

YEAR-END REPORT 2015

ZINZINO





ZINZINO

Zinzino AB is one of the leading direct sales companies, represented in Sweden, Norway, Denmark, Finland, Iceland, Lithuania, Latvia, Estonia, Poland, the Netherlands, Germany the USA and Canada. Zinzino markets and sells products in two product lines: Zinzino Health, with a focus on long-term health, and Zinzino Coffee, comprising espresso machines, coffee, tea and accessories.

We offer customers products centered around quality, the environment, health and a feeling of everyday luxury. Our values are characterized by high quality, proximity to the customer and a focus on active product development. The products are marketed through direct selling.

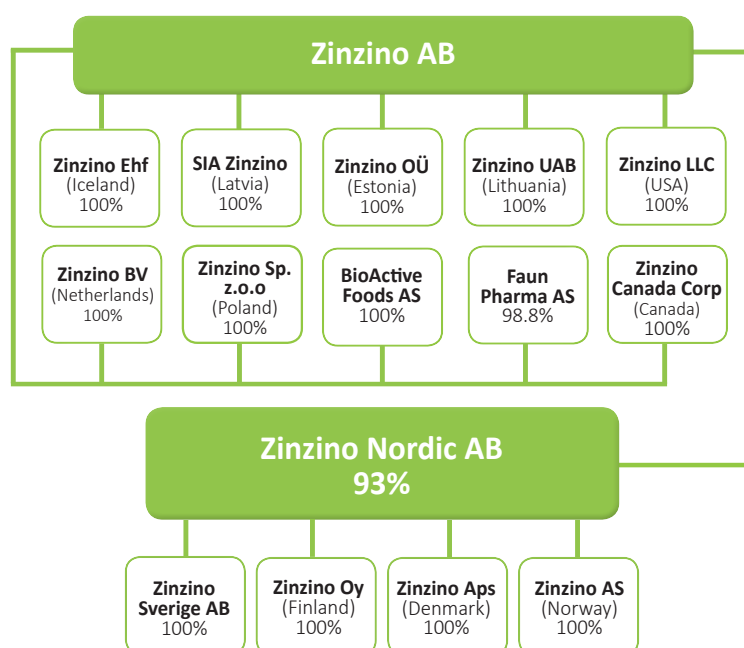
Zinzino owns the Norwegian knowledge-based company BioActive Foods AS and the research and production unit Faun Pharma AS. Since 2005, Zinzino is the general agent for the French-Belgian coffeehouse Rombouts & Malongo.

Today, the Zinzino Group has some 100 employees. The company has its headquarters in Gothenburg, Sweden, an office and a factory in Oslo, Norway, an office in Florida, USA and an office in Helsinki, Finland.

THE PAST YEAR IN BRIEF

- > Total revenues amounted to SEK 435.0 million (357.7), equivalent to a sales growth of 22% (+41%).
- > Gross profit amounted to SEK 140.4 million (102.4) and the gross profit margin was 32.3% (28.6%). This improvement is attributable to lower costs of goods sold and a larger share of Zinzino Health products in the sales mix.
- > EBITDA amounted to SEK 25.6 million (21.4) and the operating margin before depreciation was 5.9% (6.0%).
- > Depreciation and amortization amounted to SEK 7.1 million (4.0) of which SEK 5.1 million (0.5) was attributable to amortization of goodwill.
- > Operating profit amounted to SEK 18.5 million (18.6) and the operating margin was 4.3% (4.9%).
- > Profit before tax amounted to SEK 17.6 million (18.4). Earnings per share before tax amounted to SEK 0.6 (0.8) (before dilution).
- > The recognized tax expense for the year amounted to SEK 7.9 million, of which SEK 7.3 million did not affect liquidity.
- > Profit after tax amounted to SEK 9.7 million (32.7).
- > Cash and cash equivalents amounted to SEK 26.9 million (42.8) on the closing date.
- > Zinzino implemented a new IT system in the autumn to handle higher growth and enable long-term goal attainment. Operating disruptions during the quarter resulting from the system switch negatively impacted the business by an estimated SEK 20 million in lost revenues compared to budgeted sales and reduced EBITDA by around SEK 5 million.
- > Zinzino established subsidiaries in Canada with a successful sales start in the third quarter.
- > Zinzino launched several new own developed products within Zinzino Health, such as Protect and LeanShake through effective product development in the Norwegian subsidiaries acquired in 2014, the research company BioActive Foods AS and the production unit Faun Pharma.
- > The Board of Directors proposes that the Annual General Meeting resolve to approve a dividend of SEK 0.25 (0.25) per share for 2015.

