



midsona

INTERIM REPORT JANUARY–JUNE 2022

Favourable sales trend for the quarter

April–June 2022 (second quarter)

- Net sales amounted to SEK 956 million (903).
- EBITDA, before items affecting comparability amounted to SEK 34 million (78), corresponding to a margin of 3.6 percent (8.6) and EBITDA amounted to SEK 28 million (89).
- Operating profit, before items affecting comparability, amounted to SEK –7 million (39), corresponding to a margin of –0.7 percent (4.3) and operating profit amounted to SEK –13 million (42).
- Profit for the period amounted to SEK –20 million (24), corresponding to earnings per share of SEK –0.28 (0.37) before and after dilution.
- Cash flow from operating activities amounted to SEK 54 million (–29).
- A restructuring programme was adopted to strengthen competitiveness, with the cost base being reduced by SEK 40 million on an annual basis. Restructuring expenses of SEK 6 million were charged against profit for the period.

January–June 2022 (six months)

- Net sales amounted to SEK 1,928 million (1,868).
- EBITDA, before items affecting comparability, amounted to SEK 96 million (172), corresponding to a margin of 5.0 percent (9.2) and EBITDA amounted to SEK 90 million (181).
- Operating profit, before items affecting comparability, amounted to SEK 15 million (95), corresponding to a margin of 0.8 percent (5.1) and operating profit amounted to SEK 9 million (96).
- Profit for the period amounted to SEK –8 million (57), corresponding to earnings per share of SEK –0.11 (0.88) before dilution and SEK –0.11 (0.87) after dilution.
- Cash flow from operating activities amounted to SEK 46 million (–48).

| Key figures, Group ¹ | Apr–Jun 2022 | Apr–Jun 2021 | Jan–Jun 2022 | Jan–June 2021 | Rolling 12 months | Full year 2021 |
|---|--------------|--------------|--------------|---------------|-------------------|----------------|
| Net sales growth, % | 5.9 | 5.1 | 3.2 | 3.5 | 1.6 | 1.7 |
| Gross margin, before items affecting comparability, % | 23.6 | 28.3 | 24.9 | 28.4 | 25.3 | 27.0 |
| Gross margin, % | 23.5 | 28.5 | 24.8 | 28.5 | 25.1 | 26.9 |
| EBITDA-margin, before items affecting comparability, % | 3.6 | 8.6 | 5.0 | 9.2 | 6.0 | 8.3 |
| EBITDA margin, % | 2.9 | 9.9 | 4.7 | 9.7 | 6.2 | 8.7 |
| Operating margin, before items affecting comparability, % | –0.7 | 4.3 | 0.8 | 5.1 | 2.0 | 4.2 |
| Operating margin, % | –1.4 | 4.7 | 0.5 | 5.1 | 1.9 | 4.3 |
| Profit margin, % | –2.8 | 3.3 | –0.7 | 3.9 | 0.8 | 3.0 |
| Return on capital employed, % | | | | | 2.8 | 4.1 |
| Net debt, SEK million | 1,452 | 1,716 | 1,452 | 1,716 | 1,452 | 1,436 |
| Net debt / Adjusted EBITDA, multiple | | | | | 6.2 | 4.4 |
| Equity/assets ratio, % | 54.0 | 45.0 | 54.0 | 45.0 | 54.0 | 54.4 |
| Free cash flow, SEK million | 53 | –35 | 38 | –61 | 5 | –94 |

¹ 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 18–19 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 and the Securities Market Act. This Interim Report was submitted under the auspices of Peter Åsberg and Max Bokander for publication on 20 July 2022 at 8:00 a.m. CEST.

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Peter Åsberg, President and CEO

Comment by the CEO

The second quarter remained challenging and was characterised by increasing inflationary pressures. At the same time, we perceived favourable demand for our products and we anticipate continued strong consumer interest in healthy choices. To meet the exceptional level of cost inflation, we are implementing a number of measures with the ambition of fully offsetting our increased costs.

Organic growth bears witness to favourable demand

Sales for the quarter amounted to SEK 956 million (903), for us serving as testament that consumers want to continue eating healthily and are prepared to pay for it. We saw a continued strong trend for our own conventional brands, as well as for our consumer health brands, while our sales of organic products, which were very strong during the pandemic, had a weaker development. In general, our market analysis, shared by independent market analysts, is that consumers will continue to prioritise healthy food.

Continued price increases on all input goods

The war in Ukraine, transport problems and unfavourable exchange rate developments in the first half of the year led to shortages and continued sharp price increases on virtually all input goods. Although price increases were implemented as planned, further cost inflation in the second quarter was so high that our earnings for the quarter deteriorated compared with the corresponding period last year, despite increased sales and cost-saving measures.

Our own price increases generally well received

As we aim to fully offset cost inflation by passing on cost increases to the next level as quickly as possible, we have announced new price increases. A number of these have already taken, or will take place, during July and will be followed by further price increases later in the current quarter. Our price increases have generally been well received because the causes of the cost inflation are well known.

Difficult to predict continued cost trend

Forecasting the continued cost trend for input goods is difficult and the volatility in both commodity prices and currencies (USD and EUR in particular) remains a challenge. Although many prices continue to rise, the increase is not as dramatic as previously. Naturally, the price situation will be determined largely by the results of the year's harvests, which we are monitoring closely.

Full focus on cost control, launched programme progressing as planned

To strengthen earnings, we launched a restructuring programme early in the second quarter, aimed at reducing costs by SEK 40 million annually. The programme is progressing as planned and, during the quarter, resulted in a reduction in the number of employees in administrative functions by 5 percent. We have also identified and implemented additional cost savings beyond the programme already announced.

Strengthened supply chain and strong cash flow

During the quarter, favourable effects were achieved from the measures implemented in the first half of the year with the purpose of improving the supply chain and enhancing reliability in the supply of goods. We have, for example, taken delivery well in advance of raw materials (dried fruit and nuts) for the peak Christmas season, which was not the case last year, entailing additional expense for purchasing raw materials on the spot market. This year, our strengthened supply chain means we have significantly better planning for the key Christmas season. This good planning has led, however, to more capital being tied up in inventories. Nonetheless, free cash flow for the quarter was relatively strong at SEK 53 million (-35).

We take a confident view of the future

On the whole, we are fully focused on strengthening our earnings and are pleased that our sales have been stable a good sign that interest in healthy food remains high. We see no signs of weakened demand for our products. Consumers are making sustainable choices, regardless of higher prices, as is reflected by our price increases generally being accepted well and achieving a gradual impact. We look to the future with confidence. The strong underlying consumer trend for sustainable and plant-based products remains.

Peter Åsberg
President and CEO

QUARTER 2

SEK 956 million

Net sales

SEK 34 million

EBITDA, before items affecting comparability

3.6 percent

EBITDA-margin, before items affecting comparability

Financial information – Group

April–June

Net sales

Net sales amounted to SEK 956 million (903), an increase of 5.9 percent. The organic change in net sales was 0.4 percent, while structural changes contributed 3.0 percent and exchange rate changes 2.5 percent. For the Group's own brands, the organic sales growth was -2.3 percent. On the whole, the Group showed organic growth, driven by a favourable sales trend for its own brands in the health-foods and consumer health products categories, as well as for licensed brands and contract manufacturing. The Group's own brands in the organic products category faced continued challenges, with a weak sales trend in most geographical markets. The supply chain remained under considerable pressure with significantly longer lead times for deliveries of raw materials, packaging materials and finished goods due to the global transport situation. Through good planning and foresight, delivery capacity could be maintained reasonably well.

Gross profit

Gross profit amounted to SEK 225 million (257) and gross profit, before items affecting comparability, amounted to SEK 226 million (256), corresponding to a margin of 23.6 percent (28.3). The negative margin trend was driven vigorously by continued inflationary pressure, causing higher prices for input goods, finished goods, energy and transport, that have yet to be offset through price increases at the next level. Price increases were implemented as planned, based on notifications sent to customers in the preceding quarter, although these were insufficient to offset the accelerating broader cost inflation. There was considerable volatility in the EUR and USD, currencies used by the Group to purchase most of its raw materials and finished goods, which affected the margin trend in a negative direction. The product mix was also unfavourable with a larger proportion of sales of contract-manufactured products. New price increases to customers were announced that will impact gross profit in the third quarter. The objective is to restore the margin, as swiftly as possible, in the second half of 2022.

Operating profit

Operating profit amounted to SEK -13 million (profit 42) and operating profit, before items affecting comparability, amounted to SEK -7 million (39), corresponding to a margin of -0.7 percent (4.3). Amortisation and depreciation for the period amounted to SEK 41 million (39), divided between SEK 12 million (12) in amortisation of intangible assets and SEK 29 million (27) in depreciation of tangible assets. EBITDA amounted to SEK 28 million (89) and EBITDA, before items affecting comparability, amounted to SEK 34 million (78), corresponding to a margin of 3.6 percent (8.6). The EBITDA margin decreased essentially as a consequence of weak development in the gross margin. The Group's cost control and cost awareness were good and the period was characterised by work on the restructuring programme initiated with the aim of reducing the cost base by SEK 40 million annually. Restructuring expenses of SEK 6 million were charged against profit for the period, with the

programme taking effect as planned and with some savings even being achieved during the period. EBITDA was also affected by negative operating translation differences, which were partially offset by a minor capital gain on divestments of fixed assets.

Items affecting comparability

Operating profit included items affecting comparability of SEK -6 million (3), comprising restructuring costs. In the comparison period, items affecting comparability comprised a reassessed contingent purchase consideration of SEK 10 million, the reversed portion of a restructuring reserve of SEK 1 million and the impairment of an intangible asset by SEK 8 million.

