


Annual Report

2024

ZINZINO



# This is Zinzino

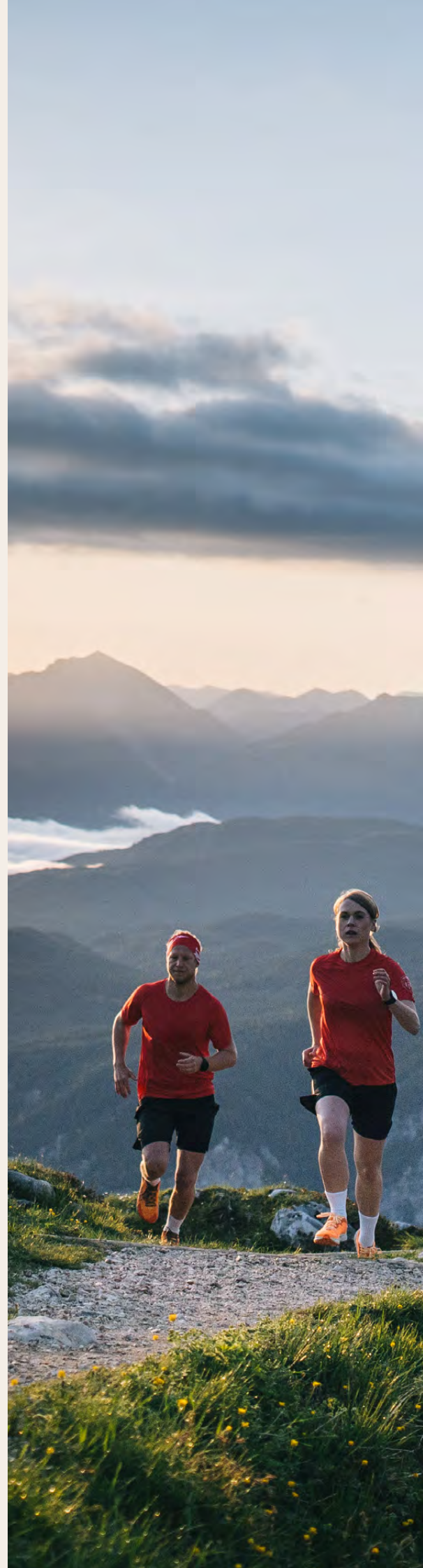
Zinzino is a global direct sales company from Scandinavia specialising in test-based, personalised dietary supplements and scientific skincare. It is a limited liability company with shares listed on the Nasdaq First North Premier Growth Market. The company's scientifically proven dietary supplements are available in more than 100 markets worldwide. Zinzino owns the Swiss biotech skincare 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, Sweden, with additional offices in Europe, Asia and Australia.

## A brief history

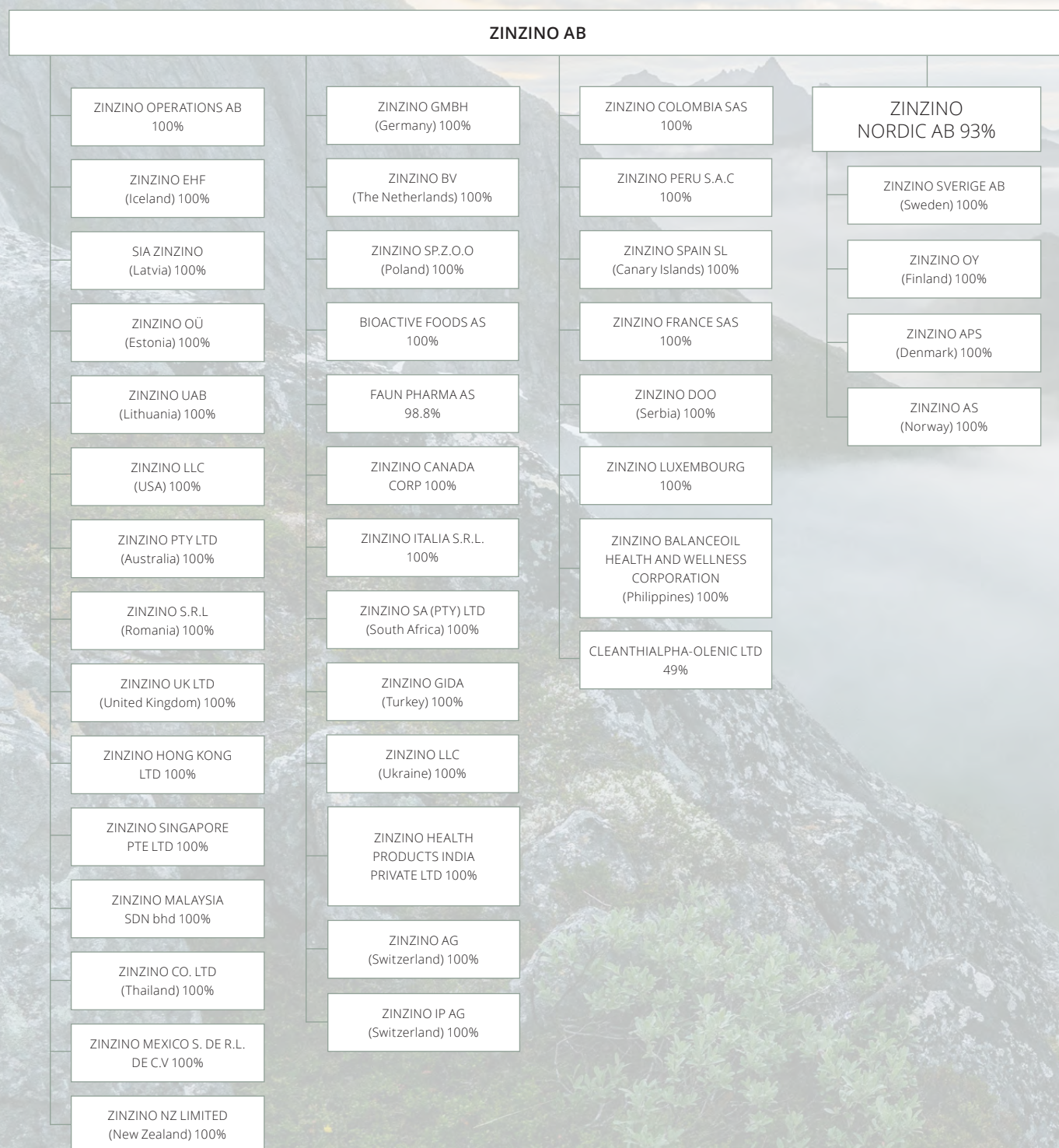
- 2007 Zinzino AB was started. The company's principal business is to own and develop companies in direct sales and related activities.
- 2009 Zinzino Nordic AB is acquired, partly through a non-cash share issue to the owners of Zinzino Nordic AB and partly through a subscription in the preferential rights issue that Zinzino Nordic AB carried out in December. Through this, Zinzino AB obtained 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 U.S.A.
- 2014 The Group is further expanded by companies in Poland and the Netherlands. In the same year, Zinzino AB acquired BioActive Foods AS and 85% of shares in Faun Pharma AS. This was also the year when Zinzino AB was listed for trading on Nasdaq OMX First North.
- 2015 A company was started in Canada and the ownership share in Faun Pharma AS was increased to 98.8%.
- 2016 A subsidiary was started in Germany. Sales are launched in all countries in the EU.
- 2017 Launch of sales in Switzerland.
- 2018 New subsidiaries in Romania and Italy.
- 2019 New subsidiaries in Australia and India.
- 2020 Acquisition of VMA Life in Singapore and Zinzino moves up to the premier segment of the Nasdaq First North Growth Market.
- 2021 Sales start in South Africa.
- 2022 Acquisition of Enhanzz IP AG and Enhanzz Global AG.
- 2023 Sales launch in Turkey and Mexico.
- 2024 Acquisition of assets of Xelliss.  
Sales start in Serbia and the Canary Islands.  
Acquisition 49% of Cleanthi Alpha-Olenic LTD.

# Contents

2	A brief history
3	Table of Contents
4	Group structure
5	Financial Summary
6	A word from the CEO
8	Year in review
12	Geographic distribution of sales
14	Sales by region
23	Significant events during the year
26	The digital development continues
27	Faun Pharma
29	Timeline
31	Interview with Sven & Audrey Goebel
33	Product groups
35	Sustainability Report
51	Auditor's opinion on the Sustainability Report
52	Why direct sales?
53	Ownership & share performance
56	Options programme & dividend policy
57	Management report
65	Corporate governance report
72	Board of Directors
73	Group management
75	Sales management
77	Results and financial position & proposal for allocation of profits
78	Consolidated financial reports
84	Parent company financial reports
89	Notes
127	Auditor's report



# Group structure



# Financial Summary (SEK million)

Key group figures	2024	2023	2022	2021	2020
Total revenue	2,207.8	1,766.4	1,443.1	1,370.6	1,138.6
Net sales	2,094.1	1,674.8	1,356.0	1,288.5	1,074.4
Sales growth	25%	22%	5%	20%	48%
Gross profit	732.5	648.0	465.5	427.5	348.6
Gross profit margin	33.2%	36.7%	32.3%	31.2%	30.6%
Operating profit before depreciation and amortisation	250.7	240.6	112.1	137.6	108.5
Operating margin before depreciation and amortisation	11.4%	13.6%	7.8%	10.0%	9.5%
Adjusted operating profit before depreciation and amortisation	250.7	240.6	112.1	137.6	86.3
Adjusted operating margin before depreciation and amortisation	11.4%	13.6%	7.8%	10.0%	7.6%
Operating profit	219.9	208.8	87.0	116.0	86.6
Operating margin	10.0%	11.8%	6.0%	8.5%	7.6%
Profit/loss before tax	219.3	210.0	89.2	114.9	85.0
Net earnings	169.3	164.0	68.5	89.7	66.3
Net margin	7.7%	9.3%	4.7%	6.5%	5.8%
Net earnings per share after tax before dilution. SEK	4.95	4.83	2.01	2.57	1.96
Net earnings per share after tax at full dilution. SEK	4.59	4.73	1.97	2.46	1.88
Cash flow from operating activities	309.1	246.1	42.9	153.5	97.3
Cash and cash equivalents	463.1	321.2	161.9	235.7	143.2
Equity/assets ratio	32.0%	31.3%	24.6%	25.1%	19.6%
Equity per share before dilution, SEK	11.30	7.78	4.75	4.52	2.88
Number of issued shares on average for the period	34,185,478	33,885,937	33,731,333	33,551,514	32,860,203
Average number of issued shares for the period with full dilution	36,880,408	34,612,867	34,307,847	35,092,535	34,300,203

For the full year 2020, gross profit, operating profit before and after depreciation/amortisation are affected by SEK 22.2 million through changed accounting as a result of changed terms for distributor remuneration. Net profit was affected by SEK 17.4 million.



Dag Bergheim Pettersen, CEO, Zinzino

## A strong year with several acquisitions

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 are of course pleased with.

### 2024

Zinzino reports sales growth of 25% for the year, combined with continued high profitability, which we are naturally very pleased with. We have exceeded our long-term target, which we communicated early in 2024, where we aim for average sales growth of at least 20% over the next three years. Our ambition is always to deliver more than we promise, which we often succeed in doing. Total revenue for the past year amounted to SEK 2,207.8 million, combined with a strong EBITDA margin of 11.4%. Profitability remained high during the year, largely due to the economies of scale we have achieved in recent years by successfully combining growth with operational efficiency improvements. The positive earnings trend meant that we once again increased the proposed dividend, with a proposal to the upcoming Annual General Meeting to distribute SEK 4.00 (3.00) per share for the 2024 financial year. I am very pleased that we can offer our shareholders such a good return on their shares, and I hope that we will be able to maintain and further develop this level of dividend.

### Growth and acquisitions

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. During the spring, we acquired the assets and distribution organisation of Xelliss,

thereby gaining both fantastic products and very strong growth in France and neighbouring areas. During the summer, we also became proud 49% owners of the Cypriot olive oil producer Cleanthi, securing patents and production of the unique olive oil we use in several of our products.

In February 2025, we completed our acquisition 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 great synergies in terms of revenue, products and profitability. The acquisition will dramatically increase our presence in North America by doubling sales in the region, while giving us access to a large number of distributors that we expect will grow with us and succeed with our Balance concept. It also provides an opportunity to expand Zurvita's products to all our markets. The profitability of the company will thus be able to develop well by utilising Zinzino's existing technical platform and organisation.

### Vision and economies of scale

We have a clear vision where we want to inspire a change in the world, where Zinzino contributes by raising awareness of preventive health and test-based, functional dietary supplements based on a healthy lifestyle. We are a company with the ambition to build a strong brand in direct sales and preventive health, with products whose effectiveness can be tested and backed up by scientific studies. We dream of our company becoming a global market leader in our segment, and we have high ambitions, while still maintaining realistic goals, in my opinion. We know that it will take a lot of work to achieve our dreams, but we have come a long way and we are not finished yet.



Zinzino's Balance concept.

In recent years, we have noticed an increase in the number of companies in our industry seeking new owners or some form of collaboration. We are actively working to create growth through strategic acquisitions in addition to the more normal organic growth model that we have mastered well in the past. Combined with the growth strategy, we are working simultaneously to fine-tune synergies and improvements with a focus on economies of scale and profitability. We will continue to follow our plan and believe in further added growth going forward, resulting in increased economies of scale. This in turn will allow us to further develop our company, enter even more markets, make further investments and carry out more mergers and acquisitions. Economies of scale can be summarised as increased growth combined with lower costs per increased SEK in sales, which in turn provides better margins. Economies of scale can also be explained by the fact that we have certain costs that are relatively fixed and that are not affected to the same extent when sales increase. We see that the economies of scale that I have mentioned many times already have now fully materialised, which has resulted in strong growth and high sales volumes in our most profitable markets, which in turn gives us the greatly improved profit margins that we now see.

We are strongly focused on organic growth, expansion into new markets, launching new products and, finally, growth through acquisitions if the right opportunity arise. The current trend in sales growth remains well above the minimum of 20% we have promised, and we expect to exceed this target by a wide margin 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's 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**

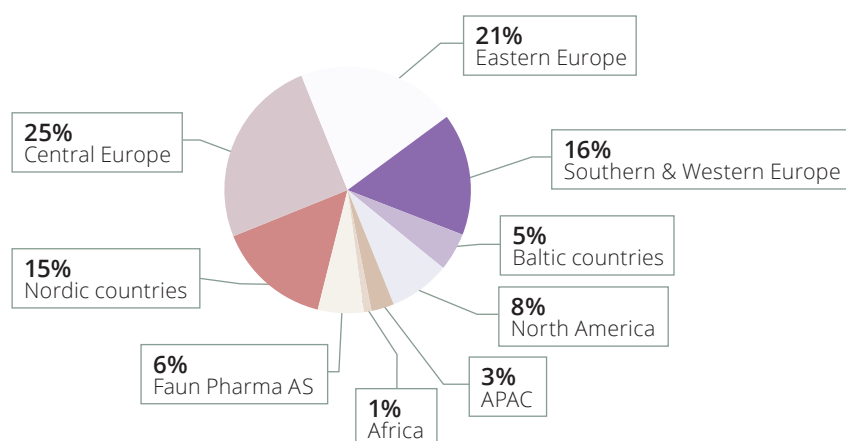
# Year in review

## – first quarter

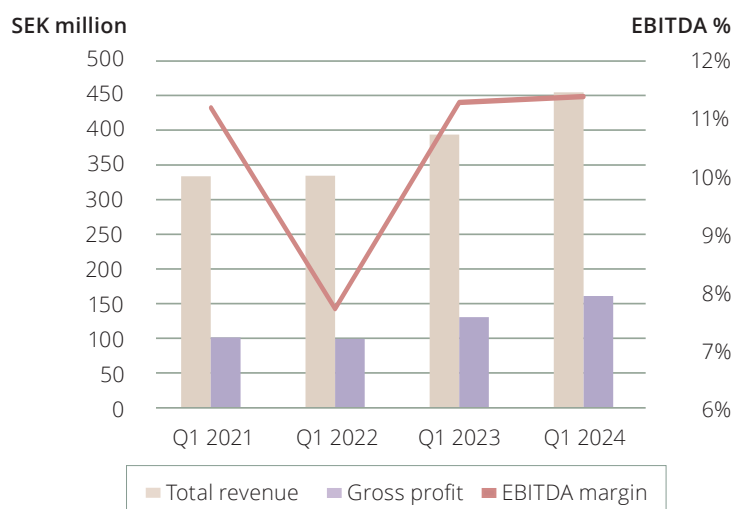
The first quarter of the year started well with high distributor activity and many new distributors and customers. Good development in most regions, with North America showing the highest percentage growth, while the DACH region accounted for the largest share of revenue for the quarter. Total revenue for the first quarter of 2024 amounted to SEK 454.5 (393.7) million, corresponding to growth of 15% (18%). EBITDA amounted to SEK 51.7 (44.4) million and the EBITDA margin was 11.4% (11.3%). The improved EBITDA margin compared to 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 implemented and the resulting economies of scale. During the quarter, Zinzino entered into a strategic partnership in Europe with North American direct sales company ACN. As part of the agreement, ACN invested SEK 10 million in Zinzino through a directed new share issue.

## Sales SEK 454.5 (393.7) million

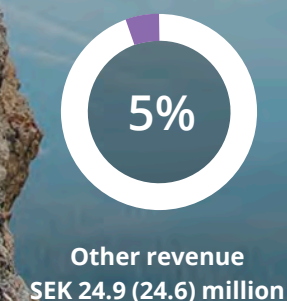
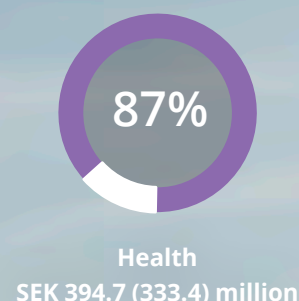
### Geographic distribution



### Sales and gross profit



### Sales per product area



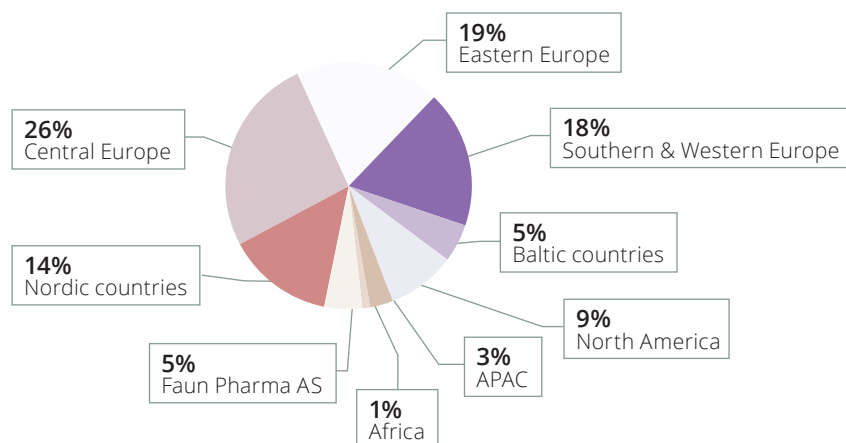
# Year in review

## – second quarter

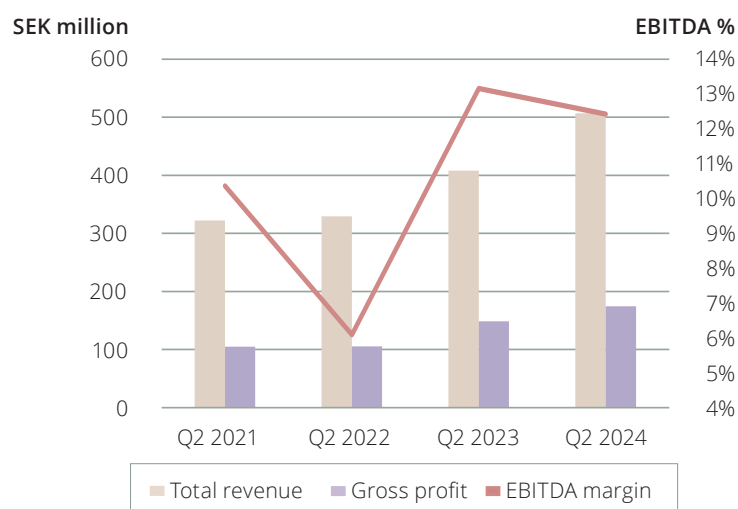
During the second quarter of 2024, growth in the company increased further. Total revenue amounted to SEK 507.0 (407.9) million, corresponding to growth of 24% (24%). EBITDA amounted to SEK 63.0 (53.7) million and the EBITDA margin was 12.4% (13.2%). During the second quarter of 2024, the DACH region continued to account for the largest share of the Group's revenue, while North America had the highest growth rate. The quarter was very eventful, with the acquisition of the assets and distributor organisation of Luxembourg-based Xelliss S.A. and 49% of the shares in the Cypriot olive oil producer Cleanthi Alpha-Olenic LTD. In addition, a letter of intent was signed for the acquisition of the American direct sales company Zurvita INC. Zinzino also opened Serbia as an official market under its only local flag on zinzino.com.

## Sales SEK 507.0 (407.9) million

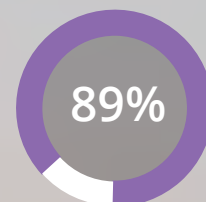
### Geographic distribution



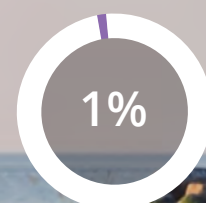
### Sales and gross profit



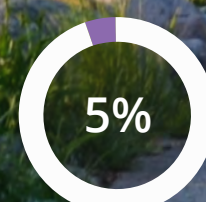
### Sales per product area



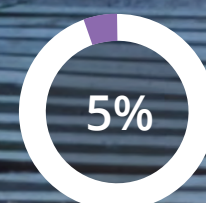
**Health**  
SEK 451.3 (354.0) million



**Skincare**  
SEK 5.5 (8.3) million



**Faun**  
SEK 23.1 (20.3) million



**Other revenue**  
SEK 27.1 (25.3) million

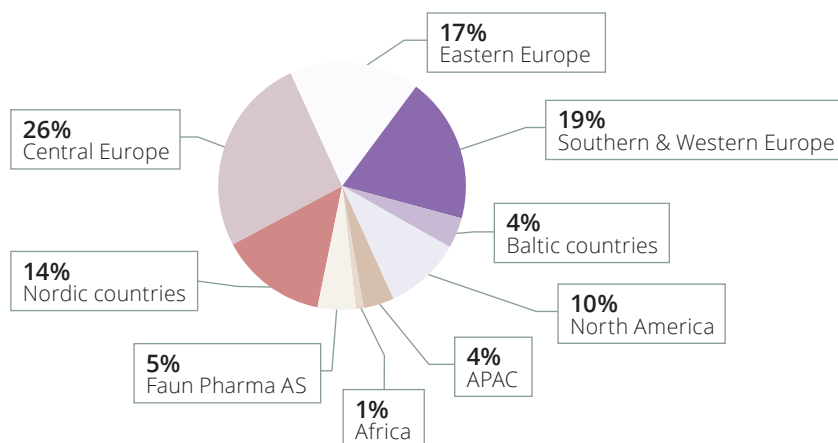
# Year in review

## – third quarter

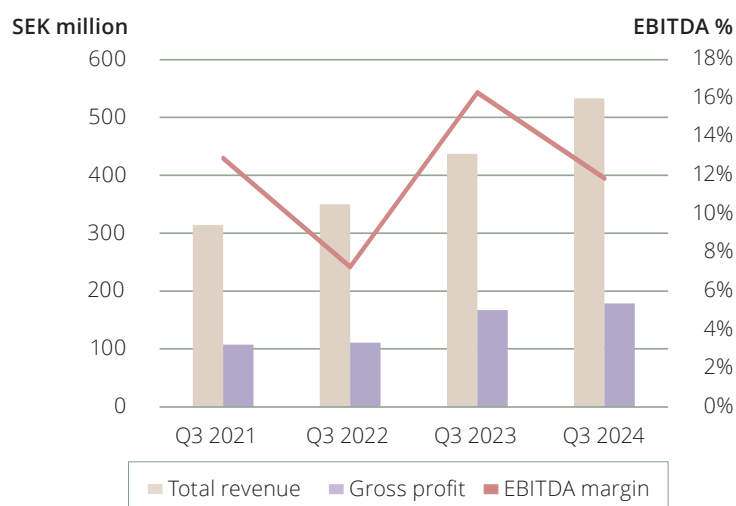
Revenue for the third quarter amounted to SEK 532.8 (436.9) million, corresponding to growth of 22% (25%). As previously, growth was driven by North America, the DACH region, Southern and Western Europe, and the APAC region. During the quarter, distributor activity increased significantly in Taiwan, Australia, Malaysia, and India, where these countries experienced strong growth in both new distributors and customers, while the important subscription bases grew as well. Overall, the past quarter was one of the best in a very long time for the APAC region, which historically has had a consistently volatile sales development. EBITDA amounted to SEK 63.0 (71.2) million and the EBITDA margin was 11.8% (16.3%). The decline in the EBITDA margin compared to the same period last year was mainly due to the weaker gross profit margin and increased sales costs linked to acquisitions and the opening of new markets. In addition, currency conversion effects impacted the quarter's EBITDA result by SEK -4.2 (3.9) million.

## Sales SEK 532.8 (436.9) million

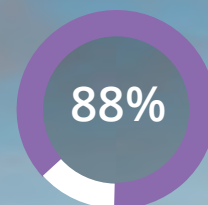
### Geographic distribution



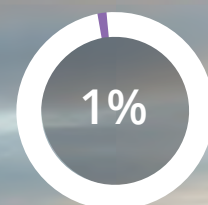
### Sales and gross profit



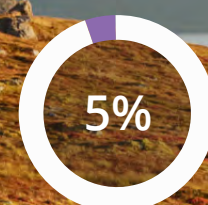
### Sales per product area



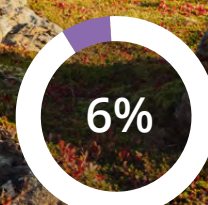
**Health**  
SEK 468.1 (381.9) million



**Skincare**  
SEK 5.2 (7.5) million



**Faun**  
SEK 27.7 (22.7) million



**Other revenue**  
SEK 31.8 (24.8) million

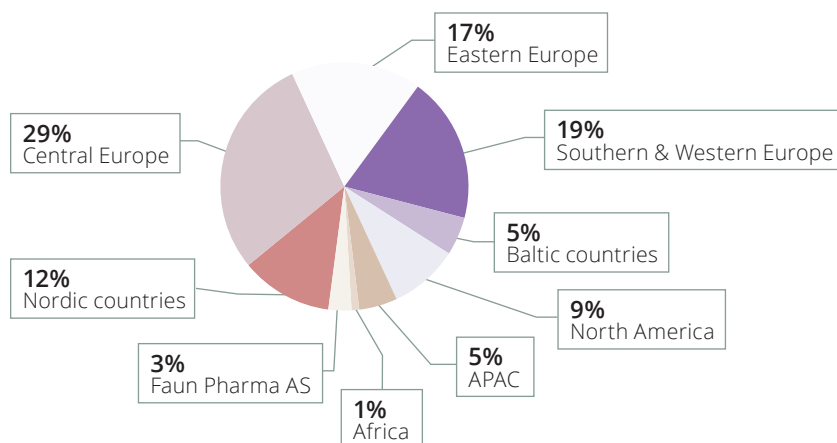
# Year in review

## – fourth quarter

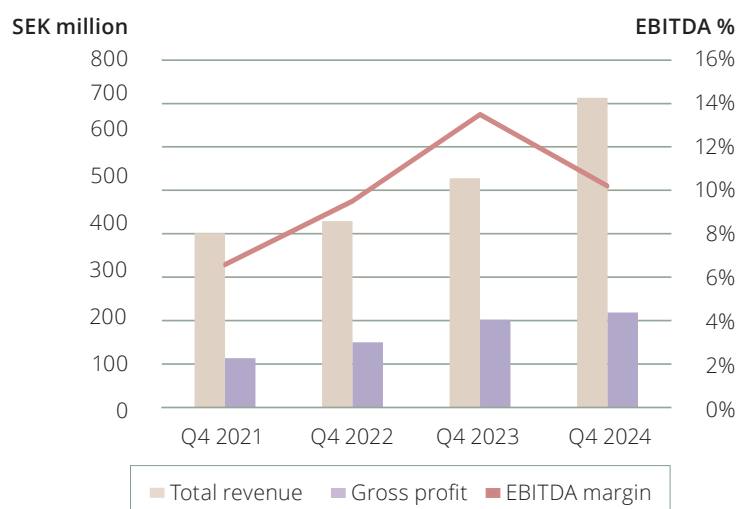
Total revenue for the fourth quarter of 2024 amounted to SEK 713.5 (527.9) million, corresponding to growth of 35% (23%) compared to the same period last year. All regions contributed to the strong growth, with all regions increasing their sales compared to the corresponding quarter last year. As in previous quarters, the DACH region accounted for a large share of revenue, while the APAC region had the highest sales growth compared to the corresponding period last year. The quarter's performance was once again strong, in which EBITDA amounted to SEK 72.9 (71.3) million and the EBITDA margin was 10.2% (13.5%). The positive earnings trend led the Board of Directors to increase the proposed dividend to the upcoming Annual General Meeting to SEK 4.00 (3.00) per share for the 2024 financial year, corresponding to a total of SEK 139.3 (102.7) million before any dilution until the Annual General Meeting.

## Sales SEK 713.5 (527.9) million

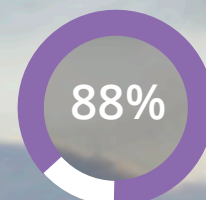
### Geographic distribution



### Sales and gross profit



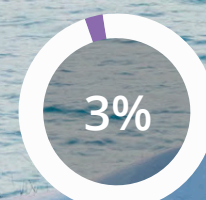
### Sales per product area



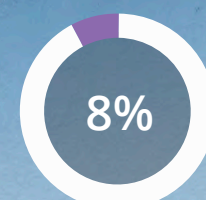
**Health**  
SEK 631.4 (458.9) million



**Skincare**  
SEK 5.7 (9.2) million



**Faun**  
SEK 22.8 (18.0) million

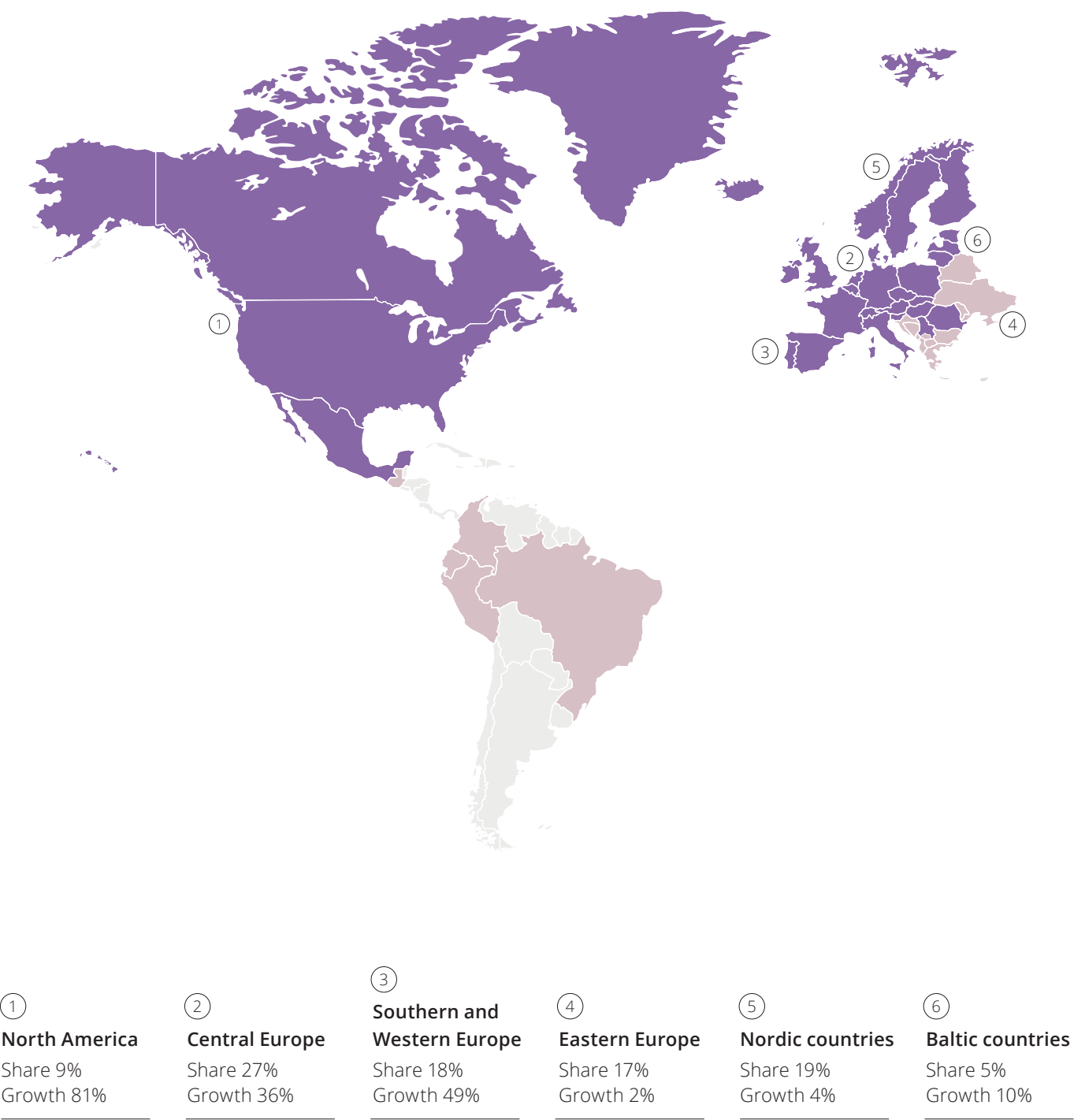


**Other revenue**  
SEK 53.6 (41.8) million

# Geographic distribution and growth per region

The geographical distribution of sales in North America and Europe in 2024 and sales growth compared to previous years are shown in the chart below.

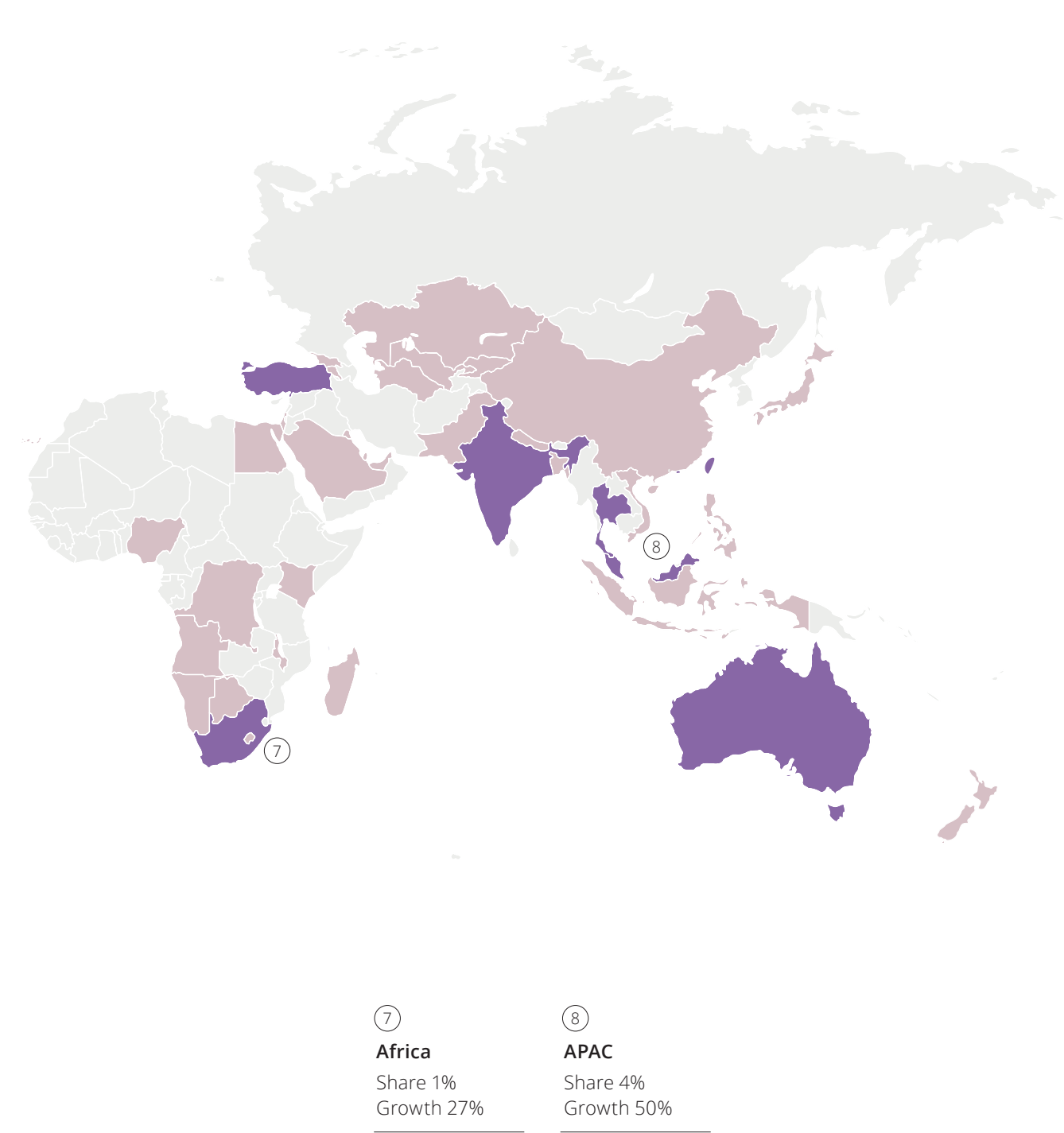
- Open markets
- Undergoing opening process



# Geographic distribution and growth per region

The geographical distribution of sales in Africa and APAC in 2024 and sales growth compared to the previous year are shown on the chart below.

- Open markets
- Undergoing opening process



# Sales by region

## Nordic countries

In the Nordic region, total revenue increased by 1% to SEK 302.0 (299.9) million in 2024 compared to the previous year. The overall trend in Sweden and Norway has been positive during the year, which together 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 2024 compared to the previous year.

In total, revenue in the Nordic countries, Zinzino and Faun combined, accounted for 19% (22%) of the Group's total revenue in 2024.

### SEK million

Growth compared to previous year	4%
Share of Zinzino's total sales	19%
Net sales	393.9
Other revenue	10.9

<b>Total revenue</b>	<b>404.8</b>
----------------------	--------------

<b>Health</b>	<b>66%</b>
---------------	------------

<b>Skincare</b>	<b>2%</b>
-----------------	-----------

<b>Other</b>	<b>7%</b>
--------------	-----------

<b>Zinzino Faun</b>	<b>25%</b>
---------------------	------------



Bergen, Norway

# Baltic countries

In the Baltic countries, revenue increased by 10% to SEK 107.6 (98.0) million in 2024 compared to the previous year. This follows a strong first half of the year with good performance 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. Together, the region accounted for 5% (6%) of the Group's total revenue in 2024.

## SEK million

Growth compared to previous year	10%
Share of Zinzino's total sales	5%
Net sales	98.7
Other revenue	8.9
<b>Total revenue</b>	<b>107.6</b>

<b>Health</b>	<b>87%</b>
---------------	------------

<b>Skincare</b>	<b>2%</b>
-----------------	-----------

<b>Other</b>	<b>11%</b>
--------------	------------



Tallinn, Estonia

# North America

In North America, revenue increased by 81% in 2024 compared to the previous year, amounting 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. Together, the region accounted for 9% (6%) of the Group's total revenue in 2024.

