



midsona

INTERIM REPORT JANUARY–JUNE 2016

Midsona strengthens organic profile and improves earnings

April–june 2016 (second quarter)

- Net sales amounted to SEK 351 million (223).
- Operating profit before amortisation/depreciation and impairment, EBITDA, amounted to SEK 23 million (14), before non-recurring items.
- Profit for the period was SEK 11 million (12), corresponding to earnings per share before and after dilution of SEK 0.39 (0.53)
- Cash flow from continuing operations amounted to a negative SEK 22 million (positive 23).
- A new financing agreement was signed with Danske Bank for credit facilities totalling SEK 425 million.

January–june 2016 (six months)

- Net sales amounted to SEK 701 million (455).
- Operating profit before amortisation/depreciation and impairment, EBITDA, amounted to SEK 46 million (29), before non-recurring items.
- Profit for the period was SEK 22 million (11), corresponding to earnings per share before and after dilution of SEK 0.77 (0.49).
- Cash flow from continuing operations amounted to a negative SEK 2 million (positive 37).

Significant event after the reporting period

- Midsona acquired Internatural AB, a company with a leading position within organic foods in Sweden and Norway, whose brands include Kung Markatta and Helios.

Financial overview

	Apr–Jun 2016	Apr–Jun 2015	Jan–Jun 2016	Jan–Jun 2015	Rolling 12-month	Full year 2015
Net sales, SEK million	351	223	701	455	1,420	1,174
Net sales growth, %	57.4	0.0	54.1	-1.9	55.9	27.6
Gross margin, %	36.5	45.7	36.9	44.2	37.5	40.5
Operating profit before amortisation, depreciation and impairment (EBITDA), SEK million	22	16	45	21	91	67
EBITDA margin, %	6.3	7.2	6.4	4.6	6.4	5.7
Operating profit, SEK million	17	13	34	14	68	48
Operating margin, %	4.8	5.8	4.9	3.1	4.8	4.1
Profit for the period, SEK million	11	12	22	11	77	66
Earnings per share before and after dilution, SEK	0.39	0.53	0.77	0.49	2.82	2.71
Net debt, SEK million	298	155	298	155	298	258
Net debt/EBITDA, multiple					3.3	3.9



Note: This information is such that Midsona AB (publ) is obliged to disclose in accordance with the EU Market Abuse Regulation and the Swedish Securities Market Act. The information was submitted, through the provision of Lennart Svensson, for publication on 15 July 2016 at 8.00 a.m. CET.

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Peter Åsberg, President and CEO

Comment by the CEO

Midsona – market leader in organic colonial products

Sales of organic goods have shown strong growth in both the Nordic region and globally in recent years. The trend has been particularly strong in Midsona's largest market, Sweden, where sales of organic products increased by some 39 percent in 2015. The organic segment is expected to continue growing in the Nordic region for the next few years. Following acquisitions, Midsona is now the Nordic market leader in organic colonial products. Just over a year ago, Midsona acquired Denmark-based Urtekram International A/S. The acquisition was strategically important as it expanded the product portfolio of proprietary brands, as Urtekram, positioned for the attractive organic growth segment. Urtekram has been successfully integrated into Midsona's operations over the past year. The acquisition of Internatural AB (Internatural) at the start of July 2016, with its leading organic brands Kung Markatta and Helios, marks the next step for Midsona and makes the company the market leader in organic colonial products in all our principal markets. Kung Markatta is a market leader in Sweden, Helios is a leader in Norway and Urtekram is a market leader in Denmark and Finland. Urtekram is also now the number two product on the Swedish and Norwegian markets. Following the acquisition, organic products account for over half of Midsona's sales.

Acquisition of Internatural strengthens Midsona

Internatural is the company's largest acquisition to date. In addition to its proprietary brands Kung Markatta and Helios, Internatural distributes market-leading products such as Alpro, Yogi Tea and Green & Black's. Internatural reported net sales of SEK 637 million and EBITDA of SEK 65 million for the 2015 financial year. Midsona expects Internatural to achieve significantly increased net sales and an improved EBITDA. The acquisition of Internatural with its Kung Markatta and Helios brands, combined with Midsona's brands such as Urtekram and Friggs, position us as a leading Nordic group geared towards plant-based products with a particular focus on organic products.

Good opportunities for synergies

Synergies will mainly be achieved through purchasing, logistics and production. For example, Midsona has a full-scale facility for producing organic food products in Mariager, Denmark, whereas Internatural purchased all its products for Kung Markatta and Helios from a third party. Our assessment is that it will be possible to produce a considerable proportion of these products in Mariager, resulting in cost savings. Larger purchasing volumes will provide better opportunities for negotiation and subsequent lower prices. Synergies over the next few years are expected to result in an annual boost of around SEK 35 million to EBITDA, around SEK 25 million of which is expected to be achieved by the end of 2017.

Financing through acquisition loan and rights issue

Midsona will fund the acquisition of Internatural using an existing credit facility combined with an acquisition loan from Danske Bank. Approximately half the new acquisition loan is in the form of a bridge loan and Midsona plans to carry out a share rights issue totalling SEK 400 million later this year, possibly combined with other financing solutions, such as a bond loan. The rights issue will enable Midsona to maintain its financial ratios while achieving its growth targets. Midsona's largest shareholder, Stena Adactum AB, has agreed to subscribe for its pro rata share of the rights issue and provide an underwriting guarantee for the remainder of the issue. Midsona will provide shareholders with further information as soon as possible.

SEK 351 million

Sales

SEK 22 million

Profit before depreciation/amortisation and impairment (EBITDA)

Continued improvement in sales and earnings

In the second quarter, Midsona's sales rose by 57 percent to SEK 351 million (223). Operating profit before amortisation/depreciation and impairment, EBITDA, amounted to SEK 22 million (16). Adjusted for non-recurring items, EBITDA was SEK 23 million (14). Larger than usual investments were made in sales promotion measures in the second quarter, particularly for the Friggs and Urtekram brands in Sweden. For Friggs, this involved investments in the new range of corn cakes. They have been well received by consumers, resulting in a rapid increase in sales. We also invested in continued development of the distribution of Urtekram in Sweden. There is very significant demand for organic products and this led to the issue of bottle necks and additional logistics costs. We are now implementing measures to streamline the logistics chain.

The Nordic leader in health and well-being

Midsona has undergone significant change. It has gone from a sprawling structure with numerous subsidiaries focussing on a wide range of activities, with products ranging from pharmaceuticals to washing detergent and a presence in almost all parts of the value chain to being a company with a focus on strong brands in growth segments such as plant-based food products and organic products. A number of the Group's brands are now market leaders in their respective segments. Our ambition is to continue growing these brands, achieving synergies from the acquired Internatural and preparing for new acquisitions. We are close to achieving our vision of being the Nordic leader in health and well-being.

Peter Åsberg

President and CEO

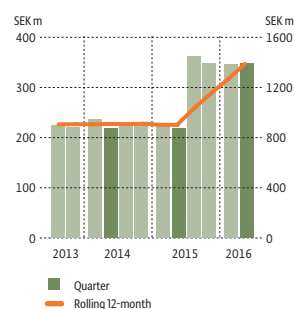
The leading organic brand Kung Markatta is part of Midsona's portfolio from the third quarter.



Financial information

Group

Net sales



Net sales

April-June

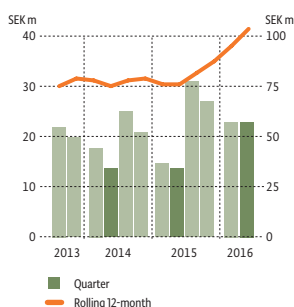
Net sales amounted to SEK 351 million (223), an increase of 57 percent. Adjusted for currency effects and structural changes (acquisitions), net sales decreased by 3 percent, which was mainly due to sales assignments being discontinued in the Norwegian market and not being fully offset by new sales volumes, as well as lower sales on the Swedish and Finnish market for some brands.

