

ZINZINO



INTERIM REPORT Q3 | 2022

THIS IS ZINZINO

Zinzino is a global direct sales company from Scandinavia specializing in test-based, personalized nutrition and scientific skincare. It is a public limited company with its shares listed on Nasdaq First North Premier Growth Market. Their scientifically proven nutritional supplements are available on more than 100 markets across the world. Zinzino 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 headquarters is in Gothenburg, Sweden with additional offices in Europe, Asia, the US and Australia.

A BRIEF HISTORY

- 2007 – Zinzino AB was started. The company's principal business is to own and develop companies in direct sales and related activities.
- 2009 – Zinzino Nordic AB 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. Through this, Zinzino AB obtained control over 97% of the votes and 92% of the capital of Zinzino Nordic AB. By 31 December 2021, participating interest 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 was further expanded by companies in Poland and the Netherlands. In the same year, Zinzino AB acquired BioActive Foods AS and 85% of the 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 were launched in all countries in the EU.
- 2017 – Sales in Switzerland were launched.
- 2018 – New subsidiaries in Romania and Italy.
- 2019 – New subsidiaries in Australia and India.
- 2020 – Acquisition of VMA Life in Singapore. Zinzino moves up to the premier segment of the Nasdaq First North Premier Growth Market.
- 2021 – Sales start in South Africa.
- 2022 – Acquisition of Enhazz IP AG and Enhazz Global AG.

ZINZINO INTERIM REPORT 2022 | Q3

JULY-SEPTEMBER

- Total revenue amounted to SEK 349.9 (313.6) million, corresponding to a growth of 12% (11%).
- Gross profit amounted to SEK 110.9 (107.5) million and the gross profit margin was 31.7% (34.3%).
- EBITDA amounted to SEK 25.4 (40.4) million and the EBITDA margin was 7.3% (12.9%).
- Cash flow from operating activities totalled SEK 23.6 (23.5) million.

JANUARY-SEPTEMBER

- Total revenue amounted to SEK 1,013.8 (969.4) million, corresponding to a growth of 5% (21%).
- Gross profit amounted to SEK 315.7 (313.8) million and the gross profit margin was 31.1% (32.4%).
- EBITDA amounted to SEK 71.2 (111.1) million and the EBITDA margin was 7.0% (11.5%).
- Cash flow from operating activities totalled SEK 35.2 (94.0) million.
- Liquid assets on the balance sheet date were SEK 163.7 (182.9) million.

12% GROWTH IN THE THIRD QUARTER



Dag Bergheim Pettersen, CEO, Zinzino

CONTINUED GROWTH DURING THE QUARTER

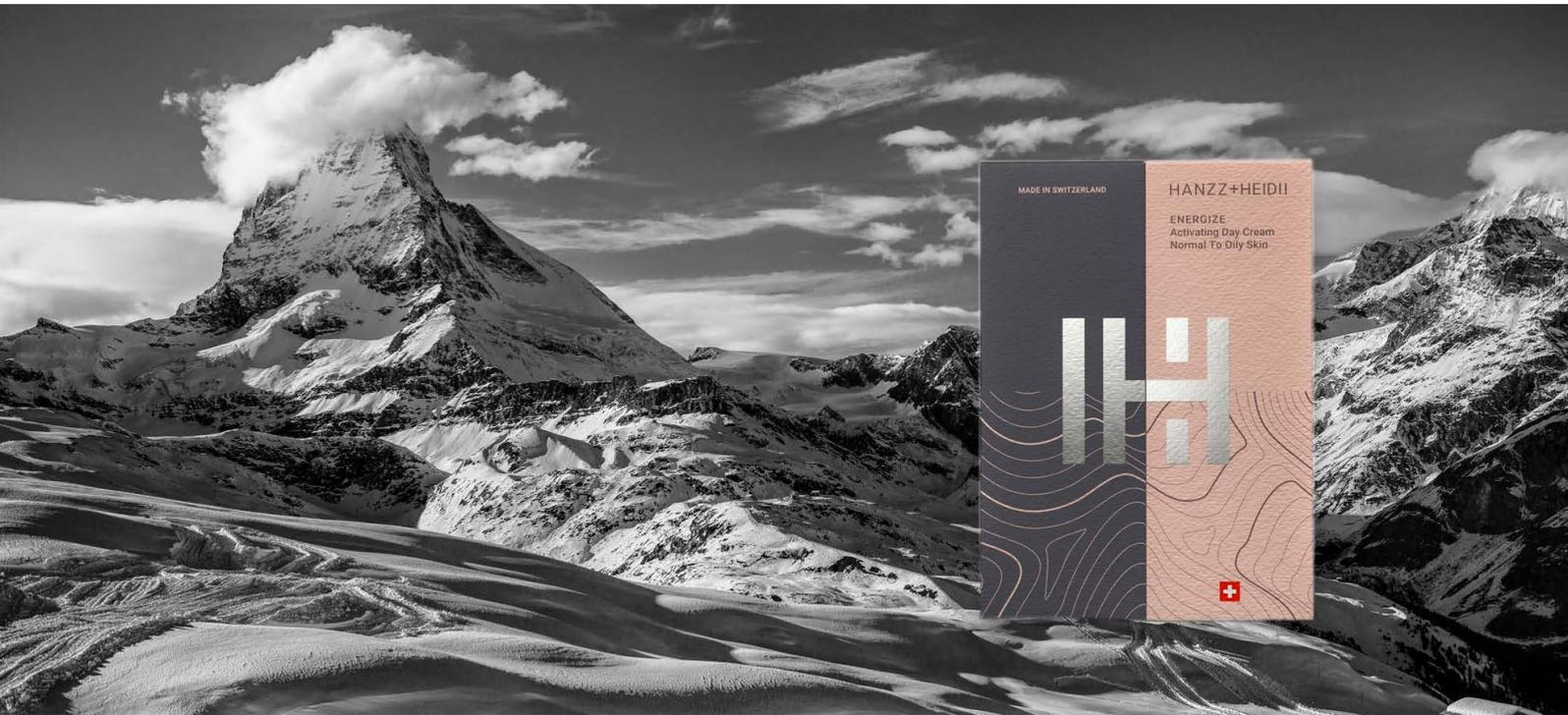
I am very pleased that last quarter's revenue increased by 12% compared to the third quarter of last year, with good profitability. Our world is in a state of great change, but we are responding in a way that I think will allow us to emerge better than the rest of the market. It is also good that our strategy and efforts are bearing fruit in the form of increased growth combined with maintained profitability. We have also launched a new cosmetic skincare range, HANZZ+HEIDI, which we expect a lot from in the coming years. We are concentrating on simplifying and improving all aspects of the company so that we reach our goal of one million customers and a turnover growth of at least 20% over the next few years.

WE BELIEVE IN CONTINUED GROWTH IN A TURBULENT ENVIRONMENT

Total revenue for the quarter was SEK 350 million and the EBITDA margin was 7.3%, which is a good improvement compared to previous quarter when the figures were SEK 330 million and 6.1%. We expect to reach our financial target for the year of around SEK 1.4 billion with good profitability. This is despite high inflation and uncertainty around the world. We know that economists are predicting a recession and that we are facing tough times with energy shortages, rising commodity prices, and rising interest rates with various negative signals and events. We are offsetting our increased costs by working on streamlining at all levels, which means that during the fourth

quarter we will identify and discontinue some processes that we believe do not currently give us sufficient added value. This will also mean that we will reduce the internal organisation by around 10%, which is regrettable for those who need to leave us but necessary in the current circumstances.

In such a situation, I am glad that we are countercyclical and somewhat independent of economic cycles. In short, when the world is as turbulent as it is now, it is easier for us to engage more distributors who are looking for extra income and who will therefore sell our products. Then, when the economy picks up again, it will be harder for us to attract new distributors, but it will also be a bit easier to increase our customer base. We will be less dependent on external factors such as the world economy and inflation. Instead, we will be more dependent on ourselves and what we can influence on all possible levels. That's why we believe in further growth and make it an important area of focus. Growth brings economies of scale and increased profitability, which in turn enables us to further develop our company, launch new products and establish ourselves in more markets, etc.



HANZZ+HEIDI!, Switzerland

ACQUISITIONS

When the world is in a negative economic situation with high levels of financial concern, new opportunities arise for us. We have noticed a large increase in companies in our industry looking for new owners or some form of collaboration.

A short background description: We have carried out four acquisitions in the last 7-8 years. In 2014, we bought BioActive Foods AS, a science testing company that developed our main products BalanceOil/BalanceTest which we have subsequently refined further. In the same year, we also acquired Faun Pharma AS, a modern, certified factory that develops and produces dietary supplements. Together, these two acquisitions have helped us to develop and manufacture our products efficiently and with a very high level of quality. In addition to the acquisitions mentioned above, we have acquired two distribution companies in recent years. In 2020, we acquired VMA Life with offices in Singapore, Taiwan, Malaysia, Thailand and Hong Kong. Earlier this year, we acquired Enhazz from Switzerland with the associated distribution organisation in Central Europe.

The distribution companies VMA Life and Enhazz are now fully integrated into Zinzino's business model and systems. With these acquisitions, we have identified synergies in several areas such as IT, finance, logistics, product, marketing and support. Through these processes, we have developed a "blueprint" for duplicating this in future acquisitions of companies with

distribution power in our industry that match our corporate culture. With this approach, I feel confident that we can make more acquisitions in the coming years, which is important for our expansion to complement organic growth. In these processes, we are taking advantage of the investments we have already made in IT, product, web and marketing. Together, this allows all our shareholders to look to the future with greater confidence.

