



2021

Lantmännen Annual Review

Contents

Group	2	Our operations	33
The Group's key figures 2021	2	Agriculture Sector	33
Agriculture's business partner	4	Energy Sector	39
The very best from the land	5	Food Sector	43
Chairman's comments	6	Swecon Business Area	51
President's overview	8	Real Estate Business Area	55
Significant events in 2021	10	International ownership	57
Membership with influence	15	Corporate Governance	59
Dividend proposal 2021	17	Corporate Governance Report	60
Market and business environment	18	Board of Directors and Group Management	70
Strategy – Field to Fork 2030	20	Financial overview and facts	74
Strategic Group targets	22	Performance per segment	75
Sustainable business development	23	Description of financial performance measures	77
Heading for climate neutrality	25	The Group's Ten-year overview	78
Development of Farming of the Future	26	Consolidated Income Statement	80
New climate targets for 2030	27	Consolidated Statement of Financial Position	81
Research develops business	28	Consolidated Statement of Cash Flows	82
Collaboration for increased growth	29	Consolidated Statement of Changes in Equity	83
Employees who make a difference	30	The Group's Risk management Process	83
		Glossary	84
		Addresses	85



Financial Reports

Interim 1st four months June 1, 2022
Interim 2nd four months October 5, 2022

Lantmännen's financial reports can be downloaded from [➔ lantmannen.com/financial-information](https://lantmannen.com/financial-information) or ordered by calling +46 10-556 00 00. The reports are available in Swedish and English.

Sustainability Report

Lantmännen reports in accordance with the Global Reporting Initiative guidelines for sustainability reporting, GRI Standards. The Statutory sustainability report can be found in Lantmännen's Annual Report with Sustainability Report 2021, and can be downloaded from [➔ lantmannen.com/financial-information](https://lantmannen.com/financial-information) or ordered by calling +46 10-556 00 00.

Listen to us!

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

[➔](#) (available in swedish)

Lantmännen's Annual General Meeting

The Annual General Meeting will be held at Clarion Hotel Sign, Norra Bantorget, Stockholm, on Thursday, May 5, 2022. The meeting will also be broadcast digitally.

Cover photo

Image from the Long Live the Earth brand campaign. The message is that Lantmännen works to keep the earth fertile on the planet that is our home today and will be tomorrow. Photographer: Gustav Wiking.

Lantmännen from field to fork with thriving farming!

Our assignment is to contribute to the profitability of members' farms and optimize the return on their capital in the association.

Lantmännen is a farmers' cooperative and Northern Europe's leader in agriculture, machinery, bioenergy and food products. Owned by 19,000 Swedish farmers, we have 10,000 employees, operations in over 20 countries and an annual turnover of SEK 48 billion.

With research, development and operations throughout the value chain, together we take responsibility from field to fork.



The Group's key figures 2021

Net sales MSEK **48,183**

Net sales for the Group amounted to MSEK 48,183 (45,990), an increase of 5 percent.

Operating income MSEK **2,302**

Operating income was MSEK 2,302 (2,223) and adjusted for items affecting comparability MSEK 2,323 (2,223).

Income after financial items MSEK **2,181**

Income after financial items totaled MSEK 2,181 (2,041) and adjusted for items affecting comparability MSEK 2,202 (2,041).

Net income after tax MSEK **1,887**

Net income after tax amounted to MSEK 1,887 (1,797).

Cash flow MSEK **1,704**

Total cash flow before financing activities was MSEK 1,704 (2,803).

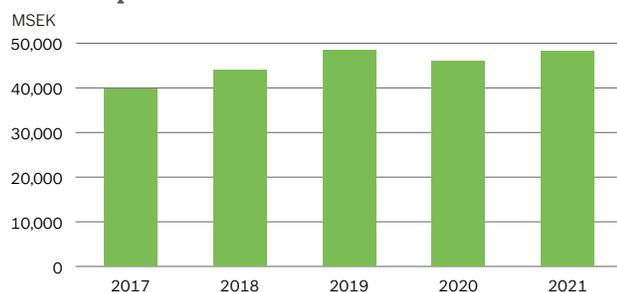
Proposed dividend MSEK **1,000**

The Board proposes a refund and supplementary payment of 2.5 (2.5) percent on trade with Lantmännen Lantbruk Sweden and a 1.5 (1.0) percent refund on purchases from Lantmännen Maskin's and Swecon's Swedish operations. The total proposed refund and supplementary payment is MSEK 341 (305). The Board proposes a contribution dividend of 10 (9) percent of the contributions' nominal value, totaling MSEK 362 (291), and a contribution issue of MSEK 297 (306). The total proposed dividend to the members is therefore MSEK 1,000 (902).

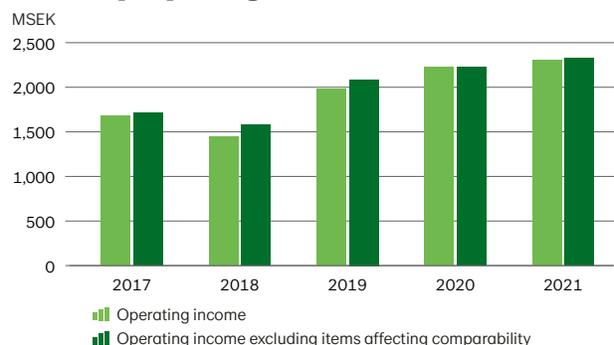
The Board also proposes a 7.25 (7.25) percent dividend on subordinated debentures, totaling MSEK 18 (17).



The Group's net sales



The Group's operating income





Lantmännen's position from field to fork is a unique platform for creating a winning value chain locally and in a global market.

Financial performance measures	2021	2020
Net sales, MSEK	48,183	45,990
Operating income, MSEK	2,302	2,223
Operating margin, %	4.8	4.8
Income after financial items, MSEK	2,181	2,041
Net income after tax, MSEK	1,887	1,797
Cash flow before financing activities, MSEK	1,704	2,803
Return on equity, %	10.0	10.2
Return on operating capital, %	8.4	8.1
Total assets, MSEK	43,347	39,331
Equity ratio, %	46.4	45.8
Investments in non-current assets, MSEK	2,362	1,795
Net debt, MSEK	6,673	7,761
Interest coverage ratio, times	12.0	8.2
Net debt/EBITDA (bank definition)	1.3	1.6

Excl. items affecting comparability	2021	2020
Operating income, MSEK	2,323	2,223
Operating margin, %	4.8	4.8
Income after financial items, MSEK	2,202	2,041
Net income after tax, MSEK	1,904	1,797
Return on equity, %	10.1	10.2
Return on operating capital, %	8.5	8.1

Lantmännen reports alternative performance measures in accordance with the European guidelines from ESMA (European Securities and Markets Authority). A description of financial performance measures can be found on [page 77](#).

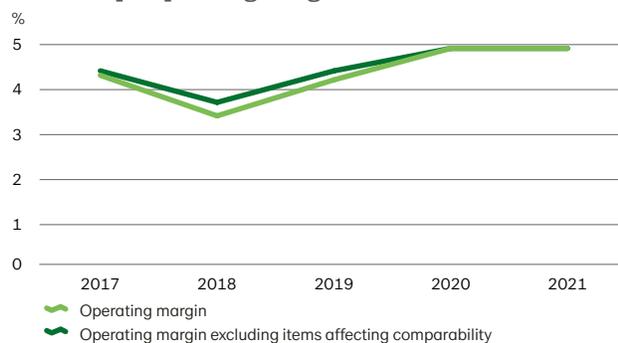
Other key figures	2021	2020
Number of members	18,726	19,172
Average number of employees	10,092	10,017
of which women/men, %	35/65	34/66
CO ₂ emissions, thousand tonnes	122	122 ¹⁾
CO ₂ emissions, tonnes per MSEK net sales, % reduction ²⁾	14.0	-
Employee satisfaction index	70	71 ³⁾
Sick leave, %	4.4	4.3

¹⁾ Adjustment for new emission factors ²⁾ New key figure ³⁾ Refers to 2019

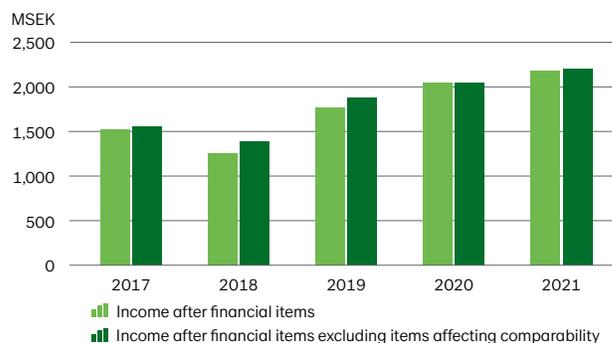
Sales by market, MSEK	2021	2020
Sweden	21,958	20,530
Finland	6,452	6,275
Germany	5,187	5,581
Denmark	3,250	3,136
United Kingdom	1,816	1,670
Norway	1,753	1,638
Netherlands	1,399	889
Baltic region	1,015	1,070
France	734	858
Spain	663	555
Belgium	610	514
Russia	497	587
Poland	294	370
Switzerland	195	326
Rest of Europe	1,096	846
United States	721	617
Australia	353	336
Rest of world	190	192
Total	48,183	45,990



The Group's operating margin



The Group's income after financial items



Agriculture's business partner

Lantmännen is a farmers' cooperative and Northern Europe's leader in agriculture, agricultural machinery, bioenergy and food products. Lantmännen is both a business partner for agriculture and a part of food consumers' daily life.

Agriculture Sector

Learn more on page 33



44% of the Group's sales

Energy Sector

Learn more on page 39



9% of the Group's sales

Food Sector

Learn more on page 43



31% of the Group's sales

Swecon Business Area

Learn more on page 51



15% of the Group's sales

Real Estate Business Area

Learn more on page 55



1% of the Group's sales

Our assignment

Lantmännen's assignment is to contribute to the profitability of members' farms and optimize the return on their capital in the association.

Our mission

We make farming thrive.

Our vision

We lead the refinement of farmland resources in an innovative and responsible way for the farming of tomorrow.

Our business concept

We are a farmers' cooperative that creates value from farmland resources in a responsible way. Our collective knowledge and our operations from field to fork enable us to lead the development in the grain value chain. We operate in an international market, with Sweden as the base for our business activities.



Our business model



Farmers' cooperative

The cooperative contributes to the profitability of our members' farms and optimizes the return on their capital in the association.

Operations from field to fork

With strong operations throughout the value chain, we secure demand for, and increase the value of, the farmers' harvests.

Research, innovation and sustainable development

Every year, more than MSEK 300 is invested in research and innovation for farming, food and bioenergy of the future.

Value from farmland

We refine arable land resources in a responsible way to create the best of what our farmland can provide.

The very best from the land

With farmland and agricultural companies as the basis, Lantmännen drives and develops business throughout the value chain from field to fork. Our work on responsibility from field to fork contributes to thriving farming and sustainable food production.

Good food begins in the field

Together we take responsibility from field to fork. Our customers and consumers should feel confidence in our knowledge and control throughout the value chain. Lantmännen minimizes the impact on the environment, providing good, healthy food that is sustainably produced, both now and in the future.

Sustainable added values

Lantmännen's grain knowledge and proximity to cultivation provides us with unique opportunities to contribute to more sustainable production and at the same time create profitable added values for health and the environment. Our work on innovation and business development has resulted in several good examples that contribute to more sustainable food supply and bioenergy production.

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The road to good food begins with a seed that is sown, with hopes of a good harvest and good meals.

Green sprout – a guarantee of good food

Our green sprout on the packaging serves as a guarantee, a seal of quality, that the food has been responsibly produced, from cultivation to production and all the way to the store and consumer.

Development of Farming of the Future

As part of the work on Farming of the Future, we are promoting a sustainable growth agenda from field to fork. Our reports on crop cultivation and beef and dairy production provide good opportunities to address sustainability challenges while increasing production.

Aiming for world class

Lantmännen helps to create the conditions for working with agricultural companies to achieve world class by 2030. This ties in closely with the assignment to create profitability at members' farms.

Good food from
Lantmännen



Chairman's comments

We have set the bar high – the goal is for Swedish farming and Lantmännen to reach world class. The Board is therefore proposing the highest dividend ever to members – SEK 1 billion. This feels especially important with cost increases and uncertainly having such a clear effect on agriculture.

We have put another unusual year behind us. The Coronavirus pandemic has made it difficult for us to travel and to meet face to face for talks and discussions. This has restricted us, but at the same time I can say that, despite everything, business on the farms and at Lantmännen has managed to operate and develop very well. From an agricultural perspective, we entered the year with a large fall harvest and high expectations. The heat and drought helped to kick-start the harvest, but then came the rain. The year's harvest was not exactly what we expected, and the crops were also smaller globally, leading to higher grain prices. But it is not just the price of grain that has risen sharply – electricity, fuel and fertilizer have also become much more expensive. In addition, high commodity prices are placing upward pressure on feed prices.

Initially, it is about getting through this period, but we need to think way beyond that. We must create the conditions for long-term profitable and competitive Swedish agricultural companies, which means we need to get higher prices from customers and consumers. Good food must come at a cost, but we must also ensure the right conditions for someone to produce the good food.

Lantmännen makes a difference

For a long time in Sweden, we have focused far too little on the importance of farming. Lantmännen has taken a clear leadership role in contributing to the development of competitive Swedish agriculture and a strong food sector. Together with other companies and organizations, we have created initiatives to strengthen Swedish farming – we call it Lantmännen's Growth package. The Growth package includes investments in plant breeding, exports, data collection, innovation and financing. One of the initiatives focuses on the importance of food security in Sweden. If we sum up the experiences of the fall price increases, the 2018 drought year and the pandemic, it is clear that Sweden has neglected issues of supply and preparedness for far too long. Together with other stakeholders, Lantmännen is now engaged in addressing how the Swedish food chain can contribute to stronger crisis preparedness.

Lantmännen handles very large volumes of grain each year. Every kilo we can process, develop and refine creates significant added value, both for Lantmännen and for us farmers, which contributes to farm profitability and the return on our capital in the association. Our investments in the grain

value chain, from ethanol and gluten to heat-treated oats and starch, are just the beginning of the opportunities offered by the unique grain kernel. Here I would also like to mention Lantmännen's investment in developing Swedish plant breeding. With the latest techniques, we can increase the progress of plant breeding by up to ten times. The properties that plant breeding can contribute are varieties that are more drought resistant, healthier and produce significantly higher yields.

Farming of the Future

The advances that plant breeding can bring are an important enabler for achieving the Farming of the Future goals. The goal of Farming of the Future is to be climate neutral by 2050. In 2019, we presented the report on how to achieve climate neutrality in crop cultivation by 2050. During the year, together with key partners, we presented the report "Farming of the Future: Beef & Dairy". The report shows that Swedish beef and dairy production can also reduce the climate impact and achieve climate neutrality, while increasing productivity and promoting biodiversity. But we want more than that – which is why we are now looking at the possibility of also continuing with other areas of production. I am extremely proud that Lantmännen, as a farmer-owned company, is so far ahead and I see the power that our unique position from field to fork can have in driving the transition to Farming of the Future.



I am very proud that as a farmer-owned company Lantmännen is so far ahead, and I see the drive that our unique position from field to fork can have in the transition to Farming of the Future.

To show that much can be applied even now, the Bjertorp and Viken Farms of the Future were opened during the year. At Bjertorp, the latest research and innovation in the area of crop production is applied and tested. At Viken, Lantmännen's dairy and trial farm, the aim is to make dairy production even



Per Lindahl at the Installation of seven new milking robots, now in full operation at the Viken Farm of the Future, Lantmännen's dairy and trial farm.

more sustainable through digitalization and new methods for measuring feed consumption and animal health.

On the occasion of the AGM, Lantmännen celebrated its 20th anniversary as a company. I have had the opportunity to be part of the whole journey and I can say that the strength of a united company has exceeded all expectations. We have a vibrant member democracy. To lead a company like Lantmännen, it is crucial to have a membership with engagement and interest – and elected representatives who are prepared to be involved in developing the company. The Member 2030 owner dialogue that we held during the year enabled us to increase both knowledge and insight. As part of the follow-up, we have begun work on clearer measurement of our ownership mission – I firmly believe that we can show even more fully how Lantmännen contributes to profitability of the farms.

We are a successful and respected company, both in Sweden and internationally. We have a clear strategy and our business portfolio has the breadth to deal with unexpected situations, while delivering good results. The fact that this is another year in which Lantmännen has succeeded so well in our different businesses, despite extreme challenges both in Sweden and internationally, is evidence of its speed, flexibility and excellent knowledge of the market. Here I would like to mention in particular our food operations, which, despite all the challenges, have found opportunities as they have adapted. It is also pleasing to note that Lantmännen Maskin's targeted work has paid off. The record result means that the Board is once again able to propose the highest dividend ever to members this year. In its proposal, the Board has taken into account Lantmännen's strong financial position but in particular the tough cost situation of our members, so this year we are taking full advantage of all the opportunities our dividend policy offers. The Board of Directors proposes a refund and

supplementary payment of 2.5 percent and 1.5 percent for the machinery operations. The Board also recommends an increased contribution dividend at 10 percent of the contributions' nominal value and a contribution issue of MSEK 297.

Future strategic direction

The Lantmännen we see today is the result of many individual decisions and a clear strategic direction. But most of all, it is about people. The desire to develop and improve. In 2022, Per Olof Nyman steps down as President and CEO of Lantmännen. Per Olof has made his mark on the business by talking about execution, cost leadership and profitable growth, some of his favorite words. But it has also been about always seeing the employees in the organization. Getting everyone to go the extra mile, to stretch a little further. The development Lantmännen has shown under Per Olof's leadership is extraordinary. Thank you Per Olof, and thanks to all the employees who during this special year have contributed to making Lantmännen an even stronger, more profitable and at the same time 'present' company. I would also like to take this opportunity to welcome Magnus Kagevik as new President & CEO. Your genuine interest in Swedish agriculture and your leadership skills are just what we need to continue Lantmännen's successful journey as a responsible and profitably growing company.

And to all members I would say this – Lantmännen contributes decisively to the profitability of our farms. In 2022, we take the next step from field to fork – on the road to world class!

Mosslunda, February 2022

Per Lindahl
Chairman, Lantmännen

President's overview

Lantmännen's income after net financial items and adjusted for items affecting comparability amounts to MSEK 2,202 – the highest result ever and a significant increase compared with the previous year's income of MSEK 2,041.

In the second half of 2021, prices for all types of commodities rose to historically high levels, which has posed major challenges for agriculture. This has resulted in the need for compensatory, cost-based price increases on virtually all agricultural products, and Lantmännen has worked intensively to pass on the price increases to customers in all of its markets.

During the year, several of Lantmännen's businesses continued to be significantly affected by the Coronavirus pandemic and its restrictions – notably those related to travel, hotels and restaurants – and major supply chain disruptions, which affected our machinery businesses in particular.

Despite these challenges, Lantmännen is delivering the strongest ever result and the Board is once again able to propose the highest ever dividend to our members. I would like to say a special thank you to all our employees, who have dealt with another year of challenges in an exemplary way and managed to adapt the business to tougher external conditions.

How our Sectors and Business Areas performed

The Agriculture Sector has reported lower earnings than in the previous year, mainly due to increased commodity prices and lower grain volumes as a result of the summer heat and the initially scarce rainfall. All businesses in the Sector have been affected by higher prices of, among other things, inputs, energy and freight. The Finnish agricultural operations and our agricultural holdings in the Baltic region have delivered higher earnings than in the previous year, and Lantmännen Maskin has shown a significant improvement in earnings during the year.

The Energy Sector has shown a strong increase in earnings compared with the previous year. All of the Sector's businesses have been affected by higher prices of input goods, but this has been more than offset by a strong production result and rising market prices, particularly for ethanol.

The Food Sector's earnings are higher than in the previous year, largely due to the successful adaptation of production to the changed conditions. Sales, particularly in food service, are lower than pre-pandemic levels but have increased compared with the previous year. All businesses are being affected by higher commodity and energy prices, which has led to general cost-based price increases for

customers. Many businesses, particularly in food service, have seen an increased impact from the coronavirus pandemic in the final months of the year.

The Swecon Business Area has delivered another strong and stable result, despite component shortages and shipping and logistics difficulties that have reduced machines availability during the pandemic. The level of activity in construction and infrastructure projects remains high and underlying demand for construction machinery is strong. Machine utilization rates are at a high level and aftermarket demand is good, both in terms of service and spare parts.

The Real Estate Business Area is developing positively and has significantly increased its earnings, both through higher operating income and higher profit shares from partly-owned companies.



We have grown both organically and through acquisitions, entering several new international markets.

A new business landscape

The coronavirus pandemic has affected virtually every sector and industry in the world. A tangible consequence of the challenges of recent years is the current uncertainty in the world market: component and raw material shortages and major challenges in freight and logistics, combined with rising transport costs. At the same time, prices of virtually all inputs and energy have risen sharply, leading to higher global inflation.

An important question in the wake of the pandemic is what long-term effects will it have on society at large, and more specifically on customer and consumer purchasing behavior. After the sharp decline in the food service sector – including catering, lunch restaurants and food for airlines and cruise lines – during the pandemic, demand is gradually picking up, but in view of the continuing coronavirus impact, we believe it will be some time before the overall market returns to previous years' levels.

