

2019

ANNUAL REPORT

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



CONTENT

01 THE BIG PICTURE

Natural Magic	3
New Nordic at a glance	4
Record sales	6
Financial highlights	7
2019 Key events	8

02 OUR BUSINESS

New Nordic in the supplement industry	11
Distribution channels	13
The New Nordic business model	16
Our products	23
Our international presence and sales by geographical area	24
Beauty In & Out	27
Our strategy	31

03 THE BOARD

Board of directors	34
--------------------	----

04 SHAREHOLDER INFORMATION

The share	35
Shareholder information	36
Invitation to General Meeting 2018	38
	44

05 MANAGEMENT REPORT

Financial review	41
Risk factors	44
Group	50
Parent	53
Accounting and valuation principles	57
Notes	60
Audit Report	77

NATURAL MAGIC

THE BEAUTY OF NATURE

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



NEW NORDIC AT A GLANCE

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

In 2019 New Nordic operated on the global dietary supplement market which is growing and predicted to continue to grow nearly 10% annually towards 2024. Around 40% of New Nordic's business comes from its range of inner beauty products. Today, in 2020 New Nordic has launched Beauty In & Out™ taking inner beauty to the next level, combining food supplements with skincare and hair care products. New Nordic is now operating in three markets that are all buoyant.

There are strong underlying trends driving the acceleration of the food supplement, the skincare,

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

NEW NORDIC DIETARY SUPPLEMENTS ARE SOLD
IN MORE THAN 50.000 STORES IN 41 COUNTRIES



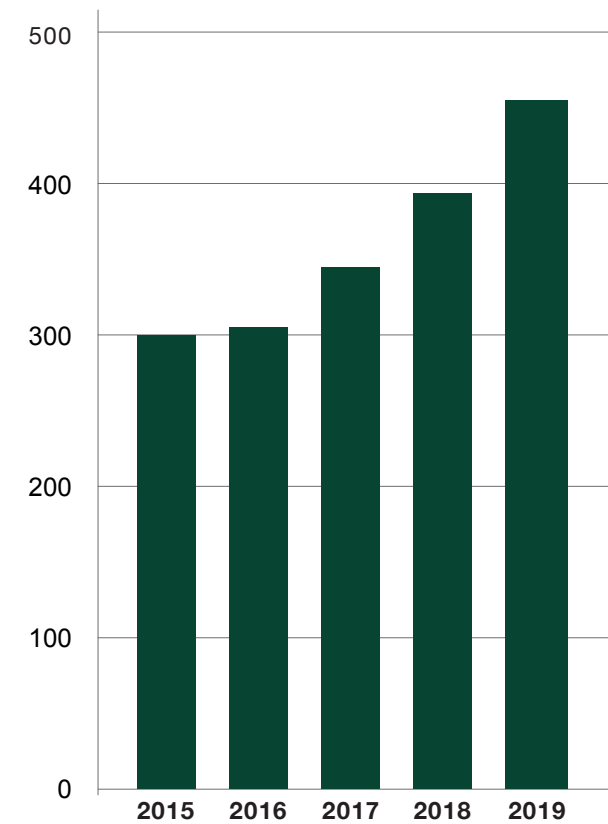
of traditional distribution, especially in emerging economies. Also because of many white spaces in terms of categories and countries. And finally, because there are always new consumer targets.

The New Nordic brand has a strong Scandinavian identity. Today, New Nordic supplements are sold in 41 countries in North America, Europe, and Asia. New Nordic products are regularly available from more than 50,000 pharmacies, department stores, health stores, travel retailer and online stores.

New Nordic listed on Nasdaq First North Growth Market in Stockholm since 2007 and now planning

to apply for listing at the Nasdaq main market in 2021.

The New Nordic share is a rare opportunity to invest in a listed business focusing on building a truly global health and beauty brand based on three categories: food supplements, skincare, and hair care distributed by traditional and digital retailers. A 30 year old brand with a strong Scandinavian heritage deeply rooted in Scandinavian values and healthy living close to nature.



New Nordic group revenue in SEK millions 2015 - 2019

RECORD SALES FOR NEW NORDIC IN 2019

*10 PERCENT ORGANIC GROWTH IN LOCAL CURRENCIES
DIVIDEND UP BY 16%**

New Nordic had another record year, both in terms of revenue and results. Our revenue has grown with 15% completely organically and amounted to 453 million SEK. The desirability of our products under the New Nordic brand, the innovation, and the effect of our products, the unique quality offered to our customers, and the talent and the commitment of our team are our strengths and have, once again, made the difference.

Our successes in the year included double-digit growth in revenue in important markets such as France, The UK, Germany, and the USA. Our focus on the growth of our big products such as Hair Volume™ and Blue Berry™ Eye Vitamin has been rewarding. New Nordic is driven by our long term vision and commitment to developing superiorly effective products that solve real health and beauty needs amongst people in the world and add to the value of our New Nordic brand. We will continue to focus on topline growth with an operational discipline that will also secure profit growth, hand in hand with the growth in sales. "Bigger markets and

Bigger products" is parole.

One of the key highlights of the year is the completion of our Beauty In & Out™. The move to creating a new category in the cosmetic industry with the New Nordic trademarked name Beauty In & Out™ is a natural step for us inspired by the continuous international growth of our inner beauty food supplements.

We will from now on be operating in three categories; Food Supplements, Skin Care and Hair Care. It is a strategic step and a strong commitment, which we are convinced will bring great long-term rewards. All three categories are benefitting from the same mega-trend and they are lucrative international markets with relatively high growth rates.

In a buoyant environment that remains uncertain in 2020, we continue to be vigilant and focused on our objectives for progress. Our New Nordic brand is stronger than ever and our enthusiastic international



Karl Kristian Bergman Jensen, CEO

team is prepared for the challenges and opportunities that lie ahead.

A major challenge we are facing right now is the Corona virus pandemic. It completely changes the market situation day by day. Everyone at New Nordic takes responsibility and is ready for rapid changes and improvisations. Several initiatives have been taken and more are likely to be needed. In the short term, the pandemic may mean that our revenues and results will deteriorate in relation to our plans, but so far we can see no signs of that. People are eager to continue to buy supplements to stay healthy. When we reach the other side of the summer, I am convinced that our industry will be back to a normal situation fast. New Nordic is financially stable and I do not expect Covid-19 to have medium and longer term effects.


KARL KRISTIAN BERGMAN JENSEN
CHIEF EXECUTIVE OFFICER

**At the Annual General Meeting on the 29th of april New Nordic will propose a dividend of 1.75 SEK per share, an increase of 16.7%.*

FINANCIAL HIGHLIGHTS

(kSEK)	2019	2018	2017	2016	2015	(kSEK)	2019	2018	2017	2016	2015
The Share						Effectiveness					
Number of shares by end of the year*	6 195 200	6 195 200	6 195 200	6 195 200	6 195 200	Return on capital employed, %	31.9	40.7	39.8	17.7	28.9
Own shares by 31st December*	0	0	0	0	0	Return on equity, %	27.5	33.1	33.4	22.3	31.7
Market price 31st December, SEK	81	68	40	27.5	23.9	Sales per employee	8 540	8 467	8 307	7 113	6 784
Earnings per share, SEK*	4.53	4.28	3.28	1.55	1.83	Gross profit per employee	5 954	5 968	5 597	4 641	4 471
Equity per share, SEK*	16.45	12.95	9.8	6.9	5.8	Profit per employee after tax	510	520	495	228	258
Dividend per share, SEK**	1.75	1.50	1.15	0.40	0.25	Financial position					
Company size						Debt-equity ratio, times	0.93	1.03	1.28	1.97	2.5
Number of employees by end of year	55	51	41	42	44	Interest coverage, times	93.6	100.7	44.7	15.8	13.7
Market Cap 31st December	501 811	421 274	247 808	170 368	148 065	Equity ratio, %	51.7	49.3	43.8	33.7	28.6
Operations						Cash flow					
Sales	452 613	393 708	344 739	305 842	298 485	Cash flow from operating activities	-667	17 852	26 420	-9 252	-2 560
EBITDA	36 865	34 891	28 455	14 096	18 592	Cash flow from financing activities	-1 249	-11 973	-24 162	9 077	1 555
Operating profit	36 305	34 223	27 654	13 007	15 718	Investments	1 684	880	202	597	792
Profit after financial items	36 068	34 119	27 115	12 523	14 240						
Profit after tax	28 074	26 523	20 297	9 574	11 330						
Margins											
Gross margin, %	69.7	70.5	67.4	65.3	65.9						
EBITDA margin, %	8.1	8.9	8.3	4.6	6.2						
Operating margin, %	8.0	8.7	8.0	4.3	5.3						
Profit margin after tax, %	8.0	6.7	5.9	3.1	3.8						
Growth											
Sales growth, %	15.0	14.2	12.7	2.5	9.8						
Growth in earnings per share, %	5.8	30.5	111.6	-15.3	-8.5						
Balance sheet data											
Total assets	197 187	162 647	138 818	127 592	125 235						
Equity	101 917	80 213	60 810	42 979	35 772						
Share capital	6 195	6 195	6 195	6 195	6 195						

* There are no dilutive effects.

** The Board proposes that the dividend for the financial year 2019 is set at SEK 1.75 (1.50) 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.

2019 KEY EVENTS

TRAVEL RETAIL

At the end of March, we launched our Hair Volume™ and Skin Care™ products in “Travel Retail” at Copenhagen Airport. It is a new sales channel for New Nordic and we expect sales in this channel to grow and include several more countries in the future.

HOLLYWOOD CRAZY ABOUT NEW NORDIC

New initiatives and international campaigns. For example, our collaboration with Teri Hatcher, who is a big fan of Hair Volume™ and now work with us as ambassador for the product.



ENTERING SOUTHEAST EUROPE

Our introduction of New Nordic in Slovakia has gone well and we have got a good start for further progress here. We are working on establishing ourselves in south-eastern Europe.

Q1



Q2



WINNER OF DANISH BEAUTY AWARDS

In recent years, we have won many awards for our products and as a supplier in general. In the spring we also won the Danish Beauty Award with Hair Volume™. An award that not only has significance in Denmark but also wins resonance abroad.



AUSTRALIA NEXT

New Nordic Limited was established in Sydney and the Country Manager was hired. We expect to start sales in Australia in the second quarter of 2020.

NEW NORDIC HERBAL SCHOOL BECOMES AN INTERNATIONAL EDUCATION PROGRAM

New Nordic Herbal School is very popular amongst retail staff everywhere. The school is already a tradition in the Nordic countries and this year the school started in the UK with huge success.



BEAUTY IN & OUT™

New Nordic proudly announces the introduction of Beauty In & Out™. A new beauty treatment and a new category in the beauty industry.

