



# ANNUAL REPORT 2016

New Nordic Healthbrands AB (publ)  
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## “ANOTHER YEAR OF RECORD SALES.”



Karl Kristian Bergman Jensen, CEO

2016 was another year of expansion and a year of re-structure of our manufacturing and supplier set-up. Now we are well prepared to continue our growth. The driving forces are innovation, new geographic locations and marketing.

In recent years our consumer offering has been broadened with a number of new products serving the needs of our consumers. This was also the case in 2016 where we launched Easy Digest™, Deep Breath™ and No Stress™. Adding to the vitality, beauty and diet category of products we also introduced a new range of herbal based Sports Nutrition™ products for the rising number of athletes, professionals and people exercising in general. Although our vitality range of products are still our most important category the "Beauty From Within" supplements are growing rapidly in sales. This was further fueled in 2016 by our introduction of celebrity marketing with the help of the Hollywood star Carmen Electra who is a regular consumer and fan of our Skin Care product. We are very excited about new beauty innovations we have in the pipeline for 2107.

I am also very excited about the opening of New Nordic in Hong Kong and Switzerland in 2016. Our exhibition at the yearly Hong Kong trade show was very well received and our new steps in this region is opening the doors to the big and fast growing Asian food supplement market.

Our strategy to create brands of food supplements that address specific health and beauty needs and market these brands to a growing number of consu-

mers worldwide, stems from a deeply held ambition for New Nordic. Our principal goal is to develop the New Nordic brand over the long term and consolidate our international market position. Our brand is exceptional and an incomparable asset.

Our business platform is based on excellence. We guarantee the quality of our products by carefully checking all steps from field and forest to the final packaged products. All products are manufactured in Scandinavia and our characteristic New Nordic "Silvertree" mark is our quality brand and promise to the consumer. The resources used in this comprehensive test and quality program has made our brand successful and trusted since the inception of our business.

Our employees at our core innovative center in Malmö and Roskilde and in our subsidiaries around the world are highly engaged. Their talent and creativity make our New Nordic products even more desirable for our consumers. Each and everyone contributed to the achievements of 2016 and everybody is fully aware of the goals and efforts that is needed to create our continued growth.

Although we are taking a prudent approach due to mixed economic outlook for 2017 and the coming years, we are also moving forward with confidence. The global food supplement market is rising. Particularly supplements based on herbal extracts are foreseen to grow during the coming years. This increase is attributed to the rising prominence of herbs for the effect on physical as well as mental disfunction's in the

human body. Further more, rising concerns over the adverse effects of conventional medicines are expected to promote the use of herbal extracts.

Adults over 40 years of age are "heavy" consumers of dietary supplements. The increase of the population over 40, increased longevity and a simultaneous growth in the global disposable income plus a growing global middle class are factors that will benefit our industry. We aim to take market share in this growing market.

Everywhere, the importance of e-commerce portals as a selling medium for food supplement manufacturers is increasing on account of providing access to products through key benefits including favorable discounts and peer consumer review features. In 2016 we have been preparing our 2017 launch of the New Nordic online shop in China. The digital explosion and the wide open world is brimming with growth opportunities for New Nordic.

The growth in 2017 will predominantly come from the international roll-out of successful Scandinavian products. In addition 2017 also feature a wide array of new product launches and promising developments. As the North American market is growing in importance for us we are looking further to the North American consumer trend when we are prioritizing our product innovations.

A new year has begun and we will strive to get even better at the things we do so well. We will expand our international business and the value of our brand. With

higher sales, focus on gross margin and the effectiveness of our marketing we can improve our profitability if we also manage to keep down our fixed costs. We will continue to closely follow developments in the markets where we are present.

The international market is growing but there are challenges from country to country that can not be neglected.

We are excited and we firmly believe that we can take market share in this growing market, increase the value of our brand and increase the earnings per share for our shareholders in 2017.



Karl Kristian Bergman Jensen  
CEO

## SELECTED FINANCIAL DATA

(kSEK)	2016	2015	2014	2013	2012
<b>The Share</b>					
Number of shares by end of the year*	6 195 200	6 195 200	6 195 200	6 195 200	6 195 200
Own shares by 31st December*	0	0	0	0	0
Market price 31st December, SEK	27.5	23.9	23.4	14.5	6.0
Earnings per share, SEK*	1.55	1.83	2.00	0.93	-0.66
Equity per share, SEK*	6.9	5.8	4.0	2.2	1.4
Dividend per share, SEK**	0.40	0.25	0	0	0
<b>Company size</b>					
Number of employees by end of year	42	44	38	37	37
Market Cape 31 st December	170 368	148 065	144 968	89 830	37 171
<b>Operations</b>					
Sales	305 842	298 485	271 949	227 983	203 787
EBITDA	14 096	18 592	19 118	12 154	5 457
Operating profit	13 007	15 718	16 199	9 161	-1 038
Profit after financial items	12 523	14 240	16 525	7 894	-4 554
Profit	9 574	11 330	12 375	5 781	-4 086
<b>Margins</b>					
Gross margin, %	65.3	65.9	63.9	65.3	62.1
EBITDA margin, %	4.6	6.2	7.0	5.3	2.7
Operating margin, %	4.3	5.3	6.0	4.0	-0.5
Profit margin after tax, %	3.1	3.8	4.6	3.5	-2.2
<b>Growth</b>					
Sales growth, %	2.5	9.8	19.2	11.9	2.2
Growth in earnings per share, %	-15.3	-8.5	115.1	-	-
<b>Balance sheet data</b>					
Total assets	127 592	125 235	100 662	90 288	91 727
Equity	42 979	35 772	25 059	13 549	8 472
Equity	6 195	6 195	6 195	6 195	6 195
<b>Effectiveness</b>					
Return on capital employed, %	17.7	28.9	46.1	38.5	-3.4
Return on equity, %	22.3	31.7	49.4	42.7	-48.2
Sales per employee	7 113	6 784	7 157	6 162	5 095
Gross profit per employee	4 641	4 471	4 572	4 021	3 161
Profit per employee	228	258	326	156	-110
<b>Financial position</b>					
Debt-equity ratio, times	1.97	2.5	3.0	5.7	9.8
Interest coverage, times	15.8	13.7	9.5	3.5	-0.2
Equity ratio, %	33.7	28.6	24.9	15.0	9.2
<b>Cash flow</b>					
Cash flow from operating activities	1624	-2 560	3 204	483	4 167
Cash flow from financing activities	-1 799	1 555	-1 483	406	-176
Investments	597	792	588	508	906

\* There are no dilutive effects.

\*\* The Board proposes that the dividend for the financial year 2016 is set at SEK 0.40 per share.

**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.

# BOARD MEMBERS AND AUDITORS



## **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 the New Nordic since 1990. Prior to that Karl Kristian Bergman Jensen was International Marketing Manager and Director of Chartex International PLC in England, now known as The Female Health Company, USA. Before that Mr. Jensen was International Marketing Manager at Farma Food A / S.

Mr. Jensen is also Chairman of Vaccinium Holdings ApS and Ripamonti Finanz AG.



## **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.



## **MARINUS BLÅBJERG SØRENSEN, BORN 1951**

Chairman since 2006 and CEO of the New Nordic Manufacturing ApS. 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.



## **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 Lagerkrantz Group AB, Östanbäck Timmerhus AB, Zarismo AB, QuickCool 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.

Directors and management team's business address is  
New Nordic, Södra Förstadsgatan 3, 211 43 Malmö

Chartered accountant

Ernst & Young AB.

Chartered accountant Martin Henriksson

Nordenskiöldgatan 24, 203 14 Malmö. Ernst & Young AB, Martin Henriksson, is New Nordic's chartered accountant since the annual General Meeting 2016. Martin Henriksson is a member of the trade association for accountants, "FAR SRS".

## BUSINESS IDEA

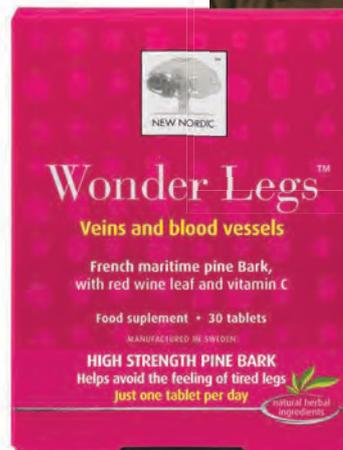
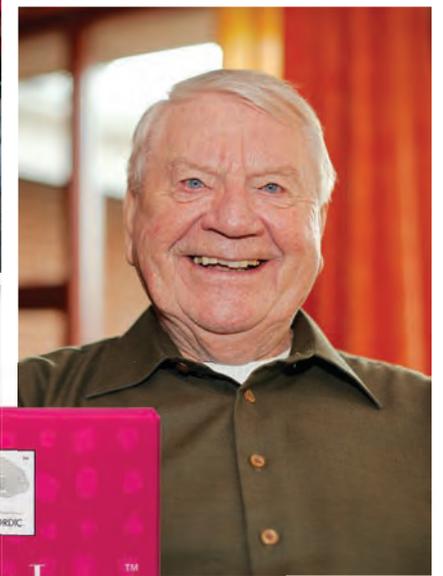
**NEW NORDIC** is a 306 million SEK food supplement company serving people in 33 countries with consumer products that makes lives healthier and more enjoyable. The Company focuses on strong international brands in specific health condition market segments like sleep, anti-ageing and diet, plus hair, skin and nails supplements. New Nordic follows a tightly defined strategy to grow market shares locally and build international brands in this otherwise extremely fragmented industry.

The Company'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. The Company believes continual investment in research and development, marketing and advertising is critical to the development and sale of innovative products. The company 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. The Company also strive to control their brands 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.

The Company believes that great concepts are global and selling is local. The Company's strategy includes expanding its geographical distribution network to effectively reach more customers. Either through own national sales and marketing companies or through highly reputable distributors. The Company's products are distributed in pharmacies, drugstore and health stores and through the Company's down on-line store.

### BUSINESS ORGANIZATION

The Company's own research and development of innovative new products is a key driver of profitable growth. The Company try build and maintain superior know-how and expertise in herbal ingredients and it's ability to bring vitality to humans. The Company is



*Engaging with consumers is at the heart of New Nordic's strategy, which drives the company's strong performance and market share gains. Each of New Nordic's health brands is an invisible entity, a story in the mind, a sense of excitement at the prospect of seeing, acquiring and using our products. In other words, each brand is a compelling story build to create the consumer loyalty, that will make it the first choice.*

focused on insight-innovation that provides value-added new products. The Company 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 the Company's culture to encourage new ideas and improved processes throughout every aspect of the organisation. This is to be more efficient and work smarter and faster with less bureaucracy and better planning and reporting. The Company strongly believe that the key to success lies in making life better and easier for end consumers and for the retail partners. The Company encourage personnel to "go the extra mile" that competitors are not willing to go to surpass consumer and customer expectations.

The Company 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 the Company's products the first choice in every health concern market segment they operate in. The Company also handles advertising, media buying and the press internally on an international and national scale.

The Company manages its business primarily on a geographic national basis through it's daughter companies or reputable national distributors. Planning and reporting is made both on a country level and on brand level.

The Company believes 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. The Company 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 customize 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. The Company is engaging with its

retail partners to share expertise and provide shoppers with the best value and to educate and train the retailers personnel to enhance their knowledge of the Company's products. Additionally the Company has national in-house customer call centers to provide end consumers with a high-quality sales and post-sales support experience. Consumers are encouraged to call for advice through the Company's advertising.

