

# Lantmännen's Interim Report

## January - August 2020

### Financial development

- Net sales amounted to MSEK 30,509 (31,729), a decline of 4 percent, mainly due to the effects of the corona pandemic.
- Operating income was MSEK 1,443 (1,217). There were no items affecting comparability. The largest improvements were in the Agriculture Sector and the Energy Sector.
- Income after financial items was MSEK 1,320 (1,075).
- Cash flow before financing activities was MSEK 1,667 (995).
- Investments totaled MSEK 1,166 (1,480).

### Significant events

- Lantmännen's annual general meeting in May adopted a refund and supplementary payment, a contribution dividend and a contribution issue, which together represent a dividend of MSEK 733 to members.
- The Swedish harvest has been very intensive this year, particularly during August when historically high volumes of grain were delivered to Lantmännen's facilities in a short space of time. The forecast for the total harvest indicates a volume just above the five-year average. Grain quality has generally been very good, with good protein levels and low water content.

### Lantmännen's key figures

	2020 May-Aug	2019 May-Aug	2020 Jan-Aug	2019 Jan-Aug	2019 Jan-Dec
Net sales, MSEK	14,779	16,395	30,509	31,729	48,523
Operating income, MSEK	943	809	1,443	1,217	1,983
Operating margin, %	6.4	4.9	4.7	3.8	4.1
Income after financial items, MSEK	873	740	1,320	1,075	1,773
Net income for the period, MSEK	759	644	1,135	936	1,551
Cash flow before financing activities, MSEK	1,178	1,284	1,667	995	1,837
Return on equity, %	13.2	11.5	9.7	8.4	9.1
Return on operating capital, %	10.4	8.3	7.8	6.3	6.8
Total assets, MSEK			43,019	43,881	41,194
Equity ratio, %			40.9	39.3	42.5
Investments in non-current assets, MSEK	535	807	1,166	1,480	2,201
Net debt, MSEK			8,977	11,820	10,165
Interest coverage ratio, times			7.8	6.9	7.4
Average number of employees			10,038	10,260	10,250

### Adjusted for items affecting comparability

Operating income, MSEK	943	824	1,443	1,232	2,087
Operating margin, %	6.4	5.0	4.7	3.9	4.3
Income after financial items, MSEK	873	755	1,320	1,090	1,877
Net income for the period, MSEK	759	657	1,135	949	1,652
Return on equity, %	13.2	11.7	9.7	8.5	9.7
Return on operating capital, %	10.4	8.4	7.8	6.3	7.2

# President's overview



Lantmännen's income after financial items, adjusted for items affecting comparability, for the first eight months amounts to MSEK 1,320 – a significant improvement compared with the previous year's income of MSEK 1,090. The global corona pandemic is estimated to have had a negative effect of MSEK 275 on earnings.

Operating income for the first two four-month periods of 2020 is Lantmännen's highest ever. It is pleasing to be able to deliver such a strong result, and to have done so during a global pandemic and against the backdrop of a weaker global economy. Employees in all of our Sectors and Business Areas have shown great resolve in their quick and thorough implementation of necessary measures to deal with the effects of the corona outbreak. In addition, our broad business portfolio once again shows that it is a strength in troubled times.

The Foodservice market – i.e. hotels and restaurants, fast food outlets, convenience stores and similar – has declined sharply as a result of social lockdowns, while other product categories in our food range have benefited from an increased tendency for people to eat at home. Our agricultural and construction machinery businesses have been affected by our suppliers' factory closures and a weaker market, while our agricultural operations have hardly been affected at all. Overall, the corona pandemic is estimated to have had an adverse effect of MSEK 275 on Lantmännen's earnings.

Many countries continue to face major challenges in slowing the spread of the virus and there is growing concern that a second wave is coming. The situation is relatively stable at present in the Nordic region, where most of our employees are located, although the spread of infection has increased again. Our three main priorities remain in place: to protect our employees, to protect our businesses – and to take our social responsibility.

The Swedish harvest is coming to an end. Favorable weather has resulted in a short and intense harvest period with occasionally very high pressure on our grain reception facilities. Apart from slightly longer waiting times due to large deliveries during a short period of time, the year's harvest work has progressed well. The forecasts for the total harvest indicate a volume just above the five-year average,

with generally very good grain quality, good protein levels and low water content.

Our Swedish agricultural operations are delivering significantly higher earnings this year compared with the previous year, which was still affected by the difficult situation after the 2018 drought. All operations within the Energy Sector continue to develop positively and deliver strong financial results. The main increase in earnings is due to a higher ethanol price, improved yields and higher produced volumes. Our industrial operations in the Food Sector have done an excellent job of adapting the businesses to the current situation: in some areas through major cost savings and in others through a rapid increase in capacity utilization in production. The same applies to the Swecon Business Area, which has carried out thorough cost-reduction work to adapt to a lower order intake, while strengthening its position in the Swedish construction machinery market. Several strategically important initiatives are in progress aimed at strengthening our positions in the grain value chain – among other things, we have decided to expand our production capacity for heat-treated oats at the Kimstad facility.

We still face major challenges at all levels of society – no-one knows how long the corona pandemic will last, and it is still very difficult to assess what the overall social and economic consequences will be. However, I feel confident that Lantmännen as a company will continue to be stable: we have a strong financial position, we generate a good cash flow and we are delivering a historically high result. Overall, this means that we have good conditions to achieve a good refund and supplementary payment for our members also for the full year 2020.

Per Olof Nyman  
President & CEO, Lantmännen

# Comments on the period

The Group's net sales and earnings,  
January-August 2020

## Net sales

Lantmännen's net sales for the second four-month period amounted to MSEK 14,779 (16,395), a decline of 10 percent, 2 percent of which was due to currency translation effects. Net sales for the eight-month period amounted to MSEK 30,509 (31,729), a decline of 4 percent.

Sales increased in the Energy Sector but declined in all other segments, both for the four-month period and the first eight months. The decline in sales was greatest in Lantmännen Unibake in the Food Sector, which was negatively affected by lockdowns in several countries due to the corona outbreak.

## Operating income

Operating income for the second four-month period was MSEK 943 (809). Operating income for 2020 has not been affected by items affecting comparability. During the same period in 2019, net items affecting comparability amounted to MSEK -15 and adjusted operating income was MSEK 824. Operating income for the eight-month period was MSEK 1,443 (1,217) and adjusted for items affecting comparability MSEK 1,443 (1,232). Lantmännen's operations have been affected by the global corona pandemic to varying extents. In total, it is estimated that operating income for the eight-month period was affected by a net amount of MSEK 275.

Operating income for both the four-month period and the first eight months improved significantly in the Agriculture and Energy Sectors, but Lantmännen Cerealia in the Food Sector also showed an improved result. Operating income for Lantmännen Unibake, which has been most adversely affected by the pandemic, was significantly lower than in the previous year.

Currency translation effects had a negative impact of MSEK 23 on Lantmännen's operating income for the four-month period and MSEK 21 for the first eight months.

## Net financial income and income after financial items

Net financial income for the second four-month period was MSEK Lantmännens -70 (-69). Income after financial items was MSEK 873 (740).

Net financial income for the full period was MSEK -123 (-142). The change in net financial items is mainly explained by positive currency translation effects. Income after financial items for the first eight-months was MSEK 1,320 (1,075).

## Tax and income after tax

Tax expense for the first eight months was MSEK 185 (139). Tax is calculated using the estimated tax rate for the full year.

Income after tax amounted to MSEK 1,135 (936), with MSEK 1,126 (930) of this figure attributable to members of the economic association and MSEK 9 (6) to non-controlling interests (minority ownership) in the Group's subsidiaries.

## Cash flow

Cash flow from operating activities was MSEK 2,745 (2,588). The operating surplus contributed MSEK 2,562 (2,227), while cash flow from working capital contributed MSEK 183 (361).

