

A person wearing a blue button-down shirt is seen from the side, looking out over a vast, green landscape under a clear blue sky. The landscape features rolling hills and dense green vegetation. The text "Green Bond Investor Presentation" is overlaid in white, bold, sans-serif font in the center of the image.

# Green Bond Investor Presentation

# Welcome!



**Christian Johansson**  
Group CFO



**Eva Gotthardsson**  
Director Group Treasury and  
Risk Management



**Claes Johansson**  
Director Sustainable  
Development





# Agenda

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This Is Lantmännen

Sustainable Business Development – in Practice

Green Bond Framework

Financial Key Figures & Credit Rating

# This Is Lantmännen



# Lantmännen at a Glance

Our Base Is the Value Chain from Field to Fork in Northern Europe

<p>An <b>agricultural cooperative</b> owned by <b>19 000 farmers</b></p>	<p><b>Northern Europe's leading player</b> in agriculture, machinery, bioenergy and food</p>	<p>Operating income of <b>SEK 2,2 billion</b> in 2020</p>
<p><b>10 000</b> employees</p>	<p>Annual turnover of <b>SEK 46 billion</b> in 2020</p>	<p>Operating margin of <b>4,8%</b> in 2020</p>
<p>Operations in some <b>20 countries</b></p>	<p><b>Baa3</b> (stable outlook) rating from Moody's</p>	<p>Net debt/EBITDA of <b>1,6</b></p>

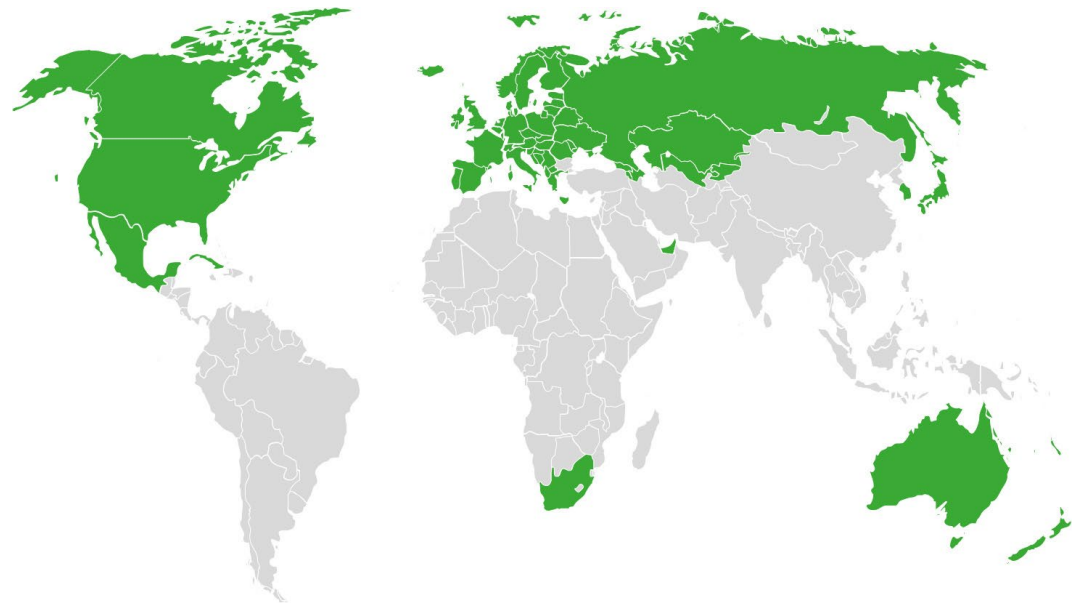
Operations divided into three **sectors** and two **business areas**



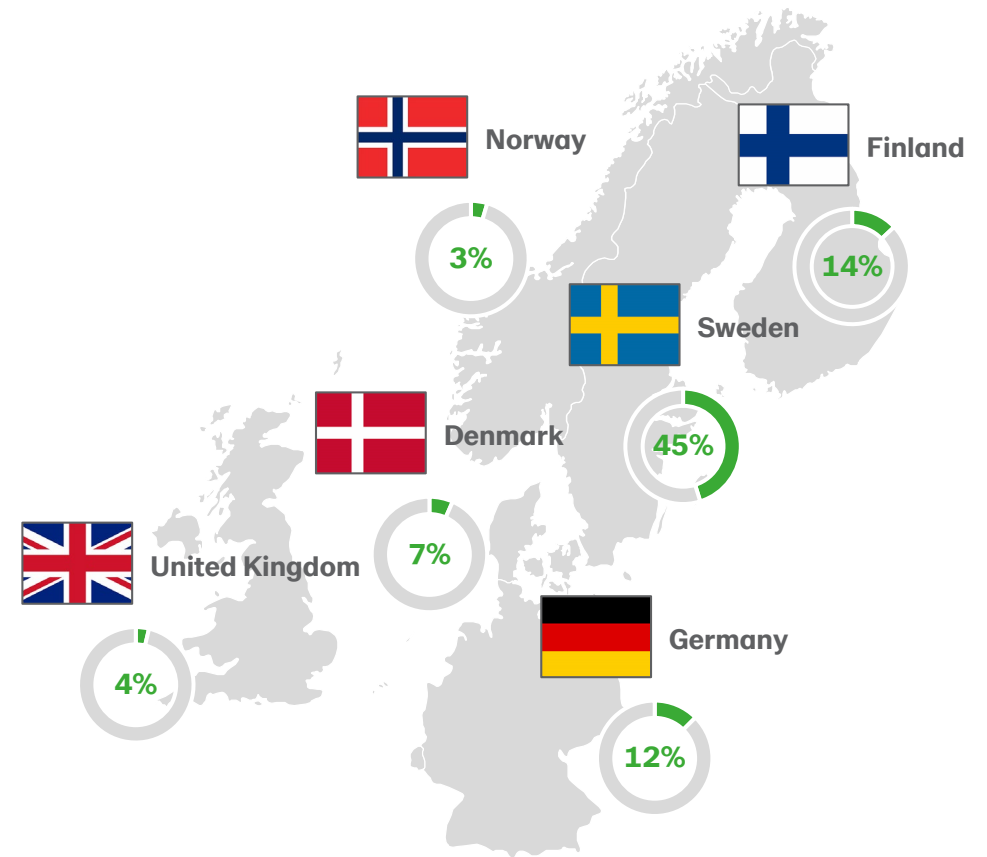
Well-known **brands**



# We Operate on a Worldwide Market – with Our Six Main Markets in the Baltic Sea Area



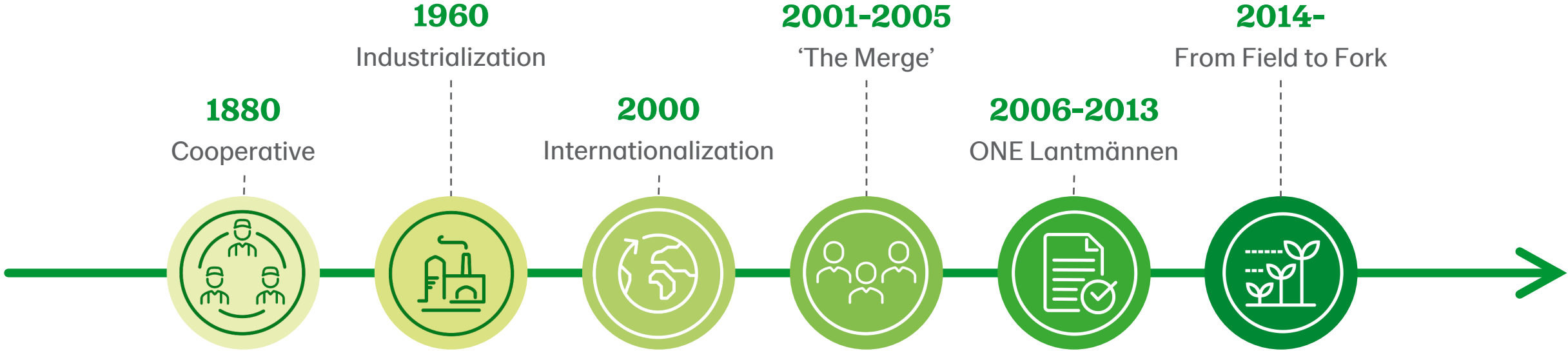
20+ Global Markets



Share of Group Net Sales



# We Have a Long History and Solid Experience



# Lantmännen's Business Portfolio Creates Value from the Farmland





# Lantmännen's Businesses

Agriculture Sector



**44%**

*of group net sales*

Energy Sector



**8%**

*of group net sales*

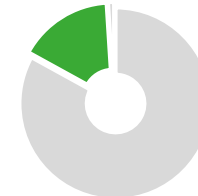
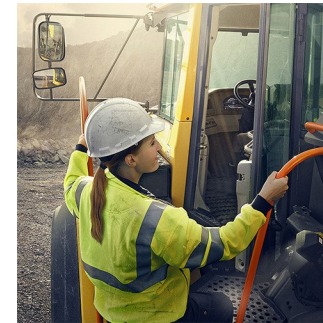
Food Sector