The Company try to attract and retain the best people and develop their personalities and skills. The Company 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 the Company's people live and work and where the Company sells its products.ska ha den mest effektiva och anpassade produkt

## PRODUCTS

The Company offers a range of food supplements and natural medicines to benefit the solution of a health or beauty concern. The products are based on natural and safe edible ingredients. For each health concern there are many ingredients as for example herbal extracts, vitamins, micronutrients and fatty acids, which can be beneficial in different ways.

The Company's products are formulated by experts using combinations of ingredients for the highest effectiveness and ease of use. The products offer a solution for people who have no knowlegde of the pharmacological impact of nutrients and herbs. In other words, expert knowledge is transformed into solutions that can be accessed and used by the broad population.

**New Nordic is building international brands by**

- most effective products at the right price,
- aggressive marketing, and
- engagement with national retailers.

**All to create loyal consumers.**



# NATURAL MAGIC

At New Nordic we regularly explore new plant ingredients and find new uses for the existing ingredients. A single plant contains hundreds of substances that affect the body's functions. New technology reveals that plants affect our bodily functions and vitality mainly through the influence of the body's specialized cells. For example, a plant substance stimulating a human cell to be more active. It opens up a whole new exciting world with great possibilities to find plant substances that can affect the cells in our bodies.

Our body is composed of billions of cells that are highly specialized for performing various functions. Take the human skin as an example. In the skin, there are cells that produce collagen to keep skin supple and moist. Other cells in the skin produce melanin which protects us against the sun's rays. Thus, there are thousands of different cellular functions in the body. At New Nordic, we constantly strive to better understand and apply the knowledge we gather. The goal is to find and use plant ingredients that can advance the health and beauty of humankind. Our products are a result of our goals.



## THE CREATOR FRANÇOIS GÉRARD

Mr. François Gérard is the creator of many of New Nordic's iconic brands. Has been the head of New Nordic's research and development department since 2006. Mr. Gérard graduated from Agro Paris Tech and has more than 25 years of experience in plant resources valorization, as well as more than 10 years of experience in the development of suc-

cess in the international health and beauty industry for both New Nordic and leading cosmetic brands. Mr. Gérard is also an ethnobotanist expert with various missions in South America, Africa, India, Thailand and China. He has published several studies on biodiversity conservation.



# HIGH- LIGHTS FROM 2016

# BEHIND THE SCENES WITH CARMEN ELECTRA



**New Nordic Denmark has partnered with the world famous American model and actress Carmen Electra, who will be their campaign model in the autumn. Kurhotel Skodsborg is the setting for their new campaign.**

The 44-year-old model has fallen in love with one of the Danish supplements and has now agreed to be the new face of Skin Care™ Collagen Filler, a natural supplement that tightens the skin from the inside. The tablets contain concentrated pomegranate, natural collagen and vitamin C, a combination that appeals to Carmen Electra.

In the USA, where Skin Care Collagen Filler has quickly found a place on the shelf of retailers in all the states, it is especially the consumers in California that have embraced the product. One of them is Carmen Electra, who first received the product from her Danish friend and celebrity agent Claus Hjelmbak.

The secret behind the tablet's powerful effect is the combination of ingredients, which in a natural way works in harmony with the skin tissue to stimulate the skin's collagen-producing cells to make more collagen.

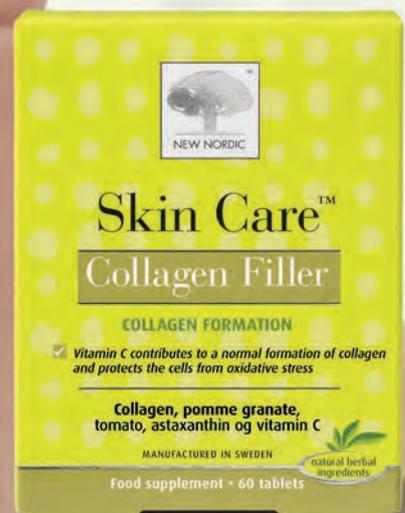
The tablets are based on natural plant extracts and vitamins, which are transported via the blood directly to the skin's deeper dermal layers where cosmetic anti-wrinkle creams don't reach.

Skin Care™ Collagen Filler shows visible effects on wrinkles already after 14 days, and in only a few years it has become one of the leading anti-wrinkle tablets in the world. It is one of a new generation of skin care products that are gaining popularity and replacing older anti-wrinkle tablets and creams.

*"... amazing that such a small tablet can have such a great effect. I love it!"*

# Carmen Electra

*“My secret for young  
and radiant skin”*



# MATAS SUPPLIER ROUND



## EDUCATION AND TRAINING

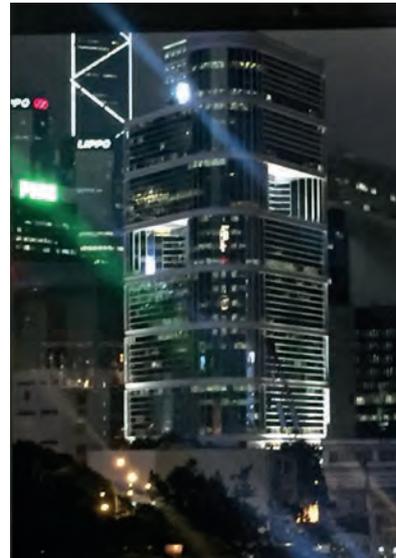
In order for the end consumer to receive the best advice on the choice and use of New Nordic's products, New Nordic continuously educate and train the retailer staff. (Pictures from Matas Leverandørrunde 2016.)



# FIRST TIME AT THE HONG KONG EXHIBITION



The next step in Asia. The Asian market for dietary supplements is huge and growing rapidly. For the first time, New Nordic exhibited at the Natural Expo Asia in Hong Kong in August 2016. The interest for New Nordic and its products was high. This resulted in the opening of discussions and negotiations with a number of potential business partners and retailers. Later in 2016 New Nordic opened the daughter company New Nordic Ltd in Hong Kong with the aim to launch the first products in Hong Kong in 2017. New Nordic also plan to establish online business with platforms such as T-mall.



# HAIR VOLUME MODEL 2017





# NEW PRODUCTS 2016

# Deep Breath™



## AIRWAYS AND IMMUNSYSTEM

When you are breathing you are exchanging carbon dioxide from your lungs with oxygen. Your airways are held open by flexible, fibrous connective tissue called cartilage. This way your lungs can get rid of more stale, trapped air and get space for fresh air full of oxygen. Vitamin C contributes to normal collagen formation for the normal function of cartilage. Black pepper helps to keep airways open. Vitamin A, B12, C and D contributes to the normal function of the immune system.

When you are feeling short of breath during exercise or regular activities, use these steps:

- Sit down, relax your shoulders, and breathe in through your nose (as if you are smelling something) for about 2 seconds.
- Pucker your lips like you're getting ready to blow out candles on a birthday cake.
- Breathe out very slowly through pursed-lips for 4-6 seconds.
- You can further train yourself by placing one hand on your chest and the other on your belly. As you breathe in, your belly should move outward. Your belly should move more than your chest. As you breathe out slowly through pursed-lips, gently press on your belly. This will push up on your diaphragm to help get your air out.
- Repeat until you feel you are breathing better.
- Continue activity, doing pursed-lips breathing as you go. Go at a slower pace if you need to.



# No Stress™



## RELAXATION & METAL PERFORMANCE

Your brain and body requires a wide spectrum of essential nutrients that work together to ensure optimum health and performance. These nutrients are also beneficial when you are living a busy and challenging life or when you are in stressful situations or exposed to unexpected events. No Stress™ provides advanced nutritional support through specific herbs, which all contribute to the maintenance of natural calmness and mental performance. Also, No Stress™ supports energy release and reduces the feelings of tiredness and fatigue.

Lavender contributes to relaxation. Pantothenic acid contributes to normal mental performance and iodine to normal cognitive function which is the set of all mental abilities and processes.

Magnesium and vitamin C contributes to normal psychological functions, normal functioning of the nervous system, normal energy-yielding metabolism plus the reduction of tiredness and fatigue. Vitamin C and riboflavin helps protect the cells from oxidative stress.



# Easy Digest™



## DIGESTIVE AND INTESTINAL FUNCTIONS

Easy Digest is a herbal and mineral tablet. The content of ginger, artichoke and malva helps support the digestion, furthermore malva supports regular bowel movement. Rubarb supports intestinal transit. Calcium contributes to the normal functioning of digestive enzymes.

There are many factors that can influence your digestion enzyme function and bowel function. Here are some tips to benefit your system...

1. Avoid stressful situations. A relaxed lifestyle not only helps maintain healthy bowel movements but also helps maintain healthy digestive enzymes. Digestive enzymes break down our food into nutrients so that your body can absorb them.
2. Get enough fluids during the day and remember that hot weather increases the evaporation of body fluids, which can lead to dehydration and dry bowel content.
3. Eat plenty of fibre and bulk rich foods such as fruits and vegetables, bran, whole grain breads and cereals. Some foods (such as dairy products, white potatoes, white bread and bananas) can harden stool, while others (such as excess amounts of fruit, caffeine, or spicy foods) may soften the stool.
4. Keep moving and be active. Exercise stimulates bowel movements. Massaging the lower abdomen in a circular, clockwise motion from right to left increases bowel activity.



# Sports Nutrition™



## SPORTS NUTRITION™ SERIES

**Metabolic Action™** is a tablet intended to be taken daily in the morning to boost your body and muscles with vitamins, magnesium and herbal substances before training later in the day. The ingredients in Metabolic Action are intended to help performance and endurance and reduce tiredness and fatigue. Arctic root contributes to physical performance and endurance. Black currant contributes to normal muscle functions. Vitamin B6 contribute to a normal protein and carbohydrate metabolism. Magnesium contributes to normal muscle function, energy-yielding metabolism and the reduction of tiredness and fatigue.

**Workout Recovery™** is a tablet to be taken daily after physical exercise to protect the cells and maintain the healthy function of joints, muscles and immune system. Turmeric contributes to joint health. Vitamin C contributes to maintain the normal function of the immune system during and after intense physical exercise and to the protection of cells from oxidative stress. Vitamin D and magnesium contributes to the maintenance of normal muscle function.

**Athletes Omega™** is a range of premium grade marine and plant oils designed to meet the highest quality and purity standards appealing to those athletes who are looking for the best oils available. The capsule provide a rich source of the essential fatty acids DHA (Docosahexaenoic acid) and EPA (Eicosapentaenoic acid) to help maintain health and wellbeing contributing to a normal heart function. The beneficial effect is obtained with a daily intake of 250 mg EPA and DHA. Vitamin D contributes to the maintenance of normal muscle function. Vitamin E contributes to the protection of cells from oxidative stress.



# BUILDING INTERNATIONAL BRANDS

New Nordic's strategy is to expand the geographical distribution network to effectively reach more consumers. Either through its own national sales and marketing company or through distributors of high

standing. New Nordic's products are distributed through pharmacies, medical and health food stores and through the company's own online store.



# THE SHOPPING EXPERIENCE



When our consumers shop, we want to give them an experience that they won't forget. For many, the shopping experience is a "re-connect with life" experience. An experience where you see what is new and available in the market. A connection with market.



# EXHIBITIONS



We participate in several exhibitions each year, for example, we are always with exhibitors at the Great American Natural Products Expo in Anaheim, CA.