## SEK million

Growth compared to previous year	81%
Share of Zinzino's total sales	9%
Net sales	183.0
Other revenue	17.5
<b>Total revenue</b>	<b>200.5</b>

<b>Health</b>	<b>90%</b>
---------------	------------

<b>Skincare</b>	<b>1%</b>
-----------------	-----------

<b>Other</b>	<b>9%</b>
--------------	-----------



New York, USA

# Eastern Europe

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

## SEK million

Growth compared to previous year	2%
Share of Zinzino's total sales	17%
Net sales	382.6
Other revenue	17.8
<b>Total revenue</b>	<b>400.4</b>

<b>Health</b>	<b>94%</b>
---------------	------------

<b>Skincare</b>	<b>1%</b>
-----------------	-----------

<b>Other</b>	<b>5%</b>
--------------	-----------



Prague, Czech Republic

# Central Europe

In 2024, the region's total revenue increased by 36% compared to the previous 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. Overall, the region accounted for 27% (25%) of total Group revenue in 2024.

## SEK million

Growth compared to previous year	36%
Share of Zinzino's total sales	27%
Net sales	571.5
Other revenue	25.2
<b>Total revenue</b>	<b>596.7</b>

<b>Health</b>	<b>94%</b>
---------------	------------

<b>Skincare</b>	<b>1%</b>
-----------------	-----------

<b>Other</b>	<b>5%</b>
--------------	-----------



Hallstatt, Austria

# Southern & Western Europe

Total revenue for the region increased by 49% in 2024 compared to last year and amounted to SEK 396.4 (265.7) million. The Netherlands, the UK, Turkey and France accounted for the largest share of the region's revenue, while there was high distributor activity and growth in many of the region's other countries. The region's 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. The region together accounted for 18% (15%) of the Group's total revenues in 2024.

## SEK million

Growth compared to previous year	49%
Share of Zinzino's total sales	18%
Net sales	363.6
Other revenue	32.8

<b>Total revenue</b>	<b>396.4</b>
----------------------	--------------

<b>Health</b>	<b>90%</b>
---------------	------------

<b>Skincare</b>	<b>1%</b>
-----------------	-----------

<b>Other</b>	<b>9%</b>
--------------	-----------



Barcelona, Spain

# APAC

In 2024, the region's revenue increased by a total of 50% compared to the previous 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. Together, the region accounted for 4% (3%) of the Group's total revenue in 2024.

## SEK million

Growth compared to previous year	50%
Share of Zinzino's total sales	4%
Net sales	84.4
Other revenue	0.2

<b>Total revenue</b>	<b>84.6</b>
----------------------	-------------

<b>Health</b>	<b>99%</b>
---------------	------------

<b>Skincare</b>	<b>1%</b>
-----------------	-----------



Sydney, Australia

# Africa

Total revenue in the region for 2024 increased by 27% to SEK 16.8 (13.2) million compared to the previous year. 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 2024.

## SEK million

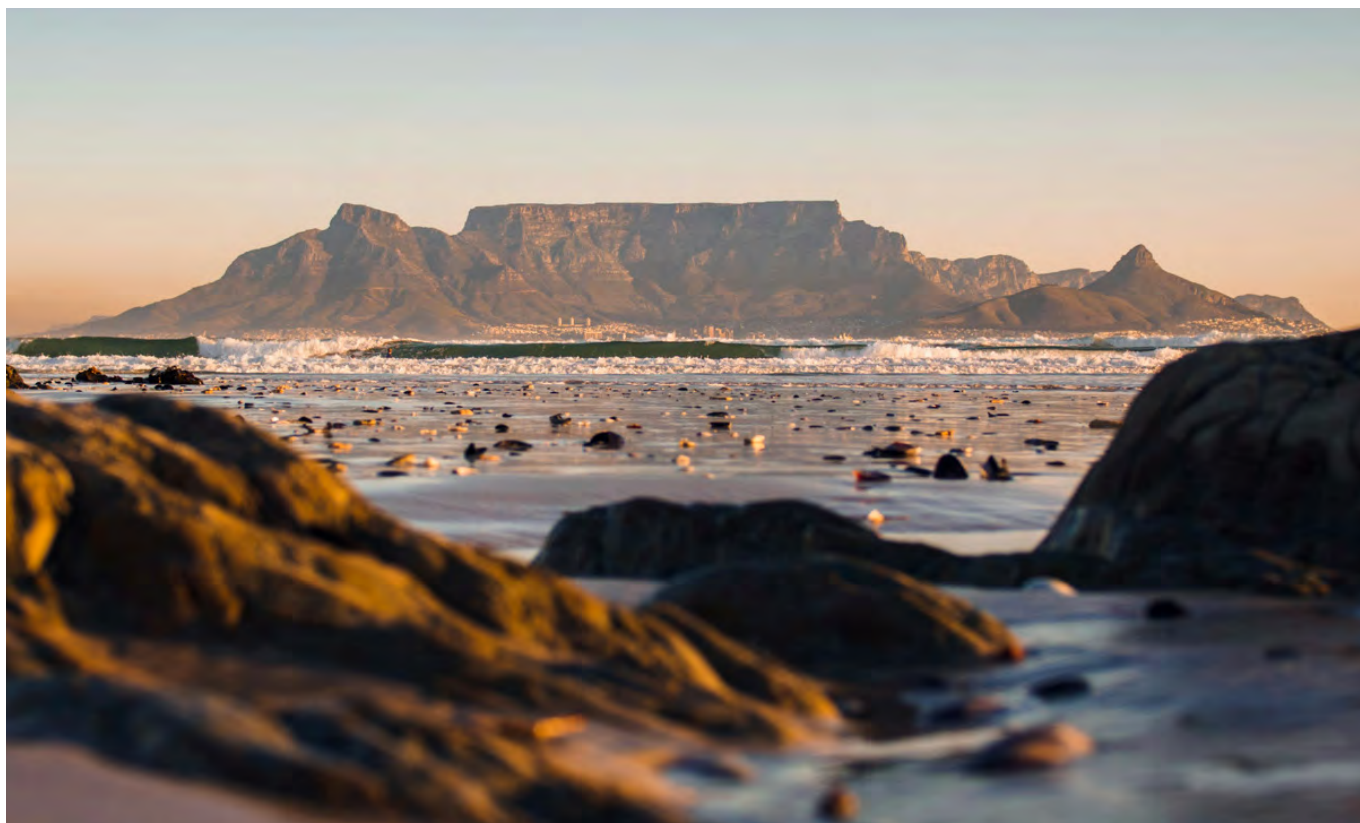
Growth compared to previous year	27%
Share of Zinzino's total sales	1%
Net sales	16.4
Other revenue	0.4

<b>Total revenue</b>	<b>16.8</b>
----------------------	-------------

<b>Health</b>	<b>96%</b>
---------------	------------

<b>Skincare</b>	<b>1%</b>
-----------------	-----------

<b>Other</b>	<b>3%</b>
--------------	-----------



Cape Town, South Africa

# Sales by region

– a comparison between regions (SEK million)

	Nordic countries	Baltic countries	North America	Eastern Europe
Net sales	393.9	98.7	183.0	382.6
Other revenue	10.9	8.9	17.5	17.8
Health share	66%	87%	90%	94%
Skincare share	2%	2%	1%	1%
Other shares	7%	11%	9%	5%
Faun share	25%	n/a	n/a	n/a
Growth compared to previous year	4%	10%	81%	2%
Share of the Group's total sales	19%	5%	9%	17%
	Central Europe	Southern & Western Europe	APAC	Africa
Net sales	571.5	363.6	84.4	16.4
Other revenue	25.2	32.8	0.2	0.4
Health share	94%	90%	99%	96%
Skincare share	1%	1%	1%	1%
Other shares	5%	9%	0%	3%
Faun share	n/a	n/a	n/a	n/a
Growth compared to previous year	36%	49%	50%	27%
Share of the Group's total sales	27%	18%	4%	1%
Total revenue				2,207.8

# Significant events during the year

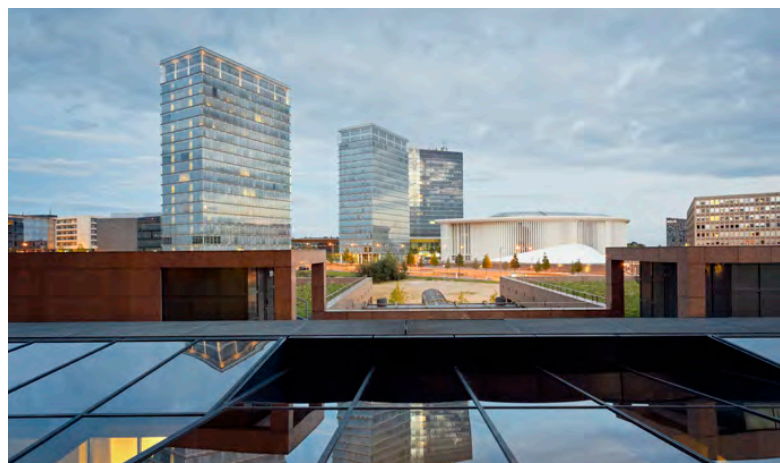
## Strategic partnership in Europe with North American direct sales company ACN

In January 2024, Zinzino entered into a strategic agreement to partner with the North American company ACN, a direct sales company of telecommunications, energy and essential services for homes and businesses. They have decided to phase out their distributor-led sales operations in Europe and the agreement between the companies includes Zinzino taking over the rights to ACN's European distributor database free of charge. This will be integrated with Zinzino's existing technology platform.

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 149,468 Zinzino B shares for SEK 10.4 million via a directed rights issue. 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.



Strategic partnership with North American ACN.



Zinzino acquires the direct sales company Xelliss SA, Luxembourg.

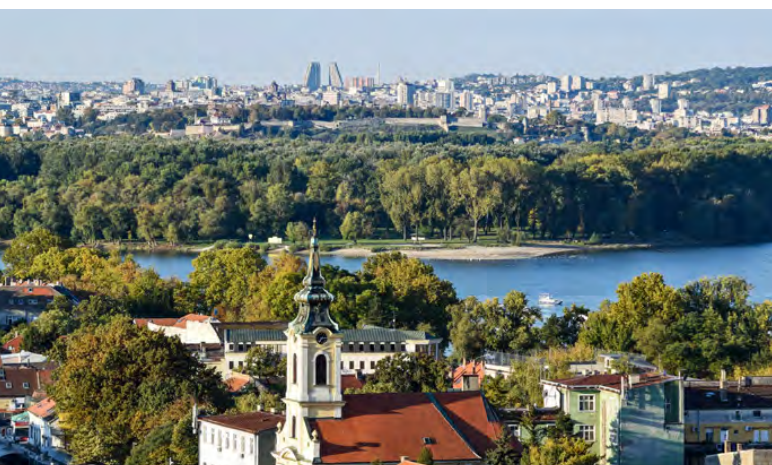
## Acquisition of assets of Xelliss in Luxembourg

On 12 May 2024, Zinzino acquired the rights to the Luxembourg-based direct sales company Xellis SA's distributor database, inventory and IP rights to the product lines. The brand portfolio offers a range of natural and innovative products in the fields of well-being, nutrition and cosmetics, based on the microalgae spirulina from its own production.

The business, which had a turnover of around EUR 8 million last year, is expected to generate strong growth through the synergies generated by the joint networks. Gross margins in the business are good, and profitability will therefore grow very well by utilising Zinzino's existing technical platform and organisation. Zinzino has, upon entry, paid a fixed purchase price of EUR 2 million, divided between 50% cash and 50% newly issued Zinzino shares. In addition, contingent consideration will be added based on the sales performance generated by the acquired distributor organisation during the period 2024-2029. The total additional consideration amounts to a maximum of EUR 7.8 million and shall be 100% settled with newly issued Zinzino shares. The cash component of the purchase price is financed from own cash.

## Zinzino announces Serbia as the next step in its global expansion

On 11 June 2024, Zinzino opened Serbia as an official market with its own local flag on zinzino.com. The Balkan region and Southeastern Europe are a strategic next step in the company's plan to expand its customer base in an international market. The launch will allow Zinzino's independent partners in the region to continue building locally and growing globally. Serbia's strategic location in Southeastern Europe makes it an important hub for banking, trade and transport in the region. The launch is expected to stimulate



Zinzino opens Serbia as an official market.

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

#### **Letter of intent to acquire the American direct sales company Zurvita INC**

On 17 June 2024, Zinzino signed a letter of intent to acquire the North American direct sales company Zurvita INC. Zurvita is a direct sales company in the health segment operating in the US, Canada and Mexico. The brand portfolio offers a range of innovative health and wellness products. The business has annual sales totalling approximately USD 30 million with good gross margins. The collaboration with Zinzino is expected to add growth through the synergies arising in the joint networks, combined with Zinzino's test-based product concept. Zurvita's profitability will thus be able to grow successfully by leveraging Zinzino's existing technology platform and organisation.

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

On 27 June 2024, Zinzino acquired 49% of the shares and votes in the Cypriot olive oil producer Cleanthi Alpha-Olenic LTD. The joint ownership is another strategically important step in Zinzino's growth plans, which focus on improving personal health and well-being on a global level through cutting-edge biotechnology and an innovative product portfolio as an oil producer. Cleanthi uses a unique and patented

process for pressing olive oil sourced from certified Koreneiki olives from orchards owned by farmers for several generations without the use of artificial fertilisers or pesticides. The manufacturing process enables the production of olive oil with up to 30 times the polyphenol content of regular olive oil. The business is currently operated on a small scale, with most of the production going to Zinzino's existing products R.E.V.O.O and BalanceOil Premium. Through the co-ownership, Zinzino gains access to Cleanthi's IP rights, which opens up opportunities to develop and increase brand protection for Zinzino's BalanceOil, the product group that currently accounts for about 60% of the Group's total revenue. Going forward, Zinzino intends to expand production in Cleanthi to secure the olive oil supply for the increased internal demand arising from Zinzino's global expansion and high sales growth. At the same time, external revenue for Cleanthi can be increased similar to the model previously used successfully for the Group's manufacturing unit, Faun Pharma AS in Norway.



Zinzino acquires the Cypriot olive oil producer Cleanthi Alpha-Olenic LTD.

#### **Expanded establishment in France**

Following the acquisition of Xelliss earlier in the year, revenues in France and the French Overseas Departments and Territories rose rapidly to high levels. For this reason, a new subsidiary was formed in France with a locally adapted remuneration model for French distributors (VDI), which is a prerequisite for independent distributors to operate in the French market in accordance with applicable regulations. In addition, a new French sales manager has been hired and the support department has been expanded with more French-speaking employees. Overall, the measures taken and the acquisition have resulted in a large number of new distributors and customers being added in a short period of time, resulting in sales in France in 2024 increasing from SEK 0.5 million to over SEK 5 million per month. The market trend remains very positive with continued high growth, which means that there are now even better conditions to grow to even higher sales levels.



Collagen Boozt – a new product in dietary supplements for the skin.

### Launch of new product – Collagen Boozt

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

### Significant events after the end of the financial year

#### Zinzino acquires assets of Zurvita following finalisation of Chapter 11 proceedings

On 21 December 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 able to develop well by utilising Zinzino's existing technical platform and organisation.



Zinzino acquires the assets of Zurvita Inc.

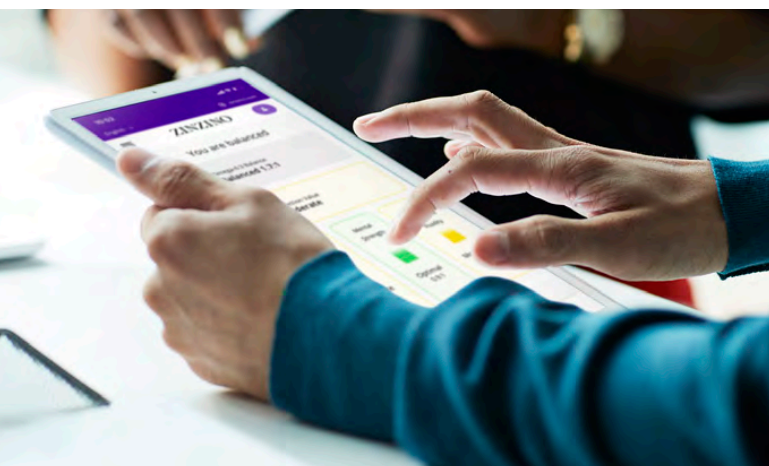
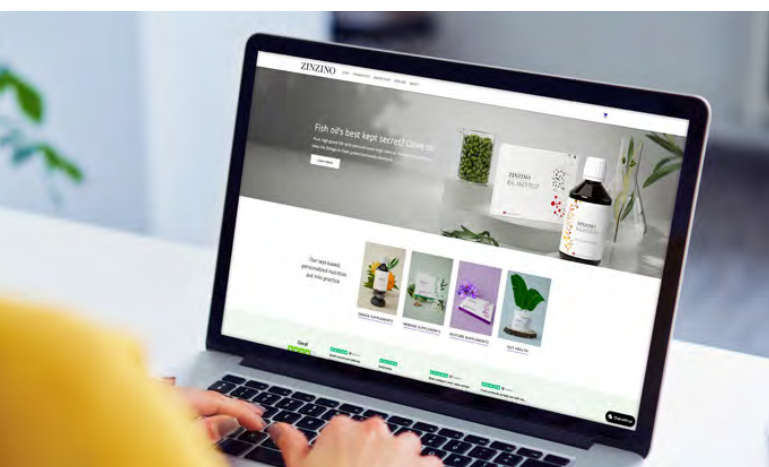
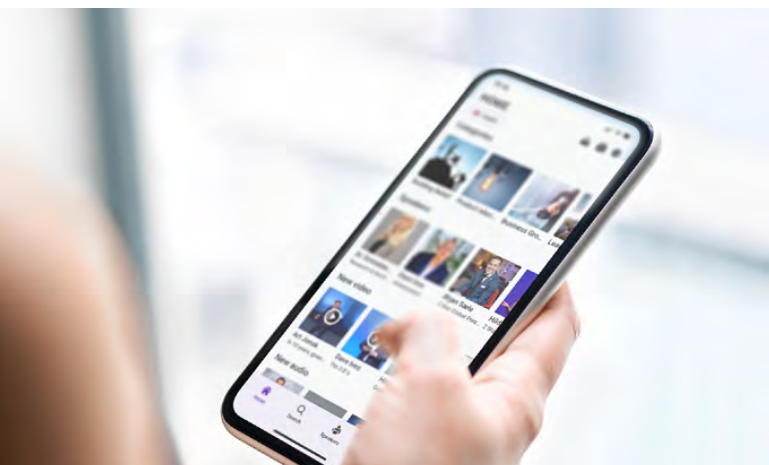
#### Zinzino acquires the assets of Valentus Global

On 11 April 2025, Zinzino acquired the rights to the distributor database and associated customer register, inventory and IP rights of the US/UK-based direct sales company Valentus Global through an acquisition of assets. Valentus Global Inc. is a direct sales company based in Delaware, USA, with most of its operations and sales in Europe. Zinzino is acquiring Valentus Global's distributor organisation, customer register, inventory and IP rights to the product portfolio. The business generated sales of over SEK 50 million in the previous year, mainly in Europe and North America. The merger is expected to create strong growth through synergies in the combined networks, and profitability will thus be able to develop very well through the utilisation of Zinzino's existing technical platform and organisation. Upon completion, Zinzino will pay a total purchase price of SEK 20 million, of which approximately SEK 10 million represents the estimated value of the inventory. The purchase price will be paid in cash from the company's own funds.

# The digital development continues

## Digital development and marketing initiatives

During the year, Zinzino continued to develop digital tools and platforms that strengthen support for the company's distributors and improve the customer experience. By combining technical innovation with strategic marketing initiatives, the conditions are created for increased efficiency, improved communication and increased sales throughout the business.



## Key initiatives during the year:

- **Further development of the sales platform and e-commerce.** Zinzino's digital e-commerce platform has been upgraded to offer both distributors and customers an improved user experience, with a particular focus on clarity and control over orders. Mobile adaptation has been a priority, and a new, improved checkout is now being launched gradually in our various markets.
- **Improved sales tools and reports.** Our digital sales support has been further developed to give our distributors better opportunities to monitor their performance, identify new business opportunities and make data-driven decisions.
- **Development of our CMS system.** Work on upgrading all web content began during the year. The project will continue in 2025 with the aim of launching a new, improved version in the summer of 2025.
- **Accessibility adaptation.** A strong focus on ensuring that digital channels are accessible to all users, regardless of individual circumstances. This applies to both e-commerce and Zinzino's internal systems.

Through these investments, the company has laid a stable foundation for continued growth and strengthened its digital ecosystems in line with Zinzino's long-term business objectives.



Employees at Faun Pharma AS.

## The previous year at Faun Pharma AS

### – Zinzino's production unit in Norway

Faun Pharma AS is Zinzino's production unit, located in Vestby, south of Oslo. Faun manufactures and packages tablets, capsules and powder products and fills olive oil products. In addition to producing products sold within the Group, the subsidiary is engaged in product development of dietary supplements, health food and sports nutrition. In addition, Faun acts as a contract manufacturer for several external customers. The company is located in Vestby, south of Oslo. Faun is certified according to ISO 9001 and FSSC 22000.

Total external revenues for Faun amounted to SEK 102.8 (90.1) million for 2024, corresponding to a growth of 14% compared to the previous year. This accounted for about 56% (56%) of the production unit's total turnover. The remaining 44% (44%) turnover was internal sales to the Zinzino company, making it by far Faun's largest customer during the past year. Internal production in 2024 amounted to SEK 81.0 (69.9) million, which corresponds to an increase of 15.9% compared to the previous year.

In 2024, there was a major focus on increasing capacity and improving efficiency on the various production lines. Investments were made in new equipment and data collection systems in production, and the technical department was also strengthened. Total investments in 2024 amounted to SEK 3.3 (0.6) million.

A strategic process regarding the discontinuation of powder production was initiated in 2021, with the final decision being made in 2023 with the aim of better equipping Faun for further growth in tablet and capsule manufacturing. During the past year, the strategic decision was finally

implemented through a controlled phase-out of powder products packaged in zip bags and jars, with the last powder production for these formats taking place in December 2024. Powder manufacturing accounted for a turnover of NOK 30.9 million last year, corresponding to 16.8% of total turnover.

Work on formula updates for existing products has continued in 2024, due to ingredients that have been difficult to obtain, have increased significantly in price or changed regulatory requirements regarding permitted amounts of ingredients in a recipe. In total, Faun worked on 10 of these updates during the year, in addition to 44 completely new formula updates.





The following highlights can be noted for 2024:

- External sales exceeded SEK 100 million, which corresponds to an increase of 14%
- Tablet volume increased by over 25%, capsule volume increased by 8%
- One of Faun's key external customers has, as one of the first players in the dietary supplement industry, replaced its plastic caps with cellulose caps. Faun has helped test the new caps until the start of production
- The proportion of source-sorted waste has increased to 67.5% of total waste in 2024 (65% in 2023)
- The sorting of plastic has increased to 7% of total waste in 2024 (5% in 2023)

Faun is subject to the Freedom of Information Act and works closely with suppliers and partners to achieve good policies and improvements. Faun disassociates itself from suppliers, customers or other partners who do not respect individuals' human rights or actively prevent them from being respected. Furthermore, Faun is certified according to FSSC-22000 (food safety), which requires due diligence assessment of suppliers. All suppliers are registered and approved in the company's quality system before they are used, and the approval procedure includes risk assessment and verification of suppliers' compliance with the UN's sustainability goals. Suppliers are audited regularly, with

the frequency determined by the risk assessment for each individual supplier. Information about the company's work in relation to the Freedom of Information Act and associated due diligence assessments is published on the company's website [faunpharma.no/baerekraft](https://faunpharma.no/baerekraft). To read more about Zinzino's sustainability efforts, see pages 35–50 of this Annual Report.

To ensure skill and quality in Faun's production, we focus on structured training, standardised processes and a culture of continuous improvement. Our skilled employees are crucial to ensuring that we deliver high-quality products.

As in previous years, we have had several visits from Zinzino's distributors in 2024. We are proud to show our production lines and our impression is that our guests often appreciate this opportunity. We look forward to welcoming new guests for a tour of the factory in the coming years.



Fredrik Skarnaes Hansen. MD Faun Pharma AS

# It started with a good cup of coffee...



## Zinzino = Inspire Change in Life

- An agreement is signed with Rombouts to make Zinzino the exclusive distributor in the Northern European markets. In May, Zinzino launches the 123 Espresso machine manufactured by the French-Belgian coffee house.
- The Norwegian and Swedish markets are the first to open. The Danish market opens in autumn 2005.

2005



## Office in Sweden's second largest city

- We hire more customer service staff in Gothenburg as we continue to focus on sales growth in Scandinavia.

2007



## A good year for good coffee

- In September 2009, Iceland officially opens as our sixth market.
- Zinzino launches the first semi-automatic machine, which is also the first with the Zinzino name on it.
- The fully automatic SoPod machine is also launched alongside the Zinzino machine.

2009



## A new part of Europe and a new CEO. At the same time

- The Baltic markets: Estonia, Latvia and Lithuania are welcomed into the Zinzino family.
- Zinzino also welcomes Dag Berghheim Pettersen as the new CEO.

2011



## Across the sea and to the stars

- We open for pre-launch in the US with Zinzino's Balance concept.
- Sales begin and an office is opened in Jupiter, Florida, where our US customer service team is housed.
- An incredible growth year. The fourth quarter sees growth of over 100%.

2013

2014

## First we conquered Sweden and Norway – then Finland and the Faroe Islands

- The Finnish market launches in 2006 and becomes our fourth Zinzino country.
- The Faroe Islands are actually part of Denmark, but are opened as a separate market in autumn 2006.



## Preparing to establish more markets

- A new machine, Oh Espresso, is launched in four different colours.
- The new machine is an instant success and sales increase.
- We start up a pre-launch in Iceland.
- Zinzino has now established effective procedures for launching into new markets and the company continues to grow.



## By popular demand, anyone can now invest in our company

- The company is listed for trading on the Aktietorget trading platform. The first two weeks of trading result in an increase in the share price of over 20%. In the autumn, the new Oh Disco machine is launched. It is a small (for 2010) fully automatic machine in modern white with LED lights that change colour.



2010

## A balanced year!

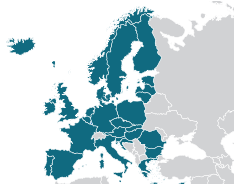
- Zinzino buys 6% of the Norwegian company BioActive Foods AS and gets the exclusive rights to market their products and concepts. This is the beginning of a new era and Zinzino starts its journey towards becoming a wellness and health company.
- The Zinzino Balance concept is born.

BioActive Foods AS

## The bell rings at NASDAQ!

- In October Xtend is launched – our immune product which is designed to renew your skin, increase your energy and improve your leg and joint function.
- In October Zinzino bought 85% of Faun Pharma AS – a modern and fully-equipped factory in Norway with solid experience in product development. It is here that Zinzino will locate its research, product development and production.
- In December we are formally approved for listing on Nasdaq First North.
- Zinzino acquires BioActive Foods AS and is now sole owner with 100% of the shares. The increased control ensures growth and expansion for the Balance concept.





#### Thank you very much! A million times over!

- Faun Pharma AS is ISO9001:2008 certified – a quality certification that ensures high quality goods are produced, opening up new sales channels.
- Zinzino opens for sales of the Zinzino Health products in Germany and Poland.
- Zinzino expands and opens for pre-launch in all EU countries.
- Zinzino Skin Serum with 24-hour formula is launched.
- We reach an important milestone: 100,000 customers!



#### Investing in digital development

- Zinzino launches Hungary and Romania as their own markets after fantastic sales performance in the region.
- Zinzino's Brand Book is launched.
- Zinzino's digital journey continues and to succeed with this, the company invests and increases resources in digital development by over 100%.



#### Expanding globally

- Zinzino moves up to the premier segment of the Nasdaq First North Premier Growth Market.
- Acquisition of VMA Life in Singapore.
- Sales launch in Hong Kong and the Global Distributor Webshop making Zinzino available in 96 countries around the world.



#### Continued expansion

- Zinzino opens for sales in Belgium, Ireland, Luxembourg, Malta, Slovenia and Singapore.
- Launch of BalanceOil Tutti Frutti and HbA1c Test.
- Acquisition of Enhanz IP AG and Enhanz Global AG in Switzerland.
- Launch of a new CMS platform.



#### A year of acquisitions

- Strategic partnership with ACN.
- Acquisition of the assets of Xelliss.
- Start of sales in Serbia and the Canary Islands.
- Letter of intent to acquire Zurvita INC.
- Acquisition of 49% of Cleanthi Alpha-Olenic LTD.
- Launch of the new product Collagen Boost.

2015

#### One of the 25 largest and most traded companies

- Zinzino increases its ownership of Faun Pharma AS in 2015 by 13.8% and now owns 98.8% of the company.
- The espresso machine Ek-Oh was launched.
- Zinzino Coffee is launched as its own brand.
- Zinzino LeanShake is launched – a new Zinzino Health product.
- Zinzino becomes one of the 25 largest and most traded companies on Nasdaq's First North and thus qualifies for the "First North Top 25".
- Zinzino opens up for sales in Canada.



2016

2017

#### Increased growth and focus on e-commerce

- Zinzino BalanceOil Vegan is introduced – new product in the Zinzino Health segment.
- Zinzino Viva is launched – new product in the Zinzino Health segment.
- Launch of the GoCore training app.
- New payment solutions for Germany via GiroPay and SEPA direct debit.
- Zinzino welcomes Geir Smoland as the new CEO of Faun Pharma.



2018

2019

#### First financial report according to IFRS

- The company's Q1 report in 2019 was the first financial report in which Zinzino changed regulations from K3 to IFRS.
- Zinzino opens a Global webshop to reach customers worldwide.
- Focus on social media and a new concept in Recognition
- New partnership in the North American market with Life Leadership



2020

2021

#### New testing concept for vitamin D

- Zinzino opens for sales in Malaysia, Taiwan and South Africa.
- Launch of ZinoGene+, Vitamin D Test, and ZinoShine+.



2022

2023

#### One million tests performed

- Zinzino opens for sales in Turkey and Mexico.
- 1,000,000th test performed at zinzino.com



2024

2025

#### The journey to 1 million customers continues

# Interview with Sven & Audrey Goebel

Sven and Audrey Goebel made history by becoming the fastest to achieve the Elite President rank in Zinzino. With over 65,000 customer subscriptions achieved in just two years, their rise has been fueled by strategic excellence, deep conviction, and a relentless commitment to empower others. Their story is a powerful reminder of what's possible when passion meets purpose – and a shining example of leadership, partnership and vision at its best.

**You have been a network marketing professional for more than 30 years. How and when did Zinzino become a point of interest to you?**

**Sven** Over the past three decades, I've had the privilege of working with and mentoring thousands of people in this profession across the globe. I've seen what works, what lasts and what fades. When I came across Zinzino in 2022, I felt something I hadn't experienced in a long time, it was clarity. A company that was not only growing but doing so with integrity, transparency and a powerful customer focus. Zinzino stood out because it is customer-verified, not just partner-driven. In an industry often criticized for inflated numbers and hype, Zinzino offered a solid, ethical foundation built on measurable results and long-term customer retention. This was something I could stand behind – not just as a network marketing professional, but as a human being with values. When I dug deeper into the scientific foundation, the product efficiency and the infrastructure behind the scenes, it became clear: this was a once-in-a-generation opportunity to help build a global player that would define the future of our profession.

**Audrey** As a woman, mother of three boys and an entrepreneur, I'm happy to have the freedom to support my family while doing what I love. With over 30 years in the beauty industry, I've always believed in a holistic approach. From co-creating the HANZZ+HEIDI skincare brand to now fully embracing Zinzino's Balance concept, I've seen how deeply health and beauty are connected. When our body is in balance, it shows; in our skin, with our energy and our mood. We all want to feel healthy, look radiant and glow from the inside out. With Zinzino, we're helping thousands of people not just improve how they feel, but also how they look, by addressing the root cause: imbalance. The ability to create real, proven results and even reverse signs of aging, makes this work deeply fulfilling.

What also drew us in was the leadership culture. The authenticity and vision of Hilde and Ørjan Saele immedi-



Sven och Audrey Goebel

ately stood out to us. They are servant leaders in the truest sense. Under the strategic and heart-led guidance of CEO Dag Bergheim Pettersen, we felt we had found not just a company, but a home.

**Tell us about your transition into becoming a Zinzino Partner. What was different, challenging, intriguing...?**

**Audrey** Transitioning into Zinzino was both exciting and humbling. We were seasoned professionals in the industry, but this was a new chapter. What impressed me right away was the strength of the infrastructure; marketing, tools, systems, IT and a truly global, professional setup. Zinzino is built to scale and as a businesswoman, that gave me confidence. What really made the difference emotionally was the sense of alignment. Here, we are part of a like-minded community, united by a mission. We're not just selling; we're transforming lives through better health. That's a vision I feel deeply connected to.

**Sven** What was truly unique about Zinzino was how well it blended product credibility with business integrity. The transition wasn't without its challenges. We were starting fresh in a new environment, building new relationships and driving a new, powerful compensation model, but we embraced it fully. Within less than three years, we built one of the fastest-growing teams in Zinzino history, crossing over 65,000 customer subscriptions with over 85% coming from real customers, not just partners. That's a testament to how solid this business model is. Zinzino makes it possible to build a business with depth, sustainability and ethics.

**You set a great example of how to inspire change in the lives of others, not just your own. Is there anyone or any moment that you are particularly proud of?**

**Sven** There have been many special moments. But what moves us most is seeing people find themselves again. This business gives people the tools to reclaim their confidence, their health and their sense of purpose. Whether it's a team member stepping into leadership for the first time or someone finding new hope after years of feeling stuck. Those moments matter and we're incredibly proud of the culture that's emerged from our team. It's a culture of values, vision and support. We didn't build this to be fast; we built it to last. To witness how that vision is now duplicated through hundreds of emerging leaders is a very rewarding experience.

**Audrey** It's the people that make this journey so meaningful. I see men and women stepping into their power; not just financially, but emotionally and spiritually. They become role models in their families and communities, they begin to dream again. Being part of this movement, building alongside servant-hearted leaders like Hilde and Ørjan Saele and being guided by a visionary like CEO Dag Berghheim Pettersen; it's a gift. Their leadership has inspired us to reach higher and lead with more compassion and purpose than ever before.

**To succeed in direct selling today, offering a strong, validated product is key. What are your thoughts on Zinzino's portfolio of home health tests as game changers to prove, in writing, that our supplements work?**

**Audrey** Zinzino's test-based concept is revolutionary. The ability to measure your health before and after using the products isn't just innovative; it's empowering. We're not offering vague promises; we're offering measurable, visible transformation. In a world full of marketing noise, proof cuts through everything. For women in particular, who are so often balancing families, careers, and self-care; this kind of clarity is gold. It's no longer about guessing what you need. With Zinzino, you can see what's happening in your body and take action. That's true empowerment.

**Sven** These tests are the differentiator. They're what elevates Zinzino from a wellness company to a science-driven global movement. When people see the impact, when they hold those lab results in their hands, it builds unshakable belief. This not only helps customers but gives partners confidence. It changes the conversation from selling to serving. It builds trust, retention and advocacy. That's why we've seen such explosive growth, with customer loyalty that most companies in this business can only dream of.

**You represent the image of a network marketing power couple. What is your secret to building a lasting, successful business with a life partner?**

**Sven** There's no secret, but there is alignment. Audrey and I have always been united in our vision: to live a meaningful

life while making a difference. We bring different strengths; Audrey leads with heart, creativity, and intuition while I bring structure, strategy and focus. Together, we support and challenge each other to grow. We treat our business as an extension of our relationship, our family. We build with mutual respect, shared goals and the willingness to listen and adapt.

**Audrey** We also prioritize joy. We ski, we travel, we explore – we live! Zinzino has given us the freedom to grow even further as a couple, as a family and as individuals. That balance between business and life, stress and harmony, is priceless. Freedom, health, growing together and living life on our own terms, that's what this business has given us. To be part of a bigger vision with a like-minded community of leaders and friends is more than a business; it's a gift.

**Finally, what is your message to anyone who is unsure of the direct selling profession and the business opportunity Zinzino is offering?**

**Sven** Skepticism is understandable, but don't let outdated beliefs close the door to an extraordinary opportunity. Zinzino isn't just another direct selling company; it's a new standard for our profession. Science-based, result-driven and customer-first. The model is scalable, the timing is perfect and the leadership is rock solid. In just two years, we've witnessed growth and impact we didn't think was possible, and we're just getting started. We're incredibly excited about the potential to tenfold this company within the next few years. The foundation has been laid, now it's about multiplying the impact, globally. Another major differentiator is the shareholder programs. Zinzino gives partners the opportunity to participate in wealth creation, not just through commissions, but through ownership. That creates loyalty, pride and a strong sense of inclusion. It's not just "their company", it becomes our company.

**Audrey** The real gift of network marketing is freedom; time-wise, financially, and personal. It's about growth, impact and community. In Zinzino, we're surrounded by inspiring people who are building lives on their own terms, choosing health, happiness and contribution. If you're looking for a way to grow, give back, and live freely – this is the place. You don't need to be perfect, you just need to start.

# Zinzino's product range

## Omega-3

Zinzino Balance products contain natural sources of omega-3 (EPA and DHA) from fish or microalgae, as well as extra virgin olive oil rich in antioxidants from polyphenols. This combination supports heart, brain and immune function and helps restore the body's omega-6:3 balance within 120 days. BalanceOil+ is the foremost product in this category.

## Immune

Our immune-boosting supplements contain products with essential vitamins, minerals and other bioactive nutrients that also promote muscle and joint health, reduce fatigue and contribute to a well-functioning body.

## Weight control

Zinzino's dietary supplements for weight control are designed to make it easier to lose weight, build muscle or provide a simple and convenient meal replacement. The products are low in sugar and high in protein and fibre providing a long-lasting feeling of fullness.

## Gut health

Dietary supplements that contribute to a healthy gut flora currently consist of the dietary fibre blend ZinoBiotic+, which contains a unique mix of eight different prebiotic fibres that together promote a balanced, diverse gut flora and facilitate digestion and intestinal function.

## Dietary supplements for the skin

This product range consists of dietary supplements that provide specific nutrition for the skin. Collagen Boozt was launched, a bioactive marine collagen supplement enriched with hyaluronic acid and pre- and postbiotics to balance the gut flora, stimulate collagen production and restore the skin's natural elasticity and fullness.



BalanceOil+ is available in the Omega-3 product group.



ZinoBiotic+ is available in the Gut Health product group.



Collagen Boozt is available in the Skin Supplements product group.

# Zinzino's product range

## Recovery

This category of dietary supplements is intended for recovery and contains a carefully balanced blend of vitamins, minerals and phytonutrients, including natural extracts. The products are designed to help restore normal muscle function, reduce symptoms of fatigue and exhaustion, strengthen the immune system and the body's overall nutritional balance.

## Tests

Zinzino's home health tests lay the foundation for a personalised nutritional strategy with dietary supplements and provide insight into the individual's fatty acid balance, vitamin D levels and long-term blood sugar (HbA1c). The tests are analysed confidentially by an independent laboratory and the results are used to identify nutritional gaps in the diet, provide tailored recommendations and prove the health benefits of the products by tracking how the body responds to the supplements.

## Skincare

This category includes Zinzino's Skin Serum for a complete 24-hour skincare routine and our exclusive biotech skincare products from HANZZ+HEIDI. The products deeply moisturise, improve skin elasticity, reduce fine lines and wrinkles, and strengthen the skin by stimulating the rebuilding of collagen and elastin.

## Coffee

Zinzino's range of coffee products consists of various premium blends of Arabica and Robusta beans, as well as a selection of espresso machines and accessories. The products are designed to deliver café-quality coffee in your own home.



