



PRESS RELEASE

Malmö 30 October 2020

New Nordic Healthbrands AB (publ) Nine-Month Report January - September 2020 with corrections

This release is a corrected version of the press release sent out this morning. The corrections are that the wording following "profit after tax for the period" and "earnings per share after tax" under both NINE MONTHS 2020 and Q3 2020, should read "decreased" instead of "increased".

NINE MONTHS 2020

- Net sales amounted to MSEK 332.3 (338.2), an decrease of 1.8 percent. In local currencies, the decrease was 0.1 percent.
- Gross margin decreased to 69.3 percent (70.4).
- EBITDA decreased to MSEK 20.007 (29.8).
- Operating profit decreased to MSEK 19.4 (29.3).
- Profit after tax for the period decreased to MSEK 15.1 (23.4).
- Earnings per share after tax decreased to SEK 3.23 (4.81).

Q3 2020

- Net sales amounted to MSEK 115.3 (118.1), a decrease of 2.4 percent. In local currencies, the increase was 2.0 percent.
- Gross margin decreased to 67.7 percent (70.7).
- EBITDA decreased to MSEK 8.2 (14.5).
- Operating profit decreased to MSEK 8.0 (14.3).
- Profit after tax for the period decreased to MSEK 6.5 (11.4).
- Earnings per share decreased to SEK 1.32 (2.35).

COMMENTS BY KARL KRISTIAN BERGMAN JENSEN, CEO

The third quarter was the best quarter so far this year, both in terms of revenue and earnings. The recent increase in infection levels in Covid-19 will undoubtedly continue to affect our business in the near future. We now feel more confident in how we will act under these volatile conditions and we plan a more proactive effort in the future.

During the first nine months of the year, sales amounted to SEK 332 million, which is a decrease of 2 percent. In local currencies, turnover is the same as last year. Profit for the period decreased by 36 percent from SEK 29.3 million to SEK 18.8 million during the first nine months of the year. This is mainly due to a reduction in the gross margin from 70.4 percent to 69.3 percent and an increase in fixed costs and personnel. The decline in gross profit is particularly related to changes in the range mix in North America and the United Kingdom. The sale of "Gummies", such as Apple Cider Gummies, has been successful and here the gross profit is unfortunately a little less than on our tablets.

The higher fixed costs, including staff compensation this year, are related to the growth preparations we have made. An example is our establishment in Australia around the turn of the year. On the other hand, we significantly reduced our planned marketing costs during the period. Our entire international team has made a huge effort to adapt and optimize our activities in relation to the local shutdown effects based on the pandemic.

When we look at the countries individually, it is very different how Covid-19 has had its impact. Especially in England, we have

been hit hard by both the pandemic and a fall in the value of the pound. The overall picture of the Covid-19 is very motley and difficult to navigate. Although we have succeeded in increasing sales in several countries during the first nine months of the year, we have not succeeded in creating the growth planned for the beginning of the year. The current international increase in infection levels and new lock-downs nationally will present us with continued challenges, but we are trying our best to create growth in each country. We do this through initiatives that promote our distribution via e-commerce and by being more campaign-driven than before. We try to focus even more on creating growth in our best-selling products such as Blue Berry™, Active Liver™, and Hair Volume™.

Our launch of the Beauty In & Out range did not go as planned. Our “buzz-creating” launch activities were discontinued due to Covid-19 and instead Beauty In & Out has started slowly. The most important thing, however, is that both hair care and skin care have been very well received by both retailers and consumers. The first sales figures indicate that the products will develop well over time. We are already nominated for the prestigious ASOS and Pure Beauty Awards in London. So all in all, it looks promising.

On those of our products that are aimed at older users, who to a greater extent isolate themselves at home and who are not used to shopping online, we try through our marketing to get them to shop online on our retailers’ websites. The products that satisfy a younger target group do well. During the quarter, we began to supply our new elderberry-based products Active Immune™ and Elderberry Immune™ Gummies to the trade. We have also achieved better distribution on C-immune™ as well as launched D-immune™.

Our balance sheet is well tuned. We have a strong financial position that is more than sufficient to carry out our planned activities. The entire organization is ready to work our way through the Covid-19 situation with the changes and improvisations needed for us to achieve our growth goals.

I have a humble positive view of the development of our business in the near future.



Karl Kristian Bergman Jensen, CEO

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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 30 October 2020.

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

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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 2019, revenues were SEK 453 million. Almost all New Nordic products sold worldwide are manufactured in Scandinavia. For more information, visit www.newnordic.com.