Financial items

Net financial items amounted to an expense of SEK 14 million (12). Interest expenses for external loans to credit institutions amounted to SEK 11 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 -1 million (-1). Other financial items amounted to SEK -1 million (-2).

Profit for the period

Profit for the period amounted to SEK -20 million (24), corresponding to a loss per share of SEK -0.28 (0.37) before and after dilution. Tax on the profit for the period amounted to SEK 7 million (-6), of which current tax amounted to SEK 3 million (-3) and deferred tax amounted to SEK 4 million (-3). The effective tax rate was 27.4 percent (21.6).

Cash flow

Cash flow from operating activities amounted to SEK 54 million (-29), improving as a consequence of a stronger cash flow from changes in working capital, primarily due to increased operating liabilities. Capital remained tied up in inventories to a certain extent, related essentially to a customary build-up of inventory prior to the summer months, as well as deliveries of raw materials and input goods being moved forwards due to significantly increased transport lead times. Cash flow from investing activities amounted to SEK -4 million (-20) and comprised investments in tangible and intangible assets of SEK -11 million (-17), including an expansion investment in South Europe of SEK -3 million (-11), as well as a sale of tangible fixed assets for SEK 7 million, essentially comprising one individual property in South Europe. The comparison period also included the payment of contingent purchase consideration of SEK 3 million. Although the expansion investment in Spain has already been brought into operation, part of the investment has yet to be completed, and this is expected to occur in the fourth quarter of 2022. Free cash flow amounted to SEK 53 million (-35). Cash flow from financing activities was SEK -33 million (-11), consisting of SEK 12 million in loans raised (151), of which SEK 12 million in used overdraft facilities, SEK -30 million (-83) in loan repayments, and SEK -15 million (-15) in amortisations of lease liabilities. The comparative period also included paid dividends of SEK -42 million. Cash flow for the period amounted to SEK 17 million (-38).

68 percent¹

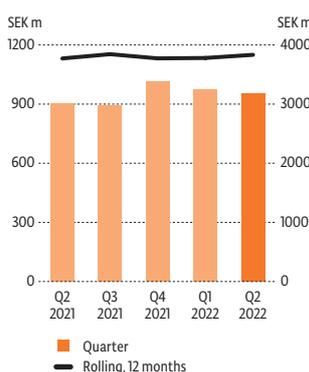
Percentage of own brands, income

-2.3 percent¹

Organic growth of own brands

¹For Q2, 2022

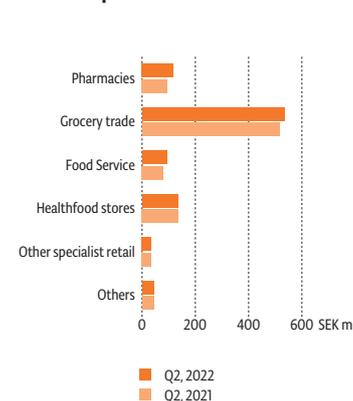
Net sales



EBITDA, before items affecting comparability



Net sales per sales channel



January–June

Net sales

Net sales amounted to SEK 1,928 million (1,868), an increase of 3.2 percent. The organic change in net sales was –2.7 percent while structural changes contributed by 3.3 percent and exchange rate changes by 2.6 percent. For the Group's own brands, the organic sales growth was –3.3 percent. On the whole, the sales trend for comparable units within the Group declined, despite strong growth for our own brands in the healthfoods and consumer health products categories. For our own brands in the Organic products category, sales were weak. The removal of pandemic restrictions in society compared with the preceding 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 remained pressured with longer lead times for deliveries of raw materials, packaging materials and finished goods due to the global transport situation.

Gross profit

Gross profit amounted to SEK 479 million (532) and gross profit, before items affecting comparability, amounted to SEK 480 million (531), corresponding to a margin of 24.9 percent (28.4). The negative margin trend was driven strongly by continued inflationary pressure, with rising prices for finished goods, raw materials, input goods, energy and transport, which could not immediately be parried by price increases to customer, but that occur with a certain time lag. There was also considerable volatility in the EUR and USD, currencies used by the Group to purchase most of its raw materials and finished goods, which affected the margin trend in a negative direction. New price increases were both announced and implemented to customers in stages to offset the broad inflationary pressure to restore the margin as quickly as possible in the second half of 2022.

Operating profit

Operating profit amounted to SEK 9 million (96) and operating profit, before items affecting comparability, amounted to SEK 15 million (95), corresponding to a margin of 0.8 percent (5.1). Amortisation and depreciation for the period amounted to SEK 81 million (77), divided between SEK 24 million (23) in amortisation of intangible fixed assets and depreciation of SEK 57 million (54) on tangible fixed assets. Furthermore, in the comparison period, impairment of SEK 8 million was applied to intangible assets as the result of a product development project being discontinued. EBITDA amounted to SEK 90 million (181) and EBITDA, before items affecting comparability, amounted to SEK 96 million (172), corresponding to a margin of 5.0 percent (9.2). The EBITDA margin decreased, essentially as a consequence of lower business volumes for comparable units and a weak gross margin trend. Selective investments in own brands continued to be made. Cost control and cost awareness in the Group were good. A restructuring programme was initiated in the second quarter, as part of strengthening the Group's competitiveness.

Items affecting comparability

Operating profit included items affecting comparability of a SEK –6 million (1), comprising restructuring costs. In the comparison period, items affecting comparability comprised a reassessed contingent purchase consideration of SEK 10 million, the reversed portion of a restructuring reserve of SEK 1 million, the impairment of an intangible asset by SEK 8 million and acquisition-related expenses of SEK 2 million.

Financial items

Net financial items amounted to an expense of SEK 22 million (23). Interest expenses for external loans to credit institutions amounted to SEK 19 million (16) and interest expenses attributable to leases were SEK 2 million (2). Net translation differences on financial

receivables and liabilities in foreign currency were SEK 1 million (–2). Other financial items amounted to SEK –2 million (–3).

Profit for the period

Profit for the period amounted to SEK –8 million (57), corresponding to earnings per share of SEK –0.11 (0.88) before dilution and SEK –0.11 (0.87) after dilution. Tax on the profit for the period amounted to income of SEK 5 million (–16), of which current tax amounted to SEK –3 million (–11) and deferred tax amounted to SEK 8 million (–5). The effective tax rate was 40.3 percent (22.2).

Cash flow

Cash flow from operating activities amounted to SEK 46 million (–48) as a result of a stronger cash flow from changes in working capital. The improved change in working capital was primarily driven by a reduction in capital tied-up in inventories and increased operating liabilities. Cash flow from investing activities amounted to SEK –14 million (–35), consisting of investments in tangible and intangible fixed assets of SEK 21 million (32), of which an on-going expansion investment in South Europe accounted for SEK 6 million (19) and a divestment of fixed assets for SEK 7 million. The comparison period also included the payment of a contingent purchase consideration of SEK 3 million for acquisitions in previous years. Free cash flow amounted to SEK 38 million (–61). Cash flow from financing activities was SEK –19 million (–27), consisting of SEK 70 million in loans raised (151), of which SEK 64 million in used overdraft facilities, SEK –60 million (–106) in loan repayments, and SEK –29 million in amortisations of lease liabilities (–30). The comparative period also included paid dividends of SEK –42 million. Cash flow for the period amounted to SEK 13 million (–110).

Liquidity and financial position

Cash and equivalents amounted to SEK 64 million (86) and there were unused credit facilities of SEK 406 million (250) at the end of the period. Net debt amounted to SEK 1,452 million (1,716) and was SEK 1,464 million at the end of the preceding quarter. The ratio between net debt and adjusted EBITDA on a rolling 12-month basis was a multiple of 6.2 (4.9) and at the end of the preceding quarter it was a multiple of 5.1. Equity amounted to SEK 2,931 million (2,321) and was SEK 2,928 million at the end of the preceding quarter. The changes consisted of profit for the period of SEK –20 million and exchange rate differences of SEK 23 million on the translation of foreign operations. The equity/assets ratio was 54.0 percent (45.0) at the end of the period.



During the quarter, the Happy Bio brand in France launched Biscuit and Cracker snacks.

Division Nordics

Percentage net sales
in the Group²



| Division Nordics ¹ | Apr–Jun 2022 | Apr–Jun 2021 | Jan–Jun 2022 | Jan–Jun 2021 | Rolling 12-month | Full year 2021 |
|-------------------------------|--------------|--------------|--------------|--------------|------------------|----------------|
| Net sales | 657 | 606 | 1,314 | 1,265 | 2,660 | 2,611 |
| Gross profit | 185 | 195 | 384 | 405 | 780 | 800 |
| Gross margin, % | 28.2 | 32.2 | 29.3 | 32.0 | 29.3 | 30.7 |
| EBITDA | 39 | 56 | 92 | 129 | 225 | 263 |
| EBITDA margin, % | 5.9 | 9.3 | 6.9 | 10.2 | 8.5 | 10.1 |

¹ Earnings and margin measurements refer to before items affecting comparability unless otherwise stated.

April–June

Net sales

Net sales amounted to SEK 657 million (606), an increase of 8.3 percent, where the organic change in net sales was 1.7 percent. The organic change in external product sales of own brands was –0.7 percent. The sales trend was generally good, driven by strong growth for our own brands in the healthfoods and consumer health products categories, such as Friggs, Earth Control, Gainomax and Swebar. Even the licensed brand portfolio showed sales growth, including strong sales of seasonal products ahead of the summer months. On the other hand, sales of our own brands in the organic products category experienced a weaker trend.

