

ZINZINO



Interim Report Q2 2024

This is Zinzino

Zinzino is a global direct sales company from Scandinavia specialising in test-based, personalised dietary supplements and scientific skin care. It is a limited liability company with shares listed on the Nasdaq First North Premier Growth Market. The company's scientifically proven dietary supplements are available in more than 100 markets worldwide. Zinzino owns the Swiss biotech skin care brand HANZZ+HEIDI and the Norwegian research and production units BioActive Foods AS and Faun Pharma AS. The company's head office is located in Gothenburg in Sweden, with additional offices in Europe, Asia, US and Australia.

A brief history

- 2007** – Zinzino AB was started. The company's principal business is to own and develop companies in direct sales and related activities.
- 2009** – Zinzino Nordic AB is acquired, partly through a non-cash share issue to the owners of Zinzino Nordic AB and partly through a subscription in the preferential rights issue that Zinzino Nordic AB carried out in December. Through this, Zinzino AB obtains control over 97% of the votes and 92% of the capital of Zinzino Nordic AB. By the reporting date, the ownership share had increased to 93% of capital.
- 2010** – Zinzino shares were listed for trading on the Aktietorget stock market.
- 2011** – The Group was expanded with companies in Estonia and Lithuania.
- 2012** – Companies were started in Latvia and Iceland.
- 2013** – The company was started in the US
- 2014** – The Group was further expanded by companies in Poland and the Netherlands. In the same year, Zinzino AB acquires BioActive Foods AS and 85% of shares in Faun Pharma AS. This year, Zinzino AB is also listed for trading on Nasdaq OMX First North.
- 2015** – A company is launched in Canada and the ownership share in Faun Pharma AS is increased to 98.8%.
- 2016** – A subsidiary was started in Germany. Sales are launched in all countries in the EU.
- 2017** – Sales in Switzerland were launched.
- 2018** – New subsidiaries in Romania and Italy.
- 2019** – New subsidiaries in Australia and India.
- 2020** – Acquisition of VMA Life in Singapore. Zinzino moves up to the premier segment of the Nasdaq First North Premier Growth Market.
- 2021** – Sales start in South Africa.
- 2022** – Acquisition of Enhazz IP AG and Enhazz Global AG.
- 2023** – Sales launch in Turkey and Mexico.
- 2024** – Acquisition of assets of Xelliss. Sales start in Serbia. Acquisition of 49% of Cleanthi Alpha-Olenic LTD.



Zinzino Interim Report Q2 2024

April–June

- Total revenue amounted to SEK 507.0 (407.9) million, corresponding to a growth of 24% (24%)
- Gross profit amounted to SEK 174.5 (148.5) million and the gross profit margin was 34.4% (36.4%)
- EBITDA amounted to SEK 63.0 (53.7) million and the EBITDA margin was 12.4% (13.2%)
- Cash flow from operating activities totalled SEK 91.1 (46.3) million
- Acquisition of assets of Xelliss in Luxembourg
- Letter of intent to acquire US direct sales company Zurvita INC
- Acquisition of 49% of Cypriot olive oil producer Cleanthi Alpha-Olenic LTD
- Zinzino announces Serbia as next step in its global expansion

January–June

- Total revenue amounted to SEK 961.6 (801.6) million, corresponding to a growth of 20% (21%)
- Gross profit amounted to SEK 335.4 (279.2) million and the gross profit margin was 34.9% (34.8%)
- EBITDA amounted to SEK 114.7 (98.1) million and the EBITDA margin was 11.9% (12.2%)
- Cash flow from operating activities totalled SEK 94.2 (111.3) million
- Cash and cash equivalents on the balance sheet date totalled SEK 296.0 (200.9) million



Dag Bergheim Pettersen,
CEO, Zinzino



Strong growth and profitability

The second quarter of 2024 generated continued strong profitability, which was combined with 24% sales growth compared to the corresponding period last year. We are delighted with this, and it looks well for growth to continue so that we are heading towards SEK 2 billion in revenue for the full year of 2024, combined with good profitability.

Investing in growth with the purchase of companies

For a long time we have communicated Zinzino's vision together with our long-term, ambitious goal to become one of the leading companies in direct sales in preventive health through test-based dietary supplements. In addition to focusing on organic growth, we are acquiring companies that strategically support our overarching goals and fit well with our strategy and culture. The investments we have made this year are aimed at taking market share in existing markets such as Spain, France and the US, thus adding growth and further increasing profitability through increased economies of scale. In addition, we have acquired additional tools through these acquisitions to develop new markets, products and patents that together strengthen our brand. All the acquisitions, investments and establishments we have made so far in 2024 all contribute to this.

We have announced four major investments so far this year. The year began with the start of a strategic partnership with ACN when we took over the company's European distributor database, which has greatly contributed to the strong performance in Spain as well as the US. The acquisition of assets of the direct sales company Xelliss has been vital to the fantastic growth in France and the French islands around the world since the start. Our acquisition of 49% in the Cypriot olive oil producer Cleanthi was made to strategically secure our access to the best raw materials in the world and patents that secure our brand. Finally, we signed a letter of intent to acquire the North American direct sales company Zurvita INC to increase our presence in the US, which also has huge potential for us. We are now working hard to integrate all investments into our structure.

Although we made several acquisitions in the first half of the year, we continue to focus on the 50 or so markets in which we currently operate, while continuing to establish and develop new markets in Asia, the Balkans and South America. In addition, we export products via our global webshop and deliver to a total of over 100 countries around the world.

Focus for the future

We will follow our clear strategy and, as mentioned earlier, we believe in further growth in the future, with increased economies of scale as a result. This in turn will allow us to further develop our company, establish ourselves in even more markets, make further investments and carry out more mergers and acquisitions. Going forward, we will continue to focus on simplifying and improving our business by increasing our efficiency and quality. We will focus further on preventive health and profitable growth, creating a great company for our shareholders, employees, customers and distributors.

"Inspire Change in Life"

Dag Bergheim Pettersen
CEO Zinzino

Financial Summary (SEK million)

| Key group figures | 01/04/2024 | 01/04/2023 | 01/01/2024 | 01/01/2023 | 01/01/2023 |
|---|------------|------------|------------|------------|------------|
| | 30/06/2024 | 30/06/2023 | 30/06/2024 | 30/06/2023 | 31/12/2023 |
| Total revenue | 507.0 | 407.9 | 961.6 | 801.6 | 1,766.4 |
| Net sales | 484.7 | 387.2 | 918.4 | 761.0 | 1,674.8 |
| Sales growth | 24% | 24% | 20% | 21% | 22% |
| Gross profit | 174.5 | 148.5 | 335.4 | 279.2 | 648.0 |
| Gross profit margin | 34.4% | 36.4% | 34.9% | 34.8% | 36.7% |
| Operating profit before depreciation and amortisation | 63.0 | 53.7 | 114.7 | 98.1 | 240.6 |
| Operating margin before depreciation and amortisation | 12.4% | 13.2% | 11.9% | 12.2% | 13.6% |
| Operating profit | 55.8 | 47.0 | 100.4 | 84.8 | 208.8 |
| Operating margin | 11.0% | 11.5% | 10.4% | 10.6% | 11.8% |
| Profit/loss before tax | 60.3 | 46.5 | 105.0 | 83.4 | 210.0 |
| Net profit | 48.1 | 36.9 | 83.6 | 66.2 | 164.0 |
| Net margin | 9.5% | 9.1% | 8.7% | 8.3% | 9.3% |
| Net earnings per share after tax before dilution, SEK | 1.41 | 1.09 | 2.45 | 1.95 | 4.83 |
| Net earnings per share after tax at full dilution, SEK | 1.31 | 1.06 | 2.27 | 1.92 | 4.73 |
| Cash flow from operating activities | 91.1 | 46.3 | 94.2 | 111.3 | 246.1 |
| Cash and cash equivalents | 296.0 | 200.9 | 296.0 | 200.9 | 321.2 |
| Equity/assets ratio | 28.9% | 23.8% | 28.9% | 23.8% | 31.3% |
| Equity per share before dilution, SEK | 8.61 | 5.00 | 8.63 | 5.00 | 7.78 |
| Number of issued shares on average for the period | 34,125,525 | 33,861,742 | 34,033,561 | 33,861,156 | 33,885,937 |
| Average number of issued shares for the period with full dilution | 36,706,654 | 34,580,475 | 36,686,988 | 34,454,237 | 34,612,867 |

Zinzino's outlook and financial goals

The average growth in sales at Zinzino for the period 2024–2026 shall be a minimum of 20% and operating margin before depreciation/amortisation shall exceed 10% during the period. The dividend policy shall be at least 50% of the Group's net profit as long as liquidity and the equity/assets ratio allow.

Events during and after the second quarter of 2024

Acquisition of assets of Xelliss in Luxembourg

On 12 May 2024, Zinzino acquired the rights to the Luxembourg-based global direct sales company Xelliss SA's distributor database, inventory and IP rights. The brand portfolio offers a range of natural and innovative products in the fields of well-being, nutrition and cosmetics, based on the microalgae spirulina from its own production. Zinzino is acquiring Xelliss' distributor organisation, inventory and IP rights to the product lines. The business, which had a turnover of around EUR 8 million last year, is expected to generate strong growth through the synergies generated by the joint networks. Gross margins in the business are good and profitability will therefore grow very well by utilising Zinzino's existing technical platform and organisation. Sales growth linked to the acquired distributor organisation has been very good from the start and has been a strong contributing factor to the revenue growth in Western Europe in the second quarter of 2024.

Zinzino has, upon entry, paid a fixed purchase price of EUR 2 million, divided between 50% cash and 50% newly issued Zinzino shares. In addition, contingent consideration will be added based on the sales performance generated by the acquired distributor organisation during the period 2024-2029. The total contingent consideration is estimated at EUR 2.3 million, but could reach a maximum of EUR 6.6 million, to be settled 100% with newly issued Zinzino shares. The cash component of the purchase price is financed from own cash.

Acquisition of 49% of Cypriot olive oil producer Cleanthi Alpha-Olenic LTD

On 27 June 2024, Zinzino acquired 49% of the shares and votes in the Cypriot olive oil producer Cleanthi Alpha-Olenic LTD. The co-ownership is another strategically important step in Zinzino's growth plans focused on improving personal health and well-being on a global scale with cutting-edge biotechnology and an innovative product portfolio marketed through direct sales.

Cleanthi is an olive oil producer with a unique and patented process of pressing olive oil originating from certified Koreneiki olives from orchards owned by farmers for several generations without the use of artificial fertilisers or pesticides. The manufacturing process enables the production of olive oil with up to 30 times the polyphenol content of regular olive oil.

The business is currently operated on a small scale, with most of the production going to Zinzino's existing products R.E.V.O.O and BalanceOil Premium. Through the co-ownership, Zinzino gains access to Cleanthi's IP rights, which opens up opportunities to develop and increase brand protection for Zinzino's BalanceOil, the product group that currently accounts for about 60% of the Group's total revenue.

