

NEW NORDIC HEALTHBRANDS AB (PUBL)

THREE MONTH REPORT

JANUARY - MARCH 2021



	Q1 2021	Q1 2020	FULL YEAR 2020
Net sales, kSEK	127 831	112 258	450 064
Change in SEK, percent	13.9	8.3	-0,56
Change in local currencies, %	21.1	8.5	2.1
Gross profit, kSEK	85 682	80 333	309 080
Gross margin, %	67.0	71.6	68.7
EBITDA kSEK	13 415	7 050	24 594
EBITDA, %	10.5	6.3	5.5
Operating profit, kSEK	13 195	6 881	23 841
Operating margin, %	10.3	6.1	5.3
Profit for the period, kSEK	10 386	5 395	17 765
Earnings per share EBITDA, SEK	2.17	1.14	3.97
Earnings per share * after tax, SEK	1.68	0.87	2.87

* There are no dilutive effects

COMMENTS BY CEO KARL KRISTIAN BERGMAN JENSEN

The year started well with record revenue and fine earnings. We achieved 21 percent growth measured in local currencies and almost 14 percent after conversion to Swedish kronor.

The progress is a result of our adjustments to sales and marketing to the market conditions prevailing during the pandemic and shutdowns. This applies in particular to the focus on driving sales via online stores.

Sales have increased in all main geographical areas and in almost all individual markets. By 2020, Sweden and the UK have been hit hard by the pandemic. The decline in sales in Sweden slowed in the first quarter of the year and we focus on getting the Swedish market growing again. In the UK, we have still been challenged during the quarter but we believe in growth after the pandemic is now under control in the UK and customers are once again starting to shop in the stores where we have our products distributed. In Australia, we are gaining some traction and we are working hard to create a good distribution for pharmacies and health stores.

Unfortunately, our gross profit has been reduced from 71 to 67 percent. This is largely due to shifts in product mix and in particular that a larger part of our sales comes from sales of gummies in North America where the profit is lower. It's probably a more permanent shift. To offset the lower gross profit, we are holding back a bit with the marketing of these products so that we defend our EBITDA. This is possible as the gummies we sell are a product variant of our tablets that the marketing is focused on. The gross profit is also naturally lower when we sell to distributors who are responsible for marketing at their own expense. Our sales to distributors have increased nicely in the quarter. We will continue to have a full focus on maintaining the gross profit as high as possible.

Our costs are under control. Our increase in personnel and other costs is on par with the increase in revenue, while marketing costs are below the level in the first quarter of 2020. As a result, we have achieved a large increase in earnings.

Profit after tax is over 8 percent. The result per share after tax was SEK 1.68 which is an increase of 93 percent.

As a consequence of our increased activity, inventories have increased by just over 5 percent. In the quarter, we have a positive cash flow from operations of 1.1 MSEK (-0,4). Our net debt is positive and we can finance our continued growth as planned.

The staff has, as always, made a great effort and the spirit is still at its peak despite the yoke of the pandemic.

Innovation is essential for our continued development. We have exciting health and beauty products in the pipeline for launch later in 2021. I am pleased that our Beauty In & Out skincare and hair care products have got off to a good start in the test market. We have won several awards already and the sale proves the long-term potential of the products. New opportunities have opened up for New Nordic in the beauty industry.

We will continue the execution of our strategy with a particular focus on our bestsellers which are at the forefront of New Nordic's continued expansion. Hair Volume™ celebrate 10 years anniversary in 2021 and on that occasion we carry out a number of event and sales activities.

North America is an immediate engine of growth, but we must not underestimate the effect of further penetration in Europe, where we expect to achieve a presence in all European countries within the next few years.

During the pandemic, people all over the world have opened their eyes to take care of themselves and their health, create a strong foundation for our industry. I am convinced that New Nordic is well-positioned to benefit from this development. We are ready to expand New Nordic further in the world and create more value for our brand. At the same time, our ambition is for continuous growth in earnings per share. I look positively to 2021 and look forward to working with our entire international team to make great results.

