

# PRESS RELEASE

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## ZINZINO AB (PUBL): STRONG GROWTH AND PROPOSAL FOR GREATLY INCREASED DIVIDENDS

### Interim Report Q4 - 2017

The fourth quarter can be characterised by continued strong growth in the Swedish domestic market. Growth also continued in Finland and Germany, and there has been an increase in customers in Latvia and Lithuania.

The quarter has also been characterized by investments concerning the shift to digital - new platforms, internet and e-commerce - that are now starting to show positive effects and will support increased efficiency, sales growth and new market launches in the coming years.

The product segment Zinzino Health increased by 17% in the fourth quarter and now accounts for 71% of total revenues.

"During 2017, we achieved growth of 13%, which I'm pleased with as CEO. Our growth rate in the fourth quarter ended 7%, which is in line with our forecast. We will continue to balance growth with investments in e-commerce and profitability in the coming quarter", writes Dag Bergheim Pettersen (CEO) in his comments on the report.

Zinzino's operations continued to generate a positive cash flow through Q4 and overall during 2017. The Board has conducted a strategic review and prepared a plan to actively work with the balance sheet across the group. By doing this, room will be created for increased dividend distribution in 2018. The Board will therefore propose to the Annual General Meeting in 2018 a dividend of 45 (25) per öre, that corresponds to an increase of 80% compared to the previous year.

### Previous quarter

- Total revenue increased by 7 % (29 %) and amounted to 154.7 (144.5) MSEK.
- The health product segment increased by 17 % amounting to 109.3 (93.8) MSEK.
- Gross profit amounted to 45.2 (46.0) MSEK with a profit margin of 29.2 % (31.9 %).
- EBITDA amounted to -2.3 (4.6) MSEK and an operating margin before amortization amounting to -1.5% (3.2 %).
- Total cashflow for the quarter amounted to 10.1 (5.2) MSEK.
- The result for the period deteriorated due to temporarily increased costs for marketing and commissions to the company's sales force in the latter part of Q4. This has contributed to increasing momentum that will accelerate growth in 2018.

### Full year 2017

- Total revenue increased by 13% (7%) and amounted to 540.3 (478.9) MSEK.
- The health product segment increased by 16% till 379.4 (326.0) MSEK.
- Gross profit amounted to 159.8 (153.8) MSEK with a gross profit margin of 29.6% (32.1%).
- EBITDA amounted to 10.8 (23.0) MSEK and an operating margin before amortization of 2.0 (4.8%).
- Total cashflow for the year amounted to 25.1 (-3.5) MSEK.
- The Board of Directors will propose at the Annual General Meeting 2018 a dividend of 45 (25) öre per share.
- Liquid funds amounted to 48.4 (23.3) MSEK.

*\* Comparative figures adjusted per the new accounting policy regarding currency-related income and expenses.*

### For more information:

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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 08.00 on 28<sup>th</sup> of February, 2018.

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 2015" by Veckans Affärer and the "Gazelle" award by Dagens Industri.