

ZINZINO



Year-End Report 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+HEIDII 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 the assets of Xelliss. Sales start in Serbia and the Canary Islands. Acquisition 49% of Cleanthi Alpha-Olenic LTD.



Zinzino Year-End Report 2024

October – December

- Total revenue amounted to SEK 713.5 (527.9) million, representing a growth of 35% (23%)
- Gross profit amounted to SEK 218.4 (202.0) million and the gross profit margin was 30.6% (38.3%)
- EBITDA amounted to SEK 72.9 (71.3) million and the EBITDA margin was 10.2% (13.5%)
- Cash flow from operating activities amounted to SEK 179.8 (30.4) million
- Concludes agreement to DIP-finance US-based Zurvita's Chapter 11 proceedings
- Canary Islands achieve full market status
- Launch of a new product – Collagen Boozt

January – December

- Total revenue amounted to SEK 2,207.8 (1,766.4) million, corresponding to a growth of 25% (22%)
- Gross profit amounted to SEK 732.5 (648.0) million and the gross profit margin amounted to 33.2% (36.7%)
- EBITDA amounted to SEK 250.7 (240.6) million and the EBITDA margin amounted to 11.4% (13.6%)
- Cash flow from operating activities amounted to SEK 309.1 (246.1) million
- Cash and cash equivalents on the balance sheet date amounted to SEK 463.1 (321.2) million
- Zinzino's Board of Directors proposes a dividend to shareholders of SEK 4.00 (3.00) per share for the financial year 2024, corresponding to a total of SEK 139.3 (102.7) million before any dilution until the Annual General Meeting

Events after the period

- Zinzino acquires Zurvita's assets after the Chapter 11 proceedings and pays a fixed purchase price, including the DIP financing, totalling USD 9.4 million at closing, of which USD 2.5 million is paid with newly issued Zinzino shares. In addition, contingent considerations will be added based on the sales growth generated by the acquired distributor organisation during the period 2025–2029. The total additional consideration amounts to a maximum of USD 1.9 million and shall be 100% settled with newly issued Zinzino shares. The cash component of the purchase price is financed from own cash.



Dag Bergheim Pettersen, CEO, Zinzino



Strong quarter and strong year

We end the year with strong growth of 35% for the fourth quarter of 2024 compared to the same period last year. In addition, we are combining growth with good profitability, which we of course are pleased with. We have delivered way above our long-term target that we communicated early in 2024 where we aim for an average sales growth of 20% over the next three years. Our ambition is always to deliver more than we promise.

Zurvita

We have now completed our acquisition of the assets of Zurvita after a lengthy and somewhat complicated Chapter 11 process. We strongly believe in combining Zurvita's business with Zinzino's strengths and that we will find excellent synergies in terms of revenue, products and profitability. Through the acquisition, we are dramatically increasing our presence in North America by doubling sales in the region while gaining access to a large number of distributors who we expect will grow with us and succeed with our balance concept with the ability to expand into all our markets.

Zurvita is a direct sales company in the health segment with operations in the US, Canada and Mexico. The brand portfolio offers a range of innovative health and wellness products, with annual sales totalling approximately USD 30 million and good gross margins. A merger with Zinzino is expected to add growth through the synergies arising from the joint networks, combined with Zinzino's test-based product concept. The profitability of the company will thus be able to develop well by utilising Zinzino's existing technical platform and organisation.

Growth

In 2024, we completed three strategically important acquisitions. At the beginning of the year, we acquired the distribution network and associated customer base in Europe from ACN, which has provided growth in Europe, as well as in Australia and the US. In the spring, we acquired the assets and distributor organisation of Xelliss, giving us both great products and very strong growth in France and its nearby areas. During the summer, we also became the proud co-owner of 49% of the Cypriot olive oil producer Cleanthi to secure patents and production of the unique olive oil we use in several of our products.

We have a strong focus in organic growth, expansion into new markets, launching new products and finally growth through acquisitions if the right situation arises. We have a very strong trend with sales growth well above the average 20% that we have promised, and we see ourselves beating this goal by far also in 2025!

We are also focusing on developing our brand, establishing ourselves in additional new markets, developing new products and improving everything in our organisation. It is demanding, but we are in a great starting position and have a very competent organisation that wants to move forward!

Thanks 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	01/10/2024	01/10/2023	01/01/2024	01/01/2023
	31/12/2024	31/12/2023	31/12/2024	31/12/2023
Total revenue	713.5	527.9	2,207.8	1,766.4
Net sales	670.9	497.3	2,094.1	1,674.8
Sales growth	35%	23%	25%	22%
Gross profit	218.4	202.0	732.5	648.0
Gross profit margin	30.6%	38.3%	33.2%	36.7%
Operating profit before depreciation and amortisation	72.9	71.3	250.7	240.6
Operating margin before depreciation and amortisation	10.2%	13.5%	11.4%	13.6%
Operating profit	65.0	59.6	219.9	208.8
Operating margin	9.1%	11.3%	10.0%	11.8%
Profit/loss before tax	60.6	59.1	219.3	210.0
Net earnings	43.2	44.3	169.3	164.0
Net margin	6.1%	8.4%	7.7%	9.3%
Net earnings per share after tax before dilution, SEK	1.25	1.30	4.95	4.83
Net earnings per share after tax at full dilution, SEK	1.17	1.26	4.59	4.73
Cash flow from operating activities	179.8	30.4	309.1	246.1
Cash and cash equivalents	463.1	321.2	463.1	321.2
Equity/assets ratio	32.0%	31.3%	32.0%	31.3%
Equity per share before dilution, SEK	11.13	7.77	11.30	7.78
Number of issued shares on average for the period	34,701,794	33,941,596	34,185,478	33,885,937
Average number of issued shares for the period with full dilution	37,120,045	35,217,663	36,880,408	34,612,867

Zinzino's outlook and financial goals

During the period 2025-2027, the average growth of sales in Zinzino shall be at least 20% and the operating margin before depreciation and amortisation shall exceed 10% during the period. The dividend policy shall be at least 50% of the Group's net earnings as long as liquidity and equity ratio allow.



