



# QUARTERLY REPORT Q2 2024

The Quarterly Report has not been audited by company auditors

## INTRODUCTION

Our activities during spring made Q2 2024 the most successful quarter in the history of Kale United. The share price of Kale United increased by 17.7% to 259 SEK per share and the Net Asset Value increased by 8.2%. The main reason behind this upturn is Kale United's strategic acquisition of shares in Livekindly.

The launch of the €50 million fund, Kale Growth, is now our main focus for the coming year. The project has progressed according to plan and is now being presented to potential investors. We are very happy to welcome our new Investment Manager, Hugo Lindfelt, to the team. As part of this project, we launched Kale Fund Manager AB that will manager the fund.

Kale Foods and the hotel group Strawberry offered Juicy Marbles at selected hotels in Scandinavia during spring with positive results from the hotels and guests. Kale Foods is busy executing the new business plan and developing its offer to the market.

The economic macro trend in the world is positive. We can see inflation coming down, with interest rates going down as an effect and the public stock market is doing well. Usually the private stock market follows this trend with a delay. Even the IPO market is beginning to change, making it easier for some of our assets to IPO.

We are looking at new exciting investments and are especially focusing on R&D and IP heavy companies with strong products and the technology to deliver next generation food. We are actively looking into the space of cultivated meat and egg replacements.

Thank you for being part of making impact towards a sustainable future investing in the future of food!

*"The launch of Kale Fund Manager is an important step in becoming a fund manager to be able to launch Kale Growth."*

- Måns Ullerstam, CEO Kale United

## ABOUT KALE UNITED

Kale United is a public holding company, making impact investments in pioneering food tech companies while focusing on exceptional financial development.

All of Kale United's holdings operate within free-from animals value chains and are positioned to accelerate the migration to a more plant-based lifestyle and to impact in alignment with the UN Sustainable Development Goals. Our number one sustainability goal is to reduce the carbon footprint.

Kale United's investments are diversified through a broad spectrum of companies within food tech, that have scalable solutions for R&D and production as well as distribution and consumption of plant-based products or cultivated meat.



## KEY PERFORMANCE INDICATORS

Key Performance Indicator	Q2-24	Q2 vs Q1	Q1-24
Total number of shares (Class A & B)	698 658	3,6%	674 574
Market value, MSEK	180,95	21,9%	148
Net Asset Value, MSEK	124,0	8,2%	114,6
Share Price, SEK	259	17,7%	220
NAV, Multiple	1,46	12,7%	1,30
Net Asset Value per share, SEK	177	4,5%	170
IRR %	21,21%	25,3%	16,93%

## KPI DEFINITIONS

**Market value:** Number of shares multiplied by the share price

**Net Asset Value:** The company's financial assets valued at fair value, including net cash

**Net Asset Value per share:** The company's financial assets valued at fair value, including net cash divided by total numbers of shares

## HIGHLIGHTS IN THE QUARTER

In Q2, Kale United's Net Asset Value (NAV) increased substantially due to the acquisition of a larger stake in Livekindly.

In Q2 we launched Kale Fund Manager AB, the company that will manage the assets of Kale Growth and Kale Ventures (the existing portfolio).

The share price of Kale United increased by 17.7% to 259 SEK per share due to the transaction related to Livekindly. The NAV multiple is now 1.46.



## SIGNIFICANT EVENTS AFTER THE QUARTER

The most significant event after the quarter is the hiring of Hugo Lindfelt, our new Investment Manager for Kale Fund Manager. Hugo's latest assignment was at Velocity Capital, a Copenhagen based VC fund where he managed their portfolio. Hugo holds a MSc in Economics and Business Administration.

As part of the launch of Kale Growth, we have moved staff and operations to Kale Fund Manager. Kale Fund Manager is a fund manager that will manage both the existing portfolio of Kale United and the future portfolio of Kale Growth.

In August, Mycorena filed for bankruptcy and was acquired by Naplasol. This means that Kale United no longer has a position in Mycorena. The negative effect of this is however offset by the positive effect of the launch of Kale Fund Manager.



## FORECAST

This is the latest forecast of the future NAV growth of Kale United until Q4 2026.

