

NEW NORDIC HEALTHBRANDS AB (PUBL)

THREE MONTH REPORT

JANUARY - MARCH 2022



	Q1 2022	Q1 2021	FULL YEAR 2021
Net sales, kSEK	123 336	127 831	514 845
Change in SEK, percent	-3.5	13.9	14.4
Change in local currencies, %	-8.6	21.1	17.3
Gross profit, kSEK	82 907	85 682	350 048
Gross margin, %	67.2	67.0	68
EBITDA kSEK	2 038	13 415	29 482
EBITDA, %	1.7	10.5	5.7
Operating profit, kSEK	1 759	13 195	28 547
Operating margin, %	1.4	10.3	5.5
Profit for the period, kSEK	980	10 386	21 303
Earnings per share EBITDA, SEK	0.33	2.17	4.76
Earnings per share * after tax, SEK	0.16	1.68	3.44

* There are no dilutive effects

COMMENTS BY CEO KARL KRISTIAN BERGMAN JENSEN

During the first quarter of the year, we had unexpected challenges and our marketing did not have the effect we had planned. Revenues reached SEK 123 million, which is less than expected. This is a decrease in revenues of 4 percent compared with the same quarter last year.

Sales has decreased in the Nordic region and in the rest of Europe. In North America, sales has increased and in Asia it is status quo. Unfortunately, this has resulted in a profit after tax of only one million SEK.

In many countries in Europe, our main distribution channel is pharmacies. These pharmacies have been busy implementing tests of the fast spreading omicron corona variety during the first months of the year. In countries like France, sales to pharmacies decreased by 20 percent because on this. Inflation also accelerated during the quarter and we experience that our customers have been affected by higher prices for heating and food. Especially when the war in Ukraine started, we could see a drastic decline in sales from retailers to consumers in both physical stores and online stores.

The situation that arose during the quarter has meant that we have now made a temporary adjustment of our operations and product focus. Additionally we currently have several countries that are relatively new to us. For example, we started in Australia just before the pandemic. In Australia and other countries in the same situation, we are

taking temporary measures which we are convinced will slow down our establishment for a period. Our adaptations to the changing market conditions will focus on profitability and is likely to affect our growth over a period that we hope will not last too long.

The entire New Nordic team is making a fantastic effort and we are ready to adapt. We experience commodity prices and shipping prices rising but we are doing what we can to defend our gross margin. This includes, among other things, that we are looking for alternative suppliers of goods to keep prices down as best we can. We have not had any significant problems with procuring raw materials.

Due to supply disruptions, we have increased our inventories during the past year. In addition, inventories have also increased as our turnover has increased. After the first quarter, we have now started to reduce our inventories again. Towards the end of the year, we will have a more normal stock level.

New Nordic has a strong product range and good innovations ready. We have also strengthened our organization in both the finance function, in the planning and logistics function and in the management and marketing function as well as in the country functions. We are really well equipped to take part in the recovery that is expected in dietary supplements and beauty areas when the markets return to normal. I hope that we will soon move towards a more normalized situation in the world so that we can continue our good business, increase our profitability and become better established in our new markets.

Revenue

Sales in local currencies decreased by 8.6 percent during the first quarter of the year. Converted to SEK, sales decreased by 3.5 percent and amounted to SEK 123.3 million. Sales decreased in the Nordic and Other Europe geographical areas, whereas it increased in North America and was stable in Asia. The decrease is caused by corona restrictions in several countries, omicron corona tests in pharmacies in many European countries, increased inflation, especially after the start of the Ukraine war, and zero-corona policy in China. Marketing costs have been high during the quarter and have not led to sufficient growth in sales.

Sales in the Nordic region decreased by 11.9 percent to SEK 37 M (42). Sales in other European countries decreased by 13.7 percent to SEK 44 M (51). Sales in North America increased by 23.3 percent to SEK 37 M (30). Sales in Asia and Australia had a status quo of SEK 5 million (5).

Earnings for the first quarter

Gross profit for the first quarter amounted to SEK 82.9 M (85.7). This corresponds to a gross margin of 67.2 percent (67.0). The increase can be related to shifts in the product mix. Personnel costs increased by 14.9 percent while other external costs, including sales and marketing costs, increased by 11.2 percent. In total, operating expenses increased by 11.9 percent to SEK 80.9 million (72.3). The increase in personnel and marketing costs was increased to create sales that did not materialize.

EBITDA amounted to SEK 2.0 million (13.4). This corresponds to an EBITDA margin of 1.7 percent (10.5). Operating profit amounted to SEK 1.8 million (13.2). This corresponds to an operating margin of 1.4 percent (10.3). Profit after financial items amounted to SEK 1.6 million (13.1). Profit after tax for the three-month period amounted to SEK 1.0 million (10.4). The result after tax was unsatisfactory.

Financial position and cash flow

Total assets increased by 11.2 percent to SEK 252.1 million (226.6). Inventories increased by 36.6 percent to SEK 120.0 million (87.9).