**31%**

*of group net sales*

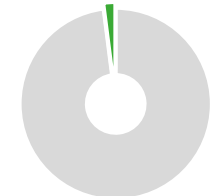
Swecon Business Area



**16%**

*of group net sales*

Real Estate Business Area



**1%**

*of group net sales*



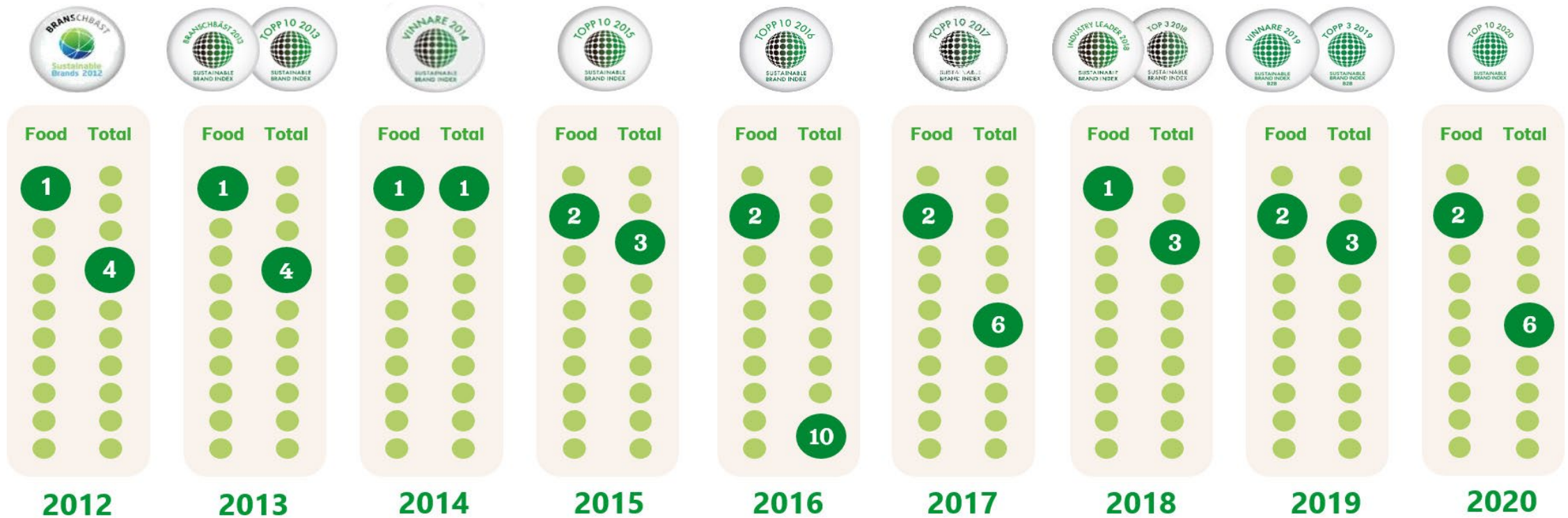
# Our Well-Known Brands Drive Growth



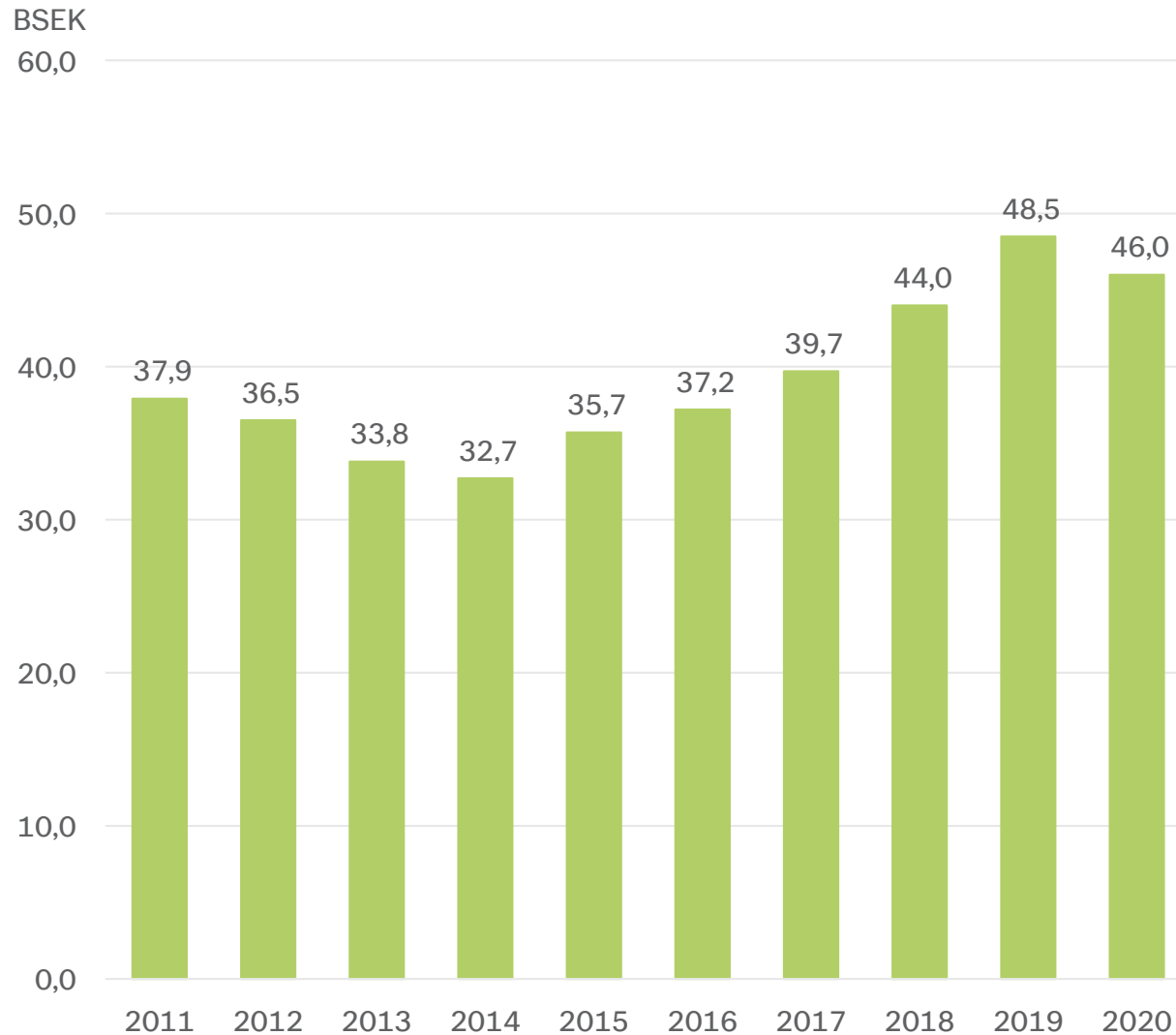
Good food from  
Lantmännen

# Swedish Consumers Consistently Rank Us Among the Most Sustainable Brands

## Sustainable Brand Index



# Strong Growth in the Last Several Years



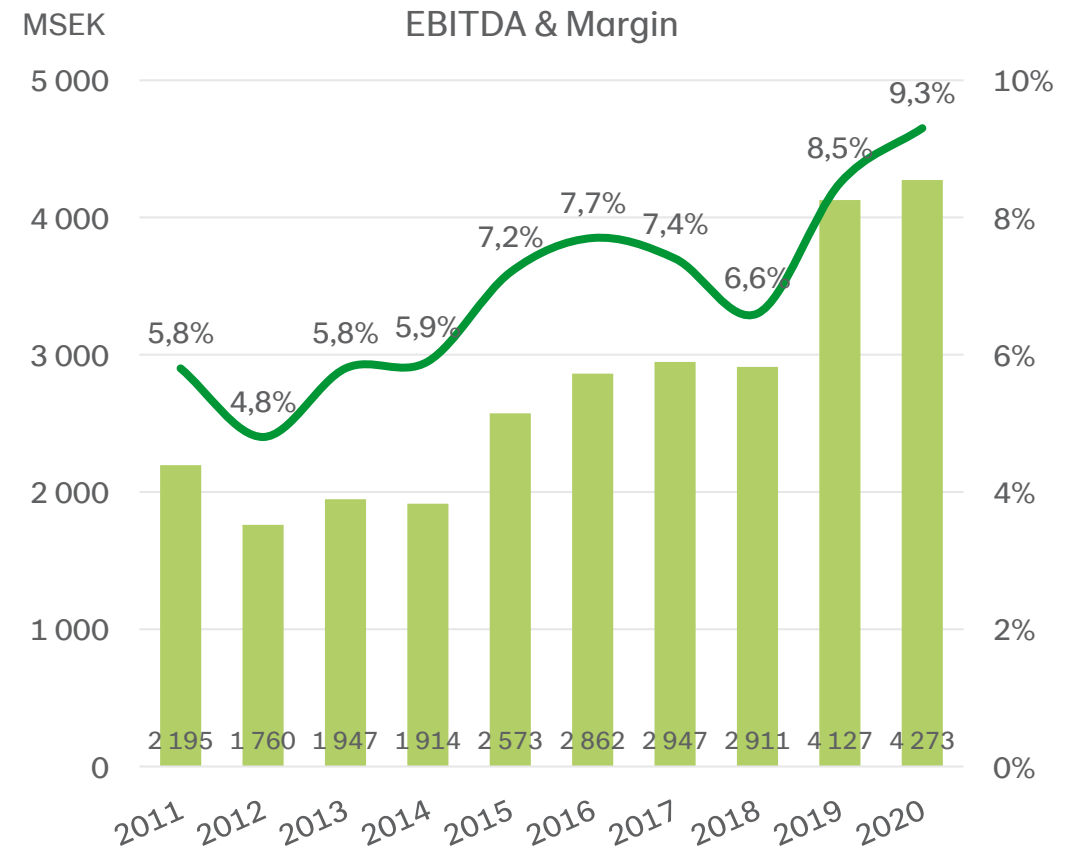
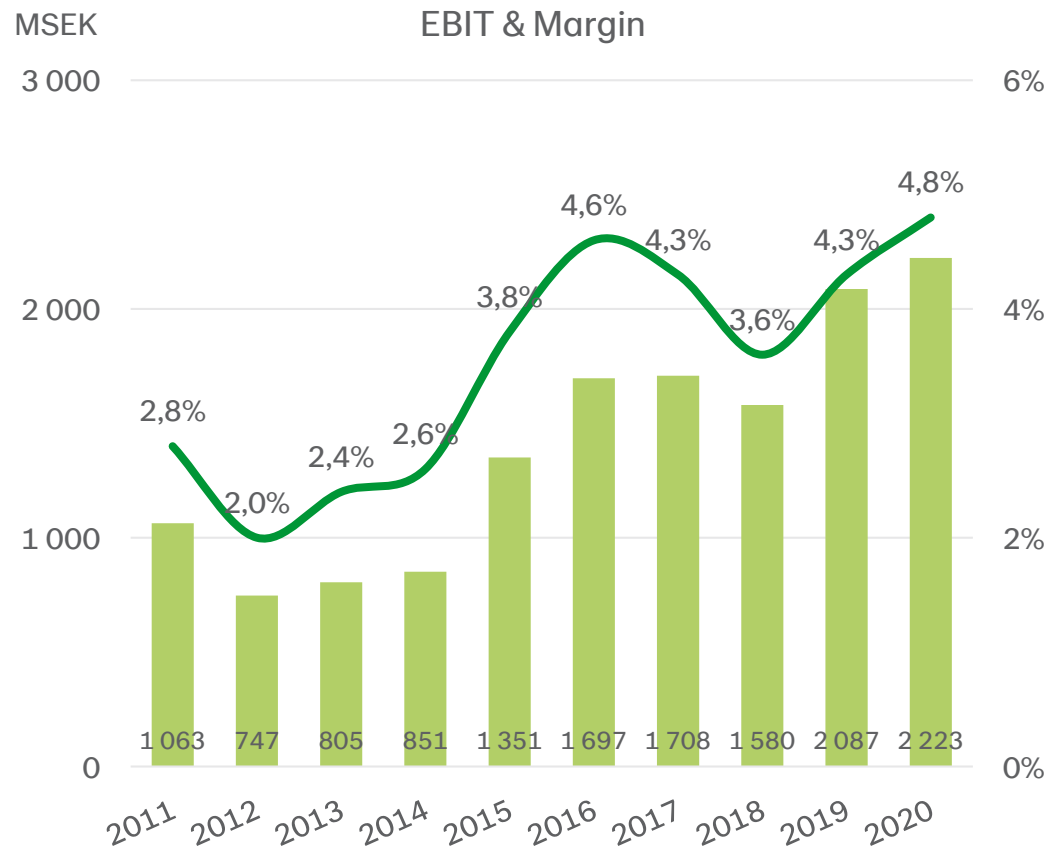
CAGR 2014-2019: **8,2%**