Going forward, Zinzino intends to expand production in Cleanthi to secure the olive oil supply for the increased internal demand arising from Zinzino's global expansion and high sales growth. At the same





time, external revenue for Cleanthi can be increased similar to the model previously used successfully for the Group's manufacturing unit, Faun Pharma AS in Norway.

Zinzino is initially acquiring 49% of the shares in Cleanthi and will pay a fixed purchase price of EUR 1.9 million upon conclusion of the sale, of which EUR 1.2 million is in newly issued Zinzino shares. In addition, Cleanthi will receive EUR 0.5 million through a new rights issue by Zinzino. Also, Zinzino will receive an option to acquire an additional 1% of the company from the sellers for EUR 1. The cash component of the purchase price and the rights issue is financed from the Group's own cash.

Zinzino announces Serbia as the next step in its global expansion

On 11 June 2024, Zinzino opened Serbia as an official market with its own local flag on zinzino.com. The Balkans and Southeastern Europe are a strategic next step in the company's plan to expand its customer base in an international market. The launch will allow Zinzino's independent partners in the region to continue building locally and growing globally.

Serbia's strategic location in Southeastern Europe makes it an important hub for banking, trade and transport in the region. The launch is expected to stimulate sales growth in Serbia as well as in the surrounding Balkan countries through synergies within the distributor organisation.

Well-executed adaptations to local market conditions have been of utmost importance for Zinzino. Based on previous experience and insights from several establishment processes in recent years, this preparatory work has proven to be crucial for sustainable success. In Serbia, the business has been adapted by implementing local payment solutions via a new, dynamic payment platform, among other things. Customer support and other market support will be handled via the head office in Gothenburg in combination with support from local consultants in Serbia.

Letter of intent to acquire US direct sales company Zurvita INC

On 17 June 2024, Zinzino signed a letter of intent to acquire the North American direct sales company Zurvita INC. Zurvita is a direct sales company in the health segment operating in the US, Canada and Mexico. The brand portfolio offers a range of innovative health and wellness products.

The business has annual sales totalling approximately USD 30 million with good gross margins. The collaboration with Zinzino is expected to add growth through the synergies arising in the joint networks, combined with Zinzino's test-based product concept. Zurvita's profitability will thus be able to grow successfully by leveraging Zinzino's existing technology platform and organisation.

According to the letter of intent, Zinzino will pay a fixed debt-regulated purchase price of USD 16.5 million upon entry, of which USD 5 million is in newly issued Zinzino shares. In addition, up to USD 0.5 million in additional consideration will be paid based on future sales development. Zinzino is financing the acquisition with its own cash flow and existing liquidity. Zinzino intends to sign a final acquisition agreement in the third quarter of 2024 following due diligence.



Share subscription due to directed rights issue

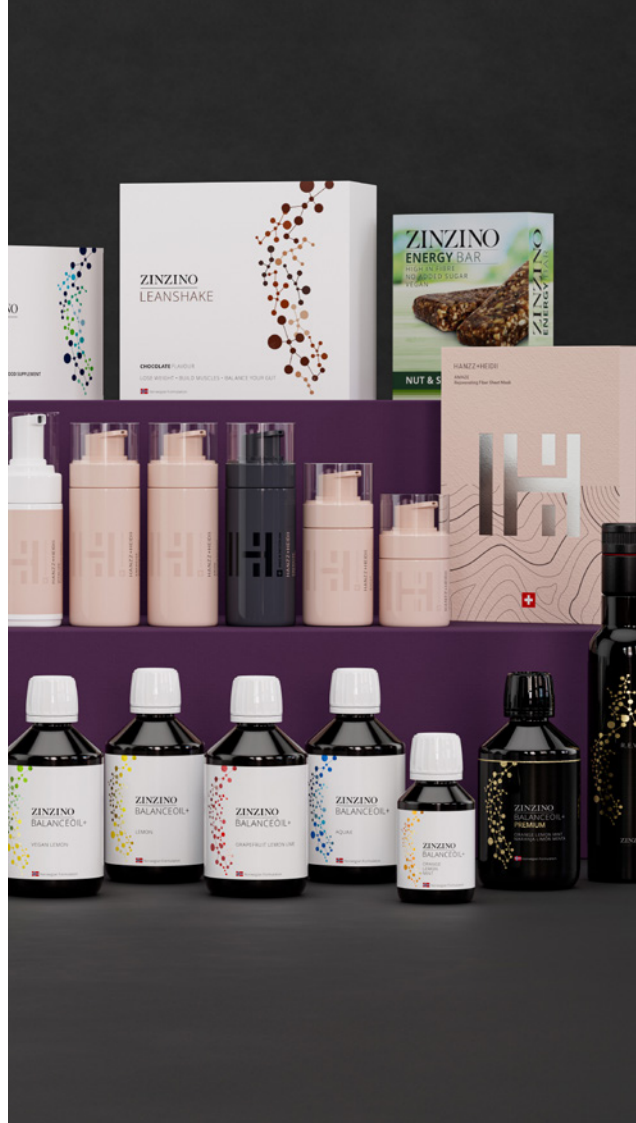
On 7 May 2024, the directed rights issue of 149,468 B shares to Manna Holdings LLC was registered, raising SEK 10.4 million for Zinzino. The transaction is linked to the strategic agreement Zinzino concluded with Europe-based ACN.

The directed issue increases the number of B shares in Zinzino by 149,468 to a total of 28,977,672. The total number of shares after the increase amounts to 34,091,064. The dilution amounts to 0.4%, calculated on the total number of shares in Zinzino upon completion of the directed issue. Zinzino's share capital increases through the directed issue by SEK 14,946.80 to SEK 3,409,106.40.

Share subscription linked to options program

In the options program that Zinzino's general meeting approved on 22/05/2019, 112,700 B shares were subscribed for during the second quarter of 2024. The price per share amounted to SEK 18 and a total of SEK 2,028,600 was added to Zinzino's equity. In the options program Zinzino's general meeting approved on 15/05/2020, 78,100 B shares have been subscribed for. The price per share amounted to SEK 45 and a total of SEK 3,514,500 was added to Zinzino's equity. In the two options programs Zinzino's general meeting approved on 31/05/2022, 25,857 B shares were subscribed for (series 2022/2027:1 and 2022/2027:2). The price per share amounted to SEK 56 and a total of SEK 1,447,992 was added to Zinzino's equity.

The number of B shares increased by 216,657 to 29,194,329. The total number of shares after the increase amounted to 34,307,721. The dilution amounted to 0.6%. Zinzino's share capital increased to SEK 3,430,772.10.



Sales and profit Q2 2024

Sales Q2

Total revenue in the second quarter increased by 24% to SEK 507.0 (407.9) million compared to the corresponding period last year. In local currencies, revenue increased by 25% compared to the second quarter last year.

Nordic countries

In the Nordic countries, total revenue increased by 3% to SEK 73.4 (71.2) million compared to the corresponding period last year. This follows strong performance in Sweden and Norway, where new sales and distributor activity were at a high level in the second quarter. Denmark also increased new sales during the quarter. The region's other markets performed less well with lower activity and low new sales. In general for the region, new distributors are expected to generate increased revenues in the longer term as it takes time to build new customer bases. Zinzino continuously implements measures to increase new sales in all countries in the Nordic region.

The total external revenue of Faun Pharma AS, the Group's subsidiary and manufacturing unit, increased external sales by 15% to SEK 23.7 (20.6) million for the second quarter compared to the corresponding period last year.

Overall, the Nordic countries, Zinzino and Faun combined, accounted for 19% (22%) of the Group's total revenues in the second quarter of 2024.

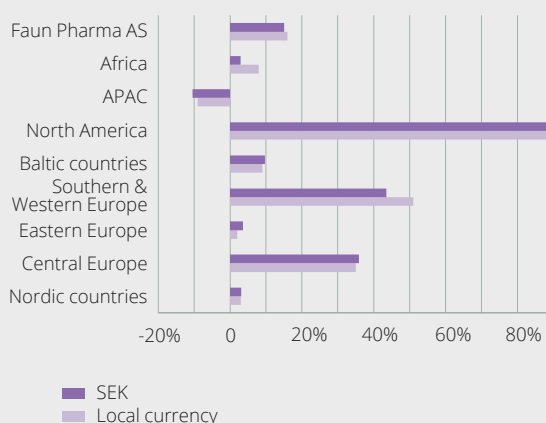
Baltic countries

In the Baltic countries, revenues increased by 10% to SEK 23.7 (21.6) million compared to the same period last year. Sales growth during the quarter was mainly driven by the Lithuanian and Latvian market, with the highest share of the region's revenue. Lithuania has had a consistently high level of distributor activity for an extended period. In Latvia, distributor activity and new sales also increased. Estonia had a weaker second quarter with declining new sales although subscription revenues increased. The head office continues to support the local sales organisations in the relatively mature markets of the region. Overall, the region accounted for the remaining 5% (5%) of the Group's total revenues in the second quarter of 2024.

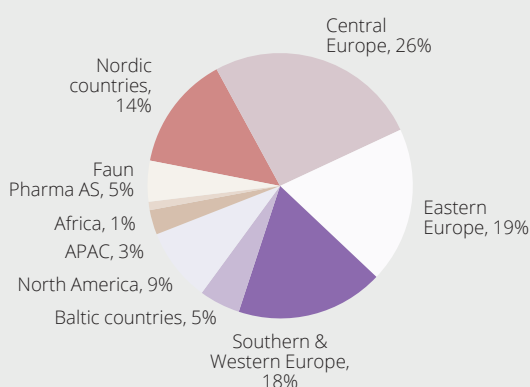
Central Europe

In the second quarter of 2024, total revenue increased by 36% compared to the corresponding period last year and amounted to SEK 136.3 (100.3) million. The favourable performance in the region continued in Germany, Austria and Switzerland in the second quarter of 2024. As in the past, growth is being driven by the efficient and intertwined distributor organisations in the region. Synergy effects in the distribution chain from the acquisition of Enhazz also greatly contributed to the strong performance. The DACH region thus consolidated its position as the fastest-growing region in absolute terms through high activity among both existing and new distributors. In addition, subscription revenue from the large and fast-growing customer base was very high. In total, the region accounted for 26% (25%) of the Group's total revenues in the second quarter of 2024.

Growth per region Q2 2024 vs Q2 2023



Sales per region Q2 2024



Countries in regions

Nordic countries

Denmark, Faroe Islands, Finland, Iceland, Norway, Sweden

Baltic countries

Estonia, Latvia, Lithuania

Central Europe

Austria, Germany, Switzerland

Eastern Europe

Czech Republic, Slovakia, Hungary, Poland, Romania

Southern & Western Europe

Cyprus, France, Greece, Italy, Netherlands, Spain, United Kingdom, Belgium, Ireland, Luxembourg, Malta, Slovenia, Serbia, Turkey

North America

Canada, US, Mexico

APAC

Australia, Hong Kong, India, Malaysia, Singapore, Taiwan, Thailand

Africa

South Africa



Eastern Europe

Total revenue in the region increased by 4% compared to the corresponding period last year and amounted to SEK 97.8 (94.4) million. As before, the Czech Republic and Hungary's large subscription databases accounted for the largest share of revenue, while sales growth was mainly driven by Poland and Romania. Zinzino carries out several revenue-stimulating activities in the region such as regional events to increase activity among distributors and increase growth within the region. Overall, the region accounted for the remaining 19% (23%) of the Group's total revenues in the second quarter of 2024.

