



New Nordic Healthbrands AB (publ) Three month report January - March 2017

| | Q1 2017 | Q1 2016 | Full Year 2016 |
|-------------------------------|---------|---------|----------------|
| Net sales, kSEK | 80 908 | 74 576 | 306 842 |
| Change in local currencies, % | 6.0 | 5.1 | 3.2 |
| Gross profit, kSEK | 54 543 | 47 562 | 199 573 |
| Gross margin, % | 67.4 | 63.8 | 65.3 |
| EBITDA kSEK | 4 163 | 3 194 | 14 096 |
| EBITDA, % | 5.1 | 4.3 | 4.6 |
| Operating profit, kSEK | 3 966 | 2 828 | 13 007 |
| Operating margin, % | 4.9 | 3.8 | 4.3 |
| Profit for the period, kSEK | 2 921 | 2 322 | 9 574 |
| Resultat per aktie*, SEK | 0.47 | 0.37 | 1.55 |
| Earnings per share *, SEK | 0.67 | 0.52 | 2.28 |

* There are no dilutive effects

Comments by CEO Karl Kristian Bergman Jensen

We had a flying start of the year.

Revenue increased 6 percent in local currencies. After converting to Swedish kronor, revenue increased by more than 8 percent and amounted to SEK 80.9 million. The organic growth in revenue is a result of effective marketing and successful product innovations.

We increased sales in the Nordic region and the rest of Europe, while we in North America had a decrease in sales. The decline in North America does not reflect a decrease in consumer sales but rather to changes in inventory levels of at major wholesalers. The comparison with last year's sales in North America is also significantly affected by last year's high sale to Costco Canada - a chain of membership warehouses.

We had a good growth in vitality, beauty and diet products, but we have challenges in our new Sport Nutrition series.

The gross margin rose satisfactorily to 67.4 percent. Sales and general expenses increased by 6 million, most of which were attributable to increased marketing costs. With low financing and depreciation costs, we achieved a profit after tax of SEK 2.9 million corresponding to SEK 0.47 per share.

The high sales and gross margin per employee is evidence of an effective organization and business structure. Our costs are well under control. Our financial position is good and we can finance our planned growth ourselves.

We will continue to focus on marketing and innovation to drive organic growth. Our innovation will be focused on strengthening our major product brands and satisfying both European and North American consumer needs. We plan to launch New Nordic via pharmacies in Switzerland and Hong Kong within the next 3 to 6 months and introduce our online store to Chinese consumers during the summer.

All employees are motivated and work focused on implementing our growth plans. I am convinced that 2017 will be a good year for New Nordic and its shareholders.

Sales

Sales in local currencies increased by 6.0 percent during the first quarter of the year. Converted to SEK, sales increased by 8.5 percent.

Earnings for the first quarter

Gross profit for the first quarter amounted to SEK 54.5 million (47.6). This corresponds to a gross margin of 67.4 percent (63.8).

EBITDA amounted to MSEK 4.2 (3.2). This corresponds to an EBITDA margin of 5.1% (4.3).

Operating profit amounted to MSEK 4.0 (2.8). This corresponds to an operating margin of 4.9 percent (3.8).

Profit after financial items amounted to MSEK 3.7 (3.1).

Profit after tax for the three-month period was SEK 2.9 million (2.3).

Comments to the first quarter

The overall sales increase was satisfactory. Sales growth per region was satisfactory for the Nordic region and the rest of Europe whereas sales fell in North America. Sales in North America in the same quarter last year were positively influenced by extraordinary high sales to Costco - a large-scale membership warehouse chain in Canada. Sales from the company's retailers to consumers in North America have been satisfactory during the period.

The gross margin increased to 67.4 percent (63.8, which is due to the fact that the company has negotiated better manufacturing prices and a focus on sales of products with higher margins. Personnel and other external costs increased by 22.5 percent and amounted to SEK 50.4 million (44.4). The increase is mainly related to increase in marketing costs.