Both organic and acquisition-driven growth

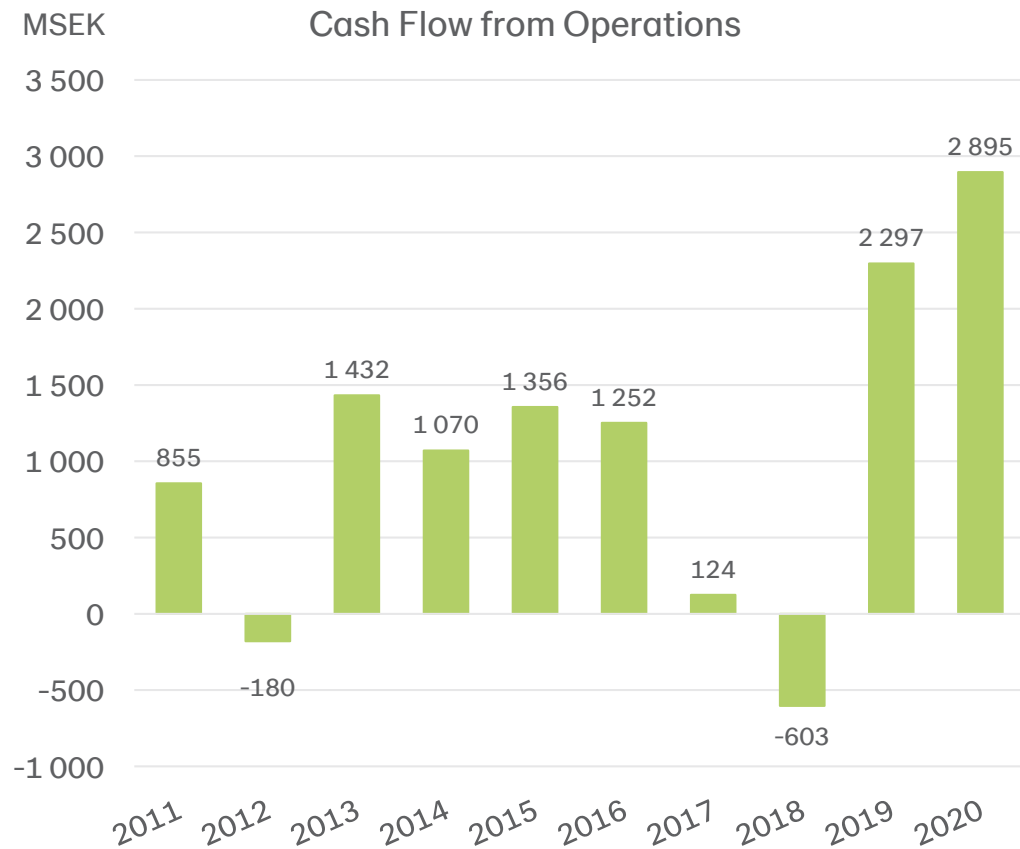
Notch in the curve in 2020 due to the coronavirus pandemic



