



2022

Annual report

New Nordic Healthbrands AB (publ)
Org. nr. 556698-0453





OUR PURPOSE

We bring beauty and vitality to people

For more than 30 years, New Nordic has developed and manufactured a wide range of dietary supplements and beauty products. New Nordic's many years of herbal expertise and passion for quality underlie all products.

The characteristic silver-tree mark is your guarantee for pure Scandinavian products with scientific evidence that work in harmony with your body.

We take pride in showing you the way to more vitality, well-being and a beautiful appearance.

TRUSTED QUALITY SINCE 1990

CONTENT

01 The big picture

Natural Magic	4
New Nordic at a glance	5
A bump in the road	7
Financial highlights	9
2022 Key events	10

02 Our business

New Nordic in the supplement industry	13
Distribution channels	15
The New Nordic business model	18
Our products	25
Our international presence and sales by geographical area	32
Our strategy	34

03 Governance

Board of directors	38
Executive team	39

04 Shareholder Information

The share	40
Shareholder information	41
Invitation to General Meeting 2023	43

05 Management report

Financial review	46
Risk factors	49
Group	57
Parent	60
Accounting and valuation principles	64
Notes	67
Audit Report	85



NATURAL MAGIC

healing power of nature

The healing power of nature is a magical concept. In Scandinavia, we live close to nature, so we have great respect for natural elements. From delicious berries, to the extraordinary herbs that Mother Nature has to offer, New Nordic develops an endless list of remedies for everyday health and beauty needs. We specialise in food supplements and beauty products based on extensive scientific proof, resulting in pure and clean products which work in harmony with your body. This healthy and innovative approach is what natural magic is all about.

NEW NORDIC *at a glance*

New Nordic develop herbal food supplements and beauty products to satisfy specific health and beauty needs and market these under characteristic brands to a growing number of consumers all over the world. All with care for people and nature.

In 2022 New Nordic operated on the global dietary supplement market which is growing and predicted to continue to grow nearly 9% annually towards 2030. Around 40% of New Nordic's business comes from its range of inner beauty products. In 2020 New Nordic launched Beauty In & Out™ taking inner beauty to the next level, combining food supplements with skincare and hair care products. New Nordic is now operating in three markets that are all buoyant.

There are strong underlying trends driving the acceleration of the food supplement, the skincare, and the hair care markets. The first, and probably

most important factor is the insatiable desire for health and beauty across all countries and cultures. There is a fundamental evolution in the middle and upper class and an ageing population. Second, consumers are getting richer and they are ready to pay more and trade up for products with new benefits, better performance, and superior quality. Third, digitalisation, as health supplements, beauty, and digital is a perfect match. It has never been easier to discover health and beauty, share it and buy products online, even in the most remote corners of the world. Digital is and will remain a terrific booster for health and beauty. Finally, New Nordic's market is also fuelled by increased penetration of food supplements and beauty products all over the world. First, because of e-commerce, which is extending New Nordic's reach far beyond the limits of traditional distribution, especially in emerging economies. Also because of many white spaces

FOCUS ON BUILDING A GLOBAL HEALTH AND BEAUTY BRAND

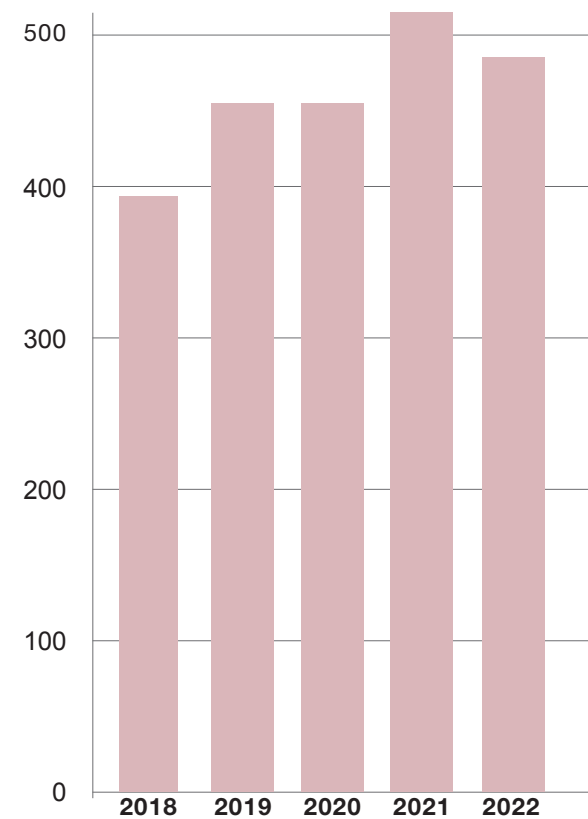


in terms of categories and countries. And finally, because there are always new consumer targets.

The New Nordic brand has a strong Scandinavian identity. Today, New Nordic supplements are sold in 40 countries in North America, Europe, and Asia. New Nordic products are regularly available from more than 50,000 pharmacies, department stores, health stores, travel retailer and online stores.

New Nordic listed on Nasdaq First North Growth Market in Stockholm since 2007.

The New Nordic share is a rare opportunity to invest in a listed business focusing on building a truly global health and beauty brand based on three categories: food supplements, skincare, and hair care distributed by traditional and digital retailers. A 32 year old brand with a strong Scandinavian heritage deeply rooted in Scandinavian values and healthy living close to nature.



New Nordic group revenue in SEK millions 2018-2022

A BUMP IN THE ROAD

but our strategy to benefit from the rising markets we operate in continues unchanged

Our continuous growth curve was broken in 2022. Major changes in the New Nordic range at our American pharmacy dealers, losses on debtors and a general caution on the part of our customers were challenging for us. We tried to manage through the challenges with caution and cut back on our marketing. All in all, we experienced a decline in revenue and a loss for the first time in many years. I consider the large costs that resulted in our loss to be one-time events. During the pandemic and during a period with a risk of shortage of raw materials, we had also increased our stocks up to 2022. In 2022, we have adjusted and reduced the stock level again and this will continue into 2023 until we reach a reasonable level.

We now operate in 3 segments. Nutritional supplements for vitality, skincare and haircare. It is our passion and expertise for herbs that form the basis of all products and we benefit from our distribution network in pharmacies worldwide, where all three types of products are sold under the same roof. We also benefit from our international media buying in all three categories.

The international dietary supplement and beauty market is growing rapidly and is predicted to grow nicely over the next several years. Naturally, the competition is also increasing. International pharmaceutical and food companies are buying their way into the market by taking over our competitors and new start-ups are



Karl Kristian Bergman Jensen, CEO

appearing in a steady stream. But customers around the world are happy with our products and we are well positioned to continue to take market share and grow while improving our profitability. Innovation and marketing drive our growth and we attach great importance to being at the forefront.

Our distribution and marketing network now also covers almost all of Europe, North America, Vietnam, Hong Kong, cross border in China and Australia. In the short and medium term, our focus is on increasing sales in the markets where we are active and in that way getting more economy in our business and increasing the value of our brand. We have been cautious in 2022 and have not launched so many novelties,

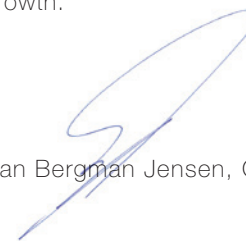
but our product development has continued during 2022 and we have several really good products ready that will be introduced in 2023.

As always, the staff has made a formidable effort in 2022 despite difficult challenges which have required continuous adjustments and changes in our plans. Unfortunately, we have had to change our organization slightly and say goodbye to employees in countries that are particularly affected by Russia's aggressiveness, but all in all, the number of employees was just reduced with one person in 2022. Even though we had a decrease in turnover and earnings, we are constantly preparing to be able to manage our

growth plans even if we have encountered bumps in the road in 2022. Therefore, we are ready to grow further in 2023 and beyond and take part in the growing markets we operate in. The entire New Nordic team is geared to create good results and there is a really good team spirit. I am pleased that Tage Juhl Finninge has become part of our team and at the same time an investor in New Nordic.

I think we have learned a lot from 2022. Nothing has changed in our fundamental strategy and I think it will be an exciting year in 2023. I am convinced that we will improve sales and create a positive result in 2023. Maybe not a result, which corresponds to

our ambitions in the long term, but in any case a meaningful positive result. We have always focused on increasing the value of our brand, our company and our share, and we are still focused on doing our best to create increased earnings per share through organic growth.



Karl Kristian Bergman Jensen, CEO

FINANCIAL *highlights*

(kSEK)	2022	2021	2020	2019	2018	(kSEK)	2022	2021	2020	2019	2018
The Share						Effectiveness					
Number of shares by end of the year*	6 195 200	6 195 200	6 195 200	6 195 200	6 195 200	Return on capital employed, %	-4,1	19,6	22,8	31,9	40,7
Own shares by 31st December*	0	0	0	0	0	Return on equity, %	-2,5	17,7	17,0	27,5	33,1
Market price 31st December, SEK	29,0	88,40	56,80	81	68	Sales per employee	7 065	7 801	7 827	8 540	8 467
Earnings per share, SEK*	-0,46	3,44	2,87	4,53	4,28	Gross profit per employee	4 616	5 304	5 375	5 954	5 968
Equity per share, SEK*	18,17	19,42	16,92	16,45	12,95	Profit per employee after tax	-40	296	296	510	520
Dividend per share, SEK**	0	1,25	1,50	1,75	1,50	Financial position					
Company size						Debt-equity ratio, times	1,24	0,98	0,83	0,93	1,03
Number of employees by end of year	71	72	60	55	51	Interest coverage, times	-4,4	48,1	43,4	93,6	100,7
Market Cap 31st December	179 661	547 656	351 887	501 811	421 274	Equity ratio, %	44,7	50,5	54,7	51,7	49,3
Operations						Cash flow					
Sales	487 501	514 845	450 064	452 613	393 708	Cash flow from operating activities	-15 451	-7 870	19 680	-667	17 852
EBITDA	-3 104	29 482	24 594	36 865	34 891	Cash flow from financing activities	16 589	12 071	-18 393	-1 249	-11 973
Operating profit	-4 748	28 548	23 841	36 305	34 223	Cash flow from investing activities	2 954	2 660	1 882	1 684	880
Profit after financial items	-5 166	27 956	23 293	36 068	34 119						
Profit after tax	-2 823	21 303	17 765	28 074	26 523						
Margins											
Gross margin, %	65,3	68,0	68,7	69,7	70,5						
EBITDA margin, %	-0,6	5,7	5,5	8,1	8,9						
Operating margin, %	-1,0	5,5	5,3	8,0	8,7						
Profit margin after tax, %	-0,58	4,1	5,2	8,0	6,7						
Growth											
Sales growth, %	-5,3	14,4	0	15,0	14,2						
Growth in earnings per share, %	-113,4	19,9	-36,7	5,8	30,5						
Balance sheet data											
Total assets	251 673	238 351	191 491	197 187	162 647						
Equity	112 572	120 316	104 808	101 917	80 213						
Share capital	6 195	6 195	6 195	6 195	6 195						

* There are no dilutive effects.

** The Board proposes no dividend for the financial year 2022

Gross profit: Gross margin as a percentage of net sales. **EBITDA margin:** Operating income before depreciation and amortization as a percentage of net sales. **Operating margin:** Operating profit after depreciation and amortization as a percentage of net sales. **Profit margin:** Profit after financial items as a percentage of net sales. **Equity ratio:** Equity as a percentage of total assets. **Return on capital employed:** Profit after financial items plus financial expenses divided by capital employed. **Return on equity:** Net income as a percentage of shareholders' equity at period end. **Debt-equity ratio:** Total liabilities divided by shareholders equity. **Interest coverage ratio:** Operating income divided with interest expenses.

KEY EVENTS

under 2022



NATURAL MAGIC IN PARIS

The international roll-out of New Nordic Beauty In & Out™ start in 2022. Here the skin care range glows at the shelf of a Parisian pharmacy.



ANNIVERSARY

Frutin® for heartburn, celebrates 30 years in the international market. Here are pictures from the first launch of Frutin in Australia with the Wagner company in the beginning of the 90's.



NEW NORDIC DENMARK AND CONNIE NIELSEN

New Nordic Denmark teamed up with Connie Nielsen to promote the skincare products.



TAGE JUHL FINNINGE NEW COO/CCO

We are pleased that Tage Juhl Finninge has accepted the position as COO/CCO at New Nordic in October 2022. Tage worked 25 years for E. Sæther and the last 11 years as CEO where he helped accomplish an impressive growth. Tage has a M. Sc. (Cand. Merc. IMM) from Copenhagen Business School and Ivey Business School, Canada. Together with CFO, Ivan Ruscic and CEO, Karl Kristian, Tage Juhl Finninge COO/CCO will form the Executive Management Team.



COLLAGEN SHOT AWARD WINNER

Collagen Shot™ won the Danish Beauty Award in April 2022 for the Best Inner Beauty Product.

KEY EVENTS

under 2022



NEW VITALITY SUPPLEMENTS

At the end of the year, we introduced the tablets Intim Comfort™ for dry mucous membranes, Active Nerves™ for nerve functions and mood and Scalp Comfort™ for dry scalp.



KUNKEEI®

The introduction of the facial care range Kunkeei®, which is of 100 percent natural origin and based on new probiotic technology, achieved a fantastic reception of fine news coverage. Matas and Illum are the first distribution outlets.



ANNURCA

New Nordic made agreements with Annurca apple growers in Caserta, Italy to secure a huge amount of Annurca apples. The good apple extract from the Annurca apple is perfect for the production of Hair Volume™. This special apple sort is firm and crunchy, with a sweet aroma, and a pleasantly acidic taste.

- Has a high content of natural procyanidins' and especially procyanidin B2
- Assumed to be the oldest apple variety in the world
- Grows only in an area with a radius of 50 km just north of Naples in Italy
- Grows in volcanic soil

THE PROCESS

The apples are picked and placed on beds of reeds, where they slowly ripen. Every four days, the apples are turned by hand until they are perfectly ripe and ready for a gentle extraction into an extract where the desirable procyanidins' are preserved.

2022

Our business



NEW NORDIC *in the supplement industry*

The total value of the supplement industry 2022 was nearly SEK 1.474 billion (USD 152 billion)¹. However, the market remains fragmented and divided between multi level and direct selling companies on one hand and companies selling and distributing through traditional pharmacy, health, grocery and online retailers. The top 3 multi level players have around 10% market share and the top 3 retail distribution players have a single-digit global market share when combined. In addition to market fragmentation, a few large players focus on specific regions rather than global presence. As a result, there are some brands that are widely known and well positioned in one part of the world, but have no or few points of sale in other regions.

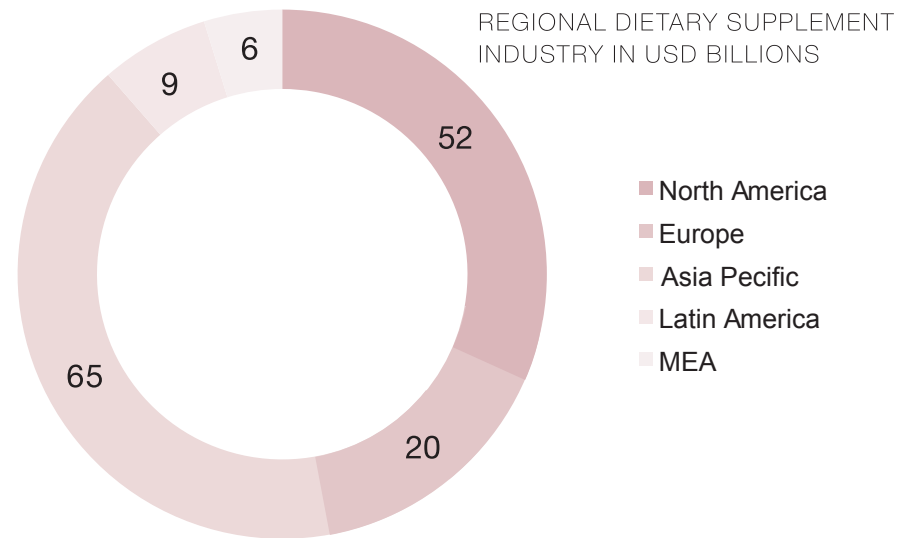
Asia Pacific represents close to 50% of the global market value, North America represents around 34% and Europe around 11%. Unites States and China

are the two most important single markets. The total global markets is expected to continue to grow by a compound annual growth rate, CAGR, of 8.9% up to 2030 when it will reach 327 billion USD equal to 3482 billion SEK. North America is expected to have a CAGR of 5.6% and Europe a CAGR of 6.9%.