Sales increased in Sweden and Finland, driven mainly by the Urtekram brand. Development of distribution of the Urtekram brand is proceeding according to plan in both Sweden and Finland. Previously lost sales volumes in Sweden for the Friggs brand were largely recovered during the period as result of the launch of corn cakes, which were well received by both customers and consumers. The Friggs brand is taking market share in the corn and rice cake categories. Some brands, however, showed slightly weaker sales performance in both Sweden and Finland. In Denmark, sales performance remained strong, especially for export business outside the Nordic region. The strategy of developing cooperation agreements with distributors, chiefly in Europe, is now starting to generate results. In Norway, sales decreased and this was entirely attributable to the weakening of the Norwegian krone against the Swedish krona compared with the previous year. In local currency, sales increased and the combined brand portfolio showed positive sales performance overall. The Friggs brand, which was established on the Norwegian market in the first quarter of 2016, continued to perform well over the period. Several important products were launched in Sweden, Norway, Finland and Denmark during the period.

January-June

Net sales amounted to SEK 701 million (455), an increase of 54 percent. Adjusted for currency effects and structural changes (acquisitions), net sales decreased by 6 percent.

EBITDA, before non-recurring items



Earnings

April-June

Gross profit amounted to SEK 128 million (102), corresponding to a gross margin of 36.5 percent (45.7). The lower gross margin was primarily attributable to both an increased proportion of sales to FMCG retailers, as well as the entry into the Danish market, with lower margins and a changed product mix related to the acquisition of Urtekram and gained sales assignments.

Operating profit before amortisation, depreciation and impairment, EBITDA, amounted to SEK 23 million (14), before non-recurring items, representing a margin of 6.6 percent (6.3). The positive earnings trend was mainly associated with the acquisition of Urtekram, through increased net sales and realised synergies, as well as generally good sales performance for large parts of the brand portfolio.

Operating profit amounted to SEK 18 million (11), before non-recurring items, with an operating margin of 5.1 percent (4.9). Operating profit amounted to SEK 17 million (13), with an operating margin of 4.8 percent (5.8).

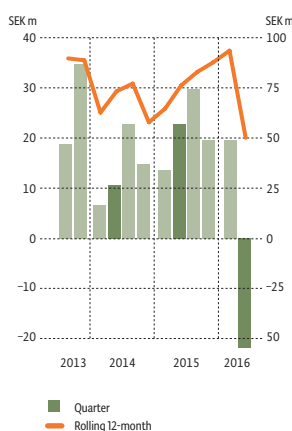
Profit before tax was SEK 12 million (11), with net financial items increasing to a negative SEK 5 million (negative 2) due to higher debt, negative translation differences on financial instruments and costs relating to refinancing (see the 'New financing agreement' section on page 11). Tax on earnings for the period amounted to SEK 1 million (1), of which SEK 1 million (1) consisted of current taxes. Profit for the year was SEK 11 million (12), corresponding to earnings per share of SEK 0.39 (0.53).

January-June

Gross profit amounted to SEK 259 million (201), corresponding to a gross margin of 36.9 percent (44.2). Operating profit before amortisation, depreciation and impairment, EBITDA, amounted to SEK 46 million (29), before non-recurring items, representing a margin of 6.6 percent (6.4). Operating profit amounted to SEK 35 million (22), before non-recurring items, with an operating margin of 5.0 percent (4.8). Operating profit amounted to SEK 34 million (14), with an operating

margin of 4.9 percent (3.1). Profit before tax was SEK 25 million (10), including an increase in net financial items to a negative SEK 9 million (negative 4). Tax on earnings for the period amounted to SEK 3 million (1), of which SEK 3 million (1) consisted of current taxes. Profit for the period was SEK 22 million (11), corresponding to earnings per share of SEK 0.77 (0.49).

Cash flow from continuing operations



Cash flow, liquidity and financial position

April-June

Cash flow from continuing operations amounted to a negative SEK 22 million (positive 23), which was mainly due to a higher amount of capital tied up in inventories prior to the summer months and the retail sector's period for major new product launches in the third quarter, as well as a higher amount of capital tied up in operating receivables as a result of large expected customer payments arriving after the end of the period. Measures have been taken to reduce the amount of capital tied up in inventories and operating receivables in future quarters. Cash flow from investing activities amounted to a negative SEK 4 million (0), consisting of investments in tangible and intangible fixed assets. Cash flow from financing activities amounted to SEK 27 million (negative 26), consisting of loans raised of SEK 425 million, amortisation of loans by SEK 367 million (1) attributable to refinancing (see the 'New financing agreement' section on page 11), and a dividend of SEK 31 million (25). Cash and equivalents amounted to SEK 53 million (34) and there were unutilised credit facilities of SEK 74 million (131) at the end of the period.

Net debt amounted to SEK 298 million (155) at the end of the period. Net debt increased in the second quarter by SEK 56 million, mainly due to refinancing (see the 'New financing agreement' section on page 11), as well as increased indebtedness and the payment of a dividend. The net debt/equity ratio was a multiple of 0.3 (0.2). The ratio between net debt and EBITDA on a rolling 12-month basis was a multiple of 3.3 (2.3). At the end of the preceding quarter, the ratio between net debt and EBITDA on a rolling 12-month basis, was a multiple of 2.8.

Shareholders' equity amounted to SEK 887 million (737). At the end of the preceding quarter, shareholders' equity was SEK 898 million. The changes in shareholders' equity during the current quarter consisted of profit for the period of SEK 11 million and translation differences on the translation of foreign operations of SEK 9 million and a dividend of SEK 31 million. The equity/assets ratio was 55 percent (64) at the end of the period.

January-June

Cash flow from continuing operations amounted to a negative SEK 2 million (positive 37). Cash flow from investing activities was a negative SEK 8 million (negative 16), while cash flow from financing activities was SEK 0 million (negative 37).

Investments

April-June

Investments in intangible and tangible fixed assets amounted to SEK 4 million (0) and consisted mainly of software investments and production-related investments. Amortisation and depreciation for the period amounted to SEK 5 million (3), divided between SEK 3 million (3) in amortisation of intangible fixed assets and depreciation of SEK 2 million (0) on tangible fixed assets.

January-June

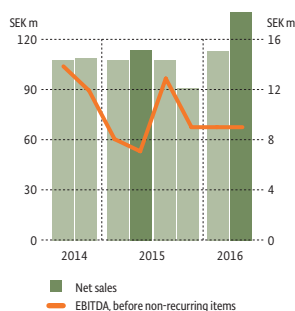
Investments in intangible and tangible fixed assets amounted to SEK 8 million (0). Amortisation and depreciation for the period amounted to SEK 11 million (7), divided between SEK 7 million (6) in amortisation of intangible fixed assets and depreciation of SEK 4 million (1) on tangible fixed assets.



Twelve different corn cakes were launched in 2016.

Business areas

Quarterly overview – Sweden



Sweden

	Apr-Jun 2016	Apr-Jun 2015	Jan-Jun 2016	Jan-Jun 2015	Rolling 12-month	Full year 2015
Net sales, SEK million	136	114	249	222	448	421
Net sales growth, %	19.3	5.6	12.2	0.0	2.1	-4.1
EBITDA, before non-recurring items, SEK million	9	7	18	15	40	37
Operating profit before non-recurring items, SEK million	8	6	16	14	38	36
Non-recurring items included in operating profit, SEK million	-	-	-	-10	-5	-15
Operating profit, SEK million	8	6	16	4	33	21
Operating margin, %	5.9	5.3	6.4	1.8	7.4	5.0

April-June

Net sales amounted to SEK 136 million (114), an increase of 19 percent. Sales to FMCG retail were strong, driven by the Urtekram, Dalblads and MyggA brands. Development of distribution of the Urtekram brand is proceeding according to plan. Sales performance by the Naturdiet brand stabilised with increasing market share on an overall weakening market for weight control products. Prompt action on launches of corn cakes recovered a large proportion of lost sales volumes for the Friggs brand. Performance was stable for both sales via health food shops and via e-commerce. Sales to pharmacies were strong, driven by excellent sales efforts for the MyggA brand prior to pharmacies' third-quarter marketing campaigns. Sales performance via other sales channels was weak, mainly because sales under the Dalblads brand were focussed on FMCG retailers. A number of product launches were made under the Friggs brand.