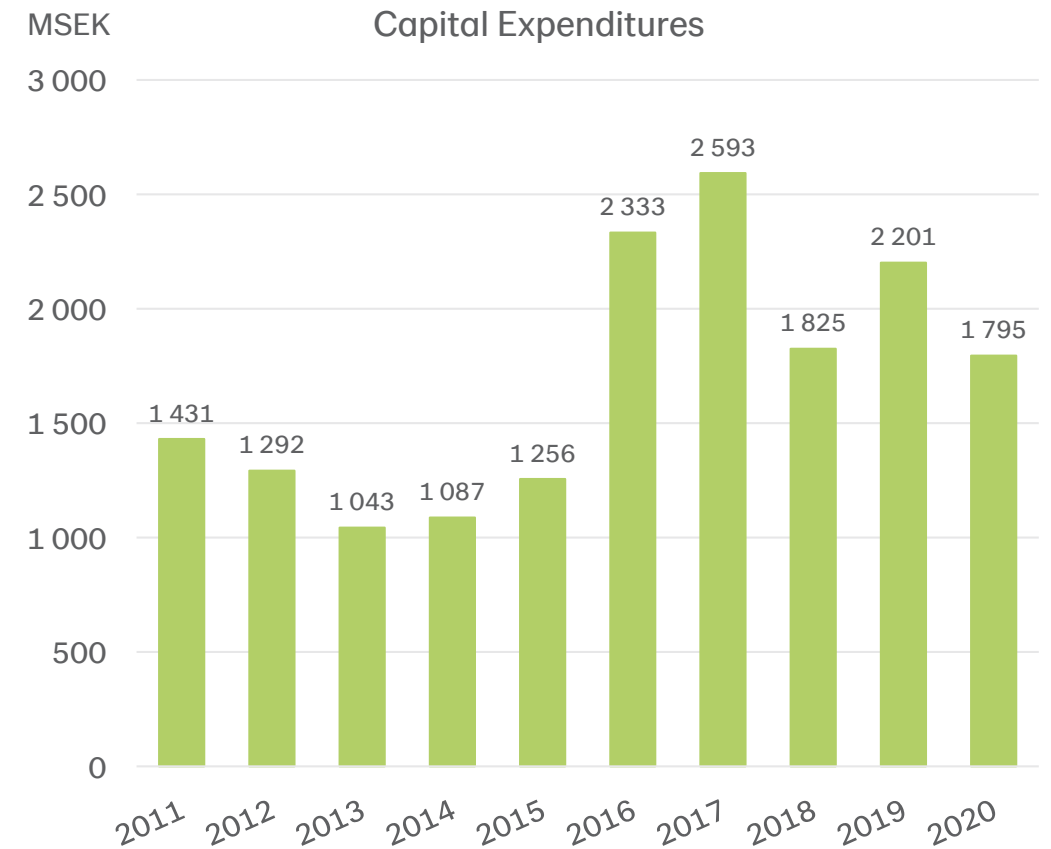
# Great Profit and Margin Improvements



# Improved Cash Flow Without Compromising Our Future

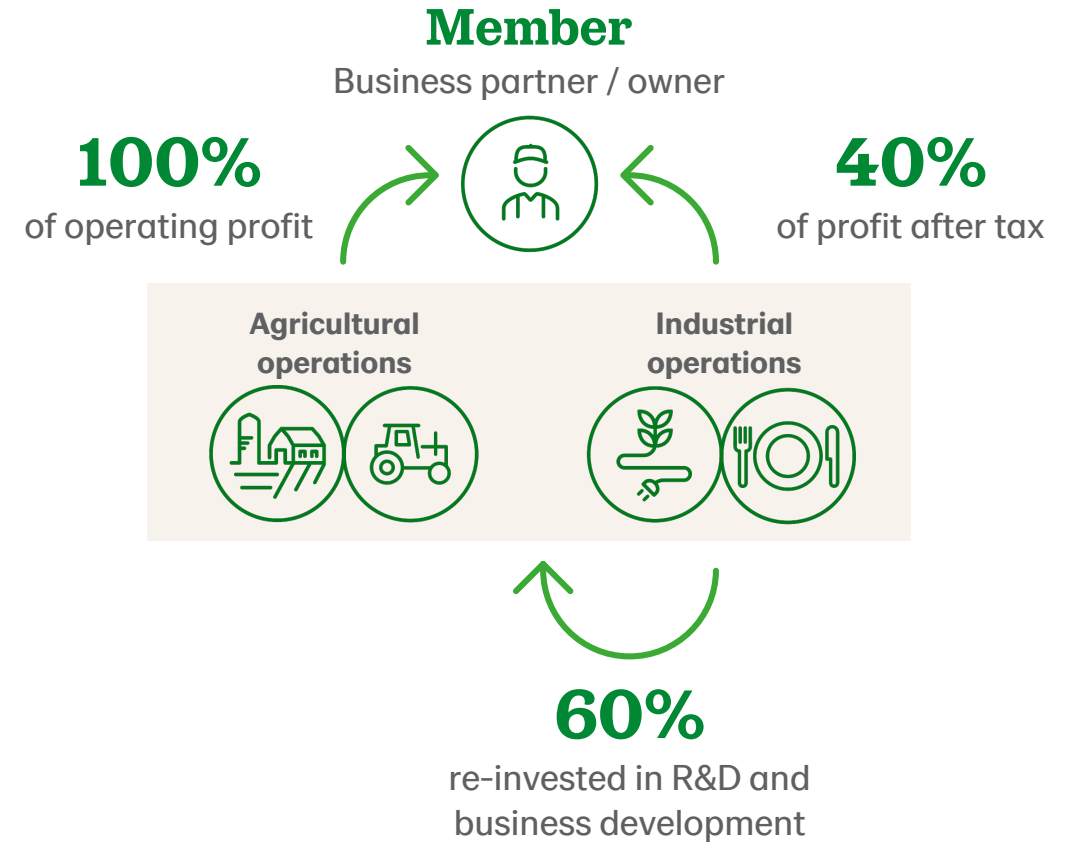
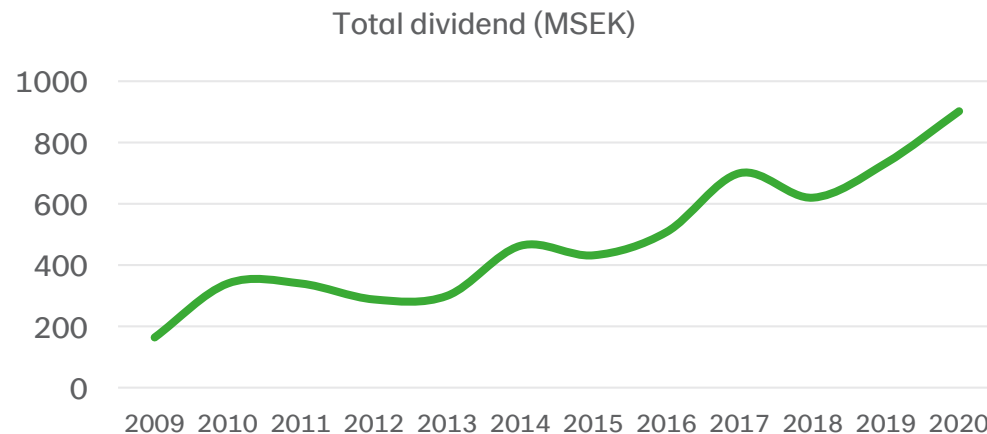


Includes IFRS16 effects of about 500 MSEK in 2019 and 2020



# Our Profit Is Invested in Swedish Farming

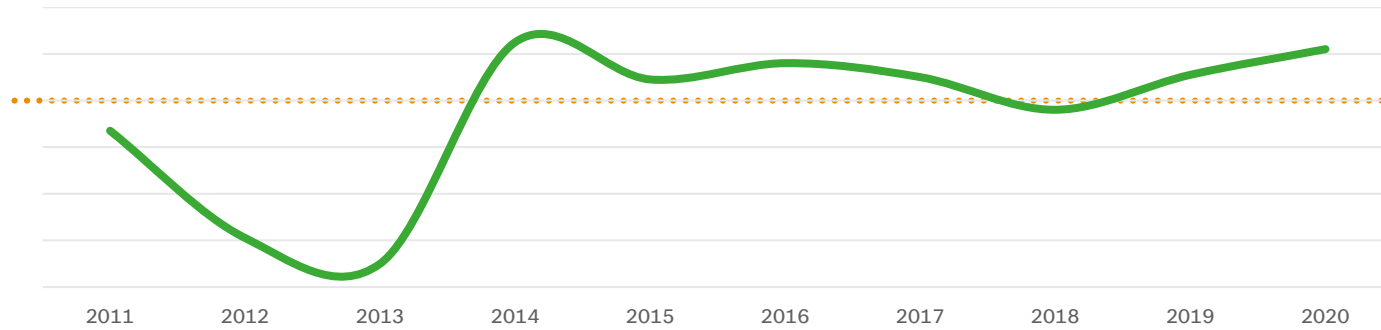
1. All the operating profit from agricultural operations is distributed as a **refund and supplementary payment** to the members (business partners)
2. About 40% of the remaining profit after tax (industrial operations) is distributed as a **contribution dividend and contribution issue** to the members (owners)
3. About 60% of the profit from industrial operations is **re-invested** in business operations and R&D
4. In total, about 30% of the total dividend is distributed **directly to members**



# Our Financial Targets

Target – Return on Equity

**8,0%**



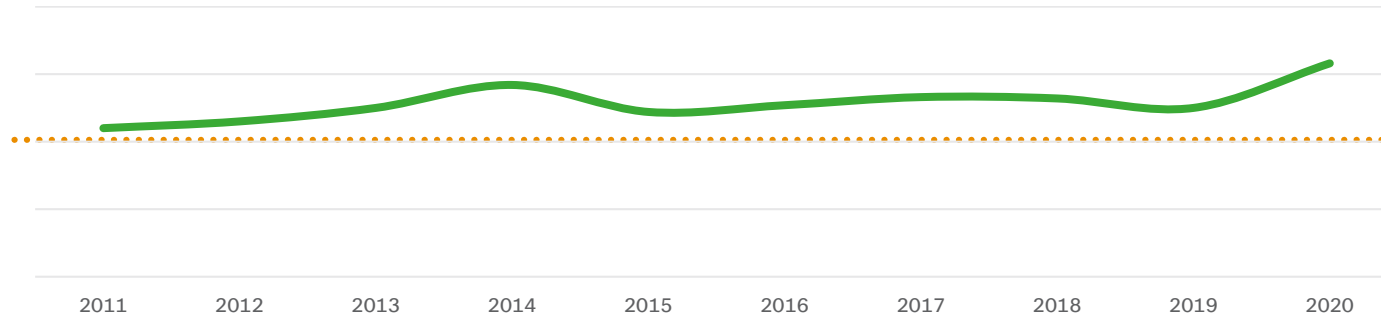
8,0%

Result 2020

**10,2%**

Target – Equity Ratio

**40%**



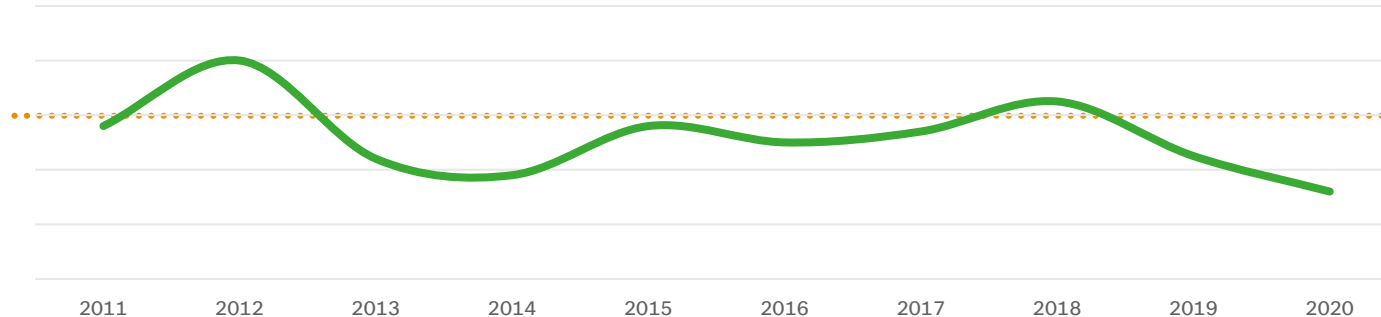
40%

Result 2020

**45,8%**

Target – Net Debt/EBITDA

**< 3**



3

Result 2020

**1,6**





# Our assignment from the members is the basis for our strategy

## FIELD TO FORK 2030

### Our Assignment

Contributing to the profitability on our owners' farms, and optimizing the return on their capital in Lantmännen.

### Our Long-Term Target

Lantmännen as a leading player in the grain value chain from field to fork in Northern Europe.



