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YEAR END REPORT

OCTOBER – DECEMBER 2022

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YEAR-END REPORT JANUARY – DECEMBER 2022

CONTINUED STRONG GROWTH AND A GOOD START IN 2023

Financial information

This is Humble Groups first consolidated financial statements prepared in accordance with International Financial Reporting Standards (IFRS). The effects of the transition on comprehensive income and equity can be found in *Note 12 – Effects of first-time adoption to IFRS*.

Fourth quarter

- Net sales amounted to 1 606 MSEK (854).
- EBITDA amounted to 143 MSEK (5).
- Adjusted EBITDA amounted to 179 MSEK (148).
- EBITA amounted to 119 MSEK (-1).
- Adjusted EBITA amounted to 155 MSEK (142).
- EBIT amounted to 63 MSEK (-36).
- Adjusted EBIT amounted to 99 MSEK (107).
- Adjusted EBIT per share amounted to 0,35 SEK (-0,44).
- Cash flow from operating activities amounted to 247 MSEK (111).
- Earnings per share before and after dilution amounted to –0,19 SEK (-0,35).

Twelve months

- Net sales amounted to 4 800 MSEK (1 486).
- EBITDA amounted to 504 MSEK (-39).
- Adjusted EBITDA amounted to 551 MSEK (235).
- EBITA amounted to 419 MSEK (-64).
- Adjusted EBITA amounted to 466 MSEK (210).
- EBIT amounted to 257 MSEK (-125).
- Adjusted EBIT amounted to 304 (149).
- Adjusted EBIT per share amounted to 1,11 SEK (0,81).
- Cash flow from operating activities amounted to 255 MSEK (85).
- Earnings per share before and after dilution amounted to –0,26 SEK (-1,18).

Significant events

During the fourth quarter

- Humble Group secures a new multicurrency revolving credit facility together with SEB and Nordea of a total MSEK 650, replacing the previous credit facility with SEB of MSEK 400.
- Humble Group receives decision to grant patent for EUREBA

After the quarter

- Humble announces conditional share purchase agreements regarding Privab Ystad, Privab Trollhättan and Privab Marketing.
- Humble obtains bondholders approval in written procedure to amend terms and conditions of its senior secured bonds.
- Humble change accounting principles to IFRS and RFR2.

Financial overview

	Fourth quarter			Twelve months		
MSEK	**2022**	**2021**	**2020**	**2022**	**2021**	**2020**
Net sales	1606	854	15	4 800	1486	29
Gross profit	478	265	2	1532	441	7
Gross margin	30%	31%	13%	32%	30%	24%
EBITDA	143	5	-20	504	-39	-30
Adjusted EBITDA	179	148	-6	551	235	-14
EBITA	119	-1	-20	419	-64	-31
Adjusted EBITA	155	142	-7	466	210	-15
EBIT	63	-36	-22	257	-125	-37
Adjusted EBIT	99	107	-9	304	149	-21
Adjusted EBIT per share	0,35	0,44	-0,07	1,11	0,81	-0,24
Earnings per share before dilution	-0,19	-0,35	-0,20	-0,26	-1,18	-0,45
Cash flow from operating activities	247	111	-6	255	85	-9

CONTINUED STRONG GROWTH AND A GOOD START IN 2023

I am proud to present that Humble Group is showing organic growth of 21% in the fourth quarter. This is much higher than the growth of the underlying FMCG market and shows that the demand for our healthy and sustainable products is both strong and sustainable. Net sales amounted to SEK 1,606 million (854) and, in addition to organic growth, our acquisitions contributed to a total sales increase of 67%. Adjusted EBITA amounted to SEK 152 million (142), with a margin in line with the previous quarter despite the volatile macro climate. In addition, we have had the ambition to strengthen the balance sheet by reducing working capital. During the quarter we achieved a positive operating cash flow of SEK 247 million (111) and reduced the net debt by SEK 121 million to SEK 2,306 million (1,610). In this quarterly report, as previously communicated, we have transitioned to reporting with IFRS accounting principles. Advantages from the switch include a higher degree of transparency in the group's reporting and is a big step towards a list change to Nasdaq Stockholm's main market. We have launched a new segment reporting to provide a clearer picture of the development within the group. We have also seen a strong start of the new year with an organic growth in January of over 20% and with increased profitability, despite difficult comparative figures. My assessment is that we are well prepared for 2023.

The fourth quarter is seasonally the group's most important period, with high sales and many decisive decisions to position our products for the coming year. We end in the same spirit as previous quarters with continued high organic growth and good profitability. The underlying gross margin has been stable, despite some negative impact of shipping costs and a weak SEK (consolidation effects of Privab negatively affected the gross margin by three percentage points). As previously communicated, we expect shipping costs to stabilize at lower levels during the year. The report presents our new segments Future Snacking, Quality Nutrition, Sustainable Care and Nordic Distribution. With the new segments, it clearer how we create value between our operations and shows the attractive position we have established in short time with Humble Group, both in the Nordics and internationally. It's gratifying to see how each of the segments have had an underlying average annual revenue growth of approx. 12% and an annual EBITDA increase of 17%, on a pro forma basis, since 2015. We have also noted that the subsidiaries are growing faster and with improved profitability once they have become part of the Humble Group.

Operational focus

During the fourth quarter, we have endured the positive effects from our focus on reducing working capital and strengthening profitability in our subsidiaries. This resulted in an operating cash flow of SEK 247 million (111), strengthened liquidity and reduced net debt by SEK 121 million. We expect high growth in 2023 as well, but we will continue to have a clear focus on strengthening cash flow and implementing strategic initiatives to reduce inventory levels and streamline the use of working capital. We are at an early stage of the group's optimization process and we are not yet satisfied. Hence, there is still additional potential to further improve profitability and the cash flow going forward.

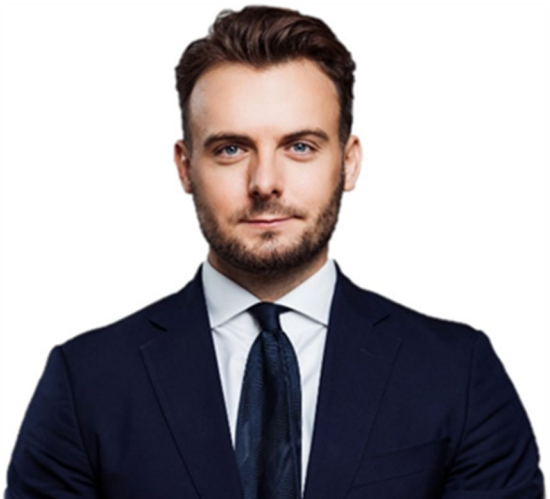
Acquisitions

During the quarter, we have signed binding agreements in relation to three new acquisitions, which we now can integrate with the already existing Privab units in the Nordic Distribution segment. In a short time, we have gained a strong position in the Swedish FMCG market, with an efficient and dynamic distribution of both listed and unlisted products to relevant segments and stores. Through this platform we can generate growth for both our existing and new brands. There are still many exciting companies to acquire and the interest to become part of the Humble Group has never been greater. While we will maintain a slower acquisition pace than the past two years, we intend to continue to grow with selective strategic acquisitions if the right opportunities arise. A slower environment will also enable us to acquire companies at lower valuation multiples.

Outlook

I feel great optimism for 2023 given all the projects and initiatives underway within the group. The year has started strong with organic growth in January of over 20% and improved profitability in many of the subsidiaries. In addition, the organization is imbued with wonderful energy and in a positive spirit, which imply that we are well equipped for the future. The journey towards building the leading FMCG company with a focus on healthy and sustainable products continues.

Simon Petrén
CEO Humble Group
Stockholm, February 22nd, 2023.



HUMBLE GROUP'S FINANCIAL DEVELOPMENT

This is Humble Groups first consolidated financial statements prepared in accordance with International Financial Reporting Standards (IFRS). The effects of the transition on comprehensive income and equity can be found in *Note 12 – Effects of first-time adoption to IFRS.*

FOURTH QUARTER

REVENUES

Net sales

Net sales for the quarter amounted to 1 606 MSEK (854), which is an increase of 88 % compared to the corresponding period last year. The change is attributable to completed business acquisitions and organic growth of 21 %. Organic growth was driven by increased sales volume, additional distribution, and minor price increases.

EXPENSES

Other external expenses

Other external expenses for the quarter amounted to -190 MSEK (-132), which corresponded to 12 % (-15 %) of total net sales. The large increase in freight costs noted during the first nine months and during 2021 has started to decline and come down to more normalised levels. Humble estimates that lower freight rates will have a positive impact on the profitability in the first half of 2023. Acquisition related costs for the quarter amounted to -10 MSEK (-33).

Personnel expenses

Personnel expenses for the quarter amounted to -196 MSEK (-170), which corresponded to 12 % (20 %) of total net sales. Personnel expenses was negatively impacted by employment-linked consideration (stay-on-bonuses and lock-in penalties) -13 MSEK (-85). Remaining increase is mainly explained by additional employees in the group through the acquired subsidiaries. For more details, please refer to *Note 5 Items affecting comparability.*

Depreciation and amortisation

Total depreciation and amortisation for the quarter amounted to -83 MSEK (-41), which corresponded to a change of 102 % compared with the corresponding period last year. Depreciation of right-of-use assets amounted to -14 MSEK (-9) for the quarter. Amortisation of intangible assets related from acquisitions, mainly customer relations, amounted to -46 MSEK (-25).

RESULTS

EBITA

EBITA for the quarter amounted to 119 MSEK (-1), which corresponded to a change of MSEK 120 compared with the corresponding period last year. The impact on EBITDA from IFRS 16 and leasing expenses amounted to 16 MSEK (9), which had a positive net effect on EBITA by 1 MSEK. Since the third quarter the freight transport prices from Asia have dropped significantly. However, the EBITA was still negatively impacted by high freight prices in the fourth quarter given that the new prices have yet to be fully normalised in the income statement. EBITA was also negatively impacted by items affecting comparability. For more details, please refer to *Note 5 Items affecting comparability.*

Earnings Before Interest and Tax (EBIT)

EBIT for the quarter amounted to 45 MSEK (-36), which corresponded to a change of 224 % compared with the corresponding period last year. Net effect from *IFRS 16 Leasing* to EBIT for the quarter amounted to 1,3 MSEK (0,5).

CASH FLOW

Cash flow from operating activities

Cash flow from operating activities amounted to 247 MSEK (3). Cash flow from operations was positively impacted by net working capital release of 63 MSEK (4). The group has initiated several strategic decisions in order to optimize the tie-up net working capital usage going forward.

FINANCIAL POSITION

Financial expenses

Interest expenses for the period amounted to -83 MSEK (-50). Of the total interest expenses, -52 MSEK (-33 MSEK) is related to bond financing, -20 MSEK (-15) is related to interest expense on contingent considerations, which is presented at fair value but have no cash effect until the actual consideration is being paid.

TWELVE MONTHS

REVENUES

Net sales

Net sales for the financial year amounted to 4 800 MSEK (1 486), which is an increase of 223 % compared to the corresponding period last year. The change is attributable to business acquisitions and organic growth of 29 %. Organic growth was driven by increased international expansion, additional distribution, higher sales volumes and minor price increases.

EXPENSES

Other external expenses

Other external expenses for the period amounted to -644 MSEK (-237), which corresponded to 13 % (16 %) of net sales. The freight costs for the financial year remained at high levels which continue to have a negative impact on the Group's profitability. Management have started to see a decline in global freight rates which is estimated to contribute positive to the overall profitability during 2023. Acquisition related costs for the full year amounted to -39 MSEK (-65).

Personnel expenses

Personnel expenses for the period amounted to -625 MSEK (-323), which corresponded to 13 % (22 %) of total net sales. Personnel expenses was negatively impacted by employment-linked consideration (stay-on-bonuses and lock-in penalties) of total -72 MSEK (-159). Remaining increase is mainly explained by additional employees in the group through the acquired subsidiaries. For more details, please refer to *Note 5 Items affecting comparability.*

Depreciation and amortisation

Total depreciation and amortisation for the period amounted to - 247 MSEK (-85), which corresponded to a change of 191 % compared with the corresponding period last year. Most of the amortisation relates to intangible assets related to acquisitions which amounted to -128 MSEK (-46) for the period. Amortisations of intangible assets related to acquisitions do not have any negative impact on the Group's cash flow.

RESULTS

EBITA

EBITA for the period amounted to 419 MSEK (-64), which corresponded to a change of 756 % compared with the corresponding period last year. During the 2022 the freight prices has been significantly higher than 2021. Since the beginning of Q3 there has been a major drop in the prices from Asia. However, the EBITA was still negatively impacted by high freight prices in the first three quarters, starting to lower in the fourth quarter and have yet to be fully normalised in the income statement. EBITA was also negatively impacted by items affecting comparability, see *Note 5 Items affecting comparability* for further details.

Earnings Before Interest and Tax (EBIT)

EBIT for the period amounted to 257 MSEK (-125), which corresponded to a change of 306 % compared with the corresponding period last year. Net effect from *IFRS 16 Leasing* to EBIT for the period amounted to 2 MSEK (1).

CASH FLOW

Cash flow from operating activities

Cash flow from operating activities during the period amounted to 255 MSEK (85). The cash flow from net working capital was negatively impacted by a large increase in inventory levels. This has been a strategic decision in order to secure and maintain proper stock levels and avoid disruptions in the supply chain. Interest related to the bond is reported in the financing activities to better reflect the cash flow from operating activities.

FINANCIAL POSITION

Financial expenses

Financial expenses for the period amounted to -265 MSEK (-96), which corresponded to a change of 177 % compared with the corresponding period last year. Of the total interest expenses, -165 MSEK (-66) is related to bond financing, -61 MSEK (-8) is related to interest expense on contingent considerations, which is presented at fair value but have no cash effect until the actual consideration is being paid.

Net interest-bearing debt

Net interest-bearing debt at the end of the year amounted to 2 306 MSEK (1 610). In relation to Adjusted EBITDA proforma of 691 MSEK, this corresponds to a leverage of 3.3x.

SEGMENT REPORT - FUTURE SNACKING

Segment overview

Future Snacking strives to offer cutting edge, healthier and sustainable food & snacking products that challenge traditional foods and snacks. Our Future Snacking companies are driven by the passion for innovative concepts and aim to contribute to a more sustainable consumer society where health and well-being is at the centre without compromising taste, quality or feel.

Humble Groups functional food and "Better-for-you" products include sugar- and calorie reduced, vegan and vitamin enriched products that benefit the consumer. Global megatrends with shifting demographics, changing lifestyles, the food industry environmental impact, politics and digitalisation drive the shift in consumer awareness and behaviours. Humble Groups mission is clear, to become the frontrunner in delivering high-quality food & snacking products that align with the future consumers demands.

Brands

The operating segment Future Snacking consists of a number of food and snacking brands with high innovation power and vision to provide cutting edge, healthier and more sustainable candy products, foods and snacks for the everyday consumer. Each brand within the segment is a pioneer in its own unique niche and is committed to produce and distribute high-quality "better-for-you" products that are both tasty and nutritious. With the increasing consumer awareness for health benefits of functional foods and higher demand for healthier snacking options, Future Snacking's brands are well-positioned for high growth in the coming years. This growth trajectory is in line with the segment's strong performance in the past few years.

Production

Furthermore, Future Snacking also comprises various candy, confectionary and snacking producers that manufacture top-quality products for the Group's various brands. Due to the close partnerships between our manufacturers and brands, Humble Group's subsidiaries are able to quickly and easily respond to shifting consumer demands.

Sales and Profitability

Net sales for the Future Snacking segment amounted to 213 MSEK during the quarter, an increase of 78 % compared to the corresponding period last year. The growth among the brands in the segment was mainly driven by new product launches and innovations as well as international and domestic expansion of existing brands. Moreover, the brands have gained stronger distribution with retailers thanks to partnership with the Nordic Distribution segment. The production companies have expanded their product offering with their own brands and via additional contract manufacturing to external parties. They have also maintained higher capacity utilization and where several of the Humble-brands have brought the production inhouse to group subsidiaries. A company highlight is Pändy, which has sustained significant growth throughout the full 2022 and turned from a negative EBIT to positive, with great outlook for 2023. EBIT for the quarter amounted to 45 MSEK (-1 MSEK), with an EBIT margin of 21 % (-1%), which was negatively impacted by higher freight prices, raw material volatility and delay in price increases.

For further financial information of the group, refer to *Note 8 Segment information and disclosure of revenue.* Companies included in the segment can be found in *Note 9 Business combinations.*

	Fourth quarter			Twelve months		
MSEK	2022	2021	2020	2022	2021	2020
Net sales	213	119	33	733	260	29
Raw material and consumables	-107	-63	-27	-417	-162	-22
Gross profit	**106**	**56**	**6**	**316**	**98**	**7**
Gross margin	*50%*	*47%*	*18%*	*43%*	*38%*	*24%*
EBITDA	**48**	**3**	**-16**	**162**	**2**	**-30**
EBITDA in relation to net sales	*23%*	*3%*	*-48%*	*22%*	*1%*	*-103%*
EBIT	**45**	**-1**	**-18**	**85**	**5**	**-31**
EBIT in relation to net sales	*21%*	*-1%*	*-55%*	*12%*	*2%*	*-107%*

SEGMENT REPORT - SUSTAINABLE CARE

Segment overview

Sustainable Care consists of a diverse range of brands, distributors and producers of personal-care and household products. Their categories encompass skincare, oral care, haircare as well as hygiene products, among others. The companies in the segment are committed to meet the growing demand for sustainable and eco-friendly products and by doing so, contribute to an environmentally sound planet.

As for all companies within Humble Group, there is a strong commitment to innovation in order to contribute to a more sustainable future. By exploring new materials and production methods to further reduce environmental impact, while improving quality and appeal to consumers, Sustainable Care is a core segment that symbolizes Humble Group's mission to create the best modern products for healthy people on a healthy planet.

Each company brings unique strengths and capabilities to the Sustainable Care segment, which helps to create a more robust and sustainable value chain. The broad product portfolio combined with the importance of many of the products that i.e. The Humble Co. and Naty provide gives a natural reduction in the risk of shifts in consumer preferences. The manufacturers within Sustainable Care play an important role in ensuring product quality and consistency, thereby creating and maintaining trust with consumers that all products are safe, effective and have a high standard of quality.