GROUP STRUCTURE 12/31/2015



FINANCIAL SUMMARY (SEK MILLIONS)

THE GROUP'S KEY RATIOS	Q4-2015	Q4-2014	Q1-Q4 2015	Q1-Q4 2014
Total revenue	113.2	114.6	435.0	357.7
Net sales	102.6	102.8	394.2	318.8
Sales growth	-1%	+39%	+22%	+41%
Gross profit	40.3	35.8	140.4	102.4
Gross profit margin	35.6%	31.2%	32.3%	28,6%
Operating profit before depreciation	3.6	7.3	25.6	21.4
Operating margin before depreciation	3.2%	6.4%	5.9%	6.0%
Operating profit	2.8	5.3	18,5	18.6
Operating margin	2.4%	4.7%	4.3%	4.9%
Profit before tax	1.5	5.2	17.6	18.4
Net profit, of which minority interest	-1.9 -3.6	17.6 1.8	9.7 1.5	32.7 2.8
Net margin	neg	17.0%	2.2%	9.1%
Earnings per share before tax	0.09	0.14	0.58	0.63
Net earnings per share after tax, before dilution, SEK of which minority interest	neg neg	0.66 0.01	0.31 0.05	1.11 0.09
Net earnings per share after tax, after dilution, SEK of which minority interest	neg neg	0.65 0.01	0.29 0.04	1.05 0.09
Cash and cash equivalents	26.9	42.8	26.9	42.8
Equity/assets ratio	56%	52%	56%	52%
Equity per share, SEK	2.76	2.90	2.76	2.90
Number of issued shares on average for the period	30,900,025	29,508,687	30,900,025	29,508,687
Number of issued shares on average for the period with full dilution	33,380,025	31,088,687	33,380,025	31,088,687

Zinzino's outlook for 2016 and financial targets

We forecast that the total revenues for 2016 will amount to between SEK 470 million to SEK 520 million. Operating margin before depreciation as a percentage is estimated to be on par with last year. The target for average growth in sales in Zinzino for the period 2016-2018 is a minimum of 20% and for the net margin before depreciation to increase to > 8%. The policy for dividends is a minimum 30% of the net profit, liquidity and equity/assets ratio permitting.



“We continue to have great confidence in our ambitious target of 20 percent growth over the next three years and improved results for each year.”

Investments in new IT systems and new products - an investment for the future

“In 2015 we have made a number of significant investments for the future that we strongly believe in. With a new IT system and new products, we have now laid the foundation for the coming years – investments essential for achieving our goals. We have also grown significantly and can show a good result for the past year. 2015 gave us a growth of 22 percent against the previous year. We have also improved our gross profit margin to 32.3 percent, which is 3.7 percentage points better than in 2014. An important parameter for our continued growth is our increased EBITDA, which increased from SEK 21.4 m in 2014 to SEK 25.6 m in 2015. For me this is a proof that we are right when we invest in our business and continue to develop our own health brands, which are produced in our own ISO-certified factory.

However, we have had a fourth quarter that is slightly weaker than the previous year. The reason for this is our substantial investments in a new IT system, which will enable the product development and geographic expansion we are planning. Moreover, it will create better margins and lower costs already in 2016. I am quite sure that the investments were made at the right time for meeting our long term growth plans. We are now confident in our IT systems, our new web shop and we can already see that the work has become more efficient and easier.

