

# ZINZINO

A scenic view of a park during cherry blossom season. The foreground features two green park benches with black frames on a paved area. A large, mature cherry blossom tree with thick branches and dense pink flowers dominates the right side of the frame. In the background, a large, multi-story building with classical architectural features, including many windows and a central entrance, is visible. The sky is bright, and the overall atmosphere is peaceful and beautiful.

Interim Report Q1 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, Sweden, with additional offices in Europe, Asia, USA and Australia.

## A brief history

- 2007** – Zinzino AB is launched. 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 are 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** – A company is launched in the USA.
- 2014** – The Group further expands with 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 is launched in Germany. Sales are launched in all countries in the EU.
- 2017** – Sales in Switzerland are 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 launch in South Africa.
- 2022** – Acquisition of Enhazz IP AG and Enhazz Global AG.
- 2023** – Sales launch in Turkey and Mexico.



# Zinzino Interim Report Q1 2024

## January – March

- Total revenue amounted to SEK 454.5 (393.7) million, corresponding to a growth of 15% (18%)
- Gross profit amounted to SEK 160.9 (130,7) million and the gross profit margin was 35.4% (33.2%)
- EBITDA amounted to SEK 51.7 (44.4) million and the EBITDA margin was 11.4% (11.3%)
- Cash flow from operating activities totalled SEK 3.1 (65.0) million
- Cash and cash equivalents on the balance sheet date totalled SEK 328.1 (216.4) million

## Significant events after the report period

- On 12th of May 2024, Zinzino acquired the rights to Luxembourg-based Xelliss SA's distributor database, inventory and IP rights. The fixed purchase price amounts to EUR 2 million, and conditional additional purchase prices of a maximum of EUR 8 million can be added.

# Towards new heights

We are very pleased with the start of the new year and the outcome of the first quarter. The quarter generated strong profitability combined with a growth of 15% compared to the corresponding period last year. This makes the future well for continued progress during the year and the target is profitable growth of at least 20% for the full year 2024.

## Focus for 2024

We are working on our strategy for the coming years with purpose and clarity. Our strategy is to support the company's overall vision and goal, which is to inspire positive change both in terms of preventive health and increased prosperity in the world. Zinzino's vision and mission, together with our long-term, ambitious goal of becoming one of the leading companies in our industry, must then be supported by our strategy, corporate culture and core values. For 2024, we have some clear strategic objectives to improve further and be well equipped for continued growth. First and foremost, we will continue to focus on the 47 markets we currently operate in while continuing to develop new markets. We intend to launch Zinzino in 3–6 new markets this year and we will do so in a cost-effective way.

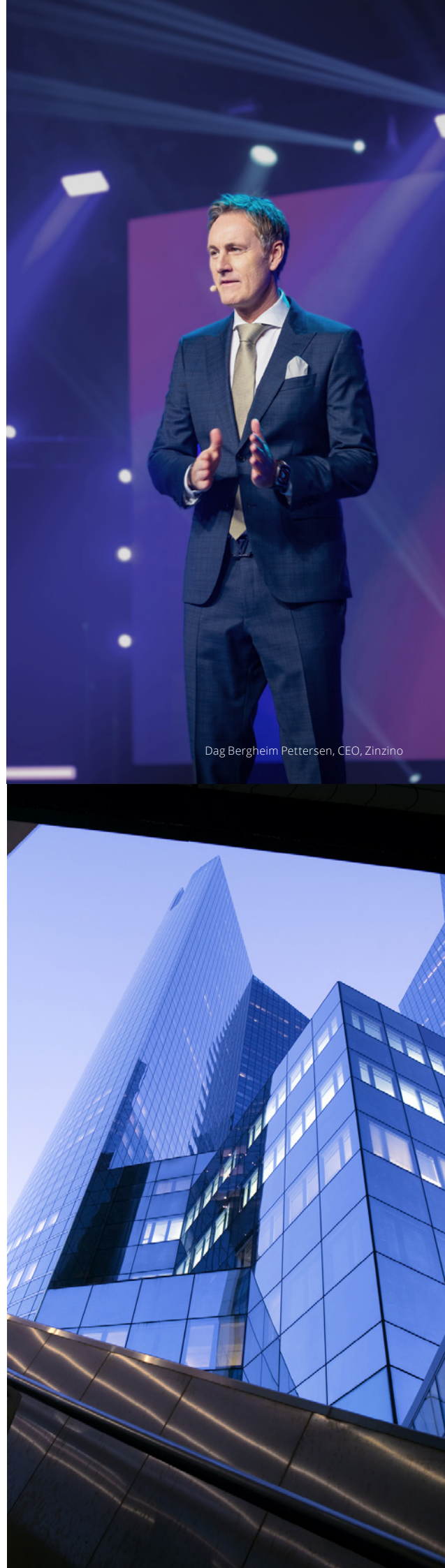
The next point is that we will continue to work on both new product launches and preventive health tests, and to collect data which we will use to support our products and further studies. The third point is that we will continue to invest in technology to support our goals and we want to ensure that these systems are efficient and can handle our rapid growth. The goal is also that our systems will provide us with increased economies of scale in the future, including improved systems and tools for our distribution apparatus. The fourth point is that we are looking for companies that we can acquire to add growth, develop new markets and gain access to new distribution channels and product areas. All of this will support us in the further development of Zinzino. In this quarter we already realised this type of collaboration when we concluded the strategic agreement with ACN in the US and to that we will add the recently completed acquisition of Xellis. I can also see that there will be more acquisitions in the years to come. The final point is that we will continue to build our brand with test-based dietary supplements. Building a brand takes time, which means it's a long-term and painstaking effort that we're undertaking online, on social media, with packaging design and building our corporate culture and everything else that supports a global brand.

