Corporate presentation

September 2020

midsona

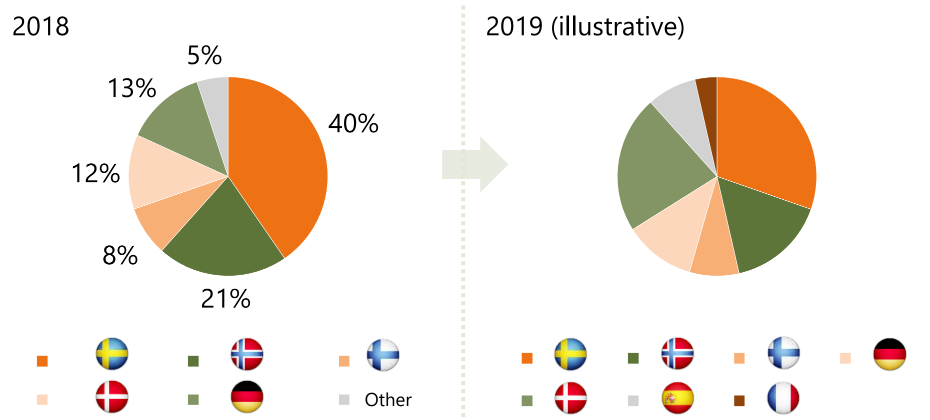
Introduction to Midsona

Midsona in brief

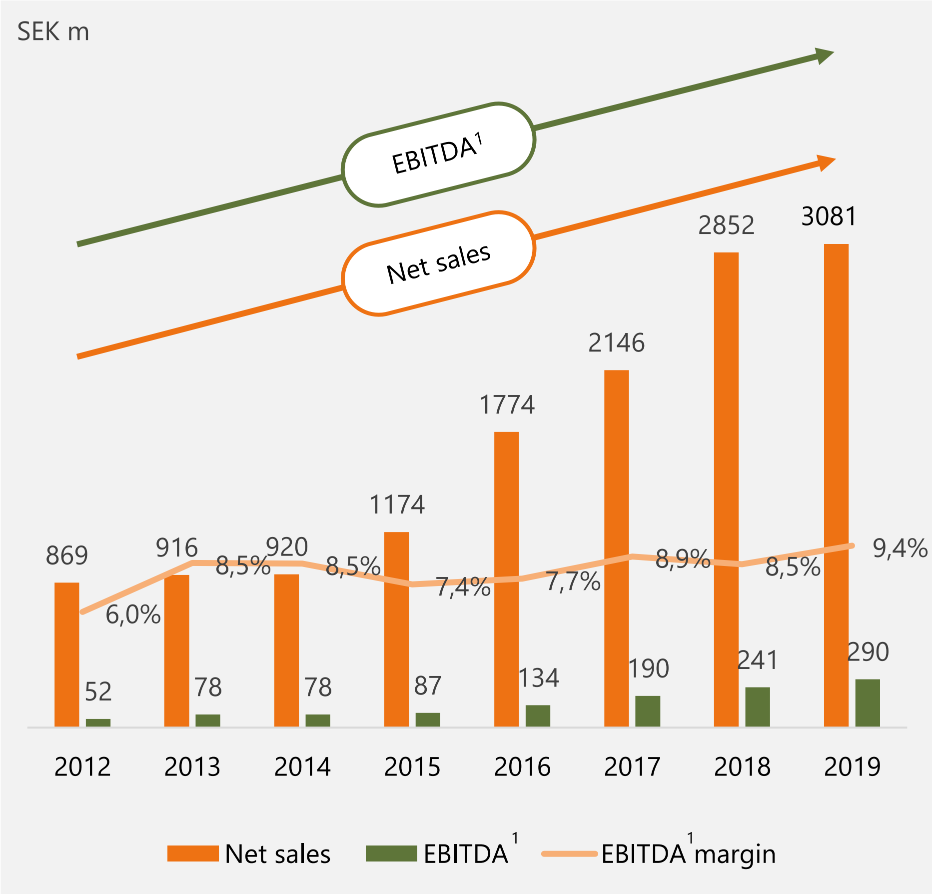
Overview of Midsona

- Midsona develops, produces and markets products that facilitate for people to live a healthier life
- The company is headquartered in Malmö, Sweden
- The group is a prominent consumer goods company within health and well-being in the Nordic region and has a vision to become a leader on the European market
- As of the end of 2019, Midsona had 721 employees
- Midsona is listed on Nasdaq Stockholm since 1999