Investments in non-current assets were MSEK -1,166 (-1,480) and sales of non-current assets contributed MSEK 135 (124), which meant that net investments for the period were MSEK -1,031 (-1,356). The investments include Lantmännen Agroetanol's investments in new feed dryers and Swecon's new facility in Tallinn and investments in rental machines. Net acquisitions and divestments of operations amounted to MSEK -54 (-312).

Cash flow before financing activities was MSEK 1,667 (995), an increase of MSEK 672, partly due to higher

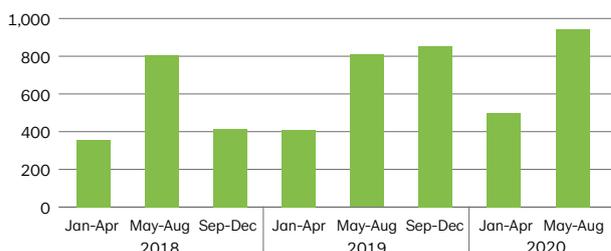
## Net sales

MSEK



## Operating income

Adjusted for items affecting comparability, MSEK





earnings and partly due to a low level of investments in 2020 compared with the same period the previous year.

The change in interest-bearing liabilities was MSEK 63 (-73). The change includes MSEK 250 from Lantmännen's subordinated debenture program, issued in January 2020. The period's cash flow including financing activities was MSEK 1,259 (593).

#### Financial position

Equity at August 31 amounted to MSEK 17,589 (17,505, year-end). This includes MSEK 94 (94, year-end) attributable to owners other than members of the economic association, i.e. the minority interest in Group companies.

Net debt was MSEK 8,977 (10,165, year-end) and has declined by a total of MSEK 1,188 since year-end.

Cash and cash equivalents at August 31 amounted to MSEK 2,423 (1,183, year-end) and total assets were MSEK 43,019 (41,194, year-end). Total assets have increased by MSEK 1,825, mainly due to increased operating receivables and operating liabilities.

The equity ratio was 40.9 percent (42.5, year-end).

#### Risks and uncertainties

The risks in Lantmännen's operations are strategic risks (related to trademarks, climate, external regulations, the economy etc.), operational risks (e.g. fluctuating energy, ethanol and commodity prices) and financial risks. The risks are described in detail in Lantmännen's Annual Report ([Lantmannen.com/financialinformation](http://Lantmannen.com/financialinformation)).

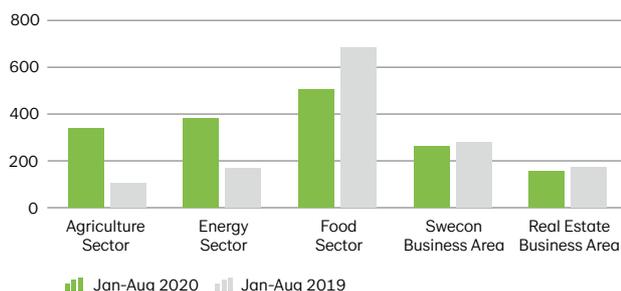
Updates of these risks and uncertainties that Lantmännen has identified and considers relevant in the short term are related to pandemics. The outbreak of the coronavirus across the world has led to extensive disruptions to the economies of many countries, including Lantmännen's most important markets. The disruptions affect Lantmännen's operations in various ways, including reduced demand for goods and services, delivery disruptions and limited supply of input goods.

#### Changes in the Group

In June, Lantmännen Unibake acquired a bakery business in Norway through the acquisition of production equipment and warehouses. The business has annual sales of just under

#### Operating income per segment, accumulated Jan-Aug

Adjusted for items affecting comparability, MSEK



#### Cash flow before financing activities

MSEK





MSEK 30 and approximately 20 employees were covered by the acquisition.

#### Human resources

The average number of employees during the first eight months was 10,038 (10,260) and the number of full-time employees at August 31 was 10,425 (10,552). The number of employees has varied during the year due to furloughing as a result of the corona pandemic and was at its lowest at the end of April. Since then, the number of employees has gradually increased again.

#### Other significant events during the four-month period

With the focus on farmers, Lantmännen, LRF, Hushållningssällskapet and Växa Sverige have established a partnership to develop a common data platform – Lantbrukets Dataplattform – for increased profitability, sustainability and innovation in farming.

#### Lantmännen's Annual General Meeting

At Lantmännen's annual general meeting in May, which was held digitally due to the corona pandemic, Jan Ehrensverd

was elected as a new Board member for two years, and Board members Sonat Burman-Olsson and Per Wijkander were re-elected for two years. The other Board members are Per Lindahl, Gunilla Aschan, Johan Bygge, Johan Mattsson, Henrik Wahlberg and Hans Wallemyr. The meeting adopted a refund and supplementary payment, contribution dividend and contribution issue, which together represent a dividend of MSEK 733 to members. In addition, the Swedish code for the governance of cooperatives and mutual undertakings was adopted.

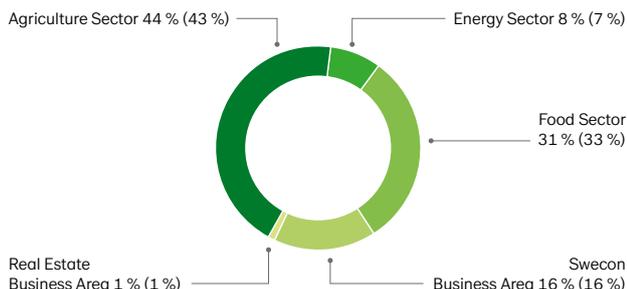
At the statutory Board meeting, Per Lindahl was re-elected Chairman and Hans Wallemyr Vice Chairman.

#### Events after the end of the period

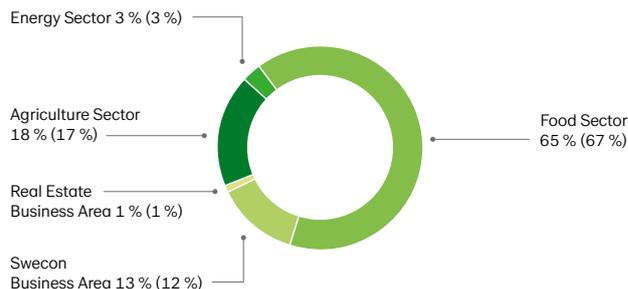
On October 1, Håkan Pettersson, Head of Business Area Swecon, retired as planned. Håkan is succeeded by Niklas Lindberg, former CFO of Swecon. Niklas also replaces Håkan in Lantmännen's Group Management.

#### Distribution of the Group's sales

Including intra-Group sales



#### Distribution of the Group's employees





## Agriculture Sector

The Agriculture Sector's net sales for the first eight months of the year are in line with the previous year, while operating income is significantly higher than in the previous year: MSEK 339 (104). The higher result is driven by improved earnings in the Swedish operations – however, the first half of 2019 was strongly affected by the consequences of the 2018 drought. The result for the year in the Swedish operations is in line with the good results in 2016 and 2017.

The Swedish harvest has been very intensive this year, particularly during August when historically high volumes of grain were delivered to Lantmännen's facilities in a short space of time. Forecasts for the total harvest indicate a volume just above the average for the last five years. Grain quality has generally been very good, with good protein levels and low water content. Apart from some queuing at Lantmännen's facilities and longer waiting times for collection on the farm due to the high harvest rate, the harvest work proceeded well. The conditions for fall sowing are good and demand for seed has been significantly higher than in the previous year.

Sales of feed remain at a high level, but are not at the previous year's volumes, which increased sharply due to the 2018 drought. The proportion of Swedish beef and pork consumption continues to increase and settlement prices for all production categories are stable. Horse feed manufacturer Lantmännen Krafft has increased the sales volume in Sweden, which in turn has strengthened its earnings.