Q3

A MORE BRAINY WORLD



Clear Brain™ Active Memory, is a further development of our popular Clear Brain™ tablet. As the first cognitive supplement in the world it contains broccoli sprouts. The tablet strengthens our strong position in the category for brain function supplements.



EXPANSION OF OUR PREMIUM VITAMIN AND MINERAL RANGE

Cal Mag Bone Strong™ was launched - the first calcium and magnesium supplement based on the highly absorbed calcium and magnesium sources; calcium citrate malate and magnesium malate. Of course with the addition of vitamins K2 and D plus herbs that work in synergy with the minerals. Together with our b-energy and magnesium malate, the capsule strengthens our Premium vitamin and mineral range.

2019

OUR BUSINESS



NEW NORDIC IN THE SUPPLEMENT INDUSTRY

The total value of the supplement industry 2019 was around SEK 1.460 billion (USD 155 billion)₁. However, the market remains fragmented and divided between multi level and direct selling companies on one hand and companies selling and distributing through traditional pharmacy, health, grocery and online retailers. The top 3 multi level players have around 10% market share and the top 3 retail distribution players have a single-digit global market share when combined. In addition to market fragmentation, a few large players focus on specific regions rather than global presence. As a result, there are some brands that are widely known and well positioned in one part of the world, but have no or few points of sale in other regions.

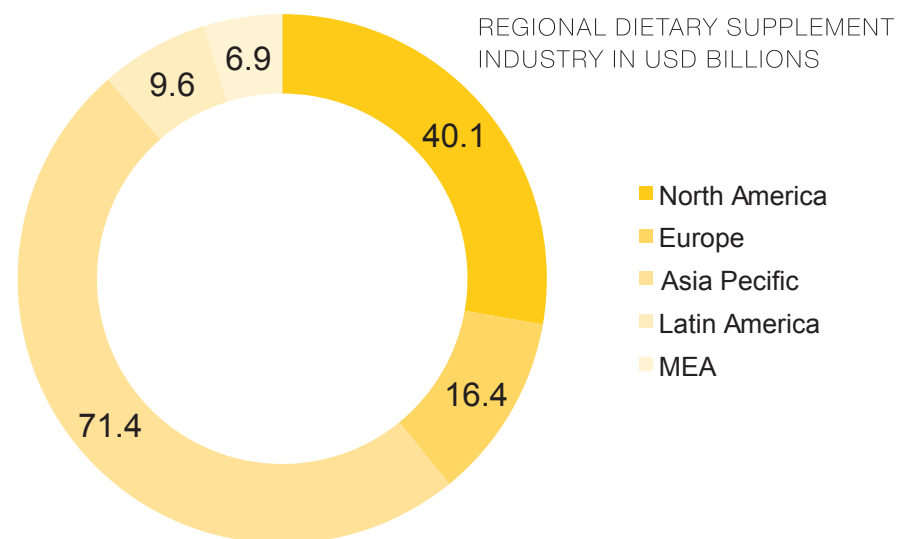
Asia Pacific represents close to 50% of the global market value, North America represents around 28% and Europe

around 11%. Unites States and China are the two most important single markets.

The total global markets is expected to continue to grow by a compound annual growth rate, CAGR, of 9.7% up to 2024. Asia Pacific will be the biggest growth driver with a CAGR of 11.2% and Europe the slowest growth driver but anyway with an expected CAGR of 7.2%. The various distribution channels that are most frequently used for purchasing dietary supplements can vary significantly from market to market. In most markets traditional retail distribution is most important, however, some players in the industry have great success with multi level and direct sales distribution. In North America and Europe, pharmacies, health stores and groceries are the main sales channels; however, online retailing has almost doubled in five years, resulting in online retailers

generating up to 35% share in these markets and the trend is expected to continue. In China where infrastructure and traditional western retail distribution is pure, consumers jump to online platforms to buy. In China the online

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



There are a number of different dietary supplement categories. A common view is to divide the categories in relation to the basic ingredient type such as vitamins, minerals, amino acids, fatty acids, herbs, enzymes etc. Dietary supplements based on vitamins are the biggest sub-group of supplements accounting for 47% of sales while dietary supplements based on herbs account for around 12% amounting to a value of SEK 147 billion (USD 18) in 2017. The expected CAGR for herbs is 9.7% until 2024.

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

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

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

¹Source: Nutraceuticals World, Nutraingredients, Food Navigator, Hoovers, Primary Interviews, Grand View Research



DISTRIBUTION CHANNELS

THE PHYSICAL STORE EXPERIENCE

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

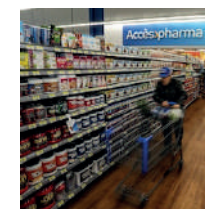
However, consumers need a reason to go to the store and the physical retail space must adapt to this by offering an interactive, visual and dynamic space that attracts consumers. New Nordic educate retailers on herbs, the function of their products and the unique selling points. New Nordic's Herbal School and

New Nordic's Universe e-Learning platform are cornerstones in this education. New Nordic also offer high class in-store material to make the store an exciting place to visit and they offer campaigns and activities that create "buzz" in the store.

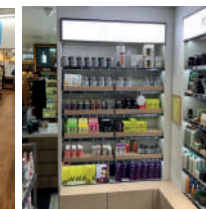
E-COMMERCE REVOLUTION

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

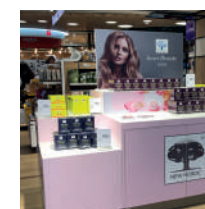
important cornerstone for dietary supplements, skin care, and hair care shopping, e-commerce is rapidly growing in importance. New Nordic strives to offer excellent information and value for our consumers across channels. New Nordic take an active role in providing digital images, information, and campaigns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



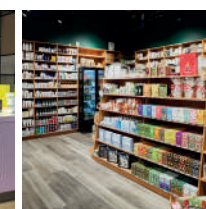
Mass retail



Department stores



Travel retail



Healthstores



Pharmacies
Drugstores



E-commerce

IN SOME COUNTRIES MORE
THAN **A THIRD** OF NEW NORDIC
PRODUCTS ARE **SOLD ONLINE**



Teri Hatcher - International Ambassador for Hair Volume™

THE NEW NORDIC DIGITAL RELATION

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

BUILDING A GLOBAL BRAND



Competition in the supplement is fragmented and, while multiple smaller supplement companies continuously enter the market, the bigger players have established their names and significant market positions. However, even the bigger players have only in very limited cases created brands that

you will find across the world. There is room for building international brands. In the skin care and hair care market it is different. Here you will find that a small number of companies dominate the global market. However, many of small brands are currently entering the market. Particularly new brands with a natural story to tell.

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

A man with a beard and glasses, wearing a light-colored button-down shirt, is kneeling in a lush green forest. He is holding a plant with white, star-shaped flowers in his hands, looking down at it with a focused expression. The background is filled with dense foliage and trees, creating a serene and natural setting.

FRANÇOIS GÉRARD THE CREATOR

François Gerard is the creator of many of New Nordic's remarkable health and inner beauty products. With more than 30 years of international herb and beauty experience, he is a true resource. François spends as much time travelling to distant places in the world investigating rare botanicals in their natural unspoiled environment as he spends in the laboratory. He is a unique person who lives and breathes "Natural Magic."

THE NEW NORDIC BUSINESS MODEL

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

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

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

New Nordic is a company run according to modern management principles with a family-like working environment that stimulates creativity and excellence. We value our expertise and heritage highly. Simplicity is key for the way we work at New Nordic. Excessive planning and bureaucratic reporting is avoided. By routinely asking ourselves why we are doing what we do, we often find new ways of doing things better. A revenue of SEK 8.5 million and a profit of more than SEK 530 thousand per employee in 2019 is a proof of our effectiveness.

REVENUE PER EMPLOYEE
SEK 8.5 MIO
PROFIT AFTER TAX
PER EMPLOYEE
SEK 530 THOUSAND

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

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

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

supply source as possible to control quality from fields and forrest to the finished product.

We strive to control our brand in all aspects of its business and believes in adding experience of consumer understanding, marketing, advertising and media buying to it's in-house know-how.

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

HOW WE DO IT

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

Beyond new products, innovation is embedded into our company culture to encourage new ideas and improved processes throughout every aspect of the organisation. This is to be more efficient and work smarter and faster with less bureaucracy and better

planning and reporting. We strongly believe that the key to success lies in making life better and easier for end consumers and for the retail partners. We encourage our personnel to "go the extra mile" that competitors are not willing to go to surpass consumer and customer expectations.

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

We manage our business primarily on a geographic national basis through our daughter companies or through

reputable national distributors. Planning and reporting is made both on a country level and on brand level.

At New Nordic we are convinced that driving growth and building brands, requires a strong engagement on a national local level. Engagement with retail customers, with the health care profession and with the end consumers. We seek to develop a deep and relevant consumer insight used to strengthen product development, packaging and the communications they deliver through internationally arranged marketing campaigns. The campaigns are primarily build on advertising directly to the end consumer with addition of shopper marketing programs that customise communications for different retail outlets and shoppers. The Company is also locally driving engagement, education and building leadership with health

care professionals to strengthen their endorsement of the brands, which in turn build market share and brand loyalty. We engage with our retail partners to share expertise and provide shoppers with the best value and to educate and train the retailers personnel to enhance their knowledge of the New Nordic products. Additio-

nally we have national in-house customer call centers and digital chat service to provide end consumers with a high-quality sales and post-sales support experience. Consumers are encouraged to call for advice through our advertising.



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

TEAM OF EXCELLENCE

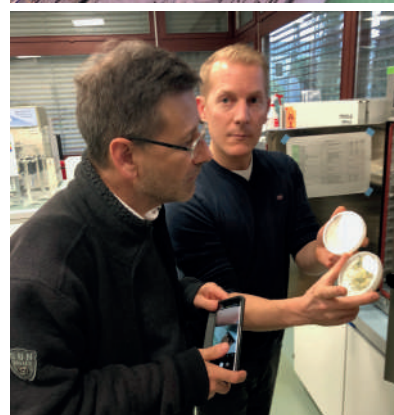
At New Nordic we try to attract and retain the best and most talented people and develop their personalities and skills. We strive to obtain an informal, professional and fast acting international working environment. Personnel at all levels learn to take responsibility for being leaders, and they commit to conducting business with the highest integrity. Leadership means the ability to take and execute decisions, being able to motivate others, to plan for success and being able to improvise when the environment change. Leadership also extends to being a leader in caring and showing respect for nature and the communities where our employees live and work and where the we sells our products.

NEW PRODUCT INNOVATION

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

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

In total we have spent less than one percent of our revenue in research and new product development in 2019. Some of these costs have been activated and some have been charged under other operating expenses.



