

Deferred tax is recognized using the balance sheet liability method on all temporary differences arising between the tax base of assets and liabilities and their carrying amount. Deferred tax is measured at the nominal amount and is calculated by applying the tax rates and regulations that have been enacted or substantively enacted by the reporting date. Deferred taxes relating to temporary differences attributable to investments in subsidiaries and associates are not recognized, as, in each case, Lantmännen is able to control the date for their reversal and it is not considered probable that any such reversal will occur in the near future.

Deferred tax assets relating to deductible temporary differences and loss carryforwards are recognized only to the extent that it is considered probable that these will result in lower tax payments in the future.

Deferred tax assets and deferred tax liabilities are offset when they are attributable to the same tax authority and the companies in question have a legally enforceable right to offset current tax assets against current taxation liabilities.

Parent Company

Because of the relationship between tax expense and accounting profit, the Parent Company recognizes deferred tax liabilities in untaxed reserves. (However, in the consolidated financial statements, untaxed reserves are divided into deferred tax liabilities and equity.)

REVENUE FROM CONTRACTS WITH CUSTOMERS

Revenue recognition

Lantmännen generates its main revenue from the sale of finished products, but also from services rendered, licensing and property leasing. Lantmännen's operations and sales are divided into different segments. The product portfolio is therefore diversified, but the principles for revenue recognition for product or service sales are the same in all segments. Revenue from property leasing is recognized in accordance with the rules for lease revenue.

Performance obligations and timing of revenue recognition

The Group manufactures/processes or imports and sells finished products and accessories. Sales are through dealers/retailers and directly to farmers, industrial customers and consumers. In customer contracts for the sale of products, there are usually 1–2 performance obligations depending on the segment: goods, in some cases an extended warranty and a service. Revenue is recognized at the point in time when control of the asset is passed to the customer, which is dependent on the shipping conditions.

Rights of return and repurchase obligations

When the Group sells goods to customers with rights of return, implicit or explicit, a liability is recognized for the expected repayment and an asset for the right to recover goods from customers on settlement of the repayment liability when the goods are returned. These items are classified in the balance sheet as a return liability and a return asset (under Inventories). Historical experience is used to estimate the proportion of returns at the time of sale ("expected value method") and revenue is recognized only for products not expected to be returned.

Some customer contracts are based on an entity's obligation to repurchase the product, i.e. a repurchase agreement. If the Group has an obligation to repurchase the asset at the customer's request, the Group considers at contract inception whether the customer has a significant economic incentive to exercise

Note 1 continued

that right. If the buyer has a significant economic incentive to exercise its right, this results in the customer effectively paying the Group consideration for the right to use an asset for a certain period of time. The Group then accounts for the agreement as a lease in accordance with IFRS 16. If the buyer does not have a significant economic incentive to exercise its right, the Group accounts for the agreement as if it were the sale of a product with a right of return.

Warranty commitments

In certain cases, the Group has customer contracts that include an extended warranty commitment. Revenue from such warranties is reported on a straight-line basis over the warranty period, unless some other method provides a better measure of the fulfillment of the performance obligation. An extended warranty is considered to exist when the customer is able to buy this service, it is separately priced and the warranty extends beyond the standard warranty required by law. The Group's obligation to take back defective products under the standard warranty required by law is accounted for in accordance with IAS 37.

Determination of transaction price

Volume discounts

In sales with volume discounts, the probable outcome of the sales volume and the associated discount is estimated at the time of the sale. The estimated discount is then included in the transaction price, thus reducing revenue. The assessment of the volume outcome is revised on each reporting date.

Joint marketing activities

Certain sales may include an agreement with the customer on joint marketing activities. Sales to retailers (stores) may include listing fees, which are fees paid to the customer in order to receive special product placement in the store. These fees are considered part of the underlying sales transaction and reduce the transaction price, and thus the revenue. Other joint market activities with a customer are assessed on a case-by-case basis to determine whether the activity is part of the sales transaction or whether a distinct service or product is purchased in the form of the market activity. If the market activities are considered part of the sales transaction, their costs reduce the transaction price and thus the revenue for the transaction.

Trade-in products

In product sales (agricultural or construction machinery) where the sale transaction includes the trade-in of an older machine, the transaction is formulated in such a way that the trade-in is classified as a machine purchase. The trade-in takes place as a new sale and at the customer's request, and the trade-in price is the machine's market value.

Services

The Group performs services in crop production and farming, including repairs, servicing and maintenance of products. Revenue from services in crop production and farming is reported when the service is performed. Revenue from maintenance and servicing of products is reported on a straight-line basis over the contract period, unless some other method provides a better measure of the fulfillment of the performance obligation.

Revenue from administrative and property services, both of which are often provided under longer contracts, is reported when the service is performed and the customer can benefit from the service.

Software licenses

The Group licenses intellectual property such as software in machinery. Free-standing software in machinery is classified as a "right-to-use" license and is recognized as revenue at a given point in time, usually the license date of issue. Licenses considered to be an integral part of a machine are recognized as revenue together with the machine, which is when control of the machine passes to the customer.

Royalty revenue

The Group sells seed, forages and other crops with license agreements. License agreements contain royalties that are based on the customer's use or sale of the goods containing the intellectual property. Sales-based or usage-based royalties are recognized when the subsequent sale or use occurs.

Balance sheet items

In cases where the Group receives advance payments from its customers, these are reported as contract liabilities under Trade and other payables in the statement of financial position. A trade receivable is recognized when the goods have been delivered or the service has been performed, and when the right to consideration is unconditional as only the passage of time is required before payment of the consideration is due. Only in exceptional cases does it happen that the Group has partly fulfilled its performance obligation but is not entitled to consideration until further performance occurs. In these cases, a contract asset is recognized and reported under Trade and other receivables. If the claim on the customer is unconditional, but invoicing has not yet taken place, a receivable not yet invoiced is reported under Trade and other receivables. When reporting rights of return, a return liability is reported under Trade and other payables and a return asset under Inventories.

REFUND AND SUPPLEMENTARY PAYMENT

Members of Lantmännen ek för may receive a refund on purchases from Lantmännen Lantbruk Sweden and Lantmännen Maskin's and Swecon's Swedish operations and a supplementary payment on sales to Lantmännen Lantbruk Sweden. The refund and supplementary payment represents part of the economic association's dividend to its members and is recognized as a dividend.

GOVERNMENT GRANTS

Government grants are recognized in the statement of financial position and the income statement when there is reasonable assurance that the Group will comply with any conditions attached to the grant and the grant will be received. Grants are recognized in profit or loss on a systematic basis over the periods in which the Group recognizes expenses for the related costs for which the grants are intended to compensate. If the government grant or assistance is neither related to the acquisition of assets nor to compensation of costs, it is recognized as other income.

BORROWING COSTS

Borrowing costs attributable to investments in assets that take more than 12 months to complete, and for which the investment amount is at least MSEK 300, are capitalized as part of the investment amount. Other borrowing costs are expensed in the period in which they are incurred.

NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

Lantmännen only reclassifies assets as held for sale if their value is substantial. The current threshold is MSEK 50.

GROUP CONTRIBUTIONS

Parent Company

Lantmännen accounts for group contributions according to RFR2's alternative rule, whereby both group contributions received and group contributions made are reported as an appropriation.

RELATED PARTIES

By virtue of its control, the Parent Company has a related party relationship with its subsidiaries and sub-subsidiaries. By virtue of their significant influence, the Group and Parent Company have a related party relationship with their associates, which include directly and indirectly owned companies.

"Lantmännens Gemensamma Pensionsstiftelse Grodden" is a post-employment benefit plan for employees of companies in the Lantmännen Group. As such, the fund is considered to be a related party.

Intra-Group purchases and sales of goods and services are conducted at market prices.

By virtue of their right to participate in the decisions concerning the Parent Company's strategies, Board members have significant influence over the Parent Company and are therefore considered to be related parties. The purpose of an economic association is to promote the economic interests of its members through the economic activities in which they participate. Accordingly, purchases and sales of goods and services have been conducted during the financial year between the Parent Company and individual Board members who are members of the association. These individual Board members also participate in the

Note 1 continued

financing of the association. Transactions between Board members in their capacity as owners and the economic association have taken place in accordance with the association's objectives. As Board members are subject to the same conditions as other members, the amounts involved in these transactions are not disclosed.

Exchange rates for the Group's major currencies:

	2022		2021	
	Average rate	Closing rate	Average rate	Closing rate
DKK	1.43	1.50	1.36	1.38
EUR	10.63	11.13	10.14	10.23
GBP	12.47	12.58	11.80	12.18
NOK	1.05	1.06	1.00	1.03
USD	10.12	10.43	8.58	9.04

Note 2 Significant events after the end of the period

Thomas Isaksson, currently Managing Director of Vaasan Oy and Head of Lantmännen Unibake's Fresh Bakery business area, has been appointed as new Executive Vice President Lantmännen Cerealia Business Area and a new member of Lantmännen's Group Management, starting March 1, 2023. He succeeds Lantmännen's Group President & CEO Magnus Kagevik, who has held the position in an acting role since August 2022.

Note 3 Significant judgments, accounting estimates and assumptions

Preparation of annual financial statements in accordance with IFRS in many cases requires management to make judgments and use of accounting estimates and assumptions in determining the carrying amounts of assets and liabilities. These estimates are based on historical experience and assumptions that are considered reasonable and realistic in the current circumstances. The actual outcome may differ from the accounting estimates and assumptions.

The estimates and underlying assumptions are regularly reviewed. The effect of a change in an accounting estimate is recognized in the period of the change, if the change affects that period only, or in the period of the change and future periods, if the change affects both.

A general description of the accounting policies where management's accounting estimates and assumptions are expected to have a material effect on the Lantmännen Group's financial position and financial statements is provided below. The carrying amounts at the reporting date can be found in the statement of financial position and associated notes.

Impairment of goodwill and other intangible assets with indefinite useful lives
Goodwill and other intangible assets with indefinite useful lives are tested for impairment annually and whenever there are indications of possible impairment – in situations such as a changed business environment, a divestment decision or closure of operations. At the end of the year, the Group's goodwill and other intangible assets amounted to MSEK 10,031 (8,997), which corresponds to 44 (45) percent of the Group's equity. Other assets are tested for impairment as soon as there is an indication that an asset's recoverable amount is lower than its carrying amount.

In most cases, an asset's value in use is estimated by reference to the present value of the future cash flows the Group expects to derive from the asset. The cash flow projection is based on assumptions that represent management's best estimate of the economic conditions that will exist over the remaining useful life of the asset. The estimates are based on the latest long-term financial plan. An impairment loss is recognized if the estimated value in use is lower than the carrying amount.

The discount rates used to calculate the present value of the expected future cash flows are estimated from the current weighted average cost of capital established within the Group for the markets in which the cash-generating units are active. See also [note 7](#).

Deferred tax assets and tax liabilities

Assessments are made to determine deferred tax assets and tax liabilities. Deferred tax assets are recognized as an asset when it is considered likely that they can be utilized and offset against future taxable profits. Other assumptions regarding the outcome of these future taxable profits, as well as changes in tax rates and rules can result in significant differences in the measurement of deferred taxes. More details about amounts can be found in [note 12](#).

Pensions

The value of pension obligations for defined benefit pension plans is determined by using actuarial calculations based on assumptions about discount rates, future salary increases, inflation and demographics. The discount rate, which is the most critical assumption, is based on the market return on high-quality corporate bonds, namely mortgage bonds with long maturities. The rate is extrapolated to correspond to the pension plan's obligations. A lower discount rate increases the present value of the pension obligation and pension cost, while a higher discount rate has the reverse effect. A 0.25 percent change in the discount rate would change the pension obligation by approx. MSEK 70. For more information about amounts and further sensitivity analyses, see [note 25](#).

Accounting for leases

At the end of the year, the value of right-of-use assets was MSEK 1,879 and the value of lease liabilities was MSEK 1,908. Many leases where Lantmännen is the lessee include extension and termination options which are subject to assessment when the leasing term is determined. The options are negotiated by management to provide flexibility in management of the leases and adaptation to the Group's needs. Management makes continuous assessments about whether it is likely that these extensions and termination options will be exercised. This means that a lease term may be extended or shortened based on changing needs, which affects the value of both the right-to-use asset and the lease liability. For more information about leases, see [notes 13, 23 and 29](#).

Associates

Reclassification as associate

Russia's war in Ukraine and the subsequent sanctions prompted Lantmännen to separate the Russian bakery operations from the rest of the Group during the year as a step in a potential divestment. Lantmännen concluded that it could no longer exercise full control over the Russian operations. The assessment was that control had now become significant influence and the companies in Russia were reclassified from subsidiaries to associates in December and are no longer consolidated. For information about effects of the reclassification, see [note 33](#).

Associates with less than 20 percent ownership

Lantmännen owns 10.7 percent of team SE. The holding is accounted for as an associate as it is the assessment that Lantmännen has significant influence through board representation and a requirement for unanimous decision-making in significant areas.

Provision in connection with the EU Commission's investigation

A provision of MSEK 500 has, for some time, been recognized in connection with the European Commission's investigation of Lantmännen Agroetanol and two other ethanol producers for alleged violation of EU competition law. On July 7, 2022, Lantmännen Agroetanol received a Statement of Objections from the European Commission related to the case. Lantmännen – which has cooperated fully with the EU Commission during the investigation – denies the allegations and continues to fully exercise its right of defense. The size of the provision is based on Lantmännen's best judgment as at December 31, 2022. It is uncertain when the case will be closed; this depends on the European Commission's process. For information about provisions, see [note 26](#).

Note 4 Segment reporting

INFORMATION ON OPERATING SEGMENTS	Financial year 2022							
	Agriculture Sector	Energy Sector	Food Sector	Swecon Business Area	Real Estate Business Area	Other operations	Group-wide ¹⁾	Total Group
MSEK								
Net sales								
External sales	26,493	6,483	18,788	8,550	236	62	0	60,612
Internal sales	3,883	318	120	97	356	610	-5,384	0
Total net sales	30,376	6,801	18,908	8,647	592	672	-5,384	60,612
Operating income per segment	516	1,165	-171	593	503	-132	-167	2,307
<i>Of which share of income of joint ventures/associates</i>	106	26	24	-	7	39	-41	161
Finance income								121
Finance costs								-300
Tax expense for the year								-337
Net income for the year								1,791
Other disclosures								
Assets	12,205	4,659	20,908	3,923	4,029	1,448	-1,194	45,978
Share of equity in joint ventures/associates	631	41	889	-	163	1,471	-	3,195
Unallocated assets								1,926
Total assets	12,836	4,700	21,797	3,923	4,192	2,919	-1,194	51,099
Liabilities	3,423	1,547	3,605	2,088	454	3,959	640	15,716
Unallocated liabilities								12,451
Equity								22,932
Total liabilities and equity	3,423	1,547	3,605	2,088	454	3,959	640	51,099
Investments including right-of-use assets	450	762	1,218	645	756	8	-254	3,585
Depreciation, amortization and impairment ²⁾	-340	-211	-1,659	-578	-116	-54	-195	-3,153
Significant non-cash items in addition to depreciation and amortization ³⁾	-	-	-	-	254	-	707	961

¹⁾ Internal leases that are reported under IFRS 16 are eliminated from segment assets against unallocated liabilities.

²⁾ Including depreciation of right-of-use assets of MSEK 446 (471).

³⁾ Capital gains on sale of operations and property.

MSEK	Financial year 2021							
	Agriculture Sector	Energy Sector	Food Sector	Swecon Business Area	Real Estate Business Area	Other operations	Group-wide ¹⁾	Total Group
Net sales								
External sales	20,364	4,379	15,470	7,659	252	59	-	48,183
Internal sales	2,470	216	88	91	332	622	-3,819	0
Total net sales	22,834	4,595	15,558	7,750	584	681	-3,819	48,183
Operating income per segment	374	615	775	471	344	-157	-120	2,302
<i>Of which share of income of joint ventures/ associates</i>	72	10	20	-	67	0	-	169
Finance income								68
Finance costs								-189
Tax expense for the year								-294
Net income for the year								1,887
Other disclosures								
Assets	9,273	2,519	18,762	3,309	3,364	1,640	-1,778	37,089
Share of equity in joint ventures/associates	1,858	197	382	-	206	54	-	2,697
Unallocated assets								3,561
Total assets	11,131	2,716	19,144	3,309	3,570	1,694	-1,778	43,347
Liabilities	2,645	1,191	2,863	2,049	301	3,346	-2	12,393
Unallocated liabilities								10,856
Equity								20,098
Total liabilities and equity	2,645	1,191	2,863	2,049	301	3,346	-2	43,347
Investments including right-of-use assets	306	398	1,210	550	437	104	-357	2,648
Depreciation, amortization and impairment ²⁾	-332	-154	-1,125	-546	-108	-66	234	-2,097
Significant non-cash items in addition to depreciation and amortization								0

¹⁾ Internal leases that are reported under IFRS 16 are eliminated from segment assets against unallocated liabilities.

²⁾ Including depreciation of right-of-use assets of MSEK 471 (489).

Note 4 continued

INFORMATION ON GEOGRAPHICAL AREAS

MSEK	2022		2021	
	External sales ¹⁾	Non-current assets ²⁾	External sales ¹⁾	Non-current assets ²⁾
Sweden	26,950	12,300	21,958	9,979
Finland	8,833	4,745	6,452	3,580
Germany	6,854	1,603	5,187	2,198
Denmark	4,300	2,341	3,250	2,267
United Kingdom	2,322	1,561	1,816	1,111
Norway	2,149	422	1,753	419
Baltic region	1,447	800	1,015	743
Netherlands	1,345	24	1,399	24
Spain	878	0	663	0
Belgium	850	1,962	610	1,867
France	738	387	734	367
Switzerland	432	-	195	-
Poland	370	1,159	294	947
Russia	150	-	497	770
Rest of Europe	1,230	391	1,096	274
United States	1,118	378	721	334
Australia	429	601	353	583
Rest of world	217	-	190	-
Total	60,612	28,674	48,183	25,463

¹⁾ Distribution of revenue by geographical area is grouped according to customer location. No Lantmännen customer accounts for 10 percent or more of the Group's total sales.

²⁾ Information regarding assets is based on geographical areas grouped according to asset location, i.e., where the entity carries on its production of goods and services, and includes property, plant and equipment, intangible assets and investments in associates.

Lantmännen's operations are divided into three Sectors and two Business Areas.

Internal reporting to Group Management and the Board corresponds with the Group's operational structure, which means the Group's operating segments are its Sectors and Business Areas. The division is based on the Group's operations from a product and customer perspective.

Sales between the Group's entities are conducted at market terms and conditions.

The assets and liabilities used in each segment's operating activities, and for which it is responsible, are attributed directly to the segments. These assets and liabilities include property, plant and equipment, intangible assets, current assets, operating liabilities and provisions attributable to the sale of goods and services, i.e., the segments' operating capital. Assets and liabilities are attributed directly to the segments or allocated to them in a reasonable and reliable manner.

Responsibility for the management of what the Group defines as financial assets and liabilities, and for the Group's tax lies with the corporate functions at the central level. Financial assets and liabilities, remeasurement effects when measuring financial instruments (IFRS 9), lease liabilities (IFRS 16), provisions for pensions and pension liabilities (IAS 19) and taxes have therefore not been allocated to each segment.

All capital expenditure on property, plant and equipment and intangible assets, apart from expendable equipment and company acquisitions, is included in the segments' investments.

The Group's segments consist of three Sectors and two Business Areas, each specializing in different operations. The segment 'other operations' includes a number of small companies which are controlled at central level. The segments are outlined below:

The Agriculture Sector, which constitutes the Group's core business, develops and offers products and services to promote strong, competitive farming. The Sector is based in Sweden and has a strong position in the Baltic Sea region through its international wholly and partly-owned companies.

The Swedish operations are market-leading in the grain market and offer a wide range of products for livestock and crop production. Purchased grain, oilseeds, pulses and forage seed are sold to grain traders and to Swedish and international industry. The Swedish part of the Sector is also Sweden's, and one of the Nordic region's, largest supplier of horse feed, and also has a market in the rest of Europe.

The operations also include sales of agricultural machinery, and spare parts and servicing of agricultural machinery. The machinery operations offer strong brands, including Valtra, Fendt, Kuhn, Väderstad and Joskin.

The Finnish operations trade in grain in the Finnish and international markets, and produce and sell feed.

The Sector works on innovation and development of, among other things, technology and digitalization, sustainable seed, organic products and plant breeding. The Agriculture Sector is responsible for Lantmännen's ownership interests in the partly-owned companies Scandagra Group and Scandagra Polska.

The Energy Sector is one of Sweden's largest producers of bioenergy products. The Sector operates in a global market with the main focus on Europe. The Sector's companies manufacture and market environmentally smart energy, food and industrial products in the form of sustainable ethanol fuel, protein feed, carbon dioxide, starch products, gluten, vodka, beta glucan, oat protein, alkylate petrol, lubricants and other responsibly produced chemical products. The Energy Sector includes Lantmännen Biorefineries, a collective organization for Lantmännen Agroetanol, Lantmännen Functional Foods, Lantmännen Oats and Lantmännen Reppe. The Sector also includes Lantmännen Aspen and Scandbio.

The Food Sector refines grain and other raw materials from arable land and produces, among other things, flour, bread, breakfast products, pasta and ready meals. The Sector offers "Good food" to food retail and food service customers and the food industry. The Sector consists of Lantmännen Unibake and Lantmännen Cerealia, and Myllyn Paras, which was acquired in 2022. The operations of Myllyn Paras will be distributed between Lantmännen Unibake and Lantmännen Cerealia in 2023. The Food Sector is also responsible for Lantmännen's ownership interests in the partly-owned companies Viking Malt and KG:s Ägg.

- Lantmännen Unibake is one of Europe's largest bakery groups. With more than 30 bakeries, operations in over 20 countries and sales in more than 60 countries worldwide, the company can meet the local needs and preferences of customers and consumers. Lantmännen Unibake supplies bake-off and fresh bakery products to the food retail and service markets, and is an important partner for many of the world's largest food providers.

- Lantmännen Cerealia develops, produces and markets grain-based products such as flour, hulled grains, muesli, granola, pasta, pancakes and crispbread, a range of pulses, food grains and whole grains, vegetarian products and ready

Note 4 continued

meals. Operations are conducted in Sweden, Norway, Denmark, Finland and Ukraine, with sales through food retailers, the food service sector and directly to industrial bakeries and food producers. Lantmännen Cerealia also has significant exports, mainly crispbread and breakfast products, to about 30 countries around the world.

The Swecon Business Area is a partner of Volvo Construction Equipment and a dealer in machinery for the construction and civil engineering industry in Sweden, Germany, Estonia, Latvia and Lithuania. Swecon offers a broad range of construction machinery, equipment, spare parts, training, servicing and support through its service facilities.

The Real Estate Business Area consists of Lantmännen Fastigheter and, until the end of September 2022, Lantmännen Agrovärme, which has been divested. Lantmännen Fastigheter's task is to provide the Group's businesses with appropriate properties and optimize the return on externally leased properties.

Note 5 Breakdown of revenue

MSEK	2022	2021
Net sales		
Net sales excluding leasing activities:		
Lantmännen Lantbruk Sweden	20,363	14,102
Lantmännen Lantbruk Finland	6,094	4,479
Lantmännen Maskin	3,320	3,636
Agriculture Sector, other and eliminations	599	617
Agriculture Sector	30,376	22,834
Lantmännen Biorefineries	4,307	3,486
Lantmännen Aspen	1,693	1,113
Scandbio	806	-
Energy Sector, other and eliminations	-5	-4
Energy Sector	6,801	4,595
Lantmännen Unibake	14,082	11,673
Lantmännen Cerealia	4,913	4,286
Food Sector, other and eliminations	-87	-401
Food Sector	18,908	15,558
Swecon Sweden	4,372	4,191
Swecon Germany	3,329	2,790
Swecon Baltic	359	300
Swecon Business Area, other and eliminations	-4	-4
Swecon Business Area	8,056	7,277
Real Estate Business Area	104	127
Other operations	672	681
Eliminations	-5,056	-3,517
Total	59,861	47,555
Net sales from leasing activities		
Swecon Business Area	591	473
Real Estate Business Area	488	457
Eliminations	-328	-302
Total	751	628
Total net sales	60,612	48,183
Other operating income		
Contract income	148	259
Capital gains	975	80
Government grants	14	14
Insurance compensation	159	67
Other	1,597	466
Total	2,893	886

Capital gains for 2021 are mainly related to property sales and for 2022 they are mainly related to the Agrovärme divestment (MSEK 707) and property sales.

Note 6 Employees and employee benefits expense

Average number of employees	2022	of which female	2021	of which female
Group				
Sweden	3,833	29 %	3,704	29 %
Finland	1,063	51 %	977	50 %
Denmark	1,056	27 %	1,041	27 %
United Kingdom	698	25 %	571	26 %
Germany	661	15 %	641	14 %
Poland	430	43 %	378	44 %
Estonia	408	57 %	372	58 %
Lithuania	392	61 %	392	60 %
Belgium	316	36 %	315	36 %
Russia	315	32 %	526	41 %
Norway	300	32 %	286	34 %
Ukraine	225	56 %	244	56 %
United States	192	30 %	165	31 %
Australia	151	49 %	115	49 %
Romania	128	55 %	121	59 %
Latvia	110	34 %	174	45 %
France	34	32 %	31	29 %
Netherlands	29	28 %	24	28 %
Hungary	8	47 %	8	52 %
Spain	7	38 %	7	41 %
Total, Group	10,356	35 %	10,092	35 %
Parent Company				
Sweden	974	35 %	1,035	40 %
Total, Parent Company	974	35 %	1,035	40 %

Employee benefits expense	Group		Parent Company	
	2022	2021	2022	2021
MSEK				
Salaries and benefits, CEOs	127	116	17	21
- of which variable component	21	19	6	8
Salaries and benefits, other employees	5,343	4,715	609	586
Social security costs				
- cost for the year	1,131	1,051	216	219
- payroll tax effect on compensation from pension fund	-	-	-15	-15
Pension costs				
- cost for the year ¹⁾	477	421	79	77
- compensation from pension fund	-	-	-63	-64
Other staff costs	332	203	25	17
Total	7,410	6,506	868	841

¹⁾ MSEK 16 (14) of the Group's pension costs relate to Boards and Managing Directors. The outstanding pension obligation to them is MSEK 0 (3). MSEK 3 (4) of the Parent Company's pension costs relate to Boards and Managing Directors. The outstanding pension obligation to them is MSEK 0 (0).

Gender representation in executive management	Group		Parent Company	
	2022	2021	2022	2021
Female representation, %				
Boards of Directors	18	16	25	25
Other senior executives	35	36	33	30

Note 6 continued

SALARIES AND REMUNERATION OF SENIOR EXECUTIVES

Senior executives

Senior executives as referred to in this note are Lantmännen's Group Management Team, consisting of the Group President & CEO, the Executive Vice President & CTO Lantmännen Group, three Heads of Sectors, two Managing Directors of Business Areas and three Directors of Corporate Functions. Members of Group Management may be employed by the Parent Company or by subsidiaries. The composition of senior executives changed during 2022. Group Management consisted of 10 individuals at the beginning of the year. During the year, one person retired, one person took up a new role, two individuals left Group Management and three joined it, so at the end of the year Group Management consisted of 9 members.

Lantmännen's Remuneration Committee

Lantmännen's Board of Directors has a special Remuneration Committee. The Remuneration Committee's tasks include preparation of the Board's decision regarding the Group President & CEO's salary and other benefits, and approving the Group President & CEO's proposal for remuneration of Group Management.

Lantmännen's remuneration policy

The objective of Lantmännen's remuneration policy is to offer remuneration that helps to engage, motivate and attract the expertise that Lantmännen needs in order to be successful in its business operations. The fundamental principles are as follows:

- Remuneration must be neutral in terms of gender, religion, ethnicity, disability, sexual orientation etc.
- Remuneration must be individual and differentiated, and always strongly linked to the employee's performance.
- Remuneration must be based on the necessary skills, duties, qualifications, experience, position and contribution to the business.
- Remuneration must be relevant in relation to the market.
- Remuneration must always be determined on the basis of the business and financial situation within the Lantmännen Group and its companies.

Remuneration within Lantmännen must be considered and assessed from a total remuneration perspective. Decisions on remuneration within Lantmännen must be made on the basis of our values: openness, a holistic view and drive.

Remuneration structure

The Annual General Meeting decides on the remuneration of the Board of Directors for the period until the next AGM. The remuneration is distributed between a fixed annual fee and an hourly fee. The AGM's decisions on the fixed fee cover the Chairman, the Vice Chairman and other Board members.

The AGM adopts guidelines for remuneration of Group Management on the basis of the Board's proposals. The 2021 AGM approved the guidelines that were applied during 2022, and the 2022 AGM adopted the guidelines to be applied in 2023.

Lantmännen's remuneration structure for Group Management consists of the following components:

- Fixed salary
- Variable salary
 - Short-term incentive program
 - Long-term incentive program
- Pension
- Termination and other benefits

Fixed salary

Members of Lantmännen's Group Management undergo an annual salary review on January 1. The review considers individual performance, market salary growth, changed areas of responsibility, company performance and local agreements and regulations.

Variable salary – Short-term incentive program

Lantmännen has a Group-wide program for short-term (annual) variable salary, which for 2022 covered all members of Group Management. Decisions about target groups and guidelines for short-term variable salary are made annually by the AGM in the case of the Group Management and by the Board of

Lantmännen in other cases. For 2022, the program consisted of financial and individual targets. The financial targets represent 75 percent of the maximum variable salary and are linked to the economic value added that the operating units generate for Lantmännen. The individual targets represent 25 percent.

The maximum variable salary that could be paid to Lantmännen's Group Management in 2022 was 30 percent of the agreed fixed salary, before salary exchange, with full achievement of targets. The total maximum variable salary that could be paid to employees entitled to variable salary in 2022 was approximately MSEK 51, excluding social security costs. The 2022 variable salary was estimated at approximately MSEK 30, excluding social security costs.

Variable salary – Long-term incentive program

Lantmännen's long-term incentive program runs for four years with an initial performance year followed by three lock-in years. The program covers all the members of Group Management and a small group of senior executives and business-critical key individuals.

The purpose of the program is to drive and reward exceptional value growth and profitability within the Group. The program also has a construction that links the interests of the owners and participants. An initial allocation under the program is contingent on the Group achieving a predetermined minimum result for return on equity (RoE) in the performance year. The initial allocation increases with a higher RoE, but there is a ceiling at which no further allocation takes place. The maximum allocation as a percentage of the fixed annual salary after completion of the performance year is 40 percent for the Group President & CEO, 30 percent for other Group Management and 20 percent for other participants.

Lantmännen has four ongoing long-term incentive programs. The programs started in 2019, 2020, 2021 and 2022.

The table below shows the initial allocation cost and the changes in reported costs for each program. The changes refer to the previous years. All costs are exclusive of social security contributions.

Program MSEK	Initial allocation	Lock-in year 1	Lock-in year 2	Lock-in year 3
2019	21.0	-2.0	3.1	-2.0
2020	23.0	2.9	-2.6	-
2021	25.0	-1.6	-	-
2022	22.5	-	-	-

The changes in the reported cost are attributable to changes in the number of participants and changes in value during the lock-in period according to the program structure and regulations.

Pensions

Lantmännen offers Group Management occupational pensions in accordance with national practice, local agreements and other regulations.

Group Management members have a pension entitlement on reaching the age of 65. There are currently three main principles governing pension accrual for members of Lantmännen's Group Management, all of whom apart from one are employed in Sweden:

- Occupational pension accrual in accordance with the ITP agreement in Sweden, with a pensionable salary ceiling of 30 income base amounts and payment of sickness benefits as laid down in the ITP agreement. In addition, there is a premium provision corresponding to 30 percent of salary over 30 income base amounts.
- Occupational pension accrual in accordance with the ITP agreement in Sweden up to 7.5 income base amounts. Payment of sickness benefits is as laid down in the ITP agreement. There is also a premium provision corresponding to 30 percent of salary over 7.5 income base amounts. The Executive Vice President & CTO Lantmännen Group pension accrual follows this structure.
- A defined contribution pension, with a premium of 10-30 percent of the pensionable salary. The Group President & CEO receives a defined contribution pension, with a premium of 30 percent of the pensionable salary.

Note 6 continued

Other benefits

In addition to fixed salaries, variable salaries and pensions, Lantmännen offers other benefits in the form of company cars, occupational injury insurance and occupational group life insurance in accordance with local agreements and regulations. Members of Group Management are also normally entitled to an annual health check, private health insurance and supplementary health insurance that can give benefits for salary between 30-50 income base amounts. For countries outside Sweden, equivalent benefits are offered in accordance with national practice and legislation.

Termination benefits/notice

Lantmännen and the Group President & CEO and Executive Vice President & CTO Lantmännen Group have a mutual notice period of six months. If employment is terminated at Lantmännen's request, the Group President & CEO will receive a salary during the notice period corresponding to the fixed salary and other benefits (including occupational pension and insurance). In addition, termination benefits corresponding to twelve months' fixed salary will be paid, with full deduction of any salary from a new employer. Other members of Group Management have a notice period of six months for termination of employment at their own request and at Lantmännen's request. If the termination is at Lantmännen's request, termination benefits corresponding to six- or twelve months' fixed salary are paid, with any income from other employment during this period deducted.

Salaries and remuneration of senior executives 2022 TSEK	Directors' fees	Fixed salary ³⁾	Variable salary ⁴⁾	Pension ³⁾	Other benefits ⁵⁾	Total 2022
Elected Board members of Lantmännen ek för, according to specification below ¹⁾	5,690					5,690
Group President & CEO Per Olof Nyman ⁶⁾		2,184	1,243	644	38	4,109
Group President & CEO Magnus Kagevik ⁷⁾		4,796	2,734	1,418	105	9,053
Executive Vice President & CTO Lantmännen Group Per Arfvidsson		3,904	2,296	999	200	7,399
Group Management, other ²⁾		36,567	12,214	8,846	1,447	59,074
	5,690	47,451	18,487	11,907	1,790	85,325
Salaries and remuneration of senior executives 2021 TSEK	Directors' fees	Fixed salary ³⁾	Variable salary ⁴⁾	Pension ³⁾	Other benefits ⁵⁾	Total 2021
Elected Board members of Lantmännen ek för, according to specification below ¹⁾	5,736					5,736
Group President & CEO Per Olof Nyman		8,545	5,945	2,503	155	17,148
Executive Vice President & CTO Lantmännen Group Per Arfvidsson		3,800	2,248	1,052	166	7,266
Group Management, other ²⁾		25,857	14,803	8,247	1,158	50,065
	5,736	38,202	22,996	11,802	1,479	80,215

¹⁾ Includes remuneration from both Lantmännen ek för and other Group companies and covers fixed annual fee and an hourly fee.

²⁾ Other Group Management consists of 8 individuals, which was also the average for the year. Disclosures regarding Group Management only apply to individuals who are members of Lantmännen's Group Management.

³⁾ Includes fixed monthly salary and severance pay. Certain members of Group Management are entitled to switch between fixed salary and pension within the framework of current tax legislation.

⁴⁾ Estimated variable salary for each year. For 2022, the initial allocation under the long-term incentive program, the estimated change in value for the ongoing long-term incentive program and the estimated variable salary for the short-term incentive program are included for payment in the following year. The estimated variable salary for 2021 was consistent with the outcome.

⁵⁾ Mainly company cars, but also other benefits such as health insurance and subsistence.

⁶⁾ Group President & CEO to March 31, 2022

⁷⁾ Group President & CEO from April 1, 2022

Board of Directors' fees ¹⁾

TSEK	2022	2021
Per Lindahl ²⁾	1,397	1,369
Hans Wallemyr ³⁾	256	940
Jan Ehrensward ⁴⁾	594	481
Gunilla Aschan	505	489
Jenny Bengtsson ⁵⁾	544	310
Sonat Burman-Olsson	489	473
Johan Bygge	489	473
Jan-Erik Hansson ⁶⁾	290	-
Johan Mattsson ⁷⁾	-	195
Henrik Wahlberg	550	512
Per Wijkander	576	494
Total	5,690	5,736

¹⁾ Includes remuneration from both Lantmännen ek för and other Group companies and covers fixed annual fee and an hourly fee.

²⁾ Chairman of the Board from May 4, 2017

³⁾ Vice Chairman of the Board to May 5, 2022

⁴⁾ Vice Chairman of the Board from May 5, 2022

⁵⁾ From May 11, 2021

⁶⁾ From May 5, 2022

⁷⁾ To May 11, 2021

Note 7 Depreciation, amortization and impairment of assets

MSEK	2022	2021
Depreciation and amortization		
Land and buildings	459	440
Plant and machinery	1 090	1 055
Equipment, tools, fixtures and fittings	301	283
Investment property	16	15
Intangible assets	280	236
Total	2 146	2 029
Impairment		
Land and buildings ¹⁾	397	24
Plant and machinery ¹⁾	88	38
Equipment, tools, fixtures and fittings	-	5
Goodwill ²⁾	442	-
Other intangible assets	80	1
Total	1 007	68

¹⁾ Mainly impairment of mills in Sweden and Denmark and impairment of Lantmännen Unibake's operations in Russia.

²⁾ Goodwill related to Lantmännen Cerealia's operations in Finland and Russia. For more information, see the section Impairment below.

Total depreciation, amortization and impairment MSEK	2022	2021
Land and buildings	856	464
Plant and machinery	1,178	1,093
Equipment, tools, fixtures and fittings	301	288
Investment property	16	15
Goodwill	442	-
Other intangible assets	360	237
Total	3,153	2,097

Impairment by Sector MSEK	2022	2021
Agriculture Sector		
- from annual impairment testing	-	2
Energy Sector		
- from annual impairment testing	17	12
Food Sector		
- from annual impairment testing	523	4
- as an effect of restructuring decision	20	48
Swecon Business Area		
- from annual impairment testing	-	1
Group-wide		
- from annual impairment testing	447	1
Total	1,007	68

For further details see also notes 13, 14 and 15.

Impairment

Lantmännen measures the recoverable amount of assets in predefined cash-generating units when there are indications that there may have been a material decline in value and this is not expected to be temporary.

Lantmännen always conducts annual impairment testing (usually in the third four-month period) of cash-generating units that contain goodwill and other intangible assets with an indefinite useful life, irrespective of whether there is any indication that the assets may be impaired.

The recoverable amount of cash-generating units is determined by calculating their value in use. Value in use is the present value of the estimated future cash flows expected to be derived from continuing use of the asset.

The estimates for the year are based on adopted budgets for 2023 and adopted strategic plans for 2024 and 2025. Key assumptions in the projections are assessment of future sales growth and earnings development. The calculation of value in use is based on what management believes are reasonable market

Note 7 continued

assumptions, and includes cash flow projections for the existing operations, with annual growth after 2026 assumed to be weak, i.e. about 2 percent for most operations.

The discount rates used for the present value calculation of the expected future cash flows correspond to the long-term return requirements, before tax, that have been defined for operations in the cash-generating units. In determining the discount rate, the risk associated with the asset in question is taken into account; proximity of operations to the farmer have a lower risk premium.

The cash-generating units defined within Lantmännen are at a lower organizational level than the segments in Lantmännen's segment reporting, i.e. the Group's Sectors and Business Areas.

Lantmännen Unibake accounts for 69 percent of the Group's total value of goodwill and other assets with indefinite useful lives, and Lantmännen Cerealia accounts for 13 percent.

For impairment testing of the cash-generating units Lantmännen Unibake and Lantmännen Cerealia, a pre-tax discount rate of 8 (8) percent was used for Lantmännen Unibake and 9 (8) percent for Lantmännen Cerealia.

The annual measurement of the value of goodwill and intangible assets with indefinite useful lives resulted in goodwill impairment of MSEK 442 and trademark impairment of MSEK 48. The impairment was related to Lantmännen Cerealia's operations in Finland and Russia. Goodwill impairment of MSEK 288 was recognized for Lantmännen Cerealia's operations in Finland. The impairment in Finland is due to a change in market conditions which is reflected in estimated future cash flows. As a consequence of Russia's war in Ukraine, an impairment loss of SEK 202 was recognized on Lantmännen Cerealia's operations in Russia, of which SEK 154 million was related to goodwill and SEK 48 million to trademarks.

For the operations in Russia, Lantmännen did not have access to relevant information to conduct impairment testing based on future cash flows, which is the method Lantmännen normally uses, described above. Instead, the impairment testing was based on estimated fair value less costs to sell. The cash-generating unit Lantmännen Unibake, excluding Russia, was within the estimated value in use limit during impairment testing for the year. An increase of 0.5 percentage point in the discount rate would have reduced the estimated value in use for Lantmännen Unibake by approximately MSEK 1,075, which would still not have resulted in an impairment loss, all other assumptions remaining unchanged. An increase of 0.5 percentage point in the discount rate would have reduced the estimated value in use for Lantmännen Cerealia by MSEK 209, all other assumptions remaining unchanged.

Other units with goodwill and intangible assets with indefinite useful lives were well within the estimated value in use limit during impairment testing for the year. The pre-tax discount rates used in these impairment tests were between 8 and 10 percent.

Note 8 Fees and reimbursement of expenses to auditors

MSEK	2022	2021
Ernst & Young		
Annual audit	18	17
Tax consultancy services	1	1
Other services	1	0
Total	20	18
Other auditors		
Annual audit	3	1
Member representative auditors		
Annual audit	1	1

The annual audit comprises the auditing of the annual financial statements for the Parent Company and Group, the accounting records and the administration of the Board of Directors and the Group President & CEO. It also includes other duties incumbent on the company's auditors, as well as advice and other assistance arising from observations made while performing the audit or carrying out such other duties.

