



PRESS RELEASE

Malmö 29 April 2021

## New Nordic Healthbrands AB (publ) Three Month Report January - March 2021

### Q1 2021

- Net sales amounted to MSEK 127,8 (112.3), an increase of 13.9 percent. In local currencies, the increase was 21.1 percent.
- Gross margin decreased to 67.0 percent (71.6).
- EBITDA increased to MSEK 13.4 (7.1).
- Operating profit increased to MSEK 13.2 (6.9).
- Profit after tax for the period increased to MSEK 10.4 (5.4).
- Earnings per share after tax increased to SEK 1.68 (0.87).

### COMMENTS BY KARL KRISTIAN BERGMAN JENSEN, CEO

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, which creates 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.



Karl Kristian Bergman Jensen, CEO

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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 2020, revenues were SEK 450 million. Almost all New Nordic products sold worldwide are manufactured in Scandinavia. For more information, visit [www.newnordic.com](http://www.newnordic.com).

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