

NEW NORDIC HEALTHBRANDS AB (PUBL)

NINE MONTH REPORT

JANUARY - SEPTEMBER 2022



	NINE MONTHS 2022	NINE MONTHS 2021	Q3 2022	Q3 2021
Net sales, kSEK	375 844	393 836	121 796	124 894
Change in SEK, %	-4.6%	18.5%	-2.5%	8.3%
Change in local currencies, %	-10.3%	22.9%	-9.5%	8.0%
Gross profit, kSEK	248 703	271 472	81 090	88 678
Gross margin, %	66.2%	68.9%	66.6%	71%
EBITDA kSEK	2 854	33 504	7 115	8 939
EBITDA, %	0.8%	8.5%	5.8%	7.2%
Operating profit, kSEK	1 899	32 825	6 773	8 698
Operating margin, %	0.5%	8.3%	5.6%	7.0%
Profit for the period, kSEK	621	32 401	5 789	8 453
Profit after tax for the period, kSEK	707	25 802	7 203	6 700
EBITDA per share *, SEK	0.46	5.41	1.15	1.44
Earnings per share after tax *, SEK	0.11	4.16	1.16	1.08

* There are no dilutive effects

COMMENTS BY CEO KARL KRISTIAN BERGMAN JENSEN

After reducing our marketing and innovation investments in the 3rd quarter, results has improved. We will continue this plan for the remaining part of the year.

The Swedish Krona is weakening and it is relevant to look at our figures with this in mind. Revenue for the first nine months and Q3 separately decreased with 10 percent in local currencies. Gross margin decreased from 68,9 percent to 66,2 percent due to product mix displacements and sell-off of particular overstocked products in North America.

During the first nine months of the year, personnel and other external costs are up three percent and sales revenue in SEK down by five percent. In Q3 the costs decreased three percent while revenue just decreased two percent. The 3rd quarter is an improvemen compared to the first two quarters of the year and the profit after tax for the year is now positive again.

It is also positive that inventories are down four million SEK since the end of Q2 and 12 million since Q1. A great achievement in a time where sales are lower than planned.

The cashflow has been negative in the quarter despite reduction in inventory and profitability as current receivables has increased.

On the management side, I can inform that Mrs. Ditte Søndergaard Bihorac, who held the position as Chief Operating Officer since september 2021, choose to leave the company by the end of the quarter On the other hand, I am pleased that Mr. Tage Juhl Finninge has started as Chief Commercial and Operating Officer. The position is an extension of the company's COO position and Tage will be responsible for daily operations, sales, and execution of our strategy.

Together with CFO, Ivan Ruscic and myself, Tage will form the Executive Management Team. Tage worked 25 years for E. Sæther and the last 11 years as CEO where he helped accomplish an impressive growth. Tage has a M. Sc. (Cand. Merc. IMM) from Copenhagen Business School and Ivey Business School, Canada.

The market situation continues to be challenging. All employees have shown great willingness to adapt to necessary changes. I am very grateful.

New Nordic is bursting with possibilities and the employees are ready for continued growth. As soon as consumer confidence grows and when our potential customers are again more willing to spend money on premium supplements, we are ready to take advantage.

I am confident that we are facing a good development.

Sales

Sales during the first nine months amounted to SEK 375.8 M (393.8), a decrease of 4.6 percent. In local currencies, the decrease was 10,3 percent. Sales decreased in all geographical areas: the Nordic countries, the rest of Europe, North America, except the rest of the world where it increased. Mainly due to increase in sales in Vietnam.

Results for the nine months

Gross profit for the nine months decreased to SEK 248.7 million (271.5). This corresponds to a gross margin of 66.2 percent (68.9). EBITDA amounted to SEK 2.9 million (33.5). This corresponds to an EBITDA margin of 0.8 percent (8.5). Operating profit amounted to SEK 1.9 million (32.8). This corresponds to an operating margin of 0.5 percent (8.3). Profit after financial items amounted to SEK 0.6 million (32.4). Profit after tax for the nine-month period was SEK 0.7 million (25.8).

Comments to the third quarter

Sales in local currencies decreased by 9.5 percent. Converted to SEK, sales decreased by 2.5 percent to SEK 121.8 million (124.9). The reduction in sales is not satisfactory.

The gross margin decreased to 66.6 percent (71.0) due to changes in product mix and sell-off of overstocked products in North America. Personnel, sales and administration costs amounted to SEK 74.0 M (79.7), a decrease of 7.2 percent. Marketing costs accounted for the largest absolute decrease. The number of employees at the end of the period was 70 (65).

EBITDA decreased by SEK 1.8 million to SEK 7.1 million and profit after tax increased by SEK 0.5 million to SEK 7.2 million. Depreciation increased to SEK -0.3 million (-0.2). Interest and other financial items increased to SEK -0.9 million (-0.2).