The distributors help both Humble Group brands as well as external customers in expanding their reach to new markets and broadening their customer base. The combined efforts of our brands, manufacturers and distributors within Sustainable Care create a more resilient value chain that is better at meeting changing consumer demands while striving for a more sustainable planet.

Sales and Profitability

Net sales for the Sustainable Care segment amounted to 547 MSEK during the quarter, an increase of 54 % compared to the corresponding period last year. The growth among the brands was mainly line extensions and improved distribution in existing markets. Some of the brands have started to gain additional distribution through partnering with subsidiaries in the Nordic Distribution segments, the full potential here is far from materialized. The production companies have expanded their product offering with new innovations and where several investments have been made in order to secure additional growth and production capabilities. A company highlight is Solent Group, which have driven high organic growth as well as a maintaining high levels of profitability, with a solid growth plan for the coming years. EBIT for the quarter amounted to 64 MSEK (1 MSEK), with an EBIT margin of 12 % (1 %), which was negatively impacted by higher freight prices from Asia, weak SEK and GBP, restructuring cost related to the Naty factory move as well as raw material volatility.

For further financial information of the group, refer to *Note 8 Segment information and disclosure of revenue.* Companies included in the segment can be found in *Note 9 Business combinations.*

	Fourth quarter			Twelve months		
MSEK	**2022**	**2021**	**2020**	**2022**	**2021**	**2020**
Net sales	547	355	0	1845	504	0
Raw material and consumables	-364	-182	0	-1 171	-320	0
Gross profit	**183**	**173**	**0**	**674**	**184**	**0**
Gross margin	*33%*	*49%*		*37%*	*37%*	
EBITDA	**77**	**-52**	**0**	**225**	**-45**	**0**
EBITDA in relation to net sales	*14%*	*-15%*		*12%*	*-9%*	
EBIT	**64**	**3**	**0**	**124**	**-112**	**0**
EBIT in relation to net sales	*12%*	*1%*		*7%*	*-22%*	

SEGMENT REPORT - QUALITY NUTRITION

Segment overview

Quality Nutrition comprises has both brands and manufacturers of sports nutrition and ingredients. These subsidiaries are devoted to providing top-quality nutrition products and supplements that are designed to help both athletes and ordinary consumers increase performance and health in their daily lives. With the help of their research and development functions they create continuously improved products while maintaining a strong focus on sustainability. The Quality and Nutrition segment is poised to take advantage of the growing demand for sport nutrition products, while contributing to a healthier and more sustainable future. The brands included in Quality and Nutrition have a large reach, with Body Science covering primarily Australia, Viterna and Vitargo covering the Nordic region, and Rainforest Foods and Greens Origins primarily covering the UK.

Production capabilities

The Quality Nutrition segment aims to service in-house brands as well as contract manufacturing services for external brands and concepts. The Nordic production capabilities across the segment includes fillings and capsules, powders and flavouring, gels and sachets, nutrition bars & granolas as well as superfood blends.

There are additional growth opportunities within the Quality Nutrition segment and is expected to grow by further improving its product offering to B2B clients.

Sales and Profitability

Net sales for the Quality Nutrition Care segment amounted to 339 MSEK during the quarter, an increase of 213 % compared to the corresponding period last year. The growth among the brands is mainly attributed to BodyScience, which has had a fantastic start from becoming part of the group in august 2022. The company has grown significantly through new innovations, additional channel segments and higher distribution. The other brands in the segments have sustained strong growth through additional distribution and launches of new products as well as cooperation with the Nordic Distribution segment. The production facilities have been gathered in a group initiative "Arena Nutrition" where we on a group level are able to supply our biggest customers with a full range assortment of high quality and well tasting products. With Ewalco taking on the leading flag, we believe it will be a driver of organic growth in the coming years. EBIT for the quarter amounted to 4 MSEK (4 MSEK), with an EBIT margin of 1 % (4%), which was slightly negatively impacted by the high raw material prices and FX impact, but where the companies have managed to transfer the majority downstream in the value chain.

For further financial information of the group, refer to *Note 8 Segment information and disclosure of revenue.* Companies included in the segment can be found in *Note 9 Business combinations.*

	Fourth quarter			Twelve months		
MSEK	2022	2021	2020	2022	2021	2020
Net sales	339	108	0	965	257	0
Raw material and consumables	-232	-84	0	-700	-194	0
Gross profit	**107**	**24**	**0**	**265**	**63**	**0**
Gross margin	*32%*	*22%*		*27%*	*25%*	
EBITDA	**11**	**34**	**-1**	**104**	**10**	**0**
EBITDA in relation to net sales	*3%*	*31%*		*11%*	*4%*	
EBIT	**4**	**4**	**-2**	**57**	**-1**	**0**
EBIT in relation to net sales	*1%*	*4%*		*6%*	*0%*	

SEGMENT REPORT - NORDIC DISTRIBUTION

Segment overview

Since the inception of Humble Groups journey, the core strategy has been to cover the full value chain including distribution. The Nordic Distribution segment encompasses a network of wholesalers and distributors located in the Nordic region. The companies within Nordic Distribution have a deep understanding of local markets and consumer preferences. By leveraging the strengths of these local partners, Humble Group is able to offer a comprehensive range of FMCG products that cater to the diverse preferences in the Nordic region.

Moreover, the Nordic Distribution segment also provides value-adding services such as logistics and supply chain management for the Group. These services help to streamline and strengthen the distribution process, ensuring that products reach customers in an efficient manner.

The segment is expected to grow and achieve margin expansion through a more centralised distribution arm on which Humble Group can benefit from greater purchasing power, reduced cost and overheads through the establishment of a smarter and more collaborative suborganization, efficient cross-promotion efforts and structuring of strategic logistical hubs.

During Q4 2022, Humble Group signed legally binding agreements to acquire 100% of the shares in Privab Ystad and Privab Trollhättan, as well as the market company Privab Grossisterna AB. The legally binding agreements include a condition in which Humble Group will continue collaboration with the remaining operating wholesalers Privab Visby and Privab Umeå.

Sales and Profitability

Net sales for the Nordic Distribution segment amounted to 506 MSEK during the quarter, an increase of 184 % compared to the corresponding period last year. The growth can be seen in all of the companies across the segment, increasing volume and adding new products to the stores and channels. Additionally, many of the subsidiaries have incorporated the portfolio of other Humble subsidiary brands, driving additional growth via group synergies. The EBITA-margin has been lowering in many of the companies due to high price volatility and freight prices, which has but pressure on the profitability. The companies see strong potential to recover the margin in the coming years to normalized levels pre-2022. EBIT for the quarter amounted to 15 MSEK (28 MSEK), with an EBIT margin of 2 % (1 %), which was slightly negatively impacted by the high raw material prices and FX impact, but where the companies have managed to transfer the majority downstream in the value chain.

For further financial information of the group, refer to *Note 8 Segment information and disclosure of revenue.* Companies included in the segment can be found in *Note 9 Business combinations.*

	Fourth quarter			Twelve months		
MSEK	2022	2021	2020	2022	2021	2020
Net sales	506	178	0	1257	465	0
Raw material and consumables	-397	-136	0	-981	-369	0
Gross profit	**109**	**42**	**0**	**276**	**96**	**0**
Gross margin	*22%*	*24%*		*22%*	*21%*	
EBITDA	**15**	**28**	**0**	**52**	**12**	**0**
EBITDA in relation to net sales	*3%*	*16%*		*4%*	*3%*	
EBIT	**12**	**2**	**0**	**29**	**1**	**0**
EBIT in relation to net sales	*2%*	*1%*		*2%*	*0%*	

OTHER INFORMATION

ABOUT HUMBLE GROUP

Humble Group is a leading FMCG Group with a focus on health and well-being. The Group comprises 42 operating entities at the day of this report. Humble Group has set financial targets that the Group shall reach 16 billion SEK in net sales proforma and 1.9 billion SEK in Adjusted EBITA proforma by the end of 2025. The company has an organic growth target at minimum 15% year over year and a NIBD / Adjusted EBITDA proforma below 2.5x.

Read more about the Group and its composition on www.humblegroup.se

STAFF AND NUMBER OF EMPLOYEES

On Group level

At the end of the reporting period, the number of employees in the Group was 1 007 (654). The number of full-time positions (FTE) corresponded to 949 (610) employees for the period. The proportion of women in the Group for the quarter was 48% (48%).

Parent company

The number of employees in the Parent Company was 18 (14), with 20% (29%) being women at the end of the reporting period.

RISKS AND UNCERTAINTIES

Humble Group works continuously to identify, evaluate, and manage risks and exposures that the Group companies face. The Group's financial position and earnings are affected by various risk factors that must be considered when assessing the company and its future earnings. The primary risks that are deemed to be relevant to the Group are described in *Note 11 Financial risk management.* A description of significant risks and uncertainties can be found in the Annual Report for 2021. There has been no material change in material risks and uncertainties since the annual report was published.

PARENT COMPANY

In June and August 2022, Humble Group successfully issued subsequent bonds of total MSEK 300 under the company's existing senior secured bond loan 2021/2025 with a total framework of MSEK 1 500.

During the fourth quarter, the parent company secured a new multicurrency revolving credit facility together with SEB and Nordea of a total MSEK 650, replacing the previous credit facility with SEB of MSEK 400.

For the full year, significant events in the parent company during the year relates to subsequent issuance of bonds of MSEK 300. Significant acquisitions were Go Superfoods Ltd, LEV Group, Body Science International Pty Ltd and Privab Nässjö amongst others. No acquisitions were completed during the fourth quarters 2022.

BUSINESS MARKET CONDITION UPDATE

Humble Group does not have any exposures towards neither Russia nor Ukraine. The increasing raw material prices are monitored closely, in order to enable transition of price increases to customers in all material aspects and to remain stable operative margins. Management believes that the overall impact from Covid-19 has been limited in 2022 and made the assessment that the future risks from Covid-19 are limited.

During the 2022 the group has had extraordinarily high freight prices. In the third quarter the prices have dropped significantly, which will be normalized and impacted in the income statement in full from Q3 2023.

The group has significantly higher amount of purchase goods of raw materials and finished goods in USD and EUR, compared to the majority of the sales which are in SEK and GBP. Hence, the group has had a negative impact on the gross margin and profitability due to the FX impact in 2022. The SEK/USD has gone down significantly since Q3, which at current levels will potentially impact the profitability of the group positively going forward.

PROPOSED APPROPRIATION OF PROFITS

The Board of Directors proposes that no dividend will be paid for the financial year 2022.

FINANCIAL CALENDAR

The interim report for the period January-March 2023 will be published on May 4, 2023.

The annual report will be published on April 5, 2023, and the Annual General Meeting is scheduled to May 19, 2023.

For financial reports and calendar, see more detailed information on our website www.humblegroup.se

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AUDITORS

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THE SHARE

THE SHARE

The company's share with ticker HUMBLE has been listed on Nasdaq First North Growth Market since 12 November 2014.

NUMBER OF SHARES

At the end of the reporting period, the total number of shares was 301 274 580 (246 977 667), which entitles to one vote each. All shares are of the same share class. The number of outstanding warrants amounted to 3 320 000. For the period October - December 2022, the average number of shares and number of shares after dilution amounted to 301 274 580 and 304 594 580 respectively.

TRADE IN THE SHARE

Fourth quarter

The total liquidity in the share during the fourth quarter amounted to 1 018 MSEK (2 513). The number of transactions for the same period amounted to 89 659 (147 854). The average volume per transaction amounted to 11 357 SEK (16 996). The average volume per trading day amounted to 16 MSEK (39).

LARGEST SHAREHOLDERS

The ten largest shareholders per 31 December 2022 are listed below:

Owner	Shares	Votes
Håkan Roos (RoosGruppen AB)	31 386 020	10,42%
Noel Abdayem (NCPA Holding AB)	27 596 087	9,16%
Neudi & C:o AB	17 979 647	5,97%
Avanza Pension	17 171 712	5,70%
Thomas Petrén (Seved Invest AB)	12 570 000	4,17%
Capital Group	11 368 627	3,77%
Futur Pension	7 610 869	2,53%
Creades AB	7 026 870	2,33%
Caldas Capital	6 572 129	2,18%
Simon Petrén	6 176 200	2,05%
Total top 10	**145 458 161**	**48,28%**
Other shareholders	155 816 419	51,72%
Total number of shares	**301 274 580**	**100%**

DATA PER SHARE

An overview of share development, turnover and result per share is presented below.

	Fourth quarter			Twelve months		
	2022	2021	2020	2022	2021	2020
Low price (SEK)	7,65	22,40	6,73	9,01	12,60	1,05
High price (SEK)	12,61	33,85	16,30	28,85	33,85	16,30
Closing price previous period (SEK)	9,23	23,10	8,07	28,00	14,96	1,39
Closing price current period (SEK)	9,77	28,00	14,96	9,23	28,00	14,96
Share price development during period (%)	6%	21%	85%	-67%	87%	980%
Trading volume in the share (MSEK)	1 018	2 513	543	4 223	7 226	1 162
Number of transactions in the share	89 659	147 854	47 324	347 133	468 850	121 331
Average volume per trading day (MSEK)	15,91	39,27	8,62	16,69	28,56	4,61
Average volume per transaction (SEK)	11 357	16 996	11 474	12 166	15 412	9 580
Number of shareholders	24 080	21 615	6 678	24 080	21 615	6 678
Number of shares before dilution	301 274 580	246 977 667	122 233 439	301 274 580	246 977 667	122 233 439
Number of shares after dilution	304 594 580	248 463 383	123 568 862	304 594 580	248 463 383	123 233 439
Average number of shares	284 151 901	244 776 600	114 798 656	274 101 632	184 674 884	85 078 415
Net sales per share*	5,65	3,49	0,13	17,51	8,05	0,35
EBITA per share*	0,42	0,00	-0,18	1,53	-0,35	-0,36
Adjusted EBITA per share*	0,54	0,58	-0,06	1,70	1,14	-0,17
EBIT per share*	0,22	-0,15	-0,19	0,94	-0,68	-0,43
Earnings per share*	-0,19	-0,35	-0,20	-0,26	-1,18	-0,45

* SEK before dilution

GROUP INCOME STATEMENT

		Fourth quarter			Twelve months		
Amount in MSEK	*Note*	2022	2021	2020	2022	2021	2020
Net sales		**1 606**	**854**	**15**	**4 800**	**1 486**	**29**
Capitalised work on own account		24	34	1	85	46	4
Other operating income		67	18	1	259	49	3
Raw materials and consumables		-1 128	-589	-13	-3 268	-1 045	-22
Other external expenses		-190	-132	-14	-644	-237	-27
Personnel expenses		-196	-170	-5	-625	-323	-12
Other operating expenses		-41	-10	-4	-103	-16	-5
EBITDA		**143**	**5**	**-20**	**504**	**-39**	**-30**
Items affecting comparability	5	36	143	14	47	274	16
ADJUSTED EBITDA		**179**	**148**	**-6**	**551**	**235**	**-14**
Depreciation of tangible fixed assets		-10	3	0	-37	-6	0
Depreciation of right-of-use assets		-14	-9	0	-48	-18	-1
EBITA		**119**	**-1**	**-20**	**419**	**-64**	**-31**
ADJUSTED EBITA		**155**	**142**	**-7**	**466**	**210**	**-15**
Amortization of intangible fixed assets		-10	-10	-1	-30	-14	-3
Amortisation of fixed assets related to acquisitions		-46	-25	-1	-132	-47	-3
EBIT		**63**	**-36**	**-22**	**257**	**-125**	**-37**
ADJUSTED EBIT		**99**	**107**	**-9**	**304**	**149**	**-21**
Profit from shares in associated companies		-2	1	0	-4	1	0
Financial income		6	-3	0	14	-2	0
Financial expenses		-83	-50	-1	-265	-96	-2
PROFIT AND LOSS AFTER FINANCIAL ITEMS		**-17**	**-88**	**-23**	**2**	**-221**	**-39**
Income tax		-36	4	0	-73	4	1
PROFIT AND LOSS AFTER TAX*		**-53**	**-85**	**-23**	**-71**	**-217**	**-38**
Other comprehensive income							
Items that may be reclassified to profit or loss		0	0	0	0	0	0
Exchange differences in translation of foreign operations		44	9	4	176	36	4
COMPREHENSIVE INCOME FOR PERIOD*		**-9**	**-76**	**-19**	**105**	**-182**	**-34**
Earnings per share before dilution		**-0,19**	**-0,35**	**-0,20**	**-0,26**	**-1,18**	**-0,45**
Earnings per share after dilution		**-0,19**	**-0,35**	**-0,20**	**-0,26**	**-1,18**	**-0,45**

*Profit and loss after tax and Total Comprehensive Income for the period are attributable in their entirety to the shareholdes of the parent company

GROUP BALANCE SHEET - ASSETS

Amount in MSEK	Note	December, 31 2022	2021	2020	January, 1 2020
ASSETS					
Fixed assets					
Intangible assets					
Capitalised product develoment costs		154	74	13	5
Customer relationships and listings		559	500	42	0
Trademarks and brands		1 630	1 322	16	0
Goodwill		3 725	3 088	163	0
Total intangible assets		**6 068**	**4 984**	**234**	**5**
Tangible fixed assets					
Buildings and land		235	162	0	0
Machines and other technical equipment		78	60	3	0
Equipment, tools and installations		46	16	1	0
Ongoing new facilities and advances		13	5	0	0
Total tangible fixed assets		**372**	**244**	**4**	**0**
Right-of-use assets		**151**	**109**	**8**	**0**
Deferred tax assets		**12**	**34**	**0**	**0**
Financial assets					
Equity in associated companies		45	47	50	0
Other long-term securities holdings		14	8	0	0
Other long-term receivables		16	3	0	0
Total financial assets		**75**	**57**	**51**	**0**
Total fixed assets		**6 677**	**5 428**	**296**	**5**
Current assets					
Inventory					
Raw materials and consumables		114	72	5	2
Finished goods and goods for sales		854	434	28	0
Total inventory		**968**	**506**	**33**	**2**
Short-term receivables					
Accounts receivables		683	463	37	0
Other short-term receivables		62	53	4	1
Prepaid expenses and accrued income		168	-21	2	1
Advances to suppliers		19	10	1	0
Cash and cash equivalents		380	420	83	2
Total short-term receivables		**1 312**	**924**	**128**	**4**
Total current assets		**2 280**	**1 430**	**161**	**7**
TOTAL ASSETS		**8 958**	**6 858**	**457**	**12**