While companies and organizations need to manage and adapt to the changed conditions and new business landscape,



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I would like to say a warm thank you for my time here to all our skilled and responsible employees, our excellent managers around the world, our suppliers, customers and partners – and in particular our dedicated and knowledgeable members.

we also face the key issue for our generation: tackling and overcoming the climate crisis. The challenges that society faces require appropriate strategies and focused, vigorous execution in order to achieve the necessary and ambitious climate goals. “Sustainable business development” is a long-standing guiding principle for Lantmännen and we have made significant progress in the area of climate change in recent decades: including reducing our CO₂ emissions in relation to sales by 71 percent – or 62 percent in absolute figures – since 2009. We are working continuously to realize our plans for meeting the Paris Agreement targets. One example is our “Farming of the Future” program, which describes methods for achieving climate-neutral farming by 2050.

Lantmännen is equipped for the future

The next few years will bring continued challenges for Lantmännen, for the agricultural and food sectors – and for society at large. It is therefore reassuring to be able to say that Lantmännen is stronger than ever before. Apart from the 2018 drought year, Lantmännen has increased its year-on-year earnings over the last ten years, while strengthening its balance sheet. After a record year in 2021, we are even better equipped for the future and continuing profitable growth.

As previously announced, I will be retiring in the spring of 2018, after ten years as President and CEO, and while there is still great potential for development within Lantmännen, it is with pride that I look back on developments during the last decade. We have grown both organically and through acquisitions, entering several new international markets. We have built a strong, well-balanced business portfolio in the grain value chain. We have increased strategic investments in the infrastructure for grain and Swedish food supply, thereby enabling increased value creation in our industrial operations. The dividend to our members has gradually increased, and for 2021 the Board proposes a dividend of SEK 1 billion.

Lantmännen’s path forward is clearly marked out, and I look forward to leading the work until my successor is in place and then following the continuing success. In recent years, we have taken major steps together on the road towards developing Lantmännen into a world-class company and Swedish farming into a world leader. That is where we belong.

Stockholm, February 2022

Per Olof Nyman
President & CEO

Significant events in 2021



Test activities for carbon sequestration

Lantmännen and Svensk Kolinlagring are starting up test activities at Lantmännen's Farm of the Future in Bjertorp to increase carbon sequestration and achieve climate neutrality by 2050. Several sustainability measures are already being tested at Bjertorp, including precision farming, skylark plots and flowering zones, and efforts to bind more carbon in the soil are now also being intensified at Bjertorp. *February 11, 2021*

Lantmännen invests in seven modern milking robots from DeLaval

Lantmännen is conducting a number of successful projects to improve production results at its Viken experimental Farm of the Future, including new modern milking robots.

February 15, 2021

Recycling hub to refine food waste in Denmark

Lantmännen Agroetanol has opened a new facility in FredERICA to convert residual products from the food industry into raw materials such as ethanol, thereby contributing to recycling and reduced food waste. *February 24, 2021*



2021 Talent Company of the year

Lantmännen has been named Talent Company of the Year for the second consecutive year. The award is given to companies that most successfully attract, recruit, develop and retain talent.

March 19, 2021

1 billion SEK

Lantmännen growing with new green financing

Lantmännen is financing the transition to a more sustainable agricultural and food industry with a green framework and a green bond of SEK 1 billion. There was impressively keen interest – the bond was oversubscribed and the market was ready to subscribe for more. *April 21, 2021*

Climate Impact Calculator creates value

With the Climate Calculator tool, Lantmännen and Dataväxt will contribute to a new sector standard for measuring the climate footprint and create opportunities to increase the added value of Swedish grain. *April 15, 2021*



Sensor technology for more efficient feed handling

In Lantmännen's digitalization journey, new sensor technology to measure volumes in feed silos is being tested. In an EU-funded project, about 50 silo sensors have been installed on Gotland, which will contribute to the technical and digital development of Swedish agriculture. *May 21, 2021*

MSEK 800 investment in production of Green Proteins

Lantmännen Agroetanol is investing MSEK 800 in the Norrköping biorefinery to strengthen its position in grain-based food ingredients. The investment will contribute to Lantmännen's continued growth in this area and complements the existing production of sustainable grain-based biofuels, carbon dioxide and feed. The new production line is expected to be fully operational in 2023. *May 26, 2021*

Unique robot project for Farming of the Future



In partnership with RISE, Lantmännen is testing Robotti, a self-driving robot, in the Swedish fields. The rapid development of self-driving machinery around the world will change the face of agriculture. Robots that spread fertilizer, sow or harvest, that can minimize the use of crop protection, herd animals and work efficiently around the clock are part of Farming of the Future. *June 17, 2021*



Lantmännen Agroetanol and E.ON sign billion euro agreement

Lantmännen Agroetanol has signed an agreement with E.ON for continued supply of process steam to the Norrköping biorefinery. The contract is for 20 years and comprises 500 GWh of steam, which corresponds to half the district heating needs of a city the size of Norrköping. *August 30, 2021*

Lantmännen acquires 10 percent of Hargs Hamn AB

The investment underlines the importance of continued investments in the grain value chain and Lantmännen's long-term commitment to the port, and provides increased scope to steer the development of grain handling in a positive direction. *August 31, 2021*



European Innovation Award

Lantmännen ThermoSeed received the European Award for Cooperative Innovation in the category "Environmental Value Creation – Biodiversity and Natural Resources" for its unique seed treatment method. The innovative, highly efficient and environmentally-friendly production process treats seed with water vapor, with the same effects as the best chemical-based equivalents. *July 6, 2021*



Lantmännen launches Climate & Nature in Finland

The cultivation program for Farming of the Future – Climate & Nature – is being launched in Finland, with the initial aim of a 15-percent reduction in the climate footprint of Finnish rye crops. Through close and committed cooperation between Lantmännen Agro, Cerealia, Unibake and Vaasan, we now also have a unique position in Finland. From this position of strength, we can positively influence the transition to a more sustainable Finnish food sector. *September 14, 2021*

Lantmännen Research Foundation

The Research Foundation invests MSEK 25 annually in research funding to develop healthy food, domestically produced animal feed and green materials. *September 1, 2021*



Lantmännen expands in Finland

Lantmännen has signed an agreement to acquire the Finnish Myllyn Paras group. The operations of Lantmännen and Myllyn Paras cover the entire value chain for grain-based food products in Finland. The transaction is subject to approval by the Finnish Competition and Consumer Authority. Myllyn Paras is a Finnish food company engaged in grain processing and milling operations. *September 23, 2021*

Sweden's crisis preparedness in focus

The *Food Security and Preparedness report* states that Sweden's emergency preparedness needs to be strengthened. A committed business community and well-informed consumers are the basis for responding to a crisis. Lantmännen calls for a sector-wide preparedness organization with overall responsibility and operational powers, in line with the Finnish model. *October 26, 2021*

Report: Swedish beef and dairy production can achieve climate target

In the report "*Farming of the Future: Beef and Dairy*", large parts of the food industry in Sweden have jointly identified challenges and opportunities for even more sustainable production by 2050. The results show that Swedish beef and dairy production can reduce climate emissions in line with the Paris Agreement, while increasing productivity and promoting biodiversity. *October 18, 2021*

Paulig and Lantmännen start sustainable farming partnership

With effect from the 2022 harvest, Lantmännen Cerealia will supply Paulig with 17,000 tonnes of wheat flour, grown according to Lantmännen's Farming of the Future: Climate & Nature program, which reduces the climate impact by up to 30 percent. The partnership will enable around 20 farms to convert about 2,700 hectares to even more sustainable cultivation methods. *October 12, 2021*



Henrik Samuelsson, Paulig, and Karolina Valdemarsson, Cerealia.



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
 - Cerealia's mill in Riga

ACQUISITION

- Strängnäs Valskvarn

FOUNDED

- Agroenergi Neova Pellets

2014

- ### DIVESTMENTS
- Byggglant
 - SW Seed Germany & Poland
 - SW WinterOil Seed

ACQUISITIONS

- Vaasan
- Crop Tailor

2015

- ### DIVESTMENT
- Doggy

Lantmännen invests in SimSuFoodS

Lantmännen is acquiring an ownership share in SimSuFoodS, which produces and sells foods made from plant-based proteins. Lantmännen has been producing ingredients for plant-based foods for many years and the investment in SimSuFoodS strengthens its position in this fast-growing segment. *December 13, 2021*



Lantmännen Unibake and Lantmännen Fastigheter are investing in a new automated cold store, adjacent to the bakery, for storage and processing of bread products. *December 21, 2021*

2021 Harvest

Despite record-breaking fall sowing and good preparations, the year's harvest was poorer than expected. The variable weather in 2021 had an adverse impact on the year's growing season and the total harvest was just under 5 million tonnes. "This has consequences for both the Swedish food sector and our export opportunities. Globally, harvests are also smaller, which is leading to higher grain prices," says Lantmännen's Grain Manager Mikael Jeppsson.

New President & CEO of Lantmännen

Lantmännen's President & CEO Per Olof Nyman is retiring on March 31 after 10 years in the role and 14 years with Lantmännen. Under his leadership, Lantmännen has developed into a profitable and innovative company. The Board has appointed Magnus Kagevik, current COO and Head of Lantmännen's Energy Sector, as Per Olof's successor. Magnus takes up his position on April 1.

New Lantmännen Board member

At Lantmännen's AGM, Jenny Bengtsson was elected as a new Board member as recommended by the Nomination Committee.

Other events after year-end

The City of Västerås and Lantmännen have reached an agreement whereby the City acquires the silo facilities in the center of Västerås. The City of Västerås is expected to take over the facilities in 2029.

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

Lantmännen Aspen has acquired the UK company Coryton Advanced Fuels, which produces bespoke fuels. The company has operations in the UK, Germany and Korea, sales of approximately MSEK 200 and about 60 employees.

Lantmännen has signed an agreement to acquire Neova Group's 50-percent share in Scandbio, which now becomes a wholly-owned subsidiary. The transaction is subject to approval by the competition authorities in Denmark, Latvia and Sweden.

Lantmännen's business portfolio creates value from farmland

ACQUISITIONS

- Kalmar Lantmän's machinery operations
- Dataväxt
- Frozen Bakery Products

ACQUISITIONS

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

ACQUISITIONS

- Raisio's cattle feed business
- ThermoSeed Global

ACQUISITIONS

- Bakery Du Jour
- Tate & Lyle's oat business in Kimstad

ACQUISITIONS

- Parts of French Bakery in Norway

2016

2017

2018

2019

2020

DIVESTMENTS

- LMB Danmark
- Akershus Traktor

“

More than a hundred years ago, a group of farmers came together in a cooperative to create value from grain and manage the land for future generations.

Today, Lantmännen is a large, profitable Group with companies in many industries – rooted in a proud history and with a long-term perspective.



Membership with influence

Lantmännen is a cooperative enterprise owned and governed by active Swedish farmers. Our assignment is to contribute to the profitability of the members' farms and optimize the return on their capital in the association. As a member of Lantmännen, you are both a business partner and an owner, and together we help to making farming thrive.

To become a member of Lantmännen, you must be engaged in farming or food production within the association's area of operation, and have a certain annual turnover with Lantmännen. As a member, you are able to influence how Lantmännen is governed and you share in the annual profits.

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.

Members' district organization

Lantmännen's 20 districts are the basis for the members' influence and an important link between the members and Lantmännen. *The district boards* work regionally in close cooperation with Lantmännen Lantbruk and Maskin, but also work on overall strategic issues.

District Board Conference

All district board members, member representative auditors and the Group Board are invited to the district board conference. The conference was held on November 30 – December 1, 2021. The conference focused on *Lantmännen's strategy in a changing business landscape and Lantmännen's Growth package for Swedish farming and food production.*

Council of Trustees

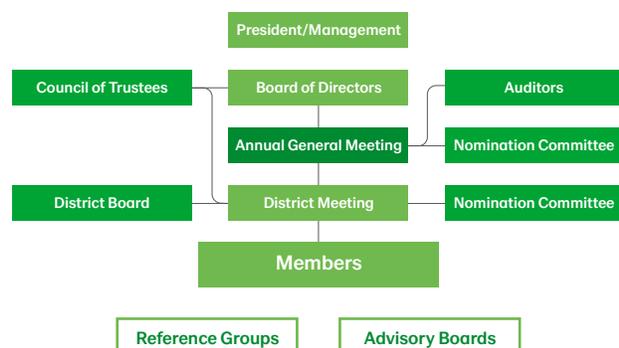
The Council fulfills an important function in communication and information between the Group, Board and districts. The Council of Trustees consists of 30-40 members, including the chairmen of the district boards and others. The Council advises the Board and works to promote positive development for Lantmännen. Activities during the year included work on Member 2030 and reference groups. See → page 61.

Lantmännen's 2021 AGM

The Annual General Meeting was held digitally on May 11, 2021. 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 for 2020 amounted to MSEK 902.

All Board members, the CEO, Group management, the presiding officers, delegates, authorized auditors and member representative auditors attended the meeting, which could be followed via webcast. The presiding officers, Chairman, CEO and CFO were present at Lantmännen's head office in Stockholm, while the others participated via a digital meeting tool with individual login.

Lantmännen's ownership model



Member forum

Governance and member dialogue are exercised in many forums, including district meetings, the annual general meeting, the Group Board and the council of trustees. Each member has one vote, and can exercise influence at member meetings and district meetings. Active nomination committees give members the opportunity to get involved as elected representatives and develop governance.

Several *reference groups*, which include members, contribute experience and views in areas such as feed, grain and work on Farming of the Future. Three business support organizations, *advisory boards*, within Machinery, Swecon and Energy contribute member-based expertise.

Benefits for members

The cooperative form of enterprise has many advantages, in particular its democratic structure. As a cooperative enterprise, Lantmännen can provide knowledge, advice and assistance, and ease the situation for its members in difficult times such as drought and poor harvests.

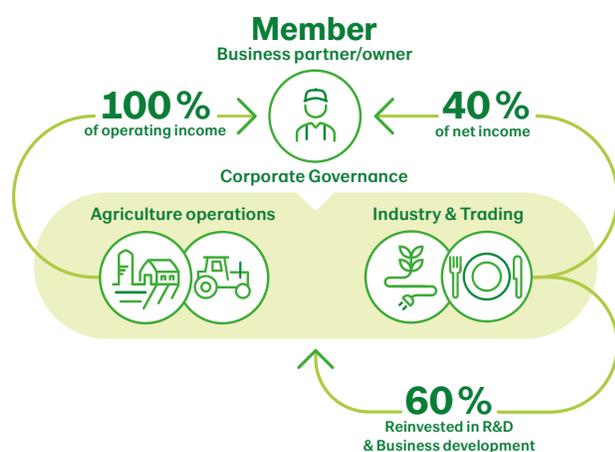
Members always have access to the LM² portal, where there are a number of digital services such as e-commerce for feed and parts and accessories, grain price monitoring, a cash service, ongoing advice for crop growers and a full overview of machinery and equipment with access to current manuals and operating information.



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 significant added value.

Lantmännen's dividend model



Dividend policy

The Board decides on the principles of the dividend policy. 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 will generate regular and stable dividends for members over time.

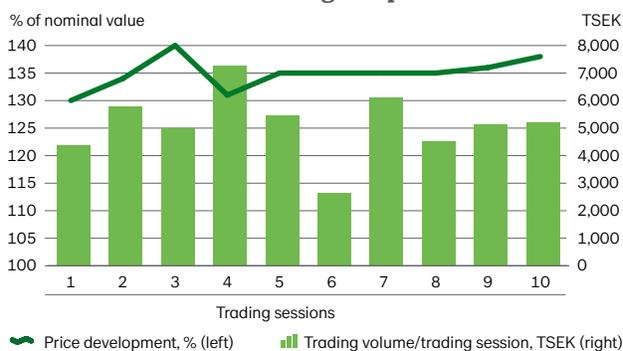
As a member, you receive a dividend through:

- *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.

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 (13) trading sessions in 2021 and the total turnover was MSEK 52 (56). The transaction price varied between 130 and 140 percent of the nominal value.

Contribution issues – trading and price trend



Dividend proposal 2021

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 2021, the Board has proposed that the AGM adopt a dividend in the form of a refund and supplementary payment of 2.5 (2.5) percent on trading with Lantmännen Lantbruk Sweden and a 1.5 (1.0) percent refund on members' purchases from Lantmännen Maskin and Swecon's Swedish operations. The total refund and supplementary payment is estimated at MSEK 341 (305).

The Board proposes a contribution dividend of 10 (9) percent of the contributions' nominal value, totaling MSEK 362 (291), and a contribution issue of MSEK 297 (306).

In addition, a 7.25 (7.25) percent dividend on subordinated debentures, totaling MSEK 18 (17), 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 3,624 (3,228) at the end of 2021 and consisted of paid-in contributions of MSEK 1,512 (1,402) and issued contributions of MSEK 2,112 (1,826).

Contributed capital

MSEK	2021	2020	2019	2018	2017
Paid-in contributions	1,512	1,402	1,373	1,318	1,208
Issued contributions	2,112	1,826	1,586	1,346	1,256
Total	3,624	3,228	2,959	2,664	2,464



Oskar Gustafsson and Mikael Ingemarsson in Halland district.

“

Lantmännen is committed to generating regular and stable dividends for its owners over time. The dividend is based on the Group's income after tax generated by operating activities.

Dividend ¹⁾

MSEK	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Refund and supplementary payment ²⁾	341	305	208	157	245	231	188	135	129	120
Extra dividend	-	-	-	-	133	-	-	-	-	-
Contribution dividend ²⁾	362	291	237	213	222	207	193	178	171	88
Contribution issue ²⁾	297	306	288	250	100	70	50	150	-	80
Total	1,000	902	733	620	700	508	431	463	300	288

¹⁾ Reported amounts may include adjustments compared with previous years' proposals. ²⁾ Pursuant to Board's proposal for 2021.

Market and business environment

Lantmännen's principal market is northern Europe, with a focus on the Nordic and Baltic Sea regions. The year has been marked by extreme price movements in commodity markets, a global economic recovery, with rising inflation, and continued challenges from the ongoing pandemic.

Growing global demand for agricultural products

A globally growing population and increased prosperity are driving underlying growth for food and agricultural commodities. At an overall level, two parallel changes are taking place: demand for animal products such as meat and dairy products is increasing globally, while demand for plant-based protein alternatives is growing in Europe. Forecasts from food retail outlets show that green proteins are expected to account for about 20 percent of the range by 2030. Demand for Swedish-produced animal proteins continues to grow in the Nordic region. The emerging economies in China, the rest of Asia and Africa continue to show high growth in animal proteins. European production is increasingly going to these markets. The population in Sweden and the Nordic countries is growing, contributing to underlying and growing volume demand.

Unusual recovery brings rise in inflation

The global recovery during the year has been supported by vaccinations and expansionary economic policies. Many economies, particularly in the West, have been able to relax restrictions at times during the year and the food service sector, for example, has begun to recover. The global recovery continues, albeit at a slightly slower pace than previously expected. Transport problems and labor shortages have worsened, leading to supply problems, notably in the manufacturing sectors, with consequences for agricultural and construction machinery in particular, which is unable to meet the high demand for new machinery. Several key production costs for Lantmännen's industrial operations rose sharply during the fall, including electricity, natural gas and shipping.

High commodity and energy prices have caused inflation to rise to levels not seen for a very long time, reflecting pandemic-related imbalances between supply and demand. The upward trend in inflation is expected to be temporary, but experiences of the food value chain and protracted supply problems increase the risk of more persistently high inflation in this unusual situation. During the year, Lantmännen decision-makers have had to navigate between securing price compensation and our share of the economic recovery, while being prepared to contain costs.

Strong price movements in agricultural commodity markets

The latter part of the year saw strong price movements for key agricultural and input commodities and food ingredients, requiring price adjustments to be made throughout the value chain. Most agricultural commodities are at price levels never seen before, as are key inputs such as commercial fertilizers. The situation poses challenges for agricultural companies, who are putting off their commercial fertilizer purchases, as well as pressure for livestock producers in the form of high feed and energy prices, with the majority of settlement prices being adjusted with a time lag.

The year's harvest levels were below the 5-year average harvest in both Sweden and Finland. This affects the availability of grain raw materials in the region. In Sweden, the year's fall sowing of grain and oilseeds amounted to 605,400 hectares according to the Swedish Board of Agriculture. This is close to the previous fall's record acreage and is 6 percent higher than the average for the last five years, despite a wet fall. Overall, this represents a positive starting point for the 2022 season.

