



2019

Lantmännen Annual Review

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■ Lantmännen

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Lantmännen's Annual General Meeting

The Annual General Meeting will be held at Clarion Hotel Sign, Norra Bantorget, Stockholm, on Thursday, May 7, 2020.

Listen to us!

Listen to selected parts of Lantmännen's Annual Report with Sustainability Report on a computer or mobile. (Available in Swedish).

→ lantmannen.se/lyssna2019

Distribution & Ordering

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

Financial Reports

Interim 1st four months June 3, 2020
Interim 2nd four months October 2, 2020

Sustainability Report

Lantmännen reports in accordance with the Global Reporting Initiative guidelines for sustainability reporting. The statutory sustainability report can be found in Lantmännen's Annual Report with Sustainability Report 2019, and can be downloaded from → lantmannen.com/financialinformation or ordered by calling +46 10-556 00 00.

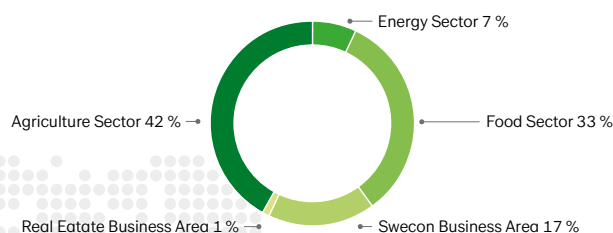
Lantmännen 2019

Lantmännen is an agricultural cooperative and Northern Europe's leader in agriculture, machinery, bioenergy and food products. Owned by 20,000 Swedish farmers, we have 10,000 employees, operations in over 20 countries and an annual turnover of SEK 50 billion.

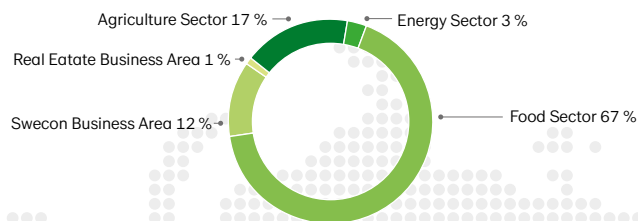
Net sales, MSEK	48,523	Net income after tax, MSEK	1,551
Operating income, MSEK	1,983	Cash flow from operating activities, MSEK	4,226
Income after financial items, MSEK	1,773	Investments in non-current assets, MSEK	2,201
Return on equity, percent	9.1 %	Proposed dividend to members, MSEK	730

"The last few years have been Lantmännen's most successful of all time, and I would venture to say that we as a company are in a stronger position than ever before." – Per Olof Nyman, President & CEO

Distribution of the Group's sales

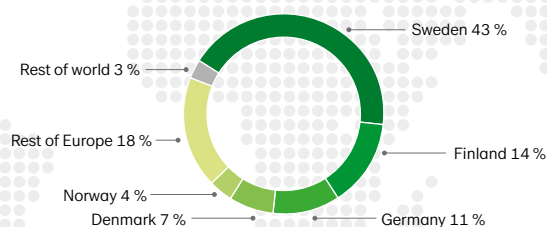


Distribution of the Group's employees



The Baltic Sea region is Lantmännen's natural home market and a good basis for continuing expansion in northern Europe.

Sales by market



We make farming thrive

Our business model represents a unique opportunity to create long-term value – both today and for the future. With innovative and responsible use of arable land resources, we create sustainable farming that thrives.

Our business model



Lantmännen's business model makes farming thrive through constant renewal.



Agricultural cooperative

Lantmännen is an agricultural cooperative owned by 20,000 farmers, operating locally and internationally. Our assignment is to contribute to the profitability of members' farms and optimize the return on their capital in the association. As a business partner and owner, you share the Group's profit through dividends. Lantmännen utilizes the strength and benefits of the cooperative form of enterprise.



Business partner for agriculture

Through customer-oriented, efficient agribusiness, we contribute to the profitability of the members' farms. Lantmännen drives the development throughout the value chain, from cultivation methods and agri-supply to the processing of raw materials into food, feed and biofuel.



Research & innovation

Every year, Lantmännen invests MSEK 250-350 in research and development. With new and improved methods, products and services, together we take responsibility throughout the value chain. Innovation in agriculture, food and bio-energy creates new business opportunities and is crucial to farming of the future. Lantmännen also has a research foundation, which invests in external scientific research at universities, colleges and institutions, see also → page 27.



Value from arable land

Lantmännen creates value from arable land throughout the value chain. With grain as the underlying core business, Lantmännen is there all the way from field and seed to finished product. We are both a business partner for agriculture and part of food consumer' daily life.



With grain at the heart of our operations, we refine arable land resources to make farming thrive. Some of our best-known food brands are AXA, Bonjour, Kungsörnen, GoGreen, Gooh, FINN CRISP, Korvbrödsbagarn, Vaasan and Hatting.

Our Company is founded on the knowledge and values acquired through generations of farmers. With research, development and operations throughout the value chain, together we take responsibility from field to fork.

About Lantmännen

We exercise responsible stewardship of the earth's resources and everyone coming into contact with Lantmännen can feel confident in the knowledge that we work every day to promote thriving farming, greener energy and a sustainable food chain – both today and in the future.

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 brand promise

Together we take responsibility from field to fork.

Our mission

We make farming thrive.

Our vision

We lead the refinement of arable land resources in an innovative and responsible manner for the farming of tomorrow.

Our business concept

We are an agricultural cooperative that creates value from arable land resources in a responsible manner. 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 values

Openness, a holistic view and drive.

Our employee promise

Growing together from field to fork.



The Group's key figures

Lantmännen reports alternative performance measures in accordance with the European guidelines from ESMA (European Securities and Markets Authority). Definitions and explanations of all financial performance measures can be found on [page 74](#).

Financial performance measures	2019	2018
Net sales, MSEK	48,523	43,962
Operating income, MSEK	1,983	1,443
Operating margin, %	4.1	3.3
Income after financial items, MSEK	1,773	1,250
Net income after tax, MSEK	1,551	1,182
Cash flow before financing activities, MSEK	1,837	-824
Return on equity, %	9.1	7.6
Return on operating capital, %	6.8	6.0
Total assets, MSEK	41,194	37,095
Equity ratio, %	42.5	43.2
Investments in non-current assets, MSEK	2,201	1,825
Net debt, MSEK	10,165	8,719
Interest coverage ratio, times	7.4	6.0
Net debt/EBITDA (bank definition)	2.25	3.25

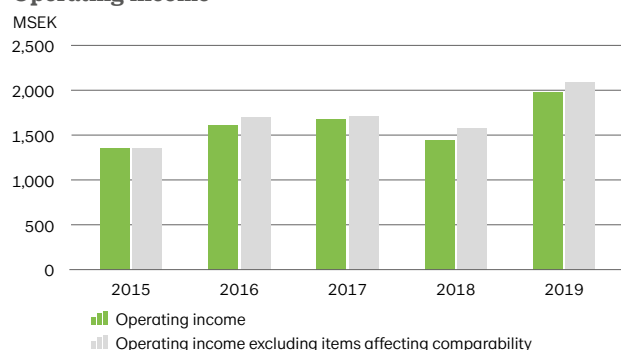
Other key figures	2019	2018
Number of members	19,690	24,798
Average number of employees	10,250	9,940
of which women	3,572	3,414
of which women/men, %	35/65	34/66
CO ₂ emissions, thousand tonnes	138	151
CO ₂ emissions, tonnes per MSEK net sales	2.85	3.43
Employee satisfaction index	71	70 ¹⁾
Total sick leave, %	4.3	4.5

¹⁾ Refers to 2017, as survey is conducted every two years.

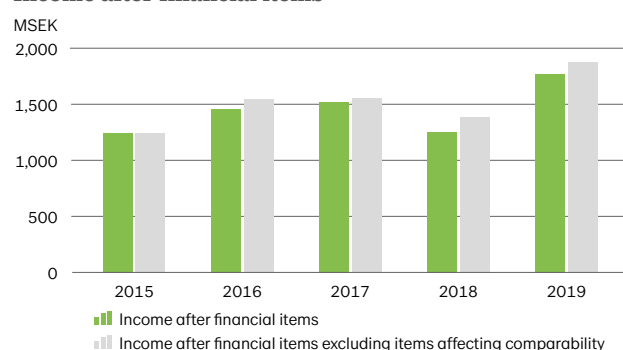
Excl. items affecting comparability	2019	2018
Operating income, MSEK	2,087	1,580
Operating margin, %	4.3	3.6
Income after financial items, MSEK	1,877	1,387
Net income for the year, MSEK	1,652	1,289
Return on equity, %	9.7	8.2
Return on operating capital, %	7.2	6.6

Sales by market, MSEK	2019	2018
Sweden	20,999	19,866
Finland	6,661	5,697
Germany	5,507	5,494
Denmark	3,234	2,884
Norway	2,031	2,011
United Kingdom	1,845	1,648
Netherlands	1,281	785
Baltic region	1,229	1,036
Russia	717	621
Belgium	594	514
France	553	444
Poland	510	484
Spain	474	430
Switzerland	432	62
Rest of Europe	933	830
United States	1,027	921
Australia	306	73
Rest of world	190	162
Total	48,523	43,962

Operating income



Income after financial items



“ Through continuous development of agribusiness in partnership with agricultural companies, we contribute to profitability of the members’ farms.

Net sales

Net sales for the year increased by 10 percent to MSEK 48,523 (43,962). For 2019, organic growth was 7 percent and currency translation effects were 2 percent, while acquired and divested operations accounted for the rest of the increase. Sales increased in all segments.

Operating income

Operating income was MSEK 1,983 (1,443) and adjusted for items affecting comparability MSEK 2,087 (1,580).

Income after financial items

Income after financial items totaled MSEK 1,773 (1,250) and adjusted for items affecting comparability MSEK 1,877 (1,387).

Income after tax

Net income after tax was MSEK 1,551 (1,182).

Cash flow

Cash flow from operating activities for the year was MSEK 4,226 (1,023). Cash flow from investing activities was MSEK -2,389 (-1,847). Investments in non-current assets totaled MSEK 2,201 (1,825). Total cash flow before financing activities was MSEK 1,837 (-824).

Proposed dividend to members

The Board proposes a refund and supplementary payment of 1.75 (1.5) percent on trade with Lantmännen Lantbruk Sweden and a 1.0 (0.5) percent refund on purchases from Lantmännen Maskin's and Swecon's Swedish operations. The total proposed refund and supplementary payment is MSEK 205 (157).

The Board proposes a contribution dividend of 8 (8) percent of the contributions' nominal value, totaling MSEK 237 (213), and a contribution issue of MSEK 288 (250).

The total proposed dividend to the members is therefore MSEK 730 (620). The Board also proposes a 6.5 (5.25) percent dividend on subordinated debentures, totaling MSEK 16 (13).

Lantmännen's Annual General Meeting

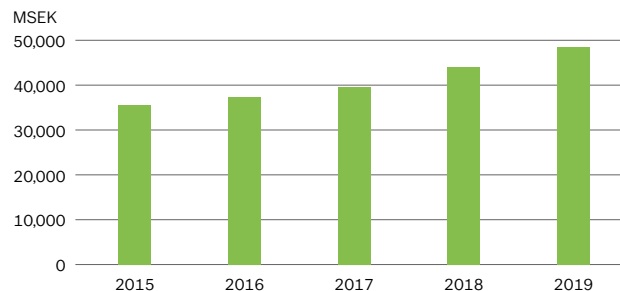
The Annual General Meeting will be held at Clarion Hotel Sign, Norra Bantorget, Stockholm, on Thursday, May 7, 2020.



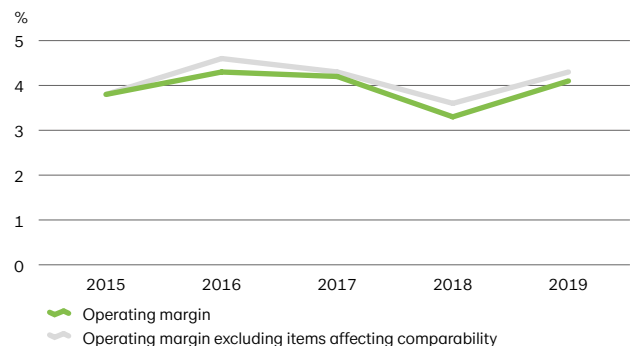
240,000 tonnes

of oats are purchased by Lantmännen from Swedish farmers in a normal year.

Net sales



Operating margin



Business overview

The Group is divided into the Agriculture Sector, Energy Sector and Food Sector, and the Swecon Business Area and Real Estate Business Area. The Group's total net sales amounted to MSEK 48,523.



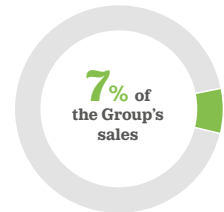
Agriculture Sector

The Agriculture Sector is Lantmännen's core business with products and services to promote strong, competitive farming. Net sales amount to MSEK 21,841. Learn more on [→](#) page 32.



Energy Sector

The Energy Sector is one of Sweden's largest producers of bioenergy products and operates in a global market with the main focus on Europe. Net sales amount to MSEK 3,741. Learn more on [→](#) page 40.



Food Sector

The Food Sector refines grain and other raw materials into, among other things, flour, bread, breakfast foods, pasta and ready-to-eat meals. The Sector's base is in the Nordic countries. Net sales amount to MSEK 16,867. Learn more on [→](#) page 44.



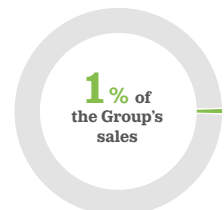
Swecon Business Area

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. Net sales amount to MSEK 8,588. Learn more on [→](#) page 52.



Real Estate Business Area

Lantmännen Fastigheter manages commercial premises, which are rented out both externally and internally. Lantmännen Agrovärme is also part of the Business Area. Net sales amount to MSEK 556. Learn more on [→](#) page 56.



Significant events 2019

2019 was a challenging year for many in the agricultural operations, but Lantmännen continued to develop positively, with profitability improving in most areas.



Lantmännen Unibake acquires Australian Bakery Du Jour

The acquisition is an important step in increasing Lantmännen Unibake's global presence and strengthening the company's position in Australia. *January 15, 2019*

Second part of Lantmännen's action package goes out to members

The second part of Lantmännen's action package after the 2018 drought and heat has been distributed to members. The total package of MSEK 220 includes an extra dividend, an extra discount and supplement on trading with Lantmännen Lantbruk Sweden. The first part of the package was paid out in September 2018. *February 25, 2019*

Crop bible breaks digital ground

Every year, Lantmännen publishes strategies for crop growing in the book Odlä. This year's issue now has an interactive version – a natural step in our digitalization process. *March 19, 2019*



Lantmännen's 2019 press releases

Jan 14 EU approves dispensation for seed. **Jan 15** Lantmännen Unibake completes acquisition of Australian Bakery Du Jour. **Jan 29** Lantmännen Unibake at Fastfood & Café fair. **Jan 29** Lantmännen tops new sustainability study. **Jan 31** Good prospects for 2019 harvest. **Feb 6** Strong result for Lantmännen in 2018. **Feb 25** Second part of Lantmännen's action package. **Feb 26** Lantmännen joins

Lantmännen Unibake modernizes its bakery in Örebro

As part of the long-term development of operations in Örebro, Lantmännen Unibake has made a large investment in its bakery there. The investment will modernize production and is vital to the bakery's long-term development. The upgrading will be completed in early 2020. *March 6, 2019*



Acquisition expands oat capacity

Lantmännen has acquired a production facility in Kimstad from UK company Tate & Lyle. The acquisition enables Lantmännen to expand its oat capacity, while investing further in oat processing. The facility currently produces oat protein sold under the PrOatein brand, beta glucan under the PromOat and AvenaCare brands, and oat flour.

April 1, 2019

Lantmännen tops Swedish sustainability rankings again

Lantmännen is Sweden's third most sustainable brand according to the major SBI sustainability survey in 2019. Lantmännen ranks second in the food category, followed by GoGreen in seventh place, AXA in eighth and Kungsörnen in twelfth.

April 11, 2019



Transparency International Sweden. **Mar 6** Lantmännen Unibake modernizes Örebro bakery. **Mar 11** Lantmännen and Granngården increase collaboration. **Mar 19** Crop bible breaks digital ground. **Mar 26** Lantmännen acquires facility in Kimstad. **Apr 1** Lantmännen completes acquisition from Tate & Lyle. **Apr 11** Lantmännen tops Swedish sustainability rankings. **May 8** Highest dividend ever.



Viking Malt – Food Exporter of the Year

Partly-owned Viking Malt exports 150,000 tonnes of Swedish malt annually to breweries and distilleries around the world. For this achievement, the company was named Food Exporter of the Year, awarded by the Swedish Food Federation, Business Sweden and the Ministry of Enterprise and Innovation. *May 9, 2019*



New grain facility opened in Hargshamn

Lantmännen opened a grain facility in Hargshamn. Lantmännen's investment in the region is important for agriculture in the Mälaren area and Swedish grain exports. *May 16, 2019*

Lantmännen and Hushållningssällskapet in cooperation to drive digital development

Lantmännen, Hushållningssällskapet and Dataväxt entered into a strategic cooperation to drive the digital development of Swedish agriculture. With more players, there is a broader knowledge base on which to build the development and common resources to develop digital agricultural services faster and more cost-effectively. *June 26, 2019*

Lantmännen's 2019 press releases *cont'd*

May 8 New members join Lantmännen Board. **May 10** Lars-Gunnar Edh new CEO of Lantmännen Agroetanol. **May 16** Lantmännen's Hargshamn grain facility officially opened. **May 29** Strong result in first four-month period. **Jun 3** Alarik Sandrup new President of ePURE. **Jun 17** Ulf Zenk is leaving Lantmännen. **Jun 26** Lantmännen and Hushållningssällskapet in cooperation to drive digital development.

Collaboration on skills supply

To resolve skills and personnel supply for the transport industry and the Swedish Armed Forces, Lantmännen Maskin and Swecon have signed a letter of intent for an extensive collaboration with the Swedish Armed Forces. *August 13, 2019*



Food industry award for Lantmännen Greenhouse

Lantmännen Greenhouse training program won Årets Livsmedelspris at the Food Days Conference for its role as "a meeting place that paves the way for increased innovation and cooperation throughout the food chain". *September 12, 2019*



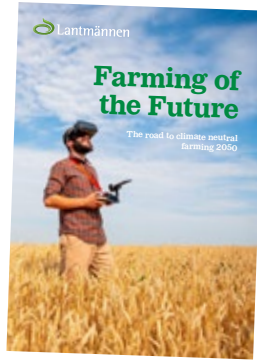
Lantmännen and Yara lead the way towards world's first fossil-free food chain

Lantmännen and Yara are taking a pioneering role in the transformation of the food system. The companies are launching a pilot project aimed at creating the world's first fossil-free food chain. The collaboration will enable consumers to be offered more sustainable food, thereby reducing the climate impact. *September 13, 2019*

Jul 12 AXA Gold Fruit Müsli recalled. **Jul 15** Harvest forecast: better than 5-year average. **Aug 13** Lantmännen Maskin, Swecon and Swedish Armed Forces collaborate on skills supply. **Sep 12** Food industry award for Lantmännen Greenhouse. **Sep 13** Lantmännen and Yara lead the way to the world's first fossil-free food chain. **Sep 18** Chinese ambassador studies food production in Skåne.