Viva+ is in the Recovery product group.



BalanceTest, Vitamin D Test and HbA1c Test are in the Tests product group.



Skincare products from HANZZ+HEIDI are available in the Skincare product group.

# Zinzino 2024 Sustainability Report

This sustainability report is divided into two parts: an introduction where we briefly tell you about Zinzino as a company, our business model and how we work with sustainability. This is followed by the second part where we go into some examples of how we work with social, environmental and economic sustainability.

## About Zinzino

Zinzino is a global direct sales company from Scandinavia specialising in test-based, personalised food supplements and scientific skincare. The company was founded in 2007, and the Group currently employs around 220 people of 40 different nationalities at its headquarters in Gothenburg, Sweden, its production unit Faun Pharma AS in Norway and smaller service offices around the world. In addition to these, Zinzino has approximately 20,000 direct sales distributors in the field promoting the company's business opportunities and health products in over 100 markets around the world.

## Why do we work on sustainability?

Sustainable working practices are in our nature. We live in a time where everything is about being able to quickly change and adapt to new conditions. The issue of climate is becoming increasingly acute and sustainable working practices are necessary to contribute to a healthy society and the survival of humanity. These new times also mean new business opportunities, and the issue of sustainability is currently separating the wheat from the chaff in the business world. To future proof your business, your relationships and your reputation, you need sound and modern core values that set a clear direction and show who you are, what you do and why. It is no longer just consumers who are increasingly demanding transparency to determine whether the brand's values match their own. Employees, investors, the sales force and suppliers all want to make sure that the companies they represent practise what they preach, follow their objectives and commitments. Zinzino works with products whose main ingredient must be extracted by carefully designed, sustainable methods to protect our oceans and we operate in a high-profile, scrutinised industry with outdated perceptions that mean our business model is often questioned. We represent change and want to disrupt the status quo. We are well equipped to do business today as well as tomorrow, and we can manage the leading role we have chosen in our market and the trust we have earned in our nearly 20 years of operation.

## How do we demonstrate our sustainability efforts?

A business model that is in tune with the times will hold in the long-term. We work with preventive and lasting health in an industry where perseverance and the ability to see the bigger picture are crucial to success. Long-term, visionary innovation is not only timely, it's an ingrained value that has been part of our company's nature since the beginning. We decided from the beginning that we wanted to be a player to be reckoned with and to act as a role model to take our industry and working practices into the future. We therefore made the choice right from the start that signalled a clear position in direct sales.

Our mission since day one has been to become the most customer-oriented direct sales company in the world. We put it into practice by offering a reasonably priced product that is of real benefit to a wide range of the population and by rewarding our external sales force for their work in expanding our base of end customers first and foremost. This is our ultimate contribution to creating sustainable direct sales and promoting the deep relationships, shared interests and values that form the core and engine of our culture. That's why Zinzino's core values are imbued not only with a visionary, customer-centred and long-term focus, but also with the importance of growing through change, building trust and confidence, standing by what you say and practising what you preach. We have made an active choice to always surround ourselves with people who want to do good, not just for themselves. Our goal has always been that the work we do should also benefit the society we live in without putting unnecessary strains on our environment. These core values have created crucial guidelines for the company's positive performance in recent years as one of Europe's fastest growing direct selling companies. These are prerequisites for Zinzino to continue to operate with stable and sustainable growth that strengthens both the company's customer base and reseller channels while establishing a lasting, global presence that currently extends over more than 100 markets.

## Sustainability promise

Our sustainability promise:  
For a healthier future today

**We provide the facts, insights and solutions needed to make life better. For good.**

- Zinzino wants to promote sustainable health and well-being on a global level and has a clearly defined goal of becoming a world leader in preventive health. A solution-oriented venture that is exclusively based on helping to create the right individual conditions that enable long-term investment in the future and change lives for the better today.
- Since its inception, Zinzino has led the way in the direct selling industry, advocating open, long-term and honest business practices as keys to lasting success. The company's shares are listed on the Nasdaq First North Premier Growth Market, which also requires total transparency in everything we do. An approach that builds trust and confidence, which for us is the only sustainable way forward. To ensure that we practise what we preach and follow our business ethics guidelines, we have a whistleblower policy within the company, which means that anyone can report misconduct or violations at any time completely anonymously.
- Zinzino operates in a visionary industry known for its ability to quickly adapt to new conditions and anticipate and drive major trends. Our relationship-based business model was established at the turn of the last century and is now recognised as one of the world's most sustainable methods of marketing products and services. Our model is based on individual meetings between people and is therefore ideally suited to take the ground-breaking steps required to spread the new health trends and establish the future of personal health and nutrition. Our range of scientifically proven, all-natural dietary supplements consistently breaks new ground in the field.
- We are among the first in the market to offer external validation that our work is making a difference with proof of concept built into our product range. We base all our product development on deep knowledge and insights from a scientific advisory board and an independent world leader in dry blood testing, and we conduct ongoing evaluations to ensure the viability of our offering. In 2023 a major milestone in Zinzino's history was reached when the 1,000,000th test was completed on [zinzinotest.com](https://zinzinotest.com), meaning that we now have one of the world's largest libraries of facts about essential fatty acids that support our product philosophy.
- Our Scandinavian, natural origin with roots in Norway makes carefully selected, all-natural ingredients an obvious choice for us. We are certified by Friend of the Sea, we were the first on the market to offer vegan

Omega-3 and we monitor every detail of the manufacturing process to ensure that all of our products are GMP certified and free of toxins and GMOs, sugar, soy and gluten.

## Scope and limitations

Zinzino's sustainability reporting covers issues related to environmental and economic sustainability as well as social conditions, the company's employees and respect for human rights and combatting corruption.

This report is based on Zinzino's own assessment of which parts of its business have a significant impact on society, the economy and the environment. This report therefore presents our overall sustainability efforts in our two business segments, Zinzino and Faun, and includes all active companies within the Group as detailed on page 4. The Board of Directors is responsible for the sustainability statement and the sustainability report, which is included in the annual report in accordance with the Annual Accounts Act on pages 35–50. The sustainability report describes our business model and framework for our sustainability efforts, our approach to social relations and employees, human rights and anti-corruption.

New EU directives on how companies are to account for environmental and social sustainability factors in a sustainability report may affect Zinzino's work going forward, and training on European legislation on sustainability reporting, CSRD (Sustainability Reporting Directive), will take place on an ongoing basis during 2025.

## Sustainability policy & governance documents

Zinzino's overall policies are critical to achieving our sustainability goals. To provide overall direction of our sustainability efforts, we have a policy document that serves as our governance document for Zinzino's commitment and strategy in all areas of sustainability. Our policies and standards are based on recognised initiatives where possible and relevant to international standards.

## Liability

Zinzino's sustainability efforts are well embedded in the organisation and are conducted at many different levels. The overall responsibility lies with the company's Board of Directors, which, among other things, makes decisions on sustainability goals and policies. The CEO and Group management are responsible for and lead the strategic sustainability efforts. Group management is also responsible for allocating resources for the sustainability efforts. The organisation works on several different issues, depending on the focus of the business or project, but the ambition is always to highlight the sustainability aspects in both external and internal projects.

## Dialogue with stakeholders

Zinzino's sustainability efforts are carried out in close cooperation with our key stakeholders and based on areas that the company considers important. We are constantly working to strengthen these areas of interest by maintaining an active and ongoing dialogue with all stakeholders, the most important of which are listed below.

### *Partners*

The global external sales force of independent distributors and self-employed individuals who share knowledge and interest in our brand and products through their private networks and forums.

### *Customers*

End consumers who benefit from our collective experience, expertise and cutting-edge products.

### *Owner*

The company's shareholders who invest in our mission, vision and ability to promote personal health into the future.

### *Employees*

The company's employees around the world whose skills, drive and expertise are key to our enduring success.

### *Suppliers*

The carefully selected partners around the world who help the company develop our products and grow our business.

## Ethical affairs

Our Code of Conduct, Business Ethics Guidelines and Values describe Zinzino's commitment to maintaining high ethical standards when acting in the marketplace and doing business. We require each individual employee, distributor, suppliers and all other business partners to maintain the same high level of zero tolerance for corruption, conflicts of interest and compliance with the competition law regulations. We have zero tolerance for corruption and bribery in all markets in which we operate, whether in Europe, Africa, North America or the APAC region.

The Business Ethics Guidelines and Code of Conduct are adopted annually by the Board of Directors and are included in the distributor agreements. In these agreements, we stress that breaches of the Business Ethics Guidelines may lead to labour law and criminal penalties and termination of partnership.

## Strategy – Focus areas

Zinzino has identified 6 of the 17 UN goals where we can make a significant contribution. We have developed our strategic focus areas and our sustainability promise and focus our efforts on projects and initiatives to support these goals.

To further strengthen our contribution to a sustainable planet, our strategic plan is to make active financial investments in sustainable funds and companies whose mission is to improve life at sea and on land. We are also evaluating the possibility of financially supporting companies working with sustainable technologies and climate-friendly, CO<sub>2</sub>-neutral solutions.



## Sustainable consumption and production

### Natural ingredients

Our goal is to use natural ingredients wherever possible in our formulations and products. The objective is based equally on widely researched and reported measurable health benefits to the consumer in terms of their health and because of the reduced environmental impact and sustainability of natural versus synthetic ingredients. By adopting a strategy that prioritises natural over synthetic ingredients, we support and encourage farming communities all over the world and therefore promote environmental diversity and lower carbon emissions. A commitment to sustainable agriculture is also a promise to help improve how the future of food production will take shape in the coming years. As the global population increases, food supply practices that are consistent with climate concerns, ethical considerations and the pursuit of health and well-being should be a top priority, and we take these issues seriously. Indeed, they drive the culture of everything we strive to achieve.

By deriving the vitamins and minerals we need for our product formulations directly from raw material, we also reduce the demand on the chemical industries that produce synthetic equivalents, thereby further contributing to a measurable reduction in carbon emissions. There is also a direct health benefit to prioritising natural over synthetic ingredients, and this relates to the metabolic and systemic improvement that natural vitamins and minerals exhibit over their synthetic equivalents. Dietary supplements that act more like health foods have been shown time and again to better address nutritional deficiencies and provide better health outcomes, especially those related to disease prevention, weight management and mental health.

When it comes to the fish oil we use in our products, we only work with Friend of the Sea certified fishing organisations, and we also have our own Friend of the Sea certification as an organisation. From the initial catch to the processing and bottling of the fish, we use only the most ethical and sustainable practices.

Our approach to the ethical behaviour and sustainability of fishing practices is a non-negotiable position, and the important climate and ecological issues are at the heart of our vision. With over 8 billion people now living on the planet, finding more efficient ways to meet the world's essential nutritional needs are paramount. We need to use 21st century food technology to create more with less, to preserve what we can while continuing to optimise human health and build a sustainable food heritage for future generations.

### Faun Pharma AS – Zinzino's own production unit

Faun Pharma AS is a Norwegian company founded in 2001 and owned by Zinzino since 2014. Faun is a reliable manufacturer of dietary supplements in the form of tablets, hard capsules and bottled oils and produces for Zinzino as well as external customers. Faun strives to run a responsible production where resources are used wisely and to reduce the company's environmental footprint, continuous improvement efforts are undertaken. Annual action plans have been drawn up to reduce the company's impact on the external environment. These are linked to Faun's overall sustainability goals:

- Offer and facilitate the use of more sustainable product packaging for Faun's customers
- Reduce the total amount of waste
- Increase the proportion of source-separated waste so that the company complies with EU regulatory requirements at all times
- Reduce energy consumption

In 2024, Faun achieved the following improvements, including:

- One of the company's key customers is one of the first players in the dietary supplement industry to replace the plastic caps on one of its high-volume products with caps made from cellulose. Faun has assisted in testing the new caps until the first successful production
- The proportion of source-sorted waste has increased to 67.5% (65%) of total waste volumes
- The proportion of plastic sorting has increased to 7% (5%) of total waste volumes

## Products and product development

Zinzino has its own in-house team of nutritional experts, and we collaborate weekly and monthly with our scientific advisory group, all of whom hold key positions at university institutes of higher education, clinical organisations and scientific laboratories. Objectivity is at the heart of everything we do, as is addressing real nutrition-related health issues. We are confidently positioned at the forefront of preventive health, and the task of our team of experts is to identify real health problems and then develop a solution for dietary supplements.

Our strategy is guided by strict scientific principles, and our approach to supporting and empowering the global population to live better is through test-based health foods. We develop the best dry blood spot (DBS) analysis procedures in collaboration with Vitas Laboratories in Norway, to enable people to gain an objective and reliable insight into issues directly related to their dietary health.

To date, we have launched and provided the Balance Test, a test that quantifies an individual's blood lipid profile, reveals the status of their essential Omega-3 levels, and then provides a unique Omega-3 product that measurably corrects any observed deficiencies within approximately 120 days (on average, as observed in our database of over 1,000,000 independently and anonymously analysed samples). In addition to this range of DBS tests, we offer the Vitamin D DBS test, which provides clinically and research relevant and accurate data on a person's vitamin D status. Vitamin D deficiencies are associated with multiple aspects of immune system impairments, and by enabling personalised insight, we place people in a position to make informed decisions that directly impact their health outcomes. The latest in our current list of analysis options is our HbA1c test, which we launched in 2022. This blood sugar analysis offers a proactive step to counter the global pandemic of type 2 diabetes, as well as other associated diseases such as obesity and metabolic syndrome. Currently, there are over 430 million people worldwide living with type 2 diabetes, and an estimated 38% of all US adults are pre-diabetic. By 2030, current epidemiological estimates predict that over 650 million people will be living with a type 2 diagnosis. Type 2 diabetes is a lifestyle disease and is completely preventable in the vast majority of cases. Our belief is that by allowing people to assess their blood sugar levels, we can help them to pre-

vent it, completely reverse the problem if they turn out to be pre-diabetic and best manage the symptoms if they are currently diabetic. Our mantra is simple: prevention is the cure.

When developing a new dietary supplement product, we always focus on the quality of the ingredients, the measurable and (research) verifiable difference they can make for health and well-being, and how they work in addressing a real issue. Our firm belief is that by promoting and inspiring better health worldwide, we are making the best possible contribution to sustainability, by helping the world get better and live better.

### Coffee capsules

Zinzino's journey once started with coffee as a product offer and even though coffee is no longer our main product, in some parts of the world we still offer a high-quality coffee range from the Rombouts coffee roastery, a tradition-rich roastery founded back in 1896 in Antwerp, Belgium.

Rombouts coffee capsules are made entirely of paper, are naturally biodegradable and can be easily composted, and the coffee grounds can be reused. All cardboard packaging has an FCS stamp showing that the cardboard comes from a sustainably managed forest.

Rombouts is continually working to minimise its environmental impact and to produce more sustainable and ethical products. More information about Rombout's sustainability work is available at [www.rombouts.com/gb\\_en/sustainability-policy](http://www.rombouts.com/gb_en/sustainability-policy).

### Plastic production packaging (PET)

Every year Zinzino produces thousands of bottles, boxes and packaging materials to meet the demand for our growing product range. We carefully select our suppliers for ingredients, packaging, printing and logistics and have chosen to use plastic bottles (PET) for our product packaging.

### Recyclable plastic packaging

Zinzino currently uses PET plastic for our plastic packaging, which is a useful, stable material with a low weight and transparent appearance, which makes it suitable for displaying food products. Another advantage of PET is that up to 100% of the plastic can be recycled and reused in new products. By using circular products, we can contribute to the reduction of littering, especially of plastics in nature.

Our main supplier Lysi Hf in Iceland is a proud co-founder of Pure North Recycling, a project that aims to inspire Icelandic companies to recycle plastic and reduce their carbon footprint. These recycling methods are completely unique, and all plastic is recycled into plastic pallets using only geothermal and other environmentally friendly energy.

## Plastic packaging for a lower climate footprint

We work closely with our suppliers on all our packaging to constantly review alternatives and choose the most environmentally friendly products where possible and that meet our requirements to keep our products fresh. Glass has many positive properties, but compared to plastic, glass is generally worse for the environment when considering the entire life cycle of the material, especially when it comes to food packaging. Manufacturing and shipping together mean that glass requires more energy and water, which directly increases its carbon footprint through increased carbon dioxide emissions. From an environmental perspective, glass is not a better alternative at this point in time than the plastic Zinzino currently uses.

In one of Zinzino's previous acquisitions, parts of their product range were produced in glass packages. As we are constantly reviewing opportunities to improve the entire production and delivery chain, our continuous improvement work in 2024 has resulted in one of these product packages being replaced with plastic that is almost half the weight (-48%) of the previous glass packaging. Plastic packaging is lighter, uses less energy during the manufacturing process and has a significantly lower carbon footprint during shipping, which also reduces production and delivery costs. The work to phase out all glass bottles will continue in 2025.

## Marketing and digitalised tools

Well-designed marketing materials are important to Zinzino. Used effectively, marketing materials have a significant impact on Zinzino's performance through things such as increased brand awareness, improved customer commitment, increased sales by communicating the benefits of Zinzino's products and competitive advantages through, for example, a well-designed brochure or website to help communicate Zinzino's unique value proposition and differentiate Zinzino from potential competitors.

Zinzino currently offers marketing materials in printed as well as digital form. In today's digital age, where digital media has revolutionised the way we communicate, printed material still has a valuable role to play, both printed and digital marketing materials fulfil their respective functions, which is why we constantly strive to reduce our climate footprint when it comes to marketing materials.

Since 2022, we have been focusing primarily on our digital tools to work more resource-efficiently, both from a financial perspective and for our employees and the environment. We strive for a long-term approach in order to increase the lifespan of all printed material and to avoid discarding material, QR codes are included on printed material, which offer many advantages through quick access to our websites, where up-to-date information is always available.

Using digital tools to a greater extent offers several advantages and is more cost-effective, as digital material can be created and shared online at a relatively low cost.

We reduce the purchase cost of printing materials such as cardboard and paper and save on transport, which in turn affects environmental emissions. By using more digital tools, we reduce our environmental footprint and demonstrate our commitment to sustainability.

## Eco-friendly printing materials

Zinzino's sustainability requirements reflect those of our Swedish suppliers. All printed material is handled via the head office in Sweden and our Swedish suppliers are at the forefront of sustainability efforts. We therefore believe that we can be confident in our selection and continue to collaborate with already contracted print suppliers.

95% of all printed marketing material is produced by our Swedish suppliers as we see that Swedish printers are generally better at working with sustainability. Our largest supplier by far has a solid environmental approach and a good degree of maturity where they have worked actively with sustainability since 2011. The remaining 5% consists of printed material where there is an acute shortage or where, for other reasons, we cannot wait for material to be sent from the head office. This means that some printing can be done locally. This happens, for example, in the US, where the printers we use work with sustainability and environmental issues in terms of environmentally friendly printing, paper and energy efficiency.

In Singapore, Malaysia and Hong Kong, local printers are used only when absolutely necessary and in very small and limited quantities. Instead, we encourage and incentivise both partners and customers to use our digital brochures to avoid local print material as much as possible.

## Global differences in work practices

How printers work with sustainability varies depending on the country in which they are located. As we closely monitor our suppliers, we can see that there are ongoing activities aimed at improvements from an environmental and sustainability perspective even at those printers that have not made as much progress as Sweden. Using smaller local printers in other parts of the world may therefore mean that the supplier of printed material does not work actively with environmental and sustainability issues. We therefore see a risk that in those parts of the world where sustainability has not come as far on the companies' strategic agenda, we use local printers that don't have sustainability and environmental policies. To ensure that the material is produced in an environmentally friendly way, all printing is controlled from the head office, and we encourage the use of our digital material, which is always updated and easily accessible to all internal employees as well as independent partners.

## Transport

The combustion of fossil fuels is the largest contributor to the greenhouse effect in the world and shipping has a major impact on the climate through its greenhouse gas emissions. Globally, the transport sector accounts for 13% of all greenhouse gas emissions. Zinzino is working hard to reduce our carbon footprint in terms of transport.

### **Deliveries every two months – no unnecessary shipping**

Every month Zinzino sends around 100,000 (80,000) packages per month around Europe, Asia, North and South America. In order to facilitate both our customers and our planet, we have created a subscription model for our products. In order for our products to do their job in the body, the dosage of our products is based on use over a period of at least 6 months. During this period, each customer receives a delivery every two months with a refill of products, as the products are used. By delivering every two months, we reduce our environmental footprint through sustainable consumption where we reduce waste and minimise the number of transport deliveries and thus also freight costs.

Since 2022, our products are sent as 'Varubrev' in Sweden with Postnord and our Swedish customers now receive their deliveries directly to their mailboxes. In addition to being a good service, it has a lower environmental impact. The shipment is sent together with Postnord's regular postal service, which means that we reduce the number of deliveries, and that the car-dependent customer no longer needs to go to a package collection point but can instead leave the car behind.

Zinzino operates in the global arena and has customers all over the world. To be energy efficient, we send products in large batches to our logistics centres around the world. From there, products are picked and sent to customers in local markets. In this way, our shipping is most efficient, as the shipping distance for each individual product is shorter.

### **Transport providers**

To transport all products, Zinzino uses PostNord, Deutsche Post, UPS, Bring, GLS, DHL and Posti. These are some of the world's largest logistics and postal operators, all of which work actively to reduce emissions, including using environmentally friendly vehicles and optimised route planning to reduce the environmental impact.

Of Zinzino's 26 global shipping providers, all have a visible sustainability strategy that they are working towards. The providers' internal requirements in terms of environmental impact and sustainability are often higher than the applicable legislation in the respective market. Two providers have not provided feedback on their current sustainability policy as of the reporting date, but this does not exclude the possibility that they are also working actively with sustainability.

## 3PL Centre

Zinzino works with 6 different 3PL providers around the world. Of these, 5 work based on an explicit sustainability strategy.

### **No standard for measuring climate footprint**

One difficulty in measuring and monitoring Zinzino's climate footprint for transport is that we use a number of different carriers. There is currently no common standard for calculating, for example, CO<sub>2</sub>-emissions. Our carriers have chosen different ways of calculating based on the models available on the market, which makes it difficult for us to monitor Zinzino's footprint.

However, the majority of our carriers are actively working to reduce their environmental impact, including replacing fossil-driven vehicles with environmentally friendly alternatives. In areas where they do not operate themselves, they place high demands on, e.g. modern machinery and vehicle fleets. However, there is a risk of some negative climate impact caused by fossil fuel-driven freight transport or fossil driven energy use in areas where renewable energy is not available.

## Sea and marine resources

As a leading manufacturer of Omega-3 supplements, Zinzino takes great responsibility for ensuring and maintaining sustainable fishing practices. Our BalanceOil+ is a range of Polyphenol Omega supplements manufactured by LYSI Hf, one of Iceland's leading fish oil producers which is actively working to ensure sustainable fishing and high-quality products.

### **Friend of the Sea**

Zinzino has been a certified member of Friend of the Sea since 2018. This is the leading global certification standard for products that respect and protect the marine environment. The criteria for sustainable nutraceutical products require carefully controlled origin of fish oil and fishmeal ingredients, traceability and social responsibility. This membership enables us to provide third-party assurance to our partners and customers worldwide and to demonstrate that all our suppliers fulfil the current criteria.

### **Sustainable fishing**

Our producer Lysi, like Zinzino, is certified by Friend of the Sea. They actively work to ensure that the fish they harvest the oil from comes from sustainable fishing in authorised areas to prevent overfishing. They focus on minimising food waste by making full use of all raw materials from the fishing industry and only use fish that are not listed as endangered species, primarily from short-lived, wild-caught small pelagic

The table below shows CO<sub>2</sub> per package for the Nordics and Baltics

2024

Market	Supplier	Type of delivery	Number of packages	Total shipping weight kg	Kg CO <sub>2</sub>	Average kg CO <sub>2</sub> per kg shipping weight	Change in CO <sub>2</sub> 2024 vs 2023
SE	PostNord	Package	48,188	125,670	3,264	0.026	-1.4%
SE	PostNord	'Varubrev'	42,576	24,659	1,391	0.033	-37%
NO, DK, FI, IS	Bring	Package/'Varubrev'	96,293	134,440	22,700	0.236	47%
EE, LT, LV	Posti	Package	62,661	101,292	9,370	0.150	-54%
<b>Total</b>	-	-	<b>249,718</b>	<b>386,061</b>	<b>36,725</b>	<b>0.011</b>	<b>-7.9%</b>

2023

Market	Supplier	Type of delivery	Number of packages	Total shipping weight kg	Kg CO <sub>2</sub>	Average kg CO <sub>2</sub> per kg shipping weight
SE	PostNord	Package	39,148	98,077	2,583	0.026
SE	PostNord	'Varubrev'	47,909	21,607	1,132	0.052
NO, DK, FI, IS	Bring	Package/'Varubrev'	128,097	142,310	22,902	0.161
EE, LT, LV	Posti	Package	61,218	98,959	32,220	0.326
<b>Total</b>	-	-	<b>276,372</b>	<b>360,953</b>	<b>59,218</b>	<b>0.141</b>

fish such as sardines, anchovies and mackerel. The oil undergoes a refining process to remove any environmental contaminants and is free of heavy metals, PCBs and other toxins. We check every detail of the manufacturing process to ensure that all our products are GMP certified and free of toxins, GMOs, as well as sugar, soy and gluten.

Lysi Hf meets all regulatory quality requirements for food and medical products and is GMP certified for food and pharmaceutical products. The fish oil in BalanceOil+ complies with strict EU rules on environmental contamination, EFSA and FDA regulations and other stringent regulations around the world.

## Vegan Society

In addition to fish oil, vegan options are an integral part of our assortment. BalanceOil+ Vegan with marine micro-algae is the first bio-alternative to traditional fish oils on the market today, certified by The Vegan Society.

Zinzino's product development team is working to develop additional vegan alternatives to complement fish oil in order to contribute to the preservation and sustainable use of the oceans and marine resources, while offering high-quality products.

## Energy

All energy use has an impact on the environment and energy is used in all areas of society, particularly in industries, buildings and transport. Energy use affects the environment through greenhouse effects, air pollution, acidification and eutrophication.

## Hydropower – a natural cycle

Hydropower causes almost no greenhouse gas emissions; it is renewable because the water is not consumed but constantly returns in the form of precipitation and can be used again. However, a negative consequence of hydropower is that the reservoirs built to store water change the local landscape in the water area and can affect habitats and thus the biodiversity of our waterways.

Zinzino is primarily a service company with offices in Sweden and a number of smaller offices around the world. Our energy consumption consists mainly of heating and operating electricity, i.e., electricity for operating ventilation, lighting, office equipment, etc. Our total energy consumption contributes to the total global energy requirement and to reduce our environmental impact, we use almost exclusively hydropower as an energy source. Neither do we use any coal or gas power plants and use heat recovery in our ventilation system.

Manufacturing companies usually have higher energy consumption compared to service companies. This is because manufacturing itself involves complex processes that require large amounts of energy to run machines, operate assembly lines and other equipment. Our production unit Faun Pharma AS in Norway uses only hydropower as its energy source, which has the least environmental impact even though the consumption itself is higher than that of the offices.

We see a risk that less environmentally friendly energy sources could be used in offices outside Sweden. The ability to influence which energy source is used can vary depending on the country and also how the leases for our offices are structured. Although access to hydropower is very good in both Sweden and Norway, two of the nations that use and produce the most hydropower in the world, access to hydropower or other environmentally friendly energy sources differs greatly between the countries.



## Good employment conditions

Being an attractive employer is a prerequisite for attracting future colleagues to our team. The great culture we have and cherish makes us an attractive employer, as does the fact that we always offer good working conditions, really great benefits and care for the well-being and personal development of all employees. Attracting, retaining and developing all our employees is a prerequisite for the continued growth of Zinzino.

### Full employment

We currently offer all employees full employment. All employment contracts are based on full time. Just under 3% of all employees have chosen to work part-time on their own initiative and of these, the main reason is part-time parental leave. Of course we want to offer the ability to combine parenthood with gainful employment.

We comply with the labour laws and regulations that apply in each of the countries where we have employees. We follow developments in each country and act where we need to. In 2024, we opened a multilingual Customer Service Centre in Poland and a French-speaking Customer Service Centre in Luxembourg, where we have ensured that all terms of employment comply with local laws.

### Sustainable employees

Zinzino offers a workplace that provides the conditions for a sustainable working life and actively minimises the risks of ill-health. A job is a big part of our lives and as such has a major impact on our well-being. At Zinzino, we want every working day to be a good day at work. A good physical and psychosocial work environment is an important and

fundamental factor for satisfied and thriving employees and a prerequisite for both employees and companies to perform at their best.

Our employees are our most important resource and in order for them to have the capacity to deliver over the long term, good health is key to creating a healthy working life. Investing in our employees' health is therefore an obvious way to ensure sustainable employees. We offer health-related activities, the opportunity to exercise during lunch breaks at our own facilities or other fitness activities that create opportunities for good health among our employees. Our initiatives deliver results through high motivation and low sick leave.

Sick leave in 2024: 4% (3%). Of which long-term sick leave\* 2%

*\*not work-related*

### Inspire change in life

For many young people, working with something they are interested in and that gives them a sense of purpose is a key factor in choosing a place to work. Zinzino's vision of inspiring health and well-being is timely, it's a sustainable vision for people in general, but also for our employees and we see in our recruitment that this also makes us an attractive and sustainable employer.

### Sustainable employer

A good and pleasant work environment is a prerequisite for us to be a competitive employer, to retain employees and to attract new ones. We also strive to provide a work environment that is so good that every employee thrives, can and wants to develop in their work and thus contribute to the development of the business.

## Identified areas for improvement

We have identified what our employees consider important and acted accordingly. In order to create a sense of community and belonging in the workplace, we have organised more social events in the office where our employees have been given the opportunity to be involved in the planning and in the actual execution.

To further strengthen the sense of belonging and to meet, exchange experiences and ideas, we offer a common breakfast in the office every week, where our employees are given the opportunity to meet and talk to each other in a relaxed setting. By offering a common time and place for conversations and discussions, we want to increase the effectiveness of our internal communication and improve understanding, communication and collaboration between different departments and teams.

As a company, we believe in face-to-face interactions with colleagues. We believe that meeting in the office develops the culture and atmosphere and creates a collaborative working environment. In the office, everyone also has access to the office resources and equipment they need. However, the pandemic we have left behind has changed the rules of the game for working and the workplace in general. Flexibility when it comes to working from home continues to be in demand among both existing employees and candidates in recruitment processes. Flexibility is the new normal.

We have therefore endeavoured to make work-from-home opportunities equal for everyone working in the same office, even though conditions may differ in our offices around the world. We still have the aim of working in the office for the majority of working hours, while we have clarified guidelines for working from home. These guidelines set out work practices and expectations for employees when working remotely. By clearly communicating these guidelines and supporting our employees, we have created a work environment where working from home is as flexible for everyone and as acceptable as working in the office.

## On the job training

Keeping up with the world of work requires constant learning. The pace of change is fast, and it will force us to constantly learn and relearn. This is crucial not only for organisations and businesses, but for the continued livelihood, health and well-being of every individual.

Kaizen is one of Zinzino's core values and can be described as an ongoing cycle of continuous development. Kaizen is a business culture as well as a working methodology that we use to constantly evaluate, improve and change for the better.

In 2024, several new products were launched, partly through acquisitions (Xelliss) and partly through in-house product development, such as Collagen Boozt. In the Customer Service department, Zinzino's largest department, training is provided every month to ensure that employees always have the latest knowledge about our new products, campaigns and much more and in 2024, more training was provided than in 2023 due to the launch of more new products. Another growing area of training is AI, where employees have been trained in various stages and, as AI develops, AI support is gradually being implemented in the business. In both marketing and IT, training takes place on a continuous basis and research is ongoing in the product development department.

The skills, experience and commitment of our employees are important prerequisites for achieving our strategic and financial goals. It is important for us to ensure both operational and personal development and skills enhancement, otherwise we see a risk that our employees won't have the right skills for the assignments or that we will lack the skills to be innovative and develop the business. We see these issues as a major risk factor, and it is very important to succeed in attracting and retaining the right skills to continue to develop the business and achieve strategic as well as financial goals.

Zinzino is primarily a service company but ensuring that we have skilled employees is also crucial for Zinzino's production unit Faun Pharma's ability to deliver high-quality products, both in terms of food safety and efficiency in Faun Pharma's many production lines, it is important to have a stable and well-trained workforce.



## Equality, diversity and inclusiveness

One of Zinzino's core values is Together. We are here together and are showing the way towards a better life by working and growing together and by inspiring and challenging each other.

Zinzino's success and ability to achieve strategic goals depends entirely on our employees, their skills, motivation and ability to perform. The right people are central to the company's success. Another key ingredient of a successful company is a culture and environment that both allows and is characterised by creativity and innovation. We create this by giving our employees creative space. We embrace the differences, skills and experiences of our employees as we believe that diversity and inclusion help to support creativity and innovation within the company.

Our basic approach is the equal value of all people. We see differences as a strength and a way to achieve and develop the organisation's goals and commitments. We actively promote diversity, including gender equality, and our efforts begin at the start of the recruitment process. All recruitment must be based on qualifications and not gender, no one may be discriminated, and all recruitment should take these values into account.

At Zinzino, everyone must be respected. We believe that everyone should have equal opportunities and rights at Zinzino, regardless of gender, ethnicity, religion or other beliefs, disability, sexual orientation or age. We therefore strive to be an inclusive employer where the skills and potential of all employees are utilised.

Zinzino provides a safe environment for all employees without discrimination and free from harassment, including sexual harassment. The Gender Equality and Discrimination Policy is based on Zinzino's values and is our governance document for gender equality and all types of discrimination. In addition to all Zinzino employees, the Discrimination Act and this policy also cover job applicants, temporary workers/trainees, employees and contractors.

Our goal is to achieve as equal a gender distribution in the organisation as possible. Today the organisation consists of 54% (58%) women with an average age of 42 years (41 years). Of all managers with subordinate staff, 28% (37%) are women. Management consists of 38% (38%) women, the Board of Directors 40% women.

Nationalities: 41 (38)

Languages: 35 (43)

Staff turnover: 4% (10%)\*

*(\*including non-voluntary terminations)*

Our multicultural business climate is our hallmark as well as our success factor.

So far, 1,100 children have been sponsored through our program, and our goal is to help more than 2,500 children in the next three years!

## Health and well-being

Zinzino's vision is to "inspire change in life". We do this by helping people of all ages, from all over the world, to achieve better health and prosperity. Our goal is to become the global leader in preventive health, by providing intelligent and effective nutritional solutions that ensure lasting results and long-term health benefits. We see what we do as enabling the important first steps in helping people make a change in their health behaviours that is easy to start and maintain.

The research literature reveals an overwhelming and damning portrayal that most positive behavioural changes made by individuals are short-lived and usually ended due to difficulties associated with financial constraints, lack of perceived benefit and lack of time. All our tests and products are developed with a full understanding of the problems that affect people at the beginning. We therefore provide solutions that are meaningful, cost-effective, enable compliance and provide measurable benefits.

Health organisations around the world have been actively assessing the impact of the Sars-covid pandemic, both from

a health and health systems perspective. In the wake of this analysis, these important and learning outcomes have been found:

- Most healthcare systems were found to be under-resourced and therefore unprepared for such a global crisis.
- Too many people in the world live with chronic diseases.
- The current epidemiological data predicts a continuous increase in the incidence of chronic diseases, while investments in emergency and urgent medical services are financially (in real terms) shrinking every decade.

The simple fact is that people must become more responsible for their own health status. For people to do so, proactive, preventive health strategies are key. It is in this area that Zinzino sees its true place and position from where we can make our single best contribution to global sustainability: improved health, health accountability and thus reduced costs and dependency on existing and future services.

Beyond this, our business model is fully inclusive, empowering people of all backgrounds, races, ethnicities, cultures, genders and religions to build a rewarding and meaningful financial income. Finances are consistently correlated with health outcomes, where a linear profile of lower personal and household finances are strongly associated with poorer health outcomes, and conversely where increased prosperity leads to better health. As such, Zinzino provides people with a unique and concrete holistic health opportunity; from biological to financial, which in turn reduces the epidemiological burden on society's resources.

## Respect for human rights

### Fairtrade

Fairtrade is an international certification for raw materials grown in countries with widespread poverty. The certification is based on the international Fairtrade criteria for economically, socially and environmentally sustainable development. The certification aims to reduce poverty and strengthen people's influence and capacity to act. To create conditions for farmers and workers in



developing countries to improve their work and living conditions. The criteria are based on the International Labour Organisation (ILO) conventions on human rights at work. Like Fairtrade, ILO wants all people to have fair conditions at work and in life. For more information about Fairtrade, visit the website [fairtrade.se](https://www.fairtrade.se).

The production company Faun Pharma AS is located in Norway and is subject to the Norwegian Freedom of Information Act. They work closely with suppliers and partners to achieve good measures and improvements. Faun disassociates itself from suppliers, customers or other partners who do not respect individuals' human rights or actively prevent them from being respected. All of Faun's suppliers are registered and approved before they are used. The approval procedure includes verification of suppliers' compliance with the UN's sustainability goals. Suppliers of goods are risk assessed and evaluated using the SSAFE food vulnerability assessment. SSAFE is a global non-profit membership organisation working to strengthen food safety and improve human, plant and animal health and well-being.

## The fundraising foundation Zinzino Foundation

We believe that everyone deserves a chance for a better life, and we want to contribute in our own way. This is at the heart of our vision – Inspire Change in Life. "Kaizen" is an ancient term for continuous improvement and a core value that ensures we put our vision into action and give something back to people around the world. Together with the charitable organisation Glocal Aid, the Zinzino Foundation works to make a positive difference in the lives of Indian children through education.

## Zinzino gives back

We want to make a positive difference in children's lives all over the world. Zinzino, through its fundraising Zinzino Foundation, supports aid organisations such as Glocal Aid with the aim of helping boys and girls lift themselves out of poverty through education.

Zinzino Foundation has supported three schools in recent years: one in the village of Karwi, Uttar Pradesh, the second in the village of Kukrah, Bihar, and the third in the village of Birpara in West Bengal. By offering a scholarship, Glocal Aid and the Zinzino Foundation are partnering with these three primary schools to provide sponsored education to children and young people. Without this sponsorship, these children would not be able to go to school. We are very happy and proud to help finance this very important work.

In 2024, 1,100 children received sponsorships through our program. Scan the QR code and watch [the video](#) about Zinzino and Glocal Aid's work in Birpara, India!



Scan the QR code and watch the video about Zinzino and Glocal Aid's work in India!

<b>2012</b>	Stopping female genital mutilation among the Maasai people in Kenya.	<b>2019</b>	620 students sponsored to go to school in Karwi, U.P.I and in Kukrah, Bihar, India
<b>2013</b>	A local microfinance project in Kenya to expand local businesses where women can build farms and help their children in school with food and medicine	<b>2020</b>	620 students sponsored to go to school in Karwi, U.P.I and in Kukrah, Bihar, India
<b>2014</b>	Continued support of the project in Kenya	<b>2021</b>	1,000 students sponsored to go to school in Karwi U.P.I and in Kukrah, Bihar, and Birpara, West Bengal, India
<b>2015</b>	Development of a school for children and young people, Karwi U.P.I, India	<b>2022</b>	985 students sponsored to go to school in Karwi, U.P.I and in Kukrah, Bihar, and Birpara, West Bengal, India
<b>2016</b>	295 students sponsored to go to school, Karwi U.P.I, India	<b>2023</b>	1,100 students sponsored to go to school in Karwi, U.P.I and in Kukrah, Bihar, and Birpara, West Bengal, India
<b>2017</b>	405 students sponsored to go to school, Karwi U.P.I, India. Development of a primary school in Kukrah, Bihar, India	<b>2024</b>	1,100 students sponsored to go to school in Karwi, U.P.I and in Kukrah, Bihar, and Birpara, West Bengal, India
<b>2018</b>	620 students sponsored to go to school in Karwi U.P.I and in Kukrah, Bihar, India		



## Ethical affairs

Zinzino has become known in the direct selling industry for its sustainable business approach that rewards long-term thinking where people do the right things for the right reasons. To run and maintain a strong, successful and lasting business as a Partner at Zinzino requires passion, perseverance and a higher purpose beyond one's own personal goals.