Wheat commodity exchange price trend

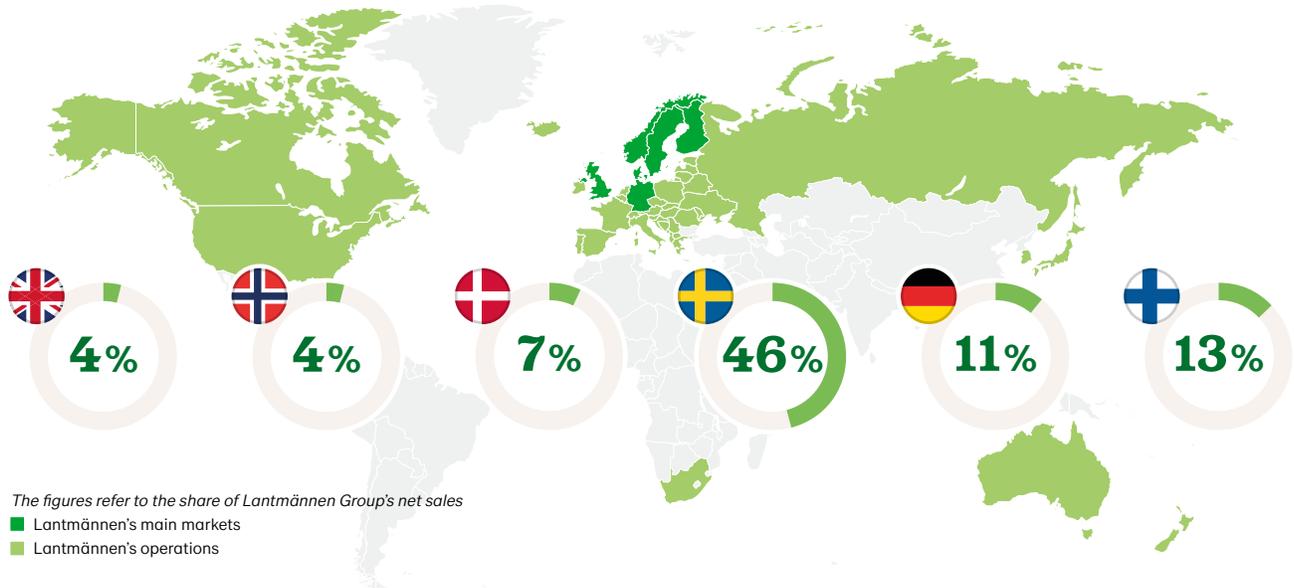


Ethanol commodity exchange price trend



Lantmännen's main markets are in the Baltic Sea region

and we have a presence around the world with operations through wholly and partly-owned companies



A changing business landscape with new opportunities is emerging

The business landscape in which Lantmännen operates is changing, creating new opportunities with its members. Sustainability and climate issues are an important change factor in our strategy and business development. Investment and policy instruments in both the private and public sectors are expected to be increasingly steered towards sustainable growth-oriented initiatives, as underlined by the ongoing development of the EU taxonomy. Digitalization and access to relevant data are the main drivers for developing climate performance and sustainability, and therefore productivity, throughout the value chain and at farm level.

The main issue after the pandemic is the long-term

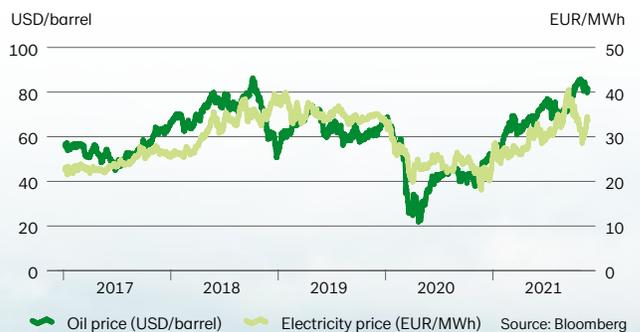
impact on consumer behavior, mainly with regard to consumption in and outside the home, and its effect on Lantmännen's channel strategy. This affects the food businesses in particular. The pandemic has underlined the importance of local production and robust value chains, from both a business and societal perspective.

Issues related to food security have increased. The Swedish National Food Strategy also affirms this, including the need to increase production. Strategic access to sustainable energy, both fuel and electricity, including availability and capacity, is becoming increasingly important for the entire food value chain. Overall, Lantmännen is well positioned in the ongoing transition from fossil energy use to green alternatives based on arable land and photosynthesis.

Chemical fertilizer commodity exchange price trend



Oil and electricity commodity exchange price trend



Strategy – Field to Fork 2030

Lantmännen's strategy is based on the mission and goal to become northern Europe's leading player in the grain value chain. The name of the strategy, Field to Fork 2030, conveys the message that Lantmännen drives and develops business throughout the value chain from field to fork, with farmland and agricultural companies as the basis.

Value-creating portfolio strategy – with the agricultural company at the center



Aiming for world class

Lantmännen's ambition level for the strategy is clear – our sights are set on world class. We are building a strategic position as a leading player in the grain value chain in northern Europe, investing in the Finnish market, among others. Fundamental building blocks are sustainability, digitalization, the relationship with agricultural companies, innovation and leadership. Creating the conditions to achieve world class together with the agricultural companies ties in closely with the assignment to create profitability at members' farms.



Rising demand for raw materials, advances in innovation and sustainability and the strength of being a farmers' cooperative are key components of our strategy. Lantmännen will develop businesses throughout the value chain from field to fork.

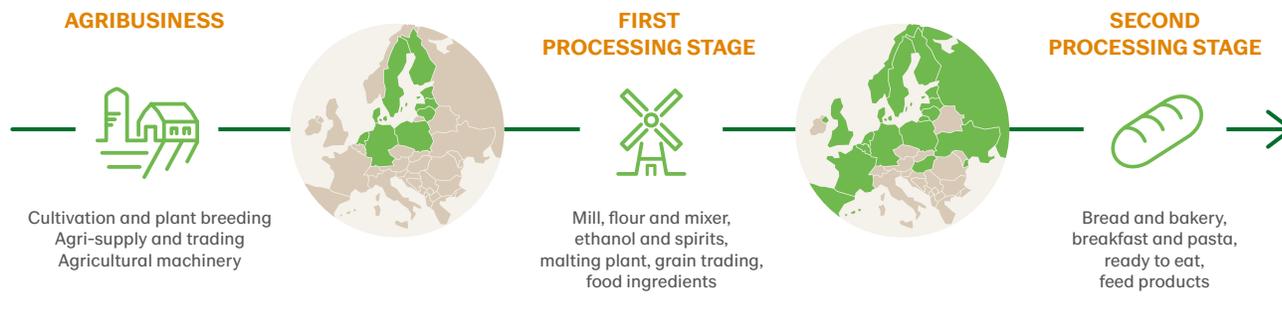
Our desired position in 2030

- Northern Europe's leading agribusiness company, see → page 34
- Leading food company based on farmland resources with a Nordic origin, see → page 44
- Globally leading bakery company with a strong base in northern Europe, see → page 45
- Northern Europe's leading malting company, also targeting global customers, see Viking Malt → page 58
- Well-developed and profitable portfolio of strategic holdings, see → page 58
- Largest producer of circular, farmland-based bioenergy products in Baltic Sea region, see → page 40
- Leading distributor of construction machinery in northern Europe, see → page 52
- Profitable new businesses based on innovation from field to fork, see → page 23



Lantmännen leading player in the value chain in northern Europe

4.5 million tonnes of grain in the Baltic Sea region are processed and distributed in 60+ international markets



Initiatives for profitable growth on members' farms

Grain strategy

The grain strategy from field to fork, with a focus on developing the grain unit and the infrastructure, is a pillar of Lantmännen's strategy. The world's consumption of grain is increasing. Lantmännen also works to expand the grain business through portfolio holdings in northern Europe.

Feed and livestock strategy

Demand for animal products and feed is rising globally. Lantmännen has a leading position in feed in Sweden and Finland.

Our digital agriculture

Lantmännen drives digital agriculture development through digital services and tools in the LM² portal and through ownership interests in Dataväxt and Agronod.

Farming of the Future

Farming of the Future shows how sustainability challenges can be met while developing production. The technology and knowledge are there, but farm profitability needs to be strengthened to make the investments required for food security in the future.

Exports from field to fork

Lantmännen exports agricultural raw materials, processed products and ready foods.

Fossil-free farming

Investments in biofuels for farming, and mineral fertilizers produced with green energy or plant nutrients from circular flows.

Innovation for increased value from farmland

To generate value for agriculture companies, strong emphasis is placed on research and development of products and services in plant breeding, feed, agri-supply, machinery and digitalization.

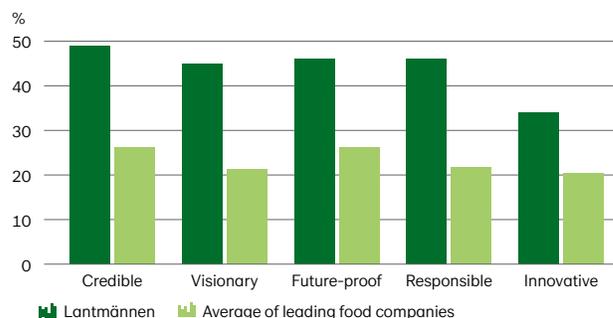
Growth package for Swedish farming and food production

Priority development areas have been identified to create conditions for growth in Swedish farming and food production. These include plant breeding, research on livestock production, venture capital, food exports and digitalization of the farming sector. Within these initiatives, Lantmännen collaborates with the academic world, companies and authorities.

Strategic brand work

Responsibility and sustainability are key components of Lantmännen's Field to Fork 2030 strategy and we have long been a driving force in the development towards sustainable food and bioenergy systems. Lantmännen works continuously and in a long-term framework to develop its brand with the message *making farming thrive*. We build trust by showing how we take responsibility from field to fork and contribute to community building and food security. 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.

Consumers' brand experience



Source: Lantmännen Brand Tracker, Nepa

Strategic Group targets

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



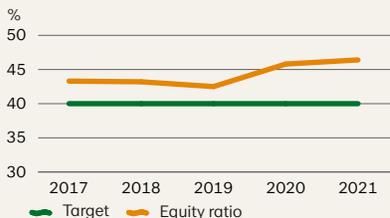
Return on equity Target **>8%** Outcome **10.0%**

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 10.0 (10.2) percent in 2021. The average return on equity for the last five years is 9.5 percent.



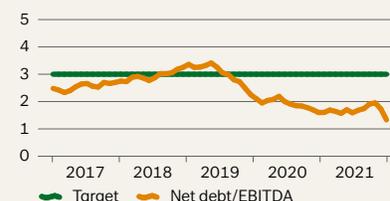
Equity ratio Target **>40%** Outcome **46.4%**

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, 2021 was 46.4 (45.8) percent.



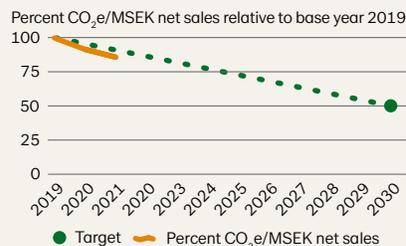
Net debt*/EBITDA* Target **<3** Outcome **1.3**

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 1.33 (1.60). * According to bank definition.



Climate Target **50% by 2030**

The Group's new 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 2021, emissions were reduced by 14 percent.



Employees/Leadership Target **70** Outcome **70/76**

Our employees' job satisfaction 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 a strong result and we achieved the job satisfaction target: 70 (71) and exceeded the leadership target: 76 (75).



Description of financial performance measures, see [➔](#) page 77.

Sustainable business development

Lantmännen is a driving force in the development towards 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.

With operations throughout the grain value chain, we have a unique opportunity to pursue sustainable business development, which is the basis for Lantmännen's and our members' long-term profitability. The aim is to increase the value from arable land resources with leading performance and develop sustainable solutions for food, energy and bio-based materials. This is the basis for Lantmännen's long-term success as a company.

Integrated into strategy and governance

The work is based on Lantmännen's Code of Conduct, which applies to all operations and employees. 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 is a tool for steering the business towards ambitions and goals.

Sustainable business development is central to *Lantmännen's strategy and goals* and a response to, and part of, managing risks and opportunities. Responsibility and sustainability are integrated into our processes for governance, implementation and monitoring.

Lantmännen has set Group-wide targets for climate, other environmental issues, employee satisfaction, leadership, health and safety, and provision of training in responsibility and business ethics. The Sectors and Business Areas pursue their own relevant sustainability issues. Read more under each business description.

Lantmännen's Code of Conduct is the starting point for responsibility from field to fork and for the sustainability agenda. Sustainability issues are driven in four focus areas in which we address opportunities and challenges.

Sustainable farming

We drive the development of more sustainable farming, giving increased availability of sustainable food, bioenergy and bio-based materials.

Sustainable products

We develop and offer innovative products and services in agriculture, bioenergy and food, with added values for health, climate and the environment.

Safe and resource-efficient production

Production must be efficient; we work constantly to optimize resources at all stages. Production must be safe for our employees and other parties.

Responsibility in the supply chain

We work methodically for responsibility in the supply chain, knowledge and control, and minimization of negative impacts on people, animals, the environment and natural resources.

Lantmännen's Code of Conduct

The Code of Conduct covers environment, business ethics, society, social conditions, health, safety and working environment, products and services.

Long-term work on sustainability issues and climate targets



Long-term work

We have been working on sustainability issues for over twenty years and report on them annually. Climate targets were adopted back in 2009, which we worked towards and achieved in 2015, when new targets were set. Responsibility and sustainability are a key driver of our business. We are developing customer offerings such as the Climate & Nature cultivation program and have produced important knowledge bases in the form of reports on Farming of the Future and issued a green bond in 2021.

Offerings with sustainable added values

Lantmännen's strength is knowledge and presence throughout the value chain, and large investments in research and innovation. Strategic work with key stakeholders is also of vital importance. This is a basis for the development of our offerings to meet the market's needs for products with added values for health, climate and the environment.



Development of the sustainable added value offering continued in 2021 – from Swedish-grown lentils to Swecon's used parts and bio-based ethanol with world-leading climate performance.

Lantmännen is a major player in the organic market with a focus on inputs and grain trading. This creates the conditions for the development of Swedish organic production. Our offering ranges from agri-supply, feed and grain to organic foods. In 2021, Lantmännen successfully developed an export business for organic gluten.

Cultivation program drives development



Climate & Nature, Lantmännen's cultivation program for Farming of the Future, meets the market's demand for sustainably produced food and creates opportunities for farmers to reduce the climate impact of cultivation. Grain is grown using criteria for reduced climate impact and increased biodiversity. The climate footprint for grain grown under the program has decreased by up to 30 percent since 2015. The program has been expanded to include wheat,

rye and oats. During the year, the program was launched in Finland with the aim of reaching 100 percent of rye volumes for Lantmännen's Finnish operations by 2025. Kungsörnen's flour range comes from the cultivation program, as do their pancake products. In 2021, AXA oatmeal was launched, also grown under the cultivation program. Fossil-free inputs, plant breeding and precision farming are important for continued development with reduced climate impact.

Heading for climate neutrality

Lantmännen's Group-wide climate targets mean a reduction in emissions that is in line with the Paris Agreement. To achieve the Paris agreement target requires carbon emissions to be halved every decade from 2020.

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 carbon footprint. We describe the climate targets and the work to achieve them on the following pages.

Farming of the Future reports

The Farming of the Future reports identify opportunities to reduce the climate impact and increase productivity by 2050. Swedish farming is well equipped to meet the challenges of the future, which include increasing production, reducing climate impact and ensuring biodiversity. Lantmännen takes a leading role in development and engages in partnerships and collaboration to find solutions for the future.

The reports are a knowledge base that drives development issues internally in Lantmännen and across the industry.



Create conditions for sustainable primary production with **halved climate emissions every decade** and climate neutrality by 2050.



Reduce the climate impact of own production by **50 percent by 2030** in line with the Paris Agreement.

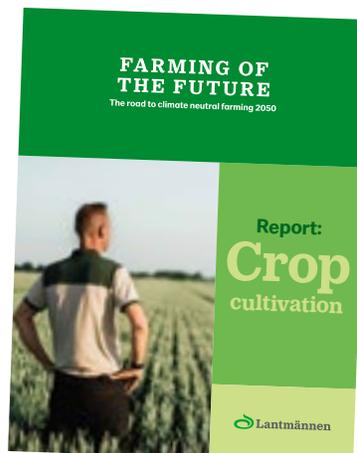


50 percent reduction in emissions from transport and service vans, in relation to sales, by 2030.

Fossil-free transport and service vans in Sweden by 2030, rest of Nordic region by 2040 and all markets by 2050.

Farming of the Future: Crop cultivation

Lantmännen's Farming of the Future report from 2019 shows how cultivation can reduce its climate impact in line with the Paris Agreement, while increasing production and reducing the environmental impact. Eleven focus areas with potential for climate impact reduction were identified. The transition towards Farming of the Future affects parties throughout the value chain, including farmers, business partners, trade, authorities, politicians and consumers.



Farming of the Future: Beef & Dairy

In 2021, Lantmännen worked with eight partners in the industry to develop a common long-term vision for beef and dairy production of the future. The report from the work shows that there are good opportunities to increase productivity while maintaining high animal welfare standards, reducing the climate impact in line with the Paris Agreement and promoting biodiversity. This will require collaboration and extensive research, market demand, political will and drive.



Development of Farming of the Future

Lantmännen will drive the development of knowledge, technology and cultivation methods to achieve our targets, and develop products and services that enable agricultural companies to achieve long-term profitability.

With operations throughout the value chain from field to fork, we have unique opportunities to drive change. Lantmännen's climate targets for primary production will equip the business for challenges of the future.

Agricultural land is the most important and valuable resource in our business, and food production is a key sector in climate change adaptation. We have therefore set a goal to create conditions for sustainable primary production, covering the first part of the cultivation stage, and to halve the climate impact every decade, achieving climate neutrality by 2050. At the same time, biodiversity will be promoted and production increased to ensure food security for a growing population.

In the report *Farming of the Future: Crop cultivation*, we mapped out what is required in eleven critical areas, also



The goal is to create conditions for sustainable primary production and achieve climate neutrality by 2050.

identifying potentials and challenges. The mapping and calculations show that we can achieve the targets – but it will require input from many players, as well as research and innovation. The strategy is being implemented and the systematic work is based on relevant knowledge, testing and proving that the solutions work in practice, offering them to the market and conducting collaborative projects.

Important progress during the year



Knowledge

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

With the report **"Farming of the Future: Beef & Dairy"**, we develop our knowledge base for more sustainable future production, in close cooperation with other players in the livestock value chain.



Proof

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

During the year, we developed Nötcenter Viken into **Viken Farm of the Future**, where we conduct experimental activities for sustainable and productive dairy production of the future.

Lantmännen is developing **Plant breeding of the future** with an extensive investment in new technology and equipment for speed breeding in Svalöv. Building work started in fall 2021.

In partnership with RISE, we have tested Robotti, a self-driving robot, in the Swedish fields. An important step towards more efficient and sustainable farming, with benefits for the climate, the environment and farmers' profitability.



Offering

With the knowledge, we develop a concrete offering to the market – wheat, rye and oats grown according to Climate & Nature

Climate & Nature, Lantmännen's program for Farming of the Future, has now been launched in Finland. The roll-out is an important step towards more sustainable Finnish food production, from field to fork.

Climate & Nature has been expanded to more products in Sweden under the Kungsörnen and AXA brands.

ThermoSeed, Lantmännen Bioagri's chemical-free seed treatment method, has won a European Innovation Award and been recognized in Finland.



Collaboration

We work closely with other players to resolve the challenges and close the innovation gap by 2050

Sustainable fertilizers are key to achieving climate neutrality by 2050. Lantmännen is collaborating with **Yara** to develop the world's first fossil-free mineral fertilizer and with **EasyMining/Ragn-Sells** for sustainable recycling of nitrogen and phosphorus for farming.

Lantmännen is involved in the development of **Agronod** – a new platform for data sharing and digital solutions for growing, profitable and sustainable food production in Sweden.

With Fazer, LRF and MTK of Finland, Lantmännen has initiated **Nordic Oats** to increase competitiveness and drive sales of oats from sustainable Nordic farming. Nordic Oats currently has 20 member companies in Sweden and Finland.

New climate targets for 2030

For Lantmännen's *own production*, the transition to fossil-free production and energy efficiency are important keys. Work on reducing the climate impact of *transport* is in progress, with a focus on sustainable fuel choices.

In 2009, Lantmännen set ambitious targets to reduce the climate impact of its own production, which were achieved early. By 2020, we reduced emissions by 71 percent in relation to sales and by 62 percent in absolute figures. We achieved this ambitious target by measures such as switching from fossil fuels to renewable energy in boilers, ovens and dryers, efficiency improvements and purchasing origin-labeled green electricity.

New target from 2021 for own production

During the year, Lantmännen decided on a new climate target for its own production. The target is to reduce the climate impact by 50 percent by 2030, a reduction rate in line with the Paris Agreement target level. The target is to be achieved by continuing to phase out fossil fuels, switching to green electricity and increasing energy efficiency. For 2021, the climate impact in relation to sales was reduced by 14 percent from the base year 2019.

Reduced impact from transport

Lantmännen has a target to reduce the climate impact from transport by 50 percent by 2030 throughout the organization. A sub-target is fossil-free transport and service vans in Sweden by 2030, to achieve fossil freedom in all markets by 2050. The strategy is based on more sustainable fuel choices and more efficient transport flows. In Sweden, we are seeing a transition to biofuels, with domestic biofuels playing a crucial role.

We are working on improved Group-wide processes and calculation methods, and emissions will be reported in the coming years.



“
Lantmännen has clear targets for fossil-free own production – Sweden and Norway by 2025, Denmark and Finland by 2030 and the rest of Europe by 2040.

Research develops business

Lantmännen's extensive work on innovation and our own research foundation supports knowledge development to meet future challenges and enable profitability for our members' farms.

Lantmännen invests more than MSEK 300 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 businesses in cooperation with agricultural companies.

