

2017 ANNUAL REPORT

New Nordic Healthbrands AB (publ)
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NEW NORDIC AT A GLANCE

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

The global dietary supplement market is predicted to grown nearly 10% annually towards 2024 and New Nordic plan to take market share in this growing market.

The New Nordic brand has a strong Scandinavian identity and a unique positioning in Europe and North America.

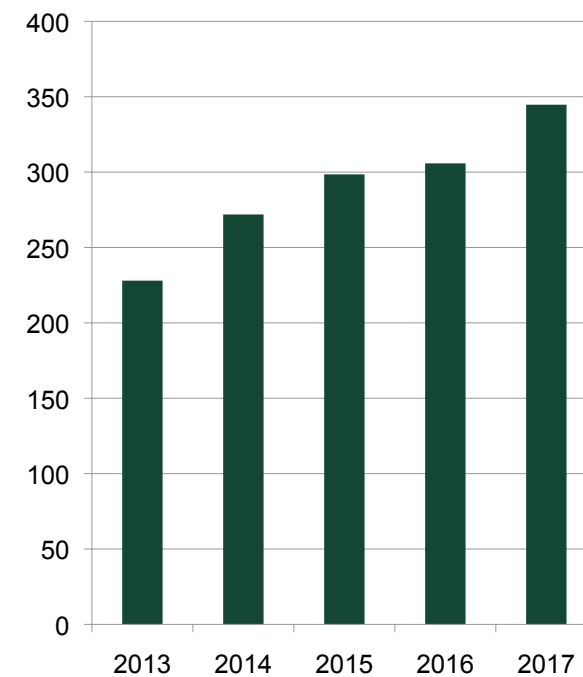
Today, New Nordic supplements are sold in 34 countries in North America, Europe and Asia. New Nordic products are regularly available from more than 50,000 pharmacies, health stores and online retailers.

The New Nordic equity is one of the very few opportunities to invest in a stock market listed business focused on international sales of dietary supplements sold through pharmacies, health stores and groceries.

NEW NORDIC DIETARY SUPPLEMENTS
ARE SOLD IN 34 COUNTRIES

AVAILABLE IN MORE THAN
50,000 STORES

SOLUTIONS FOR 40 HEALTH
AND BEAUTY NEEDS



New Nordic group revenue in SEK millions 2013 - 2017

SOLID GROWTH AND A STRONGER INTERNATIONAL BRAND

*“EARNINGS PER SHARE MORE
THAN DOUBLED TO 3.28 SEK.”*



Karl Kristian Bergman Jensen, CEO

The year 2017 marked another year of expansion with revenues of 345 million SEK while increasing profitability reaching a profit after tax of 20 million SEK. Earnings per share more than doubled to 3.28 SEK.

This was a satisfactory achievement reached by effective execution of our strategy focusing on innovation, marketing and increased world wide distribution. New Nordic is now represented in 34 countries with 86 percent of sales generated outside Sweden.

New Nordic is an idea with an enormous internatio-

nal potential. Our brand has a strong identity and a unique positioning. In Scandinavia we live close to nature and at New Nordic we merge natural herbs with effectiveness to make innovations that solve our consumers health and beauty needs and improve their lives.

Consumers have always been our most important stakeholders. We care for them and all our decisions are guided by the desire to put them at the heart of what we do. Our ability to anticipate our consumers needs and satisfy their expectations is crucial. Our brand is

exceptional and an incomparable asset. The strength of the New Nordic brand is growing day by day. New Nordic is loved by consumers all around the world and seen as a synonym for Scandinavian effectiveness, innovation and reliability.

We categorise our products in four segments; Vitality, Beauty, Diet and Sport. During 2017 the Vitality, Beauty and Diet categories developed well whereas we faced challenges in the Sport category. For the sport category we have therefore changed our distribution and marketing efforts and lowered our expectations.

During 2017 we launched several new product innovations whereas the most groundbreaking and innovative product is Wild Biotic™, the worlds first capsule with an ecosystem of more than 100 strains of live lactic acid and other bacteria that you will find in the human gut. Other innovations I would like to highlight is gummy versions of our successful Blue Berry™ and Hair Volume™ products. The gummy form of dietary supplements are growing fast in popularity world wide by consumers that have difficulties swallowing tablets and capsules. In 2017 we also introduced liquid dietary supplements in our beauty range.

Until today, New Nordic has focused on manufacturing in Scandinavia, however the implementation of new applications forms and new technologies forces us to look outside Scandinavia for the best manufacturers with a genuine know how of these new technologies. Our business platform is based on excellence and even though we will increase the number of manufacturers we will continue to select the best raw materials and continue our strict quality control measures, carefully checking all steps from field and forrest to the final packaged products. This is our consumers guarantee for continuous high quality standards and safe and effective products.

I am pleased with the development in sales in more or less all countries where we are present. Our sales in North America is in a good growth momentum. Particularly in the US we are constantly improving our distribution with new retailers carrying New Nordic

products. Also in Europe sales are growing nicely. In 2018 we will increase our efforts to launch New Nordic in European countries where we are not yet present. In Scandinavia we also experienced very nice growth. This proves that we can grow even in markets where we are already very well established since more than 20 years. The development in Asia now seems to bear fruit. In 2017 we have worked hard to enter markets like Hong Kong and China. In China through online retailers. I believe that 2018 will be the year where we see result of this work. World wide, pharmacies are our major retailers, followed by health stores. Several of our retail partners are pan-European or even work across continents. Online stores are becoming more and more important in the international dietary supplement scene and for New Nordic.

The global economy seems to be going in there right direction now and analysts expect the global dietary supplement to grow the coming 7 years with an aggregated annual growth rate close to 10 percent, USA with 10 percent and Europe with 7 percent. Now, as always, new challenges await us. Over the next few years it will in particular be how to act in the rapid changing retail situation with bigger and more consolidated international retail partners and a change from offline to online shopping amongst our consumers. We will continue to execute our strategy under our proven business model. Product innovation is fundamental for our continued success and we have plenty of exiting new health and beauty products in the

pipeline for a select expansion of our product range. We will continue our high marketing pressure with an increased focus on mastering the social media as well as printed media and TV.

I am proud of our organisation and our structure. We have excellent planning and control tools, we are streamlined in our decision-making processes but still flexible and prepared to improvise to handle the challenges on our way to reach our goals. We have a talented team of individuals who are highly engaged. Each and everyone contributed to the achievements of 2017 and everybody is fully aware of the goals and efforts that lies ahead of us to secure our continued growth and profitability.

We will all strive to get even better at the things we do so well. We plan take market share in the growing global dietary supplement business and increase the value of our brand hand in hand with increasing the earnings per share for our dear shareholders.



