



midsona

INTERIM REPORT JANUARY–MARCH 2022

# Gradual improvement over the quarter supported by price increases

## January–March 2022 (first quarter)

- Net sales amounted to SEK 972 million (965).
- EBITDA amounted to SEK 62 million (92) and EBITDA, before items affecting comparability, amounted to SEK 62 million (94), corresponding to a margin of 6.4 percent (9.7).
- Operating profit amounted to SEK 22 million (54) and operating profit, before items affecting comparability, amounted to SEK 22 million (56), corresponding to a margin of 2.3 percent (5.8).
- Profit for the period was SEK 12 million (33), corresponding to earnings per share of SEK 0.17 (0.50) before and after dilution.
- Cash flow from operating activities amounted to SEK –8 million (–19).

- The global environmental initiative CDP named Midsona a Supplier Engagement Leader for its commitment throughout the supply chain, making us one of the best companies globally when it comes to climate change strategy and leadership.
- Price increases were implemented with a positive effect on the gross margin, which strengthened by 2.2 percentage points compared with the previous quarter. Further price increases were initiated as prices for input goods, transport and energy continued to rise.

## Significant event following the end of the report period

- A restructuring programme was decided to strengthen competitiveness, with the cost base being reduced by SEK 40 million on an annual basis. Restructuring costs will be charged against profit for the year in 2022.

Key figures, Group <sup>1</sup>	Jan–Mar 2022	Jan–Mar 2021	Rolling 12-month	Full year 2021
Net sales growth, %	0.7	2.0	1.4	1.7
Gross margin, before items affecting comparability, %	26.1	28.5	26.4	27.0
Gross margin, %	26.1	28.5	26.3	26.9
EBITDA-margin, before items affecting comparability, %	6.4	9.7	7.4	8.3
EBITDA margin, %	6.4	9.5	7.9	8.7
Operating margin, before items affecting comparability, %	2.3	5.8	3.3	4.2
Operating margin, %	2.3	5.6	3.4	4.3
Profit margin, %	1.4	4.5	2.3	3.0
Return on capital employed, %			3.3	4.1
Net debt, SEK million	1,464	1,629	1,464	1,436
Net debt / Adjusted EBITDA, multiple			5.1	4.4
Equity/assets ratio, %	54.8	46.0	54.8	54.4
Free cash flow, SEK million	–15	–26	–83	–94

<sup>1</sup> Midsona presents certain financial measures in the Interim Report that are not defined under IFRS. For definitions and checks against IFRS, please refer to pages 14-15 of this interim report and to pages 184–188 in the 2021 Annual Report.



### Note:

This is information such that Midsona AB (publ) is required to publish under the EU Market Abuse Regulation. This Interim Report was submitted under the auspices of Peter Åsberg and Max Bokander for publication on 28 April 2022 at 8:00 a.m. CEST.

### For further information

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Peter Åsberg, President and CEO

## Comment by the CEO

The first quarter remained challenging and was largely affected by the situation in Ukraine and increasing inflationary pressure. We are now implementing a number of measures that give us a positive view of the future.

### Sales gradually improved during the quarter

Initially, the sales trend was weak, although this turned into a good recovery in March, which turned out to be our strongest sales month since October 2020. The positive trend continued in early April with a nice increase in sales compared with the previous year. Sales in the first quarter were strongest for our major brands in the healthfoods and consumer health products categories, while the situation remained challenging for organic products, although sales in that category did gradually recover during the period.

Overall, sales for our own brands developed relatively better than for licensed brands and contract manufacturing. During the quarter, we made a number of selective market investments in some of our own brands, and these have yielded good return. In a comparison with the same period last year, however, it is important to remember that the comparative figures are relatively strong as large parts of Europe were then in lock-down.

During the first quarter, we launched Friggs Corn Cake Taco, which was received well by consumers. We also increased the distribution of plant-based meat-alternatives in the Spanish market. Among other things, we made our first deliveries to Mercadona, although we expect the greatest effect from mid-April when the national roll-out to the grocery trade commences. In the second quarter, we will also conduct our first deliveries for a couple of new private label contracts in France. These new volumes will strengthen sales as of the second quarter.

### Continued price increases on input goods, transport and energy

During the quarter, we saw continued price increases for raw materials, finished goods, packaging materials, transport and energy, where, for example, gas prices for our production facilities in Germany have risen significantly. The rising price of artificial fertilisers, which has hit food production around the world hard, has been of less significance for Midsona as about half of our range consists of organic products for which chemical fertilisers are not used.

The problems we saw in the supply chain at the end of last year have also worsened with continued transport problems and shortage situations for certain raw materials and inputs. However, we have managed better now than last autumn because we are better prepared. The measures we have taken to improve the supply chain to achieve greater security in the supply of goods have had an effect. However, volatility in commodity prices and currencies (particularly the USD and EUR) has been a continuous challenge. On the whole, through good foresight, we have managed to maintain our level of service.

### Our price increases began to take effect, but will be followed by new ones

In order to maintain our gross margin and compensate for the price increases, we already initiated price increases in the fourth quarter and those began to take effect in the first quarter and achieved full effect in March, that is, slightly earlier than we initially expected. However, the war against Ukraine has further fuelled cost inflation and we have therefore initiated further price increases, which are expected to achieve their full impact in the third quarter.

Our new price increases have generally been well received because the causes of the cost inflation are well known. In our key markets of Denmark and Germany, however, it takes a little longer for our price increases to have an impact because we have a relatively larger share of contract manufacturing in those markets.

### Costs are to be reduced by SEK 40 million

Despite own price increases and generally good cost control, cost inflation has had a significant negative impact on our profit. To strengthen profit, we are initiating a restructuring programme including structural changes and staff cutbacks. As far as possible, the cutbacks will be achieved by terminating temporary contracts, as well as through natural attrition. The ambition is to cut costs by SEK 40 million on an annual basis. The restructuring programme will entail restructuring costs being charged against profit for the year in 2022.

### We are confident that implementing a number of measures will strengthen profit.

We are fully focused on strengthening our earnings. Our price increases have generally been well accepted and will gradually have an impact. We are continuing to strengthen our supply chain. Most of our own brands are performing well and are, in our assessment, capturing market share. We are strengthening our organic range and implementing a cost-saving action programme. I look to the future with confidence, despite the current challenges and the uncertainty in the world around us. The strong underlying consumer trend for our sustainable and plant-based products remains.

Peter Åsberg  
President and CEO

## QUARTER 1

**SEK 972 million**

Net sales

**SEK 62 million**

EBITDA

**6.4 percent**

EBITDA margin

# Financial information – Group

## Net sales

Net sales amounted to SEK 972 million (965), an increase of 0.7 percent. The organic change in net sales was –5.6 percent while structural changes contributed by 3.5 percent and exchange rate changes by –2.8 percent. For the Group's priority brands, the organic sales growth was –4.2 percent. On the whole, the Group experienced a declining sales trend despite strong growth among several of its own brands in the healthfoods and consumer health products categories. There were continued challenges in the category of organic products with restrained sales in both January and February with a good recovery in March. Fewer or no pandemic restrictions at all in society compared with the previous year led to a changed consumption pattern with less household consumption and more restaurant visits, which generally disadvantaged the organic products category. The supply chain was still under great pressure with longer lead times for deliveries of raw materials, packaging materials and finished goods as a result of the global transport situation, although we succeeded, through good planning and foresight, to keep up our capacity to deliver to customers.

## Gross profit

Gross profit amounted to SEK 254 million (275), corresponding to a margin of 26.1 percent (28.5). Implemented price increases, announced to customers in the previous quarter, had a gradual impact on gross profit and the margin improved compared with the previous quarter (23.9). However, price increases were partially offset by an accelerated cost inflation, partly as a result of the prevailing security situation in Europe. In addition, there was great volatility in the currencies EUR and USD, in which the Group purchases most of its raw materials and finished goods. The efficiency of most of the Group's production facilities remained relatively low, partly due to the strained global transport situation with continued delays in deliveries of goods. New price increases were initiated for customers as a consequence of the increased inflationary pressure and will essentially have an impact on gross profit in the third quarter of 2022.

