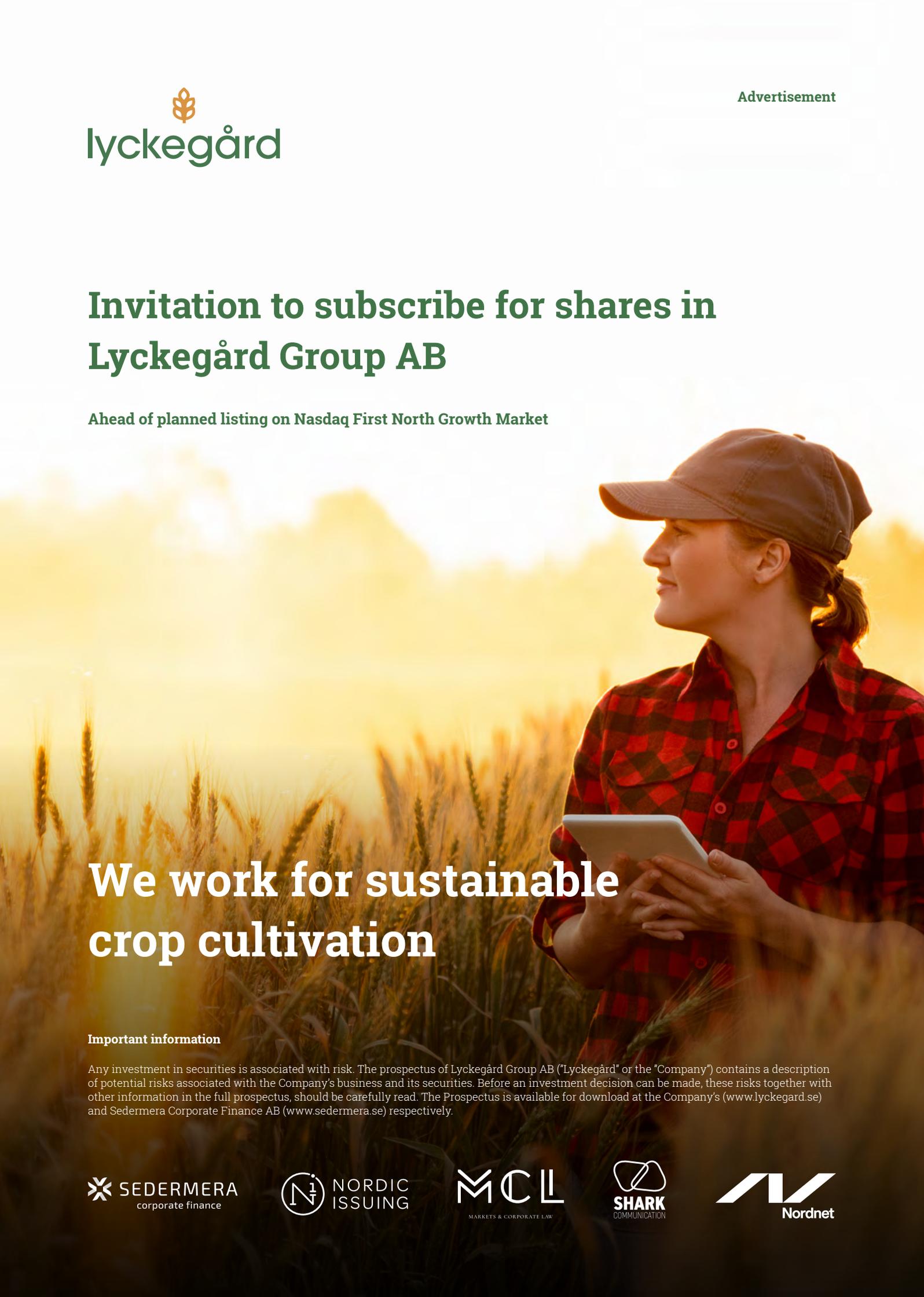


# Invitation to subscribe for shares in Lyckegård Group AB

Ahead of planned listing on Nasdaq First North Growth Market



**We work for sustainable  
crop cultivation**

## Important information

Any investment in securities is associated with risk. The prospectus of Lyckegård Group AB ("Lyckegård" or the "Company") contains a description of potential risks associated with the Company's business and its securities. Before an investment decision can be made, these risks together with other information in the full prospectus, should be carefully read. The Prospectus is available for download at the Company's ([www.lyckegard.se](http://www.lyckegard.se)) and Sedermera Corporate Finance AB ([www.sedermera.se](http://www.sedermera.se)) respectively.