KARL KRISTIAN BERGMAN JENSEN
CEO

FINANCIAL HIGHLIGHTS

(kSEK)	2017	2016	2015	2014	2013	(kSEK)	2017	2016	2015	2014	2013
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, %	39.8	17.7	28.9	46.1	38.5
Own shares by 31st December*	0	0	0	0	0	Return on equity, %	33.4	22.3	31.7	49.4	42.7
Market price 31st December, SEK	40	27.5	23.9	23.4	14.5	Sales per employee	8 307	7 113	6 784	7 157	6 162
Earnings per share, SEK*	3.28	1.55	1.83	2.00	0.93	Gross profit per employee	5 597	4 641	4 471	4 572	4 021
Equity per share, SEK*	9.8	6.9	5.8	4.0	2.2	Profit per employee	495	228	258	326	156
Dividend per share, SEK**	1.15	0.40	0.25	0	0	Financial position					
Company size						Debt-equity ratio, times	1.28	1.97	2.5	3.0	5.7
Number of employees by end of year	41	42	44	38	37	Interest coverage, times	44.7	15.8	13.7	9.5	3.5
Market Cap 31st December	247 808	170 368	148 065	144 968	89 830	Equity ratio, %	43.8	33.7	28.6	24.9	15.0
Operations						Cash flow					
Sales	344 739	305 842	298 485	271 949	227 983	Cash flow from operating activities	26 420	-9 252	-2 560	3 204	483
EBITDA	28 455	14 096	18 592	19 118	12 154	Cash flow from financing activities	-24 162	9 077	1 555	-1 483	406
Operating profit	27 654	13 007	15 718	16 199	9 161	Investments	202	597	792	588	508
Profit after financial items	27 115	12 523	14 240	16 525	7 894						
Profit	20 297	9 574	11 330	12 375	5 781						
Margins											
Gross margin, %	67.4	65.3	65.9	63.9	65.3						
EBITDA margin, %	8.3	4.6	6.2	7.0	5.3						
Operating margin, %	8.0	4.3	5.3	6.0	4.0						
Profit margin after tax, %	5.9	3.1	3.8	4.6	3.5						
Growth											
Sales growth, %	12.7	2.5	9.8	19.2	11.9						
Growth in earnings per share,%	111.6	-15.3	-8.5	115.1	-						
Balance sheet data											
Total assets	138 818	127 592	125 235	100 662	90 288						
Equity	60 810	42 979	35 772	25 059	13 549						
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 2017 is set at SEK 1.15 (0,40) per share.

Gross profit: Gross margin as a percentage of net sales. **EBITDA margin:** Operating income before depreciation and amortization as a percentage of net sales. **Operating margin:** Operating profit after depreciation and amortization as a percentage of net sales. **Profit margin:** Profit after financial items as a percentage of net sales. **Equity ratio:** Equity as a percentage of total assets. **Return on capital employed:** Profit after financial items plus financial expenses divided by capital employed. **Return on equity:** Net income as a percentage of shareholders' equity at period end. **Debt-equity ratio:** Total liabilities divided by shareholders equity. **Interest coverage ratio:** Operating income divided with interest expenses.

2017 KEY EVENTS

ZUCCARIN DIET MARKETING BREAK IN USA

Zucarin Diet™, a mulberry leaf extract with weight loss effects documented in clinical trials has obtained national distribution in the US and marketing begin. The weight loss market is hungry for new serious solutions to help overweight people. Zucarin Diet is a serious candidate.

A NEW KIND OF DIETARY SUPPLEMENTS SEE THE DAY OF LIGHT

Inspired by the trend in USA and in order to satisfy the needs of people who have difficulties swallowing tablets, New Nordic finalise the product development of gummy versions of Hair Volume™ and Blue Berry™. These new types of supplements will be launched first in the US and in Scandinavia.



Q1

NORWEGIAN SEAWEED

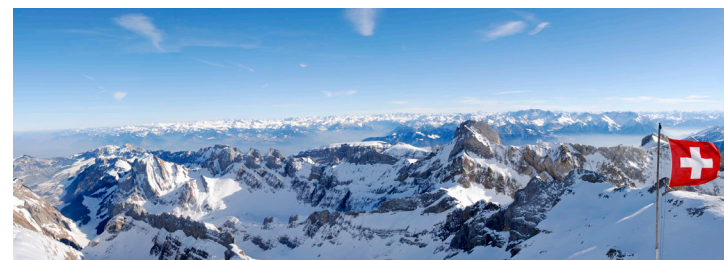
In Scandinavia we launched Seaweed Diet™. Seaweed is gaining in popularity and scientific data reveals that seaweed contains a secret natural compound that can help in weight management. The tablets are based on a seaweed harvested in Norway.



Q2

NEW NORDIC NOW IN SWITZERLAND

Agreements were made with Swiss wholesalers to stock selected New Nordic products for sale to Swiss pharmacies. Marketing to pharmacies and consumers began. Packaging include 3 languages, German, French and Italian.





NEW PRODUCTS IN USA

Hair Gro™ and More Sleep™ are introduced in USA adding to the range of New Nordic products on the US market. Hair Volume™ continue to increase in sales.

BEAUTY IN A SHOT

Most women know the benefit of hyaluronic acid on skin. Our Skin Care™ Hyaluronic Shot ad another state of the art product to our growing beauty from within range. Cheers!



NEW NORDIC FIRST MOVER AGAIN

New Nordic is proud to introduce Wild Biotic™ the worlds first wild probiotic product transplanting an ecosystem of more than 100 lactic acid bacteria and other bacteria you find in the gut from bee products to the human gut. The probiotic market is booming and Wild Biotic is a game changer. The product is developed in cooperation with Swiss universities and the underlying science tiff work is published.



Q3

HERBAL SCHOOL



New Nordic Herbal School is now a tradition. Our succesful herbal school was upgraded and launched to a wide number of Scandinavian retailers offering a real hands-on total herbal learning experience country by country. A unique opportunity for retailers to get an in-debt understanding of our products.

Q4

COOPERATION IN HONG KONG



Hong Kong is the window to the Far East but also a very challenging market where western dietary supplement players all try to make an entrance and where the retail business consist og both western style retail drugstore chains and independent traditional Chinese pharmacies. To assist New nordic steer in this interesting and busy market, New Nordic entered an agreement with China Tea & Herbalworld Ltd, a family owned business with more than 50 years of experience in the Hong Kong tea and herbal market.



OUR BUSINESS

NEW NORDIC IN THE SUPPLEMENT INDUSTRY

As of 2017, the total value of the supplement industry was nearly SEK 1.200 billion (USD 145 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

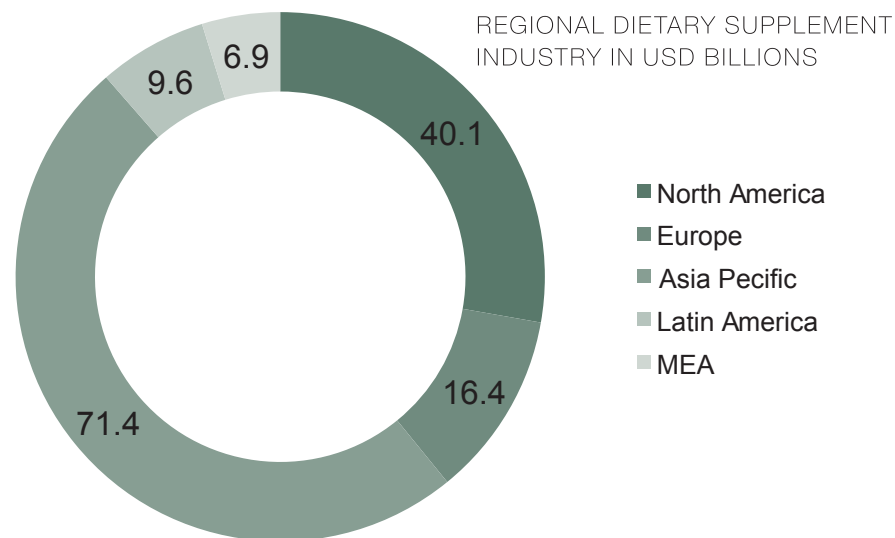
around 11%. Unites States and China are the two most important single markets.

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 30% 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

THE PHYSICAL STORE EXPERIENCE

While it is estimated that online shopping generates an increasing share of sales and already today accounts for 30% in some markets, the physical retailers remains very important for New Nordic. Particularly pharmacies 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. We also offer high class in-store material to make the store an exciting place to visit and we offer campaigns and activities that create "buzz" in the store.new

THE ONLINE STORE EXPERIENCE

Empowered by digital technology, consumers have more access to information and choices than ever before, leading to a change in shopping behaviour 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 online retailers offer reviews from other consumers which can help in decision making. While physical stores remain an important cornerstone for dietary supplement shopping, online stores are growing in importance. New Nordic strive 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 online retailers as well as an active role in connecting with consumers directly via own social media.