Sales for the Finnish agricultural operations are lower than in the previous year, but earnings are in line with the previous year due to synergies and lower overheads. The harvest in Finland has not reached the forecast level: unfavorable weather conditions have meant that the majority of the harvest will come in later than usual, and the total volume is estimated to be about 15 percent lower than in the previous year. The process of further integrating the Finnish and Swedish operations continues.

The Sector's international holdings in Germany, Poland and the Baltic countries have delivered higher earnings than in the previous year. However, the first half of 2019 was strongly affected by the 2018 drought.

Lantmännen Maskin's sales are lower than in the previous year: the total market for tractors is slightly lower than in the previous year, although the market strengthened during summer. The lower sales have been offset to some extent by continued improvement measures and reduced overheads. Demand for servicing and spare parts remains stable. In June, Lantmännen Maskin launched its new e-commerce solution, with approximately 1 million items.

During the four-month period, Lantmännen invested in a new ThermoSeed facility for chemical-free treatment of seed in Skänninge in Östergötland.

Lantmännen Lantbruk has made a number of digital broadcasts to replace the large Borgeby and Brunnby agricultural fairs, which have been canceled due to the corona pandemic.

### Agriculture Sector

Adjusted for items affecting comparability, MSEK





### Key figures, Agriculture Sector

	2020 May-Aug	2019 May-Aug	2020 Jan-Aug	2019 Jan-Aug	Change
Net sales, MSEK	6,736	7,314	14,329	14,543	-1 %
Operating income, MSEK	235	132	339	104	235
Operating margin, %	3.5	1.8	2.4	0.7	
Return on operating capital, %	9.1	5.0	6.5	1.9	
Average number of employees			1,764	1,730	2 %

### Lantmännen Lantbruk Sweden

	2020 May-Aug	2019 May-Aug	2020 Jan-Aug	2019 Jan-Aug	Change
Net sales, MSEK	4,146	4,314	8,786	8,763	0 %
Operating income, MSEK	156	42	244	36	208
Operating margin, %	3.8	1.0	2.8	0.4	
Return on operating capital, %	12.5	3.4	9.9	1.3	
Average number of employees			817	787	4 %

### Lantmännen Maskin Sweden

	2020 May-Aug	2019 May-Aug	2020 Jan-Aug	2019 Jan-Aug	Change
Net sales, MSEK	1,197	1,361	2,352	2,484	-5 %
Operating income, MSEK	11	27	1	16	-15
Operating margin, %	0.9	2.0	0.0	0.6	
Return on operating capital, %	2.5	5.9	0.1	1.7	
Average number of employees			768	759	1 %



## Energy Sector

The Sector's net sales are slightly higher than in the previous year, and operating income for the first eight months, adjusted for items affecting comparability, is MSEK 380 – more than twice the previous year's income of MSEK 167.

All the Sector's operations are developing positively and delivering higher results than in the previous year. The main increase in earnings was in Lantmännen Agroetanol and is mainly due to a higher ethanol price, improved yields and higher produced volumes. After reinvestment in new feed dryers, production at Agroetanol's facility has stabilized according to plan.

Lantmännen Reppe's operations developed well during the second four-month period. In March, Reppe decided to restructure parts of its distribution in order to also supply raw material for the production of hand sanitizer and disinfectants; this has continued to a lesser extent during the second four-month period. Demand for starch for the paper industry has declined due to reduced use of fine paper during the corona pandemic.

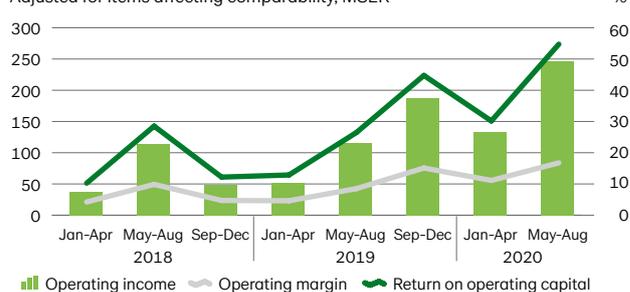
At the beginning of the year, Lantmännen Aspen experienced reduced demand due to lockdowns in Europe to halt the spread of the coronavirus – particularly in the French operations. However, sales showed a marked increase during summer, and the total sales volume is now higher than in the previous year.

Lantmännen Oats has improved production efficiency in its Kimstad facility, and the new product PromOat Instant was launched in July – the first beta-glucan made from Swedish-grown oats that is fully soluble in water. A joint investment project has been started together with Lantmännen Cerealia, which will expand the Group's capacity for refined oat products.

In mid-September, the government and its allies announced that they had reached an agreement on levels of increased blending of biofuels in petrol and diesel by 2030. This probably means that ethanol blending in petrol and diesel will already increase during 2021-2022.

### Energy Sector

Adjusted for items affecting comparability, MSEK



### Key figures, Energy Sector

	2020 May-Aug	2019 May-Aug	2020 Jan-Aug	2019 Jan-Aug	Change
Net sales, MSEK	1,453	1,350	2,639	2,513	5 %
Operating income, MSEK	247	135	380	187	193
Operating margin, %	17.0	10.0	14.4	7.4	
Return on operating capital, %	56.1	31.7	43.5	22.6	
Operating income, adjusted for items affecting comparability, MSEK	247	115	380	167	213
Operating margin, adjusted for items affecting comparability, %	17.0	8.5	14.4	6.6	
Return on operating capital, adj. for items affecting comparability, %	56.1	27.0	43.5	20.2	
Average number of employees			337	296	14 %



Good food from  
Lantmännen



## Food Sector

Net sales for the Food Sector are lower than in the previous year, mainly due to reduced Foodservice sales within Lantmännen Unibake as a result of lower demand during the ongoing corona crisis. The Sector's operating income adjusted for items affecting comparability is also lower than in the previous year: MSEK 504 (682).

Unibake's markets have been affected to varying degrees. The largest sales decline has occurred in markets where customers consist mainly of hotels, restaurants, fast food chains and airlines. Demand for bake-off products has also fallen, while sales of fresh bread have increased slightly. Intensive and thorough work has been carried out to reduce costs and adapt production to the new situation, which has partly compensated for the loss in sales.

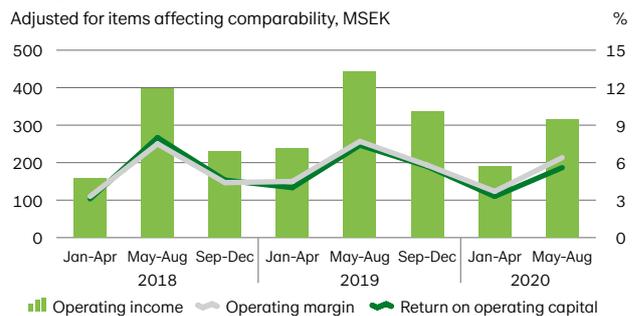
In June, Unibake acquired a bakery business in Norway. The acquisition is an important step towards being able to provide sustainable products and bakery solutions in Norway – and meeting consumer demand for locally produced products.

Lantmännen Cerealia has continued to improve its earnings, partly due to increased sales of consumer products during the corona pandemic and partly through the improvement program implemented during the last year. Delivery reliability has been good despite rapidly increasing demand,

thanks to good dialogue with customers and methodical efforts to scale up production.

Earnings for the partly-owned company Viking Malt are in line with the previous year. Demand for malting barley from breweries and distilleries has declined, mainly due to canceled sporting and entertainment events.