Revenue

Sales in local currencies increased by 21.1 percent during the first quarter of the year. Converted to SEK, sales increased by 13.9 percent and amounted to SEK 127.8 million. Sales increased in all four geographical areas, driven by a focus on our bestsellers in all countries. The build-up of sales of Beauty In & Out™ has been satisfactory and New Nordic can now be said to have a future in beauty as well as in health. New Nordic's adjustment in marketing and sales to adapt to the Covid pandemic has been successful. Q1 has still influenced our sales as many countries have had lockdowns and restrictions in the period. Sales in the Nordic countries increased by 13.5 percent to SEK 42 million (37). Sales in other European countries increased by 15.9 percent to SEK 51 million (44). Sales in North America increased by 7.1 percent to SEK 30 million (28). Sales in Asia and Australia increased to SEK 5 million (3).

Earnings for the first quarter

Gross profit for the first quarter amounted to SEK 85.7 million (80.3). This corresponds to a gross margin of 67.0 percent (71.6). The decrease in gross margin is largely due to shifts in product mix and the increase in sales of gummies with a lower margin plus an increase in the proportion of sales going to distributors where we also have a lower margin as they carry the cost of marketing. The cost of freight has increased considerably during the quarter as international freight prices have soared. Additionally, the Swedish Krona, which constitutes the majority of the company's purchases of production is growing stronger and has increased mid-single-digit towards EUR and USD compared to Q1 in 2020. Personnel costs increased by 14.6 percent whereas other external costs, which include sales and marketing costs decreased by 4.5 percent. All in all operational costs decreased by 1.4 percent to SEK 72.3 million (73.3). Personnel costs increased hand in hand with

increased sales. Other external costs decreased mainly due to a decrease in marketing costs. EBITDA amounted to SEK 13.4 million (7.1). This corresponds to an EBITDA margin of 10.5 percent (6.3). Operating profit amounted to SEK 13.2 million (6.9). This corresponds to an operating margin of 10.3 percent (6.1). Profit after financial items amounted to SEK 13.1 million (6.8). Profit after tax for the three-month period was SEK 10.4 million (5.4). The profit after tax was satisfactory but still below the company's long-term ambitions.

Financial position and cash flow

The balance increased 3.0 percent to SEK 226.6 million (219.8). As a consequence of increased activity, inventories have increased by 5.5 percent to SEK 87.9 million (83.3).

Operating activities generated a positive cash flow of SEK 1.1 million (-0.4) during the first three months of the year. Cash and cash equivalents at the end of the period amounted to SEK 11.5 million (11.9).

The Group's solidity was 52.4 percent (49.1).

Equity divided by the outstanding 6,195,200 (6,195,200) shares as of March 31, 2021, amounted to SEK 19.2 (17.4).

Expansion

New Nordic's business creates value for the company's customers and shareholders. In 2021 and beyond, the company will continue to develop herbal supplements and beauty products to meet specific health and beauty needs. New Nordic will market these products to a growing number of consumers worldwide. All with care for people and nature. The products will be marketed under the characteristic New Nordic brand. A brand that reflects the Scandinavian cultural heritage, the Scandinavian values, and the company's passion for herbs and healthy life.

Transactions with related parties

During the period, there have been transactions with Helsehuset in Denmark, owned by Marinus Blåbjerg Sørensen and Karl Kristian Bergman Jensen. The transactions have taken place on market terms.

Parent Company

In the first three months of 2021, the Parent Company had sales of 64.2 MSEK (41.8).