The various distribution channels that are most frequently used for purchasing dietary supplements can vary significantly from market to market. In most markets traditional retail distribution is most important, however, some players in the industry have great success with multi level and direct sales distribution. In North America and Europe, pharmacies, health stores and groceries are the main sales channels; however, online retailing has almost doubled in five years, resulting in online retailers generating up to 30% share in these

markets and the trend is expected to continue. In China where infrastructure and traditional western retail distribution is pure, consumers jump to online platforms to buy. In China the online market place is the starting point for

many international brands. This distribution trend is expected to follow in other emerging markets with poor retail infrastructure such as India and South American countries.



There are a number of different dietary supplement categories. A common view is to divide the categories in relation to the basic ingredient type such as vitamins, minerals, amino acids, fatty acids, herbs, enzymes etc. Dietary supplements based on vitamins are the biggest sub-group of supplements accounting for 47% of sales while dietary supplements based on herbs account for around 12% amounting to a value of SEK 190 billion (USD 22) in 2020. The expected CAGR for herbs is 9.2% until 2030.

Another way to look at the market is to take the view of retail chain buyers that typically divide the market in two main categories VMS which stands for vitamins, minerals and supplements and Diet, which includes both dietary supplements and meal replacements. The VMS section again contains sub-sections like sports nutrition, beauty from within, sleep etc.

From a manufacturers point of view there are another two ways to look at the

market. Some players sell ingredients in a range under one brand. A range can easily consist of 50 single ingredient products. Others sell multi ingredient products in a formulation that target a specific health or beauty concern.

At New Nordic we focus on the consumer need and sell solution to their health or beauty concern. Our products typically contain multi-ingredients formulated to solve the consumer need in the most effective way. Our key ingredients are very often based on natural herbal extracts. Our distribution is focused on what we call the specialty trade, ie. pharmacies, health stores and specialty retailers. In North America we also sell through the mass market with include groceries with a special section of dietary supplements plus typical online dietary supplement retailers.

¹Source: Grand View Research, Dietary Supplements Market Size, Share & Trends Analysis Report By Ingredient (Vitamins, Minerals), By Form, By Application, By End User, By Distribution Channel, By Region, And Segment Forecasts, 2022 - 2030



DISTRIBUTION *channels*

THE PHYSICAL STORE EXPERIENCE

While it is estimated that online shopping generates an increasing share of sales and already today accounts for more than a third of sales in some markets, the physical retailers remains very important for New Nordic. Particularly pharmacies, department stores, travel retailers and health stores offers social interaction and is more local and convenient. In addition, it enables a higher level of personal service and provides a stronger emotional connection with the product.

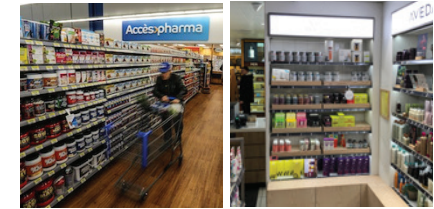
However, consumers need a reason to go to the store and the physical retail space must adapt to this by offering an interactive, visual and dynamic space that attracts consumers. New Nordic educate retailers on herbs, the function of their products and the unique selling points. New Nordic's Herbal School and New Nordic's Universe e-Learning platform are cornerstones in this education. New Nordic also offer high class

in-store material to make the store an exciting place to visit and they offer campaigns and activities that create "buzz" in the store.

E-COMMERCE REVOLUTION

Empowered by digital technology, consumers have more access to information and choices than ever before, leading to a change in shopping behavior and expectations. Consumers see brands, not channels, and they want a seamless, convenient and personalised shopping experience that combines online and offline as they desire. Contrary to offline shopping where consumers often have to trust the advice of a single staff, many e-commerce retailers offer reviews from other consumers which can help in decision making. While physical stores remain an important cornerstone for dietary supplements, skin care, and hair care shopping, e-commerce is rapidly growing in importance. New Nordic

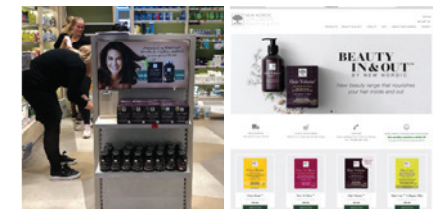
strives to offer excellent information and value for our consumers across channels. New Nordic take an active role in providing digital images, information, and campaigns for e-commerce retailers as well as an active role in connecting with consumers directly via own social media. In fact, digital is doing much more than generating additional business. Digital is boosting New Nordic's brand power. Digital is also strengthening the Company's power to connect with consumers.



Mass retail Department stores

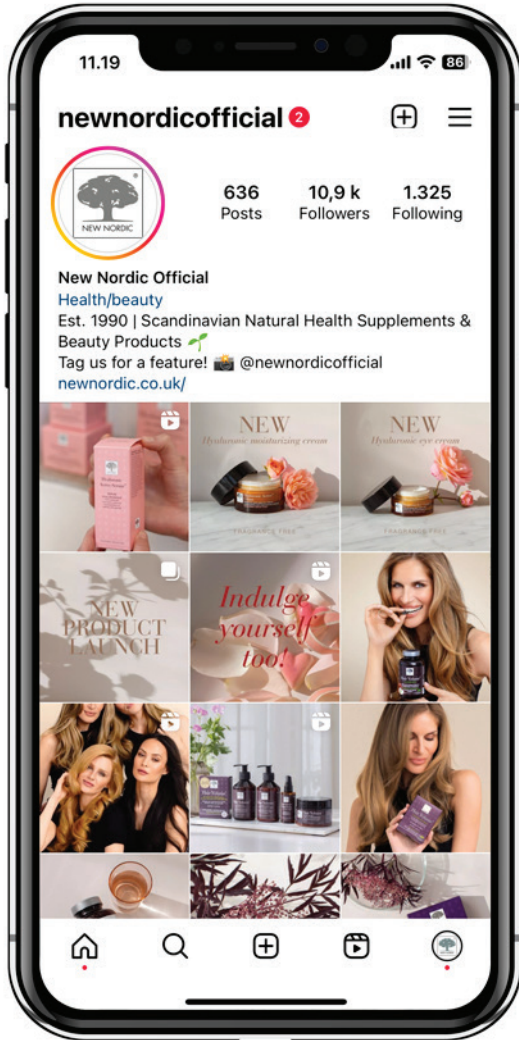


Travel retail Healthstores



Pharmacies
Drugstores E-commerce

MORE THAN A THIRD OF
NEW NORDIC PRODUCTS
ARE SOLD ONLINE



THE NEW NORDIC DIGITAL RELATION

Particularly younger consumers increasingly shop online on their mobile. And they like to connect and relate directly with the manufacturer. They want to be part of the New Nordic “universe”. At New Nordic they experience this trend. In the Company’s digital and traditional print advertising they encourage consumers to connect with them via chat, social media, and phone. New Nordic daily increases the number of consumers that they are regularly in connection with and they value these relations highly. Sales directly from the Company’s official online store to consumers is below 3% of their total sales but it is increasing faster than their general increase in sales.

BUILDING A



GLOBAL BRAND

Competition in the supplement is fragmented and, while multiple smaller supplement companies continuously enter the market, the bigger players have established their names

and significant market positions. However, even the bigger players have only in very limited cases created brands that you will find across the world. There is room for building international brands. In the skin care and hair care market it is different. Here you will find that a small number of companies dominate the global market. However, many of small brands are currently new brands with a natural story to tell.

Brands are built by offering consumers meaningful substance and not just through advertising slogans. New Nordic focuses on building a globally recognised brand with a Scandinavian, effective and herbal image. Their slim but effective organisation and business structure make it possible for them to allocate a higher amount of resources in marketing and relations with the consumers. New Nordic’s constant innovation keeps their brand newsworthy and the Company’s focus on effectiveness builds trust in their brand over time. Day by day the New Nordic brand grows stronger.



FRANÇOIS GÉRARD

the creator

François Gerard is the creator of many of New Nordic's remarkable health and inner beauty products. With more than 35 years of international herb and beauty experience, he is a true resource. François spends as much time travelling to distant places in the world investigating rare botanicals in their natural unspoiled environment as he spends in the laboratory. He is a unique person who lives and breathes "Natural Magic."

THE NEW NORDIC *business model*

OUR BUSINESS MODEL IS GEARED SO THAT WE CAN FOCUS ON THE TWO MOST VALUE CREATING DISCIPLINES: **INNOVATION AND MARKETING**

As a company, and brand, we have many competitive strengths already structured in a platform that can easily be scaled. Even without the need to bring in more money to capitalise on the opportunities that lies ahead. We have an extraordinary raw material know-how, a really effective new product development set-up, a flexible and fast adjustable operation and manufacturing sourcing with our own strict quality procedures and an international set-up with an extraordinary international network and personal contacts to wholesalers and retailers around the world. We have everything in place for expansion. In addition we have a very effective structure and organisation with

our own developed steering tools exactly fitting the needs for our operation.

New Nordic is a company run according to modern management principles with a family-like working environment that stimulates creativity and excellence. We value our expertise and heritage highly. Simplicity is key for the way we work at New Nordic. Excessive planning and bureaucratic reporting is avoided. By routinely asking ourselves why we are doing what we do, we often find new ways of doing things better. A revenue of SEK 7,1 million per employee in 2022 is a proof of our effectiveness.

REVENUE PER EMPLOYEE
SEK 7,1 MILLION



Inspection of laboratory facilities with our research partner Bari University at NOI Techpark, Bolzano, Italy

RESEARCH IS THE DIFFERENCE BETWEEN KNEW-HOW AND KNOW-HOW

New Nordic's business strategy leverages its unique ability to develop its own innovative formulations to provide its customers new products and solutions with superior effectiveness and ease-of-use in strongly branded packaging. We continue to broaden our assortment with the long term goal to cover all health and beauty related needs the individual has. The weight in our assortment shall always favourite our basic assortment, i.e. the assortment that is "typical New Nordic" and reflects our Nordic value creating profile which again makes life easier and better for everyone.

We believe continual investment in research and development, marketing and advertising is critical to the development and sale of innovative products. We also believe in building at close and long term relation with suppliers as close to the original supply source as possible to control

quality from fields and forrest to the finished product.



We strive to control our brand in all aspects of its business and believes in adding experience of consumer understanding,

marketing, advertising and media buying to it's in-house know-how.

We are convinced that great concepts are global and selling is local. Our strategy includes expanding our geographical distribution network to effectively reach more customers. Either through own national sales and marketing companies or through highly reputable distributors. Our products are distributed in pharmacies, drugstore and health stores and through our own on-line store. In North America to some extend also in groceries.

HOW WE DO IT

New Nordic's own research and development of innovative new products is a key driver of profitable growth. We try build and maintain superior know-how and expertise in herbal ingredients and it's ability to bring vitality to humans. We are focused on insight-innovation that provides value-added new products. New Nordic strives that each brand should at all times have the most effective and convenient product formulation and presentation in the health concern category under the condition that the price-value ratio appeal to the broad population.

Beyond new products, innovation is embedded into our company culture to encourage new ideas and improved processes throughout every aspect of the organisation. This is to be more effecient and work smarter and faster with less bureaucracy and better planning and reporting. We strongly believe that the key to success lies in

making life better and easier for end consumers and for the retail partners. We encourage our personnel to "go the extra mile" that competitors are not willing to go to surpass consumer and customer expectations.

New Nordic has an international "in-house" concept and marketing set-up and each product is branded with a compelling story build to create the consumer loyalty, that will make our products the first choice in every health concern market segment they operate in. We also handle advertising, media buying and the press internally on an international and national scale.

We manage our business primarily on a geographic national basis through our daughter companies or through reputable national distributors. Planning and reporting is made both on a country level and on brand level. At New Nordic we are convinced that driving growth and building brands,

requires a strong engagement on a national local level. Engagement with retail customers, with the health care profession and with the end consumers. We seek to develop a deep and relevant consumer insight used to strengthen product development, packaging and the communications they deliver through internationally arranged marketing campaigns. The campaigns are primarily build on advertising directly to the end consumer with addition of shopper marketing programs that customise communications for different retail outlets and shoppers. The Company is also locally driving engagement, education and building leadership with health care professionals to strengthen their endorsement of the brands, which in turn build market share and brand loyalty. We engage with our retail partners to share expertise and provide shoppers with the best value and to educate and train the retailers



The New Nordic Herbal School has become a traditional event for retailer education.

personnel to enhance their knowledge of the New Nordic products. Additionally we have national in-house customer call centers and digital chat service to provide end consumers with a high-quality sales and post-sales support experience. Consumers are encouraged to call for advice through our advertising.



TEAM OF EXCELLENCE

At New Nordic we try to attract and retain the best and most talented people and develop their personalities and skills. We strive to obtain an informal, professional and fast acting international working environment. Personnel at all levels learn to take



responsibility for being leaders, and they commit to conducting business with the highest integrity. Leadership means the ability to take and execute decisions, being able to motivate others, to plan for success and being able to improvise when the environment change. Leadership also extends to being a leader in caring and showing respect for nature and the communities where our employees live and work and where the we sells our products.

NEW PRODUCT INNOVATION

The management is deeply involved in the innovation processes led by our head of new product development. New product development, NPD, work is a continuous process with a prioritised pipeline reviewed quarterly. Each individual NPD project draws on ad-hoc involvement of world-wide specialist persons, institutions and consultants. Often a NPD project is done in collaboration with raw material suppliers. Particularly when new process technologies and new specifications are required. Over nearly two decades New Nordic has developed one of the most comprehensive electronic herbal databases in the world including rare botanical information gathered from institutions around the globe. Inspiration for new product ideas basically comes from two angles. The first being new discoveries of herbal and biological constituents which can benefit man health. The second being consumer research identifying new needs, wishes and trends that pave the

ground for function and in use target for the development. New Nordic's international presence and daily meetings with many cultures gives a unique insight in up and coming trends and possibilities. Married with a highly up to date understanding of the latest discovered benefits of natural food ingredients it present a unique ability to react very fast in our NPD work.

In total we have spent less than one percent of our revenue in research and new product development in 2022. Some of these costs have been activated and some have been charged under other operating expenses.



Metagenomic studies of New Nordic plant material.

RAW MATERIAL SOURCING

We source our raw material as close to the farmer or manufacturer as possible. Behind the scenes New Nordic allocate many resources to do this in-house. In the natural trade there exist an enormous amount of middlemen trading raw materials. We try to buy direct from farmers, extractors and manufacturers. During the last two decades we have build a relationship with a great number of suppliers. They understand our quality requirements and we understand the critical risk factors in their farming and production processes. That is a real advantage. Our relation also makes us understand new qualities and raw material variants and improvement that are under development. We take this into account in our new product development process at an early stage. Some raw materials are particularly developed and manufactured for New Nordic only and in special occasions we arrange the farming or wild collection before the season to secure steady supply.

MANUFACTURING

New Nordic focus resources on innovation and marketing. New Nordic have a long term cooperation with several third party manufacturers. For key products New Nordic has a policy to have at least two manufacturers in order to secure steady supply. To secure consistent standardized quality, we source all key raw materials from around the world and we coordinate a successful extraordinary quality test programme of raw materials used by our manufacturers. Today, nearly nearly all manufacturing is done in Scandinavia. This is changing somewhat as we look world wide for new technology and manufacturing of new

dosage forms. We have made concrete investigations and analysis of pros and cons of establishing our own manufacturing in Scandinavia. So far our conclusion is that allocation of resources and focus towards continued innovation and marketing is more favorable for the company. However, we will keep an eye on further developments and evaluate the situation with regular intervals.

AT NEW NORDIC
WE HANDLE
MORE THAN 850
STOCK KEEPING UNITS

REGULATORY AFFAIRS

Before you actually try to operate in the dietary supplement industry it is difficult to grasp how complex the regulatory situation is. Particularly when you operate internationally and especially when you are dealing with herbs. It is a regulatory challenge that we do our best master to perfection. Our in-house quality and regulatory department coordinate the tasks of our national regulatory consultant and quality laboratories that we work with in all countries that we operate in. Basically we operate under 3 major groups of different jurisdictional principles: EU with its food authorities supervision, USA with FDA supervision and China with its food and health authorities supervision. There in between, there are many variations. For example in Canada where supplements need to be registered and approved under Health Canada before marketing. Even in EU where the European Food Safety Authorities work towards harmonisation, every

single country still has its special rules and guidelines that we need to adhere to. A good understanding of the variety of national rules and regulations and the local authorities administration of the rules plus its ever changing situation can indeed be a competitive advantage in the supplement industry.

In EU the European Union's Food Supplements Directive of 2002 - requires that supplements be demonstrated to be safe, both in dosages and in purity. Only those supplements that have been proven to be safe may be sold in the bloc without prescription.

As a category of food, food supplements cannot be labeled with drug claims but can bear health claims and nutrition claims. 2012 saw the implementation of the European Health Claim Directive EC 1924/2006, which is currently having a significant impact on the market. In June 2013, the

European Commission published a list of permitted generic health claims, which, broadly speaking, makes all claims not on this list illegal unless a manufacturer has received permission to use a product-specific, proprietary health claim.