# Our aim is to develop the sustainable agriculture, for the good of the planet



**“Our customer base is the pioneers of modern agriculture, the organic farmers. At the same time, I believe that Lyckegård exists for the whole of agriculture, for conventional and organic farmers.”**

**Christian Bjärntoft**  
CEO, Lyckegård Group AB

**Market leader in the Nordic countries** – Lyckegård started with an agricultural innovation and today has the widest product portfolio of agricultural tools for organic farmers in the Nordic countries. The company’s foundation is its expertise in organic farming and the needs of the sustainable farmer. This knowledge has guided the design of Lyckegård’s product range and is key to selling organic farming tools. With this knowledge, combined with a broad product offering, Lyckegård intends to establish itself as Northern Europe’s leading supplier of organic farming tools.

**Rapid growth** – Since 2019, Lyckegård has focused on rapid growth through strategic acquisitions of companies and products that complement Lyckegård’s existing offering. Through its acquisitions, Lyckegård has tripled its turnover in 2021 from the previous year. The Board and management also believe that the acquisitions create synergies in the form of reduced production costs, quality assurance, increased profitability and increased organic growth.

**EU and IPCC drive eco-conversion** – Conversion to organic farming is highlighted as an important measure to address the global climate crisis. The EU is pushing for a target of 25% of cultivated land in the Union to be organic by 2030<sup>1</sup>. The current share in Europe is around 7%<sup>2</sup>. The IPCC (Intergovernmental Panel on Climate Change) also highlights organic farming as a way to mitigate the climate crisis<sup>3</sup>. Organic production in the EU has increased by about 70% over a ten-year period and is growing at about 6% per year.

**Products for the entire crop rotation** – Organic farming does not use mineral fertilisers or chemical preparations to control weeds and plant diseases. The strategies of organic land use therefore differ somewhat from conventional agriculture, as organic farmers need to apply mechanical methods and crop rotation to a greater extent. Lyckegård’s product portfolio has tools that cover the organic farmer’s needs for the entire crop cycle.

**Having been active in the Nordic agricultural market for over a decade, Lyckegård and its employees have a deep understanding of the tools, machines, and players available.**

The company’s product portfolio is focused on sustainable and ecological agriculture. In the Nordic countries, the product line-up includes Lyckegård’s four own tools together with tools from external suppliers for which Lyckegård is a distributor. Approximately 90% of Lyckegård’s approximately 500 customers are active in organic farming, compared to Sweden’s total of 5,500 organic crop growers whose combined organic area amounts to approximately 20% of Sweden’s agricultural area<sup>4</sup>.

1. [https://ec.europa.eu/food/system/files/2020-05/f2f\\_action-plan\\_2020\\_strategy-info\\_en.pdf](https://ec.europa.eu/food/system/files/2020-05/f2f_action-plan_2020_strategy-info_en.pdf)

2. Eurostat 2017, Organic Farming in the EU, March 2019

3. Integrated Pest Management (IPM) (2009/128/EG), Water directive (2000/60/EG)

4. <https://jordbruksverket.se/om-jordbruksverket/jordbruksverkets-officiella-statistik/jordbruksverkets-statistikrapporter/statistik/2021-05-19-ekologisk-vaxtodling-2020>

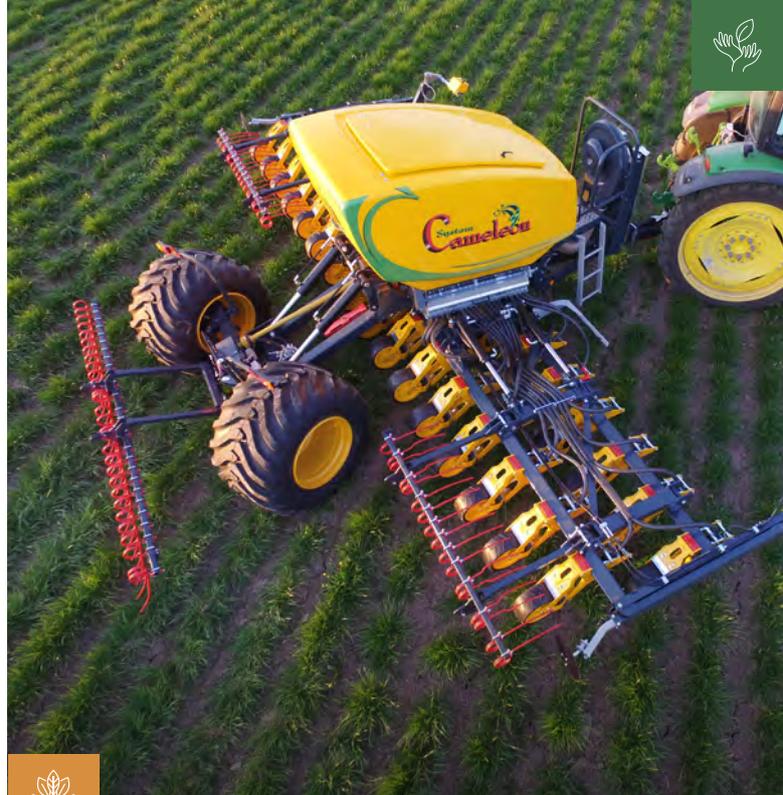


# Objectives

Lyckegård is in an expansive growth phase and has since January 2020 acquired two companies and completed a product acquisition of the Kvickfönn cultivator. The latest acquisition was Gothia Redskap & Ekoväxt Aktiebolag (now Lyckegård Production AB) which was acquired in March 2021.