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

*"Inspire Change in Life"*

**Dag Bergheim Pettersen**

CEO Zinzino




Dag Bergheim Pettersen, CEO, Zinzino

# Financial Summary (SEK million)

Key group figures	01/01/2024 31/03/2024	01/01/2023 31/03/2023	01/01/2023 31/12/2023
Total revenue	454.5	393.7	1,766.4
Net sales	433.7	373.9	1,674.8
Sales growth	15%	18%	22%
Gross profit	160.9	130.7	648.0
Gross profit margin	35.4%	33.2%	36.7%
Operating profit before depreciation and amortisation	51.7	44.4	240.6
Operating margin before depreciation and amortisation	11.4%	11.3%	13.6%
Operating profit	44.6	37.7	208.8
Operating margin	9.8%	9.6%	11.8%
Profit/loss before tax	44.7	36.9	210.0
Net profit	35.5	29.3	164.0
Net margin	7.8%	7.4%	9.3%
Net earnings per share after tax before dilution, SEK	1.04	0.86	4.83
Net earnings per share after tax at full dilution, SEK	0.96	0.85	4.73
Cash flow from operating activities	3.1	65.0	246.1
Cash and cash equivalents	328.1	216.4	321.2
Equity/assets ratio	32.7%	26.6%	31.3%
Group equity per share before dilution, SEK	9.21	5.46	7.78
Number of issued shares on average for the period	33,941,596	33,860,563	33,885,937
Average number of issued shares for the period with full dilution	37,097,971	34,326,595	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.



# Significant events during and after the first quarter of 2024

## **Strategic partnership in Europe with North American direct sales company ACN**

In January 2024, Zinzino concluded a strategic agreement to partner with the North American company ACN, a direct sales company in telecommunications, energy and essential services for homes and businesses that has decided to discontinue its distributor-led sales activities in Europe. The agreement between the companies includes Zinzino acquiring the rights to ACN's European distributor database free of charge, which will be integrated with Zinzino's existing technology platform in the future. The strategic partnership for Europe is expected to generate growth through the synergies arising from the joint networks.

In conjunction with the agreement, ACN has, via the holding company Manna Holdings LLC, invested in Zinzino through the purchase of 149,468 Zinzino B shares for SEK 10.4 million via a directed rights issue of B shares. The rights issue was approved by Zinzino's Board of Directors based on the issue authorisation granted by the Annual General Meeting on 31 May 2023. The subscription price in the directed issue was set at SEK 69.73 per new share, corresponding to the volume-weighted average price of Zinzino's shares on Nasdaq First North Premier Growth Market between 22/01/2024 and 26/01/2024. In view of this, it was the Board of Directors' assessment that the subscription price reflected the prevailing demand and market conditions and was thus to be considered as market-based. The directed issue increases the number of B shares in the company by 149,468 to a total of 28,977,672. The total number of shares after the increase amounted to 34,091,064. The dilution amounted to 0.4%, calculated on the total number of shares in the company upon completion of the directed issue. Zinzino's share capital increases through the directed issue by SEK 14,947 to SEK 3,409,106.

## **Zinzino acquires assets in Xelliss, based in Luxembourg**

On 12th of May 2024, Zinzino acquired the rights to Luxembourg-based Xelliss SA's distributor database, inventory and IP rights to the product lines. Xelliss is a global direct sales company based in Luxembourg. The brand portfolio offers a range of natural and innovative products in wellness, nutrition and cosmetics, based on the microalgae spirulina produced in-house. The business, which in the previous year had a turnover of approximately EUR 8 million, is expected to be able to create strong growth through the synergies that arise in the joint networks. The gross margins in the business are good and profitability will therefore be able to develop very well by utilizing Zinzino's existing technical platform and organization. Upon entry, Zinzino will pay a fixed purchase price of EUR 2 million divided between 50% cash and 50% newly issued Zinzino shares. In addition, conditional additional purchase prices based on sales development generated by the acquired distributor organization during the period 2024–2029 will apply. The total additional purchase prices are estimated to amount to 4.0 million EUR but could reach up to 8.0 million EUR at maximum outcome and will be regulated entirely with newly issued Zinzino shares. The cash portion of the purchase price is financed with own cash.



# Sales and profit Q1 2024

## Sales Q1

In total, revenues in the first quarter increased by 15% to SEK 454.5 (393.7) million compared to the corresponding period last year. Also in local currencies, revenues increased by 15% compared to the corresponding period last year.

### Nordic countries

In the Nordic countries, total revenue decreased by 7% to SEK 68.1 (73.6) million in the first quarter of 2024 compared to the corresponding period last year. In Sweden, new sales and distributor activity increased, with similar trends in Norway, although to a lesser extent. The region's other markets performed less well with lower activity and low new sales. In general for the region, new distributors are expected to generate increased revenues in the longer term as it takes time to build new customer bases. Zinzino continuously implements measures to increase new sales in all countries in the Nordic region.

Total external revenues in Faun Pharma AS, the Group's subsidiary and manufacturing unit, was unchanged and totalled SEK 27.6 (27.6) million for the first quarter. This corresponded to a growth of 3% compared to previous year.

Overall, the Nordic countries, Zinzino and Faun combined, accounted for 21% (26%) of the Group's total revenues in the first quarter of 2024.