Metagenomic studies of New Nordic plant material.

RAW MATERIAL SOURCING

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

MANUFACTURING

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

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

AT NEW NORDIC
WE HANDLE
MORE THAN 620
STOCK KEEPING UNITS

REGULATORY AFFAIRS

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

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

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

As a category of food, food supplements cannot be labeled with drug claims but can bear health claims and

nutrition claims. 2012 saw the implementation of the European Health Claim Directive EC 1924/2006, which is currently having a significant impact on the market. In June 2013, the European Commission published a 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.

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

As the FDA states, in a response to this question, Companies that market dietary supplements are permitted to

make structure/ function claims about a given supplement in the marketing material. These are broad claims that the product can support the structure or function of the body. The FDA must be noticed of these claims within 30 days of their first use, and there is a requirement that these claims be substantiated.

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

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

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

For the marketing of our products we

have made a commitment to implement the International Chamber of Commerce Consolidated Code of Advertising and Marketing Communication Practice and the Cosmetics Europe Charter and Guiding Principles on responsible advertising and marketing communication to which the key global cosmetics industry players adhere.



THE POWER OF RECOGNITION

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

Advertisement

Grandma where are your glasses?

"I am really thrilled about the situation with my eyes and I am telling all my friends how excited I am with Blue Berry™ Eyebright."

Mona, from Sweden, tells her story. Mona retired a few years ago. She always had reasonable eyesight but then she started to experience some challenges with her vision. It prevented her from living her life at the pace she was used to. But Mona has found relief in Blue Berry™ Eyebright. The product helped her improve her visual clarity, making her feel much more alert!

Mona, 65, is a healthy woman. She always kept herself busy and has an active social life. A couple of years back Mona had some problems with running and irritated eyes. Cold weather, wind and sun seemed to make the problems worse - many days of the year Mona had to avoid going outside. Mona consulted her optician who told her that it was caused by age and there was nothing that could be done about it.

Read about Blueberries

In a newspaper, Mona happened to read about the product Blue Berry™ Eyebright and the many who had been helped by this product with their eye problems. "It said that this product contained a number of natural ingredients such as

Blueberry extract, Lutein (from marigold) and a herb called Eyebright. I decided to give it a try."

Mona's grandchild noticed the difference

After a couple of months Mona started to feel some improvement. Her eyes got clearer and stopped being runny. A funny thing happened when she was out driving with her grandchild. "Grandma, you have forgotten your glasses!" said the 10 year old. It was then that Mona realised the difference that Blue Berry™ Eyebright tablets made. "My optician is really thrilled about the situation with my eyes, and I am telling all my friends how excited I am with Blue Berry™ Eyebright". It worked for me, says Mona, laughing.

The Original Swedish Blueberry Product

Blue Berry™ Eyebright tablets are the original Swedish formulation. They contain Blueberry extract, Lutein, Eyebright and Grape Seed extract. Blueberry is good for maintaining eye health and function through antioxidant and venous support action. Eyebright helps maintain the functions of vision and retina.



New Nordic, the leading Swedish natural health company, was the first to use garden marigold extract, which is rich in the natural pigment Lutein. Each ingredient picked undergoes an optimised extraction process, so that the desired herbal substances are preserved. This gives a guarantee for high quality.

Where to buy Blue Berry™ Eyebright tablets

Blue Berry™ Eyebright tablets are available from Holland & Barrett and leading independent health food stores. For an information leaflet call **0800 389 1255**. Or purchase online at **www.newnordic.co.uk**

ADVICE & QUESTIONS
You are always welcome to contact our New Nordic helpline at **0800 389 1255**

HOLLAND & BARRETT

— INDEPENDENT —
Health Food Stores



Online Store
www.newnordic.co.uk

A typical ad for Blue Berry™ in a weekly magazine.



VITALITY
FOOD SUPPLEMENTS



BEAUTY IN & OUT
HAIR CARE



BEAUTY IN & OUT
SKIN CARE

NEW NORDIC PRODUCTS

Our product assortment target more than 40 different health and beauty needs. The products might look different but they all carry the characteristic New Nordic Silvertree mark.

To satisfy national legal requirements we have more than 140 different product formulations. These formulations are

packed for different languages making the total number of SKUs close to 620.

We categories our products in 3 categories. Vitality Supplements, Beauty In & Out Skin Care and Beauty In & Out Hair Care.

INTERNATIONAL SALES

MARKETING COMPANIES

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

- Australia
- Belgium*
- Canada
- Denmark
- Estonia
- Finland
- France**
- Germany & Austria
- Holland*
- Hong Kong
- Italy
- Kazakhstan
- Latvia
- Lithuania
- Luxembourg*
- Norway
- Poland
- Romania
- Slovakia
- Spain
- Sweden
- Switzerland
- UK
- USA

*New Nordic BV, in Holland is responsible for marketing in Benelux

** Together with distributor in France

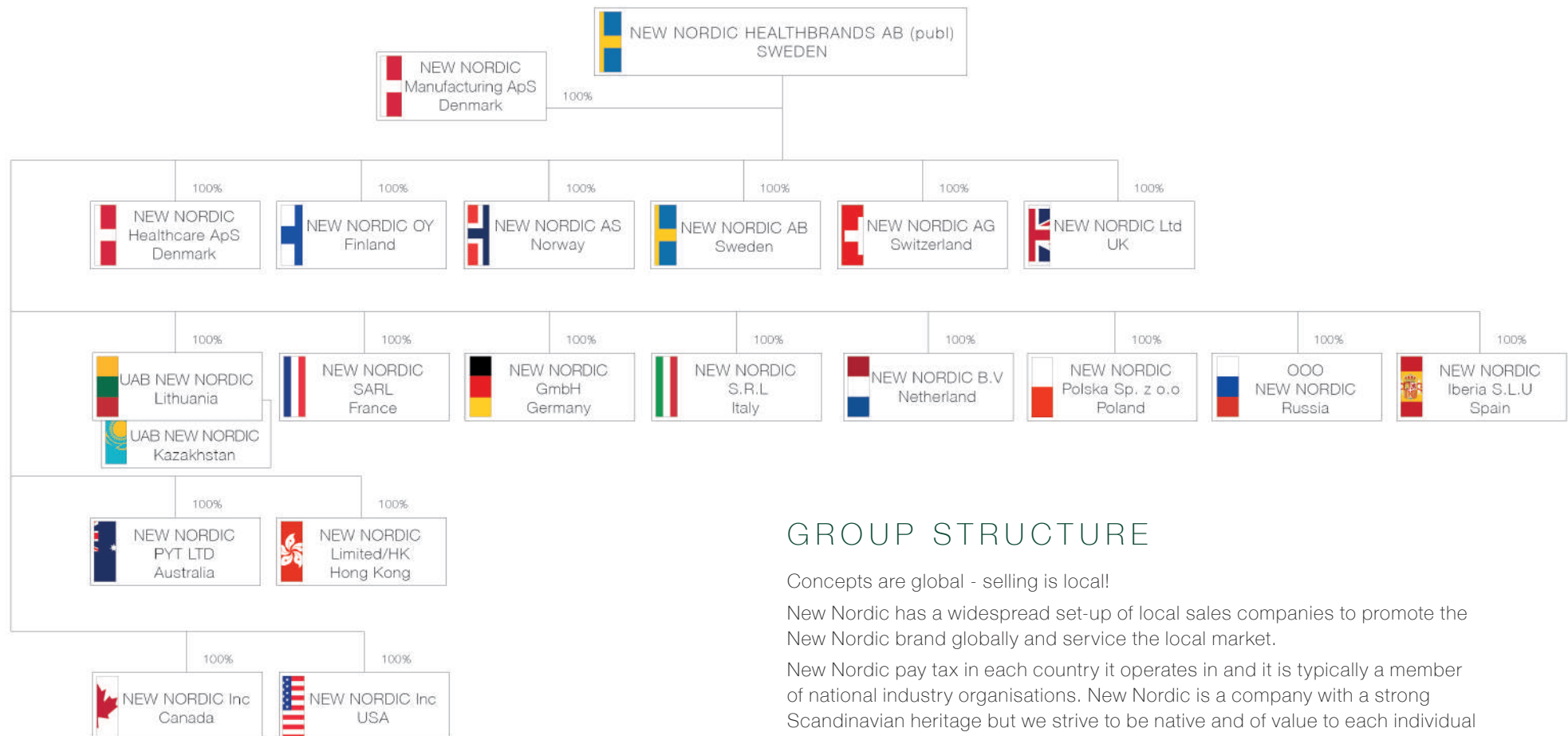
DISTRIBUTORS

New Nordic works with reputable distributors in:

- Armenia
- Belarus
- Bosnia
- China
- France & Monaco
- Georgia
- Iceland
- Ireland
- Jordan
- Lebanon
- Luxembourg
- Romania
- Slovenia
- Taiwan
- Vietnam

Sales by geographical area converted to Swedish kronor	2019		2018	
	MSEK	Percent	MSEK	Percent
Nordic	166	36	160	41
Other Europe	175	39	139	35
North America	105	23	91	23
Other World	7	2	4	1

NEW NORDIC HEALTHBRANDS AB (publ) GROUP STRUCTURE OF ACTIVE COMPANIES DECEMBER 2019



GROUP STRUCTURE

Concepts are global - selling is local!

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

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

On December 31, 2019, New Nordic also has the following passive companies: New Nordic S de R.L de C.V (Mexico), New Nordic Vitamin (Turkey) and New Nordic S.L (Spain).

TAKING A GIANT STEP

Since the beginning of New Nordic's history, we have operated on the global dietary supplement market. More than a third of New Nordic's business comes from our range of inner beauty products which are very successful. In 2019 the Board of Directors added beauty products to our strategy:

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

During the last three years New Nordic upscaled research and product innovation in the cosmetic sector with the help

of some of the world's best skin and hair care innovators with a proven track record of developing global best selling cosmetic products. Joint venture cooperation between innovators, Swedish cosmetic manufacturing experts, and New Nordic has resulted in a full range of skincare routines to complement the New Nordic inner beauty tablets and a hair care range to compliment New Nordic's hair tablets. This new game-changing range where the same highly concentrated herbal extracts are applied to the ecosystem of the skin via tablets and creams is now launched under the trademark Beauty In & Out™ by New Nordic.

New Nordic is now operating in three markets that are all buoyant.





INTRODUCING

BEAUTY
IN & OUT™
BY NEW NORD C

BEAUTY IN & OUT™ BY NEW NORDIC

New Nordic specialises in herbal supplements and beauty products based on extensive scientific proof. The New Nordic products work in harmony with your skin and body, they are effective and pure.