GROUP BALANCE SHEET – EQUITY AND LIABILITY

		December, 31			January, 1
Amount in MSEK	*Note*	2022	2021	2020	2020
EQUITY AND LIABILITIES					
Equity					
Share capital		66	54	27	8
Unregistered share capital		0	1	1	0
Other equity contributed		4 185	3 309	374	52
Exchange rate differences		216	40	4	0
Retained earnings		-377	-306	-91	-54
Total shareholders equity		**4 091**	**3 098**	**314**	**8**
Long-term liabilities					
Interest-bearing liabilities	6	1 916	1 736	5	1
Contingent considerations	11	433	613	11	0
Deferred tax liabilities		497	384	14	0
Other provision		26	17		0
Non-current lease liabilities		100	71	5	0
Other long-term liabilities		67	84		0
Total long-term liabilities		**3 039**	**2 904**	**35**	**1**
Short-term liabilities					
Interest-bearing liabilities	6	621	102	18	0
Accounts payable		553	366	26	3
Current lease liabilities		49	37	3	0
Contingent considerations	11	347	124	15	0
Tax liabilities		72	41	2	0
Other liabilities		61	63	36	0
Accrued expenses and prepaid income		126	122	7	1
Total short-term liabilities		**1 828**	**856**	**107**	**4**
TOTAL EQUITY AND LIABILITIES		**8 958**	**6 858**	**457**	**12**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Amount in MSEK	Share capital	Unregistered share capital	Other equity contributed	Exchange rate differences	Retained Earnings	Total shareholders equity
Opening balance January 1, 2020, Swedish GAAP	**8**	**0**	**52**	**0**	**-54**	**8**
Opening balance January 1, 2020, IFRS	**8**	**0**	**52**	**0**	**-54**	**8**
Net income for period					-38	-38
Other comprehensive income				4		4
Total comprehensive income	0	0	0	4	-38	-34
Transaction with owners in their capacity as owners:						
Share issue	18	0	289			308
Ongoing share issue		1	32			33
Transaction costs						0
Share-based benefits						0
Total transaction with owners in their capacity as owners	18	0	322	0	0	340
Ending balance December 31, 2020	**27**	**1**	**374**	**4**	**-92**	**314**
Opening balance January 1, 2021	**27**	**1**	**374**	**4**	**-92**	**314**
Net income for period					-217	-217
Other comprehensive income				36		36
Total comprehensive income	0	0	0	36	-217	-181
Transaction with owners in their capacity as owners:						
Share issue	27		2 860			2 887
Ongoing share issue	0	0	81			81
Transaction costs						0
Transaction with non-controlling interest			-9			-9
Share-based benefits			3		3	6
Total transaction with owners in their capacity as owners	27	0	2 935	0	3	2 965
Ending balance December 31, 2021	**54**	**1**	**3 309**	**40**	**-306**	**3 098**
Opening balance January 1, 2022	**54**	**1**	**3 309**	**40**	**-306**	**3 098**
Net income for period					-71	-71
Other comprehensive income				176		176
Total comprehensive income	0	0	0	176	-71	105
Transaction with owners in their capacity as owners:						
Share issue	12	-1	875			886
Ongoing share issue						0
Transaction costs						0
Share-based benefits			2			2
Total transaction with owners in their capacity as owners	12	-1	877	0	0	888
Ending balance December 31, 2022	**66**	**0**	**4 185**	**216**	**-377**	**4 091**

GROUP CASH-FLOW STATEMENT

	Fourth quarter			Twelve months		
Amount in MSEK	2022	2021	2020	2022	2021	2020
OPERATING ACTIVITIES						
Profit and loss after financial items	-17	-89	-24	1	-221	-39
Adjustement for non-cash items				0		
Depreciation and Amortisation	80	41	2	247	85	7
Other items*	169	176	9	308	299	10
Paid tax	-49	-21	0	-68	-11	0
Cash flow from operating activities before change in net working	**184**	**107**	**-13**	**489**	**152**	**-22**
CHANGE IN WORKING CAPITAL						
Change in inventories (increase - / decrease +)	-6	-48	-27	-164	-68	-35
Change in short term receivables (increase - / decrease +)	46	74	-43	30	67	-57
Change in short term liabilities (increase - / decrease +)	23	-22	77	-101	-66	105
Sum of change in working capital	**63**	**4**	**7**	**-234**	**-67**	**13**
Cash flow from operating activities*	**247**	**111**	**-6**	**255**	**85**	**-9**
INVESTING ACTIVITIES						
Acquisition of capitalised development costs	-24	-33	1	-84	-44	-2
Acquisition of intangible assets	0	0	-194	-6	0	-213
Acquisition of tangible assets	-47	-6	-22	-69	-10	-23
Consideration paid, net of acquired cash	-2	-1 118	17	-960	-2 404	0
Cash flow from investing activities	**-74**	**-1 157**	**-198**	**-1119**	**-2 458**	**-238**
FINANCING ACTIVITIES						
Share issue funds	0	0	168	530	1318	293
Costs related to share and bond issues	0	-5	0	-10	-2	0
Proceeds from bond	0	515	0	300	1519	0
Paid interest	-36	-40	0	-154	-40	0
New loans	279	0	4	769	0	34
Amortization of loans	-313	-47	0	-559	-68	0
Amortization of lease liability	-16	-10	0	-52	-20	-1
Cash flow from financing activities	**-85**	**414**	**172**	**823**	**2 708**	**326**
Decrease/ Increase in cash and cash equivalents	**88**	**-633**	**-32**	**-40**	**335**	**79**
Cash and cash equivalents at beginning of period	295	1052	114	420	83	2
Exchange rate differences	-3	1	1	0	2	1
Cash and cash equivalents at end of period	**380**	**420**	**83**	**380**	**420**	**83**

* For further comments regarding the cash flow, please refer to page 3-4.

INCOME STATEMENT - PARENT COMPANY

	Fourth quarter			Twelve months		
Amount in MSEK	2022	2021	2020	2022	2021	2020
Net sales	19	0	4	21	2	12
Other operating income	-3	4	1	1	8	2
Total revenue	**16**	**4**	**5**	**22**	**10**	**15**
Capitalised work on own account	2	2	0	9	5	2
Raw materials and consumables	0	-1	-3	0	-2	-10
Other external expenses	-8	-4	-2	-20	-9	-8
Personnel expenses	-18	-9	-1	-48	-18	-7
Other operating expenses	0	-1	-4	-1	-4	-4
EBITDA	**-8**	**-8**	**-6**	**-38**	**-18**	**-12**
Depreciation and amortisation of fixed tangible and intangible assets	0	0	0	0	0	-2
OPERATING PROFIT (EBIT)	**-8**	**-8**	**-6**	**-38**	**-18**	**-14**
Profit from shares in subsidiaries and associated companies	0	0	0	0	0	0
Interest income	7	0	0	7	0	0
Interest expenses	-76	-35	-1	-224	-69	-1
PROFIT AND LOSS AFTER FINANCIAL ITEMS	**-77**	**-43**	**-7**	**-255**	**-87**	**-16**
Received dividends from subsidiaries	52	0	0	52	0	0
Year-end appropriations	100	10	0	100	10	0
PROFIT AND LOSS BEFORE TAX	**75**	**-33**	**-7**	**-103**	**-77**	**-16**
Current taxes	-9	11	0	-9	27	0
PROFIT AND LOSS AFTER TAX	**66**	**-22**	**-7**	**-113**	**-50**	**-16**

In the parent company, there are no items that are reported as other comprehensive income, which is why total comprehensive income corresponds to the year's result.

PARENT COMPANY BALANCE SHEET – ASSETS

		December, 31			January, 1
Amount in MSEK	*Note*	2022	2021	2020	2020
ASSETS					
Fixed assets					
Intangible fixed assets					
Capitalised product develoment costs		1	0	0	5
Total intangible fixed assets		**1**	**0**	**0**	**5**
Tangible fixed assets					
Equipment, tools and installations		1	1	0	0
Total tangible fixed assets		**1**	**1**	**0**	**0**
Financial fixed assets					
Shares in subsidiaries		6 378	5 176	191	0
Shares in joint ventures		49	51	51	0
Long-term receivables with group companies		653	186	46	0
Deferred tax assets		18	27	0	0
Total financial fixed assets		**7 097**	**5 441**	**288**	**0**
Total fixed assets		**7 099**	**5 442**	**288**	**5**
Current assets					
Inventory					
Raw materials and consumables		0	0	1	2
Total inventory		**0**	**0**	**1**	**2**
Short-term receivables					
Accounts receivables		1	3	6	0
Receivables with group companies		185	60	11	1
Other short-term receivables		9	4	1	1
Advances to suppliers		0	0	0	0
Prepaid expenses and accrued income		22	2	0	1
Total short-term receivables		**217**	**69**	**19**	**3**
Cash and bank					
Cash and cash equivalents		1	109	78	2
Total cash and bank		**1**	**109**	**78**	**2**
Total current assets		**218**	**178**	**98**	**7**
TOTAL ASSETS		**7 317**	**5 620**	**386**	**13**

PARENT COMPANY BALANCE SHEET – EQUITY AND LIABILITY

		December, 31			January, 1
Amount in MSEK	*Note*	2022	2021	2020	2020
EQUITY AND LIABILITIES					
Equity					
Restricted equity					
Share capital		66	54	27	8
Unregistered share capital		0	1	1	0
Fund for capitalised development cost		0	0	0	3
Total restricted equity		**66**	**55**	**28**	**11**
Unrestricted equity					
Share premium reserve		4 247	3 240	374	53
Paid, unregistered share premium fund		0	81	0	0
Accumulated profit or loss		-135	-66	-53	-40
Net profit for the year		-113	-71	-16	-16
Total unrestricted equity.		**3 999**	**3 184**	**305**	**-3**
Total equity		**4 065**	**3 239**	**333**	**8**
Long term liabilities					
Interest-bearing liabilities	3	1826	1516	0	1
Contingent considerations	11	433	613	11	0
Other long-term liabilities		33	39	0	0
Total long-term liabilities		**2 292**	**2 168**	**11**	**1**
Short-term liabilities					
Interest-bearing liabilities	3	550	0	0	0
Accounts payable		7	14	2	3
Contingent considerations	11	346	124	3	0
Liabilities to group companies		28	6	0	0
Tax liabilities		1	1	0	0
Other liabilities		14	63	35	0
Accrued expenses and prepaid income		14	5	1	1
Total short-term liabilities		**961**	**213**	**42**	**4**
TOTAL EQUITY AND LIABILITIES		**7 317**	**5 620**	**386**	**13**

NOTES AND PERFORMANCE MEASUREMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the Group consisting of the legal parent company (Humble Group AB) and its subsidiaries.

BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with the Swedish Annual Accounts Act, RFR 1 Supplementary Accounting Rules for Groups and International Financial Reporting Standards (IFRS) and interpretations issued by the IFRS Interpretations Committee (IFRS IC) as adopted by the EU. The interim report has been prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act. The financial statements have been prepared according to cost method except from certain financial assets and liabilities measured at fair value through profit and loss.

These consolidated financial statements are Humble's first consolidated financial statements prepared in accordance with IFRS. Historical financial information has been restated from January 1, 2020, which is the date of transition to IFRS. Disclosures of the transition from previous GAAP to IFRS and its effect on the Statement of Comprehensive income and Equity of the Group are disclosed in Note *12 Effects of First-time Adoption of IFRS*.

The preparation of financial statements in accordance with IFRS requires the use of accounting estimates. Management also needs to exercise judgement in applying the Group's accounting policies. The areas that involve a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions are disclosed in Note 2 *Significant accounting estimates and judgements*.

NEW AND AMENDED STANDARDS AND INTERPRETATION NOT YET ADOPTED

Certain new accounting standards and interpretations are effective for the first time for financial years commencing on or after 1 January 2022 and have not been adopted by the Group. These standards are not expected to have a material impact on the Group.

PRINCIPLES OF CONSOLIDATION

Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity where the Group is exposed to, or has rights to, variable returns from its involvement with the entity and can affect those returns through its control to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains and losses on transactions between group companies are eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Associated companies

Associates are all entities over which the Group has significant influence but not control, which is generally the case where the Group holds between 20 % and 50 % of the voting rights. Investments in associates are accounted for using the equity method. Under the equity method, the investments are initially recognised at cost. The recognised value is thereafter adjusted to recognise the Group's share of the post-acquisition profits or losses of the investee in profit and loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates are recognised as a reduction in the carrying amount of the investment.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity-accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in section Impairment of non-financial assets.

The equity method is applied until the time when the significant influence ceases.

BUSINESS COMBINATIONS

The acquisition method is used to account for all business combinations. The consideration transferred for the acquisition of a subsidiary comprises the fair values of the assets transferred, liabilities incurred to the former owners of the acquired business, equity interests issued by the Group and fair value of any asset or liability resulting from a contingent consideration arrangement.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

Acquisition-related costs are expensed as incurred in other operating expenses in the Group's report of comprehensive income.

Goodwill is the excess of the consideration transferred over the fair value of the net identifiable assets.

Where settlement of any part of cash consideration is contingent, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the Group's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions. The interest component that arises is recognised on an ongoing basis as an interest expense in the Group's financial net income/expense.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured at fair value. Changes in fair value are recognised in Other operating income or Other operating expenses in the Group's report of comprehensive income, for further information, see Note 2 *Significant accounting estimates and judgements.*

SEGMENT REPORTING

The Group's operations are divided into the following operating segments:

Future Snacking
Sustainable Care
Quality Nutrition
Nordic Distribution

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The CEO has been identified as the Group's chief operating decision maker. The CEO assesses the financial performance and position of the Group and makes strategic decisions of the operating segments.

FOREIGN CURRENCY TRANSLATION

Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Swedish kronor (SEK), which is the parent company's functional currency and the Group's presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates, are generally recognised in the report of comprehensive income.
Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in Other operating income/Other operating expenses in the report of comprehensive income.

Foreign subsidiaries and associates

The results and financial position of foreign operations that have a functional currency different from the presentation currency are translated into the presentation currency. Assets and liabilities for each balance sheet presented are translated from the functional currency of the foreign entity to the Group's presentation currency at the closing rate at the date of that balance sheet.

Income and expenses for each statement of profit and loss and statement of comprehensive income are translated to Swedish kronor at average exchange rates. All resulting exchange differences are recognised in other comprehensive income. Accumulated profits and losses are reported in profit and loss for the period when the foreign operations are discontinued in whole or in part.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

REVENUE RECOGNITION

The Group's revenue streams primarily consist of sale of fast-moving consumer goods in form of finished goods such as healthier confectionery, snacks, bars, drinks, and high-quality sports nutrition goods as well as hygiene items, home, and household goods with a sustainability profile. The Group also sells ingredients and other raw materials. Sales are carried out globally through several different channels, including to grocery stores, distributors and online.

Business to business sales

Revenue from the sale of goods is recognised when control of the goods has transferred, being when the goods are delivered to the customer (retailer/distributor). The customer has full discretion over the channel and price to sell the goods, and there is no unfulfilled obligation that could affect the wholesaler's acceptance of the goods. A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional (that is, only the passage of time is required before the payment is due).

Revenue from contracts with customers is recognised based on the contractual transaction price, which reflects the compensation the Group expects to receive from the sale of the goods, after deduction of VAT and other sales taxes. In connection with the transaction price, the Group considers all possible separate performance obligations that together make up the transaction price, as well as effects of variable compensation that affect the transaction amount. There are no material separate obligations that are identified as a separate performance obligation when selling goods. Shipping is not considered to constitute a separate performance obligation and is therefore not reported separately but as part of the regular product sales. The delivery commitment is considered fulfilled when the goods have been transported to the agreed location or alternatively the customer has picked up the goods for transport, the risks of obsolescence and loss have been transferred to the customer and either the customer has accepted the goods in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

Variable consideration includes, among other things, discounts and product returns and is reported as a deduction from the revenue based on the amounts that the Group expects to receive. Neither discounts nor product returns are a significant part of the variable consideration. No significant financing component is deemed to exist at the time of sale as the credit period is 30-90 days, which is in line with market practice. Although extended payment terms may occur exceptionally, the payment terms never exceed 12 months, therefore, the Group does not adjust any of the transaction prices for the time value of money.

Direct to consumer sales

A smaller part of the Group's sales refers to direct sales to customers via own stores or web shops. Revenue from the sale of goods is recognised when Group sells a product to the customer. The transaction price is due for payment immediately and the Group usually receives cash as payment directly when the customer buys the product and receives the product in the store or alternatively has the product delivered. Returns occur to a very

limited extent, as the sale of goods to customers is limited to a smaller part of the Group's operations.

Revenue from of services

There is no significant sale of services to external parties from any of the Group's various operations. Freight on delivery of sold goods is not deemed to constitute a separate performance obligation but an incorporated part of the transaction price and is recognised as part of the sale.

GOVERNMENT GRANTS

Government grants are recognised as "Other operating income" in the report of profit and loss at their fair value when there is a reasonable assurance that the grant will be received, and the Group will comply with all attached conditions.
Government grants relating to cost coverage are accrued and reported in the income statement over the same periods as the expenses that the grants are intended to compensate for occur. Income from government grants is recognised as "Other operating income" in the Group's statement of comprehensive income.

INCOME TAX

The income tax expense for the period is the tax payable on the current period's taxable income, based on the applicable income tax rate for each jurisdiction. The income tax is adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated based on the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. When deemed appropriate, provisions for amounts that are likely to be paid to the tax authority are made.

Deferred income tax is provided in full on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither accounting nor taxable profit and loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised, or the deferred income tax liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority and relate either to the same tax subject or to different tax subjects, but intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit and loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

LEASING

The Group acts as a lessee. The Group leases properties, premises, vehicles, machinery, and office equipment. Lease agreements are typically made for fixed periods of 12 months to 5 years but may have options to extend or terminate the contracts, primarily in agreements related to properties and premises. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or to exercise a termination option. Extension or termination options are only included in the lease term if the lease is reasonably certain to be extended or terminated.