Operating profit before amortisation/depreciation and impairment, EBITDA, improved to SEK 9 million (7), owing mainly to higher sales volumes. However, earnings continued to be negatively affected by certain additional costs resulting from the implementation of structural and system changes in the first quarter of 2016.

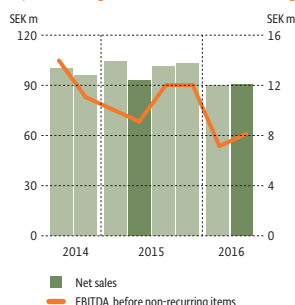
A sales assignment, initially with net sales of SEK 4 million on an annualised basis, was secured during the period, with sales starting on 1 September 2016.

January-June

Net sales amounted to SEK 249 million (222), an increase of 12 percent. Operating profit before amortisation/depreciation and impairment, EBITDA, amounted to SEK 18 million (15), before non-recurring items.

The integration of the Denmark business area's Swedish operations into existing operations in Sweden was completed in the period, meaning that sales and earnings in Sweden for the Urtekram brand are being reported in the Sweden operating segment from 1 March 2016.

Quarterly overview – Norway



Norway

	Apr-Jun 2016	Apr-Jun 2015	Jan-Jun 2016	Jan-Jun 2015	Rullande 12 mån	Helår 2015
Net sales, SEK million	91	93	181	197	385	401
Net sales growth, %	-2.2	-3.1	-8.1	-1.0	-2.0	1.5
EBITDA, before non-recurring items, SEK million	8	9	15	19	39	43
Operating profit before non-recurring items, SEK million	8	9	14	18	37	41
Non-recurring items included in operating profit, SEK million	-	2	-	2	2	4
Operating profit, SEK million	8	11	14	20	39	45
Operating margin, %	8.8	11.8	7.7	10.2	10.1	11.2

April-June

Net sales amounted to SEK 91 million (93), a decrease of 2 percent. In local currency, net sales increased by 7 percent. Sales to FMCG retailers were strong. New sales assignments almost entirely

offset discontinued sales assignments, and more licensed brands strengthened their position in sales to FMCG retailers. The Friggs brand, which launched in FMCG retailers in the first quarter of 2016, sold well over the period. The brand, with its portfolio of healthfood products, has the right profile for continued growth on the Norwegian market. Sales to healthfood retailers were strong, with the Soma brand in particular achieving good sales performance. A number of PR events and training courses were held together with healthfood retailers as part of intensified cooperation to develop the sales channel together following a period of challenges. Sales to pharmacies were stable for both proprietary and licensed brands, which compensated for discontinued sales assignments. Sales to other specialist retailers weakened as a result of discontinued sales assignments, despite strong sales performance for the licensed Biopharma brand. The online store www.soma.no, which launched in the first quarter of 2016, continued to perform well and generated lots of new customers. Several important new launches were made through these sales channels under the Dalblads, Supernature, RFSU, Philips Avent and Bioforce brands during the period.

Operating profit before depreciation/amortisation and impairment, EBITDA, amounted to SEK 8 million (9), before non-recurring items. An unfavourable product mix and increased product costs as a consequence of the weak Norwegian krone contributed to lower operating income and weaker margins.

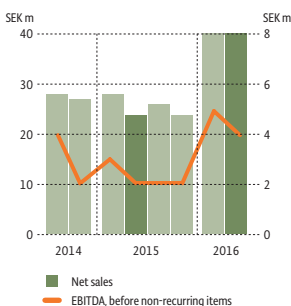
A commission-based sales assignment, with net sales of about NOK 8 million on an annualised basis, was cancelled during the period. The contract was discontinued at the start of July 2016.

January-June

Net sales amounted to SEK 181 (197), a decrease of 8%. In local currency, net sales increased by 1%. Operating profit before amortisation/depreciation and impairment, EBITDA, amounted to SEK 15 million (19), before non-recurring items.

The integration of the Denmark business area's Norwegian operations into existing operations in Norway was completed in the period, meaning that sales and earnings in Norway for the Urtekram brand are reported in the Norway operating segment from 1 January 2016.

Quarterly overview - Finland



Finland

	Apr-Jun 2016	Apr-Jun 2015	Jan-Jun 2016	Jan-Jun 2015	Rolling 12-month	Full year 2015
Net sales, SEK million	40	24	80	52	130	102
Net sales growth, %	66.7	-14.3	53.8	-11.9	21.5	-10.5
EBITDA, before non-recurring items, SEK million	4	2	9	5	13	9
Operating profit before non-recurring items, SEK million	4	2	8	4	11	7
Non-recurring items included in operating profit, SEK million	-	-	-	-	0	0
Operating profit, SEK million	4	2	8	4	11	7
Operating margin, %	10.0	8.3	10.0	7.7	8.5	6.9

Urtekram's full range of organic coconut-scented bodycare products has now also been launched in Finland.



April-June

Net sales amounted to SEK 40 million (24), an increase of 67 percent. In local currency, net sales increased by 67 percent. Sales to FMCG retail were strong, driven mainly by the Urtekram brand. Friggs and Naturdietet also showed good sales growth. Development of distribution of the Urtekram brand and other priority brands is proceeding according to plan. Sales to healthfood retailers weakened slightly, particularly for the Tri Tolonen brand with premium-segment products. Sales to pharmacies were weak and continue to be a challenge. A process of repositioning is in progress for certain brands to adjust to shifting consumer consumption and purchasing patterns. Several important new launches were made under the Friggs and Urtekram brands.

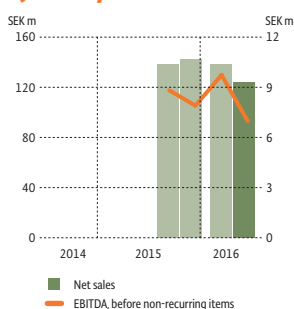
Operating profit before amortisation/depreciation and impairment, EBITDA, amounted to SEK 4 million (2). The improved operating profit was attributable mainly to higher sales volumes. Margins deteriorated, however, as a result of an unfavourable product mix and temporary discounts for some product groups. Major media investments were made for some brands.

January-June

Net sales amounted to SEK 80 million (52), an increase of 54 percent. In local currency, net sales increased by 55 percent. Operating profit before amortisation/depreciation and impairment, EBITDA, amounted to SEK 9 million (5).

The integration of the Denmark business area's Finnish operations into existing operations in Finland was completed in the period, meaning that sales and earnings in Finland for the Urtekram brand are reported in the Finland operating segment from 1 January 2016.

Quarterly overview - Denmark



Denmark

	Apr-Jun 2016	Apr-Jun 2015	Jan-Jun 2016	Jan-Jun 2015	Rolling 12-month	Full year 2015 ¹
Net sales, SEK million	126	-	266	-	550	284
Net sales growth, %	-	-	-	-	-	-
EBITDA, before non-recurring items, SEK million	7	-	17	-	34	17
Operating profit before non-recurring items, SEK million	5	-	13	-	26	13
Non-recurring items included in operating profit, SEK million	-	-	-	-	17	17
Operating profit, SEK million	5	-	13	-	43	30
Operating margin, %	4.0	-	4.9	-	7.8	10.6

¹ Avser 1 juli 2015-31 december 2015

April-June

Net sales amounted to SEK 126 million (-), which was slightly lower than in previous periods owing to a higher percentage of internal sales. Sales performance was stable to Danish FMCG retailers, despite the initiation of cuts in the product range by one of the larger customers in order to reduce the number of products. Export business showed strong growth, in part as a result of new cooperation agreements. A new agreement was signed during the period for deliveries to France. A number of new product launches were made under the Urtekram brand during the period to export markets.

Operating profit before amortisation/depreciation and impairment, EBITDA, amounted to SEK 7 million (-). Earnings and margins weakened slightly as a result of a higher percentage of internal sales to other geographical segments compared with previous periods.

