

PRESS RELEASE

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Interim Report, Zinzino, April – June 2017: Very strong growth of 28% and full-scale launch of a new digital platform

The second quarter of 2017 for Zinzino AB (publ.) finished with strong growth of 28%. In addition to launching a new digital platform, the new product Viva was launched and Zinzino opened for business in Switzerland. A number of logistics and marketing projects were also completed during this quarter.

"In our annual report, we showed how we will utilize our scalable business model to double Zinzino's revenue from half a billion to one billion by the end of 2020. We have the potential to reach one billion customers in the markets we have opened. We also have world-leading health products and can distribute these efficiently through our direct sales concept. In addition, we develop and produce our products at our Faun production unit, and we will continue to explore new markets that show potential in the times ahead. In summary, we are looking forward to reaching our growth target of 20%." writes Dag Bergheim Pettersen, CEO of Zinzino in his comments on the report.

Previous quarter

- Total revenue increased by 28% (0%) and amounted to 137.3 (107.0) MSEK
- Zinzino's production subsidiary Faun Pharma AS increased its external sales by 158% and amounted to 19.9 (7.7) MSEK
- The health product segment increased by 25% amounting to 93.3 (74.7) MSEK
- Gross profit for the second quarter amounted to 37.2 (33.6) MSEK and a profit margin of 27.1% (31.4%).
- EBITDA for the second quarter amounted to 1.6 (4.6) MSEK and an operating margin before amortization amounting to 1.2% (4.3%)
- Completed web projects increased online visibility
- Opening for business in Switzerland
- Launch of the dietary supplement Viva - that contributes to increased well-being by relieving mental fatigue as well as promoting a good sleep.

Cumulative from January – June

- Total revenue increased by 22% (1%) and amounted to 265.5 (216.8) MSEK
- Zinzino's production subsidiary Faun Pharma AS increased its external sales by 115% and amounted to 36.9(17.2) MSEK
- The health product segment increased by 21% amounting to 182.5 (151.2) MSEK
- Gross profit amounted to 76.2 (72.0) MSEK with a profit margin of 28.7% (33.2%).
- EBITDA amounted to 7.3 (12.8) MSEK and an operating margin before amortization amounting to 2.8% (5.9%)
- Liquid assets amounted to 26.6 (24.0) MSEK at the time of reporting
- The board of directors of Zinzino maintains its forecast that the total revenues in 2017 will be SEK 540 - 580 million. Operating margin before depreciation and amortization in % is expected to be at the level of the prior year.

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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 09.00 on 31st of August, 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 BioActie 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, 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 2015" by Veckans Affärer and the "Gazelle" award by Dagens Industri.