

# ZINZINO

A woman with a backpack is sitting on a large rock, looking out over a vast coastal landscape. The foreground is filled with low-lying vegetation, including patches of red and green plants. The middle ground shows a calm sea dotted with numerous small islands and larger landmasses. In the background, a range of rugged mountains stretches across the horizon under a sky with soft, wispy clouds. The overall scene is serene and scenic, suggesting a remote, natural environment.

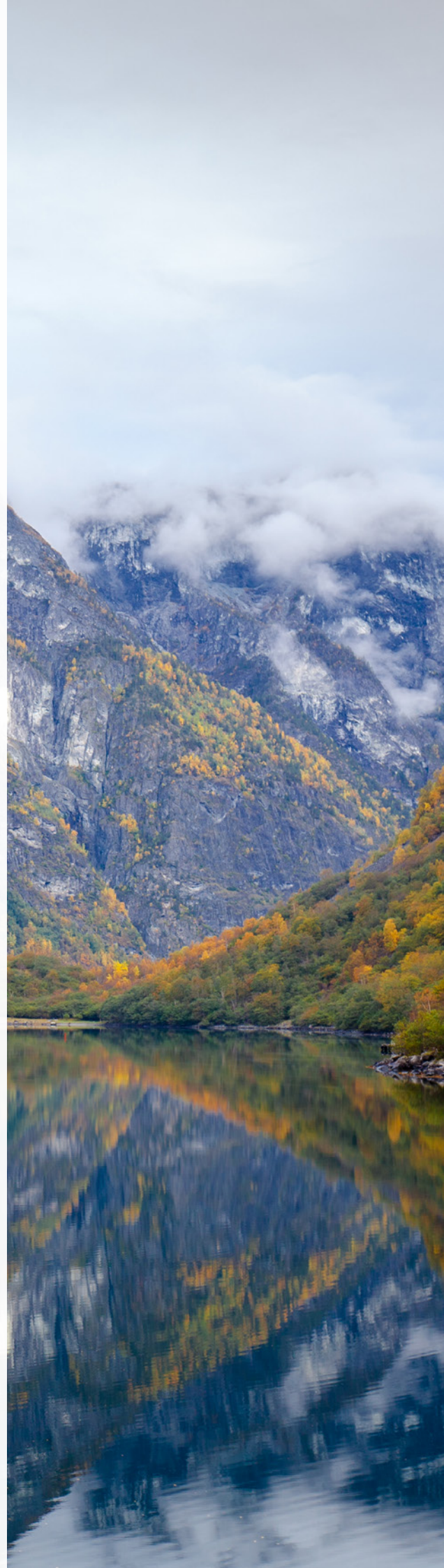
Interim Report Q3 2024

# 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 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 Q3 2024

## July – September

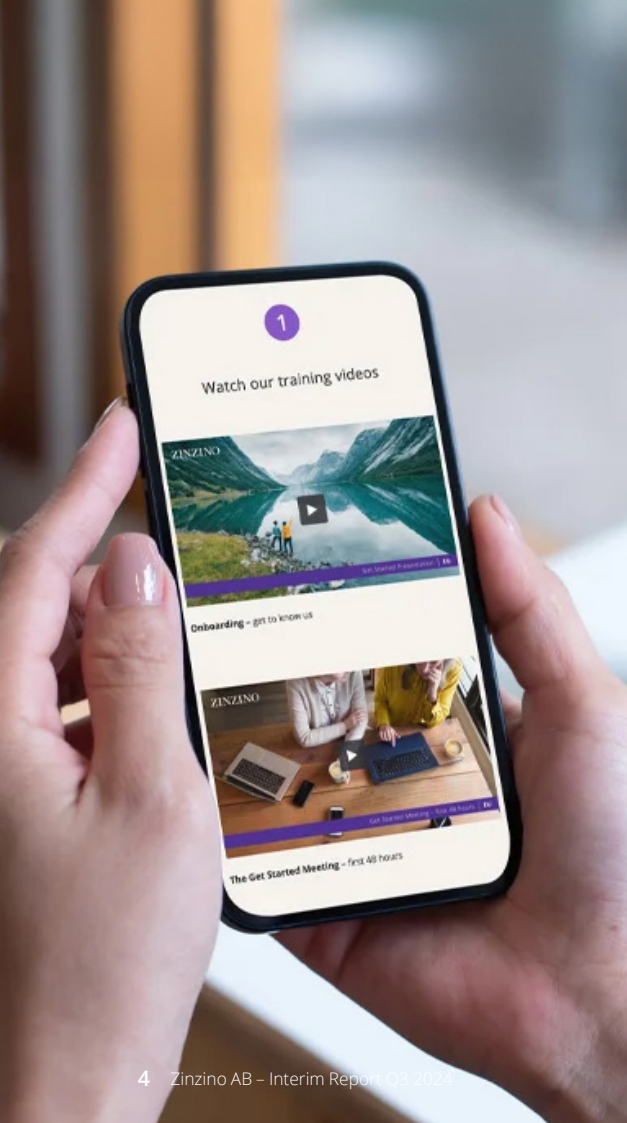
- Total revenue amounted to SEK 532.8 (436.9) million, corresponding to a growth of 22% (25%)
- Gross profit amounted to SEK 178.8 (166.9) million and the gross profit margin was 33.6% (38.2%)
- EBITDA amounted to SEK 63.0 (71.2) million and the EBITDA margin was 11.8% (16.3%)
- Cash flow from operating activities totalled SEK 35.0 (104.4) million
- Expanded local establishment in France

## January – September

- Total revenue amounted to SEK 1,494.3 (1,238.5) million, corresponding to a growth of 21% (22%)
- Gross profit amounted to SEK 514.1 (446.1) million and the gross profit margin was 34.4% (36.0%)
- EBITDA amounted to SEK 177.8 (169.3) million and the EBITDA margin was 11.9% (13.7%)
- Cash flow from operating activities totalled SEK 129.3 (215.7) million
- Cash and cash equivalent on the balance sheet date totalled SEK 321.2 (298.7) million



Dag Bergheim Pettersen, CEO, Zinzino



# Profitable growth

We are continuing the year with strong growth amounting to 22% for the third quarter of 2024 compared to the same period last year. We are combining the growth with good profitability, which we are of course delighted with! Earlier this year, we announced our long-term goal for the next three years where we're aiming for an average sales growth of 20%. We can already see that we will achieve this goal for 2024 by a wide margin, combined with profitability above the level we expected.

## Strategy

We are at that time of the year where we focus on meeting all our financial and strategic targets for 2024 while working on strategy and plans for the coming years. What is clear is our vision, our long-term goals and our values, where we continue to focus on improving and developing the company. We have five points by which we mainly measure ourselves:

### Markets

We are working to develop our existing markets and we are seeing the results of that work in Spain, France, Taiwan, Germany, the US, Switzerland and Mexico, which have seen large increases in sales in the last six months. In France and Switzerland, we have used considerable resources to expand the establishment and improve conditions for our customers and distributors, where we are now seeing good results. We have also launched sales in Serbia and very recently in the Canary Islands. Our team is also working on establishment processes in New Zealand, the Philippines, Peru and China. We are doing all this with an eye on future growth.

### Products

We have recently launched a brand new, great product that we have spent a lot of time and resources developing. This is a cutting-edge Collagen product, and we have focused on quality and science in the development process. We will continue to focus on product development, scientific studies performed by our talented research team and developing new tests in the coming years.

### Acquisitions

We have carried out several successful acquisitions in recent years. From BioActive Foods and Faun Pharma to VMA Life in Asia, Enhazz and the strategic partnership that gave us ACN's European portfolio of customers and distributors. In 2024, we completed the acquisition of assets of Xelliss and acquired 49% of shares in the Cypriot olive oil producer Cleanthi. In addition, during the summer we announced a letter of intent to acquire the US-based direct sales company Zurvita, which at the time of writing is an ongoing process. Acquiring companies gives us both revenue growth in addition to new products and increased opportunities for economies of scale.

### *Tech*

We have invested in new technology and expanded our resources in IT to a far greater extent than comparable companies. We believe that technology and its application will determine which companies emerge as winners over the next ten years. It is therefore natural for us to continue to invest and allocate a lot of resources in this important area.

### *Sales and marketing*

We are investing in our brand and continuously improving the digital tools for our distributors. This is a key area for our recent organic growth and will continue to be so in the coming years. We continue to focus on this important area and will invest even more resources and money going forward to further increase our market share, strengthen our brand, attract new customers and retain our loyal existing customers.