At home, we are included in the senior events, pharmacy events, wellness events, health events around the country.



# HERBAL SCHOOL



## HERBAL SCHOOL WITH MATAS

We believe that education is the key to success when it comes to sharing our expertise to retailers and consumers, therefore we started our own herbal school in 2014 where we invite selected store staff to improve themselves in the wonderful world of herbs. The event was very successful therefore we repeated it last year.

# THE POWER OF RECOGNITION



New Nordic takes a systematic marketing approach with a global outlook. The company invests heavily in building up brand names on the clear merits of each product and its potential benefits. The company is telling its story and communicating its message through careful target advertising, supported by attractive packaging - and by the growing power of recognition New Nordic's products are achieving in more and more countries worldwide. The power comes from earning the purchasing loyalty of the people who use New Nordic products, people on the path to vitality. These are the people who realise that vitality goes beyond the absence of illness. It is a sense of harmony and contentment arising from inner equilibrium and balance that take the enjoyment of life to a new level. This is in part enhanced by products from New Nordic - instantly recognisable through their Silvertree logo.

## CURRENT MARKET CLIMATE

Dietary supplements, are meant to supplement the food eaten and to provide the required nutrients to the body. It encompasses products like vitamins, minerals, probiotics, herbs, botanicals, amino acids, sports nutritional products, and specialty nutritional products, among the others.

### THE CONSUMER

Dietary supplement users reported motivations related to overall health more commonly than for supplementing nutrients from food intake, and use was related to more favorable health and lifestyle choices.

Supplement users are more likely to report very good or excellent health, have health insurance, use alcohol moderately, eschew cigarette smoking and exercise more frequently than non-users. Less than a quarter of supplements used by adults were recommended by a physician or healthcare provider.

Dietary supplements are used by more than half of adults. The most commonly reasons for using supplements are to “improve” (45%) or “maintain” (33%) overall health. Older adults (≥60 years) are more likely than younger individuals to use dietary supplements for health condition specific reasons like heart, bone and joint and eye health. Only 23% of products were used based on recommendations of a healthcare provider.

### AGEING WORLD

The primary target group for most New Nordic products are women and men over the age of 40 years of age. Many of the consumers of New Nordic products are seniors who wish to stay vital. And this group of consumers is growing. Between 2015 and 2030, the number of people in the world aged 60 years or over is projected to grow by 56 per cent, from 901 million to 1.4 billion.\*\*

Both improved longevity and the ageing of larger cohorts, including those born during the post-World War II baby boom, mean that the older population is itself ageing. The proportion of the world's older persons who are aged 80 years or over is projected to rise from 14 per cent in 2015 to more than 20 per cent in 2050.\*\*

\*\* United Nations, Department of Economic and Social Affairs, Population Division (2015). World Population Ageing 2015 (ST/ESA/SER.A/390).

### INDUSTRY DRIVERS

The dietary supplement industry has shown a significant growth over the previous years. The increase can be attributed to the increasing health care costs, which make people focus on proactive health care instead of symptom relief. Also, the ageing population and the desire to remain healthy prove to be important factors in driving the dietary supplements market.

Also, people have increased faith in the dietary supplements due to wider acceptance of such products amongst the medical profession.

All these factors would continue to impact the dietary supplements industry worldwide in the foreseeable future.

### MARKET SIZE AND GROWTH

World wide demand for vitamins and dietary supplements is escalating steadily. The global dietary supplements market size was USD 122 billion (SEK 1 091 billion) in 2015\*. Of this USD 48 billion (SEK 430 billion) is related to tablets.\* Rising awareness towards maintenance of a healthy lifestyle, proper nutrition and weight loss are driving the growth in the dietary supplement market.

The submarket of the dietary supplement market, where New Nordic operates accounts for 20 to 25 per cent of the supplement market. It is defined as the herbal dietary supplement market. This segment shows higher growth rates than the dietary supplement market in general. It is foreseen to grow with a compounded annual growth rate, CAGR, of 9,7% from 2016 to 2024\*. This increase is attributed to the rising prominence of herbs for the effect on physical as well as mental disfunction's in the human body. Further more, rising concerns over the adverse effects of conventional medicines are expected to promote the use of herbal extracts.

Adults over 40 years of age and particularly old-age adults are heavy users of New Nordic products. This increase of this age group in the western world, the increased longevity and a simultaneous growth in the global disposable income plus a growing global middle class will benefit the potential for New Nordic in the coming years.

\* Source: Grand View Research

## REGULATORY STATUS

### 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 positive 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.

### USA

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

### CANADA

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).



## INTERNATIONAL SALES

### MARKETING COMPANIES

New Nordic has it's own subsidiaries which market the New Nordic brands in the following countries:

- Canada
- Denmark
- Estonia
- Finland
- France
- Germany
- Holland
- Hong Kong (New)
- Italy
- Kazakhstan
- Latvia
- Lithuania
- Norway
- Poland
- Sweden
- Switzerland (New)
- UK
- USA

### DISTRIBUTORS

New Nordic has distributors in:

- Armenia
- Belarus
- Belgium
- Bosnia
- China
- France
- Holland
- Iceland
- Ireland
- Iraq
- Jordan (New)
- Lebanon
- Moldova
- Slovenia
- Taiwan
- Vietnam

Additionally New Nordic market it's brands directly from Denmark or Lithuania in:

- Belgium
- France (partly)
- Georgia
- Luxembourg
- Romania

Sales by geographical area converted to Swedish kronor

	2016		2015	
	MSEK	PROCENT	MSEK	PROCENT
Nordic	123	40	125	42
Other Europe	97	32	101	34
North America	79	26	66	22
Other World	7	2	6	2

## NEW NORDIC IN HEALTH SEGMENTS

Market segment	Health concern category	Brand
Anti aging	Veines and blood vessels	Active Legs™
	Vision	Blue Berry™
	Memory and concentration	Clear Brain™
	Airways & immune system	Deep Breath™
	Hearing	Ear Tone™
	Joint health	Free To Move™, Lyprinol™
Beauty	Skin	Dermyn®, Skin Care™
	Hair	Hair Volume™, Hair Volume Nail Strong™, Hair Gro™
	Nails	Nail Strong™
Weightloss & Lifestyle	Weight loss and metabolism	Apple Cider™, Chili Burn™, Coffee Diet™, Raspberry Kick™, Seaweed Diet™
	Pre-diabetes	Zuccarin™
Liver & Detox	Liver health	Active Liver™
	Inner cleansing	BioDrain®, BioDrain Daily Detox
Digestion	Digestive system	Easy Digest™
	Bloatedness and gases	Dida™
	Reflux	Frutin® / Gastro Gel™
Relax & Sleep	Restful sleep	Melissa Dream™
	Relaxation & mental performance	No Stress™
Sports	Sports Nutrition series	Metabolic Action™, Workout Recovery™, Athlete Omega™
Heart	Heart health	Red Oil™, Green Oil™, Nordic Fish Oil™
Women's health	Menopause	Meno Joy™
	Urinary tract	Cran Berry™, Intim Comfort™
Vitamin supplement	Multivitamins series	Multivitamin woman, woman 55+, man, pregnant, vegetarians
Alcohol	Alcohol Metabolism	After Party™
Brain health	ADHD and concentration	eye q® / Equazen®

# NEW NORDICS PLAN

New Nordic has a plan for how the company will deliver strong results in the future.

The plan include

- Driving Growth Internationally
- Building Market Leadership
- Growing Profitability

The plan defines how the company will connect their brands to their consumers and make them loyal.

The plan is based on simple tactics:

1. by offering the most effective products and the best product experience at the right price
2. continue aggressive marketing
3. engage further with national retailers

## THE FOUNDATION FOR GROWTH

New Nordic's fine position, many loyal consumers, growth and profitability in the Scandinavian market are strong fundamentals for the future internationalisation and business of New Nordic.

From the start of New Nordic in 1990 until today 93% of the business is created through organic growth. The company is free to grow further without significant capital requirements and the assets are not burdened by goodwill.

New Nordic is operating in the food supplement market, which is primed for growth world wide for many years to come.

In some of the market segments where it operates is has obtained market leadership.

The market position in Scandinavia is strong. In other European countries and Canada it is starting to reach a revenue that will further improve profitability of the company. In USA the company believe it will be able to grow significantly under profitability in the years to come.

## FOCUS 2017

New Nordic has clearly prioritised health concern categories and markets where the company will focus resources in order to drive growth in 2017. In the US New Nordic will increase sales significant-

ly, make a positive return, and make sure to minimise risks.

The company plan all growth to be organic and do not plan any acquisitions during 2017.

A few launches into new health categories are planned for test marketing in 2017.

## FINANCIAL STRATEGY

The financial strategy is simple.

### 1. Gross Margin Up

The Company will strive to increase gross margin through product innovations, improved sourcing and increased economy of scale, which will reduce cost of goods. Simultaneously the company 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 overheads down. Overheads will be kept stable with growing sales which will bring overhead expense per cent down. Additionally the employees are encouraged to save costs where possible.

### 3. Advertising Investments

The company will continue to invest the current percentage of sales in advertising. 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.

# THE SHARE

## OWNERSHIP STRUCTURE

The table is reproduced from New Nordic share register as per 31 December 2016. The data in the table is based on information from Euroclear Sweden AB.

## FIRST NORTH

The shares of New Nordic were listed on First North, NASDAQ OMX, Stockholm in January 2007 under the trade name NNH, ISIS code is SE0001838038.

## SHARE DEVELOPMENT

The shareprice has increased with 15 percent from 23.90 SEK to 27.50 SEK during 2016. Relative to the OMX Stockholm Total (OMX-SPI) the share has increased with 9 per cent in 2016.

Market cap 31. December 2015: 148 mSEK

Market cap 31. December 2016: 170 mSEK

## SHAREHOLDERS AS PER 31ST DECEMBER, 2016

Shareholders	Shares	Ownership
Fjord Capital APS*	2 485 000	40.11 %
Banque Pictet & Cie SA, Geneva**	1 550 720	25,03 %
Credit Suisse AG, Zurich**	937 280	15.13 %
Nordea Investment Funds	292 466	4.72 %
CBLDN-French res TR-Client AC	201 995	3.26 %
Knock, Christian	176 661	2.85 %
Johansson, Lars	94 000	1.52 %
Nordnet Pensionsförsäkring AB	49 028	0.79 %
Skogman, Claes John Anders	40 000	0.65 %
Försäkringsaktiebolaget, Avanza Pension	36 009	0.58 %
Johansson, Rigmor Edit Ulrika	27 000	0.44 %
Lundmark, Jan	18 448	0.30 %
Adalsteinsson, Erpur	18 365	0.30 %
Arvidsson, Ola	15 500	0.25 %
Parkallen Invest AB	15 000	0.24 %
Swedbank Försäkring	10 688	0.17 %
Isaksen, Sören	10 000	0.16 %
Stratex Consulting AB	10 000	0.16 %
Ubs Switzerland Ag-Sparnord S.A.	8 294	0.13 %
Milojevic, Robert	7 997	0.13 %
Gudmunds, Jonas Lars Erik	7 500	0,12 %
Bny Mellon SA/NV (Former Bny)	6 899	0,11 %
Sörensen, Anders Have	6 690	0,11 %
Sijoitusrahassto AJ Value Hedge	5 300	0,09 %
<b>Sum 25 largest owners</b>	<b>6 030 840</b>	97.35 %
<b>Sum other</b>	<b>164 360</b>	2.65 %
<b>Total number of shares</b>	<b>6 195 200</b>	100 %

\* 2,485,000 shares owned by Fjord Capital ApS, which is owned 100% by Marinus Blåbjerg Sorensen and family privately and via companies.