Contracts may contain both lease and non-lease components. The Group does not allocate the consideration in the contract to the lease and non-lease components (for example repair, maintenance, or administration costs). This method is applied on all categories of assets within the Group.
For all lease agreements, with exception for below exceptions, a right-of-use asset is recognised as well as a lease liability, on the day that the underlying asset is ready for use by the Group. Lease payments are allocated between depreciation of leasing liability and finance cost. The finance cost is recognised through profit and loss over the leasing period so that each accounting period is charged with an amount that correspond to a fixed interest rate for the remaining balance of the liability for the period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- Fixed payments, less any lease incentives receivable
- Variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- Amounts expected to be payable by the Group under residual value guarantees
- The exercise price of a purchase option if the Group is reasonably certain to exercise that option, and
- Payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group except for cars, the lessee's incremental borrowing rate is used. The incremental borrowing rate is the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security, and conditions. The incremental borrowing rate is determined by considering the lease term, the economic environment in which the Group operates, the type of asset that is leased and the Group's credit rating. Right-of-use assets are depreciated on a straight-line basis over the shorter of the useful life and the lease term. Lease payments are allocated between principal and finance cost. The finance cost is charged to profit and loss over the lease period.

The Group applies the exception in IFRS 16, which means that payments associated with short-term leases and all leases of low-value assets are not recognised as a right-to-use asset and lease liability but is recognised on a straight-line basis as an expense in profit and loss. Short-term leases are leases with a lease term of 12 months or less without a purchase option. Low-value assets comprise to all essential office equipment.

Right-of-use assets are measured at cost comprising the following:

- The amount of the initial measurement of lease liability
- Any lease payments made at or before the commencement date less any lease incentives received
- Any initial direct costs, and
- Restoration costs to restore the asset to the condition stipulated in the terms of the lease agreement.

Accounting in subsequent periods

The lease liability is reassessed upon changes in the lease agreement or when there are changes in cash flow that are related to the original contract terms. Changes in cash flows based on original contract terms occur when; the Group changes its initial assessment of whether options for extension and/or termination will be used, there are changes in previous assessments if a purchase option will be used, leasing fees change due to changes in the index or interest rate. A reassessment of the lease liability leads to a corresponding adjustment of the right-of-use asset. If the recognised value of the right-of-use asset already has been reduced to zero, the remaining revaluation is reported in the income statement. The right-of-use asset is tested for impairment whenever events or changes in conditions indicate that the reported value of an asset cannot be recovered.

Presentation

Right-of-use assets and lease liabilities are presented on separate lines in the balance sheet. In the income statement, depreciation on right-of-use assets is reported on the line Depreciation of right-of-use assets and the interest expense on the lease liabilities is reported as a financial expense. Payments associated with short-term leases and leases of low-value assets are recognised in profit and loss. Repayment of the lease liability is reported as cash flow from financing activities. Payments of interest as well as payments of short-term leases and leases of low-value assets are reported as cash flow from financing activities.

INTANGIBLE ASSETS

Goodwill

Goodwill arises on the acquisition of subsidiaries and refers to the amount by which the consideration transferred exceeds the fair value of the net identifiable assets acquired. Goodwill is carried at cost less accumulated impairment losses. Goodwill is not amortised, but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired. The carrying amount of the cash-generating unit to which the goodwill is allocated is compared with the recoverable amount, which is the higher of the value in use and the fair value less costs to sell. Any impairment loss is expensed immediately and will not be reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes. Goodwill is monitored at operating segment level.

Trademarks

Trademarks acquired in business combinations are classified as intangible assets and carried at cost less accumulated amortisations and impairment losses. At initial recognition, trademarks are valued using the “Royalty from Relief”-method to determine the useful life of the asset. Trademarks acquired in business combinations are recognised at fair value at the acquisition date and are deemed to have an indefinite useful life, whereas trademarks are subject for annual impairment testing to ensure that the asset's carrying amount is not less than the fair value of the asset.

Customer relations and listings

Customer relations and listings acquired in business combinations are classified as intangible assets and carried at cost less accumulated amortisations and impairment losses. The initial measurement is determined using a Multi-Period Excess Earnings (MEEM) calculation model for the expected economic surplus from the acquired customer base, reduced by a natural attrition over time linked to customer loyalty and other customer-specific behaviours. Customer relationships and listings acquired through business combinations are recognised at fair value at the date of the acquisition. Customer relationships and listings are deemed to have a finite useful life, between 2-8 years where the economic useful life is primarily affected by the assessed customer loyalty and the customers' repeat purchase frequency.

Capitalised development costs

Capitalised product development costs and similar costs essentially consist of capitalised expenses for development attributable to goods that the Group sells. The Group continuously evaluates whether internally developed intangible assets, such as capitalised product development costs, can be recognised as intangible assets.

The following criteria are met when internally developed intangible assets are recognised as intangible assets:

- it is technically feasible to complete the software so that it will be available for use
- management intends to complete the software and use or sell it
- there is an ability to use or sell the software
- it can be demonstrated how the software will generate probable future economic benefits
- adequate technical, financial and other resources to complete the development and to use or sell the software are available, and
- the expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software include employee costs including social security, as well as raw materials and supplies and other external costs that can be directly related to the development of new ingredients or consumer goods.

Other development costs that do not meet the criteria are expensed as incurred. Development costs previously expensed are not recognised as an asset in a subsequent period.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use. The estimated useful life is 3-5 years.

Costs associated with maintenance are expensed as incurred.

Other intangible assets

Other intangible assets consist of licenses and prepayments related to intangible assets. These have a finite useful life and are reported at historical cost less accumulated amortisation and impairment losses. The estimated useful life is 5 years which corresponds to the estimated time these will generate cash flows.

PROPERTY, PLANT AND EQUIPMENT

Property, plant, and equipment essentially consist of buildings and land and machinery. Property, plant, and equipment is stated at historical cost less depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit and loss during the reporting period in which they are incurred.

Depreciation is calculated using the straight-line method to allocate the cost or revalued amounts of the assets, net of their residual values, over their estimated useful lives as follows:

Buildings	30-50 years
Machines and other technical equipment	5 years
Equipment, tools, and installations	3-5 years
Constructions in progress	3-5 years

Land is not depreciated as it is deemed to have a permanent acquisition value. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included on a net basis in other operating income/other operating expense in the statement of comprehensive income.

IMPAIRMENT OF NON-FINANCIAL ASSETS

Goodwill that has an indefinite useful life, trademarks and intangible assets that are not yet ready for use are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If the event of such indication, the recoverable amount of the asset is calculated. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. When calculating the value in use, the present value is calculated from the future cash flows that the asset is expected to give rise to in the current operations and when it is sold or scrapped. The discount rate used is pre-tax and reflects market assessments of the time value of money and the risks associated with the asset. For non-financial assets (other than goodwill) that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

In the impairment test, the smallest identifiable group of assets that generates cash inflows is determined. A cash-generating unit is an asset group with essentially independent payments. The consequence is that impairment is estimated for the individual asset, when possible, otherwise at the cash-generating unit level. Goodwill is allocated to the cash-generating units that are expected to benefit from synergy effects in attributable business acquisitions. The operating segments also represents the lowest level in the Group where the CEO and Group management monitors goodwill.

FINANCIAL INSTRUMENTS

The Group's financial instruments consist of other non-current receivables, other non-current securities, accounts receivables, other receivables, cash, and cash equivalents, borrowing (current and non-current), other liabilities (current and non-current), accounts payables and contingent considerations.

The carrying amount of the Group's non-current financial instruments carried at cost, except for bond loans, see *Note 6 Net interest bearing debt* and *Note 11 Financial instruments measured at fair value* essentially correspond to their fair values as the interest rate is in parity with current market rates. The carrying amounts of the Group's short term financial instruments carried at cost essentially correspond to their fair values as the discounting effect is not significant.

Initial recognition

Financial assets and financial liabilities are reported when the Group becomes a party to the instrument's contractual terms. Regular way purchases and sales of financial assets are recognised on trade date, being the date on which the Group commits to purchase or sell the asset.

At initial recognition, the Group measures a financial instrument at its fair value plus, for financial assets or financial liabilities not measured at fair value through profit and loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability, such as fees and commissions.

Classification and measurement of financial assets

The Group classifies and measures all its financial assets in the category amortised cost except from other long-term securities which are measured at fair value through other comprehensive income. Assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, are measured at amortised cost. The carrying amount of these assets is adjusted with any expected credit losses that have been reported (see Impairment of financial assets below). Interest income from these financial assets is included in finance income using the effective interest rate method.

Accounting and derecognition of financial assets

Purchases and sales of financial assets are recognised on trade date, being the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the contractual rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership related to control of the asset.

Classification and measurement of financial liabilities

After initial recognition, the Group subsequently measures all its financial liabilities at amortised cost using the effective interest method, with exception from contingent considerations. Contingent considerations are measured at fair value through profit and loss and changes in fair value (remeasured every reporting period) is recognised in the item Other operating income or Other operating expense in the statement of profit and loss. For contingent considerations expected to be settled after 12 months, the discounted present value of the consideration is used. The contingent consideration is calculated based on the nominal value of the best estimate of the expected outcome on the acquisition date. The estimate has been based on management's assessment of what is likely to be paid out given the terms of the share transfer agreement. The fair value of the contingent consideration has then been calculated based on an interest rate corresponding to the remaining term until payment at each reporting date.

Expenses that are directly attributable to raising loans (transaction costs) adjust the loan's acquisition value and are deferred according to the effective interest method. All interest-related fees are reported in the income statement and are included in the items "Financial expenses" or "Financial income".

Financial liabilities are classified as current liabilities when settlement of the liability is within 12 months after the reporting period. Financial liabilities with settlement date later than 12 months after the reporting period, are classified as non-current liabilities.

Derecognition of financial liabilities

Financial liabilities are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled, or expired. The difference between the carrying amount of a financial liability (or part of a financial liability) that has been extinguished or transferred to another party and the consideration paid, including any noncash assets transferred or liabilities assumed, is recognised in the statement of comprehensive income.

Offsetting financial assets and financial liabilities

Financial assets and liabilities are offset, and the net amount is reported in the balance sheet only when there is a legally enforceable right to offset the recognised amounts, and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legal right must not be dependent on future events, and it must be legally binding on the company and the counterparty both in the normal course of business and in the event of suspension of payments, insolvency or bankruptcy.

Impairment

The Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost and far value through other comprehensive income. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For accounts receivables, the Group applies the simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all accounts receivables recognised from initial recognition of the receivables.

ACCOUNTS RECEIVABLES

The Group has two categories of accounts receivables:

- Pledged accounts receivables
- Other accounts receivables

Accounts receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Accounts receivables are classified as current assets. Accounts receivables are recognised initially at fair value (transaction price). The Group holds the accounts receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less provision for expected credit losses (see description of accounting of financial assets above). The accounts receivables that the Group pledges are reported as accounts receivables in their entirety on the asset side of the balance sheet, while a current liability, corresponding to the portion that has been pledged, is reported on the liability side of the balance sheet.

CASH AND CASH EQUIVALENTS

In cash and cash equivalents in the statement of cash flows, cash and cash equivalents includes cash and bank balances. Other short-term investments are classified as cash and cash equivalents when they mature within three months or less, are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

SHARE CAPITAL

Share capital represents the quota value of issued shares. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

ACCOUNTS PAYABLES

Accounts payables are financial instruments and are obligations to pay for goods or services that have been acquired in the current operations from suppliers. Accounts payables are presented as current liabilities when payment is due within 12 months. If not, they are presented as non-current liabilities. Accounts payables are initially recognised at their fair value and subsequently measured at amortised cost using the effective interest method (refer to description of accounting policies for financial liabilities above).

BORROWING AND OTHER NON-CURRENT LIABILITIES

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost and any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit and loss over the period of the borrowings using the effective interest method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

INVENTORIES

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials, direct labour, and attributable indirect manufacturing costs (based on normal operating capacity). Borrowing costs are excluded. Cost of separate articles of inventories is allocated based on weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less estimated costs necessary to make the sale.

EMPLOYEE BENEFITS

Pension obligations

The Group only operates defined contribution pension plans. For defined contribution plans, the Group pays fixed contributions to a separate legal entity. The Group has no legal or informal obligations to pay additional fees if this legal entity does not have sufficient assets to pay all employee benefits related to the employees' service during the current or previous periods. The contributions are recognised as employee benefit expenses in the statement of comprehensive income when they are due.

Share-based payments

The Group has share-based compensation plans in form of employee option plans and warrant programs.

The employee options have been granted for nil consideration with a vesting period between 2019-2022. The right to use the employee options is conditional on continued employment over the duration of the program. The fair value of the service granting employees the options is recognised as an employee benefit expense, with a corresponding increase in equity. The fair value of options granted is calculated using the Black & Scholes valuation model. The total amount to be expensed is based on the fair value of the options granted and recognised on a straight-line basis over the vesting period. At the end of each period, the Group revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. The impact of the revision to original estimates, if any, is recognised in profit and loss, with a corresponding adjustment to equity. The costs for social security contributions are accrued in the same way as personnel costs and are continuously adjusted based on the fair value of the options at each balance day.

The Group has issued warrants to certain employees, as part of their compensation package, for which the employees pay a premium equal to fair value calculated using the Black & Scholes option valuation model for the date the warrants were granted. The right to use the warrants is conditional on continued employment over the duration of the program. The warrants are classified as equity settled share-based payments. When the warrants are granted and the premium is paid, an increase in equity and in cash and cash equivalents is recognised.

STATEMENT OF CASH FLOW

The statement of cash flows is prepared according to the indirect method. The reported cash flow only includes transactions that resulted in cash inflows or outflows.

EARNINGS PER SHARE

Earnings per share before dilution is calculated by dividing the profit attributable to owners of the company by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

ACCOUNTING PRINCIPLES OF THE PARENT COMPANY

The interim report of the parent company has been prepared in accordance with RFR 2, Reporting for Legal Entities and the Swedish Annual Accounts Act. RFR 2 states that the parent company shall apply International Financial Reporting Standards (IFRS) as adopted by the EU, to the extent this is possible within the framework of the Annual Accounts Act and the Pension Obligations Vesting Act (Tryggandelagen), and with regards to the relationship between accounting and taxation. The recommendation states which exceptions and additions that are to be used in relation to IFRS.

The parent company applies other accounting principles than the Group as stated below:

Format

The income statement and balance sheet follow the format of the Annual Accounts Act. The statement of changes in equity follows the Group's presentation format but must contain the columns specified in the Annual Accounts Act. Furthermore, there are differences regarding names of line items compared with the consolidated accounts, mainly regarding cash and cash equivalents, financial income and expenses, income tax and equity.

Shares in subsidiaries

Shares in subsidiaries are reported at acquisition cost less any impairment loss. Acquisition-related costs and contingent considerations are included in the acquisition value. The contingent considerations are reported as financial liabilities, to the amount which the management assesses as most likely to be paid. The contingent considerations are continuously revalued and reported at fair value using the Group's average cost of capital. Dividends received are reported as financial income. When there is an indication that shares and participations in subsidiaries are impaired, an estimate of the recoverable amount is made. If this is lower than the carrying amount, an impairment loss is recorded. Impairment is recorded within "Profit (loss) from participations in Group companies" in the income statement.

Financial instruments

The parent company does not apply IFRS 9. The parent company instead applies the rules specified in RFR 2 (IFRS 9 Financial instruments).

Financial instruments are measured at cost. In subsequent periods, financial assets acquired with the intention of being held in the short term stated at the lower of cost and net realisable value.

When calculating the net realisable value of receivables that are reported as current assets, the principles for impairment testing and loss allowance in IFRS 9 shall be applied. For receivables measured at acquisition cost at Group level, the loss allowance

reported in the Group in accordance with IFRS 9 must also be recognised in the parent company.

Segment reporting

Information will only be provided for the breakdown of net sales on segments and geographical areas.

Leasing

The parent company does not apply IFRS 16 Leases, instead RFR 2 IFRS 16 Leases p.2-12 is applied. This choice means that no right-of-use asset or lease liability is recognised in the balance sheet, instead the lease fee is reported as an expense on a straight-line basis over the lease term.

Group contributions

Group contributions made from parent companies to subsidiaries and received from subsidiaries to parent companies are reported according to the alternative rule as appropriations in the income statement and as short-term liabilities or receivables until the Group contribution has been settled.

NOTE 2- SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The Group makes estimates and assumptions about the future. The estimates for accounting purposes that result from these will, by definition, rarely correspond to the actual result. The estimates and assumptions that entail a significant risk of significant adjustments in reported values for assets and liabilities during the next financial year are dealt with in outline below.

ACQUISITION ANALYSIS

In the case of acquisitions of subsidiaries, an acquisition analysis is carried out in which the fair value on the date of acquisition of the identifiable assets and liabilities and contingent liabilities are accounted for. Valuation of identified assets and liabilities in acquired activities include items in the company's report on financial position and various items that have not been disclosed in the company's report over financial position, such as intangible assets. Initially identifies intangible assets that may have a value, such as customer relationships, trademarks etc. These assets normally have no market prices using different valuation methods. These methods based on various assumptions about future cash flows, revenue growth, EBIT margins as well as tax rates and discount rates in different countries. Such calculations require a high degree of estimation which in turn must be carefully evaluated, measured and analysed. This also means that preliminary calculations can change.

CONTINGENT CONSIDERATION

According to the agreement on conditional consideration in connection with the acquisition, the Group must pay additional purchase prices and stay on bonus given that certain key financial targets is met. The financial targets are usually related to the future EBITDA or EBIT of the acquired subsidiary. The fair value of the contingent consideration agreement is based on management's judgment of what is likely to be paid given the terms of the share transfer agreement. As an initial assessment at the first recognition, management usually assessment is that 80% of the maximal agreed contingent consideration will be paid out, see *Note 11 Financial instruments measured at fair value.*

KEY ASSUMPTION IN GOODWILL IMPAIRMENT TEST

Each year, the Group examines whether there is a need for impairment of goodwill according to accounting principal described in *Note 1 Summary of significant accounting principles*. Recoverable amounts for cash generating units (CGU) are established by calculating the value in use, which requires certain assumptions to be made. Humble Group performs impairment test on segment level as these are considered as the lowest Cash Generating Unit where management monitors the financial performance. The calculations are based on cash flow forecasts based on budgets determined by management and approved by the Board of Directors for the next five years. Cash flows are calculated to present value using a weighted average cost of capital of 10.8% for 2022. Cash flows after the five-year period are extrapolated at a long-term growth rate at 2%. The growth rate used is consistent with industry forecasts for each CGUs respective industry

ASSESSMENT OF THE LEASE TERM IN LEASES WITH EXTENSION OPTIONS

Humble Group is a lessee in leases consisting of office space, machines, cars and office supplies. The office premises are ordinary office premises located in large cities where access to similar office space is considered good. The Group has not had any significant improvement costs linked to any of the office premises. The contracts for the office premises contain a formal right for Humble Group to extend the contract, often designed as the agreement being automatically extended for 12 months unless the Group chooses to terminate the agreement 3-6 months before the end date of the agreement. When assessing whether it is reasonably certain that the Group will exercise the extension option, management primarily considers difficulty in substituting a local and remaining time before the agreement is automatically extended. In 3 of the Group's 69 leases for office premises, an extension period has been included in the lease period. Overall, the Group's lease term for office space varies between 1 - 6 years with an average lease term of 3 years. No extension option has been included for machines, cars and office supplies.