Southern & Western Europe

Total revenue for the region increased by 44% in the second quarter of 2024 compared to the same period last year and amounted to SEK 89.7 (62.5) million. Strong performance in virtually all countries in the region, with the largest share of revenue as before coming from the Netherlands, while new sales increased significantly in France, the UK and Spain. The favourable performance in the countries was largely attributable to the new distributors that joined after the strategic collaboration with ACN was initiated and the acquisition of assets of Xelliss and associated distributor organisation in France. The relatively new Turkish market also contributed to the region's strong performance with high distributor activity, which in a short time has built an impressive distributor organisation and customer subscription base. The local sales managers support the distributor organisations, which are largely still being built through coordinating distributor meetings and in dialogue with the head office in Gothenburg. Zinzino continues to support distributors in the region during the build-up phase of the customer bases, driving the important customer subscription revenue. Overall, the region accounted for the remaining 18% (15%) of the Group's total revenues in the second quarter of 2024.

North America

In North America, revenue increased by 136% compared to the second quarter last year and amounted to SEK 46.0 (19.5) million. The strong performance in the quarter was driven by the activities of both existing and new distributors in the US. In addition, Mexico continued to increase sales thanks to the solid work carried out by the new distributors, who in a short time have driven up sales to high levels. The high level of interest and activity among distributors has built an impressive distributor organisation and subscription base in a very short time. Overall, the strong performance of both experienced and new distributors in the US, Mexico and Canada has contributed to the region accounting for 9% (5%) of the Group's total revenue in the second quarter of 2024.

APAC

During the second quarter of 2024, the process of implementing organisational changes in the APAC region continued with the aim of increasing sales and relaunching the concept to attract new distributors. The measures have begun to have an effect, which is mainly evident on the Taiwanese market, which showed favourable performance in the second quarter with increased distributor activity and sales. However, delivery problems slowed sales during the quarter but still contributed to the region's revenue decline stopping at 10% compared to the corresponding period last year. Total revenue for the second quarter amounted to SEK 12.9 (14.4) million. This follows an improving trend in most other countries, albeit compared with a



weak second quarter last year. Zinzino continues to support the local sales offices and distributor organisations in the region, but with a cost-effective strategy to allocate more resources and capital towards the more profitable European markets. Overall, the region accounted for 3% (4%) of the Group's total revenues in the second quarter of 2024.

Africa

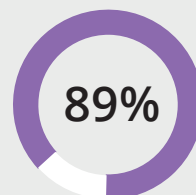
Total revenue in the region for the second quarter of 2024 increased by 3% to SEK 3.5 (3.4) million. Revenues for the region includes revenue for the other countries in the region which, as before, are handled via Zinzino's global webshop pending the opening of the markets under their own local flag. During the quarter, there has been a continued focus on building on the local distributor organisation and associated customer base. The second quarter saw an increase in distributor activity, reflected in an increased number of new distributors and customers. The important subscription sales from the growing customer base also increased during the quarter. Overall, Africa accounted for 1% (1%) of the Group's total revenues in the second quarter of 2024.

Sales per product segment

The Zinzino Health product segment increased in the second quarter of 2024 by 27% to SEK 451.3 (354.0) million and represented 89% (87%) of total revenue. The Skincare product area decreased by 34% to SEK 5.5 (8.3) million, which corresponded to 1% (2%) of total revenue. External sales in Faun Pharma AS increased by 14% compared to the corresponding period last year and amounted to SEK 23.1 (20.3) million, corresponding to 5% (5%) of total revenue. Other revenue, including coffee sales, amounted to SEK 27.1 (25.3) million, which corresponded to the remaining 5% (6%) of revenue for the second quarter of 2024.

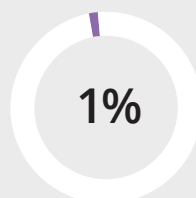
Sales
SEK million **507.0** (407.9)

Sales per product segment Q2 2024



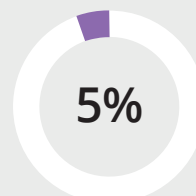
Health

Q2 2024: SEK 451.3 (354.0) million



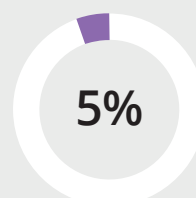
Skincare

Q2 2024: SEK 5.5 (8.3) million



Faun

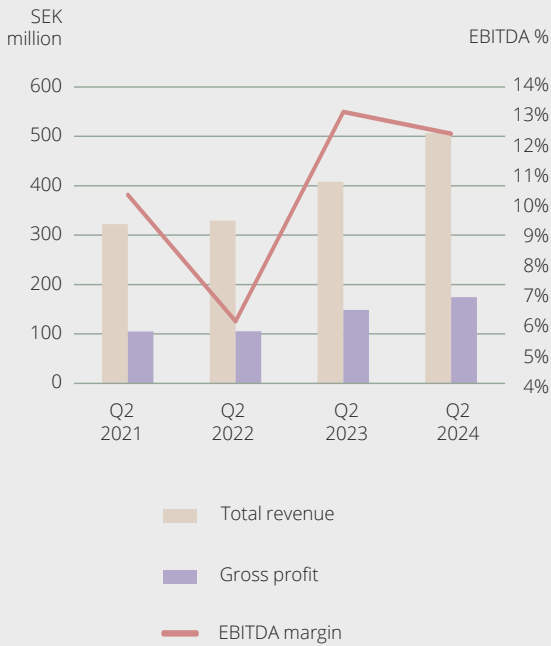
Q2 2024: SEK 23.1 (20.3) million



Other revenue

Q2 2024: SEK 27.1 (25.3) million

Results and financial position Q2 2024



Results and financial position Q2 2024

Results

Gross profit for the second quarter of 2024 amounted to SEK 174.5 (148.5) million and the gross profit margin to 34.4% (36.4%). The slightly lower gross profit margin compared with a very strong second quarter of the previous year nevertheless remained at a high level despite higher raw material prices.

The Group's operating profit before depreciation/amortisation amounted to SEK 63.0 (53.7) million and the EBITDA margin was 12.4% (13.2%). The slightly lower EBITDA margin compared to the corresponding period last year was mainly due to increased sales costs related to acquisitions and the opening of new markets compared to the corresponding period last year. The cost increase was fully in line with the strategic plan for the company's global expansion.

Operating profit amounted to SEK 55.8 (47.0) million and the operating margin was 11.0% (11.5%). Profit before tax amounted to SEK 60.3 (46.5) million and net profit amounted to SEK 48.1 (36.9) million.

Depreciation/amortisation and impairment

Depreciation/amortisation and impairment for the quarter have been charged to the profit/loss for the period in the amount of SEK 7.2 (6.7) million, of which SEK 0.8 (0.8) million relates to depreciation of tangible fixed assets and SEK 6.4 (5.8) million relates to amortisation of intangible fixed assets. Of this, SEK 4.6 (4.3) million is depreciation of right-of-use assets in accordance with IFRS 16.



Sales and profits

Q1–Q2 2024

Sales Q1–Q2

In total, revenue for the first half of 2024 amounted to SEK 961.6 (801.6) million, which represented a growth of 20% compared to the corresponding period in the previous year. In local currencies, revenue also increased by 20% compared to the same period last year.

Nordic countries

In the Nordic countries, total revenues decreased by 2% to SEK 141.5 (144.8) million in the first half of 2024 compared to the same period last year. The favourable performance in Sweden and Norway so far this year with high distributor activity and new sales could not fully balance out the other countries in the region, which performed slightly less with lower activity and a low share of new sales in the first half of 2024.

Total external revenue in Faun Pharma AS, the Group's subsidiary and manufacturing unit, increased by 6% to SEK 51.3 (48.2) million for the first half of 2024 compared to the corresponding period last year.

Overall, total revenues in the Nordic countries, Zinzino and Faun combined, accounted for 20% (24%) of the Group's total revenues in the first half of 2024.

Baltic countries

In the Baltic countries, revenues increased by 11% to SEK 47.5 (42.7) million in the first half of 2024 compared to the same period last year. The region's revenue so far this year has mainly come from Lithuania, although Latvia has shown positive growth with increased distributor activity and new sales. More volatile sales performance in Estonia with a good first quarter and a weaker second quarter in 2024. The region together accounted for 5% (5%) of the Group's total revenues in the first half of 2024.

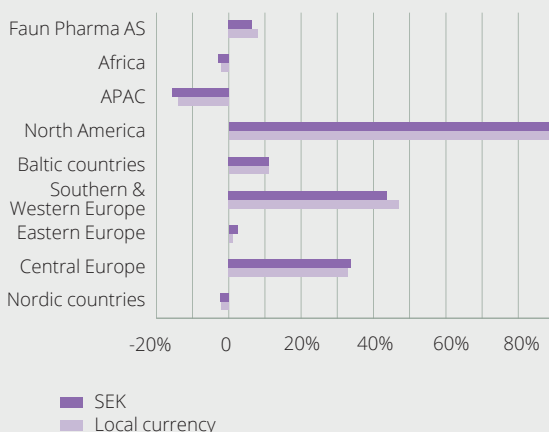
Central Europe

In the first half of 2024, total revenue increased by 34% compared to the corresponding period last year and amounted to SEK 255.8 (191.2) million. Continued favourable performance in all countries of the region in the first half of 2024. The DACH region thus consolidated its position as the fastest-growing region in absolute terms through high activity among both existing and new distributors. In addition, subscription revenue from the large and fast-growing customer base was very high. The region together accounted for 26% (24%) of the Group's total revenues in the first half of 2024.

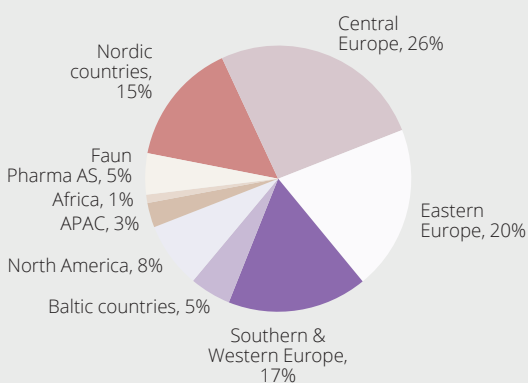
Eastern Europe

Total revenue in the region increased by 2% compared to the corresponding period last year and amounted to SEK 191.6 (187.0) million. Most of the revenue in the first half of the year was attributed to the large customer subscription bases in the region, while distributor activity was slightly down on the same period last year with lower numbers of new customers and distributors. The region together accounted for 20% (23%) of the Group's total revenues in the first half of 2024.