### Food Sector



### Key figures, Food Sector

	2020 May-Aug	2019 May-Aug	2020 Jan-Aug	2019 Jan-Aug	Change
Net sales, MSEK	4,903	5,752	10,007	11,058	-10 %
Operating income, MSEK	314	408	504	647	-143
Operating margin, %	6.4	7.1	5.0	5.9	
Return on operating capital, %	5.6	6.8	4.4	5.4	
Operating income, adjusted for items affecting comparability, MSEK	314	443	504	682	-178
Operating margin, adjusted for items affecting comparability, %	6.4	7.7	5.0	6.2	
Return on operating capital, adj. for items affecting comparability, %	5.6	7.4	4.4	5.7	
Average number of employees			6,372	6,717	-5 %



## Swecon Business Area

The Swecon Business Area's net sales are lower than in the previous year. The loss in sales has been offset to some extent by successful work on cost savings throughout the business, and operating income is still in line with the previous year's record result: MSEK 262 (277).

Both the total market for construction machinery and Swecon's order intake during the first months of the year have been significantly lower than in the previous year. However, the general downturn in the economy as a result of the corona pandemic has not hit the construction industry as hard as other areas – demand has picked up again in summer and many infrastructure projects are continuing as planned. The factory closures in the first four-month period have ceased, and the supply of machinery is now back to normal levels.

Swecon has further strengthened its market share in Sweden during the second four-month period, while competition continues to be tough in Germany – particularly in the heavy machinery segment. The Baltic operations are showing stable development.

Demand in the service market remains good. However, spare parts sales declined slightly during the second four-month period, due to lower utilization of older machines by Swecon's customers.

Two large transactions were signed during the second four-month period. In Sweden, the Yrkesakademin training institution has placed an order for 34 machines that will

be located in eight of the locations where Yrkesakademin trains machine operators. The first machines were delivered in September. In Germany, Hoffmann Baumaschinen, one of the country's largest players in rental and servicing of large construction machinery, has placed an order for 40 machines.

In June, Swecon moved into the new facility in Wustermark in Germany. The newly built facility, which is built and equipped with the latest technology, is located just outside Berlin with very good connections to the region's motorways.

### Swecon Business Area



### Key figures, Swecon Business Area

Net sales, MSEK  
 Operating income, MSEK  
 Operating margin, %  
 Return on operating capital, %  
 Average number of employees

	2020 May-Aug	2019 May-Aug	2020 Jan-Aug	2019 Jan-Aug	Change
Net sales, MSEK	2,418	2,893	5,033	5,396	-7 %
Operating income, MSEK	139	138	262	277	-15
Operating margin, %	5.7	4.8	5.2	5.1	
Return on operating capital, %	28.5	28.3	26.8	31.4	
Average number of employees			1,242	1,194	4 %



## Real Estate Business Area

The Real Business Area's net sales are in line with the previous year. Operating income excluding property sales amounts to MSEK 149 (148).

Activity in the property market has been low during the year, which means that few property transactions have been conducted and the focus has primarily been on day-to-day management.

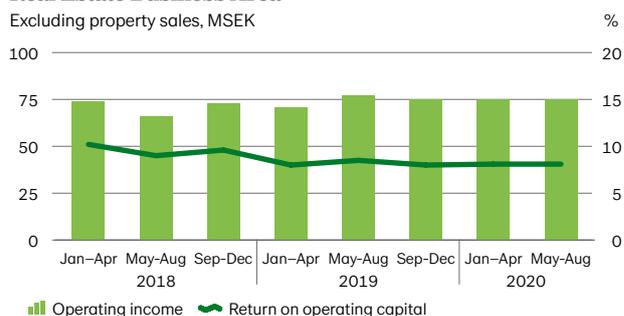
The Business Area's major projects are proceeding according to plan and include the construction of Lantmännen's new offices along with housing and retirement homes in Malmö. The schedule for the project is fixed, and Lantmännen plans to move into the new building in April 2022.

Lantmännen is continuing its review of properties that are strategically important from a preparedness and contingency perspective – with a focus on, for example, food supply and logistics for agriculture.

Lantmännen Agrovärme's earnings are lower than in the previous year, due to the mild winter and warm start to the year.

### Real Estate Business Area

Excluding property sales, MSEK



### Key figures, Real Estate Business Area

	2020 May-Aug	2019 May-Aug	2020 Jan-Aug	2019 Jan-Aug	Change
Net sales, MSEK	171	170	366	365	0 %
Operating income, excluding property sales, MSEK	74	77	149	148	1
Operating income, MSEK	74	85	154	174	-20
Return on operating capital, adj. for property sales, %	8.1	8.5	8.1	8.3	
Average number of employees			43	47	-8 %

## Condensed consolidated income statement

MSEK	2020 May-Aug	2019 May-Aug	2020 Jan-Aug	2019 Jan-Aug	Sep 2019- Aug 2020	2019 Jan-Dec
<b>Net sales</b>	<b>14,779</b>	<b>16,395</b>	<b>30,509</b>	<b>31,729</b>	<b>47,303</b>	<b>48,523</b>
Other operating income	137	176	261	226	517	482
Changes in inventories of finished goods and work in progress	426	423	90	17	-134	-207
Raw materials and consumables	-5,627	-5,368	-10,056	-9,905	-14,449	-14,298
Merchandise	-4,022	-5,605	-9,376	-10,687	-15,423	-16,734
Employee benefits expense	-2,045	-2,170	-4,254	-4,304	-6,523	-6,573
Depreciation, amortization and impairment	-677	-698	-1,369	-1,327	-2,105	-2,063
Other operating expenses	-2,072	-2,394	-4,436	-4,581	-6,968	-7,113
Share of income of equity-accounted companies	44	50	74	49	-9	-34
<b>Operating income</b>	<b>943</b>	<b>809</b>	<b>1,443</b>	<b>1,217</b>	<b>2,209</b>	<b>1,983</b>
Finance income	31	34	65	71	106	112
Finance costs	-101	-103	-188	-213	-297	-322
<b>Income after financial items</b>	<b>873</b>	<b>740</b>	<b>1,320</b>	<b>1,075</b>	<b>2,018</b>	<b>1,773</b>
Tax	-114	-96	-185	-139	-268	-222
<b>Net income for the period</b>	<b>759</b>	<b>644</b>	<b>1,135</b>	<b>936</b>	<b>1,750</b>	<b>1,551</b>
<b>Net income for the period attributable to:</b>						
Members of the economic association	757	643	1,126	930	1,741	1,545
Non-controlling interests	2	1	9	6	9	6

## Condensed consolidated statement of comprehensive income

MSEK	2020 May-Aug	2019 May-Aug	2020 Jan-Aug	2019 Jan-Aug	Sep 2019- Aug 2020	2019 Jan-Dec
<b>Net income for the period</b>	<b>759</b>	<b>644</b>	<b>1,135</b>	<b>936</b>	<b>1,750</b>	<b>1,551</b>
<b>Other comprehensive income</b>						
<i>Items that will not be reclassified to the income statement</i>						
Actuarial gains and losses on defined benefit pension plans, net before tax	64	-85	-64	-46	-316	-298
Shares in companies measured at fair value through other comprehensive income, net before tax	10	6	-71	47	3	121
Tax attributable to items that will not be reclassified	-20	11	13	1	65	53
<b>Total</b>	<b>54</b>	<b>-68</b>	<b>-122</b>	<b>2</b>	<b>-248</b>	<b>-124</b>
<i>Items that will be reclassified to the income statement</i>						
Cash flow hedges, net before tax	79	-83	9	-50	-1	-60
Exchange differences on translation of foreign operations	-476	52	-442	549	-674	317
Net gain on hedge of net investment in foreign operations, net of tax	81	-35	26	-113	108	-31
Tax attributable to items that will be reclassified	-34	27	-7	24	-22	9
<b>Total</b>	<b>-350</b>	<b>-39</b>	<b>-414</b>	<b>410</b>	<b>-589</b>	<b>235</b>
<i>Share of OCI in equity accounted companies</i>						
Items that will be reclassified to the income statement	-86	28	-42	91	-103	30
<b>Total</b>	<b>-86</b>	<b>28</b>	<b>-42</b>	<b>91</b>	<b>-103</b>	<b>30</b>
<b>Other comprehensive income, net of tax</b>	<b>-382</b>	<b>-79</b>	<b>-578</b>	<b>503</b>	<b>-940</b>	<b>141</b>
<b>Total comprehensive income for the period</b>	<b>377</b>	<b>565</b>	<b>557</b>	<b>1,439</b>	<b>810</b>	<b>1,692</b>
<b>Total comprehensive income attributable to:</b>						
Members of the economic association	375	564	548	1,433	801	1,686
Non-controlling interests	2	1	9	6	9	6

