



PRESS RELEASE

Malmö 31 October 2024

New Nordic Healthbrands AB (publ) Interim Report Q3 January - September 2024

Third quarter (1 July 2024 - 30 September 2024)

- The group's net sales in SEK decreased by 4.1 percent during the quarter to SEK 129.6 million (135.1). In local currencies, the decrease was -0.8 percent.
- The gross margin decreased to 66.4 percent (66.8) percent and the gross profit amounted to SEK 86.1 million (90.2) million.
- The operating profit decreased to SEK 0.3 million (3.1) and is affected by SEK 0 million (-2.1) in non-recurring costs.
- The period's profit after tax decreased to SEK -1.8 (2.0) million and corresponded to SEK -0.28 (0.33) per share*.
- Cash flow from current operations amounted to -0.9 MSEK (-0.2) MSEK.

* There are no dilution effects

Nine-months (January 1. 2024 - 30 September. 2024)

- The group's net sales in SEK increased by 2.4 percent during the first nine months of the year to SEK 400.7 million (391.3). In local currencies, the increase was 2.9 percent.
- The gross margin decreased to 65.1 percent (65.5) percent and the gross profit amounted to SEK 260.8 million (SEK 256.1 million).
- The operating result deteriorated to -5.4 MSEK (2.7) MSEK and is affected by 0 MSEK (-2.1) MSEK in non-recurring costs.
- The period's result after tax deteriorated to SEK -9.6 (-0.5) million and corresponded to SEK -1.55 (-0.08) per share*.
- Cash flow from current operations amounted to -16.6 MSEK (18.2) MSEK.

* There are no dilution effects

CEO COMMENTS BY KARL KRISTIAN BERGMAN JENSEN

The growth we had in the first half of the year continued into July but then slowed down in August and September. The third quarter was lower than expectations with an unsatisfactory result. During the first nine months of the year, sales increased by 2.4 percent, which is positive.

Consumer demand for our products remains high, but trade in Sweden and Denmark and a number of other countries have continued to be cautious with their purchases and further reduced their stocks during the period. We have taken initiatives to increase turnover and thus the result in Denmark and Sweden again.

We have been successful with the introduction of new products in several countries and the increase in revenue in the UK is a direct result of several innovations that have quickly caught on with consumers.

We have also increased sales in important markets such as the USA and Germany.

The sales in Q3 2024 must also be seen in the light of the fact that we had record sales during the corresponding period in 2023.

Nordic

It is still in Denmark and Sweden that our sales and results are lower than normal and this affects the entire company. We are confident that retailer purchases will soon increase again to meet consumer demand. In addition, we have initiated product launches and new marketing initiatives in the two countries. In Norway, we have made progress during the first nine months of the year. In Finland, we see a slight decrease.

Other Europe

New product launches in the UK have been successful and contributed to good growth there. We expect to maintain good momentum with further growth.

In Belgium and Luxembourg, our sales are negatively affected by the fact that at the end of the year we end our collaboration with our distributor in order to take over the sales work and distribution ourselves. This means that our distributor is reducing its stock right now. I am convinced that it will benefit our sales in the Benelux already from next year.

In Kazakhstan, during the 3rd quarter we have withdrawn a number of goods from the trade so that the pharmacies instead buy from our new distributor who covers both Kazakhstan and several other countries in Central Asia. The transition has negatively affected our profitability this year. I am looking forward to our new arrangement, which also got off to a good start during the start of the fourth quarter.

In Germany, we have also made good progress despite the challenging German economy. It is our marketing in Germany that has worked well.

North America

In North America, growth continued during the third quarter. It is primarily the growth in the US that has driven the progress, after we "cleaned up" our collaboration with pharmacy chains and streamlined and increased the marketing of our old best-selling products here. After losing money in the US for just over two years, we turned a profit in September and I am confident that we will continue to be profitable in the US in the future.

Sales in Canada are still going well and Canada is now our biggest market.

Rest of the world

During the first nine months of the year, we have made good progress in terms of both sales and results in the countries where we operate in Asia. In China, our distributor built up a large inventory in the first part of the year and therefore sales to them in the second half of the year will be modest. I just visited our distributor in China. Their sales of New Nordic goods are increasing month by month and they are making a big effort to establish New Nordic on the market.

Our distributor in Vietnam has also demonstrated good growth in sales of New Nordic products this year.

Innovation

At New Nordic, we have defined what we call "Power Categories": These are categories of dietary supplements that are growing faster than the dietary supplement market in general. Our product development and collaboration with retailers is focused on these categories. Our introduction of the new products in the "Power Category's" has been very well received by the trade across the geographies and will drive our growth in the coming years.

Summary

We have increased sales during the first nine months of the year, but our results are unsatisfactory. After getting the US back on track, Denmark and Sweden in particular, which have historically been very profitable markets, have suffered during the year. I am convinced that sales and results in Denmark and Sweden will soon improve.

There have also been a number of changes in our markets, such as in Benelux and the eastern markets of Central Asia, which have cost us quite a lot, but which we judged to be necessary for future success.

As results are unsatisfactory, we have taken steps to reduce our investments and costs in Switzerland, Spain and Australia. Establishment in the three markets is progressing and distribution is increasing, but we must cut our losses until our profits again allow us to resume a higher investment.

Our gross margin has declined marginally, but I expect it to increase again as a result of previously successful price negotiations with key suppliers, which will not take effect until the fourth quarter. At the same time, we have made price increases, the effect of which we will see in the near future.

We have had good control over our costs, which have fallen during the third quarter. We also have good control over our stock, which we now consider to be at the right level in relation to turnover and our level of service.

We can finance our continued growth ourselves.

I am convinced that in the coming periods we will become profitable so that we can continue our growth ambitions and consolidation in the markets where we operate.

Everyone at New Nordic has made a big effort during the period and everyone knows our situation and what goals we have. I look forward to the latter part of the year where we will begin to see the results of our recent actions.



Karl Kristian Bergman Jensen, CEO

Malmö, 31 October 2024

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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.

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