



PRESS RELEASE

Malmö 28 February 2024

# New Nordic Healthbrands AB (publ) Full Year Report Q4 January - December 2023

## The fourth quarter (1 October 2023 - 31 December 2023)

- The group's net sales in SEK increased by 27.7 percent during the quarter to SEK 142.6 million (111.7). In local currencies, the increase was 25.8 percent.
- The gross margin increased to 64.6 percent (62.5) percent.
- Operating profit improved to SEK -5.9 million (SEK -6.6 million) and is affected by SEK 0.8 million (SEK 0 thousand) in non-recurring costs.
- The period's result after tax deteriorated to -5.7 (-3.5) MSEK and corresponded to -0.92 (-0.57) SEK per share\* and is affected by -0.8 (0) MSEK in non-recurring costs
- Cash flow from current operations amounted to SEK 8.8 million (2.3).

## Twelve months (1 January 2023 - 31 December 2023)

- The group's net sales in SEK increased by 9.5 percent during the full year and amounted to SEK 533.8 million (SEK 487.5 million). In local currencies, this is an increase of 4.8 percent.
- The gross margin decreased to 65.2 percent (65.3) percent.
- Operating profit improved to -3.2 MSEK (-4.7) MSEK and is affected by -3.0 MSEK (0 MSEK) in non-recurring costs.
- The period's result after tax deteriorated to -6.2 MSEK (-2.8) MSEK and corresponded to -1.0 (-0.46) MSEK per share\* and is affected by -3.0 MSEK (0) MSEK in non-recurring costs .
- Cash flow from current operations amounted to SEK 26.9 (-15.5) million.

\* There are no dilution effects

## CEO COMMENTS BY KARL KRISTIAN BERGMAN JENSEN

Demand for New Nordic's products is increasing and turnover for the year reached a record of SEK 534 million, an increase of 10 percent. During the fourth quarter, we achieved the highest turnover ever in a quarter. Growth is organic and driven by innovation and marketing. I am pleased that we have had growth in all geographical areas. Growth was highest in Canada and it is now our largest market. Great Britain, Germany, Denmark and China also show good growth during the year. In Great Britain, together with our retailers, we have had a successful collaboration regarding the launch of new products that meet new trends for dietary supplements. In China, sales are increasing thanks to the new collaboration partner and distributor we entered into an agreement with during the year.

Despite high turnover, we have not managed to turn a profit. Our customers have been affected by rising prices and interest costs. Our retailers are undergoing changes with increased price competition and a continued transition to online shopping. The newspapers and printed media we most often use in our marketing continue to decrease in circulation while inflation affects their costs. We adapt to the changes, but it costs resources and money.

In the US, over the past two years it has cost us dearly and bears a large part of the blame for our poor performance. Before the corona pandemic, the USA was a good and profitable market for New Nordic. We are investing in marketing to US consumers to increase our sales and gain a better grip on this huge market. We feel that sales through online stores in the US are increasing sharply, while physical stores are cutting back on their purchases from us. This applies particularly to the last months of the year and has resulted in losses. We expect that the USA will once again become a profitable market for New Nordic in the second half of 2024.

The work to establish ourselves in Switzerland, Spain and Australia has continued to require more investments than assumed at the beginning of 2023. We are making progress but we still have challenges in managing the situation in a way where we operate in the market at a low level without losing money. We have now taken more sweeping decisions for these markets to reduce our deficit.

The gross margin is almost unchanged at 65 percent and continued active work is underway to improve the gross margin by a couple of percent. Costs for marketing, personnel and other external costs have increased by 9 percent. Of these, the largest costs are related to marketing activities. Our costs for personnel and other external costs have increased as a percentage of turnover in recent years. The organization has developed. The structure and staff are well equipped to create and manage a larger turnover. The goal is to generate greater revenue while keeping costs down. The revenue increase must exceed the cost increase in the coming years.

In 2023, we have had increased interest costs, which we also expect to decrease in 2024.

We have succeeded well with innovations. During the second half of the year, we have introduced several new products in England and Denmark, which have hit new consumer trends very well. In 2024 we expect to be able to take advantage of these products in many other markets and of course we have more exciting news in the pipeline for 2024.

Our financial situation allows us to finance the activities and growth we have planned for 2024.

Since we have had a deficit in 2023, the board has decided to propose to the general meeting that we do not pay a dividend for 2023.

I am satisfied with our strong, professional and passionate organization that, despite challenges, has managed to restore growth in the company. In addition to having a focus on selling more, we also have a focus on costs and results, and here the result of our adaptations in the US will be of great importance.

I look forward to an exciting 2024, where I am convinced that we can create a positive result.



**Karl Kristian Bergman Jensen, CEO**

The information in this press release is that which New Nordic Healthbrands AB (publ) is required to disclose pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, at 8:00 (CET) on 28 February 2024.

Link to report on New Nordic's investor relation web page: <https://newnordicinvestor.com/reports-and-presentations>

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*New Nordic Healthbrands AB (publ) was founded in 1990 and is listed on Nasdaq First North Growth Market Sweden since 2007. The company's business concept is to offer the most effective and safe dietary supplements, natural medicines and cosmetic products for specific health and beauty needs. All with care for people and nature. New Nordic products are now available in 41 countries in pharmacies, health stores, beauty shops, and travel retail. New Nordic has its own small sales and marketing companies in most European countries, Canada and the United States, to organise local marketing campaigns, serve retailers and serve end customers. In 2023, revenues were SEK 534 million. Almost all New Nordic products sold worldwide are manufactured in Scandinavia. For more information, visit [www.newnordic.com](http://www.newnordic.com).*

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