Events during and after the fourth quarter of 2024

Acquisition of Zurvita assets after finalisation of Chapter 11 proceedings

On 12/21/2024, it was announced that Zinzino had concluded an agreement to become a debtor-in-possession (DIP) in Zurvita Inc. which had been granted Chapter 11 bankruptcy proceedings. By entering as a financier in Zurvita's Chapter 11 with loans totalling USD 4.5 million, Zinzino simultaneously made an offer to acquire the company's assets via what is known as a stalking horse bid. If the bid is accepted, the DIP loan will be converted into part of a debt-settled purchase price, which will be determined after Zurvita has completed the process in accordance with Chapter 11's applicable terms.

As of 14 February 2025, Zinzino's offer to acquire the company's assets has been accepted and converted into a portion of a debt-settled purchase price, with the partners agreeing on the final terms. Zinzino will pay a fixed purchase price at the time of the acquisition, including the DIP financing, totalling USD 9.4 million, of which USD 2.5 million will be paid via newly issued Zinzino shares. In addition, contingent considerations will be added based on the sales growth generated by the acquired distributor organisation during the period 2025–2029. The total additional consideration amounts to a maximum of USD 1.9 million and shall be 100% settled with newly issued Zinzino shares. The cash component of the purchase price is financed from own cash.

Zurvita is a direct sales company in the health segment with operations in the US, Canada and Mexico. The brand portfolio offers a range of innovative health and wellness products, with annual sales totalling approximately USD 30 million and good gross margins. A merger with Zinzino is expected to add growth through the synergies arising from the joint networks, combined with Zinzino's test-based product concept. The profitability of the company will thus be well developed through the use of Zinzino's existing technological platform and organisation.

Canary Islands achieve full market status

On 13 November 2024, Zinzino launched the Canary Islands as the next full market on zinzino.com. The Canary Islands have previously been managed via the global webshop but with the launch, the company's distributors and customers now have the same conditions as on the Spanish mainland and other European markets. The archipelago with 2.2 million inhabitants is attractive due to its network of contacts and synergies with Zinzino's expanding business on the Spanish mainland, combined with a strong interest in health that has been identified in the region, but where previous import barriers and logistics problems have slowed performance. A local subsidiary based within the island group with local import and logistics solutions has now been established. As in other markets, the remaining functions are handled via the head office, which enables cost-effective operations.

Launch of a new product – Collagen Boozt

At Zinzino's annual event held at the beginning of the fourth quarter of 2024, the new product Collagen Boozt was launched. The product is specifically designed to support skin health and is MSC-certified. It contains 8,000 mg of liquid marine collagen peptides and the formula is enriched with 120 mg of hyaluronic acid and pre- and postbiotics. The product also contains vitamin C and seven other active ingredients that support the body's natural collagen production and contribute to healthier skin.



Revenue and profit Q4 2024

Sales Q4

Total revenue in the fourth quarter increased by 35% to SEK 713.5 (527.9) million compared to the corresponding period last year. In local currency, revenues increased by 37% compared to the fourth quarter last year.

Nordic countries

In the Nordic countries, total revenue for the fourth quarter of 2024 increased by 6% compared to same period the previous year and amounted to SEK 88.0 (82.8) million. This follows generally favourable performance in the region, with all countries except Iceland showing growth. There was a large increase in both new customers and distributors during the quarter, which was very positive as the region's revenues previously derived mainly from large but declining subscription bases. The underlying growth of new distributors has now begun to have an effect on the overall sales trend, which has been challenging to reverse as it takes time to rejuvenate customer bases, but the favourable performance during the quarter shows that the distributors' efforts have reversed the trend for the region. Zinzino continuously implements measures to increase new sales in all countries in the Nordic region.

Total external revenues in Faun Pharma AS, the Group's subsidiary and manufacturing unit, increased external sales by 23% to SEK 23.1 (18.8) million for the fourth quarter compared to the corresponding period last year.

Overall, revenues in the Nordic countries, Zinzino and Faun combined, accounted for 15% (20%) of the Group's total revenues in the fourth quarter of 2024.

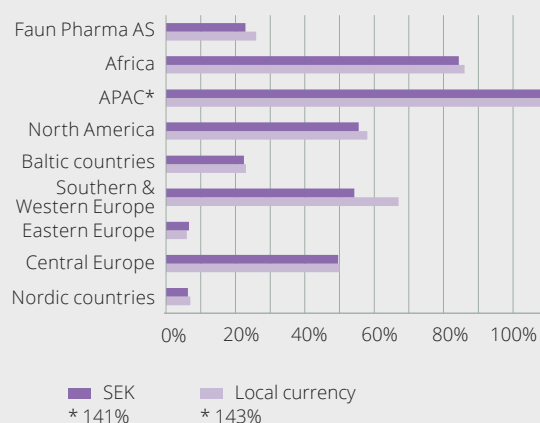
Baltic countries

In the Baltic countries, revenues increased by 22% in the fourth quarter to SEK 38.2 (31.2) million compared to the corresponding period last year after generally favourable performance in all countries in the region during the past quarter. This followed high distributor activity with increased inflow of new distributors and customers. In addition, important subscription revenues from existing customer bases increased. The head office continues to support the local sales organisations in the relatively mature markets of the region. Overall, the region accounted for 5% (6%) of total group revenue in the fourth quarter of 2024.

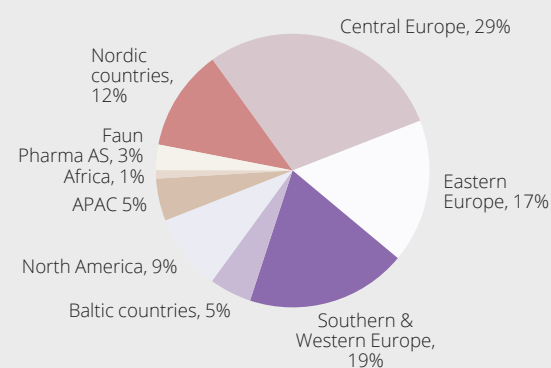
Central Europe

In the fourth quarter of 2024, total revenue increased by 50% compared to the corresponding period last year, totalling SEK 202.3 (135.2) million. The favourable performance continued in all countries in the region during the quarter. Large increase in new customers and distributors, combined with increased subscription revenue. 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

Growth by region Q4 2024 vs Q4 2023



Sales per region Q4 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, Canary Islands

North America

Canada, US, Mexico

APAC

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

Africa

South Africa



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 29% (25%) of the Group's total revenue in the fourth quarter of 2024.