A sales assignment, with net sales of about DKK 7 million on an annualised basis, was cancelled during the period owing to weak profitability. This sales assignment will be discontinued at the end of October 2016.

January-June

Net sales amounted to SEK 266 million (-). Operating profit before amortisation/depreciation and impairment, EBITDA, amounted to SEK 17 million (-).

The integration of the Denmark business area's Swedish, Finnish and Norwegian operations into Midsona's existing operations in each country was completed in the period. From 1 January 2016, sales and earnings from the Norwegian and Finnish geographical markets are reported under the Norway operating segment and Finland operating segment respectively. From 1 March 2016, sales and earnings from the Swedish geographic market are reported under the Sweden operating segment.

Future prospects

Consumer demand for products in the areas of health and well-being in general, and organic produce in particular, is expected to continue increasing. Midsona is well-positioned in attractive growth segments and the assessment is that the Group will grow over the year with improved EBITDA.

Other information

Personnel

The average number of employees was 284 (163), while the number of employees at the end of the period amounted to 275 (156). The increased number of employees was mainly related to the acquisition of Urtekram International A/S in July 2015.

Parent Company

Group-wide management, administration and IT are operated as Group functions in the Parent Company Midsona AB (publ).

Net sales amounted to SEK 11 million (11), and related primarily to invoicing of services provided internally within the Group. The loss before tax amounted to SEK 7 million (loss: 6). Financial expenses increased due to negative translation differences on financial investments, higher interest expenses to credit institutions on increased debt and costs relating to refinancing agreements (see the 'New financing agreement' section on page 11).

Shareholders' equity amounted to SEK 680 million (566), of which non-restricted equity amounted to SEK 54 million (44). At the close of the preceding quarter, shareholders' equity amounted to SEK 717 million. The changes in shareholders' equity in the past quarter consisted of a net loss for the period of SEK 6 million and a dividend of SEK 31 million.

Investments in intangible and tangible assets amounted to SEK 0 million (0). Cash and equivalents, including unutilised credit facilities, amounted to SEK 74 million (131). At the end of the period, borrowing from credit institutions amounted to SEK 337 million (136).

There were eight (eight) employees at the end of the period.

Related-party transactions

For the Parent Company, SEK 11 million (11), equivalent to 100 percent (99) of sales for the period and SEK 1 million (0), corresponding to 8 percent (0) of purchases for the period, pertained to subsidiaries within the Group. Sales to subsidiaries pertained mainly to administrative services, while purchases from subsidiaries mainly pertained to consultancy services and other reimbursements for expenses. All pricing is conducted on market terms.

There have been no loans, purchases or sales involving members of the Board or senior executives.

Supernature's organic, gluten-free super porridge range has been launched in Norway.

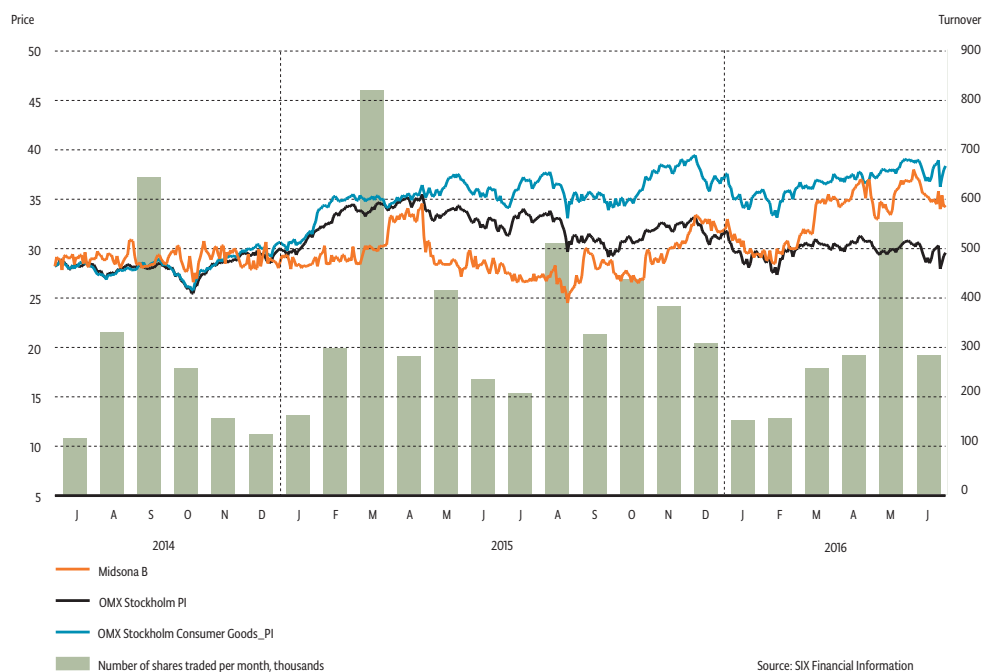


The share

Midsona's series A and B shares are listed on Nasdaq Stockholm's Small Cap List under the symbols MSON A and MSON B respectively.

At the end of the period, the total number of shares was 28,430,987 (22,744,790), divided between 359,915 series A shares (379,932) and 28,071,072 series B shares (22,364,858). In May 2016, 115,000 class A shares were reclassified as class B shares at the request of shareholders. At the end of the period, the number of votes was 31,670,222 (26,164,178), where one series A share carries ten votes and one series B share carries one vote. The quota value of the shares is SEK 20.00.

During the January–June 2016 period, 1,704,462 shares were traded (2,126,024). The highest price paid for series B shares was SEK 40.00 (36.50), and the lowest was SEK 28.10 (28.00). At 30 June, the most recent price paid for the share was SEK 34.40 (29.20). Midsona had no incentive programmes outstanding at the end of the period.



Ownership

Stena Adactum AB was the largest shareholder with 25.3 percent of the capital and 30.0 percent of the voting rights at 30 June 2016. The ten largest shareholders in Midsona AB (publ) are shown in the table.

The ten largest shareholders in Midsona AB (publ)	Number of shares	Share of capital, %	Share of votes, %
Stena Adactum AB	7,182,113	25.3	30.0
Handelsbanken Fonder	2,626,228	9.2	8.3
Nordea Investment Funds	2,598,086	9.1	8.2
Andra AP-fonden	1,680,838	5.9	5.3
Peter Wahlberg med bolag	1,525,316	5.4	4.8
BPSS PAR/FCP ECHIQUIER	1,247,505	4.4	3.9
LINC INVEST AB	962,988	3.4	3.0
Försäkringsaktiebolaget Avanza Pension	672,678	2.4	2.4
Humle Kapitalförvaltning AB	562,500	2.0	1.8
Tobias Ekman med bolag	513,306	1.8	1.6
Total	19,571,558	68.9	69.3
Other shareholders	8,859,429	31.1	30.7
Total	28,430,987	100.0	100.0

Source: Euroclear

The total number of shareholders (including nominee-registered) was 4,661 (4,479). The number of shareholders increased by 121 in the past quarter. Foreign ownership amounted to 34.6 percent (28.6) of the shares on the market. More information on the shareholder structure is available at www.midsona.com.

Annual General Meeting

The Annual General Meeting (AGM) of 27 April discussed issues including the share dividend, changes to the articles of association and the reduction in share capital, the election and re-election of Board members and the re-election of the audit firm. The meeting adopted a dividend to shareholders of SEK 1.10 per share, corresponding to SEK 31 million, which was paid on 4 May. A resolution was adopted on a change to the articles of association and a reduction in share capital by SEK 427 million to SEK 142 million by means of a transfer to non-restricted shareholders' equity without the cancellation of shares, resulting in a reduction in the quota value of each share from SEK 20 to SEK 5. The reduction in share capital is conditional on the approval of the Swedish Companies Registration Office following notification of creditors. The AGM also re-elected Board members Ola Erics, Cecilia Marlow, Birgitta Stymne Göransson, Peter Wahlberg and Johan Wester and elected Kirsten Aegidius as a new Board member until the end of the next AGM. Ola Erics was elected Chairman of the Board. Deloitte AB was re-elected as the company's auditing firm, with Per-Arne Pettersson as the principal auditor.