Using tablets and creams with the same active herbal ingredients is a great way to treat your skin from both the inside and out, making this a new and holistic way of taking care of your skin.

With this new beauty routine you support your skin's complete ecosystem both on the surface and under. This healthy and innovative approach is what Beauty In & Out™ is all about; a new and revolutionary beauty treatment that provides exceptional benefits.





BEAUTY IN FOCUSING ON THE CAUSE

Beauty supplements work from the inside in harmony with your body, by reaching and affecting the living skin cells that cosmetics can't reach from the outside.



BEAUTY OUT FOCUSING ON THE SYMPTOMS

The new skin and hair care products by New Nordic have an instant cosmetic effect that gives a younger and more beautiful look and feel. This works in synergy with internal beauty supplements for optimal results.

BEAUTY IN & OUT HERBAL BASE. NATURAL ORIGIN

New Nordic is passionate about the healing power of nature and has 30 years of experience in herbal functions and benefits. With the help of nature's herbal molecules we can activate life processes and functionality of our skin and hair follicle cells. You will experience both an immediate and long-term beauty effect with the new beauty range. There are great benefits of using the same active herbal extracts from the inside and out. The results will be better than anything else you have experienced before.



NEW NORDIC STRATEGY

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

OUR PLAN

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

- Driving Growth Internationally
- Building Market Leadership
- Growing Profitability

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

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

OUR FINANCIAL STRATEGY

Our financial strategy is simple.

1. Keep high gross margin

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

2. Overheads down

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

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

3. Marketing investments

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

Operating profit

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



GROWTH ENGINES

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

THE CURRENT GROWTH ENGINES FOR NEW NORDIC ARE

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

WINNING ASSETS

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

When the culture is strong, you can trust everyone to do the right thing. People can be independent and autonomous. They can be entrepreneurial. With a company that is entrepreneurial in spirit, we will be able to grow and be successful together. The success of the team is more important than individual achievement.

BOARD OF DIRECTORS



KARL KRISTIAN
BERGMAN JENSEN
BORN 1962

Board member since 2006 and CEO of New Nordic Healthbrands AB. Karl Kristian Bergman Jensen is a founder and a principal owner of New Nordic since 1990. Prior to that Karl Kristian Bergman Jensen was the International Marketing Manager, Director and member of the Board of Chartex International PLC in England, now known as The Female Health Company, USA. Before that, Mr. Jensen was the International Marketing Manager at Farma Food A / S. Mr. Jensen is also Chairman of Vaccinium Holdings ApS, Denmark and Ripamonti Finanz AG, Switzerland. Additionally, he is the initiator and Fund Manager of the global equity investment fund Verbier Fund® Health & Beauty Brands SICAV PLC, Malta.

1.557.640 shares held in New Nordic privately and via companies.



LENNART
SJÖLUND
BORN 1949

Board member since 2012. Besides his appointment as a director of the board of New Nordic, Mr. Sjölund is a business entrepreneur in the medical technology industry as well as a director of Lagercrantz Group AB, Östanbäck Timmerhus AB, Zarismo AB, 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.

10.000 shares held in New Nordic via company.



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.

2.318.824 shares held in New Nordic via companies.

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
Nordenskiöldsgatan 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".



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.



Country Manager Meeting in Legoria, Italy.

THE SHARE

NEW NORDIC - ONE OF A KIND

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

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

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

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

SHAREHOLDER INFORMATION

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

Exchange: FN STOCKHOLM

Currency: SEK

Trade name: NNH

ISIS: SE0001838038

Bloomberg ticker: NNH:SS

NUMBER OF SHARES

Total number of shares 6,195,200

Share Capital SEK 6,195,200

SHARE DEVELOPMENT

The share price has increased with 19 percent from 68.00 SEK to 81.00 SEK during 2019. Relative to the OMX Stockholm Total (OMXSPI) the share has decreased with 8% in 2019.

MARKET CAPITALISATION

Market cap 28. December 2018: 421 mSEK

Market cap 30. December 2019: 502 mSEK



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

SHAREHOLDERS OWNERSHIP STRUCTURE

As of 31 December 2019, the number of unique shareholders holding shares with a value of at least EUR 500 was 122 plus 615 non-public shareholders, compared to 100 unique and 526 non-public shareholders at the beginning of the financial year.

The combined shareholding of the ten largest shareholders was 93.8 percent (94.4) of the shares outstanding and of the votes. New Nordic Healthbrands AB. New Nordic Healthbrands AB also retain the service of Mangold AB as liquidity provider.

The table is reproduced from New Nordic share register as per 30 December 2019. The data in the table is based on information from Euroclear Sweden AB.

SHAREHOLDERS AS PER 30th DECEMBER, 2019

Shareholders	Shares	Ownership
Fjord Capital APS	2 318 684	37.43 %
UBS Switzerland AG	1 568 350	25.31 %
Credit Suisse AG, Zurich	937 280	15.13 %
Six Sis AG, W8IMY	292 466	4.72 %
Knock, Christian	216 098	3.49 %
BFCM P/C CIC Sweden OPCVM LT	201 995	3.26 %
Nordnet Pensionsförsäkring AB	120 856	1.95 %
Johansson, Lars	70 500	1.14 %
JPM Chase NA	45 187	0.73 %
Pershing, LLC, W9	42 235	0.68 %
Sum 10 largest owners	5 813 651	93.84 %
Sum other	381 549	6.16 %
Total number of shares	6 195 200	100 %

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

Vaccinium Holding ApS, Denmark owns 2,485,000 shares (40.16%). Karl Kristian Bergman Jensen is the end, beneficial owner of 62.4% of Vaccinium Holding ApS, while The Bergman Jensen Family Foundation, Liechtenstein owns 37.6%.

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

Shareholders of New Nordic Health Brands AB (publ) are hereby invited to attend the Annual General Meeting 2020.

PLACE: Malmö Börshus

ADDRESS: Clarion Hotel, Malmö

TIME: Thursday 29 April 2020 at 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 Thursday 23 April 2020 and notify their intention to attend the Annual General Meeting by 23 April 2020 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 Thursday 23 April 2020. 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 1.75 per share to be paid for 2019. May 4, 2020 was decided as record date. With this record day, Euroclear Sweden AB is expected

to pay the dividend on 7 May 2020.

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

The board fee is proposed to be SEK 250 000 to dispense with 0 paid to the Chairman, SEK 0 to Karl Kristian Bergman Jensen and with SEK 125 000 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 1 April 2020 and sent to shareholders who so request and state their address.

Malmö, March 2020

The Board

New Nordic Healthbrands AB (publ)



2019

ANNUAL REPORT MANAGEMENT REPORT

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

FINANCIAL REVIEW

The Board and Chief Executive Officer of New Nordic Health Brands AB (publ) hereby submit the annual report for the fiscal year 2019. 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 Growth Market, NASDAQ, Stockholm.

THE BUSINESS

New Nordic develop and market branded food supplements, natural remedies and cosmetic products such as skin care and hair care. 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 and drugstores, health stores, department stores, travel retailers and e-commerce stores including the company's own on-line

store in 41 countries around the world. The consolidated structure shown in note 18.

EVENTS DURING THE YEAR

In 2019, New Nordic focused on the implementation of its strategy. The company continued to introduce innovation and increased marketing costs to further strengthen its international brand. The result was that sales increased by 15 percent to SEK 453 million. The company has increased its sales of New Nordic products in most of the 41 markets where its products are now sold.

The gross margin decreased to 69.7 percent from 70.5 percent. Sales and administration expenses increased by 14.9 percent, or the largest cost increase was related to higher marketing costs.

The EBITDA margin decreased to 8.1 percent, amounting to SEK 36.9 million. The company has a low book value of tangible and intangible assets and has relatively small debt, resulting in low

costs for depreciation and interest. Operating profit amounted to SEK 36.3 million. The company's profit after tax amounted to SEK 28.1 million, which is 6.2 percent of sales. Return on equity was 27.5 percent. Earnings per share amounted to SEK 4.53.

Sales in the parent company increased by 14.5 percent and amounted to SEK 170.2 million. The Parent Company's profit after tax amounted to SEK 12.7 million. The Parent Company's equity amounted to SEK 71.7 million at year-end.

OWNERSHIP

The number of New Nordic Healthcare AB (publ) shares was 6,195,200 at year-end. The company has no own shares. The Articles of Association contain no restrictions on the transferability of the shares. Owners with more than 10% of the share capital of the company as of December 31, 2019: Vaccinium Holding ApS, Denmark, 40.16%. Karl Kristian Bergman Jensen is the end, beneficial owner of

62.4% of Vaccinium Holding ApS, while The Bergman Jensen Family Foundation, Liechtenstein owns 37.6%. Fjord Capital ApS, Denmark 37.43%. Marinus Blåbjerg Sørensen and family members are together the ends beneficial owners of 100% of Fjord Capital ApS.

SALES AND MARKETING

At the turn of the year, New Nordic had its own sales companies in Australia, Denmark, England, Estonia, Finland, France, Holland, Hong Kong, Italy, Canada, Kazakhstan, Latvia, Lithuania, Norway, Poland, Sweden, Switzerland, Germany and the USA. The sales companies in Estonia, Latvia and Kazakhstan are branches of UAB New Nordic in Lithuania. In addition, New Nordic controls and finances the marketing in Belgium, Georgia, Holland, Luxembourg and partly in France. In addition, the company has distributors in Armenia, Azerbaijan, Belgium, France, Georgia, Holland, Hong Kong, Ireland, Iceland, Jordan, China, Lebanon, Luxembourg, Moldova, Slova-

kia, Slovenia, Taiwan, Vietnam and Belarus. New Nordic also has passive subsidiaries in Spain and Mexico.

MARKETING

New Nordic markets the company's brands to consumers and so-called "health care professionals". In marketing, all relevant media are used in combination (Weekly and daily press advertising, television, radio, outdoor

advertising, retail material and electronic advertising on social media).

FINANCIAL POSITION

At the end of the year, New Nordic had SEK 10.8 million in cash and cash equivalents and an equity ratio of 51.7%. Cash flow from operating activities amounted to SEK -0.7 million (inventories increased with

15.3 million and current receivables with 20.9 million), from investment activities SEK -1.1 million and from financing activities SEK -1.7 million.

ORGANISATION

At year-end, the company had 55 employees, including management (51), of whom 13 men (13) and 42 are women (38). There are 24 (22) nationalities employed in the Group.

NEW PRODUCT DEVELOPMENT

New Nordic's product development includes literature research, raw material research, bioavailability studies, analyses, clinical studies, market research, design and packaging development, as well as registration of products in new markets. During the year, the Group posted less than 1 percent of sales on research and product development. Expenses for product development attributable to major projects estimated to amount to more than 75.000 EUR are capitalised. (see page 57, accounting principles Fixed assets).