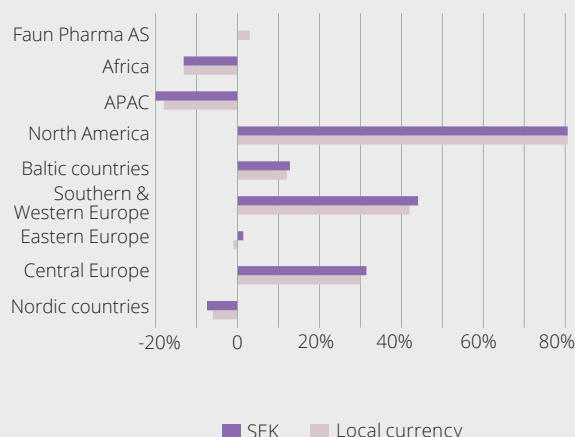
### Baltic countries

In the Baltic countries, revenues increased by 13% to SEK 23.8 (21.1) million in the first quarter of 2024 compared to the same period last year. As before, sales growth during the quarter was mainly driven by the Lithuanian market, with the highest share of the region's revenue. Lithuania has had a consistently high level of distributor activity for an extended period. Latvia and Estonia also performed well during the first quarter with increased distributor activity and new sales. The head office continues to support the local sales organisations in the relatively mature markets of the region. Overall, the region accounted for 5% (5%) of the Group's total revenues in the first quarter of 2024.

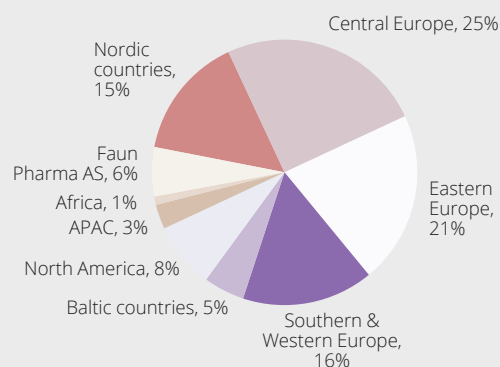
### Central Europe

In the first quarter of 2024, total revenue increased by 31% compared to the corresponding period last year and amounted to SEK 119.5 (90.9) million. The favourable performance in the region continued in Germany, Austria and Switzerland in the first quarter of 2024. As in the past, growth is being driven by the efficient and intertwined distributor organisations in the region. Synergy effects in the distribution chain from the acquisition of Enhazz also greatly contributed to the strong performance. The DACH region thus consolidated its position as the fastest-growing region in absolute terms through high activity among both existing and new distributors. In addition, subscription revenue from the large and fast-growing customer base was very high. In total, the region accounted for 25% (23%) of the Group's total revenue in the first quarter of 2024.

## Growth per region Q1 2024 vs Q1 2023



## Sales per region Q1 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, Turkey

### North America

Canada, USA, Mexico

### APAC

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

### Africa

South Africa



### Eastern Europe

Total revenue in the region increased by 1% compared to the corresponding period last year and amounted to SEK 93.8 (92.5) million. During the quarter, the strong performance in Poland, Romania, the Czech Republic and Slovakia continued with high distributor activity and many new distributors and customers. Subscription revenues also increased during the quarter. In Hungary, revenues decreased compared to the corresponding period last year following reduced distributor activity and subscription base. Zinzino carries out several revenue-stimulating activities in the region such as regional events to increase activity among distributors. Overall, the region accounted for 21% (24%) of the Group's total revenues in the first quarter of 2024.

### Southern & Western Europe

Total revenue for the region increased by 44% in the first quarter of 2024 compared to the same period last year and amounted to SEK 70.6 (49.0) million. Strong performance in virtually all countries in the region, with the largest share of revenue coming from the Netherlands, while new sales increased significantly in the UK and Spain. The strong performance in both countries was largely attributable to the new distributors that joined from ACN after the strategic partnership was initiated. The newly launched Turkish market also contributed to the region's strong performance with high distributor activity, which in a short time has built an impressive distributor organisation and customer subscription base. In Greece and Cyprus, a new distributor cluster has emerged and driven sales growth, which continued in the first quarter. The local sales managers support the distributor organisations, which are largely in the process of 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 16% (12%) of the Group's total revenues in the first quarter of 2024.

### North America

In North America, revenue increased by 81% compared to the first quarter last year and amounted to SEK 35.4 (19.6) million. The strong performance during the quarter was driven by the activities of both existing and new distributors in the US, where both initial orders and subscription orders increased in large numbers during the quarter. In addition, Mexico continued to increase sales thanks to the solid work carried out by the new distributors in Mexico, 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 8% (5%) of the Group's total revenue in the first quarter of 2024.

### APAC

Total revenue in the APAC region decreased by 21% compared to the corresponding period last year and amounted to SEK 12.4 (15.6) million. This follows generally weak performance in the region during the quarter with the exception of Hong Kong, which increased against a weaker first quarter last year. Zinzino continues to support the local sales offices and distributor organisations in the region but with a differentiated and cost-effective strategy in order to allocate more resources and capital towards the profitable European markets. During the first quarter, organisational changes have been imple-



mented in the region to increase sales and relaunch the concept to attract new distributors. Overall, the APAC region accounted for 3% (4%) of the Group's total revenues in the first quarter of 2024.

### Africa

Total revenue in the region for the first quarter of 2024 decreased by 13% to SEK 3.3 (3.8) 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. During the first quarter, the region's subscription sales from the existing customer base increased while the trend of reduced distributor activity continued, resulting in a slowdown in the inflow of new customers and distributors. Overall, Africa accounted for 1% (1%) of the Group's total revenues in the first quarter of 2024.

## Sales per product segment

The Zinzino Health product area increased in the first quarter of 2024 by 18% to SEK 394.8 (333.4) million and represented 87% (85%) of total revenue. The Skincare product area decreased by 10% to SEK 7.6 (8.5) million, which corresponded to 2% (2%) of total revenue. External sales in Faun Pharma AS were at the same level as the corresponding period last year and amounted to SEK 27.2 (27.3) million, corresponding to 6% (7%) of total revenue. Other revenue, including coffee sales, amounted to SEK 24.9 (24.5) million, which corresponded to the remaining 5% (6%) of revenue for the first quarter of 2024.