Dag Bergheim Pettersen

CEO Zinzino

Inspire Change in Life

FINANCIAL SUMMARY (SEK MILLION)

Key group figures	01/07/2022	01/07/2021	01/01/2022	01/01/2021	01/01/2021
	30/09/2022	30/09/2021	30/09/2022	30/09/2021	31/12/2021
Total revenue	349.9	313.6	1,013.8	969.4	1,370.6
Net sales	330.1	296.5	955.4	915.9	1,288.5
Sales growth	12%	11%	5%	21%	20%
Gross profit	110.9	107.5	315.7	313.8	427.5
Gross profit margin	31.7%	34.3%	31.1%	32.4%	31.2%
Operating profit before depreciation and amortisation	25.4	40.4	71.2	111.1	137.6
Operating margin before depreciation and amortisation	7.3%	12.9%	7.0%	11.5%	10.0%
Operating profit	18.4	34.8	52.2	95.1	116.0
Operating margin	5.3%	11.1%	5.1%	9.8%	8.5%
Profit/loss before tax	17.9	34.6	51.1	94.4	114.9
Net profit	14.3	28.2	40.3	75.2	89.7
Net margin	4.1%	9.0%	4.0%	7.8%	6.5%
Net earnings per share after tax before dilution, SEK	0.42	0.80	1.17	2.15	2.57
Net earnings per share after tax at full dilution, SEK	0.42	0.77	1.15	2.05	2.46
Cash flow from operating activities	23.6	23.5	35.2	94.0	153.5
Cash and cash equivalents	163.7	182.9	163.7	182.9	235.7
Equity/assets ratio	19.7%	24.4%	19.7%	24.4%	25.1%
Equity per share before dilution, SEK	3.87	4.01	3.87	4.04	4.52
Number of issued shares on average for the period	33,702,278	33,695,678	33,702,278	33,502,412	33,551,514
Average number of issued shares for the period with full dilution	34,136,178	35,100,145	34,326,853	35,089,961	35,092,535

ZINZINO'S OUTLOOK AND FINANCIAL GOALS FOR 2022

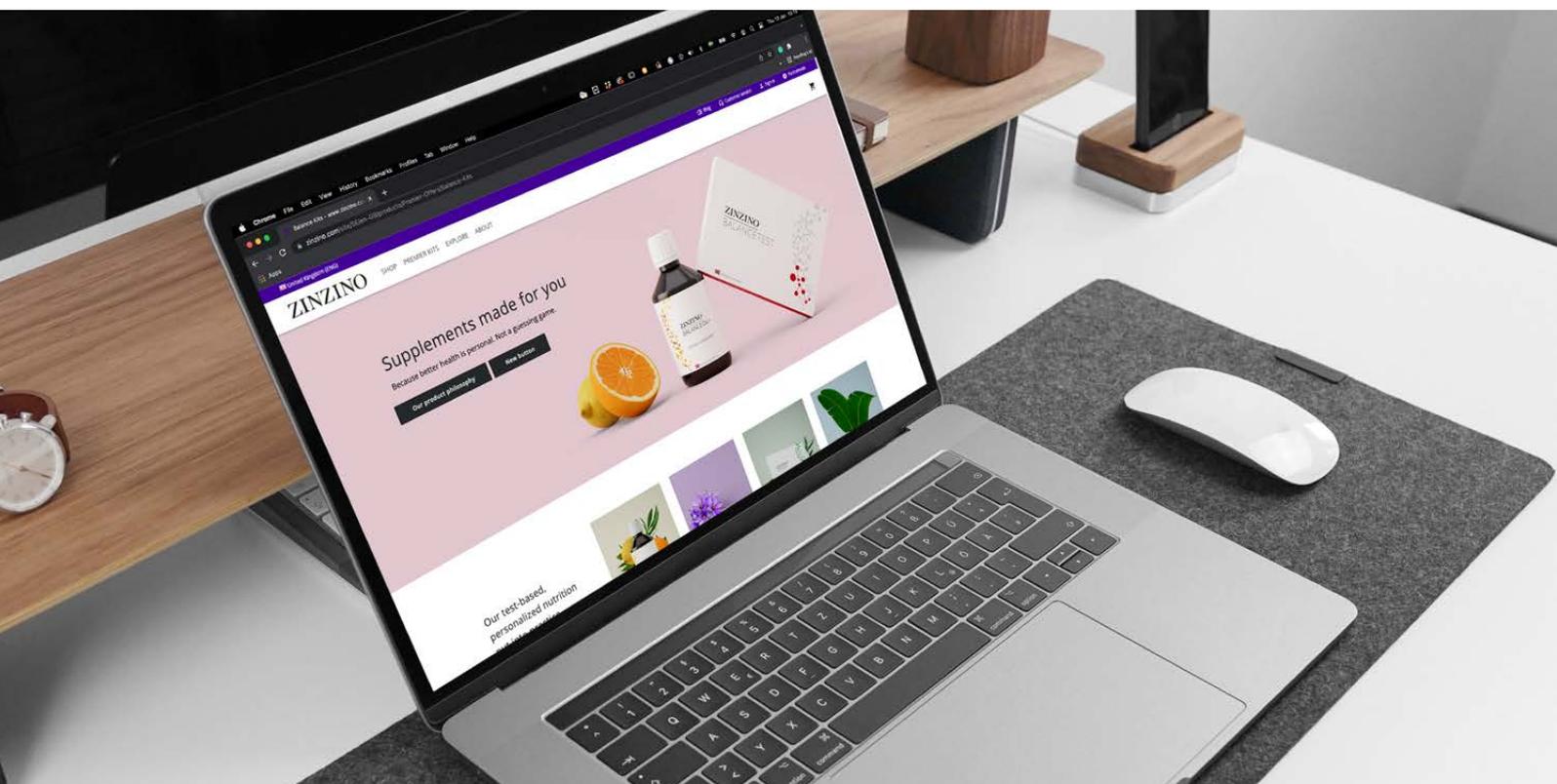
The Zinzino Board is maintaining the forecast, adjusted during the year, that expected revenue for the full year 2022 to exceed SEK 1,400 (1,370) million combined with an expected EBITDA margin of at least 6%. At the same time, the Board notes that uncertainty remains very high.

The average growth in sales at Zinzino for the period 2022–2025 shall be a minimum of 10% and operating margin before depreciation/amortisation shall increase to over 9%. The dividend policy shall be at least 50% of the Group's net profit as long as liquidity and the equity/assets ratio allow.



SIGNIFICANT EVENTS

DURING AND AFTER THE THIRD QUARTER OF 2022



Zinzino CMS platform

LAUNCH OF NEW CMS PLATFORM

Zinzino works continuously to update and improve the digital tools for the company's distributors. As part of this, a new platform for the webpage zinzino.com has been implemented in the third quarter of 2022. Header, footer, menus and all pages have been replaced and given a new, improved design. The update also means that the information on the websites for each country can be easily adapted to local needs. At the same time, the internal update function has been improved, which in turn means that the material can be easily replaced or updated more efficiently so that new content can be launched at a faster pace. The improvement means that fewer resources are needed when updating the website, compared to what the previous solution required.

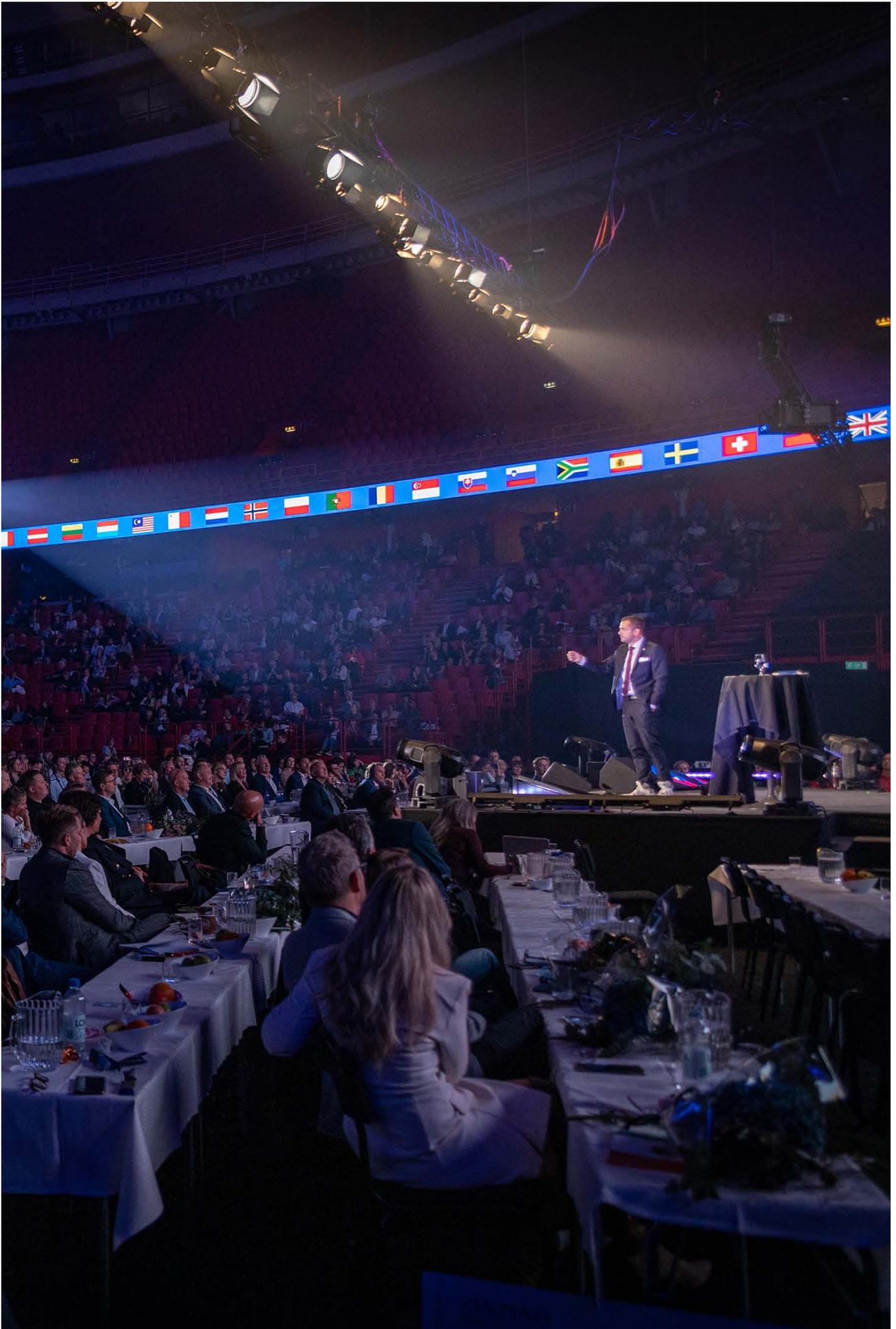
The next launch will be a new checkout solution with a focus on increased user-friendliness and simplification. Among other things, the solution will mean that distributors can pack orders for customers and send them completely ready for payment to further facilitate the customer acquisition process. The new solution will be gradually launched during 2023 and 2024.

