

YEAR END REPORT 2018

Sales growth from acquisitions and priority brands

October-December 2018 (fourth quarter)

- Net sales amounted to SEK 755 million (571).
- EBITDA amounted to SEK 59 million (59) before items affecting comparability, corresponding to a margin of 7.8 percent (10.3).
- Profit for the period was SEK 33 million (34), corresponding to earnings per share of SEK 0.71 (0.75) before dilution and SEK 0.70 (0.74) after dilution.
- Free cash flow amounted to SEK 44 million (49).

January-December 2018 (full-year)

- Net sales amounted to SEK 2,852 million (2,146).
- EBITDA amounted to SEK 241 million (190) before items affecting comparability, corresponding to a margin of 8.5 percent (8.9).
- Profit for the period was SEK 129 million (84), corresponding to earnings per share of SEK 2.80 (1.91) before dilution and SEK 2.77 (1.89) after dilution.
- Free cash flow amounted to SEK 176 million (125).
- For 2018, a dividend of SEK 1.25 per share (1.25) is proposed, corresponding to SEK 57,510,080 (57,510,080).



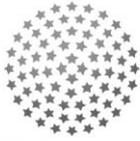
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About Midsona

Midsona holds a strong position in the Nordic market with own strong brands within organic foods, healthfoods and personal care. 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, ESKIMO-3 and URTEKRAM. Midsona has annual sales of about MSEK 2,852 (2018). The Midsona share (MSON) is listed on NASDAQ OMX Stockholm, Mid Cap. For further information: www.midsona.com



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Comment by the CEO:

Increased sales and improved EBITDA

The year 2018 was another with favourable sales and earnings trends. Sales rose by 33 percent to SEK 2,852 million (2,146). EBITDA before items affecting comparability improved to SEK 241 million (190). We strengthened our market position in the Nordic region and established a presence in Germany through the acquisition of Davert. However, the year was not without its challenges. In the second half of the year, the company's margin was negatively impacted by an unfavourable exchange rate trend and increasing prices for some, mainly organic, raw materials. The effect was particularly large in the fourth quarter. Despite a strong growth in sales to SEK 755 million (571), EBITDA before items affecting comparability remained unchanged at SEK 59 million (59).

Nordic efficiency-enhancement programme for stronger competitiveness

As a result of Midsona's strong growth and international expansion, we work continuously to adapt our group structure and geographical organisation to enhance efficiency. Accordingly, we are working with:

- Optimising the Nordic organisation, where parts of the operations are being concentrated in Malmö while the operations in Örebro are planned to be phased out. Certain services in Norway, Denmark and Finland will be discontinued or moved to Malmö. The ambition is also to reduce the cost of goods sold, as well as non-staff-related sales and administration costs. These changes will be subject to negotiations with the trade unions. The programme is expected to provide annual cost savings of approximately SEK 40 million, with full effect in 2021, and is expected to entail non-recurring costs of approximately SEK 20 million, which will be charged to consolidated profit in the first quarter of 2019.

The company currently holds a leading position with strong brands in prioritised categories in the Nordic countries and has reported sales growth and increased profitability for a number of years. To continue developing our long-term competitiveness and to offset negative currency and commodity effects, we are implementing a number of measures:



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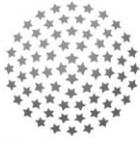
DALBLADS **ESKIMO-3**
Sports Nutrition



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- We continue to invest in innovation and brands. Most of the Group's brands showed growth in 2018, although some of the major organic brands experienced lower growth than previously. For this reason, we have initiated substantial programme to make them more relevant and attractive to customers and consumers.
- At the end of 2018, price increases were announced to offset negative influence from currency and commodities. These increases will have an impact in the first quarter of 2019.

Establishment in Europe

In May 2018, we took our first major step outside the Nordic region and towards the ambition of becoming one of the leading companies in health and well-being in Europe with the acquisition of the German company Davert. This acquisition gives Midsona a strong position in Europe's largest market for organic food. The integration of the company has proceeded according to plan. We have begun to realise promised synergies mainly in production and purchasing. At the same time, we made a major investment in new technology in the latter part of 2018, generating increased sales opportunities in organic food.

Plant-based, organic and sustainable

The foundation of Midsona's business rests on strong trends around the growing interest in health and well-being combined with a clear desire for sustainable consumption – a paradigm shift where people increasingly avoid animal products, unnecessary additives and products with poor nutritional content. Midsona's focus on plant-based, pure and organic products is benefited by these trends. We have a great passion for influencing people's eating habits towards healthy and sustainable alternatives.

Improved cash flow

Free cash flow is an important indicator of Midsona's progress. It increased to SEK 176 million (125) in 2018. So we have continued to develop the business and began to create room to manoeuvre for expansive new acquisitions. Strong cash flow is also a prerequisite for a generous dividend policy. The Board proposes a dividend of SEK 1.25 per share (1.25) for 2018.



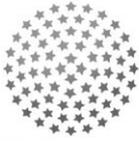
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Press release
Malmö, 8 February 2019

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Priorities for 2019

The main focus in 2019 will be on optimising our Nordic platform and thereby creating the best growth conditions for our brands. Promised cost savings will be made in parallel with this. Midsona will continue the integration of Davert and at the same time seek new acquisitions with the clear ambition of becoming one of the leading companies in health and well-being in Europe.

Peter Åsberg
President and CEO

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 Market Abuse Regulation and the Securities Market Act. The information was submitted for publication by Lennart Svensson on 8 February 2019 at 8am CET.



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