Net sales distribution by geography



Financial development

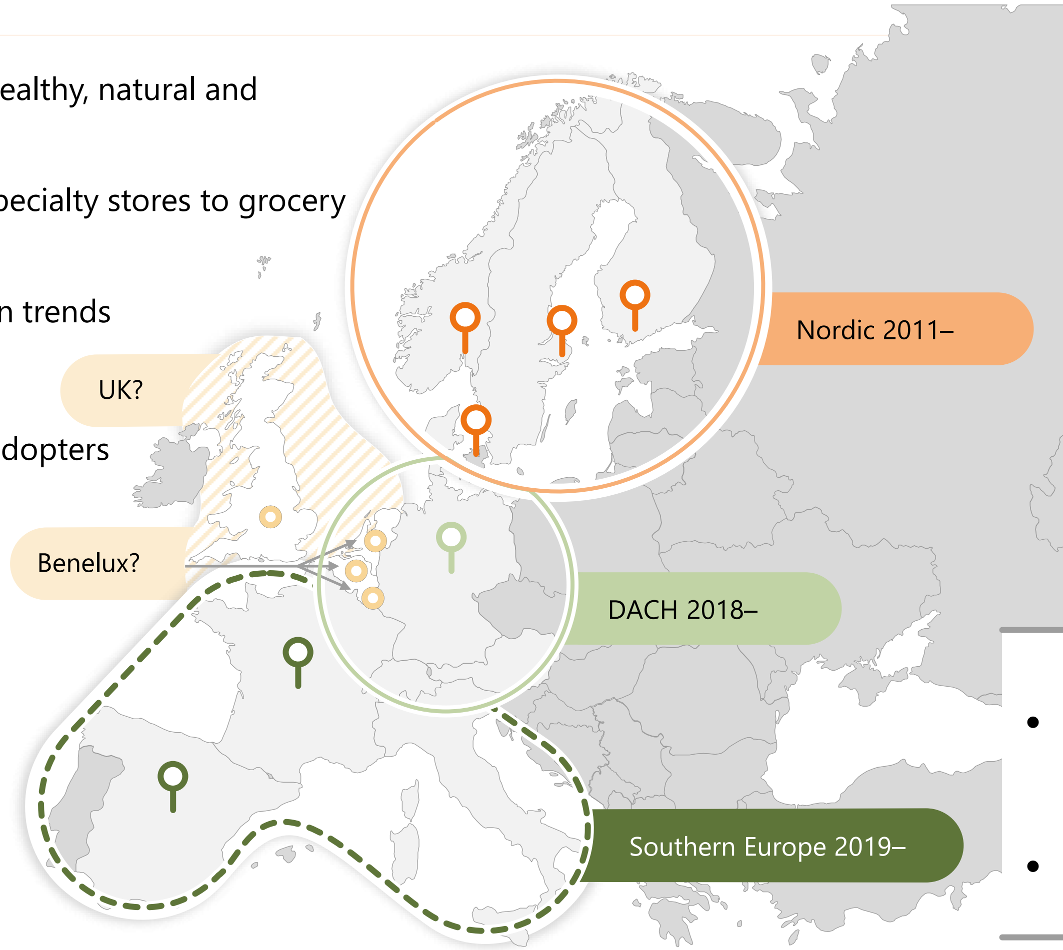


1) EBITDA before one off items.

Industry dynamics and the role of Midsona

Industry dynamics

- Strong positive trends for healthy, natural and organic products
- Move from sales through specialty stores to grocery stores
- Strong market consolidation trends
- Brands are local or national
- Nordic countries are early adopters



Midsona has consolidated the Nordic market

Through the acquisitions of Davert and Eisblümerl, Midsona has created a hub in Germany

Platform in Southern Europe in place through the acquisition of Alimentation Santé

Midsona has identified potential new hubs as well as possible add-on acquisitions

Hub & Spoke-structure

- Platform companies in attractive geographies enable add-on-acquisitions with further synergies and critical mass
- European synergies in innovation, product development and sourcing