Our Code of Conduct, Business Ethics Guidelines and Values describe Zinzino's commitment to maintaining high ethical standards when acting in the marketplace and doing business. We require each individual employee, distributor, suppliers and all other business partners to maintain the same high level of zero tolerance for corruption, conflicts of interest and compliance with the competition law regulations. We have zero tolerance of corruption and bribery in all markets in which we operate, whether in Europe, Africa, North America or the APAC region.

The Business Ethics Guidelines and Code of Conduct are adopted annually by the Board of Directors and are included in the distributor agreements. In these agreements, we stress that breaches of the Business Ethics Guidelines may lead to labour law and criminal penalties and termination of partnerships.

## Whistleblowing

Whistleblowing is about every Zinzino employee being able to inform management of any irregularities. The aim is to detect serious misconduct at the workplace. We comply with the EU Whistleblowing Directive and Swedish legislation, therefore we have introduced an external whistleblowing system, Visslan. Employees, consultants and other partners can report observations related to unethical or illegal misconduct via this external whistleblowing tool, where reporting observations can be done completely anonymously. The service is completely external to Zinzino and fulfils the highest security requirements regarding encryption, data security and protection of whistleblower's anonymity.

In 2024, 0 (0) whistleblowing cases were received.

## Transparency

Since we started the company, we have advocated open and honest business practices. Our shares are listed on the Nasdaq First North Premier Growth Market, which also requires total transparency in everything we do. For us, moving forward is the only sustainable path.



## Risks related to sustainability

Sustainability risk management is an integral part of the Group's risk management process and the sustainability perspective is considered in relation to the risk analysis as a whole. In addition, sustainability risks are specifically evaluated, covering all areas: environment, human rights, labour and anti-corruption. The results of the assessed risks are managed according to the regular risk management process and were also included in the development of the company's sustainability strategy. Zinzino's identified sustainability risks are listed below, for other business risks please refer to the Management Report (pages 57–64).

### Operational environmental risks

The climate impact of business activities is one of the biggest global challenges for all industries. There is a risk of us not having sufficient knowledge of our own negative impacts on the climate based on greenhouse gas emissions, which may lead to inadequate climate-related information and thus a risk that necessary action against climate change is not taken. The consequences may also affect the supply and cost of renewable fuels, which in turn may affect our transports.

Transport and energy consumption, packaging and production waste are the main sources of our environmental and climate impact. There is also a risk of negative climate impact, caused by fossil fuel-driven freight transport or fossil-driven energy use to power operations where renewable energy is not available.

We buy raw materials and finished products mainly from suppliers in Europe as well as in Asia. There is always a risk that the supplier will not be able to deliver ordered quantities on time due to physical or environmental impacts

and disasters caused by climate change. This can lead to shortages of raw materials, production disruptions, capacity shortages, increased prices and, in the long run, other unexpected events, which in turn can negatively affect our supply capacity and the relationship with our customers. Good or bad harvests and, in the worst case, climate disasters affect the pricing of some of the raw materials we buy. Lack of controls in the event of a climate disaster also increases the risk of poor food safety, e.g. poor controls can lead to contamination, cases of allergic reactions or various types of damage.

### Risks attributed to climate change

Climate change poses a major risk to humanity from a global perspective. The ability to secure raw materials and finished products also in the event of weather-related or other physical conditions caused by climate change can affect operations and profitability. From Zinzino's perspective, climate change primarily poses the risk of damage to the ocean environment, which may affect the availability of raw materials, leading to negative consequences for the company as well as for all those using the products. Zinzino assesses these risks as potentially increasing in the long term. In addition, environmental policy decisions may affect Zinzino, not least in the form of increased taxes or necessary investments. Insufficient efforts to analyse climate risks may lead to unforeseen increases in operating costs. Zinzino is actively working to prioritise environmental aspects in all parts of its operations, with a focus on the ocean environment and sustainable sourcing of raw materials, to monitor legislative and regulatory developments and, in the future, to invest in measures to improve the ocean environment.

## Breach of Code of Conduct

Risks related to corruption can damage our reputation and also affect business relationships and, by extension, profitability and cause socio-economic consequences. The company's main corruption risk is in the purchasing process and the distributor chain. The geographic area where the risk of corruption is greatest is in Asia.

Zinzino conducts regular training for all employees involved in purchasing, large value contracts and for our partners in Asia, digital training and information, including the Business Ethics Guidelines, are available to all employees and distributors on the company's intranet.

As of the reporting date, no violations regarding corruption have been noted. In the distributor chain, a few ethical rule violations occurred in 2022 where additional resources on information and training were directed to increase the relevant distributors' knowledge in this area. Significant resources are continuously invested in training new distributors in the company's ethical regulations.

## Respect for human rights

Business and human rights go hand in hand. Zinzino has employees around the world and each of them is valued in the same way. We see diversity as a strength for the individual as well as for the development of the business. Lack of diversity and equality among our employees, including in management positions, can have consequences for the company's business by losing the opportunities that diversity and equality create. Valuable skills may be lost, reducing, for example, innovative capacity, which can have a significant impact on Zinzino's reputation in society.

Our suppliers are located within the EU and also comply with EU regulations on human rights. There is a risk that they, in turn, have subcontractors outside the EU that do not comply with UN goals. We constantly monitor our suppliers and how they operate to ensure that we meet the requirements. As of the reporting date, no human rights violations in the value chain have been noted.

Do you have questions about our sustainability work?

Contact us at [sustainability@zinzino.com](mailto:sustainability@zinzino.com)



# Auditor's report

## on the statutory sustainability report

To the general meeting of the shareholders in Zinzino AB,  
corporate identity number 556733-1045

### **Engagement and responsibility**

It is the board of directors who is responsible for the statutory sustainability report for the year 2024 on pages 35–50 and that it has been prepared in accordance with the Annual Accounts Act according to the prior wording that was in effect before 1 July 2024.

### **The scope of the audit**

Our examination has been conducted in accordance with FAR's standard RevR 12 *The auditor's opinion regarding the statutory sustainability report*. This means that our examination of the statutory sustainability report is substantially different and less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinion.

### **Opinion**

A statutory sustainability report has been prepared.

Gothenburg, 25 April 2025  
**BDO Göteborg AB**

**Katarina Eklund**  
Authorized Public Accountant

# Direct sales – a way of working that is changing the way we live

Personalised shopping experiences are the backbone of direct sales. Today, the business model is paving the way for how products are sold – by people to people. Today's social media sales boom is built entirely on lessons learnt and insights gained from decades of direct sales success. Our distributors are entrepreneurs who build their businesses by mastering word-of-mouth, one new friend at a time. Direct sales is relationship marketing at its best, and now a strategy used by companies in all sectors to gain more loyal customers and build stronger brands. Everyone wants to benefit from the opportunity to bypass the retail sector and let an external sales force become brand ambassadors by personally recommending products to family, friends and acquaintances.

## The path to a better life is not the same for everyone

Today's consumers don't want a sales pitch. They want to be validated, to recognise themselves, to find someone they can trust for good advice. This is especially true when it comes to big decisions about personal health. Direct sales fits like a glove into the steady interest in a healthier lifestyle. The path to a better life is not the same for everyone. We need guidance and health plans tailored to our bodies, our everyday lives. Zinzino offers not only individual consultation and targeted solutions. Our Partners also provide written proof that the new health routine is doing its job. Such knowledge not only empowers, it also brings peace of mind. We have science on our side. What our products offer is unrivalled in direct sales, and our business model gives us the means to spread the word.

## Always putting the customer first

Zinzino has been pioneering the new generation of sustainable direct sales for almost two decades. We believe in leading by example and want to do what we can to take the direct sales industry into the future, countering misunderstandings, promoting long-term stability and profitability, compliance and best practices. From day one, our founders Hilde and Ørjan Sæle have made it their mission to reintroduce the customer-centric focus in direct sales with a solid product that addresses a real need and the tools to prove it. Today, more than 85% of Zinzino's sales are direct to end customers and we are best-in-class in our industry on a global scale. We are listed on the Nasdaq stock exchange and have enjoyed steady organic growth since the start. Our independent Partners can always choose to earn their money in one of two ways: by marketing our products to their personal customers and by introducing new entrepreneurs to the business opportunity. The choice is theirs and both options are extremely rewarding.

## Contributing to a better world

There are no quick wins, and we always think long-term. Our goal is to create a healthier way of life for everyone. Inspiring change in life is at the core of Zinzino's vision. Our global community of entrepreneurs, visionaries and trail-blazers is held together by a shared passion for long-term business success and a better life, empowered with tools that can literally change lives. Most dietary supplements available today have no independent validation to prove that the product fulfils the claimed health benefits. Our independent Partners have the exclusive right to market our range of scientifically proven dietary supplements and health tests that put an end to the guessing game and address a need that affects 97% of the population.

As a direct sales and relationship marketing distributor, your word means everything and is, by its very nature, a critical factor in your success. To prove that we as a company keep our promise to put our vision into practice, Zinzino continuously gives back to communities all over the world. Together with the charitable organisation Global Aid, the Zinzino Foundation aims to transform the lives of Indian children with projects that empower them through education.

## Proud member of direct sales associations

We are affiliated with local direct sales organisations (DSAs) all over the world, including Direktförsäljning Sverige. The main mission of DSAs is to protect the consumer, promote good business ethics and build a good reputation both for direct sales as a form of distribution and for those engaged in it. The association also promotes awareness and application of the industry's code of ethics and encourages sellers and distributors to do the same. Zinzino is a member of the national direct selling associations in Norway, Finland, Denmark, Estonia, Latvia, Lithuania and the Netherlands. Zinzino complies with the rules for direct selling associations in all newly launched markets, and we are currently trial members in Germany, Switzerland, Poland and the US.

For more information visit [directsellingsweden.se](https://directsellingsweden.se)





# Ownership and share performance

## Five reasons to invest in Zinzino

### **Clear expansion strategy – organic and via acquisitions**

Zinzino is a leading global direct sales company from Scandinavia specialising in test-based, personalised dietary supplements and scientific skincare. The company's strategy is profitable growth in new and existing markets. The company's scientifically proven dietary supplements are available in more than 100 markets worldwide. Zinzino has acquired all assets of the health and wellness companies Zurvita and Xelliss. The company is a partner in the Cypriot olive oil producer Cleanthi Alpha-Olenic LTD and owns the Swiss biotech skincare brand HANZZ+HEIDI, as well as 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 and Australia.

### **Business model that generates growth**

The business model has for many years generated growth and will continue to do so in the future as well. Through the structure of the business model, combined with the digital market tools that the company has developed in recent years, the growth rate is expected to increase through increased sales in existing and new markets in the coming years. Growth can also be generated through acquisitions, as evidenced by recent acquisitions, i.e. the acquisitions of VMA Life in Asia, Enhazz AG in Switzerland/Germany, Xelliss in France, North American Zurvita and the partnership with ACN.

### **Help to improve the world's health**

Our product concept is to give health back to the world. Our goal is to get the best out of people with enthusiasm, encouragement and a great deal of energy. We are the most customer-focused direct sales company in the world. Our most important product concept, Balance, is showing continued good growth and we currently have over 1,000,000 test results, based on blood tests in our database. We are the company that has done the most fatty acid analyses in the world.

### **Cutting edge product development**

Through efficient product development in-house, the company has developed a number of new products in health in which it owns its own important intellectual property rights. The newly developed products are manufactured in our own efficient production facility which means that we have 100% quality control. Zinzino's strategy in the coming years includes continued cutting edge product development.

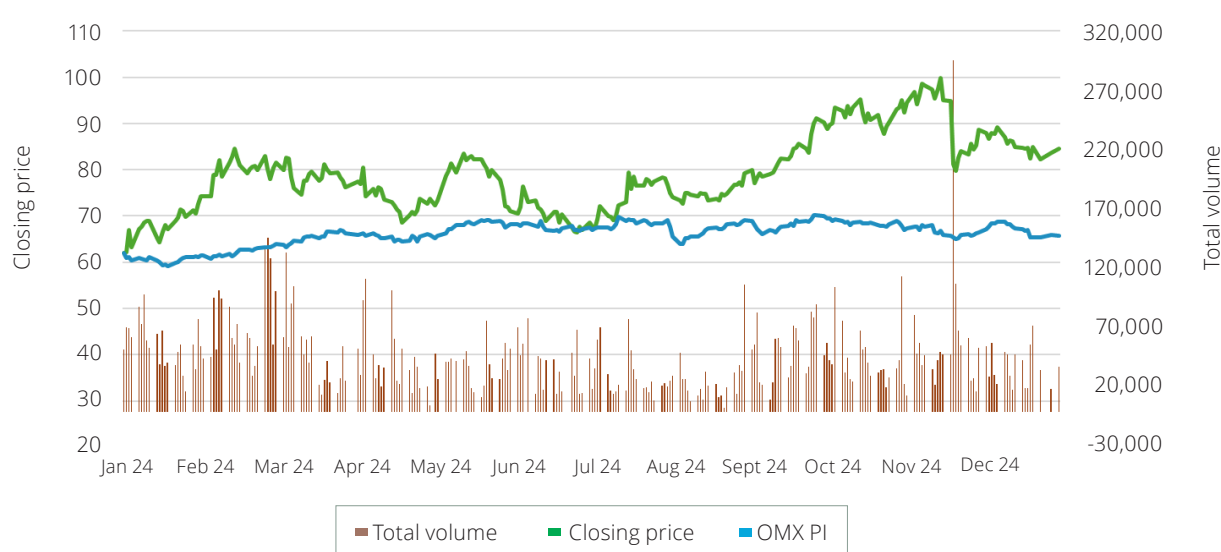
### **Attractive cash flow enables increased share dividends and gives a good direct return**

Zinzino's business has a very strong cash-generating capability. Effective management of working capital combined with investments that quickly generate revenue, and marginal improvements generate a strong cash flow. As a result, a share dividend can be paid in accordance with the goal of at least 50% of the Group's total net profit.

## Largest shareholdings as of 31/12/2024

Owner	Number of A shares	Number of B shares	Total number of shares	Percent of votes	Percent of capital
Örjan and Hilde Saele via company and family	3,123,397	6,811,694	9,935,091	47.06%	28.53%
Peter Sörensen via company and family	1,809,995	2,460,516	4,270,511	25.43%	12.26%
Other owners	180,000	20,441,594	20,621,594	27.51%	59.21%
<b>Total</b>	<b>5,113,392</b>	<b>29,713,804</b>	<b>34,827,196</b>	<b>100.00%</b>	<b>100.00%</b>

## Price development Zinzino B shares (SEK) 01/01/2024 – 31/12/2024



In 2024, a total of 11,660,824 (5,960,155) shares were traded in 84,170 (21,995) trades.

The year's first trade closed at SEK 62.00 and the year's last at SEK 84.60.

The top prices for the year were reached on 8/11/2024 and 15/11/2024 at a value of SEK 100.0. The lowest price was SEK 58.40 which was reached on 02/01/2024.

### Ownership and share performance

Zinzino AB has been listed on Nasdaq OMX First North since 11 December 2014. This meant a move from the Aktietorget exchange where Zinzino had been listed for trading since 2010. On 21 September 2020, Zinzino moved up to the OMX First North Premier Growth Market. The transition was important for strategic reasons in the company's global expansion. In addition, the listing on the Premier segment facilitates institutional and international ownership of the company.

As of the balance sheet date, the share price was SEK 84.60 (59.60) which means a market value for Zinzino AB's shares as of 31/12/2024 amounted to SEK 2,946 (2,032) million.

In 2024, a total of 11,660,824 (5,960,155) shares were traded in 84,170 (21,995) trades. At the end of the year, the company had 6,817 (5,367) shareholders, excluding some foreign custodial account customers.

### Changes in share capital during the past year

#### 09/05/2024 Share subscription due to directed new issue

The company's Board of directors decided, based on the registered issue authorisation from the Annual General Meeting on 31 May 2023, during a board meeting on 29 January 2024, on a directed issue of 149,468 B shares to Manna Holdings LLC. The transaction was linked to the strategic agreement in Europe that Zinzino concluded with ACN. The directed issue increased the number of B shares in the company by 149,468. 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 increased through the directed issue by SEK 14,946.80 to SEK 3,409,106.40.

#### 05/21/2024 Subscription of shares due to warrants

In the options programme Zinzino's general meeting approved on 22/05/2019, 112,700 B shares were subscribed for. The price per share amounted to SEK 18 and a total of SEK 2,028,600 was added to Zinzino's equity. The share capital increased by SEK 11,270.

In the options programme Zinzino's general meeting approved on 15/05/2020, 78,100 B shares have been subscribed for. The price per share amounted to SEK 45 and a total of SEK 3,514,500 was added to Zinzino's equity. The share capital increased by SEK 7,810.

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

#### *19/09/2024 Share subscription due to directed offset issues*

The company's Board of Directors, based on the registered issue authorisation from the Annual General Meeting on 31 May 2023, decided at a board meeting on 12 May 2024 on a new issue with payment through offset. In accordance with the decision, a total of 147,000 new Zinzino B shares have been issued with payment through offset of receivables from Xelliss Luxembourg SA, Xelliss North America and Prolex Technologies SA. Zinzino's share capital increased by SEK 14,700 through the offset issue. The transaction is linked to the acquisition of the assets of the Xelliss Group dated 12/05/2024.

In accordance with the decision of the Annual General Meeting on 27 May 2024, 110,270 new Zinzino B shares have been issued with payment through offset of receivables from Enhazz AG. The transaction is linked to the acquisition of Enhazz Global AG/Enhazz IP AG in 2022.

Through the directed issues, the number of B shares in the company increased by a total of 257,270. The dilution amounted to 0.7%, calculated on the total number of shares in the company upon completion of the directed issues. Zinzino's share capital increased through the directed issues by SEK 25,727 to SEK 3,456,499.10.

#### *14/11/2024 Subscription for shares due to directed offset issue and warrants*

The company's Board of Directors, based on the registered issue authorisation from the Annual General Meeting on 27 May 2024, decided at a board meeting on 30 September 2024 to issue new shares with payment through offset. According to the decision, a total of 197,705 new Zinzino B shares have been issued with payment through offset of receivables: 108,738 shares (55%) to Spyros Christodoulou and 88,967 shares (45%) to Gillian Frances Christodoulou. The transaction is linked to the acquisition of 49% of the shares and votes in Cleanthi Alpha-Olenic LTD.

In the options programme Zinzino's general meeting approved on 05/22/2019, 1,400 B shares have been subscribed for. The price per share amounted to SEK 18 and a total of SEK 25,200 was added to Zinzino's equity. In the options programme Zinzino's general meeting approved on 15/05/2020, 45,100 B shares have been subscribed for. The price per share amounted to SEK 45 and a total of SEK 2,029,500 was added to Zinzino's equity. In the options programme Zinzino's general meeting approved on 31/05/2022, 15,000 B shares have been subscribed for (series 2022/2027:1). The price per share amounted to SEK 56 and a total of SEK 840,000 was added to Zinzino's equity. In the options programme Zinzino's general meeting approved on 31/05/2023, 3,000 B shares have been subscribed for. The price per share amounted to SEK 63 and a total of SEK 189,000 was added to Zinzino's equity.

The number of B shares increased by 262,205 to 29,713,804. The total number of shares after the increase amounted to 34,827,196. The dilution amounted to 0.75%. Zinzino's share capital increased to SEK 3,482,719.60.

#### **Share capital as of 31/12/2024**

As of 31/12/2024, the share capital was divided among 34,827,196 shares, of which 5,113,392 are A shares (one 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](http://www.nasdaqomxnordic.com)

# Options programme and dividend policy

## Options programme

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

The first options programme covers 1,000,000 warrants at an exercise price of SEK 45 per B share that expires on 31/05/2025, of which 220,000 have been subscribed for by the Group's management team, 51,000 by key employees and 22,100 by other personnel. The remaining warrants in the programme have been subscribed for by the company's external distributors. As of the reporting date, 159,233 warrants have been exercised for share subscription within the framework of this option 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 been exercised for share subscription within the framework of this options programme.

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

## Dividend policy and proposed dividend

The Group's dividend policy states that Zinzino shall distribute at least 50% of the Group's net profit provided the equity/assets ratio and liquidity so permit. The favourable profitability and strong cash flow in 2024 have created flexibility for share dividends in 2024. The Board of Directors will therefore propose a dividend of SEK 4.00 (3.00) per share to the Annual General Meeting for 2025.

## Policy on information disclosure and share trading by insiders

Zinzino follows Swedish Financial Supervisory Authority's directive regarding correct presentation of information. The company publishes information about the company which could affect the share price and keeps a logbook of any financial report or press release where the information could be considered as affecting the share price and where the requirements for postponement of publication are met. The logbook is a list of people who are employed or have assignments for the company and who have access to inside information relating to the company in the present case. This can involve insiders, but also other persons who have received insider information.

People with management positions in Zinzino and people or legal entities which are closely associated with them have an obligation to inform Zinzino and the Swedish Financial Supervisory Authority of every transaction related to changes in their holdings of Zinzino shares when the total amount reaches the equivalent of 20,000 euros during a calendar year, in conformity with the European Parliament's and Council's regulations on market abuse. Furthermore, a 30-day stock-trading ban exists for all persons in an insider position ahead of sensitive quarterly reporting.

# Management report

The Board of Directors and CEO of Zinzino AB, 556733-1045, hereby submit this annual report and consolidated financial statements for financial year 01/01/2024 to 31/12/2024.

The profit and financial position for the Group and the parent company for the year are reported in the management report and in subsequent income statements, a statement of comprehensive profit/loss, balance sheets, statements of changes in equity and cash flow statements, with accompanying notes and comments. The consolidated income statements and balance sheets will be presented for approval by the Annual General Meeting on 28 May 2025.

## Ownership and history

The company's business was started in the autumn of 2007. The company's principal business is to own and develop companies in direct marketing and related activities.

The following wholly owned companies are included in the Group: Zinzino Operations AB, Zinzino OÜ (Estonia), Zinzino UAB (Lithuania), SIA Zinzino (Latvia), Zinzino Ehf (Iceland), Zinzino LLC (USA), Zinzino SP. Z.o.o. (Poland), Zinzino BV (Netherlands), Zinzino Canada Corp, Zinzino S.RL (Romania), Zinzino Health Products India Private Ltd, Zinzino PTY (Australia), Zinzino U.K Ltd, Zinzino SA Pty (South Africa) and the Norwegian Bioactive Foods AS. Through the acquisition of VMA Life in 2020, Zinzino Singapore Ltd, Zinzino Thailand co. Ltd, Zinzino Malaysia SDN BHD, VMA life Network (Malaysia) and Zinzino Hong Kong were added. Additional wholly owned subsidiaries added in recent years and during the current year are Zinzino Mexico S. DE R.L. DE C.V, Zinzino Gida (Turkey), Zinzino NZ Ltd (New Zealand), Zinzino SAS (Colombia), Zinzino Spain SL (Canary Islands), Zinzino DOO (Serbia), SAS Zinzino France, Zinzino Peru S.A.C and Balanceoil Health and Wellness Corporation (Philippines).

On 5 April 2022, Zinzino acquired Enhanzz IP AG, including the IP rights to its HANZZ+HEIDI and YU brands. In addition, Enhanzz Global AG was acquired along with its distributor organisation and inventory. In 2024, the Swiss sales operations were transferred to the acquired companies, which were renamed Zinzino AG and Zinzino IP AG, respectively.

On 27 June 2024, Zinzino acquired 49% of the shares and votes in the Cypriot olive oil producer Cleanthi Alpha-Olenic LTD.

During the period 2018-2024, the following subsidiaries were established in which no activities were carried out as of the balance sheet date: Zinzino Ukraine, Zinzino Russia.

In addition to the above, Zinzino also owns 98.8% of the Norwegian production company Faun Pharma AS, where Zinzino has full control over the company. Faun Pharma AS was acquired in two stages in 2015 and 2016.

In 2009, Zinzino Nordic AB was acquired, partly through a directed 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 2009. Through this, Zinzino AB obtained control over 97% of the votes and 92% of the capital of Zinzino Nordic AB. As of 31/12/2024, the ownership share in Zinzino Nordic was 93% of the capital and 98% of the votes. Zinzino Nordic AB was previously the Group's operating company, but the operations have gradually been transferred to Zinzino Operations AB during 2021 and 2022. As of the balance sheet date 31/12/2024, Zinzino Nordic AB is essentially a dormant company in the Group.

Zinzino Nordic owns 100% of the companies Zinzino Sverige AB, Zinzino OY (Finland), Zinzino AS (Norway) and Zinzino ApS (Denmark), as well as the dormant Swedish subsidiaries PG Two AB and 2Think AB.

For a complete consolidated overview, see page 4 of this report.

## Financial overview

### Revenues

Total revenues during the business year increased by 25% to SEK 2,207.8 (1,766.4) million. The profit after financial items was SEK 219.9 (210.0) million.

### Sales per product segment 2024

The Zinzino Health product area increased in 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, representing 5% (5%) of total revenues. Other revenue, including coffee sales, amounted to SEK 137.4 (116.5) million, which corresponded to the remaining 6% (7%) of revenue in 2024.

Net sales amounted to SEK 2,094.1 (1,675.8) million and were broken down by Zinzino Health, Zinzino Skincare, the production unit Faun Pharma's sales to external customers and revenue from coffee, events and other services. Other operating revenues mainly concerned freight revenue related to product sales and amounted to SEK 111.8 (89.4) million. Capitalised work amounted to SEK 1.9 (2.1) million. Other operating revenue for 2023 included settlement of a contingent consideration related to the acquisition of VMA 2020 of SEK 3.5 million in accordance with IFRS 3.

## Sales growth broken down by region

### Nordic countries

In the Nordic region, total revenue increased by 1% to SEK 302.0 (299.9) million in 2024 compared to the previous year. The overall trend in Sweden and Norway has been positive during the year, which together 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 2024 compared to the previous year.

In total, revenue in the Nordic countries, Zinzino and Faun combined, accounted for 19% (22%) of the Group's total revenue in 2024.

### Baltic countries

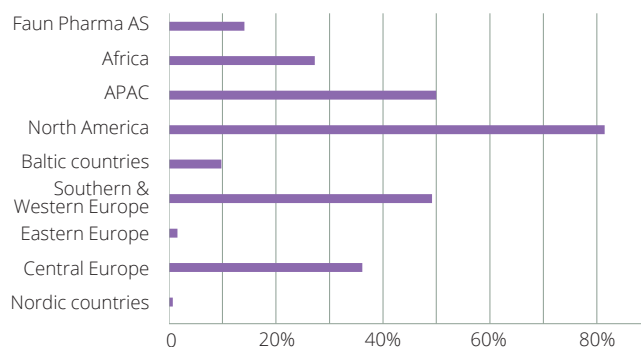
In the Baltic countries, revenue increased by 10% to SEK 107.6 (98.0) million in 2024 compared to the previous year. This follows a strong first half of the year with good performance in Latvia and Lithuania, a slightly weaker third quarter but a generally strong last quarter for all the countries in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

### North America

In North America, revenue increased by 81% in 2024 compared to the previous year, amounting 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. Together, the region accounted for 9% (6%) of the Group's total revenue in 2024.

### Eastern Europe

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



### Central Europe

In 2024, the region's total revenue increased by 36% compared to 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, was 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. Overall, the region accounted for 27% (25%) of total Group revenue in 2024.

### Southern & Western Europe

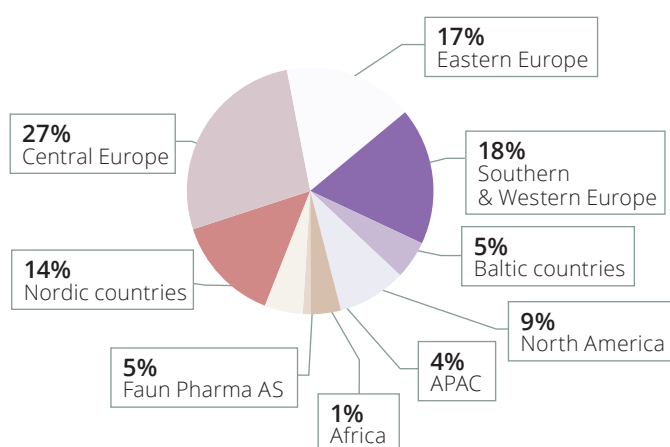
Total revenue for the region increased by 49% in 2024 compared to last year and amounted to SEK 396.4 (265.7) million. The Netherlands, the UK, Turkey and France accounted for the largest share of the region's revenue, while there was high distributor activity and growth in many of the region's other countries. The region's 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. The region together accounted for 18% (15%) of the Group's total revenues in 2024.

### APAC

In 2024, the region's revenue increased by a total of 50% compared to the 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. Together, the region accounted for 4% (3%) of the Group's total revenue in 2024.

## Africa

Total revenue in the region for 2024 increased by 27% to SEK 16.8 (13.2) million compared to the previous year. 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, is 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 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

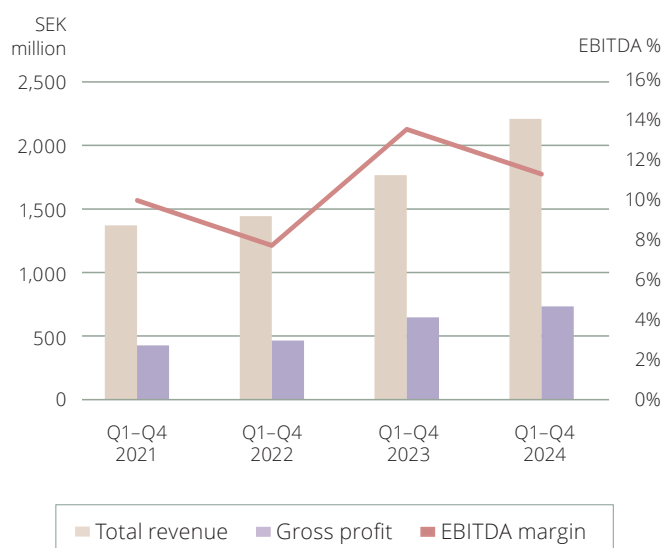
## Costs and profit

Gross profit for 2024 totalled 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/amortisation in 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 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 work with the opening of several new markets that have been implemented or launched compared to last year. The EBITDA margin has also been generally higher in the last two years than in previous years.

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 approximately 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

On the balance sheet date, the Group's bank deposits amounted to SEK 463.1 (321.2) million. The Group has unutilised overdraft facilities of SEK 80 (15) million after the company increased its 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 2024 amounted to SEK 309.1 (246.1) million despite high capital tied up in inventories. The Group's equity/assets ratio was 32% (31%). Equity in the Group 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.

## Significant events during the year

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

In January 2024, Zinzino entered into a strategic agreement to partner with the North American company ACN, a direct sales company of telecommunications, energy and essential services for homes and businesses. They have decided to phase out their distributor-led sales operations in Europe and the agreement between the companies includes Zinzino taking over the rights to ACN's European distributor database free of charge. This has been integrated with Zinzino's existing technical platform. 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 149,468 Zinzino B shares for SEK 10.4 million in Zinzino 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.

### Acquisition of assets of Xelliss in Luxembourg

On 12 May 2024, Zinzino acquired the rights to the Luxembourg-based Xelliss SA 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 the fields of well-being, nutrition and cosmetics, based on the microalgae spirulina from its own production. The business, which had a turnover of around EUR 8 million last year, is expected to generate strong growth through the synergies generated by the joint networks. Gross margins in the business are good, and profitability will therefore grow very well by utilising Zinzino's existing technical platform and organisation. Zinzino paid, upon closing, a fixed purchase price of EUR 2 million, divided between 50% cash and 50% newly issued Zinzino shares. In addition, contingent consideration will be added based on the sales performance generated by the acquired distributor organisation during the period 2024-2029. The total additional consideration may amount to a maximum of EUR 7.8 million and shall be 100% settled with newly issued Zinzino shares. The cash component of the purchase price is financed from own cash.

### Zinzino announces Serbia as the next step in its global expansion

On 11 June 2024, Zinzino opened Serbia as an official market with its own local flag on zinzino.com. The Balkan region and Southeastern Europe are a strategic next step in the company's plan to expand its customer base in an international market. The launch will allow Zinzino's independent partners in the region to continue building locally and growing globally. Serbia's strategic location in Southeastern Europe makes it an important hub for banking, trade and transport in the region. The launch is expected to stimulate sales growth in Serbia as well as in the surrounding countries in the Balkan region through synergies within the distributor organisation. Well-executed adaptations to local market conditions have been of utmost importance for Zinzino. Based on previous experience and insights from several establishment processes in recent years, this preparatory work has proven to be crucial for sustainable success. In Serbia, the business has been adapted by implementing local payment solutions via a new, dynamic payment platform, among other things. Customer support and other market support will be handled via the head office in Gothenburg in combination with support from local consultants in Serbia.

### **Letter of intent to acquire the American direct sales company Zurvita INC**

On 17 June 2024, Zinzino signed a letter of intent to acquire the North American direct sales company Zurvita INC. Zurvita is a direct sales company in the health segment operating in the US, Canada and Mexico. The brand portfolio offers a range of innovative health and wellness products. The business has annual sales totalling approximately USD 30 million with good gross margins. The collaboration with Zinzino is expected to add growth through the synergies arising in the joint networks, combined with Zinzino's test-based product concept. Zurvita's profitability will thus be able to grow successfully by leveraging Zinzino's existing technology platform and organisation.

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

On 27 June 2024, Zinzino acquired 49% of the shares and votes in the Cypriot olive oil producer Cleanthi Alpha-Olenic LTD. The co-ownership is another strategically important step in Zinzino's growth plans focused on improving personal health and well-being on a global scale with cutting-edge biotechnology and an innovative product portfolio marketed through direct sales. Cleanthi is an olive oil producer with a unique and patented process of pressing olive oil originating from certified Koreneiki olives from orchards owned by farmers for several generations without the use of artificial fertilisers or pesticides. The manufacturing process enables the production of olive oil with up to 30 times the polyphenol content of regular olive oil. The business is currently operated on a small scale, with most of the production going to Zinzino's existing products R.E.V.O.O and BalanceOil Premium. Through the co-ownership, Zinzino gains access to Cleanthi's IP rights, which opens up opportunities to develop and increase brand protection for Zinzino's BalanceOil, the product group that currently accounts for about 60% of the Group's total revenue. Going forward, Zinzino intends to expand production in Cleanthi to secure the olive oil supply for the increased internal demand arising from Zinzino's global expansion and high sales growth. At the same time, external revenue for Cleanthi can be increased similar to the model previously used successfully for the Group's manufacturing unit, Faun Pharma AS in Norway.

### **Expanded establishment in France**

Following the acquisition of Xelliss during the year, revenues in France and its non-European territory (Dom-Tom) rose rapidly to high levels. For this reason, a new subsidiary was formed in France with a locally adapted remuneration model for French distributors (VDI), which is a prerequisite for independent distributors to operate in the French market in accordance with applicable regulations. In addition, a new French sales manager has been hired and the support department has been expanded with more French-speaking employees. Overall, the acquisition and the measures taken have resulted in a large number of new distributors and

customers being added in a short period of time, resulting in sales in France increasing from SEK 0.5 million to over SEK 5 million per month in 2024. The market trend remains very positive with continued high growth, which means that there are now even better conditions to grow to even higher sales levels.

### **Launch of new product – Collagen Boozt**

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

### **Significant events after the end of the financial year**

#### **Zinzino acquires assets of Zurvita following finalisation of Chapter 11 proceedings**

On 21 December 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. Once 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 able to develop well by utilising Zinzino's existing technical platform and organisation.

## Zinzino acquires the assets of Valentus Global

On 11 April 2025, Zinzino acquired the rights to the distributor database and associated customer register, inventory and IP rights of the US/UK-based direct sales company Valentus Global through an acquisition of assets. Valentus Global Inc. is a direct sales company based in Delaware, USA, with most of its operations and sales in Europe. Zinzino is acquiring Valentus Global's distributor organisation, customer register, inventory and IP rights to the product portfolio. The business generated sales of over SEK 50 million in the previous year, mainly in Europe and North America. The merger is expected to create strong growth through synergies in the combined networks, and profitability will thus be able to develop very well through the utilisation of Zinzino's existing technical platform and organisation. Upon completion, Zinzino will pay a total purchase price of SEK 20 million, of which approximately SEK 10 million represents the estimated value of the inventory. The purchase price will be paid in cash from the company's own funds.

## Business model and marketing strategy

The core of Zinzino's business is marketing and sales. The company's network of independent distributors and sales organisations markets Zinzino's products and services to the consumer, while much of the company's own marketing is directed at developing and providing the sellers with the tools they need.

Marketing consists primarily of providing product information, promotional materials, basic training materials and an effective flow of information via the web, social media and e-mail. During the year, Zinzino continued to develop digital tools and platforms that strengthen support for the company's distributors and improve the customer experience. By combining technical innovation with strategic marketing initiatives, the conditions are created for increased efficiency, improved communication and increased sales throughout the business.

When the company expands 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. Zinzino's growth strategy also includes acquisitions and partnerships with other companies to add growth and distribution organisations in strategically important regions. This is precisely what explains the strong sales performance in Europe and North America. The establishment model follows the same concept for the various markets with customisation of websites and marketing materials in the local languages. Through the launch of the global webshop, Zinzino also covers a total of 100 different countries around the world. This approach reduces the pressure on the organisation to open full-scale markets requiring large internal resources, which can now be fully allocated to the ongoing establishment projects.

The company's management also maintains a close dialogue with the so-called Leadership Council, which consists of representatives from the distributors network. In 2024, the

weekly digital meetings implemented during the pandemic outbreak continued as a frequent and popular form of dialogue between the parties.

An important part of Zinzino's strategy is also the internal product development. The health sector product development expertise acquired by the company through the acquisition of Bioactive Foods AS and Faun Pharma AS allows the company to focus on internal product development to a much greater extent than before. This means that the company is less dependent on its suppliers to design attractive products for the company's salesforce.

## Key initiatives during the year:

- Further development of sales platform and e-commerce. Zinzino's digital e-commerce platform has been upgraded to offer both distributors and customers an improved user experience, with a particular focus on clarity and control over orders. Mobile adaptation has been a priority, and a new, improved checkout is now being launched gradually in our various markets.
- Improved sales tools and reports. Our digital sales support has been further developed to give our distributors better opportunities to monitor their performance, identify new business opportunities and make data-driven decisions.
- Development of our CMS system. Work on upgrading all web content began during the year. The project will continue in 2025 with the aim of launching a new, improved version in the summer of 2025.
- Accessibility adaptation. A strong focus on ensuring that digital channels are accessible to all users, regardless of individual circumstances. This applies to both e-commerce and Zinzino's internal systems.

Through these investments, the company has laid a stable foundation for continued growth and strengthened its digital ecosystems in line with Zinzino's long-term business objectives.

The process continues into 2025.

## Organisation and efficiency

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 to various departments at the head office, primarily to strengthen the global expansion process.

At the end of the year, the Group had a total of 242 (221) employees, of whom 137 (131) were women. In addition, 43 (21) people were employed by the Group on a consultancy basis, of whom 18 (8) were women.

### **Zinzino's outlook and financial targets for 2025–2027**

During the period 2025–2027, Zinzino's average sales growth shall be at least 20% and the operating margin before depreciation 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.

