

## **Midsona acquires Internatural, including the Kung Markatta (SE) and Helios (NO) brands, creating a Nordic leader within organic food**

- **The leading organic food brands Kung Markatta and Helios are an ideal complement to Midsona's organic Urtekram brand. Bringing these brands together under one umbrella enhances Midsona's ability to lead product innovation in the category for the benefit of its customers.**
- **The market for organic and plant-based food products has demonstrated strong growth, a trend that is expected to continue. This acquisition strengthens Midsona's presence in these attractive growth segments.**
- **The total purchase price of SEK 810 million, on a debt-free/cash-free basis, will be paid in cash upon closing.**
- **Midsona has financed the transaction with new acquisition financing and existing credit facilities and announces its plans to complete a rights issue later this year, possibly combined with other financing alternatives. Midsona's largest shareholder, Stena Adactum AB, has agreed to guarantee the new share issue.**

**Malmö, Sweden – July 5, 2016** – Midsona AB (publ) ("Midsona") and Priveq Investment are pleased to announce that they have signed an agreement whereby Midsona will acquire 100% of the outstanding shares of Internatural AB ("Internatural" or the "Company") from Priveq Investment Fund IV and minority shareholders.

Internatural is the holding entity of the operating companies Kung Markatta AB and Alma Norge AS. The Company is a leading independent distributor and marketer of organic, plant-based and other lifestyle food products in Sweden and Norway. Internatural has a strong portfolio of well recognized proprietary brands complemented by local and international third party brands.

The own brands, Kung Markatta in Sweden and Helios in Norway, are focused on the organic food segment where they have both been pioneers in their respective markets. The portfolio of third party brands includes market leaders such as Alpro, Yogi Tea and Green & Black's. In 2015 Internatural had sales of SEK 637 million, with 64% coming from Sweden and 36% from Norway. From 2013 to 2015 total sales grew at a compound annual growth rate of 20% and 2016 shows continued strong growth.

*"This transaction is Midsona's largest to date and further accelerates our ongoing journey into becoming the leader in health and well-being in the Nordic region. Following our acquisition of Urtekram one year ago, Internatural represents a perfect fit for Midsona and an exciting next step in our development. By combining these complementary regional market leaders, we see exciting opportunities to further the development of our product portfolio, our brands and our organization for the benefit of our customers, suppliers and consumers. The addition of Kung Markatta and Helios, together with Urtekram, provides Midsona with the market leading position within packaged organic food products in each of the countries that we are currently active in (Sweden, Denmark, Norway and Finland). We have been impressed by the Internatural team and are delighted to be welcoming them to Midsona",* says Peter Åsberg, CEO of Midsona.

*"I see Midsona as the ideal partner for Internatural in its continued growth and development. We have known Midsona for some time and have enjoyed a successful partnership in the Norwegian market. We are excited to be joining forces and look forward to a prosperous future together",* says Anders Dahlin, CEO of Internatural and Kung Markatta AB.

### **Financial Effects on Midsona**

The acquisition is expected to close today and will be incorporated into Midsona's financial results from the beginning of Q3. For the financial year 2015, Internatural achieved sales of SEK 637

million and EBITDA of SEK 65 million. For the current financial year, Midsona expects Internatural to achieve sales of approximately SEK 735 million and EBITDA of approximately SEK 85 million. Not taking into account any transaction-related costs, financial or synergy effects, the purchase price would represent a current year EV multiple of approximately 9.5x EBITDA. Internatural's strong profitability is anticipated to have an enhancing impact on Midsona's margins, supporting Midsona's development towards its EBIT target of >10%. Synergies are anticipated to be realized in areas such as procurement, logistics and production. During the coming years these synergies are expected to have an annual impact on EBITDA of approximately SEK 35 million, of which SEK 25 million are expected to be realized before the end of 2017.

### **Financing and Rights Issue**

Midsona has financed the transaction with a combination of a new acquisition financing facility from Danske Bank as well as existing credit facilities. Approximately half of the new acquisition facility is in the form of a bridge loan and Midsona plans to complete a share rights issue worth up to SEK 400 million later this year, possibly combined with other financing alternatives such as a bond issue. The proceeds from the rights issue will enable Midsona to maintain its financial ratios as well as to continue to pursue its growth objectives. Midsona's largest shareholder, Stena Adactum AB, has agreed to subscribe to its pro rata share of the rights issue as well as provide a guarantee for the remaining portion of the offering. Stena Adactum has received an exemption from the Swedish Securities Council from a potential mandatory bid which otherwise could arise in connection with Stena Adactum's subscription of shares in the rights issue. Further information to the stock market and shareholders of Midsona will be provided in due course as soon as appropriate.

### **Advisors**

Strata Advisory AB is acting as exclusive financial advisor to Midsona. Fredersen Advokatbyrå AB and Advokatfirmaet Haavind AS are legal advisers and Deloitte financial due diligence advisor to Midsona.

### **About Midsona**

Midsona holds a strong position in the Nordic market with strong own brands within health foods, personal care and hygiene. Midsona also sells a number of established international brands under license. Midsona's priority trademarks are: DALBLADS, FRIGGS, MIWANA, MYGGA, NATURDIET, SUPERNATURE, URTEKRAM and TRI TOLONEN. Midsona had annual sales of about SEK 1,292 million and EBITDA of SEK 95 million, excluding one-time items, on a rolling twelve months basis as of March 31, 2016. The Midsona share (MSON) is listed on NASDAQ OMX Stockholm, Small Cap. More information is available at [www.midsona.com](http://www.midsona.com)

### **About Internatural**

Through its subsidiaries, Kung Markatta AB and Alma Norge AS, Internatural offers one of the widest ranges of organic, plant based and lifestyle food products in Sweden and Norway. Under its own, award winning premium organic foods brands, Kung Markatta (Sweden) and Helios (Norway), the company offers approximately 200 products in each of its core markets. The Company also successfully distributes several other brands, for example Alpro, Yogi Tea, Green & Black's, Clipper and Getraw. The Company has over 70 employees located at its facilities in Örebro and Malmö in Sweden and Årnes in Norway. Sales in 2015 were SEK 637 million. More information is available at [www.kungmarkattaab.se](http://www.kungmarkattaab.se) and [www.alma.no](http://www.alma.no)

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The information provided in this press release is such that Midsona is required to disclose pursuant to the Market Abuse Regulation. This information was made public by Lennart Svensson at 08:30 CET on July 5, 2016.