Risks and uncertainties

A number of factors can affect New Nordic's results and operations. Many of these can be managed through internal routines, while some others are more affected by external influences. There are risks and uncertainties associated with consumer trends, weather conditions, negative macroeconomic changes, geopolitical risks, sustainability and external factors in production countries, regulatory issues, trade interventions, foreign currency and tax, but also in connection with expansion into new markets, the launch of new products, changes in consumer behavior and how the brand is managed. There are also certain risks related to the group's reputation, known as "reputational risks".

For a more detailed description of risks and uncertainties, please refer to the Annual Report and Consolidated Financial Statements for 2020 under "Risk Factors".

Accounting principles

This report has been prepared in accordance with the Annual Accounts Act (1995: 1554) and BNFAR 2012: 1 Annual Report and Consolidated Accounts (K3). Information on the accounting principles, in general, is presented in the Annual Report 2020.

Certified Adviser

New Nordic Healthbrands AB's certified advisor is Mangold Fondkommission AB. Telephone: +46 8 503 01 550.

Upcoming reports and events

Annual General Meeting in Malmö	April 29, 2021
Six month report 2021	July 30, 2021
Nine month report 2021	October 29, 2021
Year-end report 2021	February 28, 2022
Annual Report 2021	March 25, 2022
Three-month report 2022	April 28, 2022
Annual General Meeting in Malmö	April 28, 2022

For further information contact:

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This report has not been reviewed by the company's auditors.

The Board of Directors and the CEO ensure that the interim report provides a true and fair view of the Group's operations, position, and earnings. Jessica Tyreman, Board Member, Lennart Sjölund, Board Member, Marinus Blåbjerg Sørensen, Chairman of the Board, Karl Kristian Bergman Jensen, CEO and board member.

Malmö, April 29, 2021
New Nordic Healthbrands AB (publ), The Board.

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 April 2021.

INCOME STATEMENT

(kSEK)	Q1 2021	Q1 2020	FULL YEAR 2020
Sales	127 831	112 258	450 064
Cost of goods sold	-42 149	-31 925	-140 984
Gross profit	85 682	80 333	309 080
Personnel expenses	-13 573	-11 843	-46 778
Other external expenses	-58 694	-61 440	-237 708
EBITDA	13 415	7 050	24 594
Depreciations	-220	-169	-753
Operating profit (EBIT)	13 195	6 881	23 841
Interest and other financial items	-73	-111	-548
Profit after financial items	13 122	6 770	23 293
Tax	-2 736	-1 375	-5 528
Profit for the period	10 386	5 395	17 765
Average number of shares	6 195 200	6 195 200	6 195 200
Number of shares by the end of the period *	6 195 200	6 195 200	6 195 200
Earnings per share, SEK	1.68	0.87	2.87
EBITDA per share, SEK	2.17	1.14	3.97

* There are no dilutive effects

BALANCE SHEET

(kSEK)	Q1 2021	Q1 2020	FULL YEAR 2020
Assets			
FIXED ASSETS			
Intangible fixed assets	1 681	1 638	1 714
Tangible fixed assets	1 729	2 088	1 782
Financial assets	4 622	4 667	3 659
Total fixed assets	8 032	8 393	7 155
CURRENT ASSETS			
Inventories	87 859	83 307	80 668
Current receivables	119 292	116 214	93 264
Liquid funds	11 450	11 894	10 404
Total current assets	218 601	211 415	184 336
TOTAL ASSETS	226 633	219 808	191 491
Equity and liabilities			
EQUITY	118 682	107 834	104 808
Deferred tax	2 218	2 865	2 304
Long-term debt	2 660	2 120	2 736
Short term liabilities – interest bearing	1 770	11 686	1 563
Short term liabilities – non interest bearing	101 303	95 303	80 080
Current liabilities	103 073	106 989	81 643
TOTAL LIABILITIES AND EQUITY	226 633	219 808	191 491

CHANGE IN EQUITY

Q1 2021 (kSEK)	Share capital	Other equity incl. profit for the year	Total equity
Balance	6 195	98 613	104 808
Currency exchange differences	0	3 488	3 488
Profit for the period	0	10 386	10 386
Balance	6 195	112 487	118 682