Gross profit

Gross profit amounted to SEK 185 million (195), corresponding to a margin of 28.2 percent (32.2). The negative margin trend was driven strongly by continued inflationary pressure, causing higher prices for finished goods, raw materials, input goods, energy and transport, that have yet to be offset through price increases at the next level. In addition, an unfavourable exchange rate trend for both the EUR and USD contributed significantly to the negative margin trend, as a significant proportion of raw materials for the Danish operations are purchased in USD and a significant proportion of finished goods are purchased for the Swedish and Norwegian operations in EUR. New price increases were announced to customers as a consequence of the increased inflationary pressure, impacting gross profit in the third quarter.

EBITDA

EBITDA amounted to SEK 39 million (56), corresponding to a margin of 5.9 percent (9.3), as a consequence of a lower gross profit. In addition, EBITDA was affected by negative operating translation differences. Realised savings from restructuring programmes and good cost control offset lower gross profit and the lower gross margin only to some extent.

January–June

Net sales

Net sales amounted to SEK 1,314 million (1,265), an increase of 3.9 percent, where the organic change in net sales was –3.3 percent. The organic change in external product sales of own brands was –3.5 percent. On the whole, the sales trend declined despite strong growth among own brands in the healthfoods and consumer health products categories. However, our own brands in the organic products category faced continued challenges with a generally weak sales trend.

Gross profit

Gross profit amounted to SEK 384 million (405), corresponding to a margin of 29.3 percent (32.0). The negative margin trend was driven strongly by continued inflationary pressure, with rising prices for finished goods, raw materials, input goods, energy and transport, which could not immediately be parried by price increases to customer, but that occur with a certain time lag. In addition, an unfavourable exchange rate trend for both the EUR and USD contributed strongly to the negative margin trend. New price increases were announced to customers and were implemented in turns to offset broad inflationary pressure and to restore the margin moving forwards.

EBITDA

EBITDA amounted to SEK 92 million (129), corresponding to a margin of 6.9 percent (10.2), as a consequence of a lower gross profit. In addition, EBITDA was affected by negative operating translation differences, which were positive in the comparison period. Withdrawals of cost synergies from acquisitions, realised savings from the restructuring programme and good cost control only compensated to a certain extent for the lower gross profit and the lower gross margin.

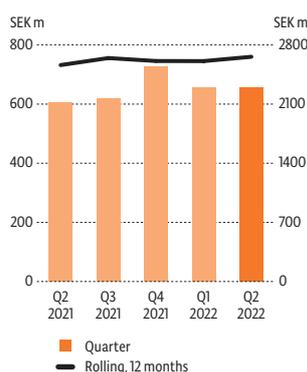
70 percent²

Percentage of own brands, income

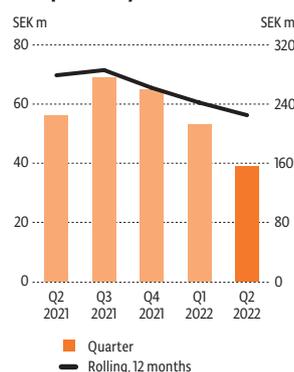
–0.7 percent²

Organic growth of own brands³

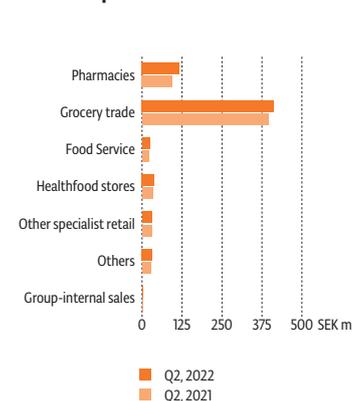
Net sales



EBITDA, before items affecting comparability



Net sales per sales channel



² For Q2, 2022

³ For external product sales

Division North Europe

Percentage net sales
in the Group²



| Division North Europe ¹ | Apr-Jun 2022 | Apr-Jun 2021 | Jan-Jun 2022 | Jan-Jun 2021 | Rolling 12-month | Full year 2021 |
|------------------------------------|--------------|--------------|--------------|--------------|------------------|----------------|
| Net sales | 215 | 204 | 437 | 428 | 840 | 831 |
| Gross profit | 31 | 39 | 66 | 81 | 128 | 143 |
| Gross margin, % | 14.6 | 18.9 | 15.1 | 18.9 | 15.2 | 17.2 |
| EBITDA | 6 | 19 | 15 | 37 | 28 | 50 |
| EBITDA margin, % | 3.0 | 9.2 | 3.5 | 8.7 | 3.4 | 6.1 |

¹ Earnings and margin measurements refer to before items affecting comparability unless otherwise stated.

April-June

Net sales

Net sales amounted to SEK 215 million (204), an increase of 5.2 percent, where the organic change in net sales was 1.7 percent. The organic change for own brands in external product sales was 1.3 percent. Sales development as a whole was stable, driven by good sales growth for our own brands. In particular, sales volumes increased to the food service sales channel. Fewer 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 contributed to the strong sales growth for food service.

Gross profit

Gross profit amounted to SEK 31 million (39), corresponding to a margin of 14.6 percent (18.9). The negative margin trend was driven strongly by an unfavourable product mix and the continued inflationary pressure, causing higher prices for raw materials, input goods, energy and transport, that have yet to be offset through price increases at the next level. In addition, an unfavourable exchange rate trend for the USD contributed to the negative margin trend, as a considerable portion of raw materials are purchased in USD. Implemented price increases were not enough to cover the increased costs that the continued inflationary pressure entailed, which is why new price increases were announced to customers with an impact on gross profit in the third quarter.

EBITDA

EBITDA amounted to SEK 6 million (19), corresponding to a margin of 3.0 percent (9.2) and decreased essentially as a consequence of the lower gross profit. In addition, sales costs were higher due to, among other things, higher costs for shipping.

January-June

Net sales

Net sales amounted to SEK 437 million (428), an increase of 2.1 percent, where the organic change in net sales was -1.3 percent. The organic change for own brands in external product sales was 1.1 percent. The sales trend was relatively stable with sales growth in our own brands. Sales volumes to the food service sales channel had strong growth. Fewer pandemic restrictions in society compared with the previous year led to a changed consumption pattern with less household consumption and more restaurant visits, which contributed strongly to sales growth in food service, partly at the expense of a slightly weaker sales trend to the grocery trade and healthfood stores.

Gross profit

Gross profit amounted to SEK 66 million (81), corresponding to a margin of 15.1 percent (18.9). The negative margin trend was driven strongly by an unfavourable product mix and the continued inflationary pressure, with rising prices for raw materials, input goods, energy and transport, which could not immediately be parried by price increases to customers, but that occur with a certain time lag. New price increases were announced to customers and were implemented in turns to offset broad inflationary pressure and to restore the margin moving forwards. In addition, an unfavourable exchange rate trend for the USD contributed to the negative margin trend, as a considerable portion of raw materials are purchased in USD.

EBITDA

EBITDA amounted to SEK 15 million (37), corresponding to a margin of 3.5 percent (8.7) and decreased essentially as a consequence of the lower gross profit. In addition, sales costs increased to some extent as a result of higher costs for shipping.

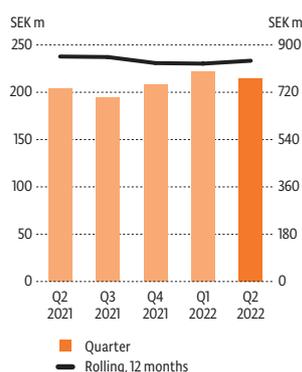
63 percent²

Percentage of own brands, income

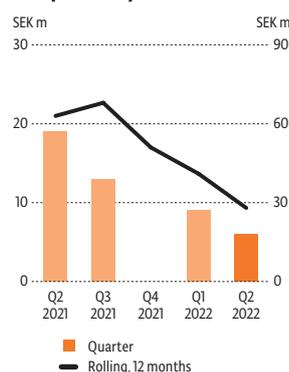
1.3 percent²

Organic growth of own brands³

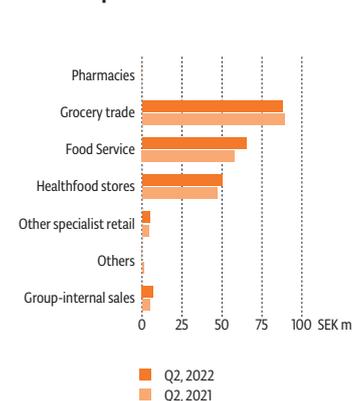
Net sales



EBITDA, before items affecting comparability



Net sales per sales channel



² For Q2, 2022

³ For external product sales

Division South Europe

Percentage net sales
in the Group²

10%

| Division South Europe ¹ | Apr-Jun 2022 | Apr-Jun 2021 | Jan-Jun 2022 | Jan-Jun 2021 | Rolling 12-month | Full year 2021 |
|------------------------------------|--------------|--------------|--------------|--------------|------------------|----------------|
| Net sales | 96 | 100 | 196 | 197 | 369 | 369 |
| Gross profit | 10 | 24 | 31 | 47 | 60 | 77 |
| Gross margin, % | 9.9 | 23.4 | 15.5 | 23.8 | 16.4 | 20.8 |
| EBITDA | -5 | 10 | 1 | 19 | 8 | 26 |
| EBITDA margin, % | -5.5 | 10.0 | 0.6 | 9.7 | 2.2 | 7.0 |

¹ Earnings and margin measurements refer to before items affecting comparability unless otherwise stated.

April-June

Net sales

Net sales amounted to SEK 96 million (100), a decrease of 4.8 percent, where the organic change in net sales was -7.8 percent. The organic change for own brands in external product sales was -17.0 percent. The sales trend for own brands was generally weak as a result of the ongoing structural change where the operations' largest sales channel, healthfood stores, is losing customers who are, to a greater extent, choosing to make their purchases from the grocery trade. There were also shortages of certain raw materials, which led to a certain loss of sales. Sales to the grocery trade showed good growth, despite a planned delivery interruption for the Happy Bio brand, as warehousing and distribution were brought under own management. In addition, newly rolled-out business volumes of contracted products made a strong contribution to the positive trend in the grocery trade.