### **Risks and external factors affecting growth at Zinzino**

The Board of Directors continuously discusses external risks for Zinzino's expansion. The greatest risks continue to be found within its own organisation's capacity to manage costs during a period of strong growth, to balance resources internally and find high levels of expertise among the distributors during rapid expansion and then effectively manage to transfer knowledge to them. The Board of Directors has also identified the following risks:

#### **Risks related to purchases**

The planning of purchases is a challenge with a high and volatile rate of expansion combined with a limited supply of raw materials. The management is therefore working actively with purchase forecasts and inventory optimisation in order to meet the challenge in an efficient way and to avoid unnecessary capital commitments to inventory or risk insufficient inventory levels.

#### **Risks related to fluctuations in raw materials prices**

Zinzino's product selection is based to a large extent on raw materials such as fish oil, olive oil and coffee. Sharply increasing raw material prices can entail increased costs for Zinzino. Although Zinzino continuously monitors and works to reduce its exposure, a change of the price of one or more essential raw materials could materially affect Zinzino's business, profit and financial position. The diversification of Zinzino's product range which has taken place in recent years has spread Zinzino's risk in relation to price changes on many raw materials.

#### **Risks related to suppliers**

A large part of Zinzino's purchases are made from a small number of suppliers. Zinzino is dependent on these suppliers and on these suppliers being able to produce goods at the pace which Zinzino's turnover requires.

If the collaboration with any of the suppliers, or the rights resulting from such a collaboration, were to cease without

Zinzino being able to replace the products with others without increased costs, this could affect Zinzino's turnover and product selection for some period of time. Zinzino is also dependent on the quality of the products it purchases being good. If the suppliers are deficient in their undertakings with respect to Zinzino, this can lead to serious negative consequences for Zinzino. In order to continue being a competitive company, Zinzino is also largely dependent on its suppliers' willingness to collaborate in product development or, where possible, to find new alternative collaborators for product development. Inflexibility and unwillingness or difficulty in finding alternative collaborators can impede product development which could affect Zinzino negatively.

Through the acquisitions of Bioactive Foods AS, Faun Pharma AS and the affiliated company Cleanthi in 2024, Zinzino has gained good control of the production chain from raw materials to finished products, including further product development. By doing so, Zinzino has eliminated much of this risk.

#### **Risks related to compliance and establishment in foreign markets**

Establishment in new countries and regions can entail risks that are difficult to predict. Oversight and control to comply with local legislation relating to local taxes, product registrations and consumer legislation in various countries are becoming an ever-greater challenge for governance by the head office in Gothenburg. In order to prevent these risks, the company works continuously to keep track of changes in the local legislation in the various countries and to maintain collaboration with local lawyers and consultants so as to always strive for 100% compliance in all markets where Zinzino is currently established.

The possibility of finding the right partners for the business can also affect the company's foreign establishment. With Zinzino's operations already established in a number of foreign markets, Zinzino has created well-established procedures and strategies for successful foreign establishments. Establishment on a new market takes place through low-cost investment for the purpose of minimising risk.

#### **Risks related to IT**

Changing business systems a few years ago showed how exposed the company is to disruptions in IT operations and how important control of the many IT-intensive processes is. Prioritising IT resources in conjunction with high growth is a challenge for Zinzino but the company is working to optimise and allocate its resources in the best way. Through the expanded IT department, the processes of development have been made more efficient, something which is of the utmost importance in connection with the expansion of the business.

### **Risks related to currencies and the interest rate situation**

Zinzino has its revenues in a variety of different currencies, of which NOK, EUR and USD are the largest. At the same time, Zinzino has the largest part of its costs in SEK, NOK, EUR and USD as relates to operating costs and purchases of goods. Zinzino is thus exposed to currency risks when the different currencies fluctuate. Zinzino does not forward purchase or hedge its currency flows but instead works actively with currency flow forecasts and currency exchange on favourable occasions. In addition, the amounts of the different currencies on the revenue and expense sides mean that the currency movements often cancel each other out and the currency risk thereby becoming lower.

### **Risks relating to competitors**

Zinzino has identified two types of competitors as those which may primarily have a negative effect on Zinzino's business: one is other direct sales companies which create a risk that Zinzino's partners and/or employees may choose to join them instead of Zinzino and the other is other companies which compete with products that are the same as or similar to Zinzino's products. In addition, the competitors' innovation and product development constitute a risk for Zinzino's business.

The Board of Directors of Zinzino believes that the Zinzino Health product range, with Balance Oil as its foremost product in combination with blood tests, together with HANZZ+HEIDI and Rombout's product range, is sufficient for Zinzino to remain a competitive and attractive company. In addition to this, Zinzino currently has very efficient in-house product development which continuously produces attractive new products in health for Zinzino's partners and customers. Beyond this, the company is working with attractive compensation plans and is offering part ownership or other types of incentive programmes in order to ensure that Zinzino's distributors and employees do not choose to join other direct sales companies instead of Zinzino.

### **Risks related to unexpected events in the outside world**

The global outbreak of Covid-19 and the conflict between Russia and Ukraine and its impact on the world around us show that Zinzino needs to be highly adaptable in order to quickly deal with external factors that negatively affect its operations. The Board of Directors believes that Zinzino has handled the crises well with a quick adjustment to the circumstances that have arisen.

### **Parent company Zinzino AB (publ.)**

The parent company Zinzino AB (publ.) carries out the establishment of new markets, strategic development and supports the research and product development of Bio-active Foods AS. The parent company's revenue in 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.

# Corporate governance report

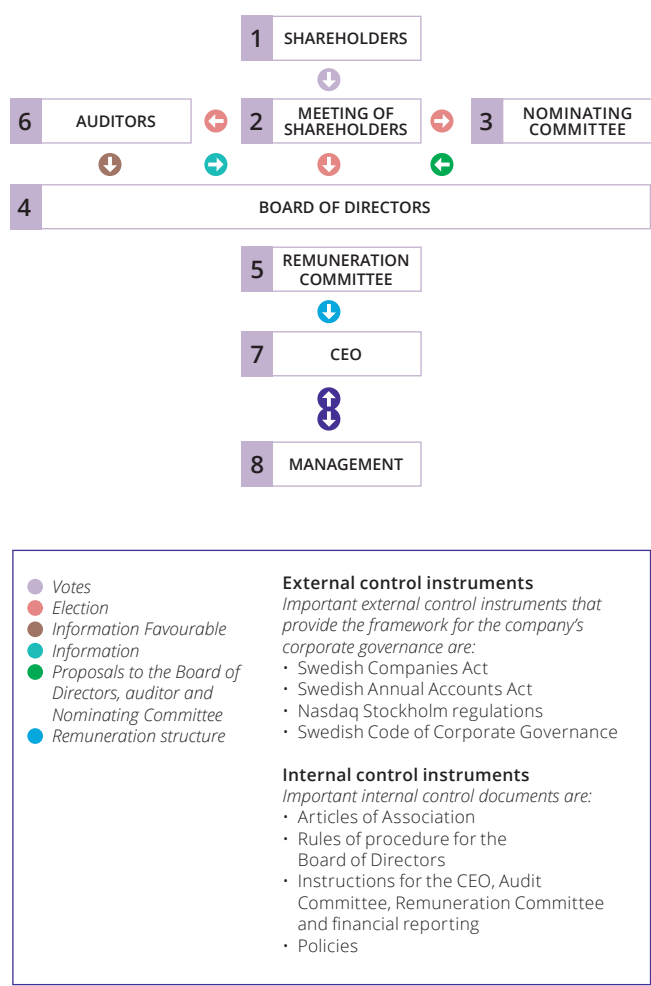
Corporate Governance refers to how rights and obligations are allocated between the company's bodies in accordance with applicable law, rules and processes. Corporate governance deals with the systems for decision making and the structure through which the shareholders directly or indirectly govern the company.

Zinzino AB is a Swedish public limited company based in Gothenburg. Shares have been listed on Nasdaq OMX First North since 11 December 2014. On 21 September 2020, Nasdaq approved the company's application to move the trading of its shares up to the Premier segment of First North.

In a limited company like Zinzino, governance, management and control are distributed among the shareholders, the Board of Directors, the CEO and the company management in accordance with applicable laws, rules and instructions.

Zinzino AB provides here its corporate governance report relating to 2024.

## Corporate governance model



## Basis for governance

The basis for the governance is the Articles of Association, the Companies Act, Nasdaq OMX First North Premier's Rules for Issuers, the Swedish Code of Corporate Governance, and other applicable laws and regulations. Since the listing, the company has not had any violations either against Nasdaq OMX First North's issuers regulations or against good practice in the stock market.

## Shares and shareholders

Zinzino AB was listed on Nasdaq OMX First North on 11 December 2014 and moved to the Premium segment of the list on 21 September 2020. Zinzino was originally listed for trading on the Aktietorget stock market (now Spotlight) in 2010. As of 31/12/2024, the share capital was divided among 34,827,196 shares, of which 5,113,392 are A shares (one 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](http://www.nasdaqomxnordic.com). At the end of the year the company had 6,817 (5,367) owners, excluding some foreign custodial account customers. The largest owners were Örjan Saele with company and family with 47.06% of the votes and 28.53% of the capital and Peter Sörensen with company and family with 25.43% of the votes and 12.26% of the capital. Information for the shareholders is available on Zinzino's website [zinzino.com](http://zinzino.com).

## Articles of Association

The company's articles of association describe, among other things, the company's operations, the number of Board members and auditors, how the annual general meeting is convened, handling of matters during the annual general meeting and where the general meeting is to be held. The articles of association contain no limitations relating to how many votes each shareholder may cast at an annual meeting of shareholders. The currently applicable Articles of Association, which were adopted at the Annual Meeting of Shareholders on 20 May 2021, can be found on the company's website [zinzino.com](http://zinzino.com).

## Annual General Meeting

It is at the annual meeting of shareholders, and at any extra meetings of shareholders, where all shareholders can exercise their right to vote and decide on issues which affect the company and its business. The annual meeting of shareholders, which is held within six months after the end of the financial year, makes decisions on confirming of the profit/loss statement and balance sheet, allocation of the year's profit or loss and decisions on dividends, discharge from liability for the Board of Directors and the CEO. Moreover,

the Board of Directors is elected, and the Board members' fee is established. The meeting also decides how the nominating committee shall be appointed. In addition, auditors are chosen, and the annual meeting of shareholders decides upon their remuneration. Other legally required matters are also dealt with as well as decisions being made on guidelines for remuneration to senior executives. In addition to these things, decisions will be made on other proposals from the Board of Directors and the shareholders. Notice of the meeting of shareholders shall be made through advertising in the Post- och Inrikes Tidningar [government newspaper and gazette of Sweden] and by keeping the notice available on the company's website [zinzino.com](https://zinzino.com). That notice has been made shall at the same time be announced in Dagens Industri. All of the shareholders who are registered in the share register as of the meeting's date and who have timely registered their participation in conformity with the provisions thereon in the articles of association have the right to participate in the meeting and to vote for their shareholdings. Shareholders may be represented by one or more proxies.

### Annual General Meeting 2024

The 2024 Annual General Meeting was held on 27 May in the company's offices at Hulda Mellgrens Gata 5 in Västra Frölunda. The shareholders present at the Annual General Meeting represented 49% of the votes and 24% of the capital. Hans Jacobsson was appointed chair of the meeting. Some of the decisions that the meeting made are the following:

- To approve the income statements and balance sheets of the parent company and the Group.
- To distribute SEK 3.00 per share for the financial year 2023.
- To elect Hans Jacobsson as Board Chair and Staffan Hillberg, Pierre Mårtensson, Ingela Nordenhav and Anna Frick as other Board members.
- That Board fees shall amount to a total of SEK 1,180,000, of which SEK 320,000 shall be paid to the Board Chair, SEK 180,000 to each of the other Board members, SEK 60,000 to the Chair of the Audit Committee and SEK 35,000 to a member of the Audit Committee, and SEK 25,000 to the Chair of the Remuneration Committee and SEK 20,000 to a member of the Remuneration Committee.
- To elect BDO Göteborg AB as the auditing firm and Katarina Eklund as the auditor in charge.
- To adopt policies for the Nominating Committee for the 2024 Annual General Meeting in accordance with the Nominating Committee's proposal.
- To issue 110,270 new Zinzino B shares with payment by offsetting of claims to Enhazz AG.
- To authorise the Board of Directors to decide on preferential issues.
- To authorise the Board of Directors to decide on directed issues of a maximum total of 3,000,000 B shares.
- To approve the remuneration report for 2023 presented by the Board of Directors.

### Annual General Meeting 2025

The 2025 Annual General Meeting will be held at the company's premises at Hulda Mellgrens gata 5 in Västra Frölunda on 28 May. 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 [zinzino.com](https://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 [zinzino.com](https://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](https://zinzino.com/bolagsstyrning).

### Nominating Committee

The Nominating Committee of Zinzino has the task of presenting proposals for the number of members of the Board of Directors, election of members of the Board of Directors including the Board Chair, remuneration to the members of the Board of Directors, making proposals for the process of appointing a new nominating committee and in general following the provisions of the Swedish Code of Corporate Governance.

### The Nominating Committee Process

By 31 October, the Board Chair shall convene the largest shareholders of the company. If any of these waive their right to appoint a member to the nominating committee, the next shareholder/owner group shall be provided the opportunity in order of proportion to appoint a member to the Nominating Committee.

The composition of the Nominating Committee shall be published no later than six months before the annual general meeting.

The chairman of the Board of Directors convenes the first meeting of the Nominating Committee. However, the chairman of the Board of Directors shall not be appointed chairman of the Nominating Committee.

If it becomes known that any of the shareholders who appointed a member of the Nominating Committee as a result of changes in the shareholder's ownership or as a result of changes in other shareholders' holdings no longer belongs to the largest shareholders, the member appointed by the shareholder, if the nominating committee so decides, will resign and be replaced by a new member appointed by the shareholder who at the time is the largest registered shareholder who has not already appointed a member of the Nominating Committee. If the registered ownership conditions are otherwise substantially changed prior to the completion of the Nominating Committee's assignment, if the Nominating Committee so decides, a change in the composition of the Nominating Committee must be made in accordance with the principles stated above.

## Nominating Committee for the 2025 Annual General Meeting

Members	Appointed by	Independent *	Vote share 31/12/2024
Magnus Götenfelt (chair)	Saele Invest & Consulting AS	Yes/yes	47.06%
Cecilia Halldner	Cashflow Holding ApS	Yes/yes	25.43%
Hans Jacobsson	Zinzino AB Board of Directors	Yes/yes	0.34%

\* Independent in relation to the company and company management/to the company's largest shareholder in terms of votes.

The Nominating Committee's term of office extends until a new Nominating Committee is appointed.

The chairman of the Board of Directors annually presents an evaluation of the Board of Director's work during the year to the Nominating Committee, which forms the basis for the Nominating Committee's work together with the requirements in the Swedish Code of Corporate Governance and the company-specific requirements at Zinzino.

The Nominating Committee's tasks include:

- Evaluating the composition and work of the Board of Directors.
- Making nominations to the general meeting regarding election of Board members and of the Board Chair.
- Nominating the external auditors.
- Putting forward proposals relating to remuneration for the Board of Directors and auditor.

In accordance with the above policies, the Nominating Committee consists of the following three members until the next Annual General Meeting on 28 May 2025:

The chair of the Nominating Committee is Magnus Götenfelt, and the convenor of the Nominating Committee is Hans Jacobsson.

The Nominating Committee has had two meetings as well as a number of email and phone contacts. The Nominating Committee's complete proposals and reasons for the 2025 Annual General Meeting will be presented on the company's website [zinzino.com](https://zinzino.com) well in advance of the Annual General Meeting. Shareholders who want to present proposals to the Nominating Committee can do so via e-mail to [aktier@zinzino.com](mailto:aktier@zinzino.com) or by post to the company's headquarters. In order for the Nominating Committee to be able to take account of incoming views in its proposals to the Annual General Meeting, the proposals to the Nominating Committee must have been submitted at latest one month before the Annual General Meeting.

A fee of SEK 16,500 each has been paid to Magnus Götenfelt and Cecilia Halldner for their work prior to the 2025 Annual General Meeting.

### The Board of Directors

The Board of Directors is responsible for Zinzino AB's organisation and management. The Board of Directors must provide effective support for and control of the

management's work. The Board of Directors has adopted rules of procedure which contain rules and guidelines for its work. The rules of procedure govern, among other things, the number of regular meetings of the Board of Directors, which matters must be dealt with at ordinary meetings of the Board of Directors, and the duties upon the chair of the Board of Directors. The current rules of procedure and the CEO's instructions were adopted at the constitutive board meeting on 20 May 2021 and were left unchanged at this year's constitutive board meeting on 27 May 2024. The Board of Directors must, in accordance with the articles of association, consist of at least three and at most ten members and at most ten deputies. At the Annual General Meeting on 27 May 2024, it was adopted that the Board of Directors shall have five members elected by the Annual General Meeting without deputies and that, until the next Annual General Meeting on 28 May 2025, the Board members Hans Jacobsson, Staffan Hillberg, Pierre Mårtensson, Ingela Nordenhav and Anna Frick were re-elected. Hans Jacobsson was re-elected as the new chairman.

More information on the Board of Directors is presented on page 72. The Group's chief executive officer (CEO), Dag Bergheim Pettersen, participates in all meetings of the Board of Directors to present reports. The same is true of the group's CFO, Fredrik Nielsen. Other employees of the group participate at times in the meetings of the Board of Directors to present reports on specific questions.

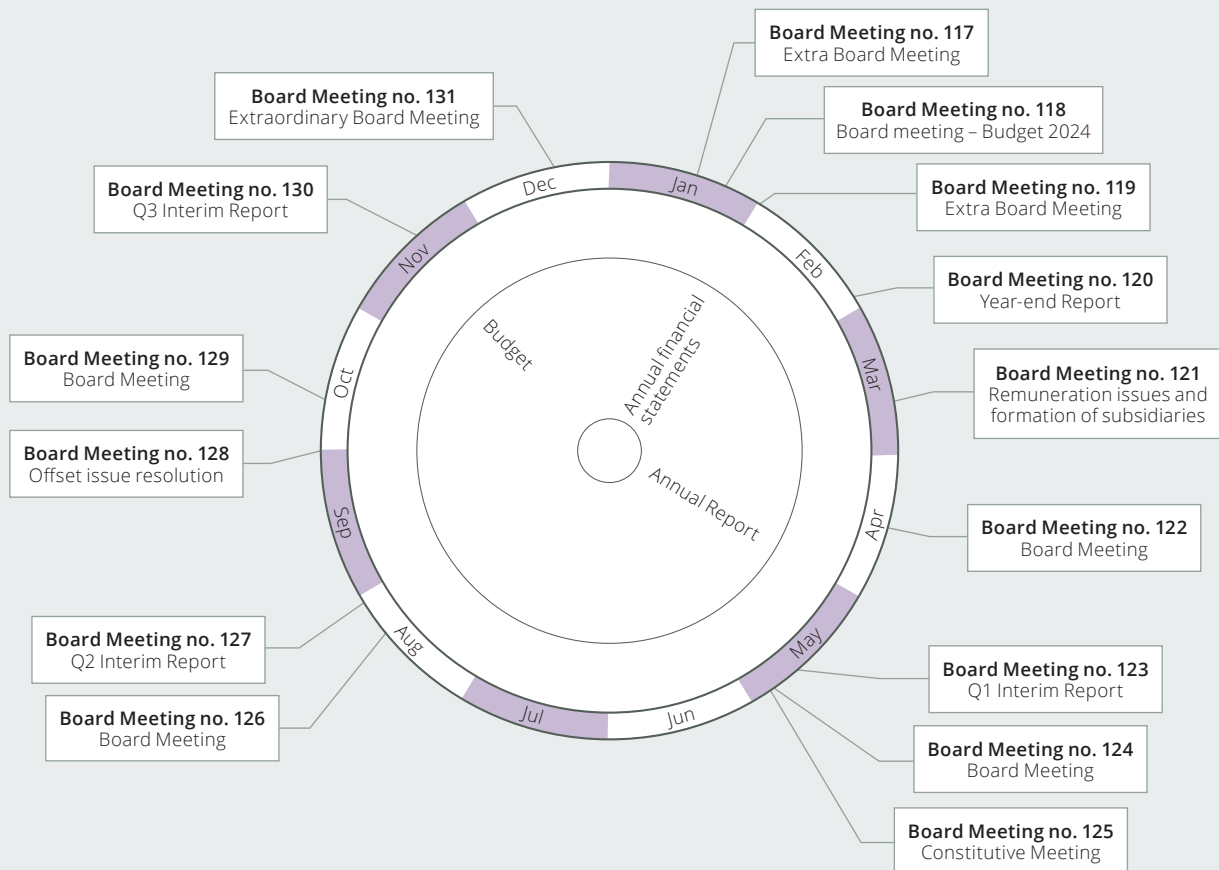
### The independence of the Board of Directors in relation to the company and the company's management

At Zinzino, the number of Board of Directors members elected at the annual meeting who are independent of the company is 100% of the members. The number of Board of Directors members elected at the annual meeting of shareholders who are independent of the company's largest owner is also 100%. Two members of the Board of Directors are women, but in accordance with the Code, the Nominating Committee intends to strive for a more even gender distribution on the Board.

### The Board of Director's work and responsibility

The Board of Directors determines the company's goals, strategies, budget and business plan. The Board of Directors is responsible for the company's organisation and management and shall ensure the quality of financial reporting and

## Closing year 2024



internal control. In addition, the Board of Directors shall consider and approve financial reports and establish important policies and regulatory systems. The Board of Directors shall also take major decisions outside the current administration such as investments and changes. The Board of Directors shall monitor operations based on goals and guidelines. The work is governed by the Swedish Companies Act, the Articles of Association, the Code and the Board of Directors' rules of procedure.

The Board of Directors shall hold a constitutive meeting annually after the annual general meeting. At the constitutive board meeting, among other things, the company's signatories must be established and the Board of Directors' rules of procedure reviewed and adopted. The Board of Directors' meetings normally deal with the company's financial situation and issues of major importance to the Company. The CEO reports on business plans and strategic issues on a continuous basis. According to the Board of Directors' rules of procedure, the Board has a quorum when at least three members are present.

### Diversity policy

Zinzino, through the Nominating Committee, applies rule 4.1 of the Swedish Corporate Governance Code as its diversity policy when preparing proposals on the election of mem-

bers of the Board of Directors. The rule means that the Board of Directors shall have a composition that is appropriate to the company's business, stage of development and other circumstances, with diversity and width in terms of the skills, experience and background of the members elected at the Annual General Meeting. Efforts shall be made to achieve gender balance. The aim of the diversity policy is to ensure that the Board is sufficiently diverse in terms of gender, age, nationality, as well as experience and professional background.

### Board of Directors Meetings

In 2024, the Board of Directors held 15 minuted meetings. The attendance frequency of the Board members is shown in the table below. Each meeting followed an agenda and decision material was sent to the Board of Directors prior to each board meeting. The CEO, CFO and certain other senior executives of the company attended board meetings to present matters.

The Board carries out an annual evaluation of its work with a view to developing the Board's working methods and effectiveness. Evaluation of the Board's work was carried out in February-March 2025. As in previous years, the evaluation of the work in 2024 was also based on a survey. In addition, the Nominating Committee has conducted individual interviews with the members. The results and an

analysis thereof have been presented to the Board, followed by discussion and identification of focus areas for continued work. It may further be noted that the Nominating Committee has reviewed the report in its entirety as well as the conclusions of the Board. The Board of Directors' evaluation of the CEO, Dag Bergheim Pettersen, was also carried out in March 2025.

#### Members' attendance at the Board of Directors' meetings

Hans Jacobsson	Chair	15 out of 15
Staffan Hillberg	Member	15 out of 15
Pierre Mårtensson	Member	15 out of 15
Ingela Nordenhav	Member	15 out of 15
Anna Frick	Member	15 out of 15

#### Remuneration to Board members

Remuneration and other benefits to the Board and the Board Chair are decided by the company's shareholders at the General Meeting. At the Annual General Meeting on 27 May 2024, it was resolved to pay SEK 320,000 to Hans Jacobsson who was elected Board Chair and SEK 180,000 to the other Board members Staffan Hillberg, Pierre Mårtensson, Ingela Nordenhav and Anna Frick. In addition, committee fees of SEK 60,000 were paid to the Chair of the Audit Committee, Hans Jacobsson, and SEK 35,000 to a member of the Audit Committee, Anna Frick, and SEK 25,000 to the Chair of the Remuneration Committee, Staffan Hillberg, and SEK 20,000 to a member of the Remuneration Committee, Pierre Mårtensson. During the 2024 financial year, total remuneration to the board of directors amounted to SEK 1,141,000 and was distributed in accordance with the table on pages 103–104.

#### Information for the Board of Directors

The Board of Directors' work follows the rules of procedure, and the Board of Directors receives information from the management in the form of business activity reports in accordance with the CEO's instruction. The company's auditors report their observations from their review of the financial statements and their assessment of the company's internal procedures and controls to the Board of Directors.

#### The Board Committee

##### Remuneration Committee

In accordance with the Code, the members of the remuneration committee must be independent in relation to the company and its management. The Remuneration Committee of the Board of Directors shall continuously evaluate the remuneration to the management based on prevailing market conditions. The current Remuneration Committee consists of the Board members, Pierre Mårtensson and Staffan Hillberg both of whom are considered independent in relation to the company and its management. The mem-

bers of the remuneration committee are appointed annually by the Board of Directors. The remuneration committee's main tasks are to (a) prepare and propose decisions regarding remuneration and other terms of employment for the company's senior executives, (b) monitor and evaluate remuneration structures, remuneration levels and various remuneration programmes for senior executives and (c) monitor and evaluate the outcome of variable remuneration and the company's compliance with the remuneration guidelines adopted by the meeting of shareholders. After the 2024 Annual General Meeting, the Remuneration Committee has had two meetings up to the reporting date.

#### Meetings of the Remuneration Committee

Staffan Hillberg	2 out of 2
Pierre Mårtensson	2 out of 2

#### The audit committee

Zinzino's Audit Committee consists of the Board Chair Hans Jacobsson and Anna Frick. Both members of the Audit Committee are independent in relation to the company, its company management and its major shareholders. The work of the Audit Committee is governed by specific instructions adopted by the Board of Directors as part of its rules of procedure. The Audit Committee is responsible for ensuring the quality of financial reporting and the effectiveness of internal control and risk management in relation to financial reporting. In brief, without prejudice to the other responsibilities and duties of the Board of Directors, the audit committee shall meet with the company's auditors on an ongoing basis to obtain information on the focus and scope of the audit. The company's auditor shall be invited to attend the meetings of the Audit Committee. The Audit Committee shall meet at least three times per financial year. At least once a year, a meeting shall be held when no member of the management is present. Minutes shall be kept of meetings of the audit committee. The Audit Committee shall inform the Board of Directors of what has been discussed in the committee. Up to the reporting date, the committee has held two meetings.

#### Meetings of the Audit Committee

Hans Jacobsson	2 out of 2
Anna Frick	2 out of 2

#### Auditing

Zinzino's elected auditors are BDO Göteborg AB (BDO) with Katarina Eklund as auditor in charge. Katarina Eklund is an authorised public accountant and has been Zinzino's auditor since the Annual General Meeting in 2023. Katarina Eklund has audit engagements at, among others, Amhult 2 AB (publ.) and Forsman & Bodenfors AB.

The audit of the year's financial statements is carried out in January–February. The audit of the year's annual report is carried out in March and April. As part of the audit, on

an ongoing basis during the year, an evaluation of internal procedures and control systems is carried out. The conclusions of the audit are reported to the Group's CEO, CFO and the Board. In addition to the audit engagement, Zinzino has used BDO AB for advice on accounting and tax matters.

### CEO and company management

The Board of Directors appoints the CEO. The CEO leads the company, manages the ongoing administration and is responsible for ensuring that the Board of Directors receives the information required for its commitments. The CEO is not a member of the Board of Directors. The CEO presents reports to the Board of Directors and participates in meetings, except when the CEO himself is being evaluated, when the Board of Directors meets the auditor without the company management or if the Board of Directors so decides. The division of responsibilities between the Board of Directors and the CEO is described in a written CEO instruction that is subject to annual revision. The CEO appoints members of the management team. The management team is to conduct business operations and monitor developments. At the beginning of 2024, the management team consisted of Dag Bergheim Pettersen (CEO), Fredrik Nielsen (CFO), Henrik Hammargren (CSCO), Jakob Spijker (COO), Daniel Vennerstrand (CTO), Gabriele Helmer (CMO) Dr Colin

Robertsson (CPM), Lars Dahlberg (Vice President Nordic), Linda Johnsson (CHRO) och Katriin Laanep (CSO).

### Remuneration

The remuneration of the Board of Directors is decided by the annual meeting of shareholders. A remuneration committee appointed from within the Board of Directors shall prepare guidelines relating to salaries and other employment conditions for the chief executive officer and other senior executives and submit proposals to the Board of Directors for decisions on such questions. The Board of Directors decides on the salary and other remuneration of the CEO and variable remuneration of other senior executives. The CEO will make decisions on salaries and other remuneration to other senior executives in accordance with the guidelines of the Remuneration Committee and Board of Directors. Other senior executives refer to nine persons who together with the CEO constitute the Group management.

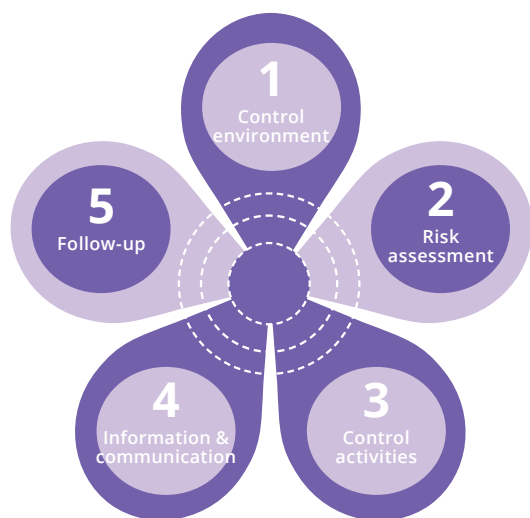
The current guidelines for remuneration of senior executives can be found in Note 8 on pages 104–106 of the 2024 annual report. The company's remuneration report for the 2024 financial year is published on [zinzino.com](https://zinzino.com) as a basis for resolutions of the Annual General Meeting on 28 May 2025.

Remuneration and other benefits 2024	Base salary/ Board fees	Variable remuneration	Other remuneration	Other benefits	Pension costs	Total
Board Chair - Hans Jacobsson	368	-	-	-	-	<b>368</b>
Board Member - Staffan Hillberg	196	-	-	-	-	<b>196</b>
Board Member - Pierre Mårtensson	195	-	-	-	-	<b>195</b>
Board Member - Ingela Nordenhav	186	-	-	-	-	<b>186</b>
Board Member - Anna Frick	196	-	-	-	-	<b>196</b>
CEO - Dag Bergheim Pettersen	4,551	1,491	133	268	1,807	<b>8,250</b>
Other senior executives (9 persons)	11,669	922	148	879	2,145	<b>15,763</b>
<b>Total</b>	<b>17,361</b>	<b>2,413</b>	<b>281</b>	<b>1,147</b>	<b>3,952</b>	<b>25,154</b>

### Internal Control, Risk Management and Investor Relations

According to the Companies Act and the Code, the Board of Directors is required to ensure that Zinzino has satisfactory internal controls to keep informed of Zinzino's internal control system and to assess how well the system works. Zinzino's work with internal control can be divided into the control environment, risk assessment, control activities, information as well as communication and follow-up. The Board of Directors will use the rules of procedure and instructions for its own and the chief executive officer's

work for the purpose of effectively managing the risks of the business. The responsibility for maintaining an effective control environment and internal control relating to financial reporting is delegated to the chief executive officer. For external communication there are guidelines which ensure that correct information is distributed to the market. In conjunction with the issuance of reports, the Board of Directors always meets at an ordinary meeting or by telephone and before publication formally approves the proposed report which the management has produced.



### Control environment

The control environment is the basis for internal control. Zinzino's control environment includes sound values, integrity, competencies, leadership philosophy, organisational structure, responsibilities and authorities. Zinzino's internal work rules, instructions, policies, guidelines and manuals guide employees. Zinzino ensures clear roles and responsibilities for the efficient management of business risks through, among other things, the rules of procedure of the Board of Directors, the instructions of the audit committee and the instructions of the CEO. The CEO reports regularly to the Board, including between board meetings. In day-to-day operations, the CEO is responsible for the system of internal controls necessary to create a control environment to manage material risks. Zinzino also has guidelines and policies regarding financial management and monitoring and communication issues. Frameworks exist for credit and currency management.

### Control activities

Control activities have the primary objective of preventing, detecting and correcting errors in financial reporting based on an established system. Zinzino performs monthly detailed monitoring of various activities at the account level in order to analyse discrepancies and detect material errors in the financial statements. Zinzino also performs monthly analysis of the consolidated balance sheet assets and liabilities. Zinzino has an audit committee which contributes to enhanced control of the group's financial reporting and the Company's internal procedures.

### Risk assessment

The Board of Directors has the ultimate responsibility for the risk assessment and annually assesses risks and seeks to achieve a high level of awareness of risks among employees. Identified risk areas are primarily financial reporting, operational risks and legal risks. For information on the main operational and legal risks identified by the company, see the management report pages 57–64.

Zinzino conducts ongoing risk assessments to identify potential sources of error in financial reporting. Risks of material misstatement of the financial statements may arise from the recognition and measurement of assets, liabilities, income and expenses or from deviations from disclosure requirements. Zinzino's risk assessment of financial reporting aims to identify and evaluate the most significant risks.

### Information and communication

Zinzino has been listed since 2010 (at the time on the Aktietorget stock market) and has long experience in financial external communication. Zinzino has an organisation and procedures to ensure that the financial reporting is accurate. The work is guided by internal control documents that define who should do what to ensure that the right information reaches interested parties correctly. Zinzino has an information policy to ensure good quality of external and internal information and that it meets the stock market's requirements for disclosure. The purpose is to convey information externally and internally in a trustworthy manner so that Zinzino's knowledge and confidence is maintained and developed. The control document contains procedures for press releases, financial reports, meetings, issues, website, registration of insiders, management of logbook and so on. All reports and press releases are published simultaneously with the publication on Zinzino's website [zinzino.com](http://zinzino.com).

### Follow-up

The Board continuously evaluates the information provided by company management, which includes both financial information and significant internal control issues. The Board of Directors and the audit committee continuously monitor the effectiveness of internal control, which, in addition to continuous updating in the event of deviations, is done, among other things, by ensuring that measures are taken in response to the proposed measures that may have emerged from external audits. The audit committee deals specifically with the issue of internal control.

### Internal Audit

Zinzino did not have a separate internal audit function during the financial year. The audit committee and the CFO have paid particular attention to these issues. The Board of Directors annually evaluates the need to set up an internal audit function.

# Board of Directors



## Hans Jacobsson

Chair

Born: 1967

Hans Jacobsson holds a Master of Business Administration. In addition to his role as Board Chair of Zinzino, Hans also serves as Board Chair of the following Spotlight Stock Market and First North listed companies: Thinc Collective, Lohilo Foods, Tura Group and Gosol Energy Group. Previous professional experience includes CFO of Thinc Collective, CEO of Rootfruit Scandinavia AB, Finance and Logistics Director of General Mills Scandinavia AB, Partner in CR&T Ventures (venture capital company in the Bure sphere) and Investment Manager in Investment AB Bure. He has extensive experience in mergers and acquisitions, IPOs and structural transactions. In addition he has comprehensive competence in food and consumer products.

Hans Jacobsson has been a member of the Board of Directors since 2007 and has served as Chairman since 2009.

Number of shares: 245,415 B shares  
Number of warrants: 51,900  
Independent in relation to major shareholders: Yes  
Independent in relation to the company and its management: Yes



## Ingela Nordenhav

Member

Born: 1972

Ingela Nordenhav has an engineering degree from Chalmers University of Technology and has a long career at Volvo behind her. She was, among other things, Global Marketing Manager at Volvo Trucks where she led the company's transformation journey in image and digitalisation. She has previous experience in product development, quality, sales and aftermarket and has lived and worked abroad in the Netherlands and the US. Ingela has extensive experience in strategic company management and global work. She currently runs a consultancy firm and holds board positions as Chair and member in both listed and private companies.

Ingela Nordenhav has been a member of the company's Board of Directors since 2019.

Number of shares: 4,000 B shares  
Number of warrants: 0  
Independent in relation to major shareholders: Yes  
Independent in relation to the company and its management: Yes



## Anna Frick

Member

Born: 1968

Anna Frick has a Master of Business Administration from the Stockholm School of Economics. Anna has worked with communication and digital transformation and has board experience from Nordnet AB (publ.), Leo Vegas AB and A3 Allmänna IT- och Telekom AB, among others. Other current board positions include Fortnox AB (publ.), Medhelp Care AB (publ.) and Svea Bank AB.

Anna Frick has been a member of the company's Board of Directors since 2021.

Number of shares: 17,837 B shares  
Number of warrants: 2,143  
Independent in relation to major shareholders: Yes  
Independent in relation to the company and its management: Yes



## Staffan Hillberg

Member

Born: 1964

Staffan Hillberg studied electrotechnology at Chalmers and has an MBA from INSEAD. Staffan is CEO of Wood & Hill Investment AB. He has extensive experience from international operational positions and the financial sector. Former CEO of Heliospectra AB and Yield AB, former Managing Partner of MVI, partner in CR&T Ventures AB (a risk capital company in the Bure-sphere), CEO of AppGate AB, CEO of Bonnier Online, chief of Bonnier Medialab, product chief for Apple Computer Inc in France and the US.

Staffan Hillberg has been a member of the company's Board of Directors since 2007.

Number of shares: 138,833 B shares  
Number of warrants: 30,000  
Independent in relation to major shareholders: Yes  
Independent in relation to the company and its management: Yes



## Pierre Mårtensson

Member

Born: 1972

Pierre Mårtensson has a Master of Business Administration from the Norwegian School of Management and has extensive and successful experience in growing companies internationally. Through his company, The Scale Factory, Pierre is currently working to commercialise businesses into the Asian markets, in addition to his role as Venture Partner for the Venture Capital company Antler. Previously, Pierre has held senior positions in a number of global companies such as Managing Director in China for the direct sales company Oriflame, EVP Asia for the cosmetics company, Pixi Beauty, SVP & Head of Expansion for the advertising technology company Tapad as well as Managing Director Singapore and South Africa for Lux International.

Pierre Mårtensson has been a member of the company's Board of Directors since 2015.

Number of shares: 30,000 B shares  
Number of warrants: 35,000  
Independent in relation to major shareholders: Yes  
Independent in relation to the company and its management: Yes

# Group management



**Dag Bergheim Pettersen**  
CEO, Chief Executive Officer  
Born: 1970

Dag Bergheim Pettersen has a Master of Business Administration from Oslo University and has held management positions at Elgiganten, Alcatel and as senior vice president at Telia Sonera's subsidiary NetCom. Dag has extensive experience in strategic leadership in growing companies and has been employed as CEO of Zinzino since 2012.

Number of shares: 1,330,376 B shares  
Number of warrants: 115,000



**Gabriele Helmer**  
CMO, Chief Marketing Officer  
Born: 1977

Gabriele Helmer holds a Master's in Business Administration and International Marketing. Since 2001 she has worked in various marketing positions at international companies such as Lufthansa, Beiersdorf, General Mills and Specsavers. Gabriele also has experience in the advertising industry and has previously been a Board member of Zinzino. Employed at Zinzino since 2019.

Number of shares: 30,053 B shares  
Number of warrants: 20,000



**Fredrik Nielsen**  
CFO, Chief Financial Officer  
Born: 1977

Fredrik Nielsen holds a Master of Business Administration and has broad experience in senior positions in the field of finance. Employed at Zinzino since 2009, before that he was Chief Financial Officer at Gymnasium Sportcenter AB.

