



midsona

INTERIM REPORT JANUARY–SEPTEMBER 2022

# Vigorous measures to manage exceptional cost inflation

## July–September 2022 (third quarter)

- Net sales amounted to SEK 944 million (893).
- EBITDA, before items affecting comparability, amounted to SEK 50 million (80), corresponding to a margin of 5.3 percent (9.0) and EBITDA amounted to SEK 47 million (90).
- Operating profit, before items affecting comparability, amounted to SEK 10 million (42), corresponding to a margin of 1.1 percent (4.7) and operating profit/loss amounted to SEK –468 million (48).
- Items affecting comparability amounted to SEK –478 million (6), of which SEK –475 million represented impairment losses on intangible and tangible assets recognised following impairment testing.
- Profit/loss for the period was SEK –478 million (31), corresponding to earnings per share of SEK –6.57 (0.45) before and after dilution.
- Cash flow from operating activities amounted to SEK 29 million (0).

## January–September 2022 (nine months)

- Net sales amounted to SEK 2,872 million (2,761).
- EBITDA, before items affecting comparability, amounted to SEK 146 million (252), corresponding to a margin of 5.1 percent (9.1) and EBITDA amounted to SEK 137 million (271).
- Operating profit, before items affecting comparability, amounted to SEK 25 million (137), corresponding to a margin of 0.9 percent (5.0) and operating profit/loss amounted to SEK –459 million (144).
- Profit/loss for the period was SEK –486 million (88), corresponding to earnings per share of SEK –6.68 (1.33) before dilution and SEK –6.68 (1.32) after dilution.
- Cash flow from operating activities amounted to SEK 75 million (–48).

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

- Today, the Board of Directors of Midsona approved a fully secured new share issue with preferential rights for existing shareholders of around SEK 600 million, on condition of approval by an Extraordinary General Meeting.
- The financing agreement with Danske Bank and Svensk Exportkredit was extended with similar terms and after the extension runs until September 2025.

Key figures, Group <sup>1</sup>	July–Sept 2022	July–Sept 2021	Jan–Sept 2022	Jan–Sept 2021	Rolling 12 months	Full year 2021
Net sales growth, %	5.7	8.8	4.0	5.1	1.0	1.7
Gross margin, before items affecting comparability, %	23.6	27.5	24.5	28.1	24.3	27.0
Gross margin, %	17.9	27.0	22.6	28.0	22.9	26.9
EBITDA-margin, before items affecting comparability, %	5.3	9.0	5.1	9.1	5.3	8.3
EBITDA margin, %	5.0	10.1	4.8	9.8	5.0	8.7
Operating margin, before items affecting comparability, %	1.1	4.7	0.9	5.0	1.2	4.2
Operating margin, %	–49.6	5.4	–16.0	5.2	–11.4	4.3
Profit margin, %	–51.2	4.0	–17.3	3.9	–12.6	3.0
Return on capital employed, %					Neg.	4.1
Net debt, SEK million	1,475	1,237	1,475	1,237	1,475	1,436
Net debt / Adjusted EBITDA, multiple					7.4	4.4
Equity/assets ratio, %	49.4	53.6	49.4	53.6	49.4	54.4
Free cash flow, SEK million	22	–8	60	–69	35	–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 19–20 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 25 October 2022 at 8:00 a.m. CEST.

**For further information**

Peter Åsberg, CEO +46 730 26 16 32  
Max Bokander, CFO +46 708 65 13 64



Peter Åsberg, President and CEO

# Comment by the CEO

The third quarter was challenging and was characterised by high inflationary pressures. At the same time, we saw good demand for our products, especially in private label. To meet the exceptional level of cost inflation, we are implementing a number of further measures with the ambition of fully offsetting our increased costs.

## Demand for healthy food remains favourable

Sales for the quarter increased to SEK 944 million (893), which for us serves as proof that consumers want to continue eating healthily. We saw a continued strong development for our own brands in the healthfood category. In organic products we saw a weaker development among our own brands while our private label sales grew stronger.

## Continued exceptional cost inflation

The shortages and dramatic price increases for virtually all the input goods that we saw in the first half of the year – mainly as a result of the war in Ukraine – persisted in the third quarter when we were struck by **1)** the marked strengthening of the US dollar against all currencies relevant to us (EUR, DKK, SEK, NOK), **2)** higher energy costs, **3)** strong price increases announced by sub-suppliers and **4)** general upwards index adjustments. We aim to fully offset cost inflation by passing on cost increases to the next level as quickly as possible. We have raised our prices and are planning for further price increases, which will mainly have an impact in the first quarter of 2023. In general, our price announcements have been well received because the causes of the cost inflation are well known.

## Additional cost saving programme

During the quarter, we accelerated our cost savings programme of SEK 40 million on an annual basis, which means that it is now well ahead of plan. Among other things, we have reduced our administrative staff by about ten percent and by hiring staff in our production units instead of relying on more expensive temporary staff, we have reduced our costs in production as well. Cost-saving measures and price increases implemented so far improved earnings monthly during the quarter. Cost inflation was, however, so high that the profit for the quarter deteriorated compared to the same period in the previous year. Therefore, we are now expanding the cost-saving program with the ambition to save roughly another SEK 20 million on an annual basis. EBITDA, before items affecting comparability, amounted to SEK 50 million (80) and was improved sequentially with the support of price increases and cost savings.

Forecasting the continued cost trend for input goods is difficult and the volatility in both raw material prices and currencies (USD and EUR in particular) remains a challenge. However, the results of this year's harvests look better and many raw material prices have stabilised in local currencies. For this reason, we are more optimistic about the price situation today than earlier in the year.

## Strong cash flow

Although we are building up some inventories for the important Christmas sales, we can show a positive free cash flow of SEK 22 million (–8) for the third quarter.

## Rights issue and impairment losses

Today, the Board of Directors decided on a new share issue of approximately SEK 600 million with preferential rights for existing shareholders, subject to approval from an Extraordinary General Meeting. The main shareholder, Stena Adactum AB, has undertaken to subscribe for its pro rata share of the new issue and issued an underwriting guarantee for the remaining part of the issue. The purpose of the issue is to reduce the debt/equity ratio, strengthen our financial position in order to promote a long-term sustainable capital structure and increase our financial flexibility. In light of the weaker earnings trend, the Board of Directors has also decided to recognise impairment losses on intangible and tangible assets of a total of approximately SEK 475 million in the cash generating units North Europe and South Europe. The impairment losses have no cash flow impact on the quarter.

## We take a confident view of the future

Despite the challenges, we view the future with confidence. We are fully focused on strengthening our earnings and see the stable sales as a good sign that interest in healthy food remains high. We see that the price increases we have made and that the cost-saving measures we have implemented are getting better and better. 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 plan for further price increases that will have an impact on sales mainly in the first quarter of 2023. We hope and believe that we have the largest cost increases behind us and look to the future with confidence. The strong underlying consumer trend for sustainable and plant-based products remains.

Peter Åsberg  
President and CEO

## QUARTER 3

**SEK 944 million**

Net sales

**SEK 50 million**

EBITDA, before items affecting comparability

**5.3 percent**

EBITDA-margin, before items affecting comparability

# Financial information – Group

## July–September

### Net sales

Net sales amounted to SEK 944 million (893), an increase of 5.7 percent. The organic change in net sales was –1.3 percent while structural changes contributed by 3.6 percent and exchange rate changes by 3.5 percent. For the Group's own brands, the organic sales growth was a negative 1.9 percent. Sales volumes improved gradually in the period and were supported by price increases. The sales trend for own brands in the healthfood categories remained good, despite the capacity shortages at a major supplier, while the sales volumes of licensed brands were lower for comparable units. Contract manufacturing had strong sales growth, while there were continued challenges for own brands in the organic products category. An increasingly harsh personal financial climate for consumers indicates to some extent a temporary shift over to private label products in the lower price segment.

### Gross profit

Gross profit, before items affecting comparability, amounted to SEK 223 million (246), corresponding to a margin of 23.6 percent (27.5) and gross profit amounted to SEK 169 million (241). The negative margin trend was driven by strong inflationary pressure, with continued higher prices for most raw materials, finished goods, packaging materials and energy, which have yet to be fully offset through price increases at the next level. For some raw materials, as well as road and sea transport, price increases began to level out to some extent during the period. The product mix was unfavourable as a consequence of a higher percentage of sales of contract-manufactured products at a generally lower margin. In addition, a continuing unfavourable trend in exchange rates for USD and EUR contributed to the negative market trend as most raw materials and finished goods are purchased in these currencies. New price increases were both announced and planned to customers in order to restore the margin as quickly as possible. There was an impairment of tangible assets by SEK –54 million (–4); see the section *Impairment of intangible assets and tangible assets* on page 9 for more information. In the comparison period, impairments of tangible assets were made in an amount of SEK –4 million, as a result of the closure of a production facility.

### Operating profit/loss

Operating profit, before items affecting comparability, amounted to SEK 10 million (42), corresponding to a margin of 1.1 percent (4.7) and operating profit/loss amounted to SEK –468 million (48). 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. In addition, impairments of intangible and tangible assets were made in an amount of SEK –475 million (–4); see the section *Impairment of intangible assets and tangible assets* on page 9 for more information. In the comparison period, impairments of tangible assets were made in an amount of SEK –4 million, as a result of the closure of a production facility. EBITDA amounted to SEK 47 million (90) and EBITDA, before items affecting comparability, amounted to SEK 50 million (80), corresponding to a margin of 5.3 percent (9.0). The EBITDA margin decreased essentially as a consequence of weak development in the gross margin.

Cost control and cost awareness were good in the Group at the same time that synergies from the ongoing restructuring programme were realised.