Gross profit

Gross profit amounted to SEK 10 million (24), corresponding to a margin of 9.9 percent (23.4). The negative margin trend was driven strongly by an unfavourable product mix and the continued inflationary pressure, causing higher prices for raw materials, input goods, energy and transport, that have yet to be offset through price increases at the next level. The margin was also affected by temporary additional expenses for bringing warehousing and distribution for the Happy Bio brand under own management. Capacity utilisation at the recently opened production facility for plant-based meat alternatives remained low, which contributed to the weak margin trend. New price increases were announced to customers as a consequence of the increased inflationary pressure, impacting gross profit in the next quarter.

EBITDA

EBITDA amounted to SEK -5 million (10), corresponding to a negative margin of 5.5 percent (positive 10.0) and decreased as a consequence of the lower gross profit. Selling expenses were also higher due to investments in an external sales force to drive sales growth in the grocery trade. A property in Spain, where operations were conducted until July 2021, was divested, realising a minor capital gain.

January-June

Net sales

Net sales amounted to SEK 196 million (197), a decrease of 0.2 percent, where the organic change in net sales was -3.5 percent. The organic change in external product sales of own brands was -9.4 percent. Sales as a whole declined due to weak development in most of our own brands. Lower sales volumes to healthfood stores could not fully be offset by correspondingly higher volumes to the grocery trade. The French market for organic products has, in particular, been shifting for some time now, resulting in lower sales volumes to healthfood stores, in favor of sales to the grocery trade. On the whole, the Happy Bio brand experienced a stable sales trend over the period, despite a decline in sales in June due both to a planned delivery interruption when switching to a new logistics solution, as well as to goods shortages. Distribution of contract-manufactured products to the grocery trade increased due to new customer agreements.

Gross profit

Gross profit amounted to SEK 31 million (47), corresponding to a margin of 15.5 percent (23.8). The negative margin trend was driven strongly by continued inflationary pressure, with rising prices for raw materials, input goods, energy and transport, which could not immediately be parried by price increases to customer, but that occur with a certain time lag. New price increases were announced to customers and were implemented in turns to offset broad inflationary pressure and to restore the margin moving forwards. In the French market, however, the price adjustment process is more regulated and price adjustments take longer to implement there. The margin trend was also affected by an unfavourable product mix, as well as by some temporary additional expenses. Capacity utilisation at the recently opened facility for plant-based meat alternatives remained low, which contributed to the weak margin trend.

EBITDA

EBITDA amounted to SEK 1 million (19), corresponding to a margin of 0.6 percent (9.7) and decreased essentially as a consequence of the lower gross profit.

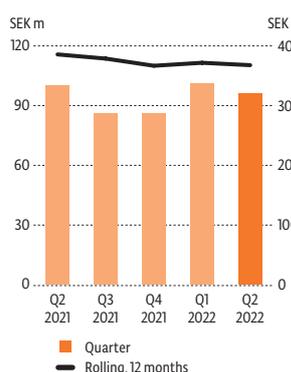
74 percent²

Percentage of own brands, income

-17 percent²

Organic growth of own brands³

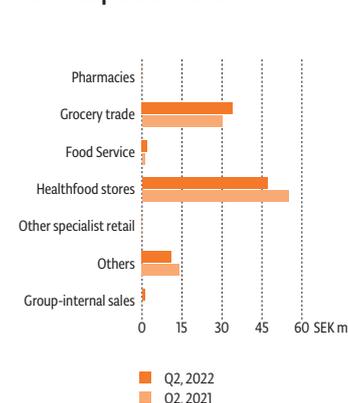
Net sales



EBITDA, before items affecting comparability



Net sales per sales channel

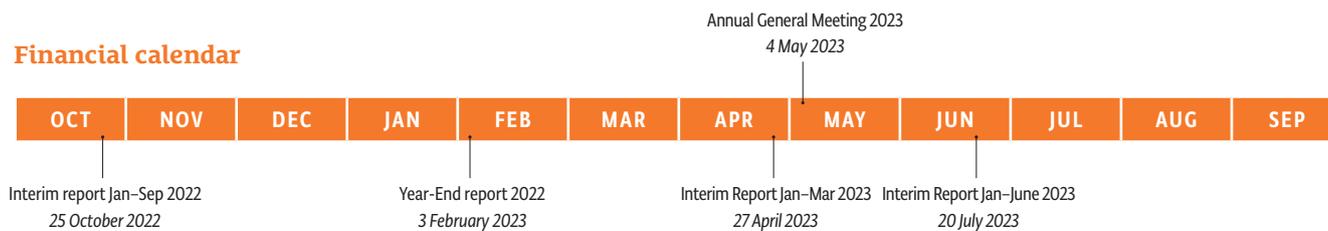


² For Q2, 2022

³ 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 32 million (34), and related primarily to invoicing of services provided internally within the Group. Profit before tax amounted to a loss of SEK 14 million (loss 6). Operating profit amounted to a loss of SEK 12 million (11). Net financial items amounted to an expense of SEK 2 million (income 5), with the comparison period including a dividend of SEK 1 million. Profit before tax amounted to a loss of SEK 14 million (loss 6).

Cash and cash equivalents, including unutilised credit facilities, amounted to SEK 406 million (280). Borrowing from credit institutions was SEK 1,315 million (1,523) at the end of the period. On the balance sheet date, there were 16 employees (17).

Closely-related parties

There were no significant related party transactions during the period January – June. 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 material direct customer or supplier exposure in the countries concerned – Ukraine, Russia and Belarus, but was strongly indirectly affected by the accelerated inflationary pressures with gradually 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 rapidly pushed up world market prices, severely impacting already hard-pressed subcontractors. Being theatres of war, large areas of arable land were not sown in the spring, likely leading to later shortages and further driving up already high world market prices for certain cereals. The impact of the current year's harvest on key raw materials, including chia and sesame seeds, also remains uncertain due to prevailing climate-related risks. The global transport situation worsened as a consequence partly of Asian ports being closed because of the pandemic, as well as the security policy situation in Europe, which together exerted further pressure on the supply chain, with delivery delays and shortages as a result.

Because lead times for certain transports have more than doubled recently, orders are generally being placed earlier. In addition, greater reserve inventories of crucial raw materials and finished goods are being maintained. An overall assessment results in the Ukraine crisis continuing to negatively affect the Group's earnings and financial position in the short term as there is 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 approximately 15 percent of the Group's revenues. Volatility in commodity prices, prices for input goods and exchange rates presents an ongoing challenge. Although many prices are expected to continue rising, the increase will be less dramatic than previously. The price situation for important raw materials will largely be determined by this year's harvest results, which are closely monitored. Policy and reference interest rates will most likely continue rising to counteract the high rate of inflation, entailing higher interest expenses on the Group's 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–June

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 material direct customer or supplier exposure in Ukraine, Russia or Belarus. However, the events in Ukraine have indirectly had major negative consequences for the Group through gradually rising prices for finished goods, raw materials, input goods, transport and energy, which could not immediately be parried by price increases to customers. The Ukraine crisis has also caused increased turmoil in financial markets, resulting in, for example, high volatility in major currency rates and rising market interest rates. As Ukraine is a major grain exporter, the situation will likely cause both shortages in, and rising world market prices for, certain commodities. Midsona is monitoring the Ukraine crisis meticulously and will implement the required measures as necessary.

Restructuring programme

In April, 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.

Award

Alongside two other companies, Midsona won the 2022 Symbios award, which recognises Swedish companies that successfully combine responsible behaviour with profitable growth.

Distribution agreement

Midsona's distribution agreement for the Compeed, EllaOne and Norlevo brands in the Nordic market has been terminated by the new owner Perrigo as of 31 December 2022, as they intend to coordinate in-house distribution with their other products in the European market. The sales assignment accounted for about 3 percent of the Group's net sales in 2021 with a below-average gross margin. After deducting expenses and certain cost savings, the effect on profit is expected to be limited.

The Board of Directors and the CEO provide their assurance that this interim report gives a true and fair view of the operations, positions and results of the Parent Company and the Group, and describes significant risks and uncertainties faced by the Parent Company and the companies included in the Group.