Current operations generated a negative cash flow of SEK 3.4 million (1.1) during the first three months of the year. Cash and cash equivalents at the end of the period amounted to SEK 10.2 million (11.5).

The Group's equity / assets ratio was 48.4 percent (52.4).

Equity divided by the outstanding 6,195,200 (6,195,200) shares as of March 31, 2022 amounted to SEK 19.69 (19.16).

Expansion

New Nordic's business creates value for the company's customers and shareholders. In 2022 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 2022, the Parent Company had sales of 44.4 MSEK (64.2).

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 2021 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 about the accounting principles in general is stated in the 2020 annual report.

Audit review

This report has not been audited by the company's auditor.

Certified Adviser

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

Upcoming reports

Annual General Meeting in Malmö	April 28, 2022
Six Month Report 2022	July 29, 2022
Nine Month Report 2022	October 28, 2022
Full Year Report 2022	February 28, 2023
Annual Report 2022	March 27, 2023
Three Month Report 2023	April 27, 2023
Annual General Meeting in Malmö 2023	April 27, 2023

For further information contact:

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

Malmö 28 April, 2022, New Nordic Healthbrands AB (publ)

Board of Directors

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The year-end report has not been reviewed by the company's auditor.

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.**

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 28 April 2022.

INCOME STATEMENT

(kSEK)	Q1 2022	Q1 2021	FULL YEAR 2021
Sales	123 336	127 831	514 845
Cost of goods sold	-40 429	-42 149	-164 797
Gross profit	82 907	85 682	350 048
Personnel expenses	-15 600	-13 573	-55 784
Other external expenses	-65 269	-58 694	-264 782
EBITDA	2 038	13 415	29 482
Depreciations	-279	-220	-935
Operating profit (EBIT)	1 759	13 195	28 547
Interest and other financial items	-196	-73	-591
Profit after financial items	1 563	13 122	27 956
Tax	-583	-2 736	-6 653
Profit for the period	980	10 386	21 303
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	0.16	1.68	4.76
EBITDA per share, SEK	0.33	2.17	3.44

* There are no dilutive effects

BALANCE SHEET

(kSEK)	Q1 2022	Q1 2021	FULL YEAR 2021
Assets			
FIXED ASSETS			
Intangible fixed assets	2 950	1 681	3 033
Tangible fixed assets	3 260	1 729	2 238
Financial assets	4 516	4 622	4 869
Total fixed assets	10 726	8 032	10 140
CURRENT ASSETS			
Inventories	120 013	87 859	116 457
Current receivables	111 202	119 292	99 870
Liquid funds	10 188	11 450	11 884
Total current assets	241 403	218 601	228 211
TOTAL ASSETS	252 129	226 633	238 351
Equity and liabilities			
EQUITY	121 983	118 682	120 316
Deferred tax	2 090	2 218	2 145
Long-term debt	1 292	2 660	1 237
Short term liabilities – interest bearing	27 170	1 770	24 426
Short term liabilities – non interest bearing	99 594	101 303	90 227
Current liabilities	126 764	103 073	114 653
TOTAL LIABILITIES AND EQUITY	252 129	226 633	238 351

CHANGE IN EQUITY

Q1 2022 (kSEK)	Share capital	Other equity incl. profit for the year	Total equity
Balance	6 195	114 121	120 316
Currency exchange differences	0	687	687
Profit for the period	0	980	980
Balance	6 195	115 788	121 983

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

FULL YEAR 2021 (kSEK)	Share capital	Other equity incl. profit for the year	Total equity
Balance	6 195	98 613	104 808
Dividend	0	-9 293	-9 293
Currency exchange differences	0	3 498	3 498
Profit for the period	0	21 303	21 303
Balance	6 195	114 121	120 316

CASH FLOW STATEMENTS

(kSEK)	Q1 2022	Q1 2021	FULL YEAR 2022
CURRENT OPERATIONS			
Profit after financial items	1 759	13 195	28 547
Adjustments for			
Depreciations	279	220	935
Other provisions	-103	0	0
	1 935	13 415	29 482
Interest recieved	1	1	3
Interest expense	-197	-74	-594
Taxation paid	-3 317	-2 323	-5 627
Cash flow from current operations before changes in working capital	-1 578	11 019	23 264
Cash flow from changes in working capital	-3 556	-7 191	-35 789
Inventories	-10 186	-22 914	-4 619
Current receivables	11 962	20 195	9 274
Current liabilities	-3 358	1 109	-7 870
Cash flow from current operations			
INVESTMENT ACTIVITIES			
Acquisition of intangible fixed assets	-26	-50	-1 655
Acquisition of tangible assets	-1 160	-39	-1 005
Sales of equipment	103	0	0
Change in long-term receivables	23	-350	-311
Cash flow from investment activities	-1 060	-439	-2 971
FINANCING ACTIVITIES			
Dividend	0	0	-9 293
Changes in long term debt	55	-76	-1 499
Change in bank overdrafts	2 744	207	22 863
Cash flow from financing activities	2 799	131	12 071
Cash flow for the period	-1 619	801	1 230
Liquid funds at the beginning of the period	11 884	10 404	10 404
Changes in liquid funds	-77	245	250
Liquid funds at the end of the period	10 188	11 450	11 884