### **Thank you**

We will continue to focus on simplifying and improving the 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.

Thanks again to all shareholders, distributors, customers and employees for your support and once again, congratulations on the growth!

*"Inspire Change in Life"*

**Dag Bergheim Pettersen**

CEO Zinzino



# Financial Summary (SEK million)

Key group figures	01/07/2024	01/07/2023	01/01/2024	01/01/2023	01/01/2023
	30/09/2024	30/09/2023	30/09/2024	30/09/2023	31/12/2023
Total revenue	532.8	436.9	1,494.3	1,238.5	1,766.4
Net sales	504.8	416.4	1,423.2	1,177.5	1,674.8
Sales growth	22%	25%	21%	22%	22%
Gross profit	178.8	166.9	514.1	446.1	648.0
Gross profit margin	33.6%	38.2%	34.4%	36.0%	36.7%
Operating profit before depreciation and amortisation	63.0	71.2	177.8	169.3	240.6
Operating margin before depreciation and amortisation	11.8%	16.3%	11.9%	13.7%	13.6%
Operating profit	54.5	64.5	154.9	149.3	208.8
Operating margin	10.2%	14.8%	10.4%	12.1%	11.8%
Profit/loss before tax	53.8	67.5	158.7	150.9	210.0
Net profit	42.6	53.5	126.1	119.7	164.0
Net margin	8.0%	12.2%	8.4%	9.7%	9.3%
Net earnings per share after tax before dilution. SEK	1.24	1.58	3.69	3.53	4.83
Net earnings per share after tax at full dilution. SEK	1.15	1.56	3.42	3.47	4.73
Cash flow from operating activities	35.0	104.4	129.3	215.7	246.1
Cash and cash equivalents	321.2	298.7	321.2	298.7	321.2
Equity/assets ratio	31.3%	26.7%	31.3%	26.7%	31.3%
Group equity per share before dilution. SEK	9.74	6.54	9.79	6.54	7.78
Number of issued shares on average for the period	34,341,278	33,876,417	34,136,882	33,867,180	33,885,937
Average number of issued shares for the period with full dilution	36,993,027	34,317,545	36,789,745	34,409,053	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 third quarter 2024

## Share subscription due to directed rights issues

On 18 September 2024, the directed rights issue of 110,270 B shares issued with payment by offsetting of claims to Enhazz AG was registered. The transaction was linked to the acquisition of Enhazz Global AG/Enhazz IP AG in 2022. In addition, the directed share issue totalling 147,000 new Zinzino B shares issued with payment by offsetting of claims to Xelliss Luxembourg SA, Xelliss North America and Prolex Technologies SA was registered on the same day. The transaction was linked to the acquisition of the assets of the Xelliss Group on 12/05/2024.

The directed issues increased the number of B shares in the company by 257,270 to a total of 29,451,599. The total number of shares after the increase amounted to 34,564,991. The dilution amounted to 0.7 per cent, calculated on the total number of shares in the company upon completion of the directed issues. Zinzino's share capital increased by SEK 25,727 to SEK 3,456,499.10 through the directed issues.

## Expanded local presence in France

On 12 May 2024, Zinzino acquired the rights of Luxembourg-based direct sales company Xelliss with its associated distributor organisation, which was largely based in France and its overseas departments and territories Dom-Tom. The development in France and Dom-Tom has been very strong since the acquisition was completed and for this reason Zinzino has expanded the local establishment in France. Zinzino has set up a new subsidiary in France with a localised remuneration model for the French distributors (VDI) which is a prerequisite for the independent distributors to work on the French market according to current regulations. In addition, a new local sales manager has been hired and the support department has been expanded with more French-speaking employees. All in all, the measures taken and the acquisition have resulted in a large number of new distributors and customers being added in a short time and resulted in sales in France rapidly increasing from SEK 0.5 million to over SEK 5 million per month. The market trend remains very favourable into the fourth quarter of 2024 with continued high growth and there are now even better conditions for significantly higher sales levels.

## Launch of new product – Collagen Boozt

At Zinzino's annual event which took place shortly after the end of the third quarter 2024, the new product Collagen Boozt was launched. The product is specially formulated to support skin health and is MSC certified. It contains 8,000 mg of liquid marina collagen peptides. The formula is enriched with 120 mg of hyaluronic acid as well as pre- and postbiotics. The product also contains vitamin C and seven additional active ingredients that supports the body's natural collagen production and contributes to healthier skin.



**Xelliss®**  
**ZINZINO**



### The Canary Islands achieve full market status

Zinzino launched on November 13, 2024 the Canary Islands as the next full-fledged market at zinzino.com. The Canary Islands have previously been handled via the global webshop but through this update the company's distributors and customers now get the same conditions as on the Spanish mainland and the other European markets. The archipelago with 2.2 million residents is attractive based on the contact networks and synergies with Zinzino's expanding business on the Spanish mainland combined with the great health interest which identified within the region, but where there before existed import barriers and logistics problems slowed down the development. A local subsidiary based within the island group has been formed with local solutions for imports and logistics, which secures deliveries to customers and distributors. Like other markets the rest of the functions are handled via the head office which gives a very cost-effective operations in the new market.

### Share subscription due to directed new issue and warrants

The board of Directors of Zinzino AB decided, with the support of the registered issue authorization from the annual general meeting on 27 May 2024, during one board meeting on 30 September 2024 regarding new issue with payment by offsetting of claims. According to the decision, a total of 197,705 new Zinzino B shares issued with payment by offsetting the claim: 108 737 shares (55%) to Spyros Christodoulou, and 88,967 shares (45%) to Gillian Frances Christodoulou. The transaction is linked to the acquisition of 49% of the shares and votes in Cleanthi Alpha-Olenic LTD. The issue was registered by the Swedish Companies Registration Office as of 2024-11-14. In connection with this the following share subscriptions linked to the company's outstanding option program were also registered.

In the option program Zinzino's general meeting decided on 22/05/2019, 1,400 B shares were subscribed. The price per share amounted to SEK 18 and a total of SEK 25,200 was added to Zinzino's equity. In that options program Zinzino's general meeting decided on 15/05/2020 45,100 B shares have been subscribed. The price per share amounted to SEK 45 and a total of SEK 2,029,500 was added to Zinzino's equity. In that options program Zinzino's general meeting decided on 2022-05-31 has 15,000 B shares subscribed (series 2022/2027:1). The price per share amounted to SEK 56 and a total of SEK 840,000 was added to Zinzino's equity. In the option program Zinzino's general meeting decided on 31/05/2023, 3,000 B shares have been subscribed. The price per share amounted to SEK 63 and a total of SEK 189,000 was added to Zinzino's equity. The number B shares increased in total by 262,205 to 29,713,804. Total number of shares after the increase amounted to 34,827,196. The dilution amounted to 0.75 percent. Zinzino's share capital increased to SEK 3,482,719.60.





# Sales and profit Q3 2024

## Sales Q3

Total revenue in the third quarter increased by 22% to SEK 532.8 (436.9) million compared to the corresponding period last year. In local currencies, revenue increased by 24% compared to the third quarter last year.

### Nordic countries

In the Nordic countries, total revenue for the third quarter of 2024 was at the same level as the third quarter last year and amounted to SEK 72.5 (72.3) million. This follows continued favourable performance in Sweden and Norway, where the number of new distributors as well as the important subscription revenue from customers increased. The region's other markets, Denmark, Finland and Iceland, performed slightly worse with lower activity and low new sales, which slowed the region's development. In general, the new distributors are expected to generate increased revenues in the longer term as it takes time to build up 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 23% to SEK 28.4 (23.1) million for the third quarter compared to the corresponding period last year.

Overall, the Nordic countries, Zinzino and Faun combined, accounted for 19% (21%) of the Group's total revenues in the third quarter of 2024.

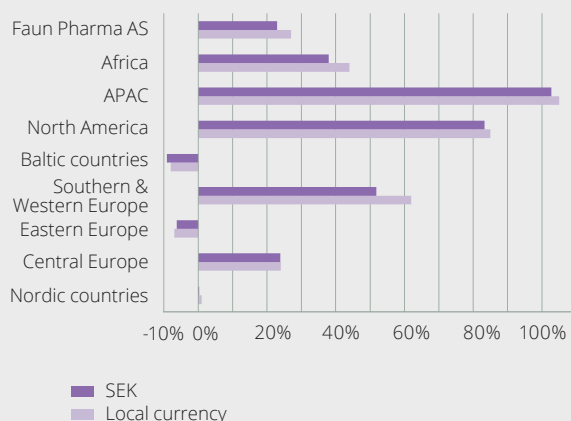
### Baltic countries

In the Baltic countries, revenues decreased by 9% in the third quarter to SEK 21.9 (24.1) million compared to the corresponding period last year after a generally weaker performance in all countries in the region during the past quarter. This follows lower distributor activity with a reduced inflow of new distributors and customers. Despite the overall revenue decline in the region during the quarter, key subscription revenues from the existing customer base increased. The head office continues to support the local sales organisations in the relatively mature markets of the region. Overall, the region accounted for 4% (5%) of the Group's total revenue in the third quarter of 2024.

