

PRESS RELEASE

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Interim report, July – September 2017:

IMPROVED GROSS MARGINS AND STRONG GROWTH IN THE DOMESTIC MARKET.

During the third quarter, Zinzino AB (publ.) has focused on profitability with balanced sales growth. Gross margins have significantly improved and EBITDA amounted to 5.8 MSEK for the quarter. Several new markets showed very good sales growth and the domestic market in Sweden continues to show strong growth.

The third quarter has been characterized by good sales development of several new markets, alongside continued digitization and a focus on efficiency, logistics and deliveries. The biggest development has been in Germany, one of the world's largest direct sales markets, which in Q3 showed 37% growth compared to the same period last year. Both the Swedish and Finnish markets showed growth in the third quarter and revenues were 29% and 12% higher respectively than for the same period in 2016.

The health product segment continues to grow and included the recent launch of a new unique product - BalanceOil Vegan. The omega-3 oil is based on algae instead of fish and is a product long-demanded by vegans and vegetarians.

"Our product range is now so strong that our focus is on education and a very active marketing campaign through social media to increase knowledge about the products and Zinzino. With a new online store, new products and increased presence, we are ready for growth. Also, with an efficient organization and production, profitability grows in line with the 20% per annum growth we expect over the next few years", writes Dag Bergheim Pettersen, CEO of Zinzino in his comments on the report.

Previous quarter

- Total revenue increased by 3% (20%) and amounted to 120.1 (116.8) MSEK
- The health product segment increased by 8% (17%) amounting to 87.6 (81.1) MSEK
- Gross profit amounted to 38.3 (35.0) MSEK with a profit margin of 31.9% (30.0%).
- EBITDA amounted to 5.8 (5.8) MSEK and an operating margin before amortization amounting to 4.8% (4.9%)
- Good sales development in several new markets as the strong trend for growth continued in the Swedish domestic market.

Cumulative from January – September

- Total revenue increased by 15% (7%) and amounted to 385.6 (334.4) MSEK.
- Zinzino's production subsidiary Faun Pharma AS increased its external sales by 63% and amounted to 48.3 (29.7) MSEK.
- The health product segment increased by 21% amounting to 270.1 (232.6) MSEK.
- Gross profit amounted to 114.5 (107.8) MSEK with a profit margin of 29.7% (32.2%).
- EBITDA amounted to 13.1 (18.5) MSEK and an operating margin before amortization amounting to 3.4% (5.5%).
- Liquid assets amounted to 38.3 (18.1) MSEK at the time of reporting.

For a copy of the complete interim report use the link provided or visit www.zinzino.se

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Zinzino AB (publ) is obliged to publish this information in compliance with current EU regulations governing market abuse. The information was provided by the above contact person for publication at kl. 08.30 on 13th November, 2017.

Zinzino Nordic AB (publ.) is a direct sales company that operates throughout Europe and North America. Zinzino markets and sells products in two product lines: Zinzino Health, with a focus on long-term health, and Zinzino Coffee, consisting of espresso machines, coffee and tea. Zinzino owns the Norwegian company BioActive Foods AS and the research and production unit Faun Pharma AS. Zinzino has more than 120 employees and currently trades in 33 markets across Europe and North America. Zinzino is based in Gothenburg, with additional offices in Helsinki, Riga, Oslo, and in Florida, USA. Zinzino is a public company and its shares are listed on Nasdaq First North. In 2016, Zinzino was recognized with the award "Superföretag 2016" by Veckans Affärer and the "Gazelle" award by Dagens Industri.