



PRESS RELEASE

Malmö 30 July 2021

## New Nordic Healthbrands AB (publ) Six Month Report January - June 2021

### FIRST HALF-YEAR 2021

- Net sales amounted to MSEK 268.9 (217,0), an increase of 30.8 percent in local currencies and 23,9 percent in SEK.
- Gross margin decreased to 68.0 percent (70.1).
- EBITDA increased to MSEK 24.6 (11.8).
- Operating profit increased to MSEK 24.1 (11.4).
- Profit after tax for the period increased to MSEK 19.1 (8.7).
- Earnings per share after tax increased to SEK 3.08 (1.40).

### Q2 2021

- Net sales amounted to MSEK 141.1 (104.8), an increase of 40.9 percent in local currencies and 34.7 percent in SEK.
- Gross margin increased to 68.8 percent (68.5).
- EBITDA increased to MSEK 11.2 (4.8).
- Operating profit increased to MSEK 10.9 (4.5).
- Profit after tax for the period increased to MSEK 8.7 (3.3).
- Earnings per share after tax increased to SEK 1.41 (0.53).

### COMMENTS BY KARL KRISTIAN BERGMAN JENSEN, CEO

Demand for New Nordic's products was high in 2021. Growth in sales accelerated during the first half of the year and exceeded our expectations. The second quarter was a record. During the first half of the year, we had a growth of 31 percent in local currencies and 24 percent after conversion to Swedish kronor. Sales reached SEK 269 million. The increased sales have resulted in a good half-year result with an increase of 120 percent in earnings per share. Our entire international team has done a good job of achieving this great result.

We have had growth in all geographical areas, driven by increased marketing with a focus on our best sellers. We have had surprisingly great success with our campaign activities at Hair Volume TM in connection with the product's 10th anniversary. In Canada, too, we have had great success with campaign activities with Hair Gro TM in membership only warehouses. It is also gratifying to see that we have had growth in Sweden and Norway this year after a decline in 2020. In Australia, we have had good results from our efforts to build partnerships with distributors in all states and we have now achieved nationwide distribution. We are currently starting business in both Spain and Portugal as well as the Czech Republic. After this, we have only a few countries left to open before New Nordic becomes available in all countries in Europe.

During the first half of the year, we also focused on increasing sales on our own website, which is our "online New Nordic flagship store". Among other things, we are now introducing subscription sales in all 26 countries where we run our own local New Nordic online store. We expect high growth in our own online stores in the coming years.

However, the half year has still been challenging due to Covid-19 restrictions. This is especially true in the UK. We expect sales here to increase in connection with the opening and normalisation of the market.

Due to changes in product mix and increased costs for shipping in particular, our gross profit has decreased from 70 to 68 percent compared to last year. We will do our best maintaining a high gross profit and we will use all profit-increasing parameters in this regard. We have good control over our costs, which have increased by 13 percent, which is significantly less than our revenue increase.

Cash flow from operating activities was only a small plus, despite an increase in cash flow from operating activities before changes in working capital, amounted to SEK 19.2 million. This is due to an increase in inventories of SEK 11.9 million and an increased difference between receivables and current liabilities of SEK 7.1 million. The increased receivables are mainly related to the large increase in sales in Canada and Denmark. Liquidity is still good. We can implement our organic growth plans without the need for more capital.

Beauty In & Out™ has got off to a really good start in the test market in Denmark. Both the hair products and the skin care products are doing well and have been very well received by both the trade and the consumers. We have already won several prestigious awards for the products and in April 2021 we won the Danish beauty award as "Series of the Year". Here is the judges' statement: "New Nordic has surpassed itself and launched a cross-over series that combines inner and outer beauty. It is complete and nice to be able to debut in the external skin care market with such a hit of a series, so New Nordic can now deliver beauty in and out - in top class. All the judges were very impressed."

Our strategy is firm. Our continued work in 2021 will be to execute it efficiently and focus on creating "larger products and larger markets", not least to continue to establish Hair Volume as a global brand. In all countries where we operate, our country offices drive the bestsellers forward in collaboration with our retailers such as pharmacies, drugstores, health stores and online stores. Our international position in the category of inner beauty is strengthened day by day. With the good test results in Denmark, we will do what we can to increase success and become a leading and driving supplier in the category of inner beauty and Beauty In & Out. We are planning an international "Roll Out" by Beauty In & Out which will also require expansion to new sales channels and an increased presence in department stores, beauty shops and "Travel Retail".

Although Beauty In & Out represents great opportunities, we will not forget our vitality products, lifestyle products and premium vitamin products that are also growing and form a large part of New Nordic.

Innovation and increased marketing are our two growth engines. The development of new products and technologies is in full swing with a focus on herbs, vitamins, minerals and probiotics. Our major marketing efforts and advertising campaigns will grow further at the international level and there will be an even greater focus on internationally coordinated digital marketing.

The USA, Germany and the United Kingdom are countries that, with our current position in the market, represent great growth potential. We must take advantage of that. Of course, China also represents great opportunities, but here the opportunities depend on how well we manage to find the sales activities that can increase our sales.

We are currently preparing to move our share from First North Growth Markets in Stockholm to Nasdaq Main Markets Stockholm in 2022. This also means that we are currently expanding our international reporting, upgrading our accounting system and preparing for the transition to IFRS accounting standards. .

For investors who want to invest in a company that mainly focuses on dietary supplements and is active internationally, the New Nordic share is unique. There are very few alternatives to New Nordic on the international stock exchanges, so we expect a lot from being on the Main Market list.

During the first half of the year, we have had exceptionally good campaigns with our retailers and growth has been higher than expected. I am very positive about the continued development, but it is difficult to assess whether the high demand right now is a result of the current euphoria of consumption or whether it is the beginning of a more long-term trend. In addition, I am very humbled by the situation we are in when it comes to new corona outbreaks and restrictions. The entire New Nordic team is enthusiastic and works purposefully to increase sales and results as well as spread knowledge about New Nordic throughout the world.



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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