Q1 2020 (kSEK)	Share capital	Other equity incl. profit for the year	Total equity
Balance	6 195	95 722	101 917
Currency exchange differences	0	522	522
Profit for the period	0	5 395	5 395
Balance	6 195	101 639	107 834

FULL YEAR 2020 (kSEK)	Share capital	Other equity incl. profit for the year	Total equity
Balance	6 195	95 722	101 917
Dividend	0	-10 842	-10 842
Currency exchange differences	0	-4 032	-4 032
Profit for the period	0	17 765	17 765
Balance	6 195	98 613	104 808

CASH FLOW STATEMENTS

(kSEK)	Q1 2021	Q1 2020	FULL YEAR 2020
CURRENT OPERATIONS			
Profit after financial items	13 195	6 881	23 841
Adjustments for			
Depreciations	220	169	753
Other provisions	0	-96	-96
	13 415	6 954	24 498
Interest received	1	1	1
Interest expense	-74	-115	-549
Taxation paid	-2 323	-1 612	-8 856
Cash flow from current operations before changes in working capital	11 019	5 228	15 094
Cash flow from changes in working capital	-7 191	-2 919	-280
Inventories	-22 914	-17 503	6 101
Current receivables	20 195	14 816	-1 235
Current liabilities	1 109	-378	19 680
Cash flow from current operations			
INVESTMENT ACTIVITIES			
Acquisition of intangible fixed assets	-50	-931	-1 130
Acquisition of tangible assets	-39	-464	-752
Sales of equipment	0	96	96
Change in long-term receivables	-350	600	617
Cash flow from investment activities	-439	-699	-1 169
FINANCING ACTIVITIES			
Dividend	0	0	-10 842
Changes in long term debt	-76	242	858
Change in bank overdrafts	207	1 714	-8 409
Cash flow from financing activities	131	1 956	-18 393
Cash flow for the period	801	879	118
Liquid funds at the beginning of the period	10 404	10 819	10 819
Changes in liquid funds	245	196	-533
Liquid funds at the end of the period	11 450	11 894	10 404

KEY FIGURES

(kSEK)	Q1 2021	Q1 2020	FULL YEAR 2020
Sales	127 831	112 258	450 064
Gross profit	85 682	80 333	309 080
EBITDA	13 415	7 050	24 594
Operating profit	13 195	6 881	23 841
Profit after financial items	13 122	6 770	23 293
Profit after tax	10 386	5 395	17 765
Total assets	226 633	219 808	191 491
Return on capital employed, %	10.7	5.7	22.8
Return on shareholders equity, %	8.8	5.0	17.0
Equity	118 682	107 834	104 808
Equity ratio, %	52.4	49.1	54.7
Dept ratio	0.91	1.04	0.83
Interest coverage ratio	178.3	59.8	43.4
Investments	89	1 395	1 882
Cash flow from current operations	1 109	-378	19 680
Cash flow from financing activities	207	1 956	-18 393
Gross margin, %	67.0	71.6	68.7
EBITDA margin, %	10.5	6.3	5.5
Operation margin, %	10.3	6.1	5.3
Profit margin, %	10.3	6.0	5.2
Number of employees, average	61	56	58
Number of employees by the end of the period	61	56	60
Sales per employee	2 113	2 023	7 827
Gross margin per employee	1 416	1 447	5 375
Profit per employee	217	122	405
Average number of shares in the period	6 195 200	6 195 200	6 195 200
Number of shares by the end of the period *	6 195 200	6 195 200	6 195 200
Treasury shares at end of period *	0	0	0
EBITDA per share, SEK	2.17	1.14	3.97
Profit per share *, SEK	1.68	0.87	2.87
Equity per share, SEK	19.16	17.41	16.92