IN SOME COUNTRIES
UP TO 30% OF NEW NORDIC
PRODUCTS ARE SOLD ONLINE



Irina - Danish beauty blogger promoting Skin Care™ Hyaluron Shot

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. The want to be part of our New Nordic "universe". At New Nordic we experience this trend. In our digital and traditional print advertising we encourage consumers to connect with us via chat, social media and phone. We daily increase the number of consumers that we are regularly in connection with and we value these relations highly. Sales directly from our official online store to consumers is below 2% of our total sales but it is increasing faster than our general increase in sales.

BUILDING AN INTERANTIONAL BRAND



Competition in the supplement is fragmented and, while multiple smaller supplement brands 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 which you will find across the world. There is room for building international brands.

Brands are build by offering consumers meaningful substance and not just through advertising slogans. New Nordic focus in building an international recognised brand with a Scandinavian, effective and herbal image. Our slim but effective organisation and business structure makes it possible for us to allocate higher amount of ressources in marketing and relations with the consumers. Our constant innovation keeps our brand newsworthy and our focus on effectiveness build trust in our brand over time. Day by day our brand grows stronger.

A man with glasses and a beard, wearing a light-colored shirt, is kneeling in a lush green forest. He is holding a plant with white flowers and green leaves, looking at it with a focused expression. The background is filled with dense foliage and trees.

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, afkelxible 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 fo our operation. A revenue of more than SEK 8 million and a profit of nearly SEK 500,000 per employee in 2017 is a proof of our effectiveness.

REVENUE PER EMPLOYEE
SEK 8.4 MIO
PROFIT AFTER TAX
PER EMPLOYEE
SEK 495,000

RESEARCH IS THE DIFFERENCE BETWEEN KNEW-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 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 effecient 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



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

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.

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 prioritized 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 2017. These costs have not been activated but 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 business substantial extraordinary quality test programme of raw materials used by our manufacturers. Today, nearly nearly all manufacturing is done in Scandinavia. This is chang-

ing somewhat 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 700
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 notified 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).

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 built 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 definitely helps us keep on track.

My Story
 Annette (47) has always been conscious about her thin hair. She used hair extensions to make her hair appear to have more volume. To her hair had begun to break and started falling out the longer she wore it. She looked for help at the hairdresser and at the health food store. They recommended Hair Volume™ and now it's back down to zero.

I have always dreamed of beautiful thick looking hair

For more years I have been in a constant search for help. I was upset about my hair thinning and loss of beautiful thick and shiny looking hair. I was experiencing a real shedding phase that was unbearable. But when the hair started looking, I became really happy.

Hair Volume tablets were recommended to me. As a health food store, I was recommended Hair Volume as among other things I consume apple cider vinegar. I was recommended to use the tablets for a maximum of 3 months. I was blown away by the results.

Knowing my hair is in the past. My skin was the best thing I looked. It's great even better at the table. There was a nice glow to my skin.

My husband was the first to comment on my hair. He could describe that I had a lot of new hair growth in the middle. My hair is much more thick and shiny than through taking my hair volume tablets. Volume my supply.

HAIR VOLUME TABLETS CONTAIN INGREDIENTS TO HELP WITH NORMAL HAIR GROWTH.
 Hair Volume is a hair tablet that has only active ingredients that contain apple cider vinegar. The active ingredients help to stimulate hair growth and help with the maintenance of normal hair.

You can find Hair Volume™ in Holland in Beauty and Living, Independent Health Stores. For an extensive list of other pharmacies or your hair outlet see www.newnordic.co.uk

HOLLAND OF BARRETT Health Food Stores Online Store

A typical ad for Hair Volume™ in a weekly magazine.

INTERNATIONAL SALES

MARKETING COMPANIES

New Nordic has its own subsidiaries which market the New Nordic brand in the following countries:

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

*New Nordic responsible for marketing

** Together with distributor

DISTRIBUTORS

New Nordic works with reputable distributors in:

- Armenia
- Belarus
- Belgium
- Bosnia
- China
- France & Monaco
- Georgia
- Holland
- Hong Kong
- Iceland
- Ireland
- Jordan
- Lebanon
- Romania
- Slovenia
- Taiwan
- Vietnam

Sales by geographical area converted to Swedish kronor	2017		2016	
	MSEK	Percent	MSEK	Percent
Nordic	144	42	123	40
Other Europe	110	32	97	32
North America	89	25	79	26
Other World	2	1	7	2

OUR STRATEGY

DEVELOP HERBAL DIETARY SUPPLEMENTS
TO SATISFY SPECIFIC HEALTH AND BEAUTY NEEDS
AND MARKET THESE UNDER CHARACTERISTIC BRANDS
TO A GROWING NUMBER OF CONSUMERS
ALL OVER THE WORLD

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.

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 the New Nordic since 1990. Prior to that Karl Kristian Bergman Jensen was International Marketing Manager and Director of Chartex International PLC in England, now known as The Female Health Company, USA. Before that Mr. Jensen was International Marketing Manager at Farma Food A / S. Mr. Jensen is also Chairman of Vaccinium Holdings ApS and Ripamonti Finanz AG.



LENNART
SJÖLUN
BORN 1949

Board member since 2012. Besides his appointment as a director of the board of New Nordic, Mr. Sjölund is a business entrepreneur in the medical technology industry as well as a director of Lagerkrantz Group AB, Östanbäck Timmerhus AB, Zarismo AB, QuickCool Erysave AB, EL Invest AB, Kinna EL och Tele AB, Fässbergs EL AB and Parkallen Invest. Lennart Sjölund has previously been CEO of Jolife and Jostra AB and Vice President of Åkerlund & Rausing.



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.



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.

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

Chartered accountant
Ernst & Young AB.