SUCCESSFUL EVENT IN AVICII ARENA – FIRST SINCE 2019

On October 7-9th, the biggest event of the year, Zinzino International Annual Event, was held in the Avicii Arena in Stockholm. The event had approx. 3,000 participants from a total of 40 different countries, where the participants came from all corners of the world, from the Nordics to Asia and North America. Keynote speaker David JP Phillip made an appreciated appearance. During Saturday's gala ceremony, a number of prestigious awards were presented to partners who had excelled during the year. The brand Hanzz+Heidii was launched by Dr. Sven and Audrey Goebel, founders of Enhazz, the Swiss company acquired by Zinzino earlier this year.

START OF SALES OF HANZZ+HEIDII

After preparatory work during the second and third quarter of 2022, sales began on October 10th in the company's webshop for the exclusive skin care series from HANZZ+HEIDII. Eight of these products are for women, one is specifically for men and one product is unisex. All natural, active ingredients are made completely vegan and are free of substances that have a negative impact on the environment. Thanks to the composition of the products, they are suitable for all skin types.



Annual Event, Avicii Arena Stockholm 2022

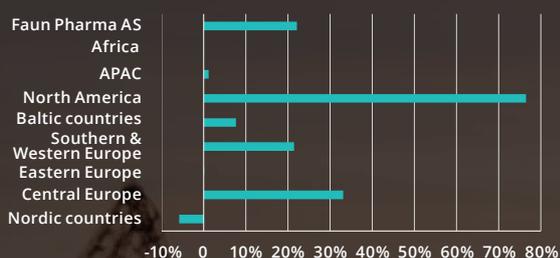
2022 | Q3

SALES AND PROFIT

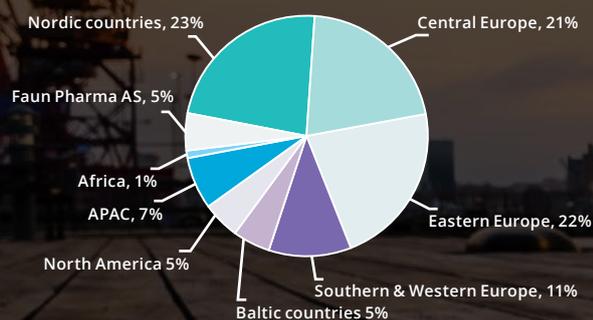
SALES Q3

Total revenue for the third quarter of 2022 amounted to SEK 349.9 (313.6) million, corresponding to a growth of 12% compared to the corresponding period last year.

GROWTH PER REGION Q3 2022 VS Q3 2021



SALES PER REGION Q3



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 AND WESTERN EUROPE

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

NORTH AMERICA

Canada, USA

APAC

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

AFRICA

South Africa

NORDIC COUNTRIES

In the Nordic countries, total revenue decreased by 6% to SEK 79.5 (84.4) million in the third quarter of 2022 compared to the same period last year. During the quarter, distributor activity and new sales has increased in Sweden, Norway, Denmark and Iceland, which combined with high customer subscription sales contributed to a slowdown in revenue decline during the quarter. At the same time, the downward trend in Finland continued with lower new sales and distributor activity. Zinzino is implementing a number of measures to increase new sales in all countries in the Nordic region.

Faun Pharma AS, the Group's subsidiary and manufacturing unit, increased external production in the third quarter by 22% to SEK 17.0 (13.9) million compared to the corresponding period last year. The increase in revenue was mainly due to high order placement from new customers following the manufacturing unit's certification according to Food Safety System Certification FSSC 22000.

Overall, the Nordic countries, Zinzino and Faun combined, accounted for 28% (31%) of the Group's total revenue in the third quarter of 2022.

THE BALTIC COUNTRIES

In the Baltic countries, revenue increased by 8% to SEK 17.9 (16.6) million in the third quarter of 2022 compared to the same period last year. This follows continued fine performance in Lithuania with high distributor activity and underlying sales growth. Slightly negative performance in Estonia, where distributors increased their activity compared to the previous year. In Latvia, the inflow of new customers and distributors decreased, but revenue was supported by high subscription sales from the large existing customer base. Latvia is the market most affected by the conflict between Russia and Ukraine as the distributor organisations between the countries have been intertwined. To stimulate activity among distributors in the region, several local events have also been planned for the fourth quarter in the form of both digital and physical gatherings. The head office continues to support the local sales organisations in the relatively mature markets of the region. Overall, the Baltic countries accounted for 5% (5%) of the Group's total revenue in the third quarter of 2022.

CENTRAL EUROPE

The solid growth in the region continued in the third quarter of 2022, mainly driven by the efficient distributor organisations in Germany. Revenue also increased in Austria and Switzerland compared to the same period last year, following the synergy effects from the acquisition of Enhazz. In the third quarter

of 2022, total revenue increased by 33% compared to the corresponding period last year to SEK 72.7 (54.6) million. The DACH region thus consolidated its position as the fastest-growing region in absolute terms through high activity among both existing and new distributors. In addition, subscription revenue from the large and fast-growing customer base was very high. In total, the region accounted for 21% (18%) of the Group's total revenue in the third quarter of 2022.

EASTERN EUROPE

Total revenue in the region was in line with the same period last year and amounted to SEK 77.7 (77.6) million. This follows strong performance mainly in Poland, the Czech Republic and Slovakia with high distributor activity and many new customers. In Hungary, the revenue decline slowed following increased distributor activity and new sales combined with high subscription revenue from the large existing customer base in the country. Zinzino carries out several revenue-stimulating activities in the region such as regional events to increase activity among distributors. Overall, Eastern Europe accounted for 22% (25%) of the Group's total revenue in the third quarter of 2022.

SOUTHERN AND WESTERN EUROPE

Total revenue for the region increased by 21% in the third quarter of 2022 compared to the same period last year and amounted to SEK 39.3 (32.4) million. The Netherlands, Ireland, Spain and Slovenia performed particularly well while new sales slowed in most of the region's other countries, including Belgium, Italy and Greece. The local sales managers support the distributor organisations, which are largely in the process of being built, by coordinating distributor meetings and dialogue with the head office in Gothenburg. The focus is on getting distributors out in the field, which has resulted in a consistently high level of distributor activity with many digital and local events. Zinzino continues to support distributors in the region as they build their customer bases, driving the important customer subscription revenue. Together, the region accounted for 11% (10%) of the Group's total revenue for the third quarter of 2022.

NORTH AMERICA

Very strong growth in North America during the third quarter, where total revenue increased by a full 76% compared to the same period last year and amounted to SEK 19.4 (11.0) million. During the third quarter, the generally high level of distributor activity in the region continued, with a strong focus on increasing the number of distributors and developing the customer base and associated important subscription revenue. Overall, the solid efforts of both experienced and new distributors, combined with favourable currency developments,

have resulted in a very good sales quarter for the region. North America accounted for 5% (4%) of the Group's total revenue in the third quarter of 2022.

APAC

Total revenue in the APAC region increased by 1% compared to the corresponding period last year and amounted to SEK 23.4 (23.1) million. This follows a very mixed performance among the region's countries during the quarter. The APAC region has had a more volatile sales performance than other regions since its start, largely due to severe and varying restrictions as a result of Covid-19. In addition, the region's distributors generally have a differentiated strategy to build their customer base, resulting in a slightly more variable sales performance than other regions. Overall, the APAC region accounted for 7% (7%) of the Group's total revenue in the third quarter of 2022.