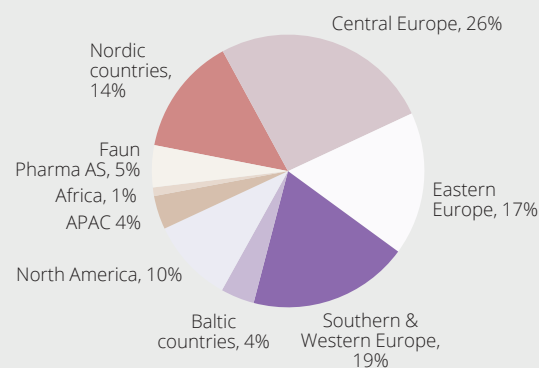
### Central Europe

In the third quarter of 2024, total revenue increased by 24% compared to the corresponding period last year and amounted to SEK 138.6 (111.9) million. The favourable performance in the region continued in Germany, Austria and Switzerland during the quarter. Primarily, sales increased as new distributors were added, combined with increased subscription revenues from the fast-growing customer bases. As in the past, growth is being driven by the efficient and intertwined distributor organisations in the region. Synergy effects

## Growth per region Q3 2024 vs Q3 2023



## Sales per region Q3 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



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. In total, the region accounted for 26% (25%) of the Group's total revenue in the third quarter of 2024.

#### **Eastern Europe**

Total revenue in the region decreased by 6% in the third quarter of 2024 to SEK 88.3 (94.2) million, following generally lower distributor activity in the region compared to the corresponding period last year. 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 17% (22%) of the Group's total revenue in the third quarter of 2024.

#### **Southern & Western Europe**

Total revenue for the region increased by 52% in the third quarter of 2024 compared to the same period last year and amounted to SEK 104.3 (68.7) million. The largest share of the region's revenue came from the Netherlands, the United Kingdom and Turkey. At the same time, revenues in France and Spain increased following the addition of new distributors following the initiation of the strategic partnership with ACN and the acquisition of Xelliss and its distributor organisation in France. The distributor cluster in Cyprus and Greece contributed to the good performance of these countries during the quarter. 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 19% (16%) of the Group's total revenue in the third quarter of 2024.

#### **North America**

In North America, revenue increased by 83% compared to the third quarter last year and amounted to SEK 52.6 (28.7) 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 10% (7%) of the Group's total revenue in the third quarter of 2024.

#### **APAC**

In the third quarter of 2024, the APAC region's total revenue increased by 103% compared to the third quarter of the previous year and amounted to SEK 22.3 (11.0) million. During the quarter, the favourable trend of high distributor activity in Taiwan continued, while delivery problems slowed sales somewhat and the backlog of paid but undelivered orders was at a very high level at the end of the

quarter. During the quarter, distributor activity increased significantly in Australia, Malaysia and India, where the countries saw strong growth in both new distributors and customers, while the important subscription bases grew. Overall, the past quarter was one of the best in a very long time for the APAC region, which historically has had a consistently volatile sales development. Overall, the region accounted for 4% (3%) of the Group's total revenue in the third quarter of 2024.

### Africa

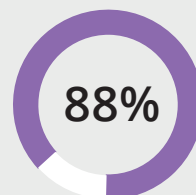
Total revenue in the region for the third quarter of 2024 increased by 38% to SEK 4.0 (2.9) million. Revenues for the region includes revenue for the other countries in the region which, as before, are handled via Zinzino's global webshop pending the opening of the markets under their own local flag. During the quarter, there has been a continued focus on building on the local distributor organisation and associated customer base. The trend of high distributor activity continued in the third quarter, as evidenced by 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 third quarter of 2024.

## Sales per product segment

The Zinzino Health product segment increased in the third quarter of 2024 by 23% to SEK 468.1 (381.9) million and accounted for 88% (87%) of total revenue. The Skincare product area decreased by 30% to SEK 5.2 (7.5) million, which corresponded to 1% (2%) of total revenue. External sales in Faun Pharma AS increased by 22% compared to the corresponding period last year and amounted to SEK 27.7 (22.7) million, corresponding to 5% (5%) of total revenue. Other revenue, including coffee sales, amounted to SEK 31.8 (24.8) million, which corresponded to the remaining 6% (6%) of revenue for the third quarter of 2024.

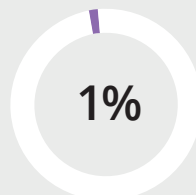
Sales  
SEK million **532.8** (436.9)

### Sales per product segment Q3 2024



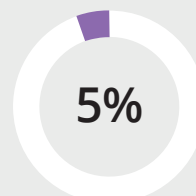
#### Health

Q3 2024: SEK 468.1 (381.9) million



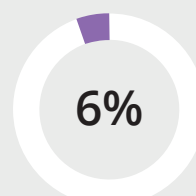
#### Skincare

Q3 2024: SEK 5.2 (7.5) million



#### Faun

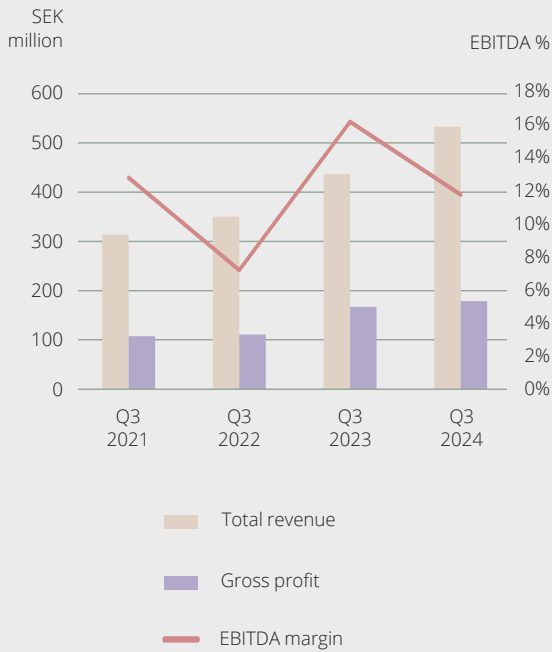
Q3 2024: SEK 27.7 (22.7) million



#### Other revenue

Q3 2024: SEK 31.8 (24.8) million

## Results and financial position Q3 2024



## Results and financial position Q3 2024

### Results

Gross profit for the third quarter of 2024 amounted to SEK 178.8 (166.9) million and the gross profit margin was 33.6% (38.2%). The weaker gross profit margin compared to a very strong third quarter of the previous year is due to a temporary reduction in distributors' remuneration levels. Nevertheless, the gross profit margin remained at a high level despite the increase in raw material prices and normalised remuneration levels to distributor organisations.

The Group's operating profit before depreciation/amortisation amounted to SEK 63.0 (71.2) million and the EBITDA margin was 11.8% (16.3%). The decline in the EBITDA margin compared to the same period last year was mainly due to the weaker gross profit margin and increased sales costs linked to acquisitions and the opening of new markets. In addition, currency conversion effects impacted the quarter's EBITDA result by SEK -4.2 (3.9) million.

Operating profit amounted to SEK 54.5 (64.5) million and the operating margin was 10.2% (14.8%). Profit before tax amounted to SEK 53.8 (67.5) million and net earnings amounted to SEK 42.6 (53.5) 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 8.5 (6.7) million, of which SEK 1.5 (0.9) million relates to depreciation of tangible fixed assets and SEK 7.0 (5.8) million relates to amortisation of intangible fixed assets. Of this, SEK 4.5 (4.3) million is depreciation of right-of-use assets in accordance with IFRS 16.



# Sales and profits

## Q1–Q3 2024

### Sales Q1–Q3

Total revenues Q1–Q3 2024 amounted to SEK 1,494.3 (1,238.5) million, which corresponds to a growth of 21% compared to the corresponding period last year. In local currencies revenue increased by 22% compared to the same period last year.