Malmö, 20 July 2022

Midsona AB (publ)



Ola Erics
CHAIRMAN OF THE BOARD



Heli Arantola
BOARD MEMBER



Sandra Kottenauer
BOARD MEMBER



Jari Latvanen
BOARD MEMBER



Henrik Stenqvist
BOARD MEMBER



Peter Wahlberg
BOARD MEMBER



Johan Wester
BOARD MEMBER



Peter Åsberg
President and CEO

Review by auditor

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

Financial statements

Summary consolidated income statement

| SEK million | Note | Apr-Jun 2022 | Apr-Jun 2021 | Jan-Jun 2022 | Jan-Jun 2021 | Rolling 12-month | Full year 2021 |
|------------------------------|------|--------------|--------------|--------------|--------------|------------------|----------------|
| Net sales | 3.4 | 956 | 903 | 1,928 | 1,868 | 3,833 | 3,773 |
| Expenses for goods sold | | -731 | -646 | -1,449 | -1,336 | -2,871 | -2,758 |
| Gross profit | | 225 | 257 | 479 | 532 | 962 | 1,015 |
| Selling expenses | | -162 | -155 | -319 | -306 | -605 | -592 |
| Administrative expenses | | -76 | -73 | -150 | -146 | -293 | -289 |
| Other operating income | | 2 | 13 | 4 | 20 | 19 | 35 |
| Other operating expenses | | -2 | 0 | -5 | -4 | -9 | -8 |
| Operating profit | 3 | -13 | 42 | 9 | 96 | 74 | 161 |
| Financial income | | 25 | -5 | 35 | 2 | 44 | 11 |
| Financial expenses | | -39 | -7 | -57 | -25 | -89 | -57 |
| Profit before tax | | -27 | 30 | -13 | 73 | 29 | 115 |
| Tax on profit for the period | | 7 | -6 | 5 | -16 | -5 | -26 |
| Profit for the period | | -20 | 24 | -8 | 57 | 24 | 89 |

Profit for the period is divided between:

| | | | | | | |
|--|-------|------|-------|------|------|------|
| Parent Company shareholders (SEK million) | -20 | 24 | -8 | 57 | 24 | 89 |
| Earnings per share before dilution attributable to Parent Company shareholders (SEK) | -0.28 | 0.37 | -0.11 | 0.88 | 0.33 | 1.31 |
| Earnings per share after dilution attributable to Parent Company shareholders (SEK) | -0.28 | 0.37 | -0.11 | 0.87 | 0.33 | 1.30 |

Summary consolidated statement of comprehensive income

| SEK million | Apr-Jun 2022 | Apr-Jun 2021 | Jan-Jun 2022 | Jan-Jun 2021 | Rolling 12-month | Full year 2021 |
|---|--------------|--------------|--------------|--------------|------------------|----------------|
| Profit for the period | -20 | 24 | -8 | 57 | 24 | 89 |
| <i>Items that have or can be reallocated to profit for the period</i> | | | | | | |
| Translation differences for the period on translation of foreign operations | 23 | -31 | 64 | 33 | 94 | 63 |
| Other comprehensive income for the period | 23 | -31 | 64 | 33 | 94 | 63 |
| Comprehensive income for the period | 3 | -7 | 56 | 90 | 118 | 152 |

Comprehensive income for the period is divided between:

| | | | | | | |
|---|---|----|----|----|-----|-----|
| Parent Company shareholders (SEK million) | 3 | -7 | 56 | 90 | 118 | 152 |
|---|---|----|----|----|-----|-----|



Norwegian brand Helios launched a series of organic muesli products in four new flavours.

Summary consolidated balance sheet

| SEK million | Note | 30 Jun 2022 | 30 Jun 2021 | 31 Dec 2021 |
|---|------|--------------|--------------|--------------|
| Intangible assets | | 3,411 | 3,275 | 3,364 |
| Tangible assets | | 506 | 530 | 522 |
| Non-current receivables | | 4 | 4 | 4 |
| Deferred tax assets | | 98 | 93 | 91 |
| Fixed assets | | 4,019 | 3,902 | 3,981 |
| Inventories | | 845 | 730 | 783 |
| Accounts receivable | | 408 | 374 | 403 |
| Tax receivables | | 15 | 11 | 18 |
| Other receivables | | 46 | 28 | 33 |
| Prepaid expenses and accrued income | | 26 | 26 | 16 |
| Cash and cash equivalents | | 64 | 86 | 53 |
| Current assets | | 1,404 | 1,255 | 1,306 |
| Assets | 5 | 5,423 | 5,157 | 5,287 |
| Share capital | 6 | 363 | 326 | 363 |
| Additional paid-up capital | | 1,627 | 1,168 | 1,627 |
| Reserves | | 69 | -25 | 5 |
| Profit brought forward, including profit for the period | | 872 | 852 | 880 |
| Shareholders' equity | | 2,931 | 2,321 | 2,875 |
| Non-current interest-bearing liabilities | | 1,283 | 1,592 | 1,314 |
| Other non-current liabilities | | 11 | 14 | 11 |
| Deferred tax liabilities | | 352 | 338 | 347 |
| Non-current liabilities | | 1,646 | 1,944 | 1,672 |
| Current interest-bearing liabilities | | 233 | 210 | 175 |
| Accounts payable | | 372 | 397 | 342 |
| Tax liabilities | | 9 | 3 | 15 |
| Other current liabilities | | 41 | 98 | 41 |
| Accrued expenses and deferred income | | 191 | 184 | 167 |
| Current liabilities | | 846 | 892 | 740 |
| Liabilities | 5 | 2,492 | 2,836 | 2,412 |
| Shareholders' equity and liabilities | | 5,423 | 5,157 | 5,287 |

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 | - | - | - | 57 | 57 |
| Other comprehensive income for the period | - | - | 33 | - | 33 |
| Comprehensive income for the period | - | - | 33 | 57 | 90 |
| Completed issue of warrant programme, T02017/2020 | 1 | -1 | - | - | 0 |
| Issue expenses, T02017/2020 | - | 0 | - | - | 0 |
| Dividend | - | - | - | -82 | -82 |
| Transactions with the Group's owners | 1 | -1 | - | -82 | -82 |
| Closing shareholders' equity 30 June 2021 | 326 | 1,168 | -25 | 852 | 2,321 |
| Opening shareholders' equity 1 July 2021 | 326 | 1,168 | -25 | 852 | 2,321 |
| Profit for the period | - | - | - | 32 | 32 |
| Other comprehensive income for the period | - | - | 30 | - | 30 |
| Comprehensive income for the period | - | - | 30 | 32 | 62 |
| New share issue | 37 | 463 | - | - | 500 |
| Issue expenses | - | -6 | - | - | -6 |
| Premium paid in on issuing warrant programme, T02021/2024 | - | 2 | - | - | 2 |
| Dividend | - | - | - | -4 | -4 |
| Transactions with the Group's owners | 37 | 459 | - | -4 | 492 |
| Closing shareholders' equity, 31 Dec 2021 | 363 | 1,627 | 5 | 880 | 2,875 |
| Opening shareholders' equity, 1 Jan 2022 | 363 | 1,627 | 5 | 880 | 2,875 |
| Profit for the period | - | - | - | -8 | -8 |
| Other comprehensive income for the period | - | - | 64 | - | 64 |
| Comprehensive income for the period | - | - | 64 | -8 | 56 |
| Closing shareholders' equity, 30 June 2022 | 363 | 1,627 | 69 | 872 | 2,931 |

Summary consolidated cash flow statement

| SEK million | Apr-Jun 2022 | Apr-Jun 2021 | Jan-Jun 2022 | Jan-Jun 2021 | Rolling 12-month | Full year 2021 |
|--|--------------|--------------|--------------|--------------|------------------|----------------|
| Profit before tax | -27 | 30 | -13 | 73 | 29 | 115 |
| Adjustment for items not included in cash flow | 48 | 30 | 94 | 61 | 174 | 141 |
| Income tax paid | 0 | -5 | -6 | -7 | -11 | -12 |
| Cash flow from operating activities before changes in working capital | 21 | 55 | 75 | 127 | 192 | 244 |
| Increase (-)/decrease (+) in inventories | -29 | -56 | -39 | -91 | -72 | -124 |
| Increase (-)/decrease (+) in operating receivables | -6 | 15 | -17 | -76 | -21 | -80 |
| Increase (+)/decrease (-) in operating liabilities | 68 | -43 | 27 | -8 | -69 | -104 |
| Changes in working capital | 33 | -84 | -29 | -175 | -162 | -308 |
| Cash flow from operating activities | 54 | -29 | 46 | -48 | 30 | -64 |
| Acquisitions of companies or operations | - | -3 | - | -3 | -111 | -114 |
| Acquisitions of intangible assets | 0 | -1 | -1 | -3 | -3 | -5 |
| Acquisitions of tangible assets | -11 | -16 | -20 | -29 | -45 | -54 |
| Divestments of tangible fixed assets | 7 | - | 7 | - | 7 | - |
| Change in financial assets | 0 | 0 | 0 | 0 | -2 | -2 |
| Cash flow from investing activities | -4 | -20 | -14 | -35 | -154 | -175 |
| Cash flow after investing activities | 50 | -49 | 32 | -83 | -124 | -239 |
| New share issue | - | - | - | - | 500 | 500 |
| Issue expenses | - | - | - | - | -6 | -6 |
| Premium paid in, warrant programme, TO2021/2024 | - | - | - | - | 2 | 2 |
| Loans raised | 12 | 151 | 70 | 151 | 210 | 291 |
| Repayment of loans | -30 | -83 | -60 | -106 | -503 | -549 |
| Amortisation of lease liabilities | -15 | -15 | -29 | -30 | -57 | -58 |
| Dividend paid | - | -42 | - | -42 | -44 | -86 |
| Cash flow from financing activities | -33 | 11 | -19 | -27 | 102 | 94 |
| Cash flow for the period | 17 | -38 | 13 | -110 | -22 | -145 |
| Cash and equivalents at beginning of period | 53 | 123 | 53 | 195 | 86 | 195 |
| Translation difference in cash and cash equivalents | -6 | 1 | -2 | 1 | 0 | 3 |
| Cash and cash equivalents at end of the period | 64 | 86 | 64 | 86 | 64 | 53 |

Summary income statement, Parent Company

| SEK million | Apr-Jun 2022 | Apr-Jun 2021 | Jan-Jun 2022 | Jan-Jun 2021 | Rolling 12-month | Full year 2021 |
|--|--------------|--------------|--------------|--------------|------------------|----------------|
| Net sales | 17 | 19 | 32 | 34 | 62 | 64 |
| Administrative expenses | -23 | -25 | -44 | -45 | -87 | -88 |
| Other operating income | 0 | 0 | 0 | 0 | 0 | 0 |
| Other operating expenses | 0 | 0 | 0 | 0 | 0 | 0 |
| Operating profit | -6 | -6 | -12 | -11 | -25 | -24 |
| Result from participations in subsidiaries | - | 1 | - | 1 | 2 | 3 |
| Financial income | 26 | -5 | 52 | 23 | 83 | 54 |
| Financial expenses | -38 | -3 | -54 | -19 | -81 | -46 |
| Profit after financial items | -18 | -13 | -14 | -6 | -21 | -13 |
| Allocations | - | - | - | - | 26 | 26 |
| Profit before tax | -18 | -13 | -14 | -6 | 5 | 13 |
| Tax on profit for the period | 0 | - | 0 | - | 0 | 0 |
| Profit for the period¹ | -18 | -13 | -14 | -6 | 5 | 13 |