New financing agreement

In June 2016, Midsona AB (publ) signed a financing agreement with Danske Bank regarding credit facilities totalling SEK 425 million, including a comprehensive cash management solution for the entire Nordic region. The financing consists of a revolving credit facility of SEK 325 million over three years with the option of a year's extension and an overdraft facility of SEK 100 million. The new financing and cash management solution provides a comprehensive Group-wide structure to ensure more efficient use of capital, which will lead to lower costs.

Important events after the end of the reporting period

Acquisitions

On 5 July 2016, the company acquired all shares in Internatural AB and its two wholly owned subsidiaries Kung Markatta AB and Alma Norge AS, which together comprised the Internatural AB Group. The total purchase consideration was SEK 690 million, paid in cash, corresponding to SEK 810 million on a debt-free basis. The acquisition is being financed through existing credit facilities, an acquisition loan of SEK 800 million, SEK 400 million of which consists of bridge financing, and a rights issue, possibly combined with other financing options, of up to SEK 400 million later in the year.

The Internatural AB Group holds a leading position in organic food products and other lifestyle-related products in Sweden and Norway. In 2015, its net sales amounted to SEK 637 million and operating profit before amortisation/depreciation and impairment, EBITDA, amounted to SEK 65 million. The majority of sales, around 80 percent, are to FMCG retail customers, with the remainder of sales mainly being made to healthfood retail, e-commerce and other specialist retail customers. The acquisition gives Midsona access to the Kung Markatta and Helios brands in the organic colonial goods segment, which significantly strengthens its position in the Nordic organic food products market. The Kung Markatta brand will become one of the Group's priority brands. In addition, the Internatural AB Group has exclusive distribution rights for around 60 local and international brands on the Swedish and Norwegian markets, including market leaders such as Alpro, Yogi Tea and Green & Black's. Around 40 percent of total net sales come from proprietary brands. The acquisition is expected to generate synergies in the form of both increased income and reduced expenses. The Internatural AB Group, which develops, markets and sells organic foods and other lifestyle-related products, had 71 employees at the time of acquisition.

The acquired business is consolidated in the Midsona Group from 5 July 2016 and will be part of the Sweden business area and the Norway business area, which are reported under the Sweden and Norway operating segments, respectively, in segment reporting. The majority of the Group-related surplus value from the acquisition will be allocated to trademarks and goodwill.

Information in order to make a full financial presentation of the acquisition was not immediately available at the time of publication of this interim report, so a preliminary specification of the acquisition, including other acquisition-related information, will be provided in the January–September 2016 interim report.

Reduction in share capital

The 2016 AGM adopted a change to the articles of association and a reduction in share capital by SEK 427 million to SEK 142 million by means of a transfer to non-restricted shareholders' equity without the cancellation of shares, resulting in a reduction in the quota value of each share from SEK 20 to SEK 5. The Swedish Companies Registration Office approved the reduction in share capital on 11 July 2016, after the creditor notification period expired.

Segment reporting

Until 30 June 2015, the Group had three identified segments, the geographical areas Sweden, Norway and Finland. In connection with the acquisition of Urtekram International A/S on 1 July 2015, the number of identified segments was extended with the geographical area Denmark. Until the integration of the acquired Urtekram International A/S has been completed, the segment's sales and the earnings from the Swedish, Norwegian and Finnish geographical markets in the Denmark operating segment. The integration was completed in the first quarter of 2016. From 1 January 2016, sales and earnings from the Norwegian and Finnish geographical markets are reported under the Norway operating segment and Finland operating segment respectively. From 1 March 2016, sales and earnings from the Swedish geographic market are reported under the Sweden operating segment.

Risks and uncertainties

In its operations, the Group is subject to both operational and financial risks that may affect earnings to a greater or lesser extent. The assessment is that no new significant risks or uncertainties have arisen. For a detailed discussion of risks and uncertainties, please refer to the 2015 Annual Report.

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.

Estimates and assumptions are reviewed regularly. Changes in estimates are recognised in the period in which the change is made if the revision only affects that period or within the period in which the revision is made and future periods if the revision affects both current and future periods.

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 page 97 of the 2015 Annual Report.

Friggs' organic, gluten-free fruit and nut bar launched in two flavours in Sweden.



Accounting policies

The consolidated accounts have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and interpretations of the International Financial Reporting Interpretations Committee (IFRIC). Furthermore, recommendation RFR 1 Supplementary Accounting Rules for Groups, from the Swedish Financial Reporting Board, has been applied.

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). Information pursuant to IAS 34 Interim Financial Reporting is disclosed throughout this document. 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.

The new standards and the amendments and revisions to standards and new interpretations (IFRIC) that came into effect on 1 January 2016 had no impact on the Group's accounting for the first six months of 2016. In other regards, the same accounting policies and calculation methods have been applied as in the latest annual report. For detailed information on the accounting policies, please see page 58 of the 2015 Annual Report. As of this interim report, ESMA guidelines for Alternative Performance Measures (APM) are being applied, requiring expanded information about key figures and performance measures.

The Board and Chief Executive Officer hereby certify that this interim report gives a true and fair view of the Group and Parent Company's business, financial position and earnings and describes material risks and uncertainties facing the Parent Company and the companies included in the Group.

Malmö, 15 July 2016
Midsona AB (publ)

Ola Erics
CHAIRMAN OF THE BOARD

Kirsten Aegidius
MEMBER OF THE BOARD

Cecilia Marlow
MEMBER OF THE BOARD

Birgitta Stymne Göransson
MEMBER OF THE BOARD

Peter Wahlberg
MEMBER OF THE BOARD

Johan Wester
MEMBER OF THE BOARD

Peter Åsberg
CHIEF EXECUTIVE OFFICER

Review by auditor

This interim report has not been reviewed by company's auditors.

Summary consolidated income statement

SEK million	Apr-Jun 2016	Apr-Jun 2015	Jan-Jun 2016	Jan-Jun 2015	Rolling 12-month	Full year 2015
Net sales	351	223	701	455	1,420	1,174
Expenses for goods sold	-223	-121	-442	-254	-887	-699
Gross profit	128	102	259	201	533	475
Selling expenses	-79	-69	-162	-144	-341	-323
Administrative expenses	-32	-21	-63	-45	-121	-103
Other operating income	1	3	2	4	7	9
Other operating expenses	-1	-2	-2	-2	-10	-10
Operating profit	17	13	34	14	68	48
Financial income	0	0	0	0	1	1
Financial expenses	-5	-2	-9	-4	-15	-10
Profit before tax	12	11	25	10	54	39
Tax on profit for the period	-1	1	-3	1	23	27
Profit for the period	11	12	22	11	77	66

Profit for the period is divided between:

Parent Company shareholders (SEK million)	11	12	22	11	77	66
Earnings per share before and after dilution attributable to Parent Company shareholders (SEK)	0.39	0.53	0.77	0.49	2.82	2.71

Number of shares (thousands)

On the balance sheet date	28,431	22,745	28,431	22,745	28,431	28,431
Average during the period	28,431	22,745	28,431	22,745	27,262	24,419

Operating profit before amortisation, depreciation and impairment (EBITDA)	22	16	45	21	91	67
Depreciation/amortisation and impairment	-5	-3	-11	-7	-23	-19
Operating profit	17	13	34	14	68	48

Summary consolidated statement of comprehensive income

SEK million	Apr-Jun 2016	Apr-Jun 2015	Jan-Jun 2016	Jan-Jun 2015	Rolling 12-month	Full year 2015
Profit for the period	11	12	22	11	77	66
<i>Items that cannot be reallocated to profit for the period</i>						
Items that cannot be reallocated to profit for the period	-	-	-	-	-	-
<i>Items that have or can be reallocated to profit for the period</i>						
Translation differences for the period on translation of foreign operations	9	-9	19	0	-14	-33
Items that have or can be reallocated to profit for the period	9	-9	19	0	-14	-33
Other comprehensive income for the period	9	-9	19	0	-14	-33
Comprehensive income for the period	20	3	41	11	63	33

