humble group.™

INTERIM REPORT

JULY – SEPTEMBER 2023

humble group.™

INTERIM REPORT JULY – SEPTEMBER 2023

CONTINUED GROWTH AND IMPROVED OPERATING MARGIN

Financial information

Third quarter

- Net sales amounted to MSEK 1,811 (1,347).
- Adjusted EBITDA amounted to MSEK 188 (153).
- Adjusted EBITA amounted to MSEK 158 (130).
- Adjusted EBIT amounted to MSEK 111 (95).
- EBITDA amounted to MSEK 161 (232).
- EBITA amounted to MSEK 132 (209).
- EBIT amounted to MSEK 85 (173).
- Cash flow from operating activities amounted to MSEK 175 (-14).
- Earnings per share before and after dilution amounted to SEK -0.20 (0.21).
- Adjusted EBIT per share amounted to SEK 0.25 (0.31).

Nine months

- Net sales amounted to MSEK 5,114 (3,194).
- Adjusted EBITDA amounted to MSEK 503 (371).
- Adjusted EBITA amounted to MSEK 420 (310).
- Adjusted EBIT amounted to MSEK 281 (205).
- EBITDA amounted to MSEK 475 (361).
- EBITA amounted to MSEK 391 (300).
- EBIT amounted to MSEK 252 (195).
- Cash flow from operating activities amounted to MSEK 802 (7). Adjusted for tax deferrals of MSEK 260, the cash flow from operating activities was MSEK 542.
- Earnings per share before and after dilution amounted to SEK -0.27 (-0.07).
- Adjusted EBIT per share amounted to SEK 0.79 (0.77).

Significant events

During the third quarter

- Humble Group enters into a letter of intent regarding the sale of real estates.
- Humble Group fulfilled the refinancing of existing bonds and credit facility by taking up new bank facilities. Its outstanding senior secured bonds 2021/2024 and senior secured bonds 2021/2025 was redeemed on August 22, 2023.

After the quarter

- No significant events have occurred after the third quarter.

Financial overview

	Third quarter		Nine months		Last Twelve Months	Full year
MSEK	2023	2022	2023	2022	Oct 2022 - Sep 2023	2022
Net sales	1,811	1,347	5,114	3,194	6,720	4,800
Gross profit	529	415	1,515	1,053	1,993	1,532
Gross margin	29%	31%	30%	33%	30%	32%
Adjusted EBITDA	188	153	503	371	684	551
Adjusted EBITA	158	130	420	310	576	466
Adjusted EBIT	111	95	281	205	380	304
Cash flow from operating activities	175	-14	802	7	1,050	255
Earnings per share before and after dilution (SEK)	-0.20	0.21	-0.27	-0.07	-0.33	-0.13

See page 25 for definition and calculation of key ratios

CONTINUED GROWTH AND IMPROVED OPERATING MARGIN

I usually say that the third week of August is a bit of a New Year for entrepreneurs, where you start fresh after the holidays and are fully focused on launching all the initiatives that need to be put in place to achieve success during the important autumn months. Seasonally, our companies are weighted towards the third and above all the fourth quarter, with holidays such as All Saints' Day and Christmas. It is therefore particularly gratifying to be able to establish that the second half of the year has started well with continued strong momentum, where organic growth amounted to 12% and net sales increased by 34 % to MSEK 1,811 (1,347) compared to the same period in 2022. Operating profit has followed the turnover increase well, where adjusted EBITA amounted to MSEK 158 (130). A high focus on efficiency in the supply chain has shown result and we are starting to see some margin improvement compared to the first half of 2023, where the adjusted EBITA margin increased from 7.9 % to 8.7 % for the third quarter. With an operating cash flow after changes in working capital of MSEK 175 (-14) and with the new capital structure that came into place during August, we see good opportunities to organically continue to strengthen the balance sheet in order to eventually start acquiring companies again, albeit at a slower pace than before.

Many shareholders and analysts ask how our companies are doing in these times, when consumers suffer from high interest costs and are generally more frugal in their consumption. Having recently completed a road show among our companies, I can confirm that our biggest challenge going forward is not about customer demand, but rather about capacity. Confectionery generally does well in a recession and with a massively increased external focus on the defense industry, we have multiplied requests from international organizations to help supply supplements and bars. An example of this is our largest candy manufacturer, Grahns Konfektyr, which is constantly having to turn down requests for both regular and sugar-reduced candy. Several international brands and players are beginning to understand that it is Humble you should turn to if you want to produce a healthier candy. Another example is Bars Production, which has sold out the entire capacity for 2024, despite the fact that since the acquisition we have continuously invested in several production lines. It is a luxury problem, but at the same time something that we are working intensively on to ensure the conditions to be able to continue to grow at a higher rate going forward and take advantage of the opportunities that arise. Here we see the strength of being part of a larger group like Humble, where we have the capacity, resources and ambition required to invest in increased growth and support our entrepreneurs so they may act on the demand and new project opportunities that arise.

Humble is partially exposed to low-price and private label, with a modern exclusive co-branding to retail chains, which has proven to be well timed with the market. The group's largest company, Solent Group, is going strong and we plan to continue expanding their business model in both the Nordics and Germany, just as they have already successfully done in Australia and South Africa. Retail chains are increasingly moving towards working with this type of partner company, as it is an effective way to maintain an attractive portfolio mix of strong brands and own exclusive products that are sourced directly from the factory.

We have succeeded in maintaining the profitability margin through good cost control that has, among other things, consisted of reducing overlapping functions and using best practice via the larger and more mature units in the group. The group's degree of maturity for operational efficiency between the companies is still in its infancy and now that we have gotten to know the operations better, it is clear that there are many opportunities for optimization and efficiency to be taken advantage of going forward. I feel a bit disappointed that the gross margin has not recovered at the rate we would like. The work to restore the gross profit margin continues and in the longer term we shall get back to the levels that the companies had before covid when all the disruptions in the value chain occurred, which would mean a significant improvement in earnings given our turnover growth since then. During the third quarter, the gross margin was negatively affected by the optimization and relocation of inventory management in several of the companies, where we divested some unprofitable products and goods with a lower turnover rate. It has of course had a short-term negative effect on the result, but we believe that it will benefit the group's profitability and efficiency in the long term, while also freeing up working capital that we can instead allocate to new growth initiatives. In addition, the companies historically tied up approximately 10 - 15% of the net turnover increase in net working capital with new stock. Given the high turnover increase of SEK 300 million pro forma, the real effect combined with the working capital improvement is circa SEK 56 million in positive cash flow from inventory, which is strong. There is still a lot to do here, but it is moving in the right direction.

We are now entering the most intensive period of the year and we are fully focused on delivering goods to our customers while continuing to maintain high efficiency in the value chain without tying up too much capital. Many important group-wide functions have been put in place during the year and we are ready for the process of changing trading venue to regulated market, with the ambition of completing the switch in the coming year. In order to meet the higher requirements for, among other things, sustainability reporting and follow-up that the sustainability regulatory framework (CSRD) entails, we have invested more resources in the area. We also see potential to drive central initiatives similar to the sustainable innovations we launched during the year, in order to offer Humble's companies and customers the packaging solutions of the future and new ways of manufacturing products.

In summary, it feels very exciting and inspiring to see what the fourth quarter and the coming year has to offer. Humble has matured significantly and with the new capital structure in place, we are well positioned to continue delivering shareholder value and increase profitability per share in a sustainable and successful manner.

Simon Petrén
CEO Humble Group
Stockholm, November 2, 2023.

HUMBLE GROUP'S FINANCIAL DEVELOPMENT

THIRD QUARTER

REVENUES

Net sales

Net sales for the quarter amounted to MSEK 1,811 (1,347), an increase of 34 % compared to the corresponding period last year. The change is attributable to completed business acquisitions of 19 %, organic growth for the wholly owned companies in both periods of 12 % and currency impact was 3 %. Net sales proforma increased with 18 %, where organic growth proforma amounted to 16 % and currency impact was 2 %.