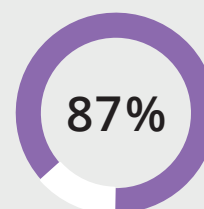
## Growth strategy

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

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

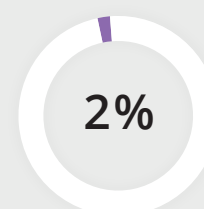
Sales  
SEK million **454.5** (393.7)

### Sales per product segment Q1 2024



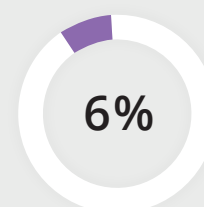
#### Health

SEK 394.8 (333.4) million



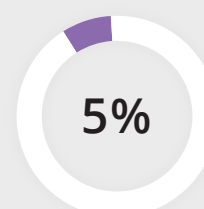
#### Skincare

SEK 7.6 (8.5) million



#### Faun

SEK 27.2 (27.3) million



#### Other revenue

SEK 24.9 (24.5) million



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.

## Results and financial position Q1 2024

### Results

Gross profit for the first quarter of 2024 amounted to SEK 160.9 (130.7) million and the gross profit margin was 35.4% (33.2%). The margin improvement was driven by the effects of the incremental price adjustments, the change in the geographical mix and adjustments to the remuneration model for distributors, which together worked well in offsetting the increase in raw material prices.

The Group's operating profit before depreciation/amortisation amounted to SEK 51.7 (44.4) million and the EBITDA margin was 11.4% (11.3%). The improved EBITDA margin compared with the corresponding period last year was mainly attributable to the good profitability at gross level in combination with the efficiency improvements that resulted from the process initiated in the autumn of 2022 and the resulting economies of scale.

Operating profit amounted to SEK 44.6 (37.7) million and the operating margin was 9.8% (9.6%). Profit before tax amounted to SEK 44.7 (36.9) million and net profit to SEK 35.5 (29.3) 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 7.1 (6.6) million, of which SEK 0.8 (0.8) million relates to depreciation of tangible fixed assets and SEK 6.3 (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.

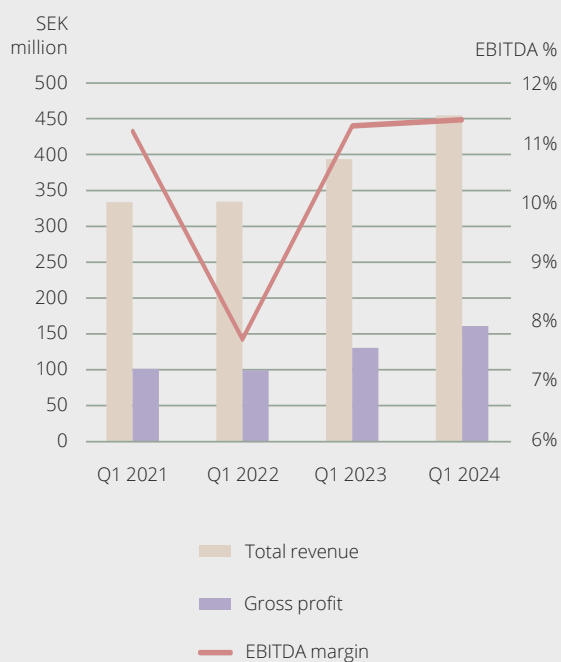
### Inventories

The group's total inventory at the balance sheet date amounted to SEK 246.8 (178.8) million, where the company has generally increased inventory levels in recent years to secure deliveries. At the same time, the company has increased the number of external warehouses in line with the strategic expansion to meet the increased demand and reduce lead times in the delivery process. During the first quarter of 2024, great focus has been placed on securing production at Faun Pharma but also at the supplier Lysi to meet the increased demand. All in all, the measures have meant that the raw material inventory has increased by approximately SEK 20 million since the end of year 2023. At the same time, the external finished goods stocks have also raised the levels further to secure deliveries during strong sales growth. The largest increases among external finished goods inventories were accounted for by the following warehouses, France (approx. SEK 10 million), Poland (approx. SEK 10 million) and the US (approx. SEK 6 million), this compared to the respective inventory values as of 31/12/2023.

### Financial position

On the balance sheet date, cash totalled SEK 328.1 (216.4) million. Cash flow from operating activities in the first quarter of 2024 totalled SEK 3.1 (65.0) million after high capital tied up in inventory.

## Results and financial position Q1 2024



The Group's equity/assets ratio was 33% (27%). Group equity at the end of the period amounted to SEK 312.6 (185.0) million, corresponding to SEK 9.21 (5.46) per share. The Board of Directors is of the opinion that cash and cash equivalents and equity/assets ratio are at a satisfactory level in relation to the proposed dividend.

### The Organisation

During autumn of 2022, a change and efficiency improvement process was initiated, which also affected the organisation in terms of optimising the workforce. The purpose of the process has been to phase out processes with lower returns and invest more in those processes that are expected to generate more revenue. For this reason, the local organisation in the APAC region has been partially restructured with the recruitment of a new sales manager for the Taiwanese market, among others. During the first quarter, the new customer service centre established in Gdansk, Poland was also put into operation to support the important markets in central and eastern Europe. In addition, several employees have been recruited at the head office for various departments to increase the efficiency of the global expansion process.

The number of employees in the Group at the end of the quarter totalled 232 (210) people, of which 135 (126) were women. In addition, 24 (18) people worked at the Group via consulting agreements, of which 10 (7) were women.

### Parent company

The parent company Zinzino AB (publ.) carries out the establishment of new markets, strategic development and supports the research and product development of Bioactive Foods AS. The parent company's revenue in the first quarter of 2024 totalled SEK 7.2 (3.7) million, of which SEK 7.0 (3.5) million was intra-group revenue. The profit after financial items was SEK -0.3 (-0.3) million. The parent company's cash and cash equivalents at the end of the period amounted to SEK 95.1 (9.6) million.