Profit after financial items decreased by 31.8 percent and amounted to SEK 5.8 million (8.5). Profit after tax increased by 7.5 percent and amounted to SEK 7.2 million (6.7).

Financial position and cash flow

The Group's total assets as of September 30, 2022 amounted to SEK 265.4 M (244.3), an increase of 8.6 percent compared with the same period last year.

Inventories increased by 3.9 percent compared with the same period last year and amounted to SEK 108.2 million (104.1).

During the first nine months, operating activities generated a negative cash flow of SEK -17.9 million (2.3). Receivables increased by SEK 8.2 million. At the same time, debt to suppliers has decreased by SEK 10.7 million. The negative cash flow was characterized by the increase in receivables.

Cash and cash equivalents at the end of the period amounted to SEK 11.4 M (13.8 M).

The Group's equity / assets ratio was 43.7 percent (50.7).

Equity distributed on the outstanding 6,195,200 (6,195,200) shares was SEK 18.74 per share (19.98) on September 30, 2022.

Expansion

New Nordic's operations create value for the company's customers and shareholders. During 2022 and onwards, 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 a healthy life.

Parent company

During the first nine months of 2022, the parent company had net sales of SEK 118.5 million. (170.8).

Comment current quarter

None

Transactions with related parties

During the period, there were no significant transactions with related parties apart from the usual sales of New Nordic products at normal trading prices and terms to Dansk Detail APS (health stores), Denmark, which is jointly owned by Marinus Blåbjerg Sørensen and Karl Kristian Bergman Jensen.

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 Financial Statements (K3).

Certified Adviser

New Nordic Healthbrands AB's Certified Adviser är Mangold Fondkommission AB. Telephone: +46 8 503 01 550.

Upcoming reports

Full Year Report 2022	February 28, 2023
Annual Report 2022	March 27, 2023
Three-month Report 2023	April 27, 2023
Annual General Meeting 2023	April 27, 2023

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This report has not been audited.
Malmö 28 October 2022

New Nordic Healthbrands AB (publ)
Board of Directors

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The information in this document is that which New Nordic Healthbrands AB (publ) is required to disclose, and made public 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 October 2022.

INCOME STATEMENT

(kSEK)	NINE MONTHS 2022	NINE MONTHS 2021	Q3 2022	Q3 2021
Sales	375 844	393 836	121 796	124 894
Cost of goods sold	-127 141	-122 364	-40 706	-36 216
Gross profit	248 703	271 472	81 090	88 678
Personnel expenses	-45 197	-41 247	-14 412	-13 101
Other external expenses	-200 652	-196 721	-59 563	-66 638
EBITDA	2 854	33 504	7 115	8 939
Depreciations	-955	-679	-342	-241
Operating profit (EBIT)	1 899	32 825	6 773	8 698
Interest and other financial items	-1 278	-424	-984	-245
Profit after financial items	621	32 401	5 789	8 453
Tax	86	-6 599	1 414	-1 753
Profit after tax	707	25 802	7 203	6 700
Average number of shares	6 195 200	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	6 195 200
Earnings per share after tax, SEK	0.11	4.16	1.16	1.08
EBITDA per share, SEK	0.46	5.41	1.15	1.44

* There are no dilutive effects

BALANCE SHEET

(kSEK)	Q3 2022	Q3 2021	FULL YEAR 2021
Assets			
FIXED ASSETS			
Intangible fixed assets	3 143	1 694	3 033
Tangible fixed assets	2 974	2 001	2 238
Financial assets	6 455	4 945	4 869
Total fixed assets	12 572	8 640	10 140
CURRENT ASSETS			
Inventories	108 221	104 125	116 457
Current receivables	133 181	117 807	99 870
Liquid funds	11 398	13 754	11 884
Total current assets	252 800	235 686	228 211
TOTAL ASSETS	265 372	244 326	238 351
Equity and liabilities			
EQUITY	116 075	123 807	120 316
Deferred tax	2 010	2 218	2 145
Long-term debt	1 598	1 203	1 237
Short term liabilities – interest bearing	50 106	14 491	24 426
Short term liabilities – non interest bearing	95 583	102 607	90 227
Current liabilities	145 689	117 098	114 653
TOTAL LIABILITIES AND EQUITY	265 372	244 326	238 351

CHANGE IN EQUITY

Q3 2022 (kSEK)	Share capital	Other equity incl. profit for the year	Total equity
Opening balance	6 195	114 121	120 316
Dividend	0	-7 744	-7 744
Exchange difference	0	2 796	2 796
Profit for the period	0	707	707
Closing balance	6 195	109 880	116 075

Q3 2021 (kSEK)	Share capital	Other equity incl. profit for the year	Total equity
Opening balance	6 195	98 613	104 808
Dividend	0	-9 293	-9 293
Exchange difference	0	2 490	2 490
Profit for the period	0	25 802	25 802
Closing balance	6 195	117 612	123 807