## Operating profit

Operating profit amounted to SEK 22 million (54) and operating profit, before items affecting comparability, amounted to SEK 22 million (56), corresponding to a margin of 2.3 percent (5.8). Amortisation and depreciation for the period amounted to SEK 40 million (38), divided between SEK 12 million (11) in amortisation of intangible assets and SEK 28 million (27) in depreciation of tangible assets. EBITDA amounted to SEK 62 million (92) and EBITDA, before items affecting comparability, amounted to SEK 62 million (94), corresponding to a margin of 6.4 percent (9.7). The EBITDA margin decreased substantially as a consequence of lower business volumes for comparable units, and a weak gross margin trend driven by increasing inflationary pressures with rapidly rising prices for raw materials, energy, and transport as a result of the Ukraine crisis, which could not yet be offset by withdrawals at the next level. In addition, the period was characterised by generally good cost control and continued selective investments in our own brands.

## Items affecting comparability

No items affecting comparability were included in operating profit for the period. The comparison period included acquisition-related costs with SEK –2 million attributable to the business acquisition of System Frugt.

## Financial items

Net financial items amounted to an expense of SEK 8 million (11). Interest expenses for external loans to credit institutions amounted to SEK 8 million (8) and interest expenses attributable to leases were SEK 1 million (1). Net translation differences on financial receivables and liabilities in foreign currency were SEK 2 million (negative 1). Other financial items were negative in an amount of SEK 1 million (1).

## Profit for the period

Profit for the period amounted to SEK 12 million (33), corresponding to earnings per share of SEK 0.17 (0.50) before and after dilution. Tax on the profit for the period amounted to a negative SEK 2 million (10), of which the current tax was negative SEK 6 million (8) and deferred tax was SEK 4 million (2). The effective tax rate was 15.4 percent (22.8) and differs from the tax rate applicable to the Parent Company, primarily as a consequence of other tax rates for foreign subsidiaries.

## Cash flow

Cash flow from operating activities amounted to SEK –8 million (–19) and was characterised by both a weak development for operating activities before changes in working capital of SEK 54 million (72) as well as by a weak working capital trend of SEK –62 million (–91), given the fact that a factoring agreement was terminated in the comparison period, resulting in SEK 67 million in increased operating receivables. The weak change in working capital was primarily driven by reduced operating liabilities due to lower purchases against stocks. Measures have been taken and are ongoing to gradually reduce the capital tied-up in inventories. Cash flow from investing activities amounted to SEK –10 million (–15), consisting of investments in tangible and intangible fixed assets of SEK –10 million (–15), of which SEK –3 million (–8) was an on-going expansion investment in South Europe. Free cash flow amounted to SEK –15 million (–26). Cash flow from financing activities was SEK 14 million (–38), consisting of SEK 58 million in loans raised, of which SEK 52 million in used overdraft facilities, SEK –30 million (–23) in loan repayments, and SEK –14 million (–15) in amortisations of lease liabilities.

## Liquidity and financial position

Cash and cash equivalents amounted to SEK 53 million (123) and there were unused credit facilities of SEK 433 million (150) at the end of the period. Net debt amounted to SEK 1,464 million (1,629) and was SEK 1,436 million at the end of the previous quarter. The ratio between net debt and adjusted EBITDA on a rolling 12-month basis was a multiple of 5.1 (4.5) and at the end of the previous quarter it was a multiple of 4.4. Equity amounted to SEK 2,928 million (2,410) and was SEK 2,875 million at the end of the previous quarter. The changes consisted of profit for the period of SEK 12 million and exchange rate differences of SEK 41 million on the translation of foreign operations. The equity/assets ratio was 54.8 percent (46.0) at the end of the period.

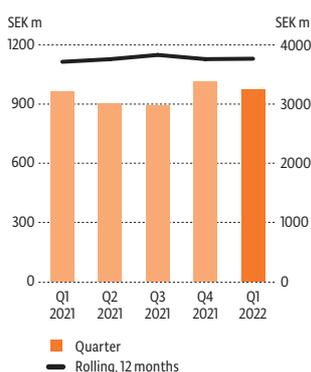
**70 percent<sup>1</sup>**

Percentage of own brands, income

**–4.2 percent<sup>1</sup>**

Organic growth of own brands

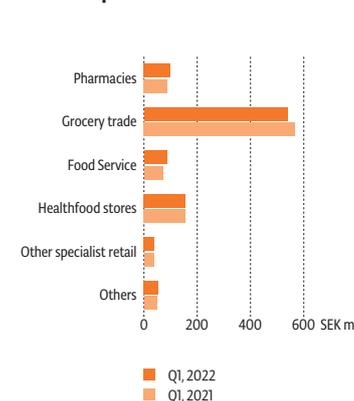
Net sales



EBITDA, before items affecting comparability



Net sales per sales channel



<sup>1</sup>For Q1, 2022

# Division Nordics

Percentage net sales  
in the Group<sup>2</sup>



Division Nordics <sup>1</sup>	Jan-Mar 2022	Jan-Mar 2021	Rolling 12-month	Full year 2021
Net sales	657	658	2,610	2,611
Gross profit	199	210	790	800
Gross margin, %	30.3	31.9	30.3	30.7
EBITDA	53	73	243	263
EBITDA margin, %	8.0	11.1	9.3	10.1

<sup>1</sup> Earnings and margin measurements refer to before items affecting comparability unless otherwise stated.

## Net sales

Net sales amounted to SEK 657 million (658), a decrease of 0.2 percent, where the organic change in net sales was -7.9 percent. The organic change for own brands in external product sales was -6.1 percent. The sales trend weakened on the whole, despite strong growth for several brands in the healthfood categories, such as Friggs and Gainomax, and in consumer health products, such as Eskio-3 and Mygga. Fewer or none of the pandemic restrictions in society compared with the previous year led to a change in consumption patterns with less household consumption and more restaurant visits, which generally disfavours the organic products category, with restrained sales in both January and February, although with a good recovery in March.

## Gross profit

Gross profit amounted to SEK 199 million (210), corresponding to a margin of 30.3 percent (31.9). Implemented price increases gradually had an impact on gross profit and the margin improved compared with the previous quarter (27.9). However, price increases were partly offset by accelerating cost inflation, partly as a result of the current security situation in Europe. In addition, there was great volatility in currencies, which had some negative impact on margin development. A significant proportion of raw materials are purchased in USD to Denmark and a significant proportion of finished goods are purchased in EUR to Sweden. New price increases were announced to customers as a consequence of the increased inflationary pressure and will be implemented gradually in the second quarter of 2022.

## EBITDA

EBITDA amounted to SEK 53 million (73), corresponding to a margin of 8.0 percent (11.1), as a consequence of a lower gross profit and a lower gross margin. In addition, EBITDA was affected by negative operating translation differences, which were positive in the comparison period. Withdrawals of cost synergies from acquisitions, lower market investments in own brands and good cost control only compensated to a certain extent for the lower gross profit and the lower gross margin.



In Sweden, Friggs launched corn cakes with a taste of tacos during the quarter.

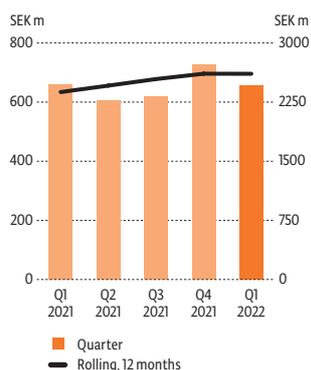
**72 percent<sup>2</sup>**

Percentage of own brands, income

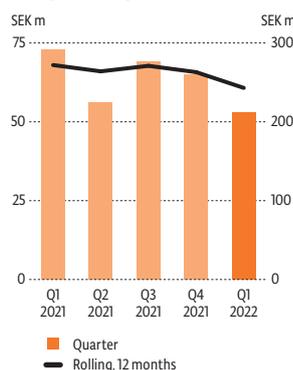
**-6.1 percent<sup>3</sup>**

Organic growth of own brands

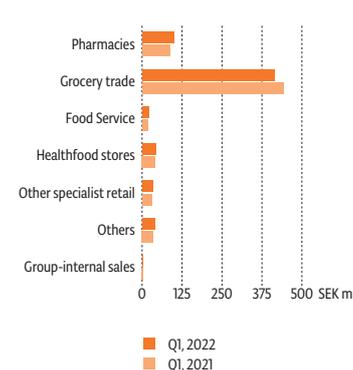
### Net sales



### EBITDA, before items affecting comparability



### Net sales per sales channel



<sup>2</sup> For Q1, 2022

<sup>3</sup> For external product sales

# Division North Europe

Percentage net sales  
in the Group<sup>2</sup>



Division North Europe <sup>1</sup>	Jan-Mar 2022	Jan-Mar 2021	Rolling 12-month	Full year 2021
Net sales	222	224	829	831
Gross profit	35	42	135	143
Gross margin, %	15.6	18.9	16.3	17.2
EBITDA	9	19	40	50
EBITDA margin, %	3.9	8.3	4.9	6.1

<sup>1</sup> Earnings and margin measurements refer to before items affecting comparability unless otherwise stated.