¹ 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 | 30 Jun 2022 | 30 Jun 2021 | 31 Dec 2021 |
|--|------|--------------|--------------|--------------|
| Intangible assets | | 47 | 54 | 51 |
| Tangible assets | | 4 | 3 | 5 |
| Participations in subsidiaries | | 2,553 | 2,547 | 2,535 |
| Receivables from subsidiaries | | 1,361 | 1,148 | 1,321 |
| Deferred tax assets | | 2 | 2 | 2 |
| Financial assets | | 3,916 | 3,697 | 3,858 |
| Fixed assets | | 3,967 | 3,754 | 3,914 |
| Receivables from subsidiaries | | 138 | 17 | 117 |
| Other receivables | | 14 | 16 | 12 |
| Cash and bank balances | | – | 30 | 2 |
| Current assets | | 152 | 63 | 131 |
| Assets | 5 | 4,119 | 3,817 | 4,045 |
| Share capital | 6 | 363 | 326 | 363 |
| Statutory reserve | | 58 | 58 | 58 |
| Profit brought forward, including profit for the period and other reserves | | 2,105 | 1,648 | 2,118 |
| Shareholders' equity | | 2,526 | 2,032 | 2,539 |
| Untaxed reserves | | 5 | – | 5 |
| Liabilities to credit institutions | | 1,143 | 1,420 | 1,166 |
| Other non-current liabilities | | 0 | – | 0 |
| Non-current liabilities | | 1,143 | 1,420 | 1,166 |
| Liabilities to credit institutions | | 172 | 103 | 107 |
| Liabilities to subsidiaries | | 258 | 196 | 212 |
| Other current liabilities | | 15 | 66 | 16 |
| Current liabilities | | 445 | 365 | 335 |
| Equity and liabilities | 5 | 4,119 | 3,817 | 4,045 |

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 for January–June 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–June 2022.

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*.

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-

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

No new significant estimates and assessments 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 |
| April-June | | | | | | | | | | |
| Net sales, external | 654 | 605 | 208 | 199 | 94 | 99 | - | - | 956 | 903 |
| Net sales, intra-Group | 3 | 1 | 7 | 5 | 2 | 1 | -12 | -7 | - | - |
| Net sales | 657 | 606 | 215 | 204 | 96 | 100 | -12 | -7 | 956 | 903 |
| Expenses for goods sold | -472 | -410 | -184 | -165 | -87 | -76 | 12 | 5 | -731 | -646 |
| Gross profit | 185 | 196 | 31 | 39 | 9 | 24 | 0 | -2 | 225 | 257 |
| Other operating expenses | -163 | -153 | -37 | -21 | -20 | -18 | -18 | -23 | -238 | -215 |
| Operating profit | 22 | 43 | -6 | 18 | -11 | 6 | -18 | -25 | -13 | 42 |
| Financial items | | | | | | | | | -14 | -12 |
| Profit before tax | | | | | | | | | -27 | 30 |

Significant income and expense items reported in the income statement:

| | | | | | | | | | | |
|---|------------|------------|-----------|-----------|------------|-----------|------------|------------|------------|------------|
| Items affecting comparability ¹ | 4 | -1 | 1 | -10 | 1 | - | - | 8 | 6 | -3 |
| Depreciation/amortisation and impairment | 13 | 14 | 11 | 11 | 5 | 4 | 12 | 18 | 41 | 47 |
| Gross profit, before items affecting comparability | 185 | 195 | 31 | 39 | 10 | 24 | 0 | -2 | 226 | 256 |
| Operating profit, before items affecting comparability | 26 | 42 | -5 | 8 | -10 | 6 | -18 | -17 | -7 | 39 |
| EBITDA, before items affecting comparability | 39 | 56 | 6 | 19 | -5 | 10 | -6 | -7 | 34 | 78 |
| Average number of employees | 452 | 436 | 221 | 225 | 148 | 150 | 17 | 17 | 838 | 828 |
| Number of employees as per the balance sheet date | 443 | 440 | 214 | 228 | 153 | 151 | 16 | 17 | 826 | 836 |

¹ For a specification of items affecting comparability, refer to the definitions and reconciliations against IFRS, Group, on pages 18-19.

| SEK million | Nordics | | North Europe | | South Europe | | Group-wide functions | | Group | |
|--------------------------|--------------|--------------|--------------|------------|--------------|------------|----------------------|------------|--------------|--------------|
| | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 |
| January-June | | | | | | | | | | |
| Net sales, external | 1,308 | 1,259 | 428 | 415 | 192 | 194 | - | - | 1,928 | 1,868 |
| Net sales, intra-Group | 6 | 6 | 9 | 13 | 4 | 3 | -19 | -22 | - | - |
| Net sales | 1,314 | 1,265 | 437 | 428 | 196 | 197 | -19 | -22 | 1,928 | 1,868 |
| Expenses for goods sold | -930 | -859 | -371 | -347 | -166 | -150 | 18 | 20 | -1,449 | -1,336 |
| Gross profit | 384 | 406 | 66 | 81 | 30 | 47 | -1 | -2 | 479 | 532 |
| Other operating expenses | -322 | -303 | -74 | -55 | -41 | -37 | -33 | -41 | -470 | -436 |
| Operating profit | 62 | 103 | -8 | 26 | -11 | 10 | -34 | -43 | 9 | 96 |
| Financial items | | | | | | | | | -22 | -23 |
| Profit before tax | | | | | | | | | -13 | 73 |

Significant income and expense items reported in the income statement:

| | | | | | | | | | | |
|---|------------|------------|-----------|-----------|------------|-----------|------------|------------|------------|------------|
| Items affecting comparability ¹ | 4 | -1 | 1 | -10 | 1 | - | - | 10 | 6 | -1 |
| Depreciation/amortisation and impairment | 26 | 27 | 22 | 21 | 11 | 9 | 22 | 28 | 81 | 85 |
| Gross profit, before items affecting comparability | 384 | 405 | 66 | 81 | 31 | 47 | -1 | -2 | 480 | 531 |
| Operating profit, before items affecting comparability | 66 | 102 | -7 | 16 | -10 | 10 | -34 | -33 | 15 | 95 |
| EBITDA, before items affecting comparability | 92 | 129 | 15 | 37 | 1 | 19 | -12 | -13 | 96 | 172 |
| Average number of employees | 455 | 444 | 222 | 220 | 145 | 150 | 18 | 16 | 840 | 830 |
| Number of employees as per the balance sheet date | 443 | 440 | 214 | 228 | 153 | 151 | 16 | 17 | 826 | 836 |

¹ For a specification of items affecting comparability, refer to the definitions and reconciliations against IFRS, Group, on pages 18-19.

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 |
| <i>Geographical areas¹</i> | | | | | | | | | | |
| Sweden | 284 | 278 | 0 | 0 | 1 | 0 | -2 | -1 | 283 | 277 |
| Denmark | 139 | 126 | 4 | 5 | 1 | 0 | -5 | -3 | 139 | 128 |
| Finland | 101 | 69 | - | - | 0 | 0 | - | - | 101 | 69 |
| Norway | 107 | 105 | 0 | 0 | 0 | 0 | 0 | 0 | 107 | 105 |
| France | 0 | 0 | 5 | 5 | 51 | 58 | -3 | -2 | 53 | 61 |
| Spain | 2 | 3 | 5 | 3 | 36 | 35 | 0 | - | 43 | 41 |
| Germany | 2 | 1 | 180 | 168 | 0 | 0 | -2 | -1 | 180 | 168 |
| Rest of Europe | 21 | 21 | 21 | 23 | 4 | 3 | - | - | 46 | 47 |
| Other countries outside Europe | 1 | 3 | 0 | 0 | 3 | 4 | - | - | 4 | 7 |
| Net sales | 657 | 606 | 215 | 204 | 96 | 100 | -12 | -7 | 956 | 903 |
| <i>Sales channel</i> | | | | | | | | | | |
| Pharmacies | 117 | 95 | - | - | - | - | - | - | 117 | 95 |
| Grocery trade | 412 | 396 | 88 | 89 | 34 | 30 | - | - | 534 | 515 |
| Food Service | 25 | 21 | 65 | 58 | 2 | 1 | - | - | 92 | 80 |
| Healthfood stores | 38 | 34 | 50 | 47 | 47 | 55 | - | - | 135 | 136 |
| Other specialist retailers | 30 | 30 | 5 | 4 | - | - | - | - | 35 | 34 |
| Others | 32 | 28 | 0 | 1 | 11 | 14 | - | - | 43 | 43 |
| Group-internal sales | 3 | 2 | 7 | 5 | 2 | 0 | -12 | -7 | - | - |
| Net sales | 657 | 606 | 215 | 204 | 96 | 100 | -12 | -7 | 956 | 903 |
| <i>Product categories</i> | | | | | | | | | | |
| Organic products | 168 | 176 | 215 | 204 | 95 | 100 | -12 | -7 | 466 | 473 |
| Healthfoods | 276 | 261 | - | - | - | - | - | - | 276 | 261 |
| Consumer health products | 209 | 167 | - | - | - | - | - | - | 209 | 167 |
| Services linked to product handling | 4 | 2 | 0 | 0 | 1 | 0 | 0 | 0 | 5 | 2 |
| Net sales | 657 | 606 | 215 | 204 | 96 | 100 | -12 | -7 | 956 | 903 |
| <i>Brands</i> | | | | | | | | | | |
| Own | 457 | 437 | 135 | 129 | 71 | 80 | -12 | -7 | 651 | 639 |
| Licensed | 140 | 111 | - | - | 8 | 8 | - | - | 148 | 119 |
| Contract manufacture | 56 | 56 | 80 | 75 | 16 | 12 | - | - | 152 | 143 |
| Services linked to product handling | 4 | 2 | 0 | 0 | 1 | 0 | 0 | 0 | 5 | 2 |
| Net sales | 657 | 606 | 215 | 204 | 96 | 100 | -12 | -7 | 956 | 903 |