In the United States, a dietary supplement is defined under the Dietary Supplement Health and Education Act of 1994[9] (DSHEA) as a product that is intended to supplement the diet. If a dietary supplement claims to cure, mitigate, or treat a disease, it would be considered an un-authorized new drug and in violation of the applicable regulations and statutes.

As the FDA states, in a response to this question, Companies that market dietary supplements are permitted to make structure/ function claims about a given supplement in the marketing material. These are broad claims that the product can support the structure or function of the body. The FDA must

be noticed of these claims within 30 days of their first use, and there is a requirement that these claims be substantiated.

In Canada all natural health products (NHPs) are subject to the Natural Health Products Regulations and must have a product licence before they can be sold. To get a licence, applicants must give detailed information about the product to Health Canada, including: medicinal ingredients, source, dose, potency, non-medicinal ingredients and recommended use(s). Once Health Canada has assessed a product and decided it is safe, effective and of high quality, it issues a product licence along with an eight-digit Natural Product Number (NPN).

Australia is similar to Canada, here we must apply for listing as therapeutic goods from The Therapeutic Goods Administration (TGA), which is a Division of the Australian Department of Health.

For our Beauty In & Out we will also operate under cosmetic laws. In the United States, the cosmetics industry is regulated by the U.S. Food and Drug Administration (FDA), which has broad regulatory authority under the Food, Drug and Cosmetic Act. Under the EU Commission, Regulation (EC) No. 1223/2009 is the key European legislation governing finished cosmetics products in the EU. The European Union's framework of chemical and cosmetics regulations are binding on all Member States Regulations and are enforced at the national level. Each country in the EU has a competent authority that is responsible for upholding compliance.

For the marketing of our products we have made a commitment to implement the International Chamber of Commerce Consolidated Code of Advertising and Marketing Communication Practice and the Cosmetics Europe Charter and Guiding Principles on responsible advertising and

marketing communication to which the key global cosmetics industry players adhere.





NEW NORDIC

THICKER, BEAUTIFUL AND MORE SHINY HAIR

AWARD-WINNING hair treatment

for thicker & more beautiful

THINNING HAIR? DO NOT PANIC

Hair Volume™ by New Nordic is an AWARD-WINNING and clinically proven hair care range for thicker, beautiful and more shiny hair. New Nordic believes in natural magic, the healing power of nature. The Beauty In & Out™ hair treatment range consists in tablets and hair products that contain active herbal ingredients that work in harmony with your body and take care for your hair both from the inside and out.

AVAILABLE AT
newnordic.co.uk,
hollandandbarrett.co.uk, or
other online health stores.

FREE SHIPPING
www.newnordic.co.uk

Customer Service
0800 389 1255

HEALTHY HAIR AND SCALP
Award-winning Hair Volume™ Shampoo gives fullness, and the hair is left clean, soft and shiny with lots of volume. It is without SLS/ SLES sulphates and silicone, but is added with natural oils that give the silky soft feeling that silicone usually gives. Hair Volume™ Shampoo contains apple cider vinegar, which has the unique property of helping to exfoliate, cleanse in depth, stimulate the scalp, and restore the pH value without drying out the hair. **200 ml £14.95**

SOFT AND SHINY HAIR
Award-winning Hair Volume™ Conditioner is the natural choice together with your Hair Volume™ Shampoo. It contains apple, malt and amino acids which weightlessly repairs the hair by giving it volume, shine and softness. You will find that your hair is cleaner and shinier, and at the same time it will be easier to bind moisture from your other hair care products. **200 ml £14.95**

SHINE SERUM TREATMENT
Award-winning Hair Volume™ Shine Serum hair treatment is the finishing touch to your hair care routine. The fragrant drops restore and care for the hair strands, while adding shine and volume. Use the drops in damp hair to achieve the best result. **75 ml £29.95**

CLINICALLY PROVEN HAIR TABLET
Award-winning and clinically proven tablet for thicker, beautiful and more shiny hair. The Hair Volume™ tablet works from the inside in harmony with your body and adds nutrients to the scalp and hair follicle, where the actual hair is formed. The tablet is based on, among other things, apple extract and biotin and zinc. The only tablet with procyanidin B2 from apple extract. **Just 1 tablet a day. Swedish formulation. 30 tablets £24.95**

ALL THE BEST IN A HAIR MASK
The NEW Hair Volume™ Repair Mask is developed for all hair types that need renewed strength, moisture and shine. The mask contains apple, coconut and hydrolysed rice protein, which helps rebuild the hair's moisture balance and strengthens the hair strands - which are essential for healthy and well-groomed hair. Can be used by all hair types and lengths. **300 ml £30.00**

THE POWER of recognition

We must inform the world of our fine products and how they are the solution to individual needs. Health and beauty matters are serious matters for our consumers. We take that seriously and our marketing effectiveness is crucial to our business model. We want to keep the marketing know-how in-house. Therefore, we have build an effective in-house creative and marketing and advertising department able to master all relevant marketing disciplines. We also handle all media purchase in-house. Thereby, we save the middlemen and build a know-how with a unique fingerspitz-gefühl of media effectiveness. Our marketing includes all facets of modern marketing and brand building. Our global focus on one single brand definite help us keep on track.

NEW NORDIC HERBAL EXPERTISE *is the foundation for 3 businesses*

HERBAL BASE | NATURAL ORIGIN | SCANDINAVIAN
SOLVING CONDITION SPECIFIC HEALTH AND BEAUTY CONCERNS



HERBAL BLEND
BEAUTY IN & OUT
SKINCARE



HERBAL BLEND
BEAUTY IN & OUT
HAIRCARE



HERBAL BLEND
SUPPLEMENTS
FOR VITALITY

Our product assortment target more than 40 different health and beauty needs. The products might look different but they all carry the characteristic New Nordic Silvertree mark. To satisfy national legal requirements we have more than 150 different product formulations. These formulations are packed for different languages making the total number of SKUs close to 850. We categorize our products in 3 categories. Vitality Supplements, Beauty In & Out Skin Care and Beauty In & Out Hair Care.

Condition specific vitality



Food supplements for health concerns based on herbal extract combinations, vitamins, minerals, fatty acid, and probiotics. Blue Berry™, Can Berry™, Mulberry™ and Apple Cider™ has already celebrated 20 years in the market. Blue Berry™ was the first tablet in Europe and one of the first tablets world wide to contain a lutein rich extract. Mulberry™ was the first product in the western world to be based on white mulberry leaf. Wild Biotic™ the pioneer in wild ecosystem probiotics from honey and other raw bee products from the French Maritime Alps. Most products are multiple award winning supplements.

Premium vitamins



Premium source vitamins and minerals for the higher absorption and effect in harmony with your body. New Nordic was the first supplier to launch patented individually targeted multivitamins. For example for women, men and seniors. Today, these individuals designed multivitamins is found in nearly all competitive brands. Supplements for people who want the best.

Trendy herbs



A range of less expensive single herbal extracts riding the waves of the current trend in herbal remedies.

Beauty In & Out haircare



Hair Volume™ is a clinical tested, award winning tablet for thicker and more beautiful hair. A tablet based on a special annurca apple extract developed and manufactured by New Nordic. Market leader in hair supplements in several markets. Now also available in popular gummy version. New Nordic invented the Beauty In & Out™ concept using the beneficial herbal extracts both from the inside through supplements and from the outside in hair cosmetic products.

Beauty In & Out skincare



Our 10 years old original award winning and clinically tested Collagen Filler tablet is now the backbone of our collagen and hyaluronic acid inner beauty supplements and our award winning Beauty In & Out™ Natural Magic cosmetic line. In the Scandinavian test markets New Nordic is striving to become the the undisputed choice of natural skin care. Our excellent deep cleansing Beauty In & Out cleansing range is the fresh beginning to any of New Nordic's face creams. Beauty In & Out™ hyaluronic acid moisture boosting range. Natural origin free from fragrance and essential oils. Our Beauty In & Out™ Pigment Clear range is really outstanding for all who need dark spot correction. The Pigment Clear™ Hand Cream is new to the range. Herbal base and natural origin indulgence with new functional and dermatologically tested Herbal Joy™ Firming Lotion and the most wonderful Herbal Joy™ Anti-Ageing Hand Cream. Fight cellulites from inside out and outside in effectively with the Beauty In & Out™ method!

Kunkeei



The introduction of the facial care range Kunkeei®, which is of 100 percent natural origin and based on new probiotic technology, has also been an investment that has weighed on our bottom line. The series has achieved a fantastic reception of fine news coverage. We expect a good development for the series already in 2023.

INTERNATIONAL *sales*

LOCAL MARKETING SUBSIDIARIES AND BRANCHES

- Australia
- Canada
- Czech Republic
- China
- Denmark
- Estonia
- Finland
- Germany
- Holland
- Hong Kong
- Italy
- Kasakhstan
- Latvia
- Lithuania
- Norway
- Poland
- Portugal
- Romania
- Slovakia
- Spain
- Switzerland
- Sweden
- UK
- USA

COUNTRIES WHERE NEW NORDIC IS HANDLING THE LOCAL MARKETING FROM A SUBSIDIARY ABROAD

- Austria
- Belgium
- Faroe Island
- Georgia
- Greenland
- Liechtenstein
- Luxembourg

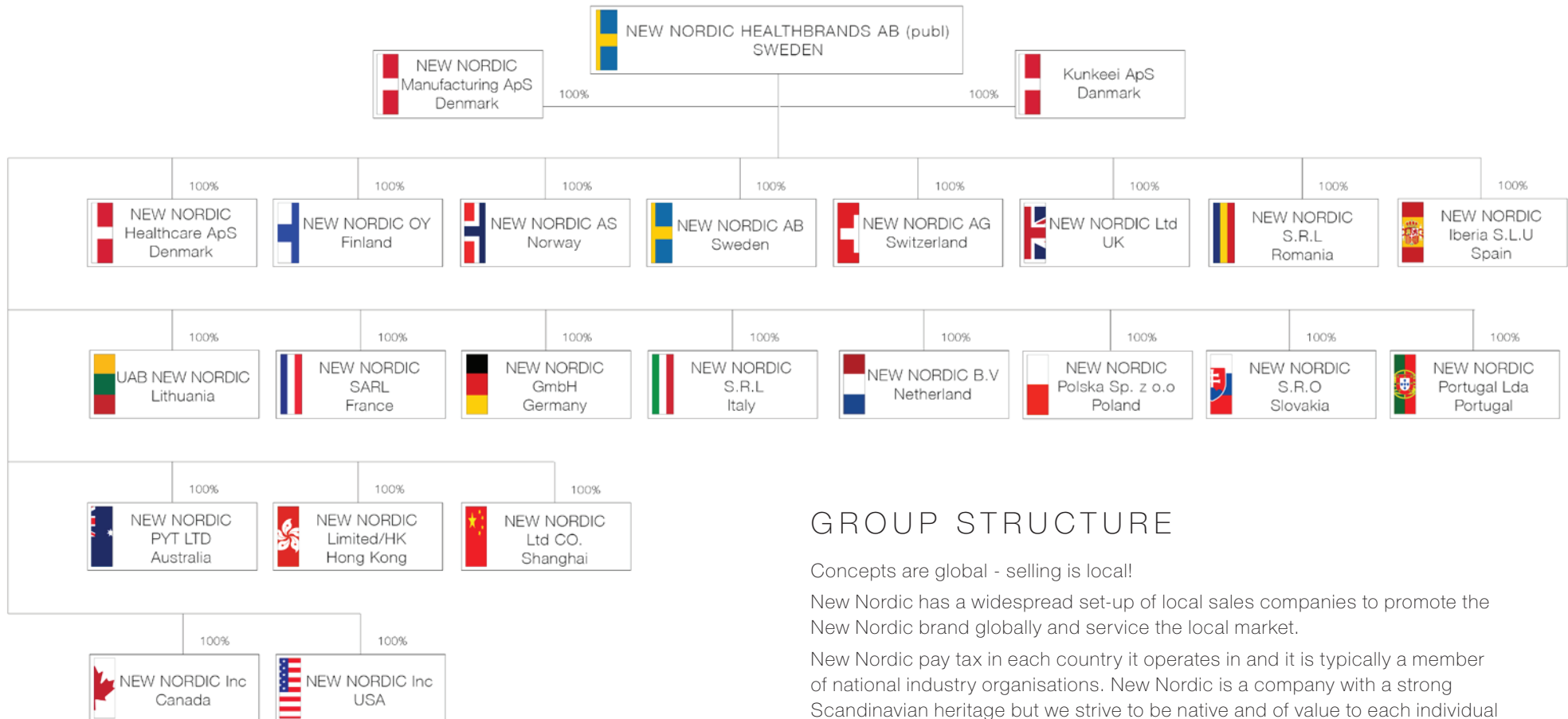
COUNTRIES WHERE NEW NORDIC WORK TOGETHER WITH DISTRIBUTORS WHO HANDLE THE LOCAL MARKETING

- Armenia
- Bosnia
- Cyprus
- France *
- Georgia
- Iceland
- Ireland
- Jordan
- Lebanon
- Monaco *
- Taiwan
- Ukraine
- Vietnam

* Together with distributor in France

Omsättningen fördelad per geografiskt område omräknat till svenska kronor	2022		2021	
	MSEK	Procent	MSEK	Procent
Norden	155	32	171	33
Övriga Europa	187	38	200	39
Nordamerika	128	26	125	24
Övriga världen	17	4	19	4

NEW NORDIC HEALTHBRANDS AB (publ)
GROUP STRUCTURE OF ACTIVE COMPANIES
DECEMBER 2022



GROUP STRUCTURE

Concepts are global - selling is local!

New Nordic has a widespread set-up of local sales companies to promote the New Nordic brand globally and service the local market.

New Nordic pay tax in each country it operates in and it is typically a member of national industry organisations. New Nordic is a company with a strong Scandinavian heritage but we strive to be native and of value to each individual country we operate in.

NEW NORDIC *strategy*

DEVELOP HERBAL DIETARY SUPPLEMENTS AND BEAUTY PRODUCTS TO SATISFY SPECIFIC HEALTH & BEAUTY NEEDS. AND MARKET THESE UNDER CHARACTERISTIC BRANDS TO A GROWING NUMBER OF CONSUMERS ALL OVER THE WORLD, ALL WITH CARE FOR PEOPLE AND NATURE.

OUR PLAN

We have a plan for how to deliver strong results in the future. The plan includes:

- Driving Growth Internationally
- Building Market Leadership
- Growing Profitability

The plan goes on to define how we will connect our brand to the consumers and make them loyal. The plan is based on the following steps:

1. offer the most effective products and the best product experience at the right price
2. continue high focus on marketing
3. engage further with national and international retailers both online and offline

OUR FINANCIAL STRATEGY

Our financial strategy is simple.

1. Keep high gross margin

At New Nordic will strive to defend our high gross margin through product innovations, improved sourcing and increased economy of scale, which will reduce cost of goods. Simultaneously we will ensure to increase pricing without jeopardising the price-value advantage.

2. Overheads down

Economy of scale and a focus of simplifying procedures will bring our overheads down. Overheads will be kept stable with growing sales which will bring over-

head expense per cent down. Additionally the employees are encouraged to save costs where possible.

3. Marketing investments

We will continue to invest the current percentage of sales in advertising and other marketing activities. The most awarding way for both the company and its retail partners is to allocate spendings as much as possible to direct end consumer advertising and only a smaller part to trade advertising. This increase brand awareness, increase category news and increase traffic in store.

Operating profit

Managing these means will result in an increased operating profit and generate funds to invest in further business growth.



GROWTH *engines*

At New Nordic we expect the business in all countries to grow, fuelled by innovation and increased marketing managed with great discipline and excellence by our Country and Area Managers. We all work towards a common goal adding value to our brand and making it a truly global health and beauty brand. We have clear internal financial targets to reach.

THE CURRENT GROWTH ENGINES FOR NEW NORDIC ARE

- Growth in the USA business
- Growth in the UK business
- Growth in the business in Germany
- Growth in Beauty In & Out™

WINNING *assets*

- Cutting edge research and innovation
- NEW NORDIC, a strong brand
- Manufacturing in Scandinavia
- Flat Scandinavian management model
- A strong culture with a talented and dedicated team
- Powerful international marketing set-up
- International distribution network targeting 6 channels

When the culture is strong, you can trust everyone to do the right thing.

People can be independent and autonomous. They can be entrepreneurial. With a company that is entrepreneurial in spirit, we will be able to grow and be successful together.

The success of the team is more important than individual achievement.