## Condensed consolidated statement of financial position

MSEK	2020 31 Aug	2019 31 Aug	2019 31 Dec
<b>ASSETS</b>			
Property, plant and equipment	12,798	13,483	13,297
Investment property	679	671	630
Goodwill	5,586	5,812	5,724
Other intangible assets	3,462	3,702	3,620
Equity accounted holdings	2,486	2,538	2,490
Non-current financial assets	554	523	620
Deferred tax assets	307	274	252
Other non-current assets	190	65	137
<b>Total non-current assets</b>	<b>26,062</b>	<b>27,068</b>	<b>26,770</b>
Inventories	7,232	7,818	6,561
Trade and other receivables	7,064	7,544	6,488
Current interest-bearing assets	127	25	123
Current tax assets	111	92	69
Cash and cash equivalents	2,423	1,334	1,183
<b>Total current assets</b>	<b>16,957</b>	<b>16,813</b>	<b>14,424</b>
<b>TOTAL ASSETS</b>	<b>43,019</b>	<b>43,881</b>	<b>41,194</b>
<b>EQUITY AND LIABILITIES</b>			
Equity attributable to members of the economic association	17,495	17,158	17,411
Non-controlling interests	94	94	94
<b>Total equity</b>	<b>17,589</b>	<b>17,252</b>	<b>17,505</b>
Non-current interest-bearing liabilities <sup>1)</sup>	5,184	7,946	5,263
Provisions for pensions	978	626	942
Deferred tax liabilities	747	630	720
Other non-current provisions	232	279	251
Other non-current liabilities	54	55	14
<b>Total non-current liabilities</b>	<b>7,195</b>	<b>9,536</b>	<b>7,190</b>
Current interest-bearing liabilities	5,919	4,651	5,886
Trade and other payables	11,235	11,525	9,714
Current tax liabilities	247	221	149
Current provisions	834	696	750
<b>Total current liabilities</b>	<b>18,235</b>	<b>17,093</b>	<b>16,499</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>43,019</b>	<b>43,881</b>	<b>41,194</b>
Equity ratio	40.9	39.3	42.5
<sup>1)</sup> Including subordinated debentures, MSEK	250	250	0

## Condensed consolidated statement of cash flows

MSEK	2020 May-Aug	2019 May-Aug	2020 Jan-Aug	2019 Jan-Aug	2019 Jan-Dec
Operating income	943	809	1,443	1,217	1,983
Adjustment for non-cash items <sup>1)</sup>	688	652	1,357	1,256	2,037
Financial items paid, net	-61	-24	-94	-114	-210
Taxes paid	-40	-54	-144	-132	-173
<b>Cash flow from operating activities before changes in working capital</b>	<b>1,530</b>	<b>1,383</b>	<b>2,562</b>	<b>2,227</b>	<b>3,637</b>
Change in working capital	113	398	183	361	589
<b>Cash flow from operating activities</b>	<b>1,643</b>	<b>1,781</b>	<b>2,745</b>	<b>2,588</b>	<b>4,226</b>
Acquisitions and divestments	-46	196	-54	-312	-473
Investments in property, plant & equipment and intangible assets	-535	-807	-1,166	-1,480	-2,201
Sale of property, plant & equipment and intangible assets	59	51	135	124	272
Change in financial investments	57	63	7	75	13
<b>Cash flow from investing activities</b>	<b>-465</b>	<b>-497</b>	<b>-1,078</b>	<b>-1,593</b>	<b>-2,389</b>
<b>Cash flow before financing activities</b>	<b>1,178</b>	<b>1,284</b>	<b>1,667</b>	<b>995</b>	<b>1,837</b>
Change in interest-bearing liabilities and pension provisions	-131	-398	63	-73	-1,054
Change in contributed capital	-19	45	-19	45	45
Dividend paid	-452	-374	-452	-374	-374
<b>Cash flow from financing activities</b>	<b>-602</b>	<b>-727</b>	<b>-408</b>	<b>-402</b>	<b>-1,383</b>
<b>Cash flow for the period</b>	<b>576</b>	<b>557</b>	<b>1,259</b>	<b>593</b>	<b>454</b>
Cash and cash equivalents at beginning of period	1,868	770	1,183	720	720
Exchange differences in cash and cash equivalents	-21	7	-19	21	9
<b>Cash and cash equivalents at end of period</b>	<b>2,423</b>	<b>1,334</b>	<b>2,423</b>	<b>1,334</b>	<b>1,183</b>
<sup>1)</sup> Depreciation and impairment of non-current assets	677	698	1,369	1,327	2,063
Share of income of equity accounted companies	-18	-50	-34	-45	92
Capital gains/losses on sale of non-current assets and operations	-3	-4	-15	-23	-130
Other non-cash items	32	8	37	-3	12
<b>Adjustment for non-cash items</b>	<b>688</b>	<b>652</b>	<b>1,357</b>	<b>1,256</b>	<b>2,037</b>

## Condensed consolidated statement of changes in equity

MSEK	2020 Jan-Aug			2019 Jan-Aug			2019 Jan-Dec		
	Members of the association	Non- controlling interest	Total equity	Members of the association	Non- controlling interest	Total equity	Members of the association	Non- controlling interest	Total equity
Closing balance	17,411	94	17,505	15,935	92	16,027	15,935	92	16,027
Changes due to amended accounting policies in associates	-	-	-	115	-	115	115	-	115
<b>Opening balance, January 1</b>	<b>17,411</b>	<b>94</b>	<b>17,505</b>	<b>16,050</b>	<b>92</b>	<b>16,142</b>	<b>16,050</b>	<b>92</b>	<b>16,142</b>
Total comprehensive income for the period	548	9	557	1,433	6	1,439	1,686	6	1,692
Distribution to owners	-445	-6	-451	-370	-4	-374	-370	-4	-374
Contributed capital paid in by members	132	-	132	114	-	114	114	-	114
Contributed capital paid out to members	-151	-	-151	-69	-	-69	-69	-	-69
Other change <sup>1)</sup>	-	-3	-3	-	-	-	-	-	-
<b>Closing balance</b>	<b>17,495</b>	<b>94</b>	<b>17,589</b>	<b>17,158</b>	<b>94</b>	<b>17,252</b>	<b>17,411</b>	<b>94</b>	<b>17,505</b>
Equity attributable to members of the economic association									
Contributed capital, paid in	1,402			1,372			1,373		
Contributed capital, issued	1,826			1,586			1,586		
Other equity	14,267			14,200			14,452		
<b>Total equity attributable to members of the economic association</b>	<b>17,495</b>	<b>-</b>	<b></b>	<b>17,158</b>	<b></b>	<b></b>	<b>17,411</b>	<b></b>	<b></b>
<sup>1)</sup> Acquisition of NCI in subsidiaries		-3	-3						