We are now strongly positioned for growth and expansion. In 2016, we will be able to increase our geographic expansion further than we had previously planned. We have developed an aggressive expansion plan that includes several new markets and it will be

initiated during the first and second quarters. The first market that we will enter into in 2016 is Germany – Europe’s largest market for direct sales. It is an affluent market that we naturally have high expectations for and we believe that our health products will be successful there.

Over the past 18 months we have been working actively with our product development and thanks to that, we have launched several new products. Now we are further increasing the pace and will launch several strong product concepts at various points during 2016. I see product development as one of the decisive success factors for us and I am therefore proud that, thanks to our own research and factory, we can always be a step ahead. New products make us an attractive company for our customers and distributors. I am pleased to say that 2016 will be a very exciting year.

We continue to have great confidence in our ambitious target of 20 percent growth over the next three years and improved results for each year.

We have a vision to inspire change in the lives of our customers and distributors. This is by being the most customer-friendly direct sales company in the world. In order to affirm this, we have also previously communicated our vision of having a million customers by 2020.”

Dag Bergheim Pettersen

CEO, Zinzino AB

SIGNIFICANT EVENTS DURING AND AFTER THE FOURTH QUARTER 2015

Weak sales growth, operational disruptions due to system changes and a loss in Faun Pharma AS negatively impacted the figures for the quarter

Total revenues for the fourth quarter amounted to SEK 113.2 million (114.6), equivalent to a negative sales growth of -1% (+39%). Operating disruptions during the change in IT platforms carried out in the third quarter affected the business in the fourth quarter as well and were the major contributing cause of the temporary, but strong slow-down in sales growth during the quarter. For the fourth quarter, the effect is estimated to be a revenue decrease from budgeted revenues of SEK 20 million and a decline in EBITDA corresponding to SEK 5 million against the budgeted profit.

EBITDA for the fourth quarter amounted to SEK 3.6 million (7.3) and the operating margin before depreciation amounted to 3.2% (6.4%). A major factor contributing to the decline compared to the year before was the weak profitability in the subsidiary Faun Pharma AS during the quarter that degraded the Group's EBITDA by about SEK 3 million for the fourth quarter. See the section on the next page on Faun Pharma AS.

Zinzino launched a Health Challenge linked to the new products LeanShake and ZinoBiotic

Zinzino launched another product in Zinzino Health in December with the meal replacement LeanShake in the flavors of chocolate and red berries. This product is rich in protein, essential amino acids and dietary fiber. It also contains 25 vitamins and minerals. Both flavors are gluten-free and red berries is also lactose-free. Zinzino LeanShake was developed by the Group's research unit BioActive Foods AS and produced by the production unit Faun Pharma AS.

In addition to this, ZinoBiotic was launched at year-end as a complement to LeanShake. ZinoBiotic is a fiber supplement that actively contributes to a healthy digestive process and a good intestinal bacterial flora.

Zinzino Health Challenge is a natural next step in line with the Group's vision "Inspire Change in Life". The concept also provided an additional dimension to the Zinzino Health product line. In brief, the concept is based on obtaining a healthier and more sound lifestyle by changing habits, exercising more and getting the body in balance between omega-3 and omega-6 through BalanceOil, and boosting the immune system with Zinzino Protect and Zinzino Xtend. When necessary to lose weight and/or build muscle mass LeanShake and, for increased fiber intake and better digestion process, ZinoBiotic are to be added to the daily diet for a faster result.



Launch of Zinzino-branded coffee

In the fourth quarter, five kinds of coffee were launched under Zinzino's own brand: Zinzino Italian Espresso, Zinzino Colombian Espresso, Zinzino Fairtrade Espresso, Zinzino Brazilian Espresso and Zinzino French Espresso. The launch gave Zinzino much clearer control of the product line and a more attractive product for the sales corps and end customer.