## Net sales

Net sales amounted to SEK 222 million (224), a decrease of 0.5 percent, where the organic change in net sales was -4.0 percent. The organic change for own brands in external product sales was 1.0 percent. On the whole, the sales trend was negative, despite strong growth in the food service sales channel. Fewer or no pandemic restrictions at all in society compared with the previous year led to a changed consumption pattern with less household consumption and more restaurant visits, which together led to strong sales growth of 17.0 percent for food service, however at the expense of weak sales development to grocery and health retailers.

## Gross profit

Gross profit amounted to SEK 35 million (42), corresponding to a margin of 15.6 percent (18.9). Price increases were implemented with some impact on gross profit. For contract manufacturing assignments, which make up a relatively large proportion of the business, the lead time for getting through announced price increases is longer. In addition, the margin was negatively affected by accelerating cost inflation as a result of the Ukraine crisis, partly due to high volatility between the currencies EUR and USD, as a significant proportion of commodities are purchased in USD. Overall, however, the margin improved compared with the previous quarter (12.4), albeit moderately considering that the fourth quarter of

2021 included a major inventory write-down. New price increases were initiated for customers as a consequence of the increased inflationary pressure and will have a gradual impact on gross profit in 2022.

## EBITDA

EBITDA amounted to SEK 9 million (19), corresponding to a margin of 3.9 percent (8.3) and decreased essentially as a consequence of the lower gross profit and the lower gross margin.



During the quarter, new vegetarian products were launched under the Davert brand in Germany.

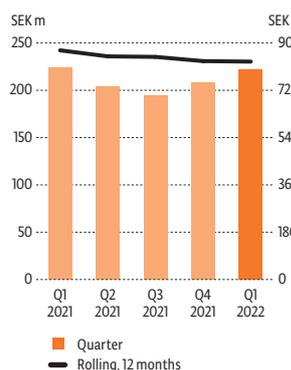
62 percent<sup>2</sup>

Percentage of own brands, income

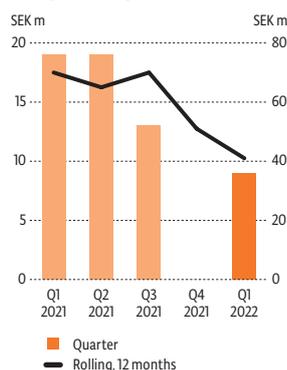
1.0 percent<sup>3</sup>

Organic growth of own brands

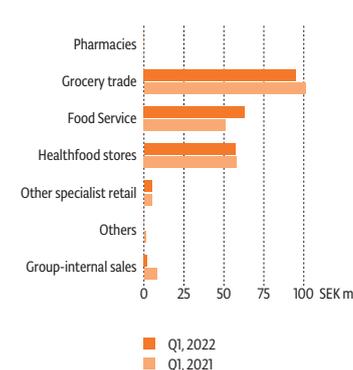
### Net sales



### EBITDA, before items affecting comparability



### Net sales per sales channel



<sup>2</sup> For Q1, 2022

<sup>3</sup> For external product sales

# Division South Europe

Percentage net sales  
in the Group<sup>2</sup>

10%

Division South Europe <sup>1</sup>	Jan-Mar 2022	Jan-Mar 2021	Rolling 12-month	Full year 2021
Net sales	101	96	374	369
Gross profit	21	23	74	77
Gross margin, %	20.9	24.2	19.9	20.8
EBITDA	6	9	24	26
EBITDA margin, %	6.5	9.3	6.3	7.0

<sup>1</sup> Earnings and margin measurements refer to before items affecting comparability unless otherwise stated.

## Net sales

Net sales amounted to SEK 101 million (96), a decrease of 4.6 percent, where the organic change in net sales was 1.0 percent. The organic change for own brands in external product sales was -1.2 percent. Sales volumes to healthfood stores, which is still the largest sales channel in terms of volume, was lower compared with the corresponding period in the previous year as a consequence of a weak market, primarily in France. The Happy Bio brand continued to deliver good growth, while other brands had a sales trend in line with the market. The distribution of contracted products to the Spanish grocery trade increased during the period due to the first deliveries of plant-based meat-alternatives in the contract with Mercadona, Spain's largest grocery chain. In addition, new contract manufacturing agreements were signed with French grocery chains with initial deliveries in the second quarter of 2022.

## Gross profit

Gross profit amounted to SEK 21 million (23), corresponding to a margin of 20.9 percent (24.2). Price increases, which were announced to customers in the previous quarter, gradually had an impact on gross profit and the margin improved compared with the previous quarter (16.0). However, the implemented price increases were offset by accelerating cost inflation, partly as a result of the Ukraine crisis. In addition, the efficiency of the new Spanish production facility was relatively low as it is still in a start-up phase. However, it will gradually improve in the coming months as new contract manufacturing volumes have a full impact on the production facility. New price increases were initiated to customers as a consequence of the increased inflationary pressure and will to some extent have an impact on gross profit already in the second quarter of 2022. In

the French market, however, the price adjustment process is more regulated and price adjustments take longer to implement.

## EBITDA

EBITDA amounted to SEK 6 million (9), corresponding to a margin of 6.5 percent (9.3) and decreased essentially as a consequence of the lower gross profit and the lower gross margin.



The Spanish brand Vegetalia's two new launches during the quarter.

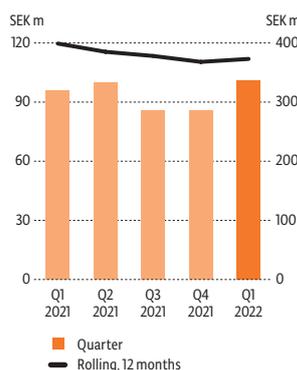
77 percent<sup>2</sup>

Percentage of own brands, income

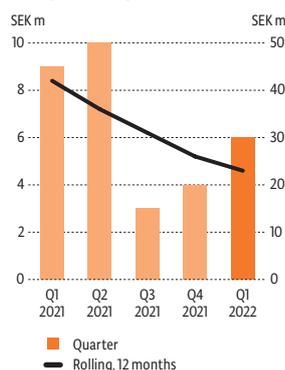
-1.2 percent<sup>3</sup>

Organic growth of own brands

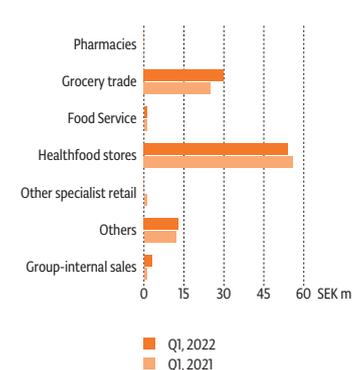
### Net sales



### EBITDA, before items affecting comparability



### Net sales per sales channel



<sup>2</sup> For Q1, 2022

<sup>3</sup> For external product sales

# Other information

## Financial calendar



### Seasonal variations

Sales and earnings are affected to some extent by seasonal variations. Sales in the first and second quarter are affected by Easter week, depending on which quarter it occurs in. Easter week does not favour sales for the Group's product groups. Warm summer months normally entail lower sales for most product groups as the consumers prioritise different consumption. The second quarter of the year is usually the Group's weakest in terms of sales and profit. Sales are generally higher in the fourth quarter than in the first three quarters, which is mainly due to seasonally high deliveries of dried fruits and nuts prior to the Christmas holidays.