Comprehensive income for the period is divided between:

Parent Company shareholders (SEK million)	20	3	41	11	63	33
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Summary consolidated balance sheet

SEK million	30 June 2016	30 June 2015	31 December 2015
Intangible fixed assets ¹	1,082	870	1,067
Tangible fixed assets	47	8	47
Non-current receivables	2	0	2
Deferred tax assets	79	49	79
Fixed assets	1,210	927	1,195
Inventories	165	96	151
Accounts receivable	161	86	131
Tax receivables	2	4	3
Other receivables ²	0	2	2
Prepaid expenses and accrued income	20	11	12
Liquid assets	53	34	61
Current assets	401	233	360
Assets	1,611	1,160	1,555
Share capital	569	455	569
Additional paid-up capital	134	161	165
Reserves	-6	8	-25
Profit brought forward, including profit for the period	190	113	168
Shareholders' equity	887	737	877
Non-current interest-bearing liabilities	337	148	250
Other non-current liabilities	-	2	-
Deferred tax liabilities	136	79	135
Non-current liabilities	473	229	385
Current interest-bearing liabilities	14	41	69
Accounts payable	143	93	132
Other current liabilities ²	24	18	31
Accrued expenses and deferred income	70	42	61
Current liabilities	251	194	293
Liabilities	724	423	678
Shareholders' equity and liabilities	1,611	1,160	1,555
Pledged assets	918	812	796
Contingent liabilities	-	-	-

¹ Intangible assets

SEK million	30 June 2016	30 June 2015	31 December 2015
Brands	535	339	533
Goodwill	527	526	516
Other intangible fixed assets	20	5	18
Total	1,082	870	1,067

² Fair value and reported in the balance sheet

SEK million	30 June 2016	30 June 2015	31 December 2015
Assets			
<i>Financial instruments measured at fair value</i>			
Currency futures ¹	0	1	1
Total	0	1	1
<i>Financial instruments not measured at fair value</i>			
Other receivables	0	1	1
Total	0	1	1
Total other receivables	0	2	2
Liabilities			
<i>Financial instruments measured at fair value</i>			
Currency futures ¹	2	0	0
Total	2	0	0
<i>Financial instruments not measured at fair value</i>			
Other current liabilities	22	18	31
Total	22	18	31
Total other current liabilities	24	18	31

¹ The Group holds financial instruments such as forward currency contracts that are recorded at fair value in the balance sheet. For all contracts, fair value has been determined based directly or indirectly on observable market data, that is, level 2 in accordance with IFRS 13. In all material respects, the fair value of other financial instruments is consistent with their book value. For further information please refer to Note 32 in the 2015 Annual Report.

Summary consolidated changes in shareholders' equity

SEK million	Share capital	Additional paid-up capital	Reserves	Profit brought forward, incl. profit for the period	Shareholders' equity
Opening shareholders' equity 1 January 2015	455	186	8	102	751
Profit for the period	-	-	-	11	11
Other comprehensive income for the period	-	-	0	-	0
Comprehensive income for the period	-	-	0	11	11
Dividend	-	-25	-	-	-25
Transactions with the Group's shareholders	-	-25	-	-	-25
Closing shareholders' equity 30 June 2015	455	161	8	113	737
Opening shareholders' equity 1 July 2015	455	161	8	113	737
Profit for the period	-	-	-	55	55
Other comprehensive income for the period	-	-	-33	-	-33
Comprehensive income for the period	-	-	-33	55	22
New share issue	114	8	-	-	122
Issue costs	-	-4	-	-	-4
Transactions with the Group's owners	114	4	-	-	118
Closing shareholders' equity 31 December 2015	569	165	-25	168	877
Opening shareholders' equity 1 January 2016	569	165	-25	168	877
Profit for the period	-	-	-	22	22
Other comprehensive income for the period	-	-	19	-	19
Comprehensive income for the period	-	-	19	22	41
Dividend	-	-31	-	-	-31
Transactions with the Group's shareholders	-	-31	-	-	-31
Closing shareholders' equity 30 June 2016	569	134	-6	190	887

Summary consolidated cash flow statement

SEK million	Apr-Jun 2016	Apr-Jun 2015	Jan-Jun 2016	Jan-Jun 2015	Rolling 12-month	Full year 2015
Profit before tax	12	11	25	10	54	39
Adjustment for items not included in cash flow	8	3	17	17	28	28
Income tax paid	-1	-1	-3	-1	-5	-3
Cash flow from continuing operations before changes in working capital	19	13	39	26	77	64
Increase (-)/decrease (+) in inventories	-12	3	-11	0	-5	6
Increase (-)/decrease (+) in operating receivables	-32	15	-36	13	-38	11
Increase (+)/decrease (-) in operating liabilities	3	-8	6	-2	14	6
Changes in working capital	-41	10	-41	11	-29	23
Cash flow from continuing operations	-22	23	-2	37	48	87
Acquisitions of companies or operations	-	-	-	-16	-235	-251
Acquisitions of intangible fixed assets	-2	0	-4	0	-6	-2
Acquisitions of tangible fixed assets	-2	0	-4	0	-5	-1
Divestments of tangible fixed assets	0	-	0	-	0	-
Disposal/reduction of financial assets	-	-	-	-	0	0
Cash flow from investing activities	-4	0	-8	-16	-246	-254
Cash flow after investing activities	-26	23	-10	21	-198	-167
New share issue	-	-	-	-	122	122
Issue costs	-	-	-	-	-4	-4
Loans raised	425	-	450	-	570	120
Amortisation of loans	-367	-1	-419	-12	-437	-30
Dividend paid	-31	-25	-31	-25	-31	-25
Cash flow from financing activities	27	-26	0	-37	220	183
Cash flow for the period	1	-3	-10	-16	22	16
Cash and equivalents at beginning of period	51	38	61	50	34	50
Translation difference in cash and equivalents	1	-1	2	0	-3	-5
Cash and equivalents at end of period	53	34	53	34	53	61

Consolidated quarterly data

SEK million	2016 Q2	2016 Q1	2015 Q4	2015 Q3	2015 Q2	2015 Q1	2014 Q4	2014 Q3	2014 Q2	2014 Q1	2013 Q4	2013 Q3
Net sales	351	350	352	367	223	232	228	228	223	241	225	229
Expenses for goods sold	-223	-219	-219	-226	-121	-133	-124	-123	-119	-133	-124	-123
Gross profit	128	131	133	141	102	99	104	105	104	108	101	106
Selling expenses	-79	-83	-84	-95	-69	-75	-65	-64	-71	-71	-64	-69
Administrative expenses	-32	-31	-31	-27	-21	-24	-22	-20	-23	-22	-21	-19
Other operating income	1	1	5	0	3	1	1	1	2	2	1	1
Other operating expenses	-1	-1	0	-8	-2	0	-1	0	0	-1	-1	0
Operating profit	17	17	23	11	13	1	17	22	12	16	16	19
Financial income	0	0	1	0	0	0	1	0	0	0	1	0
Financial expenses	-5	-4	-2	-4	-2	-2	-3	-2	-2	-2	-3	-2
Profit before tax	12	13	22	7	11	-1	15	20	10	14	14	17
Tax on profit for the period	-1	-2	-6	32	1	0	10	-2	-2	-2	-2	0
Profit for the period	11	11	16	39	12	-1	25	18	8	12	12	17
<i>Non-recurring items</i>												
Non-recurring items included in operating profit	1	-	-2	14	-2	10	-	-	-2	-1	0	-
Operating profit before non-recurring items	18	17	21	25	11	11	17	22	10	15	16	19
<i>Depreciation/amortisation and impairment</i>												
Depreciation/amortisation and impairment included in operating income	5	6	6	6	3	4	4	3	4	3	4	3
Operating profit before amortisation, depreciation and impairment (EBITDA)	22	23	29	17	16	5	21	25	16	19	20	22
<i>Depreciation/amortisation, impairment and non-recurring items</i>												
Depreciation/amortisation, impairment and non-recurring items included in operating profit	6	6	4	20	1	14	4	3	2	2	4	3
Operating profit before amortisation/depreciation and impairment (EBITDA) before non-recurring items	23	23	27	31	14	15	21	25	14	18	20	22
Cash flow from continuing operations	-22	20	20	30	23	14	15	23	11	7	35	19
Number of employees as per the balance sheet date	275	285	294	284	156	163	167	152	150	154	157	162