### Items affecting comparability

Operating profit/loss included items affecting comparability by a net SEK –478 million (6), comprising restructuring costs of SEK –3 million (–1), an impairment loss on intangible assets of SEK –421 million and an impairment loss on tangible assets of SEK –54 million (–4). The comparison period also included a valuated conditional purchase consideration of SEK 11 million. Restructuring costs were related to the ongoing restructuring programme to lower the cost base. Impairment of tangible and intangible assets was attributable to low capacity utilisation of machinery and impairment testing of cash generating units; see the section *Impairment of intangible assets and tangible assets* on page 9 for more information.

### Financial items

Net financial items amounted to SEK –15 million (–12). Interest expenses for external loans to credit institutions amounted to SEK –13 million (–10) and interest expenses attributable to leases were SEK –1 million (–1). Net translation differences on financial receivables and liabilities in foreign currency were SEK 0 million (0). Other financial items were SEK –1 million (–1).

### Profit for the period

Profit for the period amounted to SEK –478 million (31), corresponding to earnings per share of SEK –6.57 (0.45) before and after dilution. Tax on the profit for the period amounted to SEK 5 million (–5), of which the current tax was SEK –6 million (–11), tax attributable to previous years was SEK 0 million and deferred tax was SEK 11 million (6). The effective tax rate was 1.1 percent (13.9). The low effective tax rate was in all material respects attributable to the impairments made on goodwill, which are not matched by any tax in a legal unit.

### Cash flow

Cash flow from operating activities amounted to SEK 29 million (0), which was primarily attributable to an improved working capital trend. Capital tied up in both inventories and operating receivables increased compared to the previous quarter, but was partly offset by higher operating liabilities. Capital tied up in inventories mainly as a result of a build-up of inventory in seasonal products for deliveries for the Christmas holidays and operating receivables as a result of a better invoicing in August and September compared to May and June. Cash flow from investing activities amounted to SEK –6 million (–15), consisting of investments in tangible and intangible fixed assets of SEK –6 million (–12), and a change in financial assets by SEK 0 million (–3). Free cash flow amounted to SEK 22 million (–8). Cash flow from financing activities was SEK –32 million (114), consisting of SEK 14 million in loans raised, of which SEK 54 million in raised credit facilities and SEK –40 million was in lower used overdraft facilities, and SEK –32 million (–374) was in loan repayments, SEK –14 million (–14) in amortisations of lease liabilities and SEK 0 million in paid premiums for the TO2022/2025 warrant programme. The comparative period also included a new share issue of SEK 500 million and paid-in premiums of SEK 2 million for the TO2021/2024 warrant programme. Cash flow for the period amounted to SEK –9 million (99).

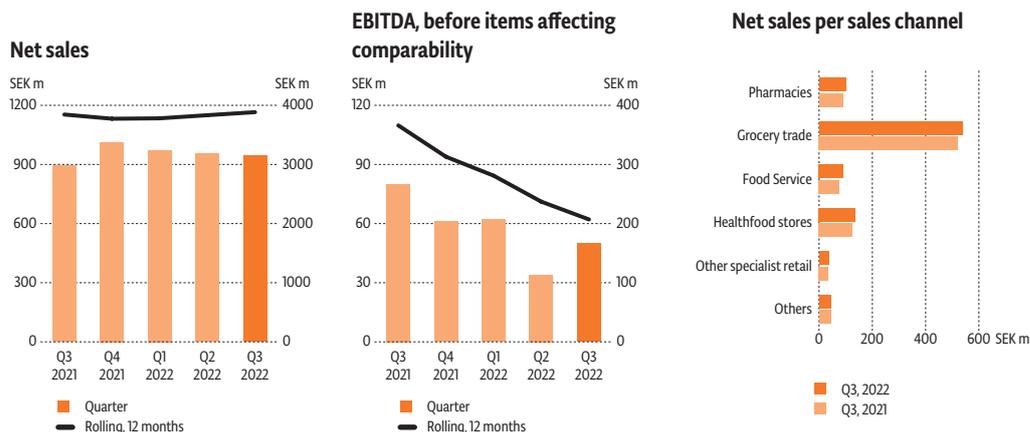
**68 percent<sup>1</sup>**

Percentage of own brands, income

**–1.9 percent<sup>1</sup>**

Organic growth of own brands

<sup>1</sup>For Q3, 2022



## January–September

### Net sales

Net sales amounted to SEK 2,872 million (2,761), an increase of 4.0 percent. The organic change in net sales was –2.3 percent while structural changes contributed by 3.4 percent and exchange rate changes by 2.9 percent. For the Group's own brands, organic sales growth was –2.9 percent. The overall trend in sales was declining for comparable units, despite a stable growth for several own brands in the healthfood and consumer health products categories, and to some extent also for licensed products and contract manufacturing. For our own brands in the Organic products category, sales were weak. The removal of pandemic restrictions in society led to a changed consumption pattern with less household consumption and more restaurant visits, which generally disadvantaged the organic products category. In addition, the strong inflationary pressure has affected consumer purchasing power, which has led to indications that consumers are more likely to choose private label products in the lower price segment. The supply chain was 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, before items affecting comparability, amounted to SEK 703 million (777), corresponding to a margin of 24.5 percent (28.1) and gross profit amounted to SEK 648 million (773). The negative margin trend was driven strongly by harsh inflationary pressure, with rising prices for raw materials, packaging materials, finished goods, energy and transport, which could not immediately be countered by price increases to customers, but that occur with a certain time lag. However, for some raw materials, road and sea transport, price increases began to level out to some extent towards the end of the period. An unfavourable trend in the exchange rates for USD and EUR against SEK, NOK and DKK had a strongly negative impact on the margin trend as most raw materials and finished goods are purchased in EUR and USD. In addition, the product mix was at times unfavourable in several geographic markets as a consequence of a higher percentage of sales of contract-manufactured products at a generally lower margin. New price increases were announced and implemented to customers in turns to compensate for the broad inflationary pressure in order to restore the margin as quickly as possible. There was an impairment of tangible assets by SEK –54 million (–4); see the section *Impairment of intangible assets and tangible assets* on page 9 for more information. In the comparison period, impairment of tangible assets amounted to SEK –4 million, as a result of a closed production facility.

### Operating profit/loss

Operating profit, before items affecting comparability, amounted to SEK 25 million (137), corresponding to a margin of 0.9 percent (5.0) and operating profit/loss amounted to SEK –459 million (144). Amortisation and depreciation for the period amounted to SEK –121 million (–115), divided between SEK –36 million (–34) in amortisation of intangible fixed assets and depreciation of SEK –85 million (–81) on tangible fixed assets. In addition, impairments of intangible and tangible assets were made in an amount of SEK –475 million (–12); see the section *Impairment of intangible assets and tangible assets* on page 9 for more information. In the comparative period, impairment of SEK –8 million was recognised on intangible assets and of SEK –4 million on tangible assets as a result of a product development project being discontinued and a production facility being closed. EBITDA amounted to SEK 137 million (271) and EBITDA, before items affecting comparability, amounted to SEK 146 million (252), corresponding to a margin of 5.1 percent (9.1). 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. Much of the period was

marked by work on the ongoing restructuring programme to lower the cost base and thus strengthen competitiveness. A lot of synergies began to be gradually realised in the third quarter.

### Items affecting comparability

Operating profit/loss included items affecting comparability by a net SEK –484 million (7), comprising restructuring costs of SEK –9 million (–1), an impairment loss on intangible assets of SEK –421 million (–8) and an impairment loss on tangible assets of SEK –54 million (–4). The comparison period also included a valuated conditional purchase consideration of SEK 21 million, a return to a restructuring reserve of SEK 1 million, and acquisition-related costs of SEK –2 million attributable to System Frugt. For more information on impairment losses, see the section *Impairment of intangible assets and tangible assets* on page 9.

### Financial items

Net financial items amounted to SEK –37 million (–35). Interest expenses for external loans to credit institutions amounted to SEK –32 million (–26) and interest expenses attributable to leases were SEK –3 million (–3). Net translation differences on financial receivables and liabilities in foreign currency were SEK 1 million (–2). Other financial items amounted to SEK –3 million (–4).

### Profit for the period

Profit for the period was SEK –486 million (88), corresponding to earnings per share of SEK –6.68 (1.33) before dilution and SEK –6.68 (1.32) after dilution. Tax on the profit for the period amounted to SEK 10 million (–21), of which the current tax was SEK –9 million (–22), tax attributable to previous years was SEK 0 million and deferred tax was SEK 19 million (1). The effective tax rate was 2.1 percent (19.5). The low effective tax rate was in all material respects attributable to the impairments made on goodwill, which are not matched by any tax in a legal unit.

### Cash flow

Cash flow from operating activities amounted to SEK 75 million (–48) and improved as a result of stronger cash flow from changes in working capital driven by both reduced capital tied-up in inventories and operating receivables and increased operating liabilities. Cash flow from investing activities amounted to SEK –20 million (–50), consisting of investments in tangible and intangible fixed assets of SEK –27 million (–44), of which an on-going expansion investment in South Europe accounted for SEK –5 million (–26), and a divestment of fixed assets for SEK 7 million and a change in financial assets of SEK 0 million (–3). The comparison period also included the payment of a conditional purchase consideration of SEK –3 million for acquisitions in previous years. Free cash flow amounted to SEK 60 million (–69). Cash flow from financing activities was SEK –51 million (87), consisting of SEK 84 million (151) in loans raised, of which SEK 24 million in used overdraft facilities, SEK –92 million (–480) in loan repayments, and SEK –43 million (–44) in amortisations of lease liabilities and SEK 0 million a paid premiums for the TO2022/2025 warrant programme. The comparative period also included a new share issue of SEK 500 million, paid-in premiums of SEK 2 million for the TO2021/2024 warrant programme and a dividend paid of SEK –42 million. Cash flow for the period amounted to SEK 4 million (–11).