#### Nordic countries

In the Nordic countries, total revenues decreased by 1% to SEK 214.0 (217.1) million in Q1–Q3 2024 compared to the same period last year. The favourable performance in Sweden and Norway with high distributor activity and new sales could not fully compensate for the region's other countries, which performed slightly worse with lower activity and a low share of new sales so far in 2024.

Total external revenue in Faun Pharma AS, the Group's subsidiary and manufacturing unit, increased by 12% to SEK 79.7 (71.3) million in Q1–Q3 2024 compared to the corresponding period last year.

Overall, Q1–Q3 2024 revenues in the Nordic countries, Zinzino and Faun combined, accounted for 19% (24%) of the Group's total revenues in Q1–Q3 2024.

#### Baltic countries

In the Baltic countries, revenues increased by 4% to SEK 69.4 (66.8) million in Q1–Q3 2024 compared to the same period last year. This followed a strong first half of the year with positive performance in Latvia and Lithuania, where a slightly poorer sales outcome in the third quarter slowed growth. A generally more volatile sales trend in Estonia was seen during the year, with varying distributor activity and lower sales during large parts of the year, which also slowed the region's growth. The region together accounted for 5% (5%) of the Group's total revenues in Q1–Q3 2024.

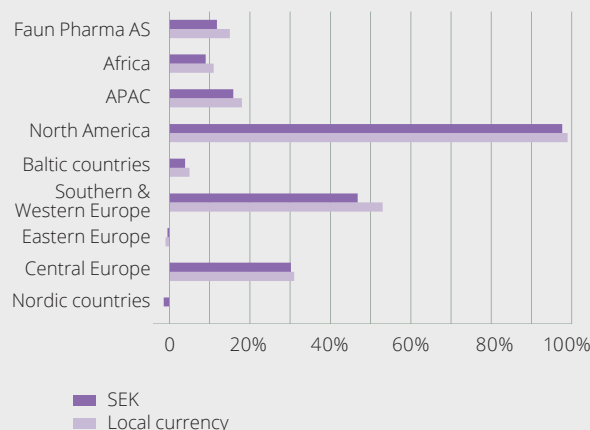
#### Central Europe

In Q1–Q3 2024, the region's total revenue increased by 30% compared to the corresponding period last year and amounted to SEK 394.4 (303.0) million. Strong performance continued in the region, although growth slowed in Austria in the third quarter. The DACH region, mainly driven by the German market, is the region with the highest growth in absolute terms, mainly due to high activity among both existing and new distributors. In addition, subscription revenues from the large and fast-growing customer base have been at a consistently very high level so far this year. In total, the region accounted for 26% (24%) of the Group's total revenue in Q1–Q3 2024.

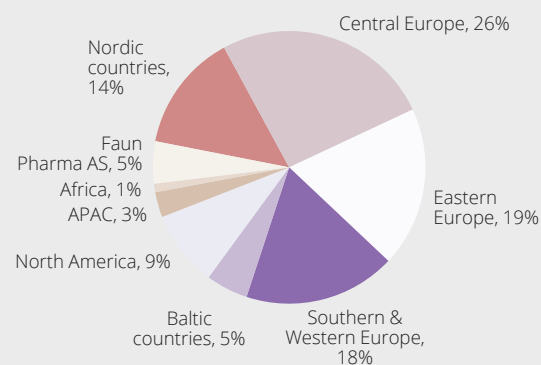
#### Eastern Europe

Total revenue in the region was in line with the same period last year and amounted to SEK 279.9 (281.3) million. The largest share of revenue in Q1–Q3 2024 was derived from the large customer subscription bases in the region. At the same time, distributor activity was at a slightly lower level compared to the corresponding period last year with a fewer number of new customers and distributors added. In total, the region accounted for 19% (23%) of the Group's total revenue in Q1–Q3 2024.

### Growth per region Q1–Q3 2024 vs Q1–Q3 2023



### Sales per region Q1–Q3 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, Luxemburg, 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 47% in Q1–Q3 2024 compared to the same period last year and amounted to SEK 264.5 (180.2) million. The Netherlands, the UK, Turkey and France accounted for the largest share of the region's revenue, while there was high distributor activity and growth in many of the region's other countries. The region's positive growth so far this year is largely linked to the acquisition of Xelliss and the strategic partnership with ACN initiated earlier in 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 18% (15%) of the Group's total revenues in Q1–Q3 2024.

### **North America**

In North America, revenue in Q1–Q3 2024 increased by 98% compared to the same period last year and amounted to SEK 134.0 (67.8) 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 9% (5%) of the Group's total revenue in Q1–Q3 2024.

### **APAC**

In Q1–Q3 2024, the region's revenue increased by a total of 16% compared to the corresponding period last year and amounted to SEK 47.5 (41.0) million. 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 had a good effect, which is evident in most markets, which have increased both in terms of new distributors and the large number of new customers with associated growing subscription bases. However, the favourable outcome in the region was slowed down by temporary delivery problems in Taiwan, which are expected to be resolved by the end of the fourth quarter. The region together accounted for 3% (3%) of the Group's total revenue in Q1–Q3 2024.

### **Africa**

Total revenue in the region for Q1–Q3 2024 increased by 9% to SEK 10.9 (10.0) million. This follows consistently high distributor activity during the year in the region, which has gradually increased revenues so far this 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, are handled via Zinzino's global webshop pending the opening of markets under their own local flag. Together, the region accounted for 1% (1%) of the Group's total revenue in Q1–Q3 2024.



## Sales per product segment Q1–Q3

The Zinzino Health product area increased in Q1–Q3 2024 by 23% to SEK 1,314.1 (1,069.3) million and represented 88% (86%) of total revenue. The Skincare product area decreased by 24% to SEK 18.4 (24.2) million, which corresponded to 1% (2%) of total revenue. External sales in Faun Pharma AS increased by 11% compared to the corresponding period last year and amounted to SEK 78.0 (70.3) million, corresponding to 5% (6%) of total revenue. Other revenue, including coffee sales, amounted to SEK 83.8 (74.7) million, which corresponded to the remaining 6% (6%) of revenue in Q1–Q3 2024.

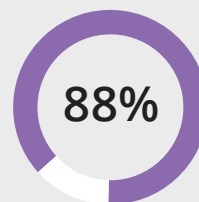
## Growth strategy

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.

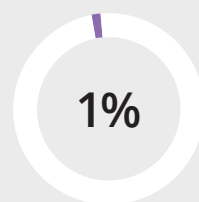
Sales  
SEK million **1,494.3** (1,238.5)

### Sales per product segment Q1–Q3 2024



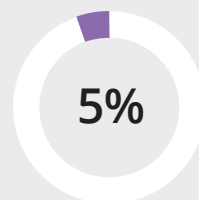
#### Health

Q1–Q3 2024:SEK 1,314.1 (1,069.3) million



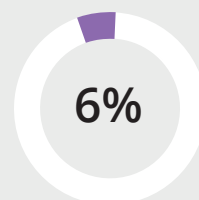
#### Skincare

Q1–Q3 2024:SEK 18.4 (24.2) million



#### Faun

Q1–Q3 2024:SEK 78.0 (70.3) million



#### Other revenue

Q1–Q3 2024:SEK 83.8 (74.7) million

## Results and financial position Q1–Q3 2024



## Results and financial position Q1–Q3 2024

### Results

Gross profit for Q1–Q3 2024 totalled SEK 514.1 (446.1) million and the gross profit margin was 34.4% (36.0%). The decline in margins compared with the corresponding period of the previous year was mainly due to higher raw material prices, which could not be fully offset by the price adjustments implemented.

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 Group's operating profit before depreciation and amortisation for Q1–Q3 2024 amounted to SEK 177.8 (169.3) million and the EBITDA margin was 11.9% (13.7%). 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. This, combined with an expanded establishment programme with the opening of several new markets that have been 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 period.

Operating profit amounted to SEK 154.9 (149.3) million and the operating margin was 10.4% (12.1%). Profit before tax amounted to SEK 158.7 (150.9) million and net earnings amounted to SEK 126.1 (119.7) million.

### Inventories

The Group's combined inventories at the balance sheet date were SEK 305.1 (200.6) million. In Q1–Q3 2024, the inventory levels of external finished goods were increased to secure deliveries during the strong sales growth. The following storage sites accounted for the largest increases in external stocks of finished goods: France (approx. SEK 40 million), Poland (approx. SEK 15 million) and the US (approx. SEK 10 million). In addition, goods in transit to the various warehouses increased by SEK 16 million and the warehouse at Faun by SEK 11 million, all compared with the respective inventory values as of 31/12/2023.