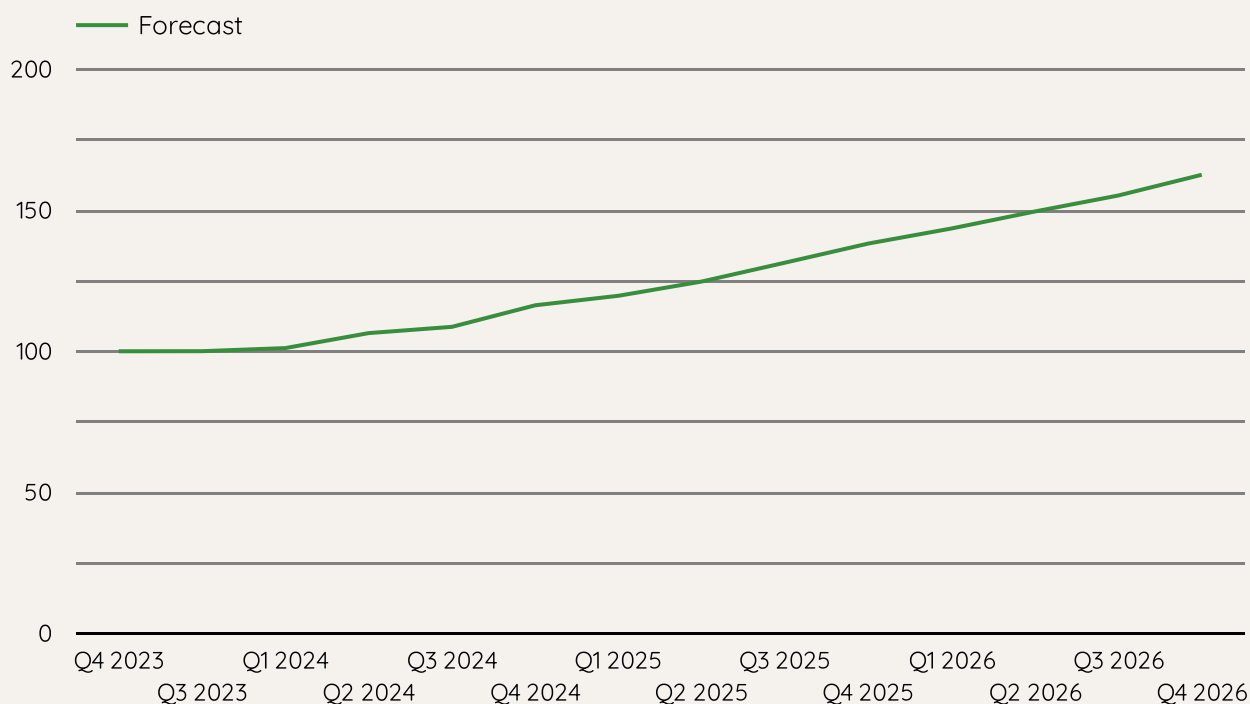
In the latest forecast we achieve a **63%** increase in the underlying valuation of Kale United until Q4 2026.

The main risks for not achieving this target is if there should be a delay in the launch of Kale Growth and/or an underperformance in Kale Foods.

The main opportunities that can drive this performance upwards in an overperformance in Kale Foods and increased valuations in our portfolio as we see the market becoming more positive.

Due to the timeline of Kale Growth and the market outlook, we are now aiming for an **IPO in 2026**.

### Share Development - Forecast

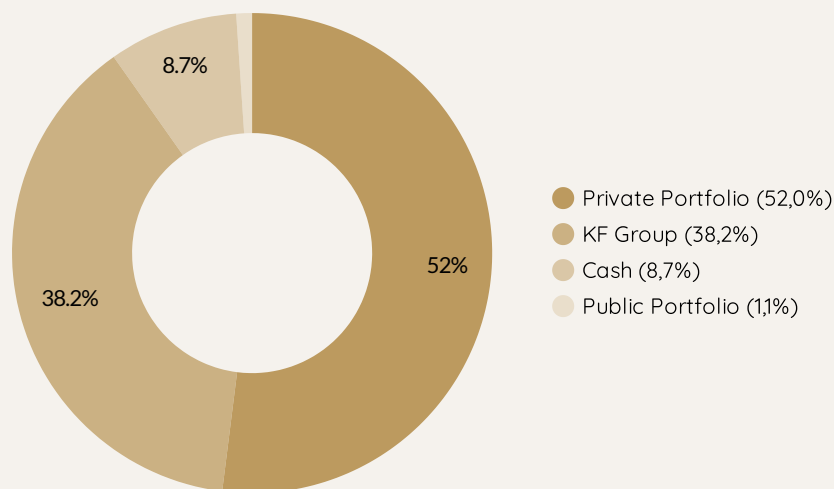


*Note: The graph illustrates our forecasted share index growth starting at an index of 100 and showing the progression towards Q4 2026.*