### Parent Company

Net sales amounted to SEK 15 million (15), and related primarily to invoicing of services provided internally within the Group. Profit before tax amounted to SEK 4 million (7). Net financial items included exchange-rate differences on financial receivables and liabilities in foreign currency of SEK 0 million (0) and exchange rate differences of SEK 9 million (12) on net investment in subsidiaries.

Cash and cash equivalents, including unutilised credit facilities, amounted to SEK 433 million (206). Borrowing from credit institutions was SEK 1,307 million (1,401) at the end of the period. On the balance sheet date, there were 18 employees (17).

### Closely-related parties

There were no significant related party transactions during the period January – March. Also see Note 33 *Related parties* on page 160 in the 2021 Annual Report for a description of the Group's and the Parent Company's related-party transactions.

### Risks and uncertainties

In its operations, the Group is subject to operational, market, financial and sustainability risks that may affect profits to a greater or lesser extent. In the first quarter of 2022, the security policy situation in Europe changed drastically with Russia's invasion of Ukraine. Midsona had no direct customer or supplier exposure in the countries concerned – Ukraine, Russia and Belarus, but was strongly indirectly affected by the accelerated inflationary pressures with rising prices on commodities, completed goods, packaging materials, energy and transport as a result of the Ukraine crisis. In addition, Ukraine is a major exporter of important cereals, such as wheat, maize and sunflower seeds, which are included as ingredients in some of the Group's finished products. Logistics problems in transporting last year's grain crops out of the country has rapidly pushed up world market prices, which are hitting already hard-pressed subcontractors. In addition, the fields risk being left un-sown this spring because many of them are the scene of armed conflict and because many of the farmers have enlisted to fight. The global transport situation worsened as a consequence partly of the pandemic closing Asian ports, as well as the security policy situation in Europe, which together are exerting further pressure on the supply chain with delivery delays and shortages. Elevated reserve inventory levels continue to be maintained for the most critical raw materials and finished products. An overall assessment results in the Ukraine crisis negatively affecting the Group's earnings and financial position in the short term as there is usually a built-in delay between announced price increases and their effect on gross profit being felt. This lead time is usually longer for contract manufacturing assignments, which constitute approxi-

mately 15 percent of the Group's revenues. In addition, there are clear signs that important reference interest rates for the Group will rise at a faster rate than planned to dampen the high inflation rate, which will, in turn, lead to higher interest expenses for the Group on its financing. Beyond that, the assessment is that no new significant risks or uncertainties have arisen. For a detailed account of risks and uncertainty factors, please see the section *Risks and risk management* on pages 116–125 and Note 31 *Financial risk management* on pages 158–160 in the 2021 Annual Report.

### Significant events January–March

#### Customer agreement

A contract manufacturing agreement was signed with Mercadona, Spain's largest grocery trade chain, for deliveries of plant-based meat alternatives. It is estimated that the customer agreement will generate about SEK 30–40 million in net sales annually, with production taking place at the production facility in Spain.

#### Prestigious appointment for supplier engagement

The global environmental initiative CDP named Midsona a Supplier Engagement Leader for its commitment along the entire supply chain. The award means that Midsona is one of the best companies globally when it comes to climate change strategy and leadership.

#### Change in Group Management

In addition to her current role, Director Legal, Tora Molander, has been appointed Risk and Sustainability Manager for the Midsona Group and is a member of Group Management as of 1 April 2022.

#### Security situation in Ukraine

Midsona has no direct customer or supplier exposure in Ukraine, Russia or Belarus. The events in Ukraine have, however, had indirectly negative consequences for the Group through higher prices for finished goods, raw materials, inputs, transport and energy, which have led to announced price increases for customers. We are also preparing for shortages of certain raw materials and inputs, as well as continued transport problems. We continue to follow developments very closely and are taking prompt action when necessary.

### Significant events following the end of the report period

A decision was made to implement a restructuring programme as a measure to strengthen competitiveness. The ambition is to reduce the cost base by SEK 40 million on an annual basis through structural changes, including staff cutbacks, as far as possible by terminating contracts with hired staff and through natural staff redundancies. This means that restructuring costs will be charged against profit for the year in 2022.

Malmö, 28 April 2022  
Midsona AB (publ)  
Board of Directors

### Review by auditor

This interim report was not subject to review by company's auditors.

# Financial statements

## Summary consolidated income statement

SEK million	Note	Jan-Mar 2022	Jan-Mar 2021	Rolling 12-month	Full year 2021
<b>Net sales</b>	3.4	<b>972</b>	<b>965</b>	<b>3,780</b>	<b>3,773</b>
Expenses for goods sold		-718	-690	-2,786	-2,758
<b>Gross profit</b>		<b>254</b>	<b>275</b>	<b>994</b>	<b>1,015</b>
Selling expenses		-157	-151	-598	-592
Administrative expenses		-74	-73	-290	-289
Other operating income		2	7	30	35
Other operating expenses		-3	-4	-7	-8
<b>Operating profit/loss</b>	3	<b>22</b>	<b>54</b>	<b>129</b>	<b>161</b>
Financial income		10	7	14	11
Financial expenses		-18	-18	-57	-57
<b>Profit/loss before tax</b>		<b>14</b>	<b>43</b>	<b>86</b>	<b>115</b>
Tax on profit for the period		-2	-10	-18	-26
<b>Profit for the period</b>		<b>12</b>	<b>33</b>	<b>68</b>	<b>89</b>
<i>Profit for the period is divided between:</i>					
Parent Company shareholders (SEK million)		12	33	68	89
Earnings per share before dilution attributable to Parent Company shareholders (SEK)		0.17	0.50	0.98	1.31
Earnings per share after dilution attributable to Parent Company shareholders (SEK)		0.17	0.50	0.97	1.30

## Summary consolidated statement of comprehensive income

SEK million	Jan-Mar 2022	Jan-Mar 2021	Rolling 12-month	Full year 2021
<b>Profit for the period</b>	<b>12</b>	<b>33</b>	<b>68</b>	<b>89</b>
<i>Items that have or can be reallocated to profit for the period</i>				
Translation differences for the period on translation of foreign operations	41	64	40	63
<b>Other comprehensive income for the period</b>	<b>41</b>	<b>64</b>	<b>40</b>	<b>63</b>
<b>Comprehensive income for the period</b>	<b>53</b>	<b>97</b>	<b>108</b>	<b>152</b>
<i>Comprehensive income for the period is divided between:</i>				
Parent Company shareholders (SEK million)	53	97	108	152

Urtekram launched a new vegetable stock in the Danish market.



## Summary consolidated balance sheet

SEK million	Note	31 March 2022	31 March 2021	31 Dec 2021
Intangible assets		3,397	3,345	3,364
Tangible assets		510	548	522
Non-current receivables		4	5	4
Deferred tax assets		91	80	91
<b>Fixed assets</b>		<b>4,002</b>	<b>3,978</b>	<b>3,981</b>
Inventories		797	686	783
Accounts receivable		420	403	403
Tax receivables		18	5	18
Other receivables		27	21	33
Prepaid expenses and accrued income		23	20	16
Cash and cash equivalents		53	123	53
<b>Current assets</b>		<b>1,338</b>	<b>1,258</b>	<b>1,306</b>
<b>Assets</b>	5	<b>5,340</b>	<b>5,236</b>	<b>5,287</b>
Share capital	6	363	326	363
Additional paid-up capital		1,627	1,168	1,627
Reserves		46	6	5
Profit brought forward, including profit for the period		892	910	880
<b>Shareholders' equity</b>		<b>2,928</b>	<b>2,410</b>	<b>2,875</b>
Non-current interest-bearing liabilities		1,294	1,496	1,314
Other non-current liabilities		10	37	11
Deferred tax liabilities		349	346	347
<b>Non-current liabilities</b>		<b>1,653</b>	<b>1,879</b>	<b>1,672</b>
Current interest-bearing liabilities		223	256	175
Accounts payable		320	446	342
Tax liabilities		15	0	15
Other current liabilities		38	74	41
Accrued expenses and deferred income		163	171	167
<b>Current liabilities</b>		<b>759</b>	<b>947</b>	<b>740</b>
<b>Liabilities</b>	5	<b>2,412</b>	<b>2,826</b>	<b>2,412</b>
<b>Shareholders' equity and liabilities</b>		<b>5,340</b>	<b>5,236</b>	<b>5,287</b>

