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STRONG ORGANIC GROWTH AND IMPROVED CASHFLOW, SECOND QUARTER 2025

FINANCIAL INFORMATION:

SECOND QUARTER

- Net sales amounted to MSEK 1,983 (1,842), an increase with 8% compared to the corresponding period last year. The organic growth for the period was 12% and the currency impact was -4%.
- EBITA amounted to MSEK 120 (139).
- Adjusted EBITA amounted to MSEK 144 (141), an increase with 3% compared to the corresponding period last year.
- EBIT amounted to MSEK 71 (90).
- Cash flow from operating activities amounted to MSEK 44 (-49).
- Profit and loss after tax amounted to MSEK 5 (32).
- Earnings per share before and after dilution amounted to SEK 0.01 (0.07).

SIX MONTHS

- Net sales amounted to MSEK 3,886 (3,668), an increase with 6% compared to the corresponding period last year. The organic growth for the period was 8% and the currency impact was -2%.
- EBITA amounted to MSEK 235 (272).
- Adjusted EBITA amounted to MSEK 277 (268), an increase with 3% compared to the corresponding period last year.
- EBIT amounted to MSEK 141 (176).
- Cash flow from operating activities amounted to MSEK 114 (11). Cash flow includes repayment of tax deferrals of MSEK -45.
- Profit and loss after tax amounted to MSEK 17 (55).
- Earnings per share before and after dilution amounted to SEK 0.04 (0.12).

SIGNIFICANT EVENTS:

DURING THE QUARTER

- Humble held the Annual General Meeting on May 21st, 2025. The AGM re-elected the six board members, and Dajana Mirborn was re-elected as Chairman of the Board.
- No other significant event has occurred during the quarter.

AFTER THE QUARTER

- In July, Humble increased its existing credit facilities with MSEK 300 and extended the maturity date for the credit facilities to 2027.

- No other significant event has occurred after the quarter.

CEO COMMENT FROM THE REPORT

"The second quarter's organic growth amounted to 12 percent driven by high growth in Future Snacking and Nordic Distribution, which to some extent had a positive effect from the late Easter. Altogether, the net sales increased by 8 percent to MSEK 1,983 (1,842), with a negative currency effect of 4 percent. We have continued to increase sales and marketing investments for international expansion, which resulted in strong development for the other Nordic markets and the US, both of which grew by 41 percent. The operating margin was negatively affected by the challenging market situation in the UK, where we expect, and are working diligently towards, a gradual recovery in the operations that were affected during the second half of the year.

FINANCIAL PERFORMANCE

Adjusted EBITA amounted to MSEK 144 (141) where sales and marketing investments amounted to MSEK -108 (-96). These investments in fast-growing brands and products are a central part of our long-term strategy for international expansion. At the same time, we intend to review our cost base and place a higher focus on driving profitability growth going forward.

Gross profit amounted to MSEK 629 (586) and gross margin amounted to 31.7 percent (31.8). Gross margin development was generally good, while we had a negative effect from the sales mix related to the late Easter sales of pick and mix confectionary in our Swedish wholesale operations, which have a generally lower gross margin. The Group's underlying gross profit remains stable and our focus on achieving gross margin expansion with good control over fixed costs remains.

Cash flow from operations after change in net working capital amounted to MSEK 44 (-49), which is a positive development compared to the corresponding period last year. The priority to strengthen working capital efficiency remains, primarily by reducing inventory levels relative to net sales, which are somewhat high as a result of organic growth and our scale-up initiatives. In addition, longer lead times in the value chain and some raw material shortages have led to increased inventory levels.

After the end of the quarter, we have both extended and refinanced our existing debt structure at more favourable terms. The new financing means reduced interest costs and access to an additional MSEK 300 in credit facilities, which gives us increased financial flexibility going forward.

THE DEVELOPMENT OF OUR FOUR SEGMENTS

We see that sales- and marketing investments in selected businesses with great development potential continue to yield results. It is particularly pleasing that Pändy and True Co. continue to advance their positions, where both show high growth with maintained profitability.

Further examples where the investments show results are in our Swedish confectionery manufacturers in Arena Confectionery, which reports high double-digit growth and significantly increased profitability. Capacity utilization is high and the plants' order books are more than fully subscribed for the rest of the year. We assess the high demand as structural and plan for further investments to be able to meet rising demand in the coming years.

In Quality Nutrition, we have returned to growth during the quarter from the weaker development of recent quarters. The investments we have made in recent years, both in the form of expanded machinery and increased overhead costs, are expected to have a gradually greater effect during the second half of the year. Supply and pricing of whey protein and cocoa have negatively affected margin development. With increased volumes and a higher degree of capacity utilization, we are strengthening our position as a raw material buyer, which enables the position for improved terms and conditions.

Nordic Distribution showed continued strength with higher growth compared to the market and the effect of previous consolidation is reflected in the improved profitability. With several strategic contracts won during the year, we also note that the trade welcomes a new major distribution and wholesale partner in Sweden.

For Sustainable Care, the UK-based operations have had a challenging first half of the year for several market-specific reasons, with changed labour law legislation and the implementation of the EPR tax, which negatively affected operating profit. Furthermore, some store chains were affected by a cyber incident, which resulted in a halt in order flows and lower delivery volumes during the beginning of the second quarter. Our assessment is that the segment's negative earnings trend for the quarter is temporary, and we have initiated several strategic measures to ensure a gradual recovery.

OUTLOOK

We have pent-up market demand in both confectionery and sports nutrition and believe that demand for production capacity will remain high in the coming years.

With a clear strategy for our brands, production and distribution, we see opportunities to continue to grow the group profitably. Our focus, in addition to increased operating margins, is to strengthen cash flow and reduce debt to open for future strategic acquisitions and further growth initiatives with an improved financial position. With a first half of the year behind us, where we achieved several strategic milestones and delivered organic growth of 7.7 percent, we look forward to continuing develop Humble Group.”

The report is attached and can also be downloaded in its entirety on the company's website [here](#).

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This information is such that Humble Group is required to publish in accordance with EU Market Abuse Regulation 596/2014. The information in this press release has been published by the above contact person, at the time specified by Humble Group's news distributor Cision at the time of publication of this press release.

About Humble

Humble Group is a corporate group specializing in driving value and accelerating growth in small and medium-sized companies within the fast-moving consumer goods (FMCG) sector. Through an entrepreneurial approach and active ownership, Humble Group focuses on transforming its businesses to align with the future needs of consumers. The company manages a portfolio of brands, a global distribution network, and production facilities where its subsidiaries operate autonomously within their respective business areas, while Humble Group provides strategic guidance and support. The group is headquartered in Stockholm. For more information visit www.humblegroup.com

Humble is listed on Nasdaq Stockholm Mid Cap, under the ticker HUMBLE.

Forward-looking statements

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