



PRESS RELEASE

Malmö April 28, 2016

New Nordic Healthbrands AB (publ) Three-month report January - March 2016

Q1 2016

- Net sales amounted to MSEK 74.6 (72.9), an increase of 2 percent. In local currencies, the increase was 5 percent.
- Gross margin decreased to 63.8 percent (66.8).
- EBITDA decreased to MSEK 3.2 (4.7).
- Operating profit decreased to MSEK 2.8 (4.1).
- Profit after tax for the period decreased to MSEK 2.3 (3.1).
- Earnings per share decreased to SEK 0.52 (0.76).

COMMENTS BY KARL KRISTIAN BERGMAN JENSEN, CEO

Sales increased with more than 5 percent in local currencies in the first quarter. The increase was high in North America and particularly Canada where we have increased the distribution and delivered the first orders to Costco - a large department store chain. In the Nordic area, our sales declined in Denmark and Norway. This is in spite of information that sales of our products from retailers to the end consumer has increased in the same period. This means that our largest retailers has drastically reduced inventories. We are confident that this situation is temporary and that our sales in the Nordic region will increase for the full year.

Earnings declined in the first quarter. The decline in earnings is directly related to decreased gross profit due to that one of our major manufacturers suddenly raised their manufacturing prices drastically at the end of 2015. To defend our gross margin, we have taken steps to move some of this manufacturing to other manufacturers. We have also negotiated prices and come to an agreement with the manufacturer who raised prices.

The whole affair with sudden increased manufacturing prices has prompted us to establish a new internal manufacturing policy. In the future we will make sure always to have a minimum of two manufacturers of our main products. In the process, we have also taken over the inventory of raw materials from our manufacturers and we renegotiated prices of raw materials and in particular our herbal ingredients. We are therefore confident that our cost prices are under control as of April 2016 and that the gross margin in the second half will again be on the same level as in 2015.

All other costs are under control and since we were aware that cost of goods would be extraordinarily high in the quarter we have not increased marketing costs in the rate we normally do. Our total inventory has increased considerably as we have increased the inventory of raw materials. We expect to reduce inventories by 10-15 percent by the end of the year through improved raw material flow. We will now concentrate to continue our growth.

We are just about to introduce three new products to trade in Denmark and Norway: No Stress™, Deep Breath™ and Easy Digest™. We also have several innovative products ready for launch in the autumn. We work specifically on the introduction of the New Nordic in two additional countries in Europe. In addition, we have by end of the quarter delivered the first New Nordic products to a new distributor in Hong Kong. We have many exciting projects underway in New Nordic and I am convinced that 2016 will end up being a good year.

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The information in this press release is that which New Nordic Healthbrands AB (publ) is required to disclose under Sweden's Securities Market Act. It will be released for publication at 9.00 (CET) on April 28th, 2016.

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New Nordic Healthbrands AB (publ) was founded in 1990 and is quoted on NASDAQ OMX Stockholm since 2007. The company's business concept is to offer the most effective and safe food supplements and natural medicines for specific health conditions. New Nordic's branded products are now available in 33 countries in pharmacies and health stores. The New Nordic Group has its own small sales and marketing companies in most European Countries, Canada and the US, to organize local marketing campaigns, serve the pharmacy and health retailers and serve the end consumers. In 2015, sales were 298 MSEK. All New Nordic products sold worldwide are manufactured in Scandinavia. For further information, visit www.newnordic.com.