## Condensed consolidated four-monthly income statements

MSEK	2020 May-Aug	2020 Jan-Apr	2019 Sep-Dec	2019 May-Aug	2019 Jan-Apr
<b>Net sales</b>	<b>14,779</b>	<b>15,730</b>	<b>16,794</b>	<b>16,395</b>	<b>15,334</b>
Other operating income	137	124	256	176	50
Changes in inventories of finished goods and work in progress	426	-336	-224	423	-406
Raw materials and consumables	-5,627	-4,429	-4,393	-5,368	-4,537
Merchandise	-4,022	-5,354	-6,047	-5,605	-5,082
Employee benefits expense	-2,045	-2,209	-2,269	-2,170	-2,134
Depreciation, amortization and impairment	-677	-692	-736	-698	-629
Other operating expenses	-2,072	-2,364	-2,532	-2,394	-2,187
Share of income of equity accounted companies	44	30	-83	50	-1
<b>Operating income</b>	<b>943</b>	<b>500</b>	<b>766</b>	<b>809</b>	<b>408</b>
Finance income	31	34	41	34	37
Finance costs	-101	-87	-109	-103	-110
<b>Income after financial items</b>	<b>873</b>	<b>447</b>	<b>698</b>	<b>740</b>	<b>335</b>
Tax	-114	-71	-83	-96	-43
<b>Net income for the period</b>	<b>759</b>	<b>376</b>	<b>615</b>	<b>644</b>	<b>292</b>
<b>Net income for the period attributable to:</b>					
Members of the economic association	757	369	615	643	287
Non-controlling interests	2	7	0	1	5

## The Group's items affecting comparability

MSEK	2020 May-Aug	2019 May-Aug	2020 Jan-Aug	2019 Jan-Aug	2019 Jan-Dec
Recognized operating income	943	809	1,443	1,217	1,983
<i>Items affecting comparability in operating income:</i>					
Competition case, associate, Agriculture Sector	-	-	-	-	-127
Adjusted provision, Energy Sector	-	-60	-	-60	-60
Fair value adjustment, Energy Sector	-	80	-	80	80
Restructuring costs, Food Sector	-	-	-	-	-94
Capital gains/losses, Real Estate Business Area	-	-35	-	-35	97
Total items affecting comparability in operating income	-	-15	-	-15	-104
Operating income, adjusted for items affecting comparability	943	824	1,443	1,232	2,087
Recognized income after financial items	873	740	1,320	1,075	1,773
Items affecting comparability in operating income according to above	-	-15	-	-15	-104
Total items affecting comparability in net financial income	-	-	-	-	-
Income after financial items adjusted for items affecting comparability	873	755	1,320	1,090	1,877
Return on equity, adjusted for items affecting comparability, %	13.2	11.7	9.7	8.5	9.7
Return on operating capital, adjusted for items affecting comparability, %	10.4	8.4	7.8	6.3	7.2

## The Group's net sales per segment and business

MSEK	2020 May-Aug	2019 May-Aug	2020 Jan-Aug	2019 Jan-Aug	Change Jan-Aug, %	Sep 2019- Aug 2020	2019 Jan-Dec
<b>Net sales excluding leasing activities</b>							
Lantmännen Lantbruk Sweden	4,146	4,314	8,786	8,763	0 %	13,204	13,181
Lantmännen Lantbruk Finland	1,301	1,566	2,934	3,147	-7 %	4,404	4,617
Lantmännen Maskin Sweden	1,197	1,361	2,352	2,484	-5 %	3,621	3,753
Agriculture Sector, other and eliminations	92	73	257	149	72 %	398	290
<b>Agriculture Sector</b>	<b>6,736</b>	<b>7,314</b>	<b>14,329</b>	<b>14,543</b>	<b>-1 %</b>	<b>21,627</b>	<b>21,841</b>
Lantmännen Agroetanol	910	810	1,625	1,495	9 %	2,412	2,282
Lantmännen Reppe	157	152	318	316	1 %	481	479
Lantmännen Aspen	404	371	705	688	2 %	988	971
Energy Sector, other and eliminations	-18	17	-9	14	-164 %	-14	9
<b>Energy Sector</b>	<b>1,453</b>	<b>1,350</b>	<b>2,639</b>	<b>2,513</b>	<b>5 %</b>	<b>3,867</b>	<b>3,741</b>
Lantmännen Unibake	3,699	4,452	7,423	8,437	-12 %	11,838	12,852
Lantmännen Cerealía	1,328	1,441	2,830	2,892	-2 %	4,357	4,419
Food Sector, other and eliminations	-124	-144	-246	-278	12 %	-372	-404
<b>Food Sector</b>	<b>4,903</b>	<b>5,749</b>	<b>10,007</b>	<b>11,051</b>	<b>-9 %</b>	<b>15,823</b>	<b>16,867</b>
Swecon Sweden	1,119	1,321	2,490	2,617	-5 %	4,351	4,478
Swecon Germany	1,017	1,299	1,995	2,268	-12 %	3,060	3,333
Swecon Baltic	78	100	196	191	3 %	298	293
Swecon Business Area, other and eliminations	0	-1	-2	-3	33 %	-4	-5
<b>Swecon Business Area</b>	<b>2,214</b>	<b>2,719</b>	<b>4,679</b>	<b>5,073</b>	<b>-8 %</b>	<b>7,705</b>	<b>8,099</b>
<b>Real Estate Business Area</b>	<b>28</b>	<b>27</b>	<b>76</b>	<b>74</b>	<b>3 %</b>	<b>118</b>	<b>116</b>
<b>Other operations</b>	<b>252</b>	<b>213</b>	<b>477</b>	<b>406</b>	<b>17 %</b>	<b>720</b>	<b>649</b>
<b>Eliminations</b>	<b>-1,062</b>	<b>-1,209</b>	<b>-2,159</b>	<b>-2,372</b>	<b>9 %</b>	<b>-3,230</b>	<b>-3,443</b>
<b>Total</b>	<b>14,524</b>	<b>16,163</b>	<b>30,048</b>	<b>31,288</b>	<b>-4 %</b>	<b>46,630</b>	<b>47,870</b>
<b>Net sales from leasing activities</b>							
Swecon Business Area	203	174	353	323	9 %	519	489
Real Estate Business Area	143	144	290	291	0 %	439	440
Eliminations	-91	-86	-182	-173	-5 %	-285	-276
<b>Total</b>	<b>255</b>	<b>232</b>	<b>461</b>	<b>441</b>	<b>5 %</b>	<b>673</b>	<b>653</b>
<b>Total net sales</b>	<b>14,779</b>	<b>16,395</b>	<b>30,509</b>	<b>31,729</b>	<b>-4 %</b>	<b>47,303</b>	<b>48,523</b>

## Segment information, adjusted for items affecting comparability

### Operating income per segment, adjusted for items affecting comparability

MSEK	2020 May-Aug	2019 May-Aug	2020 Jan-Aug	2019 Jan-Aug	Sep 2019- Aug 2020	2019 Jan-Dec
Agriculture Sector	235	132	339	104	445	210
Energy Sector	247	115	380	167	568	355
Food Sector	314	443	504	682	840	1,018
Swecon Business Area	139	138	262	277	499	514
Real Estate Business Area <sup>1)</sup>	74	85	154	174	232	252
Other operations	-21	-43	-75	-91	-146	-162
Group items	-45	-46	-121	-81	-140	-100
<b>Total</b>	<b>943</b>	<b>824</b>	<b>1,443</b>	<b>1,232</b>	<b>2,298</b>	<b>2,087</b>
<sup>1)</sup> Including capital gains/losses on sale of property	-	8	5	26	7	29

### Operating margin per segment, adjusted for items affecting comparability

%	2020 May-Aug	2019 May-Aug	2020 Jan-Aug	2019 Jan-Aug	Sep 2019- Aug 2020	2019 Jan-Dec
Agriculture Sector	3.5	1.8	2.4	0.7	2.1	1.0
Energy Sector	17.0	8.5	14.4	6.6	14.7	9.5
Food Sector	6.4	7.7	5.0	6.2	5.3	6.0
Swecon Business Area	5.7	4.8	5.2	5.1	6.1	6.0
<b>Total</b>	<b>6.4</b>	<b>5.0</b>	<b>4.7</b>	<b>3.9</b>	<b>4.9</b>	<b>4.3</b>

### Return on operating capital per segment, adjusted for items affecting comparability

%	2020 May-Aug	2019 May-Aug	2020 Jan-Aug	2019 Jan-Aug	Sep 2019- Aug 2020	2019 Jan-Dec
Agriculture Sector	9.1	5.0	6.5	1.9	5.5	2.5
Energy Sector	56.1	27.0	43.5	20.2	44.3	28.7
Food Sector	5.6	7.4	4.4	5.7	4.9	5.7
Swecon Business Area	28.5	28.3	26.8	31.4	34.0	37.4
Real Estate Business Area <sup>2)</sup>	8.1	8.5	8.1	8.3	8.1	8.2
<b>Total</b>	<b>10.4</b>	<b>8.4</b>	<b>7.8</b>	<b>6.3</b>	<b>8.2</b>	<b>7.2</b>

<sup>2)</sup> Adjusted for gain/loss on sale of property.