Note 9 Finance income and costs

MSEK	2022			2021		
	Income	Costs	Total	Income	Costs	Total
Financial assets at amortized cost						
Interest income, receivables from members	48	-	48	43	-	43
Other interest income	49	-	49	5	-	5
			97			48
Financial assets at fair value through other comprehensive income						
Dividend ¹⁾	4	-	4	8	-	8
			4			8
Derivatives used in hedge accounting						
Interest on currency forward contracts and swaps	20	-18	2	12	-19	-7
			2			-7
Other financial liabilities						
Interest expense, pension plans	-	-9	-9	-	-12	-12
Interest expense, liabilities to members	-	-39	-39	-	-24	-24
Interest expense, liabilities to the public	-	-18	-18	-	-11	-11
Interest expense, borrowing	-	-105	-105	-	-74	-74
Interest expenses, lease liabilities	-	-45	-45	-	-46	-46
Other borrowing expenses	-	-12	-12	-	-14	-14
Other interest expenses	-	-	-	-	-	-
Currency effects	-	-54	-54	-	11	11
			-282			-170
Total	121	-300	-179	68	-188	-121

¹⁾ Of which MSEK 0 attributable to shares sold in the financial year.

Note 10 Items affecting comparability

The Group's income can be inflated or reduced by certain items that affect comparability. An overview of these items is presented below.

An item affecting comparability is a one-time item that is not directly related to the planned future operations and is outside the range of MSEK +/- 30.

MSEK	2022	2021
Capital gain on sale of property	254	54
Capital gain on sale of operations	707	-
Items affecting comparability in other operating income	961	54
Restructuring costs	-133	-75
Impairment of non-current assets	-212	-
Impairment of goodwill	-288	-
Impairment related to Russian operations	-500	-
Provision for silo demolition and restoration costs	-59	-
IT investments in cloud services	-177	-
Total items affecting comparability in operating income	-408	-21
Total items affecting comparability in income after financial items	-408	-21
Tax effect of items affecting comparability	42	4
Total items affecting comparability in net income for the year	-366	-17

Items affecting comparability by Segment/Sector

MSEK	2022				
	Capital gain	Impairment	Restructuring cost	Other	Total
Food Sector	-	-566	-133	-	-699
Real Estate Business Area	254	-	-	-	254
Group items	707	-434	-	-236	37
Total	961	-1,000	-133	-236	-408

An impairment of goodwill related to the Finnish operations was recognized in Lantmännen Cerealia as an effect of the annual impairment testing. Impairment losses were also recognized in respect of the Vejle mill in Denmark and the Strängnäs mill in Sweden. Impairment of MSEK -66 related to the Russian operations was recognized in the Food Sector. Total impairment in the Food Sector amounted to MSEK -566. In addition, the Group recognized an impairment loss of MSEK -434 on the Russian operations, resulting in total impairment of MSEK 500 for these operations.

In the Food Sector, total provisions of MSEK -133 for restructuring costs were recognized: MSEK -98 for restructuring Lantmännen Unibake's bakery structure in Belgium and MSEK -35 related to Lantmännen Cerealia's efficiency measures.

The Real Estate Business Area reported a capital gain of MSEK 254 on a property sale in Uppsala.

Group items include a capital gain of MSEK 707 on the divestment of the Agrovärme group, a provision of MSEK -59 for silo demolition and restoration costs and costs of MSEK -177 for ongoing IT investments recognized directly in the income statement.

Note 10 continued

MSEK	2021		
	Restructuring costs	Other	Total
Food Sector	-75	-	-75
Real Estate Business Area	-	54	54
Total	-75	54	-21

In 2021, total provisions of MSEK -75 were made in the Food Sector for restructuring costs.

The Real Estate Business Area reported a capital gain of MSEK 54 on a property sale in Ystad.

Note 11 Exchange differences affecting income

MSEK	2022	2021
Exchange differences affecting operating income	-386	-54
Exchange differences in financial items	-54	11
Total	-440	-43

Exchange differences in operating income are included in:

	2022	2021
Net sales	-500	6
Cost of materials	120	-62
Other operating income/expense	-6	2
Total	-386	-54

Note 12 Taxes

Tax on income for the year		
MSEK	2022	2021
Current tax expense (-)/tax income (+)		
Tax expense for the period	-376	-220
Adjustment of tax attributable to prior years	17	-2
Foreign tax	-5	-11
Total current tax	-364	-233
Deferred tax expense (-)/tax income (+)		
Deferred tax from changes in temporary differences	83	-54
Deferred taxes arising from changes in tax rates	1	15
Deferred tax income in capitalized loss carryforwards	-3	19
Utilization of previously capitalized loss carryforwards	-52	-45
Other changes	-2	4
Total deferred tax	27	-61
Total recognized tax expense	-337	-294

Tax items recognized through other comprehensive income		
MSEK	2022	2021
Deferred tax		
Actuarial gains and losses on defined benefit pension plans	-150	-67
Financial assets at fair value through other comprehensive income	-8	19
Total	-158	-48
Current tax		
Current tax in hedges of net investments	43	6
Financial assets at fair value through other comprehensive income	-4	-
Current tax in cash flow hedges	-73	-43
Total	-34	-37
Total tax effects in other comprehensive income	-192	-85

Reconciliation of effective tax	2022		2021	
	Percent	MSEK	Percent	MSEK
Income before tax		2,128		2,181
Anticipated tax according to enacted Swedish tax rate	20.6 %	-438	20.6 %	-449
Items with tax effects on the results and their impact on the effective tax rate:				
Non-deductible expenses	6 %	-128	1 %	-23
Tax-exempt capital gains	-3 %	71	0 %	4
Tax-exempt dividends	0 %	2	0 %	1
Other non-taxable income	0 %	9	0 %	1
Tax on unrecognized income		-	0 %	2
Loss carryforward arising during the year, not capitalized as a deferred tax asset	0 %	-4		-
Capitalization of previously uncapitalized loss carryforwards and tax credits		-	-1 %	20
Effect of special tax rules for economic associations	-6 %	135	-5 %	109
Tax attributable to prior years	-1 %	15	0 %	2
Effect of changes to tax rates, tax rules and different tax rates in the Group	-1 %	12	0 %	10
Foreign tax that could not be offset	0 %	-3	0 %	-9
Reversal of income of joint ventures/associates	-2 %	33	-2 %	37
Other	2 %	-41	0 %	1
Recognized effective tax	16 %	-337	13 %	-294

According to the tax rules applicable to economic associations, the dividend proposed from the Board, which will be paid to physical persons in the following year, is tax-deductible in the current year and was taken into account in calculating the current tax. Refunds and supplementary payments are also tax-deductible costs; they are not recognized in the income statement but as dividends.

Note 12 continued

Deferred tax asset/tax liability	2022			2021		
	Deferred tax asset	Deferred tax liability	Net	Deferred tax asset	Deferred tax liability	Net
MSEK						
Group						
Land and buildings	419	708	-289	395	693	-298
Machinery and equipment	56	598	-542	57	554	-497
Intangible assets	84	742	-658	93	622	-529
Trade receivables	1	1	0	7	1	6
Pension provisions	36	62	-26	149	0	149
Interest-bearing liabilities	669	384	285	660	386	274
Other provisions	60	0	60	50	0	50
Loss carryforwards	121	0	121	157	0	157
Other	215	87	128	214	151	63
Total	1,661	2,582	-921	1,782	2,407	-625
Offsetting of assets/liabilities	-1,360	-1,360	0	-1,509	-1,509	0
Total, net deferred tax asset/liability	301	1,222	-921	273	898	-625

Deferred tax assets and liabilities attributable to the same tax authority have been offset against each other.

MSEK	Change in deferred tax in temporary differences and loss carryforwards 2022						
	Amount at beginning of year	Recognized in income statement	Recognized in OCI	Changes in acquisitions/divestments	Reclassifications	Translation differences	Amount at end of 2022
Group							
Land and buildings	-298	22	-	9	0	-22	-289
Machinery and equipment	-497	-4	-	-26	0	-15	-542
Intangible assets	-529	13	-	-115	0	-27	-658
Trade receivables	6	-1	-	-7	0	2	0
Pension provisions	149	-24	-150	-	0	-1	-26
Interest-bearing liabilities	274	-11	-	1	0	21	285
Other provisions	50	9	-	-1	0	2	60
Loss carryforwards	157	-46	-	0	0	10	121
Other	63	69	-8	-7	-1	12	128
Total	-625	27	-158	-146	-1	-18	-921

MSEK	Change in deferred tax in temporary differences and loss carryforwards 2021						
	Amount at beginning of year	Recognized in income statement	Recognized in OCI	Changes in acquisitions/divestments	Reclassifications	Translation differences	Amount at end of 2021
Group							
Land and buildings	-400	59	-	-	51	-8	-298
Machinery and equipment	-571	-21	-	-	102	-7	-497
Intangible assets	-538	19	-	-	-4	-6	-529
Trade receivables	4	2	-	-	0	0	6
Pension provisions	204	13	-68	-	-1	1	149
Interest-bearing liabilities	590	-248	-	-	-78	10	274
Other provisions	5	44	-	-	1	0	50
Loss carryforwards	174	-21	-	-	0	4	157
Other	0	92	14	31	-71	-3	63
Total	-532	-61	-54	31	0	-9	-625

Loss carryforwards and tax credits

At the end of the year the Group had loss carryforwards of MSEK 549 (696), of which MSEK 494 (657) was taken into account in the calculation of deferred tax.

The amount not taken into account is related to loss carryforwards in operations in Hungary and Finland. These have not been assigned any value as it is currently uncertain whether they will be utilized.

The loss carryforwards not included in the calculation of deferred tax amount to MSEK 55 (39) and have a life of four and ten years, respectively.

At the end of the year, the Group had tax credits of MSEK 17 (25) in Poland, which was taken into account in the calculation of deferred tax.

Note 13 Property, plant and equipment

MSEK	Land and land improvements		Buildings		Plant and machinery		Equipment, tools, fixtures and fittings		Construction in progress		Total property, plant and equipment	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Accumulated cost of acquisition	1,542	1,335	9,312	8,606	19,786	17,693	3,271	2,781	1,918	1,245	35,829	31,660
Accumulated depreciation	-172	-127	-4,124	-3,642	-13,578	-12,212	-2,220	-1,823	-	-	-20,094	-17,804
Accumulated impairment	-61	-60	-361	-213	-483	-463	-72	-43	-	-	-977	-779
Carrying amount	1,309	1,148	4,827	4,751	5,725	5,018	979	915	1,918	1,245	14,758	13,077
Balance at beginning of year	1,148	1,014	4,751	5,027	5,018	4,955	915	893	1,245	712	13,077	12,601
Investments including right-of-use assets ¹⁾	74	110	586	214	780	606	199	233	1,873	1,292	3,512	2,455
Company acquisitions	42	-	168	-	526	-	28	-	12	-	776	0
Company divestments ²⁾	-4	-	-237	-	-432	-	-7	-	-77	-	-757	0
Sales and disposals	-1	-9	-55	-238	-105	-90	-14	-18	-11	-	-186	-355
Regular depreciation for the year	-13	-13	-446	-427	-1,090	-1,055	-301	-283	-	-	-1,850	-1,778
Impairment for the year	-	-	-397	-24	-88	-38	-	-5	-	-	-485	-67
Reclassifications	21	28	168	89	819	547	129	82	-1,170	-770	-33	-24
Translation differences	42	18	289	110	297	93	30	13	46	11	704	245
Carrying amount ³⁾	1,309	1,148	4,827	4,751	5,725	5,018	979	915	1,918	1,245	14,758	13,077
Right-of-use assets included in property, plant and equipment												
Cost of acquisition												
Value at beginning of year	76	34	2,050	2,244	314	289	593	542	-	-	3,033	3,109
Acquisition of right-of-use assets	28	42	328	84	21	20	133	140	-	-	510	286
Other changes	1	-	-97	-278	28	5	-80	-89	-	-	-148	-362
December 31	105	76	2,281	2,050	363	314	646	593	-	-	3,395	3,033
Accumulated depreciation												
Value at beginning of year	-	-	-663	-503	-294	-225	-298	-215	-	-	-1,255	-943
Depreciation of right-of-use assets	-	-	-250	-252	-38	-65	-158	-154	-	-	-446	-471
Other changes	-	-	129	92	-27	-4	83	71	-	-	185	159
December 31	-	-	-784	-663	-359	-294	-373	-298	-	-	-1,516	-1,255
Carrying amount	105	76	1,497	1,387	4	20	273	295	-	-	1,879	1,778

¹⁾ Investments for the year do not include any capitalized interest. Properties acquired in companies are treated as asset acquisitions and accounted for as acquisitions of property, plant and equipment or investment properties.

²⁾ Includes deconsolidation of Russian entities, see note 33 for more information.

³⁾ Includes assets of MSEK 416 (402) leased out under operating leases as part of Swecon Baumaschinen's construction machinery rental operations.

Government grants reduced the year's investments by MSEK 5 (0).

Contractual obligations relating to investments in property, plant and equipment amounted to MSEK 843 (730) at the end of the year.

For further information about depreciation and impairment, see note 7.

For further information about leases, see note 29 Leases and note 30 Customer financing.

Note 14 Investment property

MSEK	Land		Buildings		Total investment property	
	2022	2021	2022	2021	2022	2021
Accumulated cost of acquisition	130	128	692	679	822	807
Accumulated depreciation	-11	-9	-121	-106	-132	-115
Carrying amount	119	119	571	573	690	692
Balance at beginning of year	119	119	573	568	692	687
Sales and disposals	-1	0	-2	-	-3	0
Regular depreciation for the year	-2	-1	-14	-14	-16	-15
Reclassifications	3	1	14	19	17	20
Carrying amount	119	119	571	573	690	692

Properties where less than 10 percent of the space is used for the Lantmännen Group's own activities are classified as investment property in the Group.

For further information about leases, see note 30 Customer financing.

Investment properties with a carrying amount of MSEK 408 (412) are pledged as security for the Group's borrowing. The estimated fair value is MSEK 734 (739).

Assets leased out under operating leases include all investment properties.

Changes in fair value		
MSEK	2022	2021
Fair value at beginning of year	1,291	1,227
Sales and disposals	-7	-5
Fair value changes	-15	49
Reclassifications	17	20
Fair value at end of year	1,286	1,291

All investment properties have been valued according to hierarchy level 3, i.e. based on unobservable inputs and according to the methods described below.

Fair value has been determined on the basis of internal assessments. Property sales carried out during the year have been reconciled.

The value has been estimated using the following measurement methods:

- In the majority of cases the market price method has been used, where sales of equivalent properties in the market are used to support the valuation.
- Net present value, using cash flow calculations, where the properties' future net operating income and estimated residual value have been calculated at the present value.
- In certain cases, net present value using the net capitalization method has been calculated, where a normalized figure for net operating income is seen in relation to a market-adjusted direct return requirement.

Investment properties' impact on income for the period

MSEK	2022	2021
Rental income	118	112
Direct costs, including costs for repair and maintenance		
- Properties that generate rents	-44	-39
Net operating income	74	73

Note 15 Intangible assets

MSEK	Other intangible assets											
	Goodwill		Trademarks		Customer and supplier relationships		Patents, licenses and similar rights		Capitalized expenditure on development, internally generated		Total other intangible assets	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Accumulated cost of acquisition	6,527	5,658	2,427	2,109	2,556	2,177	471	316	1,335	1,319	6,789	5,921
Accumulated amortization	-	-	-282	-270	-1,376	-1,166	-311	-258	-864	-766	-2,833	-2,460
Accumulated impairment	-341	-39	-	-	-20	-	-	-	-91	-83	-111	-83
Carrying amount	6,186	5,619	2,145	1,839	1,160	1,011	160	58	380	470	3,845	3,378
Balance at beginning of year	5,619	5,461	1,839	1,824	1,011	1,109	58	72	470	365	3,378	3,370
Investments	-	-	-	-	-	-	1	4	71	189	72	193
Company acquisitions	591	-	282	-	326	-	122	-	6	-	736	0
Company divestments ¹⁾	-	-	-21	-	-97	-	-2	-	-1	-	-121	0
Sales and disposals	-	-	-	-	-	-	-	-1	-71	-	-71	-1
Regular amortization for the year	-	-	-6	-5	-150	-125	-26	-20	-98	-86	-280	-236
Impairment for the year	-442	-	-48	-	-19	-	-	-	-13	-1	-80	-1
Reclassifications	-	-	-	-	-	-	3	1	5	-	8	1
Translation differences	418	158	99	20	89	27	4	2	11	3	203	52
Carrying amount	6,186	5,619	2,145	1,839	1,160	1,011	160	58	380	470	3,845	3,378

¹⁾ Includes deconsolidation of Russian entities, see note 33 for more information.

Allocation of goodwill, trademarks and customer/supplier relationships per Sector

Agriculture Sector	231	220	29	30	91	101
Energy Sector	382	262	164 ¹⁾	145 ¹⁾	131	91
Food Sector	5,516	5,122	1,952 ²⁾	1,664 ²⁾	919	819
of which Lantmännen Unibake	4,625	4,329	1,055 ²⁾	1,016 ²⁾	537	579
Swecon Business Area	57	15	-	-	19	-
Total	6,186	5,619	2,145	1,839	1,160	1,011

¹⁾ Of which trademarks with indefinite useful lives MSEK 60 (50), distributed as follows: Aspen MSEK 50 (50) and Coryton MSEK 10 (0).

²⁾ Of which trademarks with indefinite useful lives MSEK 1,931 (1,587), distributed as follows: Lantmännen Unibake MSEK 1,034 (994), Lantmännen Cerealia MSEK 612 (593) and Myllyn Paras MSEK 285 (0).

The value of goodwill and other intangible assets with indefinite useful lives was MSEK 8,177 (7,256) on December 31, 2022, corresponding to 16 (17) percent of the Group's assets.

Further information about amortization, impairment and annual impairment testing of goodwill and trademarks with indefinite useful lives can be found in note 7.

Note 16 Equity accounted holdings

Lantmännen's holdings in associates and joint arrangements classified as joint ventures are accounted for using the equity method.

Lantmännen reports income from associates and joint ventures with a one-month lag, which means that net income for the year includes Lantmännen's share of their income for the period December (previous year) to November (current year). The lag is a practical measure, as the companies are not able to apply all aspects of Lantmännen's reporting process.

MSEK	Group		Parent Company	
	2022	2021	2022	2021
Accumulated cost of acquisition	3,197	2,699	1,957	1,438
Accumulated impairment	-2	-2	-80	-94
Carrying amount	3,195	2,697	1,877	1,343
Balance at beginning of year	2,697	2,517	1,343	1,343
Acquisitions/shareholder contributions	1,449	5	1,449	-
Divestments	-1,365	-	-737	-
Share of income of associates	161	169	-	-
Dividend for the year	-30	-27	-	-
Reclassifications	177	-	-	-
Impairment	-	-	-	-
Reversal of impairment	-	-	15	-
Translation differences	106	33	-193	-
Carrying amount	3,195	2,697	1,877	1,343
Investments in joint ventures	753	783	194	194
Investments in associates	2,442	1,914	1,683	1,149
Total	3,195	2,697	1,877	1,343

Impairment and reversals of impairment are recognized in the income statement under Share of income of equity accounted companies.

In 2022, Lantmännen converted its shares in Hauptgenossenschaft Nord AG (HaGe Kiel) into newly issued shares in the German company team SE. The transaction, which had an insignificant earnings effect and no cash effect, is reported as a divestment and an acquisition in the table above. HaGe Kiel's results are reported up to the divestment date. The holding was divested in October 2022.

In addition to the above, Lantmännen acquired 30 percent of KG:s Ägg AB in 2022.

Lantmännen's Russian holdings were reclassified from subsidiaries to associates during the year, as Lantmännen was no longer able to exercise full control over the operations.

Scandbio AB was reclassified as a subsidiary during the year after Lantmännen acquired the remaining 50 percent of the company in April.

MSEK	Share of income of joint ventures and associates		Dividends from joint ventures and associates	
	2022	2021	2022	2021
Joint ventures				
Scandagra Group AB	107	49	-	-
Scandagra Polska Sp.z o.o.	18	7	-	-
Scandbio AB	26	3	-	-20
Other	7	67	-25	-
Associates				
HaGe Kiel AG	-64	14	-	-
Viking Malt Oy	20	20	-4	-4
team SE	10	-	-	-
Other	37	9	-1	-3
Total	161	169	-30	-27

Company divestments in the Swevet group account for the majority of 'Other' under Associates.

Summary of financial information for joint ventures and associates
Information is for 100 percent in each company.

Joint ventures MSEK	Scandagra Group AB		Scandagra Polska Sp. z o.o.	
	2022	2021	2022	2021
Balance sheet items				
Non-current assets	306	279	103	93
Current assets	3,503	1,921	490	343
<i>of which cash and cash equivalents</i>	4	77	17	8
Total assets	3,809	2,200	593	436
Non-current liabilities	713	617	4	2
<i>of which financial liabilities</i>	710	614	-	-
Current liabilities	2,117	889	394	294
<i>of which financial liabilities</i>	716	311	-	-
Total liabilities	2,830	1,506	398	296
Net assets, 100 percent	979	694	195	140
<i>Ownership share in company, %</i>	50 %	50 %	50 %	50 %
Lantmännen's share of net assets	490	347	98	70
Goodwill on consolidation	-	-	-	-
Carrying amount in Lantmännen	490	347	98	70

MSEK	Scandagra Group AB		Scandagra Polska Sp. z o.o.	
	2022	2021	2022	2021
Income statement items				
Net sales	10,385	5,805	2,626	1,850
Net income for the year	214	98	36	14
<i>of which depreciation and amortization</i>	-28	-27	-3	-3
<i>of which interest income</i>	71	45	3	2
<i>of which interest expenses</i>	-29	-21	-26	-6
<i>of which tax expenses/income</i>	-27	-17	-7	-3
Total comprehensive income	214	98	36	14
Net income for the year, 100 percent	214	98	36	14
<i>Ownership share in company, %</i>	50 %	50 %	50 %	50 %
Lantmännen's share of net income	107	49	18	7
Carrying amount in Lantmännen	107	49	18	7

Operating income in other joint ventures was MSEK 14 (134) and Lantmännen's recognized share of income was MSEK 7 (67).

Note 16 continued

Associates MSEK	team SE		Viking Malt Oy	
	2022	2021	2022	2021
Balance sheet items				
Non-current assets	8,826	-	1,852	1,278
Current assets	14,065	-	1,342	1,053
Total assets	22,891	-	3,194	2,331
Non-current liabilities	2,348	-	1,368	840
Current liabilities	13,020	-	688	473
Total liabilities	15,368	-	2,056	1,313
Net assets, 100 percent	7,523	-	1,138	1,018
<i>Ownership share in company, %</i>	<i>10.7 %</i>	<i>-</i>	<i>37.5 %</i>	<i>37.5 %</i>
Lantmännen's share of net assets	805	-	427	382
Goodwill on consolidation	571	-	-	-
Carrying amount in Lantmännen	1,376	-	427	382

MSEK	team SE ¹⁾		Viking Malt Oy	
	2022	2021	2022	2021
Income statement items				
Net sales	6,909	-	3,312	2,382
Net income for the year	96	-	54	54
Total comprehensive income	96	-	54	54
<i>Ownership share in company, %</i>	<i>10.7 %</i>	<i>-</i>	<i>37.5 %</i>	<i>37.5 %</i>
Lantmännen's share of net income	10	-	20	20
Lantmännen's share of OCI	0	-	-	-
Comprehensive income recognized in Lantmännen	10	-	20	20

¹⁾ During period of ownership.

Operating income in other associates was MSEK 87 (18), and Lantmännen's recognized share of income was MSEK 37 (9).

Information on contingent liabilities for joint ventures and associates can be found in → note 34.

Lantmännen does not have any commitments to the companies over and above these contingent liabilities.

There are no restrictions on the companies' ability to transfer assets to their owners.

Parent and Group holdings of shares in associates and joint ventures

Company name	Corporate ID no.	Domicile	Number of participations	Share of capital, %	December 31, 2022	
					Carrying amount, Group, MSEK	Carrying amount, Parent, MSEK
<i>Joint ventures owned by Parent Company:</i>						
Scandagra Group AB	556009-3121	Malmö	85,000	50.0	490	120
Scandagra Polska Sp. z o.o.	PL 0000138255	Poland	2,686	50.0	98	74
Lantmännen Dansk Landbrugs Grovareselskab International AB (LDI)	559025-3182	Stockholm	25,000	50.0	2	0
<i>Joint ventures owned by other Group companies:</i>						
Lanthen Samhällsfastigheter AB	559000-6036	Stockholm	25,000	50.0	105	
Barken Bostadsutveckling Fastighets AB	559067-6192	Stockholm	25,000	50.0	52	
Nacka Skarpnäs Fastigheter AB	556831-3661	Stockholm	250	50.0	6	
<i>Associates owned by Parent Company:</i>						
team SE	HRB14440FL	Germany	1,597,638	10.7	1,376	1,365
Viking Malt Oy	FI 0802004-9	Finland	1,381,387	37.5	427	178
KG:s Ägg AB	556344-0360	Linköping	300	30.0	76	72
Tillväxtbolaget för Sveriges Lantbrukare AB	556155-9831	Stockholm	271,000	25.0	47	47
Swevet Holding AB	556892-6108	Sjöbo	18,199,087	42.8	47	20
European Agri Trade A/S	26207177	Denmark	250	50.0		
European Crop Protection A/S	21538388	Denmark	232	46.4		
European Fertilizer A/S	20296372	Denmark	155	31.0		
Piteå Spannmåls AB	556090-8187	Piteå	1,500	30.0		
Agronod AB	559270-6245	Stockholm	25,000	25.0	1	1
<i>Associates owned by other Group companies:</i>						
Aspen-Produkte Handels GmbH	HR205654	Germany		50.0	37	
Åhus Stuveriintressenter	556039-8256	Åhus	5,987	49.9	29	
Vihervakka OY	FI 01381036	Finland	788	39.4	11	
SimSuFoods AB	559195-4697	Norrköping	131	20.7	3	
Norbergs Järnväg AB	559057-1690	Norberg	13,500	27.0	0	
Orient Products LLC	1027810220866	Russia		100.0	89	
Lantmännen Unibake LLC	1045002352130	Russia		100.0	299	
Total					3,195	1,877

Note 17 Non-current financial assets

MSEK	2022	2021
Receivables from joint ventures/associates	256	-
Financial assets at fair value through profit or loss	5	13
Financial assets at fair value through OCI	571	420
Derivative instruments	25	4
Other non-current financial assets	2	3
Total	859	440

Financial assets at fair value through profit or loss

MSEK	2022	2021
Balance at beginning of year	13	14
Divestments	-8	-
Fair value remeasurement for the year	-	-1
Carrying amount	5	13

Financial assets at fair value through OCI

MSEK	2022	2021
Balance at beginning of year	420	491
Investments	167	42
Impairment	-3	-
Fair value remeasurement for the year	-13	-113
Carrying amount	571	420

Financial assets at fair value through OCI, fair value

MSEK	2022	2021
Copenhagen Malmö Port	13	13
HKScan Oyj	73	128
LRF	63	63
Norlic	22	22
Scandi Standard AB	324	135
Hargs Hamn AB	16	16
Other holdings	60	43
Carrying amount	571	420

Note 18 Other non-current assets

MSEK	2022	2021
Non-current derivative instruments, operating	315	89
Other non-current operating assets	345	163
Total	660	252

Other non-current operating assets are mainly related to the receivable from the property sale in Uppsala, Kungsängen (long-term portion of the receivable).

Note 19 Inventories

MSEK	2022	2021
Raw materials and consumables	1,433	1,303
Products in progress	1,058	395
Finished goods	3,349	2,202
Merchandise	3,989	2,574
Advances to suppliers	128	136
Total	9,957	6,610

MSEK 139 (39) of inventories for the year were measured at net realizable value. The total cost of goods sold during the year was MSEK 46,723 (36,242).

Change in provision for inventory obsolescence

MSEK	2022	2021
Opening balance, January 1	197	211
Provisions for inventory impairment	74	81
Inventories written off as obsolete during the year	-49	-71
Reversal of unused amount	-10	-26
Exchange differences	6	2
Closing balance, December 31	218	197

Note 20 Trade and other receivables

MSEK	2022	2021
Trade receivables	6,325	4,918
Trade receivables, joint ventures/associates	124	39
Trade receivables, finance service	645	589
Contract assets from contracts with customers	54	74
Derivative instruments	972	471
Other operating receivables from joint ventures/associates	1	1
Other current receivables	938	859
Prepayments and accrued income	824	510
Total	9,883	7,461

Age analysis of trade receivables

MSEK	2022	2021
Receivables, not yet due	6,511	5,053
<i>Receivables, past due</i>		
≤ 30 days	521	430
31-60 days	70	67
61-90 days	32	14
> 90 days	92	73
Total	7,226	5,637
Allowance for expected credit losses	-132	-91
Total	7,094	5,546

Trade receivables include the financing service, which means that the credit period may be extended by up to 11 months.

Allowance for expected credit losses

MSEK	2022	2021
Allowance at beginning of year	-91	-94
New allowance for expected losses	-51	-27
Utilization of allowance for established losses	10	8
Reversal of unrealized loss	5	25
Exchange differences	-5	-3
Allowance at end of year	-132	-91

The total cost of expected losses for 2022 was MSEK 44 (9).

Costs of expected losses are reported as other costs under Operating income.

For information about credit quality of trade receivables, see [↔](#) note 24.

Prepayments and accrued income

MSEK	2022	2021
Prepaid rent	53	53
Prepaid insurance	86	43
Accrued bonuses and discounts	29	40
Other prepayments	566	243
Other accrued income	90	131
Total	824	510

Note 21 Current interest-bearing assets and cash and cash equivalents

Current interest-bearing assets MSEK	2022	2021
Receivables from joint ventures/associates	2	2
Interest-bearing receivables	18	16
Other short-term investments	6	39
Derivative instruments	53	6
Other current financial assets	4	1
Total	83	64

Cash and cash equivalents

MSEK	2022	2021
Cash and bank balances	255	2,639
Short-term investments < 3 months	100	65
Total	355	2,704

Receivables with a maturity of up to one year and investments with maturities between three months and one year are recognized as current interest-bearing assets.

As short-term investments normally have a fixed rate period of less than three months, they carry very little interest rate risk.

Note 22 Equity

MSEK	Reserves					Retained earnings	Equity attributable to members of the economic association	Equity attributable to NCI	Total equity
	Contributed capital	Other contributed capital	Hedge reserve	Reserve for financial assets at fair value through OCI	Translation reserve				
Equity, January 1, 2021	3,228	3,110	-21	40	-143	11,687	17,901	105	18,006
Net income for the period after tax	-	-	-	-	-	1,877	1,877	10	1,887
Actuarial gains and losses on pension plans	-	-	-	-	-	327	327	-	327
Financial assets at fair value through OCI									
- remeasurement for the year	-	-	-	-115	-	-	-115	-	-115
Cash flow hedges									
- remeasurement for the year	-	-	209	-	-	-	209	-	209
- transferred to income statement ¹⁾	-	-	-5	-	-	-	-5	-	-5
Exchange differences on translation of foreign operations	-	-	-	-	418	-	418	-	418
Net gain on hedge of net investment in foreign operations									
- net income for the year	-	-	-	-	-28	-	-28	-	-28
Tax relating to components of other comprehensive income	-	-	-42	19	5	-67	-85	-	-85
Other comprehensive income for the period, net of tax	-	-	162	-96	395	260	721	-	721
Total comprehensive income	-	-	162	-96	395	2,137	2,598	10	2,608
Dividend paid ²⁾	-	-	-	-	-	-291	-291	-7	-298
Refund and supplementary payment	-	-	-	-	-	-305	-305	-	-305
Contributed capital paid in by members	184	-	-	-	-	-	184	-	184
Contributed capital paid out to members	-94	-	-	-	-	-	-94	-	-94
Appropriation of profit	306	-	-	-	-	-306	0	-	0
Other changes relating to non-controlling interests	-	-	-	-	-	-3	-3	-	-3
Total equity, December 31, 2021	3,624	3,110	141	-56	252	12,919	19,990	108	20,098

MSEK	2022								
Equity, January 1, 2022	3,624	3,110	141	-56	252	12,919	19,990	108	20,098
Net income for the period after tax	-	-	-	-	-	1,781	1,781	10	1,791
Actuarial gains and losses on pension plans	-	-	-	-	-	726	726	-	726
Financial assets at fair value through OCI									
- remeasurement for the year	-	-	-	-17	-	-	-17	-	-17
- transferred to balance sheet	-	-	-	26	-	-	26	-	26
Cash flow hedges									
- remeasurement for the year	-	-	443	-	-	-	443	-	443
- transferred to income statement ¹⁾	-	-	-88	-	-	-	-88	-	-88
Exchange differences on translation of foreign operations	-	-	-	-	992	-	992	-	992
Net gain on hedge of net investment in foreign operations									
- net income for the year	-	-	-	-	-207	-	-207	-	-207
Tax relating to components of OCI	-	-	-73	-12	43	-150	-192	-	-192
Other comprehensive income for the period, net of tax	-	-	282	-3	828	576	1,683	-	1,683
Total comprehensive income	-	-	282	-3	828	2,357	3,464	10	3,474
Realized change in value from OCI	-	-	-	-	-	-26	-26	-	-26
Dividend paid ²⁾	-	-	-	-	-	-362	-362	-7	-369
Refund and supplementary payment	-	-	-	-	-	-341	-341	-	-341
Contributed capital paid in by members	207	-	-	-	-	-	207	-	207
Contributed capital paid out to members	-101	-	-	-	-	-	-101	-	-101
Appropriation of profit	297	-	-	-	-	-297	0	-	0
Other changes relating to non-controlling interests	-	-	-	-	-	-	-	-10	-10
Total equity, December 31, 2022	4,027	3,110	423	-59	1,080	14,250	22,831	101	22,932

¹⁾ The entire amount transferred to the income statement has been recognized in operating income.

²⁾ Refers to contribution dividend concerning parent association members.

Note 22 continued

Contributed capital refers to the contribution that a member is obliged to make in order to participate in the association in accordance with the Articles of Association (paid-in contribution) and the contribution that arises as a result of a contribution issue (issued contribution).

Restricted reserves are reported under other contributed capital in the Parent Company.

Where the hedged transaction has not yet occurred, the hedging reserve comprises the cumulative effective portion of gains or losses arising from remeasuring the hedging instruments at fair value. The hedging transactions included are cash flow hedges. The cumulative gain or loss recognized in the hedge reserve will be recycled to profit or loss when the hedged transaction affects profit or loss.

The reserve for financial assets at fair value through other comprehensive income includes the accumulated net change in fair value of assets classified as "financial assets at fair value through other comprehensive income" until the asset is sold, after which it is reported under retained earnings.

The translation reserve comprises all exchange differences arising on translation of financial statements of foreign operations to the Group's presentation currency (SEK). Gains and losses on hedging instruments that qualify as hedges of a net investment in a foreign operation are also included in the translation reserve and recognized there after deduction of tax.

Equity attributable to non-controlling interests is described in [note 1](#).

Management of the Group's capital

Lantmännen has two overall financial objectives:

- return on equity of at least 8 percent over a business cycle and with the present business portfolio
- equity ratio of 40 percent or more over a business cycle.

To achieve these objectives, Lantmännen uses financial instruments for its operations and specific profitability targets for each business. These profitability targets are expressed as a percentage of operating capital and vary according to the type of business and profitability levels for comparable enterprises outside Lantmännen. It is Lantmännen's aim that each business will achieve a return on operating capital that is at least on a par with that of comparable enterprises outside the Group.

Future investments are allocated primarily to areas that meet the profitability target and have potential for profitable growth.

Note 23 Interest-bearing liabilities

Non-current interest-bearing liabilities			
MSEK	Note	2022	2021
Non-current liabilities to credit institutions	24	1,396	2,033
Issued securities ¹⁾		999	998
Subordinated debentures		250	250
Financial liabilities, leases	29	1,563	1,453
Other non-current interest-bearing liabilities		235	58
Derivative instruments		0	1
Liabilities to joint ventures/associates		2	2
Total		4,445	4,795
Current interest-bearing liabilities			
MSEK	Note	2022	2021
Current liabilities to credit institutions	24	2072	424
Liabilities to members, savings		1,874	1,765
Deposits with Lantmännen Finans AB from the public		2,024	1,806
Financial liabilities, leases	29	345	355
Other current interest-bearing liabilities		376	17
Derivative instruments		159	107
Total		6,850	4,474
Interest-bearing liabilities, total		11,295	9,269

¹⁾ Recognized at amortized cost.

The bond issued in early 2021 meant that Lantmännen ek för became a public interest entity again.

Deposits with Lantmännen Finans AB from the public are from companies, members, employees and other individuals. The deposit accounts offer unrestricted withdrawals, interest from the first SEK 1 and cover of SEK 1,050 thousand under the national deposit guarantee scheme.

MSEK	2022	2021
Balance at beginning of year	9,269	8,990
Cash flow	875	109
Fair value changes	158	27
Other	993	143
Carrying amount	11,295	9,269

Note 24 Financial instruments and financial risk management

RISK MANAGEMENT

Lantmännen is exposed to different types of financial risk in the course of its international operations. Financial risk is the risk of fluctuations in the Group's earnings and cash flow as a result of changes in commodity market prices, exchange rates, interest rates and refinancing, and also includes credit and counterparty risks. Lantmännen conducts internal banking activities through the corporate function Group Treasury within Lantmännen ek för.

The main task of Group Treasury is to provide cost-effective financing, identify and efficiently minimize financial risks to which the Group is exposed in its daily operations, support management and Group companies and optimize the Group's net financial items and tied-up capital.

The financial policy governs how financial risks shall be handled and specifies the mandate, limits and which financial instruments may be used. The Group's financial policy is established annually by Lantmännen's Board of Directors. The Group's Risk Committee receives regular reports on changes to the Group's financial risks. Group Treasury also handles Lantmännen's netting system and is responsible for handling the Group's liquidity via cash pools in banks. Only

banks and credit institutions that have a high credit rating and essentially participate in the Group's long-term financing are accepted as counterparties to Lantmännen in financial transactions.

CAPITAL STRUCTURE AND FINANCIAL COVENANTS

Lantmännen is actively working on its capital structure to ensure long-term financial stability, meet the organization's need for capital at the lowest cost and ensure opportunities for future acquisitions. Lantmännen uses multiple financial performance measures to measure its capital structure and has, for example, a long-term objective that its equity ratio shall exceed 40 percent. To fund its activities, Lantmännen has loans from several banks and credit institutions. The credit conditions for the loans depend on Lantmännen's financial performance and are described in the covenants contained in the agreements. For further information on Lantmännen's covenants, see "Refinancing risk" below.

Lantmännen also has loans where collateral is pledged as security, mainly in real estate mortgages. For further information see [note 34](#).

Note 24 continued

CURRENCY RISK

In the course of its operations, Lantmännen is exposed to currency risk, in the form of exchange rate fluctuations affecting the Group's earnings and financial position. The Group's currency exposure includes both transaction exposure and translation exposure. The Group's currency risk management is aimed at minimizing the short-term effect of exchange rate fluctuations and their adverse impact on the Group's earnings and financial position.

Transaction exposure

Transaction exposure is the risk of changes in exchange rates having an adverse effect on the Group's operating income. To address this risk, the Group's financial policy requires the Sectors' foreign currency sales and purchases to be hedged with Group Treasury. This can be done either by order or based on a rolling 12-month exposure forecast. The aim is to minimize the effects of currency fluctuations in the first instance by using foreign currency inflows for payments in the same currency. In addition, financial instruments are used to hedge forecast cash flows, in accordance with the guidelines contained in Lantmännen's financial policy.

Lantmännen is primarily exposed to the EUR, DKK, USD, GBP and NOK. The different currencies represent both inflows and outflows against the Swedish krona and a large proportion of them are hedged. Consequently, the transaction-related earnings impact of an exchange rate change is considered to be minimal.

On translation of operating income, a +/-10 percent change in the Swedish krona against the subsidiaries' currencies would have an approximate effect of MSEK +/- 59 (+/- 99) on operating income, all other things being equal. The calculation does not take into account any changes in prices and customer behavior caused by the exchange rate movements.

Sensitivity analysis for major currencies

Risk	Change	Operating income effect, MSEK	
		2022	2021
EUR/SEK	-10 %	-43	138
NOK/SEK	-10 %	-1	-2
GBP/SEK	-10 %	-12	-9
USD/SEK	-10 %	0	-1
Other	-10 %	-3	-27
Total		-59	99

The currency derivatives used for hedging purposes are forward exchange contracts.

The currency distribution of the Group's outstanding forward contracts at the end of the year was as follows:

Currency distribution and payment structure, operating forward contracts

MSEK	2023	2024	2025	2026
DKK	174	-	-	-
EUR	-2,914	-	-	-
GBP	53	-	-	-
NOK	-381	-	-	-
PLN	174	-	-	-
RON	-198	-	-	-
USD	17	-	-	-
Total	-3,075	-	-	-

The nominal net amount per currency is shown in the table above. Negative amounts represent sales of a particular currency and positive amounts represent purchases.

The average remaining maturity of the forward contracts at December 31, 2022 was 2 (1) months.

Translation exposure

Translation exposure is the risk to which Lantmännen is exposed when translating foreign subsidiaries' balance sheets into SEK. Currency hedging of

investments in foreign subsidiaries is mainly managed through borrowing in the corresponding foreign currency. This is recognized at the closing rate on the reporting date. The Parent Company's exchange differences attributable to these hedges and translation differences from the net assets of subsidiaries are recognized in other comprehensive income and accumulated in consolidated equity ("Equity Hedge"). Only net investments with significant exposure to a currency are hedged. These are currently net investments in EUR, DKK and RUB.