Making farming thrive

Development of profitable and sustainable farming requires research in both crop and livestock production. The focus is on developing environmentally-friendly cropping systems with high productivity in varying weather and climate conditions. Plant breeding, precision farming and biological pesticides are examples of priority development areas.

Development of sustainable and profitable livestock production requires research on, for example, production of high-quality roughage with minimal wastage and development of domestic feed raw materials to replace soy.

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. Oats are a major focus of Lantmännen's research portfolio.

In 2021, a multi-year investment in protein-rich specialty crops resulted in GoGreen's Swedish-grown dried yellow lentils appearing on store shelves.



Lantmännen conducts research projects that contribute to a more bio-based society based on grain.

Bioenergy and green materials

Grain can contribute to a bio-based society. 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.

Research collaboration

Strategic partnerships are important for Lantmännen's research initiatives and in 2021 an agreement was signed with SLU for expanded collaboration. Lantmännen participates in 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. Other examples are Sweden Food Arena, ScanOats and the SLU Grogrund collaboration.



Lantmännen Research Foundation invests up to MSEK 25 annually in research. The Foundation is an important driving force for development in practical research. In 2021, investments were made in:

- Bread quality, where specially treated starch will extend the shelf life of bread
- Plant breeding, with a focus on the ability of crops to cope with drought and benefit from irrigation
- Innovative feed strategies for free-range laying hens and pigs in large groups

The Foundation's Cerealier magazine presents current research on food and health with a focus on grain and legumes. (In Swedish)

See [➔ lantmannen.se/forskning-och-innovation/tidskriften-c/](https://lantmannen.se/forskning-och-innovation/tidskriften-c/)



The Greenhouse

The Greenhouse is a development program that receives innovative business ideas from employees, members, entrepreneurs and startups. In 2021, a Greenhouse program on the topic of sustainable nutrition was implemented, involving six start-ups and four cross-business internal projects. Learn more at [➔ lantmannen.com/greenhouse](https://lantmannen.com/greenhouse)

Collaboration for increased growth

Lantmännen has a leading role in the development of Swedish agriculture, bioenergy and food production. We drive growth issues and sustainability in priority areas through collaboration.

The Swedish food strategy and events in the wider world, such as climate and food security issues, have laid the foundations for development. Lantmännen pursues an agenda for sustainable growth in the Swedish agricultural and food sector. This creates future opportunities for our members, for Lantmännen and for the entire food sector. Society also benefits from the agenda, which is fully in line with the Swedish food strategy and international sustainability goals.

Key regulatory issues

Lantmännen pursues specific regulatory issues that are of key importance to our businesses and strategies. Important issues in the EU include the view on crop-based biofuels and the roll of farming in climate work. In Sweden, Lantmännen focuses on issues such as the competitiveness of farming and the conditions for Swedish production of biofuels. Food security as part of total defense is a growing issue and one in which Lantmännen is increasingly involved, working with partners that include LRF, the Confederation of Swedish Enterprise and the Swedish Food Federation. The EU has recently launched *the European Green Deal*, which will review virtually all EU regulations and strategies related to agriculture, climate, energy and the environment. This is likely to affect the bioenergy and food value chains, both in the primary production and in industry stages. Although the European Green Deal contains some negative elements in terms of the competitiveness of European agriculture, it is considered generally positive for Lantmännen's business. In particular it increases demand for bio-based alternatives to fossil fuel.

Current dialogue topics

The most important areas of collaboration for us and our stakeholders are *thriving farming*, *bioenergy* and *responsibly produced food*. Examples of current issues during the year include the climate impact of agriculture, sustainable farming, transport, the regulatory framework and direction for biofuels in Sweden and the EU, and the Swedish food strategy. The dialogue is conducted with several players and in forums and networks.

- **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 Soy Dialogue
- **Green energy/Bio-economy:** Haga Initiative, Drivkraft Sverige, Copa-Cogeca, Svebio, World Bioenergy Assoc., Klimatneutrala Godstransporter and ePURE



Industry initiatives and collaboration forums

Lantmännen participates in other organizations and collaboration forums and in innovation and research cooperation. Learn more at lantmannen.com/sustainable-development/cooperation-and-dialogue/

Sustainable growth in the sector

Six particularly important areas have been identified and Lantmännen is active in several initiatives within these areas together with academia, other business sector players and authorities. Investing in all six areas will enable growth acceleration.

Grogrund – Crop production with plant breeding



Knowledge hub for animal production & SustAnimal



agroned – Agri data platform



TILLVÄXTBOLAGET – Strengthens investment opportunities



Nordic Oats – Food exports



SWEDEN FOOD ARENA – Innovation



Employees who make a difference

Lantmännen is a large international group that works in a long-term framework to attract and develop employees and leaders. Cooperation and inclusion are high on the agenda and we have an engaging, developing and safe work environment.

During the coronavirus pandemic, Lantmännen had three overall priorities: *to protect our employees, to protect our businesses and to take our social responsibility*. Restrictions, guidelines and new procedures were introduced in all workplaces and have continued to be developed and adapted to local conditions in our different geographical markets.

Through initiatives and training in leadership, employee management and digital tools for remote work, Lantmännen has been successful in providing support for managers and employees.



“**Lantmännen works actively to create an inclusive culture where cooperation, commitment and safety are valued.**”

Annual performance appraisals are held, focusing on individual performance and defined targets, and Lantmännen's values – *openness, a holistic view and drive*. An employee survey to monitor employee satisfaction and leadership is conducted every two years. The results of the 2021 employee survey showed a score of 70 (71) for the Employee satisfaction index and 76 (75) for the Leadership index.

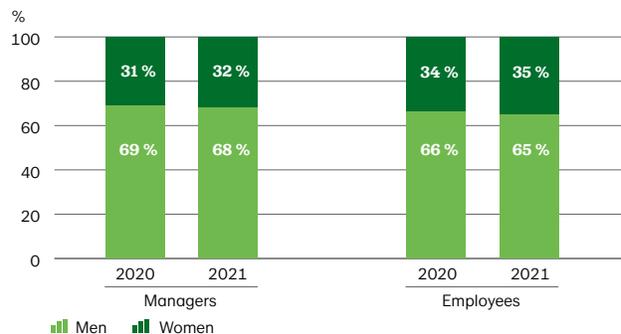
The process of identifying employees' long-term development potential and implementing international development programs continued during the year. Lantmännen's goal is for employees to receive internal growth and development in both specialist and management careers. The target is for half of all managerial recruitments to be filled with an internal candidate; the outcome for 2021 was 51 percent.

Lantmännen works in a long-term framework to increase equality and diversity and strengthen the international perspective in the businesses through defined goals, action plans and regular monitoring. ▶▶

Our employees – Geographic distribution



Gender distribution





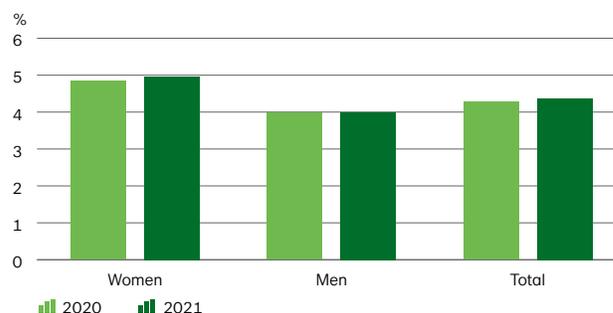
“
Lantmännen’s culture is based on openness and respect for each other – with a good work environment, good leadership and ambitious goals.”

Our employees, work-related accidents and near misses

	2021	2020
Number of fatalities due to accidents	0	0
Number of accidents ¹⁾	247	238
Injury rate ²⁾	14.3	13.7
Number of reported near misses ³⁾	2,831	2,735
Number of risk observations	13,271	8,371

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





Lantmännen Graduate Trainee Program

Lantmännen's Graduate Trainee Program ended in November 2021. During the 15-month program, six trainees worked on assignments and projects in different sectors, business areas and functions within Lantmännen. They received training in leadership, change management and project management, among other things.



We saw double the number of applicants for Lantmännen's 2021 Summer Internship and were able to offer several young potentials an opportunity to build on their experience within the Group's sectors and business areas.

An attractive employer

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 where employees feel happy and are developed – with a good working environment, good leadership, many development opportunities, and ambitious and challenging goals.

For the second consecutive year, the talent network *4potentials* named Lantmännen 2021 Talent Company of the Year. This is one of Sweden's most prestigious awards in talent management and is awarded to the company that has worked most successfully to attract, recruit, develop and retain talent. 2021 was the fourth time Lantmännen had received the award.

Safe work environment

In 2021, Lantmännen continued its strategic work in health and safety with the goal of achieving "Health & Safety Excellence" by 2030. This involves integrating health and safety work more clearly into leadership, employees, and daily and strategic processes. The priority up to 2023 is to establish a stable base of critical processes, tools and training.

Work on the "Culture Ladder Assessment" continued in 2021, with the aim of creating a common understanding of what health and safety means in the Group, and what needs to be done to improve the safety culture. During the year, "Health & Safety Awareness Training" was introduced to increase knowledge among managers and employees. All business areas continued to develop strategic roadmaps.



With Lantmännen's breadth of business, we can offer varied development and career opportunities in multiple sectors, countries, companies and areas of expertise.

Lantmännen creates and maintains a good health and safety culture by identifying and minimizing risks in the work environment through follow-ups of the 60 or so annual injury prevention inspections in the production facilities and through health and safety training. Due to the coronavirus pandemic, the number of inspections in 2021 was limited to 48 – a combination of physical and digital inspections.

A web-based tool for reporting, investigation and follow-up of accidents, near misses and risk observations is available to all employees. In 2021, the injury rate increased to 14.3 (13.7). The target is for the injury rate to be below 1 by 2030.

Continuous efforts are devoted to identifying and following up areas for improvement, particularly those related to the psychosocial work environment and workload. Sick leave in 2021 increased slightly to 4.4 (4.3) 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, guidelines or policies. A total of 22 (13) reports from five countries were recorded in 2021. All cases have been investigated by Lantmännen's Whistleblowing Committee.

Agriculture Sector

Our core business



Agriculture Sector

The Agriculture Sector, which constitutes Lantmännen's core business, develops and offers products and services to promote strong, competitive farming with a focus on profitability. The Sector operates both in Sweden and internationally and accounts for 44 percent of Lantmännen's sales. 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.

The Sector includes *Lantmännen Lantbruk Sweden*, *Lantmännen BioAgri*, *Lantmännen Krafft*, *Lantmännen Agro in Finland*, *Lantmännen Agro in Denmark*, *Lantmännen Seed in the Netherlands* and *Lantmännen Maskin*. The Sector is responsible for Lantmännen's ownership interests in the German group HaGe Kiel, Scandagra Group in the Baltic region and Scandagra Polska in Poland. See [page 57](#).

Work in the Agriculture Sector was affected by the coronavirus pandemic, semiconductor shortages, avian flu outbreaks, soaring commodity prices and a lower than normal harvest.

Key sustainability issues

The Agriculture Sector works to promote sustainable agriculture with energy-efficient and safe machinery, resource-efficient, safe production, sustainable cultivation methods, feed raw materials and low-impact transport. The Sector works on innovation and development of smart 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 work with adapted cultivation methods and feed to meet climate and environmental challenges.

“
Lantmännen works for sustainable, thriving farming with a low climate impact.

Outlook

The volatile commodity market is expected to continue creating uncertainty for suppliers and customers in 2022. *Our goal* is to become northern Europe's leading agribusiness company by continuing to strengthen our agribusiness positions in the Baltic Sea region and driving the positive development of the machinery business in Sweden. We will focus on digital business development, with an increased focus on our sales channels and technological development, and will continue to work within the framework of Farming of the Future.



Agriculture Sector, key figures	2021	2020
Net sales, MSEK ¹⁾	22,834	21,501
Operating income, MSEK	374	439
Operating margin, %	1.6	2.0
Return on operating capital, %	4.5	5.4
Investments in non-current assets, MSEK	186	261
Average number of employees	1,727	1,743
of which women/men, %	24/76	24/76
Women/men in executive management, %	33/67	33/67
Sick leave, %	4.1	3.7
CO ₂ emissions, thousand tonnes	9	10

¹⁾ Including intra-Group sales.

Excl. items affecting comparability	2021	2020
Operating income, MSEK	374	439
Operating margin, %	1.6	2.0
Return on operating capital, %	4.5	5.4



Brands



Nötfor
Fårfor

Piggfor
Renfor

Pullfor
Protect



Lantmännen Lantbruk Sweden

Lantmännen Lantbruk Sweden is the market leader in the grain market and offers a wide range of products for livestock and crop production. Purchased grain, oilseeds, pulses and forages are sold to grain traders and to Swedish and international industry.

The business showed good development during the year. The feed business continued its positive trend, with increased market shares, but was affected by the outbreak of avian flu. The pandemic created concerns about the supply of raw materials, resulting in soaring fertilizer prices, but production and sales have gone according to plan. A low grain harvest resulted in weakened 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, and exports account for the largest share, with sales mainly to Europe, North Africa and North America. During the year, a new long-term sourcing and receiving strategy was established to minimize the need for internal transport.



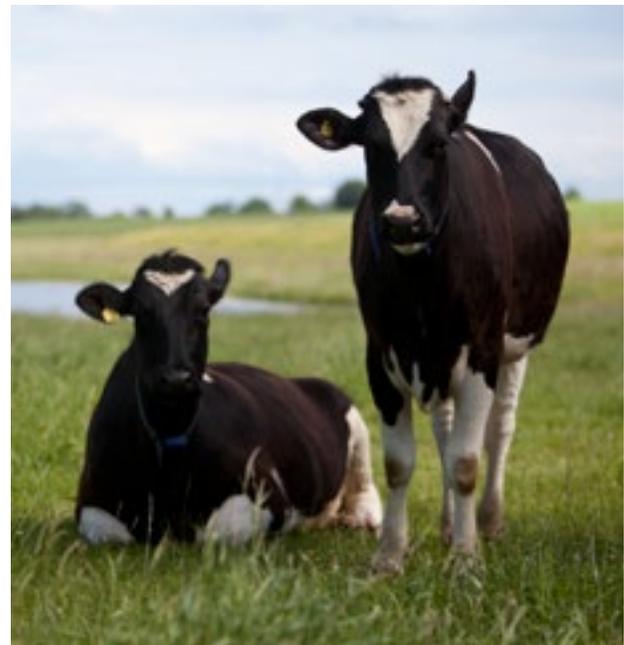
Lantmännen offers everything to ensure successful, thriving farming!

According to the latest forecast from the Swedish Board of Agriculture, the Swedish grain harvest for the year was 5.0 million tonnes, which was lower than the five-year average and what had been forecast. This was mainly due to drought in June and July. Rain in the second half of the harvest period resulted in lower grain quality. Concerns about global availability of grain and oilseed and declining grain stocks led to sharp price increases. Lantmännen's broad trading network continues to be important for our trading activities.

Feed

Lantmännen Lantbruk produces and sells feed and supplements. The feed business developed positively during the year and increased its market shares. The increase in volume is mainly due to good production results on the farms, where new products and a knowledgeable sales force have contributed to a growing customer base. Profitability in the sector declined slightly towards the end of the year due to rising prices for feed materials, energy and logistics. A sharp increase in soy prices, mainly driven by high demand for non-GMO soy, has accelerated the development of new feeds with lower soy content and higher use of amino acids.

The avian flu outbreak led to the culling of two million hens, which caused egg supply problems for a period and shook the egg industry, but the market recovered more quickly than expected.



In *pig production*, use of amino acids is increasing and precision feeding is being strengthened for optimized profitability. In *beef and dairy*, several joint projects to reduce the sector's climate footprint are in progress and the *Farming of the Future* report was issued in October. Operations at the *Viken Farm of the Future*, were expanded with seven milking robots, providing the conditions for further feed trials.



Profitable and sustainable crop production requires strong, high-yielding crops, the right inputs and a successful cultivation strategy.

Crop production

Lantmännen Lantbruk Sweden refines, produces and sells seeds in the areas of seed grain, pulses, oilseeds and grass seed. Winter seed sales in 2021 exceeded the previous record level, but rain meant that areas were unplanted. After a couple of weak forage harvests, the good harvest in 2021 and a strong export market have boosted conditions for the forage seed business.

Merchandise business developed well despite sharply rising commodity prices and raw material shortages.

The *Green Fertilizer* project, conducted in partnership with Yara, is aimed at achieving a more fossil-free food supply chain. In plant breeding, the *Future Fit Breeding* project was initiated to accelerate the development of varieties with higher yields and better disease resistance. We have expanded the *SLU Grogrund* breeding projects to include reduced cadmium uptake in wheat and oats. Learn more at lantmannenlantbrukmaskin.com

Lantmännen BioAgri

Lantmännen BioAgri sells and develops *ThermoSeed*, a unique biological method of heat treatment that makes seeds healthy and resilient. The company also develops and markets biological seed treatment products. During the year, the development of biostimulants continued with on-farm trials. 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's position strengthened in 2021, with good growth in all countries of operation. Learn more at kraffthorsenutrition.com



Lantmännen Lantbruk Sweden, key figures

	2021	2020
Net sales, MSEK ¹⁾	14,102	13,096
Operating income, MSEK	159	261
Operating margin, %	1.1	2.0
Return on operating capital, %	3.6	6.6
Investments in non-current assets, MSEK	150	203
Average number of employees	797	805
of which women/men, %	33/67	34/66

¹⁾ Including intra-Group sales.

Excl. items affecting comparability

	2021	2020
Operating income, MSEK	159	261
Operating margin, %	1.1	2.0
Return on operating capital, %	3.6	6.6

Use of total volume of sold grain



Seed treatment (calculated as percentage of volume in tonnes)





Lantmännen Lantbruk Finland

Lantmännen Agro

The operations in Finland, Lantmännen Agro Oy, are partly conducted through independent Lantmännen-profiled dealers, with 29 retailers and 60 stores providing agri-supply for crop production, feed, and spare parts and equipment. Lantmännen Agro trades in grain in the Finnish and international markets, and produces and sells feed directly to customers with livestock production and horses.

Drought and heat during the growing period resulted in a very low Finnish harvest, similar to the 2018 drought year. The harvest just covers domestic demand, which means reduced export business. The first batches of ThermoSeed-treated seed were produced in our new facility. *Climate & Nature* was launched in Finland during the fall, and the first 130 farmers planted rye according to the program. Learn more at [👉 lantmannenagro.fi](https://lantmannenagro.fi)

Brands

Opti Melli Maituri Herkku Benemilk NORRA

Lantmännen Lantbruk Finland, Key figures

	2021	2020
Net sales, MSEK ¹⁾	4,479	4,351
Average number of employees	148	147
of which women/men, %	36/64	38/62

¹⁾ Including intra-Group sales.



Lantmännen Lantbruk Other

Lantmännen Agro – Denmark

The main activity of Lantmännen Agro A/S is purchasing grain in Denmark. This is an important asset in Lantmännen's grain sales strategy, but quantities are also sold to external customers directly from Lantmännen Agro. The company also sells large quantities of fertilizer. Lantmännen Agro has shown positive development during the year with higher volumes of both grain and fertilizer. Learn more at [👉 lantmannenagro.dk](https://lantmannenagro.dk)

Lantmännen Seed – Netherlands

The company Lantmännen Seed BV conducts plant breeding of triticale and potato at the processing station in Emmeloord, Netherlands. The operations developed well, with several new varieties of potato and triticale showing promising results. Learn more at [👉 lantmannenseed.com](https://lantmannenseed.com)

“

Lantmännen has long experience of, and is deeply engaged in, issues affecting the land we all live off.

Our physical and digital services help farmers create the most appropriate cultivation and marketing strategies.



Lantmännen Maskin

Lantmännen Maskin imports, markets and sells agricultural machinery and spare parts and offers services in Sweden. The product portfolio contains strong brands, including Valtra, Fendt, Kuhn, Väderstad and Joskin. Lantmännen Maskin is present in 53 locations across the country, with machines, spare parts and workshops.

The company showed positive development during the year with a large order intake for machinery and increased market shares in a relatively stable market in terms of numbers.

“
Lantmännen Maskin provides the market’s best and highest-quality products and services for farmers and efficient e-commerce.

Like other players in the industry, Lantmännen Maskin has been affected by pandemic-related production disruptions at its suppliers. This meant that component shortages and general international logistics problems resulted in delayed deliveries.

After the negative impact of the pandemic in its first months, the workshop business showed positive development with improved target figures. The spare parts business, which was not affected by supply shortages to the same extent as machinery, performed well during the year and improvement measures initiated in the previous year were implemented. During the year, we continued to implement the supplier structure plan, introducing Joskin into the product portfolio while phasing out a number of other brands. The import business of Massey Ferguson returned to AGCO.

Learn more at lantmannenlantbrukmaskin.com



Lantmännen Maskin, key figures	2021	2020
Net sales, MSEK ¹⁾	3,636	3,669
Operating income, MSEK	20	-7
Operating margin, %	0.6	-0.2
Return on operating capital, %	1.7	-0.5
Investments in non-current assets, MSEK	19	19
Average number of employees	750	760
of which women/men, %	10/90	9/91

¹⁾ Including intra-Group sales.