Eastern Europe

Total revenue in the region increased by 7% in the fourth quarter of 2024 to SEK 120.6 (113.1) million following relatively favourable performance in all countries in the region. During the quarter, revenue from new and existing customers and their subscription bases increased, while revenue from new distributors decreased, mainly due to lower distributor activity in the region's largest country in terms of sales, the Czech Republic, but this was offset by higher activity in the region's other countries. 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 17% (21%) of the Group's total revenues in the fourth quarter of 2024.

Southern & Western Europe

Total revenue for the region increased by 54% in the fourth quarter of 2024 compared to the same period last year and amounted to SEK 131.9 (85.5) million. The Netherlands, the United Kingdom and Turkey accounted for the largest share of the region's revenue. At the same time, revenues in France and Spain increased following the addition of the new distributors that joined after the initiation of the strategic partnership with ACN and the completion of the acquisition of the assets 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. Distributor activity in Italy and Portugal also increased during the quarter and also contributed to the favourable performance 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. During the quarter, the region's revenues increased both from distributors and customers. Subscription bases continued to grow, ensuring recurring revenue in the increasingly large sales region where Zinzino continues to support distributors in the region during the build-up phase. Overall, the region accounted for 19% (16%) of the Group's total revenue in the fourth quarter of 2024.

North America

In North America, revenue increased by 56% compared to the fourth quarter last year and totalled SEK 66.4 (42.7) 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 its sales thanks to the skilful work of the newly appointed distributors, who have driven sales to high levels in a short time. 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% (8%) of the Group's total revenue in the fourth quarter of 2024.



APAC

In the fourth quarter of 2024, the APAC region's total revenue increased by 141% compared to the fourth quarter of the previous year and amounted to SEK 37.1 (15.4) million. During the quarter, the favourable trend of high distributor activity in Taiwan continued, while continued delivery problems slowed sales but increased the paid but undelivered order backlog. The quarter also saw a continuation of the favourable trend of distributor activity in the other countries of the region, excluding Hong Kong, with 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 performance. Overall, the region accounted for 5% (3%) of the Group's total revenue in the fourth quarter of 2024.

Africa

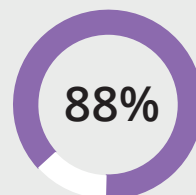
Total revenue in the region for the fourth quarter of 2024 increased by 84% to SEK 5.9 (3.2) million. The revenue for the region includes the revenue for the other countries in the region which, as before, is handled via Zinzino's global webshop pending the opening of the markets their under own local flags. 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 fourth 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 fourth quarter of 2024.

Sales per product segment

The Zinzino Health product area increased in the fourth quarter of 2024 by 38% to SEK 631.4 (458.9) million and accounted for 88% (87%) of total revenue. The Skincare product area decreased by 38% to SEK 5.7 (9.2) million, representing 1% (2%) of total revenue. External sales in Faun Pharma AS increased by 27% compared to the corresponding period last year and amounted to SEK 22.8 (18.0) million, representing 3% (3%) of total revenues. Other revenue, including sales of coffee, amounted to SEK 53.6 (41.8) million, which corresponded to the remaining 8% (8%) of revenue for the fourth quarter of 2024.

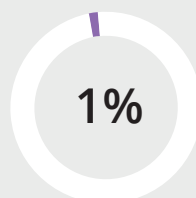
Sales
SEK million **713.5** (527.9)

Sales per product segment Q4 2024



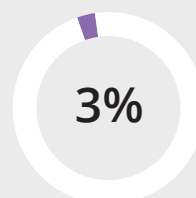
Health

Q4 2024: SEK 631.4 (458.9) million



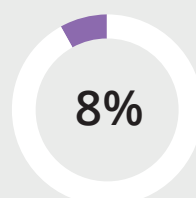
Skincare

Q4 2024: SEK 5.7 (9.2) million



Faun

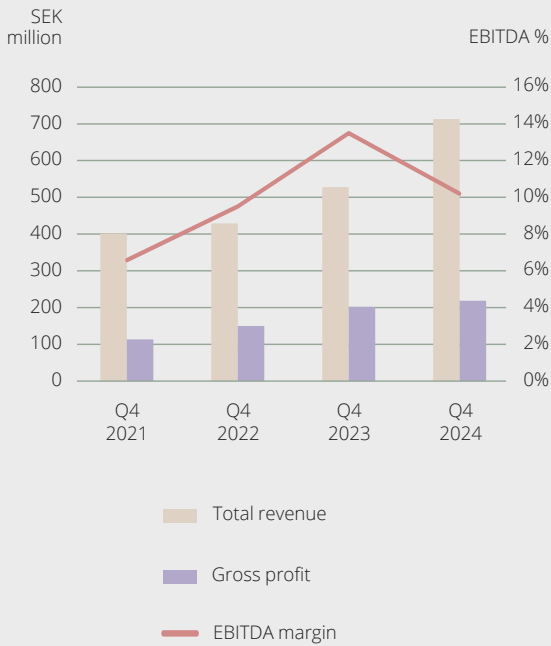
Q4 2024: SEK 22.8 (18.0) million



Other revenue

Q4 2024: SEK 53.6 (41.8) million

Results and financial position Q4 2024



Results and financial position Q4 2024

Results

Gross profit for the fourth quarter of 2024 totalled SEK 218.4 (202.0) million and the gross profit margin was 30.6% (38.3%). The lower gross profit margin was mainly affected by temporarily increased distributor remuneration during the quarter linked to the high sales growth in combination with the bonus system of the remuneration model compared to the temporarily reduced remuneration levels to distributors in the fourth quarter of 2023. In addition, higher raw material prices during the year had a negative impact on gross profit.

The Group's operating profit before depreciation and amortisation amounted to SEK 72.9 (71.3) million and the EBITDA margin was 10.2% (13.5%). The decline in the EBITDA margin compared to the same period last year was mainly due to the weaker gross profit margin and increased costs linked to acquisitions and the opening of new markets.

Operating profit amounted to SEK 65.0 (59.6) million and the operating margin was 9.1% (11.3%). Profit before tax amounted to SEK 60.6 (59.1) million and net earnings amounted to SEK 43.2 (44.3) 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 7.9 (11.8) million, of which SEK 1.0 (0.9) million relates to depreciation of tangible fixed assets and SEK 6.9 (10.9) million relates to amortisation of intangible fixed assets. Of this, SEK 4.4 (4.5) million is depreciation of right-of-use assets in accordance with IFRS 16.