Farming of the future

The report "Farming of the Future" describes the way to even more sustainable Swedish farming. It shows that we can increase harvests by 50 percent by 2050, while reducing the climate impact in line with the Paris Agreement. The report positions Lantmännen and Swedish agriculture as responsible and innovative, both now and in the future, and reinforces our expert role in the grain value chain. *November 20, 2019*



Invitation to subscribe for subordinated debentures

Lantmännen issued subordinated debentures and invited members and employees in Sweden to subscribe for the subordinated debentures, which have a maturity period of a five years. The purpose of the issue was to broaden the capital base and create increased commitment to Lantmännen among members and employees. *November 22, 2019*

Recovery for Swedish grain production – better than 5-year average

The Swedish grain harvest for the year was almost twice as large as the previous year's drought-affected harvest. Wheat is the biggest crop, but rye also stands out. The total grain harvest in 2019 was 6.6 million tonnes. This is 12 percent larger than the average for the last five years and almost 90 percent larger than the previous year's poor harvest, with crop failure due to drought and heat.



Lantmännen's 2019 press releases cont'd

Oct 3 Lantmännen delivers a strong result for the first eight months. **Nov 20** Lantmännen describes the way towards climate neutral farming 2050. **Nov 22** Invitation to subscribe for subordinated debentures. **Nov 27** Lantmännen launches organic wheat vodka. **Dec 3** Leif Thorwaldsson appointed CEO of Lantmännen Maskin. **Dec 5** Finn Crisp launches new rye snacks.

Lantmännen launches organic wheat vodka

Lantmännen has launched a vodka under its own brand, distilled from organic wheat from Västergötland. The wheat is grown by Lantmännen's members in fields around Lidköping, where the vodka is produced.

November 27, 2019



FINN CRISP's new rye snacks

FINN CRISP has launched new products in its snack range to challenge potato chips – the delicious new snacks are crunchy and rich in fiber.

December 5, 2019

New positions at Lantmännen

New Board Members – Per Wijkander and Johan Bygge were elected to the Board at Lantmännen's AGM on May 8.

New CEO of Lantmännen Agroetanol – Lars-Gunnar Edh took over as CEO of Lantmännen Agroetanol on May 13.

New CEO of Lantmännen Maskin – Leif Thorwaldsson took over as CEO of Lantmännen Maskin on December 9.

2020 After year-end



- Lantmännen has appointed Christian Johansson as new Group CFO. Christian, who comes most recently from SKF, succeeds Ulf Zenk and took up his position on February 3, 2020.
- Board member Ove Gustafsson resigned from Lantmännen's Board at his own request and left on February 11, 2020.
- Lantmännen has been named Sweden's most sustainable brand in 2019 by business customers, both overall and in the FMCG (fast-moving consumer goods) category.

Dec 9 Lantmännen's pool prices above average for period. **Dec 14** Lantmännen's 2019 From Field to Fork scholarship goes to Sanna Krüger Persson. **Dec 16** Transport buyers join forces for responsible shipping. **Dec 18** Five teams through to final of Skolmats-SM. **Dec 19** Subscription period for Lantmännen's subordinated debentures ends.

Chairman's comments



A good, high-quality harvest is important both to Lantmännen and farming – regardless of whether you keep livestock or grow crops. It was therefore significant that this year's grain harvest was better than the average for many who had been affected by heat and drought in 2018.

It is with both pride and pleasure that we can say that this year's results once again show Lantmännen's strength and confirm the importance of a clear strategy and strong business portfolio. Our cooperative business model delivers unique added value through competitive and customer-oriented farming operations together with profitable industrial operations. A world-class cooperative.

Swedish farming is among the most sustainable in the world. In crop production, new technology and better variety selection contribute to increased sustainability. Low antibiotic use and good animal welfare also pay off in terms of consumer confidence. Lantmännen, together with Swedish farmers, takes great responsibility for the development of farming – innovation, sustainability and a long-term approach are both obvious and natural for us. It was therefore particularly important to define sustainable farming from Lantmännen's

perspective. In the "Farming of the Future" report, we clarify our view of sustainable farming and show a possible way forward. The message is positive – there is great potential for Swedish farming. The report shows that Swedish farmers can increase production and ensure food security, while reducing the impact on climate and the environment and promoting biodiversity.

The results in the report establish that this transition is possible, but it will require a range of measures and more cooperation throughout the chain from field to fork – farmers, business partners, trade, authorities, politicians and consumers. Another important conclusion is that sustainably produced Swedish food must be valued higher – there must be a cost to good food. One of Lantmännen's key tasks for 2020 is to implement our own measures in line with the report and encourage other stakeholders to take on their responsibility.

The fact that Lantmännen is a company with its base in the Swedish market and a leader in the Baltic Sea region, while we also operate globally, presents significant opportunities. Our credibility among the members and our financial strength are based on our ability to be a customer-oriented company that contributes to increasing competitiveness in Swedish farming, while also being a significant international player. During the year, we invested in the Örebro bakery to ensure long-term development, and our acquisitions included a bakery in Australia and an oat facility outside Norrköping. Allow me to pause here for a moment – the acquisition of the oat facility in Kimstad is highly strategic. Oats are a crop that is not only well adapted to Swedish conditions, but also a crop that offers exciting opportunities for further processing. The fact that Sweden together with Finland plays a significant role in the world market provides interesting prospects for the future. In particular, the development of the cooperation and synergies with our Finnish operations in the agricultural area is taking on ever more solid forms and is evident in initiatives in both feed and digital development. More down-to-earth activities in Sweden during the year include investments in grain logistics such as the facility in Hargshamn and upgrades of several feed plants. In this way, we contribute to the profitability of the farm and can optimize the return on the members' capital in the association.



The agricultural operations have recovered from the previous year's challenges and other parts of the Group are delivering results at record levels.

Lantmännen is a company that is very strongly rooted in Swedish farming, as we already knew. But we were not really prepared for the new rules on minimum turnover to arouse such great commitment. It must therefore be remembered that the minimum turnover decision was made in a unanimous vote and that the result of the Owner dialogue was clear – Lantmännen will be owned by active members. It is with great humility that I note that many members want to continue following developments within Lantmännen even after ceasing their farming activities. Many have increased their trading to reach the minimum turnover level, and others have subscribed for subordinated debentures in order to maintain contact. Those terminating their membership receive a high

contribution dividend on paid-in and issued contributions as an acknowledgment for a well-functioning association.

In my introductory remarks, I said that Lantmännen has delivered another very strong result. The agricultural operations have recovered from the previous year's challenges and other parts of the Group are delivering results at record levels. This also means that this year's proposed dividend to Lantmännen's members is the highest ever for members. The dividend proposal follows our dividend policy but focuses on injecting much needed capital into Swedish agriculture. The Board of Directors proposes a refund and supplementary payment of 1.75 percent on trading with Lantmännen Lantbruk and 1.0 percent for the machinery operations. The Board also proposes that the Annual General Meeting adopt a contribution dividend of 8 percent of the contributions' nominal value and a contribution issue of MSEK 288. The total dividend to members amounts to MSEK 730. Lantmännen's cooperative ownership model is based on unique added value in the form of dividends, but investments in innovation, research and business development also contribute to strengthening the competitiveness of Swedish agriculture.

To be Chairman of Lantmännen is to be Chairman of a stable and robust company – in an extremely changing world. To meet new challenges that can be anything from consumer trends to political and economic risks, we must be able to rely on a strong economy while also pursuing development and change. Among the strategic positions for 2030 are that Lantmännen will be northern Europe's leading company in agribusiness and a globally leading bakery company. In a shorter perspective, I see export drives, digitalization of agriculture and more cooperation with related organizations and companies as important initiatives. My offer and my challenge is to involve more members in the Lantmännen of the future! Long-term owners and committed elected representatives enable strategic and profitable investments that continue to deliver dividends and business value – of world-class – to us farmers.

I would like to conclude by thanking all employees of Lantmännen. Competent and engaged employees and leaders are one of our most important resources. That our President and CEO Per Olof Nyman can combine inspirational leadership with a clear vision for development is a great asset to us all. People are what makes the difference!

Kristianstad, February 2020

Per Lindahl
Chairman, Lantmännen

President's overview

Lantmännen's income after net financial items and adjusted for items affecting comparability amounts to MSEK 1,877 – a significant improvement compared with the previous year's income of MSEK 1,387. Lantmännen's 2019 result is the highest ever and is mainly due to a continuing strong and focused implementation of our strategy "Field to Fork 2030".

All Sectors and Business Areas improved their earnings during the year, and we have advanced our positions in most areas of operation. Although the beginning of the year was marked by the difficult situation after the 2018 drought and heatwave, the large and good quality harvest in 2019 contributed to a strong recovery of earnings within the Agriculture Sector.



The year's good result also means that Lantmännen's proposed total dividend of MSEK 730 is the highest ever, which is really pleasing after a period that has been challenging for many of our members.

Lantmännen's most important mission is to contribute to positive development for our members' farms – so it feels all the more pleasing to be able to deliver a result at this high level.

Another good result has come from our Insight employee survey, where the scores for both job satisfaction and leadership have risen since the last survey two years ago. There is a clear correlation between job satisfaction among a company's employees and financial results, and although we still have improvements to make in certain areas, this is for me clear evidence that Lantmännen is a thriving company and that our employees are with us on the journey towards becoming a world-class company.

How our Sectors and Business Areas performed

In the first half of the year, the grain business in the *Agriculture Sector* continued to be affected by the consequences of the 2018 summer drought. The 2019 harvest was all the better for it: the third largest ever, and 12 percent larger than the average harvest over the last five years. It is particularly pleasing that the year's harvest was both large and of good quality after the previous year's challenges. Lantmännen Maskin implemented a cost-saving and efficiency program

during the year, which has produced good results. In total, the *Agriculture Sector* delivered a slightly higher operating income than 2018.

The *Energy Sector's* operating income is significantly higher than in the previous year. The businesses in the Sector have consistently shown positive development and they are all well positioned within their respective areas, which is a strength for future development. A high ethanol price in the last four-month period contributed positively to a strong end to the year. The acquired oat facility in Kimstad also has good potential to become a large and important business for Lantmännen in the long term.

In the *Food Sector*, Lantmännen Unibake in particular continues to develop well, and sales and profitability have increased in virtually all markets. The major investments made in the new bakeries in Poland and Belgium are progressing according to plan, as are operations in the acquired bakery business in Melbourne. During the year, Lantmännen Cerealia carried out an extensive improvement program, which has now started to produce the intended effects in the form of improved productivity and lower cost levels.

The *Swecon Business Area* has delivered its highest operating income ever. The level of activity during the year was high in all Swecon's markets, although there were some signs of a slowdown in the final months of the year. Demand for servicing and spare parts remains strong, due to larger machine populations and increased use of machines by customers. Another important area for the machinery operations is to ensure the availability of technical personnel.

The *Real Estate Business Area* delivered at a stable level during the year, according to plan. Several real estate development projects are in progress, and initiatives for further expansion of district heating operations in the coming years are being implemented, which include new boilers and collaborations with local operators.

High ambitions for the future

Lantmännen's long-term strategy extends to the year 2030, when it is our ambition to be the leading player in the grain value chain from field to fork in northern Europe. After a challenging period, due to the 2018 drought, we are now in a strong position and developing in line with our plans.



2019 has been a very successful year, and the next few years will be at least as exciting. Both independently and with other players, we are conducting several promising initiatives in both crop and livestock production and international business and exports. Among other things, we continue to invest in the infrastructure for grain in Sweden, and we also see good potential for continuing development in the Finnish agribusiness.

Another important area for Lantmännen, and the rest of society, is climate. In addition to the continuous efforts to reduce our climate impact from, among other things, production and transport, we also work to advance the strategic positions in the entire value chain, including production on the farm. The “Farming of the Future” report is about achieving climate-neutral farming by 2050, while increasing harvests, by using, for example, fossil-free solutions, precision farming and plant breeding.

A world-class company

The last few years have been Lantmännen’s most successful of all time, and I would venture to say that we as a company are in a stronger position than ever before. We will continue to focus on further strengthening our positions in the market:

among other things, through continued investments in infrastructure, product and service development, and research and development in all areas of activity.

I am proud of what we have achieved so far and look forward to continuing to lead future development together with our members, staff and other stakeholders. In this way and step by step, we create a world-class company, which in turn will contribute to developing Swedish agriculture into the best in the world.

Stockholm, February 2020

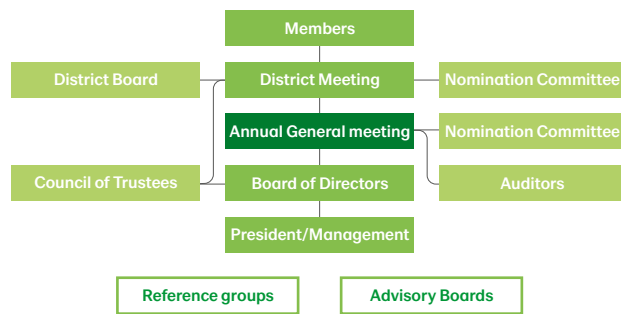
Per Olof Nyman
President & CEO, Lantmännen



Farmer-owned and member-governed

Lantmännen is a cooperative enterprise that is owned and governed by Swedish farmers. Our assignment is to contribute to the profitability of the members' farms and optimize the return on the members' capital in the association. In this way, we help to make farming thrive.

Lantmännen's ownership model



Lantmännen's *governance* is exercised in many different forums, including district meetings, the annual general meeting, the Group Board and the council of trustees. Each member has one vote, and an equal opportunity to exercise influence at member meetings and district meetings

Involvement and dialogue in the districts, membership meetings, council of trustees and different working groups are important in utilizing the strength of the cooperative form of enterprise. In this way, Lantmännen combines regional activities that are close to the customer with large-scale national and international operations.

Active nomination committees at all levels are an important factor in inspiring members to become involved as elected representatives and in developing governance.

Several *reference groups*, which include active members, contribute experience and views on areas such as feed, grain and sustainable farming. Three *advisory boards* within

Agricultural machinery, Swecon and Energy contribute member-oriented expertise.

During fall, the new articles of association established in 2018 became applicable, with a requirement for members to have an annual turnover of at least SEK 10,000 in their trading with Lantmännen. In this connection, about 3,500 members applied to leave the association. The *Ambassador program*, an initiative for 40 young entrepreneurs and members, was launched during the year.

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.

Council of Trustees

The Council of Trustees, which includes the chairmen of the district boards and others, advises the Board and works to promote positive development for Lantmännen. Matters dealt with have included development of the machinery business and application of the new Articles of Association. For the fall meeting, Lantmännen's feed and oat facilities in Kimstad were visited. The Council fulfills an important function for communication and information between the Group, Board and districts.

District Board Conference

The conference was held on November 28 - 29, 2019. The program focused on the "Farming of the Future" report, Lantmännen's contribution to sustainable, fossil-free

Lantmännen's 2019 AGM

The annual general meeting was held on May 8, 2019 in Stockholm. Eight motions were dealt with during the meeting. These included motions on the Swedish Farmers' Foundation for Agricultural Research, the grain unit and development of Lantmännen's forms of meeting.

Chairman Per Lindahl recommended that the meeting adopt Lantmännen's highest ever dividend. Guest speaker was Danica Cragic Jensfelt who talked about artificial intelligence and automation.



farming. The conference also included presentations of the agricultural operations, the work of the advisory board and follow-up from the AGM. All district board members and the Group Board are invited to the district board conference.

Where are earnings created?

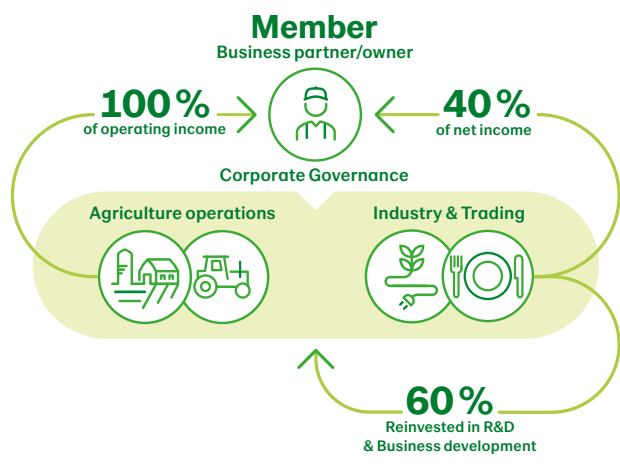
Most of the financial earnings are generated in the processing activities, e.g. processing of grain into food or bioenergy, and through sales of construction machinery. A value-creating industrial and processing business provides a market for members' grain and generates significant added value. Lantmännen also contributes to the development of agriculture through large investments in research and development in many areas.

Dividend policy

The principles for dividends are set out in the dividend policy adopted by the Board. The intention is that the dividend level will be adjusted to the Group's earnings, financial position, cash flow and strategic investment needs. It is the Board's aim that Lantmännen will generate regular and stable dividends for its members over time in the form of refunds and supplementary payments, contribution dividends and contribution issues.

The contribution issue distribution is 50 percent on trading with Lantmännen and 50 percent on paid-in and issued contributions.

Lantmännen's cooperative ownership model is based on business partnership and ownership



Dividend¹⁾

MSEK	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Refund and supplementary payment ²⁾	205	157	245	231	188	135	129	120	110	95
Extra dividend	-	-	133	-	-	-	-	-	-	-
Contribution dividend ²⁾	237	213	222	207	193	178	171	88	78	68
Contribution issue ²⁾	288	250	100	70	50	150	-	80	152	177
Total	730	620	700	508	431	463	300	288	340	340

¹⁾ Reported amounts may include adjustments compared with previous years' proposals. ²⁾ Pursuant to Board's proposal for 2019.

Refunds and supplementary payments are based on earnings from the Swedish agriculture operations, 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.

Dividend in four ways

All members of Lantmännen share in the dividend from the association. Refunds are calculated on members' purchases from Lantmännen Lantbruk, Lantmännen Maskin and Swecon's Swedish operations.

Supplementary payments are calculated on members' sales of grain, oilseeds and pulses to Lantmännen Lantbruk. 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.

Contributed capital – paid-in and issued

Lantmännen's members invest capital through their contributions in the association. Contributed capital amounted to MSEK 2,959 (2,664) at the end of 2019 and consisted of paid-in contributions of MSEK 1,373 (1,318) and issued contributions of MSEK 1,586 (1,346).

Contributed capital

MSEK	2019	2018	2017	2016	2015
Paid-in contributions	1,373	1,318	1,208	1,101	986
Issued contributions	1,586	1,346	1,256	1,198	1,160
Total	2,959	2,664	2,464	2,299	2,146

Dividend proposal

For 2019, the Board has proposed that the AGM adopt a dividend in the form of a refund and supplementary payment of 1.75 (1.5) percent on trading with Lantmännen Lantbruk Sweden and a 1.0 (0.5) percent refund on members' purchases from Lantmännen Maskin's and Swecon's Swedish operations. The total refund and supplementary payment is estimated at MSEK 205 (157).



“ **Lantmännen’s mission is to contribute to the profitability of members’ farms and optimize the return on their capital in the association.** ”

The Board proposes a contribution dividend of 8 (8) percent of the contributions’ nominal value, totaling MSEK 237 (213), and a contribution issue of MSEK 288 (250).

In addition, a 6.5 (5.25) percent dividend on subordinated debentures, totaling MSEK 16 (13), is proposed, based on the conditions in the subordinated debenture offer. The subordinated debentures have a term of 5 years and matured on December 30, 2019.

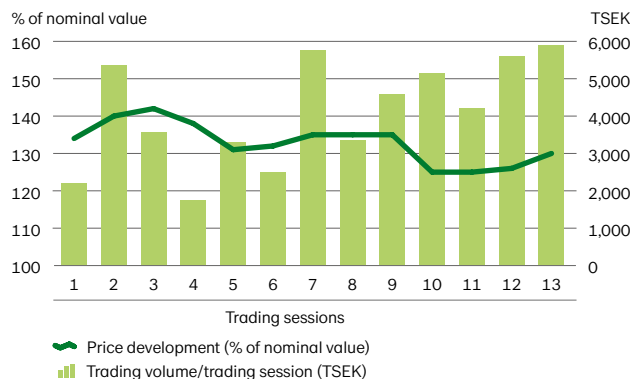
In November 2019, the Group Board decided on a new program for subordinated debentures. New subordinated debentures totaling MSEK 250 were issued in January 2020.