### Significant risks and uncertainties in operations

The main risks remain the capacity to manage costs within the organisation during global expansion combined with strong growth, as well as the capacity to balance resources internally and to find high levels of expertise among the distributors 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 around 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 annual report for 2023, which is available via the company website: <https://www.zinzino.com/global-assets/media/reports/financial-reports/2024/zinzino-arsredovisning-2023-se.pdf>. Compared to the 2023 annual report published on 26/04/2024, no new risks have been identified.





### Number of outstanding shares

As of 31/03/2024, the share capital was divided among 33,941,596 shares, of which 5,113,392 are A shares (one vote) and 28,828,204 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 six outstanding option 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 comprises 800,000 warrants at an exercise price of SEK 18 per B share that expires on 31/05/2024, of which 50,000 have been subscribed for by the Group's management team. Other warrants in the programme have been subscribed for by the company's external distributors. As of the reporting date, 369,350 warrants have already been exercised for share subscription within the framework of this options programme.

The second options program comprises 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 for by the company's external distributors. As of the reporting date, 36,033 warrants have already been exercised for share subscription within the framework of this options programme.

The third 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, entirely within the framework of this option programme.

The fourth 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.

Two new options programmes were approved at the company's Annual General Meeting on 31/05/2023. The first 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 second 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, 158,000 warrants have been subscribed for.

If all the warrants issued as of 31/03/2024 are exercised for subscription of 3,414,617 shares, the share capital dilution will be approximately 10%.

# Interim Report Q1 2024

## 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 2023, the Board of Directors proposes a dividend to shareholders of SEK 3.00 (1.75) per share.

## Annual General Meeting

The 2024 Annual General Meeting will be held at Hulda Mellgrens Gata 5 in Västra Frölunda on 27 May at 1:30 pm. The Nomination 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](http://www.zinzino.com). All proposals for 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 [www.zinzino.com](http://www.zinzino.com) and, where applicable, in the notice of the Annual General Meeting. For further information on the Annual General Meeting, please refer to the company's website [zinzino.com/bolagsstyrning](http://zinzino.com/bolagsstyrning).

## Report calendar

The interim report for Q2 2024 will be published on 30/08/2024

The interim report for Q3 2024 will be published on 19/11/2024

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



# Group report

## Summary of comprehensive profit/loss

Amounts in SEK thousands	01/01/2024 31/03/2024	01/01/2023 31/03/2023	01/01/2023 31/12/2023
Net sales	433,661	373,854	1,674,812
Other revenue	20,137	19,329	89,443
Own work capitalised	722	560	2,122
Goods for resale and other direct costs	-293,640	-262,995	-1,118,329
<b>Gross profit</b>	<b>160,880</b>	<b>130,748</b>	<b>648,048</b>
External operating expenses	-64,146	-49,088	-252,253
Staff costs	-44,997	-37,266	-155,164
Depreciation/amortisation	-7,121	-6,646	-31,798
<b>Operating profit</b>	<b>44,616</b>	<b>37,748</b>	<b>208,833</b>
Net financial income/expense	78	-821	1,174
Tax	-9,207	-7,604	-46,004
<b>PROFIT/LOSS FOR THE PERIOD</b>	<b>35,487</b>	<b>29,323</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	485	-4,775	-3,417
<b>Other comprehensive profit/loss for the period</b>	<b>485</b>	<b>-4,775</b>	<b>-3,417</b>
<b>TOTAL COMPREHENSIVE PROFIT/LOSS FOR THE PERIOD</b>	<b>35,972</b>	<b>24,548</b>	<b>160,586</b>

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

Parent company shareholders	35,439	29,266	163,735
Non-controlling interest	48	57	268
<b>TOTAL</b>	<b>35,487</b>	<b>29,323</b>	<b>164,003</b>

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

Parent company shareholders	35,924	24,491	160,318
Non-controlling interest	48	57	268
<b>TOTAL</b>	<b>35,972</b>	<b>24,548</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	1.04	0.86	4.83
Earnings per share after dilution	0.96	0.85	4.73

# Group report

## Summary of financial position

Amounts in SEK thousands	31/03/2024	31/03/2023	31/12/2023
<b>Fixed assets</b>			
Goodwill	71,001	69,915	70,999
Other intangible fixed assets	49,025	50,338	48,015
Equipment, tools and installations	15,603	16,597	15,327
Right-of-use assets	56,950	44,626	51,049
Financial fixed assets	6,910	6,686	5,328
<b>Total fixed assets</b>	<b>199,489</b>	<b>188,162</b>	<b>190,718</b>
<b>Current assets</b>			
Inventories	246,796	178,826	194,977
Current receivables	111,706	70,754	76,019
Pre-paid costs and accrued revenues	69,751	41,996	59,185
Cash and bank balances	328,101	216,374	321,236
<b>Total current assets</b>	<b>756,354</b>	<b>507,950</b>	<b>651,417</b>
<b>TOTAL ASSETS</b>	<b>955,843</b>	<b>696,112</b>	<b>842,135</b>
<b>Group equity</b>			
Share capital	3,394	3,386	3,394
Other contributed capital	52,229	39,300	41,807
Retained earnings including profit/loss for the period	256,989	142,307	218,599
<b>Total group equity</b>	<b>312,612</b>	<b>184,993</b>	<b>263,800</b>
<b>Long-term liabilities</b>			
Lease liabilities	40,057	29,231	34,184
Deferred tax liability	3,413	4,643	3,412
Other long-term liabilities	36,416	32,761	34,773
<b>Total long-term liabilities</b>	<b>79,886</b>	<b>66,635</b>	<b>72,369</b>
<b>Current liabilities</b>			
Accounts payable	64,257	46,367	50,356
Tax liabilities	33,667	13,742	29,978
Lease liabilities	21,445	18,631	19,676
Other current liabilities	276,208	245,429	268,481
Accrued costs and deferred revenues	167,768	120,315	137,475
<b>Total current liabilities</b>	<b>563,345</b>	<b>444,484</b>	<b>505,966</b>
<b>TOTAL GROUP EQUITY AND LIABILITIES</b>	<b>955,843</b>	<b>696,112</b>	<b>842,135</b>