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

CASH FLOW STATEMENTS

(kSEK)	NINE MONTHS 2022	NINE MONTHS 2021	Q3 2022	Q3 2021
CURRENT OPERATIONS				
Profit after financial items	1 899	32 825	6 773	8 698
Adjustments for				
Depreciations	955	679	342	241
Other provisions	-287	0	0	0
	2 567	33 504	7 115	8 939
Interest received	3	2	1	1
Interest expense	-1 281	-426	-985	-244
Taxation paid	-7 045	-5 865	-3 510	-723
Cash flow from current operations before changes in working capital	-5 756	27 215	2 621	7 973
Cash flow from changes in working capital				
Inventories	8 236	-23 457	3 872	-11 600
Current receivables	-31 095	-22 928	-11 636	5 102
Current liabilities	10 744	21 426	2 167	541
Cash flow from current operations	-17 871	2 256	-2 976	2 016
INVESTMENT ACTIVITIES				
Acquisition of intangible assets	-406	-229	-213	72
Acquisition of tangible assets	-1 237	-619	-39	-55
Sales of equipment	287	0	0	0
Change in long-term receivables	42	-306	37	294
Cash flow from investment activities	-1 314	-1 154	-215	311
FINANCING ACTIVITIES				
Dividend	-7 744	-9 293	0	0
Changes in long term debt	361	-1 533	-98	-1 637
Change in bank overdrafts	25 680	12 928	8 415	1 935
Cash flow from financing activities	18 297	2 102	8 317	298
Cash flow for the period	-888	3 204	5 126	2 625
Liquid funds at the beginning of the period	11 884	10 404	6 045	11 033
Changes in liquid funds	402	146	227	96
Liquid funds at the end of the period	11 398	13 754	11 398	13 754

KEY FIGURES

(kSEK)	NINE MONTHS		NINE MONTHS	
	2022	2021	Q3 2022	Q3 2021
Sales	375 844	393 836	121 796	124 894
Gross profit	248 703	271 472	81 090	88 678
EBITDA	2 854	33 504	7 115	8 939
Operating profit	1 899	32 825	6 773	8 698
Profit after financial items	621	32 401	5 789	8 453
Profit after tax	707	25 802	7 203	6 700
Total assets	265 372	244 326	265 372	244 326
Return on capital employed, %	1.1	23.5	4.2	6.4
Return on shareholders equity, %	0.6	20.8	6.2	5.4
Equity	116 075	123 807	116 075	123 807
Equity ratio, %	43.7	50.7	43.7	50.7
Debt ratio	1.29	0.97	1.29	0.97
Interest coverage ratio	1.5	77.1	6.9	35.6
Investments	1 643	848	252	-17
Cash flow from current operations	-17 871	2 256	-2 976	2 016
Gross margin, %	66.2	68.9	66.6	71.0
EBITDA margin, %	0.8	8.5	5.8	7.2
Operation margin, %	0.5	8.3	5.6	7.0
Profit margin, %	0.2	8.2	4.8	6.8
Number of employees, average	71	63	72	66
Number of employees by the end of the period	70	65	70	65
Sales per employee	5 294	6 301	1 703	1 892
Gross margin per employee	3 503	4 344	1 134	1 344
Profit per employee	9	518	81	128
Average number of shares in the period	6 195 200	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	6 195 200
Treasury shares at end of period *	0	0	0	0
EBITDA per share, SEK	0.46	5.41	1.15	1.44
Profit per share *, SEK	0.11	4.16	1.16	1.08
Equity per share, SEK	18.74	19.98	18.74	19.98

* There are no dilutive effects

NEW NORDIC GEOGRAPHIC

Sales divided by geographic, SEK	Q1-Q3 2022		Q1-Q3 2021		FULL YEAR 2021	
	MSEK	Percent	MSEK	Percent	MSEK	Percent
Nordic	115	31	134	34	171	33
Other Europe	144	38	150	38	200	39
North America	97	26	98	25	125	24
Other World	20	5	12	3	19	4

QUARTERLY OVERVIEW

	2022			2021				2020				2019			
	Q 1	Q 2	Q 3	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	123.3	130.7	121.8	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	-7.4	-2.5	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	-6.3	7.2	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	-4.8	5.9	10.5	7.9	7.1	-3.3	6.3	4.6	7.1	3.9	8.2	5.8	12.3	6.2
Operating result, MSEK	1.8	-6.6	6.8	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	-5.1	5.6	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	-6.7	5.8	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	-7.5	7.2	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	6.0	11.4	11.5	11.0	13.8	11.9	11.9	10.2	11.2	10.4	19.6	7.0	9.7	10.8
Inventory, MSEK	120.0	112.1	108.2	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	108.4	116.1	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	-1.21	1.16	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	17.49	18.74	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	-1.86	-0.48	0.18	-0.14	0.33	-1.63	-0.06	1.42	-0.18	1.99	1.12	-2.34	0.26	0.74
Equity ratio, %	48.4	43.4	43.7	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.