Excl. items affecting comparability	2021	2020
Operating income, MSEK	20	-7
Operating margin, %	0.6	-0.2
Return on operating capital, %	1.7	-0.5

Total market for tractors in Sweden



Energy Sector

**Circular solutions for
energy of the future**



Energy Sector

The Energy Sector is one of Sweden's largest producers of bioenergy products and accounts for 9 percent of the Group's sales. The Sector's companies manufacture and market sustainable ethanol fuel, protein feed, carbon dioxide, starch products, gluten, vodka, beta glucan, oat protein, alkylate petrol, lubricants and other chemical products. The Sector operates in a global market with the main focus on Europe.

The Energy Sector includes *Lantmännen Biorefineries*, which consists of *Lantmännen Agroetanol*, *Lantmännen Functional Foods*, *Lantmännen Oats* and *Lantmännen Reppe*. The Sector also includes *Lantmännen Aspen*. The Sector is responsible for *Lantmännen*'s ownership interests in the partly-owned company *Scandbio*, see → page 57.

The Energy Sector offers environmentally smart energy, food and industrial products. The products are responsibly produced in Sweden, France, Latvia, Finland and Denmark. The Sector has wholly or partly-owned sales companies in the Nordic region, France, Germany and the US. Sales are conducted through distributors or exports.

Bioenergy accounts for more than a third of Sweden's energy use, and sustainable transport and biofuels are crucial to reducing carbon emissions. The Swedish national climate targets are a 70 percent reduction in transport emissions by 2030 and zero net emissions of greenhouse gases by 2045. Increased use of low level blends of ethanol in petrol is a cost-effective way of reducing the transport sector's emissions, and E10 was implemented in Sweden during the year.

Key sustainability issues

The Sector produces ethanol with world-leading climate performance and develops feed and products for the food industry from Swedish raw material and environmentally friendly petroleum products. In ethanol production, residual products from the food industry are recycled.

Our goal is to continue to develop products with added value for the climate, the environment and health. We also work to develop circular business models, efficient production and low-impact transport, safe work environments, and responsible sourcing and business relationships.

Outlook

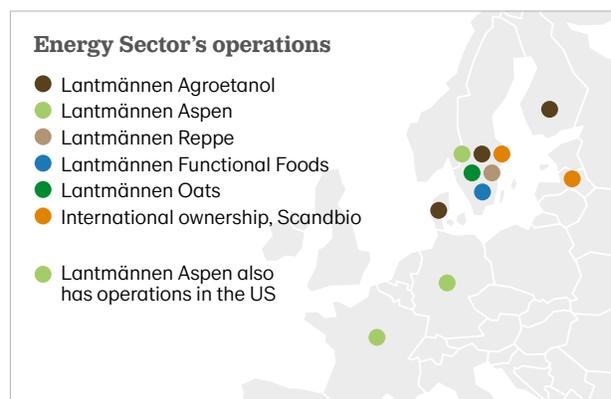
Demand for *Agroetanol*'s ethanol is expected to increase in the Nordic region and Europe with more stringent requirements on reducing greenhouse gas emissions from transport. We are continuing our work on broadening the raw material base with alternative starchy raw materials used for biofuel production. The prospects for continued growth for *Lantmännen Reppe* and *Lantmännen Aspen* are considered good.



Energy Sector, key figures	2021	2020
Net sales, MSEK ¹⁾	4,595	3,938
Operating income, MSEK	615	530
Operating margin, %	13.4	13.5
Return on operating capital, %	42.3	40.5
Investments in non-current assets, MSEK	312	186
Average number of employees	364	345
of which women/men, %	30/70	27/73
Women/men in executive management, %	27/73	11/89
Sick leave, %	2.6	2.8
CO ₂ emissions, thousand tonnes	18	18

¹⁾ Including intra-Group sales.

Excl. items affecting comparability	2021	2020
Operating income, MSEK	615	530
Operating margin, %	13.4	13.5
Return on operating capital, %	42.3	40.5



Brands





Lantmännen Biorefineries

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

Lantmännen Agroetanol

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 waste products are processed into ethanol for the fuel market, carbonic acid, other technical products and protein products for the feed market.

Lantmännen Agroetanol is the Nordic region's largest ethanol producer and produces ethanol with the best climate performance. Lantmännen's ethanol reduces the climate impact by more than 95 percent compared with petrol. The annual production capacity of the Händelö facility in Norrköping is 230,000 m³ of ethanol, 200,000 tonnes of protein-rich feed raw material, Agrodank, and about 90,000 tonnes of carbonic acid. About 10 percent of the grain produced in Sweden is used in the facility.

The product portfolio has been differentiated in 2021 and the broadening of the raw material base is continuing. Projects have been initiated to increase the climate performance of ethanol. In 2021, the market was affected by Covid-19 and ethanol prices started the year relatively low but reached record highs in the fall when the European market experienced a shortage.

Lantmännen Agroetanol's ethanol is sold in the European market where there is demand for biofuels with high climate

performance. The recycling business with residual products from the food industry creates a circular economy and contributes to Lantmännen Agroetanol's profitability. Sweden's reduction obligation for petrol was increased to 6 percent on August 1, 2021, leading to the implementation of E10. The EU Renewable Energy Directive, RED II, was revised during the year, which may affect the future of Lantmännen Agroetanol's products.

Construction of a new gluten production facility in Norrköping started during the year and the project is progressing according to plan. The aim is to separate wheat flour starch, which is used in the production of ethanol, and gluten, which is sold to the food industry.

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. Lantmännen Agroetanol continues to cooperate with the Commission during the investigation, awaits its statement of position and will make full use of its right of defense. Learn more at lantmannenagroetanol.com

Lantmännen Functional Foods

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 Oats

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. Construction of facilities for oat processing, hulling and heat treatment has started and is expected to be completed in 2022. Beta glucan is a soluble fiber found in oats with a proven cholesterol-lowering effect. Oat protein is a tasty ingredient used in sports nutrition and other applications.

Learn more at lantmannenoats.com

Lantmännen Agroetanol, key figures	2021	2020
Net sales, MSEK ¹⁾	2,983	2,434
Operating income, MSEK ²⁾	381	308
Average number of employees	136	127
of which women/men, %	30/70	26/74

¹⁾ Including intra-Group sales.

²⁾ Excluding items affecting comparability.

Lantmännen Reppe

Lantmännen Reppe creates value by processing wheat into wheat gluten, vodka, starch products and animal feed, and is one of Sweden's oldest companies. Reppe is an important player in the grain value chain from cultivation, raw materials sourcing and processing to sales and consumption.

Lantmännen Reppe produces and supplies ingredients and finished goods to the food, paper and beverage industries. Deliveries of starch products to the paper industry increased in 2021. Lantmännen Reppe has one of the Nordic region's largest distilleries, which produces high-quality vodka. The contract with a large vodka sub-contract customer in the US was terminated during the year and contracts have been signed with new customers. Continuing strong demand for Lantmännen Reppe's products has enabled investments in further processing of starch and gluten products. Development work in all product segments has resulted in both new customers and new applications. The packing and packaging industry is growing with sustainable products, which brings increased demand for wheat-based starch products.

Learn more at lantmannenreppe.com



Lantmännen Reppe is a key player in the grain value chain from cultivation, sourcing of raw materials and processing to sales and consumption.



Lantmännen Reppe, key figures	2021	2020
Net sales, MSEK ¹⁾	487	486
Average number of employees	70	69
of which women/men, %	26/74	29/71

¹⁾ Including intra-Group sales.



Lantmännen Aspen

Lantmännen Aspen, with its brands Aspen, Agrol and Marline, manufactures and markets environmentally friendly fuels, lubricants and chemical products. The products are produced in Sweden and France and sold in about 30 countries in Europe and North America.

Aspen offers environmentally friendly fuels, such as alkylate petrol and HVO diesel, and a high-quality range of oils adapted for small engines such as lawnmowers, brush cutters and chainsaws, outboard engines and for 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 strong position in specialist servicing.

Lantmännen Aspen's total sales increased despite the pandemic. The weather was favorable in much of Europe, increasing the use of smaller machines. The US introduction was slow due to the pandemic but we are seeing good progress. The lubricants market continued to perform well across all customer segments during the year.

In our sustainability work, we strive to ensure the environmental impact of our products is as low as possible.

Learn more at aspenfuels.com, agrol.se (in Swedish) and marline.fr

Lantmännen Aspen, key figures	2021	2020
Net sales, MSEK ¹⁾	1,113	1,016
Average number of employees	116	108
of which women/men, %	31/69	27/73

¹⁾ Including intra-Group sales.

Food Sector

Responsibly produced food



Good food from
Lantmännen



Food Sector

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. 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 31 percent of the Group's sales.

The Food Sector consists of *Lantmännen Unibake*, *Lantmännen Cerealia* and Lantmännen's ownership interests in the partly owned company *Viking Malt*. The Sector produces food in 47 facilities in 16 countries under well-known brands such as *Kungsörnen*, *AXA*, *START!*, *Bonjour*, *Hatting*, *Korvbrödsbagarn*, *Schulstad*, *Finn Crisp*, *Amo*, *Vaasan*, *GoGreen* and *Gooh!*.

The coronavirus pandemic affected the Sector, particularly in the first half of the year, with reduced food service sales. In the second half of the year, restrictions were lifted in several markets and demand increased slightly. The market has not yet recovered to 2019 levels. The trends of strong price pressure for food and intense competition in all categories continue. 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. The pandemic has highlighted the importance of food security.

Key sustainability issues include products and raw materials from a sustainable value chain, resource-efficient production, sustainable packaging solutions, transport with a low climate impact, safe work environments, and responsible sourcing and business relationships.

During the year, Lantmännen entered into an agreement to acquire Myllyn Paras, a Finnish group active in flour, grain, pasta and bakery products. The transaction is subject to approval by the Finnish Competition and Consumer Authority. Myllyn Paras, which has a strong brand, broadens our offering in the Finnish market and enables synergies with other operations in Finland.

Outlook

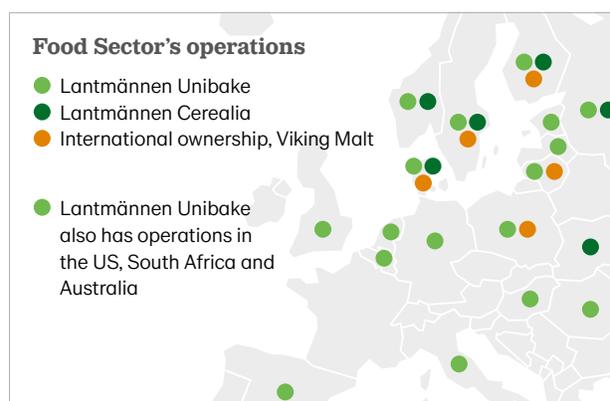
Prices of raw materials, packaging materials, energy and transport have risen sharply, leading to price increases for retailers and consumers. *Our goal* is to be a leading food company, based on arable land resources, through efficiency improvements, digitalization and optimization of production facilities.



Food Sector, key figures	2021	2020
Net sales, MSEK ¹⁾	15,558	15,017
Operating income, MSEK	775	786
Operating margin, %	5.0	5.2
Return on operating capital, %	4.8	4.7
Investments in non-current assets, MSEK	889	552
Average number of employees	6,373	6,347
of which women/men, %	42/58	41/59
Women/men in executive management, %	21/79	21/79
Sick leave, %	4.5	4.8
CO ₂ emissions, thousand tonnes	90	89

¹⁾ Including intra-Group sales.

Excl. items affecting comparability	2021	2020
Operating income, MSEK	850	786
Operating margin, %	5.5	5.2
Return on operating capital, %	5.2	4.7



Sales by market	2021	2020
Nordic countries	61 %	63 %
Rest of Europe	32 %	31 %
Rest of world	7 %	6 %



Lantmännen Unibake

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 with its consistently high level of quality and fast delivery, the company is an important partner for many of the world's largest food providers.

In 2021, Covid-19 continued to have a major impact on Lantmännen Unibake's business. The pandemic adversely affected the company's customers in virtually all markets. At the same time, prices of raw materials, other inputs, transport and machinery continued to rise throughout 2021 in the face of strong global demand and supply chain problems.

In the first year of the pandemic, consumers had got used to living in lockdown, while many customers had met demand by adjusting operations to include home delivery and food-to-go. The lessons learned from 2020 meant that the impact on the business was less severe in 2021. Lantmännen Unibake continued to strengthen its e-commerce platform and store offering during the year.

Restrictions were lifted in most markets during the second half of 2021 but a new wave of the pandemic at the end of the year led to new lockdowns and restrictions. As a result, the market has not recovered to the normal level of 2019 and food service sales are still below normal, particularly due to new work-from-home practices and the partial replacement of travel activity with digital meetings.

Good earnings growth compared with 2020

Lantmännen Unibake continued to adjust capacity to the current situation and enforce strict cost discipline across the group in response to the Covid-related challenges in the market.

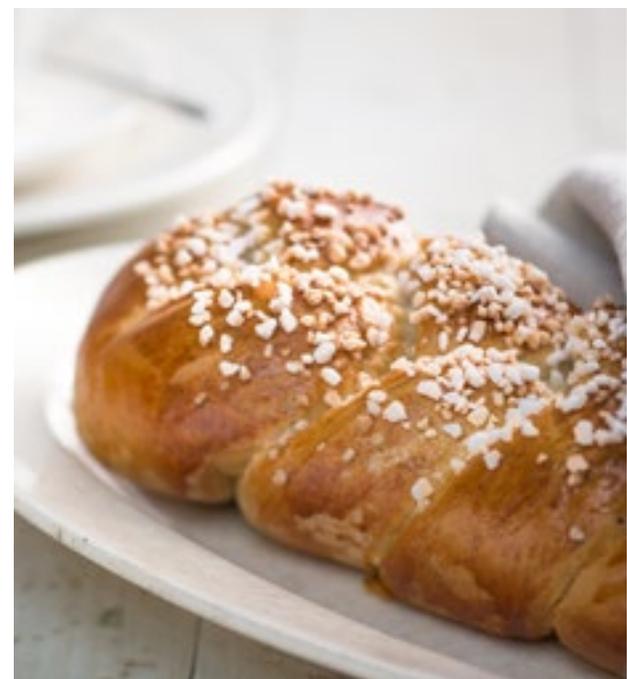
Alongside its short-term adaptation measures, Lantmännen Unibake continued to develop and execute more

long-term plans and strategies, with digital marketing high on the agenda. There was a resurgence in e-commerce in retail and food service.



Lantmännen Unibake is a world-leading bakery group with long traditions and an eye for innovative solutions and trends.

– With customer proximity and responsibility at a local level!





The profitability management project, aimed at creating transparency along the value chain, continued during the year, as did the roll-out of the ERP platform and global brand architecture work. Several strategic sustainability investments were made as an important part of the Group's sustainability strategy.

Key sustainability issues

Lantmännen Unibake has embarked on a journey to bring health & safety to the center of its culture. The vision is clear – all employees should feel safe at work and it is the

company's responsibility to enable this through training and monitoring. The foundation is in place for the implementation of a global health & safety organization involving all senior executives.



Lantmännen Unibake markets fast food bread for consumers, and develops and launches new brands and products in the bread and pastries categories.

The food industry is an important part of global climate initiatives and Unibake has reduced emissions from its production by 40 percent over the last five years. To accelerate its sustainability work, Lantmännen Unibake is running a project describing the road to a sustainable bakery future.

Outlook

The current inflationary environment is likely to continue, which is expected to bring the highest cost pressure in a decade for Unibake's business. We are continuing our strategy implementation and developing the bakery business with a major investment program for increased cost efficiency and future profitable growth. Our goal is to become a globally leading bakery company with a strong base in northern Europe.

The major investments include a new burger bun line in Nowa Sól, Poland, several new bakery lines in the UK, Finland, the Baltic region and Russia, and a new automated cold store in Örebro, Sweden. Lantmännen Unibake is also planning to establish a new bakery and an ambitious bake-off investment in south-east Europe.

Good food from Lantmännen



Lantmännen Unibake, key figures	2021	2020
Net sales, MSEK ¹⁾	11,674	11,128
Average number of employees of which women/men, %	5,037 42/58	4,990 41/59

¹⁾ Including intra-Group sales.

Lantmännen Unibake's Brands



*Davor Zidaric • product developer & food designer
Lantmännen Unibake*



“

We develop our business through acquisitions and organic growth, consolidation and the creation of a highly integrated group structure.

Our aim is to make people all over the world happy and contented with the help of our breads and pastries.





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 vegetarian products, and ready meals.

Lantmännen Cerealia's operations are conducted in Sweden, Norway, Denmark, Finland, Ukraine and Russia, with sales through food retailers, the food service sector and directly to industrial bakeries and food producers. Cerealia also has significant exports, mainly crispbread and breakfast products, to about 30 countries around the world.

“

Our products always have consistent, high quality that meets the needs of Nordic customers.



The pandemic continued to affect the business in 2021, and some investments in market-driving initiatives had to be put on hold. Our Nordic markets saw an easing of restrictions in the fall, leading to some recovery for the food service sector and industrial customers. Sales through food retailers, which developed at a fast rate in the first half of the year, returned to normal levels in the latter part of the year. In Russia and Ukraine, the negative trend continued. Despite weak volume development, we gained market shares in several important markets. We have been able to keep production running without interruption during the pandemic, continuing to manage and navigate according to government recommendations to ensure the health and safety of our personnel, protect our business and uphold our responsibility as a socially critical supplier of food.

The second half of 2021 saw large price increases for raw materials, packaging materials, energy and transport, which has had a short-term impact on profitability before price increases take full effect. Although intense competition has continued in all markets, we have seen good growth in our businesses in the Swedish and Finnish markets, our export business and our ready meals business under the Gooh! brand.

Close to customer and consumer

Lantmännen Cerealia's categories and product offerings are well positioned to meet the trends and preferences of Nordic consumers. Taste remains the single most important parameter for consumers, but more and more of them find health, origin and sustainable production important. Meal solutions and healthy snacks are a strong trend, where we see a clear example in our successful Finn Crisp Snacks.

During the year, we conducted a consumer survey with almost 5,000 Nordic respondents, and we are developing our product portfolio on the basis of it. In the 2021 supplier evaluation by Swedish food retailers, Lantmännen Cerealia was ranked highest out of 118 suppliers evaluated on pro-activity in customer cooperation.

“

Lantmännen Cerealia is the largest supplier of flour and grain-based products to bakeries, wholesalers and the food industry in the Nordic region.

We stay close to the customer, taking responsibility at a local level while bringing the strength of a global organization.





Innovation in focus

A *Growth Businesses* department was established during the year with a focus on growth and innovation to develop new products, concepts and solutions for the longer term. Pulses, oats and other local crops are the focus of our innovation work aimed at developing locally produced crops and concepts that can yield higher volumes.

Key sustainability issues

Lantmännen Cerealia's offering is based on local and sustainably produced food. Two-thirds of Swedish consumers find the climate issue important and say that it influences all or some of their food and grocery purchases, and it is our ambition to create attractive products based on raw materials from sustainable farming.

Our successful commercialization of the *Climate & Nature* cultivation program for Farming of the Future continues. During the year, the program was expanded to include oats and pancakes, and partnerships with more industrial customers have been developed. The cultivation program was also launched in the Finnish market.

The goal is for our Nordic facilities to be fossil-free by 2025 and facilities outside the Nordic region by 2040. We are also working to reduce emissions from transport and have clear guidelines for sustainable sourcing. The majority of our packaging is plastic-free and all packaging will be recyclable during 2022. Fossil-based plastic packaging will be phased out by 2030.

Outlook

The outlook for 2022 is uncertain due to sharply rising costs for raw materials, inputs, transport and energy. The pandemic is expected to affect our operations in Russia and Ukraine in particular. In the Nordic markets, some recovery is expected in food service and B2B.

We will focus on efficiency of processes and working methods, growth creation and better utilization of our facilities to increase profitability. There will be a special focus on growth for the oat-based business.

Learn more at lantmannencerealia.com

Good food from
Lantmännen



Interest in green, climate-smart, locally grown, healthy and sustainable food is growing. Lantmännen is now successfully growing Swedish yellow lentils on a larger scale.

Lantmännen Cerealia, key figures	2021	2020
Net sales, MSEK ¹⁾	4,286	4,267
Average number of employees of which women/men, %	1,336 42/58	1,357 41/59

¹⁾ Including intra-Group sales.

Lantmännen Cerealia's Brands



Swecon Business Area

**Partner and distributor of
construction machinery**



Swecon Business Area

Swecon 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 96 service facilities. The Business Area accounts for 15 percent of the Group's sales.

The market for construction machinery has, in many ways, been operationally stable but has not yet fully recovered from the ongoing Covid-19 pandemic. However, demand is increasing due to generally high activity in the construction industry. Our supply chain is currently experiencing difficulties, resulting in lower availability of machines and longer delivery times. The lack of supply has resulted in lost sales. The market for used machines has also been affected, with lower volumes for Swecon, and it has been hard to maintain market shares in all countries due to the low availability. Despite these challenges, earnings were at a good level, driven by internal efficiency.

The order intake is showing a clear upward trajectory and the order backlog remains at a high level. Demand for servicing has been increasingly strong and external servicing has shown a positive trend. Our rental business is experiencing strong demand and the same is true for used machines. As further support for our customers, new solutions for web and remote support have been implemented and a data center has been set up to analyze how customers use their vehicles.

Protecting employees and ensuring business continuity remain a priority for Swecon. Most sales meetings and training sessions are still held online or as hybrid meetings.