EXPENSES

Other external expenses

Other external expenses for the quarter amounted to MSEK -203 (-186), which corresponded to 11 % (14) of net sales. Acquisition related costs for the quarter amounted to MSEK -2 (-12).

Personnel expenses

Personnel expenses for the quarter amounted to MSEK -187 (-147), which corresponded to 10 % (11) of net sales. Personnel expenses were negatively impacted by consideration linked to employment (stay-on-bonus and lock-in penalties) of MSEK -11 (-12). 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 MSEK -77 (-59), which corresponded to a change of 51% compared with the corresponding period last year. Depreciation of right-of-use assets amounted to MSEK -17 (-13) for the quarter. Amortisation of intangible assets related from acquisitions, of which a vast majority related to customer relations, amounted to MSEK -37 (-34).

RESULTS

EBITA

Adjusted EBITA amounted to MSEK 158 (130), which corresponded to a change of MSEK 28 for the period. EBITA for the quarter amounted to MSEK 132 (209), which corresponded to a change of MSEK -77 compared with the corresponding period last year. For more details, please refer to *Note 5 Items affecting comparability.*

EBIT

Adjusted EBIT amounted to MSEK 111 (95), which corresponded to a change of MSEK 16 for the period. EBIT for the quarter amounted to MSEK 85 (173), which corresponded to a change of MSEK -89 compared with the corresponding period last year. Net effect from *IFRS 16 Leasing* to EBIT for the quarter amounted to MSEK 2 (1).

CASH FLOW

Cash flow from operating activities

Cash flow from operating activities amounted to MSEK 175 (-14). Cash flow from operations was impacted by net working capital release of MSEK 20 (-116). The Group has during the quarter continued the work with several strategic initiatives to optimize the net working capital usage going forward.

FINANCIAL POSITION

Financial expenses

Financial expenses for the period amounted to MSEK -159 (-76). The financial expense is affected by a onetime cost of MSEK -78 (0) related to the refinancing of the bonds. Interest expense related to unwinding of discounting effect of contingent considerations and other liabilities presented at fair value amounted to MSEK -15 (-21). Such interest expense has no cash effect in the quarterly result. For more details, please refer to *Note 6 Financial expenses.*

NINE MONTHS

REVENUES

Net sales

Net sales for the first nine months amounted to MSEK 5,114 (3,194), an increase of 60 % compared to the corresponding period last year. The change is attributable to completed business acquisitions of 44 %, organic growth for the wholly owned companies in both periods of 13 % and currency impact was 3 %. Net sales proforma increased with 18 %, where organic growth proforma amounted to 16 % and currency impact was 2 %.

EXPENSES

Other external expenses

Other external expenses for the first nine months amounted to MSEK -601 (-454), which corresponded to 12 % (9) of net sales. Acquisition related costs for the first nine months amounted to MSEK -6 (-28).

Personnel expenses

Personnel expenses for the first nine months amounted to MSEK -568 (-429), which corresponded to 11 % (8) of net sales. Personnel expenses was negatively impacted by consideration linked to employment (stay-on-bonus and lock-in penalties) of MSEK -35 (-60). 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 first nine months amounted to MSEK -223 (-166), which corresponded to a change of 34 % compared with the corresponding period last year. Depreciation of right-of-use assets amounted to MSEK -47 (-34) for the first nine months. Amortisation of intangible assets related from acquisitions, of which a vast majority related to customer relations, amounted to MSEK -110 (-92).

RESULTS

EBITA

Adjusted EBITA for the first nine months amounted to MSEK 420 (310), which corresponded to a change of MSEK 110 for the period. EBITA for the quarter amounted to MSEK 391 (300), which corresponded to a change of MSEK 91 compared with the corresponding period last year. For more details, please refer to *Note 5 Items affecting comparability.*

EBIT

Adjusted EBIT amounted to MSEK 281 (205), which corresponded to a change of MSEK 76 for the period. EBIT for the quarter amounted to MSEK 252 (195), which corresponded to a change of MSEK 57 compared with the corresponding period last year. Net effect from *IFRS 16 Leasing* to EBIT for the quarter amounted to MSEK 4 (3).

CASH FLOW

Cash flow from operating activities

Cash flow from operating activities amounted to MSEK 802 (7). Cash flow from operations was positively impacted by net working capital release of MSEK 402 (-180). The Group has during the first nine months continued the work with several strategic initiatives to optimize the net working capital usage going forward. Tax deferments of total MSEK 260 was recognised as short term liabilities and had a positive impact on the cash flow for the period.

FINANCIAL POSITION

Financial expenses

Financial expenses for the period amounted to MSEK -325 (-182). The financial expense is affected by a onetime cost of MSEK -78 (0) related to the refinancing of the bonds. Interest expense related to unwinding of discounting effect of contingent considerations and other liabilities presented at fair value amounted to MSEK -56 (-37). Such interest expense has no cash effect in the result of the first nine months. For more details, please refer to *Note 6 Financial expenses.*

SEGMENT REPORT - FUTURE SNACKING

SEGMENT OVERVIEW

Future Snacking is pioneers cutting-edge, healthier, and sustainable food and snacking products that challenge conventional options. The companies within the Future Snacking segment are fuelled by a passion for innovative concepts and strive to contribute to a more sustainable consumer society. They prioritize health and well-being by reducing sugar and without compromising on taste, quality or experience.

Humble Group’s Future Snacking subsidiaries focus on several areas, but in particular on functional food and "Better-for-you" products. Their offerings include sugar- and calorie-reduced options, vegan alternatives, and vitamin-enriched products that provide tangible benefits to consumers. The shift in consumer awareness and behaviours, driven by global megatrends such as changing demographics, evolving lifestyles, environmental concerns within the food industry, political factors, and digitalization, serves as a catalyst for this transformative movement.

Humble Group's vision is clear: to be the global leading provider of future branded and sugar-reduced candy. By addressing these emerging needs and staying at the forefront of innovation, Humble Group strives to meet the preferences of health-conscious individuals and contribute to shaping a sustainable future.

SEGMENT UPDATE

The most significant events for the segment comprises, among others:

- Continued increase of international listings for our sugar-reduced confectionary brands in both grocery- and service trade sectors in EU and Asia.
- LEV expanded by opening the franchise concept LEV Diet stores in new key locations.
- Capacity among the entities needs to be further improved to act on the existing and new demand.
- FCB joined forces by integrating Tweek and MCN subsidiaries for greater operational excellence and reduced overhead cost.
- Raw material volatility for sugar and delayed price transfers are a bit demanding.
- True Gum carried out add-on acquisition of Ration brand and broadens product portfolio.
- Progress in the implementation of Arena Confectionary platform, with the aim to collect our production offering across multiple snacks and confectionary categories.

SALES AND PROFITABILITY

Net sales for the Future Snacking segment amounted to MSEK 230 (194) during the quarter, a total increase of 19 % compared to the corresponding period last year. Adjusted EBITDA for the quarter amounted to MSEK 31 (37), with an Adjusted EBITDA margin of 13 % (19). For further financial information of the Group, please refer to *Note 4 Segment information and disclosure of revenue.* Companies included in the segment can be found in *Note 31* in the Annual report 2022 and in *Note 9 Business combination* in this interim report.

FUTURE SNACKING	**Third quarter**		**Nine months**	
Amount in MSEK	**2023**	**2022**	**2023**	**2022**
Net sales	230	194	703	522
Raw material and consumables	-138	-99	-405	-262
Gross profit	**92**	**95**	**298**	**260**
Gross margin	*40%*	*49%*	*42%*	*50%*
EBITDA	**29**	**90**	**53**	**115**
Items affecting comparability	2	-53	42	-36
Adjusted EBITDA	**31**	**37**	**95**	**79**
Adjusted EBITDA in relation to net sales	*13%*	*19%*	*14%*	*15%*
EBITA	**20**	**79**	**27**	**93**
Adjusted EBITA	**22**	**26**	**69**	**57**
Adjusted EBITA in relation to net sales	*10%*	*13%*	*10%*	*11%*
EBIT	**13**	**72**	**4**	**76**
Adjusted EBIT	**15**	**19**	**47**	**40**
Adjusted EBIT in relation to net sales	*6%*	*10%*	*7%*	*8%*

SEGMENT REPORT - SUSTAINABLE CARE

SEGMENT OVERVIEW

Sustainable Care encompasses a wide range of brands, distributors, and manufacturers focusing on personal care and household products that cover multiple categories across organic household, personal care, beauty and oral hygiene products. These entities unite to address the increasing demand for eco-friendly and sustainable products that promote a healthier planet and aligning with consumer preferences for environmentally conscious choices.