# Group report

## Summary of changes in group equity

Amounts in SEK thousands	Share capital	Ongoing rights issue	Other contributed capital	Conversion reserves	Retained earnings including profit/loss for the period	Total	Non- controlling interest	Total group equity
<b>Opening balance</b>								
<b>01/01/2023</b>	<b>3,386</b>	<b>-</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	-	-	-	-	29,266	29,266	57	29,323
Other comprehensive profit/loss for the period	-	-	-	-4,718	-	-4,718	-	-4,718
Issued warrants	-	-	-	-	15	15	-	15
<b>Closing balance</b>								
<b>31/03/2023</b>	<b>3,386</b>	<b>-</b>	<b>39,300</b>	<b>1,161</b>	<b>135,164</b>	<b>179,009</b>	<b>5,983</b>	<b>184,993</b>
<b>Opening balance</b>								
<b>01/04/2023</b>	<b>3,386</b>	<b>-</b>	<b>39,300</b>	<b>1,161</b>	<b>135,164</b>	<b>179,009</b>	<b>5,983</b>	<b>184,993</b>
Profit/loss for the period	-	-	-	-	134,469	134,469	211	134,680
Other comprehensive profit/loss for the period	-	-	-	1,301	-	1,301	-	1,301
Rights issue	8	-	2,507	-	-	2,515	-	2,515
Issued warrants	-	-	-	-	1,929	1,929	-	1,929
Dividends	-	-	-	-	-59,256	-59,256	-2,362	-61,618
<b>Closing balance</b>								
<b>31/12/2023</b>	<b>3,394</b>	<b>-</b>	<b>41,807</b>	<b>2,462</b>	<b>212,306</b>	<b>259,967</b>	<b>3,832</b>	<b>263,800</b>
<b>Opening balance</b>								
<b>01/01/2024</b>	<b>3,394</b>	<b>-</b>	<b>41,807</b>	<b>2,462</b>	<b>212,306</b>	<b>259,967</b>	<b>3,832</b>	<b>263,800</b>
Profit/loss for the period	-	-	-	-	35,439	35,439	48	35,487
Other comprehensive profit/loss for the period	-	-	-	485	-	485	-	485
Rights issue	-	15	10,407	-	-	10,422	-	10,422
Issued warrants	-	-	-	-	2,418	2,418	-	2,418
<b>Closing balance</b>								
<b>31/03/2024</b>	<b>3,394</b>	<b>15</b>	<b>52,214</b>	<b>2,947</b>	<b>250,163</b>	<b>308,731</b>	<b>3,880</b>	<b>312,612</b>



# Group report

## Summary of cash flows

Amounts in SEK thousands	01/01/2024 31/03/2024	01/01/2023 31/03/2023	01/01/2023 31/12/2023
<b>Operating activities</b>			
Profit/loss before financial items	44,616	37,748	208,833
Depreciation and amortisation/write-down	7,121	6,646	31,798
Currency fluctuations	2,674	3,579	7,086
Other non-cash items	-	-	11,266
<b>Total</b>	<b>54,411</b>	<b>47,973</b>	<b>258,983</b>
<b>Investing activities</b>			
Interest received	1,640	111	3,123
Interest paid	-125	-12	-309
Tax paid	-3,731	-4,405	-23,570
<b>Total</b>	<b>-2,216</b>	<b>-4,306</b>	<b>-20,756</b>
<b>Cash flow from operating activities before changes in operating capital</b>	<b>52,195</b>	<b>43,667</b>	<b>238,227</b>
<b>Cash flow from changes in operating capital</b>			
Change in inventories	-51,819	5,942	-10,209
Change in current receivables	-46,667	1,209	-21,861
Change in current liabilities	49,389	14,161	39,983
<b>Total</b>	<b>-49,097</b>	<b>21,312</b>	<b>7,913</b>
<b>Cash flow from operating activities</b>	<b>3,098</b>	<b>64,979</b>	<b>246,140</b>
<b>Investment activity</b>			
Investments in intangible fixed assets	-2,820	-3,767	-10,436
Investments in tangible fixed assets	-903	-973	-1,348
Investments in financial fixed assets	-	-810	-134
<b>Cash flow from investment activities</b>	<b>-3,723</b>	<b>-5,550</b>	<b>-11,918</b>
<b>Financing activities</b>			
Amortisation of lease liabilities attributable to lease agreements	-5,350	-4,950	-20,069
Issuance of options	2,418	15	1,944
Rights issue	10,422	-	2,515
Dividends	-	-	-59,256
<b>Cash flow from financing activities</b>	<b>7,490</b>	<b>-4,935</b>	<b>-74,866</b>
<b>CASH FLOW FOR THE PERIOD</b>	<b>6,865</b>	<b>54,494</b>	<b>159,356</b>
<b>Cash and cash equivalents at start of period</b>	<b>321,236</b>	<b>161,880</b>	<b>161,880</b>
<b>Cash and cash equivalents at end of period</b>	<b>328,101</b>	<b>216,374</b>	<b>321,236</b>