Sales and profits

Q1–Q4 2024

Sales Q1–Q4

Total revenues Q1–Q4 2024 amounted to SEK 2,207.8 (1,766.4) million, which corresponds to a growth of 25% compared to the corresponding period last year. In local currencies, revenue increased by 26% compared to the same period last year.

Nordic countries

In the Nordic countries, total revenue increased by 1% to SEK 302.0 (299.9) million in Q1–Q4 2024 compared to the corresponding period last year. A consistently favourable trend in Sweden and Norway resulted in an increase in the number of distributors in the region and subscription bases generating revenues in line with the previous year. The region's other countries, Finland, Norway and Iceland, which have had a generally weaker trend for a longer period, all showed positive growth with increased new sales in the fourth quarter.

Total external revenue in Faun Pharma AS, the Group's subsidiary and manufacturing unit, increased by 14% to SEK 102.8 (90.1) million in Q1–Q4 2024 compared to the corresponding period last year.

Overall, Q1–Q4 2024 revenues in the Nordic countries, Zinzino and Faun combined, accounted for 19% (22%) of the Group's total revenues in Q1–Q4 2024.

Baltic countries

In the Baltic countries, revenues increased by 10% to SEK 107.6 (98.0) million in Q1–Q4 2024 compared to the same period last year. This follows a strong first half of the year with good development in Latvia and Lithuania, a slightly weaker third quarter but a generally strong final quarter for all the countries in the region, with increasing distributor activity and an increased number of new customers with associated subscription revenues. The region together accounted for 5% (6%) of the Group's total revenues in Q1–Q4 2024.

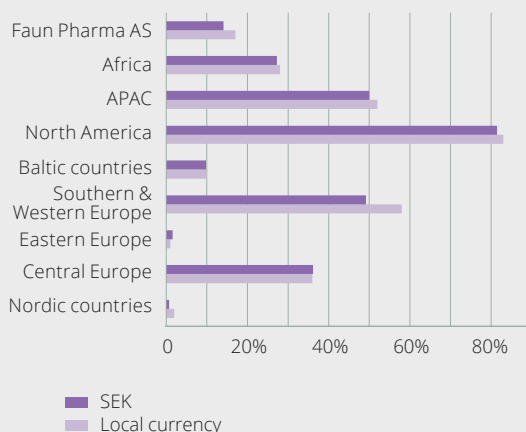
Central Europe

In Q1–Q4 2024, the region's total revenue increased by 36% compared to the corresponding period last year and amounted to SEK 596.7 (438.3) million. Generally good performance in the region over the past year. 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 during the year. In total, the region accounted for 27% (25%) of the Group's total revenue in Q1–Q4 2024.

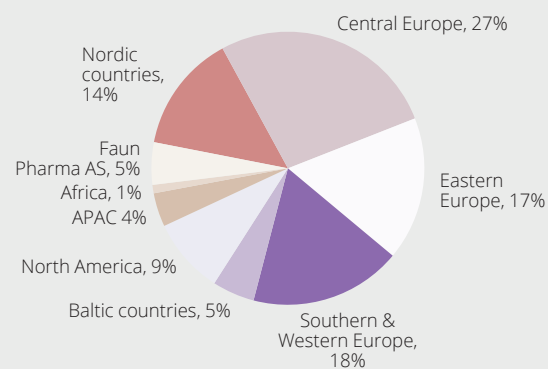
Eastern Europe

Total revenue in the region increased by 2% compared to the corresponding period last year and amounted to SEK 400.4 (394.3) million. The largest share of revenue in Q1–Q4 2024 was derived from the large customer subscription bases in the region. At the same time, distributor activity was at a slightly lower level

Growth per region Q1–Q4 2024 vs Q1–Q4 2023



Sales per region Q1–Q4 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, Canary Islands

North America

Canada, US, Mexico

APAC

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

Africa

South Africa



el compared to the previous year with fewer new customers and distributors added, although the trend turned upwards in the fourth quarter. Overall, the region accounted for 17% (22%) of total Group revenue in Q1–Q4 2024.

Southern & Western Europe

Total revenue for the region increased by 49% in Q1–Q4 2024 compared to the same period last year and amounted to SEK 396.4 (265.7) million. The Netherlands, the United Kingdom, 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 favourable performance during the year is largely linked to the acquisition of the assets of Xelliss and the strategic partnership with ACN initiated in early 2024. Overall, this resulted in a rapid increase in the number of new customers and distributors in the region. Together, the region accounted for 18% (15%) of the Group's total revenues in Q1–Q4 2024.

North America

In North America, revenue in Q1–Q4 2024 increased by 81% compared to the same period last year and amounted to SEK 200.5 (110.5) million. During the year, performance was very strong in the US and Mexico, while Canada also more than tripled its revenues. 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% (6%) of the Group's total revenue in Q1–Q4 2024.

APAC

In Q1–Q4 2024, the region's revenue increased by a total of 50% compared to the corresponding period last year and amounted to SEK 84.6 (56.4) 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 positive 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 and India, which are expected to be resolved by the end of the first quarter 2025. The region together accounted for 4% (3%) of the Group's total revenue in Q1–Q4 2024.

Africa

Total revenue in the region for Q1–Q4 2024 increased by 27% to SEK 16.8 (13.2) million. This follows consistently high distributor activity during the year in the region, which gradually increased all revenues during the year, including the important subscription base. Revenue for the region is primarily derived from South Africa, which is Zinzino's only official market in Africa, but where the region also includes the revenue for other countries that, as before, are handled via Zinzino's global webshop pending the opening of the markets under their own local flag. Overall, the region accounted for 1% (1%) of the Group's revenue in Q1–Q4 2024.



Sales per product area Q1–Q4

The Zinzino Health product area increased in Q1–Q4 2024 by 27% to SEK 1,945.5 (1,528.2) million and represented 88% (86%) of total revenue. The Skincare product area decreased by 28% to SEK 24.1 (33.4) 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 100.8 (88.3) million, corresponding to 5% (5%) of total revenue. Other revenue, including coffee sales, amounted to SEK 137.4 (116.5) million, which corresponded to the remaining 6% (7%) of revenue in Q1–Q4 2024.

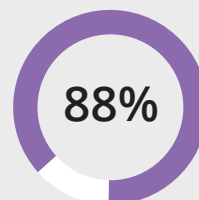
Growth strategy

A common feature of Zinzino's emerging markets is that they are run by committed distributors working in a structured and active way. 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.