Depreciation decreased and amounted to SEK 0.2 million (0.4) and financial items increased to SEK 0.3 million (0.2).

Profit after financial items increased by 20 percent and amounted to 3.7 MSEK (3.1). Profit after tax increased by 26 percent and amounted to SEK 2.9 million (2.3).

Financial position and cash flow

The Group's balance sheet total as of March 31, 2017 amounted to SEK 135.4 million (138.1), a decrease of 2 percent compared with the corresponding period in the previous year.

Current operations generated a negative cash flow of SEK -2.9 million (-3.3) during the first three months of the year. Cash and cash equivalents at the end of the period amounted to 3.7 MSEK (4.0).

The Group's equity ratio was 33.9 percent (27.3).

Equity divided by the outstanding 6 195 200 (6 195 200) shares amounted to SEK 7.41 (6.09) as at 31 March 2017.

Expansion

By 2017, the company will continue to focus on building a leading brand in a number of specific market segments. Nutritional supplements will be launched in the markets where New Nordic is active and efforts will be made to broaden the geographical spread through new own sales companies and reputable national distributors who can market New Nordic brands at their own expense and risk in their country. The company will focus on distribution through both physical and online pharmacies, drug stores and health food stores. New Nordic will also offer consumers online sales on the company's own website.

Parent Company

During the first three months of 2011, the Parent Company had sales of MSEK 26.0 (30.6).

Comment to this quarter

No particular.

Transactions with related parties

There have been no significant transactions with related parties during the period.

Accounting principles

This report has been prepared in accordance with the Annual Accounts Act (1995: 1554) and BNFAR 2012: 1 Annual Report and Consolidated Financial Statements (K3).

Certified Adviser

New Nordic Healthbrands AB's Certified Adviser is Mangold Fondkommission AB. +46 8 503 01 550.

Upcoming reports

Annual General Meeting 2017 27 April 2017

Six Month Report 2017 31 July 2017

Nine Month Report 2017 31 October 2017

Year-end report 2017 March 2, 2018

Annual Report 2017 28 March 2018

Three-month report 2018 April 26, 2018

Annual General Meeting 2018 April 26, 2018

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This report has not been audited.

Malmö 27 April 2017

New Nordic Healthbrands AB (publ)

Board of Directors

New Nordic Healthbrands AB

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Income Statement

| (kSEK) | Q1 2017 | Q1 2016 | Full Year 2016 |
|---|---------------|---------------|----------------|
| Sales | 80 908 | 74 576 | 305 842 |
| Cost of goods sold | -26 365 | -27 014 | -106 269 |
| Gross profit | 54 543 | 47 562 | 199 573 |
| Personnel expenses | -8 323 | -8 310 | -34 982 |
| Other external expenses | -42 057 | -36 058 | -150 495 |
| EBITDA | 4 163 | 3 194 | 14 096 |
| Depreciations | -197 | -366 | -1 089 |
| Operating profit (EBIT) | 3 966 | 2 828 | 13 007 |
| Interest and other financial items | -278 | 233 | -484 |
| Profit after financial items | 3 688 | 3 061 | 12 523 |
| Tax | -767 | -739 | -484 |
| Profit for the period | 2 921 | 2 322 | 12 523 |
| Average number of shares | 6 195 200 | 6 195 200 | 6 195 200 |
| Number of shares by the end of the period * | 6 195 200 | 6 195 200 | 6 195 200 |
| Earnings per share, SEK | 0.47 | 0.37 | 1.55 |
| EBITDA per share, SEK | 0.67 | 0.52 | 2.28 |