# Parent company report

## Summary income statement

Amounts in SEK thousands	01/01/2024 31/03/2024	01/01/2023 31/03/2023	01/01/2023 31/12/2023
Net sales	7,000	3,665	23,899
Other revenue	203	-	342
Goods for resale and other direct costs	-	-11	-
<b>Gross profit</b>	<b>7,203</b>	<b>3,654</b>	<b>24,241</b>
External operating expenses	-6,413	-3,225	-20,291
Depreciation/amortisation	-73	-103	-844
<b>Operating profit</b>	<b>987</b>	<b>326</b>	<b>3,106</b>
Net financial income/expense	-1,262	-631	187,743
Tax	-	-	-36
<b>PROFIT/LOSS FOR THE PERIOD</b>	<b>-275</b>	<b>-305</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	31/03/2024	31/03/2023	31/12/2023
<b>Fixed assets</b>			
Intangible fixed assets	21,621	15,265	19,594
Tangible fixed assets	14	21	16
Financial fixed assets	146,716	135,417	146,716
<b>Total fixed assets</b>	<b>168,351</b>	<b>150,703</b>	<b>166,326</b>
<b>Current assets</b>			
Current receivables	1,086	1,640	1,189
Intra-group receivables	43,587	16,322	116,208
Pre-paid costs and accrued revenues	948	601	437
Cash and bank balances	95,146	9,580	8,055
<b>Total current assets</b>	<b>140,767</b>	<b>28,143</b>	<b>125,889</b>
<b>TOTAL ASSETS</b>	<b>309,118</b>	<b>178,846</b>	<b>292,215</b>
<b>Group equity</b>			
<i>Restricted group equity</i>			
Share capital	3,394	3,386	3,394
Ongoing rights issue	15	-	-
Fund for development expenditures	21,621	15,265	19,594
<i>Unrestricted group equity</i>			
Share premium reserve	61,621	48,631	51,138
Retained earnings including profit/loss for the period	177,448	49,626	177,332
<b>Total group equity</b>	<b>264,023</b>	<b>116,908</b>	<b>251,458</b>
<b>Long-term liabilities</b>			
Long-term liabilities	28,321	26,504	26,809
<b>Total long-term liabilities</b>	<b>28,321</b>	<b>26,504</b>	<b>26,809</b>
<b>Current liabilities</b>			
Intra-group current liabilities	4,918	29,950	2,309
Other current liabilities	11,069	4,642	10,746
Accrued costs and deferred revenues	787	842	893
<b>Total current liabilities</b>	<b>16,774</b>	<b>35,434</b>	<b>13,948</b>
<b>TOTAL GROUP EQUITY AND LIABILITIES</b>	<b>309,118</b>	<b>178,846</b>	<b>292,215</b>

# Parent company report

## Summary of changes in group equity

Amounts in SEK thousands	Share capital	Ongoing rights issue	Fund for development expenditures	Share premium reserve	Retained earnings including profit/loss for the period	Total group 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	-	-	-	-	-305	-305
Capitalisation of development costs	-	-	2,699	-	-2,699	-
Release following amortisation of development costs for the year	-	-	-101	-	101	-
Issued warrants	-	-	-	-	4	4
<b>Closing balance 31/03/2023</b>	<b>3,386</b>	<b>-</b>	<b>15,265</b>	<b>48,631</b>	<b>49,626</b>	<b>116,908</b>
<b>Opening balance 01/04/2023</b>	<b>3,386</b>	<b>-</b>	<b>15,265</b>	<b>48,631</b>	<b>49,626</b>	<b>116,908</b>
Profit/loss for the period	-	-	-	-	191,118	191,118
Capitalisation of development costs	-	-	4,632	-	-4,632	-
Release following amortisation of development costs for the year	-	-	-303	-	303	-
Rights issue	8	-	-	2,507	-	2,515
Issued warrants	-	-	-	-	173	173
Dividends	-	-	-	-	-59,256	-59,256
<b>Closing balance 31/12/2023</b>	<b>3,394</b>	<b>-</b>	<b>19,594</b>	<b>51,138</b>	<b>177,332</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>177,332</b>	<b>251,458</b>
Profit/loss for the period	-	-	-	-	-275	-275
Capitalisation of development costs	-	-	2,098	-	-2,098	-
Release following amortisation of development costs for the year	-	-	-71	-	71	-
Rights issue	-	15	-	10,407	-	10,422
Issued warrants	-	-	-	-	2,418	2,418
<b>Closing balance 31/03/2024</b>	<b>3,394</b>	<b>15</b>	<b>21,621</b>	<b>61,545</b>	<b>177,448</b>	<b>264,023</b>

# Parent company report

## Summary of cash flows

Amounts in SEK thousands	01/01/2024 31/03/2024	01/01/2023 31/03/2023	01/01/2023 31/12/2023
<b>Operating activities</b>			
Profit/loss before financial items	987	326	3,106
Depreciation and amortisation/write-down	73	103	844
Currency fluctuations	-318	-131	-99
<b>Total</b>	<b>742</b>	<b>298</b>	<b>3,851</b>
Interest received	466	94	1,069
Tax paid	-51	-51	-99
<b>Total</b>	<b>415</b>	<b>43</b>	<b>970</b>
<b>Cash flow from operating activities before changes in operating capital</b>	<b>1,157</b>	<b>341</b>	<b>4,821</b>
<b>Cash flow from changes in operating capital</b>			
Change in current receivables	72,365	-3,010	74,921
Change in current liabilities	2,827	13,389	-22,258
<b>Cash flow from operating activities</b>	<b>76,349</b>	<b>10,720</b>	<b>57,484</b>
<b>Investment activity</b>			
Investments in intangible fixed assets	-2,098	-2,699	-7,331
<b>Cash flow from investment activities</b>	<b>-2,098</b>	<b>-2,699</b>	<b>-7,331</b>
<b>Financing activities</b>			
Issuance of options	2,418	4	177
Rights issue	10,422	-	2,515
Dividends received	-	-	12,911
Dividends	-	-	-59,256
<b>Cash flow from financing activities</b>	<b>12,840</b>	<b>4</b>	<b>-43,653</b>
<b>CASH FLOW FOR THE PERIOD</b>	<b>87,091</b>	<b>8,025</b>	<b>6,500</b>
Cash and cash equivalents at start of period	8,055	1,555	1,555
Cash and cash equivalents at end of period	95,146	9,580	8,055

# Note 1

## Segment information

### Description of segments and main activities

A business segment is part of a company which carries out business activities from which it can obtain revenue and incur costs, the contribution 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 strategic 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+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 zinzino.com with the help of the company's independent sales organisation, which goes under the names of distributors or Partners.