Favourable underlying consumer trends

Strong consumer trends driving the demand for Midsona's products

1. Plant-based food

- Increasing share of the population in the Nordics and in Europe choose to eat plant-based food and say that they are flexitarians, vegetarians or vegans
- The trend is driven by increasing focus on health and sustainability

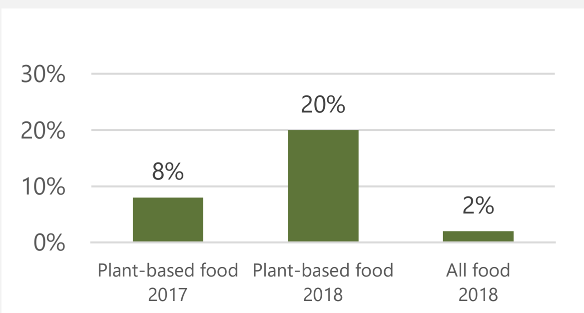
2. Organic food

- Organic food has a strong position in the Nordic region; Denmark was, in 2017, the first country with over 10 percent of groceries being organic
- Significant growth in demand for organic products worldwide

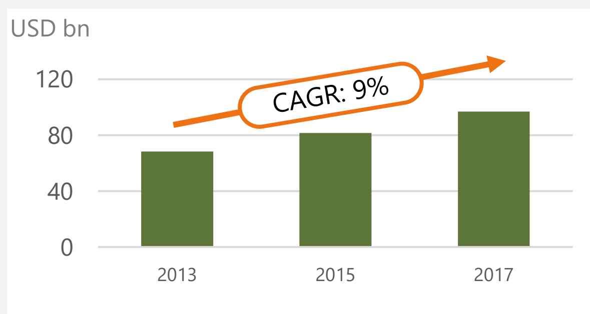
3. Health and convenience

- Consumers are increasingly taking a holistic approach to improve their health and wellness
- People increasingly prefer healthy meals but have less time for cooking, leading to a growing demand for convenient products such as sport nutrition

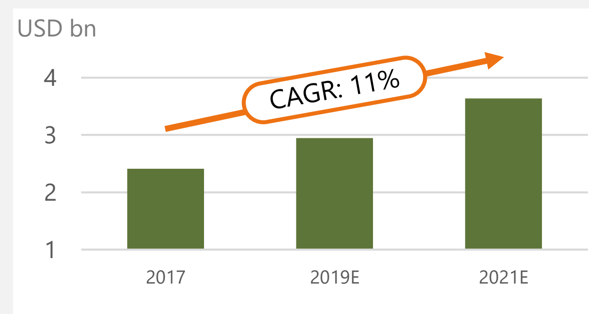
Total growth[1] of plant-based food in retail