The companies within the segment share a common goal of meeting the increasing demand for sustainable and eco-friendly products. By prioritizing sustainability, they actively contribute to creating a healthier and environmentally conscious planet. Their commitment to offering sustainable options aligns with the growing consumer preference for environmentally friendly choices. Through their collective efforts, the Sustainable Care segment is dedicated to make a positive impact on both personal well-being and the planet as a whole.

SEGMENT UPDATE

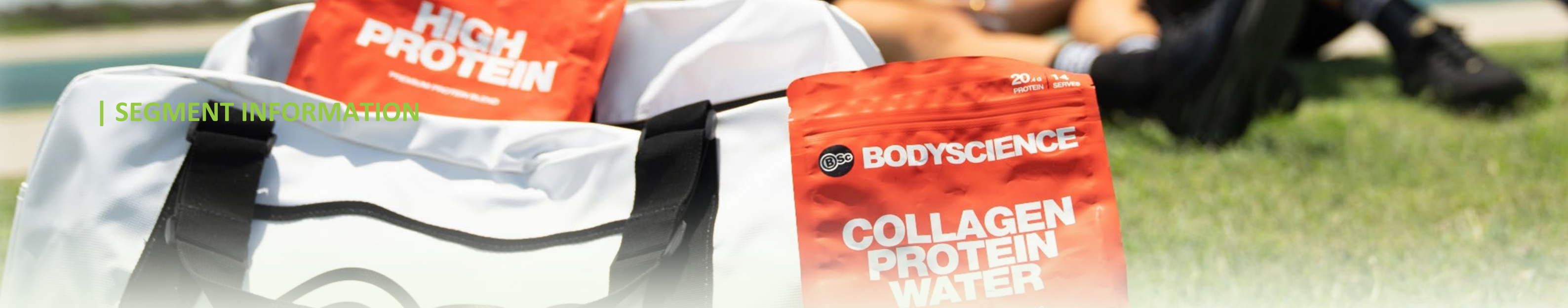
The most significant events for the segment comprises, among others:

- Solent achieved great topline growth with solid profitability, has continued to solidify its role as a dynamic retail partner for the Group’s brands.
- The Humble Co. continued to achieve ongoing success in the US market.
- Naty’s ongoing transition to new manufacturing supplier for more balanced quality and improved cost structure has been delayed from the original time plan and savings are yet to be seen. Furthermore, Naty has established a strong framework and organisation, which is set-up for a regain of previous year’s sales and profitability levels. Company is back to solid profitability in Q3 2023.
- Fancystage is growing but struggling a bit with profitability margins compared to previous years.

SALES AND PROFITABILITY

Net sales for the Sustainable Care segment amounted to MSEK 608 (487) during the quarter, a total increase of 25 % compared to the corresponding period last year. Adjusted EBITDA for the quarter amounted to MSEK 102 (70), with an Adjusted EBITDA margin of 17 % (14). For further financial information of the Group, please refer to *Note 4 Segment information and disclosure of revenue.* Companies included in the segment can be found in *Note 31* in the Annual report 2022 and in *Note 9 Business combination* in this interim report.

SUSTAINABLE CARE	**Third quarter**		**Nine months**	
Amount in MSEK	**2023**	**2022**	**2023**	**2022**
Net sales	608	487	1,585	1,298
Raw material and consumables	-388	-318	-1,024	-816
Gross profit	**220**	**169**	**561**	**482**
Gross margin	*36%*	*35%*	*35%*	*37%*
EBITDA	**88**	**64**	**246**	**143**
Items affecting comparability	15	7	-20	59
Adjusted EBITDA	**102**	**70**	**226**	**201**
Adjusted EBITDA in relation to net sales	*17%*	*160%*	*14%*	*16%*
EBITA	**81**	**57**	**226**	**125**
Adjusted EBITA	**96**	**64**	**206**	**184**
Adjusted EBITA in relation to net sales	*16%*	*13%*	*13%*	*14%*
EBIT	**53**	**39**	**146**	**60**
Adjusted EBIT	**68**	**46**	**126**	**119**
Adjusted EBIT in relation to net sales	*11%*	*9%*	*8%*	*9%*



SEGMENT REPORT - QUALITY NUTRITION

SEGMENT OVERVIEW

Quality Nutrition represents a collective of esteemed brands and manufacturers committed to delivering premium nutritional products and supplements. Our mission is to enhance the well-being of both athletes and everyday consumers by optimizing their performance and overall health.

Our subsidiaries within Quality Nutrition comprises both brands and manufacturers devoted to continuously improve our product portfolio based on dedicated research and development efforts to maintain a competitive and sustainable offering to our customers. The Quality Nutrition segment is poised to capitalize on the growing demand for healthier and "better-for-you" nutritional products, as well as providing a more sustainable and qualitative range of alternatives for the broader consumer market regardless of demography and age.

SEGMENT UPDATE

During the third quarter of 2023, we have engaged in the planning and execution of several internal projects that aligns well with our envisioned strategy for the segment. A selection of key internal projects that either have been successfully initiated or are well underway to launch include:

- Entered into legally binding agreement for asset purchase of bar facility in Sydney.
- Successful development of cross-subsidiary collaborative of BodyScience SKUs in Europe.
- Strong progress in the implementation of beverage production line at Habo, Sweden site.
- Several new protein bar products developed, enabling higher quality and new innovation going forward.
- Capacity constraints in both bars and powder production, additional production shifts and minor investments needed to act on demand.
- Initiated export of Vitargo product to major retail chains in Australia.
- Development of BodyScience branded canned sports- and energy drinks completed, and manufacturing initiated in Australia.
- Initiated restructuring of Vitargo business model project to gain greater access across the full value chain.
- Continued implementation of Arena Nutrition platform. Demand is starting to show and pick up.

SALES AND PROFITABILITY

Net sales for the Quality Nutrition segment amounted to MSEK 332 (287) during the quarter, an increase of 16 % compared to the corresponding period last year. Adjusted EBITDA for the quarter amounted to MSEK 35 (34), with an Adjusted EBITDA margin of 11 % (12). For further financial information of the Group, please refer to *Note 4 Segment information and disclosure of revenue.* Companies included in the segment can be found in *Note 31* in the Annual report 2022 and in *Note 9 Business combination* in this interim report.

QUALITY NUTRITION	**Third quarter**		**Nine months**	
Amount in MSEK	**2023**	**2022**	**2023**	**2022**
Net sales	332	287	1,031	622
Raw material and consumables	-243	-211	-752	-467
Gross profit	**89**	**76**	**279**	**155**
Gross margin	*27%*	*26%*	*27%*	*25%*
EBITDA	**33**	**71**	**131**	**93**
Items affecting comparability	2	-36	-17	-19
Adjusted EBITDA	**35**	**34**	**114**	**74**
Adjusted EBITDA in relation to net sales	*11%*	*12%*	*11%*	*12%*
EBITA	**27**	**64**	**114**	**81**
Adjusted EBITA	**29**	**28**	**97**	**62**
Adjusted EBITA in relation to net sales	*9%*	*10%*	*9%*	*10%*
EBIT	**21**	**57**	**93**	**68**
Adjusted EBIT	**23**	**21**	**76**	**49**
Adjusted EBIT in relation to net sales	*7%*	*7%*	*7%*	*8%*

SEGMENT REPORT - NORDIC DISTRIBUTION

SEGMENT OVERVIEW

Ever since its inception, Humble Group has pursued a comprehensive strategy that encompasses the entire value chain, including distribution. Within the Nordic Distribution segment, a network of wholesalers and distributors operates across the Nordic region. These companies possess extensive knowledge of local markets and consumer preferences.