If the Swedish krona weakened against other currencies by 10 percent, equity would increase by MSEK 1,146 (1,118), not taking into account the equity hedge. If the equity hedge is taken into account, equity would increase by MSEK 939 (1,028), all other things being equal.

PRICE RISK

Lantmännen uses the financial markets to manage price risk in commodity trading, such as trade in grain and feed raw materials, ethanol sales and energy purchases. The purpose of using price hedges to manage price risk is to increase predictability and even out price fluctuations, thereby ensuring the right prices are passed on to customers.

Commodity price risk

Lantmännen's main commodity price risk is associated with wheat, rape, barley, oats and soy. The pricing of commodities varies over time as a result of international supply and demand. Commodity risks are primarily attributable to Lantmännen Lantbruk's operations, Lantmännen Agroetanol's ethanol production, Lantmännen Cerealia's operations and Lantmännen Unibake's bakery operations. In addition to hedging prices by means of supply contracts, prices are also hedged by means of financial futures through commodity exchanges and banks. Pricing of most of Lantmännen's traded commodities is based on USD or EUR. Under Lantmännen's financial policy, the currency is considered to be part of the transaction's pricing and must be hedged on or before the transaction date.

Energy price risk

Through its energy-intensive operations Lantmännen is subject to risks associated with price fluctuations, particularly for electricity and gas. If the energy price risk is not hedged, these price fluctuations will have a direct impact on the Group's operating income. The Group's electricity consumption is therefore hedged on a gradual basis according to a strategy established by the corporate function Group Treasury. The objective of the hedging strategies for electricity and gas is to reduce the volatility of the Group's energy costs. As electricity and gas are traded in EUR, this also gives rise to a currency risk. This is hedged on a continuous basis.

Electricity price hedging for Sweden, Denmark, Finland, Norway and Baltic

Maturity year	2023	2024	2025	2026
Hedged share of forecast annual need	87 %	50 %	30 %	0 %

Electricity price hedging for UK

Maturity year	2023	2024	2025	2026
Hedged share of forecast annual need	78 %	13 %	17 %	0 %

The Group companies' total electricity consumption in 2022 was 650 (606) GWh. The share for operations in Sweden, Denmark, Finland and Norway was 517 (468) GWh and 27 (25) GWh for the UK. A +/-10 percent movement in the price of electricity would affect the valuation of the energy hedges by MSEK +/-84. The Group companies' natural gas consumption in 2022 was 248 (269) GWh. The share for the operations in Sweden, Finland and Denmark was 125 (120) GWh and the UK 21 (20) GWh. A +/-10 percent change in the price of gas would affect the valuation of the gas hedges by MSEK +/-9.

Price hedges via ethanol and gasoline contracts

Ethanol price hedges for Agroetanol in the Energy Sector were entered into regularly throughout 2022 in order to mitigate earnings fluctuations attributable to daily market price changes. The hedge ratio at December 31, 2022

Note 24 continued

was 30 percent. A +/-10 percent movement in the price of ethanol would affect the valuation of the ethanol hedges by MSEK 78. Eurobob gasoline price hedges for Aspen in the Energy Sector were entered into regularly throughout 2022 in order to mitigate earnings fluctuations attributable to daily market price changes. Eurobob is priced in USD. The hedge ratio at December 31, 2022 was 18 percent. A +/-10 percent movement in the price of gasoline would affect the valuation of the gasoline hedges by MSEK 10.

INTEREST RATE RISK

Lantmännen's financing sources consist mainly of equity, member deposits, cash flow from operating activities and borrowing. Interest-bearing loans expose the Group to interest rate risk and changes in interest rates have a direct impact on the Group's net interest income. The fixed-rate period is one of the more significant factors that affect interest rate risk.

The Group's debt management is dealt with by Group Treasury to ensure efficiency and risk control. GT ensures that the average fixed-rate period in the long-term debt portfolio remains within the range of 6-36 months. Lantmännen uses interest rate derivatives to adjust fixed-rate periods in the interest-bearing borrowing portfolio. The strategy is to have a spread in the maturity structure and to arrange new borrowings in currencies that match Lantmännen's assets, such as SEK, EUR and DKK. In addition, the aim is to be active in capital markets, both in Sweden and abroad, in order to avoid excessive individual exposure to the Swedish banking and capital markets.

At the end of the year, the weighted average borrowing rate was 2.26 percent, excluding transaction fees. The Group's outstanding interest-bearing liabilities at December 31, 2022, including interest rate swaps, had a weighted average fixed-rate period of 13.2 (24.5) months.

HEDGE ACCOUNTING

Types of hedge accounting applied in the consolidated financial statements

Lantmännen applies hedge accounting for the majority of the derivatives used to hedge various types of risks that arise.

Type of exposure	Type of hedged item	Hedged risk	Hedging instrument	Hedge accounting model ¹⁾
Currency exposure	Future foreign currency purchases and sales	Currency risk	Forward exchange contracts	Cash flow hedges
	Investments in foreign subsidiaries	Currency risk	Foreign currency loans	Hedging of net investments
Interest rate exposure	Loans with variable interest	Interest rate risk	Interest rate swaps	Cash flow hedges
Commodity exposure	Future purchases and sales of grain	Grain price risk	Grain futures	Cash flow hedges
	Future purchases of electricity	Electricity price risk	Electricity futures	Cash flow hedges
	Future purchases of gas	Gas price risk	Gas futures	Cash flow hedges
	Future purchases of propane	Propane price risk	Propane futures	Cash flow hedges
	Future purchases and sales of ethanol	Ethanol price risk	Ethanol futures	Cash flow hedges
	Future sales of alkylate petrol	Gasoline risk	Eurobob futures	Cash flow hedges

¹⁾ Differences in critical conditions between hedging instruments and hedged items are the main source of ineffectiveness for all types of hedging.

Type of exposure	Type of hedged item	Hedged risk	Hedging instrument	Hedge accounting model ¹⁾	Balance sheet item where hedged item is reported	Balance sheet item where hedging instrument is reported	Income statement item affected by hedging of a net investment	Income statement item that includes ineffective portion of hedges	Income statement item affected by hedge reserve/income statement reclassification
Interest rate exposure	Loans with variable interest	Interest rate risk	Interest rate swaps	Cash flow hedging	Non-current/current interest-bearing liabilities	Non-current/current interest-bearing assets/liabilities	Net financial income	Net financial income	Net financial income
Currency exposure	Future foreign currency purchases and sales	Currency risk	Forward exchange contracts	Cash flow hedging	N/A				
	Investments in foreign subsidiaries	Currency risk	Foreign currency loans	Hedging of net investments	Other financial assets (Parent)	Non-current/current interest-bearing liabilities	Net financial income	Net financial income	Net financial income
Commodity exposure	Future purchases and sales of grain	Grain price risk	Grain futures	Cash flow hedging	N/A				
	Future purchases of electricity	Electricity price risk	Electricity futures	Cash flow hedging	N/A				
	Future purchases of gas	Gas price risk	Gas futures	Cash flow hedging	N/A	Other non-current assets/Trade and other receivables	Other operating income/expenses	Other operating income/expenses	Other operating income/expenses
	Future purchases of propane	Propane price risk	Propane futures	Cash flow hedging	N/A	Other non-current liabilities/Trade and other liabilities			
	Future purchases and sales of ethanol	Ethanol price risk	Ethanol futures	Cash flow hedging	N/A				
	Future sales of alkylate petrol	Gasoline risk	Eurobob futures	Cash flow hedging	N/A				

Note 24 continued

Hedging instruments with associated hedged items and derivatives without hedge accounting

MSEK	Average hedging price/rate	Nominal amount		Nominal amount		Assets		Liabilities	
		Remaining maturity		Remaining maturity		Carrying amount		Carrying amount	
		<1 year	>1 year	12/31/2022	12/31/2021	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Cash flow hedges ¹⁾									
Interest-related contracts	-	-	-	-	-	-	-	-	-
Interest rate swaps	2.03 %	512	400	912	923	48	5	-	4
Currency-related contracts									
Forward exchange contracts and currency swaps									
EUR	10.77	3,072	-	3,072	3,126	62	28	169	83
Other currencies	-	-4	-	-4	37	5	6	4	5
Commodity-related contracts									
Wheat futures	3,852 SEK/ tonne	-727	-	-727	-992	245	118	146	122
Electricity futures	1,012 SEK/MWh	525	312	837	281	685	204	474	66
Gas futures	642 SEK/MWh	101	-7	94	94	99	182	2	-
Propane futures	472 EUR/tonne	27	-	27	-	-	-	-	-
Rape futures	7,285 SEK/tonne	-162	-	-162	-372	18	10	1	71
Soy futures	486 USD/tonne	2	-	2	-	0	-	0	-
Eurobob futures	8,344 SEK/tonne	95	-	95	104	17	8	-	-
Ethanol futures	11,200 SEK/m ³	-784	-	-784	-866	152	-	-	117
Total hedging instruments		2,657	705	3,362	2,335	1,331	561	796	468
Derivatives without hedge accounting									
Interest-related contracts		-	-	-	100	-	-	-	1
Currency-related contracts		4,585	-	4,585	3,044	33	9	151	105
Commodity-related contracts		-	-	-	-	-	-	-	-
Total derivative instruments without hedge accounting		4,585	-	4,585	3,144	33	9	151	106
Total derivative instruments		7,242	705	7,947	5,479	1,364	570	947	574
Hedging of net investments in foreign operations									
Currency-related contracts									
Hedging instrument – Loans		-1,249	-314	-1,563	-1,452	-	-	1,563	1,424
Hedging instrument – Derivatives		-	-	-	-	-	-	-	-
Hedged item – Net investments in foreign operations		-	4,731	4,731	1,849	4,731	1,849	-	-

¹⁾ Hedge accounting is only applied when all specified qualifying criteria for hedging instruments and hedged items are fully met. As a result, no outstanding cash flow hedges have any ineffective portions.

REFINANCING RISK, LIQUIDITY RISK AND LIQUIDITY RESERVE

Refinancing risk is the risk that costs will be higher and opportunities for financing limited when loans and other credit arrangements are renewed. Liquidity risk is the risk that the Group will encounter difficulty in discharging payment obligations. Lantmännen limits its refinancing risk by having a well-diversified group of counterparties and maturities for its loans. The weighted average maturity of loans and borrowing facilities with credit institutions including market financing at the end of the year was 3.23 (3.84) years.

By constantly maintaining cash assets or unused credit facilities, the Group ensures it has a solid liquidity reserve, thereby reducing the liquidity risk. The Group's liquidity reserve (available line of credit) is calculated on the basis of Lantmännen's loan agreement and associated covenants signed with the syndication banks on July 9, 2015. At December 31, 2022, liquidity amounted to MSEK 7,646 (9,071) and Net debt/EBITDA according to the bank syndicate's definition was 1.9 (1.3), below the maximum of 3.75.

Maturity structure of interest-bearing financial liabilities ¹⁾

MSEK	Group		Parent Company	
	2022	2021	2022	2021
2022	-	473	-	451
2023	1,689	779	1,448	557
2024	567	565	558	547
2025	231	198	55	36
2026	1,048	1,660	1,043	1,492
2027-	676	-	499	-
Total	4,211	3,675	3,603	3,083

¹⁾ Including future interest payments.

Maturity structure of lease liabilities ¹⁾

MSEK, Group	2022	2021
2022	-	382
2023	378	290
2024	276	215
2025	215	165
2026	174	755
2027-	877	-
Total	1,920	1,807

¹⁾ Nominal values.

Note 24 continued

MTN-program

A medium term note (MTN) program was established in December 2015. The bond program has a loan limit of SEK 3 billion for issues on the Swedish capital market. As of December 31, 2022, Lantmännen had a bond of MSEK 1,000 under the program.

Schuldschein

In April 2018, the Schuldschein was issued in the German capital market. The Schuldschein is a German debt instrument that includes a basket of bilateral loan contracts/private placements. The documentation is drawn up under German law and the loan is unsecured. On December 31, 2022, a nominal amount of MEUR 49.5 was outstanding, distributed as follows: MEUR 19.5, maturity of 5 years, MEUR 15, maturity of 7 years, and MEUR 15, maturity of 10 years.

The Group has an investment grade rating (BAA3) from Moody's.

Maturity structure of loan liabilities to credit institutions by currency

MSEK	Total	2023	2024-2025	2026-2027	2028-
EUR	845	845	-	-	-
DKK	637	47	61	60	469
SEK	1,132	567	552	13	-
Total	2,614	1,459	613	73	469
Of which interest	109	59	16	12	22
Total excluding interest	2,505	1,400	597	61	447

The table above refers to undiscounted contractual amounts, which deviate from the liabilities reported in the balance sheet.

External currency swaps related to financing of Group companies

MSEK	Group	
	2022	2021
AUD	363	345
DKK	1,348	384
EUR	2,285	2,429
GBP	151	-400
NOK	58	-12
PLN	264	120
RON	166	60
RUB	0	183
SEK	-4,491	-3,011
USD	-30	5
Total	114	103

All external currency swaps related to the financing of Group companies are in the Parent Company, Lantmännen ek för.

Other interest-bearing liabilities, savings and capital account

Other current liabilities include members' savings of MSEK 1,874 (1,765). Deposits into the capital account amounted to MSEK 2,024 (1,806) of which MSEK 2,024 (1,806) was through Lantmännen Finans AB. These liabilities are formally short-term and the deposits may be withdrawn with one day's notice. However, experience shows little movement in these liabilities. See [note 23](#).

Other non-current interest-bearing liabilities, consisting mainly of long-term lease liabilities, amount to MSEK 1,564 (1,453).

Maturity structure of derivative instruments, nominal amounts, December 31, 2022					
MSEK	2023	2024	2025	2026-	Fair value
Currency derivatives	7,653	-	-	-	-224
Interest rate derivatives	512	-	-	400	48
Energy derivatives	654	172	123	9	308
Commodity derivatives	-887	-	-	-	116
Ethanol derivatives	-784	-	-	-	152
Eurobob derivatives	95	-	-	-	17
Total	7,243	172	123	409	417

Maturity structure of derivative instruments, nominal amounts, December 31, 2021

MSEK	2022	2023	2024	2025-	Fair value
Currency derivatives	6,207	-	-	-	19
Interest rate derivatives	100	523	-	400	0
Energy derivatives	191	94	58	33	319
Commodity derivatives	-1,364	-	-	-	-66
Ethanol derivatives	-866	-	-	-	-117
Eurobob derivatives	104	-	-	-	8
Total	4,372	617	58	433	163

CREDIT AND COUNTERPARTY RISK

Credit and counterparty risk is the risk that the counterparty in a transaction will be unable to discharge its obligations, thereby causing a loss for Lantmännen. The Group's main credit and counterparty risk arises from bank funds, derivative instruments with positive market values and trade receivables. The Group's maximum credit risk corresponds to the carrying amount of the financial assets, as reported in the consolidated balance sheet. Counterparty risk is limited by only accepting counterparties with high credit-worthiness according to the established financial policy and by defining the maximum exposure per counterparty according to the counterparty's creditworthiness.

Financial counterparties are selected on the basis of rating criteria, taking into account the spread of counterparty risk and other mutual business interaction. The table below shows the Group's bank funds at December 31, 2022, according to the counterparty's rating at the reporting date.

The Group continuously assesses expected credit losses for bank funds, mainly based on the counterparty's rating. As a result of the counterparties' creditworthiness and the fact that invested bank funds are available on demand, the expected credit losses at the reporting date are immaterial.

Lantmännen has entered into ISDA and CSA agreements with most of the counterparties with which the Group conducts derivative transactions, with the aim of reducing counterparty risk.

Customer credit risk

The credit risk associated with trade receivables is managed through special credit rating reviews. Lantmännen has credit control procedures in place and obtains information about the financial position of customers from various credit-rating agencies. Lantmännen's customer base is well-diversified as a result of the Group having different business areas and operating in several countries and different markets. Lantmännen also conducts active monitoring of trade receivables in order to minimize customer defaults and ensure payment precision. The Group's credit risk in trade receivable is further reduced by the fact that in many cases the Group's customers are also members of the parent association and as such have capital that can be utilized if a customer is unable to discharge its obligations to the Group.

Note 24 continued

The main basis for the Group's expected credit losses on trade receivables is an individual assessment of each receivable (risk of counterparty failing to discharge its obligation) together with an overall assessment based on the Group's loss history for receivables with similar credit risk.

Lantmännen Finans AB has transferred its leasing and hire purchase contracts to Swedbank on an ongoing basis. Swedbank has limited recourse. At 12/31/2022, recourse was MSEK 77 (70). However, the consolidated balance sheet is only affected by the expected loss, which is MSEK 2.6. The amount is reported under other liabilities in the balance sheet.

Further information about trade receivable and the allowance for expected credit losses can be found in [note 20](#).

Financial assets and liabilities measured at fair value in the statement of financial position, December 31, 2022

Assets, MSEK	Level 1	Level 2	Level 3	Total
Derivatives with positive fair value	1,286	78	-	1,364
Other financial assets measured at fair value	397	-	179	576
Total assets	1,683	78	179	1,940
Liabilities, MSEK				
Derivatives with negative fair value	788	159	-	947
Total liabilities	788	159	-	947

Financial assets and liabilities measured at fair value in the statement of financial position, December 31, 2021

Assets, MSEK	Level 1	Level 2	Level 3	Total
Derivatives with positive fair value	560	10	-	570
Other financial assets measured at fair value	263	-	170	433
Total assets	823	10	170	1 003
Liabilities, MSEK				
Derivatives with negative fair value	465	109	-	574
Total liabilities	465	109	-	574

Fair value hierarchy with information on inputs used to measure fair value

Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2: Inputs other than the quoted prices included in level 1 that are observable for the asset or liability, i.e. quoted prices or data derived therefrom.

Level 3: Unobservable inputs for measurement of the asset or liability.

Assets in Level 3 refer to other shares and interests and have been measured at cost of acquisition, which is considered a good reflection of the fair value at the closing date.

As the interest-bearing assets and liabilities of the Parent Company are consistent in all material respects with those of the Group, no special disclosures are provided for the Parent Company.

Financial assets and liabilities by measurement category, December 31, 2022

MSEK	Financial assets/ liabilities at fair value through profit or loss	Financial assets/ liabilities at amortized cost	Financial assets/ liabilities at fair value through OCI	Derivatives used in hedge accounting	Other derivatives	Total carrying amount	Fair value
ASSETS							
Other shares and interests	-	-	571	-	-	571	571
Other financial assets	5	258	-	25	-	288	288
Other non-current assets	-	345	-	315	-	660	660
Trade and other receivables	-	8,087	-	969	3	9,059	9,059
Current interest-bearing assets	-	30	-	23	30	83	83
Cash and cash equivalents	-	355	-	-	-	355	355
Total assets	5	9,075	571	1,332	33	11,016	11,016
LIABILITIES							
Non-current interest-bearing liabilities	-	4,445	-	-	-	4,445	4,372
Other non-current liabilities	-	12	-	151	-	163	163
Current interest-bearing liabilities	-	6,691	-	8	151	6,850	6,814
Trade and other payables	-	8,437	-	638	-	9,075	9,075
Total liabilities	-	19,585	-	797	151	20,533	20,424

Note 24 continued

Financial assets and liabilities by measurement category, December 31, 2021

MSEK	Financial assets/ liabilities at fair value through profit or loss	Financial assets/ liabilities at amortized cost	Financial assets/ liabilities at fair value through OCI	Derivatives used in hedge accounting	Other derivatives	Total carrying amount	Fair value
ASSETS							
Other shares and interests	-	-	420	-	-	420	420
Other financial assets	13	3	-	-	4	20	20
Other non-current assets	-	163	-	89	-	252	252
Trade and other receivables	-	6,480	-	467	4	6,951	6,951
Current interest-bearing assets	-	58	-	5	1	64	64
Cash and cash equivalents	-	2,704	-	-	-	2,704	2,704
Total assets	13	9,408	420	561	9	10,411	10,411
LIABILITIES							
Non-current interest-bearing liabilities	-	4,793	-	2	-	4,795	4,872
Other non-current liabilities	-	-	-	5	-	5	5
Current interest-bearing liabilities	-	4,367	-	3	104	4,474	4,497
Trade and other payables	-	6,847	-	458	2	7,307	7,307
Total liabilities	-	16,007	-	468	106	16,581	16,681

Offsetting of financial assets and liabilities, December 31, 2022

ASSETS MSEK	Recognized in statement of financial position	Gross amount for financial assets offset against financial liabilities	Amounts not offset in statement of financial position	Net amount
Derivatives ¹⁾	1,364	-	100	1,264
Total	1,364	-	100	1,264
LIABILITIES				
ASSETS MSEK	Recognized in statement of financial position	Gross amount for financial liabilities offset against financial assets	Amounts not offset in statement of financial position	Net amount
Derivatives ¹⁾	947	-	100	847
Total	947	-	100	847

Offsetting of financial assets and liabilities, December 31, 2021

ASSETS MSEK	Recognized in statement of financial position	Gross amount for financial assets offset against financial liabilities	Amounts not offset in statement of financial position	Net amount
Derivatives ¹⁾	570	-	30	540
Total	570	-	30	540
LIABILITIES				
ASSETS MSEK	Recognized in statement of financial position	Gross amount for financial liabilities offset against financial assets	Amounts not offset in statement of financial position	Net amount
Derivatives ¹⁾	574	-	30	544
Total	574	-	30	544

¹⁾ Trading in derivatives is subject to the ISDA agreement, which also regulates the netting of liabilities and receivables in the course of operations and in situations such as breaches of contract or early termination.

Note 25 Provisions for pensions

Lantmännen has both defined contribution and defined benefit pension plans. The defined benefit plans, which are reported in Lantmännen's statement of financial position, are funded and unfunded. The largest defined benefit plans are ITP 2 pensions, which are book reserve pensions.

These pensions are insured through PRI Pensionsgaranti and are secured by a pension fund. PRI Pensionsgaranti is a mutual insurance company that guarantees employees' future pensions. The Grodden pension fund was established in December 2011, when Lantmännen transferred assets into the fund. As the assets are in a separate fund, the obligations can be reduced by the market value of the fund's assets when reported in the statement of financial position. Six of Lantmännen's Swedish companies are connected to the fund. There is no obligation for the companies in the fund to make additional contributions to the fund. Lantmännen pays a lower risk premium to PRI Pensionsgaranti for the parts of the pension liability that are funded in Grodden. There are also funded pension plans in Norway, where one of the companies has pension obligations safeguarded by funds.

Defined benefit obligations and value of plan assets in the Group:

Defined benefit plans	2022	2021
MSEK		
<i>Funded plans:</i>		
Defined benefit obligations under Swedish PRI Pensionsgaranti plans	1,977	2,803
Other defined benefit obligations	94	87
Fair value of plan assets	-2,353	-2,329
Total net value of funded plans	-282	561
Funded plans recognized as a provision	-	561
Funded plans recognized as an asset	282	-
<i>Unfunded plans:</i>		
Other unfunded obligations	45	51
Total unfunded plans	45	51
Provisions for pensions, net	-237	612

Pension plans by country	2022			2021		
	Obligations	Plan assets	Pensions liability (+), asset (-)	Obligations	Plan assets	Pensions liability (+), asset (-)
MSEK						
Sweden	1,978	-2,273	-295	2,805	-2,255	550
Norway	94	-80	14	87	-74	13
Germany	30	-	30	37	-	37
Other countries	14	-	14	12	-	12
Total	2,116	-2,353	-237	2,941	-2,329	612

Pension cost in the income statement	2022	2021
MSEK		
<i>Defined benefit plans</i>		
Cost of pensions accrued during the year	37	47
Interest expense, interest income, net	10	12
Cost of defined benefit plans	47	59
Cost of defined contribution plans	440	374
Total pension cost in the income statement	487	433
<i>The cost is recognized on the following lines in the income statement</i>		
Employee benefits expense	477	421
Finance costs	10	12
Total cost relating to pensions	487	433

Pension-related remeasurements in OCI	2022	2021
MSEK		
<i>Defined benefit plans</i>		
Return on plan assets in excess of what is recognized as interest income in the income statement	-82	257
Experience-based adjustment of obligation	-245	53
Effects of changes in demographic assumptions	24	-
Effects of changes in financial assumptions	1 029	17
Total actuarial gains (+) and losses (-)	726	327
Tax on above items	-150	-67
Total recognized in OCI	576	260

Note 25 continued

The following summary explains how obligations, assets and the net amount changed during the year:

MSEK	2022			2021		
	Defined benefit obligations	Plan assets	Net	Defined benefit obligations	Plan assets	Net
Opening balance	2,941	2,329	612	3,022	2,125	897
Service cost during the year	37	-	37	47	-	47
Interest recognized in income statement	51	41	10	44	32	12
Payment of pension benefits	-111	-4	-107	-110	-1	-109
Compensation paid to employer ¹⁾	-	-63	63	-	-95	95
Payment of contributions by employer ¹⁾	-	131	-131	-	6	-6
Return on plan assets in excess of recognized interest	-	-82	82	-	257	-257
Remeasurement of pension obligations recognized in OCI	-808	-	-808	-70	-	-70
Translation differences	6	1	5	8	5	3
Closing balance, pension liability (+), asset (-)	2,116	2,353	-237	2,941	2,329	612
Of which funded plans	-	-	-282	-	-	561
Of which unfunded plans	-	-	45	-	-	51

¹⁾ Compensation from the Swedish pension fund consisted of MSEK 63 (95) to 1 (3) company in 2022.

5 (0) Swedish companies made payments totaling MSEK 126 (0) into the pension fund in 2022. MSEK 5 (6) was paid into Norwegian plans.

Specification of plan assets

	2022 MSEK	2021 MSEK	2022 %	2021 %
Property	907	979	39 %	42 %
Fixed-interest investments	506	364	20 %	15 %
Equity investments	760	739	33 %	32 %
Alternative investments	104	227	5 %	10 %
Cash and cash equivalents	76	20	3 %	1 %
Total	2,353	2,329	100 %	100 %

Equity investments include subordinated debentures of MSEK 46 (49) in Lantmännen ek för. Other holdings under equity investments are mainly related to listed shares.

Actuarial assumptions ²⁾

	2022	2021
Discount rate	4.00 %	1.75 %
Future salary increases	2.75 %	2.75 %
Inflation	2.00 %	2.00 %
Life expectancy assumptions, Sweden	DUS21	DUS14
Duration	14 years	17 years

²⁾ Weighted average, corresponding to the Swedish assumptions, as Swedish plans dominate.

A 0.25 percent decrease in the discount rate would increase the Swedish pension obligation (which is 95 percent of the total) by MSEK 71, while a 0.25 percent increase in the rate would reduce it by MSEK 67. A change of one year in mortality assumptions would increase the obligation by approximately MSEK 74 in the case of a longer life expectancy, and would reduce it by MSEK 74 in the case of a shorter life expectancy.

A 0.25 percent change in inflation would reduce the obligation by MSEK 62 in the case of a fall in inflation and would increase it by MSEK 65 in the case of a rise. A 0.25 percent change in salary growth assumptions would increase the obligation by MSEK 15 in the case of a higher assumption and would reduce it by MSEK 15 in the case of a lower assumption.

The Swedish pension fund's return was about -2 (14) percent in 2022, and a 1 percentage point change in the return would increase or decrease the value of the plan assets by about MSEK 23 (23).

The Swedish funded plans include active members, 13 (13) percent, paid-up policyholders, 35 (36) percent, and retired persons, 52 (51) percent. Expected payments of pensions under defined benefit pension plans in 2023 are MSEK 120.

For certain employees in Sweden insurance premiums are paid to Alecta with regard to commitments under the traditional ITP (individual supplementary pension) plan. The plan is a multi-employer defined benefit plan. At present, Alecta is unable to disclose the information that is required to recognize this plan as a defined benefit plan. Consequently, pensions insured through Alecta, are recognized as a defined contribution plan. Of the above cost of MSEK 440 (374) for defined contribution plans, MSEK 29 (29) relates to Alecta premiums for traditional ITP plans. Alecta's surplus may be distributed to the policyholders and/or the insured. At the end of the year, Alecta's surplus in the form of its collective funding ratio amounted to 172 (172) percent. The collective funding ratio reflects the market value of Alecta's assets as a percentage of its insurance obligations, calculated in accordance with Alecta's actuarial assumptions, which do not follow IAS 19.

Information on pensions for senior executives can be found in [note 6](#).

Note 26 Other provisions

MSEK	Warranty commitments	Actuarial provisions	Restructuring measures	Other	Total 2022	Total 2021
Opening balance	105	154	45	841	1,145	1,044
Provisions during the period	10	68	128	160	366	203
Amounts utilized during the period	-14	-2	-30	-55	-101	-85
Reversals during the period	-1	-	-	-89	-90	-18
Translation differences	2	-	1	2	5	1
Carrying amount at end of period	102	220	144	859	1,325	1,145
Of which current provisions	94	47	143	665	949	860
Of which non-current provisions	8	173	1	194	376	285

MSEK 282 of the non-current provisions is expected to be used in 2025 and thereafter.

Increases in previously existing provisions are included in the period's provisions.

The majority of the year's restructuring provisions relate to measures in the Food Sector, most of which are expected to be used in 2023.

Current provisions under the heading Other include a provision of MSEK 500 reported in previous years in the Energy Sector in connection with the EU

Commission's investigation of Lantmännen Agroetanol and two other ethanol producers. For further information see [note 3](#).

Other also includes MSEK 115 (61) for silo closure. The previous year's provision for electricity tax was reversed in 2022.

In corporate groups the size of Lantmännen, there are normally a number of ongoing disputes. Lantmännen has assessed the most likely outcome of the disputes currently at issue, and where an outflow of financial resources is probable, a corresponding amount has been recognized as a provision.

Note 27 Other non-current liabilities

MSEK	2022	2021
Non-current derivative instruments, operating	151	5
Other non-current operating liabilities	12	0
Total	163	5

Note 28 Trade and other payables

MSEK	2022	2021
Trade payables	8,376	6,842
Trade payables, joint ventures/associates	61	5
Contract liabilities from contracts with customers	1,121	1,018
Other current liabilities	1,201	884
Derivative instruments	638	460
Accruals and deferred income	2,393	1,902
Total	13,790	11,111
Accruals and deferred income		
MSEK	2022	2021
Accrued personnel-related costs	964	864
Accrued grain costs	441	100
Other accruals	879	810
Deferred income	109	128
Total	2,393	1,902

Note 29 Leases – lessees

The Group is both a lessor and a lessee. The Group's commitments as a lessee are reported in this note. The Group as a lessor is reported in [note 30, Leases – lessors](#)

Recognized in income statement	2022	2021
MSEK		
Depreciation of right-of-use assets	446	471
Interest expenses, lease liabilities	45	46
Costs attributable to short-term leases	49	22
Costs attributable to low-value leases	52	54
Costs attributable to variable lease payments not included in the lease liability measurement	92	64
Revenue from subleasing of right-of-use assets	41	65

Information on lease liabilities can be found in [note 23, Interest-bearing liabilities](#), and a maturity analysis of lease liabilities is presented in [note 24, Financial instruments and financial risk management](#).

The Group has leases for assets such as premises, construction machinery, trucks and cars. Most of these leases contain extension and termination options. The options are negotiated by management to provide flexibility in management of the lease portfolio and adaptation to the Group's needs. Management assesses whether it is likely that these extensions and termination options will be exercised and included in the lease term. To determine the lease term, management considers all available information that creates an incentive to exercise the extension option or terminate a contract. Assessments of extension and termination options are primarily relevant for the Group's property leases. Extension options have been considered in all material respects and are included in the liability.

Note 29 continued

In the first instance, the discount rate used is the interest rate implicit in the lease. If this cannot be readily determined, Lantmännen's incremental borrowing rate is used, which differs according to the underlying currency and lease term.

The Group has leases for assets with terms of 12 months or less and low-value leases. For these leases, the Group applies the practical expedients in IFRS 16.

Total cash flow for leases, including variable payments and low-value leases, amounted to MSEK 652 (622), of which MSEK 49 (22) was attributable to costs of leases with terms of 12 months or less and MSEK 52 (54) million to low-value leases.

➔ Note 9, Finance income and costs, contains information on interest expenses on lease liabilities.

The carrying amount of the right-of-use assets at the reporting date is reported in ➔ note 13, Property, plant and equipment.

Note 30 Leases – lessors

Lantmännen's main leasing operations comprise the Real Estate Business Area's leasing of premises and the Swecon Business Area's construction machinery rental operations. The construction machinery rental business occurs mainly in Swecon's international operations. Swecon's machinery rental customers (lessees) are obliged to ensure that the machine is regularly maintained and returned in good condition. If the lessee uses the machine in addition to the agreed hours, these hours will also be also invoiced. It is not permitted to sublease a machine or transport it abroad.

Leasing out of assets under finance leases occurs to a very limited extent, and outstanding receivables are well below MSEK 1 for both years.

Operating leases

For machines and premises leased to customers and tenants under operating leases, future payments under non-cancelable leases fall due as follows:

Minimum lease payments due MSEK	2022	2021
Within one year	285	203
Between one and five years	390	329
After five years	45	64
Total	720	596

The total minimum lease payments are distributed as follows: premises MSEK 379 (398) and machinery MSEK 341 (198).

Lease revenue amounted to MSEK 751 (628), of which MSEK 24 (23) was attributable to variable lease payments.

Note 31 Related party transactions

The association's Board members have significant influence over the Parent Company and are therefore considered to be related parties.

The purpose of an economic association is to promote its members' economic interests through trade with them. To this end, purchases and sales of goods and services are conducted with individual Board members who are also members of the association. These individual Board members also participate in the financing of the association. As all these transactions have occurred in accordance with the association's purpose and under the conditions applicable to other members, the amounts involved are not disclosed.

Salaries and similar benefits received by senior executives are reported in ➔ note 6. Dividends from subsidiaries and joint ventures/associates are shown in notes ➔ 16 and 39. Receivables from and liabilities to joint ventures/associates are shown in notes ➔ 17, 20, 21, 23, 27 and 28.

Related party transactions	2022	2021
Intra-Group purchases, share of total purchases, %	13	11
Intra-Group sales, share of total sales, %	10	9
Purchases of goods and services from joint ventures and associates, MSEK	958	636
Sales of goods and services to joint ventures and associates, MSEK	774	443
Transfer of capital to Lantmännens Gemensamma Pensionsstiftelse Grodden (pension fund), MSEK	126	-
Transfer of capital from pension fund to Lantmännen, credited, MSEK	63	95
Rent paid to pension fund, MSEK	60	56
Sales of goods and services to pension fund, MSEK	17	35
Acquisition of property from pension fund, MSEK	246	186

Note 32 Government grants

MSEK	2022	2021
Grants recognized as revenue	14	14
Grants that reduced expenses	41	62
Total	55	76
Grants during the year that reduced the value of non-current assets	5	-

The decrease is mainly due to the fact that there were no Covid-related grants during the year.

Note 33 Acquisitions and divestments

Acquisitions 2022

The following acquisitions of subsidiaries were made in 2022.

2022											
Company	Operations	Acquisition date	Purchase price, MSEK	Acquisition-related costs, MSEK	Goodwill, MSEK	Other intangible assets, MSEK	Property, plant & equipment, MSEK	Annual sales, MSEK	Average no of employees	Acquired interest	Holding after acquisition
Gimmersta Agrovärme	Heating	Jan 2022	9	0	-	23	94	14	-	50 %	100 %
Coryton Advanced Fuels	Energy	Feb 2022	53	9	81	145	102	298	60	100 %	100 %
Scandbio	Energy	Apr 2022	200	1	23	35	177	1,108	124	50 %	100 %
Kewab Rental	Machine rental	May 2022	130	1	42	20	238	115	3	100 %	100 %
Myllyn Paras	Food	Jun 2022	724	32	430	489	161	784	123	100 %	100 %
Other smaller acquisitions	Agriculture	Aug 2022	0	0	-	-	4	743	26	100 %	100 %

At the end of 2021, Lantmännen owned 50 percent of Gimmersta Agrovärme and the remaining 50 percent was acquired in January 2022. Gimmersta Agrovärme is active in the supply of district heating.

In February, Aspen from the Energy Sector acquired the UK company Coryton Advanced Fuels, which develops and produces bespoke fuels. The acquisition is intended to create synergies for both businesses, while they will continue to operate as separate companies, offering their customers the same high quality products and service levels as before.

At the end of 2021, Lantmännen owned 50 percent of Scandbio and the remaining 50 percent was acquired in April 2022. Scandbio, part of the Energy Sector, is Sweden's largest company in solid processed wood fuels, manufacturing, marketing and selling wood pellets for burning in Sweden, Denmark and Latvia, and bedding pellets for the Swedish market.

In May, Swecon acquired the Swedish rental company Kewab Rental, which specializes in long-term rental of Volvo machines. With one of Sweden's biggest and

widest range of large construction machines for rental and hire purchase, the acquisition creates synergies and the opportunity to meet customer demand for rental machines.

The acquisition of the Finnish Myllyn Paras food group was completed in June. Together, Lantmännen and Myllyn Paras have operations covering the entire value chain for grain-based food products in Finland, enabling long-term innovation and products from field to fork. The acquisition is an important step in further broadening Lantmännen's position in Finland.

The acquisition balance sheet for Myllyn Paras at December 31, 2022 is still preliminary. For all other acquisitions in 2022, the acquisition balance sheets at 31 December 2022 are final.

The companies are consolidated as subsidiaries using the acquisition method.

For information on the fair value of net assets in acquired operations, see below and [note 35 Notes to the statement of cash flows](#).

Acquisition balance sheets

Acquisition price, MSEK	2022 ¹⁾	2021
Cash/Loan repayment	1,105	-
Additional consideration, recognized as liability	10	-
Acquisition-date value according to equity method	203	-
Remeasurement effect recognized in income statement	22	-
<i>Acquired assets and liabilities at fair value</i>		
Intangible assets	712	-
Property, plant and equipment	776	-
Inventories	340	-
Trade receivables	340	-
Other current and non-current assets	50	-
Trade payables	-302	-
Other liabilities	-540	-
Net assets acquired, total	1,376	-
Cash and cash equivalents	186	-
Loans	-814	-
Acquired net debt	-628	-
Non-controlling interest	-	-
Goodwill	576	-
Total	1,324	-
Acquisition-related costs, reported as		
Other operating expenses	43	-

¹⁾ Includes acquisitions of the companies Gimmersta Agrovärme, Scandbio, Coryton Advanced Fuels, Kewab Rental and Myllyn Paras and other small acquisitions.

The above values include fair value adjustments to the carrying amounts of the companies' identifiable assets and liabilities made when preparing the acquisition balance sheets. These adjustments are shown below:

MSEK	2022	2021
Intangible assets	1,284	-
Property, plant and equipment	41	-
Deferred tax liabilities	-157	-

Effect of acquired companies on the consolidated income statement

MSEK	2022	2021
Net sales	1,937	-
Operating income from companies	240	-
Operating income from acquisition adjustments, excluding acquisition costs	-34	-
Operating income, total	206	-

Sales and income if acquisitions had been at beginning of the year

MSEK	2022	2021
Net sales	3,062	-
Operating income from companies	288	-
Operating income from acquisition adjustments, excluding acquisition costs	-67	-
Operating income, total	221	-

Effect on the Group's cash and cash equivalents, MSEK

MSEK	2022	2021
Consideration paid for the year's acquisitions/loan repayments	1,115	-
Takeover of loans	814	-
Cash and cash equivalents in acquired companies	-186	-
Total	1,743	-

Note 33 continued

Divestments 2022

The following subsidiaries were divested in 2022.

2022								
Company	Operations	Sale date	Consolidated net sales 2022, MSEK	Consolidated net sales 2021, MSEK	Average no. of employees 2022	Average no. of employees 2021	Divested interest	Holding after divestment
LM Agrovärme	District heating	Sep 22	75	97	12	13	100 %	0 %

In September, Lantmännen divested the Lantmännen Agrovärme Group, with operations in district heating.

The sale generated a capital gain of MSEK 707 and a positive cash flow of MSEK 1,066.

For information on the fair value of net assets in divested operations, see note 35, Notes to the statement of cash flows.

Reclassification as associates

Russia's war in Ukraine and the subsequent sanctions prompted Lantmännen to separate the Russian bakery operations from the rest of the Group during the year as a step in a potential divestment. Lantmännen concluded that it could no longer exercise full control over the Russian operations.

The assessment was that control had now become significant influence and the companies in Russia were reclassified from subsidiaries to associates in December and are no longer consolidated. The reclassification did not have any earnings effect.

Company	Operations	Reclassification date	Consolidated net sales 2022, MSEK	Consolidated net sales 2021, MSEK	Average no. of employees 2022	Average no. of employees 2021	Ownership	Ownership after reclassification
Orient Products LLC	Bakery	Dec 22	37	102	231	220	100 %	100 %
LM Unibake LLC	Bakery	Dec 22	65	253	346	343	100 %	100 %

Assets and liabilities of reclassified subsidiaries

The fair values of the net assets of subsidiaries reclassified as associates are shown in the table below.

MSEK	2022	2021
Property, plant and equipment	521	-
Intangible assets, including goodwill	133	-
Inventories	61	-
Trade receivables	106	-
Other current and non-current assets	36	-
Cash and cash equivalents	59	-
Trade payables	-62	-
Other liabilities	-348	-
Translation differences recognized in equity	-118	-

After reclassification, the fair value of the investments in the associates Orient Products LLC and LM Unibake LLC and its subsidiaries amounts to MSEK 89 and MSEK 299 at December 31, 2022.