# NET ASSET VALUE

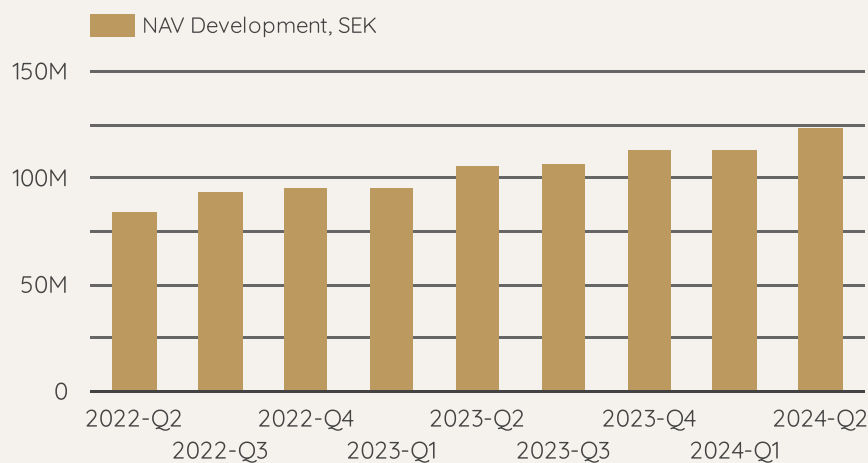
Kale United's Net Asset Value at the end of Q2 2024 was 124.0 million SEK (Q1: 114.6 million SEK).

Kale United's liquid bank assets (cash) were 10.8 million SEK (Q1: 17.9 million SEK).



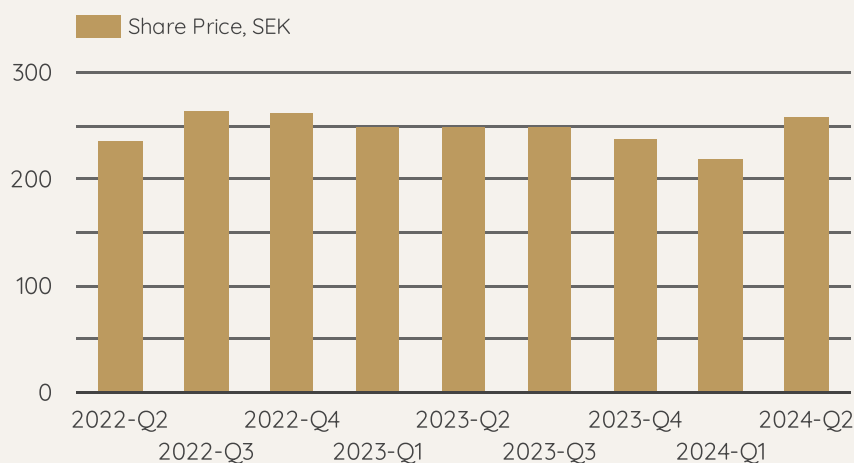
The majority of Kale United's assets consist of private holdings. New investments are mostly deployed in private holdings.

Our public portfolio represents **1.1%** of our Net Asset Value.



Net Asset Value is the total value of the holdings and net cash. Kale United uses standard methods for the valuation of its holdings.

The increase is driven by the acquisition of shares in **Livekindly**.



The latest share price during the quarter was **259 SEK**, which is a 17,7% increase since Q1 2024.

## INVESTMENTS

Q2 has been the most successful quarter so far for Kale United, with the acquisition of a large stake in Livekindly with a combination of cash and shares in Kale United.

Kale United also invested the first tranche of a two stage investment in Cultimate Foods, a company that has presented a strong ability to deliver cell-based fats to the food industry.