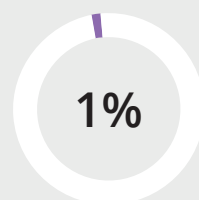
Sales
SEK million **2,207.8** (1,766.4)

Sales per product segment Q1–Q4 2024



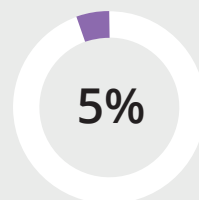
Health

Q1–Q4 2024: SEK 1,945.5 (1,528.2) million



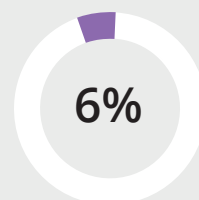
Skincare

Q1–Q4 2024: SEK 24.1 (33.4) million



Faun

Q1–Q4 2024: SEK 100.8 (88.3) million



Other revenue

Q1–Q4 2024: SEK 137.4 (116.5) million

Results and financial position Q1–Q4 2024



Results and financial position Q1–Q4 2024

Results

Gross profit for Q1–Q4 2024 amounted to SEK 732.5 (648.0) million and the gross profit margin was 33.2% (36.7%). The decline in margins compared to the corresponding period of the previous year was mainly due to increased raw material prices that could not be fully offset by the price adjustments implemented in combination with normalised distributor remuneration levels compared to 2023, which was a year with lower-than-normal distributor remuneration levels.

The gross profit margin has been at a generally higher level than historical comparison periods for an extended period, following the impact of incremental price adjustments, changes in the geographic mix and adjustments to the distributor remuneration model.

The Group's operating profit before depreciation and amortisation for Q1–Q4 2024 amounted to SEK 250.7 (240.6) million and the EBITDA margin was 11.4% (13.6%). The slightly lower EBITDA margin compared to 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 time.

Operating profit amounted to SEK 219.9 (208.8) million and the operating margin was 10.0% (11.8%). Profit before tax amounted to SEK 219.3 (210.0) million and net earnings amounted to SEK 169.3 (164.0) million.

Inventories

The Group's combined inventories at the balance sheet date amounted to SEK 311.2 (195.0) million. During the last year, 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 58 million), Sweden (approx. SEK 16 million), Poland (approx. SEK 11 million) and the US (approx. SEK 10 million). In addition, goods in transit to the various warehouses increased by SEK 12 million and the warehouse at Faun by SEK 4 million, all compared to 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 463.1 (321.2) million. The Group has an unused overdraft facility of SEK 80 (15) million after the company increased the existing overdraft facility in order to add further financial strength and flexibility in line with the company's acquisition strategy and global expansion plans. Cash flow from operating activities in Q1–Q4 2024 totalled SEK 309.1 (246.1) million despite high capital tied up in inventories. The Group's equity/assets ratio was 32% (31%). Group equity at



the end of the period amounted to SEK 386.1 (263.8) million, corresponding to SEK 11.30 (7.78) 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 power of the global expansion process.

The number of employees in the Group at the end of the year totalled 242 (221) people, of which 137 (131) were women. In addition, 43 (21) people worked at the Group via consulting agreements, of which 18 (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-Q4 2024 amounted to SEK 37.0 (24.2) million, of which SEK 36.8 (22.0) million was intra-group revenue. In addition, the company has received dividends from subsidiaries totalling SEK 147.8 (189.6) million. The profit after financial items amounted to SEK 147.0 (190.8) million. The parent company's cash and cash equivalents at the end of the period amounted to SEK 32.0 (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. Compared to the 2023 annual report published on 26/04/2024, no new risks have been identified.

Number of outstanding shares

As of 31/12/2024, the share capital was divided among 34,827,196 shares, of which 5,113,392 are A shares (1 vote) and 29,713,804 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 programme

As of the reporting date, the company has five outstanding options programme 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 for, 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 the reporting date are exercised for new subscription of 2,816,910 shares, the share capital dilution will total approximately 8%.

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.

Proposed dividend

For the financial year 2024, the Board of Directors proposes a dividend to shareholders of SEK 4.00 (3.00) per share.

Annual General Meeting

The 2025 Annual General Meeting will be held at the company's premises at Hulda Mellgrens gata 5 in Västra Frölunda on 28 May 2025. For further information on the Annual General Meeting, please refer to the company's website zinzino.com/bolagsstyrning. The nominating committee's proposals for board members, the board's fees and auditors are presented in the notice of the annual general meeting and on www.zinzino.com. In conjunction with this, proposals to the general meeting regarding guidelines for remuneration to senior executives, other proposed resolutions, and all other related information for the upcoming annual general meeting will be published on the website www.zinzino.com and, where applicable, in the notice of the general meeting. For further information on the Annual General Meeting, please refer to the company's website zinzino.com/bolagsstyrning.

Report calendar

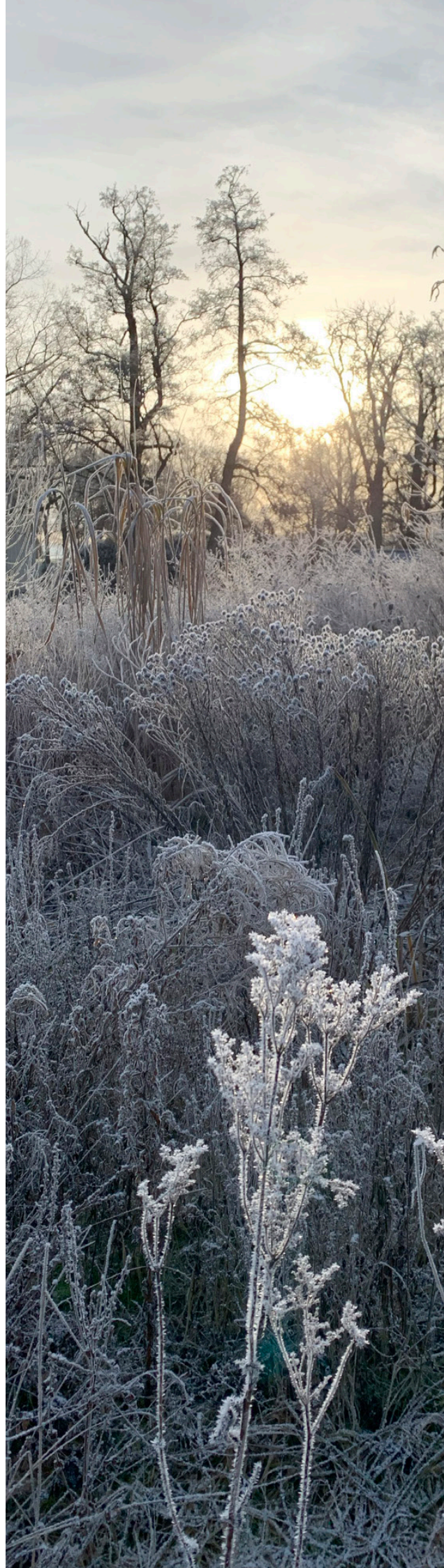
Annual report 2024 will be published 25/04/2025