## Segment information

### Operating income per segment

MSEK	2020 May-Aug	2019 May-Aug	2020 Jan-Aug	2019 Jan-Aug	Sep 2019- Aug 2020	2019 Jan-Dec
Agriculture Sector	235	132	339	104	318	83
Energy Sector	247	135	380	187	568	375
Food Sector	314	408	504	647	781	924
Swecon Business Area	139	138	262	277	499	514
Real Estate Business Area <sup>1)</sup>	74	85	154	174	329	349
Other operations	-21	-43	-75	-91	-146	-162
Group items	-45	-46	-121	-81	-140	-100
<b>Total</b>	<b>943</b>	<b>809</b>	<b>1,443</b>	<b>1,217</b>	<b>2,209</b>	<b>1,983</b>
<sup>1)</sup> Including capital gains/losses on sale of property	-	8	5	26	104	126

### Operating margin per segment

%	2020 May-Aug	2019 May-Aug	2020 Jan-Aug	2019 Jan-Aug	Sep 2019- Aug 2020	2019 Jan-Dec
Agriculture Sector	3.5	1.8	2.4	0.7	1.5	0.4
Energy Sector	17.0	10.0	14.4	7.4	14.7	10.0
Food Sector	6.4	7.1	5.0	5.9	4.9	5.5
Swecon Business Area	5.7	4.8	5.2	5.1	6.1	6.0
<b>Total</b>	<b>6.4</b>	<b>4.9</b>	<b>4.7</b>	<b>3.8</b>	<b>4.7</b>	<b>4.1</b>

### Return on operating capital per segment

%	2020 May-Aug	2019 May-Aug	2020 Jan-Aug	2019 Jan-Aug	Sep 2019- Aug 2020	2019 Jan-Dec
Agriculture Sector	9.1	5.0	6.5	1.9	3.9	1.0
Energy Sector	56.1	31.7	43.5	22.6	44.3	30.3
Food Sector	5.6	6.8	4.4	5.4	4.5	5.2
Swecon Business Area	28.5	28.3	26.8	31.4	34.0	37.4
Real Estate Business Area <sup>2)</sup>	8.1	8.5	8.1	8.3	8.1	8.2
<b>Total</b>	<b>10.4</b>	<b>8.3</b>	<b>7.8</b>	<b>6.3</b>	<b>7.9</b>	<b>6.8</b>

<sup>2)</sup> Adjusted for gain/loss on sale of property.

## Parent Company

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

Net sales were MSEK 9,097 (9,041) and operating income was MSEK 116 (–162).

Net financial items were MSEK 181 (104) and income after financial items was MSEK 297 (–58).

Investments in non-current assets during the period totaled MSEK 181 (168).

The equity ratio at the end of the period was 43.5 percent (45.2 percent, year-end).

The average number of employees in the Parent Company was 1,030 (1,006).

### Parent Company condensed income statement

MSEK	2020 Jan-Aug	2019 Jan-Aug
<b>Net sales, total</b>	<b>9,097</b>	<b>9,041</b>
Other operating income	170	162
Change in products in progress, finished goods and work in progress for third parties	635	130
Raw materials and consumables	–6,237	–6,086
Merchandise	–1,579	–1,471
Employee benefits expense	–617	–583
Depreciation, amortization and impairment	–102	–113
Other operating expenses	–1,251	–1,242
<b>Operating income</b>	<b>116</b>	<b>–162</b>
Income from financial items	181	104
<b>Income after financial items</b>	<b>297</b>	<b>–58</b>
Tax	–44	0
<b>Net income for the year</b>	<b>253</b>	<b>–58</b>

### Parent Company statement of comprehensive income

MSEK	2020 Jan-Aug	2019 Jan-Aug
<b>Net income for the period</b>	<b>253</b>	<b>–58</b>
<b>Other comprehensive income</b>		
<i>Items that will not be reclassified to the income statement</i>		
Financial assets at fair value through other comprehensive income, net before tax	–72	8
<b>Total</b>	<b>–72</b>	<b>8</b>
<i>Items that will be reclassified to the income statement</i>		
Cash flow hedges, net before tax	8	–50
Tax attributable to items that will be reclassified	–2	–1
<b>Total</b>	<b>6</b>	<b>–51</b>
<b>Other comprehensive income, net of tax</b>	<b>–66</b>	<b>–43</b>
<b>Total comprehensive income</b>	<b>187</b>	<b>–101</b>

## Parent Company condensed statement of financial position

MSEK	2020 31 Aug	2019 31 Aug	2019 31 Dec
<b>ASSETS</b>			
Intangible assets	446	440	454
Property, plant and equipment	912	796	826
Investments in Group companies	11,355	10,005	11,012
Investments in joint ventures/associates	1,344	1,258	1,365
Receivables from Group companies	5,660	6,213	4,694
Other securities held as non-current assets	234	214	300
Other non-current receivables	52	137	56
<b>Total non-current assets</b>	<b>20,003</b>	<b>19,063</b>	<b>18,707</b>
Inventories	3,240	3,433	2,390
Receivables from Group companies	5,351	8,205	8,380
Other current receivables	3,134	3,182	2,355
Short-term investments, incl. cash and bank balances	1,898	575	643
<b>Total current assets</b>	<b>13,623</b>	<b>15,395</b>	<b>13,768</b>
<b>TOTAL ASSETS</b>	<b>33,626</b>	<b>34,458</b>	<b>32,475</b>
<b>EQUITY AND LIABILITIES</b>			
Equity	14,261	13,640	14,303
Untaxed reserves	466	466	466
Provisions	81	77	74
Non-current liabilities	3,088	5,327	3,109
Current liabilities to Group companies	6,698	7,204	7,289
Other current liabilities	9,032	7,744	7,234
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>33,626</b>	<b>34,458</b>	<b>32,475</b>

## Notes

### Accounting policies

Lantmännen applies International Financial Reporting Standards (IFRS), as adopted by the EU. This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act. Reporting for the Parent Company is in accordance with the Swedish Financial Reporting Board's recommendation RFR 2 Accounting for Legal Entities and the Swedish Annual Accounts Act.

The Group and the Parent Company have applied Amendments to IFRS 9 and IFRS 7 Interest Rate Benchmark Reform with effect from January 1, 2020. In connection with the reform, the amendment provides temporary relief regarding specific requirements when hedge accounting is applied.

The objective of the exceptions is to ensure that the reform does not cause hedge accounting to be discontinued. The amendments have not had any material impact on the Group's or the Parent Company's financial reports.

### Provision in connection with the EU Commission's investigation

A provision of MSEK 500 has been recognized since 2019 in connection with the European Commission's investigation of Lantmännen Agroetanol and two other ethanol producers for alleged violation of EU competition law. Lantmännen has cooperated fully with the EU Commission during the investigation and is now engaged in a settlement process.