DEFERRED TAX

Deferred tax receivables include 17 MSEK, which mainly refers to loss deductions for Humble Group AB. The deficit has arisen during 2014 to 2021. The group has assessed that the deficit carry forwards will be able to be used against future tax surpluses. The assessment is based on the decided business plan and budget for the subsidiary, where all subsidiaries in the group is expected to provide tax surpluses from 2023 onwards. The tax deficits can be carried forward and have no due date.

NOTE 3 – SEGMENT INFORMATION AND DISCLOSURE OF REVENUE

The Group's chief operating decision maker is the chief executive officer (CEO), who primarily uses a measure of earnings before interest, tax, and amortisation (EBITA) to assess the performance of the operating segments. The CEO does not follow up the segments' assets or liabilities for allocation of resources or assessment of results.

For further information regarding the segments, please refer to page 5-8. The entity's business is managed and reported by the following segments:

Future Snacking
This part of the business conducts healthier and sustainable food & snacking products that challenge traditional foods and snacks.
Sustainable Care
This part of the business conducts a diverse range of brands, distributors and producers of personal-care and household products.
Quality Nutrition
This part of the business conducts both brands and manufacturers of sports nutrition and ingredients.
Nordic Distribution
This part of the business **conducts** a network of wholesalers and distributors located in the Nordic region.

2022, MSEK	Future Snacking	Sustainable Care	Quality Nutrition	Nordic Distribution	Other	Total
Net sales						
Revenue from sales to external customers	733	1 845	965	1 257		**4 800**
Raw material and consumables	-417	-1 171	-700	-980		**-3 268**
Gross profit	**316**	**674**	**265**	**277**	**0**	**1 532**
Gross margin, %	*43%*	*37%*	*27%*	*22%*		*32%*
EBITDA	**162**	**225**	**104**	**52**	**-39**	**504**
EBITDA in relation to net sales	*22%*	*12%*	*11%*	*4%*		*11%*
EBIT	**85**	**124**	**57**	**29**	**-38**	**257**
EBIT in relation to net sales	*12%*	*7%*	*6%*	*2%*		*5%*

2021, MSEK	Future Snacking	Sustainable Care	Quality Nutrition	Nordic Distribution	Other	Total
Net sales						
Revenue from sales to external customers	260	504	257	465		**1 486**
Raw material and consumables	-162	-320	-194	-369		**-1 045**
Gross profit	**98**	**184**	**63**	**96**	**0**	**441**
Gross margin, %	38%	37%	25%	21%		30%
EBITDA	**2**	**-45**	**10**	**12**	**-18**	**-39**
EBITDA in relation to net sales	1%	-9%	4%	3%		-3%
EBIT	**5**	**-112**	**-1**	**1**	**-18**	**-125**
EBIT in relation to net sales	2%	-22%	0%	0%		-8%

2020, MSEK	Future Snacking	Sustainable Care	Quality Nutrition	Nordic Distribution	Other	Total
Net sales						
Revenue from sales to external customers	29	0	0	0	0	**29**
Raw material and consumables	-22	0	0	0	0	**-22**
Gross profit	**7**	**0**	**0**	**0**	**0**	**7**
Gross margin, %	24%					24%
EBITDA	**-30**	**0**	**0**	**0**	**0**	**-30**
EBITDA in relation to net sales	-103%					-103%
EBIT	**-37**	**0**	**0**	**0**	**0**	**-37**
EBIT in relation to net sales	-128%					-128%

NOTE 4 – PROFORMA LTM Q4 2022

Humble Group is a fast-growing FMCG group with an adopted strategy to grow both organically and through acquisitions. To illustrate the Group's scope at the date of publication of this Year-End report, Humble present a proforma on the key financials from the income statement. The proforma financials have not been adjusted for intercompany sales. Such transactions would theoretically have occurred if the subsidiary would have been part of Humble for 12 months. The purpose is to visualise how the Group's financial position and results would have looked like on December 31 2022, if the companies acquired during the year, or where acquisition agreements have been communicated would have been consolidated with the existing part of the Group.

Besides the subsidiaries where Humble Group have completed the closing of the acquisitions and where full consolidation of accounts take place, below proforma financials include announced acquisitions of Privab Trollhättan, Privab Ystad and Privab Marknadsbolaget. The closing of these three acquisitions are expected to take place during March, 2023.

For further information on the group companies, please visit us on the web at www.humblegroup.se

MSEK	Twelve months Proforma 2022
Net sales	6 938
Raw material and consumables	-4 833
Gross profit	**2 106**
Gross margin	*30%*
ADJUSTED EBITDA	**691**

NOTE 5 – ITEMS AFFECTING COMPARABILITY

Humble Group recognises items affecting comparability to EBITDA in order to visualise comparable figures that are adjusted for the items that occur in historical numbers for various reasons. Items affecting comparability mainly refer to the following;

a) **Acquisition related cost** comprises external expenses due to legal and financial advisors, external consultancy firms and different expertise within detailed questions in the due diligence process. It also comprises costs related to previous owners historical business decisions that for various reasons have had an negative profitability impact under Humble Groups ownership. The acquisition related cost is recognised as a loss to the Other external expenses in the Income statement.

b) **Revaluation of contingent considerations** are recognised as an Other operating income or Other operating expense once the updated assessment is made. Contingent considerations are frequently reassessed based on management's best estimate of expected future cash- or share payments.

c) **Depreciation of acquired surplus value in inventory** relates to acquired subsidiaries with a significant surplus value identified in the purchase price allocation related to inventory or finished goods. The surplus value is typically identified in subsidiaries with own inhouse production, since large part of the value creation have remained in the business, and will as such be realised once the goods have been sold. Typical inventory turnover in the group is between 1-2 months, which impact Raw materials and Consumables during the quarter when an acquisition has been carried out.

d) **Stay-on-bonuses** refers to employment linked considerations in the Share Purchase Agreements that the sellers are entitled to a cash bonus if they remain in duty after the transaction have been completed. These items do have an negative cash effect once they are paid, and the effect is recognised as an personnel expense in the income statement.

e) **Lock-in penalties** refers to agreements in the Share purchase Agreements between Humble Group and the seller that the seller shall repay a penalty to Humble Group if they leave their positions after the transaction. Such risk is mitigated with lock-in-penalties. If the seller remains in duty during the lock-in penalty duration, this item does not have any cash flow effect. The lock-in penalty is classified as an employment linked expense, and is recognised as an personnel expense linear over the duration time.

f) **Extraordinary one-off costs** and **non-recurring items** that do not relate to the ordinary operations and are non-recurring.

g) **Donations** refers to the donations to the non-profit organization Humble Smile Foundation as well as a one-time goods donation to Ukraine in the beginning of the war.

h) **Restructuring** refers to restructuring cost in companies that are deemed as non-recurring.

Humble has not adjusted for any items related to extraordinary freight costs during 2022. The main adjustment item during the year was related to revaluation of contingent considerations of MSEK -111 and stay-on bonuses and lock-in penalties of MSEK 72. The fourth quarter contained restructuring costs related to the factory move in Naty of MSEK 8, totalling 18 MSEK for the third and fourth quarter combined. This was also part of the contingent consideration for the company and is expected to improve profit margins, quality and the competitive position of the products during 2023.

	Fourth quarter		Twelve months	
MSEK	**2022**	**2021**	**2022**	**2021**
Acqusition related cost	10	33	39	65
Revaluation of contingent considerations	-4	0	-111	-7
Surplus value in inventory	0	17	3	31
Stay-on and lock-in penalties	13	85	72	159
Extraordinary cost / One-off items	16	6	38	20
Donations	1	1	3	2
Restructuring	1	1	4	3
Total items affecting comparability	**36**	**143**	**47**	**274**

NOTE 6 - NET INTEREST-BEARING DEBT

Humble Group's net interest-bearing debt as of December 31, 2022 is presented in table below. During the quarter, Humble Group secured a new multicurrency revolving credit facility with SEB and Nordea, totalling an amount of MSEK 650, which replaces the previous credit facility of MSEK 400. Adjusted EBITDA Proforma amounted to MSEK 691. Net Interest-bearing debt in relation to Adjusted EBITDA proforma amounts to 3,3x at the end of this reporting period.

	December, 31	September, 30	December, 31
MSEK	2022	2022	2021
Interest-bearing liabilities			
Bond financing debt	1 826	1 816	1 516
Liability to credit institutions	710	743	406
Lease liabilities	150	163	108
Total interest-bearing liabilities	**2 686**	**2 722**	**2 030**
Cash and cash equivalents	-380	-295	-420
Net Interest Bearing Debt (NIBD)	**2 306**	**2 427**	**1 610**

NOTE 7 – RELATED PARTY TRANSACTIONS

No transactions with related parties have occurred during 2022 that had a significant impact. The minor transactions that have occurred relates to lease agreements of previous owners properties. Lease agreements between the parties are based on an arms lengths perspective and on market terms and conditions.

NOTE 8 – SUBSEQUENT EVENTS

Humble Group has announced conditional share purchase agreement regarding Privab Ystad, Privab Trollhättan and Privab Marketing. The Group has obtained bondholders approval in written procedures to amend terms and condition of its senior secured bonds. Humble Group has, through its subsidiary Bayn Solutions AB, received a decision that a patent will be granted for EUREBA.

NOTE 9 – BUSINESS COMBINATIONS

BUSINESS COMBINATIONS 2022

Subsidiary	*Acquisition date*	*Shares and votes*	*Segment*	*Vertical*	*Country*
Fitnessgrossisten AS	2022-01-03	100%	Nordic Distribution	Distribution	Norway
Bars Produktion i Gråbo AB	2022-04-11	100%	Quality Nutrition	Manufacturing	Sweden
La Praline Scandinavia AB	2022-04-11	100%	Future Snacking	Manufacturing	Sweden
Grenna Konfektyr AB	2022-04-11	100%	Future Snacking	Manufacturing	Sweden
Go Superfoods Ltd	2022-04-29	100%	Quality Nutrition	Brands	United Kingdom
Nya MedicaNatumin AB	2022-05-06	100%	Quality Nutrition	Brands	Sweden
Medica Clinical Nord Sverige AB	2022-05-06	100%	Quality Nutrition	Brands	Sweden
Natumin Pharma AB	2022-05-06	100%	Quality Nutrition	Manufacturing	Sweden
Vitalkost AS	2022-05-06	100%	Nordic Distribution	Distribution	Norway
Franssons Konfektyr AB	2022-05-30	100%	Future Snacking	Manufacturing	Sweden
LEV Group	2022-06-14	100%	Future Snacking	Manufacturing	Portugal / Spain
Amber House Ltd	2022-07-15	100%	Sustainable Care	Distribution	United Kingdom
Sam & Son Grossist AB	2022-08-15	100%	Nordic Distribution	Distribution	Sweden
Grossistcentralen i Stockholm AB	2022-08-15	100%	Nordic Distribution	Distribution	Sweden
Body Science International Pty Ltd	2022-08-15	100%	Quality Nutrition	Brands	Australia

The acquisitions are presented on an aggregated level, as the relative amounts of the individual acquisitions are not deemed to be material, except in the acquisitions of Go Superfoods Ltd., LEV Group, and Body Science International Pty Ltd.

Summary of distribution of purchase price, PPA – IFRS

Significant acquisitions - 2022	Go Superfoods	LEV Group	Body Science	Other acquisitions	Sum of acquisitions 2022
Acquired votes and shares	*100%*	*100%*	*100%*	*100%*	
Acquired net assets	84	39	50	219	**392**
Identified surplus values					
Trademark and brands	94	46	96	42	**276**
Customer relationships and listings	31	26	39	67	**163**
Buildings	0	0	0	32	**32**
Land	0	0	0	8	**8**
Inventory	0	0	0	0	**0**
Deferred tax liability	-24	-15	-34	-31	**-103**
Goodwill	53	151	211	190	**605**
Total value of identified assets	**238**	**246**	**362**	**527**	**1 373**
Cash	160	107	223	347	**837**
Share issue	31	77	76	92	**276**
Contingent consideration	47	62	63	74	**246**
Deferred payment	0	0	0	15	**15**
Total Purchase price	**238**	**246**	**362**	**527**	**1 373**

Go Superfoods Ltd

On April 29, 2022, the parent company acquired 100% of the issued share capital of Go Superfoods Ltd, an entity with operations within production and supplying of premium products in the organic superfood category. Identified excess values are linked to Customer Relations of MSEK 27, Trademark and brands of MSEK 95, Deferred tax liability of MSEK 23 and Goodwill of MSEK 62.

Significant estimate: contingent consideration

In the event that certain pre-determined cumulative EBITDA for the periods April 2021 – December 2023 is achieved by the subsidiary, additional consideration of up to total MSEK 74 may be payable in cash after the Annual General Meeting of the buyer in 2024.

The potential undiscounted amount payable under the agreement amount to MSEK 74 for cumulative EBITDA. The fair value of the contingent consideration was MSEK 47 at the initial recognition and was estimated by calculating the present value of the future expected cash flows at the end of the accounting period. The estimates are based on a discount rate of 10,8%.

Employment linked consideration and stay-on bonus

Of the total consideration, 2,5 MSEK relates to lock-in penalties with expiration on April 28, 2025. The contingent consideration payments are conditioned to continued employment at the date of expiration why this from an accounting perspective will be recorded as personnel expenses over the period until the expiration date.

Goodwill

The goodwill is attributable to the value of existing skills and abilities in the organisation to develop and produce future successful assets, and synergies from collaboration in Humble Group. It will not be deductible for tax purposes.

Revenue and profit contribution

The acquisition of Go Superfoods Ltd contributed with net sales of 125 MSEK to the Group for the period from 2022-04-29 to 2022-12-31. Go Superfoods Ltd also contributed with an EBITDA of 11 MSEK during the same period. If Go Superfoods Ltd would have been consolidated from January 1, 2022, the Group's income statement would present additional net sales of MSEK 180 and EBITDA of MSEK 20.

Acquisition-related costs

Acquisition-related costs of 4,5 MSEK are included in the statement of profit and loss and in operating cash flows in the statement of cash flows.

LEV Group

On June 14, 2022, the parent company acquired 100% of the issued share capital of LEV Group, an entity engaged in offering rich in high biological value proteins ready to eat meals, as well as dietary supplements. Identified excess values are linked to Customer Relations of MSEK 24, Trademark and brands of MSEK 48, Deferred tax liability of MSEK 14 and Goodwill of MSEK 177.

Significant estimate: contingent consideration

In the event that certain pre-determined EBITDA targets are achieved by the subsidiary for the year ended 2022, 2023 and 2024 respectively, additional consideration of up to 93 MSEK may be payable in cash in relation to the Annual General Meeting of the buyer the year after each fiscal year.

The potential undiscounted amount payable under the agreement is MSEK 76 for EBITDA equally distributed on the three years. The fair value of the contingent consideration of 62 MSEK was estimated by calculating the present value of the future expected cash flows. The estimates are based on a discount rate of 10,8%.

Employment linked consideration and stay-on bonus

Of the total consideration, 5,3 MSEK relates to lock-in penalties with expiration on June 14, 2026. The contingent consideration are conditioned to continued employment at the date of expiration why this from an accounting perspective will be recorded as personnel expenses over the period until the expiration date.

Goodwill

The goodwill is attributable to the value of existing skills and abilities in the organisation to develop and produce future successful assets, and synergies from collaboration in Humble Group. It will not be deductible for tax purposes.

Revenue and profit contribution

The acquisition of LEV Group contributed with net sales of 67 MSEK to the Group for the period from 2022-06-14 to 2022-12-31. LEV Group also contributed with an EBITDA of 25 MSEK during the same period. If LEV Group would have been consolidated from January 1, 2022, the Group's income statement would present additional net sales of MSEK 110 and EBITDA of MSEK 47.

Acquisition-related costs

Acquisition-related costs of 1 MSEK are included in the statement of profit and loss and in operating cash flows in the statement of cash flows.

Body Science International Pty Ltd

On August 15, 2022, the parent company acquired 100% of the issued share capital of Body Science International Pty Ltd, an entity with operations within performance-based supplements. Identified excess values are linked to Customer Relations of MSEK 35, Trademark and brands of MSEK 94, Deferred tax liability of MSEK 32 and Goodwill of MSEK 202.

Significant estimate: contingent consideration

In the event that certain pre-determined EBITDA-targets are achieved by the subsidiary for the cumulative period of the years 2022-2024, additional consideration of up to MSEK 104 may be payable in cash in relation to the Annual General Meeting of the buyer in 2025.

The potential undiscounted amount payable under the agreement is MSEK 30. The fair value of the contingent consideration of MSEK 40 was estimated by calculating the present value of the future expected cash flows. The estimates are based on a discount rate of 10,8%

Employment linked consideration and stay-on bonus

Of the total consideration, 6 MSEK relates to lock-in penalties with expiration on August 14, 2026. The contingent consideration payments are conditioned to continued employment at the date of expiration why this from an accounting perspective will be recorded as personnel expenses over the period until the expiration date.

As at September 30, 2022, the contingent consideration has been derecognised with an total amount of MSEK -23 as the initial assessment was deemed a bit conservative. The change in assessment was included in other income per 2022-09. As of December 31, 2022 another MSEK 7 was recognised due to stronger performance than initially expected.

Goodwill

The goodwill is attributable to the value of existing skills and abilities in the organisation to develop and produce future successful assets, and synergies from collaboration in Humble Group. It will not be deductible for tax purposes.

Revenue and profit contribution

The acquisition of Body Science International Pty Ltd contributed with net sales of 130 MSEK to the Group for the period from 2022-08-15 to 2022-12-31. Body Science International Pty Ltd also contributed with an EBITDA of 21 MSEK during the same period. If Body Science International Pty Ltd would have been consolidated from January 1, 2022, the Group's income statement would present additional net sales of 304 MSEK and EBITDA of 48 MSEK.