Acquisitions 2021

No acquisitions were made in 2021.

Divestments 2021

Only minor divestments of subsidiaries took place during 2021.

Note 34 Pledged assets and contingent liabilities

Pledged assets

MSEK	For own financial liabilities	Other commitments	Total pledged assets	
			2022	2021
Real estate mortgages	571	-	571	839
Bank accounts	-	80	80	76
Other	-	-	-	52
Total	571	80	651	967

Contingent liabilities

MSEK	2022	2021
Guarantees for joint ventures	835	699
Other contingent liabilities	91	7
Total	926	706

Real estate mortgages have been provided for the liabilities of the Parent Company in the amount of MSEK 560 (839), of which MSEK 320 (515) relates to properties owned by subsidiaries.

Note 35 Notes to the statement of cash flows

MSEK	2022	2021
1) Interest paid and dividends received		
Dividends received	5	8
Interest received	107	62
Interest paid	-266	-238
Realized exchange gains/losses	-12	69
Other financial payments	-11	-14
Total	-177	-113
2) Acquisition of operations		
<i>Assets and liabilities acquired</i>		
Property, plant and equipment	776	-
Intangible assets, including goodwill	1,288	-
Inventories	340	-
Trade receivables	340	-
Other current and non-current assets	50	-
Cash and cash equivalents	186	-
	2,980	-
Financial liabilities	985	-
Trade payables	302	-
Operating liabilities	369	-
	1,656	-
Net assets acquired	1,324	-
Repayment of loans in acquired companies	814	-
Purchased interests in associates*	84	5
Purchase of non-controlling interests	-209	-
Purchase consideration paid	2,013	5
Cash and cash equivalents in acquired operations	-186	-
Effect on cash and cash equivalents	1,827	5

MSEK	2022	2021
3) Divestment of operations		
<i>Assets and liabilities divested</i>		
Property, plant and equipment	324	-
Intangible assets, including goodwill	26	-
Inventories	4	-
Trade receivables	13	-
Other current and non-current assets	4	-
Total	371	-
Financial liabilities	297	-
Trade payables	3	-
Operating liabilities	9	-
Capital gains/losses	-707	-
	-398	-
Consideration received	769	-
Repayment of loans in divested companies	297	-
Effect on cash and cash equivalents	1,066	-
4) Change in interest-bearing liabilities and pensions		
Change in interest-bearing liabilities, net	875	109
Change of pensions	-175	-20
Total	700	89
5) Cash and cash equivalents		
Cash and bank balances	255	2,639
Short-term investments, maturity less than 3 months	100	65
Total	355	2,704

The Group's total liquidity reserve, defined as cash, bank deposits and credit available under the provisions of applicable loan agreements, was MSEK 7,646 (9,071) at the end of the year.

Further information on acquired operations can be found in [note 33](#).

* Including shareholder contributions

Notes to the Parent Company's financial statements

Note 36 Breakdown of revenue

MSEK	2022	2021
Net sales		
Sales of goods	20,306	14,027
Service contracts	451	441
License revenue, seed and forages	62	66
Leasing activities	57	53
Other	4	2
Total	20,880	14,589
Other operating income		
Services	110	157
Capital gains	341	61
Other license revenue	85	62
Other	1,455	277
Total	1,991	557

Services and Other license revenue are primarily revenue from Group companies. Change in Other operating income: Other relates mainly to the earnings effect of currency derivatives. Customers outside Sweden accounted for approximately 18 (19) percent of the Parent Company's total net sales.

Note 37 Fees and reimbursement of expenses to auditors

MSEK	2022	2021
<i>Ernst & Young</i>		
Annual audit	4	5
Tax consultancy services	1	1
Other services	-	0
Total	5	6
<i>Member representative auditors</i>		
Annual audit	1	1

Note 38 Operating income

Related party transactions

Related party transactions in the Parent Company's operating income are shown below. In this context, transactions with members in accordance with the Association's objectives are not considered related party transactions. Salaries and similar benefits received by senior executives are reported in → note 6. Dividends from subsidiaries and associates are shown in → note 39.

	2022	2021
Intra-Group purchases, share of total purchases, %	3	4
Intra-Group sales, share of total sales, %	21	22
Purchases of goods and services from joint ventures/associates, MSEK	727	573
Sales of goods and services to joint ventures/associates, MSEK	492	238
Receipts from Grodden pension fund, MSEK	63	64

Leases

Operating expenses include operating lease costs of MSEK 89 (83). Future obligations under non-cancelable operating leases are reported below.

Note 38 continued

Minimum lease payments due MSEK	2022	2021
Within one year	54	37
Between one and five years	179	111
After five years	272	97
Total	505	245

Note 39 Income from investments in Group companies and joint ventures/associates

Income from investments in Group companies MSEK	2022	2021
Dividend	213	306
Capital gain on disposal of shares	768	105
Impairment	-716	-44
Total	265	367

Dividends were received from, among others, Gyllebo Gödning AB and Swecon Anläggningsmaskiner AB. The capital gain is mainly attributable to the sale of Lantmännen Agrovärme AB. The impairment is related to the holdings in Lantmännen Cerealia AB and Lantmännen Cerealia Finland Oy.

The previous year's income includes dividends from Lantmännen Finans AB, Lantmännen Cerealia Norge AS and Lantmännen Unibake Holding AB. The capital gain is attributable to the liquidation of Dirual AG in Switzerland and the impairment is mainly related to the holding in Lantmännen Animalieinvest AB.

Income from investments in joint ventures/associates MSEK	2022	2021
Dividend	4	25
Capital gain on disposal of shares	621	-
Impairment	-	-
Reversal of impairment	15	-
Total	640	25

A dividend was received from Viking Malt Oy. In 2022, Lantmännen converted its shares in Hauptgenossenschaft Nord AG (HaGe Kiel) into newly issued shares in the German company team SE. The transaction generated a capital gain in Lantmännen ek för. In 2022, Lantmännen acquired 100 percent of Scandbio AB and the previous impairment related to this company was reversed.

The previous year's income includes dividends from Viking Malt Oy, Scandbio AB and Swevet Holding AB.

Note 40 Income from other securities and receivables classified as non-current assets

MSEK	2022	2021
Dividend	4	3
Total	4	3

Note 41 Exchange differences affecting income

MSEK	2022	2021
Exchange differences affecting operating income	-247	54
<i>Exchange differences in financial items</i>		
Exchange differences in financial items, external	-914	-605
Exchange differences in financial items, internal	640	591
Total	-274	-14

Note 42 Taxes

Tax on income for the year	2022	2021
MSEK		
Current tax expense (-)/tax income (+)		
Tax expense for the period	-182	-59
Foreign tax	-4	-2
Adjustment of tax attributable to prior years	11	-8
Total current tax	-175	-69
Deferred tax expense (-)/tax income (+)		
Deferred tax arising from changes in temporary differences	51	-38
Total deferred tax	51	-38
Total recognized tax expense	-124	-107

Tax items recognized through other comprehensive income	2022	2021
MSEK		
Deferred tax		
Cash flow hedges	-	-5
Total tax effects in other comprehensive income	-	-5
Current tax		
Financial assets at fair value through other comprehensive income	-4	-
Cash flow hedges	-73	-37
Total	-77	-37
Total tax effects in other comprehensive income	-77	-42

Reconciliation of effective tax	2022		2021	
	Percent	MSEK	Percent	MSEK
Income before tax		2,273		1,587
Anticipated tax according to enacted Swedish tax rate	20.6 %	-468	20.6 %	-327
Non-deductible expenses	1 %	-23	0 %	-1
Impairment of shares	6 %	-145	0 %	-9
Tax-exempt capital gains/losses	-13 %	286	-1 %	21
Tax-exempt dividend	-2 %	46	-4 %	69
Tax attributable to prior years	-1 %	12	0 %	4
Effect of special tax rules for economic associations	-6 %	135	-7 %	109
Effect of temporary differences on which deferred tax is not recognized	0 %	1	0 %	3
Effect of negative net interest income taken over from Group companies	-1 %	29	-1 %	19
Other	0 %	3	0 %	5
Recognized effective tax	5 %	-124	7 %	-107

Deferred tax asset/tax liability

MSEK	2022			2021		
	Deferred tax asset	Deferred tax liability	Net	Deferred tax asset	Deferred tax liability	Net
Land and buildings	-	4	-4	-	4	-4
Other provisions	28	-	28	27	-	27
Other	5	-	5	2	46	-44
Total	33	4	29	29	50	-21
Offsetting of assets/liabilities	-4	-4	0	-29	-29	0
Total, net deferred tax asset	29	0	29	0	21	-21

Deferred tax assets and deferred tax liabilities are offset against each other and the net receivable is recognized in the balance sheet.

Change in deferred tax on temporary differences and loss carryforwards

MSEK	2022				2021			
	Amount at beginning of year	Recognized in income statement	Recognized in OCI	Amount at end of year	Amount at beginning of year	Recognized in income statement	Recognized in OCI	Amount at end of year
Land and buildings	-4	-	-	-4	-4	-	-	-4
Other provisions	27	1	-	28	22	5	-	27
Other	-44	49	-	5	4	-43	-5	-44
Total	-21	50	-	29	22	-38	-5	-21

Note 43 Intangible assets

MSEK	Patents, licenses and trademarks		Capitalized development expenses		Total intangible assets	
	2022	2021	2022	2021	2022	2021
Accumulated cost of acquisition	300	300	377	498	677	798
Accumulated amortization	-105	-90	-276	-304	-381	-394
Accumulated impairment	-	-	-57	-51	-57	-51
Carrying amount	195	210	44	143	239	353
Balance at beginning of year	210	225	143	210	353	435
Investments	-	-	8	95	8	95
Sales and disposals	-	-	-67	-118	-67	-118
Regular amortization for the year	-15	-15	-27	-43	-42	-58
Impairment for the year	-	-	-13	-1	-13	-1
Carrying amount	195	210	44	143	239	353

The Korvbrödsbagarn brand is owned by Lantmännen ek för. This brand is of strategic importance and has an amortization period of 20 years in the Parent Company. It is classified as an asset with an indefinite useful life in the consolidated financial statements, and as such is not amortized.

Note 44 Property, plant and equipment

MSEK	Land ¹⁾		Buildings		Total land and buildings	
	2022	2021	2022	2021	2022	2021
Accumulated cost of acquisition	200	195	858	852	1,058	1,047
Accumulated depreciation	-69	-65	-624	-626	-693	-691
Accumulated impairment	-	-	-25	-25	-25	-25
Carrying amount	131	130	209	201	340	331
Balance at beginning of year	130	132	201	192	331	324
Sales and disposals	-	-1	-	-1	-	-2
Regular depreciation for the year	-5	-4	-13	-12	-18	-16
Reclassifications	6	3	21	22	27	25
Carrying amount	131	130	209	201	340	331

¹⁾ Including land improvements.

MSEK	Plant and machinery		Equipment, tools, fixtures & fittings		Construction in progress		Total other non-current assets	
	2022	2021	2022	2021	2022	2021	2022	2021
Accumulated cost of acquisition	3,377	3,325	499	502	242	129	741	631
Accumulated depreciation	-2,737	-2,707	-413	-424	-	-	-413	-424
Accumulated impairment	-134	-134	-19	-19	-	-	-19	-19
Carrying amount	506	484	67	59	242	129	309	188
Balance at beginning of year	484	440	59	57	129	120	188	177
Investments	-	-	-	-	264	170	264	170
Sales and disposals	-	-1	-	-1	-	-	-	-1
Regular depreciation for the year	-77	-74	-17	-14	-	-	-17	-14
Reclassifications	99	119	25	17	-151	-161	-126	-144
Carrying amount	506	484	67	59	242	129	309	188

Note 45 Investment property

MSEK	Land ¹⁾		Buildings		Total investment property	
	2022	2021	2022	2021	2022	2021
Accumulated cost of acquisition	8	8	28	28	36	36
Accumulated depreciation	-3	-3	-14	-14	-17	-17
Carrying amount	5	5	14	14	19	19
Balance at beginning of year	5	6	14	14	19	20
Regular depreciation for the year	-	-1	-	-	-	-1
Carrying amount	5	5	14	14	19	19

¹⁾ Including land improvements.

Properties where less than 10 percent of the space is used for the Parent Company's own activities are classified as investment properties.

Changes in fair value		
MSEK	2022	2021
Fair value at beginning of year	62	63
Divestments	-	-1
Fair value at end of year	62	62

All investment properties have been valued according to hierarchy level 3, i.e. based on unobservable inputs and according to the methods described below.

Fair value has been determined on the basis of internal assessments. Property sales carried out during the year have also been reconciled.

The value has been estimated using the following measurement methods:

- In the majority of cases the market price method has been used, where sales of equivalent properties in the market are used to support the valuation.
- Net present value, using cash flow calculations, where the properties' future net operating income and estimated residual value have been calculated at the present value.
- In certain cases, net present value using the net capitalization method has been calculated, where a normalized figure for net operating income is seen in relation to a market-adjusted direct return requirement.

Investment properties' effect on income for the period		
MSEK	2022	2021
Rental income	7	6
Direct costs, including costs for repair and maintenance		
- Properties that generate rents	-4	-4
Net operating income	3	2

Investment properties with a carrying amount of MSEK 9 are pledged as security for the Parent Company's borrowing. The estimated fair value is MSEK 27.

Note 46 Investments in Group companies

MSEK	2022	2021
Accumulated cost of acquisition	14,284	12,871
Accumulated write-ups	200	200
Accumulated impairment	-2,110	-1,457
Carrying amount	12,374	11,614
Balance at beginning of period	11,614	11,678
Acquisitions/shareholder contributions	1,377	11
Impairment for the year	-716	-44
Divestments	-94	-31
Reclassifications	193	-
Carrying amount	12,374	11,614

Gross values for 2021 are adjusted for previously divested companies.

Acquisitions/shareholder contributions include the acquisition of Myllyn Paras and shareholder contributions of MSEK 350 to Lantmännen Cerealia AB and MSEK 60 to Lantmännen Finans AB.

Impairment for the year is distributed as follows: Lantmännen Cerealia AB, MSEK 433, and Lantmännen Cerealia Oy, MSEK 283.

Divestments refer to the sale of Lantmännen Agrovärme AB and the liquidation of Grästuvan 1 AB, Grästuvan 2 AB, Grästuvan 3 AB and Munalos AB.

Impairment for the previous year is distributed as follows: Lantmännen Anima- lieinvest AB, MSEK 40, and Lantmännen Industrifastigheter i Bjuv AB, MSEK 4. Divestments for 2021 refer to the liquidation of Dirual AG in Switzerland.

Note 46 continued

Parent Company and Group holdings of interests in Group companies, December 31, 2022

This overview comprises directly-held subsidiaries, as well as indirectly-held companies with revenues exceeding MSEK 200.

					2022
Company name			Number of		Carrying
<i>Shares and interests in Swedish subsidiaries</i>	Corporate ID no.	Domicile	participations	Share, %	amount, MSEK
Lantmännen Agroetanol AB	556028-0611	Norrköping	50,000	100.0	634
Lantmännen Animalieinvest AB	556951-0687	Stockholm	160,529	100.0	126
Lantmännen Aspen AB	556329-9519	Gothenburg	3,850	100.0	180
Coryton Advanced Fuels Limited	07232065	Essex	1,282,012	100.0	
SAS Marline	382959039	Brières-les-Scellés	1,200	100.0	
Lantmännen BioAgri AB	556056-1283	Stockholm	20,000	100.0	16
Lantmännen Cerealia AB	556017-2222	Stockholm	200,000	100.0	929
Lantmännen Cerealia A/S	69120717	Vejlø	1	100.0	
Lantmännen Energi AB	556118-3954	Stockholm	400	100.0	38
Lantmännen Fastigheter AB	556017-8443	Stockholm	3,000	100.0	34
Lantmännen Finans AB	556664-8118	Stockholm	2,000,000	100.0	347
Lantmännen Functional Foods AB	559199-5104	Stockholm	50,000	100.0	7
Lantmännen Industrifastigheter i Bjuv AB	556679-2353	Malmö	3,650	100.0	12
Lantmännen Krafft AB	556156-4039	Malmö	5,000	100.0	1
Lantmännen Maskin AB	556005-7639	Malmö	10,000	100.0	310
Lantmännen Medical AB	556530-9720	Stockholm	100	100.0	39
Lantmännen Reppe AB	556000-1538	Lidköping	25,000	100.0	28
Lantmännen Service AB	556831-3695	Stockholm	500	100.0	0
Lantmännen Seed AB	556001-5272	Svalöv	298,667	100.0	160
Lantmännen Oats AB	556813-6773	Stockholm	50,000	100.0	30
Lantmännen Unibake Holding AB	556992-5752	Stockholm	1,000	100.0	6,512
Lantmännen Schulstad A/S	10245613	Copenhagen	100,300	100.0	
Lantmännen Unibake Australia Pty Ltd.	ABN 42 082 982 483	Mordialloc	12	100.0	
Lantmännen Unibake Denmark A/S	29219354	Horsens	100,000	100.0	
Lantmännen Unibake Estonia AS	12140752	Tallinn	250	100.0	
Oy Lantmännen Unibake Ab Finland	1463476-8	Helsinki	100	100.0	
Lantmännen Unibake GmbH & Co KG	HRA 27086 HB	Bremen		100.0	
Lantmännen Unibake Londerzeel NV	BE 0427655.479	Londerzeel	4,250	100.0	
Lantmännen Unibake Mouscron	BE 0461.118.402	Moeskroen	18,000	100.0	
Lantmännen Unibake Norway AS	989135082	Langhus	3,405,694	100.0	
Lantmännen Unibake Poland Sp. z o.o.	KRS8038	Poznan	23,250	100.0	
Lantmännen Unibake Romania S.A.	J23/1395/2016	Pantelimon	120,908,920	100.0	
Lantmännen Unibake Sweden AB	556186-7796	Örebro	100,000	100.0	
Lantmännen Unibake UK Ltd	03358553	Milton Keynes	48,010,000	100.0	
Lantmännen Unibake USA, Inc	36-4034179	Chicago	50,000	100.0	
AS Leibur	10224864	Tallinn	740	100.0	
Swecon Baumaschinen GmbH	HRB 48780	Ratingen	1	100.0	
UAB Vilniaus douna	125374462	Vilnius	1,000	100.0	
Vaasan Oy	1098322-3	Helsinki	3,995,398	100.0	
Cgrain AB	556932-8023	Uppsala	108,744	92.7	29
Dataväxt AB	556733-2969	Grästorp	530	53.0	76
Dirual Försäkring AB	516406-1078	Stockholm	50	100.0	250
Gyllebo Gödning AB	556179-2911	Lidköping	2,000	66.7	0
Nötcenter Viken AB	556559-4503	Falköping	9,000	100.0	7
Rural Patent Svenska AB	556530-9654	Stockholm	100	100.0	0
Scandbio AB	556215-0606	Jönköping	60,000	100.0	394
Swecon Anläggningsmaskiner AB	556575-1137	Eskilstuna	500,000	100.0	402
Åhus Stuveriintressenter AB	556039-8256	Åhus	6,003	50.0	0
<i>Shares and interests in foreign subsidiaries</i>					
Lantmännen Agro A/S	10095921	Nyborg	500	100.0	10
Lantmännen Agro Oy	2825061-8	Helsinki	250	100.0	200
JS Perttula Oy	2759038-9	Riihimäki	100	100.0	
Lantmännen Maatalouskauppa Oy	3265765-6	Åbo	100	100.0	
Lantmännen Cerealia AS	910629085	Nesttun	17,968,129	100.0	222
Lantmännen Cerealia Oy	2725608-1	Helsinki	240,100	100.0	615
Lantmännen Fastigheter Naverland A/S	35530592	Glostrup	1,000,000	100.0	11
Sponmill Oy	2876451-2	Hyvinkää	1,323,840	100.0	755
Myllyn Paras Oy	2168867-6	Hyvinkää	100,000	100.0	
Myllyn Paras Oy Pakasteet	2168883-6	Hyvinkää	100,000	100.0	
TOTAL, PARENT COMPANY					12,374

Note 47 Inventories

MSEK	2022	2021
Raw materials and consumables	371	588
Products in progress	787	258
Finished goods	1,938	1,399
Merchandise	691	370
Advances to suppliers	124	83
Total	3,911	2,698

MSEK 118 (32) of the total value of inventories relates to goods measured at net realizable value.

Note 48 Trade receivables

Age analysis of trade receivable incl. receivables from joint ventures/associates		
MSEK	2022	2021
Receivables, not yet due	2,475	1,758
<i>Receivables, past due</i>		
≤ 30 days	107	90
31-60 days	19	28
61-90 days	7	1
> 90 days	20	25
Total	2,628	1,902
Allowance for expected credit losses	-32	-31
Total	2,596	1,871

Trade receivables include the financing service, which means that the credit period may be extended by up to 11 months.

Allowance for expected credit losses		
MSEK	2022	2021
Allowance at beginning of year	-31	-29
New allowance for expected losses	-10	-13
Utilization of allowance for established losses	7	3
Reversal of provisions no longer required	2	8
Allowance at end of year	-32	-31

For information about credit quality of trade receivables, see [note 24](#).

Note 49 Prepayments and accrued income

MSEK	2022	2021
Prepaid expenses	149	129
Accrued bonuses and discounts	22	35
Other accrued income	24	47
Total	195	211

Note 50 Equity

The Board of Directors of Lantmännen ek för proposes that the Parent Company's unappropriated earnings of TSEK 10,424,561 be allocated as follows:

TSEK	2022 ¹⁾	2021 ²⁾
Refund and supplementary payment	374,345	341,241
Contribution dividend	402,733	362,446
Contribution issue	303,000	296,524
Dividend on subordinated debentures	15,000	18,125
Carried forward	9,329,483	8,036,948
Total	10,424,561	9,055,284

¹⁾ Proposed appropriation of profit

²⁾ Outcome

Note 51 Other appropriations and untaxed reserves

UNTAXED RESERVES		
MSEK	2022	2021
Accelerated accumulated depreciation/amortization		
- Intangible assets	207	239
- Machinery and equipment	325	312
Total	532	551
Other appropriations		
MSEK	2022	2021
Change in intangible assets for the year	32	11
Change in property, plant and equipment for the year	-13	-
Total	19	11

Note 52 Provisions for pensions

All of the Parent Company's defined benefit pension obligations are governed by the Pension Obligations Vesting Act (Tryggandelagen).

Lantmännen ek för's defined benefit pension obligations have been secured by assets in Lantmännens Gemensamma Pensionsstiftelse Grodden since 2011.

As these pension obligations are secured through a fund, which is completely outside Lantmännen Group, the obligation is offset against Lantmännen ek för's share of the market value of the fund's assets. The fair value measurement of the fund's assets is conducted by external valuers.

The pension liability recognized in the statement of financial position is as follows:

MSEK	2022	2021
Value of pension obligations under fully funded pension plans	951	868
Fair value of Lantmännen ek för's share of pension fund	-951	-868
Net obligation	0	0
Other unfunded pension plans	1	1
Total	1	1

Note 52 continued

Specification of changes in recognized pension liability during the year:

MSEK	2022	2021
Liability at beginning of year	1	1
Pension costs for the year	63	63
Pension payments	-63	-63
Liability at end of year	1	1

The calculation of pension obligations under funded pension plans was carried out by PRI Pensionsgaranti according to their own adopted actuarial assumptions.

Specification of pension-related costs for the period:

MSEK	2022	2021
<i>Book reserve pensions</i>		
Current service cost	15	6
Interest expenses	48	58
	63	64
Compensation received	-63	-64
Total book reserve pension costs	0	0
<i>Pension through insurance</i>		
Insurance premiums	64	71
Net pension costs for the year, excluding taxes	64	71

MSEK	2022	2021
Pensions costs recognized as employee benefits expense in operating income	16	13
Pensions costs recognized as interest expense in net financial items	48	58
Total	64	71

Fair value of Lantmännen ek för's share of the pension fund's assets:

MSEK	2022	2021
Property	506	591
Fixed-interest investments	256	192
Equity investments	426	447
Alternative investments	59	138
Cash and cash equivalents	39	7
Total	1 286	1 375

The difference between the value of Lantmännen ek för's share of assets in the fund and recognized pension obligations above, is attributable to over-consolidation in the fund. Under the current rules, pension liability is not recognized as an asset. Consequently, only assets equivalent to the value of the liability reduce debt. Over-consolidation at the end of the year was MSEK 335 (507).

Equity investments include subordinated debentures of MSEK 28 (30) in Lantmännen ek för.

Next year's projected payments under defined benefit pension plans amount to MSEK 67 (62).

Note 53 Other provisions

MSEK	Restructuring measures	Other	Total	
			2022	2021
Carrying amount at beginning of period	1	135	136	78
Provisions during the period	-	116	116	70
Amounts utilized during the period	-1	-20	-21	-9
Reversals during the period	-	-64	-64	-3
Carrying amount at end of period	0	167	167	136

Provisions under the heading Other consist mainly of provisions of MSEK 115 (61) for silo closure. The previous year's provision for electricity tax was reversed in 2022.

About 52 percent of the total provisions are expected to be utilized in 2023.

Note 54 Current interest-bearing liabilities

Current interest-bearing liabilities include savings liabilities to members of MSEK 1,874 (1,765).

Note 55 Accruals and deferred income

MSEK	2022	2021
Accrued personnel-related costs	172	169
Accrued grain costs	441	100
Other accruals	188	147
Deferred income	2	1
Total	803	417

Note 56 Financial instruments

Financial assets and liabilities by measurement category, 12/31/2022	Financial assets/liabilities at amortized cost	Financial assets at fair value through OCI	Derivatives used in hedge accounting	Other derivatives	Total carrying amount	Fair value
MSEK						
Financial assets at fair value through OCI	-	220	-	-	220	220
Financial assets at amortized cost						
Non-current interest-bearing receivables from Group companies	9,516	-	-	-	9,516	9,516
Non-current interest-bearing receivables from joint ventures/associates	246	-	-	-	246	246
Other non-current interest-bearing receivables	-	-	340	-	340	340
Trade receivables	3,019	-	-	-	3,019	3,019
Current interest-bearing receivables from Group companies	3,884	-	-	-	3,884	3,884
Other current interest-bearing receivables	10	-	992	33	1,035	1,035
Cash and bank balances	24	-	-	-	24	24
Total	16,699	-	1,332	33	18,064	18,064
Other financial liabilities						
Non-current interest-bearing liabilities	1,442	-	-	-	1,442	1,482
Interest-bearing securities	999	-	-	-	999	1,025
Current interest-bearing liabilities to Group companies	8,317	-	-	-	8,317	8,317
Other current interest-bearing liabilities	4,020	-	-	159	4,179	4,194
Total interest-bearing liabilities	14,778	-	-	159	14,937	15,018
Trade payables	4,085	-	-	-	4,085	4,085
Total	4,085	-	-	-	4,085	4,085

Derivatives are also reported in the items Other current receivables (44) and Other non-current and current liabilities (841).

Financial assets and liabilities by measurement category, 12/31/2021	Financial assets/liabilities at amortized cost	Financial assets at fair value through OCI	Derivatives used in hedge accounting	Other derivatives	Total carrying amount	Fair value
MSEK						
Financial assets at fair value through OCI	-	256	-	-	256	256
Financial assets at amortized cost						
Non-current interest-bearing receivables from Group companies	7,351	-	-	-	7,351	7,351
Non-current interest-bearing receivables from joint ventures/associates	-	-	-	-	-	-
Other non-current interest-bearing receivables	5	-	89	4	98	98
Trade receivables	2,315	-	-	-	2,315	2,315
Current interest-bearing receivables from Group companies	2,262	-	-	-	2,262	2,262
Other current interest-bearing receivables	1	-	467	10	478	478
Cash and bank balances	2,187	-	-	-	2,187	2,187
Total	14,121	256	556	14	14,691	14,691
Other financial liabilities						
Non-current interest-bearing liabilities	2,066	-	2	-	2,068	2,108
Interest-bearing securities	998	-	-	-	998	1,025
Current interest-bearing liabilities to Group companies	5,936	-	-	-	5,936	5,936
Other current interest-bearing liabilities	2,183	-	3	104	2,290	2,305
Total interest-bearing liabilities	11,183	-	5	104	11,292	11,374
Trade payables	3,321	-	-	-	3,321	3,321
Total	3,321	-	-	-	3,321	3,321

Derivatives are also reported in the item Other non-current and current liabilities (462).

Note 56 continued

Interest-bearing liabilities, MSEK	2022	2021
Balance at beginning of year	11,292	9,764
Cash flow	1,386	3,646
Other	2,259	-2,118
Carrying amount	14,937	11,292

➔ Note 24 also contains other information about the Parent Company's financial instruments.

Not 57 Pledged assets and contingent liabilities

Pledged assets MSEK	For own financial liabilities	Other commit- ments	Total pledged assets	
			2022	2021
Real estate mortgages	240	-	240	221
Bank accounts	-	80	80	76
Total	240	80	320	297

Contingent liabilities MSEK	2022	2021
Guarantees for Group companies	2,208	1,632
Guarantees for joint ventures	768	653
Other contingent liabilities	73	29
Total	3,049	2,314

Statement pursuant to Chapter 13, Section 6, of the Swedish Economic Associations Act (2018:672)

Following the Board's proposed appropriation of profit of TSEK 1,018, as presented in note 50 on page 127, the Board hereby issues the following statement pursuant to Chapter 13, Section 6, of the Economic Associations Act (2018:672).

The Board finds that there is full coverage for the association's restricted equity, in accordance with Chapter 12, Section 3 (1), of the Economic Associations Act, after the proposed dividend.

It is the Board's assessment that the proposed dividend is justifiable in view of the requirements that the nature, scope and risks of the operations place on the size of the association's and the Group's equity.

The Board has considered, among other things, the association's and the Group's historical and planned development, and the economic situation. The Board's proposal is based on the dividend policy adopted on November 24, 2022.

The Board has examined the association's and the Group's financial situation and, after closer consideration, concludes that a distribution of profits is justifiable in view of the precautionary principle in Chapter 12, Section 4 (2) and (3), of the Economic Associations Act.

The assessment is that, after the adopted and proposed dividend, the association's and the Group's equity ratio is also expected to be good in relation to the industry in which the Group is active. It is also the assessment that, after the dividend, the association and the Group will have satisfactory liquidity, and consolidation requirements that may be considered satisfied. The dividend will not affect the association's and the Group's ability to discharge their payment obligations in the short or long term. Nor will the

proposed dividend affect the association's and the Group's ability to make any necessary investments.

Following an overall assessment of the association's and the Group's financial circumstances, the Board considers that there is nothing to preclude the distribution of a dividend.

The Annual report with sustainability report was approved by the Board for publication on February 22, 2023. The Consolidated income statement and statement of financial position and the Parent Company's income statement and statement of financial position will be presented for adoption at the Annual General Meeting on May 3, 2023.

The Board of Directors and the Group President & CEO hereby certify that the consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union and give a true and fair view of the Group's financial position and performance. The Parent Company's financial statements have been prepared in accordance with generally accepted accounting principles in Sweden and give a true and fair view of the Parent Company's financial position and performance.

The Board of Directors' Report for the Group and Parent Company provides a true and fair overview of the development, financial position and performance of the Group and Parent Company, and describes significant risks and uncertainties faced by the Group, the Parent Company and companies belonging to the Group. The Annual Report also contains the Group's and Parent Company's sustainability reporting in accordance with the Swedish Annual Accounts Act and Sustainability Report in accordance with the Global Reporting Initiative, GRI.

Stockholm, February 22, 2023

Per Lindahl
Chairman

Jan Ehrensvärd
Vice Chairman

Gunilla Aschan
Board Member

Jenny Bengtsson
Board Member

Sonat Burman-Olsson
Board Member

Johan Bygge
Board Member

Jan-Erik Hansson
Board Member

Henrik Wahlberg
Board Member

Per Wijkander
Board Member

Tommy Brunsärn
Board Member
Employee representative

Pär-Johan Lööf
Board Member
Employee representative

Tomas Welander
Board Member
Employee representative

Magnus Kagevik
Group President & CEO

Our audit report was submitted on February 22, 2023

Ernst & Young AB

Andreas Troberg
Authorized Public
Accountant

Maude Fyrenius
Member Representative
Auditor

Kristina Glantz Nilsson
Member Representative
Auditor

Jimmy Grinsvall
Member Representative
Auditor

Audit Report

This is the translation of the auditor's report in Swedish.

To the annual general meeting of Lantmännen ek för, Corporate identity number 769605-2856

REPORT ON THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

Opinions

We have audited the annual accounts and consolidated accounts of Lantmännen ek för for the year 2022. The annual accounts and consolidated accounts of the association are included in this document on pages 58-131.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent association as of December 31, 2022 and its financial performance and cash flows 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 Saturday, December 31, 2022 and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the annual general meeting adopt the income statement and balance sheet for the parent association and the Group.

Our statements in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report submitted to the parent association's audit committee in accordance with Article 11 of Regulation (EU) No. 537/2014 on the Statutory Audit of Public-Interest Entities.

Basis for opinion

We conducted the 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 association 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 means that, to the best of our knowledge, no prohibited services listed in article 5.1 of Regulation (EU) No. 537/2014 on the Statutory Audit of Public-Interest Entities have been provided to the audited association, or where appropriate, to its parent undertaking and to its controlled undertakings within the European Union.

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

Key audit matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period.

These matters were addressed in the context of our audit of the annual accounts and consolidated accounts as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters.

The description below of how the audit was conducted with regard to these matters should be read in this context.

We have fulfilled the obligations described in the Auditor's responsibilities section of our report on the annual report in these areas too. This resulted in audit procedures designed to take into account our assessment of the risk of material errors in the annual accounts and consolidated accounts. The outcome of our audit and the audit procedures conducted to address the areas set out below form the basis of our audit report.

Valuation of goodwill and other intangible assets with indefinite useful lives

The value of goodwill and other intangible assets with indefinite useful lives was MSEK 8,177 as of December 31, 2022, corresponding to 16 percent of the Group's assets. The association conducts impairment testing annually and also in cases where an indication of impairment has been identified. The recoverable amount of each cash-generating unit is determined as the value in use, which is calculated based on the discounted present value of future cash flows. Key assumptions used in these calculations are future growth, profitability and the discount rate applied. Impairment testing is a particularly important area, as the process is inherently based on estimates, particularly estimates concerning how the Group's operations will be affected by the market's future development and other economic events, and as the underlying calculations are complex.

In our audit, we evaluated and reviewed the key assumptions, the application of measurement theory, the valuation model used, the discount rate and other source data used by the association. For example, we have compared these with external data sources, such as expected inflation or future market growth, and assessed the sensitivity of the association's valuation model. We have used our valuation specialists in this process. We have also assessed the association's historical forecasting ability. Finally, we have assessed the appropriateness of the information provided in note 7 (Depreciation, amortization and impairment of assets) and note 15 (Intangible assets) in the Group's notes, in particular regarding the information about which of the stated assumptions are most sensitive when calculating value in use.

Valuation of inventories

Inventories represent a significant part of total assets. The value of inventories, after necessary reserves for obsolescence etc., was MSEK 9,957 as of December 31, 2022, corresponding to 19 percent of the Group's assets. The association's inventories are reported at the lower of cost and net realizable value. Net realizable value reflects estimated write-offs of obsolete products, older items,

stock surplus and costs to sell. The association's areas of business that hold inventories are spread among four different Sectors/ Business Areas with different operations and conditions. Overall, this means that the valuation of inventories represents a particularly significant area of the audit.

We carried out examinations of the costs of different parts of the inventories, from components to finished goods. The examination also included an age analysis and inventory turnover analysis for each product area, and an analysis of obsolete goods. We conducted an analytical examination of changes in the value of inventories, including changes in eliminations of internal profits. We also examined whether the association has made appropriate disclosures in note 19 (Inventories) regarding the valuation of inventories.

Fines for infringement of competition law

The association and its subsidiary Lantmännen Agroetanol have been under investigation by the European Commission for alleged infringement of competition law in the European ethanol market. The European Commission's sanctions against companies that violate current competition laws normally take the form of fines.

The association's overall assessment of the size of a possible fine is MSEK 500. A provision for this amount has been recognized in the association as of December 31, 2022. See also note 26 (Other provisions). This is a particularly important area of the audit with regard to the relative size of the amount, combined with the uncertainty about the estimates and assumptions underlying the provision amount.

Our audit procedures have involved examining the viewpoints and analyses made by the association's internal and external lawyers based on the European Commission's ongoing investigation, in order to assess whether the association's conclusions regarding the provision for the fine amount are consistent with the rules of IAS 37 Provisions, Contingent Liabilities and Contingent Assets, and assessing the suitability of the disclosures provided in note 26 Provisions.

Information other than the annual accounts and consolidated accounts

This document also contains information other than the annual accounts and consolidated accounts, which is presented on pages 1-57 and 136-197. 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 appears to be materially misstated. If, based on the work performed concerning this information, we conclude that there is a material

misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and for ensuring 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 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 association's ability to continue as a going concern. They disclose, as applicable, matters related to the going concern and use of 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 association, cease operations, or have no realistic alternative but to do so.

The Board's Audit Committee shall, without prejudice to the Board's responsibilities and tasks in general, among other things, oversee the association'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 made on the basis of these annual accounts and consolidated accounts. The elected auditors conducted the audit in accordance with generally accepted standards for elected auditors in Sweden.

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

- identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- obtain an understanding of the Company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.
- draw a conclusion on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause a company to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated accounts. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our opinions.

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

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Lantmännen ek för for the financial year 2022 and the proposed appropriations of the association's profit or loss.

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

Basis for opinion

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 association and the Group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

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

Responsibilities of the Board of Directors and the Managing Director

The Board is responsible for the proposed appropriations of the parent association's profit or loss. Proposing a dividend includes an assessment of whether the dividend is justifiable considering the requirements that the nature, scope and risks of the parent association's and the Group's operations place on the size of the parent association's and the Group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the association's organization and the administration of its affairs. This includes, among other things, continuous assessment of the association's and the Group's financial situation and ensuring that the association's organization is designed so that accounting, management of assets and the association's financial affairs are otherwise 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, shall take measures that are necessary to fulfill the association's accounting in accordance with law and to conduct 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 could give rise to liability to the association; or
- in any other way acted in contravention of the Economic Associations Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the association's profit or loss, and thereby our opinion about this, is to assess with a reasonable degree of assurance whether the proposal is in accordance with the Economic Associations 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 association, or that the proposed appropriations of the association's profit or loss are not in accordance with the Economic Associations Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional skepticism throughout the audit. The examination of the administration and the proposed appropriations of the association's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are

based on our professional judgment, with the starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the association's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the association's profit or loss, we examined the Board of Directors' reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Economic Associations Act.

Ernst & Young AB, Box 7850, 103 99 Stockholm, was appointed Lantmännen ek för's auditor at the Annual General Meeting on May 5, 2022 and has been the association's auditor since 2006.

Stockholm, February 22, 2023

Ernst & Young AB

Andreas Troberg
Authorized Public Accountant

Kristina Glantz Nilsson
Member Representative Auditor

Maude Fyrenius
Member Representative Auditor

Jimmy Grinsvall
Member Representative Auditor

Description of financial performance measures

Key figures	Description	Reason for use
Adjusted income	Adjusted income is income net of items affecting comparability.	An adjustment to exclude items affecting comparability.
Average equity/operating capital	Average capital is computed on the closing balance of each month in the accounting period, i.e. twelve periods for the full year. All average capital ratios are calculated in this way.	Ensures accurate calculation of return on equity and operating capital.
Capital turnover rate	Net sales divided by average operating capital.	Shows the efficiency of the use of operating capital.
Cash flow from operating activities	Net income for the period adjusted for items that are not cash inflows or outflows but accounting costs, such as depreciation and capital gains/losses. Adjustments are also made for financial items and income taxes paid, and changes in inventories, operating receivables and operating liabilities.	Shows cash flow from operations that can be used for investments and acquisitions.
EBITDA	Operating income, excluding income from associates, and excluding depreciation, amortization and impairment. Operating income is also adjusted for acquired and divested companies, and refers to the last 12 months.	To calculate the key ratio Net (bank definition)/ EBITDA.
Equity ratio	Equity divided by total assets.	Shows the proportion of the assets that are financed by the owners.
Investments in non-current assets	Total of the period's investments in property, plant & equipment and intangible assets, excluding right-of-use assets.	The size of the investments made to maintain existing capacity and to achieve expansion and growth.
Items affecting comparability	The Group's income can be inflated or reduced by certain items that affect comparability. These are one-time items not directly related to the planned future operations and outside the range of MSEK +/-30.	Accounting for items that have been adjusted due to specific events that otherwise affect comparability between different periods. Provides a better understanding of the operating activities.
Liquidity reserve	Cash and cash equivalents and loans granted under the provisions in the existing loan agreements.	Shows the available borrowing capacity based on the current loan agreements.
Net debt	Interest-bearing liabilities, including pension liabilities and accrued interest, less financial assets.	Shows the net of interest-bearing assets and interest-bearing liabilities.
Net debt (bank definition)	As net debt above, but financial assets are not included, apart from cash and cash equivalents and certain listed (liquid) shares, and subordinated debentures are deducted.	To calculate the key ratio Net debt (bank definition)/ EBITDA.
Net debt (bank definition)/EBITDA	Net debt (bank definition) divided by EBITDA.	Indicates how fast a company can repay its debt (expressed in years).
Net debt/equity ratio	Net debt divided by equity.	Shows financial risk and is therefore used to view the level of debt funding.
Net financial income	Net financial income is finance income less finance costs.	Shows the net result of the company's financial operations.
Operating capital	Operating capital is calculated as non-interest-bearing assets minus non-interest-bearing liabilities. Tax assets and tax liabilities are not included in operating capital's assets and liabilities.	Shows how much capital is used in the operations.
Operating income	Operating income consists of net sales and other operating income less operating expenses.	Shows the result of operating activities.
Operating margin	The operating margin is operating income as a percentage of net sales for the period.	Shows operating income as a percentage of net sales in operating activities.
Return on equity	Return on equity is calculated as annualized net income for the period divided by average equity.	Shows owners the return on their invested capital.
Return on operating capital	Return on operating capital is calculated as annualized operating income for the period divided by average operating capital.	Measures the return on the capital used in the business.