“ **Through effective, customer-oriented agribusiness and strong operations throughout the grain value chain, both in Sweden and internationally, long-term profitability is created.** ”

Trading in contribution issues

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 13 (11) trading sessions in 2019 and the total turnover was MSEK 53 (19). The transaction price varied between 125 and 142 percent of the nominal value.

Contribution issues – trading and price trend



Market and business environment

Lantmännen's principal market is northern Europe, with a focus on the Nordic and Baltic Sea regions. In most of Lantmännen's geographical markets, several parallel businesses of varying sizes are conducted.

Lantmännen is well-positioned in our main markets in the Baltic Sea region. This is where we have our largest sales, but we also operate in global growth markets, both through wholly and partly owned companies and partnerships.

Lantmännen's position from field to fork is a unique platform to create a winning value chain – locally and globally.

A changing world – Global megatrends

- **Global and urban middle class**, trade and exports to Asia and Africa are increasingly important for northern European players.
- **Consumer trends** that affect demand are taste, health, origin, sustainability and convenience.
- **Growth for animal protein** in emerging economies, but increased plant-based eating in developed economies.
- **Customer channel shift** from food retail stores to restaurants, specialty stores and e-commerce.
- **Digitalization** creates new opportunities for productivity improvement and new customer experiences.
- **Sustainability** with a focus on climate. New consumer trends and re-prioritization in the industry.
- **Political risks** such as increased protectionism and uncertain trade policy; increased focus on self-sufficiency within food.

Market developments

European consolidation in agribusiness and the grain value chain are accelerating through an underlying need to reduce costs and increase market influence in the value chain. Urbanization and rising incomes are increasing the proportion of middle class with higher purchasing power, notably in Asia and Africa, which opens up new export opportunities for Lantmännen. The protein shift in emerging markets is driving demand for raw materials from arable land and creating growing global demand for feed. Consumption of Swedish meat is increasing in the Swedish market.

The market for green food is growing.

Healthy foods are becoming more and more important, driven by consumer demand. Vegetarianism continues to be a strong trend, particularly in the Swedish market where 43 percent of people eat vegetarian at least once a week. Health is the

Nordic consumer trends

Taste – a fundamental prerequisite

Health – with enjoyment and balance as obvious elements

Origin – local production and transparency still important

Sustainability – consumer demand creates new opportunities

Convenience – “To go” still strong, large proportion of food expenditure goes on restaurants



strongest contributing reason for choosing to eat vegetarian. Demand for beans, peas and fiber-rich bread is growing, which brings positive growth opportunities for Lantmännen.

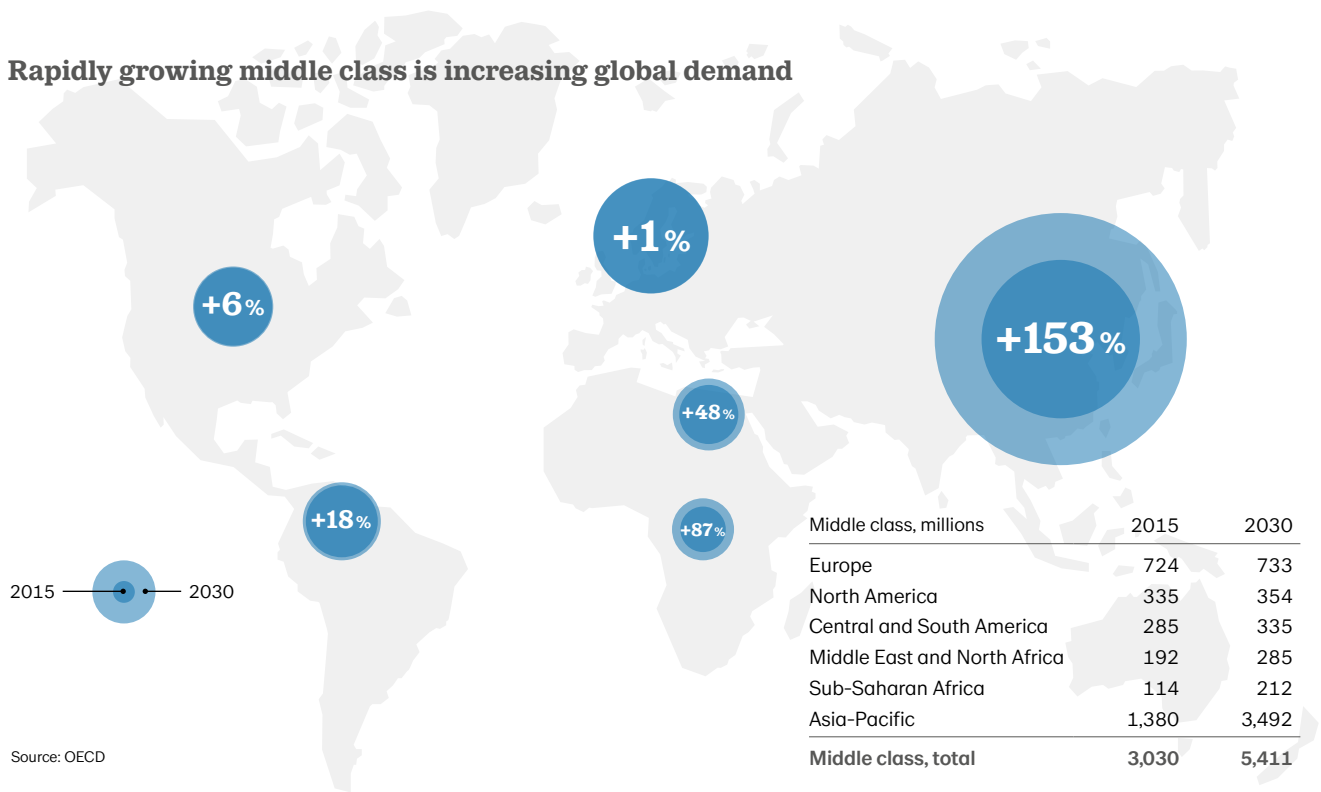
Bioenergy

Lantmännen sees increased interest in a bio-economy and bioenergy in Sweden and the rest of the EU. The common target for the EU is for 10 percent of energy in the transport sector to come from renewable energy by 2020 and 14 percent by 2030. The difficulties in achieving defined climate targets could reverse the frequent negative views of crop-based biofuels in the EU.

Growth in Lantmännen's main markets

	% of Group's sales		Expected GDP growth 2020
	2019	2018	
Sweden	43	45	1.9 %
Finland	14	13	1.6 %
Germany	11	12	1.4 %
Denmark	7	7	1.6 %
Norway	4	5	2.3 %
United Kingdom	4	4	1.1 %
Baltic region	3	2	2.7 %
Poland	1	1	3.3 %
Main markets, total	87	89	

Rapidly growing middle class is increasing global demand



Growing middle class

The middle class in Asia-Pacific is expected to grow by two billion people by 2030



Changing eating habits

Globally increased demand for animal protein is also driving demand for grain and feed



Shift eastwards

Economic power and consumer demand are gradually shifting eastwards



Long-term growth

Global underlying growth in demand for agricultural and food products

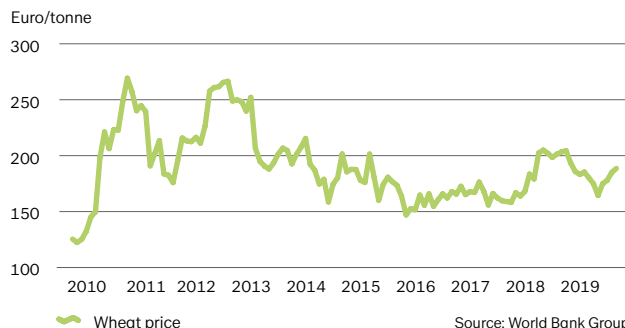
The grain and feed market

Natural conditions mean that grain and ley are the dominant field crops in the Baltic Sea region, representing the basis for both crop and livestock production. The market is dominated by intense competition and a price focus. It is also affected by temporary changes in the weather and, in the longer term, climate change.

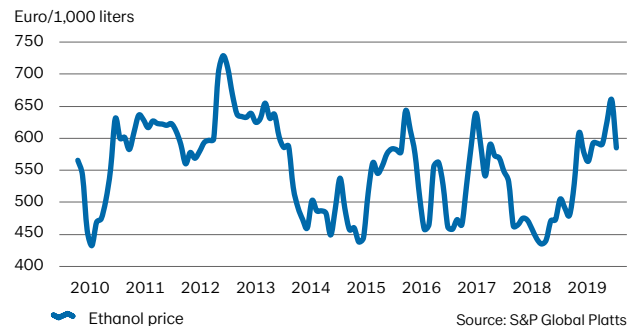


Climate change means many challenges for farmers globally, but it also presents many new opportunities for Swedish agriculture.

Volatile price trend on the commodity exchange for wheat



Volatile price trend on the commodity exchange for ethanol



Our strategy from Field to Fork 2030

Lantmännen's Field to Fork 2030 strategy is aimed at developing operations in the Baltic Sea region and continuing the drive to become northern Europe's leading player in the grain value chain. The ambition is to reach world class together with the members.



Lantmännen provides products and services

Lantmännen creates value from arable land

Our assignment is the basis for the strategy

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

Our long-term goal

Lantmännen will be a leading participant in the grain value chain from field to fork in northern Europe.



Our position from field to fork is a unique platform to create value from arable land – both locally and globally.

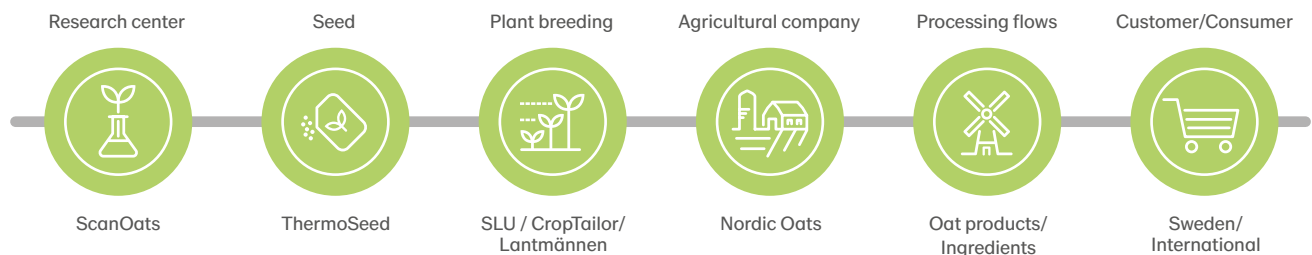
Today and for the future, we see increasing demand for raw materials, new advances in innovation and sustainability, and the strength of being an agricultural cooperative as key issues for our strategy. The market development offers great potential to increase both volumes and profitability in all parts of the value chain, which in turn increases farmers' competitiveness and the return to our members. Lantmännen will develop businesses throughout the value chain.

Lantmännen's goals for strategic position 2030



- Northern Europe's leading agribusiness company
- A leading food company based on arable land resources and with a Nordic tradition and origin
- Leading player in circular and arable land-based biorefinery in the Baltic Sea region
- Globally leading bakery company with a strong base in northern Europe
- Northern Europe's leading malting company aimed at global customers
- Leading distributor of construction equipment in northern Europe
- A number of profitable new businesses based on innovation from field to fork
- A well-developed and profitable portfolio of strategic holdings

Lantmännen's oat value chain is one example of how we strengthen members' positions



Lantmännen is well positioned in the oat value chain with strong collaborations in both R&D and in plant breeding, and through ThermoSeed we have our own technology for chemical-free seed treatment. We already have a large commercial business for both grain and consumer products.

The foundation of the strategy is based on four main areas

- 1 As a business partner to agriculture, to develop long-term, profitable agricultural companies with arable land as the basis – farming productivity increases through advice, development of feed and cultivation methods, agricultural machinery and digitalization.
- 2 To develop an internationally competitive grain business – through grain trading and through increased value creation in the grain value chain, we also enable increased profitability on the farm.
- 3 Our unique position throughout the value chain from field to fork enables new business concepts, based on leadership in sustainability and innovation, to be created in the processing industry and new businesses that generate increased profitability, e.g. a leading position in oats.
- 4 On the basis of our value chain, to invest in businesses close to or complementing our core business through strategic portfolio holdings.



Group-wide projects and initiatives for profitable growth

Grain strategy

The grain strategy *from field to fork* is a central pillar of Lantmännen's strategy, with a focus on developing the grain unit and further developing the infrastructure. Lantmännen also works to expand the grain business through portfolio holdings in the Baltic Sea region.

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 – LM²

Lantmännen drives digital agriculture development through digital services and tools in the LM² portal.

Functional foods

Growing consumer interest in health and lifestyle issues is driving demand for foods with positive added values.

Exports from field to fork

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

Innovation initiatives

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

Plastic and packaging

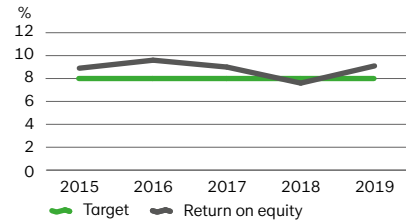
Lantmännen has developed a plastic strategy for better resource efficiency and reduced climate impact.

Lantmännen's strategic targets

Each business has its current business plan as its financial objectives. The strategic targets for the Group and businesses also include non-financial areas.

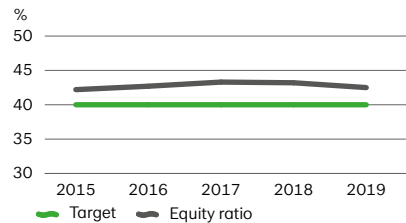
Return on equity Target **8%** Outcome **9.1%**

The Group's return target is dependent on the composition of the portfolio. The current business portfolio is estimated as having a total return on equity potential of 8 percent. Return on equity was 9.1 (7.6) percent in 2019. The average return on equity for the last five years is 8.8 percent.



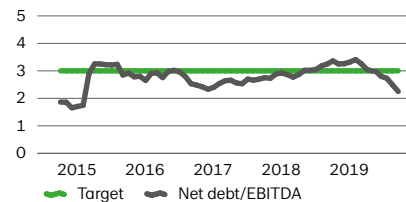
Equity ratio Target **40%** Outcome **42.5%**

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 at December 31, 2019 was 42.5 (43.2) percent.



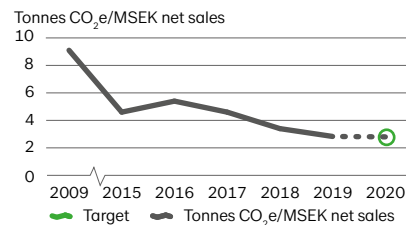
Net debt*/EBITDA* Target **<3** Outcome **2.25**

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 2.25 (3.25). * According to bank definition.



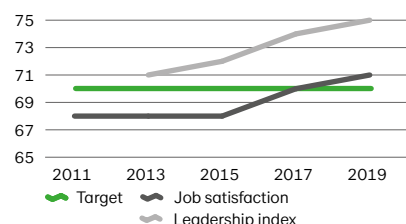
Climate Target **40%** Outcome **39%**

The Group's target is to reduce climate emissions from its operations by 40 percent in the period 2015-2020, calculated as CO₂e tonnes per MSEK net sales. Transition to renewable electricity, energy efficiency measures and conversion to renewable fuels reduced climate emissions in 2019. The 2019 outcome was 39 (26) percent, which is well on track to reach the target by 2020.



Employees/Leadership Target **70** Outcome **71/75**

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 2019 showed a strong result. We exceeded the job satisfaction target: 71 (70) and the leadership target: 75 (74).



Description of financial performance measures, see → page 74.

Sustainable business development

Lantmännen is a driving force in the development towards sustainable food and bioenergy systems. Renewable raw materials from arable land are the basis of our development of circular business, where cultivation potential is optimized, flows are closed and resource efficiency increases with minimal impact on people and the environment.

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

Four focus areas

Lantmännen works in four focus areas, in which we manage sustainability opportunities and challenges, with goals for what we want to achieve.

- *Sustainable farming*: we take an active role, driving the development towards more sustainable farming, which leads to increased availability of sustainable food, bioenergy and bio-based materials.

- *Sustainable products*: Lantmännen develops and offers innovative products and services in agriculture, bioenergy and food, with sustainable added values for health, climate and the environment.
- *Safe and resource-efficient production*: Our production must be efficient, and we work constantly to optimize resources at all stages. At the same time, production must be safe for our employees and other parties.
- *Responsibility in the supply chain*: We work methodically to promote responsibility in the supply chain so that participants feel confident in our knowledge and control, and minimization of negative impacts on people, animals, the environment and natural resources.

Learn more at [→ lantmannen.com](https://lantmannen.com)

“

We develop sustainable products and services, climate-smart feed and healthy food, climate-calculated raw materials and ethanol with leading sustainability performance.



Farming of the future

We are living in a time of great challenges, where farming is one of the key pieces of the puzzle in terms of achieving sustainable development globally.

Lantmännen has analyzed the potential for farming of the future.

Swedish farming is considered to be among the most sustainable in the world. Even so, many challenges remain, such as reducing the climate impact, increasing environmental benefits and safeguarding biodiversity. At the same time, production needs to increase in order to meet growing demand for food and bio-based raw materials. In addition,



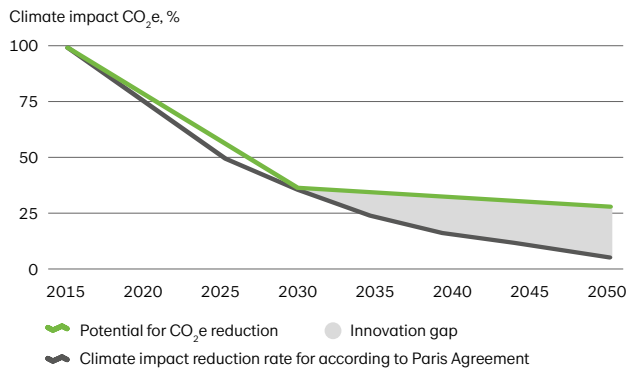
Lantmännen's report on farming of the future shows the path towards increased production and reduced climate and environmental impacts.

the cultivation method must enable the cropland's long-term soil fertility to be maintained. Profitable Swedish farms are a prerequisite for ensuring continued investments in thriving Swedish farming. Big leaps in innovation are also needed. This will require engagement from participants throughout the value chain up to the end consumer; sustainably produced Swedish food must be valued higher.

Lantmännen has, together with Swedish farmers, always taken responsibility for the development of farming. Arable land is the most important and valuable resource in our business. Lantmännen's cooperative model, with 20,000 farmers as owners, means that there are many of us sharing the responsibility and investing in it. The profits go back to Swedish farming as a dividend to the owners and through Lantmännen's investments in research.

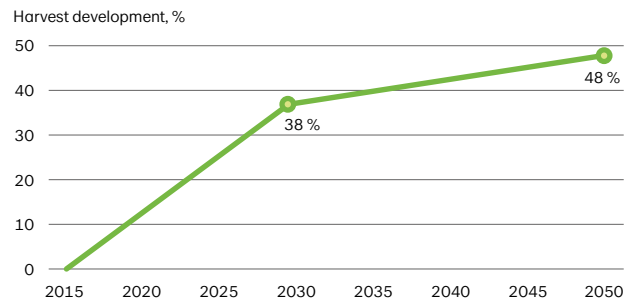
Innovation, sustainability and a long-term approach are key concepts and every year MSEK 250-350 is allocated for research – both independently and in partnership with other companies and organizations. With operations throughout the value chain from field to fork, we have good conditions to continue the transition and to drive change. We are now increasing the pace to deal with the challenges for farming of the future.

Potential for reduced climate impact by 2050



Potential to reduce farming's climate impact, calculated per tonne of winter wheat, and the gap to the Paris Agreement, i.e., the reduction rate required to achieve the global climate target, which is to halve climate emissions every decade.