Acquisition-related costs

Acquisition-related costs of 4 MSEK are included in the statement of profit and loss and in operating cash flows in the statement of cash flows.

BUSINESS COMBINATIONS 2021

Subsidiary	*Acquisition date*	*Shares and votes*	*Segment*	*Vertical*	*Country*
The Humble Co.	2021-03-18	100%	Sustainable Care	Brands	Sweden
Grahns Konfektyr AB	2021-04-29	100%	Future Snacking	Manufacturing	Sweden
Kryddhuset i Ljung AB	2021-04-29	100%	Future Snacking	Brands	Sweden
Nordic Sports Nutrition AB	2021-04-29	100%	Nordic Distribution	Distribution	Sweden
Viterna AB	2021-04-29	100%	Quality Nutrition	Brands	Sweden
Performance R Us AB	2021-04-29	100%	Quality Nutrition	Distribution	Sweden
Ewalco Holding AB	2021-07-06	100%	Quality Nutrition	Manufacturing	Sweden
BE:Son Gross AB	2021-07-06	100%	Nordic Distribution	Distribution	Sweden
Nordfood International AB	2021-07-06	100%	Nordic Distribution	Distribution	Sweden
Wellibites AB	2021-07-06	100%	Future Snacking	Brands	Sweden
FancyStage Unipessoal Lda	2021-08-02	100%	Sustainable Care	Manufacturing	Portugal
Marabu Markenvertireb Gmbh	2021-08-09	100%	Sustainable Care	Distribution	Germany
Naty AB	2021-08-26	100%	Sustainable Care	Brands	Sweden
Swedish Food Group AB	2021-10-05	100%	Future Snacking	Distribution	Sweden
Solent Global Ltd	2021-10-05	100%	Sustainable Care	Manufacturing	United Kingdom
Carls-Bergh Pharma AB	2021-11-03	100%	Quality Nutrition	Manufacturing	Sweden
Swecarb AB	2021-11-03	100%	Quality Nutrition	Brands	Sweden
Soya Oy	2021-12-07	100%	Future Snacking	Manufacturing	Finland
Delsbo Candle AB	2021-12-07	100%	Sustainable Care	Manufacturing	Sweden
True Aps	2021-12-14	100%	Future Snacking	Brands	Denmark

The acquisitions are presented on an aggregated level, as the relative amounts of the individual acquisitions are not deemed to be material, except in the acquisitions of The Humble Co., Fancystage, Naty, Swedish Food Group, Solent and True Gum.

Summary of distribution of purchase price, PPA – IFRS

Significant acquisitions - 2021	The Humble Co.	Fancystage	Naty	Swedish Food Group	Solent Global	True Gum	Other acquisitions	Sum of acquisitions 2021
Acquired votes and shares	*100%*	*100%*	*100%*	*100%*	*100%*	*100%*	*100%*	
Acquired net assets	74	50	81	15	231	13	216	**681**
Identified surplus values								
Trademark and brands	324	0	210	144	427	130	56	**1 291**
Customer relationships and listings	68	60	86	16	144	11	113	**498**
Buildings	0	0	0	0	0	0	55	**55**
Land	0	0	0	0	0	0	13	**13**
Inventory	13	0	5	0	10	6	0	**34**
Deferred tax liability	-83	-13	-62	-33	-110	-32	-49	**-383**
Goodwill	810	282	510	152	470	176	277	**2 676**
Total value of identified assets	**1 206**	**379**	**829**	**294**	**1 172**	**305**	**682**	**4 866**
Cash	418	107	600	50	802	155	291	**2 423**
Share issue	730	146	162	138	155	64	254	**1 648**
Contingent consideration	58	126	67	56	215	63	134	**718**
Deferred payment	0	0	0	51	0	24	4	**78**
Total Purchase price	**1 206**	**379**	**829**	**294**	**1 172**	**305**	**682**	**4 866**

The Humble Co.

On Mars 18, 2021, the parent company acquired 100% of the issued share capital of The Humble Co., an entity based in Sweden producing and selling eco-friendly and innovative oral products. Identified excess values are linked to Customer Relations of MSEK 68, Trademark and brands of MSEK 329, Deferred tax liability of MSEK 85 and Goodwill of MSEK 798.

Significant estimate: contingent consideration

Additional contingent consideration that potentially could be paid at acquisition date was based on adjusted EBITDA levels for FY 2021 and FY 2022. Total initial amount that was recognised amounted to MSEK 58 and was to be paid in cash during the first quarter 2022 and 2023 respectively.

The potential undiscounted amount payable under the agreement is estimated to be between MSEK 40 and MSEK 60 and based on the subsidiary underlying performance. The contingent consideration has no cap. The fair value of the contingent consideration of MSEK 58 was estimated by calculating the present value of the future expected cash flows. The estimates are based on a discount rate of 8,4% and the forecasts from the acquisition process.

Employment linked consideration and stay-on bonus

There were no stay-on bonus or lock-in penalties as part of the total consideration or transaction.

As at September 2021, the contingent consideration was been derecognised with MSEK -7 as the initial recognised amount of contingent consideration was conservative, recognised as a gain of 7 included in Other operating income.

Goodwill

The goodwill is attributable to the value of existing skills and abilities in the organisation to develop and produce future successful assets, and synergies from collaboration in Humble Group. It will not be deductible for tax purposes.

Revenue and profit contribution

The acquisition of The Humble Co. contributed with net sales of 102 MSEK to the Group for the period from 2021-03-18 to 2021-12-31. The Humble Co. also contributed with an EBITDA of 24 MSEK during the same period. If The Humble Co. would have been consolidated from January 1, 2021, the Group's income statement would present additional net sales of 130 MSEK and EBITDA of 34 MSEK.

Acquisition-related costs

Acquisition-related costs of 8 MSEK are included in the statement of profit and loss and in operating cash flows in the statement of cash flows.

Fancystage Unipessoal Lda

On August 2, 2021, the parent company acquired 100% of the issued share capital of Fancystage Unipessoal Lda, an entity based in Portugal with operations within manufacturing of personal care and cosmetic products. Identified excess values are linked to Customer Relations of MSEK 58, Deferred tax liability of MSEK 12 and Goodwill of MSEK 275

Significant estimate: contingent consideration

In the event that certain pre-determined EBITDA levels are are achieved by the subsidiary for the year ended 2021, 2022 and 2023, a total additional consideration of up to 123 MSEK may be payable in cash after the respectively Annual General Meeting of the buyer in 2022, 2023 and 2024.

The potential undiscounted amount payable under the agreement is estimated to be between MSEK 120 and MSEK 150 and based on the subsidiary underlying performance, and the total potential contingent consideration are capped to MEUR 19 for a period of three years. The fair value of the contingent consideration at the initial recognition amount to MSEK 122 and was estimated by calculating the present value of the future expected cash flows. The estimates are based on a discount rate of 8,4% and the forecasts from the acquisition process.

Employment linked consideration and stay-on bonus

Of the total consideration, MSEK 107 is classified as a stay-on bonus that was paid in October 2021. The payment was contingent to certain conditions, among others that a key employee remained in duty after the transaction was finalised. Further 7,6 MSEK relates to stay-on bonus that are paid annually with MSEK 1,8 with expiration on August 1, 2024. The contingent consideration payments are conditioned to continued employment at the date of expiration why this from an accounting perspective will be recorded as personnel expenses over the period until the expiration date.

As of September 30, 2022, the contingent consideration has been derecognised with MSEK 4 as the actual EBITDA levels achieved by the subsidiary was slight below initial estimates. This resulted in a gain of 4 included in other income.

Goodwill

The goodwill is attributable to the value of existing skills and abilities in the organisation to develop and produce future successful assets, and synergies from collaboration in Humble Group. It will not be deductible for tax purposes.

Revenue and profit contribution

The acquisition of Fancystage Unipessoal Lda. contributed with net sales of 31 MSEK to the Group for the period from 2021-08-02 to 2021-12-31. Fancystage Unipessoal Lda also contributed with an EBITDA of 20 MSEK during the same period. If Fancystage Unipessoal Lda would have been consolidated from January 1, 2021, the Group's income statement would present additional net sales of 72 MSEK and EBITDA of 45 MSEK.

Acquisition-related costs

Acquisition-related costs of 1,6 MSEK are included in the statement of profit and loss and in operating cash flows in the statement of cash flows.

Naty AB

On August 26, 2021, the parent company acquired 100% of the issued share capital of Naty AB, an entity with operations within eco-friendly baby & feminine hygiene market. Identified excess values are linked to Customer Relations of MSEK 84, Trademark and brands of MSEK 210, Deferred tax liability of MSEK 61 and Goodwill of MSEK 507.

Significant estimate: contingent consideration

In the event that the subsidiary manages to enter an agreement of a factory move, and that a certain pre-determined positive impact on gross margin is achieved, before the end of May 2022, an additional consideration of up to MSEK 100 may be payable in cash in May 2023 and May 2024.

The potential undiscounted amount payable under the agreement is between MSEK 50 and MSEK 100 depending on the actual decrease in production costs from the factory move. The fair value of the contingent consideration at the initial recognition amount to MSEK 66 and was estimated by calculating the present value of the future expected cash flows. The estimates are based on a discount rate of 8,4% and the forecasts from the acquisition process.

Employment linked consideration and stay-on bonus

Of the total consideration, 2,5 MSEK relates to lock-in penalties with expiration in August 2023. The contingent consideration payments are conditioned to continued employment at the date of expiration why this from an accounting perspective will be recorded as personnel expenses over the period until the expiration date.

Goodwill

The goodwill is attributable to the value of existing skills and abilities in the organisation to develop and produce future successful assets, and synergies from collaboration in Humble Group. It will not be deductible for tax purposes.

Revenue and profit contribution

The acquisition of Naty AB contributed with net sales of 94 MSEK to the Group for the period from 2021-08-26 to 2021-12-31. Naty AB also contributed with an EBITDA of 15 MSEK during the same period. If Naty AB would have been consolidated from January 1, 2021, the Group's income statement would present additional net sales of 268 MSEK and EBITDA of 39 MSEK.

Acquisition-related costs

Acquisition-related costs of 1 MSEK are included in the statement of profit and loss and in operating cash flows in the statement of cash flows.

Swedish Food Group

On October 5, 2021, the parent company acquired 100% of the issued share capital of Swedish Food Group AB, an entity offering innovative and contemporary food and beverage products. Identified excess values are linked to Customer Relations of MSEK 15, Trademark and brands of MSEK 144, Deferred tax liability of MSEK 33 and Goodwill of MSEK 143.

Significant estimate: contingent consideration

In the event that certain pre-determined EBITDA levels are are achieved by the subsidiary for the year ended 2021, 2022 and 2023, a total additional consideration of up to 90 MSEK may be payable in cash after the respectively Annual General Meeting of the buyer in 2022, 2023 and 2024.

The potential undiscounted amount payable under the agreement is estimated to be between MSEK 25 and MSEK 40 and based on the subsidiary underlying performance. The total potential contingent consideration is capped to maximum MSEK 90 for a period of three years. The fair value of the contingent consideration at the initial recognition amount to MSEK 56 and was estimated by calculating the present value of the future expected cash flows. The estimates are based on a discount rate of 8,4% and the forecasts from the acquisition process.

As of September 30, 2022, the contingent consideration has been derecognised with MSEK 22 as the actual EBITDA levels achieved by the subsidiary was below initial estimates. This resulted in a gain of 19 included in other income.

Employment linked consideration and stay-on bonus

Of the total consideration, 8,8 MSEK relates to stay-on bonus with expiration on April 28, 2025. The contingent consideration payments are conditioned to continued employment at the date of expiration why this from an accounting perspective will be recorded as personnel expenses over the period until the expiration date.

Goodwill

The goodwill is attributable to the value of existing skills and abilities in the organisation to develop and produce future successful assets, and synergies from collaboration in Humble Group. It will not be deductible for tax purposes.

Revenue and profit contribution

The acquisition of Swedish Food Group AB contributed with net sales of 70 MSEK to the Group for the period from 2021-10-05 to 2021-12-31. Swedish Food Group AB also contributed with an EBITDA of 2 MSEK during the same period. If Swedish Food Group AB would have been consolidated from January 1, 2021, the Group's income statement would present additional net sales of 244 MSEK and EBITDA of 6 MSEK.

Acquisition-related costs

Acquisition-related costs of 500 KSEK are included in the statement of profit and loss and in operating cash flows in the statement of cash flows.

Solent Global Ltd

On October 5, 2021, the parent company acquired 100% of the issued share capital of Solent Global Ltd, an entity providing a complete service package to the global retail industry within health & beauty, foods & snacks and home care. Identified excess values are linked to Customer Relations of MSEK 140, Trademark and brands of MSEK 440, Deferred tax liability of MSEK 85 and Goodwill of MSEK 621.

Significant estimate: contingent consideration

In the event that certain pre-determined EBITDA levels are are achieved by the subsidiary for the year ended 2021, 2022 and 2023, an total additional consideration of up to 123 MSEK may be payable in cash after the respectively Annual General Meeting of the buyer in 2022, 2023 and 2024.

The potential undiscounted amount payable under the agreement is estimated to be between MSEK 120 and MSEK 150 and based on the subsidiary underlying performance, and the total potential contingent consideration are capped to MGBP 27,5 for a period of three years. The fair value of the contingent consideration at the initial recognition amount to MSEK 214 and was estimated by calculating the present value of the future expected cash flows. The estimates are based on a discount rate of 8,4% and the forecasts from the acquisition process.

Employment linked consideration and stay-on bonus

Of the total consideration, MSEK 77 is classified as a stay-on bonus that was paid in February 2022. The payment was contingent to certain conditions, among others that a key employee remained in duty after the transaction was finalised, and was recognised as an personnel expense up until the date of payment. Further, MSEK 32 relates to lock-in penalties of 5 key personnel with expiration on December 31, 2024. The lock-in penalties are conditioned to continued employment at the date of expiration why this from an accounting perspective will be recorded as personnel expenses over the period until the expiration date.

As of September 30, 2022, the contingent consideration has been derecognised with MSEK 4 as the actual EBITDA levels achieved by the subsidiary was slight below initial estimates. This resulted in a gain of 4 included in other income.

Goodwill

The goodwill is attributable to the value of existing skills and abilities in the organisation to develop and produce future successful assets, and synergies from collaboration in Humble Group. It will not be deductible for tax purposes.

Revenue and profit contribution

The acquisition of Solent Global Ltd contributed with net sales of 284 MSEK to the Group for the period from 2021-10-05 to 2021-12-31. Solent Global Ltd. also contributed with an EBITDA of 49 MSEK during the same period. If Solent Global Ltd. would have been consolidated from January 1, 2021, the Group's income statement would present additional net sales of 948 MSEK and EBITDA of 103 MSEK.

Acquisition-related costs

Acquisition-related costs of 14 MSEK are included in the statement of profit and loss and in operating cash flows in the statement of cash flows.

True Aps (True Gum)

On December 14, 2021, the parent company acquired 100% of the issued share capital of True Aps, an entity with operations within sustainable 'mouth refreshment' products. Identified excess values are linked to Customer Relations of MSEK 11, Trademark and brands of MSEK 130, Deferred tax liability of MSEK 32 and Goodwill of MSEK 175.

Significant estimate: contingent consideration

In the event that certain pre-determined EBITDA levels are are achieved by the subsidiary for the year ended 2022, 2023 and 2024, an total additional consideration of up to 78 MSEK may be payable in cash after the respectively Annual General Meeting of the buyer in 2022, 2023 and 2024.

The potential undiscounted amount payable under the agreement is capped at MEUR 10 based on the subsidiary financial performance linked to EBITDA. The fair value of the contingent consideration of 62 MSEK was estimated by calculating the present value of the future expected cash flows. The estimates are based on a discount rate of 8,4 %.

Employment linked consideration and stay-on bonus

Of the total consideration, 1,6 MSEK relates to stay-on bonus with expiration on December 14, 2024. The earn-out payments are conditioned to continued employment at the date of expiration why this from an accounting perspective will be recorded as personnel expenses over the period until the expiration date.

As at September 30, 2022, the contingent consideration has been derecognised with 34 MSEK as the initial assessment of the future expected cash flow was an conservative assessment by Humble Group. This resulted in a gain of MSEK 30 recognised Other operating income.

Goodwill

The goodwill is attributable to the value of existing skills and abilities in the organisation to develop and produce future successful assets, and synergies from collaboration in Humble Group. It will not be deductible for tax purposes.

Revenue and profit contribution

The acquisition of True Aps contributed with net sales of 10 MSEK to the Group for the period from 2021-12-14 to 2021-12-31. True Aps. also contributed with an EBITDA of 2 MSEK during the same period. If True Aps would have been consolidated from January 1, 2021, the Group's income statement would present additional net sales of 103 MSEK and EBITDA of 7 MSEK.

Acquisition-related costs

Acquisition-related costs of MSEK 2 are included in the statement of profit and loss and in operating cash flows in the statement of cash flows.

BUSINESS COMBINATIONS 2020

Subsidiary	*Acquisition date*	*Shares and votes*	*Segment*	*Vertical*	*Country*
Monday2Sunday AB	2020-03-12	100%	Future Snacking	Brands	Sweden
Tweek AB	2020-08-25	100%	Future Snacking	Brands	Sweden
Bayn Production AB	2020-10-01	100%	Future Snacking	Manufacturing	Sweden
Amerpharma SP.z o.o.	2020-12-01	51%, 44%	Future Snacking	Manufacturing	Poland
Green Sales Newco AB	2020-12-28	100%	Nordic Distribution	Distribution	Sweden
Green Sales Distributions AB	2020-12-28	100%	Nordic Distribution	Distribution	Sweden
Golden Athlete AB	2020-12-28	100%	Quality Nutrition	Distribution	Sweden

The acquisitions are presented on an aggregated level, as the relative amounts of the individual acquisitions are not deemed to be material.