Key sustainability issues

Demand for electric machines has grown, particularly in cities and from authorities. The launch of Volvo's battery electric machines has been successful and Volvo continues its electric journey. As a responsible supplier, Swecon assumes the role of industry leader and works on a climate strategy with targets to reduce the carbon footprint of its operations in relation to sales. This includes energy use in properties, responsible sourcing and business relationships.

By creating a positive impact on society, Swecon also positions itself as an attractive employer. The safe@swecon initiative has further increased awareness among employees and offers training on safety in the workplace.

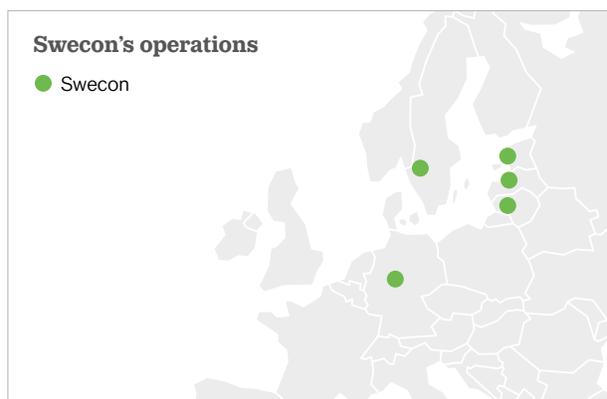


Swecon Business Area, key figures	2021	2020
Net sales, MSEK ¹⁾	7,750	7,827
Operating income, MSEK	471	505
Operating margin, %	6.1	6.5
Return on operating capital, %	33.3	35.3
Investments in non-current assets, MSEK	480	514
Average number of employees	1,266	1,246
of which women/men, %	12/88	12/88
Women/men in executive management, %	22/78	11/89
Sick leave, %	5.1	5.3

¹⁾ Including intra-Group sales.

Swecon is not covered by the measurement of climate emission, see [page 157](#).

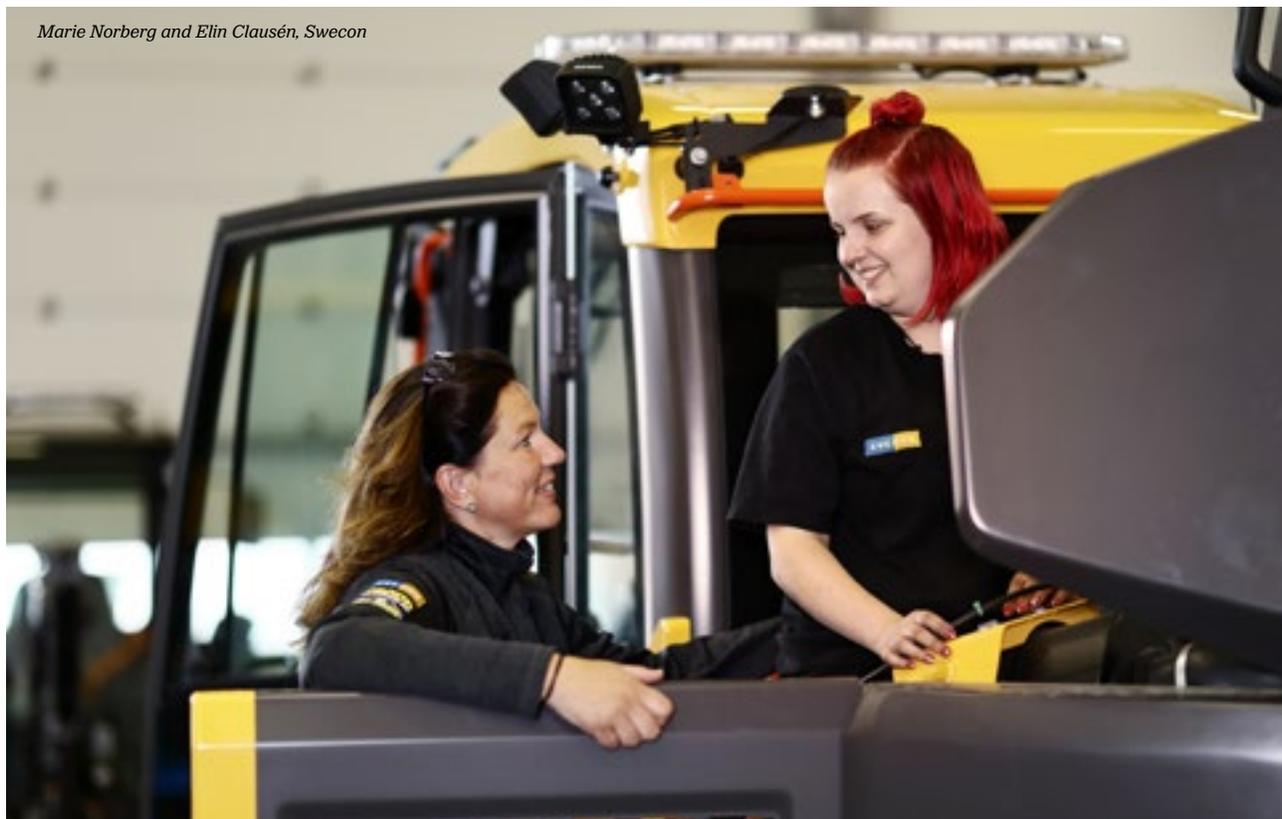
Excl. items affecting comparability	2021	2020
Operating income, MSEK	471	505
Operating margin, %	6.1	6.5
Return on operating capital, %	33.3	35.3



Brands



Marie Norberg and Elin Clausén, Swecon



Outlook

Further growth in demand for new machines is expected in Swecon's markets, but our suppliers expect supply chain disruptions to continue well into 2022, which may mean delayed deliveries. The construction phase of the Rail Baltica project, a rail link through the three Baltic countries, started in late 2021 and will bring stronger demand in the Baltic region in 2022. Major investments in infrastructure projects are expected to continue after the pandemic. Climate-friendly technology will contribute to higher demand for e-machinery. Our goal is to be a leading distributor of construction machinery in Northern Europe.

The recently re-launched website will be further developed and will serve as a hub for all customers. The number of users of the mySwecon service is expected to exceed 3,000 in 2022. Swecon continues to work on digital and technical aids, with robotic automation being piloted in Germany. This will reduce repetitive tasks in the spare parts area and free up capacity for additional customer service.

Operations

Sweden

The positive outlook for the Swedish economy and the construction segment is resulting in an increased order backlog and more need for recruitment. High activity can be seen in

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At Swecon, we always strive to ensure the highest level of safety in our machines and operations.

Swecon Academy adapts new training for all employees to promote a culture of innovation where learning is integrated into daily working life to ensure efficiency and the necessary knowledge.

all parts of the country, although sales are struggling to manage the long lead times for machines from our suppliers. Few cancellations and a continuous order intake indicate that the entire sector is encountering similar problems. High demand for used machines continues, which is leading to increased prices. Demand in the servicing market remains high, making recruitment of service technicians a key factor.



Volvo L25 Electric wheel loader

“

With our revolutionary electric construction machinery from Volvo, the job gets done with less noise, fewer vibrations and without exhaust fumes.

In 2021, we saw the first EC950F on the Swedish market, the largest excavator in Volvo's product range, which has been delivered to a customer in the mining industry.

More machines have been delivered to the Swedish Armed Forces under the framework agreement signed in 2018 and around 60 wheel loaders of different sizes were delivered in 2021 and early 2022. A large order of 51 machines was delivered to a rental company.

In early 2021, a new central warehouse for Swecon's e-commerce was opened in Eskilstuna.

Germany

The German construction machinery market has shown some recovery from the pandemic during the year but the German market remains under pressure. Swecon's order backlog for new machines has increased. Supply chain disruptions and lower machine stock availability have

constrained Swecon's sales and delivery volumes for new machines.

Revenue from used equipment sales, the rental business and servicing, alongside tight cost control, have enabled Swecon to compensate for the decline in new equipment sales and secure its earnings.

Electric compact machines were successfully introduced on the German market and nine battery-electric L25e wheel loaders were sold to Berlin. In addition, Swecon's first EC950 excavator was delivered to the German market.

The new www.swecon.de website was launched and a new intranet was set up for employees. A team of online service technicians was engaged to support customers.

Baltic region

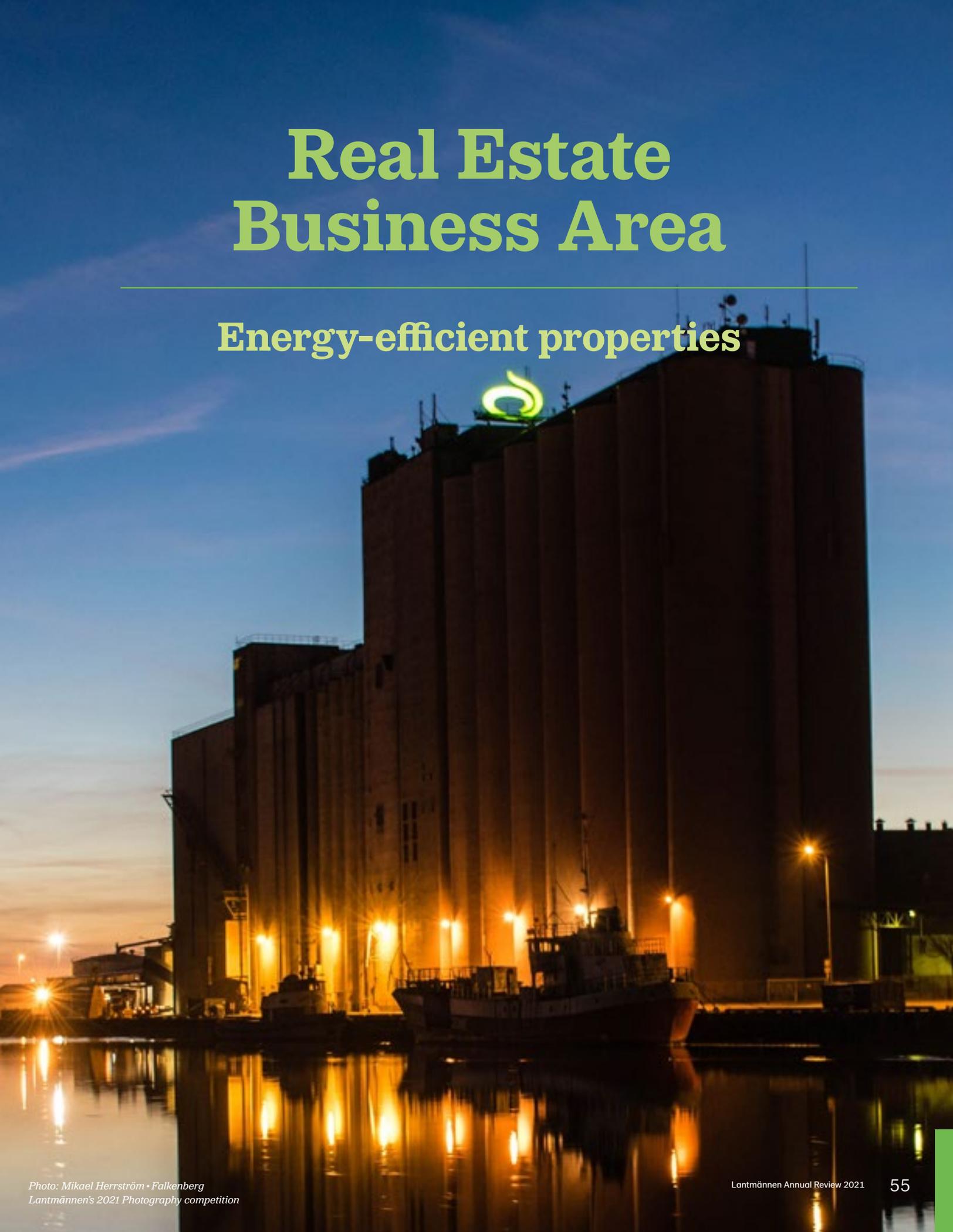
The Baltic region faced a challenging situation during the year due to the pandemic, customers' delayed investment plans and certain supply difficulties.

The order intake was strong in 2021 but the supply difficulties may also continue into 2022 and restrict sales. Work on infrastructure and road maintenance is expected to increase, driven by government support. The Rail Baltica project to provide a high-speed rail link between the three Baltic countries will continue until 2026 and Swecon Baltics expects increased demand.

The first major compact equipment transaction in Lithuania was completed in 2021, comprising 30 compact excavators to a rental company.

Real Estate Business Area

Energy-efficient properties



Real Estate Business Area

The Business Area consists of Lantmännen Fastigheter and Lantmännen Agrovärme and accounts for 1 percent of Lantmännen's sales. Lantmännen Fastigheter's task is to provide the Group's businesses with appropriate properties and optimize the return on externally leased properties. Lantmännen Agrovärme provides customers with environmentally sound heating and biochar.

Lantmännen Fastigheter

In 2021, Lantmännen Fastigheter focused mainly on the internal property portfolio, with a total surface area of approximately 1,200,000 m², to ensure future operation of the Group's strategic properties. In parallel, regular day-to-day management, project development and real estate transactions have been carried out.

During the year, a machinery plant was completed in Vara. A property was acquired in Ilanda, Karlstad, for Lantmännen Maskin, Swecon and Lantmännen Lantbruk. A property in Örebro that houses Lantmännen Unibake's operations was acquired, enabling the construction of a cold store which is expected to be completed in 2023. The construction contract for Lantmännen's new Triton precinct offices in Malmö Port is in progress and occupancy is scheduled for 2022. The contract also includes the construction of a retirement home. Construction of a retirement home and food store under Lanthem's management has begun in Tygelsjö, with occupancy in 2022. Parts of Almby in Örebro have been divested. Property development projects are in progress in Kävlinge, Arboga, Norrköping, Örebro and Nyköping.

Lantmännen Real Estate manages Lantmännen's Grodden pension fund properties. The property portfolio is about 100,000 m² including Lantmännen's head office in Stockholm.

The property market was strong during 2021, despite the pandemic. The market for logistics properties and housing showed the best development, but community properties also

showed growth. International interest in Swedish properties remained strong. The number of publicly listed Swedish property companies increased sharply.

Lantmännen Agrovärme

Lantmännen Agrovärme supplies district heating and ready heat to about 20 locations, both in our own plants and in cooperation with partners. Our heating plants supply about 135 GWh annually from local biofuels. Agrovärme's district heating has almost 100 percent security of supply. Biochar is an important new product in soil improvement and can also be used as a carbon sink. Agrovärme produces biochar in two district heating plants.

Key sustainability issues

Lantmännen's Fastigheter's focus is on energy efficiency of buildings, low carbon heat production, responsible sourcing and sustainable business relationships.

Outlook

The forecast is for a strong property market. For construction projects, there is uncertainty as higher material prices are making projects much more costly. Electricity prices are expected to remain high. Strategic work to ensure management of the long-term standard of the internal property portfolio continues.

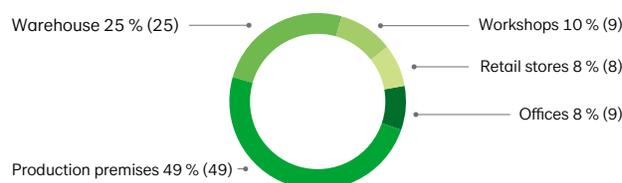


Real Estate Business Area, key figures	2021	2020
Net sales, MSEK ¹⁾	584	551
Operating income, MSEK	344	228
Operating income, excl. property sales, MSEK	279	223
Return on operating capital, %	11.1	8.1
Return on operating capital, excluding property sales, %	9.0	8.0
Investments in non-current assets, MSEK	395	212
Average number of employees	47	44
of which women/men, %	39/61	36/64
Women/men in executive management	40/60	40/60
Sick leave, %	0.3	0.1
Total CO ₂ emissions, thousand tonnes	4	5

¹⁾ Including intra-Group sales

Excl. items affecting comparability	2021	2020
Operating income, adjusted for items affecting comparability, MSEK	290	228
Return on operating capital, adjusted for items affecting comparability, %	9.3	8.1

Real Estate Business Area, surface distribution



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

International ownership

For growth and value creation



“
Lantmännen has ownership interests in a number of international companies with operations primarily in the Nordic region, Germany, Poland and the Baltic countries.

Our strategic portfolio holdings

An important part of Lantmännen's strategy Field to Fork 2030 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.

Lantmännen's joint ownership with DLG

In order to strengthen and expand existing international agricultural cooperation, Lantmännen and the Danish agricultural company DLG (Dansk Landbrugs Grovvarereselskab) have established the company Lantmännen DLG International (LDI). The purpose of the company is to expand the position in markets and businesses where Lantmännen and DLG already have a strong partnership and to expand into new, mainly European, markets.

HaGe Kiel Ownership 41 %

HaGe Kiel engages in grain trading, agri-supply sales and the manufacture and sale of feed. Hauptgenossenschaft Nord (HaGe Kiel) has a turnover of approximately SEK 24 billion and about 1,150 employees. Lantmännen owns 41 percent of HaGe Kiel, while DLG owns 55 percent. HaGe Kiel has well developed logistics chains and port terminals located in Hamburg, Kiel and Rostock which supply the market with grain and oilseeds, both locally and internationally. Lantmännen's share of income is included in the Agriculture Sector. Learn more at hagekiel.de

Scandagra Group Ownership 50 %

Scandagra Group operates in the Baltic region and has a turnover of approximately SEK 5.8 billion and about 370 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

Scandagra Polska Ownership 50 %

Scandagra Polska, which is a merchant of grain and other inputs in the Polish agricultural market, has a turnover of approximately SEK 1.8 billion 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

Lantmännen's other ownership

Scandbio Ownership 50 %

Scandbio is the largest solid processed wood fuel company in Sweden and sells 100 percent renewable energy in the form of heat pellets, briquettes, wood powder, bedding pellets and district heating. The products are manufactured by using residues from the sawmill industry. The company has a turnover of approximately SEK 1 billion and about 140 employees. Scandbio has a strong position in the Swedish market and in the Baltic Sea region. Lantmännen and Neova each own 50 percent of the company. Lantmännen's share of income is included in the Energy Sector¹⁾. Learn more at scandbio.com

¹⁾ After the end of the period, Lantmännen signed an agreement to acquire Neova Group's 50-percent share in Scandbio, which now becomes a wholly-owned subsidiary. The transaction is subject to approval by the competition authorities in Denmark, Latvia and Sweden.

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 SEK 2.4 billion and about 260 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

Corporate Governance

Corporate Governance Report	60
Auditor's Review Report	69
Group Board	70
Group Management	72



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 2021 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 18,726 members as owners at the end of 2021. Members of Lantmännen can be both 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.

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 11, 2021, several motions related to the association's membership benefits and strategy were discussed.

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 review.

"Collaboration for increased growth" on [page 29](#) describes collaboration with different organizations and work at the intersection between politics, industry and interest groups. There is also information about some of the organizations of which Lantmännen is a member.



Annual General Meeting

The AGM was conducted digitally on May 11, 2021. Lantmännen's 101 delegates participated, voted and contributed by means of a digital meeting tool.

The presiding officers, Chairman, CEO and CFO were present at Lantmännen's head office in Stockholm. The Board, Group management, delegates, authorized auditors and member representative auditors participated via a digital meeting tool with individual login. The proceedings could be followed on a webcast.

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, reference groups, nomination committees, the general meeting and the council of trustees. Pages 15-16 describe the democratic organization and how members can participate and gain insight into the business in different ways. Each member is entitled to have business considered at the AGM.

The Board's Owner Committee, see page 66, has the task of evaluating the Company's democratic organization and initiating changes if necessary.

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



Mårten Olsson and Lena Ohlsson

and the nomination of members to the Association's Nomination Committee at the Annual General Meeting.

Council of Trustees in 2021

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 minuted meetings during the year.

Member 2030

On the basis of various motions at the EGM held in November 2020, it was decided that the Owner Committee, together with the Council of Trustees, would conduct a discussion and training project for Lantmännen's elected representatives in 2021.

The aim was to increase the elected representatives' knowledge in the areas of strategy, capital structure and dividends, to clarify and concretize the ownership mission and to contribute input to Lantmännen's strategy.

During the year, the project was implemented through a variety of activities such as working groups, regional owner meetings, training seminars and active discussions at the fall districts meetings.

Owner Relations 2021

The Owner Relations department is responsible for member communication and assists members and elected representatives in corporate governance. Jesper Broberg took over as the Head of Owner Relations in March 2021. The department had seven employees during the year: five member services staff, the editor of Grodden and the Head of Owner Relations. The cost of the department and its total activities amounted to approximately MSEK 24.9 (22.8) in 2021. MSEK 6.8 (6.4) of this amount related to costs for the 20 districts and included fixed fees of MSEK 4.1 (4.1) adopted by the AGM, (61.3 percent), and variable fees of MSEK 1.6 (1.1), 23.6 percent.

Member activities during 2021

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.

The other MSEK 1.0 (1.2), 15.1 percent, related to costs of the districts' activities and travel. Other activities handled by the department include training of elected representatives, the Council of Trustees, District Board Conference, Nomination Committee and the members' newsletter "Grodden".

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 16. 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.

With 100 percent of operating profit from agricultural operations going back to the farmers as a refund and supplementary payment, there is a clear connection between the business relationship and member relationship. 50 percent of the contribution issue is based on trading with the association, which also strengthens the business relationship with the association. Lantmännen also contributes to the development of farming and the profitability of members' farms by investing in research and development in many areas.