We continued to invest in the new business plan for Kale Foods, supporting its journey to become an important player in the Scandinavian distribution market.

Investments	Type	kSEK Amount
Livekindly	Investment	4,154
Kale Foods	Loan	1,000
Cultimate Foods	Investment	345



# KALE GROWTH

Our fund project, Kale Growth, has progressed according to plan. We have selected our partners for the project and are now busy presenting the fund to future investors.

Kale Growth will be an SFDR Article 8 fund, adhering to the regulations related to the second highest level of sustainability and reporting.

We have established the Investment Committee for Kale Growth and are very happy to have Magnus Johansson (former CEO of Coop) as part of the group working with Måns Ullerstam and Jacob Linden.

To launch Kale Growth, we have started the company Kale Fund Manager, which will manage all assets.





# KALE FOODS

Kale Foods' operating income in Q2 2024 was 3.7 million SEK (3.9 million SEK). This is a decrease of 3.2% in the total turnover for Kale Foods (inc. subsidiaries), with seasonality being the main reason.

Kale Foods' profit before tax in Q2 2024 amounted to -1.7 million SEK (-0.8 million SEK). The main driver for the increased loss is the costs of restructuring the team and seasonality.

Kale Foods and the hotel group Strawberry offered Juicy Marbles at selected hotels in Scandinavia during the spring with positive reception from the hotels and guests.

Kale Foods has focused on building distribution in the retail landscape in Sweden resulting in close to 200 stores selling Juicy Marbles, and with launch in Finland we are starting to build a nordic distribution.

After the quarter, Kale Foods is very happy to have hired a new Marketing & Product Manager to help drive the portfolio of world leading plant-based brands.

Kale Foods Group	Q2-24	Q1-24
Operating income, mSEK	3.74	3.86
Operating cost, mSEK	-5.41	-4.65
Profit before tax, mSEK	-1.67	-0.78

*"We continue to see an increasing demand for Juicy Marbles in the Scandinavian market and at the same time we are expecting our portfolio to grow through new brands and products ahead"*

- Conny Swahn, CEO Kale Foods



# PORTFOLIO UPDATES

Read below for a selection of news from our portfolio companies in the quarter.



[Juicy Marbles: “As One of Our Customers Put It, “I Had an Out-of-Body Experience”](#)



[Heura Launches Plant-Based Butcher’s](#)



[Cultivate Foods: “Cultured Fat Can Immensely Improve the Quality and Flavour Experience of a Meat Alternative”](#)



[Impossible Foods CEO's message to BBQing investors: 'We could end up selling the company!'](#)