The vision for the segment is clear; to be the number one Nordic Distribution partner for healthy and sustainable brands. Leveraging the expertise of our Nordic Distribution subsidiaries, Humble are poised to deliver an extensive range of FMCG products that are tailored to the diverse tastes and preferences prevalent in the region. This collaborative strategy underscores our commitment to effectively addressing the unique demands of the local market and ensuring a comprehensive product portfolio that resonates with our valued customers.

SEGMENT UPDATE

The Nordic Distribution segment has experienced an eventful quarter, marked by significant progress in various internal projects. Key developments include:

- Continued progression of centralized and more efficient logistics and IT structures across Privab entities.
- GSD and Nordfood consolidation project initiated and successfully progressing for increased operational efficiency and sales processes.
- Ongoing pricing and procurement project between the entities.
- New distribution agreements in place for modern FCMG brands.
- Further possibilities to improve the management of net working capital and strengthen the cash flow.

Overall, the Nordic Distribution segment has made significant strides during this quarter, driven by internal projects, consolidation efforts, and sales optimization measures. These initiatives are poised to yield positive outcomes and further strengthen the segment's performance in upcoming quarters.

SALES AND PROFITABILITY

Net sales for the Nordic Distribution segment amounted to MSEK 640 (380) during the quarter, an increase of 68 % compared to the corresponding period last year. Adjusted EBITDA for the quarter amounted to MSEK 29 (15), with an Adjusted EBITDA margin of 5 % (6), which was continuously slightly negatively affected by margin pressure due to some delay in the transferring of increased purchase prices to customers. For further financial information of the Group, please refer to *Note 4 Segment information and disclosure of revenue.* Companies included in the segment can be found in *Note 31* in the Annual report 2022 and in *Note 9 Business combination* in this interim report.

NORDIC DISTRIBUTION	**Third quarter**		**Nine months**	
Amount in MSEK	**2023**	**2022**	**2023**	**2022**
Net sales	640	380	1,795	753
Raw material and consumables	-513	-305	-1,418	-596
Gross profit	**128**	**75**	**377**	**157**
Gross margin	*20%*	*20%*	*21%*	*21%*
EBITDA	**29**	**15**	**78**	**38**
Items affecting comparability	2	7	13	7
Adjusted EBITDA	**32**	**21**	**91**	**45**
Adjusted EBITDA in relation to net sales	*5%*	*6%*	*5%*	*6%*
EBITA	**22**	**12**	**59**	**33**
Adjusted EBITA	**24**	**18**	**72**	**40**
Adjusted EBITA in relation to net sales	*4%*	*5%*	*4%*	*5%*
EBIT	**17**	**8**	**44**	**22**
Adjusted EBIT	**19**	**14**	**57**	**29**
Adjusted EBIT in relation to net sales	*3%*	*4%*	*3%*	*4%*

OTHER INFORMATION

ABOUT HUMBLE GROUP

Humble Group is a leading FMCG Group with a focus on health and well-being. The Group comprises 47 operating entities at the day of this report. Humble Group has set financial targets that the Group shall reach SEK 16 billion in net sales proforma and SEK 1.9 billion 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 1,003 (1,005). The number of full-time positions (FTE) corresponded to 1,102 (915) employees for the third quarter. The proportion of women in the Group for the quarter was 47 % (48).

Parent company

The average number of employees in the Parent Company during the third quarter was 18 (19), with 21 % (21) being women.

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. A description of significant risks and uncertainties can be found in the Annual Report for 2022. There has been no material change in material risks and uncertainties since the annual report was published.

PARENT COMPANY

During the third quarter, the parent company refinanced its bond obligations of 1,800 MSEK in total, and replaced this with two Term loans of total 1,350 MSEK and one revolving credit facility of total 300 MSEK. The new term loans are measured at amortised cost that corresponds in all essential to its fair value in the balance sheet. Please refer to *Note 9 Financial instruments measured at fair value* for additional information.

No other significant events have occurred during the third quarter.

BUSINESS MARKET CONDITION UPDATE

At the time of this interim report was published the war between Russia and Ukraine is still ongoing and recent event in the Middle East have also led to a renewed flare-up of the long-standing war in Israel and Gaza. Humble Group does not have any exposures towards these countries, and as such do not note any direct effects from the ongoing war. Even though it is difficult to quantify the exact effects, Humble notices the indirect effects from the war driven by increased inflation and rising interest rates with a following change in consumer consumption patterns. Humble monitor the market development closely to ensure that Humble position our product mix in best possible way to meet any potential changes in market or consumer behaviour. Further on, the increased market price volatility regarding raw material prices is monitored closely to enable transition of price increases to customers in all material aspects and to a protect stable operating margins.

RELATED PARTY TRANSACTION

No transactions with related parties have occurred during 2023 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 length's perspective and on market terms and conditions.

FINANCIAL CALENDAR

The year-end report for the period January-December 2023 will be published on February 19th, 2024.

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

CERTIFIED ADVISOR

FNCA Sweden AB
Email: info@fnca.se

AUDITORS

BDO Mälardalen
Auditor in Charge: Carl-Johan Kjellman,
Authorised Public Accountant
Email: carl-johan.kjellman@bdo.se

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 443,544,543 (301,274,580), which entitles to one vote each. All shares are of the same share class. The number of outstanding warrants amounted to 7,420,000. For the period July - September 2023, the average number of shares before dilution and average number of shares after dilution amounted to 443,259,358 and 450,679,358, respectively.

TRADE IN THE SHARE
Third quarter

The total liquidity in the share during the third quarter amounted to MSEK 502 (498). The number of transactions for the same period amounted to 46,289 (55,140). The average volume per transaction amounted to SEK 10,845 (9,032). The average volume per trading day amounted to MSEK 7.7 (7.5).

LARGEST SHAREHOLDERS
The ten largest shareholders per September 30, 2023, are listed below:

Owner	Shares	Votes
Håkan Roos (RoosGruppen AB)	46,029,975	10.38%
Neudi & C:o AB	45,351,248	10.22%
Noel Abdayem (NCPA Holding AB)	27,905,431	6.29%
Alta Fox Capital	26,021,235	5.87%
Capital Group	22,368,627	5.04%
Nordnet Pensionsförsäkring	20,897,703	4.71%
Creades AB	18,136,470	4.09%
DNB Asset Management AS	14,300,361	3.22%
Thomas Petrén (Seved Invest AB)	12,570,000	2.83%
Avanza Pension	11,801,631	2.66%
Total top 10	**245,382,681**	**55.32%**
Other shareholders	198,161,862	44.68%
Total number of shares	**443,544,543**	**100%**

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

	Third quarter		Nine months		Full year
	2023	2022	2023	2022	2022
Low price (SEK)	5.94	9.01	5.94	9.01	9.01
High price (SEK)	9.80	16.78	11.45	28.85	28.85
Closing price previous period (SEK)	6.55	14.48	9.77	28.00	28.00
Closing price current period (SEK)	9.10	9.23	9.10	9.23	9.77
Share price development during period (%)	39%	-36%	-7%	-67%	-67%
Trading volume in the share (MSEK)	502	498	1,409	3,205	4,223
Number of transactions in the share	46,289	55,140	145,829	257,474	347,133
Average volume per trading day (MSEK)	7.7	7.5	7.5	17.0	16.7
Average volume per transaction (SEK)	10,845	9,032	9,662	12,448	12,166
Number of shareholders*	22,411	22,767	22,411	22,767	24,080
Number of shares outstanding*	443,544,543	301,274,580	443,544,543	301,274,580	301,274,580
Average number of shares before dilution	443,259,358	298,321,487	355,056,976	264,964,801	284,151,901
Average number of shares after dilution	450,679,358	301,641,487	360,389,431	266,856,983	286,818,625
Net sales per share (SEK)**	4.09	4.52	14.40	12.05	17.51
Adjusted EBITDA per share (SEK)**	0.42	0.51	1.42	1.40	1.70
Adjusted EBITA per share (SEK)**	0.36	0	1.18	1.17	1.76
Adjusted EBIT per share (SEK)**	0.25	0.32	0.79	0.77	1.07
EBIT per share (SEK)**	0.19	0.58	0.71	0.73	0.94
Earnings per share (SEK)	-0.20	0.21	-0.27	-0.07	-0.13