Number of shares: 58,000 B shares  
Number of warrants: 0



**Jakob Spijker**  
COO, Chief Operation Officer  
Born: 1968

Jakob Spijker has a background in logistics in both his home country, the Netherlands, as well as in Sweden. He has been employed at Zinzino since 2012. Jakob's role as COO also includes business development and global logistics responsibilities.

Number of shares: 15,111 B shares  
Number of warrants: 20,000



**Henrik Hammargren**  
CSCO, Chief Supply Chain Officer  
Born: 1980

Henrik Hammargren holds a BA in Business Administration and Management and since 2006 has worked as a controller in senior positions at a number of companies, including Autoliv, Elanders and Resia. Employed at Zinzino since November 2018.

Number of shares: 35,000 B shares  
Number of warrants: 0

# Group management



## **Katriin Laneep**

CSO, Chief Support Officer

Born: 1973

Katriin has many years of experience in customer service and more than 10 years of experience in the direct sales industry. She joined Zinzino 2012 as a support employee and then advanced to both Director Support and Leader Council Support. Most recently, she has worked as head of Partner Support before she was promoted to Head of Support.

Number of shares: 10,000 B shares  
Number of warrants: 0



## **Daniel Vennerstrand**

CTO, Chief Technical Officer

Born: 1976

Daniel Vennerstrand holds a Master's in Computer Engineering and has worked with systems development and management of software development in product companies since 2001. Daniel comes most recently from Intermail where he worked as development manager. Employed at Zinzino since April 2018.

Number of shares: 27,000 B shares  
Number of warrants: 20,000



## **Lars Dahlberg**

Vice President Nordic

Born: 1967

Lars Dahlberg has 25 years of experience in the direct sales industry as a partner in the field and in international management roles of various kinds. The clients have been American, European and Chinese companies. His experience and expertise in the industry is a great asset for Zinzino's future development.

Number of shares: 5,240 B shares  
Number of warrants: 40,000



## **Linda Johnsson**

CHRO, Chief Human Resources Officer

Born: 1975

Linda Johnsson has a Bachelor's degree (BA) in Human Resources with many years of experience in strategic work, business development, leadership, HR and sustainability in various management positions. Linda has worked in both Swedish and international companies such as Lionbrige, Entrematic (ASSA ABLOY Entrance Systems) Latour Investment AB and most recently as Group HR Manager of Ligula Hospitality Group. Employed at Zinzino since June 2021.

Number of shares: 3,600 B shares  
Number of warrants: 0



## **Dr Colin Robertson**

CPO, Chief Product Officer

Born: 1972

Dr Colin Robertson has a BSc, MSc and PhD in sports science, exercise and nutrition and exercise physiology and is also a registered nutritionist. He has studied at the University of Oxford, Liverpool John Moores University, Liverpool University, the University of Chester and the University of Glamorgan. Colin has spent the last 30 years working in high performance sport, as a clinical exercise physiologist and as a research coordinator for both national and international health strategies. He has been widely published and has presented at leading global scientific and medical conferences, as well as giving a TED Talk. Colin started at Zinzino in 2020 as a Scientific Research Specialist and assumed the role of Chief Product Officer in 2022.

Number of shares: 0  
Number of warrants: 20,000

# Sales management



**Fredrik Skarnaes Hansen**  
MD Faun Pharma

Fredrik Skarnaes Hansen has a Master of Business and is a certified PRINCE2 Project Manager from Metier Academy. He has worked in sales and sales management for over 25 years in IT, telecommunications and food. Fredrik joined Faun Pharma in 2018 and has been responsible for leading and developing Faun's customer portfolio, becoming MD in 2024.

Number of shares: 0  
Number of warrants: 0



**Stefan Mühl**  
Vice President DACH

Stefan Mühl started at Zinzino in April 2022 in connection with the acquisition of Enhanzz, where he was acting as COO. Stefan has now taken on the role of Business Development Manager to integrate partners from Enhanzz as well as the HANZZ+HEIDI brand into Zinzino's business model and systems. Stefan looks back on 20 years of experience working in large international companies, where his focus for the last 10 years has been the interdisciplinary cooperation between sales and business.

Number of shares: 0  
Number of warrants: 0



**Steve Morley**  
Vice President UK & Ireland

Steve Morley has been in the industry for 30 years, working in corporate for Amway, Nu Skin and Tiens in senior European roles. Since 2012, Steve has had his own direct sales consultancy company in Asia, working to help companies launch in Asia. Steve had many offers to work back in Europe, but only Zinzino appealed to him.

Number of shares: 0  
Number of warrants: 0



**Tomasz Stanislawski**  
Vice President East Europe

Tomasz Stanislawski has over 25 years of experience in direct sales and network marketing in the field of health, wellness and consumer products. His professional career includes working for several leading companies, such as Herbalife, Vision International, PartyLite, Vemma, ForeverGreen and most recently Vabo-N. Tomasz's extensive professional experience includes development and growth of operations, sales, marketing, business development, social media and international expansion. Tomasz has a Master's in Trade from the Warsaw School of Economics and speaks three languages: English, Russian and Polish.

Number of shares: 15,000 B shares  
Number of warrants: 0



**Carmelo D'Anzi**  
Vice President Italy

Carmelo D'Anzi has been employed at Zinzino since March 2021. Carmelo has 18 years of experience in direct sales, having worked in both the US and Europe for some of the top companies in the industry. He believes that the role of sales director is an important part of the success of a company in a country. Carmelo brings a wealth of experience in sales, relationships, mentoring future leaders, management and knowledge of global expansion. Carmelo is a former professional football player and was elected to the New England Football Hall of Fame and speaks four languages.

Number of shares: 0  
Number of warrants: 40,000



**Maya Koster**  
Vice President France

Maya Koster has a Master's in Engineering and over 15 years of experience in the diplomatic sector. Maya joined Zinzino's French market in January 2024. With more than a decade in direct sales and network marketing, Maya has successfully built and maintained many international business relationships. After many positions abroad, Maya has developed her adaptability, not least because she speaks several languages fluently, something she often uses as an important advantage in her professional activities.

Number of shares: 0  
Number of warrants: 0



**Sammy El Ghoul**  
Vice President Spain

Sammy El Ghoul has over 30 years of experience in direct sales, network marketing and executive leadership across various industries. His career includes key roles in both national and international organisations, and he has driven successful expansions across America, Europe and Southeast Asia. He is fluent in English, Spanish and German, and also has a good command of French and Arabic. Sammy is deeply committed to guiding and coaching teams towards success, helping others achieve their dreams and being an international motivational speaker.

Number of shares: 0  
Number of warrants: 0



**Bruno Teles Grio**  
Vice President Portugal

Bruno Teles Grio has a Bachelor's in Psychology and Business Management and has been working in the industry for 20 years. He joined Zinzino in early 2024 and has a special passion for nutrition, health and physical and mental well-being. Bruno is also a triathlete, having won a bronze medal at the Age Group World Championships.

Number of shares: 0  
Number of warrants: 0

# Sales management



## **Art Jonak**

Vice President North America

Art Jonak has been an integral part of the direct sales industry for more than two decades, both as a salesperson and as an experienced and trusted advisor to corporate teams and sales leaders. He has lived on four continents, visited over 80 countries and spoken at events for over half a million people.

Number of shares: 100 B shares  
Number of warrants: 110,000



## **Miguel A. Beas**

Vice President Latin America

Miguel A. Beas is originally from Spain with a solid background in law and has been part of the network marketing industry for almost 30 years. Throughout his career, he has mainly managed sales from leadership roles where he is driven by a passion to inspire change through personalised dietary supplements, based on the principle of evidence-based testing rather than guesswork. Thanks to Zinzino's product range and welcoming community, he has found an outlet for both his vibrant energy and deep dedication. Miguel is also the author of three books and speaks four languages.

Number of shares: 0  
Number of warrants: 30,000



## **Kenneth Koh**

Vice President East Asia

Kenneth Koh is the founder of VMA Life and was CEO there before the company became part of Zinzino in April 2020. He believes that honesty, creativity and commitment are the most important qualities to achieve success. Kenneth has 20 years of direct sales experience and is also responsible for training distributors using the training programme he designed himself. Kenneth hopes to continue to use his skills and diligence to take Zinzino's distributors in Asia to the next level.

Number of shares: 65,679 B shares  
Number of warrants: 0



## **Robert W. Horkings**

Vice President Australia, New Zealand & Philippines

Robert W. Horkings joined Zinzino in March 2019 as the COO for the Australian market. Robert started working at his first direct sales company in 1998, creating one of the most successful teams within the organisation consisting of over 100,000 active members. Prior to direct sales, he was an information technology corporate executive and is highly skilled in new business development, networking and relationship-building.

Number of shares: 10 B shares  
Number of warrants: 10,000



## **Thomas Ekberg**

Vice President, Asia-Pacific Pacific region (APAC)

Thomas Ekberg joined Zinzino at the end of 2024. Thomas has 25 years of experience in opening new markets and leading large teams in the beauty and health sectors, primarily in the APAC region. As former EVP, Thomas played a key role in market expansion, strengthening brand presence, optimising supply chain operations and driving significant business growth. Thomas' people-focused leadership style will be a great asset to Zinzino's continued success in the APAC market.

Number of shares: 0  
Number of warrants: 0

# Results and financial position

Amounts in SEK thousands	Group		Parent company	
	2024	2023	2024	2023
Net sales	2,094,073	1,674,812	36,830	23,899
Total revenue	2,207,787	1,766,377	37,038	24,241
Operating profit	219,900	208,833	2,944	3,106
Net profit	169,345	164,003	146,507	190,813
Operating margin	10.0%	11.8%	7.9%	12.8%
Net margin	7.7%	9.3%	395.6%	787.2%
Return on equity	43.9%	62.2%	41.8%	75.9%
Balance sheet total	1,205,086	842,135	390,397	292,215
Equity	386,144	263,800	350,720	251,458
Equity/assets ratio	32.0%	31.3%	89.8%	86.1%

For full key figures, see table on page 5.

## Key figure definitions

Operating margin	Operating profit/Total revenues
Net margin	Net profit/Total revenues
Return on equity	Net profit/Equity
Equity/assets ratio	Equity/Balance sheet total

# Proposal for the allocation of profits (SEK)

The annual meeting has the following at its disposal:

Zinzino AB	SEK
Retained earnings and other unrestricted distributable funds	174,488,759
Profit/loss for the year	146,507,057
<b>Total</b>	<b>320,995,816</b>

The Board of Directors proposes that the retained earnings be dealt with so that:

Zinzino AB	SEK
A dividend will be paid to the shareholders of SEK 4.00 per share	139,308,784
Will be carried forward	181,687,032
<b>Total</b>	<b>320,995,816</b>

The dividend will be paid on 06/05/2025.

The Board believes that the proposed dividend will not prevent the company from meeting its obligations in the short and long term or prevent it from making necessary investments. The proposed dividend can thus be justified with regard to the provisions in Chapter 17 Section 3 para 2-3 of the Companies Act (the precautionary rule).

Regarding the company's reported results for the accounts, the status per closing day, financing and capital management during the year, refer to the accompanying financial statements.

# Group report

– comprehensive profit/loss

		Financial year	
Amounts in SEK thousands	Note	2024	2023
Operating revenues			
Net sales	5	2,094,073	1,674,812
Other operating revenues	6, 10	113,714	91,565
Total		2,207,787	1,766,377
Operating costs			
Raw materials and consumables	19	-451,585	-335,610
Trading costs		-1,023,725	-782,719
Other external costs	7, 10	-291,730	-252,253
Personnel costs	8	-190,073	-155,164
Depreciation/amortisation and write-downs of tangible and intangible fixed assets	16, 17	-30,774	-31,798
Total		-1,987,887	-1,557,544
Operating profit		219,900	208,833
Financial income	9	6,100	5,059
Financial costs	9	-6,718	-3,885
Total profit/loss from financial items		-618	1,174
Profit/loss before tax		219,282	210,007
Tax on the profit for the year	11	-49,937	-46,004
Profit/loss for the year		169,345	164,003
Other comprehensive profit/loss			
Items that may be reclassified to profit/loss for the year			
Currency exchange differences upon conversion of foreign subsidiaries		3,524	-3,417
Other comprehensive profit/loss for the year, after tax		3,524	-3,417
Total comprehensive profit/loss for the year		172,869	160,586

# Group report

## – comprehensive profit/loss, continued

Profit/loss for the year attributable to	Financial year	
	2024	2023
Parent company shareholders	169,169	163,735
Non-controlling interest	176	268
<b>Total</b>	<b>169,345</b>	<b>164,003</b>
Total comprehensive profit/loss for the period attributable to	2024	
	2024	2023
Parent company shareholders	172,693	160,318
Non-controlling interest	176	268
<b>Total</b>	<b>172,869</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	2024	2023
Earnings per share before dilution	4.95	4.83
Earnings per share after dilution	4.59	4.73

*The notes on pages 89–125 form an integral part of these consolidated financial statements.*

# Consolidated Balance Sheet

Amounts in SEK thousands	Note	31/12/2024	31/12/2023
<b>Assets</b>			
<b>Fixed assets</b>			
<i>Intangible fixed assets</i>			
Goodwill	16	100,377	70,999
Other intangible assets	16	75,210	48,015
<b>Total intangible fixed assets</b>		<b>175,587</b>	<b>119,014</b>
<i>Tangible fixed assets</i>			
Equipment, tools and installations	17	15,412	15,327
<b>Total tangible fixed assets</b>		<b>15,412</b>	<b>15,327</b>
<i>Financial fixed assets</i>			
Right-of-use assets	18	41,809	51,049
Holdings reported using the equity method	13	2,175	-
Other financial assets	15	34,516	1,253
Deferred tax assets	26	4,618	4,075
<b>Total financial fixed assets</b>		<b>83,118</b>	<b>56,377</b>
<b>Total fixed assets</b>		<b>274,117</b>	<b>190,718</b>
<b>Current assets</b>			
<i>Inventories</i>			
Finished goods and goods for resale	19	311,190	194,977
<b>Total inventories</b>		<b>311,190</b>	<b>194,977</b>
<i>Current receivables</i>			
Accounts receivable	21	9,848	8,574
Other receivables	22	69,137	67,445
Pre-paid costs and accrued revenues	23	77,744	59,185
Cash and cash equivalents	24	463,050	321,236
<b>Total current receivables</b>		<b>619,779</b>	<b>456,440</b>
<b>Total current assets</b>		<b>930,969</b>	<b>651,417</b>
<b>Total assets</b>		<b>1,205,086</b>	<b>842,135</b>

# Consolidated Balance Sheet

– continued

Amounts in SEK thousands	Note	31/12/2024	31/12/2023
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital	25	3,483	3,394
Other contributed capital		97,119	41,807
Reserves		5,986	2,462
Other equity including the profit for the year		278,828	212,305
<b>Equity attributable to parent company shareholders</b>		<b>385,416</b>	<b>259,968</b>
Non-controlling interest		728	3,832
<b>Total equity</b>		<b>386,144</b>	<b>263,800</b>
<b>Liabilities</b>			
<i>Long-term liabilities</i>			
Deferred tax liability	26	7,249	3,412
Other liabilities	27	30,323	34,773
Lease liabilities	18	24,619	34,184
<b>Total long-term liabilities</b>		<b>62,191</b>	<b>72,369</b>
<i>Current liabilities</i>			
Accounts payable		87,989	50,356
Tax liabilities		26,272	29,978
Lease liabilities	18	21,446	19,676
Other current liabilities	28	400,881	268,481
Accrued costs and deferred revenues	29	220,163	137,475
<b>Total current liabilities</b>		<b>756,751</b>	<b>505,966</b>
<b>Total liabilities</b>		<b>818,942</b>	<b>578,335</b>
<b>Total equity and liabilities</b>		<b>1,205,086</b>	<b>842,135</b>

The notes on pages 89–125 form an integral part of these consolidated financial statements.

# Group report

## – changes in equity

Amounts in SEK thousands	Share capital	Other contributed capital	Conversion reserves	Retained earnings incl. profit/loss for the year	Total	Non- controlling interest	Total Equity
<b>Equity 01/01/2023</b>	<b>3,386</b>	<b>39,300</b>	<b>5,879</b>	<b>105,883</b>	<b>154,447</b>	<b>5,926</b>	<b>160,373</b>
Profit/loss for the year	-	-	-	163,735	<b>163,735</b>	268	<b>164,003</b>
Other comprehensive profit/loss for the year	-	-	-3,417	-	<b>-3,417</b>	-	<b>-3,417</b>
<b>Transactions with shareholders</b>							
Rights issue	8	2,507	-	-	<b>2,515</b>	-	<b>2,515</b>
Issued warrants	-	-	-	1,944	<b>1,944</b>	-	<b>1,944</b>
Dividends	-	-	-	-59,256	<b>-59,256</b>	-2,362	<b>-61,618</b>
<b>Equity 31/12/2023</b>	<b>3,394</b>	<b>41,807</b>	<b>2,462</b>	<b>212,306</b>	<b>259,968</b>	<b>3,832</b>	<b>263,800</b>
<b>Equity 01/01/2024</b>	<b>3,394</b>	<b>41,807</b>	<b>2,462</b>	<b>212,306</b>	<b>259,968</b>	<b>3,832</b>	<b>263,800</b>
Profit/loss for the year	-	-	-	169,169	<b>169,169</b>	176	<b>169,345</b>
Other comprehensive profit/loss for the year	-	-	3,524	-	<b>3,524</b>	-	<b>3,524</b>
<b>Transactions with shareholders</b>							
Rights issue	89	55,312	-	-	<b>55,401</b>	-	<b>55,401</b>
Issued warrants	-	-	-	277	<b>277</b>	-	<b>277</b>
Dividends	-	-	-	-102,923	<b>-102,923</b>	-3,280	<b>-106,203</b>
<b>Equity 31/12/2024</b>	<b>3,483</b>	<b>97,119</b>	<b>5,986</b>	<b>278,829</b>	<b>385,417</b>	<b>728</b>	<b>386,144</b>

# Group report

## – cash flow statement

Amounts in SEK thousands	Note	Financial year	
		2024	2023
<b>Cash flow from operating activities</b>			
Operating profit		219,900	208,833
Adjustment for items which are not included in the cash flow	34	42,547	50,150
Interest received		6,100	3,123
Interest paid		-3,611	-309
Income tax paid		-54,929	-23,570
<b>Cash flow from operating activities before changes in operating capital</b>		<b>210,007</b>	<b>238,227</b>
<i>Cash flow from changes in operating capital</i>			
Change in inventories		-116,213	-10,209
Change in operating receivables		-20,239	-21,861
Change in operating liabilities		235,555	39,983
<b>Total change in operating capital</b>		<b>99,103</b>	<b>7,913</b>
<b>Cash flow from operating activities</b>		<b>309,110</b>	<b>246,140</b>
<i>Cash flow from investment activities</i>			
Investments in intangible fixed assets		-9,823	-10,436
Investments in tangible fixed assets		-4,095	-1,348
Investments in financial assets		-33,259	-134
Acquisition of assets		-23,185	-
Acquisition of affiliated companies		-28,308	-
<b>Cash flow from investment activities</b>		<b>-98,670</b>	<b>-11,918</b>
<i>Cash flow from financing activities</i>			
Amortisation of leasing liabilities		-21,381	-20,069
Issuance of options		277	1,944
Rights issue		55,401	2,515
Dividends		-102,923	-59,256
<b>Cash flow from financing activities</b>		<b>-68,626</b>	<b>-74,866</b>
<b>Cash flow for the year</b>		<b>141,814</b>	<b>159,356</b>
<b>Liquid assets at the start of the year</b>		<b>321,236</b>	<b>161,880</b>
<b>Liquid assets at the end of the year</b>	24	<b>463,050</b>	<b>321,236</b>

The notes on pages 89–125 form an integral part of these consolidated financial statements.

# Parent company report

## – income statement

Amounts in SEK thousands	Note	Financial year	
		2024	2023
Net sales	5	36,830	23,899
Other operating revenues	6	208	342
<b>Gross profit</b>		<b>37,038</b>	<b>24,241</b>
Other external costs	7	-32,440	-20,291
Depreciation/amortisation and write-downs of tangible and intangible fixed assets	16, 17	-1,655	-844
<b>Operating profit</b>		<b>2,943</b>	<b>3,106</b>
Net financial income/expense	9, 10	144,043	187,743
<b>Total profit/loss from financial items</b>		<b>144,043</b>	<b>187,743</b>
<b>Profit/loss before tax</b>		<b>146,986</b>	<b>190,849</b>
Tax on the profit for the year	11	-479	-36
<b>Profit/loss for the year</b>		<b>146,507</b>	<b>190,813</b>

*The notes on pages 89–125 form an integral part of these consolidated financial statements.*

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

# Parent Company Balance Sheet

Amounts in SEK thousands	Note	31/12/2024	31/12/2023
<b>Assets</b>			
<b>Fixed assets</b>			
<i>Intangible fixed assets</i>			
Goodwill	16	17,301	-
Other intangible assets	16	30,949	19,594
<b>Total intangible fixed assets</b>		<b>48,250</b>	<b>19,594</b>
<i>Tangible fixed assets</i>			
Equipment, tools and installations	17	8	16
<b>Total tangible assets</b>		<b>8</b>	<b>16</b>
<i>Financial fixed assets</i>			
Shares in Group companies	12	147,244	146,716
Shares in affiliated companies	13	28,217	-
Other financial assets	15	32,730	-
<b>Total financial fixed assets</b>		<b>208,191</b>	<b>146,716</b>
<b>Total fixed assets</b>		<b>256,449</b>	<b>166,326</b>
<b>Current assets</b>			
<i>Current receivables</i>			
Receivables from group companies		101,411	116,208
Other current receivables	22	4	1,189
Pre-paid costs and accrued revenues	23	500	437
Cash and cash equivalents	24	32,033	8,055
<b>Total current receivables</b>		<b>133,948</b>	<b>125,889</b>
<b>Total current assets</b>		<b>133,948</b>	<b>125,889</b>
<b>Total assets</b>		<b>390,397</b>	<b>292,215</b>

The notes on pages 89–125 form an integral part of these consolidated financial statements.

# Parent Company Balance Sheet

– continued

Amounts in SEK thousands	Note	31/12/2024	31/12/2023
<b>Equity and Liabilities</b>			
<b>Equity</b>			
<i>Restricted equity</i>			
Share capital	25	3,483	3,394
Fund for development expenditures		26,241	19,594
<b>Total restricted equity</b>		<b>29,724</b>	<b>22,988</b>
<i>Unrestricted equity</i>			
Share premium reserve		106,450	51,138
Retained earnings (including profit/loss for the year)		214,546	177,332
<b>Total unrestricted equity</b>		<b>320,996</b>	<b>228,470</b>
<b>Total equity</b>		<b>350,720</b>	<b>251,458</b>
<b>Liabilities</b>			
<i>Long-term liabilities</i>			
Other long-term liabilities	27	19,421	26,809
<b>Total long-term liabilities</b>		<b>19,421</b>	<b>26,809</b>
<i>Current liabilities</i>			
Accounts payable		1,703	1,414
Liabilities to group companies		3,269	2,309
Tax liabilities		240	-
Other current liabilities	28	12,732	9,332
Accrued costs and deferred revenues	29	2,312	893
<b>Total current liabilities</b>		<b>20 256</b>	<b>13,948</b>
<b>Total liabilities</b>		<b>39,677</b>	<b>40,757</b>
<b>Total equity and liabilities</b>		<b>390,397</b>	<b>292,215</b>

The notes on pages 89–125 form an integral part of these consolidated financial statements.

# Parent company report

## – changes in equity

Amounts in SEK thousands	Restricted equity		Unrestricted equity		Total equity
	Share capital	Fund for development expenditures	Share premium reserve	Retained earnings incl. profit/loss for the year	
<b>Equity 01/01/2023</b>	<b>3,386</b>	<b>12,667</b>	<b>48,631</b>	<b>52,525</b>	<b>117,209</b>
Profit/loss for the year	-	-	-	190,813	<b>190,813</b>
Capitalisation of development costs	-	7,331	-	-7,331	-
Release following amortisation of development costs for the year	-	-404	-	404	-
Rights issue	8	-	2,507	-	<b>2,515</b>
Issued warrants	-	-	-	177	<b>177</b>
Dividends	-	-	-	-59,256	<b>-59,256</b>
<b>Equity 31/12/2023</b>	<b>3,394</b>	<b>19,594</b>	<b>51,138</b>	<b>177,332</b>	<b>251,458</b>
<b>Equity 01/01/2024</b>	<b>3,394</b>	<b>19,594</b>	<b>51,138</b>	<b>177,332</b>	<b>251,458</b>
Profit/loss for the year	-	-	-	146,507	<b>146,507</b>
Capitalisation of development costs	-	6,931	-	-6,931	-
Release following amortisation of development costs for the year	-	-284	-	284	-
Rights issue	89	-	55,312	-	<b>55,401</b>
Issued warrants	-	-	-	277	<b>277</b>
Dividends	-	-	-	-102,923	<b>-102,923</b>
<b>Equity 31/12/2024</b>	<b>3,483</b>	<b>26,241</b>	<b>106,450</b>	<b>214,547</b>	<b>350,720</b>

# Parent company report

## – cash flow statement

Amounts in SEK thousands	Note	Financial year	
		2024	2023
<i>Cash flow from operating activities</i>			
Operating profit		2,943	3,106
Adjustment for items which are not included in the cash flow	34	2,477	745
Interest received		1,907	1,069
Income tax paid		-341	-99
Cash flow from operating activities before changes in operating capital		6,986	4,821
<i>Cash flow from changes in operating capital</i>			
Change in current receivables		13,282	74,921
Change in current liabilities		-4,574	-22,258
Total change in operating capital		8,708	52,663
Cash flow from operating activities		15,694	57,484
<i>Cash flow from investment activities</i>			
Investments in intangible fixed assets		-6,930	-7,331
Investments in financial assets		-33,259	-
Acquisition of assets		-23,185	-
Acquisition of affiliated companies		-28,308	-
Cash flow from investment activities		-91,682	-7,331
<i>Cash flow from financing activities</i>			
Issuance of options		277	177
Rights issue		55,401	2,515
Dividends received from Group companies		147,211	12,911
Dividend paid to the parent company's shareholders		-102,923	-59,256
Cash flow from financing activities		99,966	-43,653
Cash flow for the year		23,978	6,500
Liquid assets at the start of the year		8,055	1,555
Liquid assets at the end of the year	24	32,033	8,055

The notes on pages 89–125 form an integral part of these consolidated financial statements.

# Notes

## Note 1

### General information

Zinzino AB (publ) ("Zinzino"), org. no. 556733-1045 is a parent company registered in Sweden and based in Gothenburg with the address Hulda Mellgrens Gata 5, 421 32 Västra Frölunda, Sweden. It is a limited liability company with shares listed on the Nasdaq First North Premier Growth Market.

Unless specifically stated otherwise, all amounts are reported in SEK thousands (SEK thousands). Information in brackets refers to the comparison year.

## Note 2

### Summary of important accounting principles

The main accounting principles applied when preparing the consolidated financial statements are set out below. These principles have been consistently applied to all periods presented, unless otherwise specified.

statement and balance sheet, equity or cash flow for the parent company.

Preparing reports in accordance with RFR 2 requires the application of a number of significant estimates for accounting purposes. In addition, the management is also required to make certain assessments when applying the parent company's accounting principles.

The areas that involve a high level of assessment, which are complex or those areas where the assumptions and estimates are of material importance for the annual report are set out in this note.

#### Note 2.1

##### Basis for preparation of the report

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.

These consolidated financial statements have been prepared using the cost method. Historic financial information has been converted from 1 January 2018, which is the date of transition to IFRS accounting.

Preparing reports in accordance with IFRS requires the application of a number of significant estimates for accounting purposes. In addition, the management is also required to make certain assessments when applying the group's accounting principles. The areas that involve a high level of assessment which are complex or those areas where the assumptions and estimates are of material importance for the consolidated financial statements are set out in this note.

The parent company applies RFR 2, Accounting for legal persons and the Annual Accounts Act. The application of RFR 2 means that in the interim report for the legal person, the parent company applies all IFRS and statements adopted by the EU as far as possible within the framework of the Annual Accounts Act, the Pension Obligations Vesting Act and with regard to the relationship between accounting and taxation.

At the same time as making the transition to accounting in accordance with IFRS in the consolidated financial statements, the parent company has made a transition to apply RFR 2. The transition from previously applied accounting principles to RFR 2 has not had any effects on the income

##### 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 parent company applies different accounting principles to the group in the cases specified below:

##### Formats

The income statement and balance sheet follow the format of the Annual Accounts Act. The statement of changes in equity also follows the group's format but must include the columns specified in the Annual Accounts Act. In addition, this means that there is a difference in terms compared to the consolidated financial statements, mainly regarding financial income and expenses and equity.

##### Shares in subsidiaries

Shares in subsidiaries are reported at acquisition value less any write-downs. The acquisition value includes acquisition-related costs and any additional consideration. When there is an indication that shares in subsidiaries have reduced in value, a calculation of the recoverable value is made. If this is lower than the carrying value, a write-down

is carried out. Write-downs are reported in the item "Profit/loss from shares in group companies".

## Financial instruments

IFRS 9 is not applied at the parent company where instead the sections set out in RFR 2 (IFRS 9 Financial Instruments, pages 3-10) are applied. Financial instruments are valued at acquisition value. In subsequent periods, financial assets acquired with the intention of being held in the short term will be reported according to the lowest value principle at the lower of acquisition value and market value.

When calculating the net sales value of receivables recognised as current assets, the principles for impairment testing and loss-risk provisions in IFRS 9 are applied. For a receivable that is reported at amortised cost at group level, this means that the loss-risk provision that is recognised in the group in accordance with IFRS 9 should also be included in the parent company.

### Note 2.1.1

#### New and amended standards

##### New and amended standards published

No new and amended standards have had any significant impact on the Group's financial statements and disclosures.

##### New and amended standards published but not yet in force

IFRS 18 Presentation and Disclosure of Financial Statements was published in April 2024 and will replace IAS 1 Presentation of Financial Statements, which will entail new requirements for the presentation and disclosure of financial statements. The new standard will be effective for annual periods beginning on or after 1 January 2027. Earlier application is permitted. The standard has not yet been endorsed by the EU. It is not possible to say at this time how IFRS 18 will affect the presentation of the Group's financial statements. Otherwise, no new and amended standards have been published that have a significant impact on the Group.

### Note 2.2

#### Consolidated financial statements

### Note 2.2.1

#### Basic accounting principles

##### Subsidiaries

Subsidiaries are all companies over which the group has controlling influence. The group controls a company when it is exposed to, or has the right to, variable returns from its holding in the company and is able to influence the return through its influence in the company. Subsidiaries are included in the consolidated financial statements from the date on which the controlling influence is transferred to

the group. They are excluded from the consolidated financial statements from the date on which the controlling influence ceases.

The cost method is used for accounting for the group's business combinations. The purchase price for the acquisition of a subsidiary is the fair value of the assets transferred, liabilities that the group incurs to previous owners of the acquired company and the shares issued by the group. The purchase price also includes the fair value of all liabilities that result from an agreement on contingent consideration. Identifiable acquired assets and liabilities assumed in a business combination are initially valued at fair values on the acquisition date. For each acquisition, i.e. acquisition by acquisition, the Group determines whether non-controlling holding in the acquired entity is recognised at fair value or at the holding's proportional share of the carrying value of the identifiable assets of the acquired entity.

Acquisition-related costs are expensed when they arise and are reported in the item "Other operating expenses" in the consolidated statement of comprehensive profit/loss.

Goodwill is initially valued as the amount by which the total purchase price and any fair value for non-controlling interests on the acquisition date exceed the fair value of identifiable acquired net assets. If the consideration is less than the fair value of the acquired company's net assets, the difference is reported directly in profit/loss for the period.

Intra-group transactions, balance sheet items, income and expenses on transactions between Group companies are eliminated. Gains and losses resulting from intra-group transactions that are reported in assets are also eliminated. The accounting principles for subsidiaries have been changed, where appropriate, to ensure consistent application of the group's principles.

### Note 2.3

#### Segment reporting

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 steering group mainly uses adjusted earnings before interest, tax, depreciation and amortisation (EBITDA) to assess the business segment profit/loss.

## Note 2.4

### Translation of foreign currency

#### Note 2.4.1

##### Functional currency and reporting currency

The different entities in the group have the local currency as the functional currency, where the local currency is defined as the currency used in the primary economic environment where the respective entity is mainly active. The consolidated financial statements use Swedish kronor (SEK), which is the parent company's functional currency and the group's reporting currency.

#### Note 2.4.2

##### Transactions and balance sheet items

Transactions in foreign currency are translated to the functional currency at the exchange rates that apply on the transaction date. Exchange rate gains and losses arising from the payment of such transactions and the translation of monetary assets and liabilities in foreign currency at the exchange rate on the balance sheet date are reported in the operating profit of the statement of comprehensive profit/loss. Foreign exchange gains and losses related to loans and liquid assets are recognised in the statement of comprehensive profit/loss as financial income or expenses. All other foreign exchange gains and losses are reported in the item "External operating expenses" and "Other income" in the statement of comprehensive profit/loss.

#### Note 2.4.3

##### Translation of foreign group companies

The profit/loss and financial position of all group companies that have a functional currency that is different from the reporting currency are translated into the group's reporting currency. Assets and liabilities for each of the balance sheets are translated from the functional currency of the foreign operation to the group's reporting currency, Swedish kronor, at the exchange rate on the balance sheet date. Revenue and expenses for each of the income statements are translated into Swedish kronor at the average rate at the time of each transaction. Differences from currency translation of foreign operations are reported in other comprehensive profit/loss. Accumulated gains and losses are reported in profit/loss for the period when the foreign operation is sold in whole or in part.

Goodwill and fair value adjustments arising from the acquisition of a foreign operation are treated as assets and liabilities of these operations and are translated at the rate on the balance sheet date.

#### Note 2.4.3.1

##### Restatement of hyperinflationary countries

For subsidiaries based in countries classified as hyperinflationary, restatement is performed in the Group in accordance with IAS 29. Restatement is made at each balance

sheet date according to the general price index of the significant non-monetary assets of the company. The Group has been operating in Turkey since the end of Q2 2023 and Turkey has been classified as a hyperinflationary economy since 2022. The consumer price index for Turkey, which has been used for restatement, is published by the Turkish Statistical Institute and amounted to 2,684.61 as of 31 December 2024

#### Note 2.4.3.2

##### Conversion reserves in equity

The conversion reserves in equity includes all translation differences that arise when translating financial statements from foreign operations.

## Note 2.5

### Revenue recognition

The group's principles for reporting revenue from contracts with customers are shown below.

#### Note 2.5.1

##### Sales of goods

The Group manufactures and sells goods within the two business segments Zinzino and Faun. Zinzino is the main business in the Group and has two product areas: The Health product group includes Omega supplement, Immune supplement, Skincare, Weight management, Gut health. The product group Coffee includes espresso machines, coffee, teas and accessories. The business segment Zinzino also includes other revenues that are consistent with the sales above and comprise freight revenues, event revenues and reminder fees. All sales within the business segment Zinzino are made via direct sales. This means that Zinzino does not have any dealers or intermediaries but sells directly to the end customer. Sales are also made to the Group's independent distributors according to the same model.

Net sales have, where appropriate, been reduced by the value of discounts and goods returned. Revenue from sales is recognised when the control of the goods is transferred and there are no unfulfilled commitments that can affect the customer's approval of the goods. Delivery is made when the goods have been transported to the specific location, the risks of obsolete or lost goods have been transferred to the customer and the customer has either accepted the goods in accordance with the contract, the time-period for objections to the contract has expired or the group has objective evidence to show that all acceptance criteria have been met. No financing component is deemed to exist at the time of sale. The goods are often sold with volume discounts based on accumulated sales over a 12-month period. Revenue from the sale of the goods is reported based on the price in the agreement, less calculated volume discounts. Historical data is used to estimate the expected value of the discounts and revenue is reported only to the extent that it is very likely that a significant reversal will not occur. A liability (which is included in the item Accrued costs and deferred revenues) is reported for expected volume discounts in relation to sales up to the balance sheet date.

A receivable is recognised when the goods have been delivered, as this is the time when the compensation becomes unconditional (i.e. only the passage of time is required for payment to be made). Revenue from the sale of freight and other revenue is reported according to the same principle.

The parent company's reported net sales refer to revenues from the sale of services to subsidiaries in the group and are reported in the period in which the services are delivered.

The same principle applies to the Faun business segment, sales are recognised when the control of the goods is transferred to the customer and on the other conditions as above.

#### Note 2.5.1.1

##### **Sale of goods - Customer Loyalty Programme**

By being a loyal subscription customer of Zinzino, customers can earn bonus points that can be used for future purchases. At each balance sheet date, revenue is reduced by points earned and a contract liability is recognised in the Group and included in Other liabilities. The revenue allocated to bonus points is recognised in the income statement when the bonus points are redeemed.

#### Note 2.5.2

##### **Interest revenues**

Interest revenues are recognised with the application of the effective interest method.

#### Note 2.6

##### **Leasing**

The group leases premises, vehicles, product equipment, telephone switchboard and office supplies. The leases are reported as rights of use and an equivalent liability on the date on which the leased asset is available for use by the group. Each leasing payment is divided between the amortisation of the debt and the financial cost. The financial cost must be distributed over the leasing period so that each accounting period is charged with an amount equal to a fixed interest rate for the liability in each period. The right of use is amortised on a linear basis over the shorter of the asset's useful life and the duration of the lease.

Assets and liabilities arising from leases are initially reported at present value.

Leasing liabilities include the present value of the following leasing payments:

- Fixed fees
- Variable lease fees based on an index

Lease payments are discounted at the marginal loan rate of 6%.

Assets with rights of use are valued at acquisition value and include the following:

- The initial valuation of the lease liability
- Payments made at or before the time when the leased asset is made available to the lessee

Leases of lesser value are expensed on a linear basis in the statement of comprehensive profit/loss.

##### **Options to renew or terminate leases**

The majority of the group's leases related to properties include options to renew the lease. Terms used to maximise flexibility in managing leases. In order to optimise the leasing costs during the lease period regarding the rental of machinery, the group guarantees the residual value.

#### Note 2.7

##### **Employee benefits**

#### Note 2.7.1

##### **Current benefits**

Liabilities for salaries and remuneration, including non-monetary benefits and paid absences, which are expected to be settled within 12 months after the end of the accounting year, are reported as current liabilities at the undiscounted amount expected to be paid when the liabilities are settled. The cost is recognised as the services are performed by the employees. The liability is recognised as an obligation related to employee benefits in the statement of financial position.

#### Note 2.7.2

##### **Post-employment benefits**

The Group companies only have defined contribution pension plans. A defined contribution pension plan is a pension plan where the Group pays fixed fees to a separate legal entity. The Group does not have any legal or constructive obligations to pay any additional fees if this legal entity does not have sufficient assets to pay all employee benefits associated with the employee's service during current or previous periods. The fees are recognised as an expense in the profit/loss for the period as they are earned by the employee providing services to the company during the period.

#### Note 2.8

##### **Current and deferred income tax**

The tax expense for the period includes current and deferred tax. Tax is recognised in the statement of comprehensive profit/loss, except when the tax relates to items recognised in other comprehensive profit/loss or directly in equity. In such cases, the tax is also recognised in other comprehensive profit/loss and equity. Current tax is calculated on the taxable profit for the period according to the applicable tax rate. The current tax expense is calculated on the basis of the fiscal rules decided or effectively decided on the balance sheet date in the countries in which the parent company and its subsidiaries operate and generate taxable income. The management regularly evaluates the claims made in tax returns in respect of situations where the applicable taxation rules are subject to interpretation. When the management deems it appropriate, it makes provisions for amounts likely to be paid to the tax authorities.