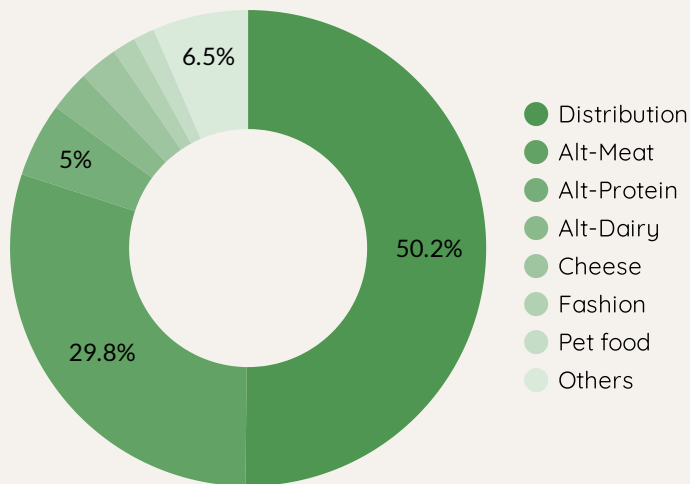
## LARGEST HOLDINGS

Company Name	% of NAV	Description
Livekindly	18.49%	Livekindly is on a mission to make plant-based living the new norm. Livekindly owns brands such as Oumph, Like Meat and Fry's.
Ecolink	6.89%	Ecolink is a Finnish distributor of plant-based foods which distributes Kale United portfolio brands.
Mycorena	3.66%	Mycorena is a mycoprotein B2B producer and developer. Mycorena is planning for a mycoprotein factory in Sweden.
Bärta	1.96%	The company behind Bärta, a 100% naturally sprouted and fermented Swedish organic pea.
FÆRM	1.79%	FÆRM is an R&D company in Denmark developing technology for the next generation of plant-based cheese.
Heura Foods	1.72%	Heura Foods is a Spanish meat replacement company, known for being the fastest growing brand in Europe in this space.
Fermify	1.46%	Fermify provides food companies with a full-service and automated B2B platform for casein productio.
Juicy Marbles	1.23%	Juicy Marbles is producing state-of-the-art plant-based steaks, using the latest technology to build a carbon copy of steaks using only plants.
Impossible Foods	1.21%	Impossible Foods develops animal protein replacement products by using its proprietary ingredient plant based heme.
Green Planet Astronauts	1.00%	Green Planet Astronauts is an innovation led company and the fastest growing Nordic sustainable kids food brand.
PerfectSeason	0.92%	Perfectseason makes meat alternatives of plantbased organic ingredients.
Green Laces	0.87%	Green Laces produces vegan shoes and fashion under their own brand and has a physical and online store.
One Planet Pizza	0.81%	One Planet Pizza creates unbelievably tasty plant-based food that's better for people and the planet
Opalia	0.67%	Opalia is developing technology to make milk with mammary cells. Their process uses the cells responsible for lactation in cows.
THE PACK	0.60%	THE PACK cooks up innovative and nutritionally complete plant-based dog food that prioritises your dogs health and happiness.



# HOLDINGS

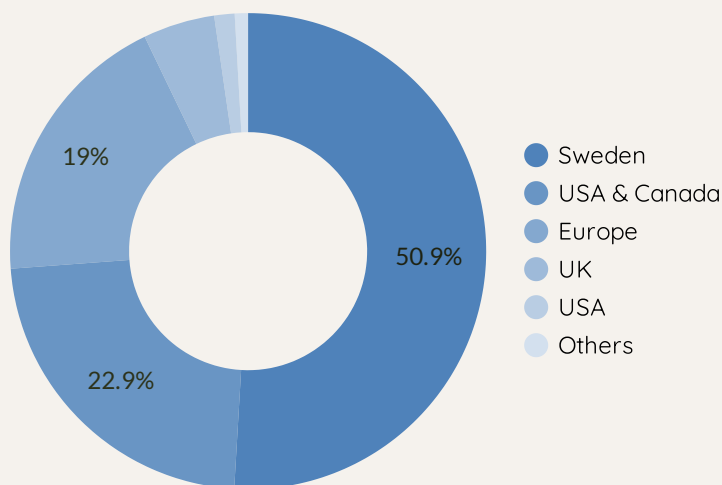
## Holdings per Category



We focus our new investments in alternative proteins, R&D heavy cases and upstream technology that enables large scale production.

Our largest holdings in terms of value are in distribution due to our fully owned subsidiary Kale Foods.

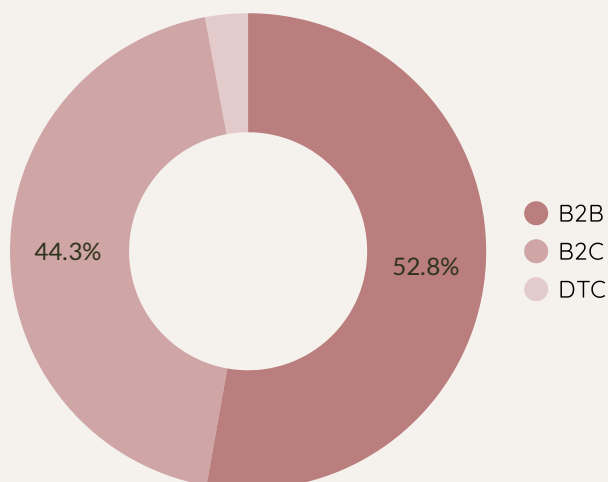
## Holdings per Geographical Area



We invest globally, but with a natural concentration to Scandinavia and Europe.

The majority of our holdings are in Sweden.

## Holdings per Business Model



Our largest business model category is B2C.