The second segment concerns 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 dietary supplements to different customers.

### Segment revenues and earnings

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

- Zinzino
- Faun Pharma AS

January – March 2024	Zinzino	Faun	Group elimination of revenue Faun	Total Group
Net sales	406,436	43,347	-16,122	433,661
Other revenue	19,774	363	-	20,137
Own work capitalised	722	-	-	722
Goods for resale and other direct costs	-279,859	-29,903	16,122	-293,640
<b>Gross profit</b>	<b>147,073</b>	<b>13,807</b>	-	<b>160,880</b>
External operating expenses	-60,868	-3,278	-	-64,146
Staff costs	-36,268	-8,729	-	-44,997
<b>EBITDA</b>	<b>49,937</b>	<b>1,800</b>	-	<b>51,737</b>
Depreciation/amortisation	-5,969	-1,152	-	-7,121
<b>Operating profit</b>	<b>43,968</b>	<b>648</b>	-	<b>44,616</b>

January – March 2023	Zinzino	Faun	Group elimination of revenue Faun	Total Group
Net sales	346,545	41,982	-14,673	373,854
Other revenue	19,043	286	-	19,329
Own work capitalised	560	-	-	560
Goods for resale and other direct costs	-249,592	-28,076	14,673	-262,995
<b>Gross profit</b>	<b>116,556</b>	<b>14,192</b>	-	<b>130,748</b>
External operating expenses	-46,181	-2,907	-	-49,088
Personnel costs	-29,431	-7,835	-	-37,266
<b>EBITDA</b>	<b>40,944</b>	<b>3,450</b>	-	<b>44,394</b>
Depreciation/amortisation	-5,451	-1,195	-	-6,646
<b>Operating profit</b>	<b>35,493</b>	<b>2,255</b>	-	<b>37,748</b>

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
<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
Personnel 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.

For more information regarding the products, see Note 2.5.1 in the 2023 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 2023 annual report on revenue recognition policies.

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

January – March 2024	Zinzino	Faun	Total Group
Net sales	406,436	27,225	433,661
<b>Revenue from external customers</b>	<b>406,436</b>	<b>27,225</b>	<b>433,661</b>
Goods within Zinzino Health	394,756	-	394,756
Goods within Zinzino Skincare	7,639	-	7,639
Sales of external goods Faun	-	27,225	27,225
Event and other sales	4,041	-	4,041
<b>TOTAL</b>	<b>406,436</b>	<b>27,225</b>	<b>433,661</b>

January – March 2023	Zinzino	Faun	Total Group
Net sales	346,544	27,310	373,854
<b>Revenue from external customers</b>	<b>346,544</b>	<b>27,310</b>	<b>373,854</b>
Goods within Zinzino Health	333,409	-	333,409
Goods within Zinzino Skincare	8,460	-	8,460
Sales of external goods Faun	-	27,310	27,310
Event and other sales	4,675	-	4,675
<b>TOTAL</b>	<b>346,544</b>	<b>27,310</b>	<b>373,854</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

	01/01/2024 31/03/2024	01/01/2023 31/03/2023	01/01/2023 31/12/2023
<b>Purchase of goods and services</b>			
Saele Invest & Consulting AS*	12,143	8,701	40,545
Prosperity ApS**	1,471	1,554	6,034
<b>TOTAL</b>	<b>13,614</b>	<b>10,255</b>	<b>46,579</b>
	01/01/2024 31/03/2024	01/01/2023 31/03/2023	01/01/2023 31/12/2023
<b>Sales of goods and services</b>			
Saele Invest & Consulting AS	203	-	342
<b>TOTAL</b>	<b>203</b>	<b>-</b>	<b>342</b>

As of 31/03/2023, the debt to Saele Invest & Consulting AS relating to sales commissions amounts to SEK 0 (0) thousand and to Prosperity ApS to SEK 87 (83) in the Group. All sales commissions paid to related parties with significant influence are calculated according to 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 883 (1,484) thousand as of 31/03/2024. 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

<b>SEK</b>	<b>01/01/2024 31/03/2024</b>	<b>01/01/2023 31/03/2023</b>	<b>01/01/2023 31/12/2023</b>
Earnings per share before dilution	1.04	0.86	4.83
Earnings per share after dilution	0.96	0.85	4.73
<b>Earnings metric used in the calculation of earnings per share</b>			
Earnings attributable to shareholders of the parent company used in the calculation of earnings per share before and after dilution	35,439	29,266	163,735
<b>Number of shares</b>			
Weighted average number of ordinary shares in calculating earnings per share before dilution	33,941,596	33,860,563	33,885,937
<b>Adjustment for calculation of earnings per share after dilution (of warrants)</b>			
Weighted average number of ordinary shares and potential ordinary shares used as denominator in calculating earnings per share after dilution	37,097,971	34,326,595	34,612,867

## Note 5

### Events after the end of the interim period

On 12th of May 2024, Zinzino acquired the rights to Luxembourg-based Xelliss SA's distributor database, inventory and IP rights. The fixed purchase price amounts to EUR 2 million, and conditional additional purchase prices of a maximum of EUR 8 million can be added.

## Note 6

### 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.

<b>ALTERNATIVE KEY FIGURES</b>	<b>DEFINITION</b>	<b>PURPOSE</b>
<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

## 22 May 2024

The Board of Directors and the CEO certify that the report for the period 1 January – 31 March 2024 gives a fair overview of the parent company and Group's operations, position and earnings and describes significant risks and uncertainties faced by the parent company and the companies in the Group.

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

### **Zinzino AB**

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Gothenburg, 22 May 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 audit report**

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



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