GOVERNANCE



BOARD *of directors*



KARL KRISTIAN
BERGMAN
JENSEN
BORN 1962

Board member since 2006 and CEO of New Nordic Healthbrands AB. Karl Kristian Bergman Jensen is a founder and a principal owner of New Nordic since 1990. Prior to that Karl Kristian Bergman Jensen was the International Marketing Manager, Director and member of the Board of Chartex International PLC in England, now known as The Female Health Company, USA. Before that, Mr. Jensen was the International Marketing Manager at Farma Food A/S. Mr. Jensen is also Chairman of Vaccinium Holdings ApS, Dansk Detail ApS Denmark and Ripamonti Finanz AG, Switzerland.

For full holding of shares in New Nordic, see page 42



LENNART
SJÖLUND
BORN 1949

Board member since 2012. Besides his appointment as a director of the board of New Nordic, Mr. Sjölund is a business entrepreneur in the medical technology industry as well as a director of Lagercrantz Group AB, Östanbäck Timmerhus AB, Zarismo AB, Quick-Cool Erysave AB, EL Invest AB, Kinna EL och Tele AB, Fässbergs EL AB and Parkallen Invest. Lennart Sjölund has previously been CEO of Jolife and Jostra AB and Vice President of Åkerlund & Rausing.

10.000 shares held in New Nordic via company



MARINUS
BLÅBJERG
SØRENSEN
BORN 1951

Chairman since 2006, Marinus Blåbjerg Sørensen is a founder and principal owner of the New Nordic. Before that Marinus Blåbjerg Sørensen was CEO of Danish Natural Foods A/S. Prior to that Mr. Sørensen was Area Manager at Farma Foods A/S, Marinus Blåbjerg Sørensen is also Chairman and owner of Fjord Capital A/S and Blåbjerg-Have ApS and director of Dansk Detail ApS Denmark.

For full holding of shares in New Nordic, see page 42



JESSICA
TYREMAN
BORN 1969

Director of the board since 2006. Jessica Tyreman's principal activities in addition to the appointment as a director of the New Nordic is the executive chairman of LEARN in Värmdö AB. Jessica Tyreman is also Chairman of RW Bostad AB. Jessica has over the past five years completed assignments as a director of New Teq AB.

Directors and management team's business address is New Nordic Healthbrands AB, The Point, Hyllie Boulevard 34 215 32 Malmö

Chartered accountant
Deloitte AB

Chartered accountant Henrik Ekström, Hjälmaragatan 3, 211 18 Malmö. Deloitte AB, Henrik Ekström is New Nordic's chartered accountant since the annual General Meeting 2022. Henrik Ekström is a member of the trade association for accountants, "FAR SRS".



KIRSTEN
ÆGIDIUS
BORN 1966

Kirsten Ægidius was appointed as the fifth Board Member at New Nordic Healthbrands AB at the 2022 Annual General Meeting. Kirsten is CEO of Interflora Denmark A/S and at the board of Anora Group A/S. Kirsten hold a Master of Science from Copenhagen Business School. Kirsten has solid international experience from Unilever, Coca-Cola, Carlsberg, Weber BBQ, and Hilding Anders AB.

EXECUTIVE *team*



With the employment of Tage Juhl Finninge in October 2022 as COO/CCO, the management team became complete. It consists of Tage Juhl Finninge COO/CCO, Ivan Ruscic CFO and Karl Kristian Bergman Jensen CEO.



THE SHARE

NEW NORDIC - ONE OF A KIND

The supplement market is forecasted to grow with a compounded annual growth rate of nearly 10% globally. An extraordinary investment opportunity in itself.

For investors looking to take advantage of this growing market opportunity through investment in listed equities of companies in the dietary supplement industry, the choice of investment is very limited.

Most players in the industry are based on multi level marketing and distribution or their dietary supplement business is just a minor part of their total business.

Nearly all players where their main business is in the supplement industry is owned by equity companies or are privately owned. Only a very few dietary supplement companies world wide are listed on a stock exchange and available for investors to buy into. **One of these rare companies is New Nordic.**

SHAREHOLDER *information*

The shares of New Nordic were listed on First North Growth Market, NASDAQ, Stockholm in January 2007.

Exchange: FN STOCKHOLM

Currency: SEK

Trade name: NNH

ISIS: SE0001838038

Bloomberg ticker: NNH:SS

NUMBER OF SHARES

Total number of shares 6,195,200

Share Capital SEK 6,195,200

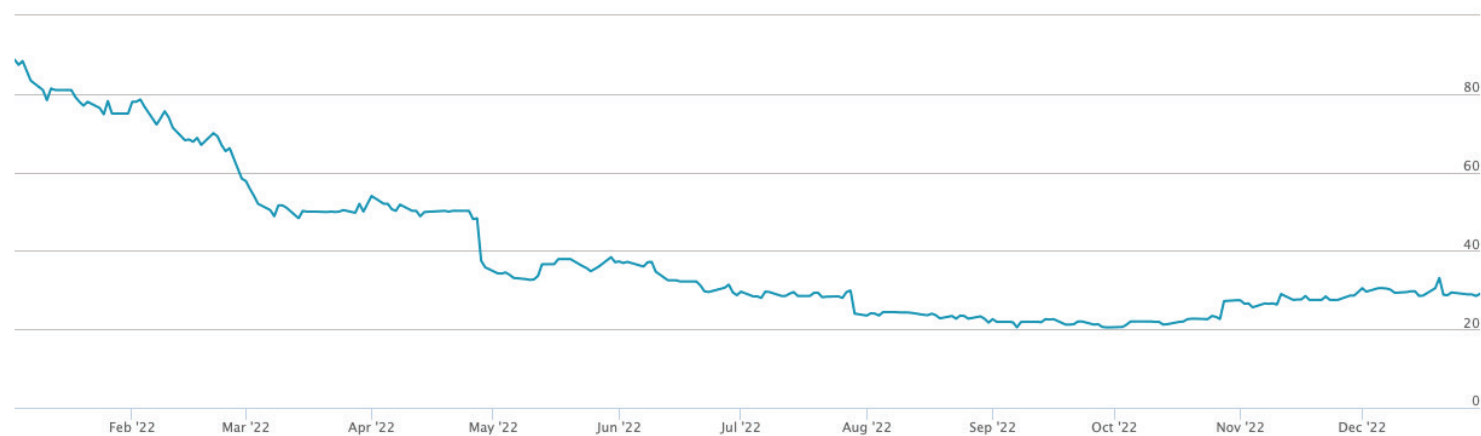
SHARE DEVELOPMENT

The share price has decreased by 67.2 percent from SEK 88.40 to SEK 29.00 in 2022. In relation to OMX Stockholm (NASDAQ OMX STOCKHOLM ALL-SHARE SEK), the share has decreased in price by 57.4% in 2022.

MARKET CAPITALISATION

Market cap 30. December 2021: 548 mSEK

Market cap 30. December 2022: 180 mSEK



DAILY TRADED SHARE PRICE FOR THE NEW NORDIC HEALTHBRANDS AB SHARE AT FIRST NORTH, NASDAQ, STOCKHOLM

SHAREHOLDERS

ownership structure

As of 30th December 2022, the number of unique shareholders holding shares with a value of at least 500 euro was 101 plus 575 non-public shareholders, compared to 103 unique and 540 non-public shareholders.

The combined shareholding of the ten largest shareholders was 91.2 percent (92.4) of the shares outstanding and of the votes. New Nordic Healthbrands AB. New Nordic Healthbrands AB also retain the service of Mangold AB as liquidity provider.

The table is reproduced from New Nordic share register as per 30 December 2022. The data in the table is based on information from Euroclear Sweden AB.

SHAREHOLDERS AS PER 30th DECEMBER 2022

Shareholders	Shares	Ownership
Fjord Capital APS	2 318 684	37.43 %
UBS Switzerland AG*	1 501 399	24.23 %
Credit Suisse AG, Zurich*	930 354	15.02 %
Six Sis AG, W8IMY	292 466	4.72 %
BFCM P/C CIC Sweden OPCVM LT	201 995	3.26 %
Knock, Christian	114 396	1.85 %
Försakringsaktiebolaget, Avanza Pension	96 176	1.55 %
Lin, Micka Wen Long	84 535	1.36 %
T. J. Finninge Holding ApS	62 226	1.00 %
Lin, Emelie	44 712	0.72 %
Sum 10 largest owners	5 646 943	
Sum other	548 257	
Total number of shares	6 195 200	

Marinus Blåbjerg Sørensen and family members are together the end beneficial owners of 100% of Fjord Capital ApS.

*Vaccinium Holding ApS, Denmark owns 2 431 753 shares (39.29%). Karl Kristian Bergman Jensen is the end beneficial owner of 62.4% of Vaccinium Holding ApS, while The Bergman Jensen Family Foundation, Liechtenstein owns 37.6%.

INVITATION TO ANNUAL GENERAL MEETING OF NEW NORDIC HEALTHBRANDS AB (PUBL)

Shareholders of New Nordic Health Brands AB (publ) are hereby invited to attend the Annual General Meeting 2022.

PLACE: Quality Hotel View

ADDRESS: Hyllie Stationstorg 29,
215 32 Malmö, Sverige

TIME: Thursday 28 april 2022 kl. 10.00

REGISTRATION

Shareholders who wish to attend the AGM shall both be entered in the company's register of shareholders kept by Euroclear Sweden AB in their own name (not nominee-registered) by Wednesday 19 April 2023 and notify their intention to attend the Annual General Meeting by 20 April 2023 16.00 at the latest, in writing to the address New Nordic Healthbrands AB, Ivan Ruscic,

The Point, Hyllie Boulevard 34, 215 32 Malmö or by e-mail to, ivan@newnordic.se. Registration by e-mail will only be valid if confirmed by New Nordic. The attendance of any assistants is to be notified to the same addresses by the same date.

Shareholders must state in the notice their name, civil identity number or corporate registration number, telephone number (daytime) as well as the number of shares held. In order to attend the meeting shareholders whose shares are nominee-registered must have their shares temporarily re-registered with Euroclear Sweden AB in their own name. Such re-registration must be effected by Wednesday 19 April 2023. In order to re-register shares in time,

shareholders should make the request via their custodian in good time before this date.

AGENDA

1. Opening of the AGM
2. Election of Chairman of the AGM
3. Establishment and approval of voting list
4. Approval of the Agenda
5. Election of one or two verifiers of the minutes
6. Confirmation of whether the Meeting has been duly convened
7. Address by CEO Karl Kristian Bergman Jensen
8. Presentation of the annual accounts, the auditors' report and consolidated financial statements and the audit report
9. Resolution to adopt the income statement, balance sheet, consolidated income statement and consolidated balance sheet
10. Resolution on the appropriation of profit according to the adopted balance sheet
11. Resolution to discharge the Board and Chief Executive Officer from liabilities to the company

12. Determination of remuneration for the Board and the auditor
13. Election of Board Directors
14. Election of auditor
15. Decisions regarding the Nomination Committee
16. Authorization for the Board to decide to increase share capital by issuing new shares, issuance of convertible bonds and the issuance of warrants
17. Authorization for the Board or persons appointed by the Board to make the formal changes to decisions in point 16 that may prove necessary in connection with registration of the Issue to Bolagsverket
18. Closing of the AGM

PROPOSED RESOLUTIONS

Item 10 - Proposed dividend

The board of directors and the CEO propose the Annual General Meeting to decide not to pay out dividend for 2022.

Items 12, 13 and 14 - Fees to directors and auditors and election of directors and auditor

The board fee is proposed to be unchanged SEK 585 000 to dispense with 195 000 paid to the Chairman, SEK 0 to Karl Kristian Bergman Jensen and with SEK 130 000 each to the other three directors and remuneration to the auditor shall be paid in a reasonable amount of approved invoices.

Board is to consist of five members with no deputies.

Re-election of board members Jessica Tyreman, Kirsten Ægidius, Lennart Sjölund, Marinus Blaabjerg Sørensen samt Karl Kristian Bergman Jensen. Marinus Blaabjerg Sørensen is proposed as Board Chairman.

Deloitte AB is proposed as the auditor with the principal auditor Henrik Ekström.

Item 15 - Resolution regarding the Nomination Committee

The nomination committee represented 80 percent of the votes the company December 31, 2022. For information on the composition of the Nomination Committee and its work during the year, please refer to New Nordic Health-

brands AB's website: www.newnordicinvestor.com.

It is proposed that the 2023 Annual General Meeting establish that the same principles as were adopted at the previous 2022 Annual General Meeting also apply to the next Nomination Committee.

Item 16 - Resolution of authorisation

The Board proposed to authorize, for the period until the next AGM, on one or more occasions, to issue new shares, or issue convertible bonds or issue of warrants. Acting by virtue of the authorization, the number of shares could be increased by a maximum of 1,500,000 pieces, representing an overall increase of the share capital by a maximum of SEK 1,500,000. Authorization shall also include the right to issue new shares or issue of convertible bonds or issue warrants in kind or set-off or otherwise with conditions referred to in Chapter 13.5 § first paragraph 6 or 14 Ch. 5 § first paragraph 6, or Chapter 15.5 § first paragraph 4 of the Companies Act. The emissions may pursuant to Board decision be made with deviation from the shareholders' preferential rights. This deviation shall enable capital procurement in connection with the continued efforts in

the Company's business including acquisitions. The issue price shall be based on market conditions generally applicable to similar types of issues.

Available documents

The financial statements, auditor's report and the complete proposals for decisions and other documents required under the Companies Act will be published on newnordic.se and will be available at the Company's offices in Malmö from 4 April 2023 and sent to shareholders who so request and state their address.

Malmö, March 2023

The Board

New Nordic Healthbrands AB (publ)



2022

*Annual and
management report*

New Nordic Healthbrands AB (publ)
Org. nr. 556698-0453

FINANCIAL *review*

The Board of Directors and the Chief Executive Officer of New Nordic Healthbrands AB (publ) hereby submit the annual accounts and consolidated accounts for the financial year 2022. New Nordic Healthbrands AB is a public limited company, with its registered office in Malmö, Sweden. The head office has visiting address, The Point, Hyllie Boulevard 34 215 32 Malmö. The company share is listed on First North Growth Market, NASDAQ, Stockholm.

THE BUSINESS

New Nordic conducts business in dietary supplements, herbal remedies and cosmetic products such as skin care and hair care. The sale takes place internationally, either through their own 25 national sales and marketing companies and branches or through reputable distributors. New Nordics products are mainly distributed in pharmacies, in health stores and via the company's own online store in

43 countries around the world. The group structure is shown in Note 18.

TURNOVER, RESULTS FINANCIAL POSITION

In 2022, New Nordic focused on to implement its strategy during continued influence of the Covid-19 pandemic, Russia's invasion of Ukraine, high inflation and increased interest rates.

The company's range is large extent to older people who have been careful about leaving their home to shop due to corona and have been more cautious with their money. The high inflation of around 10 percent in the EU and 8 percent in the USA in 2022 also affected the company's sales. Inflation negatively affects New Nordic customers' purchasing power. Added to this is the fact that the interest rate continues to rise and further burdens the consumers economy. The New Nordic customer is typically over 50 and the products are

premium priced. In 2022, New Nordic felt consumers' reluctance to spend money and they experienced a shift in the sale of packs changing from large economy packs to smaller monthly packs. Sales decreased by 5 percent to SEK 488 million. Sales decreased in the geographical areas; Norden, the rest of Europe, and Asia / Australia, while it increased in North America. The company did not start sales in new countries during the year. The geographical turnover was distributed with 32 percent of sales in the Nordic region, 38 per cent in the rest Europe, 26 percent in North America and 3 percent in Asia/Australia.

The gross margin decreased to 65.3 percent from 68.0 percent. The decline is explained by a changed product mix, mainly in the US and Canada, but also by increased promotional discounts in most markets. During the year costs has increased and New Nordic has increased prices

as well. The company decreased marketing costs in 2022. The number of employees was all in all stable with just one employee less than in 2021. The cost of personnel increased by eight percent and other external expenses including marketing decreased by one percent. The Swedish krone decreased in value against both the USD and the EUR in 2022.

The EBITDA margin was negative, and amounted to SEK -3.1 million. The company has a low book value tangible and intangible assets and has relatively little debt which results in low cost of depreciation and interest. Operating loss amounted to -4.7 million SEK. The company's loss after tax amounted to SEK -2.8 million. The return on equity was negative. Earnings per share after tax amounted to -0.46 SEK. Sales in the parent company decreased by 26.9 percent and amounted to 155 million SEK. Parent company loss after tax amounted to

SEK -4.8 million. The parent company's equity amounted to end of the year to SEK 76.1 million.

OWNERSHIP

The number of shares in New Nordic Healthbrands AB (publ) amounted to at the turn of the year to 6,195,200 shares. The company has none own shares. The Articles of Association contain no restrictions on transferability of the shares. Owner with more than 10% of the company's share capital as of 31 December 2022: Vaccinium Holding

ApS, Denmark, 39.10%. Karl Kristian Bergman Jensen owns 62.4% of Vaccinium Holding ApS, while Bergman Jensen Family Foundation, Liechtensteiner 37.6%. Fjord Capital ApS, Denmark 37.43%. Marinus Blåbjerg Sørensen and family members together own 100% of Fjord Capital ApS.