Potential for harvest development 2015-2050



Potential for harvest increase 2015-2050, calculated per hectare of winter wheat. Read more in the report Farming of the Future.



The cultivation stage is the most important

Carbohydrates, proteins and other nutrients are built up in the cultivation stage. It is therefore only natural that most of the resources are consumed and most of the environmental impact arises during cultivation. During the cultivation stage, carbon dioxide is also bound into the crop and some remains in the soil, mainly in the root systems. Certain emissions are unavoidable, as they are connected with biological processes, and this is taken into account in the Paris Agreement and the Swedish climate targets.

Towards farming of the future

In 2019, Lantmännen has intensified its work on identifying areas that are critical to sustainable Swedish farming by 2050. We see that there is potential for Swedish farming to meet international and national climate and environmental targets and, in parallel, increase harvests by up to 40 percent by 2030 and 50 percent by 2050.

The transition affects parties throughout the value chain, including farmers, business partners, trade, authorities, politicians and consumers. In addition, it requires the following:

- Access to sustainable agri-supply such as fuel, plant nutrition and plant protection, and applying and using best available techniques to realize the potential.
- Policy instruments that reward sustainable cultivation methods and agri-supply.
- Significantly increasing resources for research and innovation.

For Lantmännen, this means taking a leading role in driving development based on our research activities and businesses. We actively seek partnership and collaboration to find the solutions that will take us to farming of the future.

Cultivation program driving development

Climate & Nature, Lantmännen's cultivation program for farming of the future, gives business partners and consumers

the opportunity to contribute to the development already.

Under the program, flour is grown with reduced climate impact and increased biodiversity. The climate footprint of wheat and rye grown under the program has decreased by 20 percent since 2015, and more favorable conditions have been created for skylarks. This is done while maintaining a high cultivation yield and good grain quality. New criteria have been added prior to the 2020 harvest, which mean that the climate impact will be reduced by a further 10 percent through fossil-free tractor driving and biodiversity-promoting activities such as flower zones. Looking ahead, we see, for example, that fossil-free mineral fertilizers, plant breeding and precision farming will be important in reducing the climate impact, as will broadening the cultivation program to include more crops.

Potential for a production increase per hectare of winter wheat is about 50 percent and potential for a reduction in the climate impact is 70 percent by 2050 with today's known technology and knowledge.



The path to farming of the future, with 2050 as the target year, will require efforts from the entire industry.

The organic value chain

Lantmännen is a major participant in the Swedish organic market. Consumer demand has been declining but has stabilized at a high level, and by developing the organic value chain, Lantmännen can help to strengthen Swedish farmers' competitiveness. The strategy for the organic business has a target to double trade in organic grain in the period 2016-2020. The result in 2019 was 115,000, a slight increase from 2018. Lantmännen continues to play an active role in strengthening the conditions for organic production and exports.

New climate target for primary production

Our climate work is aligned with the Paris Agreement target, which is to halve emissions every decade. Lantmännen has analyzed the potential for farming of the future and on this basis adopted a new climate target.

We will create the conditions for sustainable primary production, which includes the first part of the cultivation stage – what happens on the farm – with halved climate emissions every decade to reach climate neutrality by 2050. At the same time, biodiversity will be promoted and production increased to ensure food security for a growing population. This means we will offer products with leading climate performance based on consumer and customer demand.



Lantmännen's climate work is aimed at reducing our own impacts and equipping our operations for the conditions of the future in order to contribute to more climate-smart production of food, energy and bio-based products.

We will drive the development of knowledge, technology and cultivation methods in order to achieve the target and develop products and services that enable agricultural companies to achieve the target. A mapping study presented in the *Farming of the future* report defines sustainable farming

and the measures that reduce climate and other environmental impacts while increasing production.

Climate targets for production and transport

Since 2009, we have had ambitious targets for reducing the climate impact from our own production. Between 2009 and 2015, the climate impact from own production was reduced by 40 percent and we are working for a further 40 percent reduction by 2020.

The outcome for the year is a reduction of 39 percent from 2015. Work is in progress to improve energy efficiency and phase out fossil energy sources in grain handling, district heating production and bakery operations. We are already well on the way to achieving our targets of fossil-free production in Sweden and Norway by 2025 and are working towards the targets of 2030 for the rest of the Nordic region and 2040 for the rest of Europe.

Lantmännen also has a target to reduce the climate impact from purchased transport by 70 percent by 2030. During the year, we have drawn up strategies for more sustainable fuel choices and for monitoring methods that drive improvements. This year's results continue to be in line with the base year 2009 and further work is required for reductions. Learn more on [page 22](#).



Innovation for future competitiveness

Every year, we invest MSEK 250-350 in R&D to increase the value of grain from field to fork. Research is needed to meet challenges of the future and uphold our competitiveness. Through these investments, we create new businesses in partnership with the agricultural companies.

Innovation provides crops for future farming

Future farming needs robust cropping systems with high productivity in varying weather and climate conditions. It must be possible to increase production while minimizing environmental effects and protecting biodiversity. Through Lantmännen's research foundation, the *genomic selection* method, which shows good results for oats, has also been introduced into the spring wheat breeding program.



Lantmännen supports projects that utilize the potential of the agricultural value chain and contribute to a bio-based society.

Digital development

There is great potential to improve yield, quality and sustainability through precision farming and digitalization. With support from Lantmännen and other companies, the RISE research institute has initiated a testbed for digitalized agriculture, which tests and develops new technologies and innovations in agriculture in a real environment.

In the long term, these initiatives may lead to connected fields, self-driving machinery and data analysis systems that contribute to more sustainable and profitable agriculture.

Plant-based food

Lantmännen strives for new knowledge for good, healthy and innovative food. Examples include research that improves bread quality, durability, and fractionation of grain and legumes for new ingredients.

We also work on developing businesses with health-promoting substances, such as cholesterol-lowering beta glucan. In a project supported by Lantmännen Research Foundation, researchers have shown that the content of beta glucan in barley and oats can be doubled through plant breeding. Through support from Lantmännen, researchers have devised a method that dissolves a fiber layer in wheat bran. This enables protein to be released, concentrated and used as a food ingredient. Lantmännen's food research investments include research on healthy antioxidants contained in broccoli.

Circular business development

Lantmännen runs projects that utilize the potential of the agricultural value chain and contribute to a bio-based society. Three industrial doctoral students are working on research results in business and product development. The projects focus on forage, milk quality and functional food ingredients. Their common aim is to increase the quality and value of raw material and side streams.

Partnership and competence forum

Lantmännen and SLU Grogrund are running projects on demand for plant-based, protein-rich products and their qualities. One example is the genomic selection method, which will produce new timothy varieties for cultivation throughout the country.

ScanOats at Lund University conducts industrial research with support from Lantmännen. The focus is on oats, from plant breeding and cultivation to products with positive health effects.

Timothy is Sweden's most cultivated meadow grass and contributes to efficient roughage production and generally positive effects of ley on soil organic matter.



Lantmännen Research Foundation

Lantmännen Research Foundation invests MSEK 25 annually in research at universities and institutions. In open calls, projects are selected in agriculture and machinery, bioenergy and green materials, food and packaging. The goal is to increase agricultural production with minimal environmental impact, the contribution of agriculture to a bio-based society and knowledge about grain and legumes for sustainable food of the future

Lantmännen Greenhouse

Lantmännen Greenhouse is a development program that receives innovative business ideas from employees, members, entrepreneurs and startups. In 2019, the program had a special focus on feed. Lantmännen Greenhouse won the food industry award "Livsmedelspriset 2019".



Active dialogue and cooperation

Cooperation between politicians, industry and interest groups is important to meet the challenges of the future. Through active advocacy, Lantmännen contributes to positive social development that also promotes our businesses.

Strengthened Swedish food production

The Swedish food strategy is aimed at increasing food production by fully utilizing and developing the food value chain. Important issues are increased exports, innovation, competitiveness and climate. Lantmännen participates actively by developing initiatives, such as the Sweden Food Arena, which has the mission to increase innovation in the food value chain and strengthen competitiveness.

Initiatives for increased growth

In partnership, Lantmännen is pursuing several initiatives for increased growth in Swedish agriculture and food production. The company *Tillväxt för svensk animalieproduktion* is run together with LRF and HKScan and offers farmers capital for investments that contribute to growth and competitiveness. Together with Växa, LRF and Hushållningssällskapet,

Lantmännen is investing in increased precision farming and digital agricultural services. *Animore* brings together participants in a competence hub to develop innovative products for increased competitiveness in Swedish livestock production.

Important regulatory issues during the year

Lantmännen pursues specific regulatory issues that are of major importance to our businesses. Examples of important issues in the EU are the view on crop-based biofuels and the climate impact of agriculture. Lantmännen's focus areas in Sweden include energy use in agriculture and the conditions for domestic production of biofuels.

The EU has recently launched the Green Deal, which will review and sharpen virtually all regulations and strategies connected with 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. Lantmännen's strategy is well in line with the Green Deal.

Industry initiatives and cooperation forums

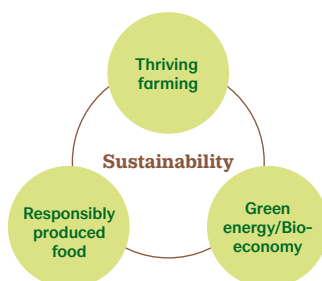
Lantmännen participates in several organizations and was involved in creating the Responsible Shipping Initiative and joined Transparency International Sweden's Corporate Supporters Forum during the year. Lantmännen is also working with LRF and others to develop a roadmap for fossil free competitiveness for *Fossil Free Sweden*. Lantmännen drives issues such as responsibly produced soy and palm oil through industry cooperation.



Lantmännen's current dialogue topics

Examples of current topics in 2019

- Sweden's national food strategy
- Transport and climate policy instruments
- Farming's climate impact and sustainable farming issues
- Establishment of Sweden Food Arena
- Regulatory framework and focus for biofuels in Sweden and the EU



Active dialogue in organizations and networks

- *Thriving farming*: LRF, KRAV, Sweden Food Arena, Spannmålsodlarna, LRF Plant Breeding, Svensk Kooperation
- *Responsibly produced food*: Swedish Food Federation, Consumer associations, Sustainable Food Chain, Swedish Soy Dialogue
- *Green energy/Bio-economy*: Haga Initiative, SPBI, Copa/Cogeca, Svebio, World Bioenergy Assoc., Klimatneutrala Godstransporter and ePURE

Our employees

Lantmännen works with a long-term approach to attract and develop leaders and employees, to increase diversity and equality, and to create safer and more engaging workplaces.

Committed employees and leaders

An employee survey is conducted every two years to monitor the effectiveness of employee commitment and leadership. The results of the most recent survey in fall 2019 were 71 (70) for job satisfaction and 75 (74) for the leadership index. The scores have improved since the previous survey and are above the average for comparable companies.



Lantmännen works continuously to further develop skills and leadership. Key elements in achieving the targets are our recruitment process, leadership and internal development opportunities.

Annual performance appraisals are held, focusing on individual performance in relation to defined targets and our values. An important aspect is the employee's short and long-term development plan.

Lantmännen continues the process of objectively identifying and assessing long-term development potential, and the work on our international development programs for high-potential employees. In 2019, 46 (48) percent of all managerial recruitments were filled with internal candidates

and the target for 2020 is 50 percent. Lantmännen works in a long-term framework to improve equality and strengthen the international perspective. All Sectors and Business Areas have defined targets and action plans.

An attractive employer

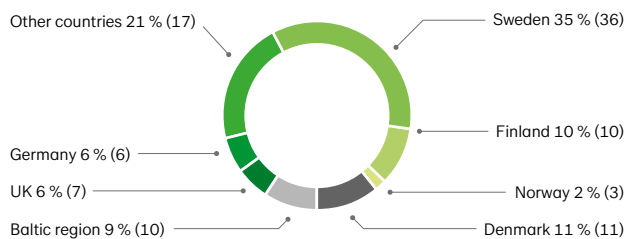
In 2019, efforts to strengthen Lantmännen's brand as an employer and communication with employees continued. The overall purpose is to create pride and passion among existing employees – and to attract potential employees and arouse their interest in Lantmännen.

Lantmännen has been named "Sweden's Talent Company of the Year" after being nominated by the talent network 4Potentials for the sixth consecutive year. The award goes to the company that is best at attracting, recruiting, developing and retaining talented employees. Lantmännen has also been named "Årets raket" in the latest rankings from the company Universum, which measures the attractiveness of companies to economics and engineering students.

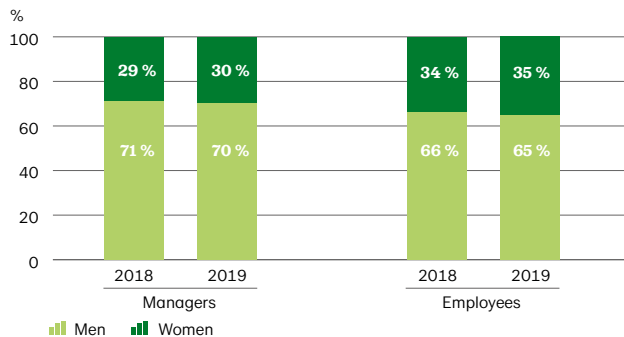
Lantmännen has a regular trainee program with training in leadership and business development.

In addition to monetary compensation and benefits, Lantmännen's remuneration policy covers factors such as work-life balance, international assignments, development and estimates, and long-term incentives for senior executives. >>

Our employees – Geographic distribution



Gender distribution





Good leadership and high job satisfaction
– measured every two years

Increased diversity
in management groups and teams

Internal mobility
one in two managers to be recruited internally

Safe work environment
focus on minimizing accidents and sick leave

Safe work environment

Lantmännen takes active measures to create a good safety culture, including working systematically to identify and minimize risks in the work environment by regularly monitoring health and safety systems. Monitoring also includes about 60 annual injury prevention inspections at the production facilities. Health and safety training is held continuously, and tools will be developed to increase awareness and knowledge in this area.

A web-based tool for reporting, investigation and follow-up of accidents, incidents and risk observations is available in the organization. In 2019, the injury rate fell to 12.8 and Lantmännen has a new injury rate target of <1 by 2030. During the year, a tragic car accident occurred on a public road, in which a Lantmännen employee died.

Based on the results of the *Insight* employee survey, continuous efforts are devoted to identifying areas for improvement

and improving health aspects, particularly for the psychosocial work environment and workload. Sick leave has declined in 2019 compared with the previous year.

Lantmännen has established a whistleblowing procedure, which gives all employees a safe and simple way of reporting malpractice or anything that is contrary to the law or Lantmännen's Code of Conduct, guidelines or policies. Lantmännen employees can anonymously, and in their own language, report observations and concerns in a web-based system. A total of 12 (15) reports from five countries were recorded in 2019. All cases were dealt with by Lantmännen's Whistleblowing Committee and investigations have been carried out. After the Whistleblowing Committee's comments, a number of reports have resulted in strengthened leadership, briefing and training of managers and improved local procedures.

Our employees, work-related accidents and incidents

	2019	2018
Number of fatalities due to accidents	1 ¹⁾	0
Number of accidents ²⁾	221	227
Injury rate ³⁾	12.8	13.4
Number of reported incidents ⁴⁾	3,027	2,896
Number of risk observations	5,334	4,834

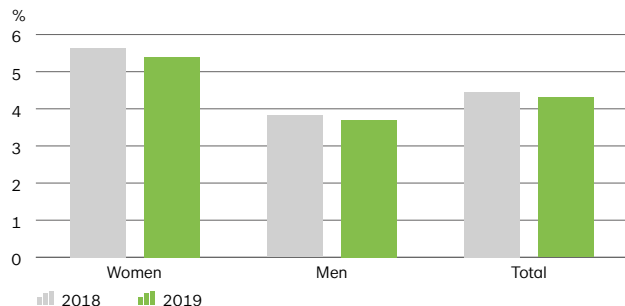
¹⁾ During the year, a tragic car accident occurred on a public road, in which a Lantmännen employee died. The causes of the accident were beyond Lantmännen's control.

²⁾ Work-related accident resulting in at least one day's absence after the accident occurred.

³⁾ Injury rate is defined as the number of accidents per million actual hours worked.

⁴⁾ Incidents are defined as unintended events that could have resulted in ill health or an accident.

Sick leave





Our Sectors and Business Areas

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Agriculture Sector

The Agriculture Sector, which constitutes Lantmännen's core business, develops and offers products and services to promote strong, competitive farming. The Sector operates both in Sweden and internationally and accounts for 42 percent of Lantmännen's sales.



Agriculture Sector

We create conditions for sustainable agribusiness with long-term profitability

The Agriculture Sector is based in Sweden and is a strong player in the Baltic Sea region, with wholly and partly-owned international companies. The Sector includes *Lantmännen Lantbruk Sverige*, *Lantmännen Krafft*, *Lantmännen Agro Oy*, *Lantmännen Feed Oy*, *Lantmännen Agro A/S*, *Lantmännen SW Seed BV* and *Lantmännen Maskin*. The Sector is also responsible for Lantmännen's ownership interests in *Dataväxt* and *Gyllebo Gödning*, the German group *HaGe Kiel*, *Scandagra Group* in the Baltic region and *Scandagra Polska* in Poland. See [page 58](#).

The Swedish operations offer a wide range of products for crop production, livestock production and equine operations, sales of agricultural machinery, advice and spare parts, agricultural machinery servicing and are also a major player in the grain market. In Finland, the Sector provides feed, agri-supply for crop production and spare parts and equipment. The Sector works on innovation and development of, among other things, sustainable seed treatment, digital services, organic fertilizer and plant breeding.

Market and business environment

The 2018 drought also affected operations in 2019. During the first half of 2019, grain availability was limited, as was farmers' investment capacity due to liquidity pressure. Turning to livestock, there is a positive trend in all production segments. The spread of African swine fever has had a major impact on the international pig market.

Key sustainability issues

Lantmännen works to promote sustainable agriculture with energy-efficient and safe machinery, resource-efficient production and sustainable cultivation methods, feed raw materials and low-impact transport. We also focus on safe working environments, and responsible sourcing and business relationships.

Our work on sustainable production has resulted in reduced energy consumption and the conversion to renewable energy has reduced carbon dioxide emissions by about 90 percent from 2009. Within the framework of SLU Grogrund, we are developing new and adapted crops to meet demand and a changing climate.

Outlook for 2020

There is a major focus on ensuring the right capacity and quality within all the Sector's businesses. We are working to coordinate the Finnish operations and create the conditions for stable growth in Finland. Within the machinery business, activities are continuing under the *Reach* change program to achieve cost leadership and reduce tied-up capital. Also important is the work on leading digital development of new agricultural services and business opportunities.

Agriculture Sector, key figures	2019	2018
Net sales, MSEK ¹⁾	21,841	19,338
Operating income, MSEK	83	131
Operating margin, %	0,4	0,7
Return on operating capital, %	1,0	2,0
Investments in non-current assets, MSEK	189	260
Average number of employees	1,734	1,678
of which women/men, %	24/76	23/77
Women/men in executive management, %	33/67	44/56
Sick leave, %	2,7	3,6
CO ₂ emissions, thousand tonnes	11	7

¹⁾ Including intra-Group sales.

Excl. items affecting comparability	2019	2018
Operating income, MSEK	210	197
Operating margin, %	1,0	1,0
Return on operating capital, %	2,5	3,0



Agriculture Sector's brands



Lantmännen Lantbruk Sweden

Lantmännen Lantbruk Sweden offers a wide range of products for livestock and crop production. The company is a major participant in the grain market and purchases grain, oilseeds, pulses and forages, which are sold on to grain traders and Swedish and international industry.