AFRICA

South Africa is Zinzino's first local establishment on the African continent. During the quarter, there has been a continued focus on building on the local distributor organisation and associated customer base. Activity among distributors increased during the quarter, resulting in a high number of new customers. In total, revenue for the third quarter of 2022 amounted to SEK 3.0 (0.0) million for South Africa including the revenue for the other countries in the region which, as before, is handled via Zinzino's global webshop in anticipation of the markets opening under their own local flag. Together, the region accounted for 1% (0%) of the Group's total revenue in the third quarter of 2022.

SALES PER PRODUCT SEGMENT Q3

The Zinzino Health product segment increased in the third quarter of 2022 by 10% to SEK 304.9 (276.7) million and accounted for 87% (88%) of total revenue. The Zinzino Coffee product area decreased by 17% to SEK 4.8 (5.8) million, corresponding to 1% (2%) of total revenue. External sales in Faun Pharma AS increased by 18% compared to the corresponding period last year following high external production during the quarter and amounted to SEK 16.4 (13.9) million, corresponding to 5% (4%) of total revenue. Other revenues amounted to SEK 23.8 (17.2) million, which corresponded to the remaining 7% (6%) of revenue for the third quarter of 2022.

Sales
SEK million **349.9** (313.6)

SALES PER PRODUCT AREA Q3



HEALTH
(2022; SEK 304.9 (276.7) million)



COFFEE
(2022; SEK 4.8 (5.8) million)



OTHER INCOME
(2022; SEK 23.8 (17.2) million)



FAUN
(2022; SEK 16.4 (13.9) million)

RESULTS AND FINANCIAL POSITION Q3

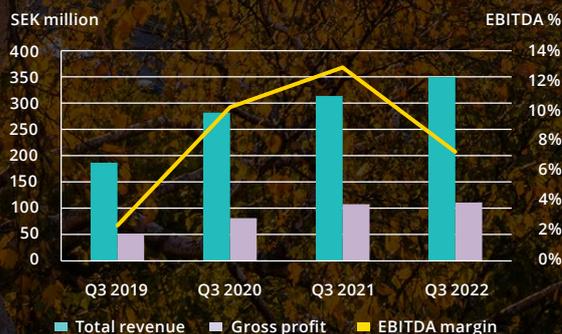
RESULTS

Gross profit for the third quarter of 2022 amounted to SEK 110.9 (107.5) million and the gross profit margin was 31.7% (34.3%).

During the quarter, increases in raw material and transportation costs combined with temporary increases in remuneration levels of distributors in the APAC region negatively impacted the gross margin. To offset the impact of the cost increases, Zinzino has implemented incremental price adjustments to distributors and customers while redesigning the remuneration model of global distributors, which helped stabilize the gross margin in line with the previous quarter.

The Group's operating profit before depreciation/amortisation amounted to SEK 25.4 (40.4) million and the EBITDA margin was 7.3% (12.9%). The decline in the EBITDA margin compared to the same period last year was mainly due to increased organisational costs incurred in line with the strategic expansion, combined with the impact of high inflation, which generally pushed up the external cost base during the quarter. In order to counter the cost increases that had an impact at all levels, the company has initiated an efficiency improvement process during the third quarter where all internal and external costs are reviewed.

Operating profit amounted to SEK 18.4 (34.8) million and the operating margin was 5.3% (11.1%). Profit before tax amounted to SEK 17.9 (34.6) million and net profit to SEK 14.3 (28.2) million.



DEPRECIATION AND AMORTISATION

Depreciation and amortisation for the quarter were charged to the profit for the period in the amount of SEK 7.0 (5.6) million of which SEK 0.8 (0.5) million was the depreciation of tangible fixed assets and SEK 6.2 (5.1) million was the amortisation of intangible fixed assets. Of this, SEK 4.7 (3.9) million is the depreciation of right-of-use assets in accordance with IFRS 16 and SEK 0.2 (0.2) million is the amortisation of licences attributable to the acquisition of VMA Life.



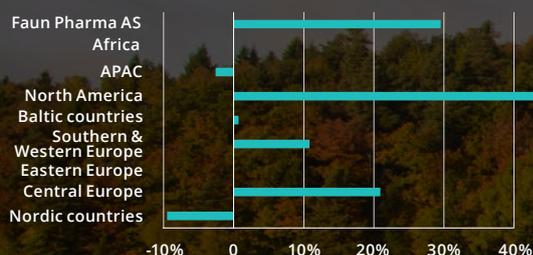
2022 | Q1-Q3

SALES AND PROFITS

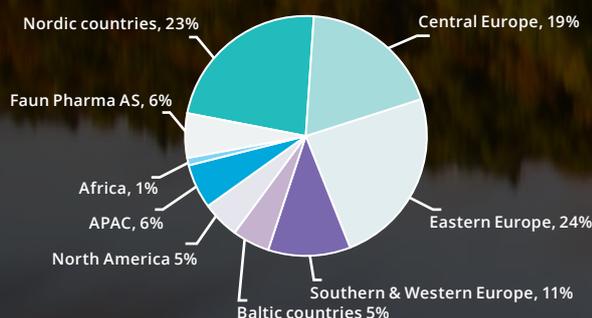
SALES Q1-Q3

In total, Q1-Q3 2022 revenue amounted to SEK 1,013.8 (969.4) million, representing a growth of 5% compared to the previous year.

GROWTH PER REGION Q1-Q3 2022 VS Q1-Q3 2021



SALES PER REGION Q1-Q3



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 AND WESTERN EUROPE

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

NORTH AMERICA

Canada, USA

APAC

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

AFRICA

South Africa

NORDIC COUNTRIES

In the Nordic countries, total revenue decreased by 13% to SEK 235.7 (271.2) million in Q1-Q3 2022 compared to the same period last year. Activity among Nordic distributors has gradually increased during the year and underlying growth in new customers and distributors has slowly picked up, which, combined with high subscription sales from the large existing customer base in the region, has contributed to a slow-down in revenue decline in the latter part of the year. Two major international events were also held during the year in Oslo and Stockholm, with the majority of visiting distributors originates from the Nordic countries. Historically, event activity has had a positive impact on distributor activity and underlying growth, which the company is confident will continue in the future. The sales manager for the Nordic countries, together with the rest of the team, will continue to support these markets from headquarters by taking part in local and regional activities in combination with other sales and marketing activities.

Faun Pharma AS, the Group's subsidiary and manufacturing unit, increased external production in Q1-Q3 following increased sales linked to the company's FSSC 22000 certification. As a result, external sales increased by 30% during the year to SEK 61.3 (47.3) million compared to the same period last year.

Overall, the Nordic countries, Zinzino and Faun combined, accounted for 29% (33%) of the Group's total revenue in Q1-Q3 2022.

THE BALTIC COUNTRIES

Revenue in the Baltics for Q1-Q3 2022 increased by 1% compared to the same period last year and amounted to SEK 52.6 (52.2) million. This follows a consistently strong performance in Lithuania with high distributor activity, an increasing customer base and a good inflow of new distributors. At the same time, sales in Latvia declined, largely due to the effects of the war between Russia and Ukraine, as distributors had links in both countries. However, the downturn in new sales was offset by a high proportion of subscription sales from the large existing customer base as well as improved distributor activity in Estonia, which stabilised the decline in revenue during the year. In total, the region accounted for 5% (5%) of total revenue in Q1-Q3 2022.

CENTRAL EUROPE

In the DACH region, revenue increased by 21% in Q1-Q3 2022 compared to the same period last year to SEK 196.5 (162.5) million. Consistently strong performance with high underlying growth in the region is mainly driven by the interlinked distributor

organisations based in Germany, by far the Group's best-selling market so far in 2022. The distributors and customers in the region are characterised by a strong interest in health as evidenced by the high recurring subscription revenue from the large customer bases. The acquisition of Enhazz earlier in 2022 has created synergies, further accelerating the growth rate in the region in recent months. Overall, the region accounted for 19% (17%) of total revenue in Q1–Q3 2022.

EASTERN EUROPE

Revenue in Eastern Europe in Q1–Q3 2022 were almost unchanged compared to the corresponding period last year and amounted to SEK 237.8 (238.0) million. This follows consistently strong performance with good underlying growth in the Czech Republic, Slovakia, Bulgaria and Poland while new sales and activity have declined slightly in Hungary so far in 2022. A strong focus from the head office, together with the region's local sales manager, is supporting the Hungarian sales organisations in order to increase distributor activity and new sales in the important Hungarian market, which continued to contribute high subscription sales to the region's overall revenue. In total, the region accounted for 24% (24%) of total revenue in Q1–Q3 2022.

SOUTHERN & WESTERN EUROPE

The region's revenue increased by 11% in Q1–Q3 2022 compared to the same period last year to SEK 114.0 (102.9) million. This follows strong performance mainly in the Netherlands, characterised by skilled distributors with a strong customer focus, and Spain, where distributors increased activity and new sales in 2022 compared to the previous year. Several emerging countries in the region, such as Slovenia, Portugal and Croatia, also showed good performance with an increased number of distributors and customers. At the same time, revenue decreased slightly in the UK following slightly lower distributor activity and reduced new sales compared to the same period last year. The region together accounted for 11% (11%) of the Group's total revenue in Q1–Q3 2022.