SALES AND MARKETING

At the turn of the year, New Nordic had its own sales companies and branches in Australia, Canada, Czech Republic, China, Denmark, Estonia, Finland, France,

Germany, the Netherlands, Hong Kong, Italy, Kazakhstan, Latvia, Lithuania, Norway, Poland, Portugal, Romania, Slovakia, Spain, Sweden, Switzerland, UK, and the USA. The sales companies in Estonia, Latvia and Kazakhstan are branches of UAB New Nordic in Lithuania. In addition, New Nordic controls and finances marketing in Austria, Belgium, Faroe Island, Georgia, Greenland, Liechtenstein, Luxembourg, and partly in France. In addition, the company has distributors in Armenia, Ireland, Iceland, Jordan, Lebanon, Taiwan and Vietnam.

MARKETING

New Nordic markets its brand mostly to end consumers but also to professional workers, mainly in health and beauty. In marketing, all relevant media are used in combination, (Weekly and daily press advertising, television, radio, outdoor advertising, store materials and electronic advertising on social media).

FINANCIAL POSITION

At the end of the year, New Nordic had 10.7 million in cash and a solvency of 44.7%. Cash flow from current operations, amounted to SEK -15.5 million, from the investment operations SEK -2.6 million and from the financing activities, SEK 16.6 million. Cash flow was affected positively by the decrease of inventory of SEK 6.3 million and increase of short term liabilities which was mainly from increased overdraft facilities. The current receivables increased by 16.6 million SEK of which a significant part was from good December 2022 sales in Canada.

ORGANISATION

At the end of the year, the company had 71 employees including management (70), of which 16 are men (13) and 55

ANNUAL KEY FIGURES

Group	2022	2021	2020	2019	2018
Net sales	487.501	514.845	450.064	452.613	393.708
Profit after financial items	-5.166	27.956	23.293	36.068	34.119
Total assets	251.673	238.351	191.491	197.187	162.647
Equity	44.7%	50.5%	54.7%	51.7%	49.3%
The number of employees at the end of the period	71	72	60	55	51
Parent	2022	2021	2020	2019	2018
Net sales	155.011	212.091	166.157	170.086	148.586
Profit after financial items	-15.416	14.355	24.145	17.715	17.077
Total assets	161.122	156.972	134.256	120.911	107.764
Equity	47.2%	60.6%	69.0%	65.9%	69.1%
The number of employees at the end of the period	4	4	4	3	3

are women (59). There are 22 (24) nationalities employed within the Group.

NEW PRODUCT DEVELOPMENT

New Nordic's product development includes literature research, raw material research, bioavailability studies, analyzes, clinical studies, market research, design and packaging development, as well as registration of products in new markets. During the year, the Group invested less than 1 percent of sales in research and product development. Expenditure on product development attributable to major projects estimated at more than EUR 75,000 is capitalized. (see page 65, accounting principles Fixed assets).

OUTLOOK FOR 2023

The high inflation and increase in interest rate results in challenging and turbulent global market conditions for New Nordic in 2023. The company is working purposefully to deal with the situation and all activities in the company are evaluated and carefully adjusted. It is no doubt this extraordinary situation can affect revenue and results negative

in 2023, although New Nordic expects an increase of income and positive earnings during the year. New Nordic has clearly prioritized product categories and markets where the company will focus to drive growth the most in 2023. The company plans for all growth to take place organic and does not plan any acquisition in 2023 but can not exclude it. Launches in new health categories and beauty categories are planned also for 2023. The company's new initiatives under the Kunkeei brand will continue to require investment and losses for this brand in 2023, but less than the investment in 2022.

PROPOSAL FOR DISPOSITION OF EARNINGS

Parent

To the Annual General Meeting the following

Share premium account	49 847 516 SEK
Retained earnings	23 039 239 SEK
This year's results	-4 774 226 SEK
Total	68 112 529 SEK

and carry forward	68 112 529 SEK
Total	68 112 529 SEK

This Annual Report has been approved by the Board on 23th March 2023. The annual report shall be submitted to the Annual General Meeting in Malmö on 27th April 2023.

Concerning the parent company's and the Group's results and financial position, refer to the following results and balance sheets, cash flow statements and disclosures. All amounts are expressed in thousands of Swedish kronor unless otherwise stated.

RISK *management*

New Nordic is a business operating internationally in a changing world, in highly dynamic, high growth health and beauty markets. In order to ensure the sustainability of its development and the achievement of its objectives, New Nordic strives to anticipate and manage the risks to which it is exposed in its different areas of activity.

Risk management consists of identifying, assessing and controlling risks that may affect the smooth running of the Company. At New Nordic, it is understood that poor risk management can result in a deteriorating business.

New Nordic's sales are expected to grow and the Company can not grow without taking new risks. New business of any kind implies increased risks, and these risks has to be dealt with Ad Hoc on at the highest level in the organization, at the board of directors and the executive management.

New Nordic's internal control procedures, planning and reporting is the basic tools for the internal risk management. The internal control and risk management is dealt with by the executive management and management team on an ongoing basis.

There are other risk and opportunity factors that occurs in the changing environment in which New Nordic operate. The external risk factors are also dealt with on an ongoing basis. Such risks can occur suddenly, or they can develop slowly without anybody noticing them. Covid-19 is a god example of a major change in external factors. Changes in consumer behavior like increasing preference for vegan products and sustainable brands are other examples. Changes in import taxation, regulatory requirements, marketing laws etc are yet other examples. These more and more dynamic risk factors are increasingly becoming a part of the daily work.

For the risks identified and listed below, New Nordic is doing their best to manage the risks and many employees are involved in this process. New Nordic employees are urged be observant to spot when these risks emerge and take action to deal with them immediately, to avoid that they rise to bigger risk problems.

The objective of risk management is to identify, assess and prioritise risks with all those concerned, and keep the risk mapping analysis up-to-date. The aim is to promote optimal use of resources to minimise and control the impact of negative events and maximise the realisation of opportunities.

HOW NEW NORDIC HANDLE RISKS

To detect risks and to manage them and mitigate the consequences, New Nordic have procedures and responsibilities in place. The risks related to business growth and progress actions, the risks threatening the Company's existing business and adapting the business model to the changing world around New Nordic has been identified and prioritised. Methods of control has been put in place to minimise any impact of the risks and responsibilities has been clearly defined.

Some risks are analysed and controlled on a daily basis and they are part of regular reporting. Other risks are controlled and evaluated yearly and compiled at group level with a view to getting an overall picture of the group's main risks – and thereby shedding light on the mitigation plans that are in place to manage these risks.

Internal risks, arising from within the New Nordic organisation, are controllable and ought to be reduced or avoided. Examples are the risks from employees' and managers' unauthorised or inappropriate actions and the risks from not following routine operational processes.

New Nordic seek to reduce these risks through the way they perform their daily work by following New Nordic's Financial policy, procedures and authorisation manual.

PERSONNEL WITH AN ACTIVE ROLE IN RISK MANAGEMENT

The Board of Directors and the Audit Committee have the ultimate responsibility for the risk management. They will secure that effective systems for risk management has been adopted in the organisation. Together with the Executive Management Team, consisting of the CEO, CFO and COO, they will also be responsible for risk management in relation to acquisitions and new business ventures. On the day-to-day level, The Executive Management Team is responsible to ensure that all New Nordic companies have access to tools and methodologies for the identification and evaluation of risks.

The Executive Management Team is responsible for the implementation of action plans for the management of the major risks they identify. The Executive Management Team defines and definition and implements evaluation methods and processes for handling certain major or large-scale risks, and they promote effective loss prevention practices, and advises on risk coverage, transfer and financing.

The Management Team consisting of the Functional, Country and Area Managers, are responsible for the risks inherent to their businesses and the companies that they run. Area and Country Managers are closer to the markets where risks initiate. Sometimes on a

national basis and sometimes on regional or international shifts in consumer retailers or end consumers behaviours. It is important that the Area and Country Managers are observant on emerging risks and report and discuss these risks with the Executive Team. New Nordic encourage that all Managers on all levels encourage an open and transparent culture where every individual employee is observant and report emerging risks and opportunities immediately. This is a part of the internal education and company culture.

RISK EVALUATION CYCLUS

New business and acquisition risks are analysed ad hoc by the Execute Team and the Board of Directors when needed prior to decisions. Risk connected with preserving the existing business is done thoroughly by the Management Team continuously during the operations during the year including monthly reporting and as a more in dept Risk Analysis and Management during each year. The analysis is updated in respect of the main operational risks – in the short and long term – and also the risks within financial reporting. This is carried out in a group-wide risk analysis, based on the probability and impact of each risk.

Risk to New Nordic's business model from changes in the world around the Company is done immediately if a substantial risk seems to build up and discussed yearly in connection with the summer Management Meeting by the management and the executive management and then at the October Audit Committee and Board Meeting by the Audit Committee and the Board of Directors.

WHEN A RISK BECOMES A REALITY

If internal and external risks, as described later, occur, this will be reflected in the accounts and / or the conditions that the management and the rest of the company measure on a daily basis.

In summary, the most important issues that New Nordic must be aware of can be prioritized and listed as follows:

Brand attractiveness: The New Nordic's brand or their products are no longer attractive, or more attractive than competitors, to their consumers.

Marketing effectiveness: New Nordic lose the high effectiveness of their marketing and the ability to convince customers to buy their products in a cost-effective way.

Decrease in gross margin: New Nordic's profitability in terms of gross margin is decreasing due to that they sell at a lower net price because of giving to high discounts, because of increasing cost price or because of developing too expensive products.

In-effective and costly administration: Personnel, administration and other costs are increasing as a percentage of sales and New Nordic is becoming less profitable because of these fixed costs.

Poor cashflow: New Nordic run out of cash because they are giving to long credit, receiving too short credit, having too much inventory, investing in an acquisition or other not liquid assets or paying out to high.

High debt: New Nordic take on too much debt in connection with investments in assets.

Staff without passion: New Nordic's staff and in particular their management is "getting tired" or loose their New Nordic spirit, integrity, creativeness, and entrepreneurial mood or that New Nordic as a company introduce to much hierarchy and bureaucracy to run efficiently.

For each point, New Nordic has defined which people are responsible for being aware that the situation is not deteriorating and from which sources they must collect the information in order to be able to assess it. In this way, the company can react quickly and efficiently if one or more risks become a reality.



ABOUT NEW NORDIC AS A BRAND

New Nordic is a beloved international health and beauty brand deeply rooted in the Scandinavian heritage of integrity, quality, and naturalness. The New Nordic brand will be durable beyond any cyclical technical or manufacturing advantage, beyond any patent or design that is due to run out and beyond any brilliant manager that is momentarily lifting the company to extraordinary performances. It is a heritage brand that goes more than 30 years back in time and if managed well the robust New Nordic brand can be durable for generations.

The New Nordic brand has not been created quickly by fancy advertising slogans. The New Nordic brand is built over years by offering meaningful substance to the consumers. The Company continue to add value to the New Nordic brand through product innovation, quality, the values and the way that all employees behave towards New Nordic consumers and all the people the employees meet in their daily business lives, and the way they communicate.

The New Nordic brands lives deeply in the minds of consumers. It is a story that travel across geographical borders and cultures A brand like New Nordic, that consumers like, trust and support is the best and most durable asset a company can have, and New Nordic is very observant not to put the brand at risk.

The business that can be carried out in the name of the New Nordic brand is the Company's biggest opportunity and the damage that can be done to the New Nordic brand is the Companys biggest risk. Employees have to have the highest integrity, the right attitude and the right energy to continue to build the New Nordic brand.

The Company's reputation and its brand image may be compromised at any time in a globalised world where information is disseminated rapidly. New Nordic is not safe from an undesirable event, whether this involves the use or misuse of a product or reprehensible individual conduct. Circulation of detrimental information in the media, regardless of whether or not

such information is founded, has been facilitated by the introduction of new technologies and the development of social networks, and could also affect the New Nordic's reputation and brand image. The development of collaboration with influencers whose behaviours, actions and positions may not be in line with New Nordic's ethical principles may adversely affect New Nordic's reputation given their position as opinion leaders for a significant subscriber community.

INFLATION

The high inflation of around 10 percent in the EU and 8 percent in the USA in 2022 is expected by many economists to fall in 2023. Inflation negatively affects New Nordic customers' purchasing power. Added to this is the fact that the interest rate continues to rise and further burdens the borrowers' finances. Consumer confidence is expected to increase in 2023 compared to 2022. New Nordic's products are relatively insensitive to the economy, but at the same time the New Nordic customer is typically over 50 and the products are premium priced. In 2022, we have felt consumers' reluctance to spend money and we have experienced a shift in the sale of pack dryers from large economy packs to smaller monthly packs. Although inflation is expected to fall in 2023, it is uncertain when consumers' willingness to buy and confidence will return to the level before inflation. There is an increased risk associated with inflation and rising interest rates.

WAR IN EUROPE

The Russian invasion of Ukraine 2022 has affected our business. Especially in the eastern part of Europe and our export markets around Ukraine and Russia and of course in Ukraine where we have had a small sale in the past. Here we are directly affected by the war in terms of transport and disruptions to the infrastructure. Understandably, the populations in these countries are worried and inflation is sky high. It affects our business in these countries significantly and we expect it to continue in 2023 and as long as the war lasts.

CORONAVIRUS

As for most, the Corona epidemic has resulted in a challenging and turbulent market situation in 2020 to 2022 and more recently also in relation to the corona situation and shutdowns in China. The corona pandemic has been challenging with regard to the sale of our products but also in connection with obtaining raw materials. During the pandemic, we increased our inventory to avoid delivery problems and we changed and expanded the amount of suppliers to be better off. The corona pandemic has brought challenges to our sales and continues to do so in, for example, Hong Kong, where we do not see the same customers from mainland China as we saw before Corona. The corona currently does not affect our business in the same way as a year or two ago, but there is of course still a risk of new corona variants being created and flaring up again. We must continue to be prepared for the risks that may be in connection with the Corona.

CYCLICAL ECONOMY

Demand for New Nordic's products are affected, as are most consumer goods, by changes in the general economic situation. Sales of personal care products are traditionally considered to have a low sensitivity to economic fluctuations.

BRAND

The Company's reputation and its brand image may be compromised at any time in a globalised world where information is disseminated rapidly. New Nordic is not safe from an undesirable event, whether this involves the use or misuse of a product or reprehensible individual conduct. Circulation of detrimental information in the media, regardless of whether or not such information is founded, has been facilitated by the introduction of new technologies and the development of social networks, and could also affect the Company's reputation and brand image. The development of collaboration with influencers whose behaviours, actions and positions may not be in line with New Nordic's ethical principles may adversely affect New Nordic's reputation given their position as opinion leaders for a significant subscriber community.

PRODUCT QUALITY AND SAFETY

Consumer safety is an absolute priority for New Nordic: safety assessment is at the heart of the development of new products and a prerequisite before a product is launched on the market. The principles governing New Nordic's quality and safety policy are:

- satisfaction of customer needs
- compliance with safety requirements and legislation
- product quality and conformity across the supply chain

RESPONSIBLE PRODUCT COMMUNICATION

New Nordic provides consumers with innovative products whose success is based on their quality and performance. The benefits of these products are highlighted in New Nordic's communications. Despite all due care taken to guarantee the accuracy and fairness of the claims made in these communications, there is always a possibility that they may be challenged by the authorities, organisations or consumers.

SEASONAL NATURE OF BUSINESS

In certain cases and for specific products, the timing of sales can be linked to climate conditions, such as for example cosmetic sun care products or diet products. Products sought after by consumers as gifts see particularly strong sales at year-end and during holiday periods. This is the case for special gift packs. A major disruption in any of these factors could affect New Nordic's sales.

GEOGRAPHIC PRESENCE AND ECONOMIC AND POLITICAL ENVIRONMENT

New Nordic has subsidiaries in 21 countries and the

majority of its sales are generated outside Scandinavia. Global growth in the cosmetics market has led New Nordic to develop its activities in countries within the "New Markets" Zone, which represents a growing part of New Nordic's business.

Besides the currency risks, political or economic disturbances in countries where New Nordic generates a significant portion of its sales could have an impact on its business activities

DISTRIBUTION NETWORK

Due to its innovative and effective products, extensive marketing and brand positioning, New Nordic is subject to constant pressure from local and international competitors across the globe. **Competition is healthy:** it drives New Nordic's teams around the world to always do their utmost to serve the interests of consumers and the New Nordic brand. Winning market share, improving operating profitability and thereby ensuring growth are a permanent challenge in a context of the increased digitisation of consumer relationships, where companies constantly strive to obtain the best positions for their products and launch the most attractive and effective product ranges offering an optimal price/quality ratio.