1 Develop businesses in cooperation with agricultural companies

2 Create value from grain through businesses in the processing industry

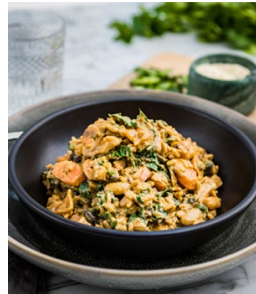
4 Manage and profitably grow portfolio holdings

3 Business development from field to fork



# Long-term vision for 'Field to Fork 2030'

A cooperative company owned and controlled by Swedish farmers



1. Lantmännen as a leading player in the grain value chain from field to fork in **Northern Europe**
2. A profitable company that strengthens the competitiveness and profitability of members' farms in both **crop growing and animal production** – aiming for world class
3. At the forefront of **the digital future** from field to fork – thereby being the farmer's best business partner
4. Leading the development for **sustainable solutions** from field to fork
5. The most **innovative** company in our industry
6. The most **attractive employer** in our industry



# We Do Research for the Future

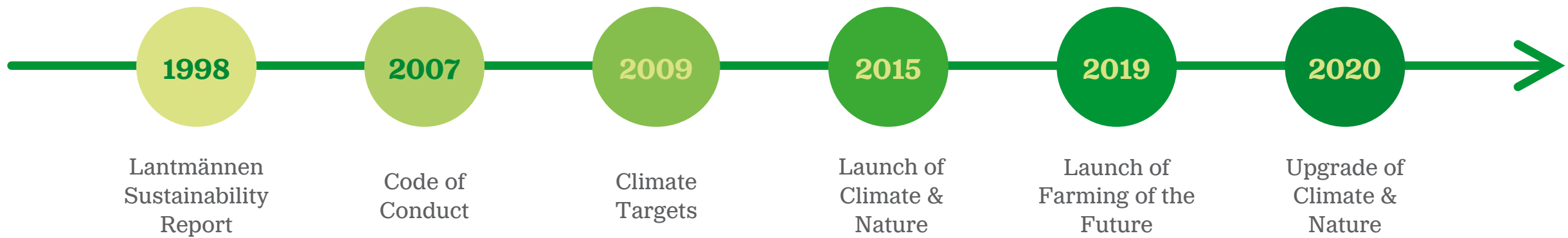
- We invest **MSEK 250-300** annually in research and development to enhance the value of grain from field to fork
- Lantmännen's **Research Foundation** is our own foundation that invests 25 MSEK annually in external research at universities, colleges and institutes
- Lantmännen's **Greenhouse** is a training program providing support for transforming innovative ideas into business – for people both within and outside of Lantmännen.





## We live our responsibility

- Lantmännen's **Code of Conduct** applies to all employees.
- The **Supplier Code of Conduct** applies to all suppliers and is part of the contract process. A **Distributor Code of Conduct** applies to all distributors and is part of the contract process.
- Consistent follow-up by management and in the **Annual and Sustainability Report**



# Sustainable Business Development – in Practice



# Driving the Development Towards Sustainable Food and Bioenergy Systems



## **Sustainable farming**

We take an active role, driving the development towards more sustainable farming practices and technologies.



## **Sustainable products**

We develop and offer innovative products and services within agriculture, bio energy, and food as well as bio-based materials with sustainable added values.



## **Safe and resource-efficient production**

Our production must be efficient, and we work constantly to optimize resources at all stages. Production must also 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.



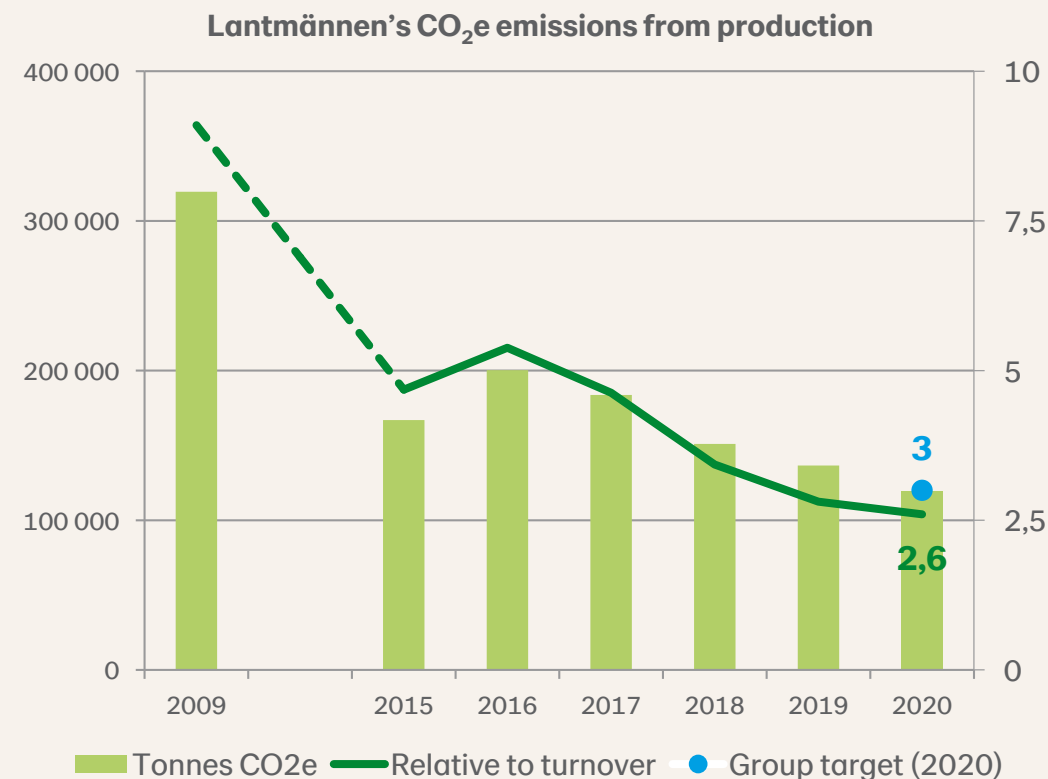
# Lantmännen's Climate Targets

## Own production

- Target for a further 40 percent reduction 2015-2020 in tonnes / MSEK turnover (see chart)
- Fossil-free production:
  - Sweden and Norway 2025
  - Other Nordic countries 2030
  - Rest of EU 2040
- Continuous conversion from fossil fuels, transition to green electricity and increased energy efficiency are important parts

## Purchased transports

- New target for reducing CO<sub>2</sub> emissions from transports
- Decrease by 70 percent to 2030 from 2009 levels – result for 2019 in line with the base year
- Work together with logistics partners and the sector to find solutions to fuel conversion and efficiency improvements



Lantmännen has reduced emissions by 71 percent since 2009, measured as tonnes/MSEK turnover (62 percent in absolute terms)

**Advancing our  
strategic positions –  
throughout the  
entire value chain**

 Lantmännen

# Farming of the Future

The road to climate neutral  
farming 2050

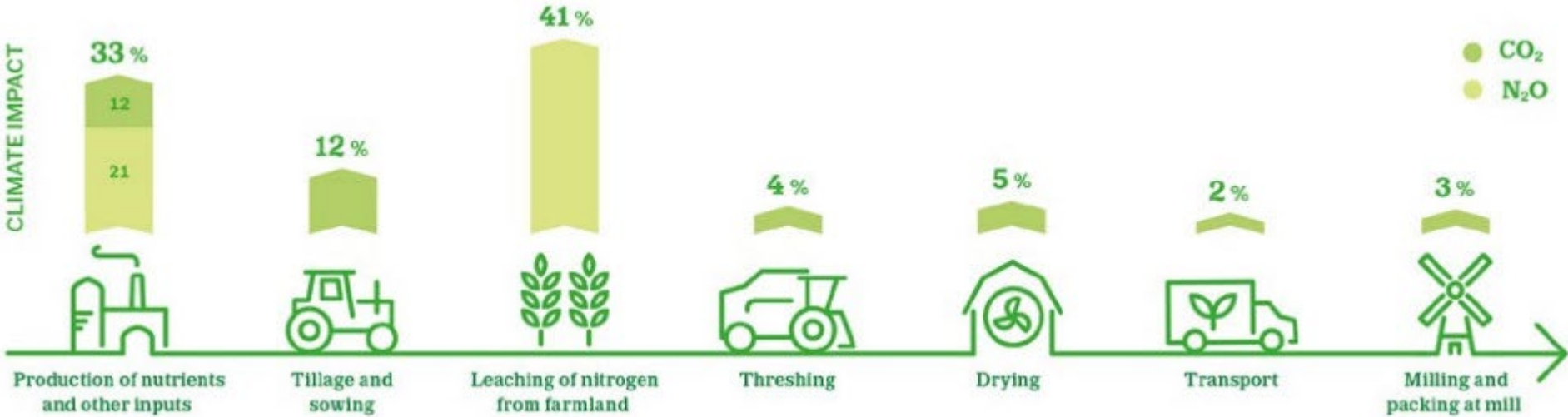




# Farming Is the Most Important Part of the Food Value Chain

Most of the benefits, nutrients and energy is created in the cultivation stage – but also the majority of the climate impact

## Example: production of wheat flour



# Important Focus Areas for Farming of the Future



**Precision farming, digitalization and optimal management**



**Sustainable plant nutrients**



**Plant breeding**



**Fossil-free farming**



**Cropping systems**



**Carbon sequestration and renewable energy from arable land**



**Reduced nitrogen losses**



**Reduced leakage of plant nutrients**



**Sustainable plant protection**

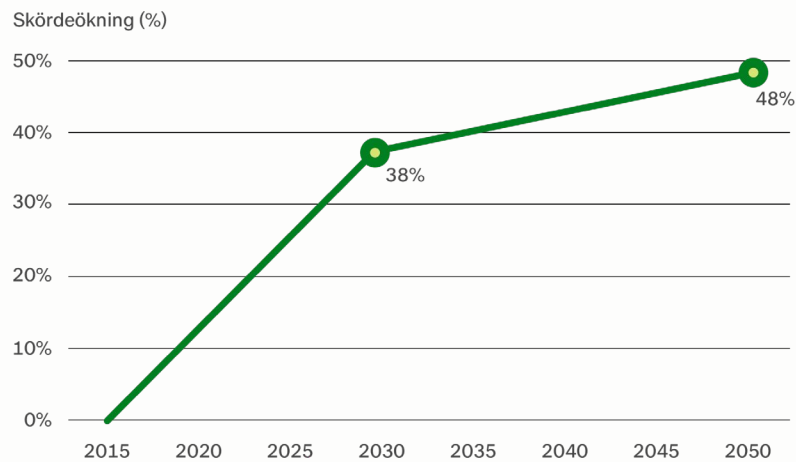


**Adapting farming to climate change**



**Biodiversity**

## Potential for winter wheat

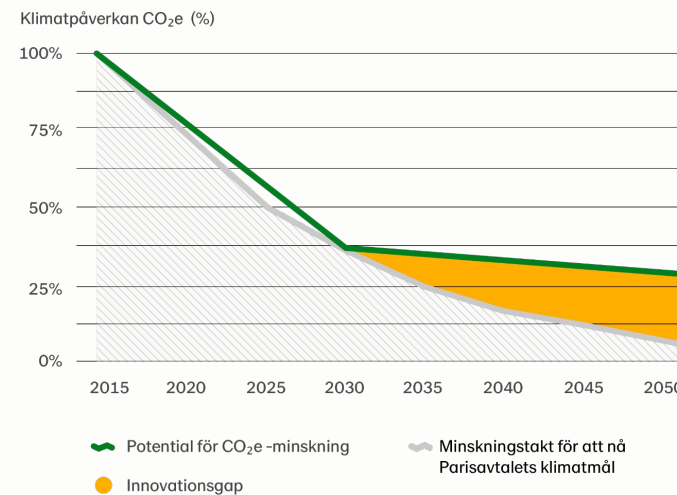


**We can increase the harvests...**



**...while reducing the climate impact**

## Potential for winter wheat



# Climate Target for Primary Production

## Lantmännen set a new target in 2019

To create prerequisites for a sustainable primary production with a halved climate impact every ten years to achieve climate neutrality by 2050.