KEY FIGURES

(kSEK)	Q1 2022	Q1 2021	FULL YEAR 2021
Sales	123 336	127 831	514 845
Gross profit	82 907	85 682	350 048
EBITDA	2 038	13 415	29 482
Operating profit	1 759	13 195	28 547
Profit after financial items	1 563	13 122	27 956
Profit after tax	980	10 386	21 303
Total assets	252 129	226 633	238 351
Return on capital employed, %	1.2	10.7	19.6
Return on shareholders equity, %	0.8	8.8	17.7
Equity	121 983	118 682	120 316
Equity ratio, %	48.4	52.4	50.5
Dept ratio	1.07	0.91	0.98
Interest coverage ratio	8.93	178.3	48.1
Investments	1 186	89	2 660
Cash flow from current operations	-3 358	1 109	- 7 870
Cash flow from financing activities	2 799	207	12 071
Gross margin, %	67.2	67.0	68.0
EBITDA margin, %	1.7	10.5	5.7
Operation margin, %	1.4	10.3	5.5
Profit margin, %	1.3	10.3	5.4
Number of employees, average	74	61	66
Number of employees by the end of the period	75	61	72
Sales per employee	1 678	2 113	7 801
Gross margin per employee	1 128	1 416	5 304
Profit per employee	21	217	424
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	0.33	2.17	4.76
Profit per share *, SEK	0.16	1.68	3.44
Equity per share, SEK	19.69	19.16	19.42

* There are no dilutive effects

NEW NORDIC GEOGRAPHIC

Sales divided by geographical area, SEK	Q1 2022		Q1 2021		FULL YEAR 2021	
	MSEK	Percent	MSEK	Percent	MSEK	Percent
Nordic	37	30	42	33	171	33
Other Europe	44	35	51	39	200	39
North America	37	30	30	24	125	24
Other World	5	5	5	4	19	4

QUARTERLY OVERVIEW

	2022	2021				2020				2019			
	Q 1	Q 1	Q2	Q3	Q4	Q 1	Q2	Q3	Q4	Q 1	Q2	Q3	Q4
Turnover MSEK	123.3	127.8	141.1	124.9	121	112.3	104.8	115.3	117.8	103.7	116.5	118.1	114.4
Change from last year, %	-3.5	13.9	34.7	8.3	2.8	8.3	-10.1	-2.4	2.9	17.3	22.7	4.8	17.2
EBITDA, MSEK	2.0	13.4	11.2	8.9	-4.0	7.1	4.8	8.2	4.6	8.5	6.8	14.5	7.1
EBITDA-margin, %	1.7	10.5	7.9	7.2	-3.3	6.3	4.6	7.1	3.9	8.2	5.8	12.3	6.2
Operating result, MSEK	1.8	13.2	10.9	8.7	-4.3	6.9	4.5	8.0	4.4	8.4	6.6	14.3	7.0
Operating margin, %	1.4	10.3	7.7	7.0	-3.5	6.1	4.3	6.9	3.7	8.1	5.7	12.1	6.1
Result before tax, MSEK	1.6	13.1	10.8	8.5	-4.4	6.8	4.2	7.8	4.5	8.5	6.5	14.3	6.8
Result after tax, MSEK	1.0	10.4	8.7	6.7	-4.5	5.4	3.3	6.4	2.7	6.7	5.3	11.4	4.6
Cash, MSEK	10.2	11.5	11.0	13.8	11.9	11.9	10.2	11.2	10.4	19.6	7.0	9.7	10.8
Stocks, MSEK	120.0	87.9	92.5	104.1	116.5	83.3	86.7	77.9	80.7	76.6	78.7	77.3	80.4
Equity, MSEK	122.0	118.7	117.3	123.8	120.3	107.8	97.1	103.8	104.8	89.1	84.5	97.0	101.9
Result per share, SEK	0.16	1.68	1.41	1.08	-0.73	0.87	0.53	1.04	0.43	1.09	0.85	1.85	0.75
Equity per share, SEK	19.69	19.16	18.94	19.98	19.42	17.41	15.68	16.75	16.92	14.38	13.64	15.66	16.45
Cash flow from current operations per share, SEK	-0.54	0.18	-0.14	0.33	-1.63	-0.06	1.42	-0.18	1.99	1.12	-2.34	0.26	0.74
Solidity, %	48.4	52.4	49.6	50.7	50.5	49.1	47.4	51.0	54.7	47.5	43.4	47.1	51.7

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.