Summary of distribution of purchase price, PPA – IFRS

Significant acquisitions - 2020	Other acquisitions	Sum of acquisitions 2020
Acquired votes and shares	*100%**	
Acquired net assets	26	**26**
Identified surplus values		
Trademark and brands	16	**16**
Customer relationships and listings	54	**54**
Buildings	0	**0**
Land	0	**0**
Inventory	0	**0**
Deferred tax liability	-14	**-14**
Goodwill	206	**206**
Total value of identified assets	**287**	**287**
Cash	101	**101**
Share issue	142	**142**
Contingent consideration	39	**39**
Deferred payment	5	**5**
Total Purchase price	**287**	**287**

** 51% of the shares in Amerpharma*

Acquisitions

During 2020, the parent company acquired 100% of six subsidiaries and 51% of Amerpharma SP z o.o. The subsidiaries have operations within sugar-reduced food and snacks products. Identified excess values are linked to Customer Relations of MSEK 41, Trademark and brands of MSEK 16, Deferred tax liability of MSEK 12 and Goodwill of MSEK 162.

Significant estimate: contingent consideration

Three acquisitions made during 2020 had an agreement of contingent considerations of total MSEK 39. These considerations were due to payment within 12 months and have as such not been restated to fair value due to the short duration. Of the initial contingent consideration, none remain as of the presentation of this report due to payments of MSEK 38 and derecognition of MSEK 1.

Employment linked consideration and stay-on bonus

No stay-on bonuses or lock-in-penalties are related to the acquisitions carried out during 2020.

Goodwill

The goodwill is attributable to the value of existing skills and abilities in the organisation to develop and produce future successful assets, and synergies from collaboration in Humble Group. It will not be deductible for tax purposes.

Revenue and profit contribution

The acquisition of the subsidiaries contributed with net sales of MSEK 30 to the Group for the period from each acquisition date to end of 2020. The subsidiaries also contributed with an EBITDA of MSEK 0 during the same period. If the subsidiaries would have been consolidated from January 1, 2020, the Group's income statement would present additional net sales of 420 MSEK and EBITDA of 0.

Acquisition-related costs

Acquisition-related costs of 5 MSEK are included in the statement of profit and loss and in operating cash flows in the statement of cash flows.

NOTE 10 – FINANCIAL RISK MANAGEMENT

FINANCIAL RISK FACTORS

Through its operations, the Group is exposed to a variety of financial risks such as: various market risks (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk, liquidity risk and refinancing risk. The Group strives to minimise potential adverse effects on the Group's financial results. The objective of the Group's financial operations is to:

- - ensure that the Group can fulfil its payment obligations,
- - manage financial risks,
- - ensure access to required funding, and
- - optimise the Group's net financial income/expense.

The Group's risk management is predominantly controlled on subsidiary level under policies approved by Humble Group management. The board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

The Group's financial position and earnings are affected by various risk factors that must be considered when assessing the company and its future earnings. The primary risks that are deemed to be relevant to the Group are described below.

Market risk

Foreign exchange risk (transactional risk)

The Group operates internationally and is exposed to foreign exchange risk, primarily in the currencies USD and EUR. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the functional currency of the relevant Group entity. Humble Group is constantly working to minimize currency exposure for major purchases through currency exchange and, if necessary, short-term currency hedging. At the end of the year, hedges in the group were no significant amount.

Foreign exchange risk (translation-related risks)

The Group is also exposed to foreign currency risk when foreign subsidiaries with other functional currency than SEK are consolidated, mainly for EUR and GBP. The Group's policy is to not hedge the translation exposure attributable to net investment in foreign operations to reduce the risk upon translation in the financial statements. Humble Group subsidiaries is constantly working to minimize currency exposure for major purchases through currency exchange and, if necessary, short-term currency hedging.

Interest rate risk

The Group's main interest rate risk arises from long-term borrowings. Borrowings with variable rates expose the Group to cash flow interest rate risk which is partly neutralized with cash funds with variable rates. Borrowings with fixed rates expose the Group to fair value interest rate risk. The Group's policy is to not hedge interest rate risk in future cash flows.

Credit risk

Credit risk primarily arises from cash and debt instruments measured and recognised at amortised cost.

Credit risk related to customers is reduced through credit risk assessments, credit limits in event of delayed payment commitments and through contractual terms with the customers. There is no high concentration of credit risk regarding exposure to individual customers, particular industries and/or regions.

The Group primarily holds accounts receivables within the scope of the impairment model for expected credit losses. The Group applies the simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all accounts receivables. The Group's calculation of expected credit losses on accounts receivables amounts to insignificant amounts.

Liquidity risk

Liquidity risk is the Group's risk of not maintaining sufficient cash to meet its short-term payment obligations as a result of insufficient funds. Due to the nature of the underlying businesses, the Group maintains flexibility in funding by maintaining availability under committed credit lines. Through prudent liquidity risk management, the Group ensures that sufficient cash is available to meet the needs of operating cash flows. At the same time, it is ensured that the availability of committed credit facilities meets the obligations when due and to close out market positions.

Management monitors rolling forecasts of the Group's liquidity reserve (comprising the undrawn borrowing facilities below) and cash and cash equivalents based on expected cash flows, which is monitored on Group basis. This is generally carried out at local level in the operating entities of the Group, in accordance with practice and limits set by the Group. In addition, the Group's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

The availability of working capital for the company's operating activities and financing to meet the Group's investment needs constitute an important part in creating a profitable and long-term strong business. Humble Group currently has a good dialogue with investors and banks to address this risk.

NOTE 11 – FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE

The levels in the fair value hierarchy are defined as follows:

Financial instrument level 1
Quoted market prices (unadjusted) in active markets for identical assets or liabilities.
Financial instrument level 2.
Observable data for the asset or liability other than quoted prices included in level 1, either directly (i.e. as price quotations) or indirectly (i.e. derived from price quotations).
Financial instrument level 3.
When one or more of the significant inputs is not based on observable market data.

The Group's financial assets measured at fair value through profit and loss consists of Other securities held as non-current assets, which are classified as level 1 in the fair value hierarchy.

The Group's financial liabilities measured at fair value through profit and loss consists of Contingent consideration, which are classified as level 3 in the fair value hierarchy.

There have been no transfers between fair value hierarchy levels during the reporting period.

FAIR VALUE DISCLOSURE OF BOND LOANS

The group also has financial instruments in the form of two senior bond loans with a total credit line of 2,000 MSEK that are not measured at fair value in the balance sheet:

- 300 MSEK was issued on January 5, 2021 (2021-2024), has a fixed interest rate of 9.50 %
- 1,500 MSEK was issued on July 21, 2021 (2021-2025), has a variable interest rate (STIBOR 3m + 8.25 %)

For the bond loan 2021-2025, the measurement at amortised cost corresponds in all essentials to its fair value because the interest rate is variable and as the credit risk has not changed significantly.

The fair value of the bond loan 2021-2024 has been calculated by using cash flows discounted at a current interest rate. The bond loan is classified as level 3 in the fair value hierarchy as unobservable data has been used, including own credit risk. The carrying amount of the bond loan 2021-2024 for 2021 and 2022 are 300 MSEK and 300 MSEK respectively, whereas the fair value of the loan amount to 256 MSEK for 2021 and 270 MSEK for 2022.

Contingent consideration, MSEK	2022	2021	2020
Opening balance January 1	**737**	**26**	**0**
Acquisition	247	714	27
Payments	-142	-23	0
Changes in the fair value of debt instruments at fair value through profit or loss	61	14	-1
Revaluation of assessed future cashflow	-111	7	0
Exchange differences	-13	-1	1
Ending balance December 31	**779**	**737**	**26**

CONTINGENT CONSIDERATIONS

The total contingent consideration to be paid are generally conditioned by significant financial performance improvements, which usually is measured to certain pre-determined EBITDA-levels by the subsidiary to be reached. The nature of the payments is generally a subject for Humble to decide, with a majority to be paid in cash but can also be paid with newly issued shares. This has a potential positive impact of the Groups cash flow and long-term net debt.

The mechanics behind the additional purchase prices differ between the various acquisitions and the Group's commitments also extend over a longer time horizon. The provision in the consolidated balance sheet is presented at a higher level and constitutes a valuation of management's best assessment of the expected future cash flow. This assessment is made on a subsidiary-based level and is revalued regularly. The contingent considerations are recognised at fair value and have been discounted with 10,8% discount rate. The duration to maturity is presented below.

INPUT USED IN RECURRING LEVEL 3 FAIR VALUE MEASUREMENTS AND VALUATION TECHNIQUES

The contingent considerations in the Group have been calculated based on the nominal value of the best estimate of the expected outcome on the date of the acquisition. The estimate is based on management's assessment of the probable amount to be paid given the terms of the share transfer agreement. The fair value of the contingent considerations has been calculated based on an interest rate corresponding to the remaining term until payment at each reporting date. During 2022, MSEK 61 (2021: MSEK 14, 2020: MSEK 0) in interest income was recognised as finance expenses regarding expenses related to contingent considerations.

Estimated payments per year	Nominal value	Fair value
2023	361	347
2024	353	305
2025	161	125
2026	3	2
Total contingent considerations	**878**	**779**

NOTE 12 – EFFECTS OF FIRST-TIME ADOPTION OF IFRS

The interim report for the fourth quarter 2022 is Humble Group's first financial report prepared in accordance with International Financial Reporting Standards (IFRS). The accounting principles found in *Note 1 Summary of significant accounting principles* have been applied when the consolidated financial statements for Humble Group have been prepared as of December 31, 2022, and for the comparative information presented from and including the opening statement of financial position as of January 1, 2020. When preparing the opening statement of financial position as of January 1, 2020, and the report on financial position as of December 31, 2020, December 31, 2021, and December 31, 2022, according to IFRS, the amounts in previous financial statements were adjusted because they had been prepared in accordance with BFNAR 2012:1 Annual accounts and consolidated accounts (K3). An explanation of how the transition from previous GAAP to IFRS has affected the Group's financial position and performance is shown in the tables that follow below and in their corresponding references.

EXEMPTIONS IN THE OPENING IFRS STATEMENT OF FINANCIAL POSITION

The first time IFRS is applied in the consolidated financial statements, IFRS 1, First-time Adoption of International Financial Reporting Standards, should be applied. The main rule is that all applicable IFRS and IAS standards, which have entered into force and been approved by the EU, must be applied retrospectively. However, IFRS 1 contains transitional provisions that give companies a certain choice. Below are the exemptions permitted by IFRS from full retrospective application of all standards that the Group has chosen to apply when preparing the opening statement of financial position.

Exemptions for cumulative translation differences

IFRS 1 allows cumulative translation differences reported in equity to be deemed to be zero at the date of transition to IFRS. This is a simplification compared to determining cumulative translation differences in accordance with IAS 21 The Effects of Changes in Foreign Exchange Rates, from the time a subsidiary or associate was formed or acquired. Humble Group has elected to deem all cumulative translation differences in the equity reserve to be zero and reclassify these to retained earnings as of the date of transition to IFRS (January 1, 2020).

Exemptions for leases

Humble Group has elected to apply the exemption to apply IFRS 16 Leases from the date of transition (January 1, 2020) and forward. The exemption implies that the lease liability is measured at the present value of the remaining lease payments at the date of transition, discounted using the lessee's incremental borrowing rate. The right-of-use asset is measured at an amount equal to the lease liability.

The Group has also elected to apply the following, based on IFRS 1, at the date of transition:

- Hindsight's are used, such as in determining the lease term if the contract contains options to extend or terminate the lease.
- Short-term leases (leases where the initial lease period is long-term, but where the remaining lease period is shorter than 12 months) have not been included in the calculation of the lease liability.
- A right-of-use asset or a lease liability is not reported for leases where the underlying assets are of low value.

Exemptions for business combinations

The standard IFRS 1 applies when an entity first adopts IFRS and it gives the first-time adopter the possibility of applying IFRS 3, Business combinations, either prospectively from the date of transition to IFRS or from a specific time before the date of transition. This is a simplification from full retrospective application which would require restatement of all business combinations prior to the date of transition. The Group has elected to apply IFRS 3 prospectively for business combinations that take place after 2020-01-01, the date of transition to IFRS. Business combinations that took place before the transition date have thus not been restated.

RECONCILIATION OF PREVIOUS GAAP AND IFRS

According to IFRS 1, the Group should present a reconciliation of equity and total comprehensive income reported in accordance with previous GAAP to its equity and total comprehensive income in accordance with IFRS.

The Group's transition to IFRS has had no impact on the total cash flows from operating activities, investment activities or financing activities. On the other hand, a reclassification of cash flows has taken place between financing activities and operating activities as principal elements of lease liabilities are reported within financing activities after the transition to IFRS. According to previous GAAP, the total cash flow from lease agreements was reported as cash flows from operating activities.

The tables below show the reconciliation of equity and total comprehensive income in accordance with previous GAAP to equity and total comprehensive income in accordance with IFRS.

EFFECTS ON TOTAL COMPREHENSIVE INCOME

		Fourth quarter, 2021			Fourth quarter, 2020		
Amount in MSEK	*Note*	Swedish GAAP	Total adjustment of transition to IFRS	IFRS	Swedish GAAP	Total adjustment of transition to IFRS	IFRS
Net sales	*e, f*	**862**	**-8**	**854**	**17**	**-2**	**15**
Capitalised work on own account	*f*	35	-1	34	1	0	1
Other operating income	*e, f*	18	0	18	1	0	1
Raw materials and consumables	*e, f*	-577	-12	-589	-13	0	-13
Other external expenses	*a, e, f*	-124	-8	-132	-12	-2	-14
Personnel expenses	*e, f*	-86	-84	-170	-6	1	-5
Other operating expenses	*f*	-10	0	-10	-4	0	-4
EBITDA		**118**	**-113**	**5**	**-16**	**-4**	**-20**
Items affecting comparability	***0***	34	110	143	14	0	14
ADJUSTED EBITDA		**152**	**-4**	**148**	**-2**	**-4**	**-6**
Depreciation of tangible fixed assets	*e, f*	4	-1	3	0	0	0
Depreciation of right-of-use assets	*a*	0	-9	-9	0	0	0
EBITA		**122**	**-123**	**-1**	**-16**	**-4**	**-20**
ADJUSTED EBITA		**156**	**-14**	**142**	**-2**	**-4**	**-7**
Amortization of intangible fixed assets	*e, f*	-2	-8	-10	-1	0	-1
Amortisation of fixed assets related to acquisitions	*e*	-248	223	-25	-11	10	-1
EBIT		**-128**	**92**	**-36**	**-28**	**6**	**-22**
ADJUSTED EBIT		**-95**	**201**	**107**	**-14**	**6**	**-9**
Profit from shares in associated companies	*f*	0	1	1	0	0	0
Financial income	*b*	0	-3	-3	1	-1	0
Financial expenses	*a, b, e, f*	-37	-13	-50	-2	1	-1
PROFIT AND LOSS AFTER FINANCIAL ITEMS		**-165**	**77**	**-88**	**-29**	**6**	**-23**
Income tax	*a, b, e, f*	22	-18	4	0	0	0
PROFIT AND LOSS AFTER TAX*		**-143**	**58**	**-85**	**-29**	**6**	**-23**
Other comprehensive income							
Items that may be reclassified to profit or loss	*b*	0	0	0	0	0	0
Exchange differences in translation of foreign operations	*b*	0	0	9	0	4	4
COMPREHENSIVE INCOME FOR PERIOD*		**-143**	**67**	**-76**	**-29**	**10**	**-19**
Earnings per share before dilution		**-0,58**	**0,23**	**-0,35**	**-0,23**	**0,04**	**-0,20**
Earnings per share after dilution		**-0,58**	**0,23**	**-0,35**	**-0,23**	**0,03**	**-0,20**

*Profit and loss after tax and Total Comprehensive Income for the period are attributable in their entirety to the shareholdes of the parent company

EFFECTS ON TOTAL COMPREHENSIVE INCOME, CONT.

		Twelve months, 2021			Twelve months, 2020		
Amount in MSEK	*Note*	Swedish GAAP	Total adjustment of transition to IFRS	IFRS	Swedish GAAP	Total adjustment of transition to IFRS	IFRS
Net sales	*e, f*	**1 518**	**-32**	**1 486**	**32**	**-3**	**29**
Capitalised work on own account	*f*	47	-1	46	4	0	4
Other operating income	*e, f*	42	7	49	3	0	3
Raw materials and consumables	*e, f*	-1 038	-7	-1 045	-22	0	-22
Other external expenses	*a, e, f*	-223	-14	-237	-24	-3	-27
Personnel expenses	*e, f*	-167	-156	-323	-12	0	-12
Other operating expenses	*f*	-17	1	-16	-5	0	-5
EBITDA		**162**	**-201**	**-39**	**-25**	**-5**	**-30**
Items affecting comparability		66	208	274	16	0	16
ADJUSTED EBITDA		**228**	**7**	**235**	**-9**	**-5**	**-14**
Depreciation of tangible fixed assets	*e, f*	-5	-1	-6	0	0	0
Depreciation of right-of-use assets	*a*	0	-18	-18	0	-1	-1
EBITA		**157**	**-221**	**-64**	**-25**	**-6**	**-31**
ADJUSTED EBITA		**223**	**-13**	**210**	**-9**	**-6**	**-15**
Amortization of intangible fixed assets	*e, f*	-6	-8	-14	-3	0	-3
Amortisation of fixed assets related to acquisitions	*e*	-464	417	-47	-24	21	-3
EBIT		**-313**	**188**	**-125**	**-52**	**15**	**-37**
ADJUSTED EBIT		**-247**	**396**	**149**	**-36**	**15**	**-21**
Profit from shares in associated companies	*f*	0	1	1	0	0	0
Financial income	*b*	0	-2	-2	1	-1	0
Financial expenses	*a, b, e, f*	-75	-21	-96	-3	1	-2
PROFIT AND LOSS AFTER FINANCIAL ITEMS		**-388**	**167**	**-221**	**-54**	**15**	**-39**
Income tax	*a, b, e, f*	46	-42	4	3	-3	1
PROFIT AND LOSS AFTER TAX*		**-342**	**125**	**-217**	**-51**	**13**	**-38**
Other comprehensive income							
Items that may be reclassified to profit or loss	*b*	0	0	0	0	0	0
Exchange differences in translation of foreign operations	*b*	0	36	36	0	4	4
COMPREHENSIVE INCOME FOR PERIOD*		**-342**	**160**	**-182**	**-51**	**17**	**-34**
Earnings per share before dilution		**-1,38**	**0,20**	**-1,18**	**-0,42**	**-0,02**	**-0,45**
Earnings per share after dilution		**-1,38**	**0,20**	**-1,18**	**-0,42**	**-0,02**	**-0,45**

*Profit and loss after tax and Total Comprehensive Income for the period are attributable in their entirety to the shareholdes of the parent company