Growth per region Q1–Q2 2024 vs Q1–Q2 2023



Sales per region Q1–Q2 2024



Countries in regions

Nordic countries

Denmark, Faroe Islands, Finland, Iceland, Norway, Sweden

Baltic countries

Estonia, Latvia, Lithuania

Central Europe

Austria, Germany, Switzerland

Eastern Europe

Czech Republic, Slovakia, Hungary, Poland, Romania

Southern & Western Europe

Cyprus, France, Greece, Italy, Netherlands, Spain, United Kingdom, Belgium, Ireland, Luxembourg, Malta, Slovenia, Serbia, Turkey

North America

Canada, US, Mexico

APAC

Australia, Hong Kong, India, Malaysia, Singapore, Taiwan, Thailand

Africa

South Africa



Southern & Western Europe

Total revenue for the region increased by 44% in the first half of 2024 compared to the same period last year and amounted to SEK 160.3 (111.5) million. The largest share of revenue was attributable to the Netherlands, while there was high distributor activity in many of the region's countries, largely linked to the acquisition of assets of Xelliss and the strategic collaboration with ACN initiated during the year. Overall, this resulted in a rapid increase in the number of new customers and distributors in the region. The region together accounted for 17% (14%) of the Group's total revenues in the first half of 2024.

North America

In North America, revenue in the first half of 2024 increased by 108% compared to the same period last year and amounted to SEK 81.4 (39.1) million. Very favourable performance in the region driven by both the US and Mexico with high distributor activity. The number of distributors is increasing in all markets in the region, while there have been high new sales and steadily increasing subscription bases. The region together accounted for 8% (5%) of the Group's total revenues in the first half of 2024.

APAC

In the first half of 2024, the region's revenue decreased by a total of 16% compared to the corresponding period last year and amounted to SEK 25.3 (30.0) million. The APAC region has for some time shown volatile sales performance and has not fully functioned as well as other regions. In 2024, the company implemented organisational changes in the region with the aim of increasing sales and relaunching the concept to attract new distributors. The measures have begun to have an effect, which is evident in most markets, where the number of new distributors has increased, but where temporary problems in Taiwan have slowed sales during the period. The region together accounted for 3% (4%) of the Group's total revenues in the first half of 2024.

Africa

Total revenue in the region for the first half of 2024 decreased by 3% to SEK 6.9 (7.1) million. Despite the decline in revenue, distributor activity in the region has been at a high level, which should generate increased revenue in the upcoming part of the year. Revenue for the region is mainly attributable to South Africa, which is Zinzino's only official market in Africa, but the region also includes revenues for other countries which, as before, is handled via Zinzino's global web-shop pending the opening of markets under their own local flag. Overall, the region accounted for 1% (1%) of the Group's revenue in the first half of 2024.



Sales per product segment Q1–Q2

The Zinzino Health product area increased in the first half of 2024 by 23% to SEK 846.0 (687.4) million and represented 88% (86%) of total revenue. The Skincare product area decreased by 22% to SEK 13.1 (16.8) million, which corresponded to 1% (2%) of total revenue. External sales in Faun Pharma AS increased by 6% compared to the corresponding period last year and amounted to SEK 50.3 (47.6) million, corresponding to 5% (6%) of total revenue. Other revenues, including coffee sales, amounted to SEK 52.2 (49.8) million, which corresponded to the remaining 6% (6%) of revenue for the second quarter of 2024.

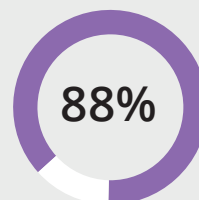
Growth strategy

A common feature of Zinzino's emerging markets is that they are run by committed distributors working with a structured and active approach. They have a wide network of contacts across the borders to neighbouring countries, but with the company's geographic expansion, also over longer distances. Work is carried out with a strong focus on Zinzino's Balance concept, which has been positively received by a large number of new customers in the company's many newly established markets.

Zinzino is working long-term and investing considerable resources in the development of IT systems and marketing tools, which generate growth in both the short and the long term. When the company implements an expansion into a new market, this occurs mainly when the company's market analysis shows that there are good opportunities to establish an effective sales organisation locally. This is primarily achieved via contacts to the already-established sales organisations in neighbouring markets. This is precisely the reason for the good sales performance in the company's newly established markets. These contacts can occasionally also carry across continents, which has been behind the launch in Australia and India as well as the newly established markets of Turkey and Mexico. Establishment can also take place through strategic acquisitions or partnerships. The establishment model follows the same concept with customisation of websites and marketing materials in the local languages. Through the global webshop, Zinzino covers a total of over 100 different countries around the world. This approach reduces the pressure on the organisation to open full-scale markets, which requires large internal resources that can now be fully allocated to the ongoing projects around the world.

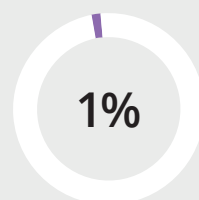
Sales
SEK million **961.6** (801.6)

Sales per product segment Q1–Q2 2024



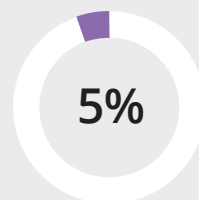
Health

Q1–Q2 2024: SEK 846.0 (687.4) million



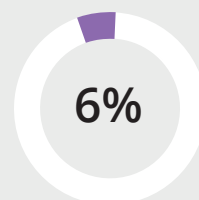
Skincare

Q1–Q2 2024: SEK 13.1 (16.8) million



Faun

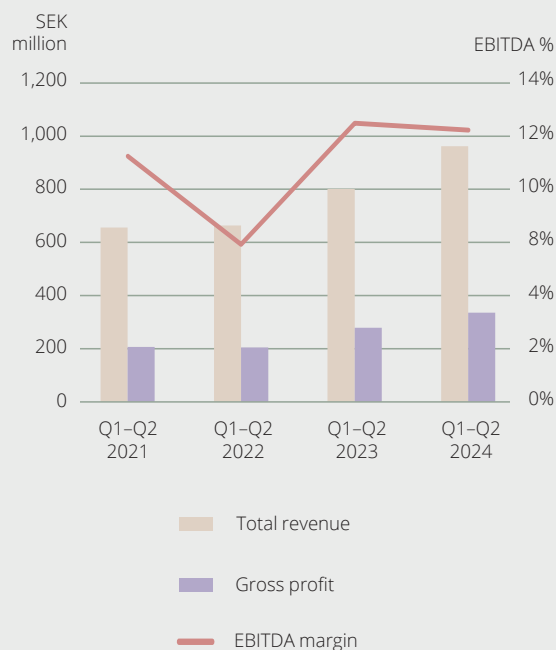
Q1–Q2 2024: SEK 50.3 (47.6) million



Other revenue

Q1–Q2 2024: SEK 52.2 (49.8) million

Results and financial position Q1–Q2 2024



Results and Financial Position Q1–Q2 2024

Results

Gross profit for the first half of 2024 amounted to SEK 335.4 (279.2) million and the gross profit margin to 34.9% (34.8%). The gross profit margin has been at a generally higher level than historical comparison periods for an extended period. This follows the impact of incremental price adjustments, changes in the geographic mix and adjustments to the remuneration model for distributors. The measures and changes in the mix have also balanced out well against increased raw material prices.

The Group's operating profit before depreciation/amortisation amounted to SEK 114.7 (98.1) million and the EBITDA margin amounted to 11.9% (12.2%) for the first half of 2024. The slightly lower EBITDA margin compared with the corresponding period last year was mainly attributable to increased sales costs and the expanded organisation built to manage the acquired companies and associated sales organisations in combination with increased set-up work with the opening of several new markets that were implemented or launched compared with the corresponding period last year. The EBITDA margin has also been at generally higher levels than historical comparison periods for a long time.

Operating profit amounted to SEK 100.4 (84.8) million and the operating margin was 10.4% (10.6%). Profit before tax amounted to SEK 105.0 (83.4) million and net profit amounted to SEK 83.6 (66.2) million.

Inventories

The Group's total inventories on the balance sheet date amounted to SEK 290.2 (198.3) million, where the company generally has higher inventory levels to ensure deliveries. To secure production and deliveries during the first half of 2024, the inventory of raw materials has been increased by almost SEK 10 million since the beginning of the year. At the same time, the company has increased the number of external warehouses in line with its strategic expansion to meet increased demand and reduce lead times in the delivery process. During the first half of the year, the inventory levels of external finished goods were further increased to secure deliveries during the strong sales growth. The largest increases in inventories of external finished goods were accounted for by the following warehouses, France (approx. SEK 38 million), Poland (approx. SEK 10 million) and the US (approx. SEK 6 million). In addition, the goods in transit to the various warehouses increased by SEK 25 million, all compared to the respective inventory values as of 31/12/2023.

Financial position

On the balance sheet date, cash totalled SEK 296.0 (200.9) million. Cash flow from operating activities in the first half of 2024 totalled SEK 94.2 (111.3) million after high capital tied up in inventories. The Group's equity/assets ratio was 29% (24%). Group equity at the end of the period amounted to SEK 293.8 (169.5) million, corresponding to SEK 8.63 (5.00) per share. The board considers that cash and cash equivalents and the equity/assets ratio remain at a satisfactory level.

The Organisation

During autumn of 2022, a change and efficiency improvement process was initiated, which also affected the organisation in terms of optimising the workforce. The purpose of the process has been to phase out processes with lower returns and invest more in those pro-

cesses that are expected to generate more revenue. For this reason, the local organisation in the APAC region has been partially restructured during the first half of 2024 with the recruitment of a new sales manager for the Taiwanese market, among others. During the first half of 2024, the new customer service centre established in Gdansk, Poland was also put into operation to support the important markets in central and eastern Europe. In addition, several employees have been recruited at the head office for various departments to increase the efficiency of the global expansion process.

The number of employees in the Group at the end of the quarter totalled 234 (213) people, of which 147 (128) were women. In addition, 26 (19) people worked at the Group via consulting agreements, of which 9 (7) were women.

Parent company

The parent company Zinzino AB (publ.) carries out the establishment of new markets, strategic development and supports the research and product development of Bioactive Foods AS. The parent company's revenue in the first half of 2024 totalled SEK 15.2 (8.7) million, of which SEK 15.0 (7.5) million was intra-group revenue. In addition, the company has received dividends from subsidiaries totalling SEK 17.2 (12.9) million. The profit after financial items was SEK 19.6 (9.1) million. The parent company's cash and cash equivalents at the end of the period amounted to SEK 26.1 (11.9) million.