## Summary consolidated changes in shareholders' equity

SEK million	Share capital	Additional paid-up capital	Reserves	Profit brought forward, incl. profit for the period	Shareholders' equity
Opening shareholders' equity, 1 January 2021	325	1,169	-58	877	2,313
Profit for the period	-	-	-	33	33
Other comprehensive income for the period	-	-	64	-	64
<b>Comprehensive income for the period</b>	-	-	<b>64</b>	<b>33</b>	<b>97</b>
Completed issue of warrant programme, T02017/2020	1	-1	-	-	0
Issue expenses, T02017/2020	-	0	-	-	0
<b>Transactions with the Group's owners</b>	<b>1</b>	<b>-1</b>	-	-	<b>0</b>
<b>Closing shareholders' equity, 31 March 2021</b>	<b>326</b>	<b>1,168</b>	<b>6</b>	<b>910</b>	<b>2,410</b>
Opening shareholders' equity, 1 April 2021	326	1,168	6	910	2,410
Profit for the period	-	-	-	56	56
Other comprehensive income for the period	-	-	-1	-	-1
<b>Comprehensive income for the period</b>	-	-	<b>-1</b>	<b>56</b>	<b>55</b>
New share issue	37	463	-	-	500
Issue expenses	-	-6	-	-	-6
Premium paid in on issuing warrant programme, T02021/2024	-	2	-	-	2
Dividend	-	-	-	-86	-86
<b>Transactions with the Group's owners</b>	<b>37</b>	<b>459</b>	-	<b>-86</b>	<b>410</b>
<b>Closing shareholders' equity, 31 December 2021</b>	<b>363</b>	<b>1,627</b>	<b>5</b>	<b>880</b>	<b>2,875</b>
Opening shareholders' equity, 1 January 2022	363	1,627	5	880	2,875
Profit for the period	-	-	-	12	12
Other comprehensive income for the period	-	-	41	-	41
<b>Comprehensive income for the period</b>	-	-	<b>41</b>	<b>12</b>	<b>53</b>
<b>Closing shareholders' equity, 31 March 2022</b>	<b>363</b>	<b>1,627</b>	<b>46</b>	<b>892</b>	<b>2,928</b>

## Summary consolidated cash flow statement

SEK million	Jan-Mar 2022	Jan-Mar 2021	Rolling 12-month	Full year 2021
Profit/loss before tax	14	43	86	115
Adjustment for items not included in cash flow	46	31	156	141
Income tax paid	-6	-2	-16	-12
<b>Cash flow from operating activities before changes in working capital</b>	<b>54</b>	<b>72</b>	<b>226</b>	<b>244</b>
Increase (-)/decrease (+) in inventories	-10	-35	-99	-124
Increase (-)/decrease (+) in operating receivables	-11	-91	0	-80
Increase (+)/decrease (-) in operating liabilities	-41	35	-180	-104
<b>Changes in working capital</b>	<b>-62</b>	<b>-91</b>	<b>-279</b>	<b>-308</b>
<b>Cash flow from operating activities</b>	<b>-8</b>	<b>-19</b>	<b>-53</b>	<b>-64</b>
Acquisitions of companies or operations	-	-	-114	-114
Acquisitions of intangible assets	-1	-2	-4	-5
Acquisitions of tangible assets	-9	-13	-50	-54
Change in financial assets	0	0	-2	-2
<b>Cash flow from investing activities</b>	<b>-10</b>	<b>-15</b>	<b>-170</b>	<b>-175</b>
<b>Cash flow after investing activities</b>	<b>-18</b>	<b>-34</b>	<b>-223</b>	<b>-239</b>
New share issue	-	-	500	500
Issue expenses	-	-	-6	-6
Premium paid-in warrant programme, TO2021/2024	-	-	2	2
Loans raised	58	-	349	291
Repayment of loans	-30	-23	-556	-549
Amortisation of lease liabilities	-14	-15	-57	-58
Dividend paid	-	-	-86	-86
<b>Cash flow from financing activities</b>	<b>14</b>	<b>-38</b>	<b>146</b>	<b>94</b>
<b>Cash flow for the period</b>	<b>-4</b>	<b>-72</b>	<b>-77</b>	<b>-145</b>
Cash and equivalents at beginning of period	53	195	123	195
Translation difference in cash and cash equivalents	4	0	7	3
<b>Cash and cash equivalents at end of the period</b>	<b>53</b>	<b>123</b>	<b>53</b>	<b>53</b>

## Summary income statement, Parent Company

SEK million	Jan-Mar 2022	Jan-Mar 2021	Rolling 12-month	Full year 2021
<b>Net sales</b>	<b>15</b>	<b>15</b>	<b>64</b>	<b>64</b>
Administrative expenses	-21	-20	-89	-88
Other operating income	0	-	0	0
Other operating expenses	0	0	0	0
<b>Operating profit/loss</b>	<b>-6</b>	<b>-5</b>	<b>-25</b>	<b>-24</b>
Result from participations in subsidiaries	-	-	3	3
Financial income	26	28	52	54
Financial expenses	-16	-16	-46	-46
<b>Profit/loss after financial items</b>	<b>4</b>	<b>7</b>	<b>-16</b>	<b>-13</b>
Allocations	-	-	26	26
<b>Profit/loss before tax</b>	<b>4</b>	<b>7</b>	<b>10</b>	<b>13</b>
Tax on profit for the period	0	-	0	0
<b>Profit for the period<sup>1</sup></b>	<b>4</b>	<b>7</b>	<b>10</b>	<b>13</b>

<sup>1</sup> Profit for the period and comprehensive income for the period are the same, as the Parent Company has no transactions that are reported in other comprehensive income.

## Summary balance sheet, Parent Company

SEK million	Note	31 March 2022	31 March 2021	31 Dec 2021
Intangible assets		49	54	51
Tangible assets		5	3	5
Participations in subsidiaries		2,535	2,547	2,535
Receivables from subsidiaries		1,335	1,131	1,321
Deferred tax assets		2	2	2
<b>Financial assets</b>		<b>3,872</b>	<b>3,680</b>	<b>3,858</b>
<b>Fixed assets</b>		<b>3,926</b>	<b>3,737</b>	<b>3,914</b>
Receivables from subsidiaries		115	14	117
Other receivables		18	10	12
Cash and bank balances		–	56	2
<b>Current assets</b>		<b>133</b>	<b>80</b>	<b>131</b>
<b>Assets</b>	5	<b>4,059</b>	<b>3,817</b>	<b>4,045</b>
Share capital	6	363	326	363
Statutory reserve		58	58	58
Profit brought forward, including profit for the period and other reserves		2,122	1,742	2,118
<b>Shareholders' equity</b>		<b>2,543</b>	<b>2,126</b>	<b>2,539</b>
<b>Untaxed reserves</b>		<b>5</b>	<b>–</b>	<b>5</b>
Liabilities to credit institutions		1,147	1,303	1,166
Other non-current liabilities		0	12	0
<b>Non-current liabilities</b>		<b>1,147</b>	<b>1,315</b>	<b>1,166</b>
Liabilities to credit institutions		160	98	107
Liabilities to subsidiaries		183	263	212
Other current liabilities		21	15	16
<b>Current liabilities</b>		<b>364</b>	<b>376</b>	<b>335</b>
<b>Equity and liabilities</b>	5	<b>4,059</b>	<b>3,817</b>	<b>4,045</b>

# Notes to the financial statements

## Note 1 | Accounting principles

With regard to the Group, this Interim Report has been prepared in accordance with IAS 34 *Interim Financial Reporting* and the Annual Accounts Act (ÅRL). In addition to being presented in the financial statements and their notes, disclosures in accordance with IAS 34.16A are also presented in other parts of the Interim Report. The Parent Company's accounts are prepared in accordance with the Annual Accounts Act (ÅRL) and recommendation RFR 2 *Accounting for Legal Entities*, from the Swedish Financial Reporting Board. The statements published by the Swedish Financial Reporting Board concerning listed companies are also applied, meaning that the Parent Company must apply all EU-approved IFRS and statements as far as possible within the framework of the Annual Accounts Act, the Pension Protection Act and taking the relationship between accounting and taxation into account.