The Swedish operations experienced positive development during the year, notably in the feed business where market shares have increased. The 2018 drought mainly affected the grain business in the first half of 2019, with a negative effect on the result. A strong focus has been placed on quality work at all stages of the operations. The collaboration with Dataväxt has been strengthened and an extended collaboration with Hushållningssällskapet on joint digital development has been initiated.

Grain

Lantmännen Lantbruk Sweden buys and sells grain, oilseeds and pulses. Half of the quantity is used in Lantmännen's own industries. The export business is significant and sales are mainly to Europe and North Africa, but also to North America.

The low harvest of 2018 led to low grain purchase volumes from farmers. To supply Lantmännen's own industries, we needed to import grain, which caused higher costs for handling and quality deficiencies.

Sweden brought in a large harvest of 6.6 million tonnes in 2019, with the grain harvested at the beginning of the harvest period maintaining good quality. Rain from the end of August resulted in poorer quality in all crops. The large

harvest means that external sales are back to normal levels with large deliveries during fall, and previously established customers have been able to resume deliveries from Lantmännen. Overall, the country's farmers have brought in a large forage harvest, which has been much needed after the previous roughage shortage.



External sales are back to normal levels after the year's large harvest.

The work on reducing costs related to quality deficiencies has been successful. Investments to increase storage and drying capacity have enabled Lantmännen to handle the volumes efficiently, despite the intense and high harvest pressure of higher than normal water content. The facility in Hargshamn, which was opened in the lead-up to the 2019 harvest, has had start-up problems but will be an important facility for deliveries to larger vessels. The new facility in Hammenhög is also an important part of the capacity work and will be commissioned in time for the 2020 harvest. ►►

Lantmännen Lantbruk Sweden, key figures

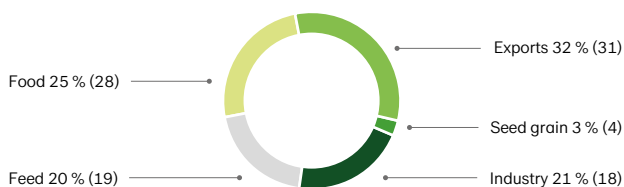
	2019	2018
Net sales, MSEK ¹⁾	13,181	11,622
Operating income, MSEK	109	38
Operating margin, %	0.8	0.3
Return on operating capital, %	2.6	1.1
Investments in non-current assets, MSEK	181	219
Average number of employees	791	757
of which women/men, %	35/65	35/65

¹⁾ Including intra-Group sales.

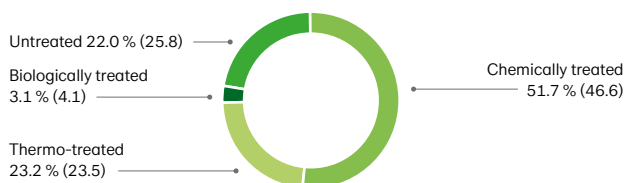
Excl. items affecting comparability

	2019	2018
Operating income, MSEK	109	104
Operating margin, %	0.8	0.9
Return on operating capital, %	2.6	3.0

Use of total volume of sold grain



Seed treatment (calculated on a percentage of the volume in tonnes)





“

Proximity to the market, a large network and a competitive offering make Lantmännen an attractive business partner.

Lantmännen Lantbruk Sweden offers farmers a wide range of products for livestock and crop production.



“

We facilitate the livestock farm's daily choices – everything they need for feeding, grazing, hygiene and well-being, and silage as a functioning whole.

Lantmännen Lantbruk produces and sells feed and supplements for all farm animals.

Feed

Lantmännen Lantbruk produces and sells feed and supplements for all farm animals and a number of pets. The feed business has continued to develop positively in all segments. The volume increase is driven partly by the previous year's shortage of grain and roughage, and partly by increased market shares. Lantmännen's feed replacements for cattle and dairy animals account for a significant proportion of the volume increase. Lantmännen is a leader in new product development and during the year launched a new piglet range and a new sow range adapted to the new genetics, the latest research findings and new regulations. The spread of African swine fever in Asia has affected large pig-producing countries, with increased exports and rising settlement prices as a result in Europe. In Sweden, the price increase has not materialized to the same extent.

Our focus on quality has led to stable, high production results in all animal segments, contributing to a growing customer base and positive volume development. This is particularly true of poultry, where our market share for feed for laying hens is about 75 percent and for chicken over 50 percent.

Lantmännen's climate footprint for the cattle feed range has been reduced by up to 30 percent, without affecting prices and production. Work on climate-calculated feed continued during the year.

Crops

Lantmännen Lantbruk refines, produces and sells seeds in the areas of seed grain, oilseeds and grass seed. Lantmännen Lantbruk also markets pulses and a wide range of products for crop production and feed conservation.

As a result of the low harvest in 2018, the volume of spring seed has been limited and the Swedish market has had to import to a certain extent. Lantmännen has been granted a dispensation by the EU to use seed from inspected farms in seed production. Record large fall sowing in 2018, and an increased degree of Farm Saved Seeds have contributed to lower sales of spring seed. Sales of grass seed have been good and export market demand is high, particularly for organic seed, an area where Lantmännen is investing in increased cultivation. Interest in catch crops and intermediate crops is increasing and from 2020 we will be offering Swedish-grown radish and phacelia. Sales of fertilizer, plant protection and products for roughage production have shown stable development, with high supplementary purchases of silage products.

Lantmännen BioAgri

Lantmännen BioAgri develops and markets eco-friendly products for plant pest control, plant nutrients and products for growth regulation. Four new products have been developed and are under evaluation. The international expansion of ThermoSeed (conducted within ThermoSeed Global AB) has led to increased US production and the opening of two new ThermoSeed plants in France.

Lantmännen Krafft

Lantmännen Krafft is Sweden's, and one of the Nordic region's, largest suppliers of horse feed, and also has a market in the rest of Europe. Intense competition in the domestic market has adversely affected volume development, and earnings will be improved through an efficiency program.

Agriculture Sector

Lantmännen Lantbruk Finland

Lantmännen Agro Oy operates through 40 independent Lantmännen-profiled retailers in Finland providing agri-supply for crop production, feed, and spare parts and equipment. The company also trades in grain in the Finnish market. Production and sales of feed for farm animals and horses are conducted through the *Lantmännen Feed*.

In Finland, normal levels of grain and grass were harvested in 2019. Stored agri-supply has affected sales during the first half of the year. Feed sales have been slightly above the previous year's volumes. The integration process for Feed has been successful and the company has been well received in the Finnish market. Lantmännen Feed has its new name and brand and has moved to new premises. The focus has also been on implementing a new business system for Agro's retailers. A preliminary study of new e-commerce for Finnish feed customers was started.

The merger of the organizations within Agro and Feed will lead to a better and more coordinated offering to customers. Cooperation with other parts of the Sector has also been strengthened.



Lantmännen Lantbruk Finland, key figures

	2019	2018
Net sales, MSEK ¹⁾	4,617	3,612
Average number of employees	150	73
of which women/men, %	37/63	36/64

¹⁾ Including intra-Group sales.



Agriculture Sector

Rest of world

Lantmännen Agro A/S

The company is mainly engaged in the purchase of grain in Denmark, but also sells significant quantities of fertilizer. The area of Sjælland/Lolland/Falster, where the company mainly operates, brought in a large harvest. Leased storage capacity with drying capacity and the ability to load larger vessels has increased competitiveness, and stocks have been replenished with large purchase volumes.

Lantmännen SW Seed BV

The company conducts plant breeding of triticale and potato at the processing station in Emmeloord, Netherlands. The operations continued to develop positively during 2019.



“

Valtra is a leader in renewable fuels and all new tractors are approved for refueling with HVO fuel.

Agriculture Sector

Lantmännen Maskin

Lantmännen Maskin imports, markets and sells agricultural machinery and spare parts and offers services in Sweden. Lantmännen Maskin offers strong brands such as Valtra, Fendt, Kuhn and Väderstad, and is responsible for imports and support for the Massey Ferguson brand in Sweden.

Lantmännen Maskin's offering for Swedish farmers is high-quality agricultural machinery, an extensive range of spare parts and a high level of service.

Competition in the industry is fierce, with over-establishment and a reduced tractor market that is squeezing profitability in the company. The equipment business is an important part of the operations and has shown good development. In the spare parts business, the focus has been on increasing volumes and earnings, with sales in more channels and a more machine-friendly range than before. Recruitment of mechanics remains challenging.



With the customer in focus, we have worked on streamlining operations. Through the *Reach* change program, the company has a clear and actionable plan for increased profitability. Flows and processes have improved, the facility structure has changed and a new modern e-commerce platform has been developed for launch in 2020. The focus has been on increased cost leadership and reduced tied-up capital. Better and more digitalized processes and working methods will improve the efficiency of operations, enabling the company to continue to be an attractive partner for Swedish farmers. Reach has produced results and the company showed positive development in 2019.

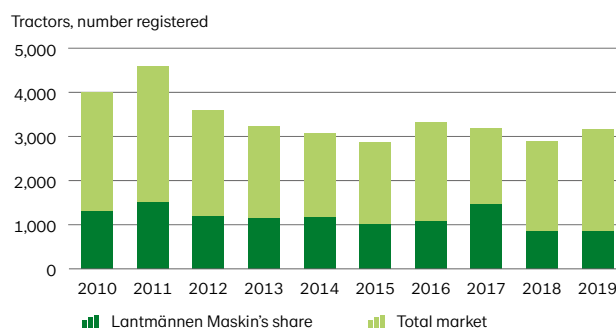
“
Fendt's new Ideal combine, developed from a blank canvas, has been launched and positively received in the Swedish market.”

Lantmännen Maskin, key figures	2019	2018
Net sales, MSEK ¹⁾	3,753	3,875
Operating income, MSEK	9	1
Operating margin, %	0.2	0.0
Return on operating capital, %	0.6	0.1
Investments in non-current assets, MSEK	3	5
Average number of employees	759	815
of which women/men, %	9/91	9/91

¹⁾ Including intra-Group sales.

Excl. items affecting comparability	2019	2018
Operating income, MSEK	9	1
Operating margin, %	0.2	0.0
Return on operating capital, %	0.6	0.1

Total market for tractors in Sweden



Energy Sector

The Energy Sector is Sweden's largest producer of bioenergy products and accounts for 7 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 is also responsible for Lantmännen's ownership interests in the partly-owned company Scandbio, Sweden's largest solid processed wood fuel company.





Energy Sector

Ethanol with world-leading climate efficiency

The Energy Sector comprises *Lantmännen Agroetanol*, *Lantmännen Aspen*, *Lantmännen Reppe*, *Lantmännen Oats* and the partly-owned *Scandbio*. The Sector is active in a global market, with the main focus on Europe, and offers environmentally smart energy, food and industrial products. The products are responsibly produced, with related services in Sweden, France, Latvia and Finland. The Sector has wholly or partly-owned sales companies in the Nordic region, France, Germany and the US. Sales are conducted through distributors or the export business of the Sector's own companies. The Group's climate and energy targets permeate the operations and the Sector is continuously improving quality and process yield.

Business environment and market

Bioenergy is Sweden's most widely used type of energy, accounting for over a third of our energy consumption. Sustainable transport is crucial for reducing climate emissions, but the transport sector is still dependent on fossil energy. The Energy Sector produces sustainable ethanol with world-leading climate efficiency. Sweden is the first EU country to have achieved the target of ten percent renewable energy in the transport sector by 2020. The Swedish parliament's targets for the country 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 an important, cost-effective way of reducing the transport sector's emissions. Increased use of the ethanol fuel ED95 is an effective way of reducing emissions and the fossil dependence of heavy vehicles. Demand for the Agrodrank feed product continues to rise and demand for Lantmännen Reppe's wheat

starch in the paper and packaging industries is increasing. Lantmännen Aspen's alkylate petrol continues to take market shares in the small engine segment. *Lantmännen Oats* in Kimstad produces beta glucan and oat protein. The business was acquired from Tate & Lyle in March 2019.

Key sustainability issues

The Sector produces ethanol with world-leading climate performance, 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. Key sustainability issues include continuing development of products with added value for climate, environment and health, driving development of circular business models, efficient production, transport with a low climate impact, safe work environments, and responsible sourcing and business relationships.

Outlook for 2020

Lantmännen Agroetanol's ethanol has been in demand for a number of years, notably in Germany, but interest has also increased in Sweden. Competition in the ethanol market in Europe is likely to become tougher in the period ahead. Work continues on complementing the raw material base with alternative raw materials in addition to grain. This became particularly important after the 2018 drought, when wheat availability was significantly lower than normal. Prospects for continuing growth are considered good for Lantmännen Reppe and Lantmännen Aspen.

Energy Sector, key figures

	2019	2018
Net sales, MSEK ¹⁾	3,741	3,117
Operating income, MSEK	375	168
Operating margin, %	10.0	5.4
Return on operating capital, %	30.3	14.6
Investments in non-current assets, MSEK	80	103
Average number of employees	301	282
of which women/men, %	27/73	27/73
Women/men in executive management, %	36/64	30/70
Sick leave, %	2.4	2.5
CO ₂ emissions, thousand tonnes	21	20

¹⁾ Including intra-Group sales.

Excl. items affecting comparability

	2019	2018
Operating income, MSEK	355	200
Operating margin, %	9.5	6.4
Return on operating capital, %	28.7	17.4

Energy Sector's operations

- Lantmännen Agroetanol
- Lantmännen Aspen
- Lantmännen Reppe
- Lantmännen Oats
- International ownership, Scandbio
- Lantmännen Aspen also has operations in the US



Energy Sector's brands



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 and other technical products, and protein products for the feed market.

Lantmännen Agroetanol is a leading player in sustainable solutions, and in the transition to a bio-economy and a climate-smart society. The company is the Nordic region's largest ethanol producer and produces ethanol with the best climate performance.

Lantmännen Agroetanol's ethanol is among the most sustainable in the world and reduces the climate impact by more than 90 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 under the product name Agrodank and about 90,000 tonnes of carbon dioxide that is processed into carbonic acid.



Lantmännen Agroetanol is at the forefront of the circular economy with innovative and sustainable system solutions.

Differentiation of the product portfolio has continued in 2019 and the broadening of the raw material base also continues. The market in 2019 was at times characterized by high ethanol prices, while grain prices up to the new harvest 2019 were much higher than normal, driven by the weak harvest result in 2018. As a result of high grain and protein prices, the price of feed has been higher than in previous years.

During the year, more than half of Lantmännen Agroetanol's production was exported to Germany, where the market for climate-efficient ethanol has been favorable. In Germany, climate policy instruments are creating demand for biofuels with high climate performance. Lantmännen Agroetanol's development projects for new products and markets are

continuing and include *Etha*, ED95 ethanol-based fuel for adapted diesel engines in partnership with Scania and others. Development of the recycling business with waste products from the food industry creates a circular economy and contributes to Lantmännen Agroetanol's profitability.

In July 2018, Sweden introduced a reduction obligation for petrol and diesel, a similar system to that in Germany, which may ultimately benefit biofuels in the Swedish market. Implementation of the EU Renewable Energy Directive, RED II, in 2021 may affect the future of Lantmännen Agroetanol's products. A provision of MSEK 440 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. In 2019, this provision was increased to MSEK 500 due to a weaker Swedish krona. Lantmännen has cooperated with the EU Commission during the investigation and is now engaged in a settlement process.

Learn more at lantmannenagroetanol.se/en



Lantmännen Oats

Lantmännen Oats creates value from oats by processing into beta glucan and oat protein. These ingredients are sold to companies operating in bakery products, health food and sports nutrition. In 2019, the focus has been on integration, sales and making the company more efficient.

Beta glucan is a soluble fiber found in oats with a proven cholesterol-lowering effect. Oat protein is a tasty ingredient used mainly in sports nutrition but it also has other applications.

Learn more at lantmannenoats.com

Lantmännen Agroetanol, key figures	2019	2018
Net sales, MSEK ¹⁾	2,282	1,734
Operating income, MSEK	164	26
Average number of employees	111	116
of which women/men, %	28/72	31/69

¹⁾ Including intra-Group sales.



Energy Sector

Lantmännen Aspen

Lantmännen Aspen, with the brands Aspen, Agro Oil and Marline, manufactures and markets alkylate petrol, which is an environmentally adapted petroleum product, lubricants and chemical products.



Aspen alkylate petrol is virtually free of hazardous components such as benzene and other aromatics, and is used in lawn mowers, chainsaws and boats. Lantmännen Aspen's alkylate petrol is market leader in large parts of Europe and Canada. All markets showed good growth in 2019.

Agro Oil manufactures high quality lubricants and chemical maintenance products for the professional market for agriculture, forestry and contracting under the Agrol brand. The products are optimized based on customers' needs and with the best support on the market, they help to reduce customers' maintenance costs and environmental impacts.

Marline is the leading distributor of alkylate petrol in France. With its position in machine rental and construction, Marline complements Aspen's already strong position in servicing specialized trade.

Learn more at [→ aspenfuels.com](https://www.aspenfuels.com), [agrol.se](https://www.agrol.se) and [marline.fr](https://www.marline.fr)

Lantmännen Aspen, key figures	2019	2018
Net sales, MSEK ¹⁾	971	928
Average number of employees	94	81
of which women/men, %	27/73	28/72

¹⁾Including intra-Group sales.

Energy Sector

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.



As part of Lantmännen, Lantmännen Reppe is an important player in the grain value chain from cultivation, raw materials sourcing and processing to sales and consumption. Lantmännen Reppe supplies ingredients and finished goods to the food, paper and beverage industries. Deliveries of starch products to the paper industry showed a strong increase in 2019 after the closure of the glucose syrup business in Växjö in December 2018. Lantmännen Reppe has one of the Nordic region's largest distilleries, which produces high-quality vodka. 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](https://www.lantmannenreppe.com)

Lantmännen Reppe, key figures	2019	2018
Net sales, MSEK ¹⁾	479	472
Average number of employees	66	80
of which women/men, %	26/74	21/79

¹⁾Including intra-Group sales.

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 Food Sector offers "Good food" to customers in food retail, food service and other parts of the food industry.

The Sector accounts for 33 percent of the Group's sales.



Good food from
Lantmännen





Food Sector

Food from a sustainable value chain

The Food Sector consists of *Lantmännen Unibake* and *Lantmännen Cerealia* and Lantmännen's ownership interests in the partly owned company *Viking Malt*. The Sector accounts for 33 percent of the Group's sales and produces food in 50 facilities in 18 countries. The Sector has many well-known brands such as *Kungsörnen*, *AXA*, *START*, *Bonjour*, *Hatting*, *Korvbrödsbagarn*, *Schulstad*, *FINN CRISP*, *Amo*, *Vaasan*, *GoGreen* and *Gooh*.

Business environment and market

The drought and high temperatures during summer 2018, which led to the lowest harvest in many years, also affected grain raw material prices in 2019. However, the effect diminished during the new harvest. Food is still affected by strong price pressure and competition from private labels remains intense.

Online food shopping continues to grow in the global market and is expected to double by 2025. Online food sales would then account for about 10 percent of the total market. Growth remains strong in Sweden – online sales increased in 2019.

Health, sustainability and origin are important consumer trends in the Nordic region, and there is keen interest in products with low climate impacts and organic goods. Demand is increasing for non-animal-based proteins. The health trend brings increased demand for products with no added sugar, low-salt products and gluten-free foods. There is also growing interest in functional foods – products that

promote intestinal health, enhance well-being and strengthen functions of the body. Consumers appreciate sustainable brands with clear purposes and companies are aiming for uniqueness with niche products.

Key sustainability issues

The Food Sector develops tasty products that promote health and reduce climate and environmental impacts. Key sustainability issues include products and raw materials from a sustainable value chain, resource-efficient production sustainable packaging solutions, transports with low climate impact, safe work environments, and responsible sourcing and business relationships.