### Liquidity and financial position

Cash and equivalents amounted to SEK 55 million (185) and there were unused credit facilities of SEK 379 million (593) at the end of the period. Net debt amounted to SEK 1,475 million (1,237) and was SEK 1,452 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 7.4 (3.6) and, at the end of the previous quarter, it was a multiple of 6.2. Equity amounted to SEK 2,474 million (2,858) and was SEK 2,931 million at the end of the previous quarter. The changes consisted of profit for the period of SEK –478 million and exchange rate differences of a positive SEK 21 million on the translation of foreign operations. The equity/assets ratio was 49.4 percent (53.6) at the end of the period.

# Division Nordics

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



Division Nordics <sup>1</sup>	July–Sept 2022	July–Sept 2021	Jan–Sept 2022	Jan–Sept 2021	Rolling 12 months	Full year 2021
Net sales	656	620	1,970	1,885	2,697	2,611
Gross profit	194	193	578	598	781	800
Gross margin, %	29.5	31.1	29.3	31.7	28.9	30.7
EBITDA	63	69	155	198	220	263
EBITDA margin, %	9.7	11.1	7.9	10.5	8.2	10.1

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

## July–September

### Net sales

Net sales amounted to SEK 656 million (620), an increase of 5.9 percent, where the organic change in net sales was –2.1 percent. The organic change for own brands in external product sales was –1.4 percent.

Sales volumes improved gradually in the period and were supported by price increases. The sales trend for own brands in the healthfood category was strong, despite the capacity shortages of a major supplier, while the volumes were restrained for their own brands in the organic and consumer health product categories. Contract manufacturing had strong sales growth, while sales volumes were lower for licensed brands for comparable units.

### Gross profit

Gross profit amounted to SEK 194 million (193), corresponding to a margin of 29.5 percent (31.1). The negative margin trend was driven by continued inflationary pressure with rapidly increasing prices for most raw materials, input goods and finished goods, which have yet to be fully offset through price increases at the next level. An unfavourable exchange rate trend for both the EUR and USD also contributed 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. In addition, the product mix was somewhat unfavourable as a consequence of higher sales of contract-manufactured products at a generally lower margin. New price increases were announced and planned to customers in order to restore the margin as quickly as possible.

### EBITDA

EBITDA amounted to SEK 63 million (69), corresponding to a margin of 9.7 percent (11.1), as a consequence of a lower gross profit. Cost control and cost awareness were good at the same time that synergies from the ongoing restructuring programme were realised, but only partially compensated for the lower gross margin.

## January–September

### Net sales

Net sales amounted to SEK 1,970 million (1,885), an increase of 4.5 percent, where the organic change in net sales was –3.0 percent. The organic change for own brands in external product sales was –2.8 percent. On the whole, the sales trend declined despite good growth among own brands in the healthfood 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 578 million (598), corresponding to a margin of 29.3 percent (31.7). The negative margin trend was driven strongly by continued inflationary pressure, with rising prices for finished goods, raw materials, input goods and transport, which could not immediately be countered 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 155 million (198), corresponding to a margin of 7.9 percent (10.5), 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 synergies from restructuring programmes and good cost control only compensated to a certain extent for the lower gross margin.

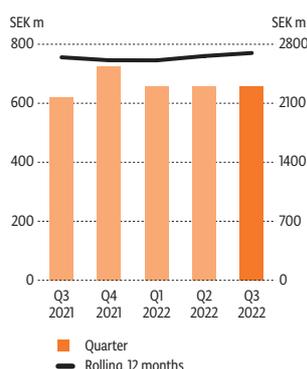
**71 percent<sup>2</sup>**

Percentage of own brands, income

**-1.4 percent<sup>2</sup>**

Organic growth of own brands<sup>3</sup>

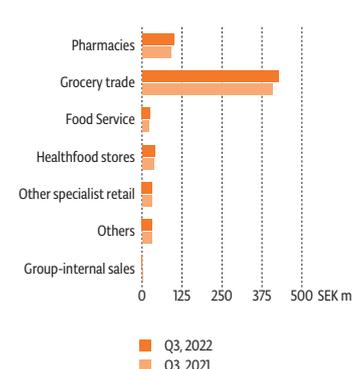
### Net sales



### EBITDA, before items affecting comparability



### Net sales per sales channel



<sup>2</sup> For Q3, 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>	July–Sept 2022	July–Sept 2021	Jan–Sept 2022	Jan–Sept 2021	Rolling 12 months	Full year 2021
Net sales	211	195	648	623	856	831
Gross profit	25	36	91	117	117	143
Gross margin, %	11.7	18.5	14.0	18.8	13.6	17.2
EBITDA	-1	13	15	50	15	50
EBITDA margin, %	-0.3	6.5	2.3	8.0	1.8	6.1

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

## July–September

### Net sales

Net sales amounted to SEK 211 million (195), an increase of 8.3 percent, where the organic change in net sales was 3.0 percent. The organic change for own brands in external product sales was 1.5 percent. The sales trend was stable, driven by good sales growth for both own brands and contract manufacturing with some support from price increases. Sales volumes increased mainly to the food service and healthfood store sales channels. Fewer pandemic restrictions in society 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. For healthfood stores, sales volumes of contract-manufactured products increased strongly.

### Gross profit

Gross profit amounted to SEK 25 million (36), corresponding to a margin of 11.7 percent (18.5). The negative margin trend was driven by continued inflationary pressure with higher prices for raw materials, packaging materials and energy, which have yet to be offset through price increases at the next level. The product mix was unfavourable as a consequence of both a higher share of sales of contract-manufactured products and a higher share of sales of own brands to the food service sales channel with a generally lower margin. In addition, an unfavourable USD exchange rate trend contributed to the negative margin trend, as some raw material volumes are purchased in USD while sales to customers are made in local currency. New price increases were both announced and planned to customers to try to restore the margin as quickly as possible.

### EBITDA

EBITDA amounted to SEK -1 million (13), corresponding to a margin of -0.3 percent (6.5) and decreased essentially as a consequence of the lower gross profit. Sales costs were higher as a result of cost increases for freight. Through good cost control and realised synergies from restructuring programmes, the total sales and administration costs in relation to net sales were lower than for the comparison period.

## January–September

### Net sales

Net sales amounted to SEK 648 million (623), an increase of 4.1 percent, where the organic change in net sales was 0.7 percent. The organic change for own brands in external product sales was 1.3 percent. The sales trend was relatively stable with sales growth in our own brands. Sales volumes for own brands 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 91 million (117), corresponding to a margin of 14.0 percent (18.8). 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. 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. 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 15 million (50), corresponding to a margin of 2.3 percent (8.0) 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.

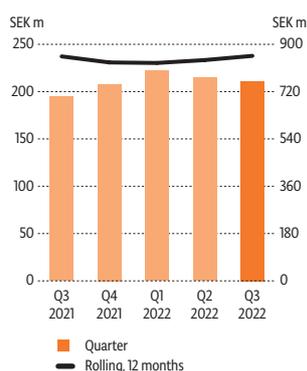
**61 percent<sup>2</sup>**

Percentage of own brands, income

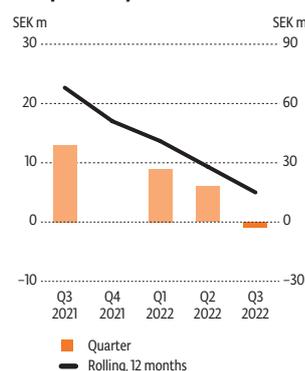
**1.5 percent<sup>2</sup>**

Organic growth of own brands<sup>3</sup>

### Net sales



### EBITDA, before items affecting comparability



### Net sales per sales channel



<sup>2</sup> For Q3, 2022

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

# Division South Europe

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



Division South Europe <sup>1</sup>	July–Sept 2022	July–Sept 2021	Jan–Sept 2022	Jan–Sept 2021	Rolling 12 months	Full year 2021
Net sales	88	86	284	283	370	369
Gross profit	5	16	36	63	49	77
Gross margin, %	5.9	18.7	12.6	22.2	13.4	20.8
EBITDA	-8	3	-6	22	-2	26
EBITDA margin, %	-8.7	3.5	-2.2	7.8	-0.7	7.0

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

## July–September

### Net sales

Net sales amounted to SEK 88 million (86), an increase of 1.3 percent, where the organic change in net sales was -4.2 percent. The organic change for own brands in external product sales was -11.8 percent. Sales volumes increased for contract-manufactured products, while they decreased for both own brands and licensed brands. For own brands, sales development as a whole was weak due to the fact that consumers to a greater extent choose to make their purchases in the grocery stores instead of healthfood stores, which remains the largest sales channel in the business. Sales to grocery stores showed good growth as a result of new rolled-out business volumes of contract-manufactured products. There were also shortages of certain raw materials, which led to a certain loss of sales.

### Gross profit

Gross profit amounted to SEK 5 million (16), corresponding to a margin of 5.9 percent (18.7). The negative margin trend was driven vigorously by an unfavourable product mix and the continued inflationary pressure, causing higher prices for raw materials, packaging materials and input goods, that have yet to be offset through price increases at the next level. In addition, the margin was affected by temporary additional costs in a production facility, which should be fixed in the next quarter. Price increases were both announced and planned to customers to try to restore the margin as quickly as possible.

### EBITDA

EBITDA amounted to SEK -8 million (3), corresponding to a margin of -8.7 percent (3.5) and decreased essentially 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.