In the interim report January–March 2022, the same Accounting principles and calculation methods were applied as in the last annual report issued for 2021 (Note 1 *Accounting principles*, pages 136–142). The new standards and the amendments and revisions to standards and new interpretations (IFRIC) that came into effect on 1 January 2022 had no significant impact on the Group's accounting for the period January–March 2022.

## Note 2 | Significant estimates and assumptions

Preparing the financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the application of the accounting principles and the reported amounts of assets, liabilities, income and expenses. The actual outcome may differ from these estimates and assumptions.

For a detailed account of the assessments made by management in the application of IFRS and that have a significant impact on the financial state-

### Reporting of cloud service events

IFRIC has published agenda decisions for how companies should report expenses in a Software-as-a-Service (SaaS) arrangement where access to software is obtained via the cloud, and configuring and adapting such software is also achieved through a cloud-based service arrangement. The decisions clarify that companies may not capitalise expenditures attributable to the implementation of a cloud-based service arrangement if they do not have control over the application, and that expenses for the configuration and adaptation of software services in such a cloud-based service arrangement must in many cases be reported as an expense in the same period. The assessment of the period for which the services are obtained depends, however, on whether they are distinct in relation to the service of obtaining access to the software. If the services are judged to be distinct, the expense is reported in the same period as the services are performed. If the services are not deemed distinct, the expenses are reported as an expense in the same period as the company receives access to the software, which normally entails a prepaid expense in the balance sheet over the term of the agreement. Midsona has analysed whether the IFRIC clarifications for reporting cloud-based service arrangements would have any impact on the financial statements. The analysis resulted in the current management being in all material respects consistent with the principles regarding SaaS set out in the agenda decisions and in IAS 38 *Intangible assets*.

ments, as well as estimates made that could entail significant adjustments to subsequent financial statements, please refer to Note 35 *Significant estimates and assumptions* on page 162 of the 2021 Annual Report.

No new significant estimates and assumptions have been added since the publication of the most recent annual report.

### Note 3 | Operating segments, Group

SEK million	Nordics		North Europe		South Europe		Group-wide functions		Group	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
<b>January-March</b>										
Net sales, external	654	654	220	216	98	95	-	-	972	965
Net sales, intra-Group	3	4	2	8	3	1	-8	-13	-	-
<b>Net sales</b>	<b>657</b>	<b>658</b>	<b>222</b>	<b>224</b>	<b>101</b>	<b>96</b>	<b>-8</b>	<b>-13</b>	<b>972</b>	<b>965</b>
Expenses for goods sold	-458	-448	-187	-182	-80	-73	7	13	-718	-690
<b>Gross profit</b>	<b>199</b>	<b>210</b>	<b>35</b>	<b>42</b>	<b>21</b>	<b>23</b>	<b>-1</b>	<b>0</b>	<b>254</b>	<b>275</b>
Other operating expenses	-159	-150	-37	-34	-20	-19	-16	-18	-232	-221
<b>Operating profit</b>	<b>40</b>	<b>60</b>	<b>-2</b>	<b>8</b>	<b>1</b>	<b>4</b>	<b>-17</b>	<b>-18</b>	<b>22</b>	<b>54</b>
Financial items									-8	-11
<b>Profit/loss before tax</b>									<b>14</b>	<b>43</b>
<i>Significant income and expense items reported in the income statement:</i>										
Items affecting comparability <sup>1</sup>	-	-	-	-	-	-	-	2	-	2
Depreciation/amortisation and impairment	13	13	11	11	5	5	11	9	40	38
<b>Gross profit, before items affecting comparability</b>	<b>199</b>	<b>210</b>	<b>35</b>	<b>42</b>	<b>21</b>	<b>23</b>	<b>-1</b>	<b>0</b>	<b>254</b>	<b>275</b>
<b>Operating profit, before items affecting comparability</b>	<b>40</b>	<b>60</b>	<b>-2</b>	<b>8</b>	<b>1</b>	<b>4</b>	<b>-17</b>	<b>-16</b>	<b>22</b>	<b>56</b>
<b>EBITDA, before items affecting comparability</b>	<b>53</b>	<b>73</b>	<b>9</b>	<b>19</b>	<b>6</b>	<b>9</b>	<b>-6</b>	<b>-7</b>	<b>62</b>	<b>94</b>
Average number of employees	461	451	232	215	142	150	18	16	853	832
Number of employees as per the balance sheet date	462	442	236	221	143	151	18	17	859	831

<sup>1</sup> For a specification of items affecting comparability, refer to the definitions and reconciliations against IFRS, Group, on pages 14-15.

### Note 4 | Breakdown of income, Group

SEK million	Nordics		North Europe		South Europe		Group-wide functions		Group	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
<b>January-March</b>										
<i>Geographical areas<sup>1</sup></i>										
Sweden	277	285	0	0	1	0	-1	0	277	285
Denmark	128	150	2	6	1	1	-2	-6	129	151
Finland	108	72	-	-	0	-	-	-	108	72
Norway	111	118	0	0	1	-	-1	-	111	118
France	1	2	5	6	55	53	-1	-2	60	59
Spain	3	4	4	3	37	36	-	-	44	43
Germany	2	4	187	184	1	1	-3	-5	187	184
Rest of Europe	25	23	24	25	2	2	-	-	51	50
Other countries outside Europe	2	0	0	0	3	3	-	-	5	3
<b>Net sales</b>	<b>657</b>	<b>658</b>	<b>222</b>	<b>224</b>	<b>101</b>	<b>96</b>	<b>-8</b>	<b>-13</b>	<b>972</b>	<b>965</b>
<i>Sales channel</i>										
Pharmacies	100	87	-	-	-	-	-	-	100	87
Grocery trade	414	442	95	101	30	25	-	-	539	568
Food Service	22	18	63	51	1	1	-	-	86	70
Healthfood stores	44	41	57	58	54	56	-	-	155	155
Other specialist retailers	34	31	5	5	-	1	-	-	39	37
Others	40	35	0	1	13	12	-	-	53	48
Group-internal sales	3	4	2	8	3	1	-8	-13	-	-
<b>Net sales</b>	<b>657</b>	<b>658</b>	<b>222</b>	<b>224</b>	<b>101</b>	<b>96</b>	<b>-8</b>	<b>-13</b>	<b>972</b>	<b>965</b>
<i>Product categories</i>										
Organic products	186	219	222	224	101	96	-7	-13	502	526
Healthfoods	274	268	-	-	-	-	-	-	274	268
Consumer health products	194	169	-	-	-	-	-	-	194	169
Services linked to product handling	3	2	0	0	0	0	-1	0	2	2
<b>Net sales</b>	<b>657</b>	<b>658</b>	<b>222</b>	<b>224</b>	<b>101</b>	<b>96</b>	<b>-8</b>	<b>-13</b>	<b>972</b>	<b>965</b>
<i>Brands</i>										
Own	472	474	137	136	78	75	-7	-13	680	672
Licensed	125	122	-	-	9	8	-	-	134	130
Contract manufacture	57	60	85	88	14	13	-	-	156	161
Services linked to product handling	3	2	0	0	0	0	-1	0	2	2
<b>Net sales</b>	<b>657</b>	<b>658</b>	<b>222</b>	<b>224</b>	<b>101</b>	<b>96</b>	<b>-8</b>	<b>-13</b>	<b>972</b>	<b>965</b>

<sup>1</sup> Income from external customers is attributable to individual geographical areas according to the country in which the customer is domiciled.

## Note 5 | Assessment of financial assets and liabilities at fair value and categorisation

The carrying amount on non-current receivables, accounts receivable, other receivables, cash and cash equivalents, other non-current receivables, accounts payable and other current liabilities constitutes a reasonable approximation of fair value.

### Certain disclosures regarding financial instruments assessed at fair value through profit for the year

At the end of the period, the consolidated balance sheet included no financial instruments recognised at fair value. The comparison period included financial instruments in the form of currency swaps of SEK 0 million and currency options of SEK 1 million recorded at fair value in the consolidated balance sheet. That valuation was at level 2, in accordance with IFRS 13 *Fair Value Measurement*. A market approach was used and fair value is based on brokers' listings. Similar contracts were traded on an active market and the rates reflected actual transactions on comparable instruments. The comparison period also included contingent purchase considerations that were recognised at fair value in the consolidated balance sheet. That valuation was at level 3, in accordance with IFRS 13 *Fair Value Measurement*. Fair value of conditional purchase considerations was calculated by discounting the present value of the expected cash flows with an adjusted discount rate. Expected cash flows were determined based on likely scenarios for future gross profit, amounts

that will be payable in the event of respective outcomes and the probability of the respective outcome.