Faun Pharma AS became ISO9001 certified and is fine tuning the organization for greater profitability

The subsidiary Faun Pharma AS reported higher sales, but lower profitability than expected in the fourth quarter, which negatively impacted the Group's profitability. The profitability decline is largely attributable to negative currency effects due to the NOK's weakening against the EUR and SEK. This negatively impacted the gross profit margin in 2015 and had a major breakthrough in the last quarter with significantly lower gross profit than expected. The revenues for the quarter amounted to SEK 15.3 million (7.3), of which SEK 6.5 million (0.0) pertained to intra-Group sales. There was a net loss of SEK 2.9 million (4.2). Steps are now being taken to improve profitability in the upcoming financial year, such as efficiency enhancements in the organization and an increased focus on key customers.

In the month of January, Faun Pharma AS was certified according to ISO9001:2008, which is a quality recognition that opens up new sales channels and ensures high quality in the goods produced.

BioActive Foods AS completed a three-year EU-financed research study

For three years, Zinzino's researchers at BioActive Foods AS have conducted studies with a research network from Europe that have been financed by the EU regarding the balance between omega-3 and omega-6 in the body. Zinzino's contribution to the studies encompassed raw materials such as base powder with BalanceOil and the extensive knowledge bank possessed by the researchers in Zinzino. The results from the study can be divided up into five parts: Knowledge about the market, upscaling of raw materials, product development, physical and mental effects when using the products and usability.

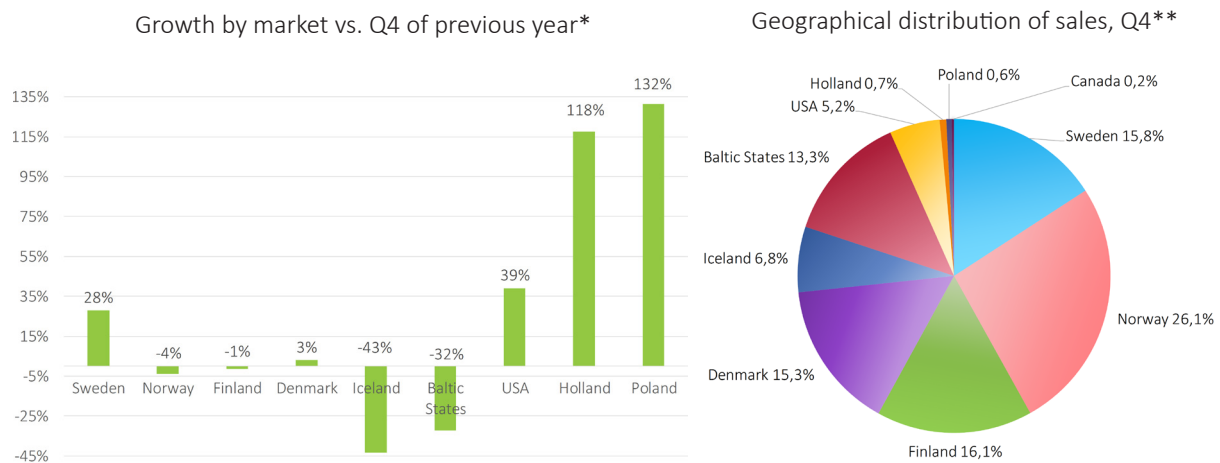
SALES AND PERFORMANCE

Fourth quarter – sales

Total revenues amounted to SEK 113.2 million (114.6), representing a slight negative sales growth of 1% for the Group compared with the year before. This was mainly due to the repercussions of the operating disruptions attributable to the extensive IT system replacement carried out in the third quarter, which also affected the business in the final quarter of the year. What mainly affected the business in the fourth quarter were operating disruptions in the important order generation for subscriptions, which are estimated to have decreased sales

by around SEK 20 million from budgeted sales for the quarter and thereby also decreased profitability in the Group for the period. EBITDA is estimated to have decreased by around SEK 5 million for the period due to the sales decrease. The operating disruptions in order charging were corrected at the beginning of 2016, however.

Together with the newly established markets, the Swedish and U.S. markets showed strong growth, which was pleasing as these markets have major growth potential on the long term. Despite operating disruptions, the Swedish domestic market has shown the strongest growth figures ever for the fourth quarter, which evokes considerable optimism for 2016.