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

THE SHARE

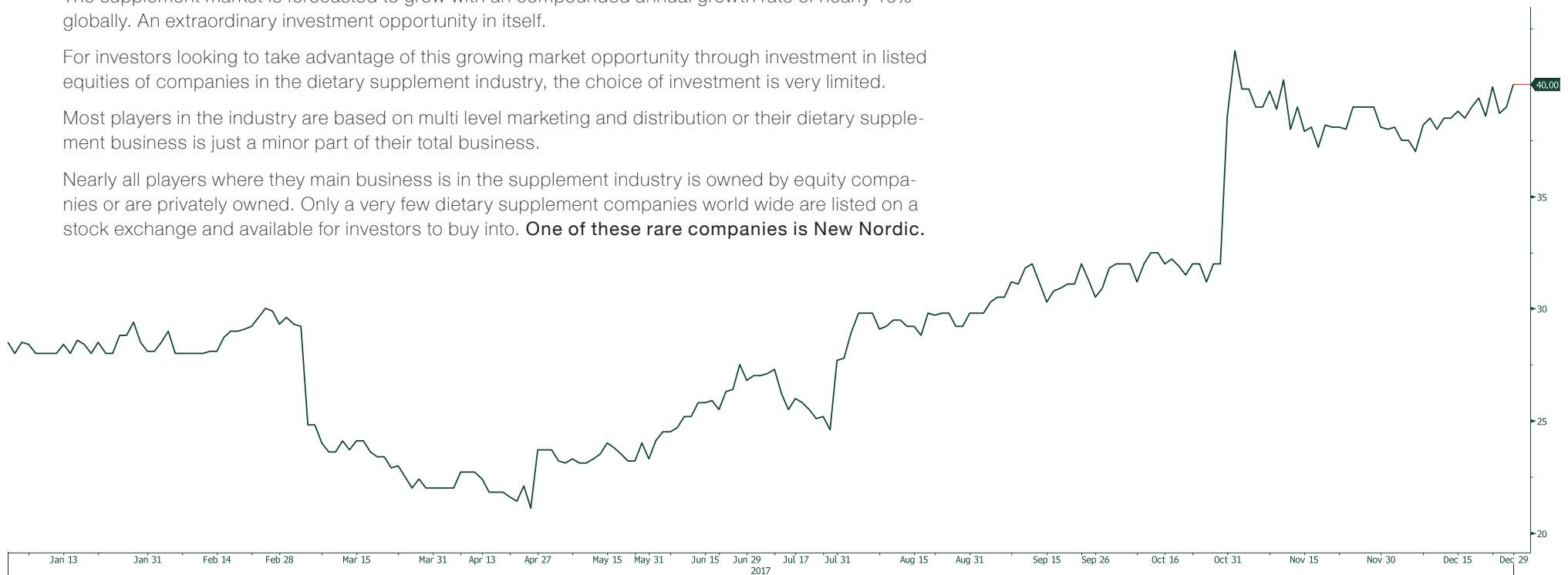
NEW NORDIC - ONE OF A KIND

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.**



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

SHAREHOLDER INFORMATION

OWNERSHIP STRUCTURE

The table is reproduced from New Nordic share register as per 29 December 2017. The data in the table is based on information from Euroclear Sweden AB.

FIRST NORTH

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

SHARE DEVELOPMENT

The shareprice has increased with 45 % from 27.50 SEK to 40.00 SEK during 2017. Relative to the OMX Stockholm Total (OMXSPI) the share has increased with 38% in 2017.

MARKET CAPITALISATION

Market cap 30. December 2016: 170 mSEK

Market cap 29. December 2017: 248 mSEK

SHAREHOLDERS AS PER 29st DECEMBER, 2017

Shareholders	Shares	Ownership
Fjord Capital APS*	2 485 000	40.11 %
Banque Pictet & Cie SA, Geneva**	1 550 720	25.03 %
Credit Suisse AG, Zurich**	937 280	15.13 %
Six Sis AG, W8IMY	292 466	4.72 %
Knock, Christian	255 537	4.12 %
CBLDN-French res TR-Client AC	201 995	3.26 %
Johansson, Lars	94 000	1.52 %
Nordnet Pensionsförsäkring AB	70 296	1.14 %
Adalsteinsson, Erpur	35 425	0.57 %
Johansson, Rigmor Edit Ulrika	27 082	0.44 %
Sum 10 largest owners	5 949 801	96.04 %
Sum other	245 399	3.96 %
Total number of shares	6 195 200	100 %

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

** 1,550,720 shares held by Banque Pictet & Cie SA and 929,280 shares held by Credit Suisse AG is owned by Vaccinium Holding ApS, where Karl Kristian Jensen Bergman is CEO and owns 62.4% privately and via companies. Additionally Karl Kristian Bergman Jensen owns 7000 shares privately and 2 120 through Leonis Fund SPP - Verbier Fund®.

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

Shareholders of New Nordic Health Brands AB (publ) are hereby invited to attend the Annual General Meeting 2017.

PLACE: Malmö Börshus

ADDRESS: Västra Börssalen, Malmö

TIME: Thursday 26th of april 2018 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 Friday 20th april 2018 and notify their intention to attend the Annual General Meeting by Friday 20th april 2018 16.00 at the latest, in writing to the address New Nordic Healthbrands AB, Ivan Ruscic, Södra

Förstadsgatan 3 , 211 43 Malmö or by e-mail to, ivan@newnordic.se. Registration by e-mail will only be valid if confirmed by New Nordic. The attendance of any assistants is to be notified to the same addresses by the same date.

Shareholders must state in the notice their name, civil identity number or corporate registration number, telephone number (daytime) as well as the number of shares held. In order to attend the meeting shareholders whose shares are nominee-registered must have their shares temporarily re-registered with Euroclear Sweden AB in their own name. Such re-registration must be effected by Friday 20th april, 2018. 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 1.15 per share to be paid for 2017. April 3, 2018 was decided as record date. With this record day, Euroclear Sweden AB is expected to pay the dividend on 4 May 2018.

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

The board fee is proposed to be SEK 230 000 to dispense with 0 paid to the Chairman, SEK 0 to Karl Kristian Bergman Jensen and with SEK 115 000 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 Sörensen samt Karl Kristian Bergman Jensen. Marinus Blaabjerg Sörensen is proposed as Bord Chairman.

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

Item 15 - Resolution of authorisation

The Board proposed to authorize, for the period until the next AGM, on one or

more occasions, to issue new shares, or issue convertible bonds or issue of warrants. Acting by virtue of the authorization, the number of shares could be increased by a maximum of 1,500,000 pieces, representing an overall increase of the share capital by a maximum of SEK 1,500,000. Authorization shall also include the right to issue new shares or issue of convertible bonds or issue warrants in kind or set-off or otherwise with conditions referred to in Chapter 13.5 § first paragraph 6 or 14 Ch. 5 § first paragraph 6, or Chapter 15.5 § first paragraph 4 of the Companies Act. The emissions may pursuant to Board decision be made with deviation from the shareholders' preferential rights. This deviation shall enable capital procurement in connection with the continued efforts in the Company's business including acquisitions. The issue price shall be based on market conditions generally applicable to similar types of issues.

Available documents

The financial statements, auditor's report and the complete proposals for decisions and other documents required under the Companies Act will be published on newnordic.se and will be available at the Company's offices in Malmö from 6th of April 2018 and sent to shareholders who so request and state their address.

Malmö, March 2018

The Board

New Nordic Healthbrands AB (publ)



2017

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 2017. New Nordic Health-brands AB is a public limited company, based in Malmö, Sweden. The registered address, Södra Förstadsgatan 3, 211 43 Malmö, Sweden. The Company's shares are listed on First North, NASDAQ OMX, Stockholm.

THE BUSINESS

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

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

New Nordic's products are distributed in pharmacies, drugstore and health

stores and through the company's own on-line store in 34 countries around the world. The consolidated structure shown in note 18.

EVENTS DURING THE YEAR

In 2017 New Nordic focused on executing its strategy. The company increased marketing expenses to further strengthen their international brands. The result was that sales rose 13 percent to 345 million SEK. The company has increased its sales of New Nordic products in most of the 34 markets where its products are now sold.

Gross margin increased to 67.4 percent from 65.3 percent. Administration costs was kept at previous years level, resulting in an EBITDA margin of 8.3 percent amounting to 28.5 million SEK. The company has a low book value of tangible and intangible assets and has relatively little debt, resulting in low cost

of depreciation and interest. Operating profit amounted to 27.7 million SEK. The company's profit after tax amounted to 20.3 million which is 5.9 percent of sales. Return on equity was 33.4 percent. Earnings per share amounted to SEK 3.28 in 2017.

Sales in the parent company increased by 10 percent and amounted to SEK 122.0 million. The parent company's after-tax profit amounted to SEK 0.9 million. The parent company's equity amounted to SEK 63.3 million at year-end.

OWNERSHIP

The share capital of New Nordic Health-brands AB (publ) consisted of 6,195,200 shares at year end. The company has no treasury shares. Articles of Association contain no restrictions on transfer of shares. Owners with more than 10% of the share capital of the Company at 31 December 2017 was Fjord Capital ApS 40.11% (owned by Marinus Blåbjerg Sørensen and family directly and

through companies) and Vaccinium Holding ApS which owns 40.16% of the share capital of the Company. Vaccinium Holdings ApS's shares are kept in custody at Credit Suisse AG and Banque Pictet & Cie AG. Karl Kristian Bergman Jensen is CEO and owns 62.4% of Vaccinium Holding ApS privately and through companies.