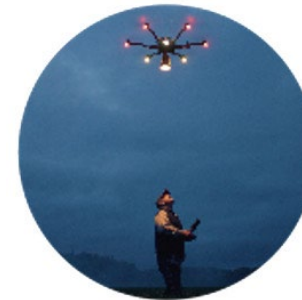
This means, that based on consumer and customer demand, Lantmännen:



Offers our business partners products with a leading climate performance



Drives the development of new knowledge, technology and cultivation methods



Develops products and services giving the agricultural companies the right conditions



# Climate & Nature Cultivation Program

## Precision farming:

Enables more efficient resource utilization on the farm.

**-3% CO<sub>2</sub>e.**

## Climate-smart fertilizers:

Manufactured using methods with lower climate impact.

**-15% CO<sub>2</sub>e.**

## Skylark plots:

Unused patches in fields where skylarks can land and find food.

**Promotes biodiversity**

## Fossil-free fuel:

Renewable fuel in tank and dryer.

**-10% CO<sub>2</sub>e.**

## Eco-driving:

Better resource efficiency leads to reduced fuel use.

**-2% CO<sub>2</sub>e.**

## Flower zones:

Planted zones that create space for flowers and pollinators to thrive.

**Promotes biodiversity**

## Thermally treated seed:

The seed is heat treated to limit the amount of pesticides.

**Promotes biodiversity**

**KLIMAT & NATUR**

Lantmännens program för framtidens jordbruk

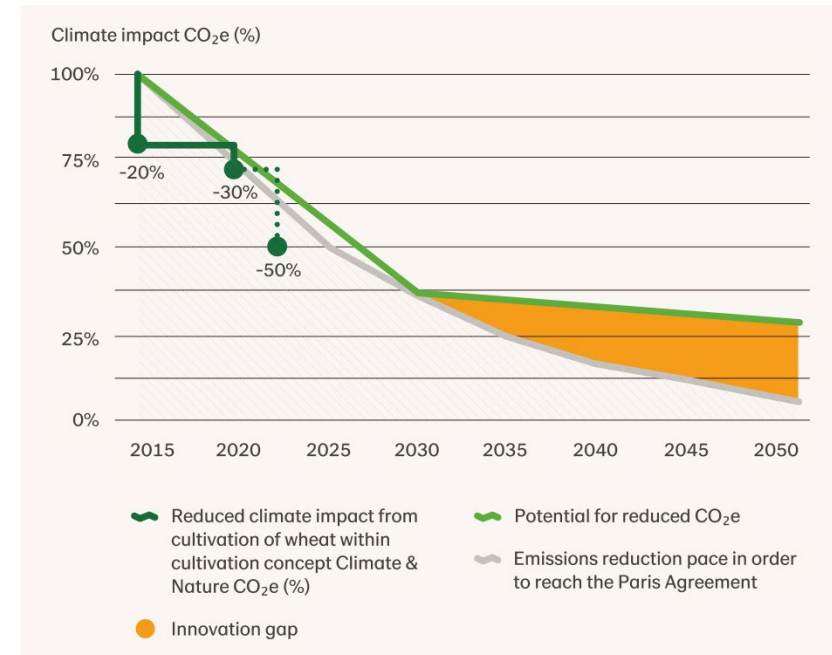
# Climate & Nature – Lantmännen’s Program for Farming of the Future

Lantmännen has already taken big steps towards more sustainable farming with the program Climate & Nature.

Climate & Nature has concrete actions for biodiversity and reduced climate impact on the farm. Grain harvested in accordance with the program has up to 30 percent lower climate impact, compared to 2015 when the program started.

The ambition is to:

- **Lead the development of farming of the future**
- **Meet the demand for sustainable products**
- **Create incentives for more sustainable farming**



Climate impact from Climate & Nature is decreasing in line with the Paris agreement targets. The program was launched in 2015, with for example BAT-fertilizer and N-sensor in the farming. Now the program is updated with fossil-free tractor driving and flowering zones for biodiversity. Ahead, fossil-free mineral fertilizer can be introduced in the cultivation program, also expanding to from wheat and rye to more crops.



# Green Bond Framework



# SUSTAINABLE DEVELOPMENT GOALS



## Green Project Categories

- ✓ Renewable Energy
- ✓ Manufacturing of Eco-Efficient & Circular Economy Adapted Products, Production Technologies & Processes
- ✓ Sustainable Land Use & Environmental Management
- ✓ Pollution Prevention and Control
- ✓ Green & Energy Efficient Buildings



# Renewable Energy



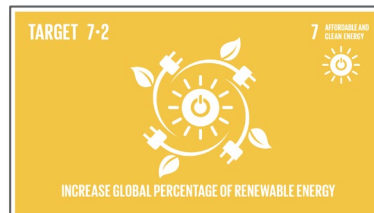
## Investing in biorefinery with increased circularity

- ✓ The most sustainable ethanol in the world: >90 percent CO<sub>2</sub> reduction
- ✓ Investments in bio-materials innovation and the energy sector
- ✓ Development of recycling business for production of renewable ethanol

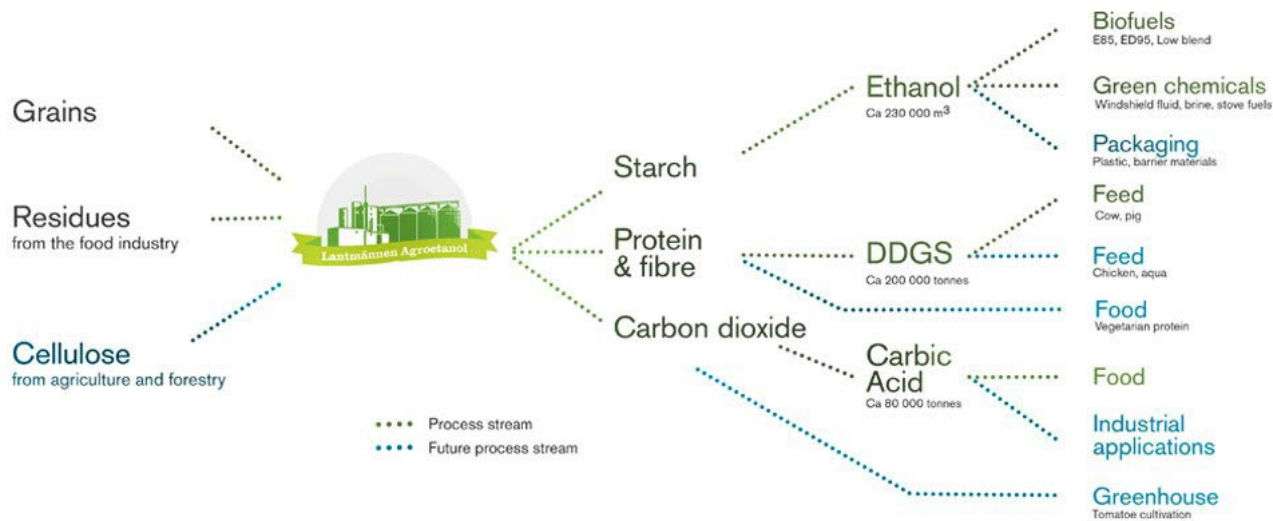


## Investing in bio-heat production

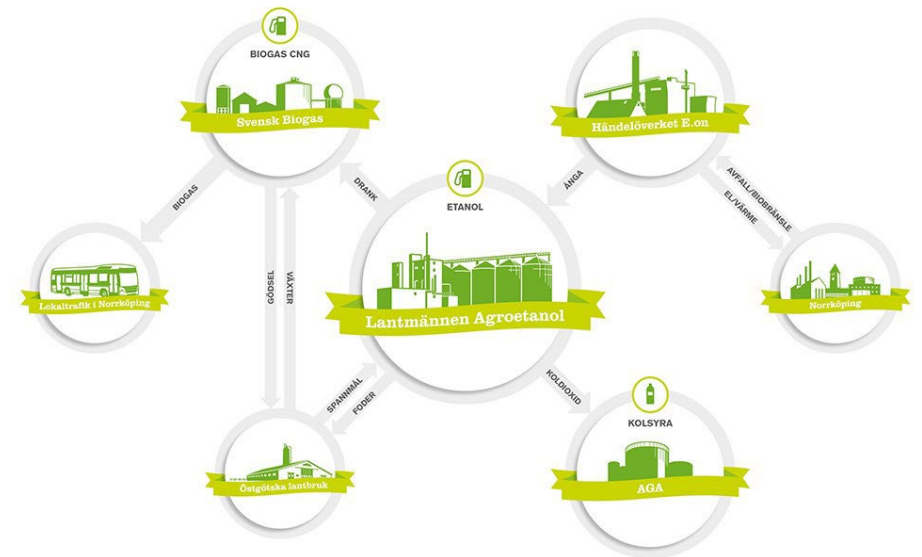
- ✓ Efficient operation and expansion of climate-friendly district heating in central and southern Sweden
- ✓ Aiming for 100 percent renewable, local fuels in the production (currently 95 percent)