* Sales trends refer only to sales by Zinzino sales companies; Faun Pharma AS sales to external customers excluded.

** Excluding Faun Pharma AS

The geographic distribution in the fourth quarter showed that the majority of the revenues are attributable to the Nordic countries with Norway continuing to be the largest market. The U.S. is increasing its share of the total revenues for each passing quarter.

The percentage sales distribution by product line in the fourth quarter was 28% for Zinzino Coffee and 72% for Zinzino Health. Sales for Zinzino Coffee totaled SEK 24.9 million (29.8), representing a decrease of 16%. Sales for Zinzino Health amounted to SEK 64.9 million (68.4), corresponding to a decrease of 5%. In addition to this, there were sales for Faun Pharma AS and other net sales during the quarter in an amount of SEK 12.8 million (4.6). Other revenue amounted to SEK 10.6 million (11.8).

The Group's gross profit amounted to SEK 40.3 million (35.8) and the gross profit margin was 35.6%, which was better than the corresponding period for the previous year and also an additional improvement in the margin over the previous quarter.

EBITDA for the fourth quarter amounted to SEK 3.6 million (7.3) and operating profit was SEK 2.8 million (5.3). Like the previous quarter, the company had a higher cost level as a result of the business system change, mainly due to personnel and consulting costs. Larger amortization of goodwill than previous years was charged to the operating profit.

Net profit for the quarter was negatively impacted by the recognized tax expense, which amounted to SEK 4.9 million, of which SEK 4.6 million did not affect liquidity. Adjusted for recognized, unpaid tax expenses, the net profit amounted to SEK 2.8 million (5.0) for the fourth quarter.

Depreciation and amortization

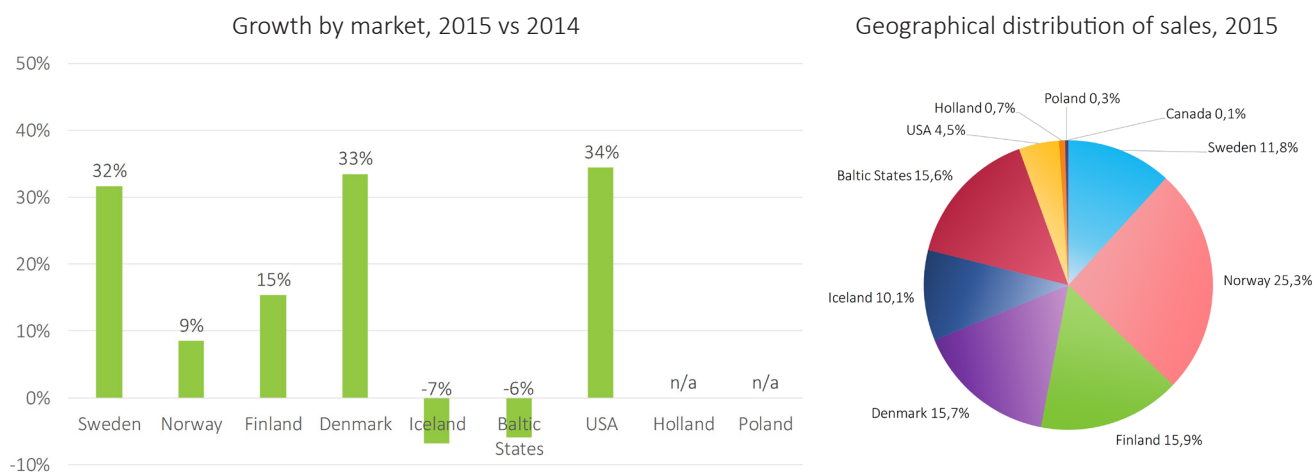
Depreciation for the quarter was charged to the period's earnings in an amount of SEK 834 thousand (2,002) of which SEK 88 thousand (71) was depreciation of tangible assets, SEK 98 thousand (1,439) was amortization of intangible assets and SEK 648 thousand (492) was amortization of goodwill.