### Netting agreements and similar agreements

At the end of the period, the consolidated balance sheet included no financial instruments subject to netting agreements or similar. There were reported financial liabilities attributable to derivative instruments of SEK 1 million in the consolidated balance sheet for the comparison period, which were covered by a legally binding framework agreement on netting.

### Calculation of fair value

Fair value of interest bearing liabilities is calculated based on future cash flows of principal and interest discounted at the current market rate on the balance sheet date. Long-term interest-bearing liabilities essentially mature at variable interest rates and therefore correspond essentially to fair value with a carrying amount. For current interest-bearing liabilities, no discount is applied and the fair value corresponds, in all material respects, to the carrying amount.

For further information on the valuation of financial assets and liabilities, refer to Note 34 *Valuation of financial assets and liabilities at fair value and the category breakdown* in the 2021 Annual Report, pages 160–161.

## Note 6 | Change in number of shares, Group

Number	Series A shares	Series B shares	Total
Number of shares, 1 January 2021	755,820	64,248,788	65,004,608
Redemption of warrants	–	213,180	213,180
<b>Number of shares, 31 March 2021</b>	<b>755,820</b>	<b>64,461,968</b>	<b>65,217,788</b>
Number of shares, 1 April 2021	755,820	64,461,968	65,217,788
New share issue	–	7,496,252	7,496,252
Share reclassification	–457,500	457,500	–
<b>Number of shares, 31 December 2021</b>	<b>298,320</b>	<b>72,415,720</b>	<b>72,714,040</b>
Number of shares, 1 January 2022	298,320	72,415,720	72,714,040
<b>Number of shares, 31 March 2022</b>	<b>298,320</b>	<b>72,415,720</b>	<b>72,714,040</b>
Quota value per share, SEK			5.00
Share capital on the balance sheet date, SEK			363,570,200
Votes on the balance sheet date, number			75,398,920

Two option programmes were outstanding at the end of the period, the TO2019/2022 series, which can provide a maximum of 150,960 new Series B shares on full conversion, and the TO2021/2024 series, which can provide a maximum of 171,000 new Series B shares on full conversion. Because the average price for Series B shares exceeded the subscription price for

TO2019/2022 and TO2021/2024 on the balance sheet date, earnings per share after dilution were not calculated. For more information on TO 2019/2022 and TO2021/2024, see Note 10 *Employees, personnel expenses and senior executives' remuneration* in the 2021 annual report, pages 146–148.

### Average number of shares, Group

Number of shares (thousands)	Jan–Mar 2022	Jan–Mar 2021	Rolling 12-month	Full year 2021
Average during the period	72,714	65,149	69,674	67,783
Average during the period, after full dilution	72,714	65,299	69,786	67,932

In Sweden, Friggs launched corn cakes with peas in two different flavours during the quarter.



# Definitions

Midsona presents certain financial measures in the Interim Report that are not defined under IFRS. Midsona considers these measures to provide useful supplemental information to investors and the company's management as they facilitate the evaluation of the company's performance. Because not all companies calculate financial measures in the same way, these are not always

comparable to the measures used by other companies. Accordingly, these financial measures should not be considered a substitute for measurements as defined under IFRS. For the definition and purpose of respective measures not defined under IFRS, please see the Definitions section on pages 184–188 in the 2021 Annual Report. The following table presents reconciliations against IFRS.

## IFRS reconciliations, Group

### EBITDA – operating profit before amortisation/depreciation and impairment of tangible and intangible fixed assets

SEK million	Jan–Mar 2022	Jan–Mar 2021	Rolling 12-month	Full year 2021
<b>Operating profit, before items affecting comparability</b>	<b>22</b>	<b>56</b>	<b>123</b>	<b>157</b>
Items affecting comparability included in operating profit <sup>1, 2</sup>	–	–2	6	4
<b>Operating profit</b>	<b>22</b>	<b>54</b>	<b>129</b>	<b>161</b>
Amortisation of intangible assets	12	11	48	47
Impairment losses on intangible assets	–	–	8	8
Depreciation of tangible assets	28	27	110	109
Impairment of tangible fixed assets	–	–	4	4
<b>EBITDA</b>	<b>62</b>	<b>92</b>	<b>299</b>	<b>329</b>
Items affecting comparability included in EBITDA <sup>1, 2</sup>	–	2	–18	–16
<b>EEBITDA, before items affecting comparability</b>	<b>62</b>	<b>94</b>	<b>281</b>	<b>313</b>
Net sales	972	965	3,780	3,773
<b>EBITDA-margin, before items affecting comparability</b>	<b>6.4%</b>	<b>9.7%</b>	<b>7.4%</b>	<b>8.3%</b>

#### <sup>1</sup>Specification of items affecting comparability

SEK million	Jan–Mar 2022	Jan–Mar 2021	Rolling 12-month	Full year 2021
Restructuring expenses, net	–	–	0	0
Revaluation of conditional purchase consideration	–	–	–21	–21
Acquisition-related expenses	–	2	3	5
Impairment of intangible and tangible assets	–	–	12	12
<b>Items affecting comparability included in operating profit</b>	<b>–</b>	<b>2</b>	<b>–6</b>	<b>–4</b>
Impairment of intangible and tangible assets	–	–	–12	–12
<b>Items affecting comparability included in EBITDA</b>	<b>–</b>	<b>2</b>	<b>–18</b>	<b>–16</b>

#### <sup>2</sup>Corresponding line in the consolidated income statement

SEK million	Jan–Mar 2022	Jan–Mar 2021	Rolling 12-month	Full year 2021
Expenses for goods sold	–	–	4	4
Selling expenses	–	–	8	8
Administrative expenses	–	–	0	0
Other operating income	–	–	–21	–21
Other operating expenses	–	2	3	5
<b>Items affecting comparability included in operating profit</b>	<b>–</b>	<b>2</b>	<b>–6</b>	<b>–4</b>
Expenses for goods sold	–	–	–4	–4
Selling expenses	–	–	–8	–8
<b>Items affecting comparability included in EBITDA</b>	<b>–</b>	<b>2</b>	<b>–18</b>	<b>–16</b>

### Adjusted EBITDA – EBITDA, rolling 12 months pro forma, excluding acquisition-related restructuring and transaction expenses

SEK million	Rolling 12-month	Full year 2021
<b>EBITDA</b>	<b>299</b>	<b>329</b>
Acquisition-related transaction expenses	–18	–16
Pro forma adjustment	7	11
<b>Adjusted EBITDA</b>	<b>288</b>	<b>324</b>

### Net debt – interest-bearing provisions and interest-bearing liabilities less cash and cash equivalents, including short-term investments

SEK million	31 March 2022	31 March 2021	31 Dec 2021
Non-current interest-bearing liabilities	1,294	1,496	1,314
Current interest-bearing liabilities	223	256	175
Cash and cash equivalents <sup>1</sup>	–53	–123	–53
<b>Net debt</b>	<b>1,464</b>	<b>1,629</b>	<b>1,436</b>

<sup>1</sup> There were no short-term investments equivalent to cash and cash equivalents at the end of the respective period.