NORTH AMERICA

The North American region is the region with the highest percentage growth in 2022. Revenue in the region increased by a full 44% in Q1–Q3 2022 compared to the same period last year to SEK 52.0 (36.1) million. Behind the positive performance are several factors such as high distributor activity and strong new customer growth, synergies with the APAC region that attracted new customer groups and favourable currency development. In total, the region accounted for 5% (4%) of total revenue in Q1–Q3 2022.

APAC

Total revenue in the APAC region decreased by 3% in Q1–Q3 2022 compared to the corresponding period last year and amounted to SEK 57.7 (59.2) million. Overall, there has been a very volatile performance among the region's countries so far this year, due in large part to severe and varying restrictions due to Covid-19. In addition, the region's distributors have generally pursued a differentiated strategy to build their customer base, which has resulted in a slightly more varied sales performance than other regions. In this situation with severe restrictions, distributors have worked closely with Zinzino employees with a focus on educating new distributors on the Zinzino business model and the benefits of the product themselves. During the build-up of the region, this involves daily digital training to meet demand during the intensive growth phase. Among the countries in the region, Taiwan, Thailand and the Philippines have had the best sales performance so far this year, with a strong inflow of mainly new distributors. At the same time, Hong Kong continued to be constrained by ongoing restrictions due to Covid-19, which slowed growth in the country. The closely linked Australian market was also affected, where lower distributor activity also slowed growth. Zinzino continues to support the building of local sales organisations through the regional offices in Adelaide, Hong Kong, Singapore and Kuala Lumpur. The region together accounted for 6% (6%) of the Group's total revenue in Q1–Q3 2022.

AFRICA

South Africa is Zinzino's first local establishment on the African continent. The focus so far in 2022 has been to build on the local distributor organisation and associated customer base. In Q1–Q3 2022, revenue amounted to SEK 6.2 (0.0) million for the African region including the revenue for the other countries in the region which, as before, are handled via Zinzino's global webshop in anticipation of the markets opening under their own local flag. The region together accounted for 1% (0%) of the Group's total revenue in Q1–Q3 2022.

SALES PER PRODUCT SEGMENT Q1-Q3

The Zinzino Health product area increased by 3% in Q1-Q3 2022 compared to the corresponding period last year and amounted to SEK 875.9 (847.8) million, accounting for 86% (87%) of total revenue. The Zinzino Coffee product area decreased by 20% to SEK 15.5 (19.5) million, which corresponded to 2% (2%) of total revenue. External sales from Faun Pharma AS increased by 27% to SEK 60.1 (47.3) million, corresponding to 6% (5%) of total revenue. Other revenues amounted to SEK 62.3 (54.8) million, representing the remaining 6% (6%) of revenue for the period.

Sales
SEK million **1,013.8** (969.4)

SALES PER PRODUCT AREA Q1-Q3



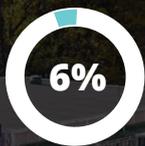
HEALTH
(2022; SEK 875.9 (847.8) million)



COFFEE
(2022; SEK 15.5 (19.5) million)



OTHER INCOME
(2022; SEK 62.3 (54.8) million)



FAUN
(2022; SEK 60.1 (47.3) million)

GROWTH STRATEGY

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

Zinzino is working long-term and investing considerable resources in the development of IT systems and marketing tools, which generate growth in both the short and the long term. When the company implements an expansion into a new market, this occurs mainly when the company's market analysis shows that there are good opportunities to establish an effective sales organisation locally. This is primarily

achieved via contacts to the already-established sales organisations in neighbouring markets. This is precisely the reason for the good sales performance in the company's newly established markets. These contacts can occasionally also carry across continents, which has been behind the launch in Australia and India and the ongoing new establishment project in Asia. The establishment model follows the same concept for the various markets with customisation of websites and marketing materials in the local languages. Through the global webshop, Zinzino covers a total of over 100 different countries around the world. This approach reduces the pressure on the organisation to open full-scale markets, which requires large internal resources that can now be fully allocated to the ongoing projects in Asia.

RESULTS AND FINANCIAL POSITION Q1-Q3

RESULTS

Gross profit for Q1-Q3 2022 amounted to SEK 315.7 (313.8) million and the gross profit margin to 31.1% (32.4%). The slight decline in the gross margin compared to the same period last year was mainly due to the increased costs of raw materials and freight incurred during the year. To offset the impact of the cost increases, Zinzino has implemented incremental price adjustments to distributors and customers in Q1-Q3 2022. In addition, some adjustments have been made to the remuneration model of the company's global distributors, also with a view to strengthening the gross margin. Further raw material cost increases due to resource shortages are expected to impact the fourth quarter of the year, but Zinzino believes that the actions taken so far this year should not cause profitability to weaken significantly for the remainder of 2022.

The Group's operating profit before depreciation/amortisation amounted to SEK 71.2 (111.1) million and the EBITDA margin to 7.0% (11.5%). The decline in the EBITDA margin was mainly due to higher organisational costs compared to the previous year, incurred in line



with the strategic expansion, combined with the impact of high inflation, which generally pushed up the external cost base during the year. In order to counter the cost increases, which had an impact at all levels, the company initiated an efficiency improvement process in the third quarter, reviewing all internal and external costs.

Operating profit amounted to SEK 52.2 (95.1) million and the operating margin to 5.1% (9.8%). Profit before tax totalled SEK 51.1 (94.4) million and net profit was SEK 40.3 (75.2) million.

INVENTORIES

The Group's total inventories on the balance sheet date amounted to SEK 188.3 (170.1) million, where the company has generally increased its inventory levels in recent years to ensure 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, cash totalled SEK 163.7 (182.9) million. Cash flow from operating activities in Q1-Q3 2022 amounted to SEK 35.2 (94.0) million. The Group's equity/assets ratio was 20% (24%). Equity in the Group at the end of the period amounted to SEK 130.5 (135.3) million, corresponding to SEK 3.87 (4.04) per share. The Board considers that cash and cash equivalents remain at a satisfactory level.

ORGANISATION

In the third quarter of 2022, a new product manager was appointed to replace the previous one who left due to illness. In addition, a local sales manager was contracted to manage the establishment and development of the Philippine market.

In the third quarter of 2022, a process of streamlining was also initiated that will affect the organisation. The majority of departments are affected and as a result, a reduction of approximately 10% of the staff globally will be made. The process will continue into the fourth quarter of 2022.

The number of employees in the Group at the end of the first quarter totalled 233 (215) people, of which 141 (132) were women. In addition, 19 (18) people were active within the Group via consulting agreements, of which 6 (4) were women.

SIGNIFICANT RISKS AND UNCERTAINTIES IN OPERATIONS

The company's greatest risks lie in its own organisation's ability to manage costs during global expansion in combination with purchases and access to raw materials in the event of high inflation and the uncertain international situation. In addition, there are risks with complex IT systems managing sales and currency risks as Zinzino has both revenues and costs in a number of different currencies. There are also risks related to compliance with local regulations when establishing in new markets. The global outbreak of Covid-19 and the conflict between Russia and Ukraine also point to major risks due to unexpected events in the rest of the world that have a potentially major impact on the company. For an in-depth description of risks and other uncertainty factors, please refer to the annual report for 2021, which is available via the company website: <https://zinzinowebstorage.blob.core.windows.net/reports/Zinzino-Arsredovisning-2021.pdf>. Compared to the 2021 annual report published on 03/05/2022, no new risks have been identified.

NUMBER OF OUTSTANDING SHARES

As of 30/09/2022, the share capital was divided into 33,702,278 shares, of which 5,113,392 are A shares (1 vote) and 28,588,886 are B shares (0.1 vote). The share's quota value is SEK 0.10. The company's B shares are traded on Nasdaq First North Premier Growth Market, www.nasdaqomxnordic.com.

OPTIONS PROGRAMME

The company, as of the report date, has five outstanding options programmes. Four of the programmes are largely aimed at the external distributor organisation in the Group, but also with some allotment to employees of the company. The first option program comprises 800,000 warrants at an exercise price of SEK 18 per Class B share that expires on 31/05/2024, of which 50,000 have been subscribed for by the Group's management team. Other warrants in the programme have been subscribed by the company's external distributors. As of the reporting date, 366,100 warrants have already been exercised for share subscription within the framework of this option programme.

The second option program comprises 1,000,000 warrants at an exercise price of SEK 45 per Class 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, 36,033 warrants have already been exercised for share subscription within the framework of this option programme.

A third options programme covers 800,000 warrants at an exercise price of SEK 140 per B share that expires on 31/05/2026. As of the reporting date, no warrants have been subscribed for or exercised for share subscription within the framework of this option program.

Two new options programmes were approved at the company's Annual General Meeting on 31/05/2022. The first covers 900,000 warrants at an exercise price of SEK 56 per B share which expires on 31/05/2027. As of the reporting date, no warrants have been subscribed for or exercised for share subscription within the framework of this option program. The second 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 20,000 by the other members of the Board, fully in accordance with the resolution of the General Meeting.

If all the warrants issued as of 30/09/2022 are exercised for subscription of 3,217,867 shares, the share capital dilution will be approximately 9.6%.