CONSOLIDATED PERFORMANCE AND FINANCIAL POSITION 2015

Sales

Total revenues for amounted to SEK 435.0 million (357.7), which is equivalent to a growth in sales of 22% compared to the previous year. Several of Zinzino's markets generated positive sales growth in 2015. For the U.S., Sweden and Denmark, sales growth exceeded 30% compared with the previous year. The strong trend continued both in the U.S. and Sweden in Q1-2016. They are two key markets for Zinzino with very large potential to grow to much higher sales levels in the upcoming year.

The Baltics and Iceland did not show the same strong growth in 2015 as in previous years, which may be attributable to the markets being smaller and being assessed to have a somewhat higher degree of maturity with the current product segments. The Baltic markets were also struck harder by the effects of the system change in the second half of 2015. The reason for this can be traced to tougher laws and rules regarding system changes than in other countries. In 2016, resources were allocated to stimulate growth in affected markets through, in part, a review and update of the product range as well as an addition of the new products. The support for the local sales networks will be increased through for example targeted campaigns and implementations of local payment solutions. This combined will give a synergy effect which will stimulate the sales growth in Zinzino's markets.



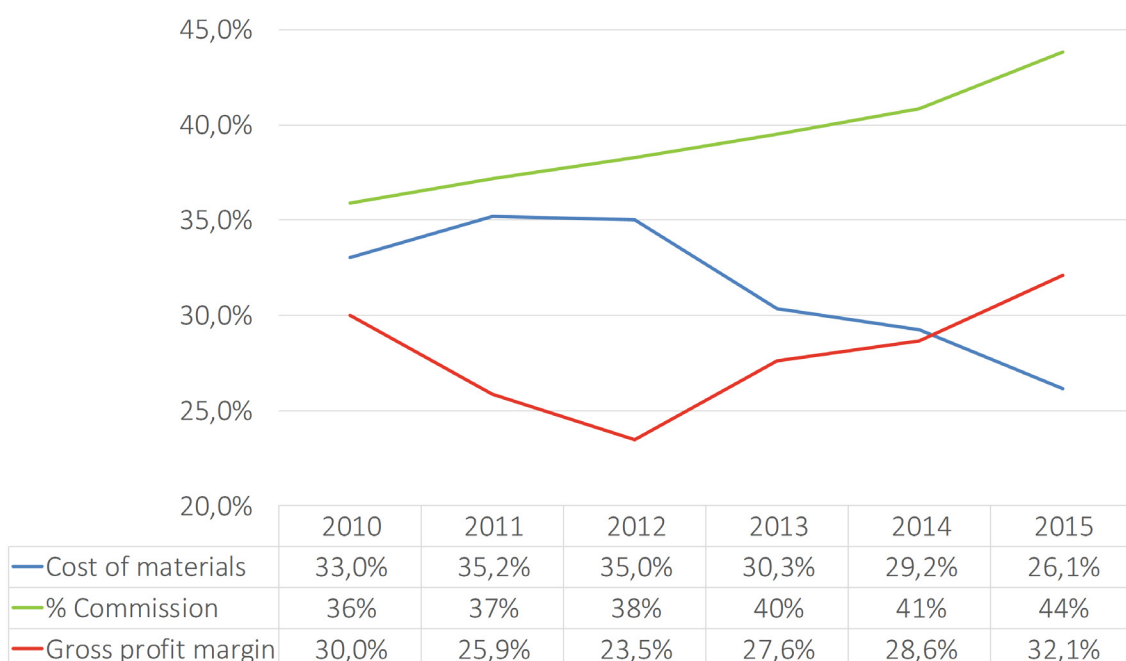
Norway remains the largest market for Zinzino followed by Finland, Denmark and the Baltic States.