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 meeting is webcast so that as many members as possible can take part in the proceedings.

2021 Annual General Meeting

Due to Covid-19, the AGM was held digitally on May 11, with the Group Chairman and presiding officers present in Stockholm. 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 Lindahl, Gunilla Aschan, Johan Bygge, Henrik Wahlberg and Hans Wallemyr were re-elected to the Board after their term of office expired. Jenny Bengtsson was elected as a new member after Johan Mattsson left the Board at his own request. 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 2022 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 902. The meeting also adopted a dividend on subordinated debentures of MSEK 17.

The total number of appointed delegates was 101 and all 101 delegates and deputies participated in the Meeting digitally. All serving Board members, the CEO and elected auditors participated in the meeting digitally.



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 2021

In 2021, the Nomination Committee consisted of nine members: Göran Brynell (Chairman), Inge Erlandsson, Gunilla Carlsson, Marianne Andersson, Desirée Nyman, Leif Karlsson, Anders Rickardsson, Michael Hübsch and Henrik Claesson.



At the statutory meeting after the AGM, Göran Brynell was elected Chairman and Anders Rickardsson 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.

At regional level, there is a nomination committee in each district. These committees make proposals on members of the district boards. Training and preliminaries for the district nomination committees are held during fall. Representatives of the Group's Nomination Committee participate in these training sessions.

Principle 6. Board of Directors

The 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 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 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 2021

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 Chairman of the Board and Hans Wallemyr Vice Chairman. The composition of the Board is shown in the presentation on pages 70-71.

The Board held 16 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 year's auditing.



Board meetings, attendance 2021

	Feb 8	Feb 23	Apr 20	Apr 21	May 11	Jun 1	Jun 17	Jun 18	Aug 25	Oct 4	Nov 18	Nov 24	Dec 10	Dec 16	Dec 17	Dec 27
	Digital	Digital	Digital	Extra digital	SM ¹⁾	Digital	Digital	Digital			Extra digital		Extra			Per capsulam
Per Lindahl	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Gunilla Aschan	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Jenny Bengtsson ²⁾	-	-	-	-	●	●	●	●	●	●	●	●	●	●	●	●
Tommy Brunsårn	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Johan Bygge	●	●	●	●	●	●	●	●	●	●	●	●	●	●	○	●
Jan Ehrensvärd	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Pär-Johan Lööf	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Sonat Burman-Olsson	●	●	●	●	●	●	○	●	●	●	●	●	●	●	●	●
Johan Mattsson ³⁾	●	●	●	●	-	-	-	-	-	-	-	-	-	-	-	-
Henrik Wahlberg	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Hans Wallemyr	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Tomas Welander	●	●	●	●	●	●	●	●	●	●	●	○	●	●	●	●
Per Wijkander	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●

● Attended ○ Did not attend ¹⁾ Statutory Board meeting ²⁾ Newly elected at 2021 AGM. ³⁾ Left at own request at 2021 AGM

The Board also participates actively in district meetings, fall meetings, Council of Trustees and more. Board meetings were held digitally until August 2021.

During fall 2021, the Board worked on the recruitment of a new President and CEO to succeed Per Olof Nyman.

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 Mattsson. After the 2021 AGM, the Committee consisted of Hans Wallemyr (Chairman), Gunilla Aschan and Johan Bygge. 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 President & CEO, and to the President & CEO for the other members of Group



Management. Before the AGM, the Committee consisted of Per Lindahl (Chairman), Sonat Burman-Olsson and Johan Bygge, with President & CEO Per Olof Nyman as rapporteur. After the 2021 AGM, the Committee consisted of Per Lindahl, Sonat Burman-Olsson and Jan Ehrensvärd. The Group's Senior Vice President Human Resources serves as 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.

After the 2021 AGM, the Committee consisted of Henrik Wahlberg, Per Wijkander and Jenny Bengtsson. The Head of the Legal & Compliance corporate function attends the meetings. The Group's Head of Owner Relations serves as the secretary of the Committee. The Committee held seven minuted meetings during the 2021.

President & CEO and Group Management

The 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 President & CEO is regulated in the Board's work plan. Lantmännen's Group Management consists of 10 members. The composition of Group Management is shown in the presentation on [pages 72-73](#). Group Management meets 10 times a year and as required.



Principle 7. Remuneration of senior executives

The enterprise shall have overall guidelines for remuneration, terms and conditions for senior executives (CEO and Management team). The guidelines shall clearly state how remuneration, terms and conditions for the 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.

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, comment on this at the meeting and submit a written statement to the meeting, which is available in the meeting room.

Variable salary – Short-term incentive program

Lantmännen has a Group-wide variable salary program, which for 2021 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 2021, 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.

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 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. 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 a translation from 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 2021 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 Objective and benefits for members, Democratic processes and Members' participation in the company's value creation. The Member 2030 work was a priority audit area in 2021.

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 23, 2022

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
Other functions at Lantmännen:
 Remuneration Committee, Lantmännen
 Research Foundation
Education: Agriculture
Main occupation: Farmer
Production: Crops (potatoes and grain),
 broiler breeding, egg production,
 machinery workshop
Directorships: Lantmännen Dansk Land-
 brugs Grovareselskab International AB
 (Chairman), Viking Malt Aktieföretag,
 Fellow of The Royal Swedish Academy of
 Agriculture and Forestry (KSLA)
Contribution issues: 4,809,703*
Subordinated debentures: SEK 300,000*



Hans Wallemyr *Vice Chairman*
 Falköping
 Born: 1956
 Director since 2007
 Member of Lantmännen
Other functions at Lantmännen: Audit
 Committee, Lantmännen Research
 Foundation
Education: Agriculture and economics
Main occupation: Farmer
Production: Wind power, potatoes,
 forestry, breeding/training showjumpers
 and dressage horses
Directorships: Källeberg Vind AB
 (Chairman), Scandbio AB and Åsle Vind AB
Contribution issues: SEK 718,403*



Gunilla Aschan
 Linköping
 Born: 1960
 Director since 2015
 Member of Lantmännen
Other functions at Lantmännen: Audit
 Committee
Education: Agricultural Economics,
 Swedish University of Agricultural Sciences
Main occupation: Farmer
Production: Forestry, crops, beef
Directorships: Landshypotek Bank AB,
 Fyrklövern ekonomi och juridik AB and
 Ellen Key's stiftelse Strand
Contribution issues: SEK 56,533*
Subordinated debentures: SEK 300,000*



Jenny Bengtsson
 Vessigebo
 Born: 1984
 Director since 2021
 Member of Lantmännen
Other functions at Lantmännen: Owner
 Committee
Education: Veterinary
Main occupation: Veterinarian and farmer
Production: Dairy, beef crops
Contribution issues: SEK 47,214*



Sonat Burman-Olsson
 Lidingö
 Born: 1958
 Director since 2018
 Not a member of Lantmännen
Other functions at Lantmännen:
 Remuneration Committee
Education: M.Sc. (Business and
 Economics), Executive MBA, Strategic Man
 Oxford & Harvard
Main occupation: Directorships
Directorships: PostNord AB, NESTE
 Corporation, Lindab International AB and
 Raizen S.A.



Johan Bygge
 Lidingö
 Born: 1956
 Director since 2019
 Not a member of Lantmännen
Other functions at Lantmännen:
 Audit Committee
Education: MBA, Stockholm School of
 Economics
Main occupation: Directorships
Directorships: Nobina AB (Chairman),
 Scandi Standard AB (Chairman), Guard
 Therapeutics Intl AB (Chairman), AP3 (Vice
 Chairman), Getinge AB, Capman OYJ and
 Praktikertjänst AB
Subordinated debentures: SEK 250,000



Jan Ehrensward
 Tomelilla
 Born: 1968
 Director since 2020
 Member of Lantmännen
Other functions at Lantmännen:
 Remuneration Committee
Education: MBA, Stockholm School of
 Economics
Main occupation: Farmer
Directorships: Tosterups Gård AB (Chair-
 man), TreForm Packaging AB (Chairman),
 Äppelriket Österlen ek för (Chairman),
 ALSOCA Förvaltning AB and Viking Malt
Contribution issues: SEK 1,039,093*



Henrik Wahlberg
 Soukolöjärvi, Övertorneå Municipality
 Born: 1967
 Director since 2017
 Member of Lantmännen
Other functions at Lantmännen: Owner
 Committee
Education: Aeronautical engineer,
 agriculture
Main occupation: Farmer
Production: Dairy, beef
Directorships: Övertorneå Energi
 Försäljning AB, Sparbanken Nord,
 Övertorneå Energi AB and Luttugården AB
Contribution issues: SEK 342,149*



Per Wijkander

Upplands-Bro
 Born: 1977
 Director since 2019
 Member of Lantmännen
Other functions at Lantmännen: Owner Committee, Beirat (Advisory Board) HaGe Kiel, LRF Växtodling
Education: Agricultural Economics, Swedish University of Agricultural Sciences
Main occupation: Farmer
Production: Crops
Directorships: 4 Tunnländ AB, Håtunaholm AB, Håtunaholm H.T.H. AB, Håtunalab AB and Håbo Häradsallmänning
Contribution issues: SEK 2,865,253*
Subordinated debentures: SEK 1,500,000



Tommy Brunsärn

Employee representative
 Södertälje
 Born: 1959
 Director since 2007
 Employee representative Unionen
Main occupation: Lead Buyer
 MRO/Capex



Pär-Johan Lööf

Employee representative
 Uppsala
 Born: 1966
 Director since 2013
 Employee representative the Union for Professionals
Education: Agriculture, Swedish University of Agricultural Sciences
Main occupation: R&D Manager
 Agri Lantmännen R&D
Directorships: Naturbutiken på Öland AB, non-profit association Cultivation in Balance (Odling i Balans), Stiftelsen Jordbruks- och Miljöteknisk Forskning and Stiftelsen JTI
Subordinated debentures: SEK 100,000



Tomas Welander

Employee representative
 Gothenburg
 Born: 1961
 Director since 2012
 Employee representative IF Metall
Main occupation: Service technician, Swecon
Other directorships: Employee representative, Swecon Anläggningsmaskiner AB

Member representative auditors

Maude Fyrenius

Lärbro
 Born: 1973
 Auditor for Lantmännen since 2014
Education: Agrotechnician
Main occupation: Farmer, Consultancy and skills development, Gotland County Administrative Board
Production: Crops, lamb and beef, nature conservation
Contribution issues: SEK 95,141*

Kristina Glantz Nilsson

Håbo
 Born: 1975
 Auditor for Lantmännen since 2020
Education: Agriculture
Main occupation: Business Advisor Danske Bank Västerås, Farmer
Production: Grain, on-farm tourism
Contribution issues: SEK 46,083
Subordinated debentures: SEK 200,000

Jimmy Grinsvall

Sätilla
 Born: 1974
 Auditor for Lantmännen since 2019
Education: Agricultural and Rural Management
Main occupation: Farmer
Production: Beef, crops and forestry
Contribution issues: SEK 351,300

Authorized Public Accountant

Anders Kriström

Ernst & Young AB, Stockholm
 Born: 1974
 Auditor since 1999
 Auditor for Lantmännen since 2015
Other assignments: Skanska Sverige AB, Stanley Security Sverige AB and Lundin Energy

Board Secretary

Tove Cederborg

Head of Legal Affairs
 Born: 1964
 Hired: 2011
Education: LLB, Lund University 1992
Directorships: Pensionsstiftelsen Grodden AB

Board members of Lantmännen ek för are elected for two-year terms. The Annual General Meeting will be held on May 05, 2022. Holdings of contribution issues are reported in SEK, as at December 31, 2021. Holdings of subordinated debentures are reported as at December 31, 2021.

* Together with related parties, or through wholly or partly-owned companies.

Group Management



Per Olof Nyman

President & CEO, Head of Food Sector

Born: 1956

Hired: 2008

Education: M.Sc. (Industrial and Management Engineering) Linköping Institute of Technology

Directorships: Intercoop Europe (Chairman), Swedbank, HKScan Oy and Hauptgenossenschaft Nord AG

Subordinated debentures: SEK 4,000,000



Per Arfvidsson

Executive Vice President, Head of IT, Digital Development, Public and Regulatory Affairs, Sustainable Development and R&D

Born: 1962

Hired: 2011

Education: M.Sc. (Mechanical Engineering, Industrial Organization & Logistics) Chalmers University of Technology

Directorships: Sweden Food Arena (Chairman), Agronod (Chairman) and Foodhills AB

Subordinated debentures: SEK 2,000,000



Tove Cederborg

Head of Legal Affairs

Born: 1964

Hired: 2011

Education: LLB, Lund University

Directorships: Pensionsstiftelsen Grodden

Subordinated debentures: SEK 300,000



Werner Devinck

Senior Vice President Lantmännen Unibake

Born: 1958

Hired: 2013

Education: Economist, University of Leuven, Belgium



Christian Johansson

Senior Vice President & Group CFO

Born: 1963

Hired: 2020

Education: M.Sc. (Business and Economics), Stockholm University, INSEAD (Fontainebleau, France)

Directorships: Lantmännen Dansk Landbrugs Grovvarereselskab International AB



Magnus Kagevik

COO, Head of Energy Sector

Born: 1967

Hired: 2018

Education: M.Sc. (Mechanical Engineering) Linköping Institute of Technology

Directorships: Scandbio AB, Drivkraft Sverige AB, Viking Malt Aktieföretag, Hauptgenossenschaft Nord AG and Lantmännen Dansk Landbrugs Grovvarereselskab International AB

Subordinated debentures: SEK 2,000,000



Niklas Lindberg

Head of Swecon Business Area

Born: 1974

Hired: 2015

Education: Master of Business Science

Directorships: X-Innovations AB (Chairman) and Hyttbäcken Invest AB



Elisabeth Ringdahl

Head of Agriculture Sector

Born: 1965

Hired: 2015

Education: M.Sc. (Business and Economics), Uppsala University

Directorships: Rezekne JSC (Chairman), Scandagra Group AB and Scandagra Polska Sp.z o.o.
Subordinated debentures: SEK 500,000



Carl-Peter Thorwid

Senior Vice President Lantmännen Cerealia

Born: 1964

Hired: 2016

Education: M.Sc. (Industrial and Management Engineering), Linköping Institute of Technology

Directorships: HKScan Oy (Deputy)
Subordinated debentures: SEK 400,000



Elisabeth Wallin Mononen

Senior Vice President HR & Communications

Born: 1959

Hired: 2005

Education: LLB, Lund University, and MBA, University of Illinois at Chicago

Directorships: Hagabergs Mekaniska Aktiefbolag (Deputy)

Holdings of subordinated debentures are reported as at December 31, 2021.

Financial overview and facts

Performance per segment	75
Description of financial performance measures	77
The Group's Ten-year overview	78
Consolidated Income Statement	80
Consolidated Statement of Financial Position	81
Consolidated Statement of Cash Flows	82
Consolidated Statement of Changes in Equity	83
The Group's Risk management Process	83
Glossary	84
Addresses	85

Performance per segment

MSEK	Agriculture Sector		Energy Sector		Food Sector		Swecon Business Area		Real Estate Business Area		Lantmännen Group	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Net sales	22,834	21,501	4,595	3,938	15,558	15,017	7,750	7,827	584	551	48,183	45,990
Operating income	374	439	615	530	775	786	471	505	344	228	2,302	2,223
Return on operating capital, %	4.5	5.4	42.3	40.5	4.8	4.7	33.3	35.3	11.1	8.1	8.4	8.1
Operating income, adjusted for items affecting comparability	374	439	615	530	850	786	471	505	279 ¹⁾	223 ¹⁾	2,323	2,223
Return on operating capital, adjusted for items affecting comparability, %	4.5	5.4	42.3	40.5	5.2	4.7	33.3	35.3	9.0 ¹⁾	8.0 ¹⁾	8.5	8.1

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

Agriculture Sector

The Agriculture Sector's net sales are higher than in the previous year, while operating income is lower: MSEK 374 (439). The decline is mainly due to lower grain volumes as a result of a weaker harvest and increased commodity prices. All businesses in the Sector have been affected by higher prices of input goods, energy and freight – particularly in the latter part of the year. Earnings have been adversely affected by a provision related to ongoing discussions with the Swedish Tax Agency regarding electricity tax.

After a sharp rise in grain prices in the fall, the market stabilized towards the end of the year and the focus has shifted to the 2022 harvest. In particular, availability of malting barley, oats and oilseeds is very low after the 2021 harvest, which has also driven prices up.

Earnings for the feed business are lower than in the previous year. Demand for feed remains good, although rising costs of input goods, logistics and energy have pushed up prices towards the end of the year. Shortages of certain raw materials have also presented challenges.

The Finnish agricultural operations have delivered higher earnings than in the previous year. High commodity and energy prices have had a negative impact on the feed business in particular, while other businesses have improved their earnings. As in Sweden, the high price of fertilizer has created some uncertainty ahead of the spring planting season.

Earnings for the Sector's international holdings are a little lower than in the previous year. The operations in the Baltic region have reported historically strong earnings, while the German operations have delivered lower earnings.

Lantmännen Maskin continues its positive growth, with a significant improvement in earnings during the year. After a long period of shortages of machines and components, conditions improved towards the end of the year, allowing more machines to be delivered to customers. Market demand remains strong, and sales of servicing and spare parts are still good. Continuous process improvements within the company also contribute to improved profitability.

Energy Sector

The Energy Sector's net sales are higher than in the previous year and its operating income amounts to MSEK 615 (530). Both of these increases are largely due to the historically high price of ethanol towards the end of the year and record production volumes during the year. All of the Sector's businesses have been affected by significantly higher prices of input goods.

Lantmännen Biorefineries has shown a strong increase in earnings: a higher price of raw materials in ethanol production has been more than offset by rising prices for ethanol and feed products.

The price of ethanol in particular rose to record levels in the fall and, after a decline towards the end of the year, remains at a historically high level. Demand for gluten and starch remains good. The packing and packaging industry is growing with sustainable products, which has brought increased demand for wheat-based starch products.

Lantmännen Aspen continues its positive growth, with another increase in sales volumes during the year. The lubricants business, with Agrol's products, has also performed well.

Food Sector

The Food Sector's net sales are higher than in the previous year and operating income adjusted for items affecting comparability has increased to MSEK 850 (786) – largely due to the successful adaptation of production to the changed conditions. Sales, particularly to food service, are lower than pre-pandemic levels but have increased compared with the previous year.

All businesses are being affected by higher commodity and energy prices, which has led, among other things, to general price increases for customers. Many businesses, particularly in food service, have seen an increased impact from the coronavirus pandemic in the final months of the year.

Lantmännen Unibake's sales of frozen bread have increased in virtually all markets compared with the previous year but are still lower than before the pandemic. Sales of fresh bread are slightly down on the previous year, which was a record year due

to the pandemic. Despite an increased absence rate for bakeries due to strict quarantine rules, a satisfactory production rate has been maintained.

Lantmännen Cerealia's sales are in line with the previous year. Sales to food service and to industrial bakeries have increased during the year but remain below the pre-pandemic level. Sales to food retailers are lower than in the previous year, when many consumers were bulk buying basic goods. Lantmännen and the food company Paulig and its subsidiary Santa Maria have begun a collaboration under which Cerealia will supply 17,000 tons of wheat flour cultivated according to the Climate & Nature concept, reducing the climate impact by up to 30 percent.

Earnings for the partly-owned company Viking Malt are lower than in the previous year. Costs have increased, mainly due to higher energy prices.

A strategic investment in a new malting plant in Lahti, Finland, has begun.

Swecon Business Area

The Swecon Business Area's net sales are in line with the previous year and its operating income amounts to MSEK 471 (505).

There has been reduced availability of machines during the pandemic as a result of component shortages and difficulties related to shipping and logistics. However, the level of activity in construction and infrastructure projects remains high and underlying demand for construction machinery is strong.

Machine utilization rates are at a high level and aftermarket demand is good, both in terms of service and spare parts.

The used machinery business continues to develop positively, although there has been less availability of machines.

Demand for electric machines is increasing, particularly from authorities and cities, and the launch of new battery electric vehicles from Volvo has been successful during the year.

In November, a major fire broke out at Swecon's facility in Bochum, Germany, destroying a central spare parts warehouse. The adjacent workshop was protected from the fire and has resumed operations. The temporary reduction in spare

parts availability since the fire has been managed by increasing stocks at other facilities in the area.

Swecon's continuous improvement program continues, including initiatives to strengthen the brand, a long-term focus on safety and new digital solutions for both customers and technicians in the field.

Deliveries of wheel loaders to the Swedish Defence Materiel Administration continued during the year. In November, 32 new wheel loaders were delivered to the Swedish Army, with further deliveries scheduled during the first half of 2022.

Real Estate Business Area

The Real Estate Business Area is showing positive development. Net sales are higher than in the previous year, and operating income excluding property sales and items affecting comparability is MSEK 279 (223). The higher result is due to both higher operating income and higher profit shares from partly-owned companies.

The city of Västerås and Lantmännen have reached an agreement for the acquisition of the silo facilities in the center of Västerås. The handover is scheduled to take place in the year 2029 and Lantmännen has been offered the opportunity to acquire new land for the operations in the Västerås port area.