\*\* 1,550,720 shares held by Banque Pictet & Cie SA and 929,280 shares held by Credit Suisse AG is owned by Vaccinium Holding ApS, where Karl Kristian Jensen Bergman is CEO and owns 62.4% privately and via companies. Additionally Karl Kristian Bergman Jensen owns 5000 shares privately and 2120 through Leonis Fund SPP - Verbier Fund®.

# 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 2017.

**PLACE:** Turning Torso  
**ADDRESS:** Lilla Varvsgatan 14, Malmö  
**TIME:** Thursday 27th of april 2017 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 Friday 21st april 2017 and notify their intention to attend the Annual General Meeting by Friday 21st april 2017 16.00 at the latest, in writing to the address New Nordic Healthbrands AB, Ivan Ruscic, Södra Förstadsgatan 3 , 211 43 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 Friday 21st april, 2017. 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. Authorization for the Board to decide to increase share capital by issuing new shares , issuance of convertible bonds and the issuance of warrants.
16. Authorization for the Board or persons appointed by the Board to make the formal changes to decisions in point 15 that may prove necessary in connection with registration of the Issue to Bolagsverket.
17. Closing of the AGM.

## PROPOSED RESOLUTIONS

### Item 10 - Proposed dividend

The board of directors and the CEO propose the Annual General Meeting to decide a dividend of SEK 0.4 per share to be paid for 2016. May 2, 2017 was decided as record date. With this record day, Euroclear Sweden AB is expected to pay the dividend on 5 May 2017.

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

The board fee is proposed to be SEK 210 000 to dispense with 0 paid to the Chairman, SEK 0 to Karl Kristian Bergman Jensen and with SEK 105 000 each to the other two directors and remuneration to the auditor shall be paid in a reasonable amount of approved invoices.

Board is to consist of four members with no deputies.

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

It is proposed to re-elect Ernst & Young as auditor.

#### **Item 15 - 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 6th of April 2017 and sent to shareholders who so request and state their address.

*Malmö, March 2017*

*The Board*

*New Nordic Healthbrands AB (publ)*



#### **LAVENDER** (*Lavandula angustifolia*, Mill.)

Lavender contributes to relaxation. Pantothenic acid contributes to normal mental performance and iodine to normal cognitive function which is the set of all mental abilities and processes.

No Stress™ provides advanced nutritional support through specific herbs, including lavender, which all contribute to the maintenance of natural calmness and mental performance. This is a guarantee for high quality.





# ANNUAL REPORT 2016

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

# MANAGEMENT REPORT

The Board and Chief Executive Officer of New Nordic Health Brands AB (publ) hereby submit the annual report for the fiscal year 2016. New Nordic Healthbrands AB is a public limited company, based in Malmö, Sweden. The registered address, Södra Förstadsgatan 3, 211 43 Malmö, Sweden. The Company's shares are listed on First North, NASDAQ OMX, Stockholm.

## THE BUSINESS

New Nordic develop and market branded food supplements, natural remedies and related personal care products. New Nordic's strategy includes expanding its geographical distribution network to effectively reach more consumers internationally.

Either through own national sales and marketing companies or through highly reputable distributors.

New Nordic's products are distributed in pharmacies, drugstore and health stores and through the company's own on-line store in 33 countries around the world. The consolidated structure shown in note 18.

## EVENTS DURING THE YEAR

In 2016 New Nordic focused on executing its strategy. The company re-structured it's manufacturing suppliers and sourcing of raw materials after it's biggest manufacturer increased price significantly. The company increased marketing expenses to further strengthen their international brands. The result was that sales rose 3 percent to 306 million SEK. The company has increased its sales of New Nordic products in most of the 33 markets where its products are now sold.

Gross margin decreased to 65.3 percent from 65.9 percent. Administration costs increased due to increase in personnel costs, resulting in an EBITDA margin of 4.6 per cent amounting to 14.1 million SEK. The company has a low book value of tangible and intangible assets and has relatively little debt, resulting in low cost of depreciation and interest. Operating profit amounted to 13.0 million SEK. The company's profit after tax amounted to 9.6 million which is 3.1 percent of sales. Return on equity was 22.3 percent. Earnings per share amounted to SEK 1.55 in 2016.

## OWNERSHIP

The share capital of New Nordic Healthbrands AB (publ) consisted of 6,195,200 shares at year end. The company has no treasury shares. Articles of Association contain no restrictions on transfer of shares. Owners with more than 10% of the share capital of the Company at 31 December 2016 was Fjord Capital ApS 40.03% (owned by Marinus Blåbjerg Sørensen and family directly and through companies) and Vaccinium Holding ApS which owns 40.16% of the share capital of the Company. Vaccinium Holdings ApS's shares are kept in custody at Credit Suisse AG and Banque Pictet & Cie AG. Karl Kristian Bergman Jensen is CEO and owns 62.4% of Vaccinium Holding ApS privately and through companies.

## SALES AND MARKETING

At year-end New Nordic own active sales subsidiaries in Canada, Denmark, England, Estonia, Finland, Germany, Italy, Latvia, Lithuania, Norway, Poland, Sweden, and the United States. The sales companies in Estonia and Latvia are branches of UAB New Nordic in Lithuania.

In addition, controls and finances the New Nordic marketing in Georgia, Kazakhstan and Romania. The company also has distributors in Armenia, Azerbaijan, Belgium, France, Georgia, Holland, Hong Kong, Iceland, Ireland, China, Lebanon, Luxembourg, Moldova, Slovakia, Slovenia, Taiwan and Vietnam.

## MARKETING

New Nordic markets its brands to consumers and so-called "healthcare professionals". In marketing use all relevant media in combination. (Weekly and daily press advertising, television, radio, outdoor advertising, in-store materials and electronic advertising on social media.)

## FINANCIAL POSITION

At year-end New Nordic SEK 6.9 million in cash and an equity ratio of 33.7%. Cash flow from operating activities amounted to SEK 1.6 million, cash flow from investment activities SEK 0.0 million and from financing activities SEK -1.8 million.

**FLERÅRSÖVERSIKT NYCKELTAL**

<b>Koncernen</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
Nettoomsättning	305.842	298.485	271.949	227.983	203.787
Resultat efter finansiella poster	12.523	14.240	16.525	7.894	-4.554
Balansomslutning	127.592	125.235	100.662	90.288	91.727
Soliditet	33,7	28,6	24,9	15,0	9,2
Antalet anställda vid periodens slut	42	44	38	37	37
<b>Moderbolaget</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
Nettoomsättning	111.165	111.734	107.150	64.554	2.110
Resultat efter finansiella poster	- 229	9.017	17.334	3.010	-4.307
Balansomslutning	116.922	117.089	101.229	85.406	95.528
Soliditet	57,2%	58,6%	59,3%	51,9%	43,4%
Antalet anställda vid periodens slut	3	3	3	3	4

30 women (32). There are 22 (22) nationalities employed.

**NEW PRODUCT DEVELOPMENT**

New Nordic product development includes literature research, raw material research, bioavailability studies, analyzes, clinical trials, market research, design and packaging development, and registration of products in new markets. Costs have been partly expensed and partly activated. (See page 50, accounting Assets).

**SUBSEQUENT EVENTS**

No significant events.

**OUTLOOK FOR 2017**

New Nordic expects growth in sales and earnings at all markets where the company has its own organization. New Nordic has clearly prioritized product categories and markets where the company will focus on driving the most growth in 2017. The company also expects to enter into distribution agreements in new markets during the year. The company plans that all the growth will be organic and is not planning any acquisitions in 2017. Launches of new dietary supplement products are planned in 2017.

**DIVIDEND POLICY**

The board of directors and the CEO propose the Annual General Meeting to decide a dividend of SEK 0.40 per share to be paid for 2016. May 2, 2017 was decided as record date. With this record day, Euroclear Sweden AB is expected to pay the dividend on 5 May 2017.

This proposal for dividend has been made in accor-

dance with chapter 18 paragraph 4 in Aktiebolagslagen and what is stated in chapter 17 paragraph 3 second and third sentence in Aktiebolagslagen.

New Nordic's financial goal is to enable the company to continue enjoying good growth and to be prepared to exploit future business opportunities. It is essential that the company's expansion is able to proceed as in the past with continued high degree of financial strength and continued freedom of action. Based on this policy, the Board of Directors has determined that the dividend should amount to 30-40 percent of the profit after taxes. In addition, the Board may propose the distribution of any surplus liquidity.

**RISK FACTORS****Cyclical risk factors**

Demand for New Nordic's products are affected, as are most consumer goods, changes in the general economic situation.

Sales of personal care products are traditionally considered to have a low sensitivity to economic fluctuations.

**Liquidity**

The company expects that cash flow from operations will increase liquidity during in 2017.

**Suppliers**

New Nordic's products consist of raw materials and ingredients from several different suppliers. 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.

### QUALIFIED EMPLOYEES

The Group's ability to attract and retain qualified personnel is crucial to its future success.

If key personnel leave New Nordic it may, at least in the short term, have a negative impact on business.

Although management believes that the Group will be able to hire and retain qualified personnel, there can be no assurance that this will occur on satisfactory terms against the competition available from other companies in the industry or related industries.

### GOVERNMENT AGENCIES AND STATE

New Nordic's products are largely directly or indirectly affected by legislation on medicines or food. Changes in legislation for drug or regulatory decisions regarding supplements / herbal products may be significant for New Nordic's ability to market or sell certain products or product categories.

### SUBSIDIARIES

There is a risk that the subsidiaries do not market its products in accordance with applicable local laws and regulations, risking fines and withdrawal of a marketing authorization. Additionally, there is a commercial risk related to how the company's products are received in the market and how they perform against competing products.

### ACQUISITION

Although New Nordic does not plan to acquire companies in 2017, it is not inconceivable that New Nordic acquires companies and/or various intellectual property rights. Then, there are risks of misjudgment on the acquisition date and the potential risks when the new activities will be integrated into the existing operations. companies and/or various intellectual property rights. Then, there are risks of misjudgment on the acquisition date and the potential risks when the new activities will be integrated into the existing operations.

### FUNDING

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. The Group'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.

### CURRENCY RISKS

Most of New Nordic's products are marketed and sold in different geographic markets with sales and purchases in local currencies. 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.

### PROPOSAL FOR DISPOSITION OF EARNINGS

#### Parent

To the Annual General Meeting the following

Share premium account	49 847 516 SEK
Retained earnings	8 821 889 SEK
Profit for the year	10 288 SEK

**58 679 693 SEK**

The board proposes

to pay out 0,40 SEK per share	2 478 080 SEK
and carry forward	56 201 613 SEK

**58 679 693 SEK**

This Annual Report has been approved by the Board on 27th March 2017. The annual report shall be submitted to the Annual General Meeting in Malmö on 27th April 2017.

