



PRESS RELEASE

Malmö 28 February 2022

New Nordic Healthbrands AB (publ) Full Year Report January - December 2021

FULL YEAR 2021

- Net sales amounted to MSEK 514,8 (450,1), an increase of 17,3 percent in local currencies and 14,4 percent in SEK.
- Gross margin decreased to 68.0 percent (68,7).
- EBITDA increased to MSEK 29.5 (24.6).
- Operating profit increased to MSEK 28.5 (23.8).
- Profit after tax for the period increased to MSEK 21.3 (17.8).
- Earnings per share after tax increased to SEK 3.44 (2.87).

Q4 2021

- Net sales amounted to MSEK 121.0 (117.8), an increase of 2.0 percent in local currencies and 2.8 percent in SEK.
- Gross margin decreased to 64.9. percent (67.1).
- EBITDA decreased to MSEK -4.0 (4.6).
- Operating profit decreased to MSEK -4.3 (4.4).
- Profit after tax for the period decreased to MSEK -4.5 (2.7).
- Earnings per share after tax decreased to SEK -0.73 (0.43).

COMMENTS BY KARL KRISTIAN BERGMAN JENSEN, CEO

Sales increased by 17 percent in local currencies during the year. Converted to Swedish kronor, net sales increased by 14 percent. With a turnover of SEK 515 million, we exceeded the "magic" SEK 500 million. Revenues have increased in all geographical areas. In 2021, we had earnings per share of SEK 3.44 after tax.

Despite the challenges posed by the pandemic in all the countries we serve, we have focused on implementing our strategy in the best possible way in relation to each country's situation.

We have had to change priorities several times during the year to achieve our sales goals. Our entire international team at our head offices in Malmö and Roskilde and in the individual country offices in Europe, North America, China and Australia, has once again in 2021 made a formidable and goal-oriented effort and contributed with great commitment. I'm very grateful.

Customers all over the world appreciate our products. We have succeeded well in focusing on our best-selling products, where international growth is driven by increased marketing and effective campaigns in close collaboration with our retailers.

During the first half of the year, demand seems to have been characterized by consumer euphoria and a strong recovery after a decrease in corona infections and a renewed optimism related to vaccinations. During the third quarter, we experienced that demand was more subdued and closer to a more "normal level". The year's previous revenue growth stopped abruptly in October. Many of our retailers had made large purchases and built up their stocks of our products due to the euphoria and concerns about disruptions in our delivery capacity. We had misjudged the situation before the fourth quarter. In light of this year's previous development, a continued strong marketing investment was initiated in many countries. We had high marketing costs while the

expected sales did not materialise. At the end of the year came the Omicron variant, which resulted in new restrictions in many of our countries. It resulted in a loss. Especially in October but also in November.

Corona restrictions, geopolitical concerns and financial concerns have continued into 2022. It is challenging, but we are convinced that we will perform well in 2022 with growth in both sales and earnings. I can state that in January 2022 we had satisfactory sales and earnings.

In virtually all the countries in which we operate, we have made progress in 2021. Our dietary supplements for increased vitality make up the largest part of our sales and our most successful products continue to grow in sales. Our new beauty products are also successful. Our debut Natural Magic beauty series won the Danish Beauty Award 2021 as the best series before classic French beauty brands. The series has performed well in the test market in Denmark and it is now spreading to other of the markets in which we operate. In the future, we will focus on both vitality, skin care and hair care and with the last two categories both through dietary supplements and cosmetic products under our Beauty In & Out concept. All products have in common that they come from our know-how in herbs. An herbal universe that constitutes a strong platform for our continued development.

Changes in product mix and increased costs for shipping in particular mean that our gross margin has decreased. We will do our best to maintain a high gross profit and we will use all profit-enhancing parameters in this regard.

We have good control over our costs. Our sales and administration costs increased by 13 percent during the year against a revenue increase of 14 percent. Our depreciation and financial costs are small. In total, this resulted in profit after tax increasing by 20 percent to just over SEK 21 million.

When assessing our profitability, it is important to keep in mind that we now have a number of countries where we are newly established and undergo a period of the investments and losses that are usually required to establish ourselves in new markets. In the next few years, we will ensure that we establish ourselves as well in the "new markets" as in the "old markets" as soon as possible and that we create good sales and profitability.

As our sales increase, we have increased our staff during the year at our offices abroad to drive sales and growth further forward. At our office in Roskilde, we have strengthened our production planning by hiring a demand planner, Jim Jørs, who comes from similar positions at Orkla, Nestlé and Kellogg's.

Due to disruptions in the supply chain, we have increased our inventory of both raw materials and finished goods on our most important products to ensure a stable delivery to our customers. This and a growth in sales of 14 percent has led to a significant increase in our inventory from SEK 80 million at the beginning of 2021 to SEK 116 million at the end of the year. Of course, it has also affected our cash flow. From the start of 2022, we have started to reduce inventories significantly again as we feel secure in continued deliveries from our international suppliers.

New Nordic is known for innovation and I am glad that in 2021 we have introduced several exciting products with great potential. Collagen and hyaluronic acid are popular beauty ingredients. In 2021, we have supplemented our effective and clinically tested Collagen Filler med tablet with a collagen and hyaluronic acid Beauty Powder™ and most recently a liquid collagen and coffee extract shot, Collagen Shot™. In addition, we have recently introduced a fantastic moisturizing serum, Active Hyaluron Serum™, which complements our Active Hyaluron Shot and Active Hyaluron tablets. In the Hair Volume™ series, we have introduced the Hair Volume Mask™.

Dietary supplements in the form of "gummies" are rapidly increasing in popularity. In 2021, we launched gummies with extracts of elderberries, turmeric and cranberries for the immune system, joints and urinary tract, respectively. In 2022, we will continue our product innovation in both vitality, skin care and hair care.

I am pleased to announce that during the last part of the year 2021, we have prepared for the launch of our new beauty series, Kunkeei®, which has been under development for the past 5 years. Kunkeei is a microbiome-conscious new Danish skin care brand, created to improve your skin's ecosystem. The ingredients are of 100% natural origin, without perfume or essential oils. The series is high-end and will be launched via selective distribution in department stores and beauty stores. The initiative for the series has come from our microbiome research and patented lactic acid bacteria, *Lactobacillus kunkeei*, which is found in honey and flowers. A fermented honey extract from black bees that live in the mountain valleys of the Swiss Alps is one of the signature ingredients.

In December, we moved our head office from Södra Förstadsgatan in Malmö to Hyllie just outside Malmö. We have more space and a more modern office with a beautiful view of southern Skåne.

Finally, we have been working on preparing to apply for listing on the NASDAQ Main Market. Our plan was to apply in 2021, but we have now decided to postpone the application until the autumn of 2022.

There is a growing demand globally for dietary supplements, natural skin care and natural hair care and we are well positioned to take advantage of the development. We have an organization and a network that spans large parts of the world, a formidable knowledge of herbs and good products that are in demand across cultures. In 2022, we will continue our penetration in all countries and continue our innovation and create even more fantastic products for our customers' needs worldwide. We will focus on sales growth that goes hand in hand with good profitability.

We will increase the value of the New Nordic brand worldwide day by day and we will focus on increasing earnings per share.

It is a very exciting time and the entire New Nordic team is looking forward to expanding and helping to create results. I am full of optimism for 2022.



Karl Kristian Bergman Jensen, CEO

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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 2021, revenues were SEK 515 million. Almost all New Nordic products sold worldwide are manufactured in Scandinavia. For more information, visit www.newnordic.com.

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