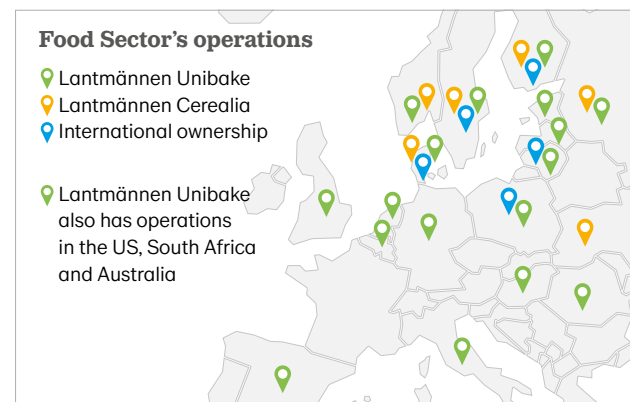
Outlook for 2020

Lantmännen's position in the market with large investments in research, development and innovation throughout the value chain means that we are well equipped to meet external trends. The Food Sector is focusing on generating profitable growth and further trimming the production infrastructure by measures such as continued efficiency improvements, digitalization and factory optimization. Through investments in production and our brand portfolio, we continue to create efficiency throughout the value chain, developing and producing food products with clear added values and in line with consumer preferences.

Food Sector, key figures

	2019	2018
Net sales, MSEK ¹⁾	16,867	15,351
Operating income, MSEK	924	748
Operating margin, %	5.5	4.9
Return on operating capital, %	5.2	5.0
Investments in non-current assets, MSEK	619	891
Average number of employees	6,694	6,568
of which women/men, %	42/58	41/59
Women/men in executive management, %	19/81	25/75
Sick leave, %	4.9	4.9
CO ₂ emissions, thousand tonnes	101	120

¹⁾ Including intra-Group sales.



Excl. items affecting comparability

	2019	2018
Operating income, MSEK	1,018	787
Operating margin, %	6.0	5.1
Return on operating capital, %	5.7	5.3

Sales by market

	2019	2018
Nordic countries	59 %	62 %
Rest of Europe	33 %	32 %
Rest of world	8 %	6 %

Lantmännen Unibake

Lantmännen Unibake is one of Europe's largest bakery groups, with 37 bakeries in 16 countries. The company supplies frozen and fresh bakery products to the food retail sector and restaurant market in more than 60 countries around the world. Lantmännen Unibake has a long history of successful concepts and products of high quality, and a wide range of well-known brands.

Continuing the growth rate

In recent years, Lantmännen Unibake has followed a well-defined and profitable strategy, which was updated in 2017 under the heading “Towards billions of smiling tummies” with the mission “Accelerating Growth”. Implementation of the strategy has led to increased organic growth, while cost-saving initiatives in the operations have been strengthened.

In 2019, Lantmännen Unibake has made several strategic changes to further strengthen the organization and operations. These include the acquisition of the Australian pastry

manufacturer Bakery Du Jour, now renamed Lantmännen Unibake Australia. The integration has been successful and the Australian bakery made a strong contribution to Lantmännen Unibake's overall growth during the year. Lantmännen Unibake Australia represents a good platform for future business development in Asia and the Pacific.

To enable a more focused business model, the fresh bread bakery operations in Finland, the Baltic region and Denmark have been combined into a new business area: *Fresh Business Area*. In order to further strengthen the European production platform, it has been decided to close three bakeries in Poland, Hungary and Denmark during 2020. Production is consolidated at other Unibake bakeries with automated production lines to further strengthen competitiveness.



Lantmännen Unibake has one of the world's largest bread assortments, with bread for every taste and occasion.

Challenges during the year

2019 also brought a number of challenges. The Polish market is facing increased competition, and Russia has shown a temporary growth slowdown after exceptionally high growth in 2018, mainly driven by the Football World Cup. Extensive action plans in both markets have produced good results and show the organization's strong implementation culture. ►►



Lantmännen Unibake, key figures	2019	2018
Net sales, MSEK ¹⁾	12,853	11,587
Average number of employees	5,311	5,206
of which women/men, %	42/58	41/59

¹⁾ Including intra-Group sales.

Lantmännen Unibake's brands





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We keep our promises! Lantmännen Unibake will deliver products and services that satisfy the customer's and consumer's present and future requirements for product safety, quality and sustainability.

With our wide and exciting assortment of classic and innovative breads, we meet our customers' needs for high-quality bakery products.



Excellent results and performance

Despite challenging business conditions, Lantmännen Unibake has successfully grown its operations in virtually all its geographical markets. Core operations in Sweden, Norway, the Benelux countries and the UK have exceeded average market growth, while Romania and the Baltic region have excelled themselves, with good growth. Almost all product categories have contributed to the overall growth, which is balanced between the restaurant sector and retail channels.

Well prepared for the future

After two full years of operation at the bakery in Nowa Sól, Poland, the start-up phase is over and operations are now running according to plan. Together with Londerzeel, Belgium, the bakery is an important player in the future Lantmännen Unibake.

Lantmännen Unibake continues its innovation strategy with a focus on product development synergies throughout the company. The strategy is based on directing resources to the most significant market trends and identifying projects of global importance. However, the majority of the development is still happening locally.

The digitalization work continues with an updated strategy, with a number of projects that will contribute to growth and cost efficiency having been identified. Lantmännen Unibake has two digital pilot projects in the pipeline – both aimed at more efficient production.

Leadership

Lantmännen Unibake focuses strongly on leadership development. All 6,000 employees have undergone further training in their daily work during 2019 through a leadership development program with 40 internal trainers. Lantmännen Unibake has also launched an international training program for employees at the start of their career.

Respect, consideration and trust – and responsibility from field to fork

Sustainability is high on the agenda for Lantmännen Unibake's stakeholders. Unibake is built on good business practices throughout the value chain and strives for the highest possible standards by limiting food waste, reducing the climate impact and optimizing every step from raw materials sourcing to distribution of the finished products.

Outlook for 2020

Lantmännen Unibake is well positioned to continue its profitable growth journey at a rate above the market average. The UK has left the EU without a new trade deal in place. The effect of Brexit is difficult to assess and may affect the UK operations, but a comprehensive action plan is in place.



Food Sector

Lantmännen Cerealia

Lantmännen Cerealia develops, produces and markets cereal-based products such as flour, hulled grains, muesli, granola, pasta, pancakes, crispbread, a vegetarian range of pulses, food grains, whole grains and vegetables, and ready meals.

Lantmännen Cerealia's operations are conducted in Sweden, Norway, Denmark, Finland, Ukraine and Russia with sales in the Nordic markets through food retailers, the food service sector and B2B operations. Lantmännen Cerealia also has significant exports, mainly crispbread and breakfast products, to about 30 countries around the world.

Business environment

Consumer trends in the Nordic region continue to focus on health, convenience and sustainability. Climate discussions raise food as an area where the consumer can make a difference. Health and sustainability are often linked together with a clear shift towards more vegetarian eating and an increasing focus on origin.

During the year, Lantmännen Cerealia conducted consumer studies on attitudes and purchasing behaviors regarding food purchases in Sweden and Norway.

Several of Cerealia's brands are considered sustainable, and both GoGreen and AXA maintained their top 10 positions in the Food category in the Sustainable Brand Index survey.

A channel shift is taking place in the food industry, with more and more people eating out, shopping for food online or buying more specialized foods in specialist stores. The boundary between food retailing and the restaurant sector is becoming more and more blurred as consumption patterns change.

Market and market performance

The Nordic markets are characterized by continuing intense competition, particularly from private labels. In response, efforts to sharpen the range and focus on qualitative offerings within core categories are continuing.

The weak harvest in 2018 resulted in higher grain prices and quality challenges that affected Cerealia. Despite this, we



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The focus on origin is increasing, particularly in the Swedish market where the drivers are both sustainability and commitment to Swedish farming.

Lantmännen Cerealia, key figures	2019	2018
Net sales, MSEK ¹⁾	4,419	4,139
Average number of employees	1,383	1,361
of which women/men, %	41/59	42/58

¹⁾ Including intra-Group sales.

Lantmännen Cerealia's brands





see stable development in the Swedish market. Demand for oat products has continued to grow, and Cerealia increased its market shares in both the Swedish and Norwegian markets during the year.

During fall, AXA launched a new breakfast cereal that was well received by customers in the Swedish and Norwegian markets.

Operations in the rest of the Nordic region have developed well with some challenges in Norway. Gooh has been very successful during the year. In Finland, we are seeing a declining trend in crispbread consumption, where we are the market leader with local brands. Sales of breakfast products in the Finnish market show high growth. FINN CRISP Snacks were launched during the year and very well received by both customers and consumers. The B2B business, particularly in flour, shows stable development.

Operations outside the Nordic region are developing well, and operations in both Ukraine and Russia were marked by strong growth. Our global exports of crispbread and breakfast products are growing, particularly to China where we operate under the AXA brand.

Lantmännen Cerealia made major changes in the Nordic operations during the year in order to increase efficiency and achieve long-term profitability. The product portfolio has been reduced to provide the conditions for a clear and attractive customer offering. A simplified and country-based organizational structure has replaced the previously more centralized structure. Having strong local management teams increases the ability to manage and govern operations based on the conditions that apply in each country.

Use of disposable plastic has been reviewed and a long-term program for reducing disposable plastic in the operations has begun. During the year, plastic stretch wrap at two of Cerealia's facilities was replaced with a new, more durable variant, which has drastically reduced the need for plastic. During the year, Lantmännen developed the Climate & Nature cultivation program with more measures for biodiversity and further reduction of climate impact. Cerealia offers flour from the cultivation program to customers and consumers. The program is being expanded from wheat and rye to include oats. Learn more on [→](#) page 25.

Outlook for 2020

Lantmännen Cerealia continues its work on improving profitability and meeting customers' and consumers' needs for high-quality foods that contribute positively to sustainable development.

The comprehensive change program continues with a focus on establishing new processes and working methods that were launched in 2019. The goal is for these positive changes to take root in the organization and lead to further efficiency improvements in the future.



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Consumer trends in the Nordic region continue to focus on health, climate, convenience and sustainability. There is a clear shift to more vegetarian eating, for both environmental and health reasons.

As Lantmännen has operations throughout the value chain from field to fork, we can take responsibility for the product's origin, content and quality. We are proud of that!

Swecon Business Area

Swecon is a partner of Volvo Construction Equipment and a dealer in machinery for the construction and civil engineering industry. Swecon offers a broad range of construction machinery, equipment, spare parts, servicing and support. Swecon also provides training. The Business Area accounts for 17 percent of the Group's sales.





Swecon Business Area

Strong machine sales and high demand

Business environment and market

All Swecon's markets continued to show good growth during the year, due to the boom in construction and civil engineering and major investments in infrastructure.

The combination of an increasing machinery population and more use of machines has brought a greater need for servicing and spare parts in all geographical areas. Swecon's workforce has risen, particularly service technicians in Sweden and Germany.

The Swedish market remains at a high level, and sales were in line with the previous year's record levels. The German market has continued to increase and sales have risen.

The number of users of our digital customer service, mySwecon, has increased in Germany and Sweden. Customer surveys show that the tool is very much appreciated. More functions and services are constantly being implemented in the portal to increase usability.

There is still a shortage of expertise in construction and civil engineering, and for Swecon, the greatest demand is for service technicians. A large number of recruitment measures are in progress in our different markets.

Key sustainability issues

Key sustainability aspects include energy-efficient, high-quality and safe machinery that contributes to sustainable development and safe working environments, and responsible sourcing and business relationships. Swecon is working on analyzing climate

emissions and is now developing a climate strategy. Swecon also engages in regular dialogue with the real estate companies with regard to energy efficiency. Volvo CE is investing in electrification, but hybrid and alternative fuels will also play a significant role.

We work actively to raise the awareness of our employees about always working safely and to improve the safety culture. In 2020, safe@swecon will be launched, with the aim of involving the entire organization in creating a safer workplace.

Outlook for 2020

Demand for new machines is expected to decline in 2020, but there are opportunities for continuing growth in the servicing market. The aim is to increase the number of connected machines in order to ensure control of the machine population. The challenge for the industry is to continue recruiting and retaining service technicians to meet customer requirements.

Swecon continues to focus on digitalization and the mySwecon service, e-commerce and common working methods.

At the 2019 Bauma trade fair, Volvo CE unveiled two electric machine models that will be launched in fall 2020.

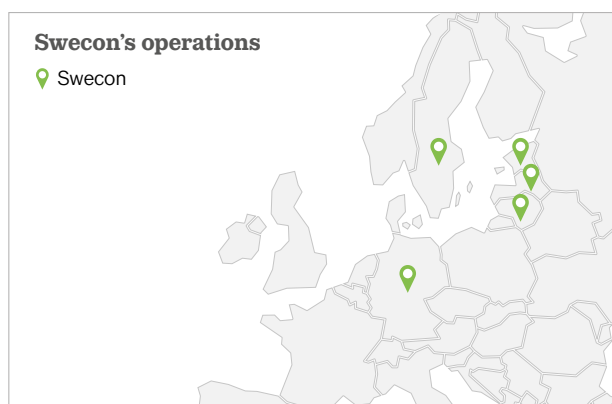
In 2020, Swecon will work actively to measure and reduce carbon dioxide emissions in Sweden. Swecon will also measure carbon dioxide in Germany in 2020 and the aim is to include all our countries of operation by 2021.

Swecon Business Area, key figures	2019	2018
Net sales, MSEK ¹⁾	8,588	8,252
Operating income, MSEK	514	440
Operating margin, %	6.0	5.3
Return on operating capital, %	37.4	104.6
Investments in non-current assets, MSEK	939	405
Average number of employees	1,198	1,119
of which women/men, %	11/89	11/89
Women/men in executive management, %	13/87	13/87
Sick leave, %	4.2	4.4
CO ₂ emissions, thousand tonnes ²⁾	-	-

¹⁾ Including intra-Group sales.

²⁾ Swecon is not covered by the measurement of climate emissions.

Excl. items affecting comparability	2019	2018
Operating income, MSEK	514	440
Operating margin, %	6.0	5.3
Return on operating capital, %	37.4	104.6



Swecon Business Area's brands



Operations

Sweden

Demand for new machines has declined in 2019 but is still at a historically high level. There are signals of a recession, but investments in infrastructure are making a positive contribution. Mining sector activity increased during the year, which contributed to a positive change in the product mix with more large machines. During the year, we conducted a survey of the existing machine population, with the aim of working more proactively on targeted offerings. One goal of this work is to increase the number of connected machines and give our customers support with a view to increasing their profitability.

Swecon has several initiatives to create interest in the sector in order to attract and retain expertise.

With Lantmännen Maskin and the Swedish Armed Forces, Swecon has initiated a collaboration on skills supply. The collaboration will make it easier to find and retain employees and will give transport sector employees the opportunity to combine their career with involvement in the Armed Forces. Swecon and Volvo CE have jointly created an annual ambassador program to reward selected technicians from Swecon.



Swecon offers used spare parts as a supplement to new original parts and also performs major repairs and renovations of older machines.

We continue deliveries under the framework agreement with the Swedish Defence Materiel Administration, signed in 2018, for the delivery of up to 50 new wheel loaders per year over a two-year period and an option for a further two years. The agreement also includes technical system support, spare parts and servicing. A modern new service facility in Gothenburg was opened in October.



Germany

The market has increased in volume and Swecon has improved its market position for heavy wheel loaders, excavators and dumpers. Sales in 2019 have risen in all areas: new machines, rental and used, and spare parts and servicing. A number of major contracts awarded have increased volumes, including deliveries of about 60 machines to a large rental company.

The LEAN program, launched in 2018, has been fully implemented in 2019. The method involves, among other things, process development and improved cooperation in the value chain.

A team of service technicians and spare parts experts from the company participated in a global competition organized by Volvo CE and took fourth place.

A new service facility in Berlin is being planned and will be completed in the second half of 2020.

Baltic region

The Baltic region is experiencing a slowdown in construction and infrastructure projects due to reduced government funding. In the forest industry too, we see a decline caused by lower timber prices. In the Baltic region, the excavator market continued to grow until the second quarter, after which it stabilized at a historically high level. The market for tracked excavators continued to grow during 2019 while the wheel loader market was stable. The machinery rental market has increased.

New service points have been established in Latvia and Lithuania, where our field service technicians are based.

The Rail Baltica project, a rail connection between Tallinn and Berlin, will result in increased sales and higher requirements for availability and service. The project is in the design and contracting phase and is expected to affect our market by the end of 2020 at the earliest.

The recruitment of technicians for Swecon's new facility in Tallinn has begun and the facility is expected to be operational in 2020.





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In Sweden, demand for new machines is still at a historically high level.

To attract and retain employees, Swecon has initiated a collaboration on skills supply with the Swedish Armed Forces.

Real Estate Business Area

The Business Area consists of Lantmännen Fastigheter and Lantmännen Agrovärme. Lantmännen Fastigheter has internal and external tenants, and its primary task is to provide Lantmännen with appropriate properties and premises. The company optimizes returns through active management, and the property portfolio is concentrated on strategic locations in Sweden. Lantmännen Agrovärme's mission is to provide customers with environmentally sound heating and create value through efficient operation and expansion. The Business Area accounts for 1 percent of Lantmännen's sales.





Real Estate Business Area

Property management and district heating

Lantmännen Fastigheter is one of Sweden's largest real estate companies and manages about 150 properties in 80 locations, with a total surface area of about 1,200,000 m². The property portfolio is largely concentrated on locations where Lantmännen has its own operations in Sweden and Finland.

Transactions and development projects

In 2019, a property was acquired next to Unibake's bakery in Örebro to secure space for future expansion. In addition, Swecon's new facility in Mölndal has been completed and is now operational. A property has been acquired in Kuusankoski in south-eastern Finland, with Unibake as tenant.

Lantmännen Fastigheter continues its focus on community properties through the jointly-owned company Lanthem, and land has been acquired in Tygelsjö, where a retirement home and a retail business will be built starting in 2020. In Malmö port, Lanthem will acquire building rights from Lantmännen Fastigheter to build a retirement home. Work is in progress on local development plans in Örebro and in Kävlinge.

Market developments

The property market remained strong in 2019, particularly the transaction market, with significant foreign interest. The transaction market has sales of about SEK 200 billion, and large net buyers include pension funds, large listed property companies and foreign capital.

The strongest demand during the year was for logistics properties and offices in large cities. Residential building rights in good locations also recovered after a weak year in 2018. Demand for commercial property and smaller shopping centers is lower, with higher yields as a result.

Lantmännen Agrovärme

Lantmännen Agrovärme supplies district heating and ready heat to 14 locations in central and southern Sweden. Our heating plants supply about 130 GWh annually from local biofuels. Lantmännen Agrovärme offers flexibility in the choice of fuel and has the expertise to utilize energy products from agriculture and forestry for heat production. The company's district heating has almost 100 percent security of supply to customers, which is far above the average and creates confidence. During the year, a project was run to produce bio char in heat production. Bio char has the potential to become an important new commercial product both in soil improvement and as a carbon sink. During the year, Lantmännen Agrovärme started heat collaborations both internally and externally.

Key sustainability issues

Key sustainability issues include energy-efficient properties and sustainable heat production with low climate impacts, future-proofing properties for climate change, and responsible sourcing and business relationships.

Outlook for 2020

Under contracts signed in late 2019, Lantmännen Fastigheter is working on development of the port area near Lantmännen Cerealia's mill in Västra Hamnen, Malmö, where among other things, an office block will be built. On completion, Lantmännen will rent most of the space when operations are relocated from the Tre Skåne office building in 2022. Lanthem also plans to build a retirement home and Veidekke about 40 apartments in the area.

Lantmännen Agrovärme continues to focus on acquisitions and business development.