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



Spanish brand Vegetalia launched new vegan products during the quarter.

| SEK million | Nordics | | North Europe | | South Europe | | Group-wide functions | | Group | |
|---------------------------------------|--------------|--------------|--------------|------------|--------------|------------|----------------------|------------|--------------|--------------|
| | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 |
| <i>Geographical areas¹</i> | | | | | | | | | | |
| Sweden | 561 | 563 | 0 | 0 | 2 | 1 | -3 | -2 | 560 | 562 |
| Denmark | 267 | 277 | 6 | 11 | 1 | 1 | -6 | -10 | 268 | 279 |
| Finland | 209 | 141 | - | - | 0 | 0 | - | - | 209 | 141 |
| Norway | 218 | 223 | 0 | 0 | 1 | 0 | -1 | 0 | 218 | 223 |
| France | 1 | 2 | 10 | 11 | 106 | 111 | -4 | -4 | 113 | 120 |
| Spain | 5 | 7 | 9 | 6 | 73 | 71 | 0 | - | 87 | 84 |
| Germany | 4 | 5 | 367 | 352 | 1 | 1 | -5 | -6 | 367 | 352 |
| Rest of Europe | 46 | 44 | 45 | 48 | 6 | 5 | - | - | 97 | 97 |
| Other countries outside Europe | 3 | 3 | 0 | 0 | 6 | 7 | - | - | 9 | 10 |
| Net sales | 1,314 | 1,265 | 437 | 428 | 196 | 197 | -19 | -22 | 1,928 | 1,868 |
| <i>Sales channel</i> | | | | | | | | | | |
| Pharmacies | 217 | 182 | - | - | - | - | - | - | 217 | 182 |
| Grocery trade | 826 | 838 | 183 | 190 | 64 | 55 | - | - | 1,073 | 1,083 |
| Food Service | 47 | 39 | 128 | 109 | 3 | 2 | - | - | 178 | 150 |
| Healthfood stores | 82 | 75 | 107 | 105 | 101 | 111 | - | - | 290 | 291 |
| Other specialist retailers | 64 | 61 | 10 | 9 | - | - | - | - | 74 | 70 |
| Others | 72 | 64 | 0 | 2 | 24 | 26 | - | - | 96 | 92 |
| Group-internal sales | 6 | 6 | 9 | 13 | 4 | 3 | -19 | -22 | - | - |
| Net sales | 1,314 | 1,265 | 437 | 428 | 196 | 197 | -19 | -22 | 1,928 | 1,868 |
| <i>Product categories</i> | | | | | | | | | | |
| Organic products | 354 | 396 | 437 | 428 | 195 | 197 | -18 | -22 | 968 | 999 |
| Healthfoods | 550 | 529 | - | - | - | - | - | - | 550 | 529 |
| Consumer health products | 403 | 336 | - | - | - | - | - | - | 403 | 336 |
| Services linked to product handling | 7 | 4 | 0 | 0 | 1 | 0 | -1 | 0 | 7 | 4 |
| Net sales | 1,314 | 1,265 | 437 | 428 | 196 | 197 | -19 | -22 | 1,928 | 1,868 |
| <i>Brands</i> | | | | | | | | | | |
| Own | 929 | 912 | 272 | 265 | 148 | 156 | -18 | -22 | 1,331 | 1,311 |
| Licensed | 265 | 233 | - | - | 17 | 16 | - | - | 282 | 249 |
| Contract manufacture | 113 | 116 | 165 | 163 | 30 | 25 | - | - | 308 | 304 |
| Services linked to product handling | 7 | 4 | 0 | 0 | 1 | 0 | -1 | 0 | 7 | 4 |
| Net sales | 1,314 | 1,265 | 437 | 428 | 196 | 197 | -19 | -22 | 1,928 | 1,868 |

¹Income 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

Fair value

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 futures of SEK 0 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 0 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* on pages 160–161 in the 2021 Annual Report.

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 |
| Number of shares, 30 June 2021 | 755,820 | 64,461,968 | 65,217,788 |
| Number of shares, 1 July 2021 | 755,820 | 64,461,968 | 65,217,788 |
| New share issue | – | 7,496,252 | 7,496,252 |
| Share reclassification | -457,500 | 457,500 | – |
| Number of shares, 31 December 2021 | 298,320 | 72,415,720 | 72,714,040 |
| Number of shares, 1 January 2022 | 298,320 | 72,415,720 | 72,714,040 |
| Number of shares, 30 June 2022 | 298,320 | 72,415,720 | 72,714,040 |
| 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 |

Average number of shares, Group

| Number of shares (thousands) | Apr–Jun 2022 | Apr–Jun 2021 | Jan–Jun 2022 | Jan–Jun 2021 | Rolling 12-month | Full year 2021 |
|--|--------------|--------------|--------------|--------------|------------------|----------------|
| Average during the period | 72,714 | 65,218 | 72,714 | 65,183 | 71,548 | 67,783 |
| Average during the period, after full dilution | 72,714 | 65,367 | 72,714 | 65,333 | 71,623 | 67,932 |

Two warrant 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.



The Urtekram brand expanded its Sweet Ginger Flower range with Anti-Dandruff shampoo and conditioner.

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 assets

| SEK million | Apr–Jun 2022 | Apr–Jun 2021 | Jan–Jun 2022 | Jan–Jun 2021 | Rolling 12-month | Full year 2021 |
|---|--------------|--------------|--------------|--------------|------------------|----------------|
| Operating profit, before items affecting comparability | -7 | 39 | 15 | 95 | 77 | 157 |
| Items affecting comparability included in operating profit ^{1,2} | -6 | 3 | -6 | 1 | -3 | 4 |
| Operating profit | -13 | 42 | 9 | 96 | 74 | 161 |
| Amortisation of intangible assets | 12 | 12 | 24 | 23 | 48 | 47 |
| Impairment of intangible assets | - | 8 | - | 8 | - | 8 |
| Depreciation of tangible assets | 29 | 27 | 57 | 54 | 112 | 109 |
| Impairment of tangible fixed assets | - | - | - | - | 4 | 4 |
| EBITDA | 28 | 89 | 90 | 181 | 238 | 329 |
| Items affecting comparability included in EBITDA ^{1,2} | 6 | -11 | 6 | -9 | -1 | -16 |
| EBITDA, before items affecting comparability | 34 | 78 | 96 | 172 | 237 | 313 |
| Net sales | 956 | 903 | 1,928 | 1,868 | 3,833 | 3,773 |
| EBITDA-margin, before items affecting comparability | 3.6% | 8.6% | 5.0% | 9.2% | 6.2% | 8.3% |

¹ Specification of items affecting comparability

| SEK million | Apr–Jun 2022 | Apr–Jun 2021 | Jan–Jun 2022 | Jan–Jun 2021 | Rolling 12-month | Full year 2021 |
|---|--------------|--------------|--------------|--------------|------------------|----------------|
| Restructuring expenses, net | 6 | -1 | 6 | -1 | 7 | 0 |
| Revaluation of conditional purchase consideration | - | -10 | - | -10 | -11 | -21 |
| Acquisition-related expenses | - | - | - | 2 | 3 | 5 |
| Impairment of intangible and tangible assets | - | 8 | - | 8 | 4 | 12 |
| Items affecting comparability included in operating profit | 6 | -3 | 6 | -1 | 3 | -4 |
| Impairment of intangible and tangible assets | - | -8 | - | -8 | -4 | -12 |
| Items affecting comparability included in EBITDA | 6 | -11 | 6 | -9 | -1 | -16 |

² Corresponding line in the consolidated income statement

| SEK million | Apr–Jun 2022 | Apr–Jun 2021 | Jan–Jun 2022 | Jan–Jun 2021 | Rolling 12-month | Full year 2021 |
|---|--------------|--------------|--------------|--------------|------------------|----------------|
| Expenses for goods sold | 1 | -1 | 1 | -1 | 6 | 4 |
| Selling expenses | 4 | 8 | 4 | 8 | 4 | 8 |
| Administrative expenses | 1 | 0 | 1 | 0 | 1 | 0 |
| Other operating income | - | -10 | - | -10 | -11 | -21 |
| Other operating expenses | - | 0 | - | 2 | 3 | 5 |
| Items affecting comparability included in operating profit | 6 | -3 | 6 | -1 | 3 | -4 |
| Expenses for goods sold | - | - | - | - | -4 | -4 |
| Selling expenses | - | -8 | - | -8 | - | -8 |
| Items affecting comparability included in EBITDA | 6 | -11 | 6 | -9 | -1 | -16 |

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

| SEK million | Rolling 12-month | Full year 2021 |
|--|------------------|----------------|
| EBITDA | 238 | 329 |
| Acquisition-related transaction expenses | -8 | -16 |
| Pro forma adjustment | 5 | 11 |
| Adjusted EBITDA | 235 | 324 |

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

| SEK million | 30 Jun 2022 | 30 Jun 2021 | 31 Dec 2021 |
|--|--------------|--------------|--------------|
| Non-current interest-bearing liabilities | 1,283 | 1,592 | 1,314 |
| Current interest-bearing liabilities | 233 | 210 | 175 |
| Cash and cash equivalents ¹ | -64 | -86 | -53 |
| Net debt | 1,452 | 1,716 | 1,436 |

