

INTERIM REPORT, JANUARY-MARCH 2017

Increased sales and synergies gave significantly higher operating margin

JANUARY-MARCH 2017 (FIRST QUARTER)

- Net sales amounted to SEK 527 million (350).
- Operating profit before amortisation/depreciation and impairment, EBITDA was SEK 45 million (23) corresponding to a margin of 8.5 percent (6.6).
- Profit for the period was SEK 24 million (11), corresponding to earnings per share, before and after dilution, of SEK 0.56 (0.37).
- Cash flow from continuing operations amounted to SEK 32 million (20).
- Danish consumers voted the Urtekram brand as Denmark's most sustainable business and brand in the Sustainable Brand Index 2017 survey.

Comment by the CEO

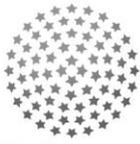
Significantly improved operating margin

In the first quarter, Midsona's sales rose by 51 percent to SEK 527 million (350). Operating profit before amortisation/depreciation and impairment (EBITDA) rose by 96 percent to SEK 45 million (23). Operating profit (EBIT) rose by 116 percent to SEK 37 million (17). Accordingly, the EBIT margin increased to 7.0 percent (4.9). The improvement was a direct result of our long-term development process and a major step in the right direction toward our financial target of an operating margin of 10 percent.



About Midsona

Midsona holds a strong position in the Nordic market with own strong brands within healthfoods, personal care and hygiene. Midsona also sells a number of licensed internationally established brands. Our products are sold through grocery and convenience stores, pharmacies, health stores and internet. Midsona's priority trademarks are: DALBLADS, FRIGGS, HELIOS, KUNG MARKATTA, MIWANA, NATURDIET, TRI TOLONEN and URTEKRAM. Midsona has annual sales of about MSEK 1,744 (2016). The Midsona share (MSON) is listed on NASDAQ OMX Stockholm, Small Cap. For further information: www.midsona.com



midsona

Press release
Malmö, April 26, 2017

Page 2

Synergies through integration

The fact that, in percentage terms, earnings at all levels are rising significantly more than net sales is mainly because we are now experiencing a clear synergistic impact from the integration of acquired companies. An important part of Midsona's strategy is to acquire companies, integrate them and achieve synergies. In the autumn and winter, intensive integration efforts were carried out for the acquired Internatural, with the brands Kung Markatta and Helios. Gradually, we are now seeing the results of the synergies and stand by our commitment to realise at least SEK 25 million in administrative synergies on an annual basis with full effect from the second half of 2017. Another SEK 10 million will be achieved through joint purchasing, relocation of the production of parts of the product range of King Markatta and Helios, to its own factory, and coordinated logistics. These will begin to appear in late 2017 and will take full effect in 2018.

Success for Urtekram

Urtekram is the Group's largest brand by far, with market-leading positions in organic groceries in both Denmark and Finland. In addition, it holds strong positions in the other Nordic countries and rapidly growing exports with good profitability outside the Nordic region.

During the quarter, the brand received a number of prestigious awards. Urtekram was named Denmark's most sustainable brand. Sustainability is an important part of Midsona's strategy and the fact that our largest brand received this award in its home market shows that our efforts to become a more sustainable company are recognised and appreciated by consumers. Urtekram Nordic Berries was voted as the best new haircare product at Vivanness 2017, an international trade fair for natural beauty products co-arranged with the world's largest trade fair for organic products, Biofach 2017. Finally, a product from Urtekram's skincare line for men won the award for Best new male grooming product 2017 at the Natural Products fair in London.

Focus on leading brands in priority categories

In recent years, Midsona has chosen to substantially focus the brand portfolio with the ambition of building market-leading brands in three major product categories: organic, health food products and OTC/supplements. This focus has been necessary and will continue as an overly complex brand portfolio impacts profitability negatively. This has meant that we have had weak or even negative organic growth as we cleared non-performing products and brands. The focus is on the Group's eight priority proprietary brands and a number of priority licensed brands. These brands show strong growth in the quarter. The top 8 proprietary brands grew by 6 percent*. Of the Group's total of ten major brands, which represent a mix of proprietary and licensed brands, eight showed growth over the quarter



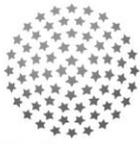
naturdiet



Miwana

About Midsona

Midsona holds a strong position in the Nordic market with own strong brands within healthfoods, personal care and hygiene. Midsona also sells a number of licensed internationally established brands. Our products are sold through grocery and convenience stores, pharmacies, health stores and internet. Midsona's priority trademarks are: DALBLADS, FRIGGS, HELIOS, KUNG MARKATTA, MIWANA, NATURDIET, TRI TOLONEN and URTEKRAM. Midsona has annual sales of about MSEK 1,744 (2016). The Midsona share (MSON) is listed on NASDAQ OMX Stockholm, Small Cap. For further information: www.midsona.com



midsona

Press release
Malmö, April 26, 2017

Page 2

Priorities during 2017

Midsona's operations are based on our priority brands and a number of strategic sales assignments in the Nordic region. The principal focus in 2017 will be on continuing to develop these through product innovation, consumer marketing and effective sales processing. Midsona sees growth opportunities in the Nordic region for our brands as well as through acquisitions. The synergies from the acquisition of Internatural are starting to have effect and should be achieved fully during the year. In late 2016 and early 2017, we have secured a number of new strategic export customers for Urtekram. Products are now gradually being launched with these customers. Midsona expects its net sales and profit before depreciation and amortisation (EBITDA) to increase in 2017.

Peter Åsberg, President and CEO

**Acquired brands, Kung Markatta and Helios, are compared in the first quarter with the same period last year in which Midsona did not yet own the brands.*

For more information, please contact MD and CEO Peter Åsberg, telephone +46 (0)730 26 16 32, or CFO Lennart Svensson, telephone +46(0)767 74 33 04

This is information of the type that Midsona AB is obligated to make public in accordance with the EU Market Abuse Regulation. The information was submitted for publication through the agency of Lennart Svensson on April 26 2017 at 8 am CET.



naturdiet



Miwana

About Midsona

Midsona holds a strong position in the Nordic market with own strong brands within healthfoods, personal care and hygiene. Midsona also sells a number of licensed internationally established brands. Our products are sold through grocery and convenience stores, pharmacies, health stores and internet. Midsona's priority trademarks are: DALBLADS, FRIGGS, HELIOS, KUNG MARKATTA, MIWANA, NATURDIET, TRI TOLONEN and URTEKRAM. Midsona has annual sales of about MSEK 1,744 (2016). The Midsona share (MSON) is listed on NASDAQ OMX Stockholm, Small Cap. For further information: www.midsona.com