Summary consolidated segment reporting

SEK million	Sweden		Norway		Finland		Denmark		Group functions		Group	
April-June	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Net sales, external	126	106	90	93	40	24	95	-	-	0	351	223
Net sales, intra-Group	10	8	1	0	0	-	31	-	-42	-8	-	-
Net sales	136	114	91	93	40	24	126	-	-42	-8	351	223
Operating expenses (excluding depreciation/amortisation and impairment), external	-107	-105	-75	-77	-20	-18	-119	-	-8	-7	-329	-207
Operating expenses, intra-Group	-20	-2	-8	-5	-16	-4	0	-	44	11	-	-
Operating expenses (excluding depreciation/amortisation and impairment)	-127	-107	-83	-82	-36	-22	-119	-	36	4	-329	-207
Operating profit before amortisation, depreciation and impairment (EBITDA), undistributed	9	7	8	11	4	2	7	-	-6	-4	22	16
Depreciation/amortisation and impairment	-1	-1	0	0	0	0	-2	-	-2	-2	-5	-3
Operating profit, undistributed	8	6	8	11	4	2	5	-	-8	-6	17	13
Financial items											-5	-2
Profit before tax											12	11
<i>Significant income and expense items reported in the income statement:</i>												
Reversal of purchase consideration for previous years' acquisitions recognised as a liability	-	-	-	2	-	-	-	-	-	-	-	2
Acquisition-related cost	-	-	-	-	-	-	-	-	-1	-	-1	-
Average number of employees	57	46	69	86	24	20	122	-	9	8	281	160
Number of employees as per the balance sheet date	58	43	67	85	23	20	119	-	8	8	275	156

Summary consolidated segment reporting

SEK million	Sweden		Norway		Finland		Denmark		Group functions		Group	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
January-June												
Net sales, external	227	206	179	197	79	52	216	-	-	0	701	455
Net sales, intra-Group	22	16	2	0	1	-	50	-	-75	-16	-	-
Net sales	249	222	181	197	80	52	266	-	-75	-16	701	455
Operating expenses (excluding depreciation/amortisation and impairment), external	-202	-213	-152	-166	-39	-39	-246	-	-17	-16	-656	-434
Operating expenses, intra-Group	-29	-4	-14	-10	-32	-8	-3	-	78	22	-	-
Operating expenses (excluding depreciation/amortisation and impairment)	-231	-217	-166	-176	-71	-47	-249	-	61	6	-656	-434
Operating profit before amortisation, depreciation and impairment (EBITDA), undistributed	18	5	15	21	9	5	17	-	-14	-10	45	21
Depreciation/amortisation and impairment	-2	-1	-1	-1	-1	-1	-4	-	-3	-4	-11	-7
Operating profit, undistributed	16	4	14	20	8	4	13	-	-17	-14	34	14
Financial items											-9	-4
Profit before tax											25	10

Significant income and expense items reported in the income statement:

Provision, expenses for restructuring of operations	-	-10	-	-	-	-	-	-	-	-	-	-10
Reversal of purchase consideration for previous years' acquisitions recognised as a liability	-	-	-	2	-	-	-	-	-	-	-	2
Acquisition-related cost	-	-	-	-	-	-	-	-	-1	-	-1	-
Average number of employees	57	49	73	86	24	20	121	-	9	8	284	163
Number of employees as per the balance sheet date	58	43	67	85	23	20	119	-	8	8	275	156

Consolidated key figures

	Apr-Jun 2016	Apr-Jun 2015	Jan-Jun 2016	Jan-Jun 2015	Rolling 12-month	Full year 2015
Net sales growth, %	57.4	0.0	54.1	-1.9	55.9	27.6
Gross margin, %	36.5	45.7	36.9	44.2	37.5	40.5
EBITDA margin before non-recurring items, %	6.6	6.3	6.6	6.4	7.3	7.4
EBITDA margin, %	6.3	7.2	6.4	4.6	6.4	5.7
Operating profit before non-recurring items, %	5.1	4.9	5.0	4.8	5.7	5.8
Operating margin, %	4.8	5.8	4.9	3.1	4.8	4.1
Profit margin, %	3.4	4.9	3.6	2.2	3.8	3.3
Average capital employed, SEK million	1,215	939	1,217	939	1,082	1,074
Return on capital employed, %	1.4	1.4	2.8	1.5	6.4	4.6
Return on equity, %	1.2	1.6	2.5	1.5	9.5	8.1
Net debt, SEK million	298	155	298	155	298	258
Net debt/EBITDA, multiple					3.3	3.9
Net debt/equity ratio, multiple	0.3	0.2	0.3	0.2	0.3	0.3
Interest coverage ratio, multiple	3.4	6.5	3.8	3.5	4.6	4.9
Debt/equity ratio, %	55.1	63.5	55.1	63.5	55.1	56.4

Definitions

Midsona presents certain financial measures in this interim report that are not defined under IFRS. Midsona believes these measures provide valuable additional information for investors and the company's management as they allow the company's performance to be evaluated. As not all companies calculate financial measures in the same way, these are not always comparable with the measures used by other companies. These financial measures should therefore not be regarded as a replacement for those measures defined under IFRS. The table below sets out measures that are not defined under IFRS, unless otherwise specified.

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

Gross margin. Gross profit in relation to net sales.

EBITDA. Operating profit before amortisation/depreciation and impairment of tangible and intangible fixed assets.

EBITDA margin. EBITDA in relation to net sales.

Net sales growth. Net sales for the year less the preceding year's net sales in relation to the preceding year's net sales.

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

Net debt/EBITDA. Net debt in relation to operating profit before amortisation/depreciation and impairment of tangible and intangible fixed assets.

Net debt ratio. Net debt in relation to shareholders' equity.

Organic change. Year-on-year comparison figures, adjusted for translation effects

from consolidation and changes in structure.

Non-recurring items. One-off items, such as restructuring and impact of acquisitions.

Earnings per share¹. Profit for the period in relation to the average number of shares.

Interest coverage. Profit before tax plus interest expenses in relation to interest expenses.

Operating margin. Operating profit in relation to net sales.

Equity/assets ratio. Shareholders' equity at the end of the period in relation to total shareholders' equity and liabilities.

Capital employed. Total shareholders' equity and liabilities less non-interest-bearing liabilities and deferred tax liabilities.

Pay-out ratio. Proposed/approved dividend per share divided by earnings per share.

Profit margin. Profit before tax in relation to net sales.

For additional definitions, please refer to page 121 of the 2015 Annual Report.

¹ Financial measures defined under IFRS.

Sales channels

Pharmacies. Parties conducting retail trade of medicines and other special pharmaceutical preparations through shops and those conducting wholesale operations specialised in sales to parties conducting retail trade of medicines and other special pharmaceutical preparations.

FMCG retailers. Parties conducting retail trade of a wide range of household products through shops. The term refers to hypermarkets, supermarkets, discount stores, after-hours supermarkets and convenience stores.

E-commerce. Parties that primarily sell to consumers via the internet, through online stores or portals from which end consumers can have the ordered items delivered to their homes or other designated locations. This channel also includes Midsona's own online stores/websites where sales are made directly to consumers, and post-order sales, which are also made directly to consumers.

Healthfood retailers. Retailers specialised in health and personal care, mainly through shops and those conducting wholesale operations specialised in sales to retailers specialised in health and personal care.

Other specialist retailers. Other retailers, conducting sales mainly through shops. This channel includes sports and leisure shops, health clubs, perfume shops, baby shops, clothing shops and bakeries.

Other sales channel. Those who trade in ways other than those that can be classified under the other sales channels. This channel includes catering (hotels, restaurants, workplace canteens), therapists and contract manufacturing.