OUTLOOK FOR 2020

New Nordic had expected growth in sales and earnings in all markets where the company has its own organisation. However, the COVID-19 pandemic is creating an extremely challenging and turbulent global market condition for New Nordic. It is changing the market situation significantly day by day.

The company is working extensively to

ANNUAL KEY FIGURES

Group	2019	2018	2017	2016	2015
Net sales	452.613	393.708	344.739	305.842	298.485
Profit after financial items	36.068	34.119	27.115	12.523	14.240
Total assets	197.187	162.647	138.818	127.592	125.235
Equity	51.7%	49.3%	43.8%	33.7%	28.6%
The number of employees at the end of the period	55	51	41	42	44
Parent	2019	2018	2017	2016	2015
Net sales	170.086	148.586	122.027	111.165	111.734
Profit after financial items	17.715	17.077	4.988	- 229	9.017
Total assets	120.911	107.764	104.390	116.922	117.089
Equity	65.9%	69.1%	64.4%	57.2%	58.6%
The number of employees at the end of the period	3	3	3	3	3

manage the situation. All activities in the company are now being carefully evaluated and adjusted. New Nordic has taken several initiatives already. Great emphasis is being placed on adjusting buying and inventory levels, adjusting marketing activities and focusing on e-commerce going forward, among other things. More initiatives will most likely be needed. This extraordinary situation may have a negative impact on revenues and profits during 2020 and New Nordic cannot at this stage say whether the expected growth can be sustained under such conditions. In the current situation, the dietary supplement industry seems to be doing well in the COVID-19 crisis and it is expected that the industry will return to normal relatively shortly after the crisis is over. New Nordic is financially stable and the company does not expect Covid-19 to have effects in the medium and longer term.

New Nordic has clearly prioritised product categories and markets where the company will focus on driving growth the most during 2020. The company also expects to enter into distribution agreements in new markets during the year. The company plans all growth to be

organic and does not plan any acquisitions during 2020 but cannot exclude it. Launches in new health categories are also planned for 2020 and the company expects them to launch Beauty In & Out™ in a number of countries.

DIVIDEND

The Board of Directors has decided to propose to the shareholders that the Annual General Meeting on April 29, 2020, decide on a dividend of SEK 1.75 per share for a total amount of SEK 10,841,600. As record date for receiving dividends, the Board of Directors proposes on 4 May 2020. The payment of the dividend is expected to be made through Euroclear Sweden AB on 7 May 2020.

The Board's opinion on the proposed dividend has been prepared in accordance with Chapter 18, Section 4 of the Swedish Companies Act and to what is stated in Chapter 17, Section 3, second and third paragraphs of the Swedish Companies Act.

In addition to what has been stated above, the Board has considered other factors that may affect the company and the Group's financial position, including

PROPOSAL FOR DISPOSITION OF EARNINGS

Parent

To the Annual General Meeting the following

Share premium account	49 847 516 SEK
Retained earnings	2 898 284 SEK
Profit for the year	12 708 816 SEK

The board proposes

to pay out 1,75 SEK per share	10 841 600 SEK
and carry forward	54 613 016 SEK
	65 454 616 SEK

This Annual Report has been approved by the Board on 27th March 2020. The annual report shall be submitted to the Annual General Meeting in Malmö on 29th April 2020.

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.

the spread of Covid-19 coronavirus and its potential effects. The Board's assessment is that the Company's financial situation is sufficiently robust to

handle the risks that the situation in worst case entails for the company, which is why the proposed dividend is considered justified.

RISK FACTORS

Like any company, New Nordic is exposed to a variety of risks. Investors should be aware of the kind of risks and the Company shall deal with the risks and opportunities on a daily basis. For the risks identified and listed below, New Nordic is doing their best to manage the risks in their daily business and many employees are involved in this process.

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

In New Nordic, the risk management system (events or situations of which the occurrence, which is uncertain, has a positive or negative impact) applies to the Company and its consolidated subsidiaries ("New Nordic").

Risk management consists of identifying, assessing and controlling risks that may affect the smooth running of the Company. It also participates in New Nordic's development by promoting the good use of

resources to minimise the impact of negative events and maximise the realisation of opportunities.

In order to ensure the sustainability of its development and the achievement of its objectives, the New Nordic Group strives to anticipate and manage the risks to which it is exposed in its different areas of activity.

CORONAVIRUS

The Covid-19 pandemic has resulted in a challenging and turbulent global market situation for New Nordic. The changing consumer behavior of consumers, the changing operating conditions for wholesalers and retailers and an uncertain supply chain affect New Nordic's daily operations. New Nordic has implemented changes in the purchase of raw materials, production and media to prepare for the coming period. New Nordic has also taken steps to focus on continuing to be able to service and deliver to consumers through e-commerce. The Covid-19 situation may lead to a decrease in sales and profits in the next 3-5 months, but it is still uncertain if this will happen. New Nordic is financially stable and the company does not expect Covid-19 to have effects in the medium and long-term. In the near future, the company will have a strong focus on the development of the risks caused by the pandemic and the management of these risks.

CYCLICAL ECONOMY

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

BRAND

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

PRODUCT QUALITY AND SAFETY

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

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

RESPONSIBLE PRODUCT COMMUNICATION

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

SEASONAL NATURE OF BUSINESS

In certain cases and for specific products, the timing of sales can be linked to climate conditions, such as for example cosmetic sun care products or diet products. Products sought after by consumers as

gifts see particularly strong sales at year-end and during holiday periods. This is the case for special gift packs. A major disruption in any of these factors could affect New Nordic's sales.

GEOGRAPHIC PRESENCE AND ECONOMIC AND POLITICAL ENVIRONMENT

New Nordic has subsidiaries in 21 countries and the majority of its sales are generated outside Scandinavia. Global growth in the cosmetics market has led New Nordic to develop its activities in countries within the "New Markets" Zone, which represents a growing part of New Nordic's business.

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

BREXIT

The situation with regard to Brexit is subject to specific monitoring.

DISTRIBUTION NETWORK

Due to its innovative and effective products, extensive marketing and brand positioning, New Nordic is subject to constant pressure from local and international competitors across the globe.

Competition is healthy: it drives New Nordic's teams around the world to always do their utmost to serve the interests of consumers and the New Nordic brand. Winning market share, improving operating profitability and thereby ensuring growth are a

permanent challenge in a context of the increased digitisation of consumer relationships, where companies constantly strive to obtain the best positions for their products and launch the most attractive and effective product ranges offering an optimal price/quality ratio.

INNOVATION AND CONSUMER EXPECTATIONS

The development of innovative products and their adaptation to market requirements is an ongoing priority for New Nordic. If New Nordic fails to anticipate or interpret changes in consumer expectations, especially with regard to environmental issues, and new trends, notably digital solutions and connected tools, its sales could be affected.

EXTERNAL GROWTH TRANSACTIONS

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

These operations may have a negative impact on New Nordic's results if New Nordic fails to successfully integrate the activities of the acquired companies and their personnel, products, and technologies under

the expected conditions and in compliance with New Nordic's standards, or if it fails to achieve the expected synergies or to successfully handle liabilities not anticipated when the transaction was completed and for which New Nordic has little or no protection from the seller.

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

HUMAN RESOURCES MANAGEMENT

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

SECURITY RISKS

New Nordic's presence in 41 countries exposes it to a variety of risks inherent to the environments it works in (geopolitical, economic and social, malicious acts, climate and natural disasters). The direct and indirect consequences of these risks may adversely affect New Nordic's resources: namely, people and tangible and intangible assets.

EMPLOYEE HEALTH AND SAFETY RISKS

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

INFORMATION SYSTEMS

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

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

The malfunction or breakdown of these systems or the loss of data for exogenous or endogenous reasons (including intrusions, malicious acts, etc.)

could have a significant impact on New Nordic's business activities.

DATA

The data collected and processed by New Nordic and its partners, with a volume that increases along with the development of digital activities, may be used fraudulently, or be lost or degraded.

Furthermore, personal data protection regulations are being reinforced throughout the world. Specifically, the European General Data Protection Regulation (GDPR) which entered into force in May 2018, provides for significant sanctions.

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

RISK OF AN INTERNAL CONTROL FAILURE

However effective New Nordic's internal control may be, it can only provide reasonable and not absolute assurance that the Company's objectives can be achieved due to the inherent limitations of any control system. Thus, New Nordic cannot exclude the risk of an internal control failure likely to expose it notably to acts of fraud or corruption, that may have an impact on its activities, reputation and results.

INTELLECTUAL PROPERTY: TRADEMARKS, DESIGNS & MODELS, DOMAIN NAMES

The trademarks, designs & models and domain names, and particularly the major international New Nordic brand and the characteristic Silvertree Mark, are strategic intangible assets of New Nordic, primarily owned by New Nordic Healthbrands AB.

A few brands, primarily marketed by New Nordic in Sweden, Norway and Canada, including eye q® and Lyprinol, have been licensed to New Nordic. New Nordic does not have, however, a significant dependency situation with regard to these licences.

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

The trademarks, packaging and the products themselves may be counterfeited by third parties wanting to illegally claim the benefits of their reputation and earn illicit profits from the work and investments of New Nordic.

INDUSTRIAL PROPERTY: PATENTS

Research and innovation are the historic pillars of

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

REGULATORY CHANGES

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

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

OTHER LEGAL RISKS AND LITIGATION

In the ordinary course of its business, New Nordic will potentially be involved in legal actions and is subject

to tax, customs and administrative audits.

PRODUCTION AND SUPPLY CHAIN

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

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

SOURCING

New Nordic's products consist of raw materials and ingredients from several different suppliers (raw materials and packaging items). New Nordic is dependent on deliveries from third parties live up to agreed requirements with respect to quantity, quality and delivery. Incorrect or missing deliveries from suppliers might mean that New Nordic deliveries will in turn be delayed, which in the short term may result in reduced sales. Although New Nordic is thus not able to exercise full control over these goods, it is the Group's opinion that no single supplier is unique, so a disruption in supplies need not involve long-term implications for the business.

ENVIRONMENT AND EMPLOYEE SAFETY

The food supplement and cosmetics industry has a limited environmental risk profile. New Nordic does

not have any manufacturing sites of its own. However, as with any production, distribution, research and general administration activity, New Nordic is exposed to safety and environmental issues: fire, explosion, technical failure of facilities, information systems, or even human failure in the operation of existing facilities or works management. These industrial risks can result in human damage and/or accidental pollution (surface and groundwater, air, soil), within or outside New Nordic's sites, particularly if these are located in inhabited zones.