INTERIM REPORT 2022 | Q3

ACCOUNTING PRINCIPLES

The consolidated financial statements for Zinzino have been prepared in accordance with the Annual Accounts Act, RFR 1 Supplementary accounting rules for groups, and International Financial Reporting Standards (IFRS) and interpretations from the IFRS Interpretations Committee (IFRS IC) as adopted by the EU. The interim report has been prepared in accordance with IAS 34, Interim Reporting and the Annual Accounts Act. Unless specifically stated otherwise, all amounts are reported in SEK thousands (SEK thousands). Information in brackets refers to the comparison period. For a complete description of the Group's accounting principles, see the company's annual report for 2021 on the company's website.

REPORT CALENDAR

Year-end report Q4 2022 to be published 28/02/2023

Interim report Q1 2023 to be published 12/05/2023

Interim report Q2 2023 to be published 31/08/2023

GROUP REPORT

SUMMARY OF FINANCIAL POSITION

Amounts in SEK thousands	01/07/2022 30/09/2022	01/07/2021 30/09/2021	01/01/2022 30/09/2022	01/01/2021 30/09/2021	01/01/2021 31/12/2021
Net sales	330,066	296,529	955,437	915,910	1,288,481
Other revenue	19,116	16,562	55,421	52,730	80,635
Own work capitalised	693	526	2,903	740	1,497
Goods for resale and other direct costs	-238,974	-206,126	-698,074	-655,610	-943,093
Gross profit	110,901	107,491	315,687	313,770	427,520
External operating expenses	-48,195	-35,763	-132,166	-105,769	-154,211
Personnel costs	-37,313	-31,313	-112,282	-96,877	-135,739
Depreciation/amortisation	-7,003	-5,566	-19,065	-15,999	-21,602
Operating profit	18,390	34,849	52,174	95,125	115,968
Net financial income/expense	-442	-298	-1,034	-720	-1,050
Tax	-3,693	-6,350	-10,825	-19,195	-25,208
PROFIT/LOSS FOR THE PERIOD	14,255	28,201	40,315	75,210	89,710
OTHER COMPREHENSIVE PROFIT/LOSS					
Items that may be reclassified to profit/loss for the period					
Currency exchange differences upon conversion of foreign subsidiaries	1,227	626	5,151	2,643	5,029
Other comprehensive profit/loss for the period	1,227	626	5,151	2,643	5,029
TOTAL COMPREHENSIVE PROFIT/LOSS FOR THE PERIOD	15,482	28,827	45,466	77,853	94,739
Profit/loss for the period attributable to:					
Parent company shareholders	14,269	27,011	39,498	71,869	86,204
Non-controlling interest	-14	1,190	817	3,341	3,506
TOTAL	14,255	28,201	40,315	75,210	89,710
Total comprehensive profit/loss for the period attributable to:					
Parent company shareholders	15,496	27,637	44,649	74,512	91,233
Non-controlling interest	-14	1,190	817	3,341	3,506
TOTAL	15,482	28,827	45,466	77,853	94,739
Earnings per share, calculated on the profit/loss for the period attributable to the parent company's shareholders					
Amounts in SEK					
Earnings per share before dilution	0.42	0.80	1.17	2.15	2.57
Earnings per share after dilution	0.42	0.77	1.15	2.05	2.46

GROUP REPORT

SUMMARY OF FINANCIAL POSITION

Amounts in SEK thousands	30/09/2022	30/09/2021	31/12/2021
Fixed assets			
Goodwill	72,969	39,267	40,631
Other intangible fixed assets	46,176	20,480	22,904
Equipment, tools and installations	17,269	9,229	11,047
Right-of-Use Assets	54,435	40,393	38,063
Financial fixed assets	5,964	4,840	5,094
Total fixed assets	196,813	114,209	117,739
Current assets			
Inventories	188,265	170,066	158,657
Current receivables	62,070	50,113	57,950
Pre-paid costs and accrued revenues	51,137	36,837	35,128
Cash and bank balances	163,684	182,926	235,732
Total current assets	465,156	439,942	487,467
TOTAL ASSETS	661,969	554,151	605,206
Equity			
Share capital	3,370	3,370	3,370
Other contributed capital	35,838	35,595	35,830
Retained earnings including profit/loss for the period	91,256	96,286	112,518
Total equity	130,464	135,251	151,718
Long-term liabilities			
Leasing liabilities	38,154	25,804	25,025
Deferred tax liability	2,809	1,302	1,387
Other long-term liabilities	27,347	5,702	4,516
Total long-term liabilities	68,310	32,808	30,928
Current liabilities			
Accounts payable	59,140	32,170	44,251
Tax liabilities	5,688	14,725	16,998
Leasing liabilities	18,385	15,461	13,910
Other current liabilities	248,346	214,486	238,867
Accrued costs and deferred revenues	131,636	109,250	108,534
Total current liabilities	463,195	386,092	422,560
TOTAL EQUITY AND LIABILITIES	661,969	554,151	605,206

GROUP REPORT

SUMMARY OF CHANGES IN EQUITY

Amounts in SEK thousands	Share capital	Ongoing rights issue	Other contributed capital	Trans- lation reserves	Retained earnings including Profit/loss for the period	Total	Non- controlling interest	Total Equity
Opening balance 01/01/2021	3,305	31	27,477	-5,272	61,886	87,427	7,238	94,663
Profit/loss for the period	-	-	-	-	71,869	71,869	3,341	75,210
Other comprehensive profit/loss for the period	-	-	-	2,643	-	2,643	-	2,643
Share repurchase	-	-	-	-	-1,329	-1,329	-	-1,329
Change of the minority	-	-	-	-	97	97	-97	-
Rights issue	65	-24	8,112	-	-	8,153	-	8,153
Issued warrants	-	-	-	-	9	9	-	9
Dividends	-	-	-	-	-42,120	-42,120	-1,978	-44,098
Closing balance 30/09/2021	3,370	7	35,589	-2,629	90,412	126,749	8,504	135,251
Opening balance 01/10/2021	3,370	7	35,589	-2,629	90,412	126,749	8,504	135,251
Profit/loss for the period	-	-	-	-	14,335	14,335	165	14,500
Other comprehensive profit/loss for the period	-	-	-	1,825	-	1,825	-	1,825
Share repurchase	-	-	-	-	-83	-83	-	-83
Change of the minority	-	-	-	-	4	4	-4	-
Rights issue	-	-	234	-	-	234	-	234
Issued warrants	-	-	-	-	-9	-9	-	-9
Closing balance 31/12/2021	3,370	7	35,823	-804	104,659	143,055	8,665	151,718
Opening balance 01/01/2022	3,370	7	35,823	-804	104,659	143,055	8,665	151,718
Profit/loss for the period	-	-	-	-	39,498	39,498	817	40,315
Other comprehensive profit/loss for the period	-	-	-	5,072	-	5,072	-	5,072
Share repurchase	-	-	-	-	-13	-13	-	-13
Change of the minority	-	-	-	-	-20	-20	20	-
Rights issue	-	8	-	-	3,479	3,487	-	3,487
Issued warrants	-	-	-	-	835	835	-	835
Dividends	-	-	-	-	-67,405	-67,405	-3,545	-70,950
Closing balance 30/09/2022	3,370	15	35,823	4,268	81,033	124,508	5,957	130,464

GROUP REPORT

SUMMARY OF CASH FLOWS

Amounts in SEK thousands	01/07/2022 30/09/2022	01/07/2021 30/09/2021	01/01/2022 30/09/2022	01/01/2021 30/09/2021	01/01/2021 31/12/2021
Operating activities					
Profit/loss before financial items	18,390	34,849	52,174	95,125	115,968
Depreciation and amortisation/write-downs	7,003	5,566	19,065	15,999	21,602
Currency fluctuations	-1,820	655	-1,949	-3,058	-5,743
Total	23,573	41,070	69,290	108,066	131,827
Interest received	93	84	240	319	383
Interest paid	-535	-382	-1,274	-1,039	-1,432
Tax paid	-2,443	-7,301	-22,173	-15,237	-20,521
Total	-2,885	-7,599	-23,207	-15,957	-21,570
Cash flow from operating activities before changes in operating capital	20,688	33,471	46,083	92,109	110,257
Cash flow from changes in operating capital					
Change in inventories	-19,818	-2,473	-29,608	-43,117	-31,709
Change in current receivables	-23,930	-11,416	-19,080	16,377	10,252
Change in current liabilities	46,671	3,954	37,798	28,615	64,692
Total	2,923	-9,935	-10,890	1,875	43,235
Cash flow from operating activities	23,611	23,536	35,193	93,984	153,492
Investment activity					
Investments in intangible fixed assets	-2,224	-1,017	-13,215	-3,863	-5,836
Investments in tangible fixed assets	-4,397	-1,668	-7,054	-2,986	-3,838
Investments in financial fixed assets	-95	-1,055	-10,443	-2,228	-2,308
Cash flow from investment activities	-6,716	-3,740	-30,712	-9,077	-11,982
Financing activities					
Amortisation of lease liabilities attributable to lease agreements	-4,692	-3,785	-13,445	-11,241	-15,263
Issuance of options	19	4	835	9	-
Rights issue	-1	-	3,486	8,153	8,387
Dividends	-	-	-67,405	-42,120	-42,120
Cash flow from financing activities	-4,674	-3,781	-76,529	-45,199	-48,996
CASH FLOW FOR THE PERIOD	12,221	16,015	-72,048	39,708	92,514
Cash and cash equivalents at start of period	151,463	166,911	235,732	143,218	143,218
Cash and cash equivalents at end of period	163,684	182,926	163,684	182,926	235,732

