

# PRESS RELEASE

# ZINZINO

Corporate no. 556733-1045

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FAO: News Editor

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## **ZINZINO AB (PUBL): ONE-TIME EFFECT DUE TO CHANGED ACCOUNTING FOR DISTRIBUTOR REMUNERATION IMPROVES Q1 2020 WITH SEK 22.2 MILLION BEFORE TAX**

As a result of a change in how distributor remuneration is reported, Zinzino will report a significantly improved result during the first quarter of 2020 compared with the corresponding period last year. The one-off effect due to the changed accounting amounted to SEK 22.2 million before tax and refers to paid sales commissions for prepaid income as of 31-03-2020.

Operating profit before depreciation, adjusted for the one-off effect of changed accounting for distributor remuneration, amounted to SEK 26.3 (11.8) million. The Group's EBITA margin was 10.9% (7.0%).

The improvement in earnings resulted in an increase of the Group's equity ratio as of 31-03-2020 by 5 percentage points to 14%. Equity amounted to SEK 51.5 million and cash and cash equivalents to SEK 107.9 million.

Previously, the cost reimbursements were reported during the period when the sales services were performed, while the revenue for the sold product was reported at delivery. Due to a minor adjustment in the general terms and conditions for the distributors, the costs will now be recognized during the same period as the revenue, whereby there will be a better matching of revenue and cost. The change will not affect the distributors, who will receive their revenue according to the same model as before, without any delay.

Zinzino will not make any comments until the report for the first quarter of 2020 is published on May 14, 2020, at approximately 8 am.

### **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 12:00 the 5<sup>th</sup> of May 2020.

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Zinzino AB (publ.) is a global Direct Sales company that markets and sells test-based nutrition, skincare and life-style products. Zinzino owns the Norwegian company BioActive Foods AS and the research and production unit Faun Pharma AS. Zinzino is based in Gothenburg, with additional offices in Helsinki, Riga, Oslo, Florida and Adelaide. Zinzino is a public company and its shares are listed on Nasdaq First North Growth Market.