* There are no dilutive effects

Balance Sheet

| (kSEK) | Q1 2017 | Q1 2016 | Full Year 2016 |
|---|----------------|----------------|----------------|
| Assets | | | |
| FIXED ASSETS | | | |
| Intangible fixed assets | 181 | 478 | 230 |
| Tangible fixed assets | 1 519 | 1 813 | 1 665 |
| Financial assets | 4 581 | 5 378 | 5 175 |
| Total fixed assets | 6 281 | 7 669 | 7 070 |
| CURRENT ASSETS | | | |
| Inventories | 43 042 | 54 429 | 51 626 |
| Current receivables | 82 391 | 72 002 | 62 032 |
| Liquid funds | 3 698 | 4 013 | 6 864 |
| Total current assets | 129 131 | 130 444 | 120 522 |
| Total assets | 135 412 | 138 113 | 127 592 |
| Equity and liabilities | | | |
| EQUITY | 45 899 | 37 746 | 42 979 |
| Deffered tax | 1 463 | 1 516 | 1 496 |
| Long-term debt | 1 208 | 1 197 | 1 318 |
| Short term liabilities – interest bearing | 26 744 | 21 453 | 29 021 |
| Short term liabilities – non interest bearing | 60 098 | 76 201 | 52 778 |
| Current liabilities | 86 842 | 97 654 | 81 799 |
| TOTAL LIABILITIES AND EQUITY | 135 412 | 138 113 | 127 592 |

Change in Equity

Q1 2017

| (kSEK) | Share capital | Other equity incl. profit for the year | Total equity |
|---|---------------|---|---------------|
| Balance | 6 195 | 36 784 | 42 979 |
| Transfer between restricted and unrestricted reserves | 0 | -1 | -1 |
| Profit for the period | 0 | 2 921 | 2 921 |
| Balance | 6 195 | 39 704 | 45 899 |

Q1 2016

| (kSEK) | Share capital | Other equity incl. profit for the year | Total equity |
|---|---------------|---|---------------|
| Balance | 6 195 | 29 577 | 35 772 |
| Transfer between restricted and unrestricted reserves | 0 | -348 | -348 |
| Profit for the period | 0 | 2 322 | 2 322 |
| Balance | 6 195 | 31 551 | 37 746 |

HELÅR 2016

| (kSEK) | Share capital | Other equity incl. profit for the year | Total equity |
|---|---------------|---|---------------|
| Balance | 6 195 | 29 577 | 35 772 |
| Dividend | 0 | -1 549 | -1 549 |
| Transfer between restricted and unrestricted reserves | 0 | -818 | -818 |
| Profit for the period | 0 | 9 574 | 9 574 |
| Balance | 6 195 | 36 784 | 42 979 |

Cash Flow Statements

| (kSEK) | Q1 2017 | Q1 2016 | Full Year 2016 |
|--|---------------|---------------|----------------|
| CURRENT OPERATIONS | | | |
| Profit after financial items | 3 966 | 2 828 | 13 007 |
| Adjustments for | | | |
| Depreciations | 197 | 366 | 1 089 |
| Other provisions | 0 | 0 | -35 |
| | 4 163 | 3 194 | 14 061 |
| Interest recieved | 0 | 1 | 4 |
| Interest expense | -186 | -170 | -826 |
| Taxation paid | -1 143 | -1 668 | -4 568 |
| Cash flow from current operations before changes in working capital | 2 834 | 1 357 | 8 671 |
| Cash flow from changes in working capital | | | |
| Inventories | 8 741 | -7 854 | -4 515 |
| Current receivables | -19 486 | -8 678 | 3 740 |
| Current liabilities | 5 040 | 11 875 | -6 272 |
| Cash flow from current operations | -2 871 | -3 300 | 1 624 |
| INVESTMENT ACTIVITIES | | | |
| Acquisition of tangible assets | -15 | -356 | -597 |
| Sales of equipment | 0 | 0 | 35 |
| Change in long-term receivables | 52 | 647 | 572 |
| Cash flow from investment activities | 37 | 291 | 10 |
| FINANCING ACTIVITIES | | | |
| Dividend | 0 | 0 | -1 549 |
| Changes in long term debt | -334 | 198 | -250 |
| Cash flow from financing activities | -334 | 198 | -1 799 |
| Changes in liquid funds | -3 168 | -2 811 | -165 |
| Liquid funds at the beginning of the period | 6 864 | 6 836 | 6 836 |
| Exchange rate effect | 2 | -12 | 193 |
| Liquid funds at the end of the period | 3 698 | 4 013 | 6 864 |

