



PRESS RELEASE

Malmö 28 April 2022

## New Nordic Healthbrands AB (publ) Interim Report Q1 January -March 2022

Q1 2022

- Net sales amounted to MSEK 123,3 (127,8), a decrease of 8,6 percent in local currencies and 3,5 percent in SEK.
- Gross margin increased to 67,2 percent (67,0).
- EBITDA decreased to MSEK 2,0 (13,4).
- Operating profit decreased to MSEK 1,8 (13,2).
- Profit after tax for the period decreased to MSEK 1,0 (10,4).
- Earnings per share after tax decreased to SEK 0,16 (1,68).

COMMENTS BY KARL KRISTIAN BERGMAN JENSEN, CEO

During the first quarter of the year, we had unexpected challenges and our marketing did not have the effect we had planned. Revenues reached SEK 123 million, which is less than expected. This is a decrease in revenues of 4 percent compared with the same quarter last year.

Sales has decreased in the Nordic region and in the rest of Europe. In North America, sales has increased and in Asia it is status quo. Unfortunately, this has resulted in a profit after tax of only one million SEK.

In many countries in Europe, our main distribution channel is pharmacies. These pharmacies have been busy implementing tests of the fast spreading omicron corona variety during the first months of the year. In countries like France, sales to pharmacies decreased by 20 percent because on this. Inflation also accelerated during the quarter and we experience that our customers have been affected by higher prices for heating and food. Especially when the war in Ukraine started, we could see a drastic decline in sales from retailers to consumers in both physical stores and online stores.

The situation that arose during the quarter has meant that we have now made a temporary adjustment of our operations and product focus. Additionally we currently have several countries that are relatively new to us. For example, we started in Australia just before the pandemic. In Australia and other countries in the same situation, we are

taking temporary measures which we are convinced will slow down our establishment for a period. Our adaptations to the changing market conditions will focus on profitability and is likely to affect our growth over a period that we hope will not last too long.

The entire New Nordic team is making a fantastic effort and we are ready to adapt. We experience commodity prices and shipping prices rising but we are doing what we can to defend our gross margin. This includes, among other things, that we are looking for alternative suppliers of goods to keep prices down as best we can. We have not had any significant problems with procuring raw materials.

Due to supply disruptions, we have increased our inventories during the past year. In addition, inventories have also increased as our turnover has increased. After the first quarter, we have now started to reduce our inventories again. Towards the end of the year, we will have a more normal stock level.

New Nordic has a strong product range and good innovations ready. We have also strengthened our organization in both the finance function, in the planning and logistics function and in the management and marketing function as well as in the country functions. We are really well equipped to take part in the recovery that is expected in dietary supplements and beauty areas when the markets return to normal. I hope that we will soon move towards a more normalized situation in the world so that we can continue our good business, increase our profitability and become better established in our new markets.



**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 28 April 2022.

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 2021, revenues were SEK 515 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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