INNOVATION AND CONSUMER EXPECTATIONS

The development of innovative products and their adaptation to market requirements is an ongoing priority for New Nordic. If New Nordic fails to anticipate or interpret changes in consumer expectations,

especially with regard to environmental issues, and new trends, notably digital solutions and connected tools, its sales could be affected.

EXTERNAL GROWTH TRANSACTIONS

No acquisition is planned currently. However, as part of its growth strategy, it is not inconceivable that New Nordic may have occasion to make No acquisition is planned currently. However, as part of its growth strategy, it is not inconceivable that New Nordic may have occasion to make acquisitions of companies or intellectual property rights or sign license agreements. However, implementation of this strategy depends on New Nordic identifying development opportunities at an acceptable cost and under acceptable conditions.

These operations may have a negative impact on New Nordic's results if New Nordic fails to successfully integrate the activities of the acquired companies and their personnel, products, and technologies under the expected conditions and in compliance with New Nordic's standards, or if it fails to achieve the expected synergies or to successfully handle liabilities not anticipated when the transaction was completed and for which New Nordic has little or no protection from the seller.

Within the normal framework of its activities, New Nordic has conducted and may conduct disposal operations for which the execution conditions may significantly affect its results.

HUMAN RESOURCES MANAGEMENT

One of the keys to New Nordic's success lies in the talent of its staff. The New Nordic's ability to attract and retain qualified personnel is crucial to its future success. If New Nordic fails to identify, attract, retain and train competent employees who behave responsibly, particularly within the context of digital transformation, the development of its activities and its results could be affected.

SECURITY RISKS

New Nordic's presence in 40 countries exposes it to a variety of risks inherent to the environments it works in (geopolitical, economic and social, malicious acts, climate and natural disasters). The direct and indirect consequences of these risks may adversely affect New Nordic's resources: namely, people and tangible and intangible assets.

EMPLOYEE HEALTH AND SAFETY RISKS

The protection of employees' health and safety is one of New Nordic's priorities and is an integral part of New Nordic's human and social relations policy. It is rooted in the evaluation and prevention of professional risks in the Company. Nevertheless, the risk of accidents at the workplace or occupational diseases cannot be entirely ruled out. Currently, New Nordic does not have any manufacturing sites and New Nordic only have one warehouse run by the Company. The rest of the staff is working in office environments. As New Nordic is an international company many employees travel regularly.

INFORMATION SYSTEMS

The day-to-day management of activities such as purchasing, production planning and distribution, invoicing, reporting and consolidation, as well as internal data exchange and access, relies on the proper functioning of all technical infrastructure and IT applications.

As part of the digital transformation and ongoing development of information technologies and their applications, which are also factors of acceleration and mobility, New Nordic's business activities, expertise and, more generally, its relations with all stakeholders in its social and economic environment, depend on being able to function in an increasingly virtual and digital environment.

The malfunction or breakdown of these systems or the loss of data for exogenous or endogenous reasons (including intrusions, malicious acts, etc.) could have a significant impact on New Nordic's business activities.

DATA

The data collected and processed by New Nordic and its partners, with a volume that increases along with the development of digital activities, may be used fraudulently, or be lost or degraded. Furthermore, personal data protection regulations are being reinforced throughout the world. Specifically, the European General Data Protection Regulation (GDPR) which entered into force in May 2018, provides for significant sanctions. Any breach of data

integrity or confidentiality, notably personal data processed by New Nordic or its partners, for exogenous or endogenous reasons (including intrusions, malicious acts, etc.) could have a significant impact on reputation and consumer confidence and, ultimately, on New Nordic's business activities.

INTELLECTUAL PROPERTY: TRADEMARKS, DESIGNS & MODELS, DOMAIN NAMES

The trademarks, designs & models and domain names, and particularly the major international New Nordic brand and the characteristic Silvertree Mark, are strategic intangible assets of New Nordic, primarily owned by New Nordic Healthbrands AB. A few brands, primarily marketed by New Nordic in Sweden, Norway and Canada, including eye q® and Lyprinol, have been licensed to New Nordic. New Nordic does not have, however, a significant dependency situation with regard to these licences.

In light of the large number of countries in which its products are sold and the multiple potential prior rights that may exist in each of these countries, it is impossible to rule out the possibility that third parties may initiate legal action to contest the registration and or use of New Nordic intellectual property rights. This potential risk has to be mentioned in order to provide a comprehensive account of risk. However, the likelihood of it occurring is low.

The trademarks, packaging and the products themselves may be counterfeited by third parties wanting to

illegally claim the benefits of their reputation and earn illicit profits from the work and investments of New Nordic.

INDUSTRIAL PROPERTY: PATENTS

Research and innovation are the historic pillars of New Nordic's development. The dedication of New Nordic's research team has made resulted in some patents. In addition to protecting the inventions of New Nordic, the goal is to check the free use of a technology prior to the launch of products and services, in a highly competitive environment in which an increasing number of patents are filed by an increasing number of different players.

REGULATORY CHANGES

The diversity of applicable local laws and regulations and their constant evolution expose New Nordic to a risk of non-compliance or increased compliance costs. New Nordic operate under 3 major groups of different jurisdictional principles: EU with its food authorities supervision, USA with FDA supervision and China with its food and health authorities supervision. There in between, there are many variations. For example in Australia and Canada where supplements need to be registered and approved under Australian Department of Health and Health Canada respectively, before marketing. In addition, we will also operate under legislation governing finished cosmetics products such as the European Cosmetics Directive. These regulations are amended regularly and can result in un-intentional non-compliance. Certain countries are, moreover, subject to

export restrictions, embargoes, economic sanctions or other forms of trade restrictions levied by the European Union, the United States and other countries or organisations.

OTHER LEGAL RISKS AND LITIGATION

In the ordinary course of its business, New Nordic will potentially be involved in legal actions and is subject to tax, customs and administrative audits.

PRODUCTION AND SUPPLY CHAIN

Products must be made available on the market on the scheduled dates to meet time-to-market and customer demands, in order to enable new product ranges to be referenced by distributors in a cosmetics market that requires companies to be increasingly responsive.

New Nordic is dependent on its external manufacturers. A major stoppage of activity at a plant or distribution centre could therefore have an adverse effect on the achievement of commercial objectives.

SOURCING

New Nordic's products consist of raw materials and ingredients from several different suppliers (raw materials and packaging items). New Nordic is dependent on deliveries from third parties live up to agreed requirements with respect to quantity, quality and delivery. Incorrect or missing deliveries from suppliers might mean that New Nordic deliveries will in turn be delayed,

which in the short term may result in reduced sales. Although New Nordic is thus not able to exercise full control over these goods, it is the Group's opinion that no single supplier is unique, so a disruption in supplies need not involve long-term implications for the business.

ENVIRONMENT

The food supplement and cosmetics industry has a limited environmental risk profile. New Nordic does not have any manufacturing sites of its own. However, as with any production, distribution, research and general administration activity, New Nordic is exposed to safety and environmental issues: fire, explosion, technical failure of facilities, information systems, or even human failure in the operation of existing facilities or works management. These industrial risks can result in human damage and/or accidental pollution (surface and groundwater, air, soil), within or outside New Nordic's sites, particularly if these are located in inhabited zones. Insufficient consideration of these impacts related to the use phase during the design of products could represent a risk for sales in certain areas of the world where access to water is difficult (water stress, quality of drinking water, etc.). Similarly, the use of predominantly plastic containers may represent an environmental risk resulting from the disposal of plastic waste, depending largely on the collection and treatment channels available.

COUNTERPARTY RISK

New Nordic is exposed to the counterparty risk of

financial institutions which it uses within the scope of its business activities. However, New Nordic considers that its exposure to this risk is low.

CUSTOMER RISK

Customer risk may result from a failure to collect receivables due to cash problems encountered by customers or to customers no longer being in business.

LIQUIDITY RISK

New Nordic's liquidity risk is managed with the primary aim of ensuring continued financing and optimising the financial cost of debt.

FUNDING RISK

New Nordic operations might in the future need additional financial resources to achieve strategic goals. This may lead to additional capital has be required to New Nordic in order to develop its business in an appropriate way. New Nordic's ability to meet future capital requirements are highly dependent on successful sales of their products. There is no guarantee that New Nordic will be able to raise the necessary capital even if progress is positive. In this regard, the general market for the supply of capital are highly significant.

FINANCIAL AND MARKET RISKS INTEREST RATE RISK

For the requirements of its development and its capital expenditure policy, New Nordic uses borrowings and the interest rates might fluctuate.

CURRENCY RISK

Most of New Nordic's products are marketed and sold in different geographic markets with sales and purchases in local currencies. New Nordic is naturally exposed to currency fluctuations. Fluctuations between these currencies may in the future lead to a negative impact on New Nordic's results and financial position.

Currently the company does not hedge this type of currency risks. Fluctuations between the main currencies may have an impact on New Nordic's results when translating the foreign currency financial statements of subsidiaries into Swedish Crowns, and may therefore make it difficult to compare performances between two financial years. In addition, commercial flows resulting from purchases and sales of items, products, and services arise between subsidiaries in different countries. Procurement by subsidiaries is mainly in the currency of the subsidiaries country.

Significant changes in the monetary environment could have an impact on New Nordic's results and shareholders' equity.

RISK RELATING TO THE IMPAIRMENT OF INTANGIBLE ASSETS

As stated in the section on legal risks, New Nordic's brands are a strategic asset for New Nordic and may be subject to impairment.

EQUITY RISK

New Nordic does currently not invest its cash in shares. However, New Nordic expects that cash flow from operations will increase liquidity and the Company might invest in equities in the future.

RISK RELATING TO TAX REGULATIONS

Due its global presence, New Nordic is subject to different tax regulations.

In accordance with globally applicable regulations for transfer pricing, the New Nordic group has policies for pricing internal transactions. The basis for transfer pricing is the arm's length principle which the New Nordic group applies.

New Nordic is exposed to risks arising from the multiplication and complexity of tax standards and changes in tax regulations or their interpretation.

CORE COMMODITY RISK

The production of food supplements and cosmetics depends on the purchase of raw materials whose prices vary. These raw materials or components are used in the manufacture of products or in their packaging. An exceptionally sharp increase in the price of these raw materials or energy prices on the world market could have a direct effect on the manufacturing cost of the supplements and/or cosmetics. This might impact the gross margin.

GROUP INCOME STATEMENT

(kSEK)	Note	2022	2021
Group income			
Net sales	1	487 501	514 845
		487 501	514 845
Group costs			
Cost of goods sold		-169 001	-164 797
Other external costs	2	-261 331	-264 782
Employee costs	3	-60 274	-55 783
Depreciation of tangible and intangible assets	4	-1 644	-935
		-492 250	-486 297
Operating profit	5	-4 749	28 548
Result from financial investments			
Interest income	6	1 108	3
Interest expense	7	-1 525	-594
		-417	-591
Profit after financial items		-5 166	27 956
Tax	8	2 343	-6 653
Profit for the year		-2 823	21 303
Attributable to the parent company's shareholders	9	-2 823	21 303
Earnings per share*		-0,46	3,44
Numbers per share		6 195 200	6 195 200

* No dilution

GROUP BALANCE SHEET

(kSEK)	Not	2022	2021
ASSETS			
Fixed assets			
Intangible fixed assets			
Licenses	10	594	817
Capitalised product development costs	10	2 882	2 215
Other intangible assets	10	152	0
		3 628	3 033
Tangible fixed assets			
Equipment and tools	11	3 155	2 238
		3 155	2 238
Financial assets			
Deferred tax	12	6 963	4 237
Long-term receivables	13	583	632
		7 547	4 869
Total fixed assets		14 330	10 140
Current assets			
Inventories			
Raw materials		33 346	32 993
Finished goods		76 812	83 464
		110 158	116 457
Current receivables			
Accounts receivables		89 005	82 583
Other receivables		18 325	11 234
Prepaid expenses	14	9 153	6 054
		116 482	99 871
Liquid funds		10 703	11 884
Total current assets		237 343	228 212
TOTAL ASSETS		251 673	238 351

REPORT ON CHANGE IN THE GROUP'S EQUITY

(kSEK)	Not	2022	2021		Share capital	Translation reserve	Balanced profits incl. The result of the period	Total equity attributable to the parent company's shareholders
EQUITY AND LIABILITIES								
Equity								
	15							
Share capital		6 195	6 195		6 195	-908	99 521	104 808
Other equity including net profit		106 377	114 121		0	0	21 303	21 303
Equity attributable to parent company shareholders		112 572	120 316	Opening balance equity 1 Jan, 2021	6 195	-908	99 521	104 808
Liabilities								
Deferred tax liabilities	12	0	2 145	The result of the period	0	0	21 303	21 303
		0	2 145	Translation reserve	0	1 426	2 072	3 498
Long-term liabilities				Total profit for the period	0	1 426	23 375	24 801
Other long-term debts		1 649	1 237	Dividend	0	0	-9 293	-9 293
		1 649	1 237	Total transactions with owners	0	0	-9 293	-9 293
Current liabilities				Closing balance equity 31 Dec, 2021	6 195	518	113 603	120 316
Bank overdraft	16	48 348	24 426	Opening balance equity 1 Jan, 2022	6 195	518	113 603	120 316
Accounts payable		66 550	65 968	The result of the period	0	0	-2 823	-2 823
Tax liabilities		1 656	3 564	Translation reserve	0	2 823	0	2 823
Other liabilities		8 876	7 631	Total profit for the period	0	2 823	-2 823	0
Accrued expenses	17	12 023	13 063	Dividend	0	0	-7 744	-7 744
		137 452	114 653	Total transactions with owners	0	0	0	-7 744
TOTAL EQUITY AND LIABILITIES		251 673	238 351	Closing balance equity 31 Dec, 2022	6 195	3 341	103 036	112 572

CONSOLIDATED CASH FLOW STATEMENT

(kSEK)	Not	2022	2021
Current operations			
Operating profit		-4 749	28 547
Adjustments for items not included in cash flows			
Depreciations	4	1 644	935
Other provisions		-287	0
		-3 392	29 482
Interest received		5	3
Interest expense		-1 525	-594
Taxation paid		-7 178	-5 627
Cash flow from current operations before changes in working capital		-12 090	23 264
Cash flow from changes in working capital			
Inventories		6 299	-35 789
Current receivables		-10 446	-4 619
Current liabilities		786	9 274
Cash flow from current operations		-15 451	-7 870
INVESTMENT ACTIVITIES			
Acquisition of intangible fixed assets	10	-1 361	-1 655
Investments in tangible fixed assets	11	-1 593	1 005
Divestment		287	0
Changes in liabilities		48	-311
Cash flow from investment activities		-2 619	-2 971
FINANCING ACTIVITIES			
Dividend		-7 744	-9 293
Changes in long term debt		412	-1 499
Changes in credit line facilities		23 921	22 863
Cash flow from financing activities		16 589	12 071
Changes in liquid funds		-1 481	1 230
Liquid funds at the beginning of the period		11 884	10 404
Exchange rate effect		300	250
Liquid funds at the end of the period		10 703	11 884

PARENT COMPANY INCOME STATEMENT

(kSEK)	Note	2022	2021
Operating revenue			
Net sales	1	154 925	212 045
Other revenues		86	46
		155 011	212 091
Operating costs			
Cost of goods		-124 356	-150 739
Other external expenses	2	-46 383	-41 955
Employee expenses	3	-6 355	-6 050
Depreciation of tangible and intangible assets	4	-585	-342
		-177 679	-199 086
Operating profit	5	-22 668	13 005
Result from financial items			
Profit from shares in group companies	6	8 468	1 587
Interest income and similar income items	6	32	26
Interest expenses and similar income items	7	-1 247	-263
		7 253	1 350
Profit after financial items		-15 415	14 355
Allocations			
Change in accrual fund		8 200	0
Received group contribution		2 441	0
		10 641	0
Tax on profit for the year	8	0	-2 668
PROFIT FOR THE YEAR		-4 774	11 687