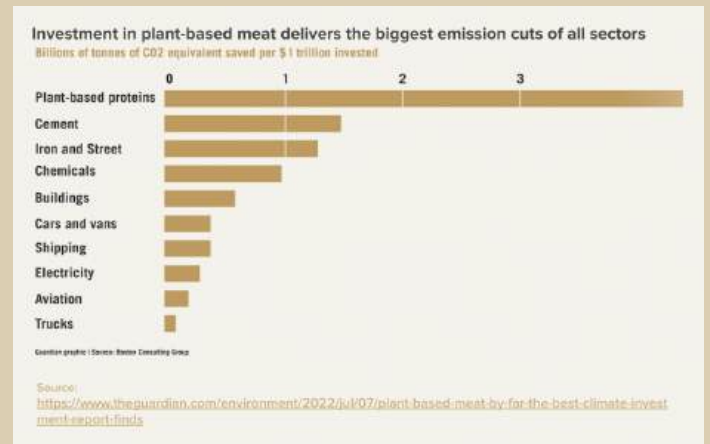
We are actively looking for investments in B2B, further upstream in the food value chain.

# WHY PLANT-BASED INVESTMENTS?

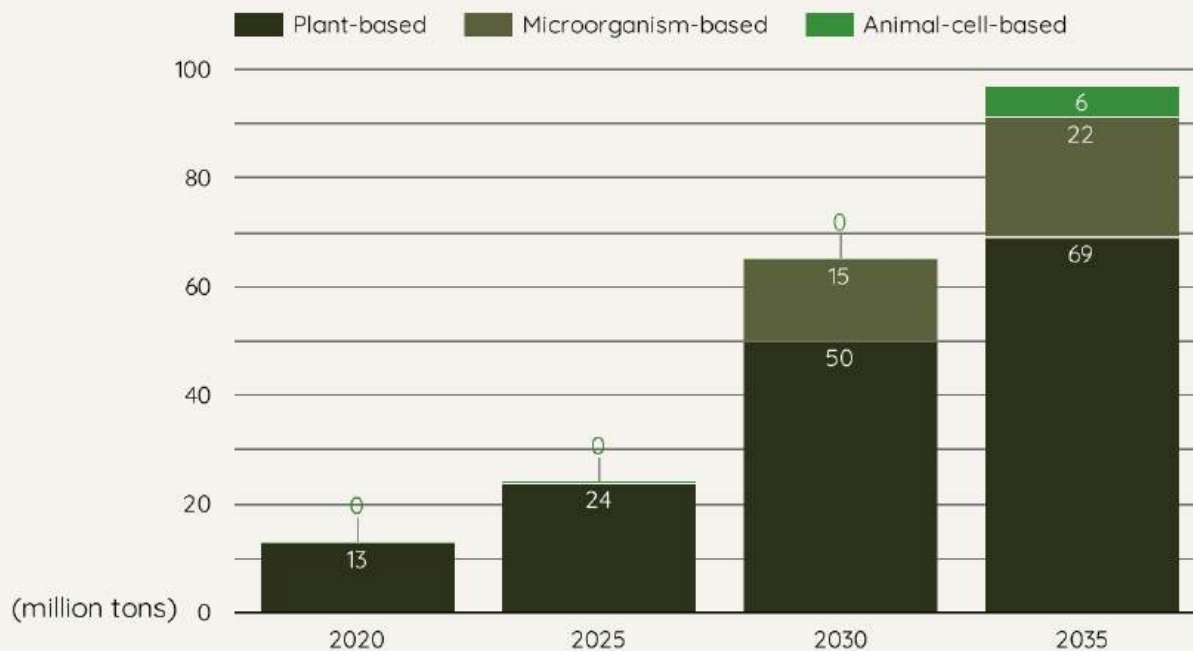
If you want to maximize impact in terms of carbon reduction, investing in plant-based proteins has the highest returns according to Boston Consulting Group.

According to the same report, the plant-based protein space will grow by 14% annually to a \$290 billion dollar market. We believe that this represents a great opportunity to make a positive impact on carbon reduction while at the same time receiving outstanding financial returns.

Even with the main investment focus to reduce carbon emissions, investments in companies accelerating the shift to alternative proteins has added impact value in line with a number of other UN Sustainable Development Goals.



## CONSUMPTION OF ALTERNATIVE PROTEINS



Source: US Department of Agriculture; Euromonitor; UBS; ING; Good Food Institute; expert interviews; Blue Horizon and BCG analysis

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