## January–September

### Net sales

Net sales amounted to SEK 284 million (283), an increase of 0.2 percent, where the organic change in net sales was -4.7 percent. The organic change for own brands in external product sales was -10.1 percent. Sales volumes increased for contract-manufactured products, while they decreased for both own brands and licensed brands. The sales trend as a whole was declining due to weak development in most of our own brands. Lower sales volumes to the specialist healthfood stores could not fully be offset by correspondingly higher volumes to the grocery trade. The French market for organic products has been shifting for some time now, resulting in lower sales volumes to healthfood stores, in favour of sales to the grocery trade. Distribution of contract-manufactured products to the grocery trade increased due to new customer agreements.

### Gross profit

Gross profit amounted to SEK 36 million (63), corresponding to a margin of 12.6 percent (22.2). The negative margin trend was driven strongly by continued inflationary pressure, with rising prices for raw materials, input goods and transport, which could not immediately be countered 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 -6 million (22), corresponding to a margin of -2.2 percent (7.8) and decreased essentially as a consequence of the lower gross profit.

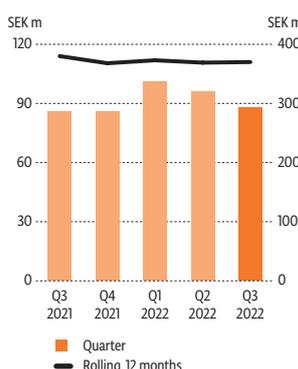
**72 percent<sup>2</sup>**

Percentage of own brands, income

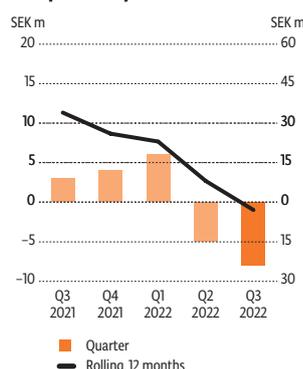
**-11.8 percent<sup>2</sup>**

Organic growth of own brands<sup>3</sup>

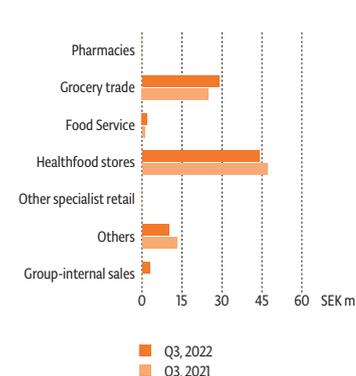
### Net sales



### EBITDA, before items affecting comparability



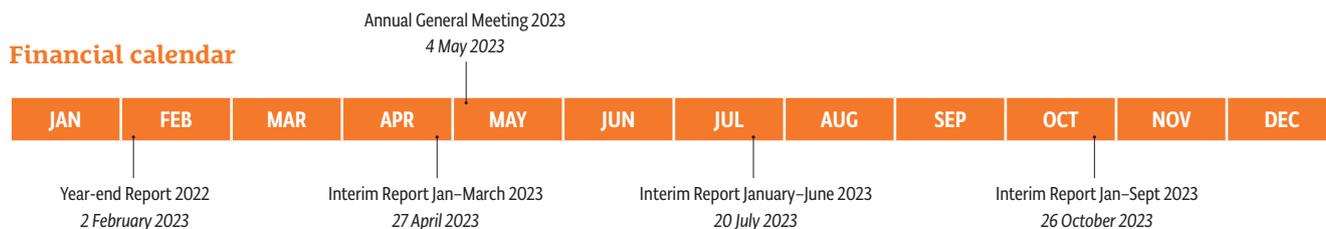
### Net sales per sales channel



<sup>2</sup> For Q3, 2022

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

# Other information



## 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 holidays.

## Parent Company

Net sales amounted to SEK 47 million (49), and related primarily to invoicing of services provided internally within the Group. Operating profit/loss amounted to SEK –16 million (–17). Net financial items amounted to SEK 0 million (4), with the comparison period including a dividend of SEK 1 million. Profit/loss before tax amounted to SEK –16 million (–13).

Cash and cash equivalents, including unutilised credit facilities, amounted to SEK 379 million (728). Borrowing from credit institutions was SEK 1,320 million (1,155) at the end of the period. On the balance sheet date, there were 17 employees (19).

## Closely-related parties

In August 2022, warrants were transferred to senior executives on market terms, for further information, see Note 6 *Change in number of shares, Group* on page 18. Beyond that, there were no significant related party transactions during the period January–September. 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. In addition, large arable areas were unplanted last spring as a result of the fact that they were theatres of war, which led to both shortages and that already high world

market prices for some grains were pushed up further. When the blockade of Ukrainian ports was lifted in the third quarter, the situation improved to some extent for some grains. The impact of the current year's harvest on key raw materials, including chia and sesame seeds, nuts and rice, remains somewhat uncertain due to prevailing climate-related risks. For chia and sesame seeds and nuts, the harvests look relatively promising so far, while it looks worse for rice due to droughts in Italy and floods in Pakistan. We can therefore expect prices for certain raw materials to stabilise or fall as a result of relatively good harvests and for prices to accelerate for other raw materials as a result of shortages.

The global transport situation worsened as a consequence partly of Asian ports being closed because of the pandemic and strikes in European ports, as well as the security policy situation in Europe, which together exerted further pressure on the supply chain, with delivery delays and some shortages as a result. Because lead times for certain transports have more than doubled, orders are generally being placed earlier. In addition, greater reserve inventories of crucial raw materials and finished goods are being maintained.

The major energy crisis spreading in Europe, with rapidly rising electricity and gas prices, has initially led to energy cost increases for some of the Group's production facilities. At present, there is considerable uncertainty as to whether there will be sufficient energy supply and what energy prices will be like, especially in the coming winter months when energy agreements are to be renewed.

An overall assessment results in the Ukraine crisis and other unfavourable external factors 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 account for about 15 percent of the Group's revenue, due to the fact that the contracts are fixed and usually run for one year at a time. The volatility of prices for raw materials, packaging materials, energy and transport, as well as the development of important currencies, such as USD and EUR, will be a continuous challenge for the Group. The price trend is likely to continue upwards for certain raw materials and packaging materials as well as for energy while they will stabilise or even fall back for other raw materials, packaging materials, and for road and sea transport.

In the second and third quarter of 2022, central and national banks in Europe rapidly increased the key interest rate in order to try to mitigate the increased inflationary pressure, which has led to rapidly rising market interest rates. This has led to higher interest expenses for the Group on its financing. The short-term assessment is higher market interest rates to overcome inflationary pressures. This, in turn, will result in a major slowdown in economic development, eroding the purchasing power of consumers, among other things. In the short term, there are likely to be some challenges in the demand for some of the Group's product groups.

Beyond the aforementioned, 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 on 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–September

### 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.

### Impairment of intangible and tangible assets

There was impairment of a tangible asset, attributable to North Europe, in August due to low capacity utilisation. After an indication of impairment, an impairment test of the tangible asset was carried out, which resulted in its impairment by SEK 54 million (EUR 5.1 million) to its recoverable amount.

An impairment test of cash generating units showed that there was an impairment requirement in the identified cash generating units North Europe and South Europe to which Group goodwill was allocated. In September, there was an impairment of goodwill of SEK 175 million (EUR 16.6 million) for the cash generating unit North Europe and an impairment of goodwill of SEK 246 million (EUR 23.4 million) for the cash generating unit South Europe, a total of SEK 421 million (EUR 40.0 million). A change in some important assumptions led to lower estimated future cash flows for the respective cash generating unit; see Note 2 *Important estimates and assessments* on page 15.

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

### Extension of financing agreements

The existing financing agreement with Danske Bank and Svensk Exportkredit was extended in October with essentially the same terms as the existing agreement for another year and after the extension runs until September 2025. Midsona has committed to repay at least SEK 350 million on its credit facility in December 2022.

### New share issue

The Board of Directors of Midsona decided on 25 October, just before publication of the interim report, on the new share issue with preferential rights for existing shareholders of around SEK 600 million before issue expenses, on condition of approval by an Extraordinary General Meeting on 24 November. Notice convening the Extraordinary General Meeting will be published through a separate press release. Midsona's main shareholder, Stena Adactum AB, has undertaken to subscribe for its pro rata share of the share issue and has issued an underwriting guarantee for the remainder of the issue. The proceeds from the new share issue are meant to be used to repay loans to credit institutions to reduce the debt/equity ratio and to thereby strengthen the financial position in order to promote a long-term sustainable capital structure and increase financial flexibility.

### Restructuring programme

For the ongoing restructuring programme, which was decided in April, new activities are planned with the ambition to further reduce the cost base by SEK 20 million on an annual basis. Accordingly, we have, over the year, resolved to cut the cost base by a total of SEK 60 million through structural changes.

Malmo, 25 October 2022  
Midsona AB (publ)  
BOARD OF DIRECTORS

## Review by auditor

This interim report was subject to review by company's auditors.

# Report of Review of Interim Financial Information

## Introduction

We have reviewed the interim report of Midsona AB (publ) for the period 1 January 2022 to 30 September 2022. The Board of Directors and the CEO are responsible for the preparation and presentation of the Interim Report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion regarding the Interim Report based on our review.

## Scope and focus of review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, *Review of Interim Report Performed by the Independent Auditor of the Entity*. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review

procedures. A review has a different focus and is considerably smaller in scope than an audit conducted in accordance with ISA and other generally accepted auditing standards. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Consequently, the conclusion based on a review does not give the same level of assurance as a conclusion based on an audit.