* There are no dilutive effects

NEW NORDIC GEOGRAPHIC

Sales divided by geographical area, SEK	Q1 2021		Q1 2020		FULL YEAR 2020	
	MSEK	Percent	MSEK	Percent	MSEK	Percent
Nordic	42	33	37	33	156	34
Other Europe	51	39	44	40	175	39
North America	30	24	28	25	107	24
Other World	5	4	3	2	12	3

QUARTERLY OVERVIEW

	2021	2020				2019				2018			
	Q 1	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4
Turnover MSEK	127.8	112.3	104.8	115.3	117.8	103.7	116.5	118.1	114.4	88.4	95.0	112.7	97.6
Change from last year, %	13.9	8.3	-10.1	-2.4	2.9	17.3	22.7	4.8	17.2	9.3	6.9	27.6	12.7
EBITDA, MSEK	13.4	7.1	4.8	8.2	4.6	8.5	6.8	14.5	7.1	7.3	3.8	13.8	10.0
EBITDA-margin, %	10.5	6.3	4.6	7.1	3.9	8.2	5.8	12.3	6.2	8.3	4.0	12.2	10.2
Operating result, MSEK	13.2	6.9	4.5	8.0	4.4	8.4	6.6	14.3	7.0	7.1	3.6	13.6	9.8
Operating margin, %	10.3	6.1	4.3	6.9	3.7	8.1	5.7	12.1	6.1	8.1	3.8	12.1	10.1
Result before tax, MSEK	13.1	6.8	4.2	7.8	4.5	8.5	6.5	14.3	6.8	7.4	3.6	13.4	9.7
Result after tax, MSEK	10.4	5.4	3.3	6.4	2.7	6.7	5.3	11.4	4.6	5.6	2.9	10.7	7.2
Cash, MSEK	11.5	11.9	10.2	11.2	10.4	19.6	7.0	9.7	10.8	7.8	7.3	7.9	14.4
Stocks, MSEK	87.9	83.3	86.7	77.9	80.7	76.6	78.7	77.3	80.4	53.9	61.6	61.7	65.1
Equity, MSEK	118.7	107.8	97.1	103.8	104.8	89.1	84.5	97.0	101.9	67.4	63.3	73.7	80.2
Result per share, SEK	1.68	0.87	0.53	1.04	0.43	1.09	0.85	1.85	0.75	0.91	0.47	1.73	1.17
Equity per share, SEK	19.16	17.41	15.68	16.75	16.92	14.38	13.64	15.66	16.45	10.89	10.22	11.9	12.95
Cash flow from current operations per share, SEK	0.18	-0.06	1.42	-0.18	1.99	1.12	-2.34	0.26	0.74	0.49	-1.10	0.91	2.58
Solidity, %	52.4	49.1	47.4	51.0	54.7	47.5	43.4	47.1	51.7	45.2	37.6	41.8	49.3

Gross profit: Net sales less cost of sold goods.

Equity: Equity as a percentage of total assets.

Leverage ratio: The ratio of total liabilities and equity.

Profit margin: Profit after financial items plus financial expenses divided by financial expenses.

Return on equity: Net income as a percentage of shareholders' equity at period end.

Capital employed: Total assets less non-interest-bearing provisions and liabilities.

Return on capital employed: Profit after financial items plus financial expenses divided by capital employed.

Investments: Investments in tangible and intangible assets.

Gross margin: Gross profit as a percentage of net sales.

EBITDA margin: Operating income before depreciation and amortization as a percentage of net sales.

Operating margin: Operating profit after depreciation and amortization as a percentage of net sales.

Profit margin: Profit after financial items as a percentage of net sales.

Revenue per employee: Net sales divided by the average number of employees.

Gross profit per employee: Gross profit divided by the average number of employees.

Profit per employee: Profit after financial items divided by the average number of employees.

Earnings per share: Profit after tax divided by the average number of shares.

Equity per share: Shareholders' equity divided by shares outstanding at period end.