Growing global market for organic products



Western European market for sport nutrition

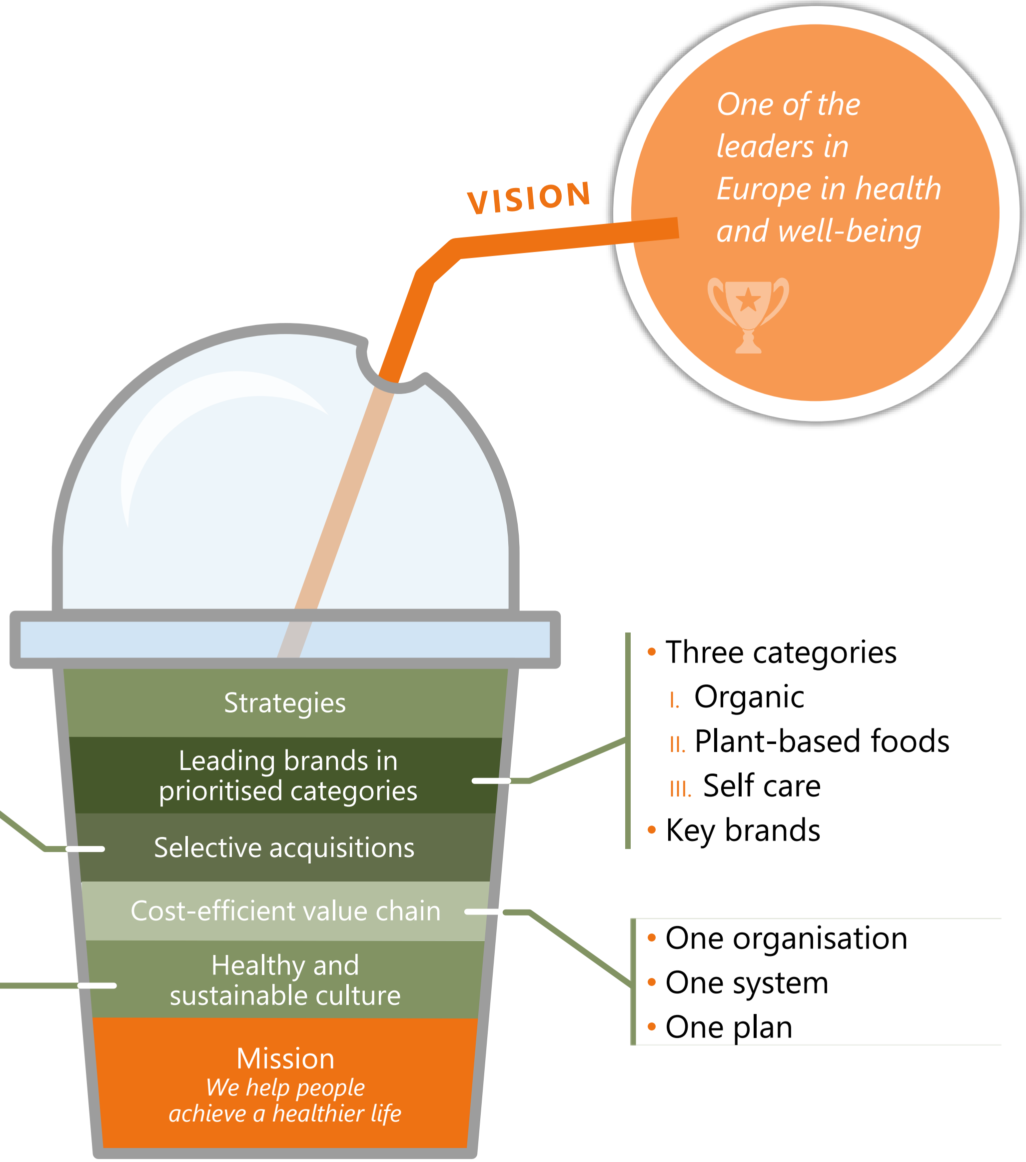


1) Based on y-o-y growth
Source: Nielsen Health Report (2018 and 2019), Euromonitor, Plant-based food association, "The world of organic agriculture 2019" and Midsona analysis.

The Midsona way

- Acquire/integrate
- Nordic platform
- European expansion

- Sustainable growth
  I. Organic products
  II. Health products
- Sustainability focus



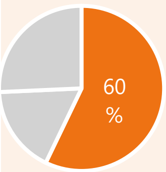
- Three categories
  I. Organic
  II. Plant-based foods
  III. Self care
- Key brands

- One organisation
- One system
- One plan

Midsona's product categories and prioritised brands

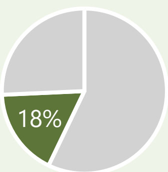
Product categories (2020 1st HY)

Organic products



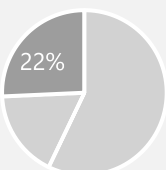
Happy Bio, Helios, Yogi Tea, Kung Markatta, Urtekram, Davert, Celnat, Vegetalia

Healthfoods products



Dalblads Sports Nutrition, gainomax, FRIGGS, naturdiet

Self care products



probi, Compeed, Floradix Blutsaft, Nature's Sunshine, Kan Jang, ESKIMO-3, Miwana, Esberitox

Overview of Midsona's ten prioritised brands

- Offers a wide range of organic food and hygiene products

- Leading organic brand in Sweden.