Deferred tax is reported on all temporary differences arising between the tax value of assets and liabilities and their reported amounts in the consolidated financial statements. However, deferred tax liability is not recognised if it arises as a result of the initial recognition of goodwill. Deferred tax is also not recognised if it arises as a result of a transaction which constitutes the initial recognition of an asset or liability that is not a business combination and which, at the time of the transaction, does not affect the reported or taxable profit/loss. Deferred income tax is calculated on the basis of tax rates (and tax laws) that have been adopted or announced at the balance sheet date and are expected to apply when the affected deferred tax asset is realised, or the deferred tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that there will be future tax surpluses available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are offset when there is a legal right to offset current tax assets and liabilities and when the deferred tax assets and liabilities relate to taxes charged by the same tax authority and relate to either the same tax entity or different tax entities, where there is an intention to settle the balances through net payments.

## Note 2.9

### Intangible assets

#### Note 2.9.1

##### Goodwill

Goodwill arises when subsidiaries are acquired and refers to the amount of the purchase price, any non-controlling interest in the acquired company and the fair value on the acquisition date of the previous equity interest in the acquired company which exceeds the fair value of identifiable acquired net assets. If the amount is less than the fair value of the acquired subsidiary's net assets, in the event of an acquisition at a low price, the difference is recognised directly in the statement of comprehensive profit/loss.

In order to test the need for write-downs, goodwill acquired in a business combination is allocated to cash-generating entities or groups of cash-generating entities that are expected to benefit from synergies from the acquisition. Each entity or group of entities to which goodwill has been allocated corresponds to the lowest level of the group on which the goodwill in question is monitored in the internal control. Goodwill is monitored at the business segment level.

Goodwill is tested for impairment annually or more frequently if events or changes in conditions indicate a possible impairment. The carrying value of the cash-generating entity to which the goodwill is attributed is compared to the recoverable value, which is the higher of the value in use and the fair value less the selling expenses. Any write-down is recognised immediately as a cost and is not reversed.

## Note 2.9.2

### Other intangible assets

Other intangible assets consist of the sub-items software, licences and patents. The accounting policies for these sub-items are shown below.

#### Capitalised expenditure for development work

Costs for maintenance are expensed when they arise. Development costs that are directly attributable to software development controlled by the Group are recognised as intangible assets when the following criteria are met:

- it is technically possible to finalise them so that they can be used,
- the company's intention is to finalise them and to use or sell them,
- there are conditions to use or sell them, it can be shown how they generate probable future financial benefits,
- adequate technical, financial and other resources to complete the development and to use or sell them are available, and
- the expenditure related to them during their development can be measured reliably.

Directly attributable expenses that are capitalised as part of development work include expenditure on employees and external consultants.

Other development costs which do not meet these criteria are expensed when they arise. Development costs that were previously expensed are not reported as assets in the subsequent period.

Capitalised development costs are reported as intangible assets and amortised from the time when the asset is ready for use.

#### Patents

Patents acquired separately are reported at acquisition value. Patents have a definite useful life and are reported at acquisition value less accumulated amortisation and write-downs. The estimated useful life amounts to 5–10 years, which corresponds to the estimated time they will generate cash flow.

#### Software

Software that was acquired separately is reported at acquisition value. The software is recognised in subsequent periods at cost less accumulated amortisation and write-downs. The estimated useful life amounts to 5 years, which corresponds to the estimated time they will generate cash flow.

#### Licences

The licences recognised in the group arose from the acquisition of subsidiaries where direct sales licences are a

requirement to sell the group's products. The licences are identified by company and amounts are incurred where the consideration for the acquired companies exceeds the fair value of the identifiable net assets acquired. The licences have a definite useful life and the value is continuously reduced by accumulated amortisation and write-downs. Estimated useful life is 10 years.

#### Useful life periods of the group's intangible assets

Capitalised expenditure for development work	5 years
Patent	5–10 years
Software	5 years
Licences	10 years
Trade marks	10 years

#### Note 2.10

##### Tangible fixed assets

Tangible fixed assets are reported at acquisition value less depreciation and any write-downs. The acquisition value includes expenditure directly attributable to the acquisition of the asset and putting it into place and into a condition to be used in accordance with the purpose of the acquisition.

Additional expenditure is added to the carrying value of the asset or is recognised as a separate asset, as appropriate, only when it is probable that the future financial benefits to the group associated with the asset and the acquisition value of the asset can be measured reliably. The acquisition value of a replaced part is removed from the balance sheet. All other forms of repairs and maintenance are recognised as expenses in the statement of comprehensive profit/loss during the period in which they arise.

Depreciation of assets, in order to allocate their acquisition value down to the estimated residual value over the estimated useful life. For tangible fixed assets held under financial leases, depreciation is carried out over the shorter of the useful life or leasing period.

##### The useful life periods are as follows:

Equipment, tools and installations	5 years
------------------------------------	---------

The residual and useful lives of the assets are tested at the end of each reporting period and adjusted as necessary.

See the accounting principles for leasing above for the amortisation periods for rights-of-use assets. The carrying value of an asset is immediately written down to its recoverable amount if the carrying value of the asset exceeds its estimated recoverable amount.

Gains and losses on the disposal of a tangible fixed asset are determined by comparing the sales revenue and the carrying amount and are recognised in the items "Other operating revenues" and "Other operating expenses" in the statement of comprehensive profit/loss.

#### Note 2.11

##### Write-downs of non-financial assets

Intangible assets that have an indefinite useful life (goodwill) or intangible assets that are not ready for use (capitalised expenditure for development work) are not amortised but are tested annually for the need for any write-downs. Assets that are amortised are assessed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

A write-down is made by the amount that the asset's carrying value exceeds its recoverable value. The recoverable value is the higher of the asset's fair value less the selling costs and its value in use. When assessing the need for write-downs, assets are grouped at the lowest levels where there are essentially independent cash flows (cash-generating entities). For assets (other than goodwill) that have previously been written down at every balance sheet date, there should be a review of whether a reversal should be made.

#### Note 2.12

##### Financial instruments

##### Note 2.12.1

###### Initial recognition

Financial assets and financial liabilities are recognised when the group becomes a party to the contractual terms of the instrument. The purchase and sale of financial assets are reported on the trade date, the date on which the group commits to buy or sell the asset.

Financial instruments are reported at the time of initial recognition at fair value plus transaction costs directly attributable to the acquisition or issuance of the financial asset or financial liability, such as fees and commissions.

##### Note 2.12.2

###### Classification

The group classifies its financial assets and liabilities in the amortised cost category.

##### Financial assets at amortised cost

The classification of investments in debt instruments depends on the Group's business model for managing financial assets and the contractual terms for the cash flows of the assets. The group only reclassifies debt instruments in cases where the group's business model for the instruments changes.

Assets held for the purpose of collecting contractual cash flows and where these cash flows are only capital amounts and interest are valued at amortised cost. The carrying amount of these assets is adjusted with any expected credit losses reported (see write-down below). Interest revenue from these financial assets is reported using the effective interest method and is included in financial income.

The Group's financial assets that are valued at amortised cost are comprised of the items other long-term receivables, account receivables, other receivables, accrued revenue and cash and cash equivalents.

#### **Financial liabilities at amortised cost**

The group's financial liabilities are classified as subsequently valued at amortised cost using the effective interest method. Financial liabilities consist of long-term and current lease liabilities, other long-term liabilities, accounts payable and current liabilities.

#### **Financial assets at fair value**

The Group also has financial liabilities that are measured at fair value, i.e. discounted to present value and valued at the rate on the balance sheet date. These financial liabilities consist mainly of long-term and current liabilities related to additional considerations.

### **Note 2.12.3**

#### **Reversal of financial instruments**

##### **Reversal of financial assets**

Financial assets, or a part of them, are removed from the statement of financial position when the contractual rights to receive cash flows from the assets have expired or have been transferred and either (i) the Group transfers essentially all risks and benefits associated with ownership or (ii) the Group does not transfer or retains essentially all the risks and benefits associated with ownership and the Group has not retained control of the asset.

##### **Reversal of financial liabilities**

Financial liabilities are removed from the statement of financial position when the obligations have been settled, cancelled or otherwise terminated. The difference between the carrying value of a financial liability (or part of a financial liability) that has been extinguished or transferred to another party and the consideration paid, including any transferred assets that are not cash or liabilities that have been assumed are reported in the statement of comprehensive profit/loss.

Where the terms of a financial liability are renegotiated, and not derecognised from the statement of financial position, a gain or loss is reported in the statement of comprehensive profit/loss. The gain or loss is calculated as the difference between the original contractual cash flows and the modified cash flows discounted at the original effective interest rate.

### **Note 2.12.4**

#### **Settlement of financial instruments**

Financial assets and liabilities are only offset and accounted for with a net amount in the statement of financial position when there is a legal right to offset the amounts reported and an intention to settle them by a net amount or at the

same time to realise the asset and settle the debt. The legal right may not depend on future events and it must be legally binding on the company and the counterparty in both the normal business and in cases of suspension of payments, insolvency or bankruptcy.

### **Note 2.12.5**

#### **Write-downs of financial assets**

Assets carried at amortised cost the Group assesses the future expected credit losses associated with assets carried at amortised cost. The group reports a credit reserve for such expected credit losses at each reporting date.

For account receivables, the Group applies the simplified approach to the credit reserve, i.e. the reserve will correspond to the expected loss over the entire life of the account receivable. To measure the expected credit losses, account receivables have been grouped based on allocated credit risk properties and overdue days. The group uses forward-looking variables for expected loan losses. Expected credit losses are reported in the consolidated statement of comprehensive profit/loss in the item "Other external expenses".

### **Note 2.13**

#### **Inventories**

The acquisition value of inventories is calculated by applying the first in, first out (FIFO) method and includes expenses incurred in the acquisition of inventory assets and to get them to their current location and in their current state.

### **Note 2.14**

#### **Accounts receivable**

Accounts receivable are amounts attributable to customers in respect of goods or services sold which are carried out in the operating activities. Accounts receivable are classified as current assets. Accounts receivable are initially reported at the transaction price. The group holds accounts receivable for the purpose of collecting contractual cash flows so they are valued at the subsequent accounting dates at amortised acquisition value applying the effective interest method.

### **Note 2.15**

#### **Cash and cash equivalents**

Cash and cash equivalents include both the statement of financial position and the statement of cash flows, cash and bank balances.

### **Note 2.16**

#### **Share capital**

Ordinary shares are classified as equity. Transaction costs directly attributable to the issuance of new ordinary shares are recognised, net after tax, in equity as a deduction from the proceeds.

## Note 2.17

### Accounts payable

Accounts payable are financial instruments and relate to obligations to pay for goods and services that have been acquired in the operating activities from suppliers. Accounts payable are classified as current liabilities if they fall due within one year. If not, they are reported as long-term liabilities.

Liabilities are initially recognised at fair value and subsequently at amortised acquisition value using the effective interest method.

## Note 2.18

### Cash flow analysis

The cash flow statement is prepared using the indirect method. The reported cash flow only includes transactions that involve cash payments.

## Note 2.19

### Earnings per share

(i) earnings per share before dilution

Earnings per share before dilution are calculated by dividing:

- Earnings attributable to the parent company's shareholders
- By a weighted average number of outstanding ordinary shares during the period.

(ii) earnings per share after dilution

To calculate earnings per share after dilution, the amounts used to calculate earnings per share before dilution are adjusted by taking into account:

- The effect, after tax, of dividends and interest expenses on potential ordinary shares, and
- The weighted average of the additional ordinary shares that would have been outstanding in the event of a conversion of all potential ordinary shares.

## Note 2.20

### Dividends

The dividend to parent company shareholders is recognised as a liability in the group's financial statements in the period when the dividend is approved by the parent company's shareholders.

## Note 2.21

### Significant estimates and assessments

The Group's company management makes estimates and assumptions about the future when preparing the financial statements. Estimates and assessments are continually evaluated by company management and are based on historical experience and expectations of future events. The areas where estimates and assessments are significant to

the Group and which may affect the income statement and balance sheet if they change are described below:

#### *Leases*

The company has a number of leases that are classified as right-of-use assets in the Group. The leases are discounted at the time of acquisition and the company uses an interest rate per contract that is assessed on the basis of market interest rates. On an ongoing basis, assessments are made regarding the extension of current leases and current interest rates. Read more about right-of-use assets in Note 2.6 Leases and Note 16 Leases.

#### *Inventory obsolescence*

Company management monitors product expiry dates and assesses the circulation of the company's products. Based on this, company management assesses the need for impairment in each stock. See further information on inventories in note 2.13 Inventories and in note 17 Inventories.

#### *Customer Loyalty Programme*

By being a loyal subscription customer of Zinzino, customers can earn bonus points that can be utilised on future purchases. This is recognised as a contract liability in the consolidated financial statements. The amount of the contract liability of earned points is based on the probability of the points being utilised. Management assesses the probability based on past experience. Management analyses the actual utilisation rate on an ongoing basis and the contract liability is adjusted as necessary.

#### *Contingent consideration for the acquisition of subsidiaries*

In connection with the acquisition of subsidiaries, additional consideration is agreed to, which is realised based on the fulfilment of sales in the Group after the acquisition date. The agreed additional consideration is based on agreed established sales targets and falls due within a period of 0–5 years. When determining the acquisition analysis, company management estimates the expected future sales that form the basis of the additional consideration. On an ongoing basis, company management monitors sales and adjusts the liability as necessary. Liabilities are recognised at fair value and long-term liabilities are calculated to their present value using an interest rate assessed on the basis of market interest rate levels.

#### *Goodwill*

The company's recognised goodwill has arisen in connection with the acquisition of subsidiaries. The original goodwill values are determined in the acquisition analysis after the surplus value created by the purchase price exceeding the fair value of identifiable net assets has been allocated to the consolidated surplus and deficit values of acquired assets. Goodwill is tested for impairment at least annually. Read more about this in Note 2.9.1 Goodwill and in Note 14 Intangible assets.

## Note 3

### Financial risk management

#### Financial risk factors

Through its operations, the group is exposed to a variety of financial risks such as various market risks, credit risk, liquidity risk and refinancing risk.

The group strives to minimise potential adverse effects on the group's financial results. The objective of the group's financial operations is to:

- ensure that the Group can fulfil its payment obligations;
- manage financial risks;
- ensure access to the necessary funding; and
- optimise the group's net financial income/expense.

The group's risk management is managed by a central finance department that identifies, evaluates and hedges financial risks in close cooperation with the group's operating units.

Responsibility for managing the Group's financial transactions and risks is centralised in Zinzino Operations AB and the parent company Zinzino AB.

#### Management of capital risk

The Group's objectives with regard to its capital structure are to safeguard its ability to continue as a going concern, to continue to generate returns for shareholders and to maintain an optimal capital structure to minimise the cost of capital. Management monitors the company's equity/assets ratio on an ongoing basis and the Group's policy is to maintain a strong capital base to maintain the investors, creditors and the markets confidence and to sustain the future development of the business.

#### (a) Market risk

Currency risk is the risk of fluctuations in the value of a financial instrument due to changes in exchange rates. This risk is related to changes in expected and contracted payment flows (transaction exposure) and revaluation of assets and liabilities in foreign currency (translation exposure). Zinzino is a global company with sales in approximately 100 markets. This means that the company is affected by fluctuations in exchange rates. The goal is to minimise the impact of these changes where practicable. The biggest impact is changes in EUR, USD, DKK and NOK.

#### Transaction exposure

Transaction exposure arises mainly in the purchase of goods, primarily in USD, EUR, DKK and NOK, and in transactions between Zinzino Operations AB and the Group's sales companies and local VAT registrations in other countries. These, in turn, sell the products to their customers in the local market, usually in the local currency. In some countries, there may be transaction exposure due to sales to external customers in other currencies than the local one.

#### Net currency flows SEK thousands

	2024	2023
CHF	50 223	28 126
DKK	28 749	35 565
EUR	464 005	430 673
NOK	-49 309	-89 311
USD	-217 322	-109 436
GBP	25 173	23 656
PLN	30 755	22 746
Other	-6 060	5 407

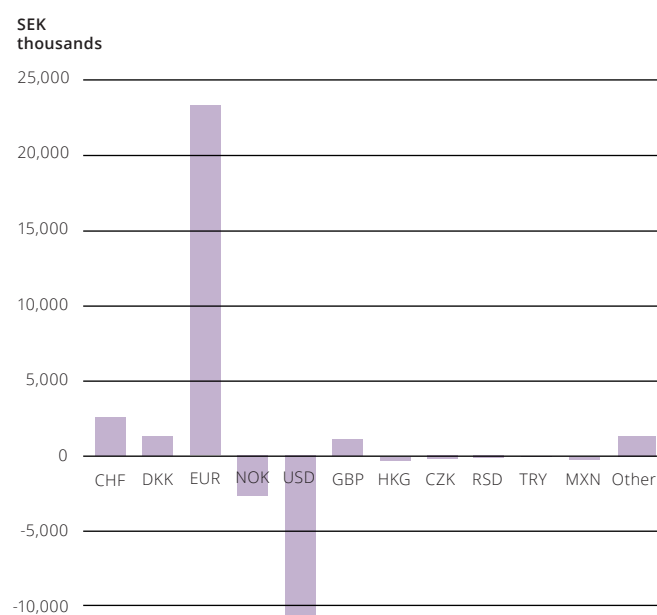
Currency exposure and risk are significantly reduced by the fact that purchases and sales in foreign currency can be largely netted against each other.

If the Swedish krona had weakened/strengthened by 5% in relation to other currencies, with all other variables constant, the recalculated profit before tax for the financial year 2024 would have been SEK 16,311 (17,371) thousand lower/higher as a result of the Group's net flows in foreign currency. No hedging of net flows occurs.

#### Translation exposure

The consolidated financial statements are also affected by translation effects when translating assets and liabilities in foreign currency at the closing date. In 2024, these translation effects did not have any significant impact on the Group's earnings.

#### Effect of transaction exposure on operating profit of a 5% weaker SEK



## Note 3

### – continued

#### (b) Credit risk

Credit risk is managed at group level, with the exception of credit risk regarding outstanding accounts receivable. Zinzino's business model is based on prepayments, which eliminates credit risk related to accounts receivable.

The accounts receivable in the group are allocated entirely to the production unit Faun Pharma, which is responsible for monitoring and analysing the credit risk for each new customer. Individual risk limits are determined based on internal or external credit assessments in accordance with the limits set by the Board of Directors. The use of credit limits is regularly monitored by the group's central finance department. No credit limits were exceeded during the reporting period and management does not expect any losses as a result of non-payment by these counterparties. The Group's calculation of expected loan losses on accounts receivable come to insignificant amounts and thus no significant adjustment has been made in the accounts.

#### (c) Liquidity risk

Through careful liquidity management, the group ensures that sufficient cash is available to meet the needs of operating activities. Management follows rolling forecasts for the group's liquidity reserve (including unutilised credit facilities) and cash and cash equivalents based on expected cash flows. The analysis is performed by the group's central finance department. The group's good cash flow combined with the lack of liabilities to credit institutions and unutilised credit facilities of SEK 80 million will ensure the group's liquidity for a long time to come.

#### (d) Refinancing risk

Refinancing risk is defined as the risk of difficulties arising in refinancing the group, that financing cannot be obtained, or that it can only be obtained at increased costs. The risk is limited by the group's good cash flow from operating activities and liquid reserves.

As of 31 December 2024	Less than 3 months	Between 3 months and 1 year	Between 1 and 2 years	Between 2 and 5 years	Carrying value	Contractual cash flows
<i>Financial liabilities</i>						
Leasing liabilities	9	-	13,185	32,871	46,065	50,922
Accounts payable	87,989	-	-	-	87,989	87,989
Other liabilities	304,156	50,913	9,784	20,539	385,392	385,392
Accrued costs	33,109	-	-	-	33,109	33,109
<b>Total</b>	<b>425,263</b>	<b>50,913</b>	<b>22,969</b>	<b>53,410</b>	<b>525,555</b>	<b>557,412</b>

As of 31 December 2023	Less than 3 months	Between 3 months and 1 year	Between 1 and 2 years	Between 2 and 5 years	Carrying value	Contractual cash flows
<i>Financial liabilities</i>						
Leasing liabilities	-	106	3,335	50,418	53,859	59,478
Accounts payable	50,356	-	-	-	50,356	50,356
Other liabilities	231,563	16,266	9,123	25,650	282,602	282,602
Accrued costs	24,121	-	-	-	24,121	24,121
<b>Total</b>	<b>306,040</b>	<b>16,372</b>	<b>12,458</b>	<b>76,068</b>	<b>419,938</b>	<b>416,557</b>

## Note 4

### 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

## Note 4

### – continued

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 EBITDA in the assessment of business segment earnings. The main segment of the business “Zinzino” is divided mainly into the product areas of Health, Skincare and Other revenues.

The Health product group includes Omega supplement, Immune supplement, Weight management, Gut health. The product area Skincare includes Skin serum and products from the acquired brand HANZZ+HEIDII. Other net sales consist mainly of event sales and the coffee range. The other revenue consists mainly of freight and reminder fees. All sales are made via [www.zinzino.com](http://www.zinzino.com) with the help of the company's independent sales organisation, which goes under the names of distributors or partners.

The second segment refers to the Norwegian production unit Faun Pharma AS, known as “Faun”, which conducts production and sales to external customers that are not subject to 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 EBITDA is the result metric reported to the strategic steering group at Zinzino. For earnings after operating profit, please refer to the consolidated income statement. For the geographical breakdown of sales see Note 5. For the geographical breakdown of tangible and financial fixed assets, see Notes 14 and 15. An analysis of the group's revenues and earnings for the two reporting operating segments is set out below:

- Zinzino
- Faun Pharma AS

Jan-Dec 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
<b>Gross profit</b>	<b>671,336</b>	<b>61,141</b>	<b>-</b>	<b>732,477</b>
External operating expenses	-278,863	-12,867	-	-291,730
Staff costs	-154,673	-35,400	-	-190,073
<b>EBITDA</b>	<b>237,800</b>	<b>12,874</b>	<b>-</b>	<b>250,674</b>
Depreciation/amortisation	-25,964	-4,810	-	-30,774
<b>Operating profit</b>	<b>211,836</b>	<b>8,064</b>	<b>-</b>	<b>219,900</b>
Net financial income/expense	-280	-338	-	-618
Tax	-48,268	-1,669	-	-49,937
<b>Profit/loss for the period</b>	<b>163,288</b>	<b>8,064</b>	<b>-</b>	<b>169,345</b>

Jan-Dec 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>-</b>	<b>648,048</b>
External operating expenses	-242,292	-9,961	-	-252,253
Staff costs	-125,405	-29,759	-	-155,164
<b>EBITDA</b>	<b>229,564</b>	<b>11,067</b>	<b>-</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>-</b>	<b>208,833</b>
Net financial income/expense	1,235	-61	-	1,174
Tax	-44,635	-1,369	-	-46,004
<b>Profit/loss for the period</b>	<b>159,163</b>	<b>4,840</b>	<b>-</b>	<b>164,003</b>

## Note 4

– continued

Jan-Dec 2024	Zinzino	Faun	Total Group
<b>Assets</b>			
Goodwill	93,477	6,900	100,377
Other intangible assets	75,210	-	75,210
Equipment, tools and installations	3,817	11,595	15,412
Right-of-use assets	33,212	8,597	41,809
Shares in associated companies	2,175	-	2,175
Other financial assets	34,516	-	34,516
Deferred tax assets	4,618	-	4,618
Inventories	284,482	26,708	311,190
Other current assets	601,930	17,849	619,779
<b>Total assets</b>	<b>1,133,437</b>	<b>71,649</b>	<b>1,205,086</b>
<b>Liabilities</b>			
Long-term liabilities	61,756	435	62,191
Current liabilities	741,040	15,711	756,751
<b>Total liabilities</b>	<b>802,796</b>	<b>16,146</b>	<b>818,942</b>
<b>Jan-Dec 2023</b>	<b>Zinzino</b>	<b>Faun</b>	<b>Total Group</b>
<b>Assets</b>			
Goodwill	64,099	6,900	70,999
Other intangible assets	48,015	-	48,015
Equipment, tools and installations	4,958	10,369	15,327
Right-of-use assets	42,282	8,767	51,049
Other financial assets	1,253	-	1,253
Deferred tax assets	4,075	-	4,075
Inventories	172,282	22,695	194,977
Other current assets	439,477	16,963	456,440
<b>Total assets</b>	<b>776,441</b>	<b>65,694</b>	<b>842,135</b>
<b>Liabilities</b>			
Long-term liabilities	72,086	283	72,369
Current liabilities	492,954	13,012	505,966
<b>Total liabilities</b>	<b>565,040</b>	<b>13,295</b>	<b>578,335</b>

## Note 5

### Net sales

Net sales are broken down by country, based on where the customers are located.

Sales are recognised as revenue when control of the goods is transferred, which occurs when the risk is transferred according to the applicable delivery terms.

All contracts have an original expected term of no more than one year. In accordance with the rules in IFRS 15, no disclosure has been made of the transaction price for these unfulfilled obligations.

The company's contractual receivables are specified in Note 23 and amount to SEK 46,068 (25,495) thousand.

The company's contract liabilities total SEK 149,275 (66,650) thousand and relate to customer loyalty programmes for SEK 40,019 (7,889) thousand as specified in Note 26 and prepaid income amounting to SEK 109,256 (58,761) thousand as specified in Note 29.

Breakdown of net sales by country	Group		Parent company	
	2024	2023	2024	2023
Sweden	103,507	97,207	35,500	21,000
Norway	182,790	163,748	1,330	962
Germany	400,766	275,398	-	-
Hungary	92,428	103,364	-	-
Czech Republic	133,758	134,721	-	-
USA	103,924	71,276	-	-
Denmark	57,608	62,244	-	-
Switzerland	88,200	64,620	-	-
Austria	79,836	68,999	-	-
Slovakia	71,688	62,563	-	-
All other countries	779,569	570,672	-	1,937
<b>Total</b>	<b>2,094,074</b>	<b>1,674,812</b>	<b>36,830</b>	<b>23,899</b>

Breakdown of net sales by product area	Group		Parent company	
	2024	2023	2024	2023
Health	1,945,471	1,528,223	-	1,937
Faun	100,765	88,275	-	-
Skincare	24,084	33,428	-	-
Events, coffee and other services	23,753	24,886	36,830	21,962
<b>Total</b>	<b>2,094,073</b>	<b>1,674,812</b>	<b>36,830</b>	<b>23,899</b>

## Note 6

### Other operating revenues

Other operating revenues	Group		Parent company	
	2024	2023	2024	2023
Freight revenue	102,212	76,529	-	-
Service and reminder fees	1,650	2,071	-	-
Reversal of additional consideration	-	3,515	-	-
Capitalisation own work	1,870	2,122	-	-
Other revenue	7,981	7,328	208	342
<b>Total</b>	<b>113,713</b>	<b>91,565</b>	<b>208</b>	<b>342</b>

## Note 7

### Remuneration to auditors

	Group		Parent company	
BDO Göteborg AB	2024	2023	2024	2023
Audit engagement	1,140	1,096	630	630
Other services	28	11	28	11
<b>Total</b>	<b>1,168</b>	<b>1,107</b>	<b>658</b>	<b>641</b>
Öhrlings PricewaterhouseCoopers AB (PwC)	2024	2023	2024	2023
Audit engagement	-	482	-	-
Other services	-	71	-	-
<b>Total</b>	<b>-</b>	<b>553</b>	<b>-</b>	<b>-</b>
Other audit firms	636	302	-	-
<b>Total</b>	<b>636</b>	<b>302</b>	<b>-</b>	<b>-</b>

## Note 8

### Employee benefits

	Group		Parent company	
Employee benefits	2024	2023	2024	2023
Salaries and other remuneration	137,891	112,816	-	-
Social security contributions	33,244	27,770	-	-
Pension costs – defined contribution plans	11,968	9,911	-	-
<b>Total</b>	<b>183,103</b>	<b>150,497</b>	<b>-</b>	<b>-</b>

	2024			2023		
Salaries and other remuneration as well as social security contributions	Salaries and other remuneration	Social security costs (of which pension costs)		Salaries and other remuneration	Social security costs (of which pension costs)	
<i>Parent company</i>						
Board members, CEOs and other senior executives	-	-	-	-	-	-
Other employees	-	-	-	-	-	-
<i>Group company</i>						
Board members, CEOs and other senior executives	21,202	9,065	(3,952)	18,169	7,209	(2,462)
Of which bonuses	2,413	478	(-)	2,301	450	(-)
Other employees	116,689	24,179	(8,016)	94,647	20,561	(7,449)
Group total	137,891	33,244	(11,968)	112,816	27,770	(9,911)

## Note 8

– continued

Average number of employees by geographical breakdown by country	2024		2023	
	Average number	Of which men	Average number	Of which men
<i>Parent company</i>				
Sweden	-	-	-	-
<i>Group companies</i>				
Sweden	142	49	133	43
Norway	46	27	47	28
Finland	3	-	3	-
Latvia	12	6	9	6
England	2	2	1	1
Switzerland	4	3	4	3
USA	2	-	2	-
India	2	2	1	1
Malaysia	8	2	7	3
Singapore	3	1	2	1
Hong Kong	1	1	1	1
Taiwan	4	2	3	1
Australia	1	-	1	-
Thailand	2	2	2	1
Turkey	2	1	2	1
Poland	8	2	1	-
Mexico	1	1	2	1
Luxembourg	2	1	2	1
<b>Group total</b>	<b>245</b>	<b>102</b>	<b>218</b>	<b>90</b>

Gender distribution in the Group (including subsidiaries) for Board members and other senior executives	2024		2023	
	Number on the balance sheet date	Of which men	Number on the balance sheet date	Of which men
<i>Parent company</i>				
Members of the Board of Directors	5	3	5	3
CEOs and other senior executives	10	7	10	7
<b>Parent company total</b>	<b>15</b>	<b>10</b>	<b>15</b>	<b>10</b>
<i>Group companies</i>				
Members of the Board of Directors	80	74	69	63
CEOs and other senior executives	10	8	12	8
<b>Group total</b>	<b>90</b>	<b>82</b>	<b>81</b>	<b>71</b>

Remuneration and other benefits 2024	Base salary/ Board fees	Variable remuneration	Other remuneration	Other benefits	Pension costs	Total
Board Chair – Hans Jacobsson	368	-	-	-	-	<b>368</b>
Board Member – Staffan Hillberg	196	-	-	-	-	<b>196</b>
Board Member – Pierre Mårtensson	195	-	-	-	-	<b>195</b>
Board Member – Ingela Nordenhav	186	-	-	-	-	<b>186</b>
Board Member – Anna Frick	196	-	-	-	-	<b>196</b>
CEO – Dag Bergheim Pettersen	4,551	1,491	133	268	1,807	<b>8,250</b>
Other senior executives (9 persons)	11,669	922	148	879	2,145	<b>15,763</b>
<b>Total</b>	<b>17,361</b>	<b>2,413</b>	<b>281</b>	<b>1,147</b>	<b>3,952</b>	<b>25,154</b>

## Note 8

– continued

Remuneration and other benefits 2023	Base salary/ Board fees	Variable remuneration	Other remuneration	Other benefits	Pension costs	Total
Board Chair – Hans Jacobsson	335	-	-	-	-	335
Board Member – Staffan Hillberg	182	-	-	-	-	182
Board Member – Pierre Mårtensson	173	-	-	-	-	173
Board Member – Ingela Nordenhav	187	-	-	-	-	187
Board Member – Anna Frick	166	-	-	-	-	166
CEO – Dag Bergheim Pettersen	2,988	1,470	96	259	334	5,147
Other senior executives (9 persons)	10,645	831	144	693	2,127	14,441
<b>Total</b>	<b>14,676</b>	<b>2,301</b>	<b>240</b>	<b>952</b>	<b>2,462</b>	<b>20,631</b>

Current guidelines for remuneration of senior executives as follows:

### Scope of the guidelines. etc.

These guidelines cover the persons who, during the period of validity of the guidelines, are members of the Group Management of Zinzino AB (publ), hereinafter collectively referred to as “senior executives”. The guidelines have been applied to remuneration agreed and changes made to remuneration already agreed, after the guidelines were adopted by the 2021 Annual General Meeting. The guidelines do not apply to remuneration approved by the Annual General Meeting. The guidelines shall apply indefinitely, but at the latest until the 2025 Annual General Meeting.

### Promoting Zinzino’s business strategy, long-term interests and sustainability

The successful implementation of the Company’s business strategy and the safeguarding of the Company’s long-term interests requires the Company to be able to recruit and retain qualified employees. Zinzino strives to become the leading direct sales company in the world. To achieve this, the company is working to grow sales and create additional profitability in its various markets. It is key for Zinzino to create incentives among senior executives for commitment, forward thinking and activities that drive sales and profitability while strengthening the Zinzino brand in a sustainable manner. Senior executive remuneration must ensure that the company is able to recruit and retain qualified employees and that management has the right focus and is encouraged to adopt the correct behaviours. The forms of remuneration should be market-based and competitive based on the conditions in the markets in which Zinzino operates and designed to motivate senior executives to do their utmost to create shareholder value. Individual remuneration levels are based on experience, skills, responsibilities and performance and the country in which the executive is employed. These guidelines contribute to the

Company’s business strategy, long-term interests and sustainability as set out below in relation to variable remuneration criteria and contribute to the Company’s ability to retain qualified employees in the long term.

### Promoting Zinzino’s business strategy, long-term interests and sustainability

The total remuneration of senior executives must be in line with market conditions and consist of a base salary (fixed cash remuneration), variable cash remuneration, pension benefits and other benefits. In addition - and independently of these guidelines – the General Meeting may resolve on, for example, share and share price related remuneration.

### Fixed remuneration

The fixed remuneration, the base salary, shall be based on the individual executive’s responsibilities, authorities, skills, experience and performance.

### Variable remuneration

The distribution between fixed and variable compensation shall be proportionate to the responsibilities and powers of the executive. Variable remuneration shall always be limited in advance to a maximum amount and linked to predetermined and measurable criteria, designed to promote the company’s growth strategy and long-term value creation.

### Annual variable remuneration

For senior executives, the annual variable remuneration (annual bonus) shall be capped at 50% of the fixed annual base salary for the CEO and 8.3% for other senior executives. The variable remuneration shall be based on the targets set by the board of directors. The targets are related to EBITDA results and sales growth. All members of the Group management have the same target for annual variable remuneration in order to promote the interests of the shareholders, the company’s values and to jointly strive

## Note 8

### – continued

to achieve the company's business strategy, long-term interests and sustainable development of the company.

#### **Determination of the outcome of variable remuneration, etc.**

At the end of the measurement period for the fulfilment of the criteria for the payment of variable cash remuneration, the Board of Directors, acting on a proposal from the Remuneration Committee, shall determine the extent to which the criteria have been fulfilled. In its assessment of the fulfilment of the criteria, the Board of Directors, acting on a proposal from the Remuneration Committee, may grant exceptions to the targets set on the grounds set out in Section 5 below. As regards the achievement of financial targets, the assessment shall be based on the most recently published financial information of the company with any adjustments determined in advance by the Board of Directors when implementing the programme. Variable cash remuneration is paid at the end of the measurement period (annual variable remuneration).

Zinzino is actively engaged in ensuring that the company is managed in the most sustainable, responsible and efficient manner possible and that applicable laws and regulations are complied with. Zinzino also applies internal rules that include a Code of Conduct and various Group-wide governance documents (policies, instructions and guidelines) in a number of areas. Variable remuneration shall not be paid and variable remuneration shall be recoverable if senior executives have acted in violation of these rules, principles or the company's code of conduct. No variable remuneration shall be paid if profits before tax are negative. The Board of Directors shall have the possibility, by law or contract, to recover all or part of any variable remuneration paid on an incorrect basis.

#### **Other variable remuneration**

Additional variable cash compensation may be paid in extraordinary circumstances, provided that such extraordinary arrangements are made solely for the purpose of recruiting or retaining executives. Such remuneration may not exceed an amount equal to 100% of the base salary and may not be paid more than once a year per individual. Resolutions on such remuneration shall be adopted by the Board of Directors acting on a proposal from the remuneration committee. In addition to the above variable remuneration, there may be from time to time approved share or share price-related incentive schemes as described above.

#### **Pension and health insurance**

Pension rights for the CEO shall apply from the age of 65. Pension premiums for the CEO shall not exceed 30% of the fixed base salary and shall be a defined contribution. Variable cash remuneration shall not be pensionable.

For other senior executives, the retirement age is also 65 years. The pension agreement stipulates that the pension premium shall amount to a maximum of 30% of the pensionable salary and be a defined contribution according to ITP2. No pension commitments have been made for board members who do not have permanent employment in any group company.

With respect to employment relationships governed by regulations other than Swedish regulations, appropriate adjustments may be made in respect of pension and other benefits to comply with such mandatory regulations or established local practice, whereby the overall purpose of these guidelines shall be met as far as possible.

#### **Other benefits**

Other benefits, such as a company car, extra medical insurance and occupational health care, shall be paid to the extent that this is deemed to be in line with market conditions for senior executives in equivalent positions in the labour market in which the executive is employed. The total value of these benefits may not exceed 15% of the fixed base salary.

#### **Terms of termination**

Senior executives shall be employed for an indefinite period. A mutual notice period of 6 months applies between the company and the CEO. In the event of termination by the company, the salary is paid for 6 months even if the CEO is exempted from work. A mutual notice period of 3 months applies between the company and other senior executives.

#### **Salary and employment terms for employees**

In preparing the Board's proposal for these remuneration guidelines, the remuneration and terms of employment of the Company's employees have been taken into account by providing information on the total remuneration of employees, the components of remuneration and the increase and rate of increase of remuneration over time as part of the decision-making process of the Remuneration Committee and the Board in evaluating the appropriateness of the guidelines and the limitations imposed by them. The development of the gap between the remuneration of senior executives and that of other employees will be reported in the remuneration report to be submitted for the first time in 2022.

#### **The decision-making process for determining, reviewing and implementing the guidelines**

The board has already established a remuneration committee. The committee's duties include preparing the board's decision on the proposed guidelines for the remuneration of senior executives. These are reviewed annually by the Board and presented for approval at the Annual

## Note 8

### – continued

General Meeting. The guidelines shall remain in force until new guidelines are adopted by the Annual General Meeting, but no later than the Annual General Meeting in 2025. The Remuneration Committee shall also monitor and evaluate variable remuneration plans for senior management, the application of the guidelines for remuneration of senior executives and the current remuneration structures and levels in the Company. The CEO and other members of the company management are not present when the board of directors discusses and decides on remuneration-related issues when they are affected by the issues.

#### Derogation from the guidelines

The Board of Directors may decide to temporarily derogate from the guidelines in whole or in part if there are special reasons for doing so in an individual case and a derogation

is necessary to meet the long-term interests of the company, the sustainable development of the company or to ensure the financial viability of the company. As stated above, the Remuneration Committee's tasks include preparing the Board's decisions on remuneration issues, including resolutions on derogation from the guidelines.

#### Other

The guidelines provide for a level of remuneration that is broadly consistent with the 2024 financial year.

Details of remuneration etc. to senior executives in the 2024 financial year are shown under Note 8 to the annual report, including any previously approved remuneration that has not yet become payable.