Insufficient consideration of these impacts related to the use phase during the design of products could represent a risk for sales in certain areas of the world where access to water is difficult (water stress, quality of drinking water, etc.). Similarly, the use of predominantly plastic containers may represent an environmental risk resulting from the disposal of plastic waste, depending largely on the collection and treatment channels available.

COUNTERPARTY RISK

New Nordic is exposed to the counterparty risk of financial institutions which it uses within the scope of its business activities.

However, New Nordic considers that its exposure to this risk is low.

CUSTOMER RISK

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

LIQUIDITY RISK

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

FUNDING RISK

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

FINANCIAL AND MARKET RISKS INTEREST RATE RISK

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

CURRENCY RISK

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

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

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

RISK RELATING TO THE IMPAIRMENT OF INTANGIBLE ASSETS

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

EQUITY RISK

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

RISK RELATING TO TAX REGULATIONS

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

New Nordic follow the OECD guidelines and have implemented a transfer pricing policy. The procurement company New Nordic Manufacturing ApS operate under a cost plus principle whereas all subsidiaries operate under a guaranteed profit principle. The benchmarks are evaluated by the Company's auditors one a year.

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

An increase in existing taxes, the introduction of new taxes, or double taxation concerning in particular corporate income tax, customs duties, import taxes, the repatriation of dividends or social levies, could have an adverse impact on the Company's results.

The tax authorities in the countries in which New Nordic is present carry out tax audits that may lead to tax adjustments if there is a disagreement over the interpretation of the regulations.

These audits may become disputes, and in certain countries, be subject to media coverage that may affect New Nordic's reputation.

CORE COMMODITY RISK

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

the supplements and/or cosmetics. This might impact the gross margin.

GROUP INCOME STATEMENT

(kSEK)	Note	2019	2018
Group income			
Net sales	1	452 613	393 708
		452 613	393 708
Group costs			
Cost of goods sold		-137 028	-116 198
Other external costs	2	-232 973	-202 049
Employee costs	3	-45 747	-40 570
Depreciation of tangible and intangible assets	4	-560	-668
		-416 308	-359 485
Operating profit	5	36 305	34 223
Result from financial investments			
Interest income	6	151	236
Interest expense	7	-388	-340
		-237	-104
Profit after financial items		36 068	34 119
Tax	8	-7 994	-7 596
Profit for the year		28 074	26 523
Earnings per share*	9	4.53	4.28
Numbers per share		6 195 200	6 195 200

* No dilution

GROUP BALANCE SHEET

(kSEK)	Note	2019	2018
ASSETS			
Fixed assets			
Intangible fixed assets			
Brands	10	0	0
Capitalised product development costs	10	745	9
		745	9
Tangible fixed assets			
Equipment and tools	11	1 672	1 282
		1 672	1 282
Financial assets			
Deferred tax	12	4 191	3 761
Long-term receivables	13	938	587
		5 129	4 348
Total fixed assets		7 546	5 639
Current assets			
Inventories			
Raw materials		24 967	22 800
Finished goods		55 421	42 326
		80 388	65 126
Current receivables			
Accounts receivables		79 788	63 310
Other receivables		10 695	10 178
Prepaid expenses	14	7 951	4 008
		98 434	77 496
Liquid funds		10 819	14 386
Total current assets		189 641	157 008
TOTAL ASSETS		197 187	162 647

GROUP CHANGES IN EQUITY

(kSEK)	Note	2019	2018
EQUITY AND LIABILITIES			
Equity	15		
Share capital		6 195	6 195
Other equity including net profit		95 722	74 018
Equity attributable to parent company shareholders		101 917	80 213
Liabilities			
Deferred tax liabilities	12	2 865	2 558
		2 865	2 558
Long-term liabilities			
Other long-term debts		1 878	1 149
		1 878	1 149
Current liabilities			
Bank overdraft	16	9 972	2 657
Accounts payable		54 334	48 180
Tax liabilities		5 469	3 536
Other liabilities		13 034	14 721
Accrued expenses	17	7 718	9 633
		90 527	78 727
TOTAL EQUITY AND LIABILITIES		197 187	162 647

Group 2018 (kSEK)	Share capital	Other equity incl. profit for the year	Total equity
Balance at the beginning of the year	6 195	54 615	60 810
Dividend	0	-7 124	-7 124
Currency translation difference	0	4	4
Profit of the year	0	26 523	26 523
Balance at the end of the year	6 195	74 018	80 213

Group 2019 (kSEK)	Share capital	Other equity incl. profit for the year	Total equity
Dividend	0	-9 293	-9 293
Currency translation difference	0	2 923	2 923
Profit of the year	0	28 074	28 074
Balance at the end of the year	6 195	95 722	101 917

CONSOLIDATED CASH FLOW STATEMENT

(kSEK)	2019	2018
Current operations		
Operating profit	36 305	34 223
Adjustments for items not included in cash flows		
Depreciations	560	668
Other provisions	-292	21
	36 573	34 912
Interest recieved	3	8
Interest expense	-388	-340
Taxation paid	-5 727	-4 743
Cash flow from current operations before changes in working capital	30 461	29 837
Cash flow from changes in working capital		
Inventories	-15 262	-14 209
Current receivables	-21 190	-4 765
Current liabilities	5 324	6 989
Cash flow from current operations	-667	17 852
INVESTMENT ACTIVITIES		
Acquisition of intangible fixed assets	-743	0
Investments in tangible fixed assets	-941	-880
Divestment	292	231
Changes in liabilities	-351	113
Cash flow from investment activities	-1 743	-536
FINANCING ACTIVITIES		
Dividend	-9 293	-7 124
Changes in long term debt	729	-214
Changes in credit line facilities	7 315	-4 635
Cash flow from financing activities	-1 249	-11 973
Changes in liquid funds	-3 659	5 343
Liquid funds at the beginning of the period	14 386	9 058
Exchange rate effect	92	-15
Liquid funds at the end of the period	10 819	14 386

PARENT COMPANY INCOME STATEMENT

(kSEK)	Note	2019	2018
Operating revenue			
Net sales	1	170 086	148 586
Other revenues		110	0
		170 196	148 586
Operating costs			
Cost of goods		-112 253	-97 858
Other external expenses	2	-42 579	-35 445
Employee expenses	3	-3 911	-3 743
Depreciation of tangible and intangible assets	4	-9	-62
		-158 752	-137 108
Operating profit	5	11 444	11 478
Result from financial items			
Income from participations in Group companies	6	6 306	5 447
Interest income and similar income items	6	172	307
Profit from receivables as fixed assets	7	0	0
Interest expense and similar expense items		-207	-155
		6 271	5 599
Profit after financial items		17 715	17 077
Allocations			
Change in accrual fund	8	-2 273	-3 000
Tax on profit for the year		-2 733	-2 041
PROFIT FOR THE YEAR		12 709	12 036

PARENT COMPANY BALANCE SHEET

(kSEK)	Note	2019	2018
ASSETS			
Fixed assets			
Intangible assets			
Trademarks	10	0	0
Capitalised development expenditure	10	745	9
		745	9
Tangible fixed assets			
Equipment	11	0	2
		0	2
Financial assets			
Holdings in Group companies	18	29 213	29 161
Receivables from Group companies	19	945	5 812
Other long-term receivables	13	771	477
		30 929	35 450
Total fixed assets		31 674	35 461
Current assets			
Inventories			
Raw materials		24 833	22 701
Finished goods		18 187	15 210
		43 020	37 911
Current receivables			
Receivables		3 870	942
Receivables from Group companies		39 931	31 989
Other receivables		1 186	666
Prepayments and accrued income	14	1 226	791
		46 213	34 388
Cash and bank balances		4	4
Total current assets and receivables		89 237	72 303
TOTAL ASSETS		120 911	107 764

(kSEK)	Note	2019	2018
EQUITY AND LIABILITIES			
Equity	15		
Restricted equity			
Share capital		6 195	6 195
		6 195	6 195
Unrestricted equity			
Share premium reserve		49 848	49 848
Retained earnings		2 898	155
Profit of the year		12 709	12 036
		65 455	62 039
Total equity		71 650	68 234
Untaxed reserves		10 255	7 982
Current liabilities			
Current part of long-term debt to credit institutions	16	6 206	831
Accounts payable		21 465	17 920
Liabilities to Group companies		7 379	10 765
Current tax liabilities		1 660	690
Other liabilities		667	175
Accrued expenses and deferred income	17	1 629	1 167
		39 006	31 548
Total equity and liabilities		120 911	107 764

PARENT COMPANY CHANGE IN EQUITY

Parent company 2018 (kSEK)	Share capital	Premium reserve fund	Balanced profit	The year's profit	Total
Balance at the beginning of the year	6 195	49 848	6 354	925	63 322
Previous year's result	0	0	925	-925	0
Dividend	0	0	-7 124	0	-7 124
Profit for the year	0	0	0	12 036	12 036
Balance at the end of the year	6 195	49 848	155	12 036	68 234

Parent company 2018 (kSEK)	Share capital	Premium reserve fund	Balanced profit	The year's profit	Total
Previous year's result	0	0	12 036	-12 036	0
Dividend	0	0	-9 293	0	-9 293
Profit for the year	0	0	0	12 709	12 709
Balance at the end of the year	6 195	49 848	2 898	12 709	71 650

PARENT COMPANY CASH FLOW STATEMENT

(kSEK)	Note	2019	2018
Current operations			
Operating profit		11 444	11 478
Adjustments for items not included in cash flow			
Depreciation and amortization		9	62
		11 453	11 540
Dividends from subsidiaries		6 306	5 447
Interest received		172	307
Interest paid		-207	-155
Income tax paid		-1 763	-1 663
Cash flow from operations before changes in working capital		15 961	15 476
Changes in working capital:			
Changes in inventories		-5 109	-4 383
Change in receivables		-11 825	-1 584
Change in current liabilities		1 113	-1 256
Cash flow from operations		140	8 253
Investment activities			
Acquisition of subsidiaries		-52	0
Acquisition of intangible fixed assets		-743	0
Acquisition of tangible assets		0	-32
Cash flow from investing activities		-795	-32
Financing activities			
Dividend		-9 293	-7 124
Change in long-term receivables		4 573	2 563
Change in bank overdraft		5 375	-3 660
Cash flow from financing activities		655	-8 221
Cash flow for the year		0	0
Cash and cash equivalents at beginning of year		4	4
Cash and cash equivalents at end of year		4	4

ACCOUNTING AND VALUATION PRINCIPLES

GENERAL

The accounting policies applied by the Group and the Parent Company complies with the Årsredovisningslagen (1999:1554) 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 5 years
Equipment and vehicles 3-7 years

Depreciation commences when the asset is taken into commercial use.