The company has generally increased inventory levels in recent years to secure production and deliveries. 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.

### Financial position

As of the balance sheet date, the group's bank balances amounted to SEK 401.2 (313.7) million. The group has interest-bearing liabilities to credit institutions of SEK 80 (15) million which as of September 30 had been utilized with 0 (0) mSEK, after that the company has extended the existing overdraft with the aim of adding additional financial strength and flexibility in line with the company's acquisition strategy and global expansion plans. The cash flow from its current operations during Q1–Q3 2024 amounted to SEK 129.3 (215.7) million after high capital being tied up in inventories. The Group's equity/assets ratio was 31% (27%). Group equity at the end of the period amounted to SEK 334.4 (221.6) million, corresponding to SEK 9.79 (6.54) per share. The board considers that cash and cash equivalents and the equity/assets ratio remain at a satisfactory level.



## The Organisation

Zinzino has been working for a long time on a streamlining process that has also involved the organisation in optimising its workforce. The purpose of the process has been to phase out processes with lower returns and invest more in those processes that are expected to generate more revenue. For this reason, the local organisation in the APAC region has been partially restructured in 2024 with the recruitment of a new sales manager for the Taiwanese market, among others. During the year, 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 mainly to increase the efficiency of the global expansion process.

The number of employees in the Group at the end of the quarter totalled 248 (207) people, of which 134 (122) were women. In addition, 36 (18) people worked at the Group via consulting agreements, of which 14 (8) 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 Q1–Q3 2024 totalled SEK 25.2 (16.0) million, of which SEK 25.0 (14.5) 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 18.4 (13.5) million. The parent company's cash and cash equivalents at the end of the period amounted to SEK 17.4 (8.1) million.

## Significant risks and uncertainties in operations

The main risks remain in 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](http://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 30/09/2024, the share capital was divided among 34,564,991 shares, of which 5,113,392 are A shares (one vote) and 29,451,599 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](http://www.nasdaqomxnordic.com)

## Options programme

As of the reporting date, the company has five outstanding options programmes 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 programme 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 programme have been subscribed by the company's external distributors. As of the reporting date, 159,233 warrants have already been exercised for share subscription within the framework of this options programme.

The second options programme 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, 23,000 warrants have already been exercised for share subscription within the framework of this options programme.

The third options programme covers 120,000 warrants at an exercise price of SEK 56 per B share which expires 31/05/2027. The programme 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 programme.

The fourth options programme 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 programme.

The fifth options programme covers 500,000 warrants at an exercise price of SEK 63 per B share and expires 31/05/2026. The programme 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. As of the reporting date, 3,000 warrants have been exercised for share subscription within the framework of this options programme.

If all the warrants issued as of 30/09/2024 are exercised for subscription of 2,816,910 shares, the share capital dilution will be approximately 8%.

### **Accounting principles**

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 2025 annual meeting of shareholders will be held on 28 May 2025 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](https://zinzino.com/bolagsstyrning).

### **Report calendar**

The year-end report for 2024 will be published on 27/02/2025

Annual report 2024 will be published 25/04/2025

Interim Report Q1 2025 will be published 20/05/2025

Interim Report Q2 2025 will be published 29/08/2025

# Group report

## Summary of comprehensive profit/loss

Amounts in SEK thousands	01/07/2024	01/07/2023	01/01/2024	01/01/2023	01/01/2023
	30/09/2024	30/09/2023	30/09/2024	30/09/2023	31/12/2023
Net sales	504,791	416,427	1,423,191	1,177,470	1,674,812
Other revenue	27,615	20,076	69,699	59,397	89,443
Own work capitalised	359	356	1,441	1,590	2,122
Goods for resale and other direct costs	-354,012	-269,998	-980,217	-792,360	-1,118,329
<b>Gross profit</b>	<b>178,753</b>	<b>166,861</b>	<b>514,114</b>	<b>446,097</b>	<b>648,048</b>
External operating expenses	-71,176	-59,485	-200,702	-166,239	-252,253
Staff costs	-44,534	-36,177	-135,640	-110,571	-155,164
Depreciation/amortisation	-8,517	-6,693	-22,877	-20,010	-31,798
<b>Operating profit</b>	<b>54,526</b>	<b>64,506</b>	<b>154,895</b>	<b>149,277</b>	<b>208,833</b>
Net financial income/expense	-774	3,021	3,807	1,672	1,174
Tax	-11,182	-14,069	-32,566	-31,248	-46,004
<b>PROFIT/LOSS FOR THE PERIOD</b>	<b>42,570</b>	<b>53,458</b>	<b>126,136</b>	<b>119,701</b>	<b>164,003</b>

### OTHER COMPREHENSIVE PROFIT/LOSS

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

Currency exchange differences upon conversion of foreign subsidiaries	-2,251	-1,537	-2,282	-1,309	-3,417
<b>Other comprehensive profit/loss for the period</b>	<b>-2,251</b>	<b>-1,537</b>	<b>-2,282</b>	<b>-1,309</b>	<b>-3,417</b>
<b>TOTAL COMPREHENSIVE PROFIT/LOSS FOR THE PERIOD</b>	<b>40,319</b>	<b>51,921</b>	<b>123,854</b>	<b>118,392</b>	<b>160,586</b>

#### Profit/loss for the period attributable to:

Parent company shareholders	42,479	53,383	125,912	119,448	163,735
Non-controlling influence	91	75	224	253	268
<b>TOTAL</b>	<b>42,570</b>	<b>53,458</b>	<b>126,136</b>	<b>119,701</b>	<b>164,003</b>

#### Total comprehensive profit/loss for the period attributable to:

Parent company shareholders	40,228	51,846	123,630	118,139	160,318
Non-controlling influence	91	75	224	253	268
<b>TOTAL</b>	<b>40,319</b>	<b>51,921</b>	<b>123,854</b>	<b>118,392</b>	<b>160,586</b>

#### 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	1.24	1.58	3.69	3.53	4.83
Earnings per share after dilution	1.15	1.56	3.42	3.47	4.73

# Group report

## Summary of financial position

Amounts in SEK thousands	30/09/2024	30/09/2023	31/12/2023
<b>Fixed assets</b>			
Goodwill	121,835	73,076	70,999
Other intangible fixed assets	74,895	52,195	48,015
Equipment, tools and installations	15,867	15,749	15,327
Right-of-use assets	45,042	37,811	51,049
Financial fixed assets	14,978	9,980	5,328
<b>Total fixed assets</b>	<b>272,617</b>	<b>188,811</b>	<b>190,718</b>
<b>Current assets</b>			
Inventories	305,133	200,635	194,977
Current receivables	98,950	88,994	76,019
Pre-paid costs and accrued revenues	70,662	53,849	59,185
Cash and bank balances	321,181	298,709	321,236
<b>Total current assets</b>	<b>795,926</b>	<b>642,187</b>	<b>651,417</b>
<b>TOTAL ASSETS</b>	<b>1,068,543</b>	<b>830,998</b>	<b>842,135</b>
<b>Equity</b>			
Share capital	3,456	3,394	3,394
Other contributed capital	94,062	41,749	41,807
Retained earnings including profit/loss for the period	236,847	176,463	218,599
<b>Total equity</b>	<b>334,365</b>	<b>221,606</b>	<b>263,800</b>
<b>Long-term liabilities</b>			
Lease liabilities	27,922	22,713	34,184
Deferred tax liability	7,394	4,551	3,412
Other long-term liabilities	46,143	31,818	34,773
<b>Total long-term liabilities</b>	<b>81,459</b>	<b>59,082</b>	<b>72,369</b>
<b>Current liabilities</b>			
Supplier liabilities	70,616	76,880	50,356
Tax liabilities	23,434	25,504	29,978
Lease liabilities	21,366	18,183	19,676
Other current liabilities	337,872	271,946	268,481
Accrued costs and deferred revenues	199,431	157,797	137,475
<b>Total current liabilities</b>	<b>652,719</b>	<b>550,310</b>	<b>505,966</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,068,543</b>	<b>830,998</b>	<b>842,135</b>