The interim report for Q1 2025 will be published on 14/05/2025

The interim report for Q2 2025 will be published on 29/08/2025

The interim report for Q3 2025 will be published on 19/11/2025

Year-End-Report 2025 will be published on 25/02/2026



Group report

Summary of comprehensive profit/loss

Amounts in SEK thousands	01/10/2024 31/12/2024	01/10/2023 31/12/2023	01/01/2024 31/12/2024	01/01/2023 31/12/2023
Net sales	670,881	497,343	2,094,073	1,674,812
Other revenue	42,145	30,046	111,844	89,443
Own work capitalised	429	531	1,870	2,122
Goods for resale and other direct costs	-495,093	-325,970	-1,475,310	-1,118,329
Gross profit	218,362	201,950	732,477	648,048
External operating expenses	-91,028	-86,012	-291,730	-252,253
Staff costs	-54,432	-44,593	-190,073	-155,164
Depreciation/amortisation	-7,897	-11,788	-30,774	-31,798
Operating profit	65,005	59,557	219,900	208,833
Net financial income/expense	-4,425	-498	-618	1,174
Tax	-17,371	-14,757	-49,937	-46,004
PROFIT/LOSS FOR THE PERIOD	43,209	44,302	169,345	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	5,806	-2,108	3,524	-3,417
Other comprehensive profit/loss for the period	5,806	-2,108	3,524	-3,417
TOTAL COMPREHENSIVE PROFIT/LOSS FOR THE PERIOD	49,015	42,194	172,869	160,586

Profit/loss for the period attributable to:

Parent company shareholders	43,257	44,287	169,169	163,735
Non-controlling influence	-48	15	176	268
TOTAL	43,209	44,302	169,345	164,003

Total comprehensive profit/loss for the period attributable to:

Parent company shareholders	49,063	42,179	172,693	160,318
Non-controlling influence	-48	15	176	268
TOTAL	49,015	42,194	172,869	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	1.25	1.30	4.95	4.83
Earnings per share after dilution	1.17	1.26	4.59	4.73

Group report

Summary of financial position

Amounts in SEK thousands	31/12/2024	31/12/2023
Fixed assets		
Goodwill	100,377	70,999
Other intangible fixed assets	75,210	48,015
Equipment, tools and installations	15,412	15,327
Right-of-use assets	41,809	51,049
Financial fixed assets	41,309	5,328
Total fixed assets	274,117	190,718
Current assets		
Inventories	311,190	194,977
Current receivables	78,985	76,019
Pre-paid costs and accrued revenues	77,744	59,185
Cash and bank balances	463,050	321,236
Total current assets	930,969	651,417
TOTAL ASSETS	1,205,086	842,135
Equity		
Share capital	3,483	3,394
Other contributed capital	97,119	41,807
Retained earnings including profit/loss for the period	285,542	218,599
Total equity	386,144	263,800
Long-term liabilities		
Lease liabilities	24,619	34,184
Deferred tax liability	7,249	3,412
Other long-term liabilities	30,323	34,773
Total long-term liabilities	62,191	72,369
Current liabilities		
Accounts payable	87,989	50,356
Tax liabilities	26,272	29,978
Lease liabilities	21,446	19,676
Other current liabilities	400,881	268,481
Accrued costs and deferred revenues	220,163	137,475
Total current liabilities	756,751	505,966
TOTAL EQUITY AND LIABILITIES	1,205,086	842,135

Group report

Summary of changes in equity

Amounts in SEK thousands	Share capital	Ongoing rights issue	Other contributed capital	Con version reserves	Retained ear- nings including profit/loss for the period	Total	Non- controlling influence	Total 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	-	-	-	-	163,735	163,735	268	164,003
Other comprehensive profit/loss for the period	-	-	-	-3,417	-	-3,417	-	-3,417
Rights issue	8	-	2,507	-	-	2,515	-	2,515
Issued warrants	-	-	-	-	1,944	1,944	-	1,944
Dividends	-	-	-	-	-59,256	-59,256	-2,362	-61,618
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	-	-	-	-	169,169	169,169	176	169,345
Other comprehensive profit/loss for the period	-	-	-	3,524	-	3,524	-	3,524
Rights issue	89	-	55,312	-	-	55,401	-	55,401
Issued warrants	-	-	-	-	277	277	-	277
Dividends	-	-	-	-	-102,923	-102,923	-3,280	-106,203
Closing balance								
31/12/2024	3,483	-	97,119	5,986	278,829	385,417	728	386,144

Group report

Summary of cash flows

Amounts in SEK thousands	01/10/2024 31/12/2024	01/10/2023 31/12/2023	01/01/2024 31/12/2024	01/01/2023 31/12/2023
Operating activities				
Profit/loss before financial items	65,005	59,557	219,900	208,833
Depreciation and amortisation/write-down	7,897	11,788	30,774	31,798
Currency fluctuations	3,083	3,366	12,329	7,086
Other non-cash items	-	923	-556	11,266
Total	75,985	75,634	262,447	258,983
Interest received	2,202	1,756	6,100	3,123
Interest paid	-903	-179	-3,611	-309
Tax paid	-12,112	-3,705	-54,929	-23,570
Total	-10,813	-2,128	-52,440	-20,756
Cash flow from operating activities before changes in operating capital	65,172	73,506	210,007	238,227
Cash flow from changes in operating capital				
Change in inventories	-6,057	5,658	-116,213	-10,209
Change in current receivables	20,502	7,175	-20,239	-21,861
Change in current liabilities	100,206	-55,948	235,555	39,983
Total	114,651	-43,115	99,103	7,913
Cash flow from operating activities	179,823	30,391	309,110	246,140
Investment activity				
Investments in intangible fixed assets	-2,257	-2,713	-9,823	-10,436
Investments in tangible fixed assets	-344	-	-4,095	-1,348
Investments in financial assets	-32,901	-	-33,259	-134
Acquisition of assets	-	-	-23,185	-
Acquisition of affiliated companies	-	-	-28,308	-
Cash flow from investment activities	-35,502	-2,713	-98,670	-11,918
Financing activities				
Amortisation of lease liabilities attributable to lease agreements	-5,216	-5,151	-21,381	-20,069
Issuance of options	-	-	277	1,944
Rights issue	2,764	-	55,401	2,515
Dividends	-	-	-102,923	-59,256
Cash flow from financing activities	-2,452	-5,151	-68,626	-74,866
CASH FLOW FOR THE PERIOD	141,869	22,527	141,814	159,356
Cash and cash equivalents at start of period	321,181	298,709	321,236	161,880
Cash and cash equivalents at end of period	463,050	321,236	463,050	321,236