Sustainability Report

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Introduction

Lantmännen's sustainability report describes our sustainability work throughout the value chain, which includes plant breeding, agri-supply, cultivation, raw materials purchasing and processing, sales and consumption of the products we offer.

Development in 2022

During the year, we strengthened and clarified our ambitions through the sustainable business framework. A clearer focus has been placed on dependence and impacts on ecosystem services and biodiversity, and on climate adaptation and increasing production of renewable raw materials.

Development of the Climate & Nature cultivation program has taken important steps forward. As early as next year, Lantmännen will offer food products produced in a fossil-free value chain. We continue to pursue research and business development under the Farming of the Future program, to achieve climate-neutral, sustainable farming that produces more raw materials for food and energy. Lantmännen's climate targets are set, and climate emissions from our own production in relation to net sales decreased, but a rethink is needed for purchased transport to find a commercially viable way of reducing emissions.

We are driving the comprehensive health and safety program towards a safety culture with a zero vision for accidents. The outcome for 2022 shows that we are on the right track, but that continued focus and commitment are needed. Lantmännen was perceived positively as an employer and our trademark was named Sweden's most purposeful company. Learn more on [pages 13 and 29](#).

About the Sustainability Report

The Lantmännen Group Board issues the Sustainability Report and the statutory sustainability report. Reporting for all Group companies covered by the Swedish Annual Accounts Act's sustainability reporting requirements is contained here in Lantmännen's Annual Report with Sustainability Report. This reporting can be found on [pages 24-32, 137-174, and 190-193](#).

For reporting, as required by the Annual Accounts Act, in accordance with the Taxonomy Regulation, see [pages 169-174](#).

Lantmännen reports according to the GRI (Global Reporting Initiative) Universal Standards for 2022, including the Food Processing sector disclosures. Learn more about GRI at [globalreporting.org](#)

Lantmännen supports the recommendations for voluntary disclosures of climate-related risks and opportunities from a financial perspective, the Task Force on

Climate-related Financial Disclosures and the Task Force on Nature-related Financial Disclosures. In view of developments in the climate area, the EU Taxonomy Regulation and upcoming changes to the statutory sustainability report, Lantmännen has decided to wait to include additional reporting frameworks at this stage.

Since 2009, Lantmännen has been a signatory to the Global Compact, the UN initiative for responsible business, which involves a commitment to implement the Global Compact's ten principles for responsible business. From 2022, annual reporting is direct to the Global Compact. Learn more about Global Compact at [unglobalcompact.org](#)

Lantmännen supports Agenda 2030 with the UN Global Goals, and has analyzed what they mean for Lantmännen's operations and businesses. Some of the goals are directly linked to Lantmännen's mission and business: Zero hunger, Affordable and clean energy, Industry, innovation and infrastructure, Responsible consumption and production, Climate action and Life on land. Several other of the goals are important for our impact and operations. Lantmännen's sustainable business framework contains references to the global goals. More information can be found on our website [lantmannen.com/sustainable-development](#).

Membership of initiatives such as Haga, RSPO and RTRS involves annual reporting in the particular area of commitment, such as emissions or purchases of palm oil or soy. Reporting is submitted directly to the organizations.

For questions about the Sustainability Report, contact Claes Johansson, Director Sustainable Development. claes.johansson@lantmannen.com

External review of the Sustainability Report

Lantmännen's Sustainability Report for 2022 has undergone an external assurance procedure. Read the Assurance Report on [page 168](#).

Focus of sustainable development

Materiality analysis

Lantmännen places greatest focus on topics that are of importance to our stakeholders and where we can drive sustainable development through profitable business. The materiality analysis has been used to define key topics to focus on and target management to prioritize in order to ensure long-term responsibility and value creation.



A review of the materiality analysis was conducted in 2022. The analysis is based on our long-term goal of being a leading player in the grain value chain from field to fork in northern Europe and the Field to Fork 2030 strategic focus, the UN Agenda 2030 with its Global Goals, Global Compact, external and market trends, and results from stakeholder dialogue. We assessed actual and potential impacts, and this influenced which topics were prioritized as material. We did not engage in structured stakeholder dialogue specifically for the analysis, but based it on the stakeholder perspective and our role and relationships through the value chain. The review has affected GRI reporting as the Sustainability Report's content is based on the prioritized topics in the analysis. From 2022, we do not report Marketing and labeling. Human rights risk screening and Compliance with laws are GRI mandatory disclosures from 2022. Priority topics are described in Lantmännen's sustainable business framework, see illustration on [page 25](#), and listed in the GRI index.

Lantmännen's framework for sustainable business

Lantmännen's framework is based on the global challenge of supplying food, energy and materials to an entire planet – from one single planet. Lantmännen's role is to drive progress towards farming of the future and sustainable food and bioenergy systems. Based on renewable raw materials from arable land, we develop businesses that optimize cultivation, increase resource efficiency, close cycles and minimize the impact on people and the environment. The priority topics identified in the materiality analysis are in the following areas:

- Climate and ecosystems
- Sustainable products & renewable raw materials
- Responsible employer & business partner

Read more about management and outcomes for the priority issues in the relevant sections of the Sustainability Report. The Sectors and Business Areas pursue their own specific sustainability issues. See "Sustainability areas in focus" on the Sector and Business Area pages.

Lantmännen and our value chain

Lantmännen has a wide range of operations with grain as a common thread. In addition to processing in our own operations, the value chain includes Swedish farmers – our members, other suppliers and their subcontractors, as well as business partners, distributors, customers, consumers and users.

In 2022, Lantmännen expanded by obtaining 100 percent ownership of Scandbio, which manufactures wood pellets for heat production in Sweden and Latvia, and acquiring food production company Myllyn Paras in Finland. Other acquired operations included construction machine rental in Sweden and alkylate petrol manufacturing in the UK. The Agrovärme business was divested in September. See [page 61](#).

Our portfolio strategy, see [page 20](#), describes Lantmännen's operations from purchased raw materials and also waste products for production and resale, to the manufacture and processing of offerings to customers in agriculture, industry, food production, retail, food service, the construction sector and energy customers.

Organization and governance

Group-wide policies and steering documents

Lantmännen's Code of Conduct applies to the entire operations, all employees, the Board and elected representatives. The Code of Conduct describes how Lantmännen must conduct itself and make decisions to take responsibility from an environmental, social and business ethics perspective. The Code also describes how we work for sustainable consumption and development with our products. All employees undergo training in the Code and the completion rate is monitored every four months. The Code of Conduct

and training are available in 17 languages. The Code also provides guiding principles for Board members and elected representatives, and for Board members who represent Lantmännen in partly-owned enterprises.

Lantmännen's Supplier Code of Conduct applies to all suppliers. There is a specific Distributor Code of Conduct for distributors. Learn more on [page 154](#).

In addition to the codes of conduct, guidance in several areas is provided in policies, directives and guidelines. Read more under each section in the sustainability report.

Organization, responsibility and monitoring

Lantmännen's Board of Directors is ultimately responsible for responsibility and sustainability work. The Board's role is to direct, monitor and follow up responsibility and sustainability work. Lantmännen's business strategies are directly linked to sustainable development, as food and energy require a sustainable transition. The Board decides on strategy, business plans and investments in which sustainability aspects are an integral part. The Board adopts the Code of Conduct and Group targets in the area of responsibility. It also establishes an annual business ethics compliance plan and the Group's risk analysis. Monitoring and analysis of business development is conducted at different levels and frequencies in line with the established agenda for the work of the Board. There is also an opportunity to present and discuss current issues of responsibility for the Group or its business. Knowledge of sustainability issues is part of the Nomination Committee's work on nominating Board candidates. The Board undergoes an external evaluation every two years, which addresses management of key external issues.



Group Management pursues responsibility and sustainable business development as part of its strategic business planning and adopt the materiality analysis.

Group Management follows up responsibility issues with the business managers on a four-monthly basis using key figures for "minimum responsibility requirements" and annually in a "sustainability business review", which is reported to the Group Board. Compliance with the Code of Conduct is reviewed annually by Group Management and the Board follows up deviations from the Code. Businesses in the food value chain are monitored annually for quality and sustainability performance, including implementation of policy documents and specific commitments.

The Group's CSR Committee, headed by the Executive Vice President & CTO Lantmännen Group, has overall responsibility for ensuring that the organization is able to implement and monitor the Code of Conduct and the areas it covers. The CSR Committee prepares matters for Group Management. The Committee consists of representatives from Group Management and other managers responsible for areas in the Code of Conduct. The Committee meets four times a year.

Each business is responsible for a systematic approach to risk management, responsibility and sustainable business based on the Group's strategies, priorities and objectives, and its own focus. Responsibility for environmental and health & safety issues is delegated partly through corporate governance and partly through separate documents in those countries where this is relevant. The Group's corporate functions provide support and guidance to the Group and the businesses in their development of strategies and sustainable business in order to protect and strengthen Lantmännen's brand and contribute to business value in the short and long term.



Risk management and stakeholders

Lantmännen's businesses and operations have impacts throughout the value chain. With the impacts come risks of negative effects on people, the environment and/or society and therefore our business.

We identify and assess sustainability-related risks based on the Code of Conduct's areas and special issues. Risk identification and assessment are integrated into existing internal processes and cover our own operations as well as suppliers, materials, products and services and business partners. In the event of any changes in operations, processes or access to new knowledge, a review may be carried out.

The main processes where risk is identified and assessed are:

- Enterprise Risk Management Process ERM, see ➔ page 191
- Business Ethics Compliance Program, see ➔ page 159
- Health & Safety, see ➔ page 157
- Supplier Approval, read more ➔ page 154
- Mergers & Acquisitions: areas such as human rights, corruption and other financial crimes are part of the due diligence process
- Investments: Sustainability screening is part of investment decisions from MSEK 10 upwards

Risks identified in the ERM process and the Business Ethics Compliance Program are reported annually to the Board. It is every business manager's responsibility to implement and monitor the risk work in the daily operations. Sustainable business development work is an answer to, and a part of, strategic and operational risk management.



Due diligence

Lantmännen's governance and implementation of procedures in operations (see the section Organization, responsibility and monitoring) and governing documents include the due diligence requirements of the UN Guiding Principles on Business and Human Rights and the OECD Guidelines, see references in italics below. The governing documents "embed responsible business conduct into policies and management systems" through positions on human rights, labor practices, the environment and anti-corruption. For work in these areas, see → the relevant sections of the Sustainability Report.

Human rights can be affected directly and indirectly through land use, environmental impacts, in the supply chain, production, marketing and through use of our products. We support and respect internationally proclaimed human rights and work on the basis of the UN Guiding Principles on Business and Human Rights, which we are integrating into our governance and processes. We work actively to ensure that our employees are treated fairly, equally and with respect, and to manage human rights risks in our operations. We expect our suppliers and business partners to act in the same way towards their employees and the people affected by the operations. This is made clear in the Code of Conduct and the Supplier Code of Conduct.

Lantmännen "identifies and assesses adverse impacts" through integrated human rights risk screening in existing internal processes. Learn more on pages → 140 and 191. Risk screening covers our own operations as well as suppliers, materials, products and services and business partners. Our risk assessment is based on the criteria of the UN Guiding Principles on Business and Human Rights and on available

and independent international risk indexes. We endeavor to maintain an up-to-date analysis of our significant human rights risks and their management. In the event of high risk, special handling is required. Learn more on → pages 154, 159, 191.

An important factor in ensuring responsibility is competence and capacity within Lantmännen to identify and manage risks. Responsibility for "ceasing, preventing and mitigating adverse impacts" risks lies partly with senior management and partly with the individual business management and is supported by central functions with relevant expertise. We work to increase understanding and knowledge of risks, and Lantmännen's responsibility in all parts of the organization. Lantmännen "tracks implementation and results" at different levels and with different frequency. Learn more on → page 140.

For "communication on how impacts are addressed", see the next section on information procedures. For communication on human rights issues, communication methods are chosen based on the ability to reach the rights holder, in terms of accessibility, clarity and the possibility of dialogue. Lantmännen's processes "to provide for or cooperate in remediation when appropriate" are described in the next paragraph.

Stakeholders, issues and remediating negative impacts

Lantmännen's stakeholders are important for our development and we maintain continuous dialogue in various forms. Dialogue with owners, customers, authorities and other stakeholders is key to developing our work and influencing the wider world on important issues. Lantmännen initiates and conducts stakeholder dialogue on areas and issues



that are considered business critical. These include issues where we must keep in step with the market in order to take responsibility and issues where we want to take the lead but are not able to move forward on our own. As a competent and constructive partner of decision-makers, we can create good conditions for Swedish farming and contribute to sustainable development. The most important areas for our stakeholders, and areas in which we engage in structured dialogue, involve making farming thrive, bioenergy, responsibly produced food and robust food supply. Learn more on [page 32](#).

We strive for transparency towards our stakeholders. Stakeholders can reach us in several ways. For external stakeholders, there is, for example, the owner representative organization throughout Sweden, the businesses' HR and legal departments, and the many dialogues in which Lantmännen participates. Feedback on us and our operations, as well as complaints, can be submitted through various channels. Due to significantly different risks and a differentiated value chain, Lantmännen does not have a Group-wide routine and management for externally received complaints and for remedying negative impacts. All businesses and brands have channels for receiving questions and complaints.

Product deviations and complaints are identified through several customer service and customer contact channels and are dealt with according to the processes of each business area. Environmental responsibility is delegated to each business, which is responsible for dialogue with, e.g., authorities and local residents.

Lantmännen has a whistleblowing function available in all companies and in all its countries. This digital tool is

available in the local language and managed by an external party. It enables employees, consultants and others within the company to report irregularities and concerns about anything that could seriously affect the company, a person's life or health, or society, and that is not in line with legislation or Lantmännen's values, Code of Conduct, policies and guidelines. The channel is open to all internal stakeholders. It is also possible to submit comments, anonymously via the regular employee survey, on matters such as perceived discrimination. The Board receives an annual report on whistleblowing cases. Our approach to harm caused by Lantmännen is to listen, compensate and remediate as far as possible, and to investigate the injury in order to prevent it from happening again. From a financial point of view, there is insurance to cover work-related injuries, for example. Learn more on [pages 62 and 157](#).



Climate and ecosystems

Lantmännen has targets aiming for fossil-free and reduced climate impact in line with the Paris Agreement. We are dependent on natural resources and drive knowledge generation, innovation and research for climate adaptation and well-functioning ecosystems.

Climate change can impact farming and production conditions with a need to adapt, particularly in the supply of raw materials. Global goals for climate drive policy instruments

and market demand. Ecosystems are under pressure and biodiversity loss and changing rainfall patterns pose a risk to Lantmännen's production.

Reduced climate impact and fossil-free operations

Area	Target	Metric
 	<ul style="list-style-type: none"> Fossil-free SE, NO by 2025, Nordic 2030, others 2040 Halved climate impact CO₂e/net sales by 2030, base year 2019, for scope 1+2, transport in scope 3 Climate neutrality in primary production by 2050 	<ul style="list-style-type: none"> Energy consumption, of which renewable, fossil-free Emissions CO₂e/MSEK own production Emissions CO₂e/MSEK transport Emissions CO₂e absolute figures, all scopes Reduction rate for Climate & Nature in line with Carbon Law

Management approach and targets

Climate emissions must be reduced to curb global warming and its consequences. Our operations have a climate impact from cultivation to end product. Lantmännen's Code of Conduct clarifies our approach and the work is driven by our climate targets, which are established and monitored by the Board. The targets are based on reducing emissions at the rate required by the Paris Agreement. This means halving emissions every decade to achieve climate neutrality by 2050. Lantmännen's climate target is divided into primary production, its own production and purchased transport. The targets focus on fossil-free production and transport, continuing energy efficiency and investments and measures to reduce the climate footprint throughout the value chain.

The climate target for Lantmännen's own production is to reduce climate impact by 50 percent by 2030, with 2019 as the base year. The target is to be achieved by phasing out fossil fuels, switching to green electricity and increasing energy efficiency. A sub-target is fossil-free own production in Sweden and Norway by 2025. For the other Nordic countries the target year is 2030 and for the rest of Europe 2040.

The climate target for purchased transport is a 50-percent reduction in emissions by 2030, base year 2019. A sub-target is fossil-free transport and service vans in Sweden by 2030, to achieve fossil freedom in all markets by 2050.

The climate target for primary production is to create the

conditions for sustainable primary production with halved climate impact every decade.

The Farming of the Future program is driving the transition and business development for more sustainable farming. Lantmännen uses research and innovation to develop new technologies and knowledge for products and services that contribute to solutions. Lantmännen also promotes climate issues in external initiatives such as the Haga Initiative and Sustainable Food Chain and works on scientific targets such as the Science Based Targets initiative.

Energy consumption

Energy demand has increased by about 20 percent, largely due new acquisitions and the inclusion of Lantmännen Maskin and the Swecon and Real Estate business areas in the reporting. Maskin and Swecon have relatively extensive operations with service vehicles powered by fossil fuels, which are also reported as energy demand. The proportion of renewable energy use was 84 (81) percent despite several

Distribution of energy types in Scopes 1 and 2



Energy consumption in Scopes 1 and 2

	2022		2021		2020		2019		2018	
	TJ	GWh								
Energy consumption, producing facilities										
Non-renewable fuels	1,010	281	1,039	289	1,039	289	1,126	313	1,119	311
of which fuel oil	132	37	50	14	64	18	61	17	60	17
of which vehicle fuel	65	18	-	-	-	-	-	-	-	-
of which natural gas	810	225	913	254	913	254	976	271	974	271
of which LPG	68	19	77	21	61	17	88	25	84	23
Renewable fuels	1,995	554	868	241	807	224	813	226	778	216
of which vehicle fuel	26	7	-	-	-	-	-	-	-	-
Indirect energy	4,715	1,310	4,405	1,224	4,378	1,216	4,512	1,253	4,068	1,130
of which district heating	2,446	680	2,361	656	2,358	655	2,410	669	2,092	581
of which renewable	2,376	660	2,311	642	2,200	611	2,157	599	1,873	520
of which electricity	2,268	630	2,044	568	2,022	561	2,102	584	1,976	549
of which renewable	2,175	604	1,957	543	1,929	536	1,981	550	1,729	480
of which sold electricity and heating	593	165	501	139	508	141	539	150	476	132
Total net energy	7,719	2,144	6,312	1,753	6,224	1,729	6,451	1,792	5,965	1,657

counteracting factors such as a doubling of fossil fuel use and a lower share of origin-labeled electricity. This is due to the new scope of reporting with a number of new operations. The new operations are subject to Lantmännen's climate strategy and will face improvement work in the coming years. Energy efficiency work continues, and for 2022 it was also driven by high energy prices. For bakery operations, further work is needed to find alternatives to natural gas in the bakery ovens and establish a long-term fossil phase-out plan. There are fossil-free targets in place and a sub-target is fossil-free operations in Sweden and Norway by 2025. In Sweden, the proportion is 98 percent and in Norway 89 percent. There are good opportunities to reach the target by converting the last boilers using fossil fuels in Norway.

GHG emissions, Scopes 1- 3 and GHG emissions intensity

Lantmännen works to reduce carbon dioxide emissions from energy and its own transport in Scopes 1 and 2. The previous emissions target from 2009 to 2020 led to a reduction of 71 percent in emissions in relation to net sales and in absolute

figures 62 percent. New long-term climate targets for own production and for transport mean that the level of ambition is to continue the Paris Agreement reduction rate towards 2030.

Climate emissions from own production in absolute figures remain in line with the previous year at 120 thousand tonnes CO₂e. A large number of new businesses have been added, both through acquisitions and through the inclusion of additional businesses in the reporting.

Climate emissions in relation to net sales are affected by the energy and climate performance of new businesses and by inflation. The outcome for 2022 is a reduction of 31 percent compared with the base year 2019. The decrease is due to operations with improved climate performance, deconsolidation of the Russian companies, reduced emissions from natural gas in bakeries and an updated emission factor for hydropower, offset to some extent by newly acquired operations with a relatively high climate impact. Inflation is likely to have had an impact and contributed to the reduction.

For emissions reporting by Sector and Business Area, see the Annual Report from page 34 onwards.

GHG emissions, scope 1, 2 and 3

CO ₂ e emissions, thousand tonnes	2022	2021	2020	2019	2018
Scope 1 (Fuel incl. own transport)	61.0 ¹⁾	61.4	61.4	66.6	66.3
Scope 2 (Electricity and heating)	31.6	31.5 ³⁾	33.5	45.5	57.8
Scope 3 (Production (LCI) of electricity and fuel, transport/travel)	27.2	27.4	26.7	27.3	26.9
Scope 3 (Purchased freight transport)	128 ²⁾	113	96	99 ²⁾	120
Scope 3 (Business travel)	4.8	4.5	3.2	6.7	7.3
Total, including origin-labeled (market-based)	253	238 ³⁾	220	246	278
Total, excluding origin-labeled (location-based) ³⁾	342	367	351	366	-

¹⁾ From 2022, all businesses are included in the reporting, see Reporting principles, Emissions to air.

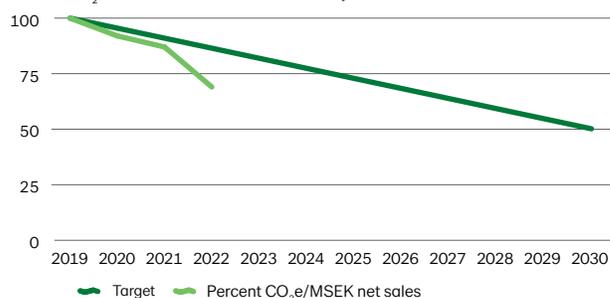
²⁾ From 2022, a new calculation method has been used, (also applied to the base year 2019).

³⁾ Adjustment from previous incorrect reporting by a district heating supplier.

For boundaries, see Reporting principles.

Climate emissions in relation to net sales

Percent CO₂e/MSEK net sales relative to base year 2019



Climate emissions from own production in relation to sales to be reduced by 50 percent from the base year 2019 to 2030. From 2022, more units are included in the reporting, see Reporting principles on page 161.



Lantmännen's target is to reduce climate emissions from purchased transport in Scope 3 by 50 percent in relation to net sales by 2030. We developed the calculation method during 2022 and established a baseline for 2019 based on the best available data.

The 2022 outcome was 2.5 tonnes CO₂e/MSEK, which is an increase of 4 percent from 2019 when the outcome was 2.4 tonnes CO₂e/MSEK. In absolute figures, emissions were 128 thousand tonnes, up from 99 thousand tonnes in 2019. This is due to increased transport as a result of increased production, but is also an effect of extended reporting due to Lantmännen taking over transport responsibilities from customers and suppliers, and the inclusion of a new business.

The proportion of biofuels in transport is significantly lower, as a result of reduced biofuel use in Sweden due to sharply rising costs. The proportion of biofuels for transport in Sweden was 40 (45) percent. The reduction obligation is included in the result. A rethink is needed to find a commercially viable way of reducing emissions from transport in line with the targets. Further work is also needed to find innovative logistics solutions and efficiency measures in cooperation with transport providers and ensure availability of biofuels.

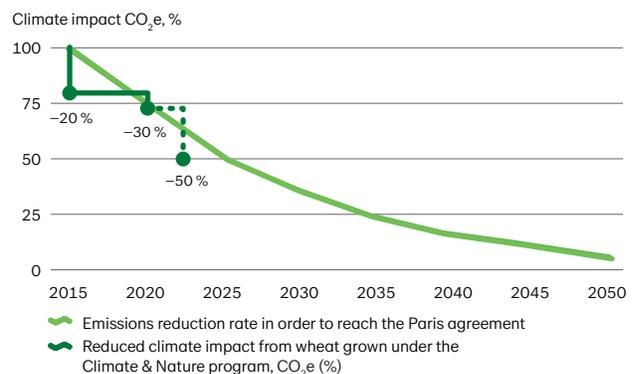
Lantmännen is driving the climate change issue in primary production and the aim is for our Climate & Nature cultivation program to follow the reduction rate needed to achieve the Paris Agreement target of halving emissions every decade.

The program creates opportunities for farmers to reduce the climate impact of farming by means of fossil-free fuel on the farm and precision farming, among other things. Since 2015, measures under the program have reduced climate emissions by up to 30 percent and promoted biodiversity. Learn more on [page 150](#). For the reduction rate, see the diagram to the right. The program includes wheat, rye and

oats in Sweden and, since 2021, also rye cultivation in Finland. Kungsörnen's range of flour and ready meals comes from the program, as does AXA oatmeal. The next step is to include fossil-free fertilizer, which means a further climate impact reduction of up to 20 percent and the possibility of a fossil-free grain value chain. We work continuously to develop the criteria and effects of the program through new knowledge and partnerships. For volumes, see [page 152](#).

Emissions from business travel have increased from low levels in the Covid-19 years when travel was restricted. Air travel has halved compared with pre-pandemic levels. Emissions related to business travel are largely from travel by car. We are moving the fleet of company cars towards more environmentally friendly alternatives through policies and supplier agreements. In 2022, we accelerated the installation of charging points at our facilities.

Emissions reduction for cultivation under Climate & Nature



Achieved reduction in emissions from cultivation and estimated reduction from impending introduction of fossil-free fertilizer, calculated per tonne of winter wheat, and reduction rate required to achieve international climate target of halving emissions every decade.

Climate adaptation

Area	Target	Metric
 	<ul style="list-style-type: none"> Monitor and manage the direct impact of climate change on our businesses and the indirect impact on growing conditions and profitability of the grain value chain 	<ul style="list-style-type: none"> Potential financial impact of climate change Annual investment in research

Management approach and targets

Climate change brings with it new farming and production conditions and a need to adapt, particularly in the supply of raw materials. Changing rainfall patterns pose a risk to Lantmännen's production and long-term profitability. Lantmännen's Code of Conduct clarifies our approach and the Field to Fork 2030 strategy guides the direction. Lantmännen's goal is to monitor and manage the direct impact of climate change on our businesses and the indirect impact on growing conditions and profitability of the grain value chain. We work on knowledge generation, innovation and research for climate adaptation in order to understand risks and manage impacts. Lantmännen identifies risks to our business related to climate change in Group-wide processes such as the ERM process, and when making investments and acquisitions.

The Farming of the Future program is a business development platform to achieve farming that is resilient to climate change. Lantmännen is involved in several R&D initiatives and collaborations such as SLU Grogrund and runs its own plant breeding initiatives.

Our intention is to develop reporting in line with forthcoming legislation and frameworks. Learn more on [pages 65 and 169](#).

Impact of climate change on financial performance

Climate-related risks and opportunities are described in the following sections: *"Strategy – Field to Fork 2030"*, *"Strategy for sustainable business"*, *"Farming of the Future – our plan"*, *"Research develops business" in the Board of Directors' Report and "Significant risks and risk management"*.

Lantmännen's risk process has assessed the impact of climate change. Risk is assessed using defined assessment criteria, one of which is financial impacts. Climate change is likely to have a major impact on most of Lantmännen's operations in terms of changing growing conditions, the availability and price of raw materials and energy, technological change, customers' purchasing power being affected by their profitability, as well as consumer demand and regulatory changes. The businesses identify and assess risks in their own risk analyses, and document short and long-term management measures. In the Group's overall risk analysis, the potential impact is assessed as high to extreme. The probability is assessed as high. Learn more on [page 191](#).

A direct risk of climate change is water availability. Water

consumption is managed by the businesses' own facilities, which are also responsible for obtaining permits from authorities and reporting to them. Lantmännen's annual water consumption is relatively constant at 2,029 (1,940) thousand cubic meters. However, collection of data is not yet complete. Water comes mainly from the municipal water supply. In addition to central monitoring of consumption, facilities undergo risk screening for their impact on water supplies. This is part of our risk prevention inspections for production sites and has also been carried out using the WBSCD (World Business Council for Sustainable Development) Water Tool. Four facilities have been identified as located in high-risk areas with regard to water consumption: a seed plant and a workshop in Sweden, and two bakeries in the UK.

Annual investment in research and innovation

Lantmännen conducts extensive work on innovation and has its own research foundation that supports knowledge development to meet the challenges of the future, enable farm profitability for our members and safeguard our competitiveness. The investments are made in several areas, with the aim of increasing the value from field to fork and creating new business in cooperation with agricultural companies. Learn more on [page 28](#).



Functioning ecosystems

Area	Target	Metric
	<ul style="list-style-type: none"> Deforestation-free products: certified risk raw materials or origin with low risk Targets for organic business are under development Promote biodiversity in the agricultural landscape 	<ul style="list-style-type: none"> Proportion of responsibly produced risk raw materials: soy, palm, cocoa, wood Organic offering (grain, seeds, feed) Measures for biodiversity

Management approach and targets

Ecosystems are under pressure and biodiversity loss poses a risk to Lantmännen's production and long-term profitability. Lantmännen's Code of Conduct clarifies our approach and the Raw Materials Initiative and strategy for our organic business govern the direction. Risk identification and assessment is part of the Group's existing risk processes.

As we use raw materials with the potential to contribute negatively, we are therefore committed to a deforestation-free supply chain and responsible production, with targets for high-risk raw materials, soy, oil palm, cocoa and wood. Work on deforestation-free products is monitored and reported to the Group Board and management through the annual quality assurance follow-up. The Climate & Nature cultivation program contains criteria for biodiversity in the agricultural landscape. Some businesses have specific biodiversity initiatives. We follow the development of frameworks for biological nature and biodiversity such as the Task force on Nature-related Financial Disclosures. We work broadly on knowledge generation, innovation and research in this area.

Purchased raw materials from responsible production

Lantmännen reports the percentage of purchased volume verified as being in accordance with internationally recognized responsible production standards for two raw materials: soy as an ingredient in feed and palm oil based products as an ingredient in food and feed. We will extend the reporting to cocoa and wood products in the coming years.

Lantmännen continues its work to ensure responsibly produced soy for import as a feed raw material. The objective is 100 percent purchases of responsibly produced soy as defined by the Swedish Platform for Risk Commodities. In 2022 the outcome was 100 percent and the total volume of purchased soy was 109,600 (133,000) tonnes. For several

years, Lantmännen has been working on alternative raw materials to soy, and synthetic amino acids have proved to be a success factor in reducing use of soy in feed while increasing feed efficiency. We offer cattle feed without soy and palm fats under the product name *Nötfor Nära*.

The Swedish Platform for Risk Commodities is a collaboration between participants in the Swedish food value chain – from feed companies, slaughterhouses and dairies, to retailers, industry associations, Ethical Trading Initiative Sweden and the WWF. For more information eti.se

Learn more about our work on the soy issue at lantmannen.com/sustainable-development

Learn more about RTRS, Round Table on Responsible Soy, at responsiblesoy.org.

Learn more about ProTerra at proterrafoundation.org

Our palm oil strategy is to ensure responsibly produced palm oil for the volumes we use in our food products. We achieve this by only purchasing RSPO-certified palm oil, which we have been doing since 2011. The target is a full transition to physically traceable certified palm oil, according to the certification level RSPO Segregated. For 2022, the outcome was 96 (97) percent. The transition is still to be completed for all volumes in the production of brands we produce for other players and in acquired businesses. We are also working to accelerate the market's transition together with companies in the industry and stakeholders. The volume of purchased palm oil increased in 2022 as a result of increased production and new operations.

For the oil palm by-products palm kernel expeller and palm fatty acid distillate (PFAD) fats, which are used in feed production, the market for certified raw materials is not yet as developed. Lantmännen has set a target of 100 percent RSPO in the category Book & Claim or Mass Balance for palm

Palm oil as an ingredient in food

	2022	2021	2020	2019	2018
Purchased volumes of palm oil as an ingredient in food, tonnes	13,000	9,000	8,200	10,300	10,300
Proportion of RSPO-certified	100 %	100 %	100 %	100 %	100 %
of which RSPO Book & Claim	-	-	-	-	-
of which RSPO Mass Balance	4 %	3 %	3 %	2 %	1 %
of which RSPO Segregated ¹⁾	96 %	97 %	97 %	98 %	99 %

¹⁾ Segregated and traceable RSPO-certified palm oil.

Palm oil as an ingredient in feed:

	2022	2021	2020	2019	2018
Palm kernel expeller as an ingredient in feed, tonnes	0	6,000	6,000	19,300	16,000
Fats, tonnes	15,000	15,500	-	-	-



by-products by 2025. In parallel, Lantmännen engages in dialogue with other industry players to ensure responsible management of this flow and to replace the products with more sustainable alternatives. In 2022, Lantmännen replaced palm kernel expeller with Swedish grain by-products such as bran, resulting in more climate-smart feed. We are including reporting of palm fats in feed. Learn more about our work on this area at lantmannen.com/sustainable-development

Learn more about the Round Table on Sustainable Palm Oil at rspo.org

Organic offering

Lantmännen is a major player in the organic value chain, from agri-supply, feed and grain to food. Organic production methods without chemicals promote biodiversity, such as more plant species and pollinators in the agricultural landscape. Lantmännen's Bjertorp Farm of the Future is investing in development through demonstration organic farming.

Lantmännen continues to work actively to create businesses that make a positive difference in organic. Work on clarifying the organic offering to farmers has begun. The organic feed market remains the strongest driver for

organic grain and pulses. Our position also enables us to take advantage of export opportunities for organic grain when they arise. Lantmännen's organic categories offered to consumers represent a small part of the market. For continuing development of organic production, it is important to follow market demand and adapt production. The challenge is to deal with the rapid fluctuations in the market using the time frames that are needed to restructure agricultural production. More information on our grain concepts can be found at lantmannenlantbrukmaskin.com

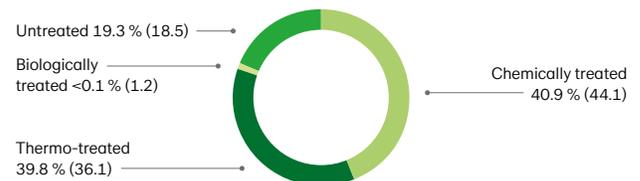
Lantmännen trades in large volumes of organic grain and produces seeds and varieties suitable for organic farming. Supply of organic grain was affected by Russia's war in Ukraine in 2022. With demand still stable, the limited supply has resulted in increased prices. Organic demand from the export market remains strong. One example is exports of organic gluten.

Production and sales of organic seed remain at about the same volumes as in previous years as a result of good supply and stable demand. As sole supplier, we are also able to effectively eradicate seedborne infection with the ThermoSeed technology, which is approved for organic

Organic offering

	2022	2021	2020	2019	2018
Weighed organic grain, thousand tonnes	140	111	156	131	73
Proportion of organic seed	11.9 %	13.1 %	14.8 %	12.2 %	13.3 %
Proportion of organic feed	8.4 %	9.4 %	9.4 %	9.8 %	9.7 %

Seed treatment





farming. In 2021, Lantmännen opened a new Thermoseed facility in Skänninge, increasing the proportion of thermally treated seed significantly in line with Lantmännen's strategy. Learn more on [page 37](#). Non-chemically treated seed accounted for 59 (56) percent of total treated seed (calculated as percentage of volume in tonnes). In addition to our Swedish production, there is also seed treatment with Thermoseed under license in several countries.

Sales of organic feed fell to 8.4 (9.4) percent in 2022. Demand for organic feed was also slightly weaker in 2022. Inflation and lower purchasing power in society are reducing demand for premium products, making demand uncertain in the longer term. Organic feed for cattle, pigs and poultry fell slightly during the year. The decrease in cattle and poultry feed volumes is the result of high feed prices combined with a settlement price that has not followed the raw material trend, meaning weaker profitability for organic producers. Market shares continue to be maintained. There is growing demand for Swedish-produced proteins rather than imported raw materials, and Lantmännen is working actively to reward this in feed production. Learn more on [page 37](#).

Measures for biodiversity

Biodiversity and well-functioning ecosystem services are important parts of Lantmännen's work on sustainable development. The Climate & Nature cultivation program includes criteria for biodiversity, such as skylark plots, and flower zones.

Sweden's changing agricultural landscape over the last 40 years, with larger fields and denser crops, has resulted in three out of four skylarks disappearing. A skylark plot is an unsown patch in the field where skylarks can land and find

food. The skylark plots are helping to reverse the negative trend. The number of breeding skylarks increases by up to 60 percent in fields with skylark plots according to a study by SLU researchers conducted with WWF, BirdLife Sweden and Lantmännen.

Growing plants in special areas of the agricultural landscape – flower zones – provides food and shelter for birds and encourages insects such as bumble and other types of bees. The zones also reduce the risk of leakage of undesirable substances from farmland, while also being beneficial to natural enemies of pests, which in turn reduces the need for plant protection.

Biodiversity measures under the Climate & Nature cultivation program in 2022 included 19,850 (14,200) skylark plots and flower zones of 1,020,700 (933,000) m², including 20,000 m² under the program in Finland.

Lantmännen is part of the Baltic Stewardship Initiative, led by WWF and food value chain players and aimed at increasing circulation and minimizing plant nutrient leakage through sustainable and profitable methods. In 2022, a tool was developed that identifies and rewards different on-farm measures to reduce plant nutrient leakage. The tool's potential will be evaluated starting in 2023.

Measures¹⁾ for biodiversity

	2022	2021	2020	2019	2018
Skylark plots, number (20m ² per plot)	19,850	14,200	9,400	11,400	7,100
Flower zones, m ² area	1,020,700	933,000	694,800	NA	NA

¹⁾ Under the Climate & Nature cultivation program in Sweden and Finland.

Sustainable products and renewable raw materials

Lantmännen will contribute to food security for a growing population through resource-efficient production of safe products and services with added value for sustainability. We drive innovation for sustainable business development and it is our aim to increase harvests with reduced climate and environmental impact. Our sourcing takes responsibility for environment and people.

Food security, resource efficiency and circularity

Area	Target	Metric
  	<ul style="list-style-type: none"> • Create conditions to increase harvests by 1 million tonnes per decade • Develop circular business from renewable raw material • Improve the efficiency of plastic use by 1 percent/year • Replace virgin fossil-based plastic with recycled and renewable materials by 2030 	<ul style="list-style-type: none"> • Harvest volume tonnes/year. Lantmännen's weighed volume and qualitative • Qualitative • Plastic use, efficiency rate • Proportion of virgin fossil-based plastic

Management approach and targets

Lantmännen's Field to Fork 2030 strategy describes the opportunity and need to increase food production, taking into account population growth and sustainability. The need is for increased availability of raw materials, energy and inputs, and more proximity to production. Lantmännen sees that the Swedish grain harvest can increase by one million tonnes per decade and seeks to enable this through active development initiatives to increase productivity. Work on the Farming of the Future program is based on the combination of managing a growing population and the climate issue by 2050. The main building blocks are fossil-free plant nutrients and fossil-free fuels, together with precision farming, digitalization, management, plant breeding and carbon sequestration. Research and innovation are essential for sustainable business development and long-term food security.

We drive innovation for circular business from renewable raw material. Research is underway to develop biochemicals such as bioplastics and other renewable materials. Waste and residual products arise at various stages of our production. In all our business, we focus on resource efficiency, identifying and limiting waste, and working towards increased recycling where side streams are used and have increased value. Lantmännen operates industrial recycling of waste products from the food industry and from these we produce ethanol, protein feed and carbonic acid. This is a profitable circular business that produces products with a low climate footprint. Learn more on [page 42](#).

Lantmännen has a guideline for packaging with guiding criteria for material selection. For certain risk raw materials

such as wood, there are targets on origin and certified raw material approval. Learn more under Functioning ecosystems. Targets in our plastic strategy includes improving the efficiency of plastic use by 1 percent per year, achieving 100 percent recyclability by 2022 and replacing fossil-based materials with renewable and recycled ones by 2030.

Harvest volume

The 2022 Swedish harvest was normal, or even a little better, in large parts of the country. The total harvest volume was 5.8 million tonnes, which is slightly higher than the five-year average and better than the previous year's low harvest volumes. The grain quality was generally good. For Lantmännen's weighed volumes, see the table on [page 152](#).

Plastic use

In 2022, we worked towards the goal of all packaging material being recyclable. We achieved 98 percent recyclability. For some businesses, the phase-out of non-recyclable components, such as valves containing multiple materials, still needs to be done. Lantbruk entered into an agreement with Felleskjøpet (Norway) and Hornsyld Købmandsgaard (Denmark) to switch our stretch film range to products made from recycled plastic raw materials.

Although a number of measures to reduce plastic use have been implemented, we did not achieve the 1 percent efficiency improvement target in 2022. The phase-out of single-use plastics for food consumption has been completed for the essential production facilities and offices. Use of virgin fossil-based plastic has not yet been monitored but this is part of our plastic strategy.

Sustainable, healthy and safe products

Area	Target	Metric
  	<ul style="list-style-type: none"> • Targets for volume of grain from sustainable cultivation and sustainable products are under development • Healthy food 	<ul style="list-style-type: none"> • Volume for Climate & Nature and other sustainable cultivation programs • Certified food facilities

Governance and objectives

Lantmännen will develop commercial offerings of sustainable, safe and healthy products of good quality. The Code of Conduct provides the overall direction for our offerings of products and services, and directives govern food production. We are working to develop targets for sustainable cultivation programs and healthy food. Lantmännen's green sprout on the packaging is a guarantee of responsibly produced food. Our research and innovation activities ensure a level of knowledge and expertise that makes us competitive and we drive business development based on the opportunities that sustainable transformation offers.