PARENT COMPANY REPORT

SUMMARY INCOME STATEMENT

Amounts in SEK thousands	01/07/2022 30/09/2022	01/07/2021 30/09/2021	01/01/2022 30/09/2022	01/01/2021 30/09/2021	01/01/2021 31/12/2021
Net sales	4,529	27,378	21,199	78,751	118,190
Other revenue	-	5,825	2,064	18,431	22,291
Goods for resale and other direct costs	-	-23,265	-8,208	-71,153	-103,744
Gross profit	4,529	9,938	15,055	26,029	36,737
External operating expenses	-4,542	-6,389	-14,206	-19,288	-26,326
Depreciation/amortisation	-157	-161	-471	-449	-606
Operating profit	-170	3,388	378	6,292	9,805
Net financial income/expense	-189	2,432	12,191	3,238	61,277
Tax	62	-1,557	-3	-1,557	-2,196
PROFIT/LOSS FOR THE PERIOD	-297	4,263	12,566	7,973	68,886

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

PARENT COMPANY REPORT

SUMMARY OF FINANCIAL POSITION

Amounts in SEK thousands	30/09/2022	30/09/2021	31/12/2021
Fixed assets			
Intangible fixed assets	10,239	3,885	4,910
Tangible fixed assets	25	33	31
Financial fixed assets	140,752	104,246	104,330
Total fixed assets	151,016	108,164	109,271
Current assets			
Current receivables	663	777	2,252
Intra-group receivables	19,408	15,734	24,659
Pre-paid costs and accrued revenues	2,221	2,553	2,331
Cash and bank balances	6,953	5,635	4,471
Total current assets	29,245	24,699	33,713
TOTAL ASSETS	180,261	132,863	142,984
Equity			
<i>Restricted equity</i>			
Share capital	3,370	3,370	3,370
Ongoing rights issue	15	7	7
Fund for development expenditures	10,239	3,885	4,910
<i>Unrestricted equity</i>			
Share premium reserve	30,371	26,659	45,154
Retained earnings including profit/loss for the period	10,637	10,820	52,438
Total equity	54,632	44,741	105,879
Long-term liabilities			
Long-term liabilities	26,841	5,275	4,070
Intra-group long-term liabilities	-	15,476	15,476
Total long-term liabilities	26,841	20,751	19,546
Current liabilities			
Tax liabilities	-	1,216	1,727
Intra-group current liabilities	84,273	56,165	2,512
Other current liabilities	13,536	8,475	11,902
Accrued costs and deferred revenues	979	1,515	1,418
Total current liabilities	98,788	67,371	17,559
TOTAL EQUITY AND LIABILITIES	180,261	132,863	142,984

PARENT COMPANY REPORT

SUMMARY OF CHANGES IN EQUITY

Amounts in SEK thousands	Share capital	Ongoing rights issue	Fund for development expenditures	Share premium reserve	Retained earnings including profit/loss for the period	Total Equity
Opening balance 01/01/2021	3,305	31	1,886	36,808	28,696	70,726
Profit/loss for the period	-	-	-	-	7,973	7,973
Internally generated intangible assets	-	-	1,999	-	-1,999	-
Rights issue	65	-24	-	8,112	-	8,153
Issued warrants	-	-	-	-	9	9
Dividends	-	-	-	-18,261	-23,859	-42,120
Closing balance 30/09/2021	3,370	7	3,885	26,659	10,820	44,741
Opening balance 01/10/2021	3,370	7	3,885	26,659	10,820	44,741
Profit/loss for the period	-	-	-	-	60,912	60,912
Internally generated intangible assets	-	-	1,025	-	-1,025	-
Rights issue	-	-	-	235	-	235
Issued warrants	-	-	-	-	-9	-9
Closing balance 31/12/2021	3,370	7	4,910	26,894	70,698	105,879
Opening balance 01/01/2022	3,370	7	4,910	26,894	70,698	105,879
Profit/loss for the period	-	-	-	-	12,566	12,566
Internally generated intangible assets	-	-	5,329	-	-5,329	-
Rights issue	-	8	-	3,478	-	3,486
Issued warrants	-	-	-	-	106	106
Dividends	-	-	-	-	-67,405	-67,405
Closing balance 30/09/2022	3,370	15	10,239	30,372	10,636	54,632

PARENT COMPANY REPORT

SUMMARY OF CASH FLOWS

Amounts in SEK thousands	01/07/2022 30/09/2022	01/07/2021 30/09/2021	01/01/2022 30/09/2022	01/01/2021 30/09/2021	01/01/2021 31/12/2021
Operating activities					
Profit/loss before financial items	-170	3,388	378	6,292	9,805
Depreciation and amortisation/write-downs	157	161	471	449	606
Currency fluctuations	70	193	121	644	-1,329
Total	57	3,742	970	7,385	9,082
Interest received	135	82	374	455	565
Interest paid	-	-	-	-2	-3
Tax paid	-52	-128	-1,865	-5,408	-5,536
Total	83	-46	-1,491	-4,955	-4,974
Cash flow from operating activities before changes in operating capital	140	3,696	-521	2,430	4,108
Cash flow from changes in operating capital					
Change in current receivables	-5,363	4,990	6,951	2,132	-46
Change in current liabilities	-1,454	-7,694	78,400	32,154	32,282
Cash flow from operating activities	-6,677	992	84,830	36,716	36,344
Investment activity					
Investments in intangible fixed assets	-689	-491	-5,095	-2,201	-3,107
Investments in tangible fixed assets	-	-	-	-38	-38
Investments in financial fixed assets	-128	-167	-10,611	-4,237	-4,321
Cash flow from investment activities	-817	-658	-15,706	-6,476	-7,466
Financing activities					
Issuance of options	19	4	106	9	-
Rights issue	-	-	3,486	8,153	8,387
Reclassification from long-term to short-term debt	-	-	-15,476	-	-
Dividends received	-	2,262	12,647	2,262	2,235
Dividends	-	-	-67,405	-42,120	-42,120
Cash flow from financing activities	19	2,266	-66,642	-31,696	-31,498
CASH FLOW FOR THE PERIOD	-7,475	2,600	2,482	-1,456	-2,620
Cash and cash equivalents at start of period	14,428	3,035	4,471	7,091	7,091
Cash and cash equivalents at end of period	6,953	5,635	6,953	5,635	4,471

NOTE 1

SEGMENT INFORMATION

Description of segments and main activities

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

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

The product area Health includes the sub-areas of Balance, Immune Supplement, Skin Care and Weight Control. The product area Coffee is also called Beverages and includes espresso machines, coffees, teas and accessories. The other revenue consists mainly of freight and reminder fees. All sales are made via the Zinzino's website www.zinzino.com with the help of the company's independent sales organisation, which goes under the names of distributors or partners.

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

Segment revenues and earnings

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

- Zinzino
- Faun Pharma AS

July-Sep 2022	Zinzino	Faun	Group elimination	Total Group
Net sales	313,621	31,968	-15,523	330,066
Other revenue	18,598	518	-	19,116
Own work capitalised	693	-	-	693
Goods for resale and other direct costs	-232,887	-21,610	15,523	-238,974
Gross profit	100,025	10,876	-	110,901
External operating expenses	-46,388	-1,807	-	-48,195
Personnel costs	-28,686	-8,627	-	-37,313
EBITDA	24,951	442	-	25,393
Depreciation/amortisation	-5,601	-1,402	-	-7,003
Operating profit	19,350	-960	-	18,390

July-Sep 2021	Zinzino	Faun	Group elimination	Total Group
Net sales	282,629	42,240	-28,340	296,529
Other revenue	16,562	-	-	16,562
Own work capitalised	526	-	-	526
Goods for resale and other direct costs	-206,249	-28,217	28,340	-206,126
Gross profit	93,468	14,023	-	107,491
External operating expenses	-34,343	-1,420	-	-35,763
Personnel costs	-24,218	-7,095	-	-31,313
EBITDA	34,907	5,508	-	40,415
Depreciation/amortisation	-4,318	-1,248	-	-5,566
Operating profit	30,589	4,260	-	34,849

Jan-Sep 2022	Zinzino	Faun	Group elimination	Total Group
Net sales	895,336	105,385	-45,284	955,437
Other revenue	54,253	1,168	-	55,421
Own work capitalised	2,903	-	-	2,903
Goods for resale and other direct costs	-671,020	-72,338	45,284	-698,074
Gross profit	281,472	34,215	-	315,687
External operating expenses	-126,246	-5,920	-	-132,166
Personnel costs	-91,536	-20,746	-	-112,282
EBITDA	63,690	7,549	-	71,239
Depreciation/amortisation	-14,919	-4,146	-	-19,065
Operating profit	48,771	3,403	-	52,174

Jan-Sep 2021	Zinzino	Faun	Group elimination	Total Group
Net sales	868,654	137,994	-90,738	915,910
Other revenue	52,730	-	-	52,730
Own work capitalised	740	-	-	740
Goods for resale and other direct costs	-651,615	-94,733	90,738	-655,610
Gross profit	270,509	43,261	-	313,770
External operating expenses	-100,376	-5,393	-	-105,769
Personnel costs	-77,579	-19,298	-	-96,877
EBITDA	92,554	18,570	-	111,124
Depreciation/amortisation	-12,241	-3,758	-	-15,999
Operating profit	80,313	14,812	-	95,125

Jan-Dec 2021	Zinzino	Faun	Group elimination	Total Group
Net sales	1,227,344	161,604	-100,467	1,288,481
Other revenue	79,216	1,419	-	80,635
Own work capitalised	1,497	-	-	1,497
Goods for resale and other direct costs	-931,838	-111,722	100,467	-943,093
Gross profit	376,219	51,301	-	427,520
External operating expenses	-146,323	-7,888	-	-154,211
Personnel costs	-108,724	-27,015	-	-135,739
EBITDA	121,172	16,398	-	137,570
Depreciation/amortisation	-16,506	-5,096	-	-21,602
Operating profit	104,666	11,302	-	115,968

NOTE 2 NET TURNOVER

Revenues

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

Goods within Zinzino Health and Zinzino Coffee refer to sales to Zinzino's customers and distributors in the various sales markets through the webshop. The goods are sold mainly through subscriptions which run for a fixed period of 6 months and continue indefinitely until the customer terminates the subscription. All revenues are recognised when the goods are delivered to the customer in accordance with IFRS 15.