**Lyckegård's strategy** is to grow through organic sales growth and strategic acquisitions in order to create long-term profitability. According to the Board, Lyckegård's product portfolio and knowledge has been an important factor in the relationship the Company has created with the organic farmers. A relationship that the Company, based on its collective knowledge and the fact that approximately 90 percent of the Company's customers are organic farmers, sees as the foundation for Lyckegård's continued development. As a next step, Lyckegård is working to expand beyond the Nordic countries and establish relationships with organic farmers in Northern Europe. Partly by strengthening the sales organisation towards local markets, and partly by ensuring that organic farmers beyond the Nordic countries are also reached by an attractive product range that covers the farmer's entire tool needs. Both parts are intended to be achieved through partnerships or acquisitions.



## Financial objectives

- Organic net sales growth shall amount to at least 15 per cent per annum over a business cycle.
- Operating margin (EBITDA) to be at least 10 per cent per annum over a business cycle.
- The Group's long-term financial objective is to achieve a turnover of approximately SEK 230 - 260 million by 2025 at the latest. Growth is expected to take place through annual organic sales growth and through profitable business acquisitions during 2022 - 2025.



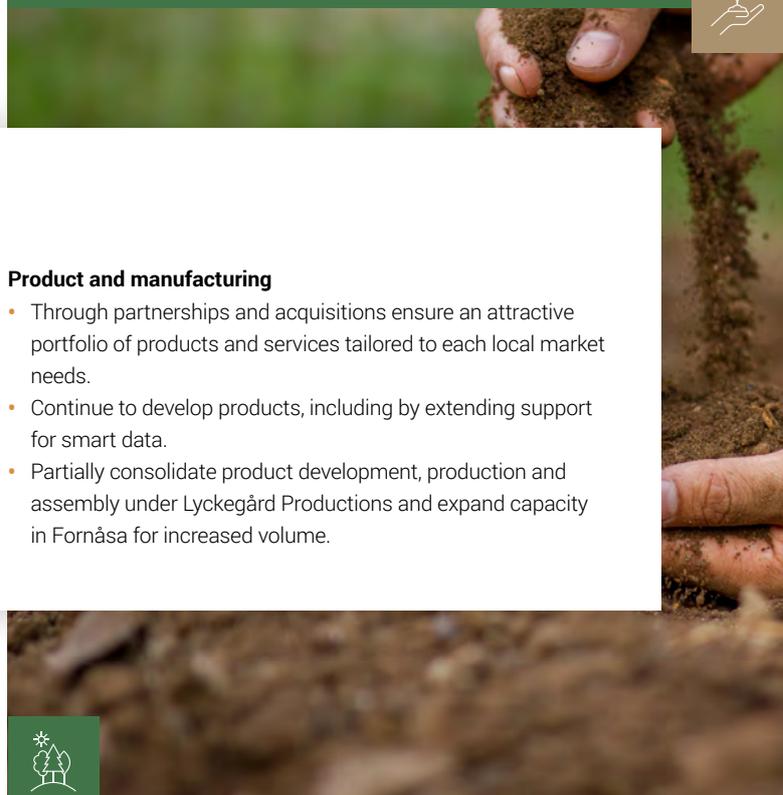
## Operational objectives for 2021 – 2025

### Sales and marketing

- Establish direct sales in Northern Europe.
- Expand the sales and marketing organization by recruiting sales staff and acquisitions.
- Continued development of digital platform for direct sales to sustainable farmers.
- Invest in building relationships with farmers, advisors and agronomists.

### Product and manufacturing

- Through partnerships and acquisitions ensure an attractive portfolio of products and services tailored to each local market needs.
- Continue to develop products, including by extending support for smart data.
- Partially consolidate product development, production and assembly under Lyckegård Productions and expand capacity in Fornåsa for increased volume.



## The offer in brief

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**Subscription period:**

20 January 2022 until 3 February 2022.

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**Subscription price:**

SEK 5,95 per share.

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**Minimum subscription post:**

The minimum subscription is 1,010 shares, which corresponds to SEK 6,009.50. Thereafter acquisitions are made in any number of shares.

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**Issue volume:**

The offer comprises a maximum of 5 445 360 shares, corresponding to approximately 32.4 MSEK. Of this SEK 32.4 million, approximately SEK 12.0 million relates to the bridge loan previously given and which is to be offset in the current new issue and approximately SEK 2.4 million relates to the compensation paid by the bridge lender which will also be offset against shares in the rights issue.