## Conclusion

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

Malmö, 25 October 2022

Deloitte AB

Jeanette Roosberg

AUTHORISED PUBLIC ACCOUNTANT

# Financial statements

## Summary consolidated income statement

SEK million	Note	July–Sept 2022	July–Sept 2021	Jan–Sept 2022	Jan–Sept 2021	Rolling 12 months	Full year 2021
<b>Net sales</b>	3.4	<b>944</b>	<b>893</b>	<b>2,872</b>	<b>2,761</b>	<b>3,884</b>	<b>3,773</b>
Expenses for goods sold		-775	-652	-2,224	-1,988	-2,994	-2,758
<b>Gross profit</b>		<b>169</b>	<b>241</b>	<b>648</b>	<b>773</b>	<b>890</b>	<b>1,015</b>
Selling expenses		-567	-138	-886	-444	-1,034	-592
Administrative expenses		-72	-67	-222	-213	-298	-289
Other operating income		3	12	7	32	10	35
Other operating expenses		-1	0	-6	-4	-10	-8
<b>Operating profit</b>	3	<b>-468</b>	<b>48</b>	<b>-459</b>	<b>144</b>	<b>-442</b>	<b>161</b>
Financial income		20	4	55	6	60	11
Financial expenses		-35	-16	-92	-41	-108	-57
<b>Profit/loss before tax</b>		<b>-483</b>	<b>36</b>	<b>-496</b>	<b>109</b>	<b>-490</b>	<b>115</b>
Tax on profit for the period		5	-5	10	-21	5	-26
<b>Profit for the period</b>		<b>-478</b>	<b>31</b>	<b>-486</b>	<b>88</b>	<b>-485</b>	<b>89</b>

Profit for the period is divided between:

Parent Company shareholders (SEK million)	-478	31	-486	88	-485	89
Earnings per share before dilution attributable to Parent Company shareholders (SEK)	-6.57	0.45	-6.68	1.33	-6.67	1.31
Earnings per share after dilution attributable to Parent Company shareholders (SEK)	-6.57	0.45	-6.68	1.32	-6.67	1.30

## Summary consolidated statement of comprehensive income

SEK million	July–Sept 2022	July–Sept 2021	Jan–Sept 2022	Jan–Sept 2021	Rolling 12 months	Full year 2021
<b>Profit for the period</b>	<b>-478</b>	<b>31</b>	<b>-486</b>	<b>88</b>	<b>-485</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	21	14	85	47	101	63
<b>Other comprehensive income for the period</b>	<b>21</b>	<b>14</b>	<b>85</b>	<b>47</b>	<b>101</b>	<b>63</b>
<b>Comprehensive income for the period</b>	<b>-457</b>	<b>45</b>	<b>-401</b>	<b>135</b>	<b>-384</b>	<b>152</b>

Comprehensive income for the period is divided between:

Parent Company shareholders (SEK million)	-457	45	-401	135	-384	152
---	------	----	------	-----	------	-----

In September, Friggs launched a new flavour in their corn cakes, sesame seed and sea salt.



## Summary consolidated balance sheet

SEK million	Note	30 Sept 2022	30 Sept 2021	31 Dec 2021
Intangible fixed assets		3,003	3,282	3,364
Tangible fixed assets		461	518	522
Non-current receivables		4	5	4
Deferred tax assets		107	96	91
<b>Fixed assets</b>		<b>3,575</b>	<b>3,901</b>	<b>3,981</b>
Inventories		871	773	783
Accounts receivable		452	413	403
Tax receivables		10	13	18
Other receivables		29	24	33
Prepaid expenses and accrued income		20	21	16
Cash and cash equivalents		55	185	53
<b>Current assets</b>		<b>1,437</b>	<b>1,429</b>	<b>1,306</b>
<b>Assets</b>	5	<b>5,012</b>	<b>5,330</b>	<b>5,287</b>
Share capital	6	363	363	363
Additional paid-up capital		1,627	1,627	1,627
Reserves		90	-11	5
Profit brought forward, including profit for the period		394	879	880
<b>Shareholders' equity</b>		<b>2,474</b>	<b>2,858</b>	<b>2,875</b>
Non-current interest-bearing liabilities		1,331	1,212	1,314
Other non-current liabilities		10	14	11
Deferred tax liabilities		354	338	347
<b>Non-current liabilities</b>		<b>1,695</b>	<b>1,564</b>	<b>1,672</b>
Current interest-bearing liabilities		199	210	175
Accounts payable		410	414	342
Tax liabilities		10	9	15
Other current liabilities		39	95	41
Accrued expenses and deferred income		185	180	167
<b>Current liabilities</b>		<b>843</b>	<b>908</b>	<b>740</b>
<b>Liabilities</b>	5	<b>2,538</b>	<b>2,472</b>	<b>2,412</b>
<b>Shareholders' equity and liabilities</b>		<b>5,012</b>	<b>5,330</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 Jan 2021	325	1,169	-58	877	2,313
Profit for the period	-	-	-	88	88
Other comprehensive income for the period	-	-	47	-	47
<b>Comprehensive income for the period</b>	-	-	<b>47</b>	<b>88</b>	<b>135</b>
New share issue	37	463	-	-	500
Issue expenses	-	-6	-	-	-6
Completed issue of warrant programme, TO2017/2020	1	-1	-	-	0
Issue expenses, TO2017/2020	-	0	-	-	0
Premium paid in on issuing warrant programme, TO2021/2024	-	2	-	-	2
Dividend	-	-	-	-86	-86
<b>Transactions with the Group's owners</b>	<b>38</b>	<b>458</b>	-	<b>-86</b>	<b>410</b>
<b>Closing shareholders' equity, 30 Sept 2021</b>	<b>363</b>	<b>1,627</b>	<b>-11</b>	<b>879</b>	<b>2,858</b>
Opening shareholders' equity, 1 Oct 2021	363	1,627	-11	879	2,858
Profit for the period	-	-	-	1	1
Other comprehensive income for the period	-	-	16	-	16
<b>Comprehensive income for the period</b>	-	-	<b>16</b>	<b>1</b>	<b>17</b>
<b>Transactions with the Group's owners</b>	-	-	-	-	-
<b>Closing shareholders' equity, 31 Dec 2021</b>	<b>363</b>	<b>1,627</b>	<b>5</b>	<b>880</b>	<b>2,875</b>
Opening shareholders' equity, 1 Jan 2022	363	1,627	5	880	2,875
Profit for the period	-	-	-	-486	-486
Other comprehensive income for the period	-	-	85	-	85
<b>Comprehensive income for the period</b>	-	-	<b>85</b>	<b>-486</b>	<b>-401</b>
Premium paid in on issuing warrant programme, TO2022/2025	-	0	-	-	0
<b>Transactions with the Group's owners</b>	-	<b>0</b>	-	-	<b>0</b>
<b>Closing shareholders' equity, 30 Sept 2022</b>	<b>363</b>	<b>1,627</b>	<b>90</b>	<b>394</b>	<b>2,474</b>

## Summary consolidated cash flow statement

SEK million	July–Sept 2022	July–Sept 2021	Jan–Sept 2022	Jan–Sept 2021	Rolling 12 months	Full year 2021
Profit/loss before tax	-483	36	-496	109	-490	115
Adjustment for items not included in cash flow	526	33	620	94	667	141
Income tax paid	0	-8	-6	-15	-3	-12
<b>Cash flow from operating activities before changes in working capital</b>	<b>43</b>	<b>61</b>	<b>118</b>	<b>188</b>	<b>174</b>	<b>244</b>
Increase (-)/decrease (+) in inventories	-21	-41	-60	-132	-52	-124
Increase (-)/decrease (+) in operating receivables	-13	-28	-30	-104	-6	-80
Increase (+)/decrease (-) in operating liabilities	20	8	47	0	-57	-104
<b>Changes in working capital</b>	<b>-14</b>	<b>-61</b>	<b>-43</b>	<b>-236</b>	<b>-115</b>	<b>-308</b>
<b>Cash flow from operating activities</b>	<b>29</b>	<b>0</b>	<b>75</b>	<b>-48</b>	<b>59</b>	<b>-64</b>
Acquisitions of companies or operations	-	-	-	-3	-111	-114
Acquisitions of intangible assets	0	-2	-1	-5	-1	-5
Acquisitions of tangible assets	-6	-10	-26	-39	-41	-54
Divestments of tangible assets	0	-	7	-	7	-
Change in financial assets	0	-3	0	-3	1	-2
<b>Cash flow from investment activities</b>	<b>-6</b>	<b>-15</b>	<b>-20</b>	<b>-50</b>	<b>-145</b>	<b>-175</b>
<b>Cash flow after investing activities</b>	<b>23</b>	<b>-15</b>	<b>55</b>	<b>-98</b>	<b>-86</b>	<b>-239</b>
New share issue	-	500	-	500	-	500
Issue expenses	-	-	-	-	-6	-6
Premium paid in, warrant programme, TO2021/2024	-	2	-	2	-	2
Premium paid in, warrant programme, TO2022/2025	0	-	0	-	0	-
Loans raised	14	-	84	151	224	291
Repayment of loans	-32	-374	-92	-480	-161	-549
Amortisation of lease liabilities	-14	-14	-43	-44	-57	-58
Dividend paid	-	-	-	-42	-44	-86
<b>Cash flow from financing activities</b>	<b>-32</b>	<b>114</b>	<b>-51</b>	<b>87</b>	<b>-44</b>	<b>94</b>
<b>Cash flow for the period</b>	<b>-9</b>	<b>99</b>	<b>4</b>	<b>-11</b>	<b>-130</b>	<b>-145</b>
Cash and equivalents at beginning of period	64	86	53	195	185	195
Translation difference in cash and cash equivalents	0	0	-2	1	0	3
<b>Cash and cash equivalents at end of the period</b>	<b>55</b>	<b>185</b>	<b>55</b>	<b>185</b>	<b>55</b>	<b>53</b>