Products sold with communicated added value for climate or the environment are calculated based on current methods and are third-party verified.

Our distributors, who are often the party that consumers of Lantmännen's products meet in a marketplace, must comply with our Distributor Code of Conduct.

Sustainable products and cultivation program

Lantmännen will increase the volume of grain from sustainable cultivation programs, such as Climate & Nature, which reduce the climate impact and promote biodiversity and organic farming. The Climate & Nature cultivation program is central to the development of Farming of the Future. It provides grain products with up to 30 percent lower climate impact and positive effects on biodiversity. We are working for increased volumes, more crops, a broader product range, more customer offerings and wider geographies. In parallel, the program is being developed to include criteria that provide additional climate mitigation

Harvest volume and sustainable cultivation programs

Thousand tonnes	2022	2021	2020	2019	2018
Total volume of weighed grain	2,482	2,422	2,758	2,261	1,819
Grain grown according to Climate & Nature	115 ¹⁾	94 ¹⁾	61 ¹⁾	34	59
Co ₂ e saved	13.7	9.7	6.4		
Grain grown according to Natur+	239	222	154	146	127
Organic grain	140	111	156	131	73

¹⁾ Volume calculated from contracted hectares, 17,500 (20,200) hectares, and average harvest per hectare.

and biodiversity measures. Learn more on [page 146](#). The cultivation program, which is third-party verified, contains fixed criteria that reduce climate emissions and promote biodiversity, with some adaptation to customer-specific requirements. The increased demand for sustainable raw materials we are seeing from both customers and consumers explains the increased volume for 2022, which has exceeded 100,000 tonnes in Sweden. Climate & Nature has been expanded to Finland where the first harvest of rye is being processed into food with a low climate impact. The program continues to grow, with new customers and products. Cultivation in Sweden in 2022 resulted in a saving of 13,700 (9,700) tonnes of CO₂e compared with cultivation without climate measures. Cultivation in Finland resulted in a saving of 200 tonnes of CO₂e. More information on our grain concepts can be found at lantmannenlantbruk-maskin.com

The transformation of agriculture involves many other areas, such as production of non-chemically treated seed, testing of renewable fuels, plant breeding for future varieties, and inputs with a lower climate and environmental impact. Read more under [Climate and Functioning ecosystems](#).

Healthy food

We develop products and ranges that promote good health and wellbeing. Examples include Swedish beans, bean pasta, an expanded bread range based on rye and whole grain and a broader range for people with celiac disease, gluten intolerance. Lantmännen also offers foods with special documented health benefits, such as SPC-Flakes and Salovum, which, for example, help fight cardiovascular disease and disruptions to blood sugar balance.

The governing documents for health and nutrition provide criteria on how products can promote good health. Important criteria are whole grain, reduced salt and sugar content, and a reduced proportion and less use of saturated fat. Added value in the form of health-promoting properties or environmental benefits is communicated only when these benefits are well documented and scientifically proven. Information on nutritional content and ingredients is provided on Lantmännen's food and feed products.

To satisfy market demand for Swedish-grown green proteins, Lantmännen is investing SEK 1 billion in an industrial



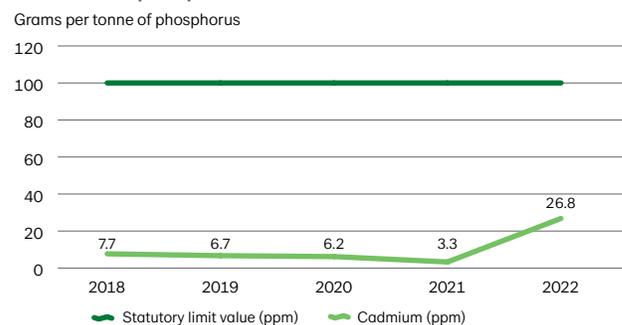
production facility for pea protein isolate in Lidköping. This will enable Swedish farmers to grow another crop in their crop rotation: pulses, which provide plant-based proteins. The investment complements Lantmännen's existing range of sustainable grain-based proteins for food and could also become an important substitute for imported soybeans.

We comply with international standards in food and feed to protect our customers, consumers and animals. Our responsibility is based on the precautionary principle. We conduct regular risk analyses and have systems for identifying and, where necessary, recalling faulty products that may pose a risk to the user. Product deviations and complaints are identified through several customer service and customer contact channels and are dealt with according to the processes of each business areas. For products that are critical to our customers' operations, delivery contingency plans shall be in place. All products must be traceable in accordance with applicable regulatory requirements and industry standards. 100 (100) percent of Lantmännen's food producing facilities are certified according to international standards for food safety, either ISO or approved by the Global Food Safety Initiative (GFSI), and are reviewed by third parties.

Lantmännen also works for increased knowledge and awareness among consumers about diet, health and environment by spreading information, new knowledge and inspiration based on official recommendations and science. The magazine Cerealier contains research news on grain and health for readers whose work involves food and health advice.

Lantmännen also reports key figures for cadmium content in fertilizer as this affects cadmium in grain. It is important to ensure minimal cadmium input to Swedish arable land. The cadmium content of phosphate fertilizer is measured continuously and for 2022 it was 26.8 (3.3) grams of cadmium per tonne of phosphorus fertilizer. This year's higher levels are due to moving volumes from Russia to other suppliers. The volumes previously purchased from Russia have accounted for a large proportion of Lantmännen's phosphorus fertilizers with low cadmium levels. The content is still well under the statutory limit value of 100g cadmium/tonnes phosphorus.

Cadmium in phosphate fertilizer



Responsibility in the supply chain

Area	Target	Metric
 	<ul style="list-style-type: none"> Responsible sourcing with suppliers and distributors compliant with Lantmännen's SCoC/DCoC 	<ul style="list-style-type: none"> High and medium-risk suppliers approved under established criteria Supplier audits

Management approach and targets

Market demand for sustainably produced products, and traceability and information on sustainability performance is increasing. Our customers and consumers should feel confident that we have knowledge and control through our entire operations and that we minimize negative impacts on people, the environment and natural resources.

Lantmännen works systematically to identify, minimize and monitor supplier risks. Lantmännen's sourcing is governed by the sourcing policy. The evaluation and selection of suppliers is governed by the procurement process. Lantmännen's Supplier Code of Conduct is one of several support tools for evaluating and selecting suppliers. The Code is signed by the supplier as part of the contractual process. To ensure compliance with the requirements, we monitor suppliers' performance through risk-based assessment.

Responsible sourcing and compliance with the Supplier Code

Lantmännen has about 19,000 suppliers, 11,000 of whom are regular. About 1,500 of them account for 95 percent of our purchase volume. A first step in the evaluation and selection of suppliers is to assess the risk of the supplier failing to comply with the Supplier Code of Conduct based on purchasing category and country. In 2022, sustainability criteria were strengthened in the purchasing process, with more focus on suppliers' inherent risks based on geography, sector and product category. Suppliers considered high risk (annual purchase volume above SEK 300,000) and medium risk (annual purchase volume above MSEK 1) are followed up with special measures – self-assessment and/or third-party audit or equivalent inspections. For high and medium-risk suppliers in particularly risky markets, background checks in the form of due diligence are carried out. The target for completed supplier audits has also been updated. In 2022, 73 percent of high and medium-risk providers were approved, which is in line with the target.

Since our supplier audit work began, 61 audits have been conducted, 6 (5) of which were in 2022. The aim is to further increase the work on audits. Since 2019, Lantmännen and other players have been engaged in the Responsible Shipping Initiative. This is a cross-industry cooperation that promotes responsible shipping transport

through joint inspections and common standards, with audits being one of the important tools for improvement. Work to include the climate performance of maritime transport started during the year.

Additional requirements apply to certain companies – e.g. suppliers of raw materials for food, special product categories such as palm oil or suppliers in high-risk countries. The requirements are monitored and reported based on Lantmännen's specific commitments and objectives. Learn more under Functioning ecosystems.

In addition to requirements and supplier monitoring, we assess sustainability risks for materials, based on factors such as country of origin, cultivation and/or production methods. The assessment may be followed by an analysis providing a detailed description of the risks for our most important purchasing categories and which is used as a basis for risk management decisions such as audits, switching to other materials or suppliers, or specific measures such as certification.

Annual prioritization plans show which suppliers are to be audited. The Group's sourcing committee ensures that the audit is carried out and reports to Group Management. Training is provided as required for relevant professional roles.

Percentage of purchased volume from suppliers compliant with organization's sourcing policy

%	2022	2021	2020	2019	2018
Percentage of high and medium-risk suppliers approved ¹⁾	73 %	NA	NA	NA	NA
Proportion of purchase volume (SEK)	NA	92 %	95 %	92 %	92 %

¹⁾ New monitoring method from 2022.

Responsible employer and business partner

Lantmännen is a responsible player and wants to be an attractive employer that offers a safe work environment, good leadership and an inclusive corporate culture. We have good business practices and apply strict rules on ethical conduct with a high level of integrity.

Employee engagement and leadership

Area	Target	Metric
	<ul style="list-style-type: none"> • Attractive employer • Engaged employees • Good leadership 	<ul style="list-style-type: none"> • Attractive employer based on internal and external surveys, qualitative • Employee engagement > 70 • Leadership > 70

Management approach and targets

Lantmännen is a large international group and our businesses require us to attract committed, competent employees and leaders. Lantmännen's Code of Conduct and employee engagement and skills development programs drive the work. We have targets for employee engagement and leadership. It is important that each employee understands Lantmännen's assignment and goals, so that they can contribute in their work and continuously develop their skills. All employees are required to have regular evaluation and monitoring of their performance and career development through performance appraisals with their managers at least twice a year.

Employee engagement and leadership

Annual performance appraisals are held, focusing on individual targets, development plans and alignment with Lantmännen's values – openness, a holistic view and drive. The employee survey asks whether employees have had a performance appraisal.

The results of the 2021 survey (conducted every two years) were 70 (71) for the Employee satisfaction index (in line with the target of 70) and 76 (75) for the Leadership index (above the target). The process of identifying employees' long-term development potential and implementing international development programs continued during the year. Lantmännen's goal is for employees to receive internal growth and development in both specialist and management careers. The target is for half of all managerial recruitments to be filled with an internal candidate; the outcome for 2022 was 48 (51) percent.



Equal treatment

Area	Target	Metric
	<ul style="list-style-type: none"> Gender balance in management groups No form of discrimination, intimidation, oppression or harassment 	<ul style="list-style-type: none"> Gender representation in management groups, manager/employee structure, employees Age structure

Management approach and targets

Lantmännen works actively to create an inclusive culture where cooperation, commitment and safety are valued. Lantmännen does not accept discrimination, intimidation, oppression or harassment in any form and this is enshrined in our Code of Conduct, equal treatment policy and non-discrimination targets. We work long-term for equal treatment, increased equality and diversity through defined goals, activity plans and with regular follow-up, both in recruitment and career development. Lantmännen has implemented a tool for more objective and inclusive potential assessment. Our employee survey includes a question about whether discrimination has been experienced in the

organization, and if so in what way. This is done in order to identify and manage risks and areas of improvement. Any deviations can also be followed up via the whistleblowing function and in the day-to-day business of the HR function. Learn more on [page 160](#).

Gender balance

Lantmännen works long-term to increase gender equality. All Sectors and Business Areas have defined targets and action plans. For more information, see [tables below](#) and the Sector and Business Area descriptions.

Gender representation

	Number of women/men		Women/men, %	
	2022	2021	2022	2021
Group Board ¹⁾	3/9	3/9	25/75	25/75
Group Management	3/6	3/7	33/67	30/70
Managers	405/825	397/839	33/67	32/68
Employees	3,655/6,845	3,534/6,558	35/65	35/65

¹⁾ Including 3 employee representatives.

Employee data is based on average number of employees, data for others is based on numbers.

Age distribution

	Managers, %		Employees, %	
	2022	2021	2022	2021
<30 years	3	1	17	12
30-50 years	44	55	36	50
>50 years	53	44	47	38



Occupational health and safety

Area	Target	Metric
	<ul style="list-style-type: none"> • Zero vision for work-related accidents • Injury rate < 7 by 2025 and < 1 by 2030 • Sick leave < 5 % by 2023 and < 3.5 % by 2030 	<ul style="list-style-type: none"> • Injury rate • Risk observation rate / Close-out rate • Sick leave

Management approach and targets

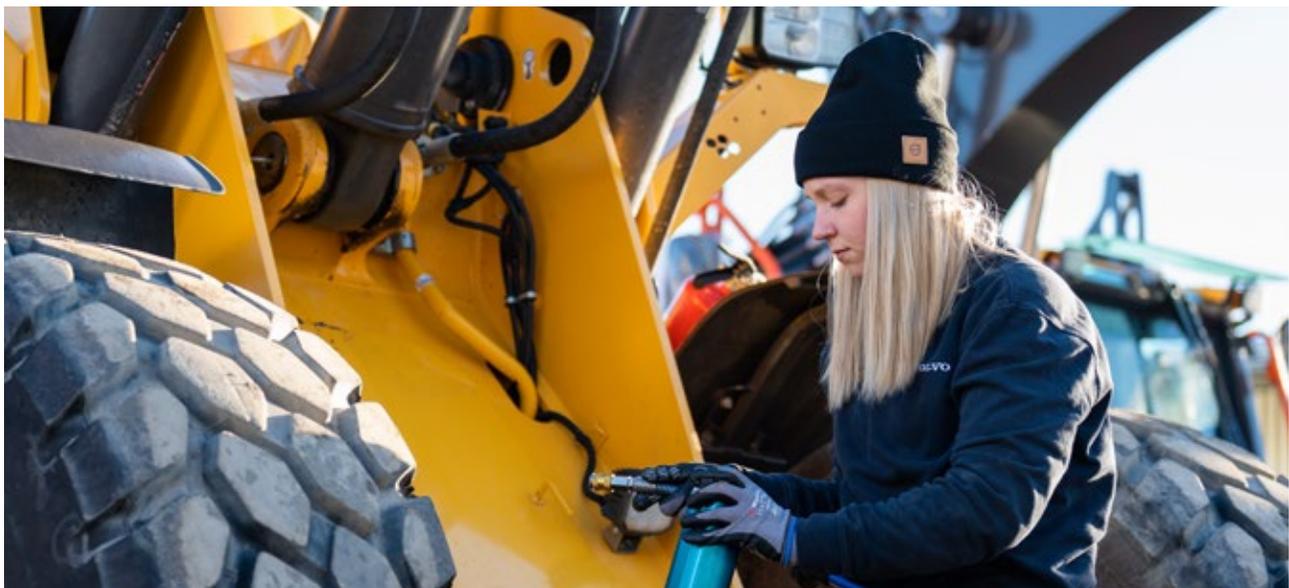
Lantmännen has a zero vision for work-related accidents, and ambitious targets. No employee shall be exposed to danger or injured at the workplace. Some operations have hazardous work environments and activities that pose a risk. Should a dangerous situation arise, Lantmännen always prioritizes employee safety. Our health and safety work follows national legislation in the countries where we operate, but in many cases we maintain a higher standard in order to achieve defined business goals. Lantmännen's health and safety strategy, "Health & Safety Excellence", has an injury rate target of <1 by 2030 and a sub-target of <7 by 2025. The target will be achieved with a risk-based and proactive approach, in which health and safety are part of day-to-day work, with a focus on continuous improvement. The focus of the strategy is on integrating health and safety work more clearly into Lantmännen's leadership, organization and daily and strategic processes. The priority 2023 is to develop a stable base for critical processes, training and tools.

Lantmännen works to maintain and create a good health and safety culture. Part of this includes working to identify and minimize risks in the work environment by measures such as regular monitoring. We identify significant risks and accidents for each Sector or Business Area twice a year, while also reviewing the health and safety action plan. To

strengthen the safety culture and integrate risk management, we have also implemented the Culture Ladder Assessment – a self-assessment tool for the businesses, aimed at creating a common picture of what health and safety means at Lantmännen and what needs to be done to improve the safety culture. We conduct 50-60 annual injury prevention inspections at production facilities.

All employees regularly report in the IA system, which is a tool for reporting, investigating and monitoring health and safety. Lantmännen encourages reporting of all types of incidents, such as risk observations, near misses and accidents, and all reported events are investigated. Incident investigations include an analysis of the underlying causes – a root cause analysis – and measures are taken to ensure that the incident does not happen again. Lantmännen does not have a Group-wide health and safety management system. Some businesses use management systems and are certified under standards. Health and safety work in the businesses is monitored to ensure that it is carried out systematically and corresponds to working methods in the management system. Our Whistle-blowing policy makes it clear that there must be no reprisals or negative treatment of employees who report some wrongdoing, including, for example, health and safety issues.

Our work on health and safety is characterized by close collaboration between management, employees, the safety





organization, occupational health care and other partners. We follow legislation in this area in all countries – for example, there are protection committees in which employee and employer representatives work together. In addition, all businesses are represented in a working group, which also includes trade union representation. The group works together and makes proposals on health and safety objectives and activities. A steering group, consisting of management representatives from Lantmännen's businesses, decides on objectives and activities.

Regular health and safety training is provided in all businesses and includes all managers and safety representatives. In 2022, three e-learnings and a physical workshop were developed, aimed at increasing knowledge and awareness of health and safety issues. The goal for all employees is to have completed the four training sessions by 2024.

We have targets for reducing sick leave: to stabilize at 5 percent by 2023 as a first step, and reach 3.5 percent by 2030. We also offer wellness activities and health checks, and have access to occupational health services in several of our countries. Occupational health services are an external party and Lantmännen does not have access to information on the health status of employees. Lantmännen operates in countries where healthcare is normally available.

Work-related accidents

Lantmännen's top priority is the safety of our employees.

The injury rate fell to 13.5 (14.3). The number of accidents also showed a decline, falling to 233 (247). Common accidents are falls, cuts and crush injuries. The preventive work on risk observations and close-out rates for reported accidents and observations achieved the improvement targets. The number of reported risk observations rose to 15,334 (13,271), an

increase of 16 percent from the previous year. A new target has been set for the risk observation rate. The outcome was 888 (696) in 2022, exceeding the target of 450. The close-out rate was 90 (80) percent, which is above the target of 80. Sixty injury prevention inspections were carried out at production facilities during 2022.

All business areas have developed long-term health and safety action plans and 89 percent of the activities were completed in 2022. The target for 2022 was 80 percent. Awareness of the importance of successful health and safety work has increased and the vision "I – You – We, Healthy and Safe Every Day" is now well embedded in all business areas.

Sick leave

Overall sick leave was higher during the year at 5.2 (4.4) and the increase was similar for women and men. The long-term target is 3.5 percent.

Work-related injuries and sick leave

Accidents and near misses	2022	2021	2020	2019	2018
Number of fatalities due to work-related injuries	0	0	0	1 ¹⁾	0
Number of accidents	233	247	238	221	227
Injury rate	13.5	14.3	13.7	12.7	13.4
Number of reported near misses	2,692	2,831	2,735	3,027	2,896
Number of risk observations	15,334	13,271	8,371	5,334	4,834
Risk observation rate	888	767	-	-	-
Close-out rate	90	83	-	-	-
Sick leave %, total	5.2 %	4.4 %	4.3 %	4.3 %	4.5 %
Sick leave, women/men	5.8/4.9	5.0/4.0	4.8/4.0	5.3/3.7	5.6/3.8

¹⁾ In 2019, a tragic car accident occurred on a public road, in which a Lantmännen employee died. The causes of the accident were beyond Lantmännen's control.

Ethics and integrity

Area	Target	Metric
	<ul style="list-style-type: none"> • High integrity and ethical approach among employees • No violations of business ethics legislation 	<ul style="list-style-type: none"> • Implementation of training in CoC, business ethics • Cases of corruption • Risk assessments carried out in business ethics, integrity

Management approach and targets

As a large, international player with many employees and a broad ownership base, Lantmännen relies on good and ethical business relationships and a high level of integrity. Our business ethics responsibility runs through the value chain from field to fork and is defined in our Code of Conduct, where we reject all forms of corruption, bribery, money laundering, illegal competition and non-compliance with applicable sanctions legislation, and safeguard the integrity of individuals and protection of their personal data.

Measures to prevent non-compliance with laws on anti-corruption, money laundering, sanctions and competition are governed by Lantmännen's business ethics compliance program and include policies, regular risk analysis, communication and training, and controls and monitoring. Lantmännen's Group Compliance function reports regularly to the Group Board and Group Management on compliance, identified risks and the status of work under the business ethics compliance program. The management teams of Lantmännen's businesses are responsible for implementation and communication of the program's measures and for monitoring compliance in their own operations.

Corruption-related risk assessment of operations

Overall assessments of the exposure of Lantmännen and our Sectors/Business Areas to corruption and competition law risks are conducted annually by the management teams. These are part of Lantmännen's ERM (Enterprise Risk Management), which is a Group-wide risk identification process. The assessments are based on available and independent international risk indexes for geographical and industry-related risk factors, such as the Transparency International Corruption Index, and assessment results are reported to the Lantmännen's Board and Group Management.

As in previous years, the assessment shows that the majority of Lantmännen's businesses operate in countries and sectors with a relatively low risk of corruption. However, there is some risk exposure in the agriculture, energy and food businesses through direct operations in risk countries and risk sectors, and indirectly through counterparties operating in risk countries and risk sectors. The geopolitical situation in Europe increases the risk of exposure to counterparties under sanctions.

In addition to risks related to corruption, there is also some exposure to competition law, as several of Lantmännen's businesses use distributors and operate in markets that involve contact with competitors.

Lantmännen adjusts its risk management to the assessed risk exposure. For example, the Business Ethics Compliance Program includes a risk-based due diligence process for managing sustainability risks, with a particular focus on corruption and sanctions risks related to counterparties, and annual conflict of interest reporting. Lantmännen also requires in-depth training in business ethics for certain roles.

For distributors, there is a specific Distributor Code of Conduct that communicates Lantmännen's expectations of these parties.

Managing conflict of interest risks

Lantmännen's managers, senior executives and board members must, at least annually, report the existence of actual or potential conflicts of interest through a process coordinated by Lantmännen's Group Compliance function. Assessments of reported conflicts and measures to deal with them are proposed by the reporting party's direct manager and approved, in turn, by their manager according to the "grandfather principle".

Measures adopted to manage conflicts of interest are communicated to the reporting party and, in consultation with the reporting party, possibly to others concerned if, for example, tasks or decisions have to be moved.

The results of the annual conflict of interest reporting are reported to the Lantmännen Group Presidnet & CEO and Board. As in previous years, only a few conflicts of interest were reported during the annual process. All of these are considered to have been properly managed with relevant measures.

Communication and training

For key personnel and employees in leading and/or particularly vulnerable positions, Lantmännen also requires in-depth business ethics training, both e-learning and teacher-led training in anti-corruption and competition law to be undertaken. The training is to be carried out within two-year intervals. All members of the Board must familiarise themselves with the Code of Conduct and policies concerning anti-corruption.

93 (89) percent of Lantmännen's employees have completed training in Lantmännen's Code of Conduct, slightly



under the target of 95 percent. See table. The results for completion of Code of Conduct training have been affected by employees not having had continuous access to the training for various reasons. In 2022-2023, the training is moving to a new platform. In 2022, the business ethics training target group completed their training in accordance with the procedure. The total completion rate (new employees and updated training) was 95 (94) percent.

Lantmännen has an established whistleblowing system giving employees a simple and anonymous way of reporting malpractice and violations of Lantmännen's Code of Conduct, values, guidelines or policies, as well as suspected irregularities. A total of 19 (22) reports from three countries were recorded through the whistleblowing system in 2022. 0 (3) of the cases concerned suspected corruption.

All reports classified as whistleblowing and containing sufficient information have been investigated and acted on. Investigations have resulted in termination of employment, redeployment, culture and leadership development and process development.

Systematic follow-up of compliance with the anti-corruption policy is conducted through screening, analysis and internal control systems, and annual company questionnaires on issues such as the occurrence of corruption incidents. All 68 (all 67) companies answered the questions in 2022. During the year, Lantmännen had 0 (0) confirmed corruption incidents.

Number and percentage of employees having completed training in the Code of Conduct

	2022		2021		2020		2019		2018	
	Number	%	Number	%	Number	%	Number	%	Number	%
Nordic countries	5,370	93 %	5,531	94 %	4,268	72 %	5,325	90 %	5,404	92 %
Rest of Europe	3,263	92 %	3,080	83 %	2,417	66 %	3,042	84 %	3,317	88 %
Other countries	281	100 %	90	54 %	70	46 %	407	95 %	179	98 %
Total	8,914	93 %	8,701	89 %	6,755	70 %¹⁾	8,775	88 %¹⁾	8,900	90 %

¹⁾ The target was raised from 90 percent to 95 percent from 2020.

Reporting principles

Scope of the report

The reporting refers to the 2022 calendar year, unless otherwise specified. The report is issued annually and refers to the Lantmännen Group, which reports by Sector or Business Area. Companies/operations acquired in 2022 and reported in the financial statements are included in the sustainability report. Associates and joint ventures are not included. Reporting takes place by segment for relevant key figures, such as climate emissions, sick leave and gender distribution.

The materiality analysis and the GRI standards were updated in 2022 and topics were reworded to ensure they were relevant and up-to-date. The selection of material topics has been affected to some extent, and, to a lesser extent, indicators reported under the GRI index:

- *New topics:* Climate adaptation and Functioning ecosystems
- *New indicator under Emissions to air:* Company-specific indicator: Emissions reduction from the Climate & Nature cultivation program
- *New indicator under Sustainable products:* Volume from sustainable cultivation programs
- *Moved topic:* Products and services has been moved to Biodiversity: Organic offering and Customer and consumer health and safety. Healthy and affordable food is part of Sustainable products
- *Removed topic:* Marketing and labeling: type of product information required

Data collection

Data collection is primarily conducted through LUPP, Lantmännen's proprietary reporting system. LUPP covers all Lantmännen's facilities and collects environmental and energy data, production data such as volumes, certifications and other information about the business ethics compliance program and working conditions.

Emissions from purchased transport are calculated according to the TRIM model, which is based on transport work per tonne-km, purchase amounts in SEK and emission factors.

Data on monitoring compliance with the supplier Code of Conduct comes from Contract Management System (CMS), a system for managing purchase contracts, and SPEND, a proprietary system for monitoring purchasing.

HR-related data comes from HR's system and Nuvview. Work-related incidents (incl. accidents and near misses) are reported in the IA health and safety reporting system, a web-based system provided by AFA Försäkring, although Lantbruk uses a separate reporting system, from which data is entered into Lantmännen's health and safety reporting. Both employees and entrepreneurs and others working in our

operations are covered by work environment management and accident reporting. However, only Lantmännen's employees are included in the external reporting.

The number of employees having undergone various e-learning courses is collected directly from the E-campus e-learning platform, replaced by Smartday at the turn of 2022/23.

Data on legislative compliance is collected from the business through LUPP and from the Legal Affairs and HR departments.

Definitions

Facility

The term "Facility" refers to production facilities, workshops and externally leased premises excluding Lantmännen Agro Oy's franchise-run stores.

Work-related accidents, near misses, risk observations and sick leave

Work-related accidents are defined as accidents that result in at least one day's absence after the accident occurred (travel accidents to and from work are not included). Lost-time accidents are counted as serious accidents.

Injury rate is calculated as the number of lost-time accidents per million actual hours worked. A near miss is defined as an unintended event that could have resulted in ill health or an accident. A *risk observation* is defined as an identified risk that could have resulted in ill health or an accident. *Risk observation rate* is calculated as the number of risk observations per million actual hours worked. *Sick leave* is days on which employees are absent from work due to illness as a percentage of normal working hours. *Reporting of accidents, near misses, risk observations and sick leave* includes Lantmännen employees in each Sector, Business Area and country.

Consultants and temporary workers are covered by the monitoring of work related incidents (incl. accidents and near misses) but are not included in external reporting.

Certificates, certification

Certificates and certification relate to third-party certification that guarantees a certain sustainability performance, such as RSPO for palm oil and KRAV for organic produce. Food certifications refer to international standards such as ISO 22000 or standards in line with the Global Food Safety Initiative.

Organic offerings

The reporting relates to Lantmännen's Swedish operations.

Seed treatment is calculated as percentage in tonnes/total grain seed produced, tonnes. Alternatives to chemical seed

treatment are biological treatment using natural micro-organisms (Cedomon and Cerall methods) and thermal treatment (with heat, ThermoSeed method) to achieve increased resistance to pests.

The proportion of organic seed is calculated based on total seed sales. The proportion of organic feed is calculated based on total feed sales.

Energy

Energy consumption encompasses Lantmännen's producing facilities, workshops and externally leased premises (excluding Lantmännen Agro Oy's franchise-run stores), electricity used by Lantmännen Fastigheter's tenants, energy consumption and district cooling at Lantmännen's offices (only cooling for the office in Stockholm), which is estimated at < 1 percent.

The transition to origin-labeled electricity is still to be implemented in the US, Ukraine and France. In Sweden, Finland, Germany, Estonia, Latvia, Lithuania and Australia, Lantmännen buys origin-labeled electricity for the majority of our operations. In other countries, all electricity is labeled as originating from renewable sources.

Healthy products

Cadmium in phosphate fertilizer is calculated as ppm Cd in phosphorus = grams/tonne phosphorus (in fertilizer). Lantmännen is working on defining targets for the nutritional content of products.

Compliance

Describes legal compliance related to laws, international declarations, conventions or agreements, regional and local legislation and regulations. Reporting refers to the current and previous reporting period.

Non-compliance with the law refers to a serious infringement that incurs administrative or legal penalties such as sanctions, injunctions and/or significant fines. Significant fines are penalties which exceed SEK 500,000 or which, due to the nature of the non-compliance, may significantly affect the Group's finances or reputation.

Supplier

The reporting includes medium-risk suppliers with an annual purchase volume (goods and services, both direct as input goods and indirect) of over MSEK 1 and high-risk suppliers over SEK 300,000 on a rolling 12-month basis. Suppliers from owners, authorities and industry associations are not included in the follow-up and reporting.

An approved medium and high-risk supplier is defined as a supplier that has the Supplier Code of Conduct in its contract and has an approved self-assessment and/or third-party inspection/audit.

Equal treatment

The definition of equal treatment and discrimination is based on Lantmännen's Code of Conduct, and the number of incidents of discrimination refers to cases reported to HR, the

whistleblowing function, the immediate supervisor or a judicial body, which are considered to be infringements.

Anti-Corruption

Corruption cases are counted as cases confirmed during the current year, i.e. reported cases where investigations are in progress.

Employees

Employees refers to persons employed at Lantmännen. Consultants and temporary workers are included in the reporting to varying degrees. See the scope for each indicator. Most of Lantmännen's employees are permanent employees. Fixed-term contracts are used only in special circumstances and when legally and contractually possible. The Agriculture Sector uses seasonal workers, mainly during summer and fall. Construction projects involve employees of another company working in Lantmännen's operations. For the number of employees, the average number of employees for the year is used.

Material

Lantmännen reports on use of our most important raw materials: grain for food production, feed and energy, soy and palm oil, all defined as renewable materials, with some, however, having particular sustainability challenges. With effect from 2022, we do not report flour volumes as they are largely reported as weighed grain. Packaging materials are not reported; data is not available.

Reported volumes of grain from Lantmännen's farmers refer to weighed grain, including pulses and oilseeds, to the Agriculture Sector. Other grain flows such as trading or imports are not included. For the Climate & Nature cultivation program, the mass balance principle is applied. Volume is calculated on the basis of contracted hectares per harvest year, which is from July 1 to June 30, and average harvest per hectare. The average harvest calculation is based on Statistics Sweden's data on the seven most recent harvests for the relevant crop (e.g., "winter wheat"). The highest and lowest harvests are removed to adjust for extremes. To obtain the average harvest, the five remaining harvests are totaled and divided by five.

The volumes of soy refer to use in feed production, not use in food, where the share is low, less than 0.5 percent of the total soy volume. Responsible production of soy is defined according to the industry-wide agreement in the Swedish Platform for Risk Crops: Certification under a credible system, e.g. RTRS, ProTerra, organic soy according to IFOAM, Donau Soja/Europe Soya or low-risk country with verification by an external party.

The volumes of palm oil refer to use in food production. Definition of responsible production is palm oil certified under RSPO (Roundtable on Sustainable Palm Oil). Palm kernel expeller, the residue from pressed palm kernels, used for animal feed production and derivatives is not included in the measurable goals and indicators for certified palm oil but is reported as volume.

Human rights

Human rights refers to internationally declared human rights such as the UN's Universal Declaration of Human Rights and the ILO Conventions.

Training

Refers to completed training, for permanent Lantmännen employees, who are registered for follow-up. The compulsory training in Lantmännen's Code of Conduct must be completed no later than three months after the start of employment.

Water

Reporting of water covers Lantmännen's production facilities, Lantmännen Real Estate's externally leased premises, Lantmännen Agro Oy's franchise-run stores and Lantmännen's office properties are not included. There are deficiencies in the quality of the data, both in number of reporting units and specification of water sources. However, the assessment is that the majority of the unspecified water sources category comes from the municipal water supply. Water is used for ethanol production processes, in the bakery operations as an ingredient and for cleaning. Total water withdrawal and a risk analysis for operations in areas of water scarcity are reported.

Emissions to air

Lantmännen reports greenhouse gas emissions. There are always inherent uncertainties in calculating climate emissions. The principles Lantmännen uses are described here. Reporting is in CO₂ equivalents, and where data is present, all greenhouse gases are included. In some cases, emissions other than CO₂ may be missing – e.g. for business travel in Scope 3. Emissions in accordance with WBCSD GHG Protocol in Scope 1 include emissions from energy use in Lantmännen's own facilities. Indirect emissions from use of electricity, cooling and district heating in producing units are reported in Scope 2. Emissions from purchased transport, business travel and production of fuel and electricity are reported in Scope 3. Emissions from the cultivation of grain and other raw materials are not included in the reporting. Grain grown under the Climate & Nature program is monitored for both volume and climate performance.

Scope 2, emissions from electricity use, does not include Lantmännen Agro Oy's franchise-run stores, Lantmännen's offices, electricity for externally leased premises, and heating where tenants have their own contracts. Emissions for purchased electricity and heating are reported using both the market-based and location-based method. The latter means that emissions from purchased electricity and heating are calculated with an average value for the grid in question, regardless of whether there are guarantees of origin. Emission factors for electricity in Sweden are taken from the Haga Initiative, based on IEA. For origin-labeled electricity, factors are taken from the product specification. From 2019, the effects of distribution losses have been included in the emissions calculation. For Nordic countries, emissions are calculated based on Nordic residual electricity, with data from the Swedish Energy Markets Inspectorate and for electricity in other countries,

emissions are calculated based on national electricity mix, with data from the Association of Issuing Bodies. Emission factors for district heating are taken from Energiföretagen, Finnish Energy or the relevant heating supplier.

From 2022, specific emission factors are used for different types of wood fuel (briquettes, wood chips and pellets) as the inclusion of Scandbio means a significant increase in wood fuel.

Lantmännen reports emissions intensity as percent relative to tonnes CO₂e/MSEK, with the base year 2019. From 2022, the base year 2019 has been adjusted for net sales, with total net sales included as the denominator, instead of including only units covered by climate reporting.

For Scope 3, purchased transport and business travel, Lantmännen has targets for emissions from purchased transport. This includes trucks and other transport such as maritime transport. The calculations are based on the best available data, with standard calculations having been used in some cases. In 2022, the methodology has been improved with a larger share of transport-based data, an extended scope and an updated calculation of the emission factor for emissions based on purchasing data. The update affects 2022 and also the 2019 results as the emission factor includes measures such as the reduction obligation. A baseline for 2019 has been produced using the same method and will form the basis for monitoring against targets. Reporting is based on internally registered transport volumes in tonne-km, approximately 70 percent, and standardized data based on purchasing data, approximately 30 percent. We are working continuously on increasing calculations from transport volumes.

For emission factors (per tonne-km), actual fuel consumption from transporters is used, and calculated values from NTM, the Network for Transport Measures. The calculation of CO₂e/MSEK net sales includes net sales for the corresponding units included in the calculation of emissions data. Net sales for the non-included units are estimated at about 15 percent, which is about 10 percent of total emissions.

Emissions from electricity used by Lantmännen Fastigheter's external tenants are not included.

The Scope 3 category of business travel includes air and rail travel in the Nordic region and car hire in Sweden booked through a travel agency. For air and rail business travel, the reporting covers December 1, 2021 to November 30, 2022. Travel and car rental in the Nordic region not booked through travel agencies, all coach, boat and taxi journeys, air and rail travel and car rental in countries outside the Nordic region are not included; data is not available. Business travel not included is estimated at 20 percent. Emissions from company cars cover the whole of Lantmännen, apart from operations in the Australia and newly acquired businesses. Emissions from business travel using private cars are not included. Business travel emissions are calculated based on data from suppliers, i.e. travel companies, car rental companies' reports of kilometers driven and actual fuel consumption, and emission factor for fuel according to EU standards and car manufacturers' data on emissions per car model.

GRI Index

Lantmännen has reported according to the Global Reporting Initiative guidelines for several years.

Learn more about GRI at globalreporting.org

The following cross-reference index indicates the mandatory and selected GRI disclosures that are included in Lantmännen's Sustainability Report, and where the information is reported. For some disclosures, the information and/or comments are submitted directly in the index table. For definitions, see Reporting principles.



GENERAL DISCLOSURES

Statement on the reporting	Lantmännen is reporting in accordance with GRI Standards for the period January 1, 2022 – December 31, 2022.
Use of GRI	GRI 1: Foundation 2021
Applicable Sector-specific GRI	GRI Food Processing Sector Supplements 2014

Disclosure	Description	Comments	Reference
The organization and its reporting practices			
2-1	Organizational details		pages 59-60, note 4, 176
2-2	Entities included in the sustainability reporting		Reporting principles, page 61, notes 33 and 46
2-3	Reporting period, frequency and contact point	Annual report. Publication February 2023.	Pages 138, 164
2-4	Restatements of information		pages 161-163, and disclosure.
2-5	External assurance		Page 168
Activities and employees			
2-6	Activities, value chain and other business relationships	See pages 33-35 for description of Sectors' and Business Areas' value chains.	Pages 4-5, 20-21, 140, 154
2-7	Employees	Reporting principles. Deviation regarding number of temporary employees; data not available.	Note 6, page 65, 162
2-8	Workers who are not employees	Reporting principles. Deviation regarding number; data not available.	Page 162
2-9	Governance structure and composition		Pages 140, 181-182
2-10	Nomination and selection of the highest governance body		Pages 176-180
2-11	Chair of the highest governance body	The Chairman is not a member of Group Management	Page 186
2-12	Role of the highest governance body in overseeing the management of impacts		Pages 140-141

GENERAL DISCLOSURES			
Disclosure	Description	Comments	Reference
Management approach			
2-13	Delegation of responsibility for managing impacts		Pages 140-141
2-14	Role of the highest governance body in sustainability reporting		Pages 131, 138, 140
2-15	Conflicts of interest		Pages 159, 186-189
2-16	Communication of critical concerns		Pages 141, 159-160
2-17	Collective knowledge of the highest governance body	Ongoing promotion of the Farming of the Future program, knowledge generation for strategic investments linked to the sustainable transformation of the energy and food value chain.	Page 140
2-18	Evaluation of the performance of the highest governance body	Self-evaluation and external evaluation every two years, resulting in the implementation of development work.	Page 140
2-19	Remuneration policies	Sign-on bonuses or claw-backs not applied. Recruitment bonuses exist according to local guidelines. The remuneration policy's link to sustainability is under development and will be implemented gradually.	Note 6
2-20	Process to determine remuneration		Note 6, page 182
2-21	Annual total compensation ratio	Compensation ratio 19. Change ratio has not been calculated for 2022 as the Group President & CEO took office on April 1, 2022. Average salaries have been calculated for permanent employees in Lantmännen's companies in our 20 countries. Salary differentiation between Lantmännen's employees varies from country to country and depends on local compensation structures that reflect country-specific conditions and social security systems in each country. Total compensation is defined as fixed salary and variable salary. The majority of employees have a fixed salary as their main remuneration component.	
2-22	Statement on sustainable development strategy		Pages 6-9
2-23	Policy commitments		Pages 138-141
2-24	Embedding policy commitments		Pages 139-140, 160
2-25	Processes to remediate negative impacts		Pages 140-141
2-26	Mechanisms for seeking advice and raising concerns		Pages 142-143
2-27	Compliance with laws and regulations	0 (0) material violations of laws and regulations or significant fines during the reporting period.	See page 162 for definition
2-28	Membership associations		Page 32
2-29	Approach to stakeholder engagement		Pages 32, 141
2-30	Collective bargaining agreements	There are several different collective agreements within Lantmännen. In Sweden, 100 percent of the employees are covered. For the total Group, the figure is about 70.3 percent. Employees not covered by a collective agreement have, in principle, the same working and employment conditions as employees who are covered, apart from in certain countries where we are monitoring this.	