# A Biorefinery with Big Opportunities



Constantly developing process streams



Part of a unique eco-industrial park

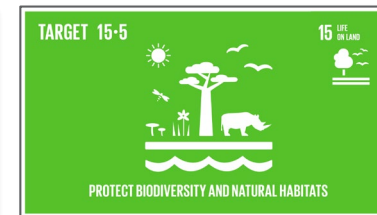
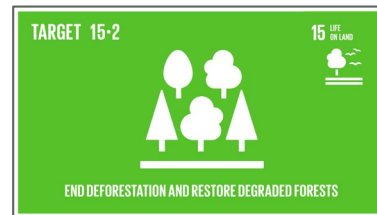


# Manufacturing of Eco-Efficient & Circular Economy Adapted Products, Production Technologies & Processes



## Investing in product and process development for resource and climate efficiency

- ✓ Develop and drive the organic market in all parts of the value chain
- ✓ Ensure responsibly produced soy – 100 percent of total soy imports
- ✓ Cultivation program with up to 30 percent lower climate impact
- ✓ Production of high-performance wheat gluten protein in the biorefinery in Norrköping
- ✓ Research on the oat genome + investment in heat treatment of oats
- ✓ Producing biochar through pyrolysis in district heating plants



# Everybody's Talking About Oats!



Scan Oats



LUNDS  
UNIVERSITET  
Lunds Tekniska Högskola



Lantmännen



SWEDISH  
OATFIBER

Researching the oat genome – mapping health and nutritional benefits



Investments in heat-treated oats, protein concentrate and beta-glucans



# Sustainable Land Use & Environmental Management



## Investing in products and services for farming of the future

- ✓ Halved climate emissions from primary production every decade to reach climate neutrality by 2050
- ✓ Sustainable agri-supply: fuel, plant nutrition, plant protection
- ✓ Promoting biodiversity while ensuring food security for a growing population
- ✓ 250–300 MSEK invested in research and innovation each year

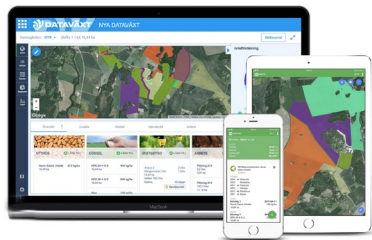


## Investing in sustainable land use & environmental management

- ✓ Precision farming, crop rotation, biological plant protection, carbon sequestration...
- ✓ Test farms developing more sustainable techniques and products
- ✓ Expansion of non-chemically treated seed business, aimed at both organic and conventional cultivation



# Technology and Techniques for the Future



Bjertorp – Farm of the Future  
880 hectares for testing the very latest

Chemical-free disinfection of seed  
pathogens by steam pasteurization



# Pollution Prevention and Control



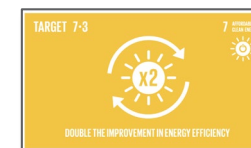
- ✓ Our biorefinery processes waste bread and starch-rich food into ethanol, animal feed and carbonic acid – creating great benefits for the climate and contributing to Lantmännen's profitability
- ✓ Our real estate business analyzes risks associated with previous land use and possible contaminations – imposing treatments such as removal of harmful substances and soil remediation



# Green & Energy Efficient Buildings



- ✓ Lantmännen Fastigheter is one of Sweden's largest real estate companies and manages about 150 properties in 80 locations. The property portfolio is concentrated on locations of Lantmännen's own operations in Sweden and Finland.
- ✓ Climate change adaptations to secure value long term is part of the continuous improvement and in development of new properties. A number of activities are planned to lower energy use and phase out fossil energy.



# Use of Proceeds

- Allocation of net proceeds
  - Green Projects will form a portfolio of assets eligible for financing and refinancing by the net proceeds of the Green Bonds
- Financing and refinancing
  - Green Bond net proceeds can finance both existing and new Green Projects – the distribution is reported in Lantmännen's annual Green Bond Report
- Exclusions
  - Fossil energy production, nuclear energy generation, weapons and defence, potentially environmentally harmful resource extraction, gambling or tobacco





## Green Project Evaluation and Selection

- ✓ The Investment Committee including Director for Sustainable Development will evaluate and select potential projects
- ✓ ESG is integrated in all of Lantmännen's decision-making processes, stated in policies, guidelines and instructions



## Management of Proceeds

- ✓ Lantmännen will use a Green Register to track that an amount equal to the Green Bond net proceeds is allocated to Green Projects
- ✓ Unallocated Green Bond net proceeds may temporarily be placed in the liquidity reserve and managed accordingly by Lantmännen



## Impact Reporting

- ✓ Lantmännen will annually and until maturity of the Green Bonds issued, provide investors with a report describing the environmental impact of the Green Projects
- ✓ The impact reporting will be based on the Key Performance Indicators (KPIs) specified in the framework such as GHG emissions reduced

## External Review

- ✓ An independent verifier appointed by Lantmännen will annually provide a statement assuring management of the net proceeds
- ✓ The annual statement from the independent verifier will be published on Lantmännen's website

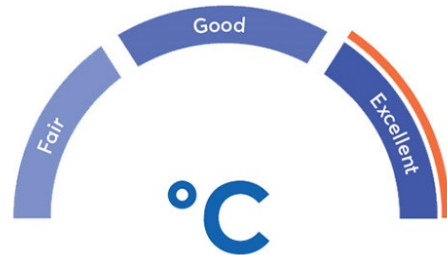


# Cicero – Second Opinion



°CICERO  
Medium Green

“Lantmännen has excellent climate targets, and was an early-mover on mainstreaming sustainability into operations”



Cicero rates Lantmännen’s green bond framework **Medium Green** and finds the governance procedures in the framework to be **Excellent**