PARENT COMPANY BALANCE SHEET

(kSEK)	Note	2022	2021	(kSEK)	Note	2022	2021
ASSETS				EQUITY AND LIABILITIES			
Fixed assets				Equity			
Intangible assets				Restricted equity			
Trademarks	10	0	0	Share capital	15	6 195	6 195
Licenses	10	594	817	Fund for development expenditures		1 797	1 061
Capitalised development expenditure	10	2 179	1 591			7 992	7 256
		2 773	2 408	Unrestricted equity			
Tangible fixed assets				Share premium reserve		49 848	49 848
Equipment	11	1 210	314	Retained earnings		23 039	19 832
		1 210	314	Profit of the year		-4 774	11 687
Financial assets						68 113	81 367
Holdings in Group companies	19	30 836	30 836	Total equity			
Receivables from Group companies	13	4 364	2 935			76 105	88 623
Other long-term receivables		351	381	Untaxed reserves			
		35 551	34 152			0	8 200
Total fixed assets		39 534	36 874	Current liabilities			
Current assets				Current part of long-term debt to credit institutions	16	47 474	22 239
Inventories				Accounts payable		26 399	26 267
Raw materials		32 357	32 217	Liabilities to Group companies		8 684	9 408
Finished goods		23 911	23 872	Current tax liabilities		0	0
		56 268	56 089	Other liabilities	17	78	382
Current receivables				Accrued expenses and deferred income		2 382	1 853
Receivables		3 843	5 575			85 017	60 149
Receivables from Group companies		56 701	55 168	Total equity and liabilities			
Current tax receivables		2 895	227			161 122	156 972
Other receivables		1 202	1 545				
Prepayments and accrued income	14	675	1 490				
		65 316	64 005				
Cash and bank balances							
		4	4				
Total current assets and receivables		121 588	120 098				
TOTAL ASSETS		161 122	156 972				

PARENT COMPANY CHANGE IN EQUITY

Parent company 2021 (kSEK)	Share capital	Fund for development expenditures	Premium reserve fund	Balanced profit	The year's profit	Total
Balance at the beginning of the year	6 195	160	49 848	4 606	25 420	86 228
Previous year's result	0	0	0	25 420	-25 420	0
Transfer to fund for development expenditures	0	901	0	-901	0	0
Dividend	0	0	0	-9 293	0	-9 293
Profit for the year	0	0	0	0	11 687	11 687
Balance at the end of the year	6 195	1 061	49 848	19 832	11 687	88 623

Parent company 2022 (kSEK)	Share capital	Fund for development expenditures	Premium reserve fund	Balanced profit	The year's profit	Total
Balance at the beginning of the year	6 195	1 061	49 848	19 832	11 687	88 623
Previous year's result	0	0	0	11 687	-11 687	0
Transfer to fund for development expenditures	0	736	0	-736	0	0
Dividend	0	0	0	-7 744	0	-7 744
Profit for the year	0	0	0	0	-4 774	-4 774
Balance at the end of the year	6 195	1 797	49 848	23 039	-4 774	76 105

PARENT COMPANY CASH FLOW STATEMENT

(kSEK)	Note	2022	2021
Current operations			
Operating profit		-22 668	13 005
Adjustments for items not included in cash flow			
Depreciation and amortization	4	585	342
		-22 083	13 347
		8 468	2 008
Dividends from subsidiaries		32	26
Interest received		-1 247	-263
Interest paid		-2 668	-2 278
Income tax paid			
Cash flow from operations before changes in working capital		-17 498	12 840
Changes in working capital:			
Changes in inventories		-179	-8 289
Change in receivables		3 798	-17 573
Change in current liabilities		-367	-1 918
Cash flow from operations		-14 246	-14 940
Investment activities			
Acquisition of subsidiaries		0	-156
Acquisition of intangible fixed assets	10	-828	-1 036
Acquisition of tangible assets	11	-1 018	-314
Cash flow from investing activities		-1 846	-1 506
Financing activities			
Dividend		-7 744	-9 293
Change in long-term receivables		-1 399	1 714
Change in bank overdraft		25 235	22 239
Cash flow from financing activities		16 092	14 660
Cash flow for the year		0	-1 786
Cash and cash equivalents at beginning of year		4	1 790
Cash and cash equivalents at end of year		4	4

ACCOUNTING AND *valuation principles*

GENERAL

The accounting policies applied by the Group and the Parent Company complies with the Årsredovisningslagen (19995:1554) and BFNAR 2012:1 Årsredovisning och koncernredovisning (K3).

CONSOLIDATED GROUP SCOPE

The consolidated Group financial statements include the Parent company, subsidiaries in which the parent company directly or indirectly owns more than 50 per cent of the voting rights or has a controlling interest.

The consolidated financial statements have been prepared using the purchase method. This means that a subsidiary's assets and liabilities are carried at market value.

Consolidated shareholders' equity includes the parent company's equity and the portion of the subsidiaries'

equity arising after the acquisition of these companies.

TRANSLATION OF FOREIGN SUBSIDIARIES

Translation of foreign subsidiaries' financial statements according to the current method. This means that assets and liabilities are translated at year end rates and income statement are translated at average exchange rates during the financial year. Any translation difference is recognized directly in equity of the Group.

REVENUES

New Nordic's revenue is essentially the sale of products. Revenues are recognized at fair value of the consideration received or receivable. Revenue recognition is made as the significant risks and rewards associated with the company's goods are transferred to the buyer.

Interest: Interest income is recognized as it is earned.

Dividends: Revenue is recognized when the shareholders' right to receive payment has been established.

SEGMENT REPORTING

New Nordic conducts all its operations in one business segment, sales of dietary supplements, herbal remedies and related personal care products. This is therefore the group's single primary segment. The secondary reporting format is geographical segments. See Note 1.

CLASSIFICATION

Non-current liabilities and provisions consist entirely of amounts expected to be recovered or settled after more than twelve months from the balance sheet date. Current assets and current liabilities consist essentially of amounts expected to be recovered or settled within twelve months from the balance sheet date.

RECEIVABLES AND PAYABLES

Receivables are stated at the lower of the face value and the amount likely to be received. Liabilities are stated at their nominal value, unless otherwise indicated.

INVENTORIES

Group inventories have been reported after the deduction of internal profits. Inventories are valued at the lower of cost and first in - first out (FIFO) method. This means that inventories are stated at the lower of cost using the FIFO method and fair value.

RECEIVABLES AND LIABILITIES IN FOREIGN CURRENCIES

Receivables and liabilities in foreign currencies are translated at the closing rate. Exchange gains and losses on operating receivables and liabilities are included in operating profit. Gains and losses on financial assets and liabilities are reported as financial items.

FIXED ASSETS

Tangible and intangible assets are carried at cost less accumulated depreciation.

COST AND FAIR VALUE

Product development expenses, which include literature research, commodity research, bioavailability studies, analyzes, clinical studies, market research, design and packaging development, consumer research and development of marketing concepts are expensed when incurred. Development costs that are attributable to an individual project is recognized as an asset (Retained development costs) when there is reason to believe that the amount will be recovered in the future. The carrying value of capitalized development costs recognized as assets in the balance sheet, are tested annually for possible impairment,

asset has not yet been put into use and then when events or changes in circumstances indicate that the carrying amount may not be recoverable.

Amortization is applied systematically over the fixed assets expected useful life and commences when the asset is taken into commercial use.

Capitalised development costs are amortized over the period of the sales associated with the project expected to take place. Trademarks are amortized over ten years.

DEPRECIATION RATES

Trademark 10 years
Capitalised development costs 5 years
Licenses 5 years
Equipment and vehicles 3-7 years
Depreciation commences when the asset is taken into commercial use.

TAX INCLUDING DEFERRED TAX

Taxes are recognized in the income statement except when the underlying transaction is recognized directly in equity, in which it is recognized in equity. Current tax is the tax payable or refundable for the current year. This

includes adjustment of current tax attributable to previous periods.

Deferred tax is recognized using the balance sheet method, which deferred skatteslud calculated, except as specified below, for all identified temporary differences between assets and liabilities for tax purposes and, on the other hand, their reported values. Temporary differences in the form of untaxed reserves including deferred tax liability under untaxed reserves. In the consolidated accounts, untaxed reserves are divided into deferred tax liability and equity.

Deferred tax assets are recognized for all deductible temporary differences and unused tax losses, to the extent that it is probable that future taxable profits will be available against which the temporary differences or tax loss carry forwards can be utilized.

The deferred tax assets are tested at each reporting date. In case you do not with sufficient certainty determined that deficits can be offset against future profits in the foreseeable future, do not have these enabled.

Loss carryforwards arising in Russia, Switzerland, Spain, Turkey, Australia and Mexico have not been activated. Deferred tax assets and liabilities are measured using the tax rates expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that is pending or in force, at the balance sheet date.

LEASING

Leases where, in essence, all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease payments for operating leases are expensed in the income statement on a linear basis over the contract term.

Finance leases for company cars etc. are recognized as an operating lease when they are of minor nature.

COMPENSATION TO EMPLOYEES

Employees' benefits have been reported with salaries. Full provisions have been made for accrued vacation, bonuses, social security contributions and other commitments.

PENSIONS

Payment of pensions has been made under various retirement plans under generally applicable rules for each country. In Sweden, the employees are covered by the ITP plan.

GROUP CONTRIBUTION

Group contributions are recognized in equity, net of tax attributable to Group contribution.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash on hand and demand deposits with banks.

FINANCIAL ASSETS AND LIABILITIES

Financial assets and liabilities in the balance sheet include cash and cash equivalents, receivables and on the liabilities side, trade payables and borrowings. Financial assets and liabilities are recognized initially at cost, representing the fair value plus transaction costs for all financial instruments except regarding those classified as financial assets that are recognized at fair value through profit or loss.

A financial asset or liability is recognized in the balance sheet when the Company becomes party to the contractual terms. Trade receivables are recognized when invoiced. Liabilities are recognized when the counterparty has performed and there is a contractual obligation to pay, even if the invoice has not been received.

Trade receivables are recognized initially at cost, and subsequently at amortized cost, less provision for impairment. Any impairment of trade receivables is recognized in profit or loss. Accounts payable are recognized when the invoice is received.

A financial asset is derecognised when the rights are realized, expire or the company loses control over them. A financial liability is derecognised when the rights in the contract is discharged or otherwise extinguished. The Group has not used any derivative financial instruments for hedging.

IMPAIRMENT

When there are indications that an asset has declined substantially in value, an assessment of the carrying value to the higher of the estimated net realizable value and value in use. If this value is less

than the carrying amount, an impairment loss. Reversal is made if there are no longer grounds for impairment. Impairment losses and reversals are recognized in the income statement.

ESTIMATES AND ASSESSMENTS

The following of the board's assessments may have a significant effect on reported amounts in the annual report: When valuing deferred tax assets, assessments are made based on 5-year forecasts / budgets according to the best reliable estimate at any given time, on future taxable surpluses for each company and thus the possibilities of utilizing the loss carryforwards. A longer time horizon than 5 years is not considered reliable. The report is based on assessments and estimates of the company's management and the board.

The inventory consists of raw materials, packaging and finished goods. Almost all finished goods are in stock in the respective countries where they are sold. Both raw materials, packaging and finished goods are assessed monthly as part of the production planning and they are regularly evaluated by the management.

Accounts receivable are assessed on an ongoing basis and the vast majority of customers are credit insured as part of the company's policy. There is no provision for losses on creditors, as the customers are considered creditworthy and since the history of these customers has for a long time shown that these customers pay on time. If there is uncertainty about creditworthiness and willingness, the company requires advance payment.

NOTES

All amounts are kSEK unless otherwise stated.

Group refers to the consolidated group and Parent refers to the parent company.

Note 1. Revenues and intra-group purchases and sales

The group conducts all of its business within one business segment, sales of dietary supplements, herbal remedies and related personal care products.

	Group 2022	Group 2021
External sales	487 501	514 845
Internal sales	200 914	282 876
Sum	688 415	797 721
Elimination	-200 914	-282 876
Net sales	487 501	514 845

During the year, the Parent Company sold products for SEK 16,164 thousand (SEK 19,351 thousand) to external customers and SEK 138,847 thousand (SEK 192,694 thousand) to internal customers.

Geographical areas	Net sales 2022	Net sales 2021
Nordic region	155 038	170 565
Other Europe	186 981	200 491
North America	127 931	125 203
Other world	17 551	18 586
	487 501	514 845

24,2% (20,0%) of purchases in the parent company are related to the purchases of subsidiaries.

Note 2. Information about the remuneration of the auditor

Fees and expenses	Group 2022	Group 2021	Parent 2022	Parent 2021
Deloitte				
Auditing	380	0	305	0
Auditing outside assignment	0	0	0	0
Tax advice	0	0	0	0
Other services	0	0	0	0
Ernst & Young				
Auditing	131	679	89	535
Auditing outside assignment	0	0	0	0
Tax advice	30	0	30	0
Other services	0	40	0	40
RSM Richter Chamberland				
Auditing	406	389	0	0
Auditing outside assignment	0	0	0	0
Tax advice	61	0	0	0
Other services	0	0	0	0
Total Revisjon DA				
Auditing	65	55	0	0
Auditing outside assignment	0	0	0	0
Tax advice	0	0	0	0
Other services	0	17	0	0
Harmer Slater				
Auditing	96	77	0	0
Auditing outside assignment	0	0	0	0
Tax advice	0	0	0	0
Other services	0	0	0	0
Other auditors				
Auditing	292	235	0	0
Auditing outside assignment	0	0	0	0
Tax advice	0	0	0	0
Other services	0	10	0	0
Total	1 461	1 502	424	575

Note 3. Personal

Average number of employees	2022		2021	
	Employees	Whereof men	Employees	Whereof men
Parent company in Sweden	4	75%	4	75%
Subsidiaries				
Sweden	4	0%	4	0%
Denmark	21	19%	21	10%
Norway	3	0%	4	0%
Finland	1	0%	1	0%
Baltics	13	31%	11	27%
Germany	4	25%	2	50%
Poland	2	50%	2	50%
Romania	1	0%	1	0%
Great Britain	3	0%	3	33%
Canada and United States of America	8	25%	9	22%
Hong Kong	0	0%	0	0%
China	0	0%	0	0%
Italy	2	50%	2	50%
Spain	0	0%	0	0%
Holland	1	0%	0	0%
France	0	0%	0	0%
Switzerland	0	0%	0	0%
Australia	2	0%	2	0%
Total subsidiaries	65	20%	62	15%
Total for the group	69	23%	66	19%

Gender breakdown among the senior executives	Group		Parent	
	2022	2021	2022	2021
Distribution of women and men on company boards:				
Women	26%	10%	40%	25%
Men	74%	90%	60%	75%
Distribution of women and men in senior management:				
Women	37%	14%	0%	33%
Men	63%	86%	100%	67%

NEW NORDIC ANNUAL REPORT 2022

	2022	2022	2021	2021
Salaries and benefits	Salaries and other	Social	Salaries and other	Social
Salaries and other remunerations	remunerations	expenses	remunerations	expenses
Parent company (of which pension costs)	3 941	1 855 1 038	3 749	2 129 1 036
Subsidiaries (of which pension costs)	44 748	7 252 4 510	42 185	6 225 3 901
Total group (of which pension costs)	48 689	9 107 5 548	45 934	8 354 4 937

	2022			2021		
Salaries and benefits (excluding pension costs) by country	CEO, Board and other leading executives	Other employees	Total	CEO, Board and other leading executives	Other employees	Total
Sweden						
Parent company	2 581	1 360	3 941	2 114	1 635	3 749
Subsidiaries	0	2 657	2 657	0	2 610	2 610
Sweden total	2 581	4 017	6 598	2 114	4 245	6 359
Subsidiaries abroad						
Denmark	1 611	19 588	21 199	897	18 482	19 379
Norway	0	2 035	2 035	0	2 131	2 131
Finland	0	838	838	0	820	820
Baltics	0	4 411	4 411	0	4 153	4 153
Germany	0	1 588	1 588	0	1 436	1 436
England	0	1 752	1 752	0	2 102	2 102
Switzerland	0	191	191	0	169	169
Poland	0	1 026	1 026	0	1 001	1 001
Canada and USA	0	5 257	5 257	0	5 928	5 928
Italy	0	1 507	1 507	0	1 398	1 398
Australia	0	1 301	1 301	0	784	784
Romania	0	192	192	0	88	88
Holland	0	794	794	0	187	187
Subsidiaries abroad total	1 611	40 480	42 091	897	38 678	39 575
Total salaries and allowances	4 192	44 497	48 689	3 011	42 923	45 934

Salaries and remuneration of senior management

Group 2022	Salary	Directors' fees	Pension	Total
Chariman of the board	0	195	0	195
Board directors	0	390	0	390
Chief Executive Officer	1 996	0	0	1 996
Group total	1 996	585	0	2 581

Group 2021	Salary	Directors' fees	Pension	Total
Chariman of the board	897	188	100	1 185
Board directors	0	250	0	250
Chief Executive Officer	1 677	0	0	1 677
Group total	2 574	438	100	3 112

Parent company 2022	Salary	Directors' fees	Pension	Total
Chariman of the board	0	195	0	195
Board directors	0	390	0	390
Chief Executive Officer	1 996	0	0	1 996
Parent company total	1 996	585	0	2 581

Parent company 2021	Salary	Directors' fees	Pension	Total
Chariman of the board	0	188	0	188
Board directors	0	250	0	250
Chief Executive Officer	1 677	0	0	1 677
Parent company total	1 677	438	0	2 115

The Group's senior executives, also the CEO and the Board, consist of a total of 5 (4) people. During the year, board fees amounted to SEK 585 thousand (SEK 438 thousand), divided into SEK 195 thousand (SEK 188 thousand) to the Chairman of the Board and SEK 130 thousand (SEK 125 thousand) to the other three members. Salary to the CEO in the parent company has been invoiced by a company wholly owned by the CEO called Ripamonti Finanz AG. No (no) royalties have been paid to the CEO or board members. An agreement has been reached with the CEO on a notice period of six months on the part of the company and three months on the part of the CEO.