## Summary income statement, Parent Company

SEK million	July–Sept 2022	July–Sept 2021	Jan–Sept 2022	Jan–Sept 2021	Rolling 12 months	Full year 2021
<b>Net sales</b>	<b>15</b>	<b>15</b>	<b>47</b>	<b>49</b>	<b>62</b>	<b>64</b>
Administrative expenses	-19	-21	-63	-66	-85	-88
Other operating income	0	0	0	0	0	0
Other operating expenses	0	0	0	0	0	0
<b>Operating profit</b>	<b>-4</b>	<b>-6</b>	<b>-16</b>	<b>-17</b>	<b>-23</b>	<b>-24</b>
Result from participations in subsidiaries	-	-	-	1	2	3
Financial income	36	14	88	37	105	54
Financial expenses	-34	-15	-88	-34	-100	-46
<b>Profit/loss after financial items</b>	<b>-2</b>	<b>-7</b>	<b>-16</b>	<b>-13</b>	<b>-16</b>	<b>-13</b>
Allocations	-	-	-	-	26	26
<b>Profit/loss before tax</b>	<b>-2</b>	<b>-7</b>	<b>-16</b>	<b>-13</b>	<b>10</b>	<b>13</b>
Tax on profit for the period	0	0	0	0	0	0
<b>Profit for the period<sup>1</sup></b>	<b>-2</b>	<b>-7</b>	<b>-16</b>	<b>-13</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	30 Sept 2022	30 Sept 2021	31 Dec 2021
Intangible fixed assets		44	53	51
Tangible fixed assets		4	3	5
Participations in subsidiaries		2,553	2,535	2,535
Receivables from subsidiaries		1,384	1,259	1,321
Non-current receivables		-	2	-
Deferred tax assets		2	2	2
<b>Financial assets</b>		<b>3,939</b>	<b>3,798</b>	<b>3,858</b>
<b>Fixed assets</b>		<b>3,987</b>	<b>3,854</b>	<b>3,914</b>
Receivables from subsidiaries		163	71	117
Other receivables		11	16	12
Cash and bank balances		-	135	2
<b>Current assets</b>		<b>174</b>	<b>222</b>	<b>131</b>
<b>Assets</b>	5	<b>4,161</b>	<b>4,076</b>	<b>4,045</b>
Share capital	6	363	363	363
Statutory reserve		58	58	58
Profit brought forward, including profit for the period and other reserves		2,102	2,093	2,118
<b>Shareholders' equity</b>		<b>2,523</b>	<b>2,514</b>	<b>2,539</b>
<b>Untaxed reserves</b>		<b>5</b>	<b>-</b>	<b>5</b>
Liabilities to credit institutions		1,186	1,052	1,166
Other non-current liabilities		0	2	0
<b>Non-current liabilities</b>		<b>1,186</b>	<b>1,054</b>	<b>1,166</b>
Liabilities to credit institutions		134	103	107
Liabilities to subsidiaries		297	340	212
Other current liabilities		16	65	16
<b>Current liabilities</b>		<b>447</b>	<b>508</b>	<b>335</b>
<b>Shareholders' equity and liabilities</b>	5	<b>4,161</b>	<b>4,076</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 paragraph 16A of IAS 34 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-September 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-September 2022.

### Reporting of cloud service events

IFRIC has published agenda decisions for how companies should report ex-

penses 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 statements, 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.

In the third quarter, new estimates and assessments were made in assumptions about future conditions and parameters that affected the future profitability of the Group's cash generating units to which goodwill was allocated. A challenging market and unfavourable macroeconomic factors led to some revisions in net

sales growth, the development of the product margin and discount rates, which resulted in the estimated recoverable amount for the cash generating units North Europe and South Europe being lower than their carrying amounts, so goodwill was impaired by SEK 175 million (EUR 16.6 million) and SEK 246 million (EUR 23.4 million). The dramatically changed conditions were difficult to foresee. For the cash generating unit of the Nordics, management still believes that no reasonable changes in key assumptions will lead to the total estimated recoverable amount being lower than the carrying amount. Management is closely following the future development of the cash generating units in the event that new estimates and assessments in assumptions have to be made as a result of changing circumstances. In addition to this, no new material estimates and assessments have been made since the issuance of the latest Annual Report.

## Note 3 | Operating segments, Group

SEK million	Nordics		North Europe		South Europe		Group-wide functions		Group	
July-September	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Net sales, external	655	617	204	190	85	86	-	-	944	893
Net sales, intra-Group	1	3	7	5	3	0	-11	-8	-	-
<b>Net sales</b>	<b>656</b>	<b>620</b>	<b>211</b>	<b>195</b>	<b>88</b>	<b>86</b>	<b>-11</b>	<b>-8</b>	<b>944</b>	<b>893</b>
Expenses for goods sold	-462	-428	-240	-159	-83	-74	10	9	-775	-652
<b>Gross profit</b>	<b>194</b>	<b>192</b>	<b>-29</b>	<b>36</b>	<b>5</b>	<b>12</b>	<b>-1</b>	<b>1</b>	<b>169</b>	<b>241</b>
Other operating expenses	-144	-135	-37	-34	-18	-19	-438	-5	-637	-193
<b>Operating profit</b>	<b>50</b>	<b>57</b>	<b>-66</b>	<b>2</b>	<b>-13</b>	<b>-7</b>	<b>-439</b>	<b>-4</b>	<b>-468</b>	<b>48</b>
Financial items									-15	-12
<b>Profit/loss before tax</b>									<b>-483</b>	<b>36</b>
<i>Significant income and expense items reported in the income statement:</i>										
Items affecting comparability <sup>1</sup>	1	0	55	-	1	5	421	-11	478	-6
Depreciation/amortisation and impairment	12	12	65	11	5	9	433	10	515	42
<b>Gross profit, before items affecting comparability</b>	<b>194</b>	<b>193</b>	<b>25</b>	<b>36</b>	<b>5</b>	<b>16</b>	<b>-1</b>	<b>1</b>	<b>223</b>	<b>246</b>
<b>Operating profit, before items affecting comparability</b>	<b>51</b>	<b>57</b>	<b>-11</b>	<b>2</b>	<b>-12</b>	<b>-2</b>	<b>-18</b>	<b>-15</b>	<b>10</b>	<b>42</b>
<b>EBITDA, before items affecting comparability</b>	<b>63</b>	<b>69</b>	<b>-1</b>	<b>13</b>	<b>-8</b>	<b>3</b>	<b>-4</b>	<b>-5</b>	<b>50</b>	<b>80</b>
Average number of employees	434	427	208	230	154	147	17	17	813	821
Number of employees as of the balance sheet date	422	424	202	230	160	146	17	19	801	819

<sup>1</sup> For a specification of items affecting comparability, refer to the definitions and reconciliations against IFRS, Group, on pages 19-20.

SEK million	Nordics		North Europe		South Europe		Group-wide functions		Group	
January-September	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Net sales, external	1,963	1,876	632	605	277	280	-	-	2,872	2,761
Net sales, intra-Group	7	9	16	18	7	3	-30	-30	-	-
<b>Net sales</b>	<b>1,970</b>	<b>1,885</b>	<b>648</b>	<b>623</b>	<b>284</b>	<b>283</b>	<b>-30</b>	<b>-30</b>	<b>2,872</b>	<b>2,761</b>
Expenses for goods sold	-1,392	-1,287	-611	-506	-249	-224	28	29	-2,224	-1,988
<b>Gross profit</b>	<b>578</b>	<b>598</b>	<b>37</b>	<b>117</b>	<b>35</b>	<b>59</b>	<b>-2</b>	<b>-1</b>	<b>648</b>	<b>773</b>
Other operating expenses	-466	-438	-111	-89	-59	-56	-471	-46	-1,107	-629
<b>Operating profit</b>	<b>112</b>	<b>160</b>	<b>-74</b>	<b>28</b>	<b>-24</b>	<b>3</b>	<b>-473</b>	<b>-47</b>	<b>-459</b>	<b>144</b>
Financial items									-37	-35
<b>Profit/loss before tax</b>									<b>-496</b>	<b>109</b>
<i>Significant income and expense items reported in the income statement:</i>										
Items affecting comparability <sup>1</sup>	5	-1	56	-10	2	5	421	-1	484	-7
Depreciation/amortisation and impairment	38	39	87	32	16	18	455	38	596	127
<b>Gross profit, before items affecting comparability</b>	<b>578</b>	<b>598</b>	<b>91</b>	<b>117</b>	<b>36</b>	<b>63</b>	<b>-2</b>	<b>-1</b>	<b>703</b>	<b>777</b>
<b>Operating profit, before items affecting comparability</b>	<b>117</b>	<b>159</b>	<b>-18</b>	<b>18</b>	<b>-22</b>	<b>8</b>	<b>-52</b>	<b>-48</b>	<b>25</b>	<b>137</b>
<b>EBITDA, before items affecting comparability</b>	<b>155</b>	<b>198</b>	<b>15</b>	<b>50</b>	<b>-6</b>	<b>22</b>	<b>-18</b>	<b>-18</b>	<b>146</b>	<b>252</b>
Average number of employees	448	437	217	223	148	149	18	17	831	826
Number of employees as of the balance sheet date	422	424	202	230	160	146	17	19	801	819

<sup>1</sup> For a specification of items affecting comparability, refer to the definitions and reconciliations against IFRS, Group, on pages 19-20.