SALES AND MARKETING

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

In addition, controls and finances the New Nordic marketing in Georgia, Kazakhstan, Belgium, Holland, Luxembourg and partly in France. The company also has distributors in Armenia, Belarus, Belgium, Bosnia, China,

France, Georgia, Holland, Hong Kong, Iceland, Ireland, China, Lebanon, Luxembourg, Slovenia, Taiwan and Vietnam.

MARKETING

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

FINANCIAL POSITION

At year-end New Nordic had SEK 9.1 million in cash and an equity ratio of 43.8%. Cash flow from current operations amounted to SEK 26.4 million, cash flow from investment activities SEK 0.0 million and from financing activities SEK -24.2 million.

Out of 42 employees there are 28 women (30). There are 22 (22) nationalities employed.

NEW PRODUCT DEVELOPMENT

New Nordic product development includes literature research, raw material research, bioavailability studies, analyses, clinical trials, market research, design and packaging development, and registration of products in new markets. During the year, the Group has invested less than 1 percent of sales for research and product development. Costs have been partly expensed and partly activated. (See page 41, accounting Assets).

OUTLOOK FOR 2018

New Nordic expects growth in sales and earnings at all markets where the company has its own organization. New Nordic has clearly prioritized product categories and markets where the company will focus on driving the most growth in 2018. The company also expects to enter into distribution agreements in new markets during the year. The company plans that all the growth will be organic and is not planning any acquisitions in 2018. Launches of new dietary supplement products are planned in 2018.

DIVIDEND POLICY

The board of directors and the CEO propose the Annual General Meeting to decide a dividend of SEK 1.15 per share to be paid for 2017. April 30th 2018 was decided as record date. With this record day, Euroclear Sweden AB is expected to pay the dividend on 4 May 2017.

This proposal for dividend has been made in accordance with chapter 18 paragraph 4 in Aktiebolagslagen and what is stated in chapter 17 paragraph 3 second and third sentence in Aktiebolagslagen.

ANNUAL KEY FIGURES

Group	2017	2016	2015	2014	2013
Net sales	344.739	305.842	298.485	271.949	227.983
Profit after financial items	27.115	12.523	14.240	16.525	7.894
Total assets	138.818	127.592	125.235	100.662	90.288
Equity	43.8%	33.7%	28.6%	24.9%	15.0%
The number of employees at the end of the period	41	42	44	38	37
Parent	2017	2016	2015	2014	2013
Net sales	122.027	111.165	111.734	107.150	64.554
Profit after financial items	4.988	- 229	9.017	17.334	3.010
Total assets	104.390	116.922	117.089	101.229	85.406
Equity	64.4%	57.2%	58.6%	59.3%	51.9%
The number of employees at the end of the period	3	3	3	3	3

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

RISK FACTORS

Cyclical risk factors

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

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

Liquidity

The company expects that cash flow from operations will increase liquidity during in 2018.

Suppliers

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

QUALIFIED EMPLOYEES

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

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

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

GOVERNMENT AGENCIES AND STATE

New Nordic's products are largely directly or indirectly affected by legislation on medicines or food. Changes in legislation for drug or regulatory decisions regarding supplements / herbal

products may be significant for New Nordic's ability to market or sell certain products or product categories.

SUBSIDIARIES

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

ACQUISITION

Although New Nordic does not plan to acquire companies in 2018, it is not inconceivable that New Nordic acquires companies and/or various intellectual property rights. Then, there are risks of misjudgment on the acquisition date and the potential risks when the new activities will be integrated into the existing operations.companies and/or various intellectual property rights. Then, there are risks of misjudgment on

the acquisition date and the potential risks when the new activities will be integrated into the existing operations.

FUNDING

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

CURRENCY RISKS

Most of New Nordic's products are marketed and sold in different geographic markets with sales and purchases in local currencies. Fluctuations between these currencies may in the future lead to a negative impact on New Nordic's results and financial position. Currently the company does not hedge this type of currency risks.

PROPOSAL FOR DISPOSITION OF EARNINGS

Parent

To the Annual General Meeting the following

Share premium account	49 847 516 SEK
Retained earnings	6 354 097 SEK
Profit for the year	925 003 SEK
The board proposes	
to pay out 1,15 SEK per share	7 124 480 SEK
and carry forward	50 002 136 SEK
	57 126 616 SEK

This Annual Report has been approved by the Board on 27st March 2018. The annual report shall be submitted to the Annual General Meeting in Malmö on 28th April 2018.

Concerning the parent company's and the Group's results and financial position, refer to the following results and balance sheets, cash flow statements and disclosures. All amounts are expressed in thousands of Swedish kronor unless otherwise stated.

GROUP INCOME STATEMENT

(kSEK)	Note	2017	2016
Group income		344 739	305 842
Net sales	1	344 739	305 842
Group costs		-112 470	-106 269
Cost of goods sold		-168 432	-150 495
Other external costs	2	-35 382	-34 982
Employee costs	3		
Depreciation of tangible and intangible assets	4	-801	-1 089
		-317 085	- 292 835
		27 654	13 007
Operating profit			
Result fom financial investments	5		
Interest income	6	80	342
Interest expense	7	-619	-826
		-539	-484
Profit after financial items		27 115	12 523
Tax	8	-6 818	-2 949
Profit for the year		20 297	9 574
Earnings per share*		3.28	1.55
Numbers per share	9	6 195 200	6 195 200

* No dilution

GROUP BALANCE SHEET

(kSEK)	Note	2017	2016
ASSETS			
Fixed assets		0	0
Intangible fixed assets		37	230
Brands	10	37	230
Capitalised product development costs	10		
Tangible fixed assets		1 239	1 665
Equipment and tools	11	1 239	1 665
Financial assets			
Deferred tax	12	3 624	4 384
Long-term receivables	13	700	791
		4 324	5 175
Total fixed assets		5 600	7 070
Current assets			
Inventories			
Raw materials		19 682	18 747
Finished goods		31 235	32 879
		50 917	51 626
Current receivables			
Accounts receivables		61 335	47 173
Other receivables		8 673	10 232
Prepaid expenses	14	3 235	4 627
		73 243	62 032
Liquid funds		9 058	6 864
Total current assets		133 218	120 522
TOTAL ASSETS		138 818	127 592

GROUP CHANGES IN EQUITY

(kSEK)	Note	2017	2016	Group 2016 (kSEK)	Share capital	Other equity incl. profit for the year	Total equity
EQUITY AND LIABILITIES							
Equity	15			Balance at the beginning of the year	6 195	29 577	35 772
Share capital		6 195	6 195	Dividend	0	-1 549	-1 549
Other equity including net profit		54 615	36 784	Currency translation difference	0	-818	-818
Equity attributable to parent company shareholders		60 810	42 979	Profit of the year	0	9 574	9 574
Liabilities				Balance at the end of the year	6 195	36 784	42 979
Deferred tax liabilities	12	2 040	1 496				
Long-term liabilities		2 040	1 496				
Other long-term debts		1 363	1 318				
Current liabilities		1 363	1 318				
Bank overdraft	16	7 292	29 021	Group 2017 (kSEK)	Share capital	Other equity incl. profit for the year	Total equity
Accounts payable		45 751	36 200	Dividend	0	-2 478	-2 478
Tax liabilities		1 538	2 232	Currency translation difference	0	12	12
Other liabilities		13 199	9 103	Profit of the year	0	20 297	20 297
Accrued expenses	17	6 825	5 243	Balance at the end of the year	6 195	54 615	60 810
		74 605	81 799				
TOTAL EQUITY AND LIABILITIES		138 818	127 592				