Note 4. Distribution depreciation

	Group 2022	Group 2021	Parent 2022	Parent 2021
Depreciation according to plan				
Licenses	-223	-199	-223	-199
Product development	-575	-142	-240	-142
Other intangible assets	-22	0	0	0
Equipment	-824	-593	-122	0
Sum	-1 644	-935	-585	-342

Note 5. Operational leasing

	Group 2022	Group 2021	Parent 2022	Parent 2021
Expensed leasing fees concerning operating lease agreements	3 991	3 705	744	110
Future lease fees concerning non cancellable operating leases agreements				
Shall be paid within 1 year	3 437	3 991	715	744
Shall be paid within 1-5 years	9 925	13 917	1 370	2 115
Shall be paid later than 5 years	0	0	0	0
Sum	13 362	17 908	2 085	2 859

The Group's and the Parent Company leases relate primarily to commercial leases and leasing of cars.

Note 6. Interest receivable and similar income items

	Group 2022	Group 2021	Parent 2022	Parent 2021
Interest income	3	3	1	0
Interest income from group companies	0	0	31	26
Foreign exchange gains	1 105	0	0	0
Sum	1 108	3	32	26
Profit from participations in subsidiaries				
Dividends from subsidiaries	0	0	8 468	2 008
Impairment of shares in subsidiaries	0	0	0	-421
Amount	0	0	8 468	1 587

Note 7. Interest expense and similar expense items

	Group 2022	Group 2021	Parent 2022	Parent 2021
Interest expenses	-1 525	-592	-1 247	-263
Interest expenses, group companies	0	0	0	0
Foreign exchange losses	0	-2	0	0
Sum	-1 525	-594	-1 247	-263

Note 8. Tax on profit for the year

	Group 2022	Group 2021	Parent 2022	Parent 2021
Current tax expense	-1 878	-7 589	0	-2 668
Deferred tax	4 221	936	0	0
Reported tax expense	2 343	-6 653	0	-2 668

The difference between the group's tax expense and tax expense based on current tax rate consists of the following components:

	Group 2022	Group 2021	Parent 2022	Parent 2021
Reported profit before tax	-5 166	27 956	-4 774	14 335
Tax at applicable tax rate	1 064	-5 759	983	-2 953
Tax effect of: non-deductible expenses	-633	-1 006	-208	-125
Non-taxable income	219	912	1 745	413
Change in temporary differences	1 949	-1 528	0	0
Change loss carry forwards	20	672	-2 520	0
Adjustment for tax rates in foreign group companies	94	284	0	0
Others	-370	-228	0	-3
Reported tax expense	2 343	-6 653	0	-2 668

The current tax rate in the group varies between 3% - 30% and 20.6% of the parent company. There are no significant non-capitalized deficits in any of the group's companies.

Note 9. Earnings per share

The Board proposes a dividend of SEK 0 per share (1.25) for 2022, equivalent to SEK 0 (7 744 000). The share capital amounts to 6 195 200 shares of said par value 1 SEK. All shares have the same rights and equal voting rights.

	2022	2021
Earnings and dividend per share		
Group		
Earnings used in calculating earnings per share	-2 823	21 303
Average number of shares, in thousands	6 195	6 195
Earnings per share*	-0,46	3,44
Parent company		
Earnings used in calculating earnings per share	-4 774	11 687
Average number of shares, in thousands	6 195	6 195
Earnings per share*	-0,77	1,89

* There is no dilution.

Note 10. Intangible assets

	Group 2022	Group 2021	Parent 2022	Parent 2021
Trademark				
Opening accumulated acquisition values	26 367	30 007	200	470
Translation difference	462	179	0	0
Purchases for the year	0	0	0	0
Sales / disposals	0	-3 819	0	-270
Closing accumulated acquisition values	26 829	26 367	200	200
Opening accumulated depreciations	-26 367	-30 007	-200	-470
Translation difference	-462	-179	0	0
Sales / scraps	0	3 819	0	270
Purchases for the year	0	0	0	0
Closing accumulated depreciations	-26 829	-26 367	-200	-200
Closing residual value	0	0	0	0
	Group 2022	Group 2021	Parent 2022	Parent 2021
Capitalized product development costs				
Opening accumulated acquisition values	4 050	5 181	1 860	3 615
Translation difference	72	5	0	0
Purchases for the year	1 186	1 555	828	936
Sales / disposals	0	-2 691	0	-2 691
Closing accumulated acquisition values	5 308	4 050	2 688	1 860
Opening accumulated depreciations	-1 835	-4 384	-269	-2 818
Translation difference	-16	0	0	0
Sales / disposals	0	2 691	0	2 691
Depreciations of the year	-575	-142	-240	-142
Closing accumulated depreciations	-2 426	-1 835	-509	-269
Closing residual value	2 882	2 215	2 179	1 591

Note 10. Intangible assets

	Group 2022	Group 2021	Parent 2022	Parent 2021
Licenses				
Opening accumulated acquisition values	998	949	1 049	949
Translation difference	27	0	0	0
Purchases for the year	0	100	0	100
Sales / disposals	0	-51	0	0
Closing accumulated acquisition values	1 025	998	1 049	1 049
Opening accumulated depreciations	-181	-32	-232	-32
Translation difference	-27	0	0	0
Sales / disposals	0	51	0	0
Depreciations of the year	-223	-200	-223	-200
Closing accumulated depreciations	-431	-181	-455	-232
Closing residual value	594	817	594	817
	Group 2022	Group 2021	Parent 2022	Parent 2021
Other intangible assets				
Opening accumulated acquisition values	0	0	0	0
Translation difference	-1	0	0	0
Purchases for the year	175	0	0	0
Sales / disposals	0	0	0	0
Closing accumulated acquisition values	174	0	0	0
Opening accumulated depreciations	0	0	0	0
Translation difference	0	0	0	0
Sales / disposals	0	0	0	0
Depreciations of the year	-22	0	0	0
Closing accumulated depreciations	-22	0	0	0
Closing residual value	152	0	0	0

Note 11. Tangible fixed assets

	Group 2022	Group 2021	Parent 2022	Parent 2021
Opening accumulated acquisition values	7 097	6 222	774	460
Translation difference	481	165	0	0
Purchases for the year	1 593	1 005	1 018	314
Sales / disposals	-1 319	-295	-41	0
Closing accumulated values	7 852	7 097	1 751	774
Opening accumulated depreciations	-4 859	-4 440	-460	-460
Translation difference	-333	-118	0	0
Sales / disposals	1 319	292	41	0
Depreciations of the year	-824	-593	-122	0
Closing accumulated depreciations	-4 697	-4 859	-541	-460
Closing residual value	3 155	2 238	1 210	314

Note 12. Deferred tax

	Group 2022	Group 2021	Parent 2022	Parent 2021
Deferred tax assets relating to:				
loss carry forwards	3 651	708	0	0
deductible temporary differences	3 312	3 529	0	0
Sum	6 963	4 237	0	0
Deferred tax liability relating to:				
Untaxed reserves	0	2 010	0	0
Taxable temporary differences	0	135	0	0
Sum	0	2 145	0	0

Note 13. Other long-term receivables

	Group 2022	Group 2021	Parent 2022	Parent 2021
Opening acquisition	632	321	381	538
Additional receivables	0	735	0	267
Amortisation, outgoing claims	-49	-265	-29	-265
Reclassifications	0	-159	0	-159
Outgoing accumulated acquisition	583	632	352	381
Conclusion impairments	0	0	0	0
Debt service, leaving debts	0	0	0	0
Reversal of impairment losses	0	0	0	0
Reclassifications	0	0	0	0
Year impairments	0	0	0	0
Outgoing accumulated impairments	0	0	0	0
Total carrying value	583	632	352	381

Note 14. Prepayments and accrued income

	Group 2022	Group 2021	Parent 2022	Parent 2021
Prepaid rent	858	804	92	114
Prepaid insurance	87	91	0	0
Prepaid sales and marketing costs	4 210	1 943	373	713
Other	3 997	3 216	209	663
Total	9 153	6 054	675	1 490

Note 15. number of shares

	Quotient 2022	Quotient 2021	Quantity 2022	Quantity 2021
A-shares	1	1	6 195 200 6 195 200	6 195 200 6 195 200

Note 16. Overdrafts

	Group 2022	Group 2021	Parent 2022	Parent 2021
Amount granted	50 881	29 005	50 881	26 130
Utilized amount	48 348	24 258	47 474	22 239

Note 17. Accrued expenses and deferred income

	Group 2022	Group 2021	Parent 2022	Parent 2021
Holiday pay and accrued wages	2 825	2 895	797	636
Social security contributions	1 226	1 126	567	200
Accrued sales and market costs	4 445	3 084	0	0
Other items	3 527	5 959	1 018	1 017
Sum	12 023	13 063	2 382	1 853

Note 18. Holdings in group companies

	Group 2022	Group 2021
Opening accumulated holdings	30 835	31 100
Acquisition of subsidiaries (New Nordic Iberia S.L.U)	0	-421
Closing accumulated acquisition costs	30 835	30 835

	Share of equity	Share of votes	Book value	Net result	Total equity
New Nordic AB	100%	100%	18 202	-27	2 446
New Nordic Manufacturing ApS	100%	100%	7 000	799	5 431
New Nordic Healthcare ApS	100%	100%	300	1 220	5 735
Kunkeei ApS	100%	100%	54	0	60
New Nordic AS	100%	100%	2 800	302	4 083
New Nordic OY	100%	100%	2	112	-7 136
UAB New Nordic	100%	100%	2	508	4 263
New Nordic Deutschland GmbH	100%	100%	2	619	-6 289
New Nordic AG	100%	100%	0	20	261
New Nordic Healthbrands Polska Sp. z.o.o	100%	100%	67	287	2 343
New Nordic Limited	100%	100%	2	-2 824	28 800
New Nordic Inc (Kanada)	100%	100%	1	1 150	11 039
New Nordic US Inc (USA)	100%	100%	0	706	1 173
New Nordic Ltd (Hong Kong)	100%	100%	12	50	127
New Nordic S.R.L.	100%	100%	91	218	2 729
New Nordic S.L.	100%	100%	0	754	0
New Nordic B.V.	100%	100%	167	301	-829
New Nordic SARL	100%	100%	92	390	1 530
New Nordic S.R.O	100%	100%	51	77	147
New Nordic Portugal Lda	100%	100%	51	2	52
New Nordic PTY Ltd	100%	100%	0	55	-195
New Nordic Iberia S.L.U	100%	100%	52	30	136
New Nordic Healthcare S.R.L	100%	100%	1	10	-46
New Nordic Shanghai Ltd Co.	100%	100%	1 886	4	2 151
Sum			30 835	4 763	58 011

Information about the subsidiaries corporate registration number and registered office

	Org. No.:		Registered office:
New Nordic AB	556546-0150	Malmö	Sweden
New Nordic Manufacturing ApS	14728708	Roskilde	Denmark
New Nordic Healthcare ApS	15679735	Roskilde	Denmark
New Nordic AS	982754437	Moss	Norway
New Nordic OY	218826046	Espoo	Finland
UAB New Nordic	300065428	Kaunas	Lithuania
New Nordic Deutschland GmbH	HAB 97256	Hamburg	Germany
New Nordic AG	CHE 323998168	Zug	Switzerland
New Nordic Healthbrands Polska Sp. z.o.o	0000517243	Warszawa	Poland
New Nordic Limited	3142365	West Farleigh, Kent	England
New Nordic Inc	653483-0	Montreal	Canada
New Nordic US Inc	26-3122812	New Castle, Delaware	USA
New Nordic Ltd	2455046	Hong Kong	Hong Kong
New Nordic S.R.L.	MI-1838101	Milano	Italy
New Nordic S.L.	B64523384	Madrid	Spain
New Nordic B.V.	817613705	Leiden	Holland
New Nordic SARL	500489794	Paris	France
New Nordic PTY LTD	ACN 125 151 091	Sydney	Australia
New Nordic Iberia S.L.U	B67402651	Barcelona	Spain
New Nordic Healthcare S.R.L	42246893	Bukarest	Romania
New Nordic Shanghai Ltd. Co.	91310000MA1FRGJT15	Shanghai	China
New Nordic S.R.O	53494369	Trnava	Slovakia
New Nordic Portugal Lda	516486594	Lissabon	Portugal
Kunkeei ApS	42902160	Roskilde	Denmark

Note 19. Holdings in group companies

	Group 2022	Group 2021
Opening acquisitions	11 242	12 800
Additional receivables	1 430	1 766
Amortisation, outgoing claims	0	-3 324
Reclassifications	0	0
Closing accumulated cost	12 672	11 242
Conclusion impairments	-8 308	-8 308
This year impairments	0	0
Accumulated impairments	-8 308	-8 308
Total carrying value	4 364	2 935

Note 20. Pledged collateral

	Group 2022	Group 2021	Parent 2022	Parent 2021
Collateral pledged for own liabilities to credit institutions				
Business mortgages	52 677	22 129	14 965	13 753
Total collateral	52 677	22 129	14 965	13 753

Note 21. Contingent

	Group 2022	Group 2021	Parent 2022	Parent 2021
Guarantee for the benefit of	0	0	50 881	27 505
-Check Credit Group companies	0	0	50 881	27 505

Note 22. Appropriation of profits

	Group 2022	Group 2021
Proposal for profit distribution		
The Board proposes that the unappropriated funds		
Share premium reserve	49 848	49 848
Retained earnings	23 039	19 832
Profit for the year	-4 774	11 687
	68 113	81 367
Proposal for disposition		
to pay out to shareholders	0	7 744
To carry forward	68 113	73 623
	68 113	81 367

Note 23. Significant events after the financial year end

The beginning of 2023 has been characterized by continued unrest mainly in Europe and on the European markets. The unrest is rooted in the war in Ukraine, increased interest rates, increased inflation, and historically high energy costs both for companies and individuals. It is circumstances we recognize from 2022 and have become an unpleasant reality but also something we have learned to relate and adapt to. New Nordic continues to strategically manage current circumstances and with the lessons learned from 2022, we look positively at 2023, although it looks to be a challenging year.

Note 24. Transactions with related parties

Nordic Healthcare ApS in Denmark sold during 2022 for a total of SEK 2,559k (SEK 2,929k) to Dansk Detail ApS, which is owned by Marinus Blåbjerg Sørensen and Karl Kristian Bergman Jensen. The products are sold on the same terms and prices as they are sold to like-minded customers. Dansk Detail ApS operates four health stores (Helsehuset Strædet, Helsehuset Helsingør, Helsehuset Frederiksberg and Køge Helsekost) and an online store under the name www.helsegrossisten.dk. Apart from the usual price agreement, there are no special marketing agreements or the like between the companies.

Intra-group sales amounted to 200,914 kSEK (282,876 kSEK) during the year and took place at arm's length as it was done in accordance with the group's Transfer Pricing policy.

The parent company has been invoiced SEK 1,996,000 (SEK 1,667,000) by Ripamonti Finanz AG, a company wholly owned by the CEO, which is not part of the New Nordic group.

ANNUAL REPORT AND CONSOLIDATED ACCOUNTS FOR NEW NORDIC HEALTHBRANDS AB (PUBL)

The Board of Directors and the CEO certify that the consolidated and annual accounts have been prepared in accordance with the international accounting standards referred to in the European Parliament and Council Regulation (EC) No 1606/2002 of 19 July 2002 on the application of international accounting standards and generally accepted accounting principles, and give a true and fair view of the financial position and results of the Group and the Parent Company. The Directors' Report for the Group and Parent Company gives a true and fair view of the Group and Parent Company's financial position and results, and describes material risks and uncertainties facing the Parent Company and the companies included in the Group.



Marinus Blåbjerg Sørensen
Styrelsens ordförande

Lennart Sjöland
Styrelseledamot

Jessica Tyreman
Styrelseledamot

Kirsten Ægidius
Styrelseledamot

Karl Kristian Bergman Jensen
Verkställande direktör

The annual and consolidated accounts were, as stated above, approved for issue by the Board of Directors on 28th of March 2023. The consolidated income statement and balance sheet, and the Parent Company's income statement and balance sheet will be submitted for approval at the Annual General Meeting on 27th of April 2023.

Our audit report was submitted on 3th of April 2023.

Deloitte AB

Henrik Ekström
Authorised Public Accountant