Real Estate Business Area, key figures	2019	2018
Net sales, MSEK ¹⁾	556	525
Operating income, MSEK	349	265
Operating income, excl. property sales, MSEK	223	213
Return on operating capital, %	12.8	11.9
Return on operating capital, excluding property sales, %	8.2	9.6
Investments in non-current assets, MSEK	259	125
Average number of employees	46	46
of which women/men, %	38/62	42/58
Women/men in executive management	40/60	40/60
Sick leave, %	0.5	1.0
Total CO ₂ emissions, thousand tonnes	4.8	4.2

¹⁾ Including intra-Group sales.

Excl. items affecting comparability	2019	2018
Operating income, adjusted for items affecting comparability, MSEK	252	265
Return on operating capital, adjusted for items affecting comparability, %	9.3	11.9

Real Estate Business Area, surface distribution



International ownership

An important part of Lantmännen's strategy Field to Fork 2030 is to profitably develop strategic portfolio holdings. Lantmännen has interest holdings in a number of international companies. The operations are primarily located in the Nordic region, Germany, Poland and the Baltic countries. With these holdings,

Lantmännen is well positioned to offer customers in Sweden and in export markets long-term business relationships with stable delivery performance.

Sweden is our base and the Baltic Sea region is our expanded home market as a platform for continuing international investments.

Partnerships for enhanced value creation

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 jointly 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 an annual turnover of approximately EUR 2 billion and about 1,400 employees. Lantmännen owns 41 percent of HaGe Kiel, while DLG owns 54 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.

Scandagra Group Ownership 50 %

Scandagra Group operates in the Baltic region. The Group has an annual turnover of approximately EUR 400 million and about 350 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.

Scandagra Polska Ownership 50 %

Scandagra Polska, a merchant of grain and other agri-supply in the Polish agricultural market, has an annual turnover of just over PLN 500 million (just over EUR 100 million) and about 120 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.



Other part ownership

Scandbio Ownership 50 %

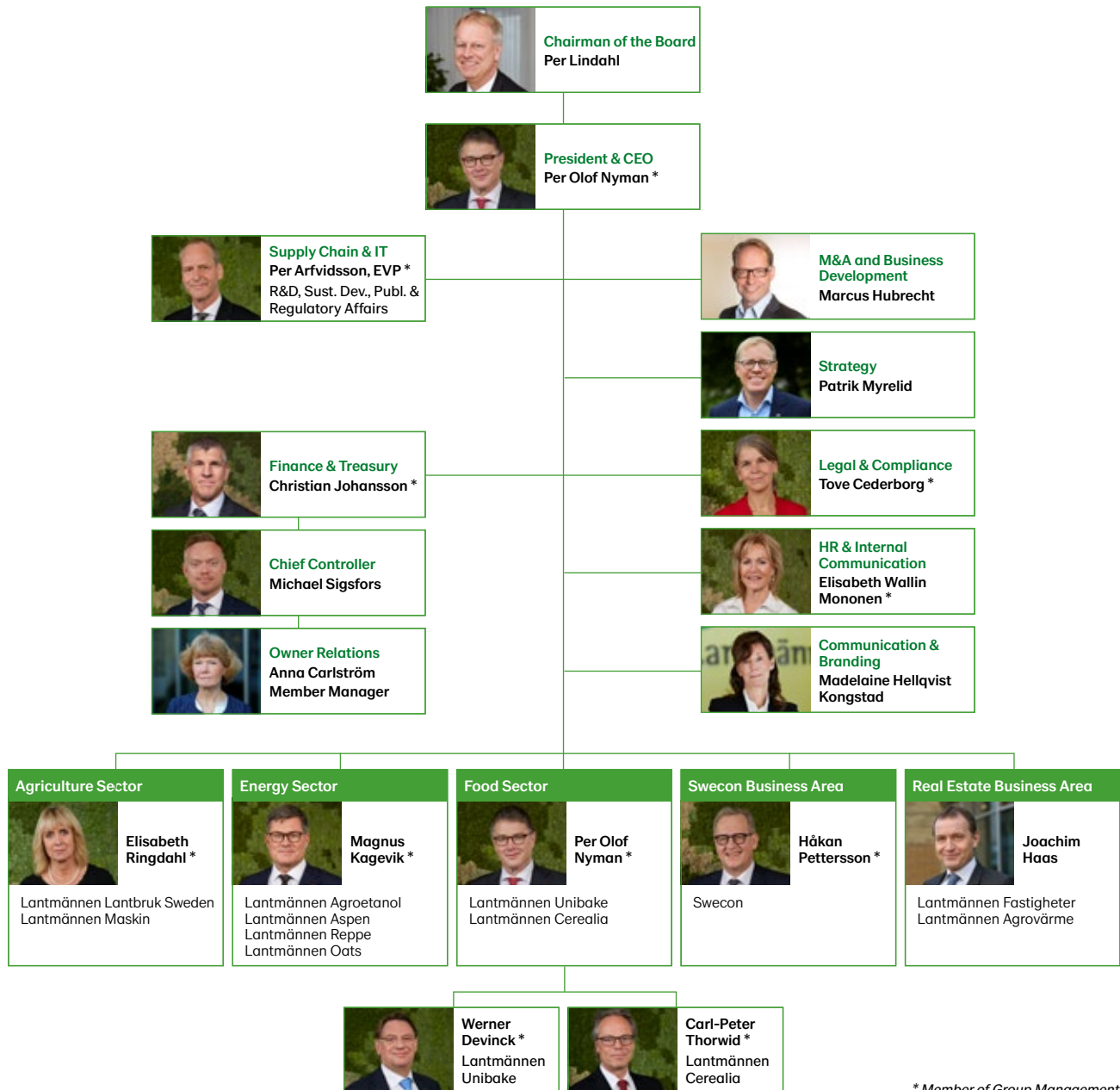
Scandbio is the largest solid processed wood fuel company in Sweden and sells 100 percent renewable energy in the form of heat pellets, wood powder, briquettes, biomass logs and bedding pellets. The products are manufactured by using residues from the sawmill industry. The company has an annual turnover of approximately SEK 1 billion and about 150 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 Sector.

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 an annual turnover of approximately EUR 250 million and about 240 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.

Organization and structure

The Board decides the Group's overall goals, strategic plans and significant policies and monitors their compliance and updating. The President & CEO is appointed by the Board and is responsible for the Association's day-to-day management. Lantmännen's operations are structured in three Sectors and two Business Areas.



* Member of Group Management

Our corporate functions

Lantmännen's corporate functions pursue their own key issues and support Group management and the Sectors in Group matters. The corporate functions are responsible for establishing a regulatory framework and ensuring compliance with these rules. Operational responsibility lies with each Sector and Business Area.

Finance & Treasury

Finance & Treasury handles the Group's economic and financial management and reporting. Also includes controlling, strategy, finance, risk management and tax. Owner relations is included in the corporate function and is responsible for Lantmännen's member communication. The department works on coordination and support for elected representatives in district boards, nomination committees and communication between elected representatives and members.

R&D – Research and development

Runs Lantmännen's strategic work on research, innovation and early business development. The department also provides administration of Lantmännen's Research Foundation, which funds research within food, agriculture, energy and green materials.

HR & Internal Communication

Supports the work to ensure Lantmännen can access the right skills and leadership to enable the Group to achieve its business objectives. This includes responsibility for driving, developing and implementing policies, processes and tools for recruitment, equality & diversity, skills and leadership development, work environment and health. The department also has main responsibility for the Group's employment law, employer issues and compensation & pay. Another area of responsibility is internal communication and internal communication channels, such as Inside, the employee magazine.

Sustainable development

Develops strategies and supports Lantmännen's businesses with sustainable development expertise, in order to protect and strengthen Lantmännen's brand and contribute to business value in both the short and the long term. The department also has overall responsibility for Lantmännen's Code of Conduct.

Legal & Compliance

Assists Lantmännen's businesses with legal advice from its own or external legal experts and handles all legal issues concerning acquisitions and disposals, intellectual property rights, disputes and major business negotiations. The department also includes the Compliance function, which

supports and facilitates the implementation of monitoring and compliance with anti-corruption and competition laws and the General Data Protection Regulation (GDPR). The Board Secretary is also a member of the department.

Communications & Branding

Works on building and developing the Lantmännen brand, thereby enhancing the Group's competitiveness and supporting its business objectives. Responsible for the brand, marketing communication and external communication, media training, PR, community and media contacts and social media. Also works continuously on the development of digital channels, and external, market, customer and consumer understanding.

IT

Develops, manages and ensures the operation of stable and cost-effective IT solutions. Runs projects within digitalization to strengthen the Group's competitiveness and support the business goals in line with adopted strategies.

Supply Chain

Initiates, manages and supports change processes within the entire Lantmännen supply chain. The department's work includes the purchase of products and services for the Group, supply chain development between Lantmännen companies, and project and change management within production, planning, logistics and purchasing in order to continue to develop cost leadership in their sectors.

M&A and Business Development

M&A stands for mergers & acquisitions, but also includes divestments. M&A supports all the Group's units in identifying and carrying out activities within the area and helps with business development projects.

Public and Regulatory Affairs

Monitors, analyzes and engages in active dialogue in political processes in Sweden and the EU that could affect the conditions for Lantmännen's business and strategies. The work is conducted in cooperation with other functions and Lantmännen companies, but also to a large extent with external parties such as industry organizations and other companies.



Tomas Welander, Johan Bygge, Johan Mattsson, Gunilla Aschan, Per Lindahl

Board of Directors

The Board consists of nine members and three employee representatives. Board members of Lantmännen ek för are elected for two-year terms. The Annual General Meeting will be held on May 7, 2020.

Holdings of contribution issues are reported in SEK, as at Dec. 31, 2019. Holdings of subordinated debentures are reported as at Jan. 28, 2020.

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: Viking Malt Aktieföretag and Fellow of The Royal Swedish Academy of Agriculture and Forestry (KSLA)
Contribution issues: SEK 2,674,734*
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 517,848*

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 40,084*
Subordinated debentures: SEK 300,000*

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 and Lindab International AB.

Johan Bygge

Lidingö
 Born: 1956
 Director since 2019
 Not a member of Lantmännen
Other functions at Lantmännen: Remuneration Committee
Education: MBA, Stockholm School of Economics
Main occupation: Directorships and Industrial Advisor at EQT
Directorships: PSM Ltd (Chairman), Nobina AB (publ) (Vice Chairman), AP3 and Getinge AB.
Subordinated debentures: SEK 250,000

Johan Mattsson

Skåne, Tranås
 Born: 1960
 Director since 2015
 Member of Lantmännen
Other functions at Lantmännen: Audit Committee
Education: M.Sc. (Business and Economics)
Directorships: Båretofta AB (Chairman), Swedpig AB (Chairman), Handelsbanken's Forestry and Agriculture Board (Chairman), Handelsbanken's Regional Board for South-east Sweden, AB Marsvinsholms Gärd, Viking Malt AB and Raja Gärd AB.
Contribution issues: SEK 605,154
Subordinated debentures: SEK 5,000,000*

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



Sonat Burman-Olsson, Hans Wallemyr, Per Wijkander, Henrik Wahlberg, Pär-Johan Lööf, Tommy Brunsårn

Henrik Wahlberg

Soukoljärvi, Övertorneå Municipality

Born: 1967

Director since 2017

Member of Lantmännen

Other functions at Lantmännen: Owner Committee

Education: Aeronautical engineer, agriculture

Main occupation: Farmer

Production: Milk, beef

Directorships: Övertorneå Energi Försäljning AB,

Sparbanken Nord, Övertorneå Energi AB and

Luttugården AB.

Contribution issues: SEK 231,868*

Per Wijkander

Upplands-Bro

Born: 1977

Director since 2019

Member of Lantmännen

Other functions at Lantmännen: Ownership Committee,

Beirat (Advisory Board) HaGe Kiel

Education: Agricultural Economics, Swedish University of

Agricultural Sciences

Main occupation: Farmer

Production: Crops

Directorships: 4 Tunnlund AB, Hätunaholm AB,

Hätunaholm H.T.H. AB and Håbo Häradssällmanning.

Board deputy: Westerås Skogsbyrå AB, Egendoms-

konserterna i Stockholm AB and Hätuna HTH Holding AB.

Deputy auditor, Maskinringen Mälardalen, ek för.

Contribution issues: SEK 2,063,566*

Subordinated debentures: SEK 1,500,000

Employee Representatives

Tommy Brunsårn

Södertälje

Born: 1959

Director since 2007

Employee representative Unionen

Main occupation: Lead Buyer MRO/Capex

Pär-Johan Lööf

Uppsala

Born: 1966

Director since 2013

Employee representative the Union for Professionals

Education: Agriculture, Swedish University of Agricultural

Sciences

Main occupation: Innovation Project Manager

Lantmännen R&D

Directorships: Naturbutiken på Öland AB, non-profit

association Cultivation in Balance (Odling i Balans) and

Stiftelsen Jordbruks- och Miljöteknisk Forskning (SJMFF).

Subordinated debentures: SEK 100,000

Tomas Welander

Gothenburg

Born: 1961

Director since 2012

Employee representative IF Metall

Main occupation: Service technician, Swecon

Other directorships: Employee representative, Swecon

Anläggningsmaskiner AB

Board Secretary

Tove Cederborg

Head of Legal Affairs

Born: 1964

Hired: 2011

Education: LLB, Lund University 1992

Directorships: Pensionsstiftelsen Grodden AB.

Auditors

Member representatives

Maude Fyrenius

Lärbro

Born: 1973

Auditor for Lantmännen since 2014

Education: Agrotechnician

Main occupation: Farmer, Consultancy and skills develop-

ment, Gotland County Administrative Board

Production: Crops, lamb and beef, nature conservation

Contribution issues: SEK 54,533*

Gustav Jansson

Enköping

Born: 1967

Auditor for Lantmännen since 2012

Education: Agriculture

Main occupation: Farmer, accounting consultant

Production: Crops, forestry

Contribution issues: SEK 777,487

Jimmy Grinsvall

Sätla

Born: 1974

Auditor for Lantmännen since 2019

Education: Agricultural and Rural Management

Main occupation: Farmer

Production: Beef, crops and forestry

Contribution issues: SEK 198,376

Authorized Public Accountant

Anders Kriström

Ernst & Young AB, Stockholm

Born: 1974

Auditor since 1999

Auditor for Lantmännen since 2015

Other assignments: Adecco, Canal Digital, HL Display,

Stanley Security

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



Carl-Peter Thorwid, Elisabeth Wallin Mononen, Håkan Pettersson, Per Arfvidsson, Tove Cederborg

Group Management

Holdings of subordinated debentures are reported as at January 28, 2020.

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: Svensk Kooperation ek för,
Hauptgenossenschaft Nord AG, and HK Scan Oyj.

Subordinated debentures: SEK 4,000,000

Per Arfvidsson

Executive Vice President, Supply Chain, Public and
Regulatory Affairs, IT, Digital Business Development
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), Foodhills AB
and Lund University.

Subordinated debentures: SEK 2,000,000

Werner Devinck

Senior Vice President Lantmännen Unibake

Born: 1958

Hired: 2013

Education: Economist, University of Leuven, Belgium

Christian Johansson

Senior Vice President & Group CFO since February 2020 *

Born: 1963

Hired: 2020

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

Directorships: Corporate Advisory Board, School of Business
Economics and Law, University of Gothenburg.

* Ulf Zenk, CFO until October 4, 2019.

Michael Sigfors acting CFO, Oct. 2019 to Feb 3, 2020.

Magnus Kagevik

Head of Energy Sector

Born: 1967

Hired: 2018

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

Directorships: PEMA Sweden AB, Viking Malt Oy,
Scandbio AB and SPBI Service AB.

Subordinated debentures: SEK 2,000,000

Håkan Pettersson

Head of Swecon Business Area

Born: 1956

Hired: 2002

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

Subordinated debentures: SEK 200,000



Werner Devinck, Elisabeth Ringdahl, Per Olof Nyman, Magnus Kagevik, Christian Johansson

Elisabeth Ringdahl

Head of Agriculture Sector

Born: 1965

Hired: 2015

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

Directorships: Rezekne JSC (Chairman), ThermoSeed Global, Scandagra Group AB, Lantmännen BioAgri AB, NötCenter Viken 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

Directorships: Swedish Food Federation, HKScan Oyj (Deputy).

Subordinated debentures: SEK 400,000

Elisabeth Wallin Mononen

Senior Vice President Human Resources

Born: 1959

Hired: 2005

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

Directorships: Hagabergs Mekaniska Aktiebolag (Deputy).

Tove Cederborg

Head of Legal Affairs, Group General Counsel

Born: 1964

Hired: 2011

Education: LLB, Lund University

Directorships: Pensionsstiftelsen Grodden.

Subordinated debentures: SEK 300,000

Risks and risk management

Risks are inherent in all business activity. Risks can arise from mismanagement or events and decisions that affect Lantmännen's business goals. Identifying and managing risks is an integral part of strategic planning and operational management and control.



Continuous business intelligence and internal and external dialogue with stakeholders are crucial to risk identification. Each year, an Enterprise Risk Management process is implemented with all business units. Risks and measures are identified and evaluated during the process.

Strategic risks are associated with business development and long-term planning, and Lantmännen's brand. Strategic risks are largely dealt with as part of the annual strategy work.

Operational risks are part of the Lantmännen's day-to-day operations, and include risks of handling errors, compliance with laws and regulations, and in financial reporting and internal control. Operational risk management is based on a number of central risk policies, our Code of Conduct and our internal processes and procedures.

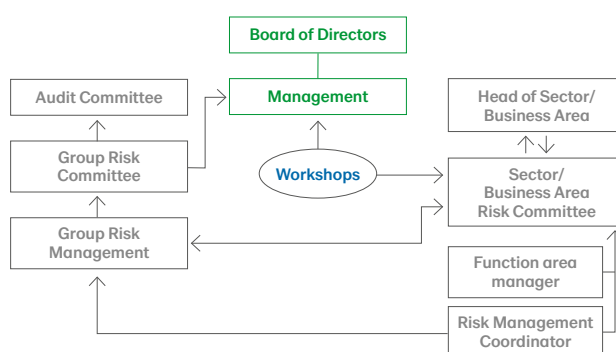
Lantmännen is exposed to *financial risks* that could cause fluctuations in earnings, cash flow and items in the statement of financial position. This risk management is described in Lantmännen's financial policy, which is the Group's overall governing document for financial risks. Financial status reporting and compliance with the financial policy are regularly reported to Group Management and the Board. Financial risks are assessed and managed on the basis of established financial and risk policies.

Lantmännen'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.

Every year, an Enterprise Risk Management process is conducted, when each business unit's risks are identified. Risk measures are established through workshops with each management team. The Group's risks are aggregated and the most significant identified risks are communicated to the Risk Committee, Group Management and the Board for ongoing monitoring.



The Group's Performance per Segment

Lantmännen's net sales for 2019 amounted to MSEK 48,523 (43,962), an increase of 10 percent. Sales increased in all segments during the year, with the largest increase in the Agriculture and Energy Sectors.

Agriculture Sector MSEK 21,841

The Agriculture Sector's net sales for 2019 are higher than in the previous year, which is largely due to continued high demand for feed and good development in the Finnish operations. The Sector's operating income adjusted for items affecting comparability is also higher than in the previous year at MSEK 210 (197), primarily due to a significantly higher result in the third four-month period.

Energy Sector MSEK 3,741

The Sector's net sales for 2019 are higher than in the previous year, and operating income adjusted for items affecting comparability is MSEK 355, a significant improvement from MSEK 200 the previous year.

Food Sector MSEK 16,867

Net sales in the Food Sector are higher than in the previous year, mainly due to a continuing increase in sales within Lantmännen Unibake. Operating income adjusted for items affecting comparability was MSEK 1,018 (787) – the Sector's highest ever result.

Swecon Business Area MSEK 8,588

The Swecon Business Area's net sales are higher than in the previous year, a trend we have seen for several years. Operating income is the highest ever, at MSEK 514, compared with MSEK 440 the previous year.