*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.*

## GROUP INCOME STATEMENT

(kSEK)	Note	2016	2015
<b>Group income</b>			
Net sales	1	305 842	298 485
		305 842	298 485
<b>Group costs</b>			
Cost of goods sold		-106 269	-101 777
Other external costs	2	-150 495	-146 385
Employee costs	3	-34 982	-31 731
Depreciation of tangible and intangible assets	4	-1 089	-2 874
		<b>- 292 835</b>	<b>-282 767</b>
<b>Operating profit</b>	5	<b>13 007</b>	<b>15 718</b>
<b>Result fom financial investments</b>			
Interest income	6	342	256
Interest expense	7	-826	-1 734
		-484	-1 478
<b>Profit after financial items</b>		<b>12 523</b>	<b>14 240</b>
Tax	8	-2 949	-2 910
<b>Profit for the year</b>		<b>9 574</b>	<b>11 330</b>
Earnings per share*	9	1.55	1.83
Numbers per share		6 195 200	6 195 200

\* No dilution

# GROUP BALANCE SHEET

(kSEK)	Note	2016	2015
<b>ASSETS</b>			
<b>Fixed assets</b>			
<b>Intangible fixed assets</b>			
Brands	10	0	157
Capitalised product development costs	10	230	542
		<b>230</b>	<b>699</b>
<b>Tangible fixed assets</b>			
Equipment and tools	11	1 665	1 552
		<b>1665</b>	<b>1 552</b>
<b>Financial assets</b>			
Deferred tax	12	4 384	4 333
Long-term receivables	13	791	1 025
		<b>5 175</b>	<b>5 358</b>
<b>Total fixed assets</b>		<b>7 070</b>	<b>7 609</b>
<b>Current assets</b>			
<b>Inventories</b>			
Raw materials		18 747	17 155
Finished goods		32 879	29 724
		<b>51 626</b>	<b>46 879</b>
<b>Current receivables</b>			
Accounts receivables		47 173	53 303
Other receivables		10 232	7 656
Prepaid expenses	14	4 627	2 952
		<b>62 032</b>	<b>63 911</b>
<b>Liquid funds</b>		<b>6 864</b>	<b>6 836</b>
<b>Total current assets</b>		<b>120 522</b>	<b>117 626</b>
<b>TOTAL ASSETS</b>		<b>127 592</b>	<b>125 235</b>

(kSEK)	Note	2016	2015
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>	15		
Share capital		6 195	6 195
Other equity including net profit		36 784	29 577
<b>Equity attributable to parent company shareholders</b>		<b>42 979</b>	<b>35 772</b>
<b>Liabilities</b>			
Deferred tax liabilities	12	1 496	1 320
		<b>1 496</b>	<b>1 320</b>
<b>Long-term liabilities</b>			
Other long-term debts		1 318	1 295
		<b>1 318</b>	<b>1 295</b>
<b>Current liabilities</b>			
Bank overdraft	16	29 021	18 145
Accounts payable		36 200	48 887
Tax liabilities		2 232	2 281
Other liabilities		9 103	9 919
Accrued expenses	17	5 243	7 616
		<b>81 799</b>	<b>86 848</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>127 592</b>	<b>125 235</b>

## GROUP CHANGES IN EQUITY

Group 2015 (kSEK)	Share capital	Other equity incl. profit for the year	Total equity
<b>Balance at beginning of year</b>	<b>6 195</b>	<b>18 864</b>	<b>25 059</b>
Currency translation difference	0	-617	-617
Profit of the year	0	11 330	11 330
<b>Balance at the end of the year</b>	<b>6 195</b>	<b>29 577</b>	<b>35 772</b>

Group 2016 (kSEK)	Share capital	Other equity incl. profit for the year	Total equity
Dividend	0	-1 549	-1 549
Currency translation difference	0	-818	-818
Profit of the year	0	9 574	9 574
<b>Balance at the end of the year</b>	<b>6 195</b>	<b>36 784</b>	<b>42 979</b>

## CONSOLIDATED CASH FLOW STATEMENT

(kSEK)	2016	2015
CURRENT OPERATIONS		
Profit after financial items	13 007	15 718
<b>Adjustments for items not included in cash flows</b>		
Depreciations	1 089	2 874
Other provisions	-35	5
	<b>14 061</b>	<b>18 597</b>
Interest received	4	256
Interest expense	-826	-1 165
Taxation paid	-4 568	-2 289
<b>Cash flow from current operations before changes in working capital</b>	<b>8 671</b>	<b>15 399</b>
<b>Cash flow from changes in working capital</b>		
Inventories	-4 515	-13 511
Current receivables	3 740	-20 497
Current liabilities	-6 272	16 049
<b>Cash flow from current operations</b>	<b>1 624</b>	<b>-2 560</b>
INVESTMENT ACTIVITIES		
Investments in tangible fixed assets	-597	-792
Divestment	35	65
Changes in liabilities	572	2 816
<b>Cash flow from investment activities</b>	<b>10</b>	<b>2 089</b>
FINANCING ACTIVITIES		
Dividend	-1 549	0
Changes in long term debt	-250	1 555
<b>Cash flow from financing activities</b>	<b>-1 799</b>	<b>1 555</b>
<b>Changes in liquid funds</b>	<b>-165</b>	<b>1 084</b>
<b>Liquid funds at the beginning of the period</b>	<b>6 836</b>	<b>5 995</b>
<b>Exchange rate effect</b>	<b>193</b>	<b>-243</b>
<b>Liquid funds at the end of the period</b>	<b>6 864</b>	<b>6 836</b>

# PARENT COMPANY INCOME STATEMENT

(kSEK)	Note	2016	2015
<b>Operating revenue</b>			
Net sales	1	111 165	111 734
Other revenues		465	0
		<b>111 630</b>	<b>111 734</b>
<b>Operating costs</b>			
Cost of goods		-85 214	-83 865
Other external expenses	2	-22 855	-21 536
Employee expenses	3	-3 435	-3 458
Depreciation of tangible and intangible assets	4	-344	-869
		<b>-111 848</b>	<b>-109 728</b>
<b>Operating profit</b>	5	<b>-218</b>	<b>2 006</b>
<b>Result from financial items</b>			
Income from participations in Group companies	6	0	7 655
Interest income and similar income items	6	583	273
Interest expense and similar expense items	7	-594	-917
		<b>-11</b>	<b>7 011</b>
<b>Profit after financial items</b>		<b>-229</b>	<b>9 017</b>
<b>Allocations</b>			
Change in accrual fund		297	28
Change in depreciation in excess of plan		0	140
Tax on profit for the year	8	-58	-375
<b>PROFIT FOR THE YEAR</b>		<b>10</b>	<b>8 810</b>

## PARENT COMPANY BALANCE SHEET

(kSEK)	Note	2016	2015
<b>ASSETS</b>			
<b>Fixed assets</b>			
<b>Intangible assets</b>			
Trademarks	10	0	20
Capitalised development expenditure	10	218	522
		<b>218</b>	<b>542</b>
<b>Tangible fixed assets</b>			
Equipment	11	14	34
		<b>14</b>	<b>34</b>
<b>Financial assets</b>			
Holdings in Group companies	18	29 161	28 728
Receivables from Group companies	19	18 225	19 981
Other long-term receivables	13	49	0
		<b>47 435</b>	<b>48 709</b>
<b>Total fixed assets</b>		<b>47 667</b>	<b>49 285</b>
<b>Current assets</b>			
<b>Inventories</b>			
Raw materials		18 719	17 136
Finished goods		11 521	9 779
		<b>30 240</b>	<b>26 915</b>
<b>Current receivables</b>			
Receivables		1 724	818
Receivables from Group companies		32 845	38 575
Other receivables		2 313	1 188
Prepayments and accrued income	14	2 128	303
		<b>39 010</b>	<b>40 884</b>
<b>Cash and bank balances</b>		<b>5</b>	<b>5</b>
<b>Total current assets and receivables</b>		<b>69 255</b>	<b>67 804</b>
<b>TOTAL ASSETS</b>		<b>116 922</b>	<b>117 089</b>

(kSEK)	Note	2016	2015
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>	15		
<b>Restricted equity</b>			
Share capital		6 195	6 195
		<b>6 195</b>	<b>6 195</b>
<b>Unrestricted equity</b>			
Share premium reserve		49 848	49 848
Retained earnings		8 822	1 561
Profit of the year		10	8 810
		<b>58 680</b>	<b>60 219</b>
<b>Total equity</b>		<b>64 875</b>	<b>66 414</b>
<b>Untaxed reserves</b>			
		<b>2582</b>	<b>2 879</b>
<b>Current liabilities</b>			
Current part of long-term debt to credit institutions	16	23 366	13 995
Accounts payable		14 323	26 074
Liabilities to Group companies		10 790	6 111
Current tax liabilities		0	656
Other liabilities		180	205
Accrued expenses and deferred income	17	806	755
		<b>49 465</b>	<b>47 796</b>
<b>Total equity and liabilities</b>		<b>116 922</b>	<b>117 089</b>

## PARENT COMPANY CHANGE IN EQUITY

Parent company 2015 (kSEK)	Share- capital	Premium reserve fund	Balanced profit	The year's profit	Total
<b>Balance at the beginning of the year</b>	<b>6 195</b>	<b>49 848</b>	<b>-12 827</b>	<b>14 388</b>	<b>57 604</b>
Previous year's result	0	0	14 388	-14 388	0
Profit for the year	0	0	0	8 810	8 810
<b>Balance at the end of the year</b>	<b>6 195</b>	<b>49 848</b>	<b>1 561</b>	<b>8 810</b>	<b>66 414</b>

Parent company 2016 (kSEK)	Share- capital	Premium reserve fund	Balanced profit	The year's profit	Total
Previous year's result	0	0	8 810	-8 810	0
Dividend	0	0	-1 549	0	-1 549
Profit for the year	0	0	0	10	10
<b>Balance at the end of the year</b>	<b>6 195</b>	<b>49 848</b>	<b>8 822</b>	<b>10</b>	<b>64 875</b>

## PARENT COMPANY CASH FLOW STATEMENT

(kSEK)	Note	2016	2015
<b>Current operations</b>			
Operating profit		-218	2 006
<b>Adjustments for items not included in cash flow</b>			
Depreciation and amortization		344	869
		<b>126</b>	<b>2 875</b>
Dividends from subsidiaries		0	7 655
Interest received		583	273
Interest paid		-594	-917
Income tax paid		-714	-517
<b>Cash flow from operations before changes in working capital</b>			
		<b>-599</b>	<b>9 369</b>
<b>Changes in working capital:</b>			
Changes in inventories		-3 325	-8 489
Change in receivables		1 874	-10 966
Change in current liabilities		-7 046	1 052
<b>Cash flow from operations</b>			
		<b>-9 096</b>	<b>-9 034</b>
<b>Investment activities</b>			
Acquisition of subsidiaries		-433	0
Acquisition of tangible assets		0	-16
<b>Cash flow from investing activities</b>			
		<b>-433</b>	<b>-16</b>
<b>Financing activities</b>			
Dividend		-1 549	0
Change in long term liabilities		0	-237
Change in long-term receivables		1 707	2 742
Change in bank overdraft		9 371	6 545
<b>Cash flow from financing activities</b>			
		<b>9 529</b>	<b>9 050</b>
<b>Cash flow for the year</b>			
		<b>0</b>	<b>0</b>
<b>Cash and cash equivalents at beginning of year</b>			
		<b>5</b>	<b>5</b>
<b>Cash and cash equivalents at end of year</b>			
		<b>5</b>	<b>5</b>

# 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.

## ACCOUNTING METHOD

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, which formed the basis for the valuation of the shares at the issue in kind which was conducted in February 2006. The difference between the purchase price and the acquired companies' equity is reported as the value of the brand BioDrain®. Consolidated shareholders' equity includes the parent company's equity and the portion of the subsidiaries' equity arising after the acquisition of these companies.