* End of period, **SEK, before dilution

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		Third quarter		Nine months		Last Twelve Months	Full year
Amount in MSEK	*Note*	2023	2022	2023	2022	Oct 2022 - Sep 2023	2022
Net sales		**1 811**	**1 347**	**5 114**	**3 194**	**6 720**	**4 800**
Capitalised work on own account		21	23	62	61	86	85
Other operating income		29	159	178	192	245	259
Raw materials and consumables		-1 282	-932	-3 599	-2 141	-4 726	-3 268
Other external expenses		-203	-186	-601	-454	-791	-644
Personnel expenses		-187	-147	-568	-429	-764	-625
Other operating expenses		-27	-32	-111	-62	-152	-103
EBITDA		**161**	**232**	**475**	**361**	**618**	**504**
Items affecting comparability	5	26	-79	29	10	66	47
ADJUSTED EBITDA		**188**	**153**	**503**	**371**	**684**	**551**
Depreciation of tangible fixed assets		-12	-10	-36	-27	-46	-37
Depreciation of right-of-use assets		-17	-13	-47	-34	-62	-48
EBITA		**132**	**209**	**391**	**300**	**510**	**419**
ADJUSTED EBITA		**158**	**130**	**420**	**310**	**576**	**466**
Amortization of intangible fixed assets		-11	-2	-30	-14	-51	-35
Amortisation of fixed assets related to acquisitions		-37	-34	-110	-92	-145	-128
EBIT		**85**	**173**	**252**	**195**	**314**	**257**
ADJUSTED EBIT		**111**	**95**	**281**	**205**	**380**	**304**
Profit from shares in associated companies		1	-1	0	-3	-2	-4
Financial income	6	0	6	7	8	13	14
Financial expenses	6	-159	-76	-325	-182	-408	-265
PROFIT AND LOSS AFTER FINANCIAL ITEMS		**-74**	**102**	**-67**	**18**	**-84**	**1**
Income tax		-17	-40	-28	-36	-29	-37
PROFIT AND LOSS FROM CONTINUING OPERATIONS*		**-91**	**62**	**-95**	**-18**	**-113**	**-36**
Other comprehensive income							
Items that may be reclassified to profit or loss:							
Exchange differences in translation of foreign operations		-98	37	130	112	152	135
COMPREHENSIVE INCOME FOR PERIOD*		**-189**	**99**	**35**	**94**	**40**	**99**
Earnings per share before dilution		**-0,20**	**0,21**	**-0,27**	**-0,07**	**-0,33**	**-0,13**
Earnings per share after dilution		**-0,20**	**0,21**	**-0,27**	**-0,07**	**-0,33**	**-0,13**
Adjusted earnings per share before dilution		**-0,15**	**-0,06**	**-0,19**	**-0,03**	**-0,12**	**0,04**

*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 - IN SUMMARY

		September, 30		December, 31
Amount in MSEK	*Note*	2023	2022	2022
ASSETS				
Non-currenct assets				
Intangible assets		6,136	6,083	5,995
Tangible fixed assets		185	360	372
Financial assets		70	71	75
Right-of-use assets		173	163	151
Deferred tax assets		27	22	26
Total non-current assets		**6,592**	**6,698**	**6,618**
Current assets				
Inventory		1,051	976	982
Accounts receivables		580	778	683
Other short-term receivables		208	195	234
Cash and cash equivalents *		397	295	338
		2,235	**2,244**	**2,237**
Assets classified as held for sale		216	0	0
Total current assets		**2,451**	**2,244**	**2,237**
TOTAL ASSETS		**9,042**	**8,943**	**8,855**
EQUITY AND LIABILITIES				
Equity				
Share capital		98	66	66
Unregistered share capital		0	0	0
Other equity contributed		5,028	4,243	4,131
Retained earnings		-125	-165	-161
Equity attributable to Parent Company's shareholder		**5,000**	**4,144**	**4,036**
Long-term liabilities				
Interest-bearing liabilities	7	1,259	2,065	1,916
Contingent considerations	9	168	427	433
Long-term lease liabilities		123	109	100
Deferred tax liabilities		501	506	502
Other long-term liabilities		48	41	79
Total long-term liabilities		**2,099**	**3,148**	**3,029**
Short-term liabilities				
Interest-bearing liabilities *	7	416	495	579
Contingent considerations	9	332	346	347
Current lease liabilities		55	53	49
Accounts payable		629	524	550
Other short-term liabilities		512	233	265
Total short-term liabilities		**1,944**	**1,651**	**1,790**
TOTAL EQUITY AND LIABILITIES		**9,042**	**8,943**	**8,855**

** In relation to the refinancing of group capital structure during the third quarter, the cash and cash equivalents as well as short term interest liabilities have been restated per 2212 due to a change in presentation of the Group Cash Pool Accounts.*

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY – THIRD QUARTER

	Equity attributable to Parent Company's shareholder					
Amount in MSEK	Share capital	Unregistered share capital	Other equity contributed	Exchange rate differences	Retained Earnings	Total shareholders equity
Opening balance July 1, 2022	**65**	**0**	**4,127**	**118**	**-381**	**3,928**
Net income for period					62	62
Other comprehensive income				37		37
Total comprehensive income				37	62	99
Transaction with owners in their capacity as owners:						
Share issue	2		114			115
Transaction costs			0			0
Warrants program			2			2
Total transaction with owners in their capacity as owners	2		116			117
Ending balance September 30, 2022	**66**	**0**	**4,243**	**155**	**-320**	**4,144**
Opening balance July 1, 2023	**97**	**0**	**5,011**	**405**	**-341**	**5,171**
Net income for period					-91	-91
Other comprehensive income				-98		-98
Total comprehensive income				-98	-91	-189
Transaction with owners in their capacity as owners:						
Share issue	1		18			18
Transaction costs			-1			-1
Realisation loss from share buyback			0			0
Warrants program			1			1
Total transaction with owners in their capacity as owners	1		18	0	0	18
Ending balance September 30, 2023	**98**	**0**	**5,028**	**307**	**-432**	**5,000**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY – NINE MONTHS

	Equity attributable to Parent Company's shareholder					
Amount in MSEK	Share capital	Unregistered share capital	Other equity contributed	Exchange rate differences	Retained Earnings	Total shareholders equity
Opening balance January 1, 2022	**54**	**1**	**3,315**	**43**	**-302**	**3,110**
Net income for period					-18	-18
Other comprehensive income				112		112
Total comprehensive income				112	-18	94
Transaction with owners in their capacity as owners:						
Share issue	12	-1	887			898
Transaction costs			-11			-11
Warrants program			52			52
Total transaction with owners in their capacity as owners	12	-1	928	0	0	939
Ending balance September 30, 2022	**66**	**0**	**4,243**	**155**	**-320**	**4,144**
Opening balance January 1, 2023	**66**	**0**	**4,131**	**177**	**-338**	**4,036**
Net income for period					-95	-95
Other comprehensive income				130		130
Total comprehensive income				130	-95	35
Transaction with owners in their capacity as owners:						
Share issue	31		927			958
Transaction costs			-28			-28
Realisation loss from share buyback			-1			-1
Warrants program			-1			-1
Total transaction with owners in their capacity as owners	31		897	0	0	928
Ending balance September 30, 2023	**98**	**0**	**5,028**	**307**	**-432**	**5,000**