# Group report

## Summary of changes in 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 influence	Total equity
<b>Opening balance</b>								
<b>01/01/2023</b>	<b>3,386</b>	-	<b>39,300</b>	<b>5,879</b>	<b>105,883</b>	<b>154,447</b>	<b>5,926</b>	<b>160,373</b>
Profit/loss for the period	-	-	-	-	119,448	<b>119,448</b>	253	<b>119,701</b>
Other comprehensive profit/loss for the period	-	-	-	-1,309	-	<b>-1,309</b>	-	<b>-1,309</b>
Rights issue	8	-	2,449	-	19	<b>2,476</b>	-	<b>2,476</b>
Issued warrants	-	-	-	-	1,984	<b>1,984</b>	-	<b>1,984</b>
Dividends	-	-	-	-	-59,256	<b>-59,256</b>	-2,362	<b>-61,618</b>
<b>Closing balance</b>								
<b>30/09/2023</b>	<b>3,394</b>	-	<b>41,749</b>	<b>4,570</b>	<b>168,078</b>	<b>217,789</b>	<b>3,817</b>	<b>221,606</b>
<b>Opening balance</b>								
<b>10/01/2023</b>	<b>3,394</b>	-	<b>41,749</b>	<b>4,570</b>	<b>168,078</b>	<b>217,789</b>	<b>3,817</b>	<b>221,606</b>
Profit/loss for the period	-	-	-	-	44,287	<b>44,287</b>	15	<b>44,302</b>
Other comprehensive profit/loss for the period	-	-	-	-2,108	-	<b>-2,108</b>	-	<b>-2,108</b>
Rights issue	-	-	58	-	-19	<b>39</b>	-	<b>39</b>
Issued warrants	-	-	-	-	-40	<b>-40</b>	-	<b>-40</b>
<b>Closing balance</b>								
<b>31/12/2023</b>	<b>3,394</b>	-	<b>41,807</b>	<b>2,462</b>	<b>212,306</b>	<b>259,968</b>	<b>3,832</b>	<b>263,800</b>
<b>Opening balance</b>								
<b>01/01/2024</b>	<b>3,394</b>	-	<b>41,807</b>	<b>2,462</b>	<b>212,306</b>	<b>259,968</b>	<b>3,832</b>	<b>263,800</b>
Profit/loss for the period	-	-	-	-	125,912	<b>125,912</b>	224	<b>126,136</b>
Other comprehensive profit/loss for the period	-	-	-	-2,282	-	<b>-2,282</b>	-	<b>-2,282</b>
Rights issue	62	20	52,235	-	-	<b>52,317</b>	-	<b>52,317</b>
Issued warrants	-	-	-	-	597	<b>597</b>	-	<b>597</b>
Dividends	-	-	-	-	-102,923	<b>-102,923</b>	-3,280	<b>-106,203</b>
<b>Closing balance</b>								
<b>30/09/2024</b>	<b>3,456</b>	<b>20</b>	<b>94,042</b>	<b>180</b>	<b>235,892</b>	<b>333,590</b>	<b>776</b>	<b>334,365</b>

# Group report

## Summary of cash flows

Amounts in SEK thousands	01/07/2024 30/09/2024	01/07/2023 30/09/2023	01/01/2024 30/09/2024	01/01/2023 30/09/2023	01/01/2023 31/12/2023
<b>Operating activities</b>					
Profit/loss before financial items	54,526	64,506	154,895	149,277	208,833
Depreciation and amortisation/write-down	8,517	6,693	22,877	20,010	31,798
Currency fluctuations	-2,862	-5,728	-916	3,720	7,086
Other non-cash items	-	10,343	-556	10,343	11,266
<b>Total</b>	<b>60,181</b>	<b>75,814</b>	<b>176,300</b>	<b>183,350</b>	<b>258,983</b>
<b>Investing activities</b>					
Interest received	859	731	3,898	1,367	3,123
Interest paid	-267	-101	-470	-130	-309
Tax paid	-7,464	-11,699	-42,817	-19,865	-23,570
<b>Total</b>	<b>-6,872</b>	<b>-11,069</b>	<b>-39,389</b>	<b>-18,628</b>	<b>-20,756</b>
<b>Financing activities</b>					
Cash flow from operating activities before changes in operating capital	53,309	64,745	136,911	164,722	238,227
<b>Cash flow from changes in operating capital</b>					
Change in inventories	-14,947	-2,376	-110,156	-15,867	-10,209
Change in current receivables	-18,429	-20,828	-32,817	-29,036	-21,861
Change in current liabilities	15,109	62,895	135,349	95,930	39,983
<b>Total</b>	<b>-18,267</b>	<b>39,691</b>	<b>-7,624</b>	<b>51,027</b>	<b>7,913</b>
<b>Cash flow from operating activities</b>	<b>35,042</b>	<b>104,436</b>	<b>129,287</b>	<b>215,749</b>	<b>246,140</b>
<b>Investment activity</b>					
Investments in intangible fixed assets	-1,787	-1,687	-7,566	-7,702	-10,436
Investments in tangible fixed assets	-2,490	-122	-3,751	-1,369	-1,348
Investments in financial fixed assets	-358	-	-358	-134	-134
Acquisition of assets	-	-	-23,185	-	-
Acquisition of affiliated companies	-	-	-28,308	-	-
<b>Cash flow from investment activities</b>	<b>-4,635</b>	<b>-1,809</b>	<b>-63,168</b>	<b>-9,205</b>	<b>-11,918</b>
<b>Financing activities</b>					
Amortisation of lease liabilities attributable to lease agreements	-5,407	-4,998	-16,165	-14,918	-20,069
Issuance of options	136	215	597	1,984	1,944
Rights issue	94	-	52,317	2,475	2,515
Dividends	-	-	-102,923	-59,256	-59,256
<b>Cash flow from financing activities</b>	<b>-5,177</b>	<b>-4,783</b>	<b>-66,174</b>	<b>-69,715</b>	<b>-74,866</b>
<b>CASH FLOW FOR THE PERIOD</b>	<b>25,230</b>	<b>97,844</b>	<b>55</b>	<b>136,829</b>	<b>159,356</b>
<b>Cash and cash equivalents at start of period</b>	<b>295,951</b>	<b>200,865</b>	<b>321,236</b>	<b>161,880</b>	<b>161,880</b>
<b>Cash and cash equivalents at end of period</b>	<b>321,181</b>	<b>298,709</b>	<b>321,181</b>	<b>298,709</b>	<b>321,236</b>

# Parent company report

## Summary income statement

Amounts in SEK thousands	01/07/2024	01/07/2023	01/01/2024	01/01/2023	01/01/2023
	30/09/2024	30/09/2023	30/09/2024	30/09/2023	31/12/2023
Net sales	10,000	7,000	25,000	15,630	23,899
Other revenue	5	237	208	342	342
<b>Gross profit</b>	<b>10,005</b>	<b>7,237</b>	<b>25,208</b>	<b>15,972</b>	<b>24,241</b>
External operating expenses	-7,660	-5,142	-21,815	-13,646	-20,291
Depreciation/amortisation	-1,331	-536	-1,894	-741	-844
<b>Operating profit</b>	<b>1,014</b>	<b>1,559</b>	<b>1,499</b>	<b>1,585</b>	<b>3,106</b>
Net financial income/expense	-2,236	2,863	16,901	11,893	187,743
Tax	-25	-	-25	-	-36
<b>PROFIT/LOSS FOR THE PERIOD</b>	<b>-1,247</b>	<b>4,422</b>	<b>18,375</b>	<b>13,478</b>	<b>190,813</b>

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	30/09/2024	30/09/2023	31/12/2023
<b>Fixed assets</b>			
Goodwill	43,770	-	-
Intangible fixed assets	29,516	18,130	19,594
Tangible fixed assets	10	18	16
Financial fixed assets	175,288	145,792	146,716
<b>Total fixed assets</b>	<b>248,584</b>	<b>163,940</b>	<b>166,326</b>
<b>Current assets</b>			
Current receivables	139	1,385	1,189
Intra-group receivables	25,310	28,244	116,208
Pre-paid costs and accrued revenues	862	350	437
Cash and bank balances	17,394	8,127	8,055
<b>Total current assets</b>	<b>43,705</b>	<b>38,106</b>	<b>125,889</b>
<b>TOTAL ASSETS</b>	<b>292,289</b>	<b>202,046</b>	<b>292,215</b>
<b>Equity</b>			
<i>Restricted equity</i>			
Share capital	3,456	3,394	3,394
Ongoing rights issue	20	-	-
Fund for development expenditures	24,682	18,129	19,594
<i>Unrestricted equity</i>			
Share premium reserve	103,373	51,098	51,138
Retained earnings including profit/loss for the period	88,293	1,500	177,332
<b>Total equity</b>	<b>219,824</b>	<b>74,121</b>	<b>251,458</b>
<b>Long-term liabilities</b>			
Long-term liabilities	35,897	23,931	26,809
<b>Total long-term liabilities</b>	<b>35,897</b>	<b>23,931</b>	<b>26,809</b>
<b>Current liabilities</b>			
Intra-group current liabilities	17,276	87,560	2,309
Other current liabilities	18,091	15,355	10,746
Accrued costs and deferred revenues	1,201	1,079	893
<b>Total current liabilities</b>	<b>36,568</b>	<b>103,994</b>	<b>13,948</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>292,289</b>	<b>202,046</b>	<b>292,215</b>