MATERIAL TOPICS			
Disclosure	Description	Deviations and explanation	Reference
3-1	Process to determine material topics		Page 138
3-2	List of material topics		GRI index and page 25
Financial statements – Include Lantmännen's own businesses, suppliers, customers, members and society			
3-3	Management of material topics		Pages 20, 22, 145
201-2	Financial implications and other risks and opportunities due to climate change	Quantification of impacts and risks; data not available.	Pages 61, 147, 191-192
Company-specific	Annual investment in research and innovation		Pages 28, 147
Anti-corruption – covers Lantmännen's own operations and suppliers and other business partners			
3-3	Management of material topics		Pages 25, 159
205-1	Operations assessed for risks related to corruption		Page 159
205-2	Communication and training on anti-corruption policies and procedures	Not reported by employment type as this is not registered and the training is mandatory. Distribution by regions not reported, data not available. Business partners not reported; they sign the Supplier Code of Conduct and this is reported in FP1.	Page 160
205-3	Confirmed incidents of corruption and actions taken		Page 160
Material – Covers Lantmännen's own operations			
3-3	Management of material topics		Pages 151-152
301-1	Materials	Reporting of significant material flows	Page 152
Energy – Covers Lantmännen's own operations			
3-3	Management of material topics		Pages 139-140, 144
302-1	Energy consumption within the organization		Pages 144-145
Biodiversity – Includes Lantmännen's own operations and suppliers			
3-3	Management of material topics		Page 148
304-2	Significant impacts of activities, products and services on biodiversity		Page 149-150
Company-specific	Organic offerings		Page 149-150
Emissions into the air – Includes Lantmännen's own operations and suppliers			
3-3	Management of material topics		Pages 139-140, 144
305-1	Direct (Scope 1) GHG emissions	For scope and deviations, see Reporting principles.	Page 145
305-2	Indirect (Scope 2) GHG emissions	For scope and deviations, see Reporting principles.	Page 145
305-3	Other indirect (Scope 3) GHG emissions	For scope and deviations, see Reporting principles.	Pages 145-146
305-4	GHG emissions intensity climate emissions in relation to net sales	For scope and deviations, see Reporting principles.	Page 145
Company-specific	Emissions reduction from the Climate & Nature cultivation program	For scope and deviations, see Reporting principles.	Page 146

MATERIAL TOPICS			
Disclosure	Description	Deviations and explanation	Reference
Work environment, health and safety – Covers Lantmännen's own operations			
3-3	Management of material topics		Pages 139-140, 157
403-1	Occupational health and safety management system		Page 157
403-2	Hazard identification, risk assessment, and incident investigation		Page 157
403-3	Occupational health services		Page 158
403-4	Worker participation, consultation, and communication on occupational health and safety		Page 158
403-5	Worker training on occupational health and safety		Page 158
403-6	Promotion of worker health		Page 158
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships		Pages 161-162
403-8	Workers covered by an occupational health and safety management system		Pages 157, 161
403-9	Work-related injuries	Deviation for key figure for lost days, data not available.	Pages 158, 161
Diversity and equal opportunity – Covers Lantmännen's own operations			
3-3	Management of material topics		Pages 139-140, 156
405-1	Diversity of governance bodies and employees	Deviation regarding breakdown by employee categories, data unavailable, and deviation regarding minority group membership and other indicators of diversity, data not collected.	Page 156
Customer and consumer health and safety – Covers Lantmännen's own operations, suppliers, customers and consumers			
3-3	Management of material topics		Page 153
FP5	Percentage of production volume manufactured in sites certified according to food safety standards	Volume not reported; data not available. Percentage of sites reported.	Page 153
Company-specific	Cadmium in phosphate fertilizer		Page 153
Own topic Sustainable products – Covers Lantmännen's own operations, suppliers, customers and consumers			
3-3	Management of material topics		Pages 26, 152
Company-specific	Volume from sustainable cultivation programs		Page 152
FP procurement practices – Covers Lantmännen's own operations and suppliers			
3-3	Management of material topics	We analyze suppliers, and from a broad sustainability perspective.	Pages 148, 154
FP1	Percentage of purchased volume from suppliers compliant with organization's sourcing policy		Page 154
FP2	Percentage of purchased volume verified as being in accordance with internationally recognized responsible production standards		Page 148

Auditor's Limited Assurance Report on Lantmännen ek för's Sustainability Report and statement regarding the Statutory Sustainability Report

This is the translation of the auditor's report in Swedish.

To Lantmännen ek för, Corp Id 769605-2856

Introduction

We have been engaged by the Board of Directors of Lantmännen ek för to undertake a limited assurance engagement of Lantmännen ek för's Sustainability Report for the year 2022. Lantmännen ek för has defined the scope of the Sustainability Report to the pages referred to in the GRI index on pages 164-167, the Statutory Sustainability Report is defined on page 65.

Responsibilities of the Board of Directors and the Executive Management

The Board of Directors and the Executive Management are responsible for the preparation of the Sustainability Report including the Statutory Sustainability Report in accordance with applicable criteria and the Annual Accounts Act respectively. The criteria are defined on page 161-163 in the Sustainability Report, and are part of the Sustainability Reporting Guidelines published by GRI (The Global Reporting Initiative), that are applicable to the Sustainability Report, as well as the accounting and calculation principles that the Company has developed. This responsibility also includes the internal control relevant to the preparation of a Sustainability Report that is free from material misstatements, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the Sustainability Report based on the limited assurance procedures we have performed and to express an opinion regarding the Statutory Sustainability Report. Our review is limited to the information in this document and to the historical information and does therefore not include future oriented information.

We conducted our limited assurance engagement in accordance with ISAE 3000 (revised) *Assurance engagements other than audits or reviews of 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. Our examination regarding the Statutory Sustainability Report has been conducted in accordance with FAR's accounting standard RevR12 *The auditor's opinion regarding the statutory sustainability report*. A limited assurance engagement and an examination according to

RevR 12 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.

The firm applies ISQC 1 (International Standard on Quality Control) 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 of Lantmännen ek för in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

The limited assurance procedures performed and the examination according to RevR 12 do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. The conclusion based on a limited assurance engagement and an examination according to RevR 12 does not provide the same level of assurance as a conclusion based on an audit.

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

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

Conclusions

Based on the limited review performed, nothing has come to our attention that causes us to believe that the Sustainability Report is not prepared, in all material respects, in accordance with the criteria defined by the Board of Directors and Executive Management.

A Statutory Sustainability Report has been prepared.

Stockholm, February 22, 2023

Ernst & Young AB

Andreas Troberg
Authorized Public Accountant

Charlotte Söderlund
Authorized Public Accountant

Lantmännen and The EU Taxonomy Regulation

The EU Taxonomy Regulation entered into force in 2021 and has been expanded during the year. The Taxonomy is designed to support the financing of sustainable investments to contribute to the EU's climate and energy targets and objectives of the Green Deal. At present, few of the sectors in which Lantmännen operates are covered by the Taxonomy.

Introduction

The European Commission has developed an action plan for making the EU a climate-neutral continent by 2050. To achieve this, capital needs to be allocated to the green transition. Part of this action plan is the Taxonomy Regulation, a system that classifies sustainable activities based on EU climate and environmental targets and imposes reporting requirements on companies. Lantmännen is subject to the Annual Accounts Act's requirements on reporting in

accordance with the Taxonomy Regulation as a non-financial undertaking. The reporting requirements of the regulation are being phased in gradually. Lantmännen is following developments and in the coming year intends to report in line with the Taxonomy's expanded disclosure requirements for included sectors. In accordance with the Taxonomy Regulation, the information is reported as part of the statutory sustainability report.

The Taxonomy's environmental objectives

- 1 Climate change mitigation
- 2 Climate change adaptation



Objectives 1-2 are included in the current reporting requirements. Objectives 1-2 cover some of Lantmännen's activities in Energy and Real Estate.

- 3 The sustainable use and protection of water and marine resources
- 4 The transition to a circular economy
- 5 Pollution prevention and control
- 6 The protection of biodiversity and ecosystems



Objectives 3-6 are added to the reporting requirements for the 2023 financial year. Lantmännen considers that food production activities will then also be covered.

Taxonomy alignment criteria

Contributes substantially to at least one environmental objective

Lantmännen's ethanol produced from recycled materials and energy efficiency in buildings contribute significantly to objective 1. Climate change mitigation.

Does not significantly harm the other five environmental objectives

Lantmännen's production facilities comply with laws, rules and regulations. Activities under environmental permits are controlled by authorities. Climate & environmental risks are identified in the Group's risk process. Risk management and ongoing improvement work in each business.

Complies with minimum safeguards

Lantmännen works actively to ensure that working and employment conditions and human rights are respected throughout its operations. The codes of conduct for employees, suppliers and distributors are in line with international principles. Learn more on → pages 142-143.

Eligible activities and assessment of Taxonomy criteria

Assessments

The assessment of eligible activities was based on the EU standard that classifies legal entities with NACE codes. To complete the analysis, Lantmännen's activities were assessed based on the economic activities described in the Taxonomy Regulation's delegated acts. In cases where an economic activity is listed in the Taxonomy Regulation but is only a minor part of Lantmännen and/or has a different main business focus, Lantmännen has chosen to classify the activity as Taxonomy-non-eligible. The assessment of taxonomy alignment criteria was conducted with each business and the Group sustainability function.

Energy

Lantmännen's biorefinery in Norrköping, Sweden, produces ethanol from grain and from residues from the food industry. The result is ethanol with a reduced climate footprint of more than 90 percent compared with fossil fuels. (Eligibility: DA Annex 1 and 2, "4. Energy" and "5. Water supply, sewerage, waste management and remediation activities")

Lantmännen Agroetanol's ethanol production, based on recycled materials, meets the Taxonomy alignment criteria. The remaining production, based on grain, is not Taxonomy-aligned. Collection of food waste takes place at three facilities in the Nordic region, all of which are taxonomy-aligned as the recycling rate is over 50 percent. All ethanol production meets the taxonomy criterion 'do no significant harm' to any of the other five environmental objectives.

Lantmännen Agrovärme, which was divested in September 2022, supplies district heating and ready heat from bio-fuel of Swedish origin to about 20 locations in central and southern Sweden in its own plants and in cooperation with partners. (Eligibility: DA Annex 1 and 2, "4. Energy".)

Lantmännen's district heating production meets the taxonomy-alignment criteria through the use of renewable wood raw material of Swedish origin in production.

Real Estate

Lantmännen Fastigheter manages and develops 150 properties in 80 locations, mainly in Sweden but also in Finland and Denmark. The business consists mainly of internally leased out premises such as silos, machinery buildings and factories. Externally leased premises are mainly for industrial and commercial activities. Lantmännen Fastigheter's new environment and climate strategy drives the work on energy efficiency and phasing out fossil energy. Climate adaptation is part of continuous improvement work and development of new properties. (Eligibility: DA Annex 1 and 2, "7. Construction and real estate activities".)

Real Estate Taxonomy reporting includes investment property, i.e. at least 90 percent occupied by an external party. Internal property is not included, in accordance with the principles of the Taxonomy. Buildings used internally by the Agriculture, Energy and Food Sector and Swecon Business Area are included in the Taxonomy reporting for these respective businesses if the business is taxonomy-eligible.

In addition, investment objects defined under "Construction and real estate activities" in the Taxonomy have been included in the CapEx calculation, regardless of whether they are internal or externally leased properties. This refers to individual renovation measures in the Taxonomy activity "Installation, maintenance or repair of energy efficiency equipment".

Lantmännen Fastigheter does not meet the criteria for energy classification under environmental objective 1. In 2022, investments have been made in energy efficiency measures that meet the taxonomy-alignment criteria.

Definition of key performance indicators and scope

Basis of calculation

Data for each KPI is taken from Lantmännen's existing reporting and monitoring systems. The taxonomy-aligned proportion is assigned to the numerator through detailed reporting from the local business systems of the eligible activities. The indicators are developed in cooperation with local reporting and group finance.

A taxonomy alignment assessment is carried out for turnover. CapEx and OpEx do not need to be further assessed against the criteria. In the case of CapEx and OpEx not linked to turnover, it is the investment activity itself that is the basis for assessment.

The risk of double counting has been addressed by excluding internal transactions. As Lantmännen's green bond did not allocate funds to specific taxonomy-aligned activities in 2022, the indicators have not been adjusted.

Disaggregation occurs when several economic activities are integrated into a single production facility. If needed, an allocation key based on turnover is used for disaggregation and can be applied to OpEx and to CapEx.

Associates (joint ventures) are not included in the Taxonomy reporting and as this is the first year for reporting Taxonomy alignment, no comparative year is reported.



KPI outcomes

Turnover



- Taxonomy-non-eligible 95 %
- Taxonomy-eligible 5 %
- Taxonomy-aligned proportion 19 %

CapEx



- Taxonomy-non-eligible 96 %
- Taxonomy-eligible 4 %
- Taxonomy-aligned proportion 79 %

OpEx



- Taxonomy-non-eligible 91 %
- Taxonomy-eligible 9 %
- Taxonomy-aligned proportion 21 %

Turnover

Turnover is defined as the amount received from the sale of goods and services after deduction of sales rebates, VAT and other taxes directly related to turnover.

CapEx

CapEx, capital expenditure, is calculated as the sum of investments in assets accounted for under IAS 16 Property, Plant and Equipment, IAS 38 Intangible Assets, IAS 40 Investment Property and IFRS 16 Leases, including additions to right-of-use assets, and assets acquired through business combinations. No capital expenditure plan has been included in the calculation of CapEx.

OpEx

OpEx, operating expenditure, is related to maintaining the value of assets, such as direct costs of R&D, building refurbishment, short-term leases, maintenance and repair, and other costs relating to the day-to-day servicing of the asset and ensuring its continued and proper functioning.

Detailed Taxonomy disclosures

Turnover

Economic activities	Code(s) (2)	Absolute turnover (3) MSEK	Proportion of turnover (4)	Substantial contribution criteria					
				Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)
A. Taxonomy-eligible activities			5 %						
A.1. Environmentally sustainable activities (Taxonomy-aligned)									
Manufacture of biogas and biofuels for use in transport and of bioliquids	4.13	531	1 %	100 %	-	-	-	-	-
District heating/cooling distribution	4.15	4	0 %	100 %	-	-	-	-	-
Cogeneration of heat/cool from bioenergy	4.24	71	0 %	100 %	-	-	-	-	-
Turnover of environmentally sustainable activities (A.1)		606	1 %	100 %	-	-	-	-	-
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)									
Manufacture of biogas and biofuels for use in transport and of bioliquids	4.13	2,539	4 %						
Acquisition and ownership of buildings	7.7	102	0 %						
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		2,641	4 %						
Total (A.1+A.2)		3,247	5 %						
B. Taxonomy-non-eligible activities									
Turnover of non-eligible activities (B)		57,365	95 %						
Total (A+B)		60,612	100 %						

Turnover continued

Economic activities	(DNSH) criteria (do no significant harm)						Minimum safeguards (17)	Taxonomy-aligned proportion of turnover 2022 (18)	Taxonomy-aligned proportion of turnover 2021 (19)	Category - enabling activity (20)	Category - transitional activity (21)
	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)					
A. Taxonomy-eligible activities											
A.1. Environmentally sustainable activities (Taxonomy-aligned)											
Manufacture of biogas and biofuels for use in transport and of bioliquids	-	Yes	Yes	Yes	n/a	Yes	Yes	1 %	-	-	
District heating/cooling distribution	-	Yes	Yes	n/a	Yes	Yes	Yes	0 %	-	-	
Cogeneration of heat/cool from bioenergy	-	Yes	Yes	n/a	Yes	Yes	Yes	0 %	-	-	
Turnover of environmentally sustainable activities (A.1)								1 %			
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)											
Manufacture of biogas and biofuels for use in transport and of bioliquids											
Acquisition and ownership of buildings											
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)											
Total (A.1+A.2)								1 %	-	-	
B. Taxonomy-non-eligible activities											
Turnover of non-eligible activities (B)											
Total (A+B)											

n/a = no criteria exist for the objective/the activity is not affected by the criterion

CapEx

Economic activities	Code(s) (2)	Absolute CapEx (3) MSEK	Proportion of CapEx (4)	Substantial contribution criteria					
				Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)
A. Taxonomy-eligible activities			4 %						
A.1. Environmentally sustainable activities (Taxonomy-aligned)									
Manufacture of biogas and biofuels for use in transport and of bioliquids	4.13	5	0 %	100 %	-	-	-	-	-
District heating/cooling distribution	4.15	44	1 %	100 %	-	-	-	-	-
Cogeneration of heat/cool from bioenergy	4.24	52	1 %	100 %	-	-	-	-	-
Material recovery from non-hazardous waste	5.9	18	0 %	100 %	-	-	-	-	-
Installation, maintenance and repair of energy efficiency equipment	7.3	7	0 %	100 %	-	-	-	-	-
CapEx of environmentally sustainable activities (A.1)		126	3 %	100 %	-	-	-	-	-
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)									
Manufacture of biogas and biofuels for use in transport and of bioliquids	4.13	22	1 %						
Acquisition and ownership of buildings	7.7	11	0 %						
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		33	1 %						
Total (A.1+A.2)		159	4 %						
B. Taxonomy-non-eligible activities									
CapEx of non-eligible activities (B)		4,126	96 %						
Total (A+B)		4,285	100 %						

CapEx continued

Economic activities	(DNSH) criteria (do no significant harm)										
	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)	Minimum safeguards (17)	Taxonomy-aligned proportion of turnover 2022 (18)	Taxonomy-aligned proportion of turnover 2021 (19)	Category-enabling activity (20)	Category-transitional activity (21)
A. Taxonomy-eligible activities											
A.1. Environmentally sustainable activities (Taxonomy-aligned)											
Manufacture of biogas and biofuels for use in transport and of bioliquids	-	Yes	Yes	Yes	n/a	Yes	Yes	0 %	-	-	-
District heating/cooling distribution	-	Yes	Yes	n/a	Yes	Yes	Yes	1 %	-	-	-
Cogeneration of heat/cool from bioenergy	-	Yes	Yes	n/a	Yes	Yes	Yes	1 %	-	-	-
Material recovery from non-hazardous waste	-	Yes	n/a	n/a	n/a	Yes	Yes	0 %	-	-	-
Installation, maintenance and repair of energy efficiency equipment	-	n/a	n/a	n/a	n/a	n/a	Yes	0 %	-	Enabling	-
CapEx of environmentally sustainable activities (A.1)								3 %			
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)											
Manufacture of biogas and biofuels for use in transport and of bioliquids											
Acquisition and ownership of buildings											
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)											
Total (A.1+A.2)								3 %	-	0 %	-
B. Taxonomy-non-eligible activities											
CapEx of non-eligible activities (B)											
Total (A+B)											

n/a = no criteria exist for the objective/the activity is not affected by the criterion

OpEx

Economic activities	Code(s) (2)	Absolute OpEx (3) MSEK	Proportion of OpEx (4)	Substantial contribution criteria					Biodiversity and ecosystems (10)
				Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	
A. Taxonomy-eligible activities			9 %						
A.1. Environmentally sustainable activities (Taxonomy-aligned)									
Manufacture of biogas and biofuels for use in transport and of bioliquids	4.13	9	1 %	100 %	-	-	-	-	-
District heating/cooling distribution	4.15	0	0 %	100 %	-	-	-	-	-
Cogeneration of heat/cool from bioenergy	4.24	5	1 %	100 %	-	-	-	-	-
Material recovery from non-hazardous waste	5.9	3	0 %	100 %	-	-	-	-	-
OpEx of environmentally sustainable activities (A.1)		17	2 %	100 %	-	-	-	-	-
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)									
Manufacture of biogas and biofuels for use in transport and of bioliquids	4.13	45	5 %						
Acquisition and ownership of buildings	7.7	19	2 %						
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		64	7 %						
Total (A.1+A.2)		81	9 %						
B. Taxonomy-non-eligible activities									
OpEx of non-eligible activities (B)		853	91 %						
Total (A+B)		934	100 %						

OpEx continued

Economic activities	(DNSH) criteria (do no significant harm)										
	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)	Minimum safeguards (17)	Taxonomy-aligned proportion of turnover 2022 (18)	Taxonomy-aligned proportion of turnover 2021 (19)	Category - enabling activity (20)	Category - transitional activity (21)
A. Taxonomy-eligible activities											
A.1. Environmentally sustainable activities (Taxonomy-aligned)											
Manufacture of biogas and biofuels for use in transport and of bioliquids	-	Yes	Yes	Yes	n/a	Yes	Yes	1 %	-	-	-
District heating/cooling distribution	-	Yes	Yes	n/a	Yes	Yes	Yes	0 %	-	-	-
Cogeneration of heat/cool from bioenergy	-	Yes	Yes	n/a	Yes	Yes	Yes	1 %	-	-	-
Material recovery from non-hazardous waste	-	Yes	n/a	n/a	n/a	Yes	Yes	0 %	-	-	-
OpEx of environmentally sustainable activities (A.1)								2 %			
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)											
Manufacture of biogas and biofuels for use in transport and of bioliquids											
Acquisition and ownership of buildings											
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)											
Total (A.1+A.2)								2 %	-	-	-
B. Taxonomy-non-eligible activities											
OpEx of non-eligible activities (B)											
Total (A+B)											

n/a = no criteria exist for the objective/the activity is not affected by the criterion

Corporate Governance

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Corporate Governance Report

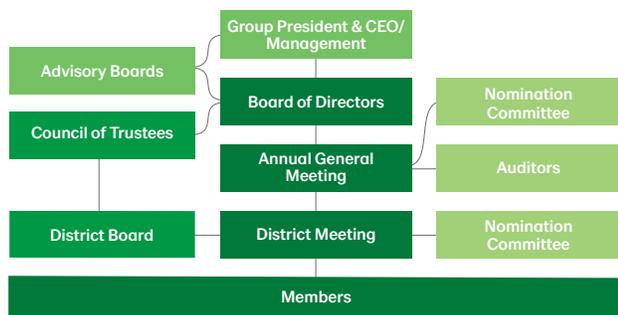
Lantmännen ek för is a Swedish cooperative economic association headquartered in Stockholm, Sweden. The Association is the parent company of a group. The Group's governance is based on the Association's Articles of Association, the Economic Associations Act, other applicable laws and rules and the code for the governance of cooperative and mutual enterprises (the Code). The Code was adopted by Lantmännen's Annual General Meeting on May 7, 2020. Its objective is to promote member dialogue and democratic decision-making processes in cooperative enterprises and increase transparency of the Board's work.

The 2022 Corporate Governance report has been prepared in accordance with the Code. The Code is built on principles and is based on reporting in accordance with the concept of comply and explain. Each principle is presented as a heading and description, followed by comments on how the principle was managed by the association during the year.

The Group's Parent Company is Lantmännen ek för, a cooperative company, which had 18,256 members as owners at the end of 2022. Members of Lantmännen can be direct members and local associations.

Lantmännen's Board of Directors and Group management endeavor to ensure the enterprise is able to respond in the best possible way to the openness and information that members, employees and other stakeholders expect.

Lantmännen's ownership model



Principle 1. Objective and benefits for members

The Board shall ensure that the objective, values and strategies of the enterprise are based on the opinions of the members, and that the enterprise can deliver benefits for its members in the long term.

The Board shall ensure that the enterprise maintains open communication with its members, employees and other stakeholders, set out guidelines for the behavior of the enterprise in society and state the regulations and principles the enterprise follows.

Lantmännen's assignment is to contribute to the profitability of members' farms and optimize the return on their capital in the association. The long-term goal is to be a leading participant in the grain value chain from field to fork in northern Europe. At the Annual General Meeting on May 5, 2022, several motions related to the Association's membership benefits and strategy were discussed. During the year, a working group of members explored the possibility of using key figures to measure Lantmännen's contribution to the profitability of members' farms and drew up a proposal which is now being prepared.

The Sustainability Report describes how Lantmännen is involved in sustainability throughout the value chain. Lantmännen reports according to the GRI guidelines and has signed the Global Compact. Lantmännen's Sustainability Report undergoes an external assurance review, see → page 168.

"Collaboration for sustainable growth" on → page 32 describes collaboration with different organizations and work at the intersection between politics, business and interest groups. There is also information about some of the organizations of which Lantmännen is a member.

Principle 2. Democratic processes

Cooperative enterprises have democratic processes whereby members' opinions have a clear impact. The processes must openly and transparently promote the involvement of members in different forums and provide opportunities for influence and insight in the business. Members also appoint representatives to the highest decision-making bodies.

The Board shall continuously evaluate the company's democratic organization and initiate changes if necessary.

Each member of the Association has one vote, regardless of turnover or size of investment. The district meeting and different members' meetings provide an opportunity for members to express their views to the Board of Directors and management in various ways, including motions and written communication.

Corporate governance and the democratic processes at Lantmännen take place in many different forums and forms, including district meetings, membership meetings, advisory boards, nomination committees, the general meeting and the



Events 2022

Winter: Year-end Report, Council of Trustees, Annual Report, District Meetings, Ambassador Program.

Spring: Annual General Meeting, Inaugural Council of Trustees, Interim Report 1, Training elected representatives.

Summer: Summer Meetings, District Meetings.

Fall: Council of Trustees, Interim Report 2, District Board Conference, Regional Nomination Committee preliminaries, District Meetings.

council of trustees. Each member is entitled to have business considered at the AGM.

Council of Trustees

The Association has a Council of Trustees. The Council consists of the chairmen of the district boards, the Group Board and the member representative auditors. The five largest districts in terms of members are entitled to appoint two persons. The role of the Council of Trustees is to advise the Group Board on development issues of a more long-term nature as well as communicate information between the Board of Directors and the districts. The Council of Trustees is also charged with the preparation of matters of principle and the nomination of members to the Association's Nomination Committee at the Annual General Meeting. The Chairman of the Council of Trustees is Christian Hidén.

Council of Trustees in 2022

In addition to the obligatory members as stated above, the Board of Directors appointed one representative of the local associations and the Nomination Committee chairman to the

Council of Trustees. The Council of Trustees had three minutes meetings during the year.

Other 2022

During the year, training of district nomination committee chairmen was carried out, four-monthly financial reports were streamed to all elected representatives on two occasions and the Board followed up on motions.

An Articles of Association group, consisting of elected representatives and members, has been working on a review of the Articles of Association on behalf of the Group Board.

The Owner Relations department 2022

The department is responsible for member communication and assists members and elected representatives in corporate governance. At the end of the year, the department had six employees: three Regional Managers, an Owner Relations Coordinator, a Digital Communicator and the Head of Owner Relations. The cost of the department and its total activities amounted to approximately MSEK 31 (25) in 2022. MSEK 9 (7) of this amount related to costs for the 20 districts

and included fixed fees of MSEK 4 (4) adopted by the AGM and variable fees of MSEK 2 (2).

The other MSEK 3 (1) related to costs of the districts' various activities and travel. Other activities handled by the department include training of elected representatives, the Council of Trustees, nomination committees, the District Board Conference, the AGM, the members' magazine Grodden and the Grodden podcast. See ➔ page 14.

Principle 3. Participation of the members in the enterprise's value creation

The cooperative business model is based on members participating in the enterprise's value creation through two roles: a business relationship and an owner relationship. The Board shall ensure that these relationships are designed so as to promote the members' economic position, commitment and loyalty.

Lantmännen's cooperative ownership model is based on business partnership and ownership. Members of Lantmännen are both direct members and local associations. A direct member is assumed to be a natural person or legal entity conducting business in Sweden. Pursuant to the Articles of Association, direct members shall be engaged in farming, primary food production or have as their principal activity the sale of services to agriculture. Members' participation in value creation is through trade with the association, e.g., supply of grain, purchase of feed, machinery and inputs. Members also invest capital through, among other things, their contributions.

The dividend policy sets out the principles for dividends, see ➔ page 15. A value-creating industrial and processing business provides a market for members' grain and generates significant added value. Refunds and supplementary payments are based on earnings from the Swedish agriculture operations in Lantmännen Lantbruk, Lantmännen Maskin and Swecon. Contribution dividends and contribution issues are mainly based on the results of the processing

and industrial operations in Sweden and internationally: food, energy, construction machinery and real estate.

Refunds are calculated on members' purchases from Lantmännen Lantbruk, Lantmännen Maskin's and Swecon's Swedish operations. Supplementary payments are calculated on members' sales of grain, oilseeds and pulses to Lantmännen Lantbruk Sweden. Contribution dividends are paid in proportion to members' paid-in and issued contribution capital. Contribution issues mean that some of the earnings, mainly from Lantmännen's industrial operations, are distributed among the members by transferring collective capital to individual capital.

Lantmännen also contributes to the development of farming and the profitability of members' farms by investing in research and development in many areas. During the year, the Board analyzed Lantmännen's dividend policy.

Principle 4. General Meeting

The General Meeting shall be prepared and conducted in such a way as to ensure the creation of good conditions to allow the members to exercise their membership rights.

At the General Meeting, one or more persons shall be selected to review the business from a member perspective and present a report on this review to the General Meeting.

The Annual General Meeting is Lantmännen's supreme decision-making body. The meeting consists of representatives of members, delegates, who are elected at the district meetings. The districts are the basis of the members' role as owners of the Association. Delegate seats are distributed on the basis of a divisor in proportion to the number of members in a district. If a district has only one delegate seat, the district vice chairman may join the meeting, but without voting rights. Each delegate has one vote at the meeting and each member is entitled to have business considered at the meeting. Information about the AGM is available on Lantmännen's website no later than three months before the meeting. The minutes

Owner Relations department

The department is responsible for member communication and assists members and elected representatives in corporate governance. The Owner Relations department had six employees at the end of the year.

From left: Regional Manager Gunnar Lans, Regional Manager Cathrine Hannell, Head of Owner Relations Jesper Broberg, Digital Communicator Noomi Greenfield, Regional Manager Hans Westbom and Owner Relations Coordinator Tina Sandell.



of the meeting are also available on the website. The meeting is webcast so that as many members as possible can take part in the proceedings.

2022 Annual General Meeting

The Annual General Meeting was held on May 5 in Stockholm. Prior to the meeting, two digital “motion market-places” were held, during which elected representatives were able to discuss motions and the Board’s answers. Six motions were submitted for consideration by the 2022 AGM. Members of the Board of Lantmännen ek för are elected for two-year terms. The meeting resolved that the Board of Directors of Lantmännen ek för would consist of nine elected members. At the meeting, Per Wijkander, Sonat Burman-Olsson and Jan Ehrensvärd were re-elected after their term of office expired. Jan-Erik Hansson was elected to the Board and Hans Wallemyr left the Board. Maude Fyrenius, Kristina Glantz Nilsson and Jimmy Grinsvall were re-elected as member representative auditors. The auditors are elected for one year at a time. The accounting firm Ernst & Young AB was re-elected as the Association’s authorized auditor. The meeting also adopted the Nomination Committee’s proposal on the remuneration of the Board and other elected representatives, including fixed annual fees and per diem and travel compensation. The meeting also appointed nine members to the Nomination Committee for the period up to the 2023 AGM.

The meeting adopted the Board’s proposal for a contribution dividend on both paid-in and issued contribution capital, a contribution issue and a refund and supplementary payment. The total dividend amounted to MSEK 1,000. The meeting also adopted a dividend on subordinated debentures of MSEK 18.

The total number of appointed delegates was 101, and 99 delegates and deputies participated in the meeting. All Board members, the Group President & CEO, the Group’s Nomination Committee and elected auditors participated in the meeting.

Principle 5. Nomination Committee

All elections – to the Board, as auditor and other elected representative positions – must take place openly and transparently and be prepared through a structured nomination committee process.

The Nomination Committee shall also submit proposals for fees for elected representatives. Nomination Committees may exist at multiple levels in the organization and each committee should be given guidelines for its assignment. Regardless of how they are appointed, the members of the nomination committee must safeguard the interests of the enterprise and the members.

Nomination Committee

The Nomination Committee is tasked with preparing and presenting proposals for the election and remuneration of Group Board members and auditors, and making recommendations on the remuneration of other elected representatives. The Nomination Committee is elected at the AGM following a proposal from the Council of Trustees. The Nomination Committee elects a chairman from among its members.

Based on the Association’s current situation and future direction, the Nomination Committee assesses whether the Board is appropriately composed with regard to collective expertise. This is based in part on an evaluation of the Board’s work methods and decision processes conducted every two years by an independent party at the request of the Chairman of the Board. The Nomination Committee’s work on diversity and equality issues is based on, among other things, Lantmännen’s equality and diversity policy. Lantmännen’s Nomination Committee works according to rules of procedure adopted by the AGM.

Nomination Committee 2022

In 2022, the Nomination Committee consisted of eight members: Inge Erlandsson (Chairman), Gunilla Carlsson, Marianne Andersson, Desirée Nyman, Johan Sahlin, Ingemar Olsson, Michael Hübsch and Henrik Claesson. At the statutory meeting

District Board Conference

Lantmännen’s 2022 District Board Conference was held in Stockholm on 17-18 November.

During the two days, seminars, workshops and talks were organized with both internal and external speakers.

The conference theme was Lantmännen in a global world and over 150 elected representatives from around the country took part.



after the AGM, Inge Erlandsson was elected as Chairman and Desirée Nyman as Vice Chairman.

The Nomination Committee's final minutes and proposals were available on the association's website prior to the meeting and were sent out to delegates with the meeting documents. The Group's Nomination Committee underwent an external evaluation and training during the year. The Committee's work plan was updated before the AGM.

At regional level, there is a nomination committee in each district. These committees make proposals on chairmen and members of the district boards and proposals for delegates. Training and preliminaries for the district nomination committees were held during fall. Representatives of the Group's Nomination Committee participated in these sessions.

Principle 6. Board of Directors

The Group Board's competence shall match the complexity and scope of the business. In addition to members of the association, the Board may, where necessary, also have external members who bring in additional competence.

The Chairman of the Board leads the work of the Board and is responsible for ensuring that the Board works in an efficient manner. The Chairman shall objectively promote open debate and constructive discussions within the Board. Each member shall act independently and with integrity.

Board of Directors

The overall task of the Board of Directors is to manage Lantmännen's affairs on behalf of its members, in such a way that their economic interests are served in the best possible way. The Board shall ensure that the Company's purpose and strategies are based on the members' views. The Board is responsible for the association's organization and management of its affairs and for ensuring satisfactory control of accounting, asset management and financial affairs. The Board decides the Group's overall goals, strategic plans and significant policies and monitors their compliance and updating. The Board also decides on

acquisitions, divestments and major investments and approves the annual accounts and interim reports. The Board is also tasked with overseeing the Group President & CEO and regularly assessing the performance of the Group Management. The Board shall ensure that there is an effective system for follow-up and control of the association's operations and financial position, that external information is characterized by transparency and objectivity, that there is adequate monitoring of compliance with laws and regulations and that the necessary ethical guidelines, such as the Code of Conduct and overall objectives, are in place.

The work of the Board is directed by a work plan that governs the division of work and responsibility between the Board of Directors, the Chairman and the Group President & CEO. The work plan is updated and adopted annually at the statutory meeting of the Board. The Board elects a chairman and vice chairman from among its members. The Board has an Audit Committee, a Remuneration Committee and an Owner Committee. The purpose of the committees is to develop and streamline the Board's work as well as prepare business within the respective areas. The committees are advisory to the Board and do not have any decision-making power. Members of the committees are appointed by the Board at the statutory Board meeting. In addition to distributing the minutes of committee meetings to the Board, the committee chairman makes an oral report at the subsequent Board meeting.

The work of the Board of Directors in 2022

Lantmännen's Board consists of nine elected members and three employee representatives. None of the elected Board members has an employment-like relationship with Lantmännen.

Per Lindahl was elected as Chairman of the Board and Jan Ehrensward as Vice Chairman. The composition of the Board is shown in the presentation on pages 186-187.

The Board held 20 meetings during the year. The table shows Board members' attendance at the meetings. At three of the meetings, the association's auditors reported on the



Board meetings, attendance 2022

	Jan 26	Feb 7	Feb 23	Mar 4	Mar 9	Mar 15	Mar 25	Apr 20	May 5	May 12	May 23	May 31	Jun 15-16	Jun 30 meeting # 1	Jun 30 meeting # 2	Aug 25	Oct 4	Oct 31	Nov 24	Dec 15-16	Dec 22
	Extra		Per capsulam	Extra	Extra	Extra		SM ¹⁾	Extra	Extra			Per capsulam	Per capsulam			Per capsulam			Extra	
Per Lindahl	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Jan Ehrensvärd	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Gunilla Aschan	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	○
Jenny Bengtsson	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Tommy Brunsärn	●	●	●	●	●	●	●	●	●	○	●	●	●	●	●	●	●	●	●	●	●
Johan Bygge	●	●	●	●	●	○	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Jan-Erik Hansson ²⁾	-	-	-	-	-	-	-	-	●	●	●	●	●	●	●	●	●	●	●	●	●
Pär-Johan Lööf	●	●	○	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	○	●
Sonat Burman-Olsson	●	●	●	●	●	●	○	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Henrik Wahlberg	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	○	○
Hans Wallemyr ³⁾	●	●	●	●	●	●	●	●	-	-	-	-	-	-	-	-	-	-	-	-	-
Tomas Welander	●	●	●	●	●	●	●	●	●	○	●	●	●	●	●	●	●	●	●	●	●
Per Wijkander	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●

● Attended ○ Did not attend ¹⁾ Statutory Board meeting ²⁾ Newly elected at 2022 AGM. ³⁾ Resigned at the 2022 general meeting.

year's auditing. Every two years, the Board carries out an external evaluation of its work, which is discussed by the Board and reported to the Nomination Committee. This took place in 2022. The Board also participates actively in district meetings, fall meetings and in the Council of Trustees.

Board Committees

Audit Committee

The Audit Committee is tasked with preparing materials for the Board in matters relating to risk assessment, internal control, financial reporting and auditing. It also serves as a forum for dialogue between different parties, such as external and internal auditors. The Committee also works to ensure appropriate risk management, compliance with established financial reporting and internal control principles and the maintenance of proper relations with external auditors. The Committee also ensures that the independence of external auditors is maintained, evaluates the audit and informs the Nomination Committee of the results.

Before the AGM, the Committee consisted of Hans Wallemyr (Chairman), Gunilla Aschan and Johan Bygge. After the 2022 AGM, the Committee consisted of Gunilla Aschan (Chairman), Johan Bygge and Jan-Erik Hansson. The Head of Lantmännen's Internal Audit is secretary of the Audit Committee. The Committee held three minuted meetings.

Remuneration Committee

The Remuneration Committee is tasked with preparing matters and drafting principles related to pay and other terms of employment for Group Management. These principles must be approved by the AGM. The Committee prepares and submits decision-support material to the Board of Directors concerning conditions of employment for the Group President & CEO, and to the Group President & CEO for the other members of Group Management. Before the AGM, the Committee consisted of Per Lindahl (Chairman), Sonat Burman-Olsson and Jan Ehrensvärd, with Group President & CEO Per Olof Nyman as rapporteur. After the 2022 AGM, the Committee consisted of



Per Lindahl, Sonat Burman-Olsson and Jan Ehrensvärd, with Group President & CEO Magnus Kagevik as rapporteur. The Group's Senior Vice President HR & Communication Lantmännen Group serves as Committee secretary. The Committee held three minuted meetings during the year.

Owner Committee

The Owner Committee is tasked with preparing matters relating to members and the member organization in the Group. The Committee's work is aimed at ensuring that member issues and democratic processes are dealt with in accordance with the Economic Associations Act, the Cooperatives Code and the Articles of Association. The Committee also works to ensure that the Articles of Association, organization and relationship with elected representatives and members are developed in such a way as to ensure that the operations are marked by transparency and adapted to changes in society and the business environment. The Owner Committee's tasks, which are linked to the Code, are to evaluate the Company's democratic organization and initiate changes if necessary. During the year, the Owner Committee held meetings and a reconciliation with the member representative auditors regarding implementation of the Code.

Before the AGM, the Committee consisted of Henrik Wahlberg (Chairman), Per Wijkander and Jenny Bengtsson. After the 2022 AGM, the Committee consisted of Henrik Wahlberg (Chairman), Per Wijkander and Jenny Bengtsson. The Senior Vice President & General Counsel Lantmännen Group Legal & Compliance corporate function attends the meetings. The Group's Head of Owner Relations serves as the secretary of the Committee. The Committee held five minuted meetings during 2022.

Group President & CEO and Group Management

The Group President & CEO is appointed by the Board and is responsible for the Association's day-to-day management. The division of work between the Board and the Group

President & CEO is regulated in the Board's work plan. The composition of Group Management is shown in the presentation on → pages 188-189. Group Management meets 8 times a year and as required. On April 1, 2022, Magnus Kagevik took over as Group President & CEO.

Principle 7. Remuneration of senior executives

The enterprise shall have overall guidelines for remuneration, terms and conditions for senior executives (Group President & CEO and Lantmännen's Group Management Team). The guidelines shall clearly state how remuneration, terms and conditions for the Group President & CEO and senior executives are determined.

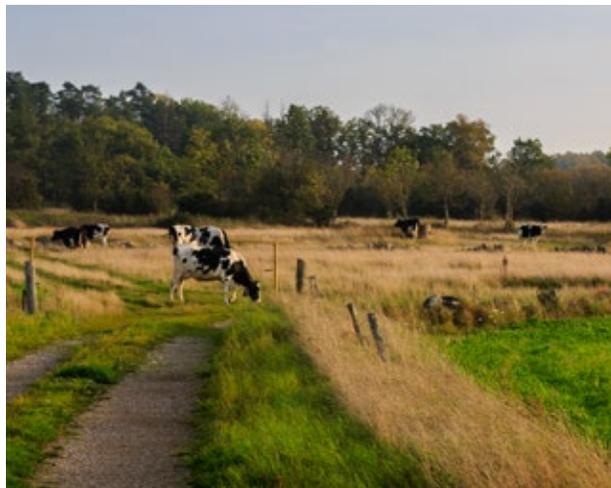
The Board shall establish a remuneration committee or fulfill the task itself.

Principles on remuneration of senior executives shall be decided by the General Meeting. The enterprise's auditors shall examine how the principles have been applied and submit a written statement to the General Meeting. See → note 6.