CONSOLIDATED CASH FLOW STATEMENT

(kSEK)	2017	2016
Current operations		
Profit after financial items	27 654	13 007
Adjustments for items not included in cash flows		
Depreciations	801	1 089
Other provisions	-57	-35
	28 398	14 061
Interest received	0	4
Interest expense	-619	-826
Taxation paid	-4 637	-4 568
Cash flow from current operations before changes in working capital	23 142	8 671
Cash flow from changes in working capital		
Inventories	709	-4 515
Current receivables	-12 741	3 740
Current liabilities	15 310	-17 148
Cash flow from current operations	26 420	-9 252
INVESTMENT ACTIVITIES		
Investments in tangible fixed assets	-202	-597
Divestment	99	35
Changes in liabilities	91	572
Cash flow from investment activities	-12	10
FINANCING ACTIVITIES		
Dividend	-2 478	-1 549
Changes in long term debt	45	-250
Changes in credit line facilities	-21 729	10 876
Cash flow from financing activities	-24 162	9 077
Changes in liquid funds	2 246	-165
Liquid funds at the beginning of the period	6 864	6 836
Exchange rate effect	-52	193
Liquid funds at the end of the period	9 058	6 864

PARENT COMPANY INCOME STATEMENT

(kSEK)	Note	2017	2016
Operating revenue			
Net sales	1	122 027	111 165
Other revenues		31	465
		122 058	111 630
Operating costs			
Cost of goods		-83 592	-85 214
Other external expenses	2	-25 554	-22 855
Employee expenses	3	-3 536	-3 435
Depreciation of tangible and intangible assets	4	-191	-344
		-112 873	-111 848
Operating profit	5	9 185	-218
Result from financial items			
Income from participations in Group companies	6	1 000	0
Interest income and similar income items	6	260	583
Profit from receivables as fixed assets	7	-5 000	0
Interest expense and similar expense items		-457	-594
		-4 197	-11
Profit after financial items		4 988	-229
Allocations			
Change in accrual fund	8	-2 400	297
Tax on profit for the year		-1 663	-58
PROFIT FOR THE YEAR		925	10

PARENT COMPANY BALANCE SHEET

(kSEK)	Note	2017	2016	(kSEK)	Note	2017	2016
ASSETS				EQUITY AND LIABILITIES			
Fixed assets				Equity	15		
Intangible assets				Restricted equity		6 195	6 195
Trademarks	10	0	0	Share capital		6 195	6 195
Capitalised development expenditure	10	34	218				
		34	218	Unrestricted equity			
Tangible fixed assets				Share premium reserve		49 848	49 848
Equipment	11	7	14	Retained earnings		6 354	8 822
		7	14	Profit of the year		925	10
Financial assets				57 127		58 680	
Holdings in Group companies	18	29 161	29 161	63 322		64 875	
Receivables from Group companies	19	8 803	18 225	Total equity			
Other long-term receivables	13	49	49	Untaxed reserves		4 982	2 582
		38 013	47 435	Current liabilities			
Total fixed assets		38 054	47 667	Current part of long-term debt to credit institutions	16	4 491	23 366
Current assets				Accounts payable		19 911	14 323
Inventories				Liabilities to Group companies		10 225	10 790
Raw materials		19 674	18 719	Current tax liabilities		312	0
Finished goods		13 854	11 521	Other liabilities		186	180
		33 528	30 240	Accrued expenses and deferred income	17	961	806
Current receivables				36 086		49 465	
Receivables		271	1 724	Total equity and liabilities		104 390	116 922
Receivables from Group companies		30 808	32 845				
Other receivables		833	2 313				
Prepayments and accrued income	14	892	2 128				
		32 804	39 010				
Cash and bank balances		4	5				
Total current assets and receivables		66 336	69 255				
TOTAL ASSETS		104 390	116 922				

PARENT COMPANY CHANGE IN EQUITY

Parent company 2016 (kSEK)	Share capital	Premium reserve fund	Balanced profit	The year's profit	Total
Balance at the beginning of the year	6 195	49 848	1 561	8 810	66 414
Previous year's result	0	0	8 810	-8 810	0
Dividend	0	0	-1 549	0	-1 549
Profit for the year	0	0	0	10	10
Balance at the end of the year	6 195	49 848	8 822	10	64 875

Parent company 2017 (kSEK)	Share capital	Premium reserve fund	Balanced profit	The year's profit	Total
Previous year's result	0	0	10	-10	0
Dividend	0	0	-2 478	0	-2 478
Profit for the year	0	0	0	925	925
Balance at the end of the year	6 195	49 848	6 354	925	63 322

PARENT COMPANY CASH FLOW STATEMENT

(kSEK)	Note	2017	2016
Current operations			
Operating profit		9 185	-218
Adjustments for items not included in cash flow			
Depreciation and amortization		191	344
		9 376	126
Dividends from subsidiaries		1 000	0
Interest received		260	583
Interest paid		-457	-594
Income tax paid		-1 351	-714
Cash flow from operations before changes in working capital		8 828	-599
Changes in working capital:			
Changes in inventories			
Change in receivables		-3 288	-3 325
Change in current liabilities		6 206	1 874
Cash flow from operations		5 184	-7 046
		16 930	-9 096
Investment activities			
Acquisition of subsidiaries		0	-433
Acquisition of tangible assets		0	0
Cash flow from investing activities		0	-433
Financing activities			
Dividend		-2 478	-1 549
Change in long term liabilities		0	0
Change in long-term receivables		4 422	1 707
Change in bank overdraft		-18 875	9 371
Cash flow from financing activities		-16 931	9 529
Cash flow for the year		-1	0
Cash and cash equivalents at beginning of year		5	5
Cash and cash equivalents at end of year		4	5

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 10 years
Equipment and vehicles 3-7 years

Depreciation commences when the asset is taken into commercial use.

TAX INCLUDING DEFERRED TAX

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

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

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

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

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

LEASING

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

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

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

PENSIONS

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

GROUP CONTRIBUTION

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

CASH AND CASH EQUIVALENTS

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

FINANCIAL ASSETS AND LIABILITIES

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

A financial asset or liability is recognized in the balance sheet when the Company becomes party to the contractual terms.

Trade receivables are recognized when invoiced. Liabilities are recognized when the counterparty has performed and there is a contractual obligation to pay, even if the invoice has not been received.

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

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

IMPAIRMENT

When there are indications that an asset has declined substantially in value, an

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

NOTES

All amounts are kSEK unless otherwise stated.

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

Note 1. Segment reporting

Business segments

Primary segment

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

	Group 2017	Group 2016	Parent 2017	Parent 2016
External sales	344 739	305 842	5 147	9 450
Internal sales	171 652	156 569	116 880	101 715
Sum	516 391	462 411	122 027	111 165
Elimination	-171 652	-156 569	-116 880	-101 715
Net sales	344 739	305 842	5 147	9 450

Secondary segment

Geographical areas

	Net sales 2017	Net sales 2016
Nordic region	144 403	123 246
Other Europe	109 787	97 245
North America	88 736	78 178
Other world	1 813	7 173
	344 739	305 842

26.3% (27.9%) 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 2017	Group 2016	Parent 2017	Parent 2016
Ernst & Young				
Auditing	523	518	250	250
Auditing outside assignment	0	0	0	0
Tax advice	0	0	0	0
Other services	51	60	25	60
RSM Richter Chamberland				
Auditing	270	268	0	0
Auditing outside assignment	0	0	0	0
Tax advice	48	0	0	0
Other services	76	0	0	0
Total Revisjon DA				
Auditing	53	50	0	0
Auditing outside assignment	0	0	0	0
Tax advice	0	0	0	0
Other services	14	12	0	0
Total	1 035	908	275	310

Note 3. Personal

Average number of employees	2017 Employees	2017 Whereof men	2016 Employees	2016 Whereof men
Parent company in Sweden	3	67%	3	67%
Subsidiaries				
Sweden	4	0%	4	0%
Denmark	14	14%	15	13%
Norway	2	0%	2	0%
Finland	1	0%	1	0%
Lithuania	7	57%	7	57%
Germany	1	100%	0	0%
Poland	1	100%	1	100%
Great Britain	2	50%	2	50%
Canada and United States of America	4	25%	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%
Total subsidiaries	38	29%	39	26%
Total for the group	41	32%	42	29%