- Offers one of Germany's broadest assortments of selected organic products

- Leading position on the market in corn and rice cakes

- Offers high-quality products with omega such as fish oil

- Leading organic brand in Norway

- Leading organic brand to specialty stores in France

- Organic brand to the grocery trade in France and Spain

- Focuses on organic meat replacement alternatives

- Offers weight control products such as shakes, smoothies and bars

Midsona competitive edge I

Integrated supply chain for organic products with direct contacts to farmers and own production facilities

Saint Germain Laprade (2 production units)

Mariager (2 production units)

Ascheberg

Lauterhofen

Castellcir

Jerez

Vegetarian dry products (both process and packing)

Spreads

Plant based meal alternatives (veggie burgers and nuggets, tofu, tempeh and seitan)

Baby food

Beauty care

Own Brands – Food Service – Private Label

Midsona competitive edge II

Building market leading brands

No. 1

KUNG MARKATTA
EKOLOGISKT SEDAN 1983

URTEKRAM

URTEKRAM

HELIOS
SIDEN 1969

Midsona competitive edge III
Proven M&A model

Acquisition history

Year	Acquisition	Country	Category	EV / EBITDA (before synergies)	EV / EBITDA (after synergies)
2012	Nordsveen Ansvar for egen helse		Healthfoods / Self care	4.1x	3.2x
2012	DALBLADS Sports Nutrition		Healthfoods	5.0x	3.5x
2013	super.nature		Healthfoods	n.a.	3.1x
2013	elivo [1]		Self care	n.a.	n.a.
2014	SOMA		Organic	7.0x	7.0x
2015	URTEKRAM		Organic	9.3x	6.3x
2016	Kung Markatta, Helios [2]		Organic	10.1x	7.2x
2016	BIOPHARMA		Self care	n.a.	n.a.
2017	Bringwell		Self care	40.0x	4.2x
2018	DAVERT		Organic	9.7x	5.5x
2019	Eisblümerl Naturkost		Organic	4.6x	n.a.
2019	ekko gourmet		Organic	n.a.	n.a.
2019	Alimentation Santé		Organic	11.5x	8.2x
2020	gainomax [1]		Healthfoods		

M&A strategy

Midsona has a clear strategy for M&A with two main types of acquisition targets:

- **Add-on acquisitions**
  - Add critical mass to existing base
  - Multiples: >4–7x before synergies or 3–7x after synergies
- **Platform acquisitions**
  - Establish a base in a new geography or category
  - Multiples: higher multiples paid for platform acquisitions

1) Trademark Acquisition. 2) Internatural.

Significant opportunities for further European consolidation

Screening characteristics

Top 60 by size

- Typically well-established brands and good market positions in one or several countries
- Broad product portfolio or focused on specific sub-category/product group

Top 20 by attractiveness

- Companies ranked by attractiveness
  - Top 20 companies in Europe
  - Top 20 companies in focus countries
- Net sales of SEK 75–4,172 m depending on category

All potential targets

- Net sales varying (majority less than SEK 200 m)
- Broad product portfolio or focused on specific sub-category/product group
- From these, 5–10 potential bolt-on acquisitions identified for each focus country

Targets identified

	# top 60	*# total*
Germany	19	335
United Kingdom	8	153
France	5	83
Italy	17	132
Spain	1	70
Austria	1	39
The Netherlands	3	68
Switzerland	2	21
Belgium	0	33
Ireland	1	15
Other	3	49
Total	**60**	**998**

Acquisition of Alimentation Santé in 2019

Alimentation Santé in brief

- Alimentation Santé is specialised in plant-based meat alternatives and premium organic food products
- The company's products are 100% organic and include cereals, breakfast products, flour and plant-based meat alternatives such as veggie burgers and vegetable protein (i.e. tofu, seitan, tempeh)
- Alimentation Santé owns the subsidiaries Celnat in France and Vegetalia and Satoki in Spain
- The company employs a multi-channel distribution strategy, with strong positions in both organic specialty stores and conventional grocery stores
- By the end of 2018, the company had approximately 150 employees

State of the art production facilities

- Alimentation Santé has three production sites, one located in France and two in Spain
- Production of plant-based meat alternatives in Spain
- Production of all types of cereals in France

Overview of brands

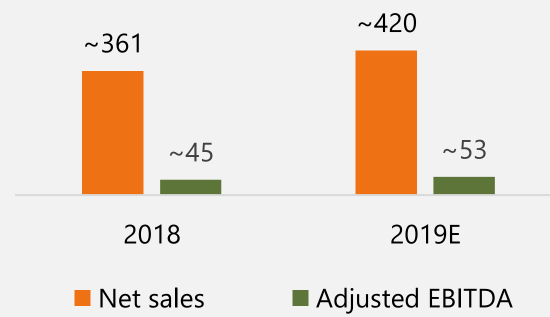
Vegetalia, Vegebaby, Celnat, Happy Bio, Happy Bio Veggie, toki