GROUP CASH-FLOW STATEMENT

Amount in MSEK	Third quarter 2023	Third quarter 2022	Nine months 2023	Nine months 2022	Last Twelve Months Oct 2022 - Sep 2023	Full year 2022
OPERATING ACTIVITIES						
Profit and loss after financial items	-74	102	-67	18	-83	1
Adjustement for non-cash items						
Depreciation and Amortisation	77	59	223	166	304	247
Other items	159	-48	266	22	399	155
Paid tax	-7	-11	-21	-19	-35	-33
Cash flow from operating activities before change in net working capital	**154**	**102**	**400**	**187**	**584**	**371**
CHANGE IN WORKING CAPITAL						
Change in inventories (increase - / decrease +)	18	35	-17	-95	-23	-101
Change in short term receivables (increase - / decrease +)	29	1	168	28	213	74
Change in short term liabilities (increase - / decrease +)	-26	-152	251	-113	276	-88
Sum of change in working capital	**20**	**-116**	**402**	**-180**	**466**	**-116**
Cash flow from operating activities	**175**	**-14**	**802**	**7**	**1 050**	**255**
INVESTING ACTIVITIES						
Acquisition of capitalised development costs	-21	-22	-62	-60	-86	-84
Acquisition of intangible assets	-7	-6	-7	-6	-7	-6
Acquisition of tangible assets	-16	12	-39	-9	-87	-57
Acquisition of financial assets	0	-4	0	0	0	0
Consideration paid, net cash	-116	-258	-352	-899	-354	-901
Cash flow from investing activities	**-160**	**-278**	**-460**	**-974**	**-534**	**-1 048**
Free cash flow	**15**	**-292**	**342**	**-967**	**515**	**-794**
FINANCING ACTIVITIES						
Share issue funds	0	0	875	530	875	530
Costs related to share and bond issues	-81	0	-107	-10	-109	-12
Paid premium for share incentive program	0	0	0	0	2	2
Bond financing	-1 800	0	-1 800	0	-1 800	0
Proceeds from bond	0	300	0	300	0	300
Paid interest	-79	-42	-187	-118	-223	-154
New loans	1 459	191	1 546	490	1 825	769
Amortization of loans	43	-102	-567	-316	-921	-629
Amortization of lease liability	-26	-15	-54	-36	-70	-52
Cash flow from financing activities	**-484**	**332**	**-294**	**840**	**-422**	**753**
Decrease/ Increase in cash and cash equivalents	**-470**	**40**	**49**	**-127**	**93**	**-41**
Cash and cash equivalents at beginning of period	864	257	338	420	295	420
Exchange rate differences	3	-2	10	1	8	-1
Cash and cash equivalents at end of period	**397**	**295**	**397**	**295**	**397**	**338**

The company received deferred tax support during the second quarter recognised as short-term liabilities. This had a positive one-time effect on the cash flow from operating activities of MSEK 260.

INCOME STATEMENT - PARENT COMPANY

	Third quarter		Nine months		Last Twelve Months	Full year
Amount in MSEK	2023	2022	2023	2022	Oct 2022 - Sep 2023	2022
Net sales	6	0	19	2	27	21
Other operating income	1	4	5	4	-2	1
Total revenue	**7**	**4**	**24**	**6**	**26**	**22**
Capitalised work on own account	0	2	0	7	7	9
Other external expenses	-7	-4	-20	-12	-23	-20
Personnel expenses	-9	-10	-30	-30	-47	-48
Other operating expenses	-3	0	0	-1	-3	-1
EBITDA	**-12**	**-8**	**-27**	**-30**	**-42**	**-38**
Depreciation and amortisation of fixed tangible and intangible assets	0	0	0	0	0	0
EBIT	**-12**	**-8**	**-27**	**-30**	**-42**	**-38**
Profit from shares in subsidiaries and associated companies	0	0	0	0	0	0
Received dividends from subsidiaries	0	0	13	37	52	52
Interest income	7	0	24	0	19	13
Interest expenses	-141	-66	-298	-148	-306	-230
PROFIT AND LOSS AFTER FINANCIAL ITEMS	**-146**	**-73**	**-287**	**-141**	**-276**	**-204**
Year-end appropriations	0	0	0	0	100	100
PROFIT AND LOSS BEFORE TAX	**-146**	**-73**	**-287**	**-141**	**-176**	**-104**
Current taxes	0	0	0	0	-16	-16
PROFIT AND LOSS AFTER TAX	**-146**	**-73**	**-287**	**-141**	**-193**	**-120**

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 – IN SUMMARY

	September, 30		December, 31
Amount in MSEK	**2023**	**2022**	**2022**
ASSETS			
Non-current assets			
Intangible fixed assets	1	1	1
Tangible fixed assets	1	1	1
Financial fixed assets	6,981	6,890	6,920
Total non-current assets	**6,983**	**6,892**	**6,922**
Current assets			
Inventory	0	1	0
Accounts receivables	0	0	0
Receivables with group companies	153	100	287
Other short-term receivables	21	6	13
Cash and cash equivalents	1	1	1
Total current assets	**175**	**108**	**301**
TOTAL ASSETS	**7,158**	**7,000**	**7,222**
EQUITY AND LIABILITIES			
Equity			
Restricted equity	98	66	66
Unrestricted equity	4,489	3,971	3,880
Total shareholders equity	**4,587**	**4,037**	**3,946**
Provisions	**507**	**774**	**786**
Long term liabilities			
Interest-bearing liabilities	1,344	1,816	1,826
Other long-term liabilities	11	32	33
Total long-term liabilities	**1,355**	**1,848**	**1,859**
Short-term liabilities			
Interest-bearing liabilities	248	323	571
Accounts payable	5	2	7
Liabilities to group companies	428	1	24
Other liabilities	29	17	29
Total short-term liabilities	**710**	**342**	**631**
TOTAL EQUITY AND LIABILITIES	**7,158**	**7,000**	**7,222**

NOTES AND PERFORMANCE MEASUREMENTS

NOTE 1 – ACCOUNTING PRINCIPLES

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.

The accounting policies adopted are consistent with those of the Annual report for the year ended December 31, 2022. New or amended IFRS standards, effective from January 1, 2023, have no impact on the result and financial position of the Group.

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 in this interim report correspond to those describe in *Note 3* in the Annual report 2022. No significant new assessments and estimates have been made during the reporting period that have entailed any significant changes in reported items. On July 12th the Group announced its intention regarding sale of real estates. The associated assets were consequently presented as assets held for sale in the financial statement.

NOTE 3 – SUBSEQUENT EVENTS

No subsequent events have occurred after the end of the reporting period.

NOTE 4 – 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 adjusted earnings before interest, tax, depreciation, and amortisation (Adjusted EBITDA) 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 Group financials consists of below combined segments:

Third quarter, amount in MSEK	Future Snacking	Sustainable Care	Quality Nutrition	Nordic Distribution	Other*	Total
Net sales**	230	608	332	640		**1,811**
Raw material and consumables	-138	-388	-243	-513		**-1,282**
Gross profit	**92**	**220**	**89**	**128**		**529**
Gross margin, %	*40%*	*36%*	*27%*	*20%*		*29%*
EBITDA	**29**	**88**	**33**	**29**	**-18**	**161**
Items affecting comparability	2	15	2	2	5	**26**
Adjusted EBITDA	**31**	**102**	**35**	**32**	**-13**	**188**
Adjusted EBITDA in relation to net sales	*13%*	*17%*	*11%*	*5%*		*10%*
EBITA	**20**	**81**	**27**	**22**	**-19**	**132**
Adjusted EBITA	**22**	**96**	**29**	**24**	**-14**	**158**
Adjusted EBITA in relation to net sales	*10%*	*16%*	*9%*	*4%*		*8.7%*
EBIT	**13**	**53**	**21**	**17**	**-19**	**85**
Adjusted EBIT	**15**	**68**	**23**	**19**	**-14**	**111**
Adjusted EBIT in relation to net sales	*6%*	*11%*	*7%*	*3%*		*6%*