Net sales amounted to SEK 394.2 million (318.8). Expressed in terms of product lines, Zinzino Health had sales totalling SEK 263.0 million (200.6), Zinzino Coffee SEK 92.1 million (112.4) and Faun Pharma AS and others had net sales of SEK 39.1 million (5.8). Zinzino Health thereby increased by 31% over the previous year at the same time that Zinzino Coffee decreased by 18%. The launch of the new espresso machine oh' Eko and Zinzino's own coffee brands in the fourth quarter gave a much needed boost to the product line. The new products are expected to generate higher sales and profitability for Zinzino Coffee in 2016.

Expenses and performance

Gross profit for the year amounted to SEK 140.4 million (102.4), which meant a gross profit margin of 32.3% (28.6%). For several years, Zinzino has sought to lower the cost of goods sold to increase gross profit. By lowering the cost of goods sold, the level of compensation to the independent sellers was able to be increased. This meant that Zinzino has become an attractive and competitive alternative in the direct selling sector and has thereby been able to link skilled salespeople to the organization. The graph on the next page presents the development of the gross margin in the past five years:

Changes in profit margin, cost of materials and sales commission paid as % of sales



The external operating expenses have increased to 65.8 million (50.2) and the internal costs to 49.0 million (30.9). Expenses have increased through the expansion of the Group with the subsidiaries Faun Pharma AS and BioActive Foods AS, and a larger organization to handle the increased sales. In the second half of 2015, Zinzino carried out the previously described business system change, which entailed higher costs both internally and externally.

EBITDA amounted to SEK 25.6 million (21.4) and the EBITDA margin was 5.9% (6.0%), which is marginally lower than last year and a result of the rising costs in the second half of the year.

Operating profit amounted to SEK 18.5 million (18.6) and the operating margin was 4.3% (4.9%). Depreciation and amortization totaling SEK 7.1 million (4.0), of which SEK 5.1 million (0.5) related to amortization of Goodwill, was charged to operating profit.

Inventories

The Group's total inventories amounted to SEK 40.3 million (30.8) as of the balance sheet day. This increase was due to the Group's higher sales, the relocation of the production of BalanceOil and BalanceShake from external parties to Faun Pharma AS and Faun's stock-keeping for another external customer.

Liquidity and equity/assets ratio

As of balance sheet day, cash-in-hand amounted to SEK 26.9 million (42.8). The Group's equity/assets ratio amounts to 56% (52%). The Group's cash and cash equivalents decreased during the year, which was a natural consequence of the investments in the new IT system (SEK 12 million), higher capital tied up in inventory (SEK 10 million) and a lower debt/equity ratio in the Group (SEK 10 million). The Board of Directors assesses that cash and cash equivalents are at a satisfying level and that the Group's positive cash flow from operating activities secures the liquidity in the Group for the foreseeable future and also makes a dividend possible for the past financial year, conditional on the AGM's resolution.

INCOME STATEMENTS ZINZINO GROUP AND ZINZINO AB (PUBL.)

Amounts in SEK thousand	Group	Group	Group	Group
	10/1/2015	10/1/2014	1/1/2015	1/1/2014
	12/31/2015	12/31/2014	12/31/2015	12/31/2014
Net sales	102,586	102,803	394,167	318,762
Other revenue	10,618	11,838	40,830	38,968
Goods for resale and other direct costs	-72,932	-78,875	-294,568	-255,294
Gross profit	40,272	35,766	140,429	102,436
External operating costs	-23,075	-18,021	-65,803	-50,177
Personnel costs	-13,598	-10,400	-49,002	-30,844
Operating profit before depreciation	3,599	7,345	25,624	21,414
Depreciation and amortization	-834	-2,002	-7,133	-2,821
Operating profit	2,765	5,343	18,491	18,594
Net financial items	262	-146	-935	-146
Tax	-4,907	14,323	-7,895	14,291
Net profit for the period	-1,880	19,520	9,661	32,739
Minority interest in the profit for the year	-3,636	1,759	1,465	2,797