Each year, the Annual General Meeting decides on principles for remuneration of senior executives. The support material is included in the documents that are sent out to delegates prior to the meeting. The proposal is prepared by the Board's Remuneration Committee (see above) and discussed by the Board. Incentive program conditions and the structure of variable salary are reported on for the Council of Trustees. The Company's auditors review how the principles have been applied since the previous AGM and comment on this at the meeting. They also submit a written statement to the meeting.

Variable salary – Short-term incentive program

Lantmännen has a Group-wide variable salary program, which for 2022 covered all members of Group Management and a number of senior executives in the Group. Decisions about target groups and guidelines for variable salary are made annually by the AGM in the case of the Group Management and



by the Board of Lantmännen in other cases. For 2022, the program consists of financial and individual targets. The financial targets represent 75 percent of the maximum variable salary and are linked to the economic value added that the operating units generate for Lantmännen. The individual targets represent 25 percent. The purpose of the short-term variable salary program is to act as a motivation to improve the Group's performance, as the individual Group Management member's annual remuneration varies according to the Group's results. The program also supports initiatives that relate to individual performance benefiting the Group.

Variable salary – Long-term incentive program

Lantmännen's long-term incentive program runs for four years with an initial performance year followed by three lock-in years. The program covers all the members of Group Management and a small group of senior executives and business-critical key individuals. The purpose of the program is to drive and reward exceptional value growth and profitability within the Group. The program also has a construction that links the interests of the owners and participants. An initial allocation under the program is contingent on the Group achieving a predetermined minimum result for return on equity (RoE) in the performance year. The initial allocation increases with a higher RoE, but there is a ceiling at which no further allocation takes place.

Principle 8. Audit, risk and internal control

The Board shall establish a framework and processes for risk management and internal control. This shall be adapted to the complexity and scope of the business and be subject to annual evaluation.

The Board shall establish an audit committee or fulfill the task itself.

The Board shall ensure that persons selected to review of the business from a member perspective have access to relevant information about the business and a regulated working relationship with the external auditors.

Risk management and Internal control

Group-wide policies and governing documents

Lantmännen's Code of Conduct applies to the entire operations, all employees, the Board and elected representatives. The Code of Conduct describes how Lantmännen must conduct itself and make decisions to take responsibility from an environmental, social and business ethics perspective. The Code of Conduct also provides guidance for Board members and elected representatives. In addition to the Code of Conduct, guidance in several areas is provided in policies and guidelines.

Lantmännen's Board is responsible to the members for the Company's risk management. Group Management regularly reports on risk issues to the Board and its Audit Committee. The ongoing process of controlling risk mandates and policies takes place in the Risk Committee, which reports monthly to the Board's Audit Committee. Every year, an Enterprise Risk Management process is conducted, when each business unit's risks are identified. See also pages [191-193](#).

Lantmännen's business ethics compliance program includes compliance with competition and anti-corruption legislation. Regular risk assessments, communication, control and monitoring and training are carried out under the program. Lantmännen's Group Compliance function reports regularly to the Board and Group Management on compliance, identified risks and the status of compliance work in the business ethics compliance program.

Internal control over financial reporting

The Board has overall responsibility for internal control over financial reporting. A written work plan that clarifies the responsibilities of the Board and governs the division of work between the Board and its committees has been adopted. An Audit Committee regularly reports to the Board. Lantmännen's process for internal control over financial reporting is designed to provide assurance of the reliability of the financial reporting. Lantmännen's Sectors, Business Areas and companies are responsible for their operational activities,



which includes responsibility for internal control in financial reporting.

The most important elements of Lantmännen's system for internal control are the control environment, risk assessment, control activities, information and communication, and monitoring.

The control environment is the basis of internal control within Lantmännen and consists of the decisions on organization, authority and guidelines made by the Board. The Board's decisions have been translated into a functioning management and control system by executive management. The organizational structure, decision-making channels, authority and responsibilities are documented and communicated in governing documents such as Group policies, instructions and other regulations. Internal control is also based on Group-wide accounting and reporting instructions, instructions on authority and authorization rights and manuals.

Risk assessment includes identifying and assessing the risk of material errors in accounting and reporting at all levels in the Group. Risk assessments are made on an ongoing basis.

Control activities are part of normal control and financial reporting activities at all levels and play an important role in ensuring reliability of financial information. The controller organization, like financial responsibility, follows the Company's organizational and responsibility structure. Business controllers are in place at all levels within the organization.

For *information and communication* in the area of financial reporting, Lantmännen has formal information and communication channels for relevant personnel with regard to policies, guidelines and reporting manuals. The formal information and communication channels are complemented by dialogue between the finance and treasury function at different levels.

Monitoring is conducted regularly in order to ensure the efficiency of internal control over financial reporting.

The monitoring process includes analysis of regular financial reports against historical figures, budgets and forecasts as well as monitoring of reported activities.

Internal Audit

Internal audit is an independent and objective function that evaluates, recommends and monitors improvements in the efficiency of Lantmännen's risk management, internal controls and control processes throughout the Group. The internal audit unit reports material observations and improvement proposals to the Group Board, both through the Audit Committee and directly to the operating units. The function is under the direct authority of the Board and the Audit Committee and performs its tasks in accordance with an established internal audit plan. It also audits the review function for Lantmännen Finans AB in accordance with the requirements of the Swedish Financial Supervisory Authority.

External Audit

The auditors are tasked with auditing the annual report, consolidated financial statements, accounting records and administration of the Board and Group President & CEO. At Lantmännen, the persons appointed to review the business from a member perspective are called member representative auditors. All auditors are elected by the AGM for one year at a time. There are four regular auditors. One is authorized and the other three are member representative auditors. The authorized auditor is the accounting firm Ernst & Young AB. The member representative auditors are Maude Fyrenius, Jimmy Grinsvall and Kristina Glantz Nilsson. The member representative auditors submit a review report to the general meeting, in accordance with the Code, and, together with professional auditors, an opinion on the application of the principles for remuneration of senior executives and an audit report. They also report regularly to the Council of Trustees, the Board and the Audit Committee.



Member Representative Auditors' Review Report and Statement on the Corporate Governance Report

This is the translation of the Swedish original.

To the annual general meeting of Lantmännen ek för, Corporate identity number 769605-2856

Engagement and responsibility

We have reviewed the Board's Corporate Governance Report for 2022 and the application of the principles of the Swedish Code for the Governance of Cooperative and Mutual Enterprises (the Code). The Board is responsible for ensuring that the Code's principles are followed and that this is reported and described in the Corporate Governance Report.

Scope of the audit

We have conducted a review, which is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and other generally accepted auditing standards in Sweden.

Our review has taken place from a member perspective in accordance with the eight principles of the Code and in line

with Co-operatives Sweden's guidelines for member representative auditors. Particular emphasis has been placed on the Code's principles on "Objective and benefits for members", "Democratic processes" and "Members' participation in the company's value creation". Motions adopted by the meeting and the Board's preparation and reporting on them were a priority audit area in 2022.

We believe that this review has provided us with sufficient basis for our opinion.

Opinion

A corporate governance report has been established, in accordance with the Swedish code for the governance of cooperative and mutual enterprises. Our review shows that the code's eight principles have been followed in all material respects.

Stockholm, February 22, 2023

Maude Fyrenius
*Member Representative
Auditor*

Kristina Glantz Nilsson
*Member Representative
Auditor*

Jimmy Grinsvall
*Member Representative
Auditor*

Group Board



Per Lindahl

Chairman
Kristianstad
Born: 1964
Director since 2011
Member of Lantmännen
Committees: Remuneration Committee
Education: Agriculture
Main occupation: Farmer
Directorships: Viking Malt Aktieföretag, Fellow of The Royal Swedish Academy of Agriculture and Forestry (KSLA), team SE.
Contribution issues: SEK 6,396,582*
Paid-in contributions: SEK 2,510,878*
Subordinated debentures: SEK 300,000*



Jan Ehrensvärd

Vice Chairman
Tomelilla
Born: 1968
Director since 2020
Member of Lantmännen
Committees: Remuneration Committee
Education: M.Sc. (Business and Economics)
Main occupation: Farmer
Directorships: Tosterups Gård AB (Chairman), TreForm Packaging AB (Chairman), Äppelriket Österlen ek för (Chairman) and Viking Malt.
Contribution issues: SEK 1,202,405*
Paid-in contributions: SEK 739,000*



Gunilla Aschan

Linköping
Born: 1960
Director since 2015
Member of Lantmännen
Committees: Audit Committee
Education: Agricultural Economics
Main occupation: Farmer
Directorships: Landshypotek Bank AB and Fyrklövern ekonomi och juridik AB.
Contribution issues: SEK 62,079*
Paid-in contributions: SEK 69,000*
Subordinated debentures: SEK 300,000*



Jenny Bengtsson

Vessigebrö, Falkenberg
Born: 1984
Director since 2021
Member of Lantmännen
Committees: Owner Committee
Education: Veterinary
Main occupation: Veterinarian and farmer
Directorships: Lantmännen Research Foundation.
Contribution issues: SEK 68,473*
Paid-in contributions: SEK 107,112*



Sonat Burman-Olsson

Lidingö
Born: 1958
Director since 2018
Not a member of Lantmännen
Committees: Remuneration Committee
Education: M.Sc. (Business and Economics), Executive MBA
Main occupation: Directorships
Directorships: PostNord AB, Lindab International AB and Raizen S.A.



Johan Bygge

Lidingö
Born: 1956
Director since 2019
Not a member of Lantmännen
Committees: Audit Committee
Education: MBA
Main occupation: Directorships
Directorships: Scandi Standard AB (Chairman), Guard Therapeutics Intl AB (Chairman), AP3 (Deputy Chairman), Getinge AB and Capman OYJ.
Subordinated debentures: SEK 250,000



Jan-Erik Hansson

Färila
Born: 1963
Director since 2022
Member of Lantmännen
Committees: Audit Committee
Education: Mechanical engineering, agriculture
Main occupation: Farmer, dairy, meat, forestry and contracting
Contribution issues: SEK 266,708*
Paid-in contributions: SEK 1,892,809*



Henrik Wahlberg

Soukolofjärvi, Övertorneå Municipality
Born: 1967
Director since 2017
Member of Lantmännen
Committees: Owner Committee
Education: Aeronautical engineer, agriculture
Main occupation: Farmer
Directorships: Övertorneå Energi Försäljning AB, Sparbanken Nord and Övertorneå Energi AB.
Contribution issues: SEK 390,498*
Paid-in contributions: SEK 322,000*

* Together with related parties, or through wholly or partly-owned companies.



Per Wijkander

Upplands-Bro
 Born: 1977
 Director since 2019
 Member of Lantmännen
 Committees: Owner Committee
 Education: Agricultural Economics
 Main occupation: Farmer
 Directorships: Beirat (Advisory Board)
 HaGe Kiel, member of LRF Växtodling.
 Contribution issues: SEK 3,291,120*
 Paid-in contributions: SEK 493,000*
 Subordinated debentures: SEK 1,500,000



Tommy Brunsärn

Employee representative, the Union
 Södertälje
 Born: 1959
 Director since 2007
 Main occupation: Lead Buyer MRO/Capex,
 Lantmännen Cerealia



Pär-Johan Lööf

Employee representative, the Union
 for Professionals
 Uppsala
 Born: 1966
 Director since 2013
 Education: Agriculture
 Main occupation: R&D Manager Agri,
 Lantmännen Group
 Directorships: Naturbutiken på Öland AB
 and non-profit association Cultivation in
 Balance (Odling i Balans).
 Subordinated debentures: SEK 100,000



Tomas Welander

Employee representative,
 IF Metall
 Gothenburg
 Born: 1961
 Director since 2012
 Main occupation: Service Technician,
 Swecon
 Other assignments: Employee representa-
 tive, Swecon Anläggningsmaskiner AB

Board Secretary

Tove Cederborg

Senior Vice President & General Counsel
 Lantmännen Group
 Born: 1964
 Hired: 2011
 Education: LL.M.

Members of the Board of Lantmännen ek för are elected for two-year terms.
 The Annual General Meeting will be held on May 3, 2023.
 Holdings of contribution issues, paid-in contributions and holdings of
 subordinated debentures are reported in SEK, as at December 31, 2022.

Member representative auditors

Maude Fyrenius

Lärbro
 Born: 1973
 Auditor for Lantmännen since 2014
 Education: Agrotechnician
 Main occupation: Farmer, Consultancy and
 skills development, Gotland County Admin-
 istrative Board
 Contribution issues: SEK 128,782*
 Paid-in contributions: SEK 199,712*

Kristina Glantz Nilsson

Häbo
 Born: 1975
 Auditor for Lantmännen since 2020
 Education: Agriculture
 Main occupation: Business Advisor Danske
 Bank Västerås, Farmer
 Contribution issues: SEK 62,012
 Paid-in contributions: SEK 165,000*
 Subordinated debentures: SEK 200,000

Jimmy Grinsvall

Sätilla
 Born: 1974
 Auditor for Lantmännen since 2019
 Education: Agricultural and Rural
 Management
 Main occupation: Farmer
 Contribution issues: SEK 421,993
 Paid-in contributions: SEK 622,000*

Authorized Public Accountant

Andreas Troberg

Ernst & Young AB, Stockholm
 Born: 1976
 Auditor for Lantmännen since 2022
 Other assignments: Gränges, Sectra,
 Epiroc Rock Drills AB.

* Together with related parties, or through wholly or partly-owned companies.

Group Management



Magnus Kagevik

Group President & CEO
Executive Vice President Lantmännen Food Sector
Acting Executive Vice President Lantmännen Cerealia
Business Area until February 28, 2023
Born: 1967
Hired: 2018
Education: M.Sc. (Mechanical Engineering)
External directorships: Viking Malt Aktiebolag,
HaGe Kiel and team SE.
Subordinated debentures: SEK 2,000,000



Per Arfvidsson

Executive Vice President & CTO Lantmännen Group
Born: 1962
Hired: 2011
Education: M.Sc. (Mechanical Engineering)
External directorships: Sweden Food Arena (Chairman)
and Agronod (Chairman).
Subordinated debentures: SEK 2,000,000



Tove Cederborg

Senior Vice President & General Counsel
Lantmännen Group
Born: 1964
Hired: 2011
Education: LL.M.
Subordinated debentures: SEK 300,000



Lars-Gunnar Edh

Executive Vice President Lantmännen Energy Sector
Born: 1969
Hired: 2019
Education: M.Sc. (Mechanical Engineering)
External directorships:
Drivkraft Sverige AB
Subordinated debentures: SEK 300,000



Niklas Lindberg

Executive Vice President Swecon Business Area
Born: 1974
Hired: 2015
Education: M.Sc. (Financial Economics)
External directorships:
X-Innovations AB (Chairman) and Hyttbäcken Invest AB.



Carsten Lyngsø Thomsen

Executive Vice President Lantmännen Unibake
Business Area
Born: 1967
Hired: 2021
Education: Diploma (Business Administration)



Elisabeth Ringdahl

Executive Vice President Lantmännen Agriculture Sector
Born: 1965
Hired: 2015
Education: M.Sc. (Business and Economics)
External directorships: Rezekne JSC (Chairman), Scandagra Group AB, Scandagra Polska Sp. z o.o. and HaGe Kiel.
Subordinated debentures: SEK 500,000



Michael Sigsfors

Executive Vice President & CFO Lantmännen Group
Born: 1974
Hired: 2008
Education: M.Sc. (Business Administration)
Subordinated debentures: SEK 300,000



Elisabeth Wallin Mononen

Senior Vice President HR & Communication Lantmännen Group
Born: 1959
Hired: 2005
Education: LL.M., MBA
External directorships: Hagabergs Mekaniska Aktiebolag (Deputy)



Thomas Isaksson

Executive Vice President Lantmännen Cerealia Business Area from March 1, 2023
Born: 1970
Hired: 2015
Education: M.Sc. (Economics)

Changes in Lantmännen's Group Management

- Magnus Kagevik succeeded Per Olof Nyman as Group President & CEO.
 - Michael Sigsfors succeeded Christian Johansson as Executive Vice President & CFO Lantmännen Group.
 - Carsten Lyngsø Thomsen succeeded Werner Devinck as Executive Vice President Lantmännen Unibake Business Area.
 - Lars-Gunnar Edh succeeded Magnus Kagevik as Executive Vice President Lantmännen Energy Sector.
 - Magnus Kagevik took over as Acting Executive Vice President Lantmännen Cerealia Business Area.
-

Holdings of subordinated debentures are reported as at December 31, 2022.

Risks and facts

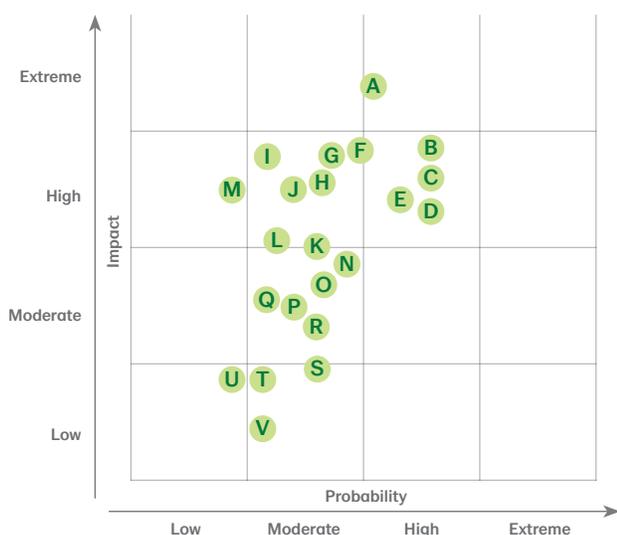
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Significant risks and risk management

Risks are inherent in all business activity. Risks can arise from events, decisions or mismanagement that affect Lantmännen's business goals. Identifying and managing risks is an integral part of strategic planning and operational management and control.

Lantmännen's risk analysis



- A** Weather and climate risks
- B** Volatility in raw materials and inputs, supply and demand imbalances
- C** Effects of the war in Ukraine
- D** Ethanol price volatility
- E** Cyclical changes
- F** Regulatory changes
- G** Cyber security and IT operations
- H** Fire and property damage, incl. threats and sabotage
- I** Business ethics risks
- J** Customer and consumer trends, market dynamics
- K** Work environment and safety
- L** Trademark and reputational risk
- M** Quality and product safety
- N** Political, incl. geopolitical, risks
- O** Attracting, retaining and developing key skills
- P** Pandemic consequences
- Q** Sustainability risks in the supply chain
- R** Compliance with environmental legislation
- S** Currency risk
- T** Credit and counterparty risk
- U** Refinancing/liquidity risk
- V** Interest rate risk

The risk assessment scale ranges from low to moderate, high and extreme for both probability and impact. The risk assessment for 2022 was conducted in the ERM process, with the support of internal expertise, during the period August-December.

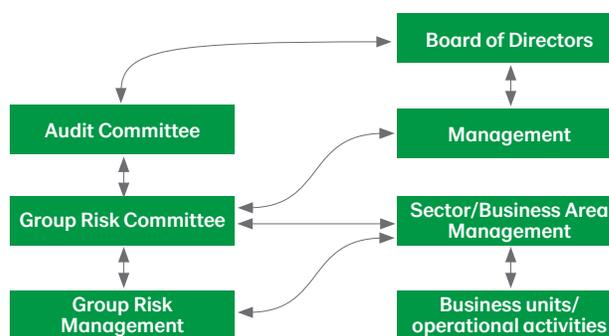
Risk management process

Lantmännen's Board is responsible to the members for the Company's risk management. Group Management regularly reports on risk issues to the Board and its Audit Committee.

The process of controlling risk mandates and policies takes place in the Risk Committee, which reports monthly to the Audit Committee. The businesses are responsible for risk management in their operations, and risk identification and continuity planning are a key part of every manager's responsibility. Each year, a Group-wide Enterprise Risk Management process is implemented with all business units. This is done in workshops with the management teams and the Group Risk Management, Group Compliance, Sustainable Development, Health & Safety, Information & IT Security and Internal Audit functions.

The business's risks are identified and assessed based on probability, impact on results, reputation and people. The

Group's risks are aggregated and the most significant are dealt with and continuously monitored by the Risk Committee, Group Management and the Board. The business managers ensure that their own risk measures are in place.



A Weather and climate risks

Risk level ● High probability ● Extreme impact

Climate change, with more extreme weather conditions such as drought, heavy precipitation and more pest pressure, affects growing conditions and profitability in the grain value chain. Weather can affect seasons, creating supply-demand imbalances. The transition to a fossil-free economy creates both challenges and opportunities for businesses.

Management: Development of cultivation methods, variety breeding and adaptation to climate change. Preparedness for grain trading and increased drying capacity, production disruptions and supply disruptions for sensitive raw materials.

B Volatility in raw materials and inputs, supply and demand imbalances

Risk level ● High probability ● High impact

There is global volatility in supply and demand for raw materials and inputs. Pandemics, political instability, the war in Ukraine and weather affect prices of raw materials, packaging, semiconductors and energy. They also have implications for logistics and transport. Price fluctuations are expected to be aggravated by more volatile supply of raw materials, limited global scope to increase land use for farming and more harvest uncertainty due to climate change.

Management: Price and volume risk are linked but managed differently. Price hedging of commodities, electricity and gas is managed with both physical trading and financial derivatives under applicable regulations and policies. There is also continuous dialogue internally and with the supply chain to ensure availability of critical inputs, in parallel with systematic work to find back-up alternatives if needed.

C Effects of the war in Ukraine

Risk level ● Moderate probability ● High impact

Russia's war in Ukraine has affected Lantmännen's operations mainly in the mentioned countries, but it also poses challenges in the world market in terms of supply of grain and other commodities. Reduced export opportunities from Ukraine have a major impact on the energy and agricultural markets.

Management: Sanctions and separation of the Russian operations. Monitoring developments and adapting to the current situation.

D Ethanol price volatility

Risk level ● High probability ● High impact

Operating income for the Norrköping ethanol plant is greatly dependent on the relationship between prices of grain, feed and ethanol, and political decisions such as the EU tariff rules.

Management: Physical and financial hedging of grain, ethanol and feed prices for Lantmännen Biorefineries' purchases and sales. Scope for ethanol hedging varies, but has been improved by more liquidity in the futures market. Development work is in progress in the ethanol business to broaden the raw material base and product range, and to reduce dependence on the ethanol/grain price relationship.

E Cyclical changes

Risk level ● Moderate probability ● High impact

Operations can be affected by cyclical changes or changes in demand or competitiveness. Price competition is strong. A cyclical change also affects customers' purchasing power and purchasing patterns.

Management: Lantmännen monitors the economic situation and adapts costs accordingly. Action plans are in place for major changes in demand. Lantmännen manages price competition by working on price, mix and innovation and by brand building.

F Regulatory changes

Risk level ● Moderate probability ● High impact

Laws, regulations and policy instruments can affect production and profitability. Agriculture and energy production are regulated areas and the EU's negative (so far) view of crop-based biofuels is a risk in terms of new regulations. Stricter environmental regulations for crop production are likely and may affect agriculture. Some of Lantmännen's operations are subject to permit.

Management: Monitoring issues, through both Swedish and European industry organizations. Each Sector and Business Area monitors changes in specific areas and adapts its operations.

G Cyber security and IT operations

Risk level ● Moderate probability ● High impact

Cyber attacks through extortion and fraud continue to grow. Criminals see companies that are prosperous, or operating in a sector that is under severe pressure (healthcare/medtech during the pandemic and now food/energy), as lucrative targets – as often more likely to pay a ransom.

Management: A comprehensive program to improve the Group's cyber security was launched at the turn of 2021-2022, with several capabilities now in place, including enhanced detection and additional training for production staff. The program is continuing in 2023. Lantmännen has also renewed its systematic work on information security and focused on managing risks related to outdated systems.

H Fire and property damage, incl. threats and sabotage

Risk level ● Moderate probability ● High impact

Lantmännen conducts operations with a risk of fire, explosion or outside threats in the form of damage or sabotage. Property can be damaged, and production downtime affects earnings and market position.

Management: Loss and injury prevention work through inspections. Investments in improvement measures. Adequate insurance for operational risks – partly channelled via the Group's own insurance company Diral Försäkrings AB.

I Business ethics risks

Risk level ● Moderate probability ● High impact

Lantmännen operates in countries and industries with varying exposure to corruption and complexity relating to competition law.

Management: Business ethics is part of the Code of Conduct, and there are also policies and a business ethics compliance program. A risk analysis, targeted activities to manage risk areas, and systematic monitoring and reporting are conducted every year. In 2022, particular focus has been placed on activities to ensure compliance with extended sanctions related to Russia's war against Ukraine.

J Customer and consumer trends, market dynamics

Risk level ● Moderate probability ● High impact

The market is affected by external trends and competitor activities, with increasing requirements for speed of development, content and investment levels, particularly in terms of responsibility and sustainability, but also digitalization.

Management: Lantmännen identifies market and customer requirements and develops relevant services and products, including e-commerce.

K Work environment and safety

Risk level ● Moderate probability ● Moderate impact

Some operations have hazardous work environments and activities that could pose a danger or risk to health.

Management: Systemization, reporting and monitoring. Health & safety training is obligatory for all our managers.

L Trademark and reputational risk

Risk level ● Moderate probability ● High impact

Lantmännen's brand may be adversely affected if operations are not conducted sustainably, do not comply with laws and regulations, or do not live up to Lantmännen's brand promise.

Management: Lantmännen's production, raw material and supplier requirements, employee/leadership work, external stakeholder dialogue and transparent reporting.

M Quality and product safety

Risk level ● Low probability ● High impact

Product safety and quality are important in all businesses. Requirements are strict in the food and feed value chain and production follows standards. For grain, there are specific quality-related risks.

Management: The work is conducted and developed by each Group company with follow-up at Group level and includes continuous development of requirements and monitoring of qualities and volumes, compliance with standards for food safety, contract farming, training and third-party audits. Lantmännen's products are marked with clear information. Organization, procedures and insurance are in place for recalls.

N Political, incl. geopolitical, risks

Risk level ● Moderate probability ● Moderate impact

Political instability in Europe and its surroundings continues. Global uncertainty related to trade and trade agreements is affecting trade in agricultural products.

Management: Developments are constantly monitored and analyzed to adapt the business to changing conditions.

O Attracting, retaining and developing key skills

Risk level ● Moderate probability ● Moderate impact

Difficulties in attracting and recruiting key competence can leave Lantmännen unable to implement strategies, develop businesses and achieve defined business goals.

Management: Lantmännen pursues systematic, strategic work with a focus on succession planning and skills supply to strengthen its employer brand.

P Pandemic consequences

Risk level ● Moderate probability ● High impact

The pandemic has posed challenges for the businesses, with the Food Sector being most affected, but overall Lantmännen has managed and coped well – particularly due to our diversified operations.

Management: Lantmännen works proactively on monitoring and crisis management, and securing raw material supply, customer deliveries and customer credit.

Q Sustainability risks in the supply chain

Risk level ● Moderate probability ● Moderate impact

Lantmännen has suppliers in, and purchases certain commodities from, high-risk countries and industries in terms of sustainability, e.g. human rights and biodiversity.

Management: The Supplier CoC clarifies requirements and supplier approval. For high-risk commodities, e.g. soy and palm oil, there are programs that manage risk and ensure responsibility.

R Compliance with environmental legislation

Risk level ● Moderate probability ● Moderate impact

Lantmännen has operations subject to permit and notification under the Environmental Code in Sweden and national laws in other countries. Changes to surrounding operations may lead to restrictions or higher requirements for Lantmännen's operations. Increased production or a change in the type of production may affect permits.

Management: Monitoring and reporting to authorities. Active work on chemical handling. Environmental inspections and surveying industrial land for the need for remediation.

S Currency risk

Risk level ● Moderate probability ● Moderate impact

Changes in exchange rates affect Lantmännen's earnings, equity and competitive situation. Payment flows and agreements in different currencies create currency risks.

Management: Managed centrally to minimize currency effects and achieve matching of currency transactions within the Group for optimal hedging. Financial instruments are used to hedge expected payment flows using the guidelines in Lantmännen's financial policy.

T Credit and counterparty risk

Risk level ● Low probability ● Low impact

Lantmännen's financial transactions give rise to credit risks associated with financial and commercial counterparties.

Management: Lantmännen only works with banks with a high credit rating and in particular those involved in the Group's long-term financing. To minimize credit risk associated with outstanding trade receivables, Lantmännen has a policy of conducting special credit checks. If there is a special need, customers are insured.

U Refinancing/liquidity risk

Risk level ● Low probability ● Low impact

When renewing loans and credit, there is a risk of higher costs and less access to refinancing. Liquidity risk is the risk of inability to discharge payment obligations due to insufficient liquidity.

Management: The risk is limited by having a spread of counterparties and maturity profiles of interest-bearing liabilities. The financial policy regulates liquidity risk by requiring guaranteed unused credit facilities and cash resources to exceed MSEK 1,500.

V Interest rate risk

Risk level ● Low probability ● Low impact

Changes in the market rate may have adverse effects on earnings and cash flows. Their impact on net interest income depends on the fixed rate period for the loans.

Management: Lantmännen mainly takes out loans with short fixed-interest periods but long maturities. Lantmännen may enter into interest rate swaps and extend the fixed-interest period for existing loans.

The Group's Ten-year overview

Condensed income statements

MSEK	2022	2021	2020	2019	2018 ¹⁾	2017 ¹⁾	2016 ¹⁾	2015 ¹⁾	2014 ¹⁾	2013 ¹⁾
Net sales	60,612	48,183	45,990	48,523	43,962	39,686	37,244	35,660	32,666	33,802
EBITDA	5,460	4,399	4,274	4,046	2,806	2,919	2,771	2,573	2,556	2,193
Depreciation, amortization and impairment	-3,153	-2,097	-2,051	-2,063	-1,363	-1,242	-1,165	-1,222	-1,103	-2,104
Operating income	2,307	2,302	2,223	1,983	1,443	1,677	1,606	1,351	1,453	89
Finance income and costs	-179	-121	-182	-210	-193	-156	-149	-105	-111	-4
Income after financial items	2,128	2,181	2,041	1,773	1,250	1,521	1,457	1,246	1,342	85
Tax	-337	-294	-244	-222	-68	-216	-183	-156	-117	15
Net income for the year	1,791	1,887	1,797	1,551	1,182	1,305	1,274	1,090	1,225	100

Condensed statements of financial position, MSEK

MSEK	2022	2021	2020	2019	2018 ¹⁾	2017 ¹⁾	2016 ¹⁾	2015 ¹⁾	2014 ¹⁾	2013 ¹⁾
Property, plant and equipment	14,758	13,769	13,288	13,927	10,673	10,030	9,098	7,699	7,178	7,337
Goodwill	6,186	5,619	5,461	5,724	5,350	5,238	4,611	4,424	2,915	2,594
Other intangible assets	3,845	3,378	3,370	3,620	3,451	3,327	2,980	2,782	752	814
Other non-current assets	5,942	3,662	3,496	3,499	3,233	3,204	2,825	2,780	2,762	2,542
Total non-current assets	30,731	26,428	25,615	26,770	22,707	21,799	19,514	17,685	13,607	13,287
Inventories	9,957	6,610	6,077	6,561	6,943	5,948	5,270	5,545	5,379	5,249
Other current assets	10,056	7,605	6,224	6,680	6,725	5,866	5,933	5,599	5,087	5,170
Cash and cash equivalents	355	2,704	1,415	1,183	720	927	1,773	1,252	3,058	2,295
Total current assets	20,368	16,919	13,716	14,424	14,388	12,741	12,976	12,396	13,524	12,714
Total assets	51,099	43,347	39,331	41,194	37,095	34,540	32,490	30,081	27,131	26,001
Equity, members of the Parent	22,831	19,990	17,901	17,411	15,935	14,859	13,795	12,660	11,859	11,016
Equity, NCI	101	108	105	94	92	89	88	21	17	28
Total equity	22,932	20,098	18,006	17,505	16,027	14,948	13,883	12,681	11,876	11,044
Non-current liabilities	6,206	6,595	7,029	7,190	7,005	5,983	6,219	6,135	3,598	4,939
Current liabilities	21,961	16,654	14,296	16,499	14,063	13,609	12,388	11,265	11,657	10,018
Total equity and liabilities	51,099	43,347	39,331	41,194	37,095	34,540	32,490	30,081	27,131	26,001
Net debt	9,761	6,673	7,761	10,165	8,719	7,274	6,289	6,476	3,674	4,963
Refund and supplementary payment ^{2) 3)}	374	341	305	208	156	245	231	188	135	129
Extra dividend	-	-	-	-	-	133	-	-	-	-
Contribution dividend and contribution issue ³⁾	706	659	597	525	463	322	277	243	328	171

¹⁾ In accordance with previously applied accounting policies for leasing.

²⁾ Reported amounts may include adjustments compared with previous years' proposals.

³⁾ According to Board's proposal for 2022.

Financial performance measures	2022	2021	2020	2019	2018 ¹⁾	2017 ¹⁾	2016 ¹⁾	2015 ¹⁾	2014 ¹⁾	2013 ¹⁾
Operating margin, %	3.8	4.8	4.8	4.1	3.3	4.2	4.3	3.8	4.4	0.3
Capital turnover rate, times	1.9	1.8	1.7	1.7	1.8	1.8	1.8	1.8	2.1	2.0
Return on operating capital, %	7.2	8.4	8.1	6.8	6.0	7.8	8.0	7.5	9.1	0.5
Return on equity, %	8.3	10.0	10.2	9.1	7.6	9.0	9.6	8.9	10.6	0.9
Equity ratio, %	44.9	46.4	45.8	42.5	43.2	43.3	42.7	42.2	43.8	42.5
Net debt (bank definition)/EBITDA	1.9	1.3	1.6	2.3	3.2	2.7	2.5	2.8	2.0	2.6
Net debt/equity ratio, times	0.4	0.3	0.4	0.6	0.5	0.5	0.5	0.5	0.3	0.4

Excl. items affecting comparability	2022	2021	2020	2019	2018 ¹⁾	2017 ¹⁾	2016 ¹⁾	2015 ¹⁾	2014 ¹⁾	2013 ¹⁾
Operating income, MSEK	2,715	2,323	2,223	2,087	1,580	1,708	1,697	1,351	851	805
Operating margin, %	4.5	4.8	4.8	4.3	3.6	4.3	4.6	3.8	2.6	2.4
Income after financial items, MSEK	2,536	2,202	2,041	1,877	1,387	1,552	1,548	1,246	740	683
Net income after tax, MSEK	2,157	1,904	1,797	1,652	1,289	1,353	1,457	1,066	595	494
Return on operating capital, %	8.4	8.5	8.1	7.2	6.6	7.9	8.4	7.5	5.3	4.7
Return on equity, %	10.1	10.1	10.2	9.7	8.2	9.4	11.0	8.7	5.1	4.4

Condensed statement of cash flows, MSEK	2022	2021	2020	2019	2018 ¹⁾	2017 ¹⁾	2016 ¹⁾	2015 ¹⁾	2014 ¹⁾	2013 ¹⁾
Cash flow from operating activities before changes in working capital	4,049	3,944	3,811	3,637	2,268	2,453	2,571	2,159	1,362	1,570
Cash flow from operating activities	1,359	3,927	4,503	4,226	1,023	2,398	3,136	2,167	1,767	2,294
Cash flow from investment in/sale of property, plant and equipment and intangible assets, net	-2,688	-2,199	-1,608	-1,929	-1,626	-2,274	-1,884	-811	-697	-862
Cash flow from acquisitions and divestments of operations, net ²⁾	-761	-5	-54	-473	-333	-852	-357	-4,154	1,065	1,196
Cash flow before financing activities	-2,468	1,704	2,803	1,837	-824	-703	826	-2,674	2,077	2,450
Cash flow for the year	-2,372	1,280	254	454	-219	-852	489	-1,775	778	1,943
Cash and cash equivalents at end of year	355	2,704	1,415	1,183	720	927	1,773	1,252	3,058	2,295

Non-financial key figures	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Number of members	18,256	18,726	19,172	19,690	24,798	25,021	25,159	27,032	28,617	32,082
Average number of employees	10,356	10,092	10,017	10,250	9,940	9,850	9,880	8 911	8 311	9 133
of which women/men	35/65	35/65	34/66	35/65	34/66	34/66	30/70	27/73	28/72	29/71
Employee satisfaction/Leadership	-	70/76	-	71/75	-	70/74	-	68/72	-	68/71
Sick leave	5.2	4.4	4.3	4.3	4.5	4.4	4.8	4.4	3.8	3.7
Injury rate	13.5	14.3	13.7	12.8	13.4	13.9	14.5	15.2	16.8	15.2
Tonnes CO ₂ /MSEK net sales	1.98	2.50	2.64 ³⁾	2.87 ³⁾	3.43	4.63	5.38	4.68	-	-
Weighed grain volume, thousand tonnes	2,482	2,422	2,758	2,261	1,819	2,720	2,400	2,710	-	-
of which Climate & Nature, volume, thousand tonnes	115	94	61	38	33	78	70	55	-	-

¹⁾ In accordance with previously applied accounting policies for leasing.

²⁾ 2022 acquisition of Coryton Advanced Fuels, Scandbio, Kewab Rental, Myllyn Paras and 30 percent of KG:s Ägg, and divestment of Agrovärme.

2020 acquisition of a bakery business in Norway.

2019 acquisition of Bakery Du Jour and Tate & Lyle's oat business.

2018 acquisition of Raisio's cattle feed business and ThermoSeed Global.

2017 acquisition of Anderson Bakery, K-maatalous, Orient Products and Marline, and divestment of LMB Danmark and 50 percent of Akershus Traktor.

2016 acquisition of Kalmar Lantmän's machinery business, DataVäxt and Frozen Bakery Products.

2015 acquisition of Vaasan and sale of Lantmännen Doggy.

2014 acquisition of Strängnäs Valskvarn, sale of shares in Scandi Standard and divestment of Lantmännen Lantbruk's German and Polish plant breeding and seed operations (SW Seed Poland, SW Seed Germany, SW Winter Oil Seed).

2013 acquisition of 46 percent of Scandi Standard and divestment of Kronfågel Group and Rigas Dzirmavnieks.

³⁾ Based on new baseline for target 2019-2030.

Glossary

For description of financial performance measures → see page 136

Agenda 2030 • The UN's 17 Global Goals in Agenda 2030, adopted by the UN countries in September 2015, are a common vision with goals for achieving sustainable development for all.

Agrodrank • Protein-rich animal feed produced at Agroetanol in Norrköping.

Amino acids • Amino acids are the building blocks of proteins.

Audit • Third-party inspection of suppliers through notified or unannounced visits, with follow-up of requirements in the Supplier Code of Conduct.

B2B • Business-to-business, non-consumer related sales.

Biodiversity • Describes the variation between species, within species and habitats found on Earth.

Carbon Law • Researchers' name for the rate required to reduce the climate impact in line with the Paris Agreement target, which is to keep the global warming increase well below 2 degrees, with the ultimate aim of 1.5 degrees. To achieve this, the Carbon Law requires carbon dioxide emissions to be halved every decade from 2020.

CO₂e, carbon dioxide equivalents • Measurements of greenhouse gas emissions. All emissions, apart from carbon dioxide, are multiplied by a Global Warming Potential (GWP) to allow comparisons for all greenhouse gases.

Code of Conduct • Guidelines on ethical and responsible business operations for companies and organizations.

CSA • A credit support annex is an agreement that governs how a party with an outstanding debt must provide collateral in the form of cash or securities.

Due diligence • The process of gathering and analyzing information about a company prior to an acquisition or other strategic changes.

Ecosystem services • Describes functions in the cycle that nature's ecosystems contribute to – e.g. air and water purification, crop pollination, bacteria and worms that make the soil fertile.

ERM process • Enterprise Risk Management, a structured and proactive risk management process.

Functional foods • Food with documented health benefits.

Global Compact • UN corporate social responsibility initiative. An international framework of ten principles in the areas of human rights, labor, environment and anti-corruption.

GRI • Global Reporting Initiative. Provides guidelines for sustainability reporting that can be used by organizations to report environmental, social and economic aspects of their business, products and services.

IFRS • International Financial Reporting Standards. Learn more at → [ifrs.com](https://www.ifrs.com)

ISDA agreement • A standardized contract for financial trading.

LCR • Liquidity coverage ratio, can also be described as the proportion of highly liquid assets that can be used to settle current liabilities.

Pulses • Cultivated large-seeded legumes, such as peas, vetches, lupins and beans.

R&D • Research and Development.

RSPO • Round Table on Sustainable Palm Oil. International round table process to develop criteria for sustainable palm oil. More about the RSPO certification levels Book & Claim, Mass Balance and Segregated can be found at → [rspo.org](https://www.rspo.org)

RTRS • Round Table on Responsible Soy. International round table process to develop criteria for sustainable soy.

Science Based Targets initiative • SBTi is a partnership between supranational and non-profit organizations. SBTi drives ambitious climate action in the private sector by enabling organizations to set science-based emissions reduction targets.

Stem-shortening agent • An agent that reduces the risk of crop lodging. A stem-shortening agent is basically the only plant protection agent that can be sometimes found in detectable residue levels in the grain raw material.

Value added • EBITDA plus employee benefits expense.



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Design & production: Wildeco

Photo: Johan Olsson, Mårten Svensson, Lantmännen's image bank, Adobe Stock photos, images from Lantmännen's Photography competition.

Printing: Taberg Media Group, ISO 9001- and 14001-certified.

Paper: Scandia 2000 - produced at Lessebo Paper in Sweden. This paper has one of the very lowest carbon footprints in Europe. This applies to every stage of the production chain - from the felling of a tree to the departure of the finished product from the factory gate (lessebopaper.com).





**Together we take
responsibility
from field to fork**