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**Number of shares before new share issue:**

10 070 000 shares.

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**Valuation (pre-money):**

Approx. SEK 59.9 million.

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**Subscription commitments:**

Approximately SEK 19.4 million of the new issue is covered by subscription commitments, which corresponds to approximately 60 percent of the issue volume. The remainder approximately SEK 13 million, is available to the public.

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**Planned first day of trading:**

The company's shares are planned to be admitted for trading on Nasdaq First North Growth Market on February 21, 2022.

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**ISIN Code:**

SE0017160575.

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**Lock up:**

Shares corresponding to approximately 73 percent of the total number of shares outstanding prior to the planned listing are under lock up. The lock-up agreements, entered into by the CEO, CFO, Board of Directors and major shareholders, relate to 100 per cent of each party's holding and any subscription in issue for the planned listing, and are valid for a period 12 months after the listing date.

## CEO Christian Bjärntoft comments

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### Lyckegård has a clear place in the agriculture of the future with the right products to contribute to a sustainable and environmentally friendly development.

The agricultural equipment market has long been characterised by large players and slow change. With Lyckegård, we can influence agriculture in a more sustainable direction. Our customer base is the pioneers of modern agriculture, the organic farmers. Those, who a few decades ago seemed like a rebellious bunch of farmers, but who today form an established and profitable segment of the modern agriculture. At the same time, I believe that Lyckegård is there for the whole of agriculture, for conventional and organic farmers. I am particularly excited by the development taking place in the meeting of conventional and organic farming. For example, the form of farming known as conservation agriculture, which involves minimal tillage and keeping the land green for as much of the year as possible. Interest in mechanical weed control and soil health is increasing and we are getting more and more customers who are not organic farms. To meet the challenges of the future, all forms of agriculture are needed.

Sustainable agriculture is the future. An increasingly extreme climate is driving change. From today's 7%, the EU's goal is for 25% of agriculture to be organic by 2030. The UN Panel on Climate Change is proposing organic sustainable agriculture as part of the solution to the climate crisis, and I see Lyckegård as an important part of this transition.

Lyckegård manufactures and sells tools for soil cultivation and mechanical weed control, among other things. We support the farmer with knowledge and innovative solutions to develop sustainable agriculture, so that future generations can inherit a living earth. Our basic idea is simple, to offer a product range that meets the farmer's tool needs throughout the crop rotation. Today, our four proprietary products cover a large part of these needs, from sowing to post-harvest tillage. As a retailer of complementary implements, our offer is the most complete and therefore we are the market leader in our segment in the Nordic countries.

But the opportunities for Lyckegård don't stop there. Today there is a lack of commercial actors to lead the transition to a more sustainable agriculture. Our knowledge is already key in our customer relationship and knowledge is crucial to the success of sustainable agriculture.

The major technology shifts already underway with agritech, AI and precision farming will further drive the conversion towards more climate-smart and sustainable crop production. As a knowledge leader in sustainable crop farming, Lyckegård can play an important role in driving the transition to a sustainable agriculture and a sustainable food supply.

Going forward, we will work to refine and expand our successful concept. With our broad product portfolio, we are currently the market leader as a supplier of agricultural equipment for organic farming in the Nordic region and we want to become the market leader in Northern Europe in the long term. We will therefore expand our sales organisation and complement our product range, so that we can build the same close relationship with customers in Northern Europe that we already have in the Nordic region. To take advantage of the opening in the market that the organic segment represents, we want to take action and achieve profitable growth, both organically and through acquisitions. In 2022, there is a great market potential to increase our sales of the Cameleon in the Nordic region as well as Northern Europe.

Since 2020, we have made two acquisitions and one product acquisition and plan to make further acquisitions in the future. These will include acquisitions of sales companies already established in attractive markets and strategic acquisitions of companies with products or services that complement our offering and strengthen our market leadership position. We are now conducting a new share issue for listing on the Nasdaq First North Growth Market. The listing is intended to finance our continued growth and expansion. Being listed also creates the conditions for future profitable acquisitions, which in turn means that through acquisitions we create the conditions for significant shareholder value in the form of increased sales and earnings and potentially increased share liquidity.

Now I would like to invite you to invest in our IPO so that together we can build a profitable, fast-growing company that is leading the transition to a sustainable agriculture and a better earth for the next generation. Welcome to invest in Lyckegård Group AB!



**"We are already the market leader in the Nordic region. The next step is to become the leading supplier in Northern Europe."**

Christian Bjärntoft - VD, Lyckegård Group AB



**More information about the offer  
and how to subscribe for shares**

**Subscription period:  
20 January to 3 February 2022**