* Other refers to Parent company and minor administrative entities, **Revenue from sales to external customers

Third quarter, amount in MSEK	Future Snacking	Sustainable Care	Quality Nutrition	Nordic Distribution	Other*	Total
Net sales**	194	487	287	380		**1,347**
Raw material and consumables	-99	-318	-211	-305		**-932**
Gross profit	**95**	**169**	**76**	**75**		**415**
Gross margin, %	*49%*	*35%*	*26%*	*20%*		*31%*
EBITDA	**90**	**64**	**71**	**15**	**-7**	**232**
Items affecting comparability	-53	7	-36	7	-3	**-79**
Adjusted EBITDA	**37**	**70**	**34**	**21**	**-10**	**153**
Adjusted EBITDA in relation to net sales	*19%*	*14%*	*12%*	*6%*		*11%*
EBITA	**79**	**57**	**64**	**12**	**-4**	**209**
Adjusted EBITA	**26**	**64**	**28**	**18**	**-6**	**130**
Adjusted EBITA in relation to net sales	*13%*	*13%*	*10%*	*5%*		*10%*
		2				
EBIT	**72**	**40**	**57**	**8**	**-4**	**173**
Adjusted EBIT	**19**	**47**	**21**	**14**	**-6**	**95**
Adjusted EBIT in relation to net sales	*10%*	*10%*	*7%*	*4%*		*7%*

* Other refers to Parent company and minor administrative entities, **Revenue from sales to external customers

Nine months, amount in MSEK	Future Snacking	Sustainable Care	Quality Nutrition	Nordic Distribution	Other*	Total
Net sales**	703	1,585	1,031	1,795		**5,114**
Raw material and consumables	-405	-1,024	-752	-1,418		**-3,599**
Gross profit	**298**	**561**	**279**	**377**		**1,515**
Gross margin, %	*42%*	*35%*	*27%*	*21%*		*30%*
EBITDA	**53**	**246**	**131**	**78**	**-33**	**475**
Items affecting comparability	42	-20	-17	13	10	**29**
Adjusted EBITDA	**95**	**226**	**114**	**91**	**-23**	**503**
Adjusted EBITDA in relation to net sales	*14%*	*14%*	*11%*	*5%*		*10%*
EBITA	**27**	**226**	**114**	**59**	**-35**	**391**
Adjusted EBITA	**69**	**206**	**97**	**72**	**-25**	**420**
Adjusted EBITA in relation to net sales	*10%*	*13%*	*9%*	*4%*		*8.2%*
EBIT	**4**	**146**	**93**	**44**	**-35**	**252**
Adjusted EBIT	**47**	**126**	**76**	**57**	**-25**	**281**
Adjusted EBIT in relation to net sales	*7%*	*8%*	*7%*	*3%*		*5%*

* Other refers to Parent company and minor administrative entities, **Revenue from sales to external customers

Nine months, amount in MSEK	Future Snacking	Sustainable Care	Quality Nutrition	Nordic Distribution	Other*	Total
Net sales**	522	1,298	622	753		**3,194**
Raw material and consumables	-262	-816	-467	-596		**-2,141**
Gross profit	**260**	**482**	**155**	**157**		**1,054**
Gross margin, %	*50%*	*37%*	*25%*	*21%*		*33%*
EBITDA	**115**	**143**	**93**	**38**	**-28**	**361**
Items affecting comparability	-36	59	-19	7	0	**10**
Adjusted EBITDA	**79**	**201**	**74**	**45**	**-28**	**371**
Adjusted EBITDA in relation to net sales	*15%*	*16%*	*12%*	*6%*		*12%*
EBITA	**93**	**125**	**81**	**33**	**-32**	**300**
Adjusted EBITA	**57**	**184**	**62**	**40**	**-32**	**310**
Adjusted EBITA in relation to net sales	*11%*	*14%*	*10%*	*5%*		*10%*
EBIT	**76**	**60**	**68**	**22**	**-32**	**195**
Adjusted EBIT	**40**	**119**	**49**	**29**	**-32**	**205**
Adjusted EBIT in relation to net sales	*8%*	*9%*	*8%*	*4%*		*6%*

* Other refers to Parent company and minor administrative entities, **Revenue from sales to external customers

NOTE 5 – ITEMS AFFECTING COMPARABILITY

Humble Group recognises items affecting comparability to EBITDA to visualise comparable figures that are adjusted for the items that occur in historical numbers for various reasons. Explanation of what the items affecting comparability mainly refer to are presented in *Note 10* in the Annual report 2022. Humble has not adjusted for any items related to freight costs during 2023. The main adjustment item during the quarter was related to employee-related compensation and lock-in penalties of MSEK 11 (12). These expenses had no cash flow impact.

	Third quarter		Nine months		Last Twelve Months	Full year
Amount in MSEK	**2023**	**2022**	**2023**	**2022**	**Oct 2022 - Sep 2023**	**2022**
Acqusition related cost*	2	12	6	28	17	39
Revaluation of contingent considerations accounting**	0	-116	-42	-108	-45	-111
Lock-in penalty from acquisition SPA**	11	12	35	60	47	72
Donations	0	0	1	4	0	3
Restructuring	6	1	15	6	50	42
Other	7	13	14	20	-3	3
Total items affecting comparability	**26**	**-79**	**29**	**10**	**66**	**47**

*2022 incl surplus value in inventory. **These items have no cash flow impact

NOTE 6 – FINANCIAL EXPENSES

During the third quarter, Humble Group fullfilled the refinancing of exisitng bonds and credit facility by taking up new bank facilities. The refinancing is expected to decrease the interest cost, which will have a positive impact on the result and cash flow. The financial expense is affected by a onetime cost of MSEK -78 (0) related to the refinancing of the bonds.

	Third quarter		Nine months		Last Twelve Months	Full year
Amount in MSEK	**2023**	**2022**	**2023**	**2022**	**Oct 2022 - Sep 2023**	**2022**
Interest expense related to financing	-55	-49	-175	-116	-233	-174
Unwinding of discounting effect	-15	-21	-56	-37	-80	-61
Interest expense on lease liabilities	-2	-2	-7	-4	-8	-6
Exchange rate losses and revaluation effects	-5	-2	-2	-14	-5	-17
Costs related to refinancing of bond	-78	0	-78	0	-78	0
Other interest expenses	-4	-2	-8	-11	-4	-7
Financial expenses	**-159**	**-76**	**-325**	**-182**	**-408**	**-265**

NOTE 7 – NET INTEREST-BEARING DEBT

Humble Group's net interest-bearing debt as of September 30, 2023, is presented in table below. During 2023, Humble Group has carried out a directed share issue and raised MSEK 849 in cash net of transactional costs, of which MSEK 450 was used to amortize its revolving credit facility in June 2023.

Humble Group received tax deferments of MSEK 260 during the second quarter. In accordance with IFRS Accounting principles, this has been recognized as other short-term liability. The tax deferment got extended one year from September 2023 with the possibility for extension for up to one additional year.

	September, 30		December, 31
Amount in MSEK	2023	2022	2022
Interest-bearing liabilities			
Bond financing debt	0	1819	1826
Liability to credit institutions and property financing	1,675	741	668
Lease liabilities	178	162	150
Total interest-bearing liabilities	**1,853**	**2,722**	**2,644**
Cash and cash equivalents	-397	-295	-338
Net Interest Bearing Debt (NIBD)	**1,457**	**2,427**	**2,306**

Table below illustrates the leverage multiple adjusted for inclusion of earnout max cash payment, sale and leaseback, and tax deferral. Nine month Adjusted EBITDA Proforma amounted to MSEK 704. Net Interest-bearing debt in relation to last twelve months Adjusted EBITDA proforma amounts to 2,1x at the end of this reporting period.