Significant risks and uncertainties in operations

The main risks remain the capacity to manage costs within the organisation during global expansion combined with strong growth, as well as the capacity to balance resources internally and to find high levels of expertise within the distributor chain during rapid expansion and then effectively transfer knowledge to them. Significant risks are also associated with the purchase and availability of raw materials in the event of high inflation, climate change and the uncertain global situation. In addition, there are risks with complex IT systems managing sales and currency risks as Zinzino has both revenues and costs in a number of different currencies. There are also risks related to compliance with local regulations when establishing in new markets. The global outbreak of Covid-19 and the ongoing conflicts in the world also show great risks due to unexpected events in the outside world that have a potentially major impact on the company. For an in-depth description of risks and other uncertainty factors, please refer to the 2023 annual report, which is available via the company website zinzino.com. Compared to the 2023 annual report published on 26/04/2024, no new risks have been identified.

Number of outstanding shares

As of 30/06/2024, the share capital was divided among 34,307,721 shares, of which 5,113,392 are A shares (one vote) and 29,194,329 are B shares (0.1 vote). The share's quota value is SEK 0.10. The company's B shares are traded on the Nasdaq First North Premier Growth Market, www.nasdaqomxnordic.com

Options programs

As of the reporting date, the company has five outstanding options programs that are largely aimed at the external distributor organisation in the Group, but also with some allotment to employees of the company. The options premium has been set at an estimated market value through Black & Scholes calculations on all subscription dates.

The first options program covers 1,000,000 warrants at an exercise price of SEK 45 per B share that expires on 31/05/2025, of which





220,000 have been subscribed for by the Group's management team, 51,000 by key employees and 22,100 by other personnel. Other warrants in the program have been subscribed by the company's external distributors. As of the reporting date, 114,133 warrants have already been exercised for share subscription within the framework of this options program.

The second options program covers 900,000 warrants at an exercise price of SEK 56 per B share that expires on 31/05/2027, of which 90,000 have been subscribed for by the management team and 165,000 by key employees. As of the reporting date, 8,000 warrants have already been exercised for share subscription within the framework of this options program.

The third options program covers 120,000 warrants at an exercise price of SEK 56 per B share which expires 31/05/2027. The program is aimed exclusively at the Board of Directors of Zinzino AB and as of the reporting date 100,000 warrants have been subscribed to, of which 40,000 by the Board Chair and 60,000 by the other members of the Board, fully in accordance with the resolution of the General Meeting. As of the reporting date, 17,857 warrants have already been exercised for share subscription within the framework of this options program.

The fourth options program covers 500,000 warrants at an exercise price of SEK 76.50 per B share expiring on 31/05/2028 and is aimed at key persons in the external distributor organisation. As of the reporting date, no warrants have been subscribed for or exercised for share subscription within the framework of this options program.

The fifth options program covers 500,000 warrants at an exercise price of SEK 63 per B share and expires 31/05/2026. The program is aimed at Group and sales management as well as key employees in Zinzino AB and as of the reporting date 178,000 warrants have been subscribed for but not exercised for share subscription.

If all the warrants issued as of 30/06/2024 are exercised for subscription of 3,077,960 shares, the share capital dilution will be approximately 9%.

Accounting policies

The consolidated financial statements for Zinzino have been prepared in accordance with the Annual Accounts Act, RFR 1 Supplementary Accounting Rules For Groups, and International Financial Reporting Standards (IFRS) and interpretations from the IFRS Interpretations Committee (IFRS IC) as adopted by the EU. The interim report has been prepared in accordance with IAS 34, Interim Reporting and the Annual Accounts Act. Unless otherwise stated, all amounts in this report are presented in thousands of Swedish kronor (SEK thousand), with figures in brackets referring to the comparison period. For a complete description of the Group's accounting principles, see the company's annual report for 2023 on the company's website.

Annual General Meeting

The 2024 annual meeting of shareholders was held on 27 May 2024 in the company's offices at Hulda Mellgrens Gata 5 in Västra Frölunda. For further information on the Annual General Meeting, please refer to the company's website zinzino.com/bolagsstyrning.

Report calendar

The interim report for Q3 2024 will be published on 19/11/2024
The year-end report for 2024 will be published on 27/02/2025
Annual report 2024 will be published 25/04/2025

Group report

Summary of comprehensive profit/loss

| Amounts in SEK thousands | 01/04/2024 | 01/04/2023 | 01/01/2024 | 01/01/2023 | 01/01/2023 |
|---|----------------|----------------|----------------|----------------|----------------|
| | 30/06/2024 | 30/06/2023 | 30/06/2024 | 30/06/2023 | 31/12/2023 |
| Net sales | 484,740 | 387,184 | 918,401 | 761,043 | 1,674,812 |
| Other revenue | 21,946 | 19,998 | 42,084 | 39,321 | 89,443 |
| Own work capitalised | 360 | 674 | 1,082 | 1,234 | 2,122 |
| Goods for resale and other direct costs | -332,564 | -259,366 | -626,204 | -522,362 | -1,118,329 |
| Gross profit | 174,482 | 148,490 | 335,363 | 279,236 | 648,048 |
| External operating expenses | -65,381 | -57,668 | -129,526 | -106,755 | -252,253 |
| Staff costs | -46,109 | -37,128 | -91,107 | -74,394 | -155,164 |
| Depreciation/amortisation | -7,239 | -6,671 | -14,360 | -13,317 | -31,798 |
| Operating profit | 55,753 | 47,023 | 100,370 | 84,770 | 208,833 |
| Net financial income/expense | 4,502 | -528 | 4,581 | -1,349 | 1,174 |
| Tax | -12,176 | -9,575 | -21,384 | -17,178 | -46,004 |
| PROFIT/LOSS FOR THE PERIOD | 48,079 | 36,920 | 83,567 | 66,243 | 164,003 |

OTHER COMPREHENSIVE PROFIT/LOSS

Items that may be reclassified to profit/loss for the period

| | | | | | |
|---|---------------|---------------|---------------|---------------|----------------|
| Currency exchange differences upon conversion of foreign subsidiaries | -515 | 5,003 | -30 | 228 | -3,417 |
| Other comprehensive profit/loss for the period | -515 | 5,003 | -30 | 228 | -3,417 |
| TOTAL COMPREHENSIVE PROFIT/LOSS FOR THE PERIOD | 47,564 | 41,923 | 83,537 | 66,471 | 160,586 |

Profit/loss for the period attributable to:

| | | | | | |
|-----------------------------|---------------|---------------|---------------|---------------|----------------|
| Parent company shareholders | 47,994 | 36,800 | 83,434 | 66,065 | 163,735 |
| Non-controlling interest | 85 | 120 | 133 | 178 | 268 |
| TOTAL | 48,079 | 36,920 | 83,567 | 66,243 | 164,003 |

Total comprehensive profit/loss for the period attributable to:

| | | | | | |
|-----------------------------|---------------|---------------|---------------|---------------|----------------|
| Parent company shareholders | 47,479 | 41,803 | 83,404 | 66,293 | 160,318 |
| Non-controlling interest | 85 | 120 | 133 | 178 | 268 |
| TOTAL | 47,564 | 41,923 | 83,537 | 66,471 | 160,586 |

Earnings per share, calculated on the profit/loss for the period attributable to the parent company's shareholders

| Amounts in SEK | | | | | |
|------------------------------------|------|------|------|------|------|
| Earnings per share before dilution | 1.41 | 1.09 | 2.45 | 1.95 | 4.83 |
| Earnings per share after dilution | 1.31 | 1.06 | 2.27 | 1.92 | 4.73 |

Group report

Summary of financial position

| Amounts in SEK thousands | 30/06/2024 | 30/06/2023 | 31/12/2023 |
|--|------------------|----------------|----------------|
| Fixed assets | | | |
| Goodwill | 123,366 | 73,002 | 70,999 |
| Other intangible fixed assets | 75,087 | 52,233 | 48,015 |
| Equipment, tools and installations | 15,540 | 16,255 | 15,327 |
| Right-of-use assets | 52,329 | 41,431 | 51,049 |
| Financial fixed assets | 13,265 | 7,070 | 5,328 |
| Total fixed assets | 279,587 | 189,991 | 190,718 |
| Current assets | | | |
| Inventories | 290,186 | 198,259 | 194,977 |
| Current receivables | 84,546 | 75,890 | 76,019 |
| Pre-paid costs and accrued revenues | 65,473 | 46,222 | 59,185 |
| Cash and bank balances | 295,951 | 200,865 | 321,236 |
| Total current assets | 736,156 | 521,236 | 651,417 |
| TOTAL ASSETS | 1,015,743 | 711,227 | 842,135 |
| Group equity | | | |
| Share capital | 3,431 | 3,394 | 3,394 |
| Other contributed capital | 93,993 | 39,300 | 41,807 |
| Retained earnings including profit/loss for the period | 196,393 | 126,775 | 218,599 |
| Total group equity | 293,817 | 169,469 | 263,800 |
| Long-term liabilities | | | |
| Lease liabilities | 35,551 | 25,791 | 34,184 |
| Deferred tax liability | 7,426 | 4,601 | 3,412 |
| Other long-term liabilities | 45,477 | 27,089 | 34,773 |
| Total long-term liabilities | 88,454 | 57,481 | 72,369 |
| Current liabilities | | | |
| Supplier liabilities | 85,000 | 45,990 | 50,356 |
| Tax liabilities | 16,675 | 20,077 | 29,978 |
| Lease liabilities | 21,389 | 18,877 | 19,676 |
| Other current liabilities | 334,450 | 272,396 | 268,481 |
| Accrued costs and deferred revenues | 175,958 | 126,937 | 137,475 |
| Total current liabilities | 633,472 | 484,277 | 505,966 |
| TOTAL GROUP EQUITY AND LIABILITIES | 1,015,743 | 711,227 | 842,135 |

Group report

Summary of changes in group equity

| Amounts in SEK thousands | Share capital | Ongoing rights issue | Other contributed capital | Conversion reserves | Retained ear- nings including profit/loss for the period | Total | Non- controlling interest | Total group equity |
|---|------------------|-------------------------|---------------------------------|------------------------|---|----------------|---------------------------------|--------------------------|
| Opening balance | | | | | | | | |
| 01/01/2023 | 3,386 | - | 39,300 | 5,879 | 105,883 | 154,447 | 5,926 | 160,373 |
| Profit/loss for the period | - | - | - | - | 66,065 | 66,065 | 178 | 66,243 |
| Other comprehensive profit/loss for the period | - | - | - | 227 | - | 227 | - | 227 |
| Rights issue | - | 8 | - | - | 2,467 | 2,475 | - | 2,475 |
| Issued warrants | - | - | - | - | 1,769 | 1,769 | - | 1,769 |
| Dividends | - | - | - | - | -59,256 | -59,256 | -2,362 | -61,618 |
| Closing balance | | | | | | | | |
| 30/06/2023 | 3,386 | 8 | 39,300 | 6,106 | 116,928 | 165,727 | 3,742 | 169,469 |
| Opening balance | | | | | | | | |
| 01/07/2023 | 3,386 | 8 | 39,300 | 6,106 | 116,928 | 165,727 | 3,742 | 169,469 |
| Profit/loss for the period | - | - | - | - | 97,670 | 97,670 | 90 | 97,760 |
| Other comprehensive profit/loss for the period | - | - | - | -3,644 | - | -3,644 | - | -3,644 |
| Rights issue | 8 | -8 | 2,507 | - | -2,467 | 40 | - | 40 |
| Issued warrants | - | - | - | - | 175 | 175 | - | 175 |
| Closing balance | | | | | | | | |
| 31/12/2023 | 3,394 | - | 41,807 | 2,462 | 212,306 | 259,968 | 3,832 | 263,800 |
| Opening balance | | | | | | | | |
| 01/01/2024 | 3,394 | - | 41,807 | 2,462 | 212,306 | 259,968 | 3,832 | 263,800 |
| Profit/loss for the period | - | - | - | - | 83,434 | 83,434 | 133 | 83,567 |
| Other comprehensive profit/loss for the period | - | - | - | -31 | - | -31 | - | -31 |
| Rights issue | 37 | 45 | 52,141 | - | - | 52,223 | - | 52,223 |
| Issued warrants | - | - | - | - | 461 | 461 | - | 461 |
| Dividends | - | - | - | - | -102,923 | -102,923 | -3,280 | -106,203 |
| Closing balance | | | | | | | | |
| 30/06/2024 | 3,431 | 45 | 93,948 | 2,431 | 193,278 | 293,132 | 685 | 293,817 |