## Note 4 | Breakdown of income, Group

SEK million	Nordics		North Europe		South Europe		Group-wide functions		Group	
July-September	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
<i>Geographical areas<sup>1</sup></i>										
Sweden	260	266	0	0	1	0	-1	-1	260	265
Denmark	146	142	6	3	0	0	-6	-3	146	142
Finland	119	74	-	-	0	0	-	-	119	74
Norway	106	109	0	0	1	0	-1	0	106	109
France	1	1	4	6	47	47	-1	-2	51	52
Spain	3	3	3	4	34	32	-1	0	39	39
Germany	2	3	175	162	0	1	-1	-2	176	164
Rest of Europe	19	21	22	20	3	2	-	-	44	43
Other countries outside Europe	0	1	1	0	2	4	-	-	3	5
<b>Net sales</b>	<b>656</b>	<b>620</b>	<b>211</b>	<b>195</b>	<b>88</b>	<b>86</b>	<b>-11</b>	<b>-8</b>	<b>944</b>	<b>893</b>
<i>Sales channel</i>										
Pharmacies	100	90	-	-	-	-	-	-	100	90
Grocery trade	426	408	84	88	29	25	-	-	539	521
Food Service	26	21	63	54	2	1	-	-	91	76
Healthfood stores	39	37	53	41	44	47	-	-	136	125
Other specialist retailers	32	30	4	5	-	-	-	-	36	35
Other	32	31	0	2	10	13	-	-	42	46
Group-internal sales	1	3	7	5	3	0	-11	-8	-	-
<b>Net sales</b>	<b>656</b>	<b>620</b>	<b>211</b>	<b>195</b>	<b>88</b>	<b>86</b>	<b>-11</b>	<b>-8</b>	<b>944</b>	<b>893</b>
<i>Product categories</i>										
Organic products	169	171	211	195	88	86	-11	-8	457	444
Healthfoods	294	274	-	-	-	-	-	-	294	274
Consumer health products	190	171	-	-	-	-	-	-	190	171
Services linked to product handling	3	4	0	0	0	0	0	0	3	4
<b>Net sales</b>	<b>656</b>	<b>620</b>	<b>211</b>	<b>195</b>	<b>88</b>	<b>86</b>	<b>-11</b>	<b>-8</b>	<b>944</b>	<b>893</b>
<i>Brands</i>										
Own	463	441	129	120	63	66	-11	-8	644	619
Licensed	128	121	-	-	7	9	-	-	135	130
Contract manufacture	62	54	82	75	18	11	-	-	162	140
Services linked to product handling	3	4	0	0	0	0	0	0	3	4
<b>Net sales</b>	<b>656</b>	<b>620</b>	<b>211</b>	<b>195</b>	<b>88</b>	<b>86</b>	<b>-11</b>	<b>-8</b>	<b>944</b>	<b>893</b>

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

During the quarter, Gainomax launched BCAA drinks – BCAA + Rehydrate, with three different flavours.



SEK million	Nordics		North Europe		South Europe		Group-wide functions		Group	
January–September	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
<i>Geographical areas<sup>1</sup></i>										
Sweden	821	829	0	0	3	1	-4	-1	820	829
Denmark	413	419	12	14	1	1	-12	-13	414	421
Finland	328	215	-	-	0	0	-	-	328	215
Norway	324	332	0	0	2	0	-2	0	324	332
France	2	3	14	17	153	158	-5	-6	164	172
Spain	8	10	12	10	107	103	-1	0	126	123
Germany	6	8	542	514	1	2	-6	-10	543	514
Rest of Europe	65	66	67	67	9	7	-	-	141	140
Other countries outside Europe	3	3	1	1	8	11	-	-	12	15
<b>Net sales</b>	<b>1,970</b>	<b>1,885</b>	<b>648</b>	<b>623</b>	<b>284</b>	<b>283</b>	<b>-30</b>	<b>-30</b>	<b>2,872</b>	<b>2,761</b>
<i>Sales channel</i>										
Pharmacies	317	272	-	-	-	-	-	-	317	272
Grocery trade	1,252	1,246	267	278	93	80	-	-	1,612	1,604
Food Service	73	60	191	163	5	3	-	-	269	226
Healthfood stores	121	112	160	146	145	158	-	-	426	416
Other specialist retailers	96	91	14	14	-	-	-	-	110	105
Other	104	95	0	4	34	39	-	-	138	138
Group-internal sales	7	9	16	18	7	3	-30	-30	-	-
<b>Net sales</b>	<b>1,970</b>	<b>1,885</b>	<b>648</b>	<b>623</b>	<b>284</b>	<b>283</b>	<b>-30</b>	<b>-30</b>	<b>2,872</b>	<b>2,761</b>
<i>Product categories</i>										
Organic products	523	567	648	623	283	283	-29	-30	1,425	1,443
Healthfoods	844	803	-	-	-	-	-	-	844	803
Consumer health products	593	507	-	-	-	-	-	-	593	507
Services linked to product handling	10	8	0	0	1	0	-1	0	10	8
<b>Net sales</b>	<b>1,970</b>	<b>1,885</b>	<b>648</b>	<b>623</b>	<b>284</b>	<b>283</b>	<b>-30</b>	<b>-30</b>	<b>2,872</b>	<b>2,761</b>
<i>Brands</i>										
Own	1,392	1,353	401	385	211	222	-29	-30	1,975	1,930
Licensed	393	354	-	-	24	25	-	-	417	379
Contract manufacture	175	170	247	238	48	36	-	-	470	444
Services linked to product handling	10	8	0	0	1	0	-1	0	10	8
<b>Net sales</b>	<b>1,970</b>	<b>1,885</b>	<b>648</b>	<b>623</b>	<b>284</b>	<b>283</b>	<b>-30</b>	<b>-30</b>	<b>2,872</b>	<b>2,761</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, Group

### 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

The consolidated balance sheet included no financial instruments recognised at fair value at the end of the period or at the end of the comparative period.

### 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
New share issue	–	7,496,252	7,496,252
<b>Number of shares, 30 September 2021</b>	<b>755,820</b>	<b>71,958,220</b>	<b>72,714,040</b>
Number of shares, 01 October 2021	755,820	71,958,220	72,714,040
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 Jan 2022	298,320	72,415,720	72,714,040
<b>Number of shares, 30 September 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

## Average number of shares, Group

Number of shares (thousands)	July–Sept 2022	July–Sept 2021	Jan–Sept 2022	Jan–Sept 2021	Rolling 12-month	Full year 2021
Average during the period	72,714	68,050	72,714	66,139	72,714	67,783
Average during the period, after full dilution	72,714	68,199	72,714	66,288	72,714	67,932

There were three warrant programmes outstanding at the end of the period. TO2019/2022, which can result in a maximum of 150,960 new B shares at full conversion with time for the exercise of the warrants from 1 August 2022 to 20 December 2022 at the subscription price of SEK 49.80. TO2021/2024, which can result in a maximum of 171,000 new B shares at full conversion with time for the exercise of the warrants from 1 August 2024 to 20 December 2024 at the subscription price of SEK 75.85. In August 2022, a total of 120,000 series TO2022/2025 warrants were transferred to senior executives. Each warrant entitles the holder to subscription of one Class B share. The time for exercise of the warrants is from 1 August 2025 to 20 December 2025. The subscription

price was SEK 25.66. The transfer of the warrants took place at market terms based on a calculation according to the so-called Black & Scholes model done by PWC AB, which is to be considered independent in relation to Midsona.

On the transaction date in August 2022, the fair value per warrant was SEK 3.82.

Because the average price for Series B shares was below the subscription price for TO2019/2022, TO2021/2024 and TO2022/2025 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.

## Note 7 | Acquisition analysis, Group

The acquisition analysis for Vitality, presented as preliminary in the 2021 year-end report and the 2021 annual report, was approved without change.

During the quarter, the brand Swebar expanded its range of protein bars with an exciting new flavour: popcorn.



# 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	July–Sept 2022	July–Sept 2021	Jan–Sept 2022	Jan–Sept 2021	Rolling 12-month	Full year 2021
<b>Operating profit, before items affecting comparability</b>	<b>10</b>	<b>42</b>	<b>25</b>	<b>137</b>	<b>45</b>	<b>157</b>
Items affecting comparability included in operating profit <sup>1,2</sup>	-478	6	-484	7	-487	4
<b>Operating profit</b>	<b>-468</b>	<b>48</b>	<b>-459</b>	<b>144</b>	<b>-442</b>	<b>161</b>
Amortisation of intangible assets	12	11	36	34	49	47
Impairment of intangible assets	421	-	421	8	421	8
Depreciation of tangible fixed assets	28	27	85	81	113	109
Impairment of tangible fixed assets	54	4	54	4	54	4
<b>EBITDA</b>	<b>47</b>	<b>90</b>	<b>137</b>	<b>271</b>	<b>195</b>	<b>329</b>
Items affecting comparability included in EBITDA <sup>2</sup>	3	-10	9	-19	12	-16
<b>EBITDA, before items affecting comparability</b>	<b>50</b>	<b>80</b>	<b>146</b>	<b>252</b>	<b>207</b>	<b>313</b>
Net sales	944	893	2,872	2,761	3,884	3,773
<b>EBITDA-margin, before items affecting comparability</b>	<b>5.3 %</b>	<b>9.0 %</b>	<b>5.1 %</b>	<b>9.1 %</b>	<b>5.3 %</b>	<b>8.3 %</b>

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

SEK million	July–Sept 2022	July–Sept 2021	Jan–Sept 2022	Jan–Sept 2021	Rolling 12-month	Full year 2021
Restructuring expenses, net	3	1	9	0	9	0
Revaluation of conditional purchase consideration	-	-11	-	-21	-	-21
Acquisition-related expenses	-	-	-	2	3	5
Impairment of intangible and tangible assets	475	4	475	12	475	12
<b>Items affecting comparability included in operating profit</b>	<b>478</b>	<b>-6</b>	<b>484</b>	<b>-7</b>	<b>487</b>	<b>-4</b>
Impairment of intangible and tangible assets	-475	-4	-475	-12	-475	-12
<b>Items affecting comparability included in EBITDA</b>	<b>3</b>	<b>-10</b>	<b>9</b>	<b>-19</b>	<b>12</b>	<b>-16</b>