IFRS reconciliations, Group

EBITDA – operating profit before amortisation/depreciation and impairment of tangible and intangible fixed assets¹

SEK million	Apr–Jun 2016	Apr–Jun 2015	Jan–Jun 2016	Jan–Jun 2015	Rolling 12-month	Full year 2015
Operating profit/loss	17	13	34	14	68	48
Amortisation of intangible fixed assets	3	3	7	6	14	13
Depreciation of tangible fixed assets	2	0	4	1	9	6
EBITDA	22	16	45	21	91	67
Non-recurring items ²	1	-2	1	8	13	20
EBITDA, before non-recurring items	23	14	46	29	104	87

¹ There were no impairments of tangible fixed assets or intangible fixed assets in operating profit/loss for the respective period.

² Specification of non-recurring items.

SEK million	Apr–Jun 2016	Apr–Jun 2015	Jan–Jun 2016	Jan–Jun 2015	Rolling 12-month	Full year 2015
Restructuring costs	-	0	-	10	8	18
Reversal of purchase consideration for previous years' acquisitions recognised as a liability	-	-2	-	-2	-2	-4
Acquisition-related expenses	1	-	1	-	7	6
Total	1	-2	1	8	13	20

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

SEK million	30 June 2016	30 June 2015	31 Dec 2015
Non-current interest-bearing liabilities	337	148	250
Current interest-bearing liabilities	14	41	69
Cash and cash equivalents ¹	-53	-34	-61
Net debt	298	155	258

¹ There were no short-term investments equivalent to cash and cash equivalents at the end of the respective period

Capital employed – total shareholders' equity and liabilities less non-interest-bearing liabilities and deferred tax liabilities

SEK million	30 June 2016	30 June 2015	31 Dec 2015
Shareholders' equity and liabilities	1,611	1,160	1,555
Other non-current liabilities	-	-2	-
Deferred tax liabilities	-136	-79	-135
Accounts payable	-143	-93	-132
Other current liabilities	-24	-18	-31
Accrued expenses and deferred income	-70	-42	-61
Capital employed	1,238	926	1,196

Summary income statement, Parent Company

SEK million	Apr-Jun 2016	Apr-Jun 2015	Jan-Jun 2016	Jan-Jun 2015	Rolling 12-month	Full year 2015
Net sales	5	5	11	11	23	23
Selling expenses	0	0	0	0	0	0
Administrative expenses	-10	-8	-19	-17	-36	-34
Other operating income	2	0	3	1	6	4
Other operating expenses	-2	-1	-3	-2	-5	-4
Operating profit	-5	-4	-8	-7	-12	-11
Profit from participations in subsidiaries	-	-	0	0	39	39
Financial income	2	-1	6	4	7	5
Financial expenses	-3	-2	-5	-3	-18	-16
Profit after financial items	-6	-7	-7	-6	16	17
Allocations	-	-	-	-	-	-
Profit before tax	-6	-7	-7	-6	16	17
Tax on profit for the period	-	-	-	-	21	21
Profit for the period	-6	-7	-7	-6	37	38

Summary statement of comprehensive income, Parent Company

SEK million	Apr-Jun 2016	Apr-Jun 2015	Jan-Jun 2016	Jan-Jun 2015	Rolling 12-month	Full year 2015
Profit for the period	-6	-7	-7	-6	37	38
Other comprehensive income for the period	-	-	-	-	-	-
Comprehensive income for the period	-6	-7	-7	-6	37	38

Summary balance sheet, Parent Company

SEK million	30 June 2016	30 June 2015	31 December 2015
Intangible fixed assets	1	2	1
Tangible fixed assets	0	0	0
Participations in subsidiaries	790	481	790
Receivables from subsidiaries	248	251	186
Deferred tax assets	35	15	35
Financial fixed assets	1,073	747	1,011
Fixed assets	1,074	749	1,012
Receivables from subsidiaries	9	7	46
Other receivables	7	6	4
Cash and bank balances	-	-	5
Current assets	16	13	55
Assets	1,090	762	1,067
Share capital	569	455	569
Statutory reserve	57	57	57
Profit brought forward, including profit for the period and other reserves	54	44	92
Shareholders' equity	680	556	718
Liabilities to credit institutions	325	95	190
Liabilities to subsidiaries	-	1	0
Non-current liabilities	325	96	190
Liabilities to credit institutions	12	41	67
Liabilities to subsidiaries	63	60	85
Other current liabilities	10	9	7
Current liabilities	85	110	159
Shareholders' equity and liabilities	1,090	762	1,067

Financial calendar

2016

2017

AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT
		Interim Report January–September 2016 21 October 2016			Year-end Report 2016 8 February 2017			Interim Report January–March 2017 26 April 2017			Interim Report January–June 2017 21 July 2017			Interim Report January–September 2017 20 October 2017



This is Midsona

A Nordic company with strong brands

Midsona is one of the leading consumer goods companies in the Nordic region operating in a growing market for health and well-being. Our attractive product portfolio, with well-known products, focuses on making it easier for all people to make their own contribution to a healthier everyday life. The business model is based on strong brands with good market positions, innovation and an effective marketing and distribution structure. Midsona series A and B shares have been listed on the Nasdaq Stockholm exchange since 1999, in the FMCG sector.

Clear vision

Visionen är att bli det ledande bolaget inom hälsa och välbefinnande i Norden.

Clear strategies

- *Growth in priority brands* – We prioritise strong proprietary brands alongside a number of select licensed brands, which we are developing in our core markets of Sweden, Norway, Finland and Denmark.

- *Optimising the profitability of the product portfolio* – We analyse the brand portfolio continuously to enable us to focus on the brands that can deliver the best margins and to enable us to develop or phase out those deemed unable to achieve a satisfactory level of profitability.
- *New growth areas* – We invest actively in acquisitions, for example, to establish ourselves in new, adjacent product areas.
- *Efficient organisation* – We work actively to maintain an optimal organisation at all times and to reduce the Group's cost level.

Long-term financial targets

Long-term financial targets set by the Board of Directors of Midsona AB (publ) in the second quarter of 2013.

- Net sales growth of 10 percent through organic growth and acquisitions.
- Operating margin >10 percent.
- A ratio between net debt/operating profit before amortisation/depreciation of intangible and tangible fixed assets (EBITDA) of a multiple <2.
- A dividend over time of >30 percent of profit after tax.

Denna rapport finns även på svenska. The English version is a translation from Swedish. In case of discrepancy, the Swedish version shall prevail.



Eight priority brands

Midsona's operations are based on strong proprietary brands. Four of these play a very central role in the Group's growth and account for a large portion of sales. These are Urtekram, Friggs, Dalblads and Naturdiet. The Tri Tolonen, Supernature, Mygga and Miwana brands are also prioritised.



Urtekram

A leading brand in organic food and organically certified bodycare products, with a broad product portfolio, available primarily through supermarkets in the Nordic region.



Friggs

A broad health product brand with a clear food profile, which is mainly available in supermarkets in Sweden, Finland and Norway.



Dalblads

A series of sports-related products for those who exercise regularly, as well as elite athletes – sold primarily in supermarkets and by other specialist retailers in Sweden and Norway.



Naturdiet

A series of meal alternatives for a healthy lifestyle – sold mainly in supermarkets in Sweden, Finland and Norway. The products are full of vitamins and minerals that the body needs, but always have a low energy content.



Tri Tolonen

A series of high-quality dietary supplements, including vitamins, minerals and antioxidants – sold in supermarkets, healthfood shops and pharmacies in Finland.



Supernature

A brand in the areas of superfoods – simple foods from nature with a naturally high concentration of key nutrients. The products are primarily available through healthfood shops in Sweden and Norway.



Mygga

A mosquito repellent available in several variants to suit different needs and preferences. The products are sold primarily in pharmacies, supermarkets and other specialist retailers in Sweden and Norway.



Miwana

A series of natural products for the whole family for cold-related nose and throat problems – sold mainly through pharmacies in Sweden and Norway.