Gender breakdown among the senior executives	Group 2017	Group 2016	Parent 2017	Parent 2016
Distribution of women and men on company boards:				
Women	5%	5%		25%
Men	95%	95%		75%
Distribution of women and men in senior management:				
Women	6%	7%		25%
Men	94%	93%		75%

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	2017	2017	2016	2016
Salaries and benefits	Salaries and other	Social	Salaries and other	Social
Salaries and other remunerations	remunerations	expenses	remunerations	expenses
Parent company (of which pension costs)	2 672	846 416	2 637	769 376
Subsidiaries (of which pension costs)	26 457	4 997 2 500	25 335	5 206 2 796
Total group (of which pension costs)	29 129	5 843 2 916	27 972	5 975 3 172

	2017			2016		
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	1 822	850	2 672	1 830	807	2 637
Subsidiaries		2 991	2 991	0	2 563	2 563
Sweden total	1 822	3 841	5 663	1 830	3 370	5 200
Subsidiaries abroad						
Denmark	1 269	11 395	12 664	1 236	10 263	11 499
Norway	0	1 495	1 495	0	1 961	1 961
Finland	0	713	713	0	685	685
Baltics	0	2 130	2 130	0	2 029	2 029
Germany	0	126	126	0	0	0
England	0	1 253	1 253	0	1 437	1 437
Poland	0	623	623	0	558	558
Canada and USA	0	3 175	3 175	0	3 205	3 205
Italy	0	1 287	1 287	0	1 398	1 398
Subsidiaries abroad total	1 269	22 197	23 466	1 236	21 536	22 772

Salaries and remuneration of senior management

Group 2017	Salary	Directors' fees	Pension	Total
Chariman of the board	1 269	0	127	1 396
Board directors	0	210	0	210
Chief Executive Officer	1 612	0	0	1 612
Group total	2 881	210	127	3 218

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

Parent company 2017	Salary	Directors' fees	Pension	Total
Chariman of the board	0	0	0	0
Board directors	0	210	0	210
Chief Executive Officer	1 612	0	0	1 612
Parent company total	1 612	210	0	1 822

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

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 105 thousand (100 thousand) each. Remuneration to the CEO of the parent company was invoiced by a company wholly owned by the CEO. No bonuses were paid to the CEO or board members. The CEO has reached agreement on six months' notice by the Company, and three months from the CEO's side.

Note 4. Distribution depreciation

	Group 2017	Group 2016	Parent 2017	Parent 2016
Depreciation according to plan				
Trademarks	0	-157	0	-20
Product development	-193	-314	-184	-304
Equipment	-608	-618	-7	-20
Sum	-801	-1 089	-191	-344

Note 5. Operationell leasing

	Group 2017	Group 2016	Parent 2017	Parent 2016
Expensed leasing fees concerning operating lease agreements	3 008	2 601	164	164
Future lease fees concerning non cancellable operating leases agreements				
Shall be paid within 1 år	3 116	2 618	125	163
Shall be paid within 1-5 years	12 961	11 353	449	377
Shall be paid later than 5 years	241	162	0	0
Sum	16 318	14 133	574	540

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 2017	Group 2016	Parent 2017	Parent 2016
Interest income	0	4	0	1
Interest income from group companies	0	0	180	245
Foreign exchange gains	80	338	80	337
Sum	80	342	260	583
Income from participations in group companies				
Dividends from subsidiaries	0	0	1 000	0
Sum	0	0	1 000	0
Impairment				
Impairment of receivables subsidiaries such as are non-current assets	0	0	-5 000	0
Amount	0	0	-5 000	0

Note 7. Interest expense and similar expense items

	Group 2017	Group 2016	Parent 2017	Parent 2016
Interest expenses	-619	-826	-457	-594
Interest expenses, group companies	0	0	0	0
Foreign exchange losses	0	0	0	0
Sum	-619	-826	-457	-594

Note 8. Tax on profit for the year

	Group 2017	Group 2016	Parent 2017	Parent 2016
Current tax expense	-6 238	-3 066	-1 663	-58
Deferred tax	-580	117	0	0
Reported tax expense	-6 818	-2 949	-1 663	-58

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

	Group 2017	Group 2016	Parent 2017	Parent 2016
Reported profit before tax	27 115	12 523	1 588	68
Tax at applicable tax rate	-5 965	-2 755	-349	-15
Tax effect of: non-deductible expenses	-1 540	-266	-1 312	-41
Non-taxable income	20	20	0	0
Change in temporary differences	0	0	0	0
Change loss carry forwards	135	0	0	0
Adjustment for tax rates in foreign group companies	315	57	0	0
Others	217	-5	-2	-2
Reported tax expense	-6 818	-2 949	-1 663	-58

The current tax rate in the group varies mellom 15% 33% and 22.0% of the parent company. Loss carryforwards arising in Russia, Spain, Switzerland, Turkey and Mexico have not been activated

Note 9. Earnings per share

The Board proposes a dividend of SEK 1.15 per share (0.40) for 2017, equivalent to SEK 7,124,480 (2,478,080). 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.

	2017	2016
Earnings and dividend per share		
Group		
Earnings used in calculating earnings per share	20 297	9 574
Average number of shares, in thousands	6 195	6 195
Earnings per share*	3.28	1.55
Parent company		
Earnings used in calculating earnings per share	925	10
Average number of shares, in thousands	6 195	6 195
Earnings per share*	0.15	0.00

* There is no dilution.

Note 10. Intangible assets

	Group 2017	Group 2016	Parent 2017	Parent 2016
Trademark				
Opening accumulated acquisition values	35 507	33 507	470	470
Purchases for the year	0	0	0	0
Closing accumulated acquisition values	35 507	35 507	470	470
Opening accumulated depreciations	-35 507	-35 350	-470	-450
Depreciations of the year	0	-157	0	-20
Closing accumulated depreciations	-35 507	-35 507	-470	-470
Closing residual value	0	0	0	0

	Group 2017	Group 2016	Parent 2017	Parent 2016
Capitalized product development costs				
Opening accumulated acquisition values	4 352	4 337	2 691	2 691
Translation difference	10	15	0	0
Purchases for the year	0	0	0	0
Sales / disposals	0	0	0	0
Closing accumulated acquisition values	4 362	4 352	2 691	2 691
Opening accumulated depreciations	-4 122	-3 795	-2 473	-2 169
Translation difference	-10	-13	0	0
Sales / disposals	0	0	0	0
Depreciations of the year	-193	-314	-184	-304
Closing accumulated depreciations	-4 325	-4 122	-2 657	-2 473
Closing residual value	37	230	34	218

Not 11. Tangible fixed assets

	Group 2017	Group 2016	Parent 2017	Parent 2016
Opening accumulated acquisition values	6 021	5 391	512	564
Translation difference	71	162	0	0
Purchases for the year	202	659	0	0
Sales / disposals	-1 206	-191	0	-52
Closing accumulated values	5 088	6 021	512	512
Opening accumulated depreciations	-4 356	-3 839	-498	-530
Translation difference	-49	-90	0	0
Sales / disposals	1 164	191	0	52
Depreciations of the year	-608	-618	-7	-20
Closing accumulated depreciations	-3 849	-4 356	-505	-498
Closing residual value	1 239	1 665	7	14

Note 12. Deferred tax

	Group 2017	Group 2016	Parent 2017	Parent 2016
Deferred tax assets relating to:				
loss carry forwards	2 631	2 496	0	0
deductible temporary differences	993	1 888	0	0
Sum	3 624	4 384	0	0
Deferred tax liability relating to:				
Untaxed reserves	2 040	1 496	0	0
Taxable temporary differences	1 906	0	0	0
Sum	2 040	1 496	0	0