Group report

Summary of cash flows

| Amounts in SEK thousands | 01/04/2024 30/06/2024 | 01/04/2023 30/06/2023 | 01/01/2024 30/06/2024 | 01/01/2023 30/06/2023 | 01/01/2023 31/12/2023 |
|--|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| Operating activities | | | | | |
| Profit/loss before financial items | 55,753 | 47,023 | 100,370 | 84,770 | 208,833 |
| Depreciation and amortisation/write-down | 7,239 | 6,671 | 14,360 | 13,317 | 31,798 |
| Currency fluctuations | -728 | 5,869 | 1,946 | 9,448 | 7,086 |
| Other non-cash items | -556 | - | -556 | - | 11,266 |
| Total | 61,708 | 59,563 | 116,120 | 107,535 | 258,983 |
| Interest received | 1,399 | 525 | 3,039 | 636 | 3,123 |
| Interest paid | -78 | -17 | -203 | -29 | -309 |
| Tax paid | -31,622 | -3,761 | -35,353 | -8,166 | -23,570 |
| Total | -30,301 | -3,253 | -32,517 | -7,559 | -20,756 |
| Cash flow from operating activities before changes in operating capital | 31,407 | 56,310 | 83,603 | 99,976 | 238,227 |
| Cash flow from changes in operating capital | | | | | |
| Change in inventories | -43,390 | -19,433 | -95,209 | -13,491 | -10,209 |
| Change in current receivables | 32,280 | -9,417 | -14,388 | -8,208 | -21,861 |
| Change in current liabilities | 70,850 | 18,875 | 120,239 | 33,036 | 39,983 |
| Total | 59,741 | -9,975 | 10,641 | 11,337 | 7,913 |
| Cash flow from operating activities | 91,147 | 46,335 | 94,245 | 111,313 | 246,140 |
| Investment activity | | | | | |
| Investments in intangible fixed assets | -2,959 | -1,572 | -5,779 | -6,015 | -10,436 |
| Investments in tangible fixed assets | -591 | -274 | -1,494 | -1,247 | -1,348 |
| Investments in financial fixed assets | -51,260 | - | -51,260 | -134 | -134 |
| Cash flow from investment activities | -54,810 | -1,846 | -58,533 | -7,396 | -11,918 |
| Financing activities | | | | | |
| Amortisation of lease liabilities attributable to lease agreements | -5,408 | -4,970 | -10,758 | -9,920 | -20,069 |
| Issuance of options | - | 1,755 | 461 | 1,769 | 1,944 |
| Rights issue | 39,844 | 2,473 | 52,223 | 2,475 | 2,515 |
| Dividends | -102,923 | -59,256 | -102,923 | -59,256 | -59,256 |
| Cash flow from financing activities | -68,487 | -59,998 | -60,997 | -64,932 | -74,866 |
| CASH FLOW FOR THE PERIOD | -32,150 | -15,509 | -25,285 | 38,985 | 159,356 |
| Cash and cash equivalents at start of period | 328,101 | 216,374 | 321,236 | 161,880 | 161,880 |
| Cash and cash equivalents at end of period | 295,951 | 200,865 | 295,951 | 200,865 | 321,236 |

Parent company report

Summary income statement

| Amounts in SEK thousands | 01/04/2024 30/06/2024 | 01/04/2023 30/06/2023 | 01/01/2024 30/06/2024 | 01/01/2023 30/06/2023 | 01/01/2023 31/12/2023 |
|-----------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| Net sales | 8,000 | 4,965 | 15,000 | 8,630 | 23,899 |
| Other revenue | - | 105 | 203 | 105 | 342 |
| Gross profit | 8,000 | 5,070 | 15,203 | 8,735 | 24,241 |
| External operating expenses | -8,011 | -5,268 | -14,154 | -8,503 | -20,291 |
| Depreciation/amortisation | -491 | -103 | -564 | -206 | -844 |
| Operating profit | -502 | -301 | 485 | 26 | 3,106 |
| Net financial income/expense | 20,399 | 9,661 | 19,136 | 9,030 | 187,743 |
| Tax | - | - | - | - | -36 |
| PROFIT/LOSS FOR THE PERIOD | 19,897 | 9,360 | 19,621 | 9,056 | 190,813 |

There are no items in the parent company reported as other comprehensive profit/loss, so the comprehensive profit/loss matches the profit/loss for the period.

Parent company report

Summary of financial position

| Amounts in SEK thousands | 30/06/2024 | 30/06/2023 | 31/12/2023 |
|--|----------------|----------------|----------------|
| Fixed assets | | | |
| Goodwill | 44,808 | - | - |
| Intangible fixed assets | 28,493 | 17,090 | 19,594 |
| Tangible fixed assets | 12 | 19 | 16 |
| Financial fixed assets | 175,181 | 135,417 | 146,716 |
| Total fixed assets | 248,494 | 152,526 | 166,326 |
| Current assets | | | |
| Current receivables | 89 | 2,758 | 1,189 |
| Intra-group receivables | 36,092 | 24,891 | 116,208 |
| Pre-paid costs and accrued revenues | 1,104 | 484 | 437 |
| Cash and bank balances | 26,164 | 11,946 | 8,055 |
| Total current assets | 63,449 | 40,079 | 125,889 |
| TOTAL ASSETS | 311,943 | 192,605 | 292,215 |
| Group equity | | | |
| <i>Restricted group equity</i> | | | |
| Share capital | 3,431 | 3,386 | 3,394 |
| Ongoing rights issue | 45 | 8 | - |
| Fund for development expenditures | 23,535 | 17,090 | 19,594 |
| <i>Unrestricted group equity</i> | | | |
| Share premium reserve | 103,279 | 51,098 | 51,138 |
| Retained earnings including profit/loss for the period | 90,550 | -2,096 | 177,332 |
| Total group equity | 220,840 | 69,486 | 251,458 |
| Long-term liabilities | | | |
| Long-term liabilities | 35,480 | 18,820 | 26,809 |
| Total long-term liabilities | 35,480 | 18,820 | 26,809 |
| Current liabilities | | | |
| Intra-group current liabilities | 9,532 | 90,681 | 2,309 |
| Other current liabilities | 43,908 | 11,964 | 10,746 |
| Accrued costs and deferred revenues | 2,183 | 1,654 | 893 |
| Total current liabilities | 55,623 | 104,299 | 13,948 |
| TOTAL GROUP EQUITY AND LIABILITIES | 311,943 | 192,605 | 292,215 |

Parent company report

Summary of changes in group equity

| Amounts in SEK thousands | Share capital | Ongoing rights issue | Fund for development expenditures | Share premium reserve | Retained ear- nings including profit/loss for the period | Total Group equity |
|---|---------------|-------------------------|---|-----------------------------|---|--------------------------|
| Opening balance 01/01/2023 | 3,386 | - | 12,667 | 48,631 | 52,525 | 117,209 |
| Profit/loss for the period | - | - | - | - | 9,056 | 9,056 |
| Capitalisation of development costs | - | - | 4,625 | - | -4,625 | - |
| Release following amortisation of development costs for the year | - | - | -202 | - | 202 | - |
| Rights issue | - | 8 | - | 2,467 | - | 2,475 |
| Issued warrants | - | - | - | - | 2 | 2 |
| Dividends | - | - | - | - | -59,256 | -59,256 |
| Closing balance 30/06/2023 | 3,386 | 8 | 17,090 | 51,098 | -2,096 | 69,486 |
| Opening balance 01/07/2023 | 3,386 | 8 | 17,090 | 51,098 | -2,096 | 69,486 |
| Profit/loss for the period | - | - | - | - | 181,757 | 181,757 |
| Capitalisation of development costs | - | - | 2,706 | - | -2,706 | - |
| Release following amortisation of development costs for the year | - | - | -202 | - | 202 | - |
| Rights issue | 8 | -8 | - | 40 | - | 40 |
| Issued warrants | - | - | - | - | 175 | 175 |
| Closing balance 31/12/2023 | 3,394 | - | 19,594 | 51,138 | 177,332 | 251,458 |
| Opening balance 01/01/2024 | 3,394 | - | 19,594 | 51,138 | 177,332 | 251,458 |
| Profit/loss for the period | - | - | - | - | 19,621 | 19,621 |
| Capitalisation of development costs | - | - | 4,083 | - | -4,083 | - |
| Release following amortisation of development costs for the year | - | - | -142 | - | 142 | - |
| Rights issue | 37 | 45 | - | 52,141 | - | 52,223 |
| Issued warrants | - | - | - | - | 461 | 461 |
| Dividends | - | - | - | - | -102,923 | -102,923 |
| Closing balance 30/06/2024 | 3,431 | 45 | 23,535 | 103,279 | 90,550 | 220,840 |