Real Estate Business Area MSEK 556

The Real Estate Business Area's net sales are higher than in the previous year. Operating income excluding all property sales is MSEK 223 (213), while operating income adjusted for property sales affecting comparability is MSEK 252 (265).



Performance per Segment

	Agriculture Sector		Energy Sector		Food Sector		Swecon Business Area		Real Estate Business Area		Lantmännen Group	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
MSEK												
Net sales	21,841	19,338	3,741	3,117	16,867	15,351	8,588	8,252	556	525	48,523	43,962
Operating income	83	131	375	168	924	748	514	440	349	265	1,983	1,443
Return on operating capital, %	1.0	2.0	30.3	14.6	5.2	5.0	37.4	104.6	12.8	11.9	6.8	6.0
Operating income, adjusted for items affecting comparability	210	197	355	200	1,018	787	514	440	223 ¹⁾	213 ¹⁾	2,087	1,580
Return on operating capital, adjusted for items affecting comparability, %	2.5	3.0	28.7	17.4	5.7	5.3	37.4	104.6	8.2 ¹⁾	9.6 ¹⁾	7.2	6.6

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

The Group's Ten-year overview

Condensed income statements

MSEK	2019	2018 ¹⁾	2017 ¹⁾	2016 ¹⁾	2015 ¹⁾	2014 ¹⁾	2013 ¹⁾	2012 ¹⁾	2011 ¹⁾	2010 ¹⁾
Net sales	48,523	43,962	39,686	37,244	35,660	32,666	33,802	36,526	37,896	35,988
EBITDA	4,046	2,806	2,919	2,771	2,573	2,556	2,193	1,698	2,570	2,624
Depreciation, amortization and impairment	-2,063	-1,363	-1,242	-1,165	-1,222	-1,103	-2,104	-1,185	-1,366	-1,565
Operating income	1,983	1,443	1,677	1,606	1,351	1,453	89	513	1,204	1,059
Finance income and costs	-210	-193	-156	-149	-105	-111	-4	-182	-337	-237
Income after financial items	1,773	1,250	1,521	1,457	1,246	1,342	85	331	867	822
Tax, minority	-222	-68	-216	-183	-156	-117	15	-91	-147	-97
Net income for the year	1,551	1,182	1,305	1,274	1,090	1,225	100	240	720	725

Condensed statements of financial position

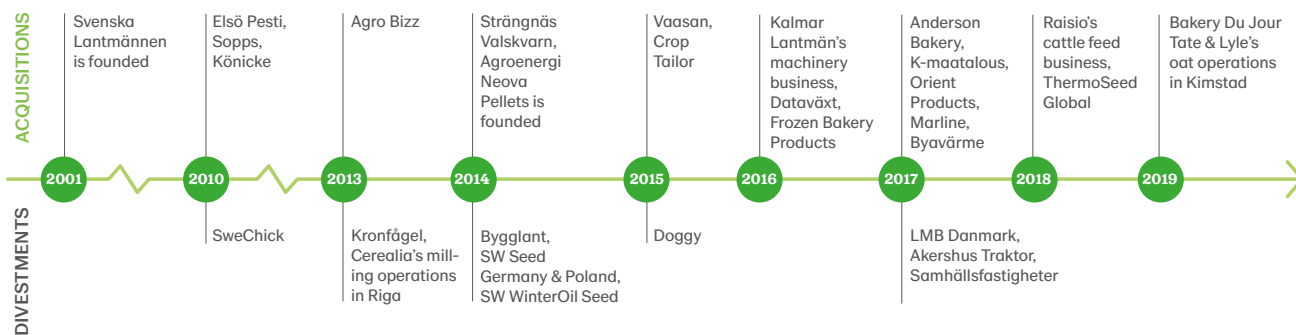
MSEK	2019	2018 ¹⁾	2017 ¹⁾	2016 ¹⁾	2015 ¹⁾	2014 ¹⁾	2013 ¹⁾	2012 ¹⁾	2011 ¹⁾	2010 ¹⁾
Property, plant and equipment	13,927	10,673	10,030	9,098	7,699	7,178	7,337	8,928	9,258	9,758
Goodwill	5,724	5,350	5,238	4,611	4,424	2,915	2,594	2,554	2,640	2,779
Other intangible assets	3,620	3,451	3,327	2,980	2,782	752	814	875	767	713
Other non-current assets	3,499	3,233	3,204	2,825	2,780	2,762	2,542	2,151	2,069	2,094
Total non-current assets	26,770	22,707	21,799	19,514	17,685	13,607	13,287	14,508	14,734	15,344
Inventories	6,561	6,943	5,948	5,270	5,545	5,379	5,249	5,946	5,506	5,224
Other current assets	6,680	6,725	5,866	5,933	5,599	5,087	5,170	5,561	5,642	5,572
Cash and cash equivalents	1,183	720	927	1,773	1,252	3,058	2,295	352	739	869
Total current assets	14,424	14,388	12,741	12,976	12,396	13,524	12,714	11,859	11,887	11,665
Total assets	41,194	37,095	34,540	32,490	30,081	27,131	26,001	26,367	26,621	27,009
Equity, members of the Parent	17,411	15,935	14,859	13,795	12,660	11,859	11,016	10,899	10,906	10,390
Equity, NCI	94	92	89	88	21	17	28	33	36	32
Total equity	17,505	16,027	14,948	13,883	12,681	11,876	11,044	10,932	10,942	10,422
Non-current liabilities	7,190	7,005	5,983	6,219	6,135	3,598	4,939	5,919	5,360	7,320
Current liabilities	16,499	14,063	13,609	12,388	11,265	11,657	10,018	9,516	10,319	9,267
Total equity and liabilities	41,194	37,095	34,540	32,490	30,081	27,131	26,001	26,367	26,621	27,009
Net debt	10,165	8,719	7,274	6,289	6,476	3,674	4,963	7,506	7,186	7,501
Refund and supplementary payment ^{2) 3)}	205	156	245	231	188	135	129	120	110	95
Extra dividend	-	-	133	-	-	-	-	-	-	-
Contribution dividend, contribution issue ³⁾	525	463	322	277	243	328	171	168	230	245

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

²⁾ Reported amounts may include adjustments compared with previous years' proposals.

³⁾ According to Board's proposal for 2019.

Lantmännen's major acquisitions, divestments and ownership interests



The Group's Ten-year overview

Key figures	2019	2018 ¹⁾	2017 ¹⁾	2016 ¹⁾	2015 ¹⁾	2014 ¹⁾	2013 ¹⁾	2012 ¹⁾	2011 ¹⁾	2010 ¹⁾
Operating margin, %	4.1	3.3	4.2	4.3	3.8	4.4	0.3	1.4	3.2	2.9
Capital turnover rate, times	1.7	1.8	1.8	1.8	1.8	2.1	2.0	2.0	2.1	1.9
Return on equity, %	9.1	7.6	9.0	9.6	8.9	10.6	0.9	2.2	6.7	7.0
Return on operating capital, %	6.8	6.0	7.8	8.0	7.5	9.1	0.5	2.8	6.5	5.7
Equity ratio, %	42.5	43.2	43.3	42.7	42.2	43.8	42.5	41.5	41.1	38.6
Net debt/EBITDA (bank definition)	2.25	3.25	2.70	2.53	2.85	2.02	2.62	4.31		
Net debt/equity ratio, times	0.6	0.5	0.5	0.5	0.5	0.3	0.4	0.7	0.7	0.7
Average number of employees	10,250	9,940	9,850	9,880	8,911	8,311	9,133	10,249	10,296	10,350

Excl. items affecting comparability	2019	2018 ¹⁾	2017 ¹⁾	2016 ¹⁾	2015 ¹⁾	2014 ¹⁾	2013 ¹⁾	2012 ¹⁾	2011 ¹⁾	2010 ¹⁾
Operating income, MSEK	2,087	1,580	1,708	1,697	1,351	851	805	747	1,063	1,223
Operating margin, %	4.3	3.6	4.3	4.6	3.8	2.6	2.4	2.0	2.8	3.4
Income after financial items, MSEK	1,877	1,387	1,552	1,548	1,246	740	683	565	841	946
Net income for the year, MSEK	1,652	1,289	1,353	1,457	1,066	595	494	457	634	804
Return on equity, %	9.7	8.2	9.4	11.0	8.7	5.1	4.4	4.2	5.9	7.8
Return on operating capital, %	7.2	6.6	7.9	8.4	7.5	5.3	4.7	4.1	5.7	6.5

Condensed statements of cash flows	2019	2018 ¹⁾	2017 ¹⁾	2016 ¹⁾	2015 ¹⁾	2014 ¹⁾	2013 ¹⁾	2012 ¹⁾	2011 ¹⁾	2010 ¹⁾
MSEK										
Cash flow from operating activities before changes in working capital	3,637	2,268	2,453	2,571	2,159	1,362	1,570	1,358	1,655	2,131
Cash flow from operating activities	4,226	1,023	2,398	3,136	2,167	1,767	2,294	983	1,015	2,157
Cash flow from investment in/sale of property, plant and equipment and intangible assets, net	-1,929	-1,626	-2,274	-1,884	-811	-697	-862	-1,163	-160	-684
Cash flow from operations	2,297	-603	124	1,252	1,356	1,070	1,432	-180	855	1,473
Cash flow from acquisitions and divestments of operations, net ²⁾	-473	-333	-852	-357	-4,154	1,065	1,196	0	0	-105
Cash flow before financing activities	1,837	-824	-703	826	-2,674	2,077	2,450	-222	876	2,692
Cash flow for the year	454	-219	-852	489	-1,775	778	1,943	-379	-128	512
Cash and cash equivalents at end of year	1,183	720	927	1,773	1,252	3,058	2,295	352	739	869

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

²⁾ 2019 includes acquisition of Bakery Du Jour and Tate & Lyles oat operations.

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, Data Växt 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 Dzirnaviēks.

2010 includes acquisition of 37 percent of Bakehouse and divestment of SweChick, Ecobrånslé and Conagri.

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

	MSEK	2019	2018 ¹⁾
Sales This is where you will find the Company's total sales.	Net sales	48,523	43,962
	Other operating income	482	279
	Changes in inventories of finished goods and work in progress	-207	-301
	Raw materials and consumables	-14,298	-12,767
	Merchandise	-16,734	-15,583
Costs The costs of producing and selling goods and services are shown here.	Employee benefits expense	-6,573	-6,037
	Depreciation, amortization and impairment	-2,063	-1,363
	Other operating expenses	-7,113	-6,866
	Share of income of equity accounted companies	-34	119
Operating income This shows whether sales are profitable.	Operating income	1,983	1,443
	Finance income	112	96
Financial items Income or expenses associated with loans, investments, shares, securities, etc.	Finance costs	-322	-289
	Income after financial items	1,773	1,250
	Tax	-222	-68
Income This is also called profit after tax.	Net income for the year	1,551	1,182
	Net income for the year attributable to:		
	Members of the economic association	1,545	1,176
	Non-controlling interests	6	6

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	2019	2018 ¹⁾
	Net income for the year	1,551	1,182
	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	-298	-30
	Financial assets at fair value through other comprehensive income, net before tax	121	-69
	Tax attributable to items that will not be reclassified	53	12
	Total	-124	-87
	<i>Items that will be reclassified to the income statement</i>		
	Cash flow hedges, net before tax	-60	30
	Exchange differences on translation of foreign operations	317	198
	Net gain on hedge of net investment in foreign operations, net before tax	-31	-50
	Tax attributable to items that will be reclassified	9	15
	Total	235	193
	<i>Share of OCI in equity accounted companies</i>		
	Items that will be reclassified to the income statement	30	83
	Total	30	83
	Other comprehensive income, net of tax	141	189
Total comprehensive income This shows the results of the year's operations and remeasurements. The amount increases or reduces the Group's equity.	Total comprehensive income	1,692	1,371
	Total comprehensive income attributable to:		
	Members of the economic association	1,686	1,365
	Non-controlling interests	6	6

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

Consolidated Statement of Financial Position

The statement of financial income 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.

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	2019 Dec 31	2018 ¹⁾ Dec 31
ASSETS		
Non-current assets		
Property, plant and equipment	13,297	10,012
Investment properties	630	661
Goodwill	5,724	5,350
Other intangible assets	3,620	3,451
Equity accounted holdings	2,490	2,299
Non-current financial assets	620	629
Deferred tax assets	252	248
Other non-current assets	137	57
Total non-current assets	26,770	22,707
Current assets		
Inventories	6,561	6,943
Trade and other receivables	6,488	6,668
Current interest-bearing assets	123	39
Current tax assets	69	18
Cash and cash equivalents	1,183	720
Total current assets	14,424	14,388
TOTAL ASSETS	41,194	37,095
MSEK		
EQUITY AND LIABILITIES		
Equity		
Contributed capital	2,959	2,664
Other contributed capital	3,110	3,110
Reserves	819	442
Retained earnings incl. net income	10,523	9,719
Total equity attributable to members of the economic association	17,411	15,935
Non-controlling interests	94	92
Total equity	17,505	16,027
Non-current liabilities		
Non-current interest-bearing liabilities	5,263	5,493
Provisions for pensions	942	611
Deferred tax liabilities	720	650
Other non-current provisions	251	208
Other non-current liabilities	14	43
Total non-current liabilities	7,190	7,005
Current liabilities		
Current interest-bearing liabilities	5,886	4,002
Trade and other payables	9,714	9,280
Current tax liabilities	149	103
Current provisions	750	678
Total current liabilities	16,499	14,063
TOTAL EQUITY AND LIABILITIES	41,194	37,095

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

Consolidated Statement of Cash Flows

Consolidated Statement of Cash Flows

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. Financial items and 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.

MSEK	2019	2018 ¹⁾
OPERATING ACTIVITIES		
Operating income	1,983	1,443
Adjustment for non-cash items ²⁾	2,037	1,191
	4,020	2,634
Financial items paid, net	-210	-234
Taxes paid	-173	-132
Cash flow from operating activities before changes in working capital	3,637	2,268
<i>Cash flow from changes in working capital</i>		
Change in inventories	468	-857
Change in operating receivables	68	-588
Change in operating liabilities	53	200
	589	-1,245
Cash flow from operating activities	4,226	1,023
INVESTING ACTIVITIES		
Acquisitions of operations (incl. capital contribution)	-669	-373
Divestment of operations	196	40
Investment in property, plant & equipment	-2,086	-1,714
Investment in intangible assets	-115	-111
Sale of property, plant & equipment and intangible assets	272	199
Change in financial investments	13	112
Cash flow from investing activities	-2,389	-1,847
Cash flow before financing activities	1,837	-824
FINANCING ACTIVITIES		
Change in interest-bearing liabilities including pension provisions	-1,054	1,108
Paid-in contributed capital	114	161
Refunded capital contribution	-69	-61
Dividend paid	-374	-603
Cash flow from financing activities	-1,383	605
Cash flow for the year	454	-219
Cash and cash equivalents at beginning of year	720	927
Exchange differences in cash and cash equivalents	9	12
Cash and cash equivalents at end of year	1,183	720

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

MSEK	2019	2018
Adjustment for non-cash items		
Depreciation, amortization and impairment of non-current assets	2,063	1,363
Share of income of equity accounted companies	92	-58
Capital gains/losses on sale of non-current assets and operations	-130	-45
Other non-cash items	12	-69
Total	2,037	1,191

Consolidated Statement of Changes in Equity

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, 2018	2,464	3,010	230	9,122	14,826	89	14,915
Net income for the year	-	-	-	1,176	1,176	6	1,182
Other comprehensive income, net of tax	-	-	212	-23	189	-	189
Total comprehensive income	-	-	212	1,153	1,365	6	1,371
Distributions to owners	100	100	-	-556	-356	-3	-359
Contributed capital paid in by members	161	-	-	-	161	-	161
Contributed capital paid out to members	-61	-	-	-	-61	-	-61
Closing balance, December 31, 2018	2,664	3,110	442	9,719	15,935	92	16,027

Changes due to amended accounting policies in associates	-	-	-	115	115	-	115
Opening balance, January 1, 2019	2,664	3,110	442	9,834	16,050	92	16,142
Net income for the year	-	-	-	1,545	1,545	6	1,551
Other comprehensive income, net of tax	-	-	377	-236	141	-	141
Total comprehensive income	-	-	377	1,309	1,686	6	1,692
Distributions to owners	250	-	-	-620	-370	-4	-374
Contributed capital paid in by members	114	-	-	-	114	-	114
Contributed capital paid out to members	-69	-	-	-	-69	-	-69
Closing balance, December 31, 2019	2,959	3,110	819	10,523	17,411	94	17,505

Equity attributable to members of the economic association, MSEK	2019	2018
Contributed capital, paid in	1,373	1,318
Contributed capital, issued	1,586	1,346
Other equity	14,452	13,271
Total equity attributable to members of the economic association	17,411	15,935

Description of financial performance measures

Key figures	Description	Reason for use
Adjusted income	Adjusted income is income net of items affecting comparability.	An adjustment to exclude items affecting comparability.
Average equity/operating capital	Average capital is computed on the closing balance of each month in the accounting period, i.e. twelve periods for the full year. All average capital ratios are calculated in this way.	Ensures accurate calculation of return on equity and operating capital.
CAGR	Compound annual growth rate.	Shows the return on an investment.
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 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 debt/equity ratio	Net debt divided by equity.	Shows financial risk and is therefore used to view the level of debt funding.
Net financial income	Net financial income is finance income less finance costs.	Shows the net result of the company's financial operations.
Operating capital	Operating capital is calculated as non-interest-bearing assets minus non-interest-bearing liabilities. Tax assets and tax liabilities are not included in operating capital's assets and liabilities.	Shows how much capital is used in the operations.
Operating income	Operating income consists of net sales and other operating income less operating expenses.	Shows the result of operating activities.
Operating margin	The operating margin is operating income as a percentage of net sales for the period.	Shows the profitability of the operations.
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.

Glossary

Agenda 2030 ● The UN's 17 sustainability goals in Agenda 2030 were adopted by the UN countries in September 2015 and are a common vision with goals for achieving sustainable development for all.

Agrodrank ● Protein-rich animal feed produced at Agroetanol in Norrköping.

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.

BRC ● British Retail Consortium, a global food safety standard.

Carbon Law ● Researchers' name for the rate required to reduce the climate impact in line with the Paris Agreement target of keeping 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.

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.

Genomic selection ● New plant breeding technology based on statistical models and genetic mapping.

Global Compact ● UN corporate social responsibility initiative. An international framework of ten principles in the areas of human rights, labor, environment and anti-corruption.

GRI ● Global Reporting Initiative. Provides guidelines for sustainability reporting that can be used by organizations to report environmental, social and economic aspects of their business, products and services.

IFRS ● International Financial Reporting Standards. Learn more at [ifrs.com](https://www.ifrs.com)

ISDA agreement ● A standardized contract for financial trading.

LCR ● Liquidity coverage ratio, can also be described as the proportion of highly liquid assets that can be used to settle current liabilities.

Pulses ● Cultivated large-seeded legumes, such as peas, vetches, lupins and beans.

R&D ● Research and Development. Research and development.

RSPO ● Round Table on Sustainable Palm Oil. International round table process to develop criteria for sustainable palm oil. More about the RSPO certification levels Book & Claim, Mass Balance and Segregated can be found at [rspo.org](https://www.rspo.org)

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

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.

Volatile ● Tending to vary often or widely.

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Design & production: Wildeco

Photos: Johan Olsson, Märten Svensson, Lantmännen's image bank, Adobe Stock photos.

Printing: Printed by TMG Sthlm. TMG Sthlm is ISO 9001- and 14001-certified.

Paper: Scandia 2000 – produced in Lessebo Paper in Sweden.

This paper has one of the very lowest carbon footprints in Europe.

This applies to every stage of the production chain

– from the felling of a tree to the departure of the finished product from the factory gate.

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value from arable land
resources in a responsible
manner and is part of
food consumers'
everyday life.**



**Together we take
responsibility
from field to fork**