## Note 9

### Financial income and financial expenses

	Group		Parent company	
	2024	2023	2024	2023
<b>Financial income and financial expenses</b>				
Interest revenues	6,100	3,123	1,908	1,069
Restatement of amortised cost	-3,189	2,129	-2,990	1,524
Interest expenses for leasing liabilities and other financial expenses	-3,529	-4,078	-	-
Currency fluctuations	-	-	-2,646	-4,481
Dividend Group companies	-	-	17,211	12,911
Anticipated dividend group companies	-	-	130,560	176,720
<b>Total</b>	<b>-618</b>	<b>1 174</b>	<b>144,043</b>	<b>187,743</b>

## Note 10

### Exchange rate differences – net

	Note	Group		Parent company	
		2024	2023	2024	2023
<b>Exchange rate differences have been reported in the statement of comprehensive profit/loss as follows:</b>					
Financial items – net	9	-	-	-2,646	-4,481
Other external costs		-6,298	-12,243	-	-
<b>Total</b>		<b>-6,298</b>	<b>-12,243</b>	<b>-2,646</b>	<b>-4,481</b>

## Note 11

### Tax on the profit for the year

		Group		Parent company	
	Note	2024	2023	2024	2023
Current tax					
Current tax on profit for the year		-50,597	-46,768	-479	-36
Adjustments for previous years		54	-152	-	-
Total current tax		-50,543	-46,920	-479	-36
Deferred tax					
	26				
Origination and reversal of temporary differences		606	916	-	-
Total deferred tax		606	916	-	-
Total tax on the profit for the year					
		-49,937	-46,004	-479	-36

The income tax on the group's profit before tax differs from the theoretical amount that would have been obtained when using the Swedish tax rate for the profit of the consolidated companies as follows:

	Group		Parent company	
	2024	2023	2024	2023
<b>Profit/loss before tax</b>	<b>219,282</b>	<b>210,007</b>	<b>146,986</b>	<b>190,849</b>
Income tax calculated according to tax rate in Sweden 20.6% (20.6%)	-45,172	-43,261	-30,279	-39,315
<i>Tax effects of:</i>				
Tax attributable to previous years	54	-152	-	-
Non-taxable revenue	49	439	30,441	39,379
Non-deductible expenses	-3,610	-1,839	-641	-100
Effect of foreign tax rates	-1,369	-959	-	-
Other	111	-232	-	-
<b>Reported tax cost</b>	<b>-49,937</b>	<b>-46,004</b>	<b>-479</b>	<b>-36</b>

The weighted average tax rate for the Group was 23% (22%).

## Note 12

### Shares in Group companies

The Group had the following subsidiaries on 31 December 2024:

Name of subsidiary	Share in %	Share of voting rights in %	Org. No.	Headquarters	Carrying amount	
					31/12/2024	31/12/2023
Zinzino Nordic AB	93%	93%	556646-5893	Gothenburg	22,902	22,902
Zinzino Operations AB	100%	100%	556655-2658	Gothenburg	83	83
Zinzino OÜ	100%	100%	12057494	Tallinn	-	-
Zinzino UAB	100%	100%	302606327	Vilnius	26	26
Zinzino SIA	100%	100%	40103529390	Riga	25	25
Zinzino Ehf	100%	100%	580511-0660	Reykjavik	28	28
Zinzino LLC	100%	100%	90-0992153	Jupiter, FL	-	-
Zinzino B.V.	100%	100%	854221712	The Hague	-	-
Zinzino Sp z o. o.	100%	100%	701-04-26-537	Warsaw	8	8
Faun Pharma AS	99%	99%	883370112	Vestby	11,653	11,653
BioActive Foods AS	100%	100%	996740498	Vestby	50,203	50,203
Zinzino Canada Corp	100%	100%	817988520BC0001	Vancouver, BC	-	-
Zinzino GmbH	100%	100%	127/143/40172	Linau am Bodensee	233	233
Zinzino Direct Sales S.R.L	100%	100%	RO38081630	Bucharest	-	-
Zinzino Italia S.R.L.	100%	100%	PT-194277	Pistoia	104	104
Zinzino India	100%	100%	U74999DL2018FTC341732	New Delhi	2,967	2,967
Zinzino UK Ltd	100%	100%	08601642	Milton Keynes	46	46
Zinzino Pty Ltd	100%	100%	ABN40627905935	Adelaide	-	-
Zinzino Hong Kong Limited	100%	100%	65356238-000-10-19-8	Hong Kong	100	100
Zinzino Singapore Pte Ltd	100%	100%	200710391K	Singapore	100	100
Zinzino Malaysia SDN BHD	100%	100%	713201-U	Kuala Lumpur	6,225	6,225
Zinzino Thailand CO. Ltd	100%	100%	3108314	Bangkok	777	777
Zinzino Gida	100%	100%	9991133338	Istanbul	120	120
Zinzino LLC	100%	100%	43124037	Kiev	-	-
Zinzino 3NH3NHO	100%	100%	7728467918	Moscow	-	-
Zinzino SA PTY LTD	100%	100%	2020/058004/07	Gauteng	-	-
Zinzino Mexico S. DE R.L. DE C.V	100%	100%	N-2021013616	Mexico City	32	32
Zinzino NZ Limited	100%	100%	8248644	Auckland	-	-
Zinzino AG	100%	100%	334.019.298	Zug	46,084	46,084
Zinzino IP AG	100%	100%	285.777.204	Zug	5,000	5,000
Zinzino Balanceoil Health and Wellness Corporation	100%	100%	614-949-543-0000	Mandaluyong	190	-
Zinzino Colombia SAS	100%	100%	901807151	Bogota	107	-
Zinzino Peru S.A.C	100%	100%	20612287920	Lima	-	-
Zinzino Spain SL	100%	100%	B19418565	Las Palmas	34	-
Zinzino France SAS	100%	100%	92958096700016	Paris	58	-
Zinzino DOO	100%	100%	21575224	Belgrad	-	-
Zinzino Luxembourg	100%	100%	B293189	Luxembourg	139	-
<b>Total</b>					<b>147,244</b>	<b>146,716</b>

Subsidiaries wholly owned by Zinzino Nordic AB:

Specification of subsidiary	Share in %	Share of voting rights in %	Org. No.	Headquarters
Zinzino Sverige AB	100%	100%	556646-5869	Gothenburg
Zinzino ApS	100%	100%	27266940	Copenhagen
Zinzino AS	100%	100%	986028269	Oslo
Zinzino Oy	100%	100%	1825505-2	Helsinki
PGTwo AB	100%	100%	556639-0513	Gothenburg
2 Think	100%	100%	556667-3983	Gothenburg

## Note 13

### Shares in associated companies

The parent company's shares in associated companies	31/12/2024	31/12/2023
<b>Opening acquisition value</b>	-	
Acquisitions during the year	28,217	-
<b>Closing accumulated acquisitions</b>	<b>28,217</b>	<b>-</b>
<b>Closing carrying amount</b>	<b>28,217</b>	<b>-</b>

The Group's shares in associated companies reported using the equity method	31/12/2024	31/12/2023
<b>Opening acquisition value</b>	-	
Acquisitions during the year	2,175	-
<b>Closing accumulated acquisitions</b>	<b>2,175</b>	<b>-</b>
<b>Closing carrying amount</b>	<b>2,175</b>	<b>-</b>

The Group had the following associated companies on 31 December 2024:

The ownership share is the same as the voting share

Company name	Share in %	Org. No.	Head-quarters	Equity	Group		Parent company	
					31/12/2024	31/12/2023	31/12/2024	31/12/2023
Cleanthi Alpha-Olenic Ltd	49%	HE371296	Nicosia	2,175	2,175	-	28,217	-

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
<b>Total purchase price paid</b>	<b>28,217</b>

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
<b>Total identifiable net assets</b>	<b>2,175</b>
<b>Consolidated surplus values patent incl. deferred tax</b>	<b>15,880</b>
<b>Goodwill</b>	<b>10,162</b>

## Note 13

### – continued

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 14

### 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 established Spirulina brand. 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
<b>Total purchase price paid</b>	<b>23,185</b>
<b>Recognised amounts of identifiable assets acquired and liabilities assumed</b>	<b>SEK thousands</b>
Intangible fixed assets	5,000
<b>Total identifiable net assets</b>	<b>5,000</b>
<b>Goodwill</b>	<b>18,185</b>

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 4.8 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 7.8 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. The asset acquisition contributed to a pre-tax profit of approximately SEK 6,100 thousand. If the asset acquisition had been included for the entire financial year, revenue derived from the acquisition would have amounted to an estimated SEK 71,500 thousand and contributed to a profit before tax of an estimated SEK 9,150 thousand.

## Note 15

### Other financial assets

	Group		Parent company	
	31/12/2024	31/12/2023	31/12/2024	31/12/2023
<b>Opening acquisition value</b>	<b>1,253</b>	<b>1,309</b>	<b>-</b>	<b>-</b>
Acquisitions during the year	33,070	-	32,730	-
Exchange rate difference	193	-56	-	-
<b>Closing carrying amount</b>	<b>34,516</b>	<b>1,253</b>	<b>32,730</b>	<b>-</b>

*Of the year's acquisitions, SEK 32,730 thousand consists of the company's first payment of DIP financing for the upcoming acquisition of the assets of Zurvita. In February 2025, Zinzino is acquiring Zurvita's assets following the completion of Chapter 11 proceedings and at closing will pay a fixed purchase price, including the DIP financing. Read more under events after the end of the reporting period.*

## Note 16

### Intangible fixed assets

	Group		Parent company	
	31/12/2024	31/12/2023	31/12/2024	31/12/2023
<b>Goodwill</b>				
<b>Opening acquisition value</b>	<b>70,999</b>	<b>72,830</b>	<b>-</b>	<b>-</b>
Through acquisition of Group companies	28,535	-	18,373	-
Exchange rate difference	843	-1,831	-	-
<b>Closing accumulated acquisitions</b>	<b>100,377</b>	<b>70,999</b>	<b>18,373</b>	<b>-</b>
<b>Closing carrying amount</b>	<b>100,377</b>	<b>70,999</b>	<b>18,373</b>	<b>-</b>

	Group		Parent company	
	31/12/2024	31/12/2023	31/12/2024	31/12/2023
<b>Software</b>				
<b>Opening acquisition value</b>	<b>42,566</b>	<b>45,303</b>	<b>-</b>	<b>-</b>
Reclassifications for the year	10,008	-	-	-
Disposals for the year	-	-2,737	-	-
<b>Closing accumulated acquisitions</b>	<b>52,574</b>	<b>42,566</b>	<b>-</b>	<b>-</b>
<b>Opening depreciation and amortisation</b>	<b>-35,619</b>	<b>-34,788</b>	<b>-</b>	<b>-</b>
The year's depreciation	-4,967	-3,568	-	-
Disposals for the year	-	2,737	-	-
<b>Closing accumulated depreciation</b>	<b>-40,586</b>	<b>-35,619</b>	<b>-</b>	<b>-</b>
<b>Closing carrying amount</b>	<b>11,988</b>	<b>6,947</b>	<b>-</b>	<b>-</b>

	Group		Parent company	
	31/12/2024	31/12/2023	31/12/2024	31/12/2023
<b>Ongoing development work, software</b>				
<b>Opening balance</b>	<b>29,098</b>	<b>18,663</b>	<b>19,091</b>	<b>11,760</b>
Expenses incurred during the year	9,823	10,435	6,930	7,331
Reclassifications	-10,008	-	-	-
<b>Closing balance</b>	<b>28,913</b>	<b>29,098</b>	<b>26,021</b>	<b>19,091</b>
<b>Closing carrying amount</b>	<b>28,913</b>	<b>29,098</b>	<b>26,021</b>	<b>19,091</b>

	Group		Parent company	
	31/12/2024	31/12/2023	31/12/2024	31/12/2023
<b>Other intangible assets</b>				
<b>Opening acquisition value</b>	<b>27,382</b>	<b>26,997</b>	<b>3,115</b>	<b>3,115</b>
Acquisitions during the year	25,000	-	5,000	-
Exchange rate difference	1,006	385	-	-
<b>Closing accumulated acquisitions</b>	<b>53,388</b>	<b>27,382</b>	<b>8,115</b>	<b>3,115</b>
<b>Opening depreciation and amortisation</b>	<b>-15,412</b>	<b>-8,111</b>	<b>-2,612</b>	<b>-2,208</b>
The year's depreciation	-3,667	-2,374	-404	-404
Write-down for the year	-	-4,927	-	-
<b>Closing accumulated depreciation</b>	<b>-19,079</b>	<b>-15,412</b>	<b>-3,016</b>	<b>-2,612</b>
<b>Closing carrying amount</b>	<b>34,309</b>	<b>11,970</b>	<b>5,099</b>	<b>503</b>

## Note 16

### – continued

Of the carrying amount of goodwill, SEK 29,436 thousand relates to Norway, SEK 31,695 thousand to Switzerland, SEK 18,373 thousand to Luxembourg, SEK 10,342 thousand to Cyprus and SEK 10,531 thousand to the countries added in connection with the acquisition of VMA Life in 2020.

The carrying amount of software is entirely attributable to Sweden.

The carrying amount of software investments in progress relates entirely to Sweden.

For other intangible assets, SEK 4,708 thousand relates to Luxembourg, which was added in connection with the acquisition of assets of Xelliss, SEK 19,336 thousand to Cyprus, which was added in connection with the acquisition of Cleanthi Alpha-Olenic Ltd, SEK 221 thousand to Sweden, SEK 5,313 thousand relates to Switzerland and was added in connection with the acquisition of Enhanzz IP AG and Enhanzz Global AG, and SEK 4,731 thousand to countries that were added in connection with the acquisition of VMA Life 2020.

### Impairment testing for goodwill

The CEO monitors goodwill at the group level. The company has made the assessment that the consolidated goodwill is allocated in the amount of SEK 127,786 thousand to the Zinzino business segment and in the amount of SEK 6,900 thousand to the Faun business segment.

The recoverable amount of goodwill has been determined based on calculations of value in use. The CEO has assessed that sales growth, EBITDA margin, discount rate and long-term growth are the most important assumptions in the impairment testing. Calculations of value in use are based on estimated future pre-tax cash flows based on financial budgets approved by the company management and covering a five-year period. The calculation is based on management experience and historical data. The long-term sustainable growth rate has been assessed on the basis of industry forecasts.

For each business segment listed above to which a significant amount of goodwill has been allocated, the significant assumptions, long-term growth rate and discount rate used in calculating value in use are set out below.

### Key assumptions used for calculating value in use in the Zinzino business segment

31/12/2024 31/12/2023

Pre-tax discount rate*	14.5%	14.5%
Long-term growth rate**	2%	2%

*The cash flows forecast after five years are based on a more conservative growth rate of 2 (2)% per year.*

*A growth rate of 2% is lower than expected growth for the market, which is expected to grow by 10-20% per year.*

*\* The pre-tax discount rate used in the present value calculation of estimated future cash flows.*

*\*\* Weighted average growth rate used to extrapolate cash flows beyond the budget period.*

### Sensitivity analysis for goodwill:

The recoverable value exceeds the carrying values of goodwill with a margin. This also applies to the assumption that:

- the pre-tax discount rate would be 4 (4) percentage points higher,
- the estimated growth rate for extrapolating cash flows beyond the five-year period would be 1 (1) percentage point lower

The most significant assumptions, in addition to the discount rate and long-term growth, are the EBITDA margin and sales growth.

A change of these two assumptions, individually, by 1 respectively 4 percentage points would not result in any impairment.

## Note 17

### Tangible fixed assets

Equipment, tools and installations	Group		Parent company	
	31/12/2024	31/12/2023	31/12/2024	31/12/2023
<b>Opening acquisition value</b>	<b>23,304</b>	<b>22,389</b>	<b>38</b>	<b>38</b>
Acquisitions during the year	4,095	1,508	-	-
Disposals for the year	-1,833	-669	-	-
Conversion differences	154	76	-	-
<b>Closing accumulated acquisitions</b>	<b>25,720</b>	<b>23,304</b>	<b>38</b>	<b>38</b>
<b>Opening depreciation and amortisation</b>	<b>-7,977</b>	<b>-5,167</b>	<b>-22</b>	<b>-15</b>
The year's depreciation	-3,476	-3,479	-8	-7
Disposals for the year	1,145	669	-	-
<b>Closing accumulated depreciation</b>	<b>-10,308</b>	<b>-7,977</b>	<b>-30</b>	<b>-22</b>
<b>Closing carrying amount</b>	<b>15,412</b>	<b>15,327</b>	<b>8</b>	<b>16</b>

All significant tangible fixed assets in the Group are found in Zinzino Operations AB and Faun Pharma AS.

Of the tangible fixed assets, SEK 2,283 thousand relate to Sweden, SEK 11,595 thousand to Norway and SEK 1,533 thousand distributed among other countries.

## Note 18

### Leasing

In accordance with IFRS 16, the Group recognises lease liabilities attributable to leases that were previously classified as operating leases. These liabilities have been valued at the present value of future minimum lease payments. When calculating, the lessee's marginal lending rate has averaged 6% (5%).

*All rights of use are valued at an amount equal to the lease liability adjusted for deferred leasing payments relating to the leases. The following relief rules have been applied:*

- The use of a uniform discount rate for a portfolio of leases of a similar nature;
- The reporting of operating leases with a lease term shorter than 12 months is classified as a short-term lease and the lease payment is excluded from the capitalised lease calculation under IFRS 16.
- The reporting of low value operating leases is classified as a low value lease and the lease payment is excluded from the capitalised lease calculation under IFRS 16.
- Exclusion of initial direct costs in the calculation of the right-of-use asset at the date of initial implementation
- Historical information has been used in the assessment of the length of a lease where there are options to extend or terminate an agreement.

#### Valuation of the leasing liability

Recognition of depreciation of right-of-use assets instead of lease payments has had a positive impact on operating profit of SEK 3.4 (2.6) million. Interest on lease liabilities has had a negative impact on net financial income/expense of SEK 3.4 (3.8) million. Profit before tax was negatively impacted by SEK 0.1 (1.2) million due to IFRS 16. As the main payment is reported as financing activities, cash flow from financing activities decreases with a corresponding increase in cash flow from operating activities. The interest portion of the leasing payment remains cash flow from operating activities and is included in net financial income/expense. The group recognises a right of use in the balance sheet and a leasing liability at the present value of future lease payments.

The leased asset is depreciated on a linear basis over the lease period or over the useful life of the underlying asset if it is considered reasonably certain that the group will acquire ownership at the end of the lease period. Leasing costs are reported as depreciation in operating profit and interest expense in net financial income/expense. If the lease is considered to include a low value asset or has a lease period that ends within 12 months, these lease payments are recognised as operating expenses in the income statement over the lease period.

#### Reported amounts in the balance sheet

*The following amounts related to leases are reported in the balance sheet broken down by premises, vehicles and other. Of the total asset value, SEK 18,534 thousand relates to Sweden, SEK 9,346 thousand to Norway, SEK 3,332 thousand to the US and the remainder is distributed among the Group's other countries.*

Assets with right of use	31/12/2024	31/12/2023
Premises	40,347	49,295
Vehicles	1,093	1,126
Other	369	628
<b>Total</b>	<b>41,809</b>	<b>51,049</b>

Lease liabilities	31/12/2024	31/12/2023
Long term	24,619	34,184
Current	21,446	19,676
<b>Total</b>	<b>46,065</b>	<b>53,860</b>

Assets with right of use	31/12/2024	31/12/2023
<b>Opening value</b>	<b>51,049</b>	<b>46,823</b>
Agreements acquired during the year	10,009	22,572
The year's depreciation	-18,002	-17,452
Exchange rate difference	-1,247	-894
<b>Closing carrying amount</b>	<b>41,809</b>	<b>51,049</b>

*Leases added in 2024 have a value of SEK 1,256 thousand, of which SEK 595 thousand in the premises category and SEK 660 thousand in the vehicles category. Renewed leases in 2024 have a value of SEK 8,753 thousand, all of which fall within the premises category.*

## Note 18

### – continued

#### Reported amounts in the income statement

*The following amounts related to leases are reported in the income statement*

Depreciation on rights of use	31/12/2024	31/12/2023
Premises	17,074	16,601
Vehicles	696	573
Other	231	278
<b>Total</b>	<b>18,001</b>	<b>17,452</b>
<b>Interest costs</b>	<b>31/12/2024</b>	<b>31/12/2023</b>
Interest expenses (included in financial expenses)	3,431	3,769
<b>Short-term or low-value leases</b>	<b>2024</b>	<b>2023</b>
Expenses attributable to short-term leases (included in external costs)	278	618
Expenses attributable to leases for which the underlying asset is of low value that are not short-term leases (included in external costs)	491	38

No significant variable lease payments that are not included in the leasing liability have been identified.

The total cash flow for leases was SEK 21,381 (20,069) thousand.

Maturities of lease liabilities are reported in Note 3.

## Note 19

### Inventories

The cost of inventories recognised as expense is included in the item raw materials and consumables in the statement of comprehensive profit/loss and amount to SEK 379,262 (277,640) thousand.

The value of the Group's inventories as of 31/12/2024 is SEK 311,190 (194,977) thousand.

Impairment of inventories to the net realisable value amounts to SEK 4,913 (8,031) thousand. The impairment has been reported in the statement of comprehensive profit/loss as raw materials and consumables.

## Note 20

### Financial instruments by category

The table below discloses how financial instruments included in the statement of financial position are measured. Financial instruments measured at fair value are adjusted through consolidated profit or loss and are determined using the following three levels:

Level 1: based on prices quoted in an active market for the same instrument

Level 2: based on directly observable market data not included in Level 1

Level 3: based on inputs that are not observable in the market

31/12/2023	Financial assets valued at amortised acquisition value	Financial assets at fair value	Total
<b>Assets in the balance sheet</b>			
Long-term receivables	1,253	-	1,253
Accounts receivable	8,574	-	8,574
Other receivables	57,366	-	57,366
Cash and cash equivalents	321,236	-	321,236
<b>Total</b>	<b>388,429</b>	<b>-</b>	<b>388,429</b>

31/12/2023	Financial liabilities at amortised acquisition value	Financial assets at fair value, Level 3	Total
<b>Liabilities in the balance sheet</b>			
Accounts payable	50,356	-	50,356
Other liabilities	231,563	50,591	282,154
Accrued costs	24,121	-	24,121
<b>Total</b>	<b>306,040</b>	<b>50,591</b>	<b>356,631</b>

31/12/2024	Financial assets valued at amortised acquisition value	Financial assets at fair value	Total
<b>Assets in the balance sheet</b>			
Long-term receivables	1,786	-	1,786
Accounts receivable	9,848	-	9,848
Other receivables	51,797	-	51,797
Cash and cash equivalents	463,050	-	463,050
<b>Total</b>	<b>526,481</b>	<b>-</b>	<b>526,481</b>

31/12/2024	Financial liabilities at amortised acquisition value	Financial assets at fair value, Level 3	Total
<b>Liabilities in the balance sheet</b>			
Accounts payable	87,989	-	87,989
Other liabilities	304,156	80,731	384,887
Accrued costs	33,109	-	33,109
<b>Total</b>	<b>425,254</b>	<b>80,731</b>	<b>505,985</b>

## Note 21

### Accounts receivable

Accounts receivable	Group		Parent company	
	31/12/2024	31/12/2023	31/12/2024	31/12/2023
Accounts receivable	10,042	8,674	-	-
Reserve for expected credit losses	-194	-100	-	-
<b>Total</b>	<b>9,848</b>	<b>8,574</b>	<b>-</b>	<b>-</b>

All accounts receivable are expected to fall due within 0–3 months.

#### Amounts reported, per currency, for the Group accounts receivable are as follows:

	31/12/2024	31/12/2023	31/12/2024	31/12/2023
EUR	93	55	-	-
ZAR	14	-	-	-
PLN	-	57	-	-
USD	-	110	-	-
NOK	9,741	8,352	-	-
<b>Total</b>	<b>9,848</b>	<b>8,574</b>	<b>-</b>	<b>-</b>

The fair value of accounts receivable corresponds to its carrying value, since the discount effect is not material.  
No accounts receivable have been provided as security for any debt.

## Note 22

### Other receivables

Other receivables	Group		Parent company	
	31/12/2024	31/12/2023	31/12/2024	31/12/2023
Tax account	669	1,578	-	-
Credit card sales receivables	41,438	48,552	-	-
VAT claim	13,390	6,475	-	-
Tax claims	3,281	2,026	4	153
Advances to suppliers	9,082	8,354	-	-
Other receivables	1,277	460	-	1,036
<b>Total</b>	<b>69,137</b>	<b>67,445</b>	<b>4</b>	<b>1,189</b>

## Note 23

### Pre-paid costs and accrued revenues

Pre-paid costs and accrued revenues	Group		Parent company	
	31/12/2024	31/12/2023	31/12/2024	31/12/2023
Pre-paid rental costs	1,948	956	-	-
Pre-paid cost for sales conference	16,970	22,643	-	-
Prepaid sales expenses	46,068	25,495	-	-
Pre-paid other expenses	12,758	10,091	500	437
<b>Total</b>	<b>77,744</b>	<b>59,185</b>	<b>500</b>	<b>437</b>

## Note 24

### Cash and cash equivalents

Cash and cash equivalents	Group		Parent company	
	31/12/2024	31/12/2023	31/12/2024	31/12/2023
Bank balances	463,050	321,236	32,033	8,055
<b>Total</b>	<b>463,050</b>	<b>321,236</b>	<b>32,033</b>	<b>8,055</b>

## Note 25

### Share capital and other contributed capital

Of the company's number of shares, 34,827,196, 5,113,392 constitute A shares.

The development of the share capital:

Year	Event	Change in the number of shares	Total number of shares	Change in the share capital	Total share capital
2007	Formation of company	37,000,000	37,000,000	100,000	100,000
2007	Rights issue	37,803,188	74,803,187	102,069	202,069
2008	Bonus issue	-	-	545,963	748,032
2008	Rights issue	12,476,963	87,280,150	124,770	872,802
2009	Rights issue	135,022,681	222,302,831	1,350,227	2,223,029
2010	Rights issue	48,524,869	270,827,700	485,248	2,708,277
2010	Reverse split	-243,744,930	27,082,770	-	2,708,277
2014	Warrants	2,425,917	29,508,687	242,592	2,950,869
2015	Warrants	1,391,338	30,900,025	139,134	3,090,003
2016	Warrants	150,000	31,050,025	15,000	3,105,003
2016	Warrants	1,530,000	32,580,025	153,000	3,258,003
2020	Warrants	469,620	33,049,645	46,962	3,304,965
2021	Warrants	652,633	33,702,278	65,263	3,370,228
2022	Offset issue	158,285	33,860,563	15,828	3,386,056
2023	Warrants	3,250	33,863,813	325	3,386,381
2023	Offset issue	77,783	33,941,596	7,778	3,394,159
2024	Warrants	281,157	34,222,753	28,115	3,422,274
2024	Offset issue	604,443	34,827,196	60,445	3,482,719

## Note 26

### Deferred tax

Deferred tax assets	Group			Parent company	
	Loss carry-forwards	Other temporary differences	Total	Loss carry-forwards	Total
<b>As of 1 January 2023</b>	<b>1,525</b>	<b>2,928</b>	<b>4,453</b>	-	-
Reported in the statement of comprehensive profit/loss	-555	177	-378	-	-
<b>As of 31 December 2023</b>	<b>970</b>	<b>3,105</b>	<b>4,075</b>	-	-
Balance sheet reclassification	220	-	220	-	-
Reported in the statement of comprehensive profit/loss	-279	601	322	-	-
<b>As of 31 December 2024</b>	<b>911</b>	<b>3,706</b>	<b>4,617</b>	-	-

Deferred tax assets include a net recognised tax asset for Right-of-Use Assets/Lease Liabilities in accordance with IFRS 16 of SEK 877 (579) thousand, which is allocated as follows:

	2024	2023
Tax liability on Right-of-use asset	-8,612,605	-10,516,016
Tax asset on Lease liability	9,489,295	11,095,131
<b>Total tax assets</b>	<b>876,690</b>	<b>579,115</b>

Deferred tax liabilities	Group		Parent company	
	Other temporary differences	Total	Loss carry-forwards	Total
<b>As of 1 January 2023</b>	<b>-4,706</b>	<b>-4,706</b>	-	-
Reported in the statement of comprehensive profit/loss	1,294	1,294	-	-
<b>As of 31 December 2023</b>	<b>-3,412</b>	<b>-3,412</b>	-	-
Recognised in the balance sheet in connection with acquisitions	-4,120	-4,120	-	-
Reported in the statement of comprehensive profit/loss	284	284	-	-
<b>As of 31 December 2024</b>	<b>-7,248</b>	<b>-7,248</b>	-	-

## Note 27

### Other long-term liabilities

Other long-term liabilities	Group		Parent company	
	31/12/2024	31/12/2023	31/12/2024	31/12/2023
Additional consideration	19,421	26,809	19,421	26,809
Debt to minority interests	10,397	7,516	-	-
Other long-term liabilities	505	448	-	-
<b>Total</b>	<b>30,323</b>	<b>34,773</b>	<b>19,421</b>	<b>26,809</b>

#### Maturity structure

Between 1 and 2 years	9,784	9,123	9,784	9,123
Between 2 and 5 years	20,539	25,650	9,637	17,686
<b>Total</b>	<b>30,323</b>	<b>34,773</b>	<b>19,421</b>	<b>26,809</b>

## Note 28

### Other current liabilities

Other current liabilities	Group		Parent company	
	31/12/2024	31/12/2023	31/12/2024	31/12/2023
Value added tax liability	38,202	14,753	1,839	955
Personnel withholding tax	3,604	2,850	-	-
Statutory social security contributions	4,006	3,049	-	-
Commission liability	295,202	226,568	-	-
Short-term portion Additional consideration	10,894	8,377	10,894	8,377
Contract liability customer loyalty programme	40,019	7,889	-	-
Other liabilities	8,954	4,995	-	-
<b>Total</b>	<b>400,881</b>	<b>268,481</b>	<b>12,733</b>	<b>9,332</b>

## Note 29

### Accrued costs and deferred revenues

Accrued costs and deferred revenues	Group		Parent company	
	31/12/2024	31/12/2023	31/12/2024	31/12/2023
Accrued discount	35,000	23,331	-	-
Accrued wage-related costs	29,057	23,088	-	-
Accrued commission	33,109	24,121	-	-
Deferred revenues	109,256	58,761	-	-
Other items	13,741	8,174	2,312	893
<b>Total</b>	<b>220,163</b>	<b>137,475</b>	<b>2,312</b>	<b>893</b>

## Note 30

### Security Provided and Contingent Liabilities

Security provided and contingent liabilities	Group		Parent company	
	2024	2023	2024	2023
Security provided	81,464	15,692	None	None
Contingent liabilities	None	None	80,464	15,631

The Group has floating charges of SEK 80,000 (15,000) thousand and customs guarantees totalling SEK 1,000 (183) thousand. Blocked bank funds amount to SEK 1,464 (692) thousand.

Contingent liabilities in the parent company refer to the guarantee commitments for subsidiaries.

## Note 31

### Transactions with related parties

Sales of goods and services	Group		Parent company	
	31/12/2024	31/12/2023	31/12/2024	31/12/2023
Sæle Invest & Consulting AS	203	342	-	-
Prosperity ApS	-	-	-	-
<b>Total</b>	<b>203</b>	<b>342</b>	<b>-</b>	<b>-</b>

Purchase of goods and services	Group		Parent company	
	31/12/2024	31/12/2023	31/12/2024	31/12/2023
Sæle Invest & Consulting AS*	58,099	40,545	-	-
Prosperity ApS**	7,587	6,034	-	-
<b>Total</b>	<b>65,686</b>	<b>46,579</b>	<b>-</b>	<b>-</b>

Receivables and liabilities at the end of the year as a result of the sale and purchase of goods and services	Group		Parent company	
	31/12/2024	31/12/2023	31/12/2024	31/12/2023
<i>Receivables from related parties</i>				
Sæle Invest & Consulting AS	-	-	-	-
Prosperity ApS***	-	1,036	-	1,036
<i>Liabilities to related parties</i>				
Sæle Invest & Consulting AS	1,267	794	-	-
Prosperity ApS	-	-	-	-

There are no loans to or from related parties within the group.

The Group has no provisions for bad debt receivables attributable to related parties. The Group has also not reported any costs relating to bad debt receivables from related parties during the period. No security has been provided for the receivables.

As of 31/12/2024, the liability to Sæle Invest & Consulting AS relating to sales commissions amounts to SEK 1,267 (794) thousand and to Prosperity ApS to SEK 0 (0) thousand 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.

\* Refers to sales commissions to/purchases from Sæle Invest and Consulting AS which is controlled by Örjan Sæle 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 Sørensen and who, through the Cashflow Holding ApS shareholding in Zinzino AB, is defined as a person with significant influence.

\*\*\* 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.

## Note 32

### Earnings per share

SEK	2024	2023
Earnings per share before dilution	4.95	4.83
Earnings per share after dilution	4.59	4.73
<b>Earnings metric used in the calculation of earnings per share (SEK thousand)</b>	<b>2024</b>	<b>2023</b>
Earnings attributable to shareholders of the parent company used in the calculation of earnings per share before and after dilution	169,169	163,735
<b>Number of shares</b>	<b>2024</b>	<b>2023</b>
Weighted average number of ordinary shares in calculating earnings per share before dilution	34,185,478	33,885,937
Weighted average number of ordinary shares in calculating earnings per share after dilution*	36,880,408	34,612,867

\* The dilution effect is mainly due to ongoing options programmes, see Note 35.

## Note 33

### Changes in liabilities pertaining to financing activities

Changes in liabilities pertaining to financing activities	01/01/2024	Cash inflow	Cash outflow	Non-cash items		31/12/2024
				New and renewed lease contracts	Currency	
Lease liabilities	53,860	-	-21,381	10,009	3,577	46,065
<b>Total</b>	<b>53,860</b>	<b>-</b>	<b>-21,381</b>	<b>10,009</b>	<b>3,577</b>	<b>46,065</b>

Changes in liabilities pertaining to financing activities	01/01/2023	Cash inflow	Cash outflow	Non-cash items		31/12/2023
				New and renewed lease contracts	Currency	
Lease liabilities	49,578	-	-20,069	22,572	1,779	53,860
<b>Total</b>	<b>49,578</b>	<b>-</b>	<b>-20,069</b>	<b>22,572</b>	<b>1,779</b>	<b>53,860</b>

## Note 34

### Adjustment for items which are not included in the cash flow

Adjustment for items which are not included in the cash flow	Group		Parent company	
	2024	2023	2024	2023
Depreciation/amortisation	30,774	31,798	1,655	844
Currency fluctuations	12,329	7,086	822	-99
Settlement of unfulfilled additional consideration due	-	-3,515	-	-
Increase in future expected additional consideration	-	14,781	-	-
Other non-cash items	-556	-	-	-
<b>Total</b>	<b>42,547</b>	<b>50,150</b>	<b>2,477</b>	<b>745</b>

## Note 35

### Options programme

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

The first options programme covers 1,000,000 warrants at an exercise price of SEK 45 per B share that expires on 31/05/2025, of which 220,000 have been subscribed for by the Group's management team, 51,000 by key employees and 22,100 by other personnel. Other warrants in the programme have been subscribed by the company's external distributors. As of the reporting date, 159,233 warrants have already been exercised for share subscription within the framework of this options programme.

The second options programme covers 900,000 warrants at an exercise price of SEK 56 per B share that expires on 31/05/2027, of which 90,000 have been subscribed for by the management team and 165,000 by key employees. As of the reporting date, 23,000 warrants have already been exercised for share subscription within the framework of this options programme.

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

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

The fifth options programme covers 500,000 warrants at an exercise price of SEK 63 per B share and expires 31/05/2026. The programme is aimed at Group and sales management as well as key employees in Zinzino AB and as of the reporting date 178,000 warrants have been subscribed for. As of the reporting date, 3,000 warrants have been exercised for share subscription within the framework of this options programme.

If all the warrants issued as of the reporting date are exercised for new subscription of 2,816,910 shares, the share capital dilution will total approximately 8%.

## Not 36

### Financial metrics not defined in accordance with IFRS

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

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

Alternative key figures	Definition	Purpose
<b>Sales growth</b>	The total revenue as a percentage change compared to 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 alone 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 for creating an understanding of operational profitability and as the metric excludes depreciation/amortisation, this margin gives the stakeholders a clearer picture of the company's core 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.

## Note 37

### Events after the end of the reporting period

#### Acquisition of assets Zurvita

On 14 February 2025, Zinzino is acquiring Zurvita's assets following the completion of Chapter 11 proceedings and will pay a fixed purchase price at closing, 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. 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.

#### Acquisition of assets Valentus Global

On 11 April 2025, Zinzino acquired the rights to the distributor database and associated customer register, inventory and IP rights of the US/UK-based direct sales company Valentus Global through an acquisition of assets. Valentus Global Inc. is a direct sales company based in Delaware, USA, with most of its operations and sales in Europe. Zinzino is acquiring Valentus Global's distributor organisation, customer register, inventory and IP rights to the product portfolio. The business generated sales of over SEK 50 million in the previous year, mainly in Europe and North America. Upon closing, Zinzino will pay a total purchase price of SEK 20 million, of which approximately SEK 10 million represents the estimated value of the inventory. The purchase price will be paid in cash from the company's own funds.

## Note 38

### Proposal for allocation of profits

The annual meeting has the following at its disposal:

Zinzino AB	SEK
Retained earnings	174,488,759
Profit/loss for the year	146,507,057
<b>Total</b>	<b>320,995,816</b>

The Board of Directors proposes that the retained earnings be dealt with so that:

Zinzino AB	SEK
A dividend will be paid to the shareholders of SEK 4.00 per share	139,308,784
Will be carried forward	181,687,032
<b>Total</b>	<b>320,995,816</b>

The consolidated income statements and balance sheets will be submitted to the Annual General Meeting on 28/05/2025 for adoption.

The Board of Directors and the CEO ensure that the consolidated financial statements have been prepared in accordance with international accounting standards IFRS as adopted by the EU and give a true and fair view of the group's position and results. The annual report has been prepared in accordance with generally accepted accounting principles and gives a true and fair view of the parent company's position and results.

The management report for the group and the parent company provides a true and fair view of the performance of the group's and the parent company's operations, financial position and results, and describes the significant risks and uncertainties that the parent company and the companies included in the Group face.

# Göteborg, 24 April 2025

---

**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

Our auditor's report was submitted on 25 April 2025.  
**BDO Göteborg AB**

---

**Katarina Eklund**  
Authorized Public Accountant



# Auditor's report

To the general meeting of the shareholders of Zinzino AB  
Corporate identity number 556733-1045

## Report on the annual accounts and consolidated accounts

### Opinions

We have audited the annual accounts and consolidated accounts of Zinzino AB for the year 2024, except for the corporate governance statement on pages 65–71. The annual accounts and consolidated accounts of the company are included on pages 57–126 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of parent company as of 31 December 2024 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2024 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the corporate governance statement on pages 65–71. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

### Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the "Auditor's Responsibilities" section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

### Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1–56. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, the Board of Directors and the Managing Director are

responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intends to liquidate the company, to cease operations, or has no realistic alternative but to do so.

### Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's and the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw

attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- We plan and perform the group audit to obtain sufficient and appropriate audit evidence regarding the financial information of the companies or business units within the group as a basis for expressing an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

### Report on other legal and regulatory requirements

#### Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Zinzino AB for the year 2024 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

#### Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the "Auditor's Responsibilities" section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

## **Responsibilities of the Board of Directors and the Managing Director**

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

## **Auditor's responsibility**

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional scepticism throughout the audit. The examination of the administration and the

proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined the Board of Directors' reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Companies Act.

## **The auditor's examination of the corporate governance statement**

The Board of Directors is responsible for that the corporate governance statement on pages 65–71 has been prepared in accordance with the Annual Accounts Act. Our examination of the corporate governance statement is conducted in accordance with FAR's standard RevR 16 The auditor's examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2–6 of the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the other parts of the annual accounts and consolidated accounts and are in accordance with the Annual Accounts Act.

Gothenburg, 25 April 2025

**BDO Göteborg AB**

**Katarina Eklund**

Authorized Public Accountant



**ZINZINO**  
Inspire Change in Life

[zinzino.com](http://zinzino.com)