### Financial assets and liabilities with information on fair value, August 31, 2020

MSEK	Carrying amount	Fair value
<b>Assets</b>		
Other shares and interests	521	521
Other financial assets	33	33
Other non-current assets	46	46
Trade and other receivables	6,497	6,497
Current interest-bearing assets	127	127
Cash and cash equivalents	2,423	2,423
<b>Total financial assets</b>	<b>9,647</b>	<b>9,647</b>
<b>Liabilities</b>		
Non-current interest-bearing liabilities	5,184	5,254
Other non-current liabilities	53	53
Current interest-bearing liabilities	5,918	5,952
Trade and other payables	7,070	7,070
<b>Total financial liabilities</b>	<b>18,225</b>	<b>18,329</b>

### Financial assets and liabilities with information on fair value, August 31, 2019

MSEK	Carrying amount	Fair value
<b>Assets</b>		
Other shares and interests	484	484
Other financial assets	39	39
Other non-current assets	47	47
Trade and other receivables	7,091	7,091
Current interest-bearing assets	25	25
Cash and cash equivalents	1,334	1,334
<b>Total financial assets</b>	<b>9,020</b>	<b>9,020</b>
<b>Liabilities</b>		
Non-current interest-bearing liabilities	7,946	8,006
Other non-current liabilities	55	55
Current interest-bearing liabilities	4,651	4,688
Trade and other payables	7,537	7,537
<b>Total financial liabilities</b>	<b>20,189</b>	<b>20,286</b>

### Financial assets and liabilities measured at fair value, by level, August 31, 2020

MSEK	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
Derivatives with positive fair value	225	99	-	324
Other financial assets measured at fair value	400	-	121	521
<b>Total assets</b>	<b>625</b>	<b>99</b>	<b>121</b>	<b>845</b>
<b>Liabilities</b>				
Derivatives with negative fair value	218	57	-	275
<b>Total liabilities</b>	<b>218</b>	<b>57</b>	<b>-</b>	<b>275</b>

### Financial assets and liabilities measured at fair value, by level, August 31, 2019

MSEK	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
Derivatives with positive fair value	411	11	-	422
Other financial assets measured at fair value	377	-	107	484
<b>Total assets</b>	<b>788</b>	<b>11</b>	<b>107</b>	<b>906</b>
<b>Liabilities</b>				
Derivatives with negative fair value	369	293	-	662
<b>Total liabilities</b>	<b>369</b>	<b>293</b>	<b>-</b>	<b>662</b>

### Fair value hierarchy with information on inputs used to measure fair value

Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2: Inputs other than the quoted prices included in level 1 that are observable for the asset or liability, i.e. quoted prices or data derived therefrom.

Level 3: Unobservable inputs for measurement of the asset or liability.

There has not been any movement between levels.

## Alternative performance measures

In addition to the application of IFRS, Lantmännen has also chosen to follow new guidelines on definitions of alternative performance measures issued by the European Securities and Markets Authority (ESMA). An APM is a measure that is used to evaluate an entity's financial position but is not defined in any of the IASB's issued international reporting standards. The Guidelines require entities to provide an explanation of the basis of calculation of the alternative performance measures used. These principles are aimed at

giving external parties better understanding of an entity's financial statements.

Current loan agreements were concluded before the introduction of IFRS 16, and all definitions for components included in the calculation of the liquidity reserve are calculated excluding the effects of IFRS 16 – i.e., Liquidity reserve, EBITDA according to bank definition, Net Debt according to bank definition and Net Debt according to bank definition/ EBITDA according to bank definition.

### Description of financial performance measures (including alternative performance measures)

Key figures	Description	Reason for use
Adjusted income	Adjusted income is income net of items affecting comparability.	An adjustment to exclude items affecting comparability.
Average equity/operating capital	Average capital is computed on the closing balance of each month in the accounting period, i.e. twelve periods for the full year. All average capital ratios are calculated in this way.	Ensures accurate calculation of return on equity and operating capital.
Capital turnover rate	Net sales divided by average operating capital.	Shows the efficiency of the use of operating capital.
Cash flow from operating activities	Net income for the period adjusted for items that are not cash inflows or outflows but accounting costs, such as depreciation and capital gains/losses. Adjustments are also made for financial items and income taxes paid, and changes in inventories, operating receivables and operating liabilities.	Shows cash flow from operations that can be used for investments and acquisitions.
EBITDA 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 what proportion of the assets 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. An item affecting comparability is a one-time item that is not directly related to the planned future operations and is outside the range of MSEK +/- 30.	Accounting for items that have been adjusted due to specific events that otherwise affect comparability between different periods. Provides a better understanding of the operating activities.
Liquidity reserve	Cash and cash equivalents and loans granted under the provisions in the existing loan agreements.	Shows the available borrowing capacity based on the current loan agreements.
Net debt	Net debt comprises interest-bearing liabilities, including pension liabilities and accrued interest, less financial assets.	Shows the net of interest-bearing assets and interest-bearing liabilities.
Net debt/equity ratio	Net debt divided by equity.	Shows financial risk and is therefore used to view the level of debt funding.
Net debt according to bank definition	Net debt according to bank definition is based on net debt, but it is calculated as the effect of no financial assets being included, except cash and cash equivalents and certain listed (liquid) shares, and less subordinated debentures.	To calculate the key ratio Net debt according to bank definition/EBITDA according to bank definition.
Net debt according to bank definition/EBITDA according to bank definition	Net debt according to bank definition divided by EBITDA according to bank definition.	Indicates how fast a company can repay its debt (expressed in years).
Net financial income	Net financial income is finance income less finance costs.	Shows the net result of the company's financial operations.
Operating capital	Operating capital is calculated as non-interest-bearing assets minus non-interest-bearing liabilities. Tax assets and tax liabilities are not included in operating capital's assets and liabilities.	Shows how much capital is used in the operations.
Operating income	Operating income consists of net sales and other operating income less operating expenses.	Shows the result of operating activities.
Operating margin	The operating margin is operating income as a percentage of net sales for the period.	Shows the profitability of the operations.
Return on equity	Return on equity is calculated as 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.

On assignment for the Board of Directors  
Stockholm, October 1, 2020



Per Olof Nyman  
President & CEO  
Lantmännen

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## Review report

Lantmännen ek för

To the Board of Directors and the CEO

### Introduction

We have reviewed the condensed interim report for Lantmännen economic association as at August 31, 2020 and for the eight-month period then ended. The Board of Directors and the CEO are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express an opinion on this interim report in a conclusion, based on our review.

### Scope of the review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, a conclusion based on a review does not have the same assurance as a conclusion based on an audit.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report has not been prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act regarding the Group, and in accordance with the Swedish Annual Accounts Act regarding the Parent association.

Stockholm, October 1, 2020

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Public Accountant

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Member representative  
Auditor

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*This information is information that Lantmännen ek för is required to disclose under the EU Market Abuse Regulation.  
 The information was submitted by the above contact persons for publication at 08.00 CET on October 2, 2020.*

## Calendar

Extraordinary General Meeting 2020 • November 12, 2020  
 Year-end Report 2020 • February 9, 2021  
 Annual Report 2020 • February 24, 2021  
 Annual General Meeting 2021 • May 11, 2021

*This report can be downloaded from [www.lantmannen.com/en/financialinformation](http://www.lantmannen.com/en/financialinformation)  
 For more information: [lantmannen.com/en](http://lantmannen.com/en)  
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**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. 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 and Hatting. Our company is founded on knowledge and values built up through generations of owners. With research, development and operations throughout the value chain, together we take responsibility from field to fork.**

For more information → [lantmannen.com/en](http://lantmannen.com/en)