Amount in MSEK	September, 30	LTM Adj. EBITDA proforma	Leverage Multiple
Net Interest Bearing Debt (NIBD)	**1,457**	**704**	**2.1x**
Earnout max cash payment (EO)	466		
Proforma Properties Sale and leaseback (SLB)*	-290	-23	
Tax deferments	260		
Net Interest Bearing Debt (NIBD) incl EO	**1,923**	**704**	**2.7x**
Net Interest Bearing Debt (NIBD) incl EO and SLB	**1,633**	**681**	**2.4x**
Net Interest Bearing Debt (NIBD) incl EO and tax deferral	**2,183**	**704**	**3.1x**
Net Interest Bearing Debt (NIBD) incl EO, SLB and tax deferral	**1,893**	**681**	**2.8x**

*Estimated numbers for illustration, not yet finalized

NOTE 8 – BUSINESS COMBINATIONS

BUSINESS COMBINATIONS 2023

Subsidiary	*Acquisition date*	*Shares and votes*	*Segment*	*Vertical*	*Country*
Napame Holding AB	2023-03-01	100%	Future snacking	Manufacturing	Sweden
Aktiebolaget Cool & Candy AB	2023-03-15	100%	Nordic Distribution	Distribution	Sweden
Skövde Snabbgross AB	2023-03-15	100%	Nordic Distribution	Distribution	Sweden
Privab Grossisterna AB	2023-03-15	100%	Nordic Distribution	Distribution	Sweden

Acquisitions during third quarter

No new acquisition has been made during the third quarter of 2023.

During first quarter of 2023, the parent company acquired 100% of four subsidiaries. The subsidiaries have operations within distribution and manufacturing. Identified excess values are linked to Customer relationship and listing of 11 MSEK, Trademark and brands of 20 MSEK, and Deferred tax liability of 26 MSEK.

Significant estimate: contingent consideration

Two of the total acquisitions made during 2023 have an agreement of contingent considerations of total 32 MSEK. These considerations are due to payment within 0-3 years. The potential undiscounted amount payable under the agreements amount to 52 MSEK for cumulative EBITDA. The fair value of the contingent consideration was 32 MSEK at the initial recognition and is 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 weighted average cost of capital as discount rate of 11,02 %.

Employment linked consideration

No employment linked consideration is related to the acquisitions carried out during 2023.

Revenue and profit contribution

The acquisition of the subsidiaries contributed with net sales of 60 MSEK to the Group for the period from the acquisition date to end of March 2023. The subsidiaries also contributed with an EBITDA of 2 MSEK during the same period. If the subsidiaries would have been consolidated from January 1, 2023, the Group's income statement would present additional net sales of 135 MSEK and EBITDA of 8 MSEK.

Acquisition-related costs

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

Summary of distribution of purchase price, PPA – IFRS

Total acquisition, amount in MSEK	September, 30
Goodwill	0
Customer relationships and listings	11
Trademarks and brands	20
Other fixed assets	0
Total fixed assets	**151**
Inventory	39
Accounts receivable	27
Liquid funds	20
Other current receivables	0
Total current assets	**93**
Total asset	**245**
Deferred taxes	26
Other provisions	0
Total provisions	**26**
Total long term liabilities	**19**
Accounts payable	41
Other current liabilities	0
Total current liabilities	**53**
Total liabilities	**98**
Net assets	**146**
Cash	75
Share issue	40
Contingent consideration	32
Deferred payment	0
Total purchase price	**146**

NOTE 9 – 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 long-term securities, 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 LONG TERM LOANS

During the third quarter, Humble Group refinanced its bond obligations of 1 800 MSEK in total, and replaced this with two Term loans of total 1 350 MSEK and one revolving credit facility of total 300 MSEK.

The new term loans are measured at amortised cost that corresponds in all essential to its fair value in the balance sheet.

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 Group 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 11 % discount rate. The duration to maturity is presented below.

Estimated payments per year	Nominal value	Fair value
2024	352	332
2025	182	153
2026	20	15
Total contingent considerations	**554**	**500**

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 2023, MSEK -48 (-37) in interest income was recognised as finance expenses regarding expenses related to contingent considerations.

	September, 30	
Contingent consideration, amount in MSEK	2023	2022
Opening balance, Jan 1	**780**	**737**
New acquisitions	32	250
Payments	-318	-142
Revaluation	-43	-127
Interest expenses related to unwinding of discounting effect	48	37
Translation differences	2	18
Closing balance, September 30	**500**	**773**

DEFINITIONS AND CALCULATIONS ON KEY RATIO

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 relevant to users of the financial report as a supplement for the measures of the business's development. These financial measurements are not always comparable with the measures used by other companies since not all companies calculate such financial measures in the same way. Accordingly, these financial measures are not to be regarded as a replacement for measures defined according to IFRS. The calculations relate to period January-September 2023

Gross Profit
Net sales less raw materials and consumables.
Gross Profit is calculated as 5,114 – 3,599 = 1,515 MSEK.

Gross Margin
Gross Profit in relation to net sales.
Gross Margin is calculated as 1,515 / 5,114 = 30 %.

EBITDA
Earnings before interest, tax, depreciation, amortisation, write-down and depreciation and amortisation on acquisition-related surplus values.

Adjusted EBITDA
Earnings before interest, tax, depreciation, amortisation, write-down, and amortisation on acquisition-related surplus values, adjusted for items affecting comparability. Adjusted EBITDA margin is Adjusted EBITDA in relation to net sales.
Adjusted EBITDA is calculated as 475 + 29 = 503 MSEK.

EBITA
Earnings before interest, tax, amortisation, write-down, and amortisation on acquisition-related surplus values. EBITA-margin is EBITA in relation to net sales.

Adjusted EBITA
Earnings before interest, tax, amortisation, write-down, and amortisation on acquisition-related surplus values, adjusted for items affecting comparability. Adjusted EBITA margin is Adjusted EBITA in relation to net sales.
Adjusted EBITA is calculated as 391 + 29 = 420 MSEK.

Adjusted EBIT
Earnings before interest and tax, adjusted for items affecting comparability. Adjusted EBIT margin is Adjusted EBIT in relation to net sales.
Adjusted EBIT is calculated as 252 + 29 = 281 MSEK.

Net interest-bearing debt
Total interest-bearing liabilities less cash and cash equivalents.
Net interest-bearing debt is calculated as 1,853 – 397 = 1,457 MSEK.

Organic growth in net sales
Change in net sales adjusted for exchange rate effect and net sales from acquired companies during the period.
Organic growth in net sales is calculated as 410 / 3,194 = 13 %.

Free cash flow
The amount of cash remaining from operating activities after investing activities.
Free cash flow is calculated as 802 – 460 = 342

Glossary

FMCG
FMCG is an industry term and is short for *Fast Moving Consumer Good.*

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.

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 November 2, 2023

Dajana Mirborn
Chairman of the Board

Ola Cronholm

Henrik Patek

Pål Bruu

Sara Berger

Simon Petrén
Chief Executive Officer

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 November 2, 2023, at the time specified by Humble Group's news distributor Cision at the time of publication of this press release.

TO THE BOARD OF DIRECTORS OF HUMBLE GROUP AB, REG.NR. 556794-4794

Introduction

We have reviewed the condensed interim financial information (interim report) for Humble Group AB as of September 30, 2023 and the nine-month period which ended on this date. The Board of Directors and the CEO are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim report consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, ISA, and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act, regarding the Group, and with the Swedish Annual Accounts Act, regarding the Parent Company.

Stockholm November 2, 2023

BDO Mälardalen AB

Carl-Johan Kjellman

Authorized Public Accountant

Headquarters
Ingemar Bergmans gata 2
114 34 Stockholm
info@humblegroup.se
www.humblegroup.se
+4608 613 28 88

Johan Lennartsson
Chief Financial Officer
johan.lennartsson@humblegroup.se

Simon Petrén
Chief Executive Officer
simon.petren@humblegroup.se

Noel Abdayem
Vice President & COO Brands
noel.abdayem@humblegroup.se

Marcus Stenkil
Head of Merger & Acquisitions
marcus.stenkil@humblegroup.se

Kristoffer Zinn
Head of analytics
kristoffer.zinn@humblegroup.se

humble group.™