Parent Company was registered 2006-02-03 and 2006-02-15 Group was formed in kind. Contribution in kind, liabilities and assets of the subsidiaries to the parent company conducted with economic effect from 2006-01-01.

## 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. It is New Nordic belief that the economic life of the Group's brands in any case not less than ten years.

### **DEPRECIATION RATES**

Trademark 10 years

Capitalised development costs 10 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, Spain, Turkey 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.

# NOTES

All amounts are kSEK unless otherwise stated.

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

## Note 1. Segment reporting

### Business segments

#### Primary segment

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

	<b>Group 2016</b>	<b>Group 2015</b>	<b>Parent 2016</b>	<b>Parent 2015</b>
External sales	305 842	298 485	9 450	9 494
Internal sales	156 569	148 862	101 715	102 240
<b>Sum</b>	<b>462 411</b>	<b>447 347</b>	<b>111 165</b>	<b>111 734</b>
Elimination	-156 569	-148 862	-101 715	-102 240
<b>Net sales</b>	<b>305 842</b>	<b>298 485</b>	<b>9 450</b>	<b>9 494</b>

#### Secondary segment

#### Geographical areas

	<b>2016</b>	<b>Net sales 2015</b>
Nordic region	123 246	125 398
Other Europe	97 245	101 342
North America	78 178	65 598
Other world	7 173	6 147
	<b>305 842</b>	<b>298 485</b>

27.9% (26.0%) of purchases in the parent company are related to the purchases of subsidiaries.

**Note 2. Information about the remuneration of the auditor**

<b>Fees and expenses</b>	<b>Group 2016</b>	<b>Group 2015</b>	<b>Parent 2016</b>	<b>Parent 2015</b>
<b>Ernst &amp; Young</b>				
Auditing	518	476	250	250
Auditing outside assignment	0	42	0	0
Tax advice	0	24	0	0
Other services	60	95	60	60
<b>RSM Richter Chamberland</b>				
Auditing	268	269	0	0
Auditing outside assignment	0	0	0	0
Tax advice	0	50	0	0
Other services	0	0	0	0
<b>Total Revisjon DA</b>				
Auditing	50	54	0	0
Auditing outside assignment	0	0	0	0
Tax advice	0	0	0	0
Other services	12	13	0	0
<b>Total</b>	<b>908</b>	<b>1 023</b>	<b>310</b>	<b>310</b>

**Note 3. Personal**

<b>Average number of employees</b>	<b>2016 Employees</b>	<b>Whereof men</b>	<b>2015 Employees</b>	<b>Whereof men</b>
Parent company in Sweden	3	67%	3	67%
<b>Subsidiaries</b>				
Sweden	4	0%	4	0%
Denmark	15	13%	15	13%
Norway	2	0%	3	0%
Finland	1	0%	1	0%
Lithuania	7	57%	6	67%
Germany	0	0%	0	0%
Poland	1	100%	1	100%
Great Britain	2	50%	2	50%
Canada and United States of America	5	20%	7	14%
Turkey	0	0%	0	0%
Russia	0	0%	0	0%
Italy	2	50%	2	50%
Spain	0	0%	0	0%
Holland	0	0%	0	0%
France	0	0%	0	0%
Mexico	0	0%	0	0%
<b>Total subsidiaries</b>	<b>39</b>	<b>26%</b>	<b>41</b>	<b>24%</b>
<b>Total for the group</b>	<b>42</b>	<b>29%</b>	<b>44</b>	<b>27%</b>

<b>Gender breakdown among the senior executives</b>	<b>Group 2016</b>	<b>Group 2015</b>	<b>Parent 2016</b>	<b>Parent 2015</b>
Distribution of women and men on company boards:				
Women	5%	5%	25%	25%
Men	95%	95%	75%	75%
Distribution of women and men in senior management:				
Women	7%	5%	25%	25%
Men	93%	95%	75%	75%

**Salaries and benefits**

<b>Salaries and other remunerations</b>	<b>2016</b>		<b>2015</b>	
	<b>Salaries and other remunerations</b>	<b>Social expenses</b>	<b>Salaries and other remunerations</b>	<b>Social expenses</b>
Parent company (of which pension costs)	2 637	769 376	2 687	766 356
Subsidiaries (of which pension costs)	25 335	5 206 2 796	22 610	4 975 2 416
<b>Total group</b> (of which pension costs)	<b>27 972</b>	<b>5 975</b> 3 172	<b>25 297</b>	<b>5 741</b> 2 772

**Salaries and benefits (excluding pension costs) by country**

	<b>2016</b>			<b>2015</b>		
	<b>CEO, Board and other leading executives</b>	<b>Other employees</b>	<b>Total</b>	<b>CEO, Board and other leading executives</b>	<b>Other employees</b>	<b>Total</b>
<b>Sweden</b>						
Parent company	1 830	807	2 637	1 898	789	2 687
Subsidiaries	0	2 563	2 563	0	2 645	2 645
<b>Sweden total</b>	<b>1 830</b>	<b>3 370</b>	<b>5 200</b>	<b>1 898</b>	<b>3 434</b>	<b>5 332</b>
<b>Subsidiaries abroad</b>						
Denmark	1 236	10 263	11 499	1 219	8 103	9 322
Norway	0	1 961	1 961	0	2 223	2 223
Finland	0	685	685	0	580	580
Baltics	0	2 029	2 029	0	1 807	1 807
England	0	1 437	1 437	0	1 527	1 527
Poland	0	558	558	0	612	612
Canada and USA	0	3 205	3 205	0	2 608	2 608
Italy	0	1 398	1 398	0	1 286	1 286
<b>Subsidiaries abroad total</b>	<b>1 236</b>	<b>21 536</b>	<b>22 772</b>	<b>1 219</b>	<b>18 746</b>	<b>19 965</b>

**Salaries and remuneration of senior management**

<b>Group 2016</b>	<b>Salary</b>	<b>Directors' fees</b>	<b>Pension</b>	<b>Total</b>
Chariman of the board	1 236	0	124	1 360
Board directors	0	200	0	200
Chief Executive Officer	1 630	0	0	1 630
<b>Group total</b>	<b>2 866</b>	<b>200</b>	<b>124</b>	<b>3 190</b>

<b>Group 2015</b>	<b>Salary</b>	<b>Directors' fees</b>	<b>Pension</b>	<b>Total</b>
Chariman of the board	1 219	0	122	1 341
Board directors	0	200	0	200
Chief Executive Officer	1 698	0	0	1 698
<b>Group total</b>	<b>2 917</b>	<b>200</b>	<b>122</b>	<b>3 239</b>

<b>Parent company 2016</b>	<b>Salary</b>	<b>Directors' fees</b>	<b>Pension</b>	<b>Total</b>
Chariman of the board	0	0	0	0
Board directors	0	200	0	200
Chief Executive Officer	1 630	0	0	1 630
<b>Parent company total</b>	<b>1 630</b>	<b>200</b>	<b>0</b>	<b>1 830</b>

<b>Parent company 2015</b>	<b>Salary</b>	<b>Directors' fees</b>	<b>Pension</b>	<b>Total</b>
Chariman of the board	0	0	0	0
Board directors	0	200	0	200
Chief Executive Officer	1 698	0	0	1 698
<b>Parent company total</b>	<b>1 698</b>	<b>200</b>	<b>0</b>	<b>1 898</b>

The group's senior management, who is also the company's board, made up a total of 4 people (4 pcs). For the two extern directors' fees are paid by 100 thousand (100 thousand) each. Remuneration to the CEO of the parent company was invoiced by a company wholly owned by the CEO. No bonuses were paid to the CEO or board members. The CEO has reached agreement on six months' notice by the Company, and three months from the CEO's side.

**Note 4. Distribution depreciation**

	<b>Group 2016</b>	<b>Group 2015</b>	<b>Parent 2016</b>	<b>Parent 2015</b>
<b>Depreciation according to plan</b>				
Trademarks	-157	-1 354	-20	-20
Product development	-314	-922	-304	-789
Equipment	-618	-598	-20	-60
<b>Sum</b>	<b>-1 089</b>	<b>-2 874</b>	<b>-344</b>	<b>-869</b>

**Note 5. Operationell leasing**

	<b>Group</b>	<b>Group 2015</b>	<b>Parent</b>	<b>Parent 2015</b>
Expensed leasing fees concerning operating lease agreements	2 601	2 605	164	164
Future lease fees concerning non cancellable operating leases agreements				
Shall be paid within 1 år	2 618	2 585	163	135
Shall be paid within 1-5 years	11 353	10 594	377	346
Shall be paid later than 5 years	162	0	0	0
<b>Sum</b>	<b>14 133</b>	<b>13 179</b>	<b>540</b>	<b>481</b>

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**

	<b>Group 2016</b>	<b>Group 2015</b>	<b>Parent 2016</b>	<b>Parent 2015</b>
Interest income	4	256	1	2
Interest income from group companies	0	0	245	271
Foreign exchange gains	338	0	337	0
<b>Sum</b>	<b>342</b>	<b>256</b>	<b>583</b>	<b>273</b>

**Income from participations in group companies**

	<b>Group 2016</b>	<b>Group 2015</b>	<b>Parent 2016</b>	<b>Parent 2015</b>
Dividends from subsidiaries	0	0	0	7 655
<b>Sum</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>7 655</b>

**Note 7. Interest expense and similar expense items**

	<b>Group 2016</b>	<b>Group 2015</b>	<b>Parent 2016</b>	<b>Parent 2015</b>
Interest expenses	-826	-1 165	-594	-376
Interest expenses, group companies	0	0	0	-11
Foreign exchange losses	0	-569	0	-530
<b>Sum</b>	<b>-826</b>	<b>-1 734</b>	<b>-594</b>	<b>-917</b>

**Note 8. Tax on profit for the year**

	<b>Group 2016</b>	<b>Group 2015</b>	<b>Parent 2016</b>	<b>Parent 2015</b>
Current tax expense	-3 066	-2 937	-58	-375
Deferred tax	117	27	0	0
<b>Reported tax expense</b>	<b>-2 949</b>	<b>-2 910</b>	<b>-58</b>	<b>-375</b>

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

	<b>Group 2016</b>	<b>Group 2015</b>	<b>Parent 2016</b>	<b>Parent 2015</b>
Reported profit before tax	12 523	14 240	68	9 185
Tax at applicable tax rate	-2 755	-3 133	-15	-2 021
Tax effect of: non-deductible expenses	-266	-118	-41	-35
Non-taxable income	20	22	0	1 685
Change in temporary differences	0	0	0	0
Change loss carry forwards	0	0	0	0
Adjustment for tax rates in foreign group companies	57	300	0	0
Others	-5	19	-2	-4
<b>Reported tax expense</b>	<b>-2 949</b>	<b>-2 910</b>	<b>-58</b>	<b>-375</b>

The current tax rate in the group varies mellan 15% -37% and 22.0% of the parent company. Loss carryforwards arising in Russia, Spain, Turkey and Mexico have not been activated

**Note 9. Earnings per share**

The Board proposes a dividend of SEK 0.40 per share (0.25) for 2016, equivalent to SEK 2,478,000 (1 548 800). 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.

**Earnings and dividend per share**

<b>Group</b>	<b>2016</b>	<b>2015</b>
Earnings used in calculating earnings per share	9 574	11 330
Average number of shares, in thousands	6 195	6 195
<b>Earnings per share*</b>	<b>1.55</b>	<b>1.83</b>
<b>Parent company</b>		
Earnings used in calculating earnings per share	10	8 810
Average number of shares, in thousands	6 195	6 195
<b>Earnings per share*</b>	<b>0.00</b>	<b>1.42</b>

\* There is no dilution.