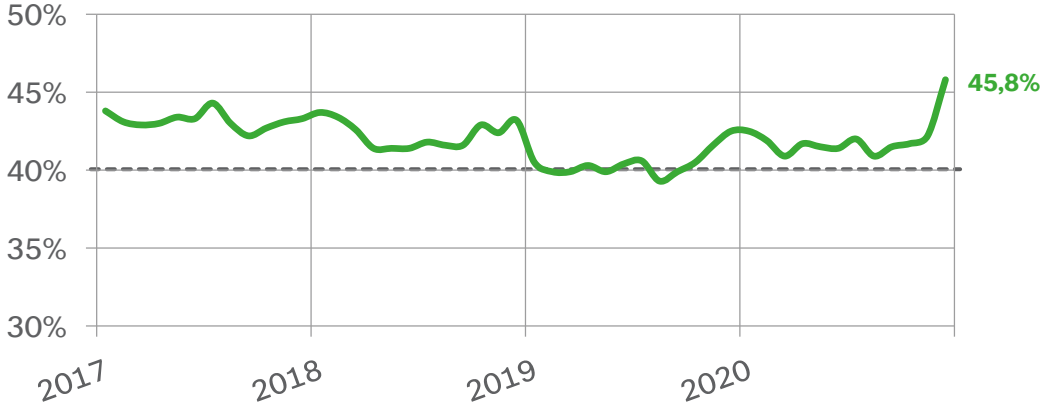


# Financial Key Figures & Credit Rating



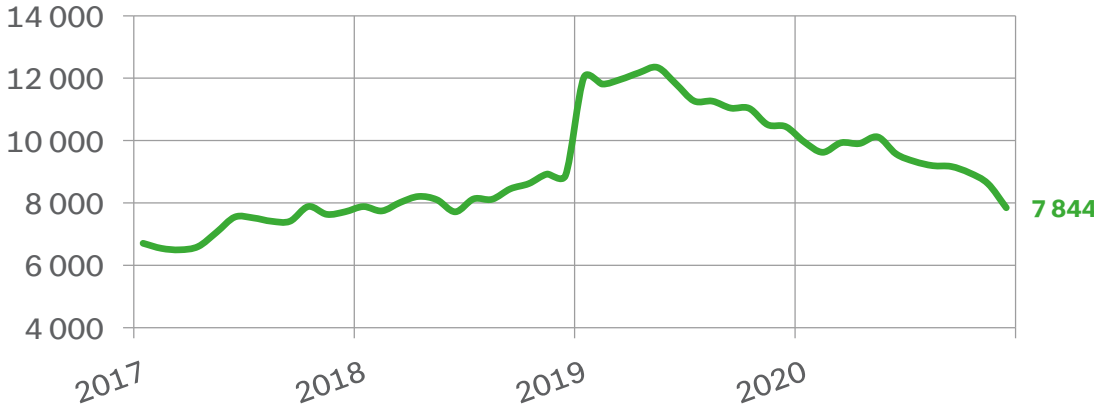
# Solid Financial Key Figures

Equity Ratio

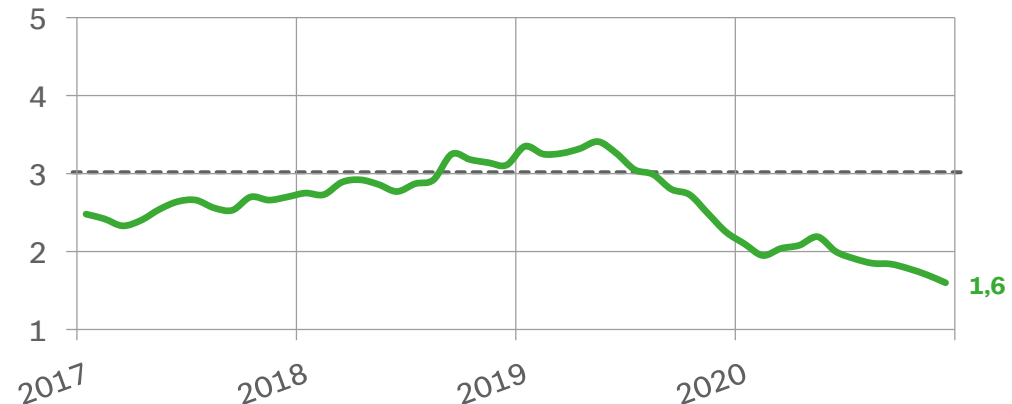


MSEK

Net Debt \*



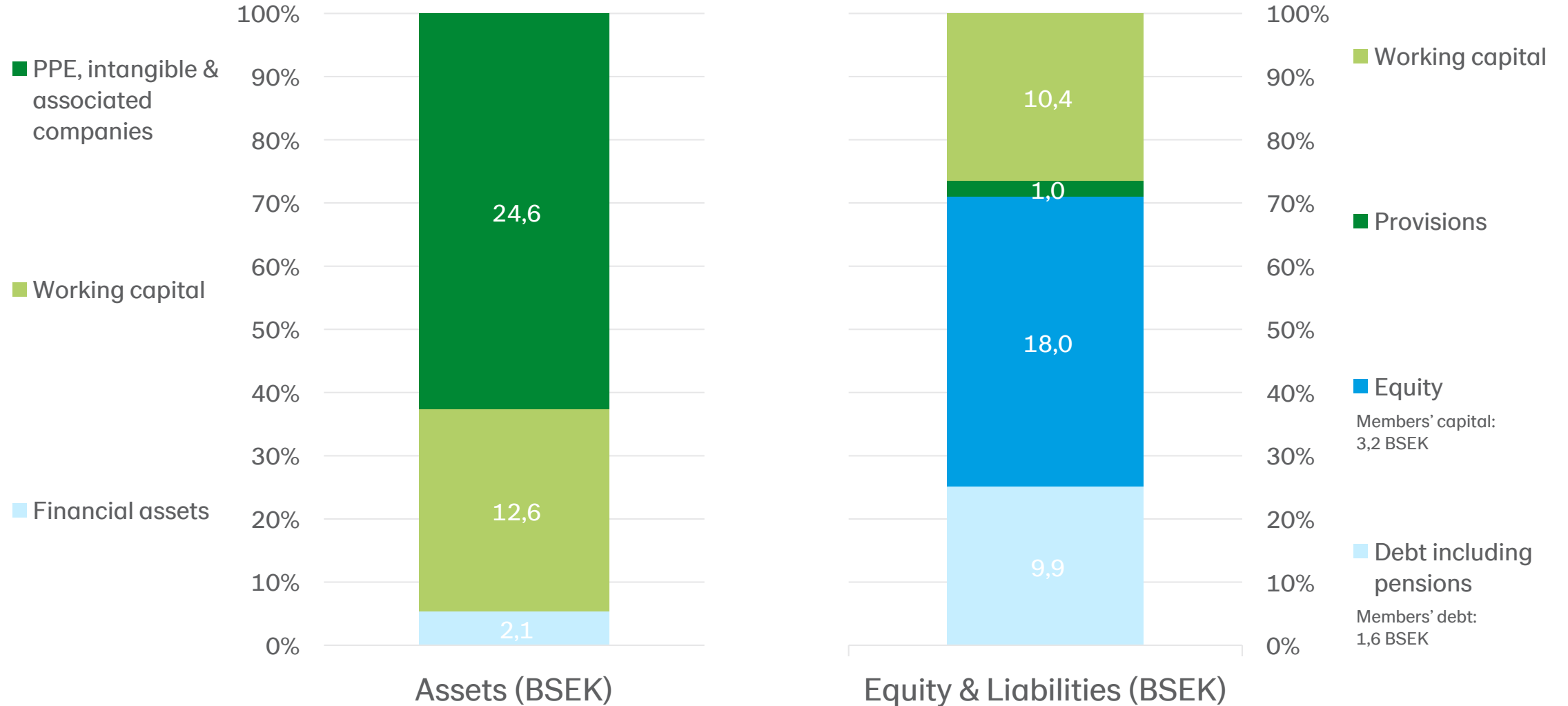
Net Debt / EBITDA \*



\* Bank definition



# Solid Balance Sheet

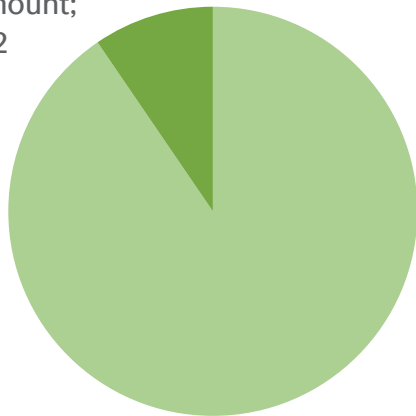


# Debt Maturity Profile

December 31, 2020

Committed Credit Facilities of SEK 4 213 million

Used Amount;  
402

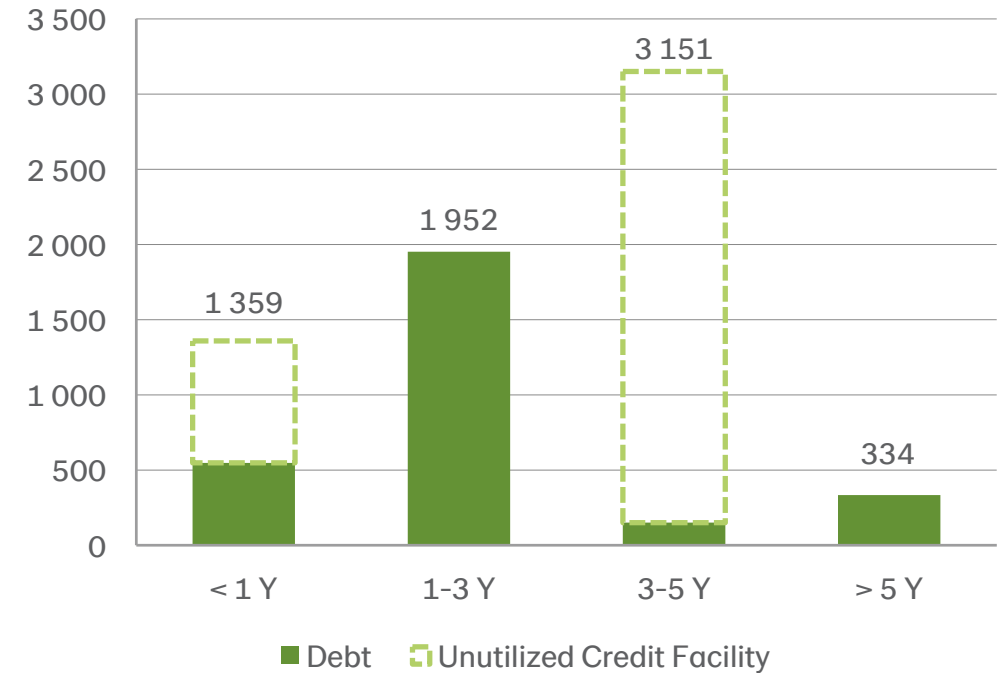


Unutilized  
Amount; 3 811

- Unutilized MTN Program of SEK 3 000 million
- Average duration debt 3,8 years

Maturity Profile

MSEK



# Credit Rating by Moody's: Baa3 Stable



## Lantmännen ekonomisk förening

Ratings affirmed	15 April 2021
Domicile	Sweden
Long Term Rating	Baa3
Type	LT Issuer Rating – Dom Curr
Outlook	Stable

## Credit strengths

- Stable business model, with positive operating profit and operating cash flow every year since 2006, because of the company's diverse range of businesses with different cycles and drivers
- Leading position in the Swedish grain value chain, because the company purchases 50% of the annual harvest from its members, which it turns into feed, food and energy
- High barriers to entry in the Swedish grain market, given Lantmännen's extensive network of collection points across the country and the strong service offering to its members
- Largest supplier of flour- and oat-based products to the industry and of breakfast cereals to the retail market in Denmark, Norway and Sweden
- Solidly positioned in the growing European bake-off market, with significant market shares in its markets





# Bond offering

## Lantmännen Inaugural Green Bond

<b>Issuer</b>	Lantmännen ek för
<b>Issuer rating</b>	Baa3 (Moody's, stable outlook)
<b>Size</b>	1 000 MSEK expected
<b>Tenor</b>	5 years expected
<b>Interest</b>	FRN/FXD
<b>Books open</b>	2021-04-20



# Join us on the journey towards “Farming of the Future”

- **Northern Europe’s leader** within agriculture, machinery, bioenergy and food, with a global presence
- Strong **brand recognition**
- **Investing for the future**, driving the development in sustainable food and bioenergy systems
- **Long and solid experience** with a well-defined strategy
- **Fully integrated value chain** with **stable sales and margins**
- **Stable profitability** over the cycle and **strong resilience** to the covid pandemic
- **Baa3** credit rating from Moody’s, reflecting the **strong balance sheet** and **financials**
- **Green Bond Framework** shaded **Medium Green** by **CICERO** and with Excellent governance procedures

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



A person wearing a blue button-down shirt and light-colored pants is seen from the side, looking out over a vast, green landscape. The background features a dense line of trees under a clear, bright sky. The overall scene conveys a sense of nature and agriculture.

# Thank You!

Together we take responsibility from field to fork  
[lantmannen.com](http://lantmannen.com)

The logo for Lantmännen, featuring a stylized green swirl icon.

Lantmännen

# DISCLAIMER

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