# Parent company report

## Summary of changes in equity

Amounts in SEK thousands	Share capital	Ongoing rights issue	Fund for development expenditures	Share premium reserve	Retained earnings including profit/loss for the period	Total equity
<b>Opening balance 01/01/2023</b>	<b>3,386</b>	<b>-</b>	<b>12,667</b>	<b>48,631</b>	<b>52,525</b>	<b>117,209</b>
Profit/loss for the period	-	-	-	-	13,478	<b>13,478</b>
Capitalisation of development costs	-	-	5,765	-	-5,765	-
Release following amortisation of development costs for the year	-	-	-303	-	303	-
Rights issue	8	-	-	2,467	-	<b>2,475</b>
Issued warrants	-	-	-	-	215	<b>215</b>
Dividends	-	-	-	-	-59,256	<b>-59,256</b>
<b>Closing balance 30/09/2023</b>	<b>3,394</b>	<b>-</b>	<b>18,129</b>	<b>51,098</b>	<b>1,500</b>	<b>74,121</b>
<b>Opening balance 10/01/2023</b>	<b>3,394</b>	<b>-</b>	<b>18,129</b>	<b>51,098</b>	<b>1,500</b>	<b>74,121</b>
Profit/loss for the period	-	-	-	-	177,335	<b>177,335</b>
Capitalisation of development costs	-	-	1,566	-	-1,566	-
Release following amortisation of development costs for the year	-	-	-101	-	101	-
Rights issue	-	-	-	40	-	<b>40</b>
Issued warrants	-	-	-	-	-38	<b>-38</b>
<b>Closing balance 31/12/2023</b>	<b>3,394</b>	<b>-</b>	<b>19,594</b>	<b>51,138</b>	<b>177,333</b>	<b>251,458</b>
<b>Opening balance 01/01/2024</b>	<b>3,394</b>	<b>-</b>	<b>19,594</b>	<b>51,138</b>	<b>177,333</b>	<b>251,458</b>
Profit/loss for the period	-	-	-	-	18,375	<b>18,375</b>
Capitalisation of development costs	-	-	5,301	-	-5,301	-
Release following amortisation of development costs for the year	-	-	-213	-	213	-
Rights issue	62	20	-	52,235	-	<b>52,317</b>
Issued warrants	-	-	-	-	597	<b>597</b>
Dividends	-	-	-	-	-102,923	<b>-102,923</b>
<b>Closing balance 30/09/2024</b>	<b>3,456</b>	<b>20</b>	<b>24,682</b>	<b>103,373</b>	<b>88,294</b>	<b>219,824</b>

# Parent company report

## Summary of cash flows

Amounts in SEK thousands	01/07/2024 30/09/2024	01/07/2023 30/09/2023	01/01/2024 30/09/2024	01/01/2023 30/09/2023	01/01/2023 31/12/2023
<b>Operating activities</b>					
Profit/loss before financial items	1,014	1,559	1,499	1,585	3,106
Depreciation and amortisation/write-down	1,331	536	1,894	741	844
Currency fluctuations	-1,812	-2,442	-3,277	-2,373	-99
<b>Total</b>	<b>533</b>	<b>-347</b>	<b>116</b>	<b>-47</b>	<b>3,851</b>
Interest received	352	279	1,426	663	1,069
Interest paid	-	-21	-	-21	-
Tax paid	-51	-34	-137	-137	-99
<b>Total</b>	<b>301</b>	<b>224</b>	<b>1,289</b>	<b>505</b>	<b>970</b>
<b>Cash flow from operating activities before changes in operating capital</b>	<b>834</b>	<b>-123</b>	<b>1,405</b>	<b>458</b>	<b>4,821</b>
<b>Cash flow from changes in operating capital</b>					
Change in current receivables	10,973	-2,280	91,522	-14,876	74,921
Change in current liabilities	-19,056	-498	6,362	69,973	-22,258
<b>Cash flow from operating activities</b>	<b>-7,249</b>	<b>-2,901</b>	<b>99,289</b>	<b>55,555</b>	<b>57,484</b>
<b>Investment activity</b>					
Investments in intangible fixed assets	-1,393	-1,133	-5,301	-5,328	-7,331
Investments in financial fixed assets	-358	-	-358	-	-
Acquisition of assets	-	-	-23,185	-	-
Acquisition of affiliated companies	-	-	-28,308	-	-
<b>Cash flow from investment activities</b>	<b>-1,751</b>	<b>-1,133</b>	<b>-57,152</b>	<b>-5,328</b>	<b>-7,331</b>
<b>Financing activities</b>					
Issuance of options	136	215	597	215	177
Rights issue	94	-	52,317	2,475	2,515
Dividends received	-	-	17,211	12,911	12,911
Dividends	-	-	-102,923	-59,256	-59,256
<b>Cash flow from financing activities</b>	<b>230</b>	<b>215</b>	<b>-32,798</b>	<b>-43,655</b>	<b>-43,653</b>
<b>CASH FLOW FOR THE PERIOD</b>	<b>-8,770</b>	<b>-3,819</b>	<b>9,339</b>	<b>6,572</b>	<b>6,500</b>
Cash and cash equivalents at start of period	26,164	11,946	8,055	1,555	1,555
Cash and cash equivalents at end of period	17,394	8,127	17,394	8,127	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+HEIDI. 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](http://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 business segments is set out below:

- Zinzino
- Faun Pharma AS

July–September 2024	Zinzino	Faun	Group elimination	Total Group
Net sales	477,136	45,800	-18,145	504,791
Other revenue	27,078	537	-	27,615
Own work capitalised	359	-	-	359
Goods for resale and other direct costs	-341,700	-30,457	18,145	-354,012
<b>Gross profit</b>	<b>162,873</b>	<b>15,880</b>	-	<b>178,753</b>
External operating expenses	-68,349	-2,827	-	-71,176
Staff costs	-34,961	-9,573	-	-44,534
<b>EBITDA</b>	<b>59,563</b>	<b>3,480</b>	-	<b>63,043</b>
Depreciation/amortisation	-7,302	-1,215	-	-8,517
<b>Operating profit</b>	<b>52,261</b>	<b>2,265</b>	-	<b>54,526</b>

July–September 2023	Zinzino	Faun	Group elimination	Total Group
Net sales	393,764	39,032	-16,369	416,427
Other revenue	19,827	249	-	20,076
Own work capitalised	356	-	-	356
Goods for resale and other direct costs	-258,921	-27,446	16,369	-269,998
<b>Gross profit</b>	<b>155,026</b>	<b>11,835</b>	-	<b>166,861</b>
External operating expenses	-57,696	-1,789	-	-59,485
Staff costs	-27,983	-8,194	-	-36,177
<b>EBITDA</b>	<b>69,347</b>	<b>1,852</b>	-	<b>71,199</b>
Depreciation/amortisation	-5,480	-1,213	-	-6,693
<b>Operating profit</b>	<b>63,867</b>	<b>639</b>	-	<b>64,506</b>

January–September 2024	Zinzino	Faun	Group elimination	Total Group
Net sales	1,345,228	135,126	-57,163	1,423,191
Other revenue	68,218	1,481	-	69,699
Own work capitalised	1,441	-	-	1,441
Goods for resale and other direct costs	-945,929	-91,451	57,163	-980,217
<b>Gross profit</b>	<b>468,958</b>	<b>45,156</b>	-	<b>514,114</b>
External operating expenses	-191,860	-8,842	-	-200,702
Staff costs	-110,521	-25,119	-	-135,640
<b>EBITDA</b>	<b>166,577</b>	<b>11,195</b>	-	<b>177,772</b>
Depreciation/amortisation	-19,324	-3,553	-	-22,877
<b>Operating profit</b>	<b>147,253</b>	<b>7,642</b>	-	<b>154,895</b>