Average capital employed – total equity and liabilities less interest-bearing liabilities and deferred tax liabilities at the end of the period plus total shareholders' equity and liabilities less interest-bearing liabilities and deferred tax liability at the beginning of the period divided by 2

SEK million	Jan–Mar 2022	Jan–Mar 2021	Rolling 12-month	Full year 2021
<b>Shareholders' equity and liabilities</b>	<b>5,340</b>	<b>5,236</b>	<b>5,340</b>	<b>5,287</b>
Other non-current liabilities	-10	-37	-10	-11
Deferred tax liabilities	-349	-346	-349	-347
Accounts payable	-320	-446	-320	-342
Other current liabilities	-53	-74	-53	-56
Accrued expenses and deferred income	-163	-171	-163	-167
<b>Capital employed</b>	<b>4,445</b>	<b>4,162</b>	<b>4,445</b>	<b>4,364</b>
Capital employed at the beginning of the period	4,364	4,092	4,162	4,092
<b>Average capital employed</b>	<b>4,405</b>	<b>4,127</b>	<b>4,304</b>	<b>4,228</b>

Return on capital employed – Profit before tax plus financial expenses in relation to average capital employed

SEK million	Rolling 12-month	Full year 2021
<b>Profit/loss before tax</b>	<b>86</b>	<b>115</b>
Financial expenses	57	57
<b>Profit before taxes, excluding financial expenses</b>	<b>143</b>	<b>172</b>
Average capital employed	4,304	4,228
<b>Return on capital employed, %</b>	<b>3.3</b>	<b>4.1</b>

Free cash flow – cash flow from operating activities less cash flow from investing activities, excluding acquisitions/sales of operations, acquisitions/sales of trademarks and product rights, as well as expansion investments

SEK million	Jan–Mar 2022	Jan–Mar 2021	Rolling 12-month	Full year 2021
<b>Cash flow from operating activities</b>	<b>-8</b>	<b>-19</b>	<b>-53</b>	<b>-64</b>
Cash flow from investing activities	-10	-15	-170	-175
Acquisitions of companies or operations	-	-	114	114
Expansion investment, new production line	3	8	26	31
<b>Free cash flow</b>	<b>-15</b>	<b>-26</b>	<b>-83</b>	<b>-94</b>

Organic change, net sales – Net change in sales between years adjusted for translation effects on consolidation and for changes in the Group structure

SEK million	Jan–Mar 2022	Jan–Mar 2021	Rolling 12-month	Full year 2021
<b>Net sales</b>	<b>972</b>	<b>965</b>	<b>3,780</b>	<b>3,773</b>
Net sales compared with the corresponding period in the previous year	-965	-946	-3,728	-3,709
<b>Net sales, change</b>	<b>7</b>	<b>19</b>	<b>52</b>	<b>64</b>
Structural changes	-34	-106	-283	-355
Exchange rate changes	-27	35	6	67
<b>Organic change</b>	<b>-54</b>	<b>-53</b>	<b>-225</b>	<b>-224</b>
Organic change	-5.6%	-5.6%	-6.0%	-6.0%
Structural changes	3.5%	11.2%	7.6%	9.5%
Exchange rate changes	2.8%	-3.6%	-0.1%	-1.8%

Organic change, net sales own brands – Net change in sales for own brands between years adjusted for translation effects on consolidation and for changes in the Group structure.

SEK million	Jan–Mar 2022	Jan–Mar 2021	Rolling 12-month	Full year 2021
<b>Net sales own brands</b>	<b>679</b>	<b>672</b>	<b>2,629</b>	<b>2,622</b>
Net sales own brands compared with the corresponding period in the previous year	-672	-653	-2,569	-2,550
<b>Net sales own brands, change</b>	<b>7</b>	<b>19</b>	<b>60</b>	<b>72</b>
Structural changes	-18	-56	-153	-191
Exchange rate changes	-17	23	5	45
<b>Organic change own brands</b>	<b>-28</b>	<b>-14</b>	<b>-88</b>	<b>-74</b>
Organic change	-4.2%	-2.2%	-3.4%	-2.9%
Structural changes	2.7%	8.6%	6.0%	7.5%
Exchange rate changes	2.5%	-3.5%	-0.2%	-1.8%

# Quarterly data

SEK million	2022 Q1	2021 Q4	2021 Q3	2021 Q2	2021 Q1	2020 Q4	2020 Q3	2020 Q2	2020 Q1	2019 Q4	2019 Q3	2019 Q2
<b>Net sales</b>	<b>972</b>	<b>1,012</b>	<b>893</b>	<b>903</b>	<b>965</b>	<b>1,083</b>	<b>821</b>	<b>859</b>	<b>946</b>	<b>825</b>	<b>765</b>	<b>705</b>
Expenses for goods sold	-718	-770	-652	-646	-690	-784	-598	-619	-671	-594	-524	-490
<b>Gross profit</b>	<b>254</b>	<b>242</b>	<b>241</b>	<b>257</b>	<b>275</b>	<b>299</b>	<b>223</b>	<b>240</b>	<b>275</b>	<b>231</b>	<b>241</b>	<b>215</b>
Selling expenses	-157	-148	-138	-155	-151	-161	-128	-123	-130	-129	-122	-123
Administrative expenses	-74	-76	-67	-73	-73	-88	-60	-70	-66	-64	-56	-59
Other operating income	2	3	12	13	7	17	16	17	2	30	-1	7
Other operating expenses	-3	-4	0	0	-4	-1	-4	9	-10	-16	-5	-1
<b>Operating profit</b>	<b>22</b>	<b>17</b>	<b>48</b>	<b>42</b>	<b>54</b>	<b>66</b>	<b>47</b>	<b>73</b>	<b>71</b>	<b>52</b>	<b>57</b>	<b>39</b>
Result from participations in joint ventures	-	-	-	-	-	-	-	-8	0	-1	-	-
Financial income	10	5	4	-5	7	7	3	-29	33	0	0	0
Financial expenses	-18	-16	-16	-7	-18	-22	-10	16	-43	-9	-13	-14
<b>Profit before tax</b>	<b>14</b>	<b>6</b>	<b>36</b>	<b>30</b>	<b>43</b>	<b>51</b>	<b>40</b>	<b>52</b>	<b>61</b>	<b>42</b>	<b>44</b>	<b>25</b>
Tax on profit for the period	-2	-5	-5	-6	-10	4	-6	-12	-14	-7	-9	-2
<b>Profit for the period</b>	<b>12</b>	<b>1</b>	<b>31</b>	<b>24</b>	<b>33</b>	<b>55</b>	<b>34</b>	<b>40</b>	<b>47</b>	<b>35</b>	<b>35</b>	<b>23</b>
<i>Items affecting comparability</i>												
Items affecting comparability included in operating profit	-	3	-6	-3	2	7	-10	-11	-	-5	-8	-6
<b>Operating profit, before items affecting comparability</b>	<b>22</b>	<b>20</b>	<b>42</b>	<b>39</b>	<b>56</b>	<b>73</b>	<b>37</b>	<b>62</b>	<b>71</b>	<b>47</b>	<b>49</b>	<b>33</b>
<i>Depreciation/amortisation and impairment</i>												
Depreciation/amortisation and impairment included in operating income	40	41	42	47	38	41	35	35	36	34	28	26
<b>EBITDA</b>	<b>62</b>	<b>58</b>	<b>90</b>	<b>89</b>	<b>92</b>	<b>107</b>	<b>82</b>	<b>108</b>	<b>107</b>	<b>86</b>	<b>85</b>	<b>65</b>
<i>Depreciation/amortisation, impairment and items affecting comparability</i>												
Depreciation/amortisation, impairment and items affecting comparability included in operating profit	40	44	32	36	40	48	25	24	36	29	20	20
<b>EBITDA, before items affecting comparability</b>	<b>62</b>	<b>61</b>	<b>80</b>	<b>78</b>	<b>94</b>	<b>114</b>	<b>72</b>	<b>97</b>	<b>107</b>	<b>81</b>	<b>77</b>	<b>59</b>
Free cash flow	-15	-25	-8	-35	-26	102	64	84	2	103	19	75
Cash flow from operating activities	-8	-16	0	-29	-19	113	71	89	10	117	29	87
Number of employees as per the balance sheet date	859	849	819	836	831	834	723	730	713	721	571	530

# Exchange rates

SEK	Average exchange rate			Closing day rate		
	Jan-Mar 2022	Jan-Mar 2021	Jan-Dec 2021	31 March 2022	31 March 2021	31 Dec 2021
DKK	1.4087	1.3604	1.3641	1.3900	1.3765	1.3753
EUR	10.4834	10.1176	10.1449	10.3384	10.2376	10.2269
GBP	12.5315	11.5855	11.8022	12.1702	11.9968	12.1790
NOK	1.0563	0.9865	0.9980	1.0748	1.0229	1.0254
USD	9.3450	8.3995	8.5815	9.2641	8.7239	9.0437

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