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

SEK million	July–Sept 2022	July–Sept 2021	Jan–Sept 2022	Jan–Sept 2021	Rolling 12-month	Full year 2021
Expenses for goods sold	54	5	55	4	55	4
Selling expenses	423	-	427	8	427	8
Administrative expenses	1	0	2	0	2	0
Other operating income	-	-11	-	-21	-	-21
Other operating expenses	-	-	-	2	3	5
<b>Items affecting comparability included in operating profit</b>	<b>478</b>	<b>-6</b>	<b>484</b>	<b>-7</b>	<b>487</b>	<b>-4</b>
Expenses for goods sold	-54	-4	-54	-4	-54	-4
Selling expenses	-421	-	-421	-8	-421	-8
<b>Items affecting comparability included in EBITDA</b>	<b>3</b>	<b>-10</b>	<b>9</b>	<b>-19</b>	<b>12</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>195</b>	<b>329</b>
Acquisition-related transaction expenses	3	-16
Pro forma adjustment	-	11
<b>Adjusted EBITDA</b>	<b>198</b>	<b>324</b>

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

SEK million	30 Sept 2022	30 Sept 2021	31 Dec 2021
Non-current interest-bearing liabilities	1,331	1,212	1,314
Current interest-bearing liabilities	199	210	175
Cash and cash equivalents <sup>1</sup>	-55	-185	-53
<b>Net debt</b>	<b>1,475</b>	<b>1,237</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 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	July-Sept 2022	July-Sept 2021	Jan-Sept 2022	Jan-Sept 2021	Rolling 12-month	Full year 2021
<b>Shareholders' equity and liabilities</b>	<b>5,012</b>	<b>5,330</b>	<b>5,012</b>	<b>5,330</b>	<b>5,012</b>	<b>5,287</b>
Other non-current liabilities	-10	-14	-10	-14	-10	-11
Deferred tax liabilities	-354	-338	-354	-338	-354	-347
Accounts payable	-410	-414	-410	-414	-410	-342
Other current liabilities	-49	-104	-49	-104	-49	-56
Accrued expenses and deferred income	-185	-180	-185	-180	-185	-167
<b>Capital employed</b>	<b>4,004</b>	<b>4,280</b>	<b>4,004</b>	<b>4,280</b>	<b>4,004</b>	<b>4,364</b>
Capital employed at the beginning of the period	4,447	4,123	4,364	4,092	4,280	4,092
<b>Average capital employed</b>	<b>4,226</b>	<b>4,202</b>	<b>4,184</b>	<b>4,186</b>	<b>4,142</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>-490</b>	<b>115</b>
Financial expenses	108	57
<b>Profit before taxes, excluding financial expenses</b>	<b>-382</b>	<b>172</b>
Average capital employed	4,142	4,228
<b>Return on capital employed, %</b>	<b>-9.2</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 and expansion investments**

SEK million	July-Sept 2022	July-Sept 2021	Jan-Sept 2022	Jan-Sept 2021	Rolling 12-month	Full year 2021
<b>Cash flow from operating activities</b>	<b>29</b>	<b>0</b>	<b>75</b>	<b>-48</b>	<b>59</b>	<b>-64</b>
Cash flow from investing activities	-6	-15	-20	-50	-145	-175
Acquisitions of companies or operations	-	-	-	3	111	114
Expansion investment, new production line	-1	7	5	26	10	31
<b>Free cash flow</b>	<b>22</b>	<b>-8</b>	<b>60</b>	<b>-69</b>	<b>35</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	July-Sept 2022	July-Sept 2021	Jan-Sept 2022	Jan-Sept 2021	Rolling 12-month	Full year 2021
<b>Net sales</b>	<b>944</b>	<b>893</b>	<b>2,872</b>	<b>2,761</b>	<b>3,884</b>	<b>3,773</b>
Net sales compared with the corresponding period in the previous year	-893	-821	-2,761	-2,626	-3,844	-3,709
<b>Net sales, change</b>	<b>51</b>	<b>72</b>	<b>111</b>	<b>135</b>	<b>40</b>	<b>64</b>
Structural changes	-32	-109	-93	-319	-129	-355
Exchange rate changes	-31	5	-81	63	-77	67
<b>Organic change</b>	<b>-12</b>	<b>-32</b>	<b>-63</b>	<b>-121</b>	<b>-166</b>	<b>-224</b>
Organic change	-1.3 %	-3.9 %	-2.3 %	-4.6 %	-4.3 %	-6.0 %
Structural changes	3.6 %	13.3 %	3.4 %	12.1 %	3.4 %	9.5 %
Exchange rate changes	3.5 %	-0.6 %	2.9 %	-2.4 %	2.0 %	-1.8 %

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

SEK million	July-Sept 2022	July-Sept 2021	Jan-Sept 2022	Jan-Sept 2021	Rolling 12-month	Full year 2021
<b>Net sales own brands</b>	<b>644</b>	<b>620</b>	<b>1,975</b>	<b>1,931</b>	<b>2,666</b>	<b>2,622</b>
Net sales own brands compared with the corresponding period in the previous year	-620	-569	-1,931	-1,821	-2,660	-2,550
<b>Net sales own brands, change</b>	<b>24</b>	<b>51</b>	<b>44</b>	<b>110</b>	<b>6</b>	<b>72</b>
Structural changes	-16	-64	-47	-175	-63	-191
Exchange rate changes	-20	4	-52	43	-50	45
<b>Organic change own brands</b>	<b>-12</b>	<b>-9</b>	<b>-55</b>	<b>-22</b>	<b>-107</b>	<b>-74</b>
Organic change	-1.9 %	-1.6 %	-2.9 %	-1.2 %	-4.0 %	-2.9 %
Structural changes	2.6 %	11.3 %	2.5 %	9.6 %	2.4 %	7.5 %
Exchange rate changes	3.2 %	-0.7 %	2.7 %	-2.4 %	1.9 %	-1.8 %

# Consolidated quarterly data

SEK million	2022 Q3	2022 Q2	2022 Q1	2021 Q4	2021 Q3	2021 Q2	2021 Q1	2020 Q4	2020 Q3	2020 Q2	2020 Q1	2019 Q4
<b>Net sales</b>	<b>944</b>	<b>956</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>
Expenses for goods sold	-775	-731	-718	-770	-652	-646	-690	-784	-598	-619	-671	-594
<b>Gross profit</b>	<b>169</b>	<b>225</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>
Selling expenses	-567	-162	-157	-148	-138	-155	-151	-161	-128	-123	-130	-129
Administrative expenses	-72	-76	-74	-76	-67	-73	-73	-88	-60	-70	-66	-64
Other operating income	3	2	2	3	12	13	7	17	16	17	2	30
Other operating expenses	-1	-2	-3	-4	0	0	-4	-1	-4	9	-10	-16
<b>Operating profit</b>	<b>-468</b>	<b>-13</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>
Result from participations in joint ventures	-	-	-	-	-	-	-	-	-	-8	0	-1
Financial income	20	25	10	5	4	-5	7	7	3	-29	33	0
Financial expenses	-35	-39	-18	-16	-16	-7	-18	-22	-10	16	-43	-9
<b>Profit/loss before tax</b>	<b>-483</b>	<b>-27</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>
Tax on profit for the period	5	7	-2	-5	-5	-6	-10	4	-6	-12	-14	-7
<b>Profit for the period</b>	<b>-478</b>	<b>-20</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>
<i>Items affecting comparability</i>												
Items affecting comparability included in operating profit	478	6	-	3	-6	-3	2	7	-10	-11	-	-5
<b>Operating profit, before items affecting comparability</b>	<b>10</b>	<b>-7</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>
<i>Depreciation/amortisation and impairment</i>												
Depreciation/amortisation and impairment included in operating income	515	41	40	41	42	47	38	41	35	35	36	34
<b>EBITDA</b>	<b>47</b>	<b>28</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>
<i>Depreciation/amortisation, impairment and items affecting comparability</i>												
Depreciation/amortisation, impairment and items affecting comparability included in operating profit	518	47	40	44	32	36	40	48	25	24	36	29
<b>EBITDA, before items affecting comparability</b>	<b>50</b>	<b>34</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>
Free cash flow	22	53	-15	-25	-8	-35	-26	102	64	84	2	103
Cash flow from operating activities	29	54	-8	-16	0	-29	-19	113	71	89	10	117
Number of employees as of the balance sheet date	801	826	859	849	819	836	831	834	723	730	713	721

## Exchange rates

SEK	Average exchange rate			Closing day rate		
	Jan-Sept 2022	Jan-Sept 2021	Jan-Dec 2021	30 Sept 2022	30 Sept 2021	31 Dec 2021
DKK	1.4151	1.3650	1.3641	1.4681	1.3718	1.3753
EUR	10.5287	10.1515	10.1449	10.9177	10.2010	10.2269
GBP	12.4308	11.7579	11.8022	12.4071	11.8099	12.1790
NOK	1.0525	0.9924	0.9980	1.0430	1.0009	1.0254
USD	9.9213	8.4891	8.5815	11.1227	8.7911	9.0437

### Midsona AB (publ)

Corporate identity number: 556241-5322  
 Visitors: Dockplatsen 16, Malmö, Sweden  
 Postal address: Box 210 09, SE-200 21 Malmö, Sweden  
 Telephone: +46 40 601 82 00  
 E-mail: info@midsona.com  
[www.midsona.com](http://www.midsona.com)