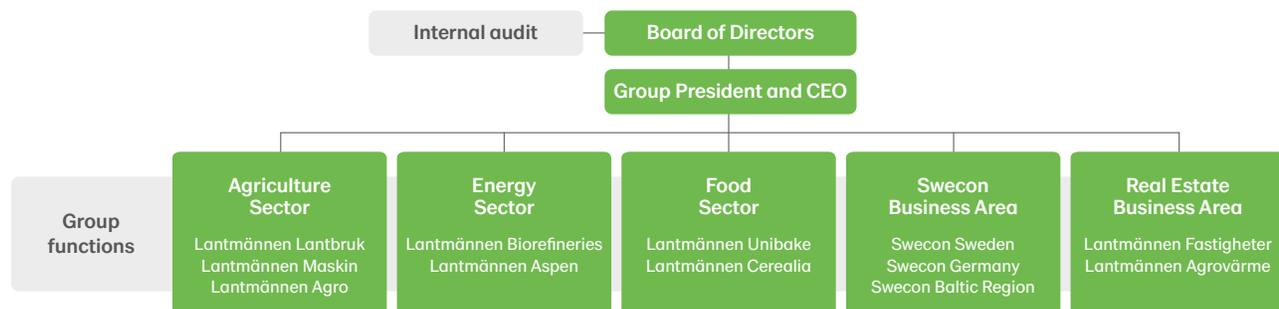
In December, construction began on the new automated cold storage facility in Örebro, which will be adjacent to Lantmännen Unibake's bakery.

Lantmännen Fastigheter has signed an agreement for the sale of building rights for housing in a large project in Örebro. The full development plan for the area includes a city center building with shops, fitness facilities, a health center, a retirement home, student accommodation, a car park, housing and a school.

Construction of Lantmännens new offices, along with housing and retirement homes in Malmö continues according to plan.

Lantmännen Agrovärme's sales for the year were higher than in the previous year, due to colder weather.

Lantmännen's organization



The Group's corporate functions include Finance & Treasury, Owner Relations, HR & Communication, Branding & Marketing, IT, Digital Business Development, R&D, Sustainable Development, Public & Regulatory Affairs, Strategy, Mergers & Acquisitions and Legal & Compliance.

Description of financial performance measures

Key figure	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 according to bank definition	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 debt according to bank definition/EBITDA according to bank definition.
Equity ratio	Equity divided by total assets.	Shows the proportion of the assets that are financed by the owners.
Interest coverage ratio	Interest coverage ratio is calculated as income after financial items plus interest expenses divided by interest expenses.	Shows the ability to cover interest expenses.
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	Net debt comprises 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/equity ratio	Net debt divided by equity.	Shows financial risk and is therefore used to view the level of debt funding.
Net debt according to bank definition	Net debt according to bank definition is based on net debt, but it is calculated as the effect of no financial assets being included, except cash and cash equivalents and certain listed (liquid) shares, and less subordinated debentures.	To calculate the key ratio Net debt according to bank definition/EBITDA according to bank definition.
Net debt according to bank definition/EBITDA according to bank definition	Net debt according to bank definition divided by EBITDA according to bank definition.	Indicates how fast a company can repay its debt (expressed in years).
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.

The Group's Ten-year overview

Condensed income statements

MSEK	2021	2020	2019	2018 ¹⁾	2017 ¹⁾	2016 ¹⁾	2015 ¹⁾	2014 ¹⁾	2013 ¹⁾	2012 ¹⁾
Net sales	48,183	45,990	48,523	43,962	39,686	37,244	35,660	32,666	33,802	36,526
EBITDA	4,399	4,274	4,046	2,806	2,919	2,771	2,573	2,556	2,193	1,698
Depreciation, amortization and impairment	-2,097	-2,051	-2,063	-1,363	-1,242	-1,165	-1,222	-1,103	-2,104	-1,185
Operating income	2,302	2,223	1,983	1,443	1,677	1,606	1,351	1,453	89	513
Finance income and costs	-121	-182	-210	-193	-156	-149	-105	-111	-4	-182
Income after financial items	2,181	2,041	1,773	1,250	1,521	1,457	1,246	1,342	85	331
Tax, minority	-294	-244	-222	-68	-216	-183	-156	-117	15	-91
Net income for the year	1,887	1,797	1,551	1,182	1,305	1,274	1,090	1,225	100	240

Condensed statements of financial position

MSEK	2021	2020	2019	2018 ¹⁾	2017 ¹⁾	2016 ¹⁾	2015 ¹⁾	2014 ¹⁾	2013 ¹⁾	2012 ¹⁾
Property, plant and equipment	13,769	13,288	13,927	10,673	10,030	9,098	7,699	7,178	7,337	8,928
Goodwill	5,619	5,461	5,724	5,350	5,238	4,611	4,424	2,915	2,594	2,554
Other intangible assets	3,378	3,370	3,620	3,451	3,327	2,980	2,782	752	814	875
Other non-current assets	3,662	3,496	3,499	3,233	3,204	2,825	2,780	2,762	2,542	2,151
Total non-current assets	26,428	25,615	26,770	22,707	21,799	19,514	17,685	13,607	13,287	14,508
Inventories	6,610	6,077	6,561	6,943	5,948	5,270	5,545	5,379	5,249	5,946
Other current assets	7,605	6,224	6,680	6,725	5,866	5,933	5,599	5,087	5,170	5,561
Cash and cash equivalents	2,704	1,415	1,183	720	927	1,773	1,252	3,058	2,295	352
Total current assets	16,919	13,716	14,424	14,388	12,741	12,976	12,396	13,524	12,714	11,859
Total assets	43,347	39,331	41,194	37,095	34,540	32,490	30,081	27,131	26,001	26,367
Equity, members of the Parent	19,990	17,901	17,411	15,935	14,859	13,795	12,660	11,859	11,016	10,899
Equity, NCI	108	105	94	92	89	88	21	17	28	33
Total equity	20,098	18,006	17,505	16,027	14,948	13,883	12,681	11,876	11,044	10,932
Non-current liabilities	6,595	7,029	7,190	7,005	5,983	6,219	6,135	3,598	4,939	5,919
Current liabilities	16,654	14,296	16,499	14,063	13,609	12,388	11,265	11,657	10,018	9,516
Total equity and liabilities	43,347	39,331	41,194	37,095	34,540	32,490	30,081	27,131	26,001	26,367
Net debt	6,673	7,761	10,165	8,719	7,274	6,289	6,476	3,674	4,963	7,506
Refund and supplementary payment ^{2) 3)}	341	305	208	156	245	231	188	135	129	120
Extra dividend	-	-	-	-	133	-	-	-	-	-
Contribution dividend and contribution issue ³⁾	659	597	525	463	322	277	243	328	171	168

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 2021.

The Group's Ten-year overview

Key figures	2021	2020	2019	2018 ¹⁾	2017 ¹⁾	2016 ¹⁾	2015 ¹⁾	2014 ¹⁾	2013 ¹⁾	2012 ¹⁾
Operating margin, %	4.8	4.8	4.1	3.3	4.2	4.3	3.8	4.4	0.3	1.4
Capital turnover rate, times	1.8	1.7	1.7	1.8	1.8	1.8	1.8	2.1	2.0	2.0
Return on equity, %	10.0	10.2	9.1	7.6	9.0	9.6	8.9	10.6	0.9	2.2
Return on operating capital, %	8.4	8.1	6.8	6.0	7.8	8.0	7.5	9.1	0.5	2.8
Equity ratio, %	46.4	45.8	42.5	43.2	43.3	42.7	42.2	43.8	42.5	41.5
Net debt/EBITDA (bank definition)	1.33	1.60	2.25	3.25	2.70	2.53	2.85	2.02	2.62	4.31
Net debt/equity ratio, times	0.3	0.4	0.6	0.5	0.5	0.5	0.5	0.3	0.4	0.7
Average number of employees	10,092	10,017	10,250	9,940	9,850	9,880	8,911	8,311	9,133	10,249

Excl. items affecting comparability	2021	2020	2019	2018 ¹⁾	2017 ¹⁾	2016 ¹⁾	2015 ¹⁾	2014 ¹⁾	2013 ¹⁾	2012 ¹⁾
Operating income, MSEK	2,323	2,223	2,087	1,580	1,708	1,697	1,351	851	805	747
Operating margin, %	4.8	4.8	4.3	3.6	4.3	4.6	3.8	2.6	2.4	2.0
Income after financial items, MSEK	2,202	2,041	1,877	1,387	1,552	1,548	1,246	740	683	565
Net income after tax, MSEK	1,904	1,797	1,652	1,289	1,353	1,457	1,066	595	494	457
Return on equity, %	10.1	10.2	9.7	8.2	9.4	11.0	8.7	5.1	4.4	4.2
Return on operating capital, %	8.5	8.1	7.2	6.6	7.9	8.4	7.5	5.3	4.7	4.1

Condensed statement of cash flows MSEK	2021	2020	2019	2018 ¹⁾	2017 ¹⁾	2016 ¹⁾	2015 ¹⁾	2014 ¹⁾	2013 ¹⁾	2012 ¹⁾
Cash flow from operating activities before changes in working capital	3,944	3,811	3,637	2,268	2,453	2,571	2,159	1,362	1,570	1,358
Cash flow from operating activities	3,927	4,503	4,226	1,023	2,398	3,136	2,167	1,767	2,294	983
Cash flow from investment in/sale of property, plant and equipment and intangible assets, net	-2,199	-1,608	-1,929	-1,626	-2,274	-1,884	-811	-697	-862	-1,163
Cash flow from operations	1,728	2,895	2,297	-603	124	1,252	1,356	1,070	1,432	-180
Cash flow from acquisitions and divestments of operations, net ²⁾	-5	-54	-473	-333	-852	-357	-4,154	1,065	1,196	0
Cash flow before financing activities	1,704	2,803	1,837	-824	-703	826	-2,674	2,077	2,450	-222
Cash flow for the year	1,280	254	454	-219	-852	489	-1,775	778	1,943	-379
Cash and cash equivalents at end of year	2,704	1,415	1,183	720	927	1,773	1,252	3,058	2,295	352

¹⁾ In accordance with previously applied accounting policies for leasing.

²⁾ 2020 includes acquisition of a bakery business in Norway.

2019 including acquisitions of Bakery Du Jour and Tate & Lyle's oat business.

2018 includes acquisition of Raisio's cattle feed business and ThermoSeed Global.

2017 includes acquisition of Anderson Bakery, K-maatalous, Orient Products and Marline and divestment of LMB Danmark and 50 percent of Akershus Traktor.

2016 includes acquisitions of Kalmar Lantmän's machinery business, DataVäxt and Frozen Bakery Products.

2015 includes acquisition of Vaasan and sale of Lantmännen Doggy

2014 includes 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 includes acquisition of 46 percent of Scandi Standard and divestment of Kronfågel Group and Rigas Dzirnavnieks.

Consolidated Income Statement

The income statement summarizes the year's finances, showing all income and expenses from the operations contributing to net income for the year.

Consolidated Income Statement

Sales

This is where you will find the Company's total sales.

Costs

The costs of producing and selling goods and services are shown here.

Operating income

This shows whether sales are profitable.

Financial items

Income or expenses associated with loans, investments, shares, securities, etc.

Income

This is also called profit after tax.

MSEK	2021	2020
Net sales	48,183	45,990
Other operating income	886	429
Changes in inventories of finished goods and work in progress	-1,251	-488
Raw materials and consumables	-15,555	-14,392
Merchandise	-14,149	-14,342
Employee benefits expense	-6,506	-6,362
Depreciation, amortization and impairment	-2,097	-2,051
Other operating expenses	-7,378	-6,713
Share of income of equity accounted companies	169	152
Operating income	2,302	2,223
Finance income	68	109
Finance costs	-189	-291
Income after financial items	2,181	2,041
Tax	-294	-244
Net income for the year	1,887	1,797
Net income for the year attributable to:		
Members of the economic association	1,877	1,788
Non-controlling interests	10	9

The statement of comprehensive income is based on net income for the year. OCI shows the fair value remeasurement of balance sheet items and exchange gains and losses. These count as income/expense and are part of the Group's comprehensive income for the year. OCI is added to equity and is included in the amount that can be distributed to owners.

Consolidated Statement of Comprehensive Income

MSEK	2021	2020
Net income for the year	1,887	1,797
Other comprehensive income		
<i>Items that will not be reclassified to the income statement</i>		
Actuarial gains and losses on defined benefit pension plans, net before tax	327	87
Financial assets at fair value through other comprehensive income, net before tax	-115	-98
Tax attributable to items that will not be reclassified	-48	-13
Total	164	-24
<i>Items that will be reclassified to the income statement</i>		
Cash flow hedges, net before tax	204	-12
Exchange differences on translation of foreign operations	386	-795
Net gain on hedge of net investment in foreign operations, net of tax	-28	73
Tax attributable to items that will be reclassified	-37	-12
Total	525	-746
<i>Share of OCI in equity accounted companies</i>		
Items that will be reclassified to the income statement	32	-104
Total	32	-104
Other comprehensive income, net of tax	721	-874
Total comprehensive income	2,608	923
Total comprehensive income attributable to:		
Members of the economic association	2,598	914
Non-controlling interests	10	9

Total comprehensive income

This shows the results of the year's operations and remeasurements. The amount increases or reduces the Group's equity.

Consolidated Statement of Financial Position

The statement of financial position provides a picture of existing assets and how they have been financed. The value of total assets is always equal to the value of liabilities, which consist of liabilities to owners, equity and other liabilities.

Non-current assets

Non-current assets are assets that are used or owned for more than one year and contribute to the company's value growth. This is where we find the value of tangible assets (factories, other property, machinery, equipment, etc.) and intangible assets (non-physical assets, e.g., goodwill, purchased trademarks and patents). Goodwill is the portion of the purchase price of a subsidiary that cannot be attributed to other assets and mainly reflects anticipated synergies and staff skills. Non-current assets is also where we find the value of our share in the equity of joint ventures and associates (20-50 per cent ownership) under Equity accounted holdings.

Current assets

Current assets are assets held for sale or used in the business. These are assets that are consumed in a short time and can readily be converted to cash. This is where we find the value of goods still in stock, and our receivables from customers for products and services sold but not yet paid for. Cash and cash equivalents, mainly bank deposits, are reported under current assets.

Equity

Equity shows the existing net assets (assets - liabilities) belonging to the owners and on which they expect a return. Lantmännen's overall financial goal is to provide a long-term return of 8 percent on this equity over a business cycle and with the present business portfolio. The result used to calculate the return is "Net income for the year" in the consolidated income statement. Member contributions, both paid-in and issued, are an important component of equity. Other capital is amounts earned over the years in the parent association and Lantmännen companies; this is not distributed to members but is used as financing for assets that will generate future earnings.

Non-controlling interests are also called minority interests. Minority interests are the proportion of equity in subsidiaries not owned directly or indirectly by the Parent Company.

Liabilities

Liabilities are divided into non-current and current liabilities, which is a way of denoting the length of time before they are due for settlement.

Consolidated Statement of Financial Position

MSEK	2021 Dec 31	2020 Dec 31
ASSETS		
Non-current assets		
Property, plant and equipment	13,077	12,601
Investment property	692	687
Goodwill	5,619	5,461
Other intangible assets	3,378	3,370
Equity accounted holdings	2,697	2,517
Non-current financial assets	440	538
Deferred tax assets	273	275
Other non-current assets	252	166
Total non-current assets	26,428	25,615
Current assets		
Inventories	6,610	6,077
Trade and other receivables	7,461	5,967
Current interest-bearing assets	64	173
Current tax assets	80	84
Cash and cash equivalents	2,704	1,415
Total current assets	16,919	13,716
TOTAL ASSETS	43,347	39,331
EQUITY AND LIABILITIES		
Equity		
Member contributions	3,624	3,228
Other contributed capital	3,110	3,110
Reserves	337	-124
Retained earnings incl. net income	12,919	11,687
Total equity attributable to members of the economic association	19,990	17,901
Non-controlling interests	108	105
Total equity	20,098	18,006
Non-current liabilities		
Non-current interest-bearing liabilities	4,795	5,034
Provisions for pensions	612	897
Deferred tax liabilities	898	807
Other non-current provisions	285	264
Other non-current liabilities	5	27
Total non-current liabilities	6,595	7,029
Current liabilities		
Current interest-bearing liabilities	4,474	3,956
Trade and other payables	11,111	9,375
Current tax liabilities	209	185
Current provisions	860	780
Total current liabilities	16,654	14,296
TOTAL EQUITY AND LIABILITIES	43,347	39,331

Consolidated Statement of Cash Flows

The statement of cash flows contains information on the Group's financial flows, i.e., the Company's cash receipts and payments. It is divided into three parts.

Operating activities

Operating activities are net income for the year plus non-cash items, i.e., items that are not cash inflows or outflows but accounting costs. For example, depreciation and capital losses reduce earnings but do not involve a payment. Taxes paid during the year are deducted. Adjustments are also made for changes in inventories, current receivables (mainly trade receivables) and current liabilities (mainly trade payables).

Investing activities

Investing activities show cash outflows for various investments and inflows from sales of operations, non-current assets or financial investments. Unlike the income statement, this shows the full year's payments for an investment – e.g., a company acquisition is not a cost in the income statement, and an asset's cost is divided using depreciation, based on the asset's estimated useful life.

Financing activities

Financing activities show how activities and investments are funded if cash flow from operating activities is insufficient. They also show payments (e.g., dividends to owners or loan repayments) to the parties funding the activities.

Consolidated Statement of Cash Flows

MSEK	2021	2020
OPERATING ACTIVITIES		
Operating income	2,302	2,223
Adjustment for non-cash items ¹⁾	1,987	1,939
	4,289	4,162
Financial items paid, net	-113	-177
Taxes paid	-232	-174
Cash flow from operating activities before changes in working capital	3,944	3,811
<i>Cash flow from changes in working capital</i>		
Change in inventories	-472	412
Change in operating receivables	-1,175	303
Change in operating liabilities	1,630	-23
	-17	692
Cash flow from operating activities	3,927	4,503
INVESTING ACTIVITIES		
Acquisitions of operations (incl. capital contribution)	-5	-54
Investment in property, plant & equipment	-2,169	-1,690
Investment in intangible assets	-193	-105
Sale of property, plant & equipment and intangible assets	163	187
Change in financial investments	-19	-38
Cash flow from investing activities	-2,223	-1,700
Cash flow before financing activities	1,704	2,803
FINANCING ACTIVITIES		
Change in interest-bearing liabilities incl pension provisions	89	-2,079
Paid-in contributed capital	184	132
Refunded capital contribution	-94	-151
Dividend paid	-603	-451
Cash flow from financing activities	-424	-2,549
Cash flow for the year	1,280	254
Cash and cash equivalents at beginning of year	1,415	1,183
Exchange differences in cash and cash equivalents	9	-22
Cash and cash equivalents at end of year	2,704	1,415

¹⁾ MSEK	2021	2020
Adjustment for non-cash items		
Depreciation, amortization and impairment of non-current assets	2,097	2,051
Share of income of equity accounted companies	-143	-110
Capital gains/losses on sale of non-current assets and operations	-52	-12
Other non-cash items	85	10
Total	1,987	1,939

Consolidated Statement of Changes in Equity

MSEK	Contributed capital	Other contributed capital	Reserves	Retained earnings incl. net income	Total Lantmännen's owners	Non-controlling interests	Total equity
Opening balance, January 1, 2020	2,959	3,110	819	10,523	17,411	94	17,505
Net income for the year	-	-	-	1,788	1,788	9	1,797
Other comprehensive income, net of tax	-	-	-943	69	-874	-	-874
Total comprehensive income	-	-	-943	1,857	914	9	923
Distributions to owners	288	-	-	-733	-445	-6	-451
Contributed capital paid in by members	132	-	-	-	132	-	132
Contributed capital paid out to members	-151	-	-	-	-151	-	-151
Other change	-	-	-	40	40	8	48
Closing balance, December 31, 2020	3,228	3,110	-124	11,687	17,901	105	18,006
	2021						
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	3,624	3,110	337	12,919	19,990	108	20,098

Equity attributable to members of the economic association, MSEK	2021	2020
Contributed capital, paid in	1,512	1,402
Contributed capital, issued	2,112	1,826
Other equity	16,366	14,673
Total equity attributable to members of the economic association	19,990	17,901

The Group's 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 ongoing process of controlling risk mandates and policies takes place in the Risk Committee, which reports monthly to the Board's Audit Committee. The business managers are responsible for implementing risk management in the daily operations, while risk identification and continuity planning are an important part of every manager's responsibility. Each year, a Group-wide Enterprise Risk Management process is implemented with all business units. This takes place in workshops with the management teams and the Group Risk Management, Group Compliance, Sustainable Development, Health and Safety, Information and IT Security and Internal Audit functions.

The risks of the business are identified and assessed on the basis of probability and impact on results, reputation

and people. The Group's risks are aggregated and the most significant ones are dealt with by the Risk Committee, Group Management and the Board, with continuous monitoring. The business managers ensure that risk measures for the businesses are in place.



Glossary

For description of financial performance measures, see → page 77

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.

CSR • Corporate Social Responsibility. Also describes companies' efforts to integrate social and environmental considerations into their business.

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 food • 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

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

RTRS • Round Table on Responsible Soy. International round table process to develop criteria for sustainable soy.

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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responsibility
from field to fork**