¹ 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 liability 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 | Apr-Jun 2022 | Apr-Jun 2021 | Jan-Jun 2022 | Jan-Jun 2021 | Rolling 12-month | Full year 2021 |
|---|--------------|--------------|--------------|--------------|------------------|----------------|
| Shareholders' equity and liabilities | 5,423 | 5,157 | 5,423 | 5,157 | 5,423 | 5,287 |
| Other non-current liabilities | -11 | -14 | -11 | -14 | -11 | -11 |
| Deferred tax liabilities | -352 | -338 | -352 | -338 | -352 | -347 |
| Accounts payable | -372 | -397 | -372 | -397 | -372 | -342 |
| Other current liabilities | -50 | -101 | -50 | -101 | -50 | -56 |
| Accrued expenses and deferred income | -191 | -184 | -191 | -184 | -191 | -167 |
| Capital employed | 4,447 | 4,123 | 4,447 | 4,123 | 4,447 | 4,364 |
| Capital employed at the beginning of the period | 4,445 | 4,162 | 4,364 | 4,092 | 4,123 | 4,092 |
| Average capital employed | 4,446 | 4,143 | 4,406 | 4,108 | 4,285 | 4,228 |

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

| SEK million | Rolling 12-month | Full year 2021 |
|--|------------------|----------------|
| Profit before tax | 29 | 115 |
| Financial expenses | 89 | 57 |
| Profit before taxes, excluding financial expenses | 118 | 172 |
| Average capital employed | 4,285 | 4,228 |
| Return on capital employed, % | 2.8 | 4.1 |

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 and expansion investments

| SEK million | Apr-Jun 2022 | Apr-Jun 2021 | Jan-Jun 2022 | Jan-Jun 2021 | Rolling 12-month | Full year 2021 |
|--|--------------|--------------|--------------|--------------|------------------|----------------|
| Cash flow from operating activities | 54 | -29 | 46 | -48 | 30 | -64 |
| Cash flow from investing activities | -4 | -20 | -14 | -35 | -154 | -175 |
| Acquisitions of companies or operations | - | 3 | - | 3 | 111 | 114 |
| Expansion investment, new production line | 3 | 11 | 6 | 19 | 18 | 31 |
| Free cash flow | 53 | -35 | 38 | -61 | 5 | -94 |

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 | Apr-Jun 2022 | Apr-Jun 2021 | Jan-Jun 2022 | Jan-Jun 2021 | Rolling 12-month | Full year 2021 |
|---|--------------|--------------|--------------|--------------|------------------|----------------|
| Net sales | 956 | 903 | 1,928 | 1,868 | 3,833 | 3,773 |
| Net sales compared with the corresponding period in the previous year | -903 | -859 | -1,868 | -1,805 | -3,772 | -3,709 |
| Net sales, change | 53 | 44 | 60 | 63 | 61 | 64 |
| Structural changes | -27 | -104 | -61 | -210 | -206 | -355 |
| Exchange rate changes | -23 | 24 | -50 | 58 | -41 | 67 |
| Organic change | 3 | -36 | -51 | -89 | -186 | -224 |
| Organic change | 0.4% | -4.2% | -2.7% | -4.9% | -4.9% | -6.0% |
| Structural changes | 3.0% | 12.1% | 3.3% | 11.6% | 5.5% | 9.5% |
| Exchange rate changes | 2.5% | -2.8% | 2.6% | -3.2% | 1.1% | -1.8% |

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

| SEK million | Apr-Jun 2022 | Apr-Jun 2021 | Jan-Jun 2022 | Jan-Jun 2021 | Rolling 12-month | Full year 2021 |
|--|--------------|--------------|--------------|--------------|------------------|----------------|
| Net sales own brands | 652 | 639 | 1,331 | 1,311 | 2,642 | 2,622 |
| Net sales own brands compared with the corresponding period in the previous year | -639 | -599 | -1,311 | -1,252 | -2,609 | -2,550 |
| Net sales own brands, change | 13 | 40 | 20 | 59 | 33 | 72 |
| Structural changes | -13 | -55 | -31 | -111 | -111 | -191 |
| Exchange rate changes | -15 | 16 | -32 | 39 | -26 | 45 |
| Organic change own brands | -15 | 1 | -43 | -13 | -104 | -74 |
| Organic change | -2.3% | 0.2% | -3.3% | -1.0% | -4.0% | -2.9% |
| Structural changes | 2.0% | 9.3% | 2.4% | 8.9% | 4.3% | 7.5% |
| Exchange rate changes | 2.3% | -2.7% | 2.4% | -3.1% | 1.0% | -1.8% |

Quarterly data

| SEK million | 2022 Q2 | 2022 Q1 | 2021 Q4 | 2021 Q3 | 2021 Q2 | 2021 Q1 | 2020 Q4 | 2020 Q3 | 2020 Q2 | 2020 Q1 | 2019 Q4 | 2019 Q3 |
|--|------------|------------|--------------|------------|------------|------------|--------------|------------|------------|------------|------------|------------|
| Net sales | 956 | 972 | 1,012 | 893 | 903 | 965 | 1,083 | 821 | 859 | 946 | 825 | 765 |
| Expenses for goods sold | -731 | -718 | -770 | -652 | -646 | -690 | -784 | -598 | -619 | -671 | -594 | -524 |
| Gross profit | 225 | 254 | 242 | 241 | 257 | 275 | 299 | 223 | 240 | 275 | 231 | 241 |
| Selling expenses | -162 | -157 | -148 | -138 | -155 | -151 | -161 | -128 | -123 | -130 | -129 | -122 |
| Administrative expenses | -76 | -74 | -76 | -67 | -73 | -73 | -88 | -60 | -70 | -66 | -64 | -56 |
| Other operating income | 2 | 2 | 3 | 12 | 13 | 7 | 17 | 16 | 17 | 2 | 30 | -1 |
| Other operating expenses | -2 | -3 | -4 | 0 | 0 | -4 | -1 | -4 | 9 | -10 | -16 | -5 |
| Operating profit | -13 | 22 | 17 | 48 | 42 | 54 | 66 | 47 | 73 | 71 | 52 | 57 |
| Result from participations in joint ventures | - | - | - | - | - | - | - | - | -8 | 0 | -1 | - |
| Financial income | 25 | 10 | 5 | 4 | -5 | 7 | 7 | 3 | -29 | 33 | 0 | 0 |
| Financial expenses | -39 | -18 | -16 | -16 | -7 | -18 | -22 | -10 | 16 | -43 | -9 | -13 |
| Profit before tax | -27 | 14 | 6 | 36 | 30 | 43 | 51 | 40 | 52 | 61 | 42 | 44 |
| Tax on profit for the period | 7 | -2 | -5 | -5 | -6 | -10 | 4 | -6 | -12 | -14 | -7 | -9 |
| Profit for the period | -20 | 12 | 1 | 31 | 24 | 33 | 55 | 34 | 40 | 47 | 35 | 35 |
| <i>Items affecting comparability</i> | | | | | | | | | | | | |
| Items affecting comparability included in operating profit | 6 | - | 3 | -6 | -3 | 2 | 7 | -10 | -11 | - | -5 | -8 |
| Operating profit, before items affecting comparability | -7 | 22 | 20 | 42 | 39 | 56 | 73 | 37 | 62 | 71 | 47 | 49 |
| <i>Depreciation/amortisation and impairment</i> | | | | | | | | | | | | |
| Depreciation/amortisation and impairment included in operating income | 41 | 40 | 41 | 42 | 47 | 38 | 41 | 35 | 35 | 36 | 34 | 28 |
| EBITDA | 28 | 62 | 58 | 90 | 89 | 92 | 107 | 82 | 108 | 107 | 86 | 85 |
| <i>Depreciation/amortisation, impairment and items affecting comparability</i> | | | | | | | | | | | | |
| Depreciation/amortisation, impairment and items affecting comparability included in operating profit | 47 | 40 | 44 | 32 | 36 | 40 | 48 | 25 | 24 | 36 | 29 | 20 |
| EBITDA, before items affecting comparability | 34 | 62 | 61 | 80 | 78 | 94 | 114 | 72 | 97 | 107 | 81 | 77 |
| Free cash flow | 53 | -15 | -25 | -8 | -35 | -26 | 102 | 64 | 84 | 2 | 103 | 19 |
| Cash flow from operating activities | 54 | -8 | -16 | 0 | -29 | -19 | 113 | 71 | 89 | 10 | 117 | 29 |
| Number of employees as per the balance sheet date | 826 | 859 | 849 | 819 | 836 | 831 | 834 | 723 | 730 | 713 | 721 | 571 |

Exchange rates

| SEK | Average exchange rate | | | Closing day rate | | |
|-----|-----------------------|--------------|--------------|------------------|-------------|-------------|
| | Jan-Jun 2022 | Jan-Jun 2021 | Jan-Dec 2021 | 30 Jun 2022 | 30 Jun 2021 | 31 Dec 2021 |
| DKK | 1.4083 | 1.3619 | 1.3641 | 1.4356 | 1.3616 | 1.3753 |
| EUR | 10.4787 | 10.1281 | 10.1449 | 10.6801 | 10.1249 | 10.2269 |
| GBP | 12.4427 | 11.6718 | 11.8022 | 12.4127 | 11.7663 | 12.1790 |
| NOK | 1.0504 | 0.9956 | 0.9980 | 1.0314 | 0.9942 | 1.0254 |
| USD | 9.5856 | 8.4039 | 8.5815 | 10.2194 | 8.5103 | 9.0437 |

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