Parent company report

Summary of cash flows

| Amounts in SEK thousands | 01/04/2024 30/06/2024 | 01/04/2023 30/06/2023 | 01/01/2024 30/06/2024 | 01/01/2023 30/06/2023 | 01/01/2023 31/12/2023 |
|--|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| Operating activities | | | | | |
| Profit/loss before financial items | -502 | -301 | 485 | 26 | 3,106 |
| Depreciation and amortisation/write-down | 491 | 103 | 564 | 206 | 844 |
| Currency fluctuations | -1,147 | 200 | -1,465 | 69 | -99 |
| Total | -1,158 | 2 | -416 | 301 | 3,851 |
| Interest received | 608 | 290 | 1,074 | 384 | 1,069 |
| Tax paid | -35 | -52 | -86 | -103 | -99 |
| Total | 573 | 238 | 988 | 281 | 970 |
| Cash flow from operating activities before changes in operating capital | -585 | 240 | 572 | 582 | 4,821 |
| Cash flow from changes in operating capital | | | | | |
| Change in current receivables | 8,184 | -9,570 | 80,549 | -12,596 | 74,921 |
| Change in current liabilities | 22,590 | 57,064 | 25,417 | 70,468 | -22,258 |
| Cash flow from operating activities | 30,189 | 47,734 | 106,538 | 58,454 | 57,484 |
| Investment activity | | | | | |
| Investments in intangible fixed assets | -1,985 | -1,496 | -4,083 | -4,195 | -7,331 |
| Investments in financial fixed assets | -51,318 | - | -51,318 | - | - |
| Cash flow from investment activities | -53,303 | -1,496 | -55,401 | -4,195 | -7,331 |
| Financing activities | | | | | |
| Issuance of options | - | - | 461 | 2 | 177 |
| Rights issue | 39,844 | 2,473 | 52,223 | 2,475 | 2,515 |
| Dividends received | 17,211 | 12,911 | 17,211 | 12,911 | 12,911 |
| Dividends | -102,923 | -59,256 | -102,923 | -59,256 | -59,256 |
| Cash flow from financing activities | -45,868 | -43,872 | -33,028 | -43,868 | -43,653 |
| CASH FLOW FOR THE PERIOD | -68,982 | 2,366 | 18,109 | 10,391 | 6,500 |
| Cash and cash equivalents at start of period | 95,146 | 9,580 | 8,055 | 1,555 | 1,555 |
| Cash and cash equivalents at end of period | 26,164 | 11,946 | 26,164 | 11,946 | 8,055 |

Note 1

Segment information

Description of segments and main activities

A business segment is a part of a company which carries out business activities from which it can obtain revenue and incur costs, the contribution margin of which is regularly reviewed by the company's highest executive decision-maker, and for which there is independent financial information.

The company's reporting of business segments is in line with the internal reporting to the highest executive decision-maker. The highest executive decision-maker is the position that assesses the earnings of the business segment and decides on the allocation of resources. The CEO is the highest executive decision-maker together with the Group CFO and the controller manager. Together, they form the strategic steering group at Zinzino. The strategic steering group assesses the operations based on the two business segments Zinzino and Faun. The steering group mainly uses profit/loss before financial items in the assessment of business segment earnings. The main segment of the business "Zinzino" is divided mainly into the product areas of Health, Skincare and Other revenues.

The product area Health includes the sub-areas of Balance, Immune Supplement and Weight Control. The product area

Skincare includes Skinserum and products from the acquired brand HANZZ+HEIDII. Other net sales consist mainly of event sales and the coffee range. Other revenue consists mainly of freight and reminder fees. All sales are made via the Zinzino's website, www.zinzino.com with the help of the company's independent sales organisation, which goes under the names of distributors or partners.

The second segment refers to the Norwegian production unit Faun Pharma AS, known as "Faun", which carries out production and sales to external customers not under Zinzino's standard sales concept. Sales from Faun comprise exclusively contract production of food supplements to different customers.

Segment revenues and earnings

Total revenues and earnings before financial items is the result metric reported to the strategic steering group at Zinzino. An analysis of the Group's revenues and earnings for the two reporting operating segments is set out below:

- Zinzino
- Faun Pharma AS

| April-June 2024 | Zinzino | Faun | Group elimination | Total Group |
|---|----------------|---------------|-------------------|----------------|
| Net sales | 461,657 | 45,979 | -22,896 | 484,740 |
| Other revenue | 21,365 | 581 | - | 21,946 |
| Own work capitalised | 360 | - | - | 360 |
| Goods for resale and other direct costs | -324,369 | -31,091 | 22,896 | -332,564 |
| Gross profit | 159,013 | 15,469 | - | 174,482 |
| External operating expenses | -62,644 | -2,737 | - | -65,381 |
| Staff costs | -39,292 | -6,817 | - | -46,109 |
| EBITDA | 57,077 | 5,915 | - | 62,992 |
| Depreciation/amortisation | -6,053 | -1,186 | - | -7,239 |
| Operating profit | 51,024 | 4,729 | - | 55,753 |

| April-June 2023 | Zinzino | Faun | Group elimination | Total Group |
|---|----------------|---------------|-------------------|----------------|
| Net sales | 366,875 | 37,146 | -16,837 | 387,184 |
| Other revenue | 19,692 | 306 | - | 19,998 |
| Own work capitalised | 674 | - | - | 674 |
| Goods for resale and other direct costs | -250,407 | -25,796 | 16,837 | -259,366 |
| Gross profit | 136,834 | 11,656 | - | 148,490 |
| External operating expenses | -55,318 | -2,350 | - | -57,668 |
| Staff costs | -32,135 | -4,993 | - | -37,128 |
| EBITDA | 49,381 | 4,313 | - | 53,694 |
| Depreciation/amortisation | -5,480 | -1,191 | - | -6,671 |
| Operating profit | 43,901 | 3,122 | - | 47,023 |

| January–June 2024 | Zinzino | Faun | Group elimination | Total Group |
|---|----------------|---------------|-------------------|----------------|
| Net sales | 868,093 | 89,326 | -39,018 | 918,401 |
| Other revenue | 41,140 | 944 | - | 42,084 |
| Own work capitalised | 1,082 | - | - | 1,082 |
| Goods for resale and other direct costs | -604,228 | -60,994 | 39,018 | -626,204 |
| Gross profit | 306,087 | 29,276 | - | 335,363 |
| External operating expenses | -123,511 | -6,015 | - | -129,526 |
| Staff costs | -75,561 | -15,546 | - | -91,107 |
| EBITDA | 107,015 | 7,715 | - | 114,730 |
| Depreciation/amortisation | -12,022 | -2,338 | - | -14,360 |
| Operating profit | 94,993 | 5,377 | - | 100,370 |

| January–June 2023 | Zinzino | Faun | Group elimination | Total Group |
|---|----------------|---------------|-------------------|----------------|
| Net sales | 713,425 | 79,128 | -31,510 | 761,043 |
| Other revenue | 38,729 | 592 | - | 39,321 |
| Own work capitalised | 1,234 | - | - | 1,234 |
| Goods for resale and other direct costs | -500,000 | -53,872 | 31,510 | -522,362 |
| Gross profit | 253,388 | 25,848 | - | 279,236 |
| External operating expenses | -101,498 | -5,257 | - | -106,755 |
| Staff costs | -61,566 | -12,828 | - | -74,394 |
| EBITDA | 90,324 | 7,763 | - | 98,087 |
| Depreciation/amortisation | -10,931 | -2,386 | - | -13,317 |
| Operating profit | 79,393 | 5,377 | - | 84,770 |

| January–December 2023 | Zinzino | Faun | Group elimination | Total Group |
|---|----------------|---------------|-------------------|----------------|
| Net sales | 1,586,538 | 158,126 | -69,852 | 1,674,812 |
| Other revenue | 87,810 | 1,633 | - | 89,443 |
| Own work capitalised | 2,122 | - | - | 2,122 |
| Goods for resale and other direct costs | -1,079,209 | -108,972 | 69,852 | -1,118,329 |
| Gross profit | 597,261 | 50,787 | - | 648,048 |
| External operating expenses | -242,292 | -9,961 | - | -252,253 |
| Personnel costs | -125,405 | -29,759 | - | -155,164 |
| EBITDA | 229,564 | 11,067 | - | 240,631 |
| Depreciation/amortisation | -27,001 | -4,797 | - | -31,798 |
| Operating profit | 202,563 | 6,270 | - | 208,833 |

Note 2

Net sales

Revenues

Sales between segments are carried out on market terms. As revenue from external parties is reported to the strategic steering group, they are valued in the same way as in the Group's statement of comprehensive profit/loss.

Sales within the entire Zinzino segment are made via the webshop to Zinzino's customers and distributors in the various sales markets. The goods are sold mainly through subscriptions which run for a fixed period of 6 months and continue until further notice until the customer terminates the subscription. All revenues are recognised when the goods are delivered to the customer in accordance with IFRS 15.

During 2023, there was a change in product groups, where Zinzino Skincare has been removed from Zinzino Health and the

former product group Zinzino Coffee is included in Event and other sales instead. Comparative figures from previous years have been adjusted as above.

For more information regarding the products, see Note 2.5.1 in the company's annual report on revenue recognition policies.

External goods Faun refers to goods produced on contract for an external customer. Revenue is recognised when the goods are delivered to the customer in accordance with IFRS 15, see Note 2.5.1 in the company's annual report on revenue recognition policies.

Events and other services refer to revenue in connection with distributor conferences.

| April–June 2024 | Zinzino | Faun | Total Group |
|--|----------------|---------------|----------------|
| Net sales | 461,656 | 23,084 | 484,740 |
| Revenue from external customers | 461,656 | 23,084 | 484,740 |
| Goods within Zinzino Health | 451,265 | - | 451,265 |
| Goods within Zinzino Skincare | 5,478 | - | 5,478 |
| Sales of external goods Faun | - | 23,084 | 23,084 |
| Event and other sales | 4,913 | - | 4,913 |
| TOTAL | 461,656 | 23,084 | 484,740 |

| April–June 2023 | Zinzino | Faun | Total Group |
|--|----------------|---------------|----------------|
| Net sales | 366,876 | 20,308 | 387,184 |
| Revenue from external customers | 366,876 | 20,308 | 387,184 |
| Goods within Zinzino Health | 354,012 | - | 354,012 |
| Goods within Zinzino Skincare | 8,292 | - | 8,292 |
| Sales of external goods Faun | - | 20,308 | 20,308 |
| Event and other sales | 4,572 | - | 4,572 |
| TOTAL | 366,876 | 20,308 | 387,184 |

| January–June 2024 | Zinzino | Faun | Total Group |
|--|----------------|---------------|----------------|
| Net sales | 868,092 | 50,309 | 918,401 |
| Revenue from external customers | 868,092 | 50,309 | 918,401 |
| Goods within Zinzino Health | 846,021 | - | 846,021 |
| Goods within Zinzino Skincare | 13,117 | - | 13,117 |
| Sales of external goods Faun | - | 50,309 | 50,309 |
| Event and other sales | 8,954 | - | 8,954 |
| TOTAL | 868,092 | 50,309 | 918,401 |

| January–June 2023 | Zinzino | Faun | Total Group |
|--|----------------|---------------|----------------|
| Net sales | 713,425 | 47,618 | 761,043 |
| Revenue from external customers | 713,425 | 47,618 | 761,043 |
| Goods within Zinzino Health | 687,426 | - | 687,426 |
| Goods within Zinzino Skincare | 16,752 | - | 16,752 |
| Sales of external goods Faun | - | 47,618 | 47,618 |
| Event and other sales | 9,247 | - | 9,247 |
| TOTAL | 713,425 | 47,618 | 761,043 |

| January–December 2023 | Zinzino | Faun | Total Group |
|--|------------------|---------------|------------------|
| Net sales | 1,586,537 | 88,275 | 1,674,812 |
| Revenue from external customers | 1,586,537 | 88,275 | 1,674,812 |
| Goods within Zinzino Health | 1,528,223 | - | 1,528,223 |
| Goods within Zinzino Skincare | 33,428 | - | 33,428 |
| Sales of external goods Faun | - | 88,275 | 88,275 |
| Event and other sales | 24,886 | - | 24,886 |
| TOTAL | 1,586,537 | 88,275 | 1,674,812 |