January–September 2023	Zinzino	Faun	Group elimination	Total Group
Net sales	1,107,189	118,160	-47,879	1,177,470
Other revenue	58,556	841	-	59,397
Own work capitalised	1,590	-	-	1,590
Goods for resale and other direct costs	-758,921	-81,318	47,879	-792,360
<b>Gross profit</b>	<b>408,414</b>	<b>37,683</b>	-	<b>446,097</b>
External operating expenses	-159,193	-7,046	-	-166,239
Staff costs	-89,549	-21,022	-	-110,571
<b>EBITDA</b>	<b>159,672</b>	<b>9,615</b>	-	<b>169,287</b>
Depreciation/amortisation	-16,411	-3,599	-	-20,010
<b>Operating profit</b>	<b>143,261</b>	<b>6,016</b>	-	<b>149,277</b>

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
<b>Gross profit</b>	<b>597,261</b>	<b>50,787</b>	-	<b>648,048</b>
External operating expenses	-242,292	-9,961	-	-252,253
Staff costs	-125,405	-29,759	-	-155,164
<b>EBITDA</b>	<b>229,564</b>	<b>11,067</b>	-	<b>240,631</b>
Depreciation/amortisation	-27,001	-4,797	-	-31,798
<b>Operating profit</b>	<b>202,563</b>	<b>6,270</b>	-	<b>208,833</b>

## 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.

July–September 2024	Zinzino	Faun	Total Group
Net sales	477,136	27,655	504,791
<b>Revenue from external customers</b>	<b>477,136</b>	<b>27,655</b>	<b>504,791</b>
Goods within Zinzino Health	468,074	-	468,074
Goods within Zinzino Skincare	5,247	-	5,247
Sales of external goods Faun	-	27,655	27,655
Event and other sales	3,815	-	3,815
<b>TOTAL</b>	<b>477,136</b>	<b>27,655</b>	<b>504,791</b>

July–September 2023	Zinzino	Faun	Total Group
Net sales	393,763	22,664	416,427
<b>Revenue from external customers</b>	<b>393,763</b>	<b>22,664</b>	<b>416,427</b>
Goods within Zinzino Health	381,849	-	381,849
Goods within Zinzino Skincare	7,456	-	7,456
Sales of external goods Faun	-	22,664	22,664
Event and other sales	4,458	-	4,458
<b>TOTAL</b>	<b>393,763</b>	<b>22,664</b>	<b>416,427</b>

January–September 2024	Zinzino	Faun	Total Group
Net sales	1,345,227	77,964	1,423,191
<b>Revenue from external customers</b>	<b>1,345,227</b>	<b>77,964</b>	<b>1,423,191</b>
Goods within Zinzino Health	1,314,094	-	1,314,094
Goods within Zinzino Skincare	18,364	-	18,364
Sales of external goods Faun	-	77,964	77,964
Event and other sales	12,769	-	12,769
<b>TOTAL</b>	<b>1,345,227</b>	<b>77,964</b>	<b>1,423,191</b>

January–September 2023	Zinzino	Faun	Total Group
Net sales	1,107,188	70,282	1,177,470
<b>Revenue from external customers</b>	<b>1,107,188</b>	<b>70,282</b>	<b>1,177,470</b>
Goods within Zinzino Health	1,069,275	-	1,069,275
Goods within Zinzino Skincare	24,208	-	24,208
Sales of external goods Faun	-	70,282	70,282
Event and other sales	13,705	-	13,705
<b>TOTAL</b>	<b>1,107,188</b>	<b>70,282</b>	<b>1,177,470</b>

January–December 2023	Zinzino	Faun	Total Group
Net sales	1,586,537	88,275	1,674,812
<b>Revenue from external customers</b>	<b>1,586,537</b>	<b>88,275</b>	<b>1,674,812</b>
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
<b>TOTAL</b>	<b>1,586,537</b>	<b>88,275</b>	<b>1,674,812</b>

## Note 3

### Transactions with related parties

	01/07/2024 30/09/2024	01/07/2023 30/09/2023	01/01/2024 30/09/2024	01/01/2023 30/09/2023	01/01/2023 31/12/2023
<b>Purchase of goods and services</b>					
Saele Invest & Consulting AS*	14,803	9,689	40,512	28,145	40,545
Prosperity ApS**	2,042	1,419	5,206	4,493	6,034
<b>TOTAL</b>	<b>16,845</b>	<b>11,108</b>	<b>45,718</b>	<b>32,638</b>	<b>46,579</b>

	01/07/2024 30/09/2024	01/07/2023 30/09/2023	01/01/2024 30/09/2024	01/01/2023 30/09/2023	01/01/2023 31/12/2023
<b>Sales of goods and services</b>					
Saele Invest & Consulting AS	-	237	203	342	342
<b>TOTAL</b>	<b>-</b>	<b>237</b>	<b>203</b>	<b>342</b>	<b>342</b>

As of 30/09/2024, the liability to Saele Invest & Consulting AS relating to sales commissions amounts to SEK 0 (0) thousand and to Prosperity ApS to SEK 221 (0) 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.

A receivable from Prosperity ApS amounting to SEK 0 (1,187) thousand exist as of 30/09/2024. The receivable related 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	01/07/2024 30/09/2024	01/07/2023 30/09/2023	01/01/2024 30/09/2024	01/01/2023 30/09/2023	01/01/2023 31/12/2023
Earnings per share before dilution	1.24	1.58	3.69	3.53	4.83
Earnings per share after dilution	1.15	1.56	3.42	3.47	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	42,479	53,383	125,912	119,448	163,735
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#### Number of shares

Weighted average number of ordinary shares in calculating earnings per share before dilution	34,341,278	33,876,417	34,136,882	33,867,180	33,885,937
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#### 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	36,993,027	34,317,545	36,789,745	34,409,053	34,612,867
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## 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. Estimated depreciation period amounts to 10 years.

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
<b>Total purchase price paid</b>	<b>50,185</b>
<b>Recognised amounts of identifiable assets acquired and liabilities assumed</b>	
Intangible fixed assets	5,000
<b>Total identifiable net assets</b>	<b>5,000</b>
<b>Goodwill</b>	<b>45,185</b>

Acquisition-related costs of SEK 92 thousand are included in the item External costs in the consolidated statement of comprehensive profit/loss for 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 30/09/2024 and attributable to the acquisition of 12/05/2024 amount to SEK 26,354 thousand.

## Note 6

### Acquisition of affiliated companies

On 27 June 2024, Zinzino AB acquired 49% of the Cypriot company Cleanthi Alpha - Olenic LTD and was 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. Estimated depreciation period amounts to 10 years.

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.

<b>Purchase price as at 27/06/2024</b>	SEK thousands
Fixed purchase price	22,573
<b>Total purchase price paid</b>	<b>22,573</b>
<b>Recognised amounts of identifiable assets acquired and liabilities assumed</b>	
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
<b>Total identifiable net assets</b>	<b>-151</b>
<b>Consolidated surplus values patent incl. deferred tax</b>	<b>15,880</b>
<b>Goodwill</b>	<b>6,844</b>

Acquisition-related costs of SEK 192 thousand are included in the item External costs in the consolidated statement of comprehensive profit/loss for 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
<b>Sales growth</b>	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.
<b>Gross profit</b>	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.
<b>EBITDA</b>	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.
<b>EBITDA margin</b>	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.
<b>Operating profit/loss (EBIT)</b>	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.
<b>Net margin</b>	Profit/loss for the period as a percentage of total revenues for the period.	This metric illustrates the company's profitability.
<b>Equity per share before dilution</b>	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.
<b>Cash flow from operating activities</b>	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.
<b>Equity/assets ratio</b>	Equity in relation to the balance sheet total.	This metric is an indicator of the company's leverage to finance the company.
<b>Adjusted EBITDA and Adjusted EBITDA margin</b>	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.
<b>Items affecting comparability</b>	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

## 19 November 2024

The Board and the CEO certify that the report for the period 1 January–30 September 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**

Hulda Mellgrens gata 5  
421 32 Västra Frölunda  
E-mail: info@zinzino.com  
Tel: +46 (0) 31-771 71 50  
Gothenburg, 19 November 2024

### **Hans Jacobsson**

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 REPORT**

### **Introduction**

We have reviewed the condensed interim financial information of Zinzino AB per 30 September 2024 as of 30 September 2024 and the nine-month period then ended. The Board of Directors and the CEO are responsible for the preparation and presentation of the interim financial information in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

### **Scope of Review**

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, Review of Interim Report Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, ISA, and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act, regarding the Group, and with the Swedish Annual Accounts Act, regarding the Parent Company.

Gothenburg 19 November 2024  
BDO Göteborg AB

### **Katarina Eklund**

Authorized Public Accountant



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