**Note 10. Intangible assets**

<b>Trademark</b>	<b>Group 2016</b>	<b>Group 2015</b>	<b>Parent 2016</b>	<b>Parent 2015</b>
<b>Opening accumulated acquisition values</b>	<b>33 507</b>	<b>35 507</b>	<b>470</b>	<b>470</b>
Purchases for the year	0	0	0	0
<b>Closing accumulated acquisition values</b>	<b>35 507</b>	<b>35 507</b>	<b>470</b>	<b>470</b>
<b>Opening accumulated depreciations</b>	<b>-35 350</b>	<b>-33 996</b>	<b>-450</b>	<b>-430</b>
Depreciations of the year	-157	-1 354	-20	-20
<b>Closing accumulated depreciations</b>	<b>-35 507</b>	<b>-35 350</b>	<b>-470</b>	<b>-450</b>
<b>Closing residual value</b>	<b>0</b>	<b>157</b>	<b>0</b>	<b>20</b>

<b>Capitalized product development costs</b>	<b>Group 2016</b>	<b>Group 2015</b>	<b>Parent 2016</b>	<b>Parent 2015</b>
<b>Opening accumulated acquisition values</b>	<b>4 337</b>	<b>4 351</b>	<b>2 691</b>	<b>2 691</b>
Translation difference	15	-14	0	0
Purchases for the year	0	0	0	0
Sales / disposals	0	0	0	0
<b>Closing accumulated acquisition values</b>	<b>4 352</b>	<b>4 337</b>	<b>2 691</b>	<b>2 691</b>
<b>Opening accumulated depreciations</b>	<b>-3 795</b>	<b>-2 885</b>	<b>-2 169</b>	<b>-1 380</b>
Translation difference	-13	12	0	0
Sales / disposals	0	0	0	0
Depreciations of the year	-314	-922	-304	-789
<b>Closing accumulated depreciations</b>	<b>-4 122</b>	<b>-3 795</b>	<b>-2 473</b>	<b>-2 169</b>
<b>Closing residual value</b>	<b>230</b>	<b>542</b>	<b>218</b>	<b>522</b>

**Not 11. Tangible fixed assets**

	<b>Group 2016</b>	<b>Group 2015</b>	<b>Parent 2016</b>	<b>Parent 2015</b>
<b>Opening accumulated acquisition values</b>	<b>5 391</b>	<b>5 569</b>	<b>564</b>	<b>548</b>
Translation difference	162	-440	0	0
Purchases for the year	659	452	0	16
Sales / disposals	-191	-190	-52	0
<b>Closing accumulated values</b>	<b>6 021</b>	<b>5 391</b>	<b>512</b>	<b>564</b>
<b>Opening accumulated depreciations</b>	<b>-3 839</b>	<b>-3 735</b>	<b>-530</b>	<b>-470</b>
Translation difference	-90	373	0	0
Sales / disposals	191	121	52	0
Depreciations of the year	-618	-598	-20	-60
<b>Closing accumulated Depreciations</b>	<b>-4 356</b>	<b>-3 839</b>	<b>-498</b>	<b>-530</b>
<b>Closing residual value</b>	<b>1 665</b>	<b>1 552</b>	<b>14</b>	<b>34</b>

**Note 12. Deferred tax**

	<b>Group 2016</b>	<b>Group 2015</b>	<b>Parent 2016</b>	<b>Parent 2015</b>
Deferred tax assets relating to:				
loss carry forwards	2 496	2 680	0	0
deductible temporary differences	1 888	1 653	0	0
<b>Sum</b>	<b>4 384</b>	<b>4 333</b>	<b>0</b>	<b>0</b>
Deferred tax liability relating to:				
untaxed reserves	1 496	1 320	0	0
<b>Sum</b>	<b>1 496</b>	<b>1 320</b>	<b>0</b>	<b>0</b>

**Note 13. Other long-term receivables**

	<b>Group 2016</b>	<b>Group 2015</b>	<b>Parent 2016</b>	<b>Parent 2015</b>
Opening acquisition	1 025	4 410	0	0
Additional receivables	695	1 002	49	0
Amortisation, outgoing claims	-929	-4 387	0	0
Reclassifications	0	0	0	0
<b>Outgoing accumulated acquisition</b>	<b>791</b>	<b>1 025</b>	<b>49</b>	<b>0</b>
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
<b>Total carrying value</b>	<b>791</b>	<b>1 025</b>	<b>49</b>	<b>0</b>

**Note 14. Prepayments and accrued income**

	<b>Group 2016</b>	<b>Group 2015</b>	<b>Parent 2016</b>	<b>Parent 2015</b>
Prepaid rent	453	478	28	26
Other	4 174	2 474	2 100	277
<b>Total</b>	<b>4 627</b>	<b>2 952</b>	<b>2 128</b>	<b>303</b>

**Note 15. number of shares**

	<b>Quotient 2016</b>	<b>Quotient 2015</b>	<b>Quantity 2016</b>	<b>Quantity 2015</b>
A-shares	1	1	6 195 200	6 195 200
			<b>6 195 200</b>	<b>6 195 200</b>

**Note 16. Overdrafts**

	<b>Group 2016</b>	<b>Group 2015</b>	<b>Parent 2016</b>	<b>Parent 2015</b>
Amount granted	31 099	25 983	29 599	14 652
Utilized amount	29 021	18 145	23 366	13 995

**Note 17. Accrued expenses and deferred income**

	<b>Group 2016</b>	<b>Group 2015</b>	<b>Parent 2016</b>	<b>Parent 2015</b>
Holiday pay and accrued wages	3 102	3 041	377	369
Social security contributions	553	522	103	116
Other items	1 588	4 053	326	270
<b>Sum</b>	<b>5 243</b>	<b>7 616</b>	<b>806</b>	<b>755</b>

**Note 18. Holdings in group companies**

	<b>Group 2016</b>	<b>Group 2015</b>
Opening accumulated holdings	28 728	28 734
Impairment of shares in subsidiaries (Russia and Mexico)	0	-6
Acquisition of subsidiaries (New Nordic AG Switzerland and New Nordic Ltd, Hong Kong)	433	0
<b>Closing accumulated acquisition costs</b>	<b>29 161</b>	<b>28 728</b>

	<b>Share of equity</b>	<b>Share of votes</b>	<b>Book value</b>	<b>Net result</b>	<b>Total Equity</b>
New Nordic AB	100%	100%	18 202	926	3 152
New Nordic Manufacturing ApS	100%	100%	7 000	451	2 083
New Nordic Healthcare ApS	100%	100%	300	1 131	4 026
New Nordic AS	100%	100%	2 800	513	2 359
New Nordic OY	100%	100%	2	205	-6 889
UAB New Nordic	100%	100%	2	414	1 367
New Nordic Deutschland GmbH	100%	100%	2	307	-7 877
New Nordic AG	100%	100%	421	0	421
New Nordic Healthbrands Polska Sp. z.o.o	100%	100%	67	285	702
New Nordic Limited	100%	100%	2	4 756	7 840
New Nordic Inc (Canada)	100%	100%	1	629	5 083
New Nordic US Inc (USA)	100%	100%	0	487	-3 861
New Nordic Ltd (Hong Kong)	100%	100%	12	0	12
New Nordic Vitamin	99,8%	99,8%	0	-122	-5 231
OOO New Nordic	100%	100%	0	-40	-1 930
New Nordic S.R.L.	100%	100%	91	178	1 226
New Nordic S.L.	100%	100%	0	0	-678
New Nordic B.V.	100%	100%	167	69	-1 964
New Nordic SARL	100%	100%	92	427	502
New Nordic S de R.L. de C.V.	100%	100%	0	0	-1 257
<b>Sum</b>			<b>29 161</b>	<b>10 616</b>	<b>-914</b>

**Information about the subsidiaries corporate registration number and registered office**

	<b>Org. No.:</b>	<b>Registered office:</b>	
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 Vitamin	606649/554231	Istanbul	Turkey
OOO New Nordic	1067760351009	Moskva	Russia
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 S de R.L. de C.V.	NEW0708221E3	Mexico City	Mexico

**Note 19. Holdings in group companies**

	<b>Group 2016</b>	<b>Group 2015</b>
Opening acquisitions	19 981	22 717
Additional receivables	45	42
Amortisation, outgoing claims	-3 015	-2 554
Reclassifications	1 124	-224
<b>Closing accumulated cost</b>	<b>18 225</b>	<b>19 981</b>
Conclusion impairments	0	0
Debt service, leaving debts	0	0
Reversal of impairment losses	0	0
Reclassifications	0	0
This year impairments	0	0
<b>Accumulated impairments</b>	<b>0</b>	<b>0</b>
<b>Total carrying value</b>	<b>18 225</b>	<b>19 981</b>

**Note 20. Pledged collateral**

	<b>Group 2016</b>	<b>Group 2015</b>	<b>Parent 2016</b>	<b>Parent 2015</b>
Collateral pledged for own liabilities to credit institutions				
Business mortgages	20 803	19 863	12 896	12 242
<b>Total collateral</b>	<b>20 803</b>	<b>19 863</b>	<b>12 896</b>	<b>12 242</b>

**Note 21. Contingent**

	<b>Group 2016</b>	<b>Group 2015</b>	<b>Parent 2016</b>	<b>Parent 2015</b>
Guarantee for the benefit of				
-Check Credit Group companies	0	0	29 596	24 483
	<b>0</b>	<b>0</b>	<b>29 596</b>	<b>24 483</b>

**Note 22. Appropriation of profits**

	<b>Group 2016</b>	<b>Group 2015</b>
Proposal for profit distribution		
The Board proposes that the unappropriated funds		
Share premium reserve	49 848	49 848
Retained earnings	8 822	1 560
Profit for the year	10	8 810
	<b>58 680</b>	<b>60 218</b>
Proposal for disposition		
to pay out to shareholders (0,40 SEK per share)	2 478	1 549
To carry forward	56 202	58 669
	<b>58 680</b>	<b>60 218</b>

**Note 23. Significant events after the financial year end**

No significant events after the closing has occurred.

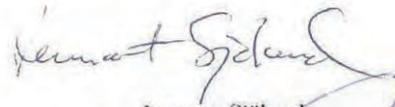
**Annual Report and consolidated accounts for New Nordic Healthbrands AB (publ)**

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

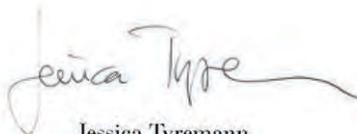
of the financial position and results of the Group and the Parent Company. The Directors' Report for the Group and Parent Company gives a true and fair view of the Group and Parent Company's financial position and results, and describes material risks and uncertainties facing the Parent Company and the companies included in the Group.



Marinus Blåbjerg Sørensen  
*Chairman of the Board*



Lennart Sjölund  
*Member of the Board*



Jessica Tyremann  
*Member of the Board*



Karl Kristian Bergman Jensen  
*CEO*

The annual and consolidated accounts were, as stated above, approved for issue by the Board of Directors on 27th of March 2017. 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 2017.

Our audit report was submitted on 29th of March 2017.