Parent company report

Summary income statement

Amounts in SEK thousands	01/10/2024	01/10/2023	01/01/2024	01/01/2023
	31/12/2024	31/12/2023	31/12/2024	31/12/2023
Net sales	11,830	8,269	36,830	23,899
Other revenue	-	-	208	342
Gross profit	11,830	8,269	37,038	24,241
External operating expenses	-9,971	-6,645	-32,440	-20,291
Depreciation/amortisation	-413	-103	-1,655	-844
Operating profit	1,446	1,521	2,943	3,106
Net financial income/expense	127,141	175,850	144,043	187,743
Tax	-454	-36	-479	-36
PROFIT/LOSS FOR THE PERIOD	128,133	177,335	146,507	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	31/12/2024	31/12/2023
Fixed assets		
Goodwill	17,301	-
Intangible fixed assets	30,949	19,594
Tangible fixed assets	8	16
Financial fixed assets	208,191	146,716
Total fixed assets	256,449	166,326
Current assets		
Current receivables	4	1,189
Intra-group receivables	101,411	116,208
Pre-paid costs and accrued revenues	500	437
Cash and bank balances	32,033	8,055
Total current assets	133,948	125,889
TOTAL ASSETS	390,397	292,215
Equity		
<i>Restricted equity</i>		
Share capital	3,483	3,394
Fund for development expenditures	26,241	19,594
<i>Unrestricted equity</i>		
Share premium reserve	106,450	51,138
Retained earnings including profit/loss for the period	214,546	177,332
Total equity	350,720	251,458
Long-term liabilities		
Long-term liabilities	19,421	26,809
Total long-term liabilities	19,421	26,809
Current liabilities		
Tax liabilities	240	-
Intra-group current liabilities	3,269	2,309
Other current liabilities	14,435	10,746
Accrued costs and deferred revenues	2,312	893
Total current liabilities	20,256	13,948
TOTAL EQUITY AND LIABILITIES	390,397	292,215

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
Opening balance 01/01/2023	3,386	-	12,667	48,631	52,525	117,209
Profit/loss for the period	-	-	-	-	190,813	190,813
Capitalisation of development costs	-	-	7,331	-	-7,331	-
Release following amortisation of development costs for the year	-	-	-404	-	404	-
Rights issue	8	-	-	2,507	-	2,515
Issued warrants	-	-	-	-	177	177
Dividends	-	-	-	-	-59,256	-59,256
Closing balance 31/12/2023	3,394	-	19,594	51,138	177,333	251,458
Opening balance 01/01/2024	3,394	-	19,594	51,138	177,333	251,458
Profit/loss for the period	-	-	-	-	146,507	146,507
Capitalisation of development costs	-	-	6,931	-	-6,931	-
Release following amortisation of development costs for the year	-	-	-284	-	284	-
Rights issue	89	-	-	55,312	-	55,401
Issued warrants	-	-	-	-	277	277
Dividends	-	-	-	-	-102,923	-102,923
Closing balance 31/12/2024	3,483	-	26,241	106,450	214,547	350,720

Parent company report

Summary of cash flows

Amounts in SEK thousands	01/10/2024 31/12/2024	01/10/2023 31/12/2023	01/01/2024 31/12/2024	01/01/2023 31/12/2023
Operating activities				
Profit/loss before financial items	1,446	1,521	2,943	3,106
Depreciation and amortisation/write-down	413	103	1,655	844
Currency fluctuations	206	2,274	822	-99
Total	2,065	3,898	5,420	3,851
Investing activities				
Interest received	481	406	1,907	1,069
Interest paid	-	21	-	-
Tax paid	-204	38	-341	-99
Total	277	465	1,566	970
Financing activities				
Cash flow from operating activities before changes in operating capital	2,342	4,363	6,986	4,821
Cash flow from changes in operating capital				
Change in current receivables	51,761	89,797	13,282	74,921
Change in current liabilities	-7,698	-92,229	-4,574	-22,258
Cash flow from operating activities	46,405	1,931	15,694	57,484
Investment activity				
Investments in intangible fixed assets	-1,629	-2,003	-6,930	-7,331
Investments in financial assets	-32,901	-	-33,259	-
Acquisition of assets	-	-	-23,185	-
Acquisition of affiliated companies	-	-	-28,308	-
Cash flow from investment activities	-34,530	-2,003	-91,682	-7,331
Financing activities				
Issuance of options	-	-	277	177
Rights issue	2,764	-	55,401	2,515
Dividends received	-	-	147,211	12,911
Dividends	-	-	-102,923	-59,256
Cash flow from financing activities	2,764	-	99,966	-43,653
CASH FLOW FOR THE PERIOD	14,639	-72	23,978	6,500
Cash and cash equivalents at start of period	17,394	8,127	8,055	1,555
Cash and cash equivalents at end of period	32,033	8,055	32,033	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 revenue.