Key Figures

| (kSEK) | Q1 2017 | Q1 2016 | Full Year 2016 |
|--|-----------|-----------|----------------|
| Sales | 80 908 | 74 576 | 305 842 |
| Gross profit | 54 543 | 47 562 | 199 573 |
| EBITDA | 4 163 | 3 194 | 14 096 |
| Operating profit | 3 966 | 2 828 | 13 007 |
| Profit after financial items | 3 688 | 3 061 | 12 523 |
| Profit after tax | 2 921 | 2 322 | 9 574 |
| Total assets | 135 412 | 138 113 | 127 592 |
| Return on capital employed, % | 5.37 | 4.68 | 17.7 |
| Return on shareholders equity, % | 6.4 | 6.2 | 22.3 |
| Equity | 45 899 | 37 746 | 42 979 |
| Equity ratio, % | 33.9 | 27.3 | 33.7 |
| Debt ratio | 1.95 | 2.66 | 1.97 |
| Interest coverage ratio | 21.32 | 16.64 | 15.8 |
| Investments | 15 | 356 | 597 |
| Cash flow from current operations | -2 871 | -3 300 | 1 624 |
| Cash flow from financing activities | -334 | 198 | -1 799 |
| Gross margin, % | 67.4 | 63.8 | 65.3 |
| EBITDA margin, % | 5.1 | 4.3 | 4.6 |
| Operation margin, % | 4.9 | 3.8 | 4.3 |
| Profit margin, % | 4.6 | 4.1 | 4.1 |
| Number of employees, average | 43 | 44 | 43 |
| Number of employees by the end of the period | 43 | 44 | 42 |
| Sales per employee | 1 904 | 1 695 | 7 113 |
| Gross margin per employee | 1 283 | 1 081 | 4 641 |
| Profit per employee | 87 | 70 | 291 |
| Average number of shares in the period | 6 195 200 | 6 195 200 | 6 195 200 |
| Number of shares by the end of the period * | 6 195 200 | 6 195 200 | 6 195 200 |
| Treasury shares at end of period * | 0 | 0 | 0 |
| EBITDA per share, SEK | 0.67 | 0.52 | 2.28 |
| Profit per share *, SEK | 0.47 | 0.37 | 1.55 |
| Equity per share, SEK | 7.41 | 6.09 | 6.94 |

* There are no dilutive effects

New Nordic geographic

Sales divided by geographic, SEK

| | Q1 2017 | | Q1 2016 | | Full Year 2016 | |
|---------------|----------------|----------------|----------------|----------------|-----------------------|----------------|
| | MSEK | PERCENT | MSEK | PERCENT | MSEK | PERCENT |
| Norden | 36 | 44 | 30 | 39 | 123 | 40 |
| Other Europe | 26 | 32 | 24 | 32 | 97 | 32 |
| North America | 18 | 28 | 20 | 27 | 79 | 26 |
| Other World | 1 | 1 | 1 | 2 | 7 | 2 |