Ernst & Young AB



Martin Henriksson  
*Authorised Public Accountant*

## Revisionsberättelse

Till bolagsstämman i New Nordic Healthbrands AB (publ), org.nr 556698-0453

### Rapport om årsredovisningen och koncernredovisningen

#### Uttalanden

Vi har utfört en revision av årsredovisningen och koncernredovisningen för New Nordic Healthbrands AB (publ) för räkenskapsåret 2016. Bolagets årsredovisning och koncernredovisning ingår på sidorna 35-68 i detta dokument.

Enligt vår uppfattning har årsredovisningen och koncernredovisningen upprättats i enlighet med årsredovisningslagen och ger en i alla väsentliga avseenden rättvisande bild av moderbolagets och koncernens finansiella ställning per den 31 december 2016 och av dessas finansiella resultat och kassaflöden för året enligt årsredovisningslagen. Förvaltningsberättelsen är förenlig med årsredovisningens och koncernredovisningens övriga delar.

Vi tillstyrker därför att bolagsstämman fastställer resultaträkningen och balansräkningen för moderbolaget och koncernen.

#### Grund för uttalanden

Vi har utfört revisionen enligt International Standards on Auditing (ISA) och god revisionssed i Sverige. Vårt ansvar enligt dessa standarder beskrivs närmare i avsnittet *Revisorns ansvar*. Vi är oberoende i förhållande till moderbolaget och koncernen enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

#### Annan information än årsredovisningen och koncernredovisningen

Detta dokument innehåller även annan information än årsredovisningen och koncernredovisningen och återfinns på sidorna 1-34. Det är styrelsen och verkställande direktören som har ansvaret för denna andra information.

Vårt uttalande avseende årsredovisningen och koncernredovisningen omfattar inte denna information och vi gör inget uttalande med bestyrkande avseende denna andra information.

I samband med vår revision av årsredovisningen och koncernredovisningen är det vårt ansvar att läsa den information som identifieras ovan och överväga om informationen i väsentlig utsträckning är oförenlig med årsredovisningen och koncernredovisningen. Vid denna genomgång beaktar vi även den kunskap vi i övrigt inhämtat under revisionen samt bedömer om informationen i övrigt verkar innehålla väsentliga felaktigheter.

Om vi, baserat på det arbete som har utförts avseende denna information, drar slutsatsen att den andra informationen innehåller en väsentlig felaktighet, är vi skyldiga att rapportera detta. Vi har inget att rapportera i det avseendet.

#### Styrelsens och verkställande direktörens ansvar

Det är styrelsen och verkställande direktören som har ansvaret för att årsredovisningen och koncernredovisningen upprättas och att de ger en rättvisande bild enligt årsredovisningslagen. Styrelsen och verkställande direktören ansvarar även för den interna kontroll som de bedömer är nödvändig för att upprätta en årsredovisning och koncernredovisning som inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller på fel.

Vid upprättandet av årsredovisningen och koncernredovisningen ansvarar styrelsen och verkställande direktören för bedömningen av bolagets och koncernens förmåga att fortsätta verksamheten. De upplyser, när så är tillämpligt, om förhållanden som kan påverka förmågan att fortsätta verksamheten och att använda antagandet om fortsatt drift. Antagandet om fortsatt drift tillämpas dock inte om styrelsen och verkställande direktören avser att likvidera bolaget, upphöra med verksamheten eller inte har något realistiskt alternativ till att göra något av detta.

#### Revisorns ansvar

Våra mål är att uppnå en rimlig grad av säkerhet om att årsredovisningen och koncernredovisningen som helhet inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller på fel, och att lämna en revisionsberättelse som innehåller våra uttalanden. Rimlig säkerhet är en hög grad av säkerhet, men är ingen garanti för att en revision som utförs enligt ISA och god revisionssed i Sverige alltid kommer att upptäcka en väsentlig felaktighet om en sådan finns. Felaktigheter kan uppstå på grund av oegentligheter eller fel och anses vara väsentliga om de enskilt eller tillsammans rimligen kan förväntas påverka de ekonomiska beslut som användare fattar med grund i årsredovisningen och koncernredovisningen.

Som del av en revision enligt ISA använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Dessutom:

- identifierar och bedömer vi riskerna för väsentliga felaktigheter i årsredovisningen och koncernredovisningen, vare sig dessa beror på oegentligheter eller på fel, utformar och utför granskningsåtgärder bland annat utifrån dessa risker och inhämtar revisionsbevis som är tillräckliga och ändamålsenliga för att utgöra en grund för våra uttalanden. Risken för att inte upptäcka en väsentlig felaktighet till följd av oegentligheter är högre än för en väsentlig felaktighet som beror på fel, eftersom oegentligheter kan innefatta agerande i maskopi, förfalskning, avsiktliga utelämnanden, felaktig information eller åsidosättande av intern kontroll.
- skaffar vi oss en förståelse av den del av bolagets interna kontroll som har betydelse för vår revision för att utforma granskningsåtgärder som är lämpliga med hänsyn till omständigheterna, men inte för att uttala oss om effektiviteten i den interna kontrollen.
- utvärderar vi lämpligheten i de redovisningsprinciper som används och rimligheten i styrelsens och verkställande direktörens uppskattningar i redovisningen och tillhörande upplysningar.

- drar vi en slutsats om lämpligheten i att styrelsen och verkställande direktören använder antagandet om fortsatt drift vid upprättandet av årsredovisningen och koncernredovisningen. Vi drar också en slutsats, med grund i de inhämtade revisionsbevisen, om det finns någon väsentlig osäkerhetsfaktor som avser sådana händelser eller förhållanden som kan leda till betydande tvivel om bolagets och koncernens förmåga att fortsätta verksamheten. Om vi drar slutsatsen att det finns en väsentlig osäkerhetsfaktor, måste vi i revisionsberättelsen fästa uppmärksamheten på upplysningarna i årsredovisningen och koncernredovisningen om den väsentliga osäkerhetsfaktorn eller, om sådana upplysningar är otillräckliga, modifiera uttalandet om årsredovisningen och koncernredovisningen. Våra slutsatser baseras på de revisionsbevis som inhämtas fram till datumet för revisionsberättelsen. Dock kan framtida händelser eller förhållanden göra att ett bolag och en koncern inte längre kan fortsätta verksamheten.
- utvärderar vi den övergripande presentationen, strukturen och innehållet i årsredovisningen och koncernredovisningen, däribland upplysningarna, och om årsredovisningen och koncernredovisningen återger de underliggande transaktionerna och händelserna på ett sätt som ger en rättvisande bild.
- inhämtar vi tillräckliga och ändamålsenliga revisionsbevis avseende den finansiella informationen för enheterna eller affärsaktiviteterna inom koncernen för att göra ett uttalande avseende koncernredovisningen. Vi ansvarar för styrning, övervakning och utförande av koncernrevisionen. Vi är ensamt ansvariga för våra uttalanden.

Vi måste informera styrelsen om bland annat revisionens planerade omfattning och inriktning samt tidpunkten för den. Vi måste också informera om betydelsefulla iakttagelser under revisionen, däribland de betydande brister i den interna kontrollen som vi identifierat.

## Rapport om andra krav enligt lagar och andra författningar

### Uttalanden

Utöver vår revision av årsredovisningen och koncernredovisningen har vi även utfört en revision av styrelsens och verkställande direktörens förvaltning för New Nordic Healthbrands AB (publ) för räkenskapsåret 2016 samt av förslaget till dispositioner beträffande bolagets vinst eller förlust.

Vi tillstyrker att bolagsstämman disponerar vinsten enligt förslaget i förvaltningsberättelsen och beviljar styrelsens ledamöter och verkställande direktören ansvarsfrihet för räkenskapsåret.

### Grund för uttalanden

Vi har utfört revisionen enligt god revisionssed i Sverige. Vårt ansvar enligt denna beskrivs närmare i avsnittet *Revisorns ansvar*. Vi är oberoende i förhållande till moderbolaget och koncernen enligt god revisionssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

### Styrelsens och verkställande direktörens ansvar

Det är styrelsen som har ansvaret för förslaget till dispositioner beträffande bolagets vinst eller förlust. Vid förslag till utdelning innefattar detta bland annat en bedömning av om utdelningen är försvarlig med hänsyn till de krav som bolagets och koncernens verksamhetsart, omfattning och risker ställer på storleken av moderbolagets och koncernens egna kapital, konsolideringsbehov, likviditet och ställning i övrigt.

Styrelsen ansvarar för bolagets organisation och förvaltningen av bolagets angelägenheter. Detta innefattar bland annat att fortlöpande bedöma bolagets och koncernens ekonomiska situation och att tillse att bolagets organisation är utformad så att bokföringen, medelsförvaltningen och bolagets ekonomiska angelägenheter i övrigt kontrolleras på ett betryggande sätt. Den verkställande direktören ska sköta den löpande förvaltningen enligt styrelsens riktlinjer och anvisningar och bland annat vidta de åtgärder som är nödvändiga för att bolagets bokföring ska fullgöras i överensstämmelse med lag och för att medelsförvaltningen ska skötas på ett betryggande sätt.

### Revisorns ansvar

Vårt mål beträffande revisionen av förvaltningen, och därmed vårt uttalande om ansvarsfrihet, är att inhämta revisionsbevis för att med en rimlig grad av säkerhet kunna bedöma om någon styrelseledamot eller verkställande direktören i något väsentligt avseende:

- företagit någon åtgärd eller gjort sig skyldig till någon försummelse som kan föranleda ersättningskyldighet mot bolaget, eller
- på något annat sätt handlat i strid med aktiebolagslagen, årsredovisningslagen eller bolagsordningen.

Vårt mål beträffande revisionen av förslaget till dispositioner av bolagets vinst eller förlust, och därmed vårt uttalande om detta, är att med rimlig grad av säkerhet bedöma om förslaget är förenligt med aktiebolagslagen.

Rimlig säkerhet är en hög grad av säkerhet, men ingen garanti för att en revision som utförs enligt god revisionssed i Sverige alltid kommer att upptäcka åtgärder eller försummelser som kan föranleda ersättningskyldighet mot bolaget, eller att ett förslag till dispositioner av bolagets vinst eller förlust inte är förenligt med aktiebolagslagen.

Som en del av en revision enligt god revisionssed i Sverige använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Granskningen av förvaltningen och förslaget till dispositioner av bolagets vinst eller förlust grundar sig främst på revisionen av räkenskaperna. Vilka tillkommande granskningsåtgärder som utförs baseras på vår professionella bedömning med utgångspunkt i risk och väsentlighet. Det innebär att vi fokuserar granskningen på sådana åtgärder, områden och förhållanden som är väsentliga för verksamheten och där avsteg och överträdelser skulle ha särskild betydelse för bolagets situation. Vi går igenom och prövar fattade beslut, beslutsunderlag, vidtagna åtgärder och andra förhållanden som är relevanta för vårt uttalande om ansvarsfrihet. Som underlag för vårt uttalande om styrelsens förslag till dispositioner beträffande bolagets vinst eller förlust har vi granskat styrelsens motiverade yttrande samt ett urval av underlagen för detta för att kunna bedöma om förslaget är förenligt med aktiebolagslagen.

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Ernst & Young AB



Martin Henriksson  
Auktoriserad revisor



New Nordic Healthbrands AB (publ) · Södra Förstadsgatan 3 C · S-211 43 Malmö · Sweden · Phone +46 40 23 95 20  
E-mail: [info@newnordic.se](mailto:info@newnordic.se) · [www.newnordic.dk](http://www.newnordic.dk) · Org. nr. 556698-0453