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 business segments is set out below:

- Zinzino
- Faun Pharma AS

October – December 2024	Zinzino	Faun	Group elimination of revenue Faun	Total Group
Net sales	648,079	45,388	-22,586	670,881
Other revenue	41,993	152	-	42,145
Own work capitalised	429	-	-	429
Goods for resale and other direct costs	-488,124	-29,555	22,586	-495,093
Gross profit	202,377	15,985	-	218,362
External operating expenses	-87,003	-4,025	-	-91,028
Staff costs	-44,151	-10,281	-	-54,432
EBITDA	71,223	1,679	-	72,902
Depreciation/amortisation	-6,640	-1,257	-	-7,897
Operating profit	64,583	422	-	65,005

October – December 2023	Zinzino	Faun	Group elimination of revenue Faun	Total Group
Net sales	479,350	39,966	-21,973	497,343
Other revenue	29,254	792	-	30,046
Own work capitalised	531	-	-	531
Goods for resale and other direct costs	-320,289	-27,654	21,973	-325,970
Gross profit	188,846	13,104	-	201,950
External operating expenses	-83,097	-2,915	-	-86,012
Staff costs	-35,856	-8,737	-	-44,593
EBITDA	69,893	1,452	-	71,345
Depreciation/amortisation	-10,590	-1,198	-	-11,788
Operating profit	59,303	254	-	59,557

January–December 2024	Zinzino	Faun	Group elimination of revenue Faun	Total Group
Net sales	1,993,308	180,514	-79,749	2,094,073
Other revenue	110,211	1,633	-	111,844
Own work capitalised	1,870	-	-	1,870
Goods for resale and other direct costs	-1,434,053	-121,006	79,749	-1,475,310
Gross profit	671,336	61,141	-	732,477
External operating expenses	-278,863	-12,867	-	-291,730
Staff costs	-154,673	-35,400	-	-190,073
EBITDA	237,800	12,874	-	250,674
Depreciation/amortisation	-25,964	-4,810	-	-30,774
Operating profit	211,836	8,064	-	219,900

January–December 2023	Zinzino	Faun	Group elimination of revenue Faun	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
Staff 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.

October – December 2024	Zinzino	Faun	Total Group
Net sales	648,080	22,801	670,881
Revenue from external customers	648,080	22,801	670,881
Goods within Zinzino Health	631,376	-	631,376
Goods within Zinzino Skincare	5,720	-	5,720
Sales of external goods Faun	-	22,801	22,801
Event and other sales	10,984	-	10,984
TOTAL	648,080	22,801	670,881

October – December 2023	Zinzino	Faun	Total Group
Net sales	479,350	17,993	497,343
Revenue from external customers	479,350	17,993	497,343
Goods within Zinzino Health	458,949	-	458,949
Goods within Zinzino Skincare	9,220	-	9,220
Sales of external goods Faun	-	17,993	17,993
Event and other sales	11,181	-	11,181
TOTAL	479,350	17,993	497,343

January–December 2024	Zinzino	Faun	Total Group
Net sales	1,993,308	100,765	2,094,073
Revenue from external customers	1,993,308	100,765	2,094,073
Goods within Zinzino Health	1,945,471	-	1,945,471
Goods within Zinzino Skincare	24,084	-	24,084
Sales of external goods Faun	-	100,765	100,765
Event and other sales	23,753	-	23,753
TOTAL	1,993,308	100,765	2,094,073

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

	01/10/2024 31/12/2024	01/10/2023 31/12/2023	01/01/2024 31/12/2024	01/01/2023 31/12/2023
Purchase of goods and services				
Saele Invest & Consulting AS*	17,587	12,400	58,099	40,545
Prosperity ApS**	2,381	1,541	7,587	6,034
TOTAL	19,968	13,941	65,686	46,579

Sales of goods and services

Saele Invest & Consulting AS	-	-	203	342
TOTAL	-	-	203	342

As of 31/12/2024, the debt to Saele Invest & Consulting AS relating to sales commissions amounts to SEK 1,267 (794) thousand and to Prosperity ApS to SEK 0 (0) 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 (1,036) thousand as of 31/12/2024. 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	01/10/2024 31/12/2024	01/10/2023 31/12/2023	01/01/2024 31/12/2024	01/01/2023 31/12/2023
Earnings per share before dilution	1.25	1.30	4.95	4.83
Earnings per share after dilution	1.17	1.26	4.59	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	43,257	44,287	169,169	163,735
Number of shares				
Weighted average number of ordinary shares in calculating earnings per share before dilution	34,701,794	33,941,596	34,185,478	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	37,120,045	35,217,663	36,880,408	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 23,185 thousand.

The acquisition includes rights to Xelliss SA's distributor database and IP rights. A surplus value of SEK 18,185 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 estimated depreciation period is 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
Total purchase price paid	23,185
Recognised amounts of identifiable assets acquired and liabilities assumed	SEK thousands
Intangible fixed assets	5,000
Total identifiable net assets	5,000
Goodwill	18,185

Acquisition-related costs of SEK 92 thousand are included in the item External costs in the consolidated statement of comprehensive income 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 is capitalised only after the initial fixed consideration and consultancy fees received have been earned and is estimated at zero at the reporting date. The maximum contingent consideration payable is EUR 6.6 million.

The acquisition has contributed to the growth of the Group's sales. The sales included in the consolidated income statement as of 31/12/2024 and attributable to the acquisition of 12/05/2024 amount to SEK 47,723 thousand.

Note 6

Acquisition of affiliated companies

On 27 June 2024, Zinzino AB acquired 49% of the Cypriot company Cleanthi Alpha - Olenic LTD. The assets were acquired for a total of SEK 28,217 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 26,042 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 estimated depreciation period is 10 years.

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

Purchase price as at 27/06/2024	SEK thousands
Fixed purchase price	28,217
Total purchase price paid	28,217
Recognised amounts of identifiable assets acquired and liabilities assumed	
	SEK thousands
Tangible fixed assets	1,126
Intangible fixed assets	-
Inventories	420
Other receivables	54
Cash and bank balances	2,765
Other liabilities	-1,874
Tax liabilities	-317
Total identifiable net assets	2,175
Consolidated surplus values patent incl. deferred tax	15,880
Goodwill	10,162

Acquisition-related costs of SEK 192 thousand are included in the item External costs in the consolidated statement of comprehensive income for 2024. 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

In February 2025, Zinzino is acquiring Zurvita's assets following the completion of Chapter 11 proceedings and will pay a fixed purchase price, including the DIP financing, totalling USD 9.4 million at closing, of which USD 2.5 million will be paid with newly issued Zinzino shares. The DIP financing amounted to USD 3 million as of 31/12/2024 and is reported as a financial fixed asset in the year-end report. In addition, contingent considerations will be added based on the sales growth generated by the acquired distributor organisation during the period 2025–2029. The total additional consideration amounts to a maximum of USD 1.9 million and shall be 100% settled with newly issued Zinzino shares. The cash component of the purchase price is financed from own cash.

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

27 February 2025

The Board of Directors and the CEO certify that the report for the period 1 January–31 December 2024 gives a fair overview of the parent company's 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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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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