Product examples

Veggie-burger | Tempeh | Chia seeds | Cereals | Flour

Financial overview

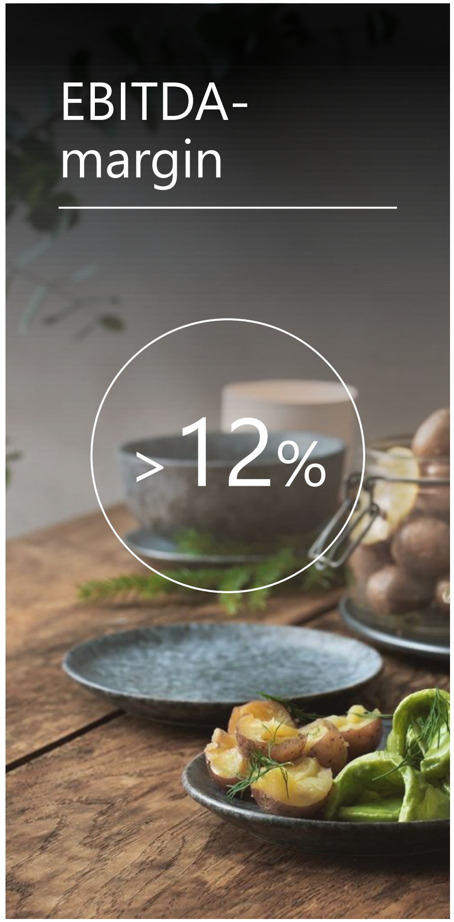
SEK m



Financial targets and dividend policy

>15%

Growth

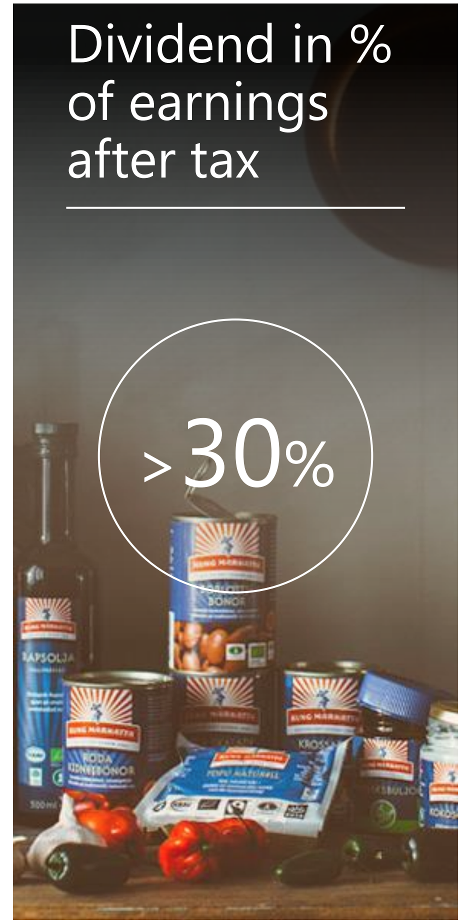


EBITDA-margin

>12%

<3–4x

Net debt/ EBITDA



Dividend in % of earnings after tax

>30%

Highlights Q2 and Outlook 2020

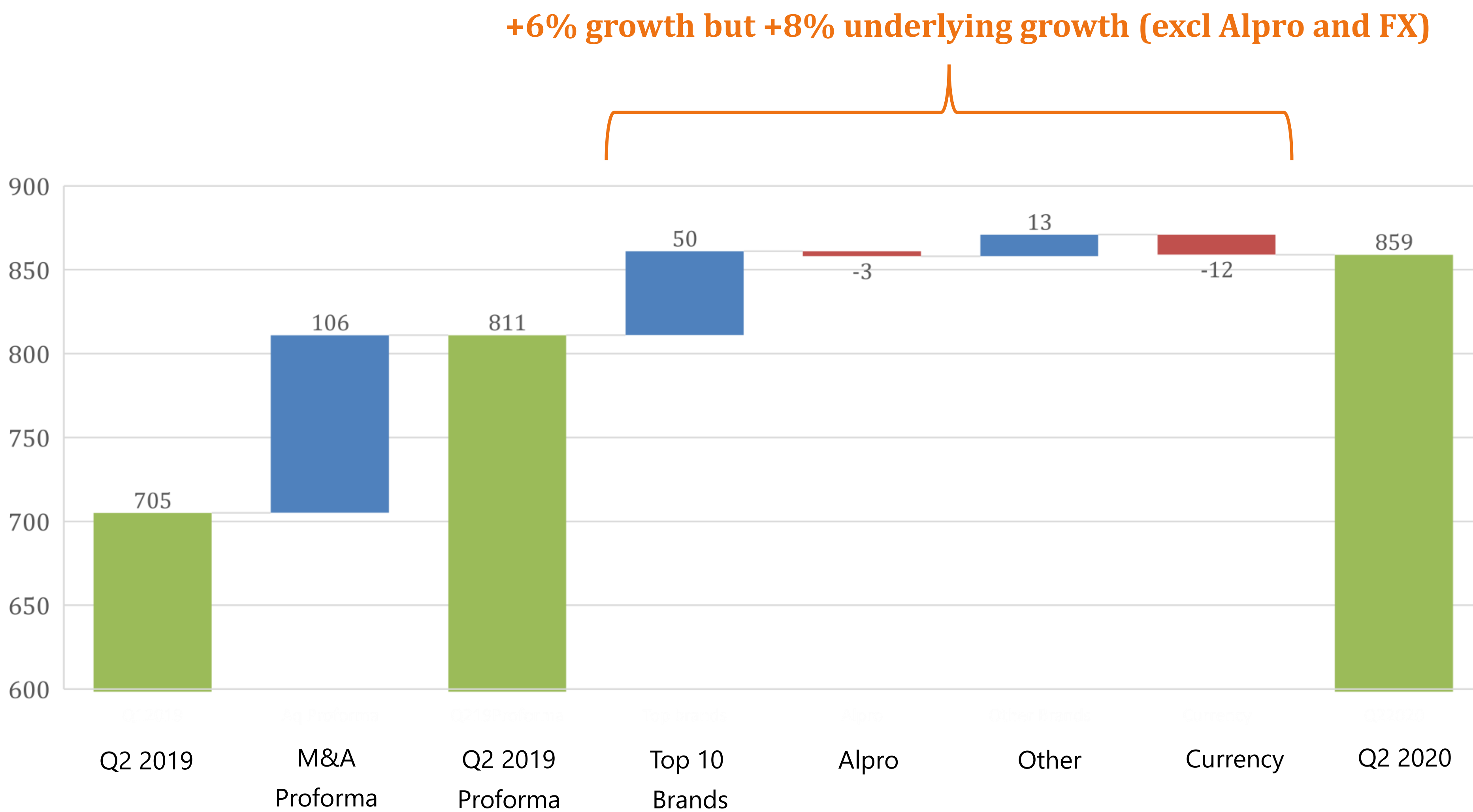
Q2 Highlights

Strong sales and profit development in special quarter

Net sales amounted to:	859 MSEK (705)
EBITDA before one off items amounted to:	97 MSEK (59)
Corresponding EBITDA-margin amounted to:	11,3% (8,4)
Net result amounted to	40 MSEK (23)
Cash flow from continued operations amounted to:	94 (46)

Revenue development Q2

Continued good underlying growth



Increased demand for our products in the wake of Covid-19

More home consumption and general interest in healthy, natural and organic products

Corn Cakes

Pulses and Lenses

Rice

Canned products

Baking

Natural remedies & Dietary supplements

Hand soap

Hand sanitizer

Step-changed growth for Happy Bio and Davert in Q2

Launches and new listings in the grocery trade in France, Spain and Germany

+84%

+38%

Continued M&A focus

Acquisition of brand Gainomax

- Strong iconic sports nutrition brand
- Nordic potential
- Asset deal: 60 MSEK
- Turn-over approx. 80 MSEK
- EBITDA-margin well in line with company average
- Closing Sep 1

Outlook 2020

Still major uncertainty considering future Covid-19 business impact

- Normalization of demand and supply
- Continued strong demand for dry organic products driven by general health trend
- Roll-out in the grocery trade in Germany, France and Spain.
- Efficiency and cost savings
- Continued M&A focus