Note 13. Other long-term receivables

	Group 2017	Group 2016	Parent 2017	Parent 2016
Opening acquisition	791	1 025	49	0
Additional receivables	896	695	0	49
Amortisation, outgoing claims	-987	-929	0	0
Reclassifications	0	0	0	0
Outgoing accumulated acquisition	700	791	49	49
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	700	791	49	49

Note 14. Prepayments and accrued income

	Group 2017	Group 2016	Parent 2017	Parent 2016
Prepaid rent	430	453	27	28
Other	2 805	4 174	865	2 100
Total	3 235	4 627	892	2 128

Note 15. number of shares

	Quotient 2017	Quotient 2016	Quantity 2017	Quantity 2016
A-shares	1	1	6 195 200 6 195 200	6 195 200 6 195 200

Note 16. Overdrafts

	Group 2017	Group 2016	Parent 2017	Parent 2016
Amount granted	27 957	31 099	26 457	29 599
Utilized amount	7 292	29 021	4 491	23 366

Note 17. Accrued expenses and deferred income

	Group 2017	Group 2016	Parent 2017	Parent 2016
Holiday pay and accrued wages	3 225	3 102	430	377
Social security contributions	563	553	119	103
Other items	3 037	1 588	412	326
Sum	6 825	5 243	961	806

Note 18. Holdings in group companies

	Group 2017	Group 2016
Opening accumulated holdings	29 161	28 728
Acquisition of subsidiaries (New Nordic AG Switzerland and New Nordic Ltd, Hong Kong)	0	433
Closing accumulated acquisition costs	29 161	29 161

	Share of equity	Share of votes	Book value	Net result	Net result
New Nordic AB	100%	100%	18 202	1 263	3 414
New Nordic Manufacturing ApS	100%	100%	7 000	468	2 618
New Nordic Healthcare ApS	100%	100%	300	1 477	5 647
New Nordic AS	100%	100%	2 800	495	2 720
New Nordic OY	100%	100%	2	206	-6 882
UAB New Nordic	100%	100%	2	453	1 871
New Nordic Deutschland GmbH	100%	100%	2	-125	-8 237
New Nordic AG	100%	100%	421	-330	100
New Nordic Healthbrands Polska Sp. z.o.o	100%	100%	67	204	978
New Nordic Limited	100%	100%	2	7 472	15 339
New Nordic Inc (Canada)	100%	100%	1	631	5 578
New Nordic US Inc (USA)	100%	100%	0	677	-2 841
New Nordic Ltd (Hong Kong)	100%	100%	12	0	12
New Nordic Vitamin	99,8%	99,8%	0	-101	-4 510
OOO New Nordic	100%	100%	0	-55	-1 899
New Nordic S.R.L.	100%	100%	91	295	1 564
New Nordic S.L.	100%	100%	0	0	-698
New Nordic B.V.	100%	100%	167	203	-1 815
New Nordic SARL	100%	100%	92	354	879
New Nordic S de R.L. de C.V.	100%	100%	0	0	-1 193
Sum			29 161	13 587	12 645

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

Note 19. Holdings in group companies

	Group 2017	Group 2016
Opening acquisitions	18 225	19 981
Additional receivables	0	478
Amortisation, outgoing claims	-4 646	-2 234
Reclassifications	224	0
Closing accumulated cost	13 803	18 225
Conclusion impairments	0	0
Debt service, leaving debts	0	0
Reversal of impairment losses	0	0
Reclassifications	0	0
This year impairments	-5 000	0
Accumulated impairments	-5 000	0
Total carrying value	8 803	18 225

Note 20. Pledged collateral

	Group 2017	Group 2016	Parent 2017	Parent 2016
Collateral pledged for own liabilities to credit institutions				
Business mortgages	21 343	20 803	13 229	12 896
Total collateral	21 343	20 803	13 229	12 896

Note 21. Contingent

	Group 2017	Group 2016	Parent 2017	Parent 2016
Guarantee for the benefit of	0	0	26 457	29 596
-Check Credit Group companies	0	0	26 457	29 596

Note 22. Appropriation of profits

	Group 2017	Group 2016
Proposal for profit distribution		
The Board proposes that the unappropriated funds		
Share premium reserve	49 848	49 848
Retained earnings	6 354	8 822
Profit for the year	925	10
	57 127	58 680
Proposal for disposition	7 124	2 478
to pay out to shareholders 1,15 SEK per share (0,40)	50 003	56 202
To carry forward	57 127	58 680

Note 23. Significant events after the financial year end

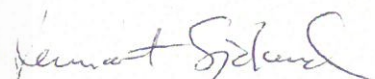
No significant events after the closing has occurred.

ANNUAL REPORT AND CONSOLIDATED ACCOUNTS FOR NEW NORDIC HEALTHBRANDS AB (PUBL)

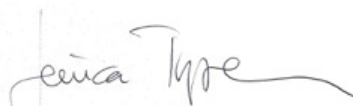
The Board of Directors and the CEO certify that the consolidated and annual accounts have been prepared in accordance with the international accounting standards referred to in the European Parliament and Council Regulation (EC) No 1606/2002 of 19 July 2002 on the application of international accounting standards and generally accepted accounting principles, and give a true and fair view of the financial position and results of the Group and the Parent Company. The Directors' Report for the Group and Parent Company gives a true and fair view of the Group and Parent Company's financial position and results, and describes material risks and uncertainties facing the Parent Company and the companies included in the Group.



Marinus Blåbjerg Sørensen
Chairman of the Board



Lennart Sjölund
Member of the Board



Jessica 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 2018. 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 26th of April 2018.

Our audit report was submitted on 27th of March 2018.

Ernst & Young AB



Martin Henriksson
Authorised Public Accountant

Revisionsberättelse

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

Rapport om årsredovisningen och koncernredovisningen

Uttalanden

Vi har utfört en revision av årsredovisningen och koncernredovisningen för New Nordic Healthbrands AB (publ) för räkenskapsåret 2017. Bolagets årsredovisning och koncernredovisning ingår på sidorna 28-58 i detta dokument.

Enligt vår uppfattning har årsredovisningen och koncernredovisningen upprättats i enlighet med årsredovisningslagen och ger en i alla väsentliga avseenden rättvisande bild av moderbolagets och koncernens finansiella ställning per den 31 december 2017 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 återfinns på sidorna 1-27.

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

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

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

Styrelsens och verkställande direktörens ansvar

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

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

Revisorns ansvar

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

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

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

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

Vi måste informera styrelsen om bland annat revisionens planerade omfattning och inriktning samt tidpunkten för den. Vi måste också informera om betydelsefulla iakttagelser under revisionen, däribland de 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 (publ) för räkenskapsåret 2017 samt av förslaget till dispositioner beträffande bolagets vinst eller förlust.

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

Grund för uttalanden

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

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

Styrelsens och verkställande direktörens ansvar

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

Styrelsen ansvarar för bolagets organisation och förvaltningen av bolagets angelägenheter. Detta innefattar bland annat att fortlöpande bedöma bolagets och koncernens ekonomiska situation och att tillse att bolagets organisation är utformad så att bokföringen, medelsförvaltningen och bolagets ekonomiska angelägenheter i övrigt kontrolleras på ett tryggt sätt. Den verkställande direktören ska sköta den löpande förvaltningen enligt styrelsens riktlinjer och anvisningar och bland annat vidta de åtgärder som är nödvändiga för att bolagets bokföring ska fullgöras i överensstämmelse med lag och för att medelsförvaltningen ska skötas på ett tryggt 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 2018

Ernst & Young AB



Martin Henriksson
Auktoriserad revisor