For more information regarding the products, see note 2.5.1 in the 2021 annual report regarding the principles of revenue recognition.

External goods Faun refers to goods produced on contract for an external customer. Revenue is recognised when the goods are delivered to the customer in accordance with IFRS 15, see note 2.5.1 in the 2021 annual report on revenue recognition principles.

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

July-Sep 2022	Zinzino	Faun	Total Group
Net sales	313,619	16,447	330,066
Revenue from external customers	313,619	16,447	330,066
Goods within Zinzino Health	304,832	-	304,832
Goods within Zinzino Coffee	4,835	-	4,835
Sales of external goods Faun	-	16,447	16,447
Events and other services	3,952	-	3,952
TOTAL	313,619	16,447	330,066

July-Sep 2021	Zinzino	Faun	Total Group
Net sales	282,629	13,900	296,529
Revenue from external customers	282,629	13,900	296,529
Goods within Zinzino Health	276,691	-	276,691
Goods within Zinzino Coffee	5,916	-	5,916
Sales of external goods Faun	-	13,900	13,900
Events and other services	22	-	22
TOTAL	282,629	13,900	296,529

Jan-Sep 2022	Zinzino	Faun	Total Group
Net sales	895,335	60,102	955,437
Revenue from external customers	895,335	60,102	955,437
Goods within Zinzino Health	875,842	-	875,842
Goods within Zinzino Coffee	15,541	-	15,541
Sales of external goods Faun	-	60,102	60,102
Events and other services	3,952	-	3,952
TOTAL	895,335	60,102	955,437

Jan-Sep 2021	Zinzino	Faun	Total Group
Net sales	868,654	47,256	915,910
Revenue from external customers	868,654	47,256	915,910
Goods within Zinzino Health	847,851	-	847,851
Goods within Zinzino Coffee	19,565	-	19,565
Sales of external goods Faun	-	47,256	47,256
Events and other services	1,238	-	1,238
TOTAL	868,654	47,256	915,910

Jan-Dec 2021	Zinzino	Faun	Total Group
Net sales	1,227,344	61,137	1,288,481
Revenue from external customers	1,227,344	61,137	1,288,481
Goods within Zinzino Health	1,197,856	-	1,197,856
Goods within Zinzino Coffee	25,168	-	25,168
Sales of external goods Faun	-	61,137	61,137
Events and other services	4,320	-	4,320
TOTAL	1,227,344	61,137	1,288,481

NOTE 3 TRANSACTIONS WITH RELATED PARTIES

	01/07/2022	01/07/2021	01/01/2022	01/01/2021	01/01/2021
	30/09/2022	30/09/2021	30/09/2022	30/09/2021	31/12/2021
Purchase of goods and services					
Saele Invest & Consulting AS*	8,428	7,989	24,456	25,236	34,480
Prosperity ApS**	1,529	1,509	4,371	4,999	6,724
TOTAL	9,957	9,498	28,827	30,235	41,204
Sales of goods and services					
Saele Invest & Consulting AS	1,217	-	1,217	-	-
TOTAL	1,217	-	1,217	-	-

As of 30 September 2022, the debt to Saele Invest & Consulting AS relating to sales commissions amounts to SEK 0 (0) 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 on the same commission plan and under the same terms as for all other distributors within Zinzino's global sales organisation.

There is a claim on Prosperity ApS which as of 2022-09-30 amounts to SEK 1,797 (2,398) thousand. The claim refers to compensation according to the agreement for 75% of the company's establishment costs in Australia in 2019/2020.

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

** Refers to sales commissions to Prosperity ApS (formerly Oh Happy Day ApS), which is controlled by Peter Sörensen and who, through the company's shareholding in Zinzino AB, is defined as a person with significant influence.

NOTE 4 EARNINGS PER SHARE

	01/07/2022	01/07/2021	01/01/2022	01/01/2021	01/01/2021
	30/09/2022	30/09/2021	30/09/2022	30/09/2021	31/12/2021
SEK					
Earnings per share before dilution	0.42	0.80	1.17	2.15	2.57
Earnings per share after dilution	0.42	0.77	1.15	2.05	2.46
Earnings metric used in the calculation of earnings per share					
Earnings attributable to shareholders of the parent company used in the calculation of earnings per share before and after dilution	14,269	27,011	39,498	71,869	86,204
Number of shares:					
Weighted average number of ordinary shares in calculating earnings per share before dilution	33,702,278	33,695,678	33,702,278	33,502,412	33,551,514
Adjustment for calculation of earnings per share after dilution (of warrants):					
Weighted average number of ordinary shares and potential ordinary shares used as denominator in calculating earnings per share after dilution	34,136,178	35,100,145	34,326,853	35,089,961	35,092,535

NOTE 5 BUSINESS ACQUISITIONS

On 5 April 2022, the Group acquired all shares in Enhazz IP AG and Enhazz Global AG. The companies were acquired for a total of SEK 36,136 thousand.

Goodwill amounted to SEK 31,627 thousand in the acquisition, which has been provisionally capitalised in connection with the acquisition. The goodwill arising from the acquisition mainly includes the accumulated value of the "HANZZ+HEIDII" trademark. The preliminary value of the above-mentioned trademark has been estimated and will be determined before the end of 2022.

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

Purchase price as at 05/04/2022	SEK thousands
Fixed consideration	10,325
Contingent consideration	25,811
Total purchase price	36,136
Recognised amounts of identifiable assets acquired and liabilities assumed	SEK thousands
Intangible fixed assets	1,252
Cash and bank balances	4
Inventories	3,775
Other receivables	1,080
Other liabilities	-1,602
Total identifiable net assets	4,509
Consolidated value of current assets incl deferred tax	-2,430
Consolidated value of trademark incl deferred tax	7,940
Goodwill	26,117

Acquisition-related costs of SEK 168 thousand are included in the item External costs in the consolidated statement of comprehensive income for the third quarter of 2022.

The contingent consideration is calculated at 8% on the sales achieved by the acquired distributor organisation over a five-year period, with a maximum amount of EUR 5 million. In addition, a further 2% on sales achieved may be paid as contingent consideration up to a maximum amount of EUR 2 million within the same five-year period. The contingent consideration can be paid up to a maximum of EUR 6 million and will be settled with newly issued shares after fixed consideration paid of EUR 1 million has been deducted. The contingent consideration is estimated at EUR 2.5 million (SEK 25.8 million) to be paid over the five years.

The acquisition has contributed to the growth of the Group's sales. The sales included in the consolidated income statement as of 30 September 2022 and attributable to the acquisition as of 05 April 2022 amount to SEK 14,109 thousand.

NOTE 6 EVENTS AFTER THE END OF THE INTERIM PERIOD

No significant events for the company have occurred after the end of the reporting period as of 30 September 2022.

NOTE 7 FINANCIAL METRICS NOT DEFINED IN ACCORDANCE WITH IFRS

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

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

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

GOTHENBURG

17 NOVEMBER 2022

The Board and the CEO certify that the report for the period 1 January–30 September 2022 gives a fair overview of the parent company and Group's operations, position and earnings and describes significant risks and uncertainties faced by the parent company and the companies in the Group.

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

Zinzino AB

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Gothenburg, 17 November 2022

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Board Chair

Pierre Mårtensson

Board Member

Ingela Nordenhav

Board Member

Staffan Hillberg

Board Member

Anna FrickDag

Board Member

Bergheim Pettersen

Chief Executive Officer

AUDITOR'S AUDIT REPORT

Introduction

We have performed a review of the summary interim financial information of Zinzino AB as of 30 September 2022 and the nine-month period ended on that date. The Board of Directors and the CEO are responsible for the preparation and presentation of this interim financial information in accordance with IAS 34 and the Swedish Financial Reporting Act. Our responsibility is to express a conclusion on this interim report based on our review.

Focus and scope of the review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410 Review of Interim Financial Information Performed by the Company's Selected Auditor. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, performing analytical review and performing other review procedures. A review has a different focus and a much smaller scope compared to the focus and scope of an audit under ISA and generally accepted auditing standards. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified if an audit had been carried out. Therefore, the stated conclusion based on a review does not have the assurance that a stated conclusion based on an audit has.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report has not been prepared, in all material respects, in accordance with IAS 34 and the Annual Accounts Act for the Group and in accordance with the Annual Accounts Act for the parent company.

Gothenburg, 17 November 2022
Öhrlings Pricewaterhousecoopers AB

Fredrik Göransson

Authorised auditor



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