



PRESS RELEASE

Malmö 29 October 2021

New Nordic Healthbrands AB (publ) Nine Month Report January - September 2021

NINE MONTHS 2021

- Net sales amounted to MSEK 393.8 (332.3), an increase of 22.9 percent in local currencies and 18.5 percent in SEK.
- Gross margin decreased to 68.9 percent (69.3).
- EBITDA increased to MSEK 33.5 (20.0).
- Operating profit increased to MSEK 32.8 (19.4).
- Profit after tax for the period increased to MSEK 25.8 (15.1).
- Earnings per share after tax increased to SEK 4.16 (2.44).

Q3 2021

- Net sales amounted to MSEK 124.9 (115.3), an increase of 8.0 percent in local currencies and 8.3 percent in SEK.
- Gross margin increased to 71.0 percent (67.7).
- EBITDA increased to MSEK 8.9 (8.2).
- Operating profit increased to MSEK 8.7 (8.0).
- Profit after tax for the period increased to MSEK 6.7 (6.4).
- Earnings per share after tax increased to SEK 1.08 (1.04).

COMMENTS BY KARL KRISTIAN BERGMAN JENSEN, CEO

Sales revenue increased by 23 percent in local currencies in the first nine months of the year 2021, compared with the corresponding period in 2020. Converted to Swedish kronor, net revenues increased by 19 percent. During the period, we had earnings per share of SEK 4.16 after tax. Compared with 2019, we have had a revenue increase of 16 percent. Revenues have increased in all geographical areas.

Both existing and new customers show every day that they appreciate our products and demand is increasing. We have succeeded well in focusing on our best-selling products which has shown a nice growth driven by increased marketing and effective campaigns in collaboration with our resellers. In addition, growth has been fueled by increased distribution through new collaborations with retail chains in North America. The entire New Nordic team at our head offices in Malmö and Roskilde and in the individual country offices in Europe, North America, China and Australia, has contributed with great commitment to achieve the fine results.

Our Beauty In & Out with the launch of cosmetic products has gone well in the Scandinavian market and we will now launch the natural skin and hair care products internationally. The products will primarily be distributed through the retailers we already work with, but we will also work to find new retail partners in the beauty industry.

Our sales via our own online stores around the world are increasing nicely, even though it is still only a small part of our total sales. We work to improve this, as we see an advantage in having direct contact with our loyal customers. We estimate that 35-40 percent

of our international sales are made through online purchases at our online and omni-channel retailers. Online sales through our retail partners has been up to about 50 percent of sales during the pandemic, but we see that a large proportion of customers return to the physical stores after they reopen. At online retailers, it is mainly discounts and price reductions as well as club benefits that are the competitive parameter and we are currently experiencing increasing price competition between retailers.

Our implementation of international digital marketing campaigns has got off to a good start and now goes hand in hand with local marketing on social media. It sharpens our international profile and increases awareness and value for the New Nordic brand everywhere. The local initiatives and the international campaigns complement each other well and show that we are present and active locally in our markets.

We have just started selling and marketing New Nordic in the Czech Republic and Portugal. We now have a number of countries where we are newly established and undergo a period with the investments and losses that are usually required to establish our brand in new markets. In the next few years, we will ensure that we establish ourselves well in the new markets as soon as possible and that we create good sales and profitability. Markets under establishment and where New Nordic has subsidiaries are Switzerland, Spain, Portugal, China, Hong Kong, Australia, Slovakia, Romania and Kazakhstan. Our operations in the United States, Germany and the United Kingdom continue to represent the greatest immediate growth potential and we will continue to focus on increasing our operations there.

Changes in product mix and increased costs for shipping in particular mean that our gross margin has decreased from 69.3 to 68.9 during the first nine months of the year. However, the gross margin was better during the third quarter, where it amounted to 71.0 percent against 67.7 percent last year. We will do our best to maintain a high gross profit and we will use all profit-enhancing parameters in this regard. Sales of "gummies" are increasing and in the US they now make up 25 percent of our revenue there. The gross margin on gummies is smaller than on tablets, but it is gummies that the market is increasingly demanding.

We have good control over our costs, which have increased by 13 percent against a revenue increase of 19 percent.

With the increasing sales during the first nine months of the year, our receivables as of September 30, 2021 have increased by SEK 11 million compared with the same date last year. At the same time, our debt to suppliers has increased by SEK 23 million. Inventories increased by SEK 26 million and now amount to SEK 104 million. The increase in inventories means that cash flow from our current operations has only increased by just over SEK 2 million.

Liquidity is still good. We can implement our organic growth plans without having to raise capital.

During the first nine months this year, demand seems to have been characterized by consumer euphoria and a strong recovery from the pandemic. During the third quarter, we experience that demand has been more subdued and closer to a more normal level. I am still very humble in the face of the situation we are in now. Corona infection is currently increasing in several of the countries in which we operate, which may slow down demand. The situation also affects our suppliers in many countries and it affects the transport of raw materials and finished goods.

We are currently continuing our growth plans at full speed, but we are aware that we may be facing rapid changes in the world around us. The entire team at New Nordic is very committed to continuing our growth and achieving the goals we have set, but they are also prepared for the challenges we may have to face.

It has been a pleasure to welcome Ditte Søndergaard Bihorac, who took over as Chief Operating Officer on 1 September. Ditte comes from a Nordic position at Chanel and has deep knowledge of the beauty industry. She has had a good start in New Nordic.

We see an increasing demand globally for dietary supplements, natural skin care and natural hair care and we are well positioned to take advantage of the development. We develop the existing dietary supplement business internationally and with skin and hair care we create new supplementary revenue streams. We are increasing the value of the New Nordic brand worldwide every day and for our owners we focus on increasing earnings per share.

It is a very exciting time for New Nordic and I look forward to contributing to creating results. I am convinced that 2021 will be a good year.



Karl Kristian Bergman Jensen, CEO

New Nordic Healthbrands AB
Södra Förstadsgatan 3 C
SE-211 43 Malmö
Sweden

The information in this press release is that which New Nordic Healthbrands AB (publ) is required to disclose pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, at 8:00 (CET) on 29 October 2021.

Link to report on New Nordic's investor relation web page: <https://newnordicinvestor.com/reports-and-presentations>

Contact:

Karl Kristian Bergman Jensen, CEO, telephone +46 40-236414, e-mail kk@newnordic.com.

Ivan Ruscic, CFO, telephone +46 40-236414, e-mail ivan@newnordic.se

New Nordic Healthbrands AB (publ), SE-211 43 Malmö, Sweden. Org. nr. 556698-0453.

Certified advisor: Mangold Fondkommission AB. +46 8 503 01 550, ca@mangold.se.

New Nordic Healthbrands AB (publ) was founded in 1990 and is listed on Nasdaq First North Growth Market Sweden since 2007. The company's business concept is to offer the most effective and safe dietary supplements, natural medicines and cosmetic products for specific health and beauty needs. All with care for people and nature. New Nordic products are now available in 41 countries in pharmacies, health stores, beauty shops, and travel retail. New Nordic has its own small sales and marketing companies in most European countries, Canada and the United States, to organise local marketing campaigns, serve retailers and serve end customers. In 2020, revenues were SEK 450 million. Almost all New Nordic products sold worldwide are manufactured in Scandinavia. For more information, visit www.newnordic.com.

--- END ---