TAX INCLUDING DEFERRED TAX

Taxes are recognized in the income statement except when the underlying transaction is recognized directly in equity, in which it is recognized in equity. Current tax is the tax payable or refundable for the current year. This includes adjustment of current tax attributable to previous periods.

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

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

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

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

LEASING

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

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

COMPENSATION TO EMPLOYEES

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

PENSIONS

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

GROUP CONTRIBUTION

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

CASH AND CASH EQUIVALENTS

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

FINANCIAL ASSETS AND LIABILITIES

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

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

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

payable are recognized when the invoice is received.

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

IMPAIRMENT

When there are indications that an asset has declined substantially in value, an assessment of the carrying value to the higher of the estimated net realizable value and value in use. If this value is less than the carrying amount, an impairment loss. Reversal is made if there are no longer grounds for impairment. Impairment losses and reversals are recognized in the income statement.

ESTIMATES AND ASSESSMENTS

The following of the board's assessments may have an effect on reported amounts in the annual report: When valuing deferred tax assets, assessments are made based on 5-year forecasts / budgets according to the best reliable estimate at any given time,

on future taxable surpluses for each company and thus the possibilities of utilizing the loss carryforwards. A longer time horizon than 5 years is not considered reliable. The report is based on assessments and estimates of the company's management and the board.

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

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

NOTES

All amounts are kSEK unless otherwise stated.

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

Note 1. 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.

	Group 2019	Group 2018	Parent 2019	Parent 2018
External sales	452 613	393 708	13 200	7 465
Internal sales	236 697	213 214	156 886	141 121
Sum	689 310	606 922	170 086	148 586
Elimination	-236 697	-213 214	-156 886	-141 121
Net sales	452 613	393 708	13 200	7 465

Secondary segment

Geographical areas

	Net sales 2019	Net sales 2018
Nordic region	165 648	160 319
Other Europe	174 727	138 489
North America	105 049	90 638
Other world	7 189	4 262
	452 613	393 708

24.3% (26.1%) of purchases in the parent company are related to the purchases of subsidiaries.

Note 2. Information about the remuneration of the auditor

Fees and expenses	Group 2019	Group 2018	Parent 2019	Parent 2018
Ernst & Young				
Auditing	573	567	250	250
Auditing outside assignment	0	0	0	0
Tax advice	0	0	0	0
Other services	49	62	25	25
RSM Richter Chamberland				
Auditing	315	291	0	0
Auditing outside assignment	0	0	0	0
Tax advice	0	0	0	0
Other services	16	0	0	0
Total Revisjon DA				
Auditing	58	49	0	0
Auditing outside assignment	0	0	0	0
Tax advice	0	0	0	0
Other services	16	14	0	0
Total	1 027	983	275	275

Note 3. Personal

Average number of employees	2019 Employees	2019 Whereof men	2018 Employees	2018 Whereof men
Parent company in Sweden	3	67%	3	67%
Subsidiaries				
Sweden	4	0%	4	0%
Denmark	19	11%	18	11%
Norway	3	0%	2	0%
Finland	1	0%	1	0%
Lithuania	9	44%	8	50%
Germany	3	33%	3	33%
Poland	2	50%	2	50%
Great Britain	3	33%	3	33%
Canada and United States of America	5	20%	5	20%
Hong Kong	0	0%	0	0%
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%
Switzerland	0	0%	0	0%
Australia	1	0%	0	0%
Total subsidiaries	52	21%	48	23%
Total for the group	55	24%	51	25%

Gender breakdown among the senior executives	Group 2019	Group 2018	Parent 2019	Parent 2018
Distribution of women and men on company boards:				
Women	4%	4%	25%	25%
Men	96%	96%	75%	75%
Distribution of women and men in senior management:				
Women	6%	6%	25%	25%
Men	94%	94%	75%	75%

Salaries and benefits	2019	2019	2018	2018
Salaries and other remunerations	Salaries and other remunerations	Social expenses	Salaries and other remunerations	Social expenses
Parent company (of which pension costs)	2 789	1 112 604	2 705	1 026 530
Subsidiaries (of which pension costs)	34 870	5 734 3 534	30 257	5 543 2 778
Total group (of which pension costs)	37 659	6 846 4 138	32 962	6 569 3 308

	2019			2018		
Salaries and benefits (excluding pension costs) by country	CEO, Board and other leading executives	Other employees	Total	CEO, Board and other leading executives	Other employees	Total
Sweden						
Parent company	1 845	944	2 789	1 777	928	2 705
Subsidiaries		2 887	2 887		3 052	3 052
Sweden total	1 845	3 831	5 676	1 777	3 980	5 757
Subsidiaries abroad						
Denmark	1 493	15 222	16 715	1 415	13 822	15 237
Norway	0	1 882	1 882	0	1 585	1 585
Finland	0	829	829	0	781	781
Baltics	0	3 089	3 089	0	2 357	2 357
Germany	0	1 238	1 238	0	974	974
England	0	2 183	2 183	0	1 440	1 440
Switzerland	0	171	171	0	120	120
Poland	0	948	948	0	725	725
Canada and USA	0	3 282	3 282	0	2 514	2 514
Italy	0	1 557	1 557	0	1 472	1 472
Australia	0	89	89	0	0	0
Subsidiaries abroad total	1 493	30 490	31 983	1 415	25 790	27 205

Salaries and remuneration of senior management

Group 2019	Salary	Directors' fees	Pension	Total
Chairman of the board	1 493	0	149	1 642
Board directors	0	240	0	240
Chief Executive Officer	1 605	0	0	1 605
Group total	3 098	240	149	3 487

Group 2018	Salary	Directors' fees	Pension	Total
Chairman of the board	1 415	0	142	1 557
Board directors	0	230	0	230
Chief Executive Officer	1 547	0	0	1 547
Group total	2 962	230	142	3 334

Parent company 2019	Salary	Directors' fees	Pension	Total
Chairman of the board	0	0	0	0
Board directors	0	240	0	240
Chief Executive Officer	1 605	0	0	1 605
Parent company total	1 605	240	0	1 845

Parent company 2018	Salary	Directors' fees	Pension	Total
Chairman of the board	0	0	0	0
Board directors	0	230	0	230
Chief Executive Officer	1 547	0	0	1 547
Parent company total	1 547	230	0	1 777

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 120 thousand (115 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

	Group 2019	Group 2018	Parent 2019	Parent 2018
Depreciation according to plan				
Trademarks	0	0	0	0
Product development	-7	-27	-7	-25
Equipment	-553	-641	-2	-37
Sum	-560	-668	-9	-62

Note 5. Operationell leasing

	Group 2019	Group 2018	Parent 2019	Parent 2018
Expensed leasing fees concerning operating lease agreements	3 118	2 947	127	127
Future lease fees concerning non cancellable operating leases agreements				
Shall be paid within 1 year	3 265	2 908	196	110
Shall be paid within 1-5 years	13 118	12 067	629	446
Shall be paid later than 5 years	749	0	0	0
Sum	17 132	14 975	825	556

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

Note 6. Interest receivable and similar income items

	Group 2019	Group 2018	Parent 2019	Parent 2018
Interest income	3	8	3	1
Interest income from group companies	0	0	20	78
Foreign exchange gains	148	228	149	228
Sum	151	236	172	307
Income from participations in group companies				
Dividends from subsidiaries	0	0	6 306	5 447
Sum	0	0	6 306	5 447
Impairment				
Impairment of receivables subsidiaries such as are non-current assets	0	0	0	0
Amount	0	0	0	0

Note 7. Interest expense and similar expense items

	Group 2019	Group 2018	Parent 2019	Parent 2018
Interest expenses	-388	-340	-207	-155
Interest expenses, group companies	0	0	0	0
Foreign exchange losses	0	0	0	0
Sum	-388	-340	-207	-155

Note 8. Tax on profit for the year

	Group 2019	Group 2018	Parent 2019	Parent 2018
Current tax expense	-7 912	-6 351	-2 733	-2 041
Deferred tax	-82	-1 245	0	0
Reported tax expense	-7 994	-7 596	-2 733	-2 041

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

	Group 2019	Group 2018	Parent 2019	Parent 2018
Reported profit before tax	36 068	34 119	15 442	14 077
Tax at applicable tax rate	-7 719	-7 506	-3 305	-3 097
Tax effect of: non-deductible expenses	-260	-372	-757	-138
Non-taxable income	14	23	1 349	1 198
Change in temporary differences	898	581	0	0
Change loss carry forwards	-461	-317	0	0
Adjustment for tax rates in foreign group companies	-265	-103	0	0
Others	-201	98	-20	-4
Reported tax expense	-7 994	-7 596	-2 733	-2 041

The current tax rate in the group varies between 12% 30% and 21.4% of the parent company. Loss carryforwards arising in Russia, Spain, Switzerland, Hong Kong, Turkey, Australia and Mexico have not been activated

Note 9. Earnings per share

The Board proposes a dividend of SEK 1.75 per share (1.50) for 2019, equivalent to SEK 10,841,600 (9,292,800). 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.

	2019	2018
Earnings and dividend per share		
Group		
Earnings used in calculating earnings per share	28 074	26 523
Average number of shares, in thousands	6 195	6 195
Earnings per share*	4.53	4.28
Parent company		
Earnings used in calculating earnings per share	12 709	12 036
Average number of shares, in thousands	6 195	6 195
Earnings per share*	2.05	1.94

* There is no dilution.