Quarterly overview

| | 2017 | 2016 | | | | 2015 | | | | 2014 | | | |
|---|-------|-------|------|------|-------|-------|-------|------|------|------|------|------|-------|
| | Q 1 | Q 1 | Q 2 | Q 3 | Q 4 | Q 1 | Q 2 | Q 3 | Q 4 | Q 1 | Q 2 | Q 3 | Q 4 |
| Turnover MSEK | 80.9 | 74.6 | 76.0 | 84.7 | 70.6 | 72.9 | 76.5 | 73.9 | 75.2 | 61.1 | 74.9 | 65.2 | 70.7 |
| Change from last year, % | 8.5 | 2.2 | -0.7 | 14.7 | -6.2 | 19.4 | 2.1 | 13.2 | 6.4 | 19.7 | 27.2 | 11.8 | 18.4 |
| EBITDA, MSEK | 4.2 | 3.2 | 2.1 | 7.4 | 1.4 | 4.7 | 4.2 | 5.5 | 4.2 | 3.8 | 4.7 | 5.8 | 4.9 |
| EBITDA-margin, % | 5.1 | 4.3 | 2.7 | 8.7 | 2.0 | 6.5 | 5.4 | 7.4 | 5.6 | 6.1 | 6.2 | 8.8 | 7.0 |
| Operating result, MSEK | 4.0 | 2.8 | 1.8 | 7.2 | 1.2 | 4.1 | 3.5 | 4.9 | 3.3 | 3.1 | 4.0 | 5.1 | 4.0 |
| Operating margin, % | 4.9 | 3.8 | 2.4 | 8.5 | 1.7 | 5.6 | 4.6 | 6.6 | 4.4 | 5.1 | 5.3 | 7.9 | 5.7 |
| Result before tax, MSEK | 3.7 | 3.1 | 1.6 | 6.9 | 0.9 | 3.9 | 2.8 | 4.7 | 2.8 | 2.7 | 4.2 | 5.2 | 4.4 |
| Result after tax, MSEK | 2.9 | 2.3 | 1.5 | 5.5 | 0.3 | 3.1 | 2.2 | 3.7 | 2.3 | 2.1 | 2.9 | 4.3 | 3.2 |
| Cash, MSEK | 3.7 | 4.0 | 5.7 | 7.0 | 6.9 | 5.6 | 4.1 | 5.1 | 6.8 | 4.9 | 5.1 | 5.4 | 6.0 |
| Stocks, MSEK | 43.0 | 54.4 | 59.0 | 51.1 | 51.6 | 38.7 | 34.2 | 31.9 | 46.9 | 30.4 | 32.2 | 31.2 | 35.0 |
| Equity, MSEK | 45.9 | 37.7 | 37.4 | 42.6 | 43.0 | 27.7 | 30.1 | 33.3 | 35.8 | 15.7 | 18.2 | 22.2 | 25.1 |
| Result per share, SEK | 0.47 | 0.37 | 0.24 | 0.88 | 0.05 | 0.50 | 0.36 | 0.60 | 0.37 | 0.33 | 0.47 | 0.69 | 0.51 |
| Equity per share, SEK | 7.41 | 6.09 | 6.04 | 6.88 | 6.94 | 4.47 | 4.86 | 5.37 | 5.77 | 2.54 | 2.95 | 3.59 | 4.04 |
| Cash flow from current operations per share, SEK | -0.46 | -0.53 | 0.69 | 0.22 | -0.09 | -0.57 | -0.29 | 0.15 | 0.21 | 0.34 | 0.16 | 0.28 | -0.03 |
| Solidity, % | 33.9 | 27.3 | 26.3 | 29.6 | 33.7 | 25.6 | 26.2 | 28.4 | 28.6 | 16.8 | 17.6 | 22.9 | 24.9 |

Gross profit: Net sales less cost of sold goods.

Equity: Equity as a percentage of total assets.

Leverage ratio: The ratio of total liabilities and equity.

Profit margin: Profit after financial items plus financial expenses divided by financial expenses.

Return on equity: Net income as a percentage of shareholders' equity at period end.

Capital employed: Total assets less non-interest-bearing provisions and liabilities.

Return on capital employed: Profit after financial items plus financial expenses divided by capital employed.

Investments: Investments in tangible and intangible assets.

Gross margin: Gross profit 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.

Revenue per employee: Net sales divided by the average number of employees.

Gross profit per employee: Gross profit divided by the average number of employees.

Profit per employee: Profit after financial items divided by the average number of employees.

Earnings per share: Profit after tax divided by the average number of shares.

Equity per share: Shareholders' equity divided by shares outstanding at period end.