EFFECTS ON ASSETS

		December 31, 2021			December 31, 2020			January 1, 2020
Amount in MSEK	*Note*	Swedish GAAP	Total adjustment of transition to IFRS	IFRS	Swedish GAAP	Total adjustment of transition to IFRS	IFRS	Swedish GAAP and IFRS*
ASSETS								
Fixed assets								
Intangible assets								
Capitalised product develoment costs	*e, f*	189	-115	74	85	-72	13	5
Customer relationships and listings	*f*	1 163	-663	500	27	15	42	0
Trademarks and brands	*e, f*	1 280	43	1 322	85	-69	16	0
Goodwill	*f*	2 152	936	3 088	84	79	163	0
Total intangible assets		**4 784**	**199**	**4 984**	**281**	**-47**	**234**	**5**
Tangible fixed assets								
Buildings and land	*e, f*	153	9	162	0	-0	0	0
Machines and other technical equipment	*e, f*	122	-62	60	21	-18	3	0
Equipment, tools and installations	*e*	17	-0	16	1	-0	1	0
Ongoing new facilities and advances	*e*	6	-0	5	0	-0	0	0
Total tangible fixed assets		**297**	**-53**	**244**	**23**	**-19**	**4**	**0**
Right-of-use assets	*a*	**0**	**109**	**109**	**0**	**8**	**8**	**0**
Deferred tax assets	*a, b*	**34**	**0**	**34**	**0**	**0**	**0**	**0**
Financial assets								
Equity in associated companies	*e*	0	47	47	0	50	50	0
Other long-term securities holdings		8	0	8	0	0	0	0
Other long-term receivables		3	0	3	0	0	0	0
Total financial assets		**10**	**47**	**57**	**0**	**50**	**51**	**0**
Total fixed assets		**5 125**	**302**	**5 428**	**304**	**-8**	**296**	**5**
Current assets								
Inventory								
Raw materials and consumables	*e*	74	-2	72	6	-1	5	2
Finished goods and goods for sales	*e*	433	2	434	29	-1	28	0
Total inventory		**506**	**0**	**506**	**36**	**-2**	**33**	**2**
Short-term receivables								
Accounts receivables	*e*	463	-0	463	48	-11	37	0
Other short-term receivables	*e, f*	54	-1	53	6	-2	4	1
Prepaid expenses and accrued income	*e, f*	34	-55	-21	5	-2	2	1
Advances to suppliers	*e*	10	-0	10	1	-0	1	0
Cash and cash equivalents	*e*	421	-1	420	82	2	83	2
Total short-term receivables		**982**	**-58**	**924**	**142**	**-14**	**128**	**4**
Total current assets		**1 488**	**-58**	**1 430**	**177**	**-16**	**161**	**7**
TOTAL ASSETS		**6 613**	**244**	**6 858**	**481**	**-25**	**457**	**12**

* No adjustments on opening balance of 2020 as a result of no effect of the transition to IFRS

EFFECTS ON EQUITY AND LIABILITIES.

		December 31, 2021			December 31, 2020			January 1, 2020
Amount in MSEK	*Note*	Swedish GAAP	Total adjustment of transition to IFRS	IFRS	Swedish GAAP	Total adjustment of transition to IFRS	IFRS	Swedish GAAP and IFRS*
EQUITY AND LIABILITIES								
Equity								
Share capital	*e*	54	-0	54	27	0	27	8
Unregistered share capital		1	0	1	1	0	1	0
Other equity contributed	*f*	3 046	263	3 309	377	-3	374	52
Exchange rate differences	*b*	0	40	40	0	4	4	0
Retained earnings	*a, d, e, f*	-411	105	-306	-105	15	-91	-54
Total shareholders equity		**2 690**	**408**	**3 098**	**299**	**15**	**314**	**8**
Long-term liabilities								
Interest-bearing liabilities	*d*	1 736	-0	1 736	6	-1	5	1
Contingent considerations	*b, d*	666	-53	613	9	2	11	0
Deferred tax liabilities	*b, c*	577	-193	384	42	-28	14	0
Other provision	*b*	17	0	17	0	0	0	0
Non-current lease liabilities	*a*	0	71	71	0	5	5	0
Other long-term liabilities	*b, d*	52	32	84	3	-3	0	0
Total long-term liabilities		**3 047**	**-143**	**2 904**	**60**	**-25**	**35**	**1**
Short-term liabilities								
Interest-bearing liabilities	*d*	107	-5	102	18	-0	18	0
Accounts payable	*f, b*	364	2	366	36	-10	26	3
Current lease liabilities	*a*	0	37	37	0	3	3	0
Contingent considerations	*b, d*	249	-124	124	43	-28	15	0
Tax liabilities	*c*	41	-0	41	4	-1	2	0
Other liabilities	*b, d*	12	51	63	12	24	36	0
Accrued expenses and prepaid income	*d, f*	103	19	122	9	-2	7	1
Total short-term liabilities		**876**	**-20**	**856**	**122**	**-15**	**107**	**4**
TOTAL EQUITY AND LIABILITIES		**6 613**	**244**	**6 858**	**481**	**-25**	**457**	**12**

* No adjustments on opening balance of 2020 as a result of no effect of the transition to IFRS

TRANSITION DISCLOSURES

a) Leases

The Group only acts as a lessee.

At the date of transition to IFRS, the Group reports a right-of-use asset and a lease liability in the balance sheet for all leases except where the underlying asset is of low value or for short-term agreements.

As of January 1, 2020, the lease liability has been measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate. The weighted average incremental borrowing rate used in the transition to IFRS (January 1, 2020) amounted to 8,4%. Right-of-use assets are measured at the date of transition at an amount equal to the lease liability adjusted by the amount of any prepaid lease payments relating to that lease recognised in the statement of financial position immediately before the date of transition to IFRS.

The Group reports a lease liability amounting to 0 MSEK as of January 1, 2020, and to 8 MSEK as of December 31, 2020, and 108 MSEK as of December 31, 2021. The right-of-use assets amounted to 0 MSEK at the date of transition and to 8 MSEK as of December 31, 2020, and 109 MSEK as of December 31, 2021.

In the statement of comprehensive income, right-of-use assets are depreciated on a straight-line basis over the lease term and interest is calculated on the lease liability with a fixed interest rate reported in the respective period. In the statement of comprehensive income, depreciation on right-of-use assets is reported as an expense and interest expenses are reported among financial expenses, instead of lease fees which were previously reported among Other external expenses.

b) Reclassifications

Consolidated statement of comprehensive income

Reclassifications have been made of the following items in the consolidated statement of comprehensive income:

"Interest income" is called "Financial income", "Interest expenses" is called "Financial expenses" and "Current tax" and “Deferred tax” is called "Income tax".

Compared to previous GAAP, items are added in connection with the Income Statement that must be reported as Other comprehensive income. These are reported by the Group in a separate report called "Other comprehensive income".

Consolidated statement of financial position

According to IFRS, provisions must not be reported under a separate heading called "Provisions” but reported under one of the headings "Long-term liabilities" or "Short-term liabilities" depending on the nature of the provision. Provisions have thus been reclassified to "Long-term liabilities" and "Short-term liabilities" respectively, and deferred tax liabilities to "Long-term liabilities". Exchange rate differences was previously reported included in “Other equity including profit from period” and is now presented on a line in the total shareholders equity.

c) Deferred taxes

Deferred tax is reported on all IFRS adjustments in cases where the adjustments result in temporary differences in the balance sheet. Adjustments to deferred tax mainly consist of the effects on deferred tax arising through recalculation of business acquisitions and deferred tax attributable to additional right-of-use assets and leasing liabilities.

d) Financial instruments

Under previous accounting principles, Humble Group has reported all financial instruments at acquisition value. In connection with the transition to IFRS, the valuation bases for financial instruments have changed. Under previous accounting principles, the group has valued its long-term securities holdings and short-term investments at acquisition value. In accordance with IFRS 9, the group's long-term securities holdings and short-term investments are reported at fair value through profit and loss. In accordance with IFRS, contingent considerations that are classified as financial liabilities are also reported at fair value.

In the Group's income statement, the revaluation to fair value of contingent considerations is reported as an Other operating income or Other operating expenses.

In accordance with previously applied accounting principles, Humble Group has applied an impairment model for credit losses based on an event that has occurred. In accordance with IFRS 9, companies applying IFRS must apply a model for expected credit losses which means that a credit loss is reported when the company becomes a party to the financial instrument. The application of the model for expected credit losses has not had any significant impact on Humble Group's credit risk provisions.

Under previous accounting principles, the group has classified borrowing costs as an asset that is expensed during the term of the agreement. In accordance with the effective interest method, these costs are included in the accrued acquisition value of the debt, whereby these are reclassified.

e) Associated companies

Adjustments has been made according to the equity method, where holdings in associated companies are initially reported in the group's balance sheet at acquisition cost.

f) Restatement of business combinations and of amortisation of goodwill

Table in *Note 9 Business combinations* shows the Groups acquired companies in 2021 and 2020. The acquisitions have been restated in accordance with IFRS 3 Business combinations and the most significant differences between previous GAAP and IFRS 3 are that according to IFRS 3, intangible assets are separated to a larger extent from goodwill. In connection with the acquisitions, there are also acquisition related costs which have been reported as part of purchase consideration according to previous GAAP. According to IFRS, these costs must be reported in the statement of comprehensive income. Furthermore, some of the acquisitions include contingent considerations which are measured at fair value in connection with the restatement of the acquisitions and are included as part of purchase consideration and reported as a liability.

The tables below show the adjustments made to intangible assets in connection with the restatement of the acquisitions for 2021 and 2020, respectively. For detailed information about the acquisitions, see *Note 9 Business combinations*.

2020, MSEK	Capitalised product develoment costs	Customer relatioships	Trademarks and brands	Goodwill	Totalt
Closing balance according to Swedish GAAP	**85**	**27**	**85**	**84**	**281**
Reclassification to customer relations	-20	20			0
Reclassification to trademarks					0
Reclassification to capitalised product development					0
Reclassification to goodwill	-6		-56	62	
Restatement of amortisation of goodwill in profit or loss				-16	-16
Contingent consideration	-35	-8	-5	51	3
Deferred tax liabilities	-10	4	-7	-15	-28
Acquisition related costs	-1	-1	-1	-3	-5
Additional amortisation of intangible assets		-1			-1
Translation difference					0
Closing balance according to IFRS	**13**	**41**	**17**	**163**	**234**

2021, MSEK	Capitalised product develoment costs	Customer relatioships	Trademarks and brands	Goodwill	Totalt
Closing balance according to Swedish GAAP	**189**	**1 163**	**1 280**	**2 152**	**4 784**
Reclassification to customer relations					0
Reclassification to trademarks					0
Reclassification to capitalised product development					0
Reclassification to goodwill	-117	-627	-108	852	0
Restatement of amortisation of goodwill in profit or loss				178	178
Accumulated restatement of goodwill from previous periods				7	7
Contingent consideration					0
Deferred tax liabilities	-15	-65	-13	-100	-193
Acquisition related costs	-5	-4	-3	-23	-35
Additional amortisation of intangible assets	21	33	167		221
Translation difference				22	22
Closing balance according to IFRS	**74**	**500**	**1 322**	**3 088**	**4 985**

According to previous GAAP, goodwill was amortised over the period it was estimated to provide economic benefits. According to IFRS, goodwill is not amortised, but instead annually tested for impairment. As goodwill is not amortised according to IFRS, the amortisation of goodwill made according to previous GAAP is reversed from January 1, 2020.

The reversal of amortisation of goodwill made during a period affects the profit and loss of that period and the total comprehensive income and has been reversed in the item "Amortisation of intangible assets" in the statement of comprehensive income and increased goodwill in the consolidated statement of financial position.

The table below contains a reconciliation of the total effect on goodwill between previous GAAP and IFRS.

	December, 31	
MSEK	**2021**	**2020**
Goodwill according to Swedish GAAP	**2 152**	**84**
Restatement of amortisation of goodwill in profit or loss	178	7
Accumulated restatement of goodwill from previous periods	7	0
Effect of restated business combinations	751	72
Translation difference	0	0
Goodwill according to IFRS	**3 088**	**163**

Total effect on depreciation and amortisation in the statement of comprehensive income for the full year 2020 amounts to 20 MSEK and consists of reversal of goodwill amortisation (7 MSEK), reversal of other intangible assets amortisation (14 MSEK) and depreciation of right-of-use assets (-1 MSEK).

Total effect on depreciation and amortisation in the statement of comprehensive income for the fourth quarter 2020 amounts to 10 MSEK and consists of reversal of goodwill amortisation (3 MSEK) and reversal of other intangible assets (7 MSEK).

Total effect on depreciation and amortisation in the statement of comprehensive income for the full year 2021 amounts to 390 MSEK and consists of reversal of goodwill amortisation (178 MSEK) reversal of other intangible assets amortisation (-221 MSEK), depreciation of right-of-use assets (-18 KSEK) and additional depreciation of depreciation of tangible assets.

Total effect on depreciation and amortisation in the statement of comprehensive income for the fourth quarter 2021 amounts to 205 MSEK and consists of reversal of goodwill amortisation (103 MSEK), reversal of other intangible asset amortisation (111 MSEK) and depreciation of right-of-use assets (-9 MSEK).

NOTE 13 – EFFECTS FOR THE PARENT COMPANY OF FIRST-TIME ADOPTION OF RFR 2

The interim report for the fourth quarter 2022 is Humble Group AB's first financial report prepared in accordance with RFR 2 Reporting for Legal Entities and the Swedish Annual Accounts Act. The accounting principles found in note X have been applied when the consolidated financial statements for Humble have been prepared as of December 31, 2022, and for the comparative information presented from and including the opening statement of financial position as of January 1, 2020, which is the same date the Group transition to IFRS. An explanation of how the transition from previous accounting standards to RFR2 has affected the Parent Company's financial position and performance is shown in the tables that follow below.

EXEMPTIONS IN THE OPENING RFR 2 STATEMENT OF FINANCIAL POSITION

The transition to RFR 2 is reported in accordance with the application of IFRS 1 The first time IFRS. The main rule is that all applicable IFRS and IAS standards, which have entered into force and been approved by the EU with the exceptions described in RFR 2, shall be applied with retrospectively. However, IFRS 1 contains transitional provisions that give companies a certain amount of choice.

The Parent Company has chosen, in accordance with RFR 2, to apply the following exemptions:

- Not applying IFRS 9 but choosing instead to apply RFR 2 (IFRS 9 Financial Instruments, p. 3-10) based on cost of acquisition according to ÅRL.
- Not applying IFRS 16 but choosing instead to apply the exemption rules in RFR 2 and report leases as operating leases.

Effects on Equity

The transition has had the following effect on the Parent Company's equity:

Amount in MSEK	2022-01-01	2021-01-01	2020-01-01
Opening equity according to reported balance sheet	**2 985**	**336**	**8**
Effect from transition of accounting standard to RFR 2 (incl. deferred tax):			
- Revaluation of issued shares to fair value	273	-3	0
- Interest from fair value presentation of contigent consideration	-19		
Opening equity adjusted to new accounting standard	**3 239**	**333**	**8**

DEFINITIONS AND ALTERNATIVE PERFORMANCE MEASUREMENTS

This report includes definitions and key figures that are not clearly defined in ÅRL or International Financial Reporting Standards (IFRS) but are what the company management considers to be important measures of the business's development, whereupon they are defined below.

EBIT
Earnings before payment of interest and tax.

ADJUSTED EBIT
Earnings before payment of interest and tax adjusted for items that are deemed to be of a non-recurring nature and therefore not recurring for operating activities. Adjusted EBIT margin is Adjusted EBIT divided by total revenue.

EBITA
Earnings before payment of interest and tax as well as amortisation of intangible fixed assets and amortisation on acquisition-related surplus values.

ADJUSTED EBITA
Earnings before payment of interest and tax as well as amortisation of intangible fixed assets and amortisation on acquisition-related surplus values, adjusted for items that are deemed to be of a non-recurring nature and therefore not recurring for operating activities. Adjusted EBITA margin is Adjusted EBITA divided by total revenue.

EBITDA
Earnings before payment of interest and tax as well as operational depreciation and amortisation of tangible and intangible fixed assets and depreciation and amortisation on acquisition-related surplus values.

ADJUSTED EBITDA
Earnings before payment of interest and tax as well as depreciation of tangible and intangible fixed assets, adjusted for items that are deemed to be of a non-recurring nature and therefore not recurring for operating activities. Adjusted EBITDA margin is Adjusted EBITDA divided by total revenue.

PROFORMA
Humble Group is a fast-growing FMCG Group with an adopted strategy to grow both organically and through acquisitions. To illustrate the Group's scope at the date of publication of this interim report, Humble present a proforma on the income statement. The purpose is to visualise how the Group's financial position and results would have looked like on 31 December 2022 if the companies acquired during the year, or where acquisition agreements have been communicated had been consolidated with the existing part of the Group.

CONTINGENT CONSIDERATION
Deferred purchase price payments that are contingent upon future performance of an acquired subsidiary. The consideration can be paid in both cash and shares and are presented to fair value based on management’s best estimate of the occurrence of future payments.

ORGANIC SALES GROWTH
Change in net sales adjusted for exchange rate effect and net sales from acquired companies during the period.

EARNINGS PER SHARE
Profit after tax for the period divided by the number of outstanding shares at the end of the period.

EARNINGS PER SHARE AFTER DILUTION
Profit after tax for the period divided by the sum of the number of outstanding shares and outstanding warrants at the end of the period.

AVERAGE NUMBER OF EMPLOYEES (FTE)
Shows the average number of employees during the period and is calculated as the number of employees multiplied by the employment rate in relation to the standard time for full-time work.

BOARD OF DIRECTORS' APPROVAL

The Board of Directors and the CEO assure that the interim report gives a true and fair view of the Group's and the Parent Company's operations, position and results and describes significant risks and uncertainties that the Parent Company and the companies included in the Group face.

Stockholm 22 February 2023

Peter Werme
Chairman of the Board

Ola Cronholm

Dajana Mirborn

Henrik Patek

Hans Skruvfors

Björn Widegren

Simon Petrén
Chief Executive Officer

This report has not been subject to review by the company's auditor.

This information is such that Humble Group AB is obliged to publish in accordance with the EU regulation on market abuse. The information was submitted for publication on 22 February 2023, at 08:30 CET.

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