Note 3

Transactions with related parties

| | 01/04/2024 30/06/2024 | 01/04/2023 30/06/2023 | 01/01/2024 30/06/2024 | 01/01/2023 30/06/2023 | 01/01/2023 31/12/2023 |
|---------------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| Purchase of goods and services | | | | | |
| Saele Invest & Consulting AS* | 13,566 | 9,755 | 25,709 | 18,456 | 40,545 |
| Prosperity ApS** | 1,693 | 1,520 | 3,164 | 3,074 | 6,034 |
| TOTAL | 15,259 | 11,275 | 28,873 | 21,530 | 46,579 |

| | 01/04/2024 30/06/2024 | 01/04/2023 30/06/2023 | 01/01/2024 30/06/2024 | 01/01/2023 30/06/2023 | 01/01/2023 31/12/2023 |
|------------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| Sales of goods and services | | | | | |
| Saele Invest & Consulting AS | - | 105 | 203 | 105 | 342 |
| TOTAL | - | 105 | 203 | 105 | 342 |

As of 30/06/2024, the debt to Saele Invest & Consulting AS relating to sales commissions amounts to SEK 0 (0) thousand and to Prosperity ApS to SEK 0 (70) thousand in the Group. All sales commissions paid to related parties with significant influence are calculated on the same commission plan and under the same terms as for all other distributors within Zinzino's global sales organisation.

There is a receivable from Prosperity ApS amounting to SEK 0 (1,337) thousand as of 30/06/2024. The receivable relates to a payment according to agreement for 75% of the company's establishment costs in Australia in 2019/2020.

* Refers to sales commissions to/purchases from Saele Invest and Consulting AS, which is controlled by Örjan Saele and who, through the company's shareholding in Zinzino AB, is defined as a person with significant influence.

** Refers to sales commissions to Prosperity ApS, which is controlled by Peter Sörensen and who, through the Cashflow Holding ApS shareholding in Zinzino AB, is defined as a person with significant influence.

Note 4

Earnings per share

| SEK | 01/04/2024 30/06/2024 | 01/04/2023 30/06/2023 | 01/01/2024 30/06/2024 | 01/01/2023 30/06/2023 | 01/01/2023 31/12/2023 |
|------------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| Earnings per share before dilution | 1.41 | 1.09 | 2.45 | 1.95 | 4.83 |
| Earnings per share after dilution | 1.31 | 1.06 | 2.27 | 1.92 | 4.73 |

Earnings metric used in the calculation of earnings per share

| | | | | | |
|---|--------|--------|--------|--------|---------|
| Earnings attributable to shareholders of the parent company used in the calculation of earnings per share before and after dilution | 47,994 | 36,800 | 83,434 | 66,065 | 163,735 |
|---|--------|--------|--------|--------|---------|

Number of shares

| | | | | | |
|--|------------|------------|------------|------------|------------|
| Weighted average number of ordinary shares in calculating earnings per share before dilution | 34,125,525 | 33,861,742 | 34,033,561 | 33,861,156 | 33,885,937 |
|--|------------|------------|------------|------------|------------|

Adjustment for calculation of earnings per share after dilution (of warrants)

| | | | | | |
|---|------------|------------|------------|------------|------------|
| Weighted average number of ordinary shares and potential ordinary shares used as denominator in calculating earnings per share after dilution | 36,706,654 | 34,580,475 | 36,686,695 | 34,454,237 | 34,612,867 |
|---|------------|------------|------------|------------|------------|

Note 5

Acquisition of assets

On 12 May 2024, Zinzino AB signed an asset acquisition agreement with Xelliss Luxembourg SA. The assets were acquired for a total of SEK 50,185 thousand.

The acquisition includes rights to Xelliss SA's distributor database and IP rights. A surplus value of SEK 45,185 thousand arose, which has been provisionally capitalised in connection with the acquisition. The acquired assets consist of the IP rights relating to the brand Spirulina.

The table below summarises a preliminary acquisition analysis, including the purchase price paid for the assets and the preliminary fair value of the acquired assets.

| Purchase price as at 12/05/2024 | SEK thousands |
|---|------------------|
| Fixed purchase price | 23,185 |
| Contingent consideration | 27,000 |
| Total purchase price paid | 50,185 |
| Recognised amounts of identifiable assets acquired and liabilities assumed | |
| Intangible fixed assets | 5,000 |
| Total identifiable net assets | 5,000 |
| Goodwill | 45,185 |

Acquisition-related costs of SEK 92 thousand are included in the item External costs in the consolidated statement of comprehensive profit/loss for the second quarter of 2024.

The contingent consideration is calculated at 6% on the sales achieved by the acquired distributor organisation over a five-year period, with a maximum amount of EUR 3.6 million. In addition, a further 2% on sales achieved may be paid as contingent consideration up to a maximum amount of EUR 3 million within the same five-year period. The contingent consideration can be paid up to a maximum of EUR 6.6 million and will be settled with newly issued shares after the fixed consideration paid of EUR 2 million has been deducted. The contingent consideration is estimated at EUR 2.3 million (SEK 27 million) to be paid over the five years.

The acquisition has contributed to the growth of the Group's sales. The sales included in the consolidated income statement as of 30/06/2024 and attributable to the acquisition of 12/05/2024 amount to SEK 17,555 thousand.

Note 6

Acquisition of affiliated companies

On 27 June 2024, Zinzino AB acquired 49% of the Cypriot company Cleanthi Alpha - Olenic LTD and were acquired for a total of SEK 22,573 thousand. The company that Zinzino AB has invested in is an olive oil producing company.

In the acquisition, Zinzino gained access to the IP rights, which mainly consist of the patented olive oil product. The affiliated company is consolidated in the Group using the equity method. A surplus value of SEK 22,725 thousand arose, which has been provisionally capitalised in connection with the acquisition. The surplus value identified at the time of the acquisition mainly includes the IP rights relating to the patent of the process of obtaining olive oil. The provisional value of the aforementioned patent has been estimated and will be determined before the end of 2024.

The table below summarises a preliminary acquisition analysis including the purchase price paid for the companies and the preliminary fair value of acquired assets and assumed liabilities that are reported on the acquisition date.

| | SEK thousands |
|---|------------------|
| Purchase price as at 27/06/2024 | |
| Fixed purchase price | 22,573 |
| Total purchase price paid | 22,573 |
| Recognised amounts of identifiable assets acquired and liabilities assumed | |
| Tangible fixed assets | 1,126 |
| Intangible fixed assets | 30 |
| Inventories | 420 |
| Other receivables | 54 |
| Cash and bank balances | 0 |
| Other liabilities | -1,464 |
| Tax liabilities | -317 |
| Total identifiable net assets | -151 |
| Consolidated surplus values patent incl. deferred tax | 15,880 |
| Goodwill | 6,844 |

Acquisition-related costs of SEK 192 thousand are included in the item External costs in the consolidated statement of comprehensive profit/loss for the second quarter of 2024. In addition to the purchase price, Zinzino has contributed EUR 0.5 million through a rights issue. Zinzino will receive an option to acquire an additional 1% of the company from the sellers for EUR 1.

The acquisition has given the Group access to Cleanthi's IP rights and, in particular, the patented olive oil product currently used in the Group's R.E.V.O.O and BalanceOil Premium products. The investment will enable the Group to participate in developing and increasing brand protection for Zinzino BalanceOil, the product group that currently accounts for 60% of the Group's total revenue.

Note 7

Events after the end of the interim period

No significant events for the company have occurred after the end of the reporting period.

Note 8

Financial metrics not defined in accordance with IFRS

The company presents certain financial metrics in the interim report that are not defined in accordance with IFRS or the Annual Accounts Act. The company believes that these metrics provide valuable additional information to investors and the company's management as they allow the company's performance to be

evaluated. Since not all companies calculate financial metrics in the same way, these are not always comparable with the metrics used by other companies. These financial metrics should therefore not be considered as a substitute for metrics defined in accordance with IFRS.

| ALTERNATIVE KEY FIGURES | DEFINITION | PURPOSE |
|---|---|---|
| Sales growth | The total revenue as a percentage change compared with the total revenue for the corresponding period of the previous year. | This metric is useful to follow as it shows the sales trend in the Group. |
| Gross profit | Profit from total revenue less goods for resale. | This metric is useful to examine to see just the net sales during the period, which can be used in the income and cost analyses. |
| EBITDA | Operating profit before depreciation/ amortisation and write-downs. | This metric is relevant for creating an understanding of the company's operational business, regardless of financing and depreciation of fixed assets. |
| EBITDA margin | EBITDA as a percentage of total revenues for the period. | This metric is relevant to create an understanding of operational profitability and as the metric excludes depreciation, this margin gives the stakeholders a clearer picture of the company's central profitability. |
| Operating profit/loss (EBIT) | Operating profit/loss before financial items and taxes. | This metric illustrates profitability regardless of the tax rate for corporation tax and irrespective of the company's financial structure. |
| Net margin | Profit/loss for the period as a percentage of total revenues for the period. | This metric illustrates the company's profitability. |
| Equity per share before dilution | Equity in relation to the number of outstanding shares on the balance sheet date. | This metric measures the company's net value per share and shows whether the company is increasing the shareholders' capital over time. |
| Cash flow from operating activities | Cash flow from operational business including changes in the operating profit/loss. | This metric measures the cash flow the company generates before capital investments and cash flow attributed to the company's financing. |
| Equity/assets ratio | Equity in relation to the balance sheet total. | This metric is an indicator of the company's leverage to finance the company. |
| Adjusted EBITDA and Adjusted EBITDA margin | The definition of key figures described above, excluding items affecting comparability. | The metric is important for breaking down and creating an understanding of the effect regarding items affecting comparability. |
| Items affecting comparability | Items affecting comparability are reported separately in the financial statements when this is necessary to explain the group's results. "Items affecting comparability" means significant revenue or expense items that are reported separately due to the significance of their nature or amount. | The metric is significant for creating an understanding of items affecting comparability. |

Gothenburg

30 August 2024

The Board of Directors and the CEO certify that the report for the period 1 January–30 June 2024 gives a fair overview of the parent company and Group's operations, position and earnings and describes significant risks and uncertainties faced by the parent company and the companies in the Group.

For more information, please call Dag Bergheim Pettersen, Chief Executive Officer, Zinzino AB.

Zinzino AB

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Gothenburg, 30 August 2024

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Board Chair

Pierre Mårtensson

Board Member

Ingela Nordenhav

Board Member

Staffan Hillberg

Board Member

Anna Frick

Board Member

Dag Bergheim Pettersen

Chief Executive Officer

Auditor's audit report

This interim report has not been subject to review by the company's auditors.



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