Note 10. Intangible assets

	Group 2019	Group 2018	Parent 2019	Parent 2018
Trademark				
Opening accumulated acquisition values	35 507	35 507	470	470
Purchases for the year	0	0	0	0
Sales / disposals	-5 500	0	0	0
Closing accumulated acquisition values	30 007	35 507	470	470
Opening accumulated depreciations	-35 507	-35 507	-470	-470
Depreciations of the year	0	0	0	0
Sales / disposals	5 500	0	0	0
Closing accumulated depreciations	-30 007	-35 507	-470	-470
Closing residual value	0	0	0	0

	Group 2019	Group 2018	Parent 2019	Parent 2018
Capitalized product development costs				
Opening accumulated acquisition values	4 251	4 362	2 691	2 691
Translation difference	6	-111	0	0
Purchases for the year	743	0	743	0
Sales / disposals	0	0	0	0
Closing accumulated acquisition values	5 000	4 251	3 434	2 691
Opening accumulated depreciations	-4 242	-4 325	-2 682	-2 657
Translation difference	-6	110	0	0
Sales / disposals	0	0	0	0
Depreciations of the year	-7	-27	-7	-25
Closing accumulated depreciations	-4 255	-4 242	-2 689	-2 682
Closing residual value	745	9	745	9

Note 11. Tangible fixed assets

	Group 2019	Group 2018	Parent 2019	Parent 2018
Opening accumulated acquisition values	5 705	5 088	544	512
Translation difference	103	132	0	0
Purchases for the year	941	886	0	32
Sales / disposals	-549	-401	-32	0
Closing accumulated values	6 200	5 705	512	544
Opening accumulated depreciations	-4 423	-3 849	-542	-505
Translation difference	-101	-87	0	0
Sales / disposals	549	154	32	0
Depreciations of the year	-553	-641	-2	-37
Closing accumulated depreciations	-4 528	-4 423	-512	-542
Closing residual value	1 672	1 282	0	2

Note 12. Deferred tax

	Group 2019	Group 2018	Parent 2019	Parent 2018
Deferred tax assets relating to:				
loss carry forwards	1 853	2 314	0	0
deductible temporary differences	2 338	1 447	0	0
Sum	4 191	3 761	0	0
Deferred tax liability relating to:				
Untaxed reserves	2 865	2 551	0	0
Taxable temporary differences	0	7	0	0
Sum	2 865	2 558	0	0

Note 13. Other long-term receivables

	Group 2019	Group 2018	Parent 2019	Parent 2018
Opening acquisition	587	700	477	49
Additional receivables	568	497	511	428
Amortisation, outgoing claims	-217	0	-217	0
Reclassifications	0	-610	0	0
Outgoing accumulated acquisition	938	587	771	477
Conclusion impairments	0	0	0	0
Debt service, leaving debts	0	0	0	0
Reversal of impairment losses	0	0	0	0
Reclassifications	0	0	0	0
Year impairments	0	0	0	0
Outgoing accumulated impairments	0	0	0	0
Total carrying value	938	587	771	477

Note 14. Prepayments and accrued income

	Group 2019	Group 2018	Parent 2019	Parent 2018
Prepaid rent	437	458	28	28
Prepaid insurance	328	263	0	6
Prepaid sales and marketing costs	4 774	786	296	32
Other	2 412	2 501	902	725
Total	7 951	4 008	1 226	791

Note 15. number of shares

	Quotient 2019	Quotient 2018	Quantity 2019	Quantity 2018
A-shares	1	1	6 195 200 6 195 200	6 195 200 6 195 200

Note 16. Overdrafts

	Group 2019	Group 2018	Parent 2019	Parent 2018
Amount granted	29 436	29 020	26 539	26 144
Utilized amount	9 972	2 657	6 206	831

Note 17. Accrued expenses and deferred income

	Group 2019	Group 2018	Parent 2019	Parent 2018
Holiday pay and accrued wages	4 188	4 784	632	515
Social security contributions	567	555	180	145
Accrued sales and market costs	2 051	3 219	492	0
Other items	912	1 075	325	507
Sum	7 718	9 633	1 629	1 167

Note 18. Holdings in group companies

	Group 2019	Group 2018
Opening accumulated holdings	29 161	29 161
Acquisition of subsidiaries (New Nordic Iberia S.L.U)	52	0
Closing accumulated acquisition costs	29 213	29 161

	Share of equity	Share of votes	Book value	Net result	Total equity
New Nordic AB	100%	100%	18 202	1 290	3 210
New Nordic Manufacturing ApS	100%	100%	7 000	627	2 833
New Nordic Healthcare ApS	100%	100%	300	1 175	3 767
New Nordic AS	100%	100%	2 800	327	3 580
New Nordic OY	100%	100%	2	133	-6 997
UAB New Nordic	100%	100%	2	380	2 646
New Nordic Deutschland GmbH	100%	100%	2	548	-7 767
New Nordic AG	100%	100%	421	22	153
New Nordic Healthbrands Polska Sp. z.o.o	100%	100%	67	274	1 532
New Nordic Limited	100%	100%	2	13 406	37 771
New Nordic Inc (Canada)	100%	100%	1	662	7 399
New Nordic US Inc (USA)	100%	100%	0	915	-1 525
New Nordic Ltd (Hong Kong)	100%	100%	12	41	15
New Nordic Vitamin	99,8%	99,8%	0	0	-3 277
OOO New Nordic	100%	100%	0	-62	-2 124
New Nordic S.R.L.	100%	100%	91	164	2 021
New Nordic S.L.	100%	100%	0	0	-740
New Nordic B.V.	100%	100%	167	219	-1 501
New Nordic SARL	100%	100%	92	411	1 653
New Nordic S de R.L. de C.V.	100%	100%	0	0	-1 459
New Nordic PTY Ltd	100%	100%	0	-245	-241
New Nordic Iberia S.L.U	100%	100%	52	-5	47
Sum			29 213	20 282	40 996

Information about the subsidiaries corporate registration number and registered office

	Org. No.:	Registered office:	
New Nordic AB	556546-0150	Malmö	Sweden
New Nordic Manufacturing ApS	14728708	Roskilde	Denmark
New Nordic Healthcare ApS	15679735	Roskilde	Denmark
New Nordic AS	982754437	Moss	Norway
New Nordic OY	218826046	Espoo	Finland
UAB New Nordic	300065428	Kaunas	Lithuania
New Nordic Deutschland GmbH	HAB 97256	Hamburg	Germany
New Nordic AG	CHE 323998168	Zug	Switzerland
New Nordic Healthbrands Polska Sp. z.o.o	0000517243	Warszawa	Poland
New Nordic Limited	3142365	West Farleigh, Kent	England
New Nordic Inc	653483-0	Montreal	Canada
New Nordic US Inc	26-3122812	New Castle, Delaware	USA
New Nordic Ltd	2455046	Hong Kong	Hong Kong
New Nordic 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
New Nordic PTY LTD	ACN 125 151 091	Sydney	Australia
New Nordic Iberia S.L.U	B67402651	Barcelona	Spain

Note 19. Holdings in group companies

	Group 2019	Group 2018
Opening acquisitions	10 812	13 803
Additional receivables	423	0
Amortisation, outgoing claims	-2 143	-3 317
Reclassifications	161	326
Closing accumulated cost	9 253	10 812
Conclusion impairments	-5 000	-5 000
This year impairments	-3 308	0
Accumulated impairments	-8 308	-5 000
Total carrying value	945	5 812

Note 20. Pledged collateral

	Group 2019	Group 2018	Parent 2019	Parent 2018
Collateral pledged for own liabilities to credit institutions				
Business mortgages	22 452	22 140	13 968	13 760
Total collateral	22 452	22 140	13 968	13 760

Note 21. Contingent

	Group 2019	Group 2018	Parent 2019	Parent 2018
Guarantee for the benefit of	0	0	27 936	27 520
-Check Credit Group companies	0	0	27 936	27 520

Note 22. Appropriation of profits

	Group 2019	Group 2018
Proposal for profit distribution		
The Board proposes that the unappropriated funds		
Share premium reserve	49 848	49 848
Retained earnings	2 898	155
Profit for the year	12 709	12 036
	65 455	62 039
Proposal for disposition		
to pay out to shareholders 1.75 SEK per share (1.50)	10 842	9 293
To carry forward	54 613	52 746
	65 455	62 039

Note 23. Significant events after the financial year end

New Nordic Healthbrands AB (publ) has decided to initiate preparations for an application during 2020 for listing on Nasdaq Main Market Stockholm in 2021. New Nordic is currently not planning to issue more shares in the company in combination with the listing.

In February 2020, New Nordic Healthcare S.R.L., was registered in Romania. The company is 100% owned by New Nordic Healthbrands AB.

In March 2020, the Beauty In & Out™ product range was delivered to Matas stores in Denmark. It has been very well received by the Matas health and beauty advisors in the stores.

In March 2020, the WHO declared coronavirus (Covid-19) as a pandemic. The spread of the coronavirus has resulted in a challenging and turbulent global market situation for New Nordic. Consumers' changed purchasing behavior, the changing operating conditions of wholesalers and retailers and an uncertain supply chain affect New Nordic's daily operations. The New Nordic team is prepared to adapt. New Nordic has implemented changes in the purchase of raw materials, production, and media in order to prepare for the coming period. New Nordic has also taken steps to focus on continuing to be able to service and deliver to consumers through e-commerce, which already accounts for almost 40% of the company's sales in the US, 30-35% in Europe and more than 80% in China. The Covid-19 situation may lead to a decrease in sales and profits during the next 3-5 months, but it is still uncertain whether this will happen.

New Nordic is financially stable and the company does not expect Covid-19 to have effects in the medium and longer-term. The company's plans to execute the company's strategy are unchanged. New Nordic is still convinced that it will have a relatively good year in 2020.

Note 24. Transactions with related parties

In 2019 New Nordic Healthcare ApS in Denmark sold a total of 790 kSEK products of the Danish New Nordic range to Dansk Detail ApS, which is owned by Marinus Blåbjerg Sørensen and Karl Kristian Bergman Jensen. The products are sold on the same terms and prices as they are sold to like-minded customers. Dansk Detail ApS operates four health shops (Helsehuset Strædet, Helsehuset Helsingør, Helsehuset Frederiksberg and Køge Helsekost) and an online store under the name www.helsegrossisten.dk. Apart from regular price agreements, there are no special marketing agreements or similar between the companies.

Note 25. New Nordic Healthbrands AB put on observation list by Nasdaq

CEO, Karl Kristian Bergman Jensen, and CFO, Marinus Blåbjerg Sørensen both serve the Board of Directors.

This is not in accordance with the First North Rulebook section 2.3.4.

Therefore Nasdaq has put New Nordic Healthbrands AB on observation list 26 January 2002 until this situation has been resolved.

New Nordic is working to resolve the situation fast and will immediately send out a press release once this happens.

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 Tyreman
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 2020. 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 29th of April 2020.

Our audit report was submitted on 27th of March 2020.

Ernst & Young AB



Martin Henriksson
Authorised Public Accountant

Revisionsberättelse

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

Rapport om årsredovisningen och koncernredovisningen

Uttalanden

Vi har utfört en revision av årsredovisningen och koncernredovisningen för New Nordic Healthbrands AB för räkenskapsåret 2019-01-01-2019-12-31. Bolagets årsredovisning och koncernredovisning ingår på sidorna 40-75.

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 2019 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

Det är styrelsen och verkställande direktören som har ansvaret för den andra informationen. Den andra informationen finns på sidorna 1-39 (men innefattar inte årsredovisningen, koncernredovisningen och vår revisionsberättelse avseende dessa).

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 misstag.

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 misstag, 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 misstag 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 misstag, 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 misstag, eftersom oegentligheter kan innefatta agerande i maskopi, förfälskning, 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 eventuella 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 för räkenskapsåret 2019-01-01 - 2019-12-31 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 förlöpande 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. 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 ersättningsskyldighet 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 ersättningsskyldighet 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.

Malmö den 27 mars 2020

Ernst & Young AB



Martin Henriksson
Auktoriserad revisor