Amounts in SEK thousand	Zinzino AB	Zinzino AB	Zinzino AB	Zinzino AB
	10/1/2015	10/1/2014	1/1/2015	1/1/2014
	12/31/2015	12/31/2014	12/31/2015	12/31/2014
Net sales	350	-	3,160	-
Other revenue	-	-	-	-
Goods for resale and other direct costs	-	-	-	-
Gross profit	350	0	3,160	0
External operating costs	-300	-1,614	-1,187	-2,299
Personnel costs	-	-	-	-
Operating profit before depreciation	50	-1,614	1,973	2,299
Depreciation and amortization	-16	-	-16	-
Operating profit	34	-1,614	1,957	-2,299
Net financial items	271	7	272	-
Tax	-492	1,311	-492	-
Profit for the year	-187	-296	1,736	-2,299

BALANCE SHEETS ZINZINO GROUP AND ZINZINO AB (PUBL.)

Amounts in SEK thousand	Group 12/31/2015	Group 12/31/2014
Fixed assets		
Goodwill	43,456	50,650
Intangible assets	15,695	5,182
Tangible assets	1,939	1,964
Financial assets	8,275	14,882
Total fixed assets	69,365	72,678
Current assets		
Inventories	40,289	30,759
Current receivables	22,329	19,425
Cash and bank balances	26,852	42,771
Total current assets	89,470	92,955
Total assets	158,835	165,633
Restricted equity	3,090	2,951
Non-restricted equity	71,398	49,336
Profit for the year	8,195	29,942
Minority interest	5,636	4,065
Total equity	88,319	86,294
Long-term liabilities	677	5,156
Current liabilities	69,839	74,183
Total liabilities	70,516	79,339
Total equity and liabilities	158,835	165,633

BALANCE SHEETS ZINZINO GROUP AND ZINZINO AB (PUBL.)

Amounts in SEK thousand	Parent Company 12/31/2015	Parent Company 12/31/2014
Fixed assets		
Intangible assets	-	-
Tangible assets	-	-
Financial assets	82,984	80,833
Total fixed assets	82,984	80,833
Current assets		
Inventories	-	-
Current receivables	147	452
Cash and bank balances	447	956
Total current assets	595	1,408
Total assets	83,579	82,241
Restricted equity	3,090	2,951
Non-restricted equity	41,881	51,348
Profit for the year	1,736	-2,299
Total equity	46,707	52,000
Long-term liabilities	16,153	12,729
Current liabilities	20,719	17,512
Total liabilities	36,872	30,241
Total equity and liabilities	83,579	82,241

CASH FLOW STATEMENT ZINZINO GROUP AND ZINZINO AB (PUBL.)

Amounts in SEK thousand	Group		Group	
	2015 Oct-Dec	2014 Oct-Dec	2015 Jan-Dec	2014 Jan-Dec
Operating activities				
Profit before financial items	2,765	5,343	18,491	18,593
Depreciation, amortization and impairment	834	2,002	7,133	2,821
Other non-cash items	7,328	374	7,111	469
	10,927	7,719	32,735	21,883
Interest received	296	148	313	148
Interest paid	-34	-294	-1,248	-295
Tax paid	-145	-215	-145	-247
	117	-361	-1,080	-394
Cash flow from operating activities before changes in working capital	11,044	7,358	31,655	21,489
Cash flow from changes in working capital				
Increase(-) / Decrease(+) in inventory	-6,983	-4,844	-9,530	-2,344
Increase(-) / Decrease(+) in current receivables	1,194	-6,473	-2,789	-10,048
Increase(+) / Decrease(-) in current liabilities	-9,237	19,494	-4,459	40,534
Cash flow from operating activities	-3,982	15,535	14,877	49,631
Investing activities				
Investment in intangible assets	-3,542	-561	-12,250	-561
Investment in financial assets	-196	-43,293	-2,644	-52,132
Investment in tangible assets	-243	-125	-3,796	-1,439
Cash flow from investing activities	-3,981	-43,979	-18,690	-54,132
Financing activities				
Borrowings	-3,737	-186	-5,156	4,879
Non-cash issue	-	21,534	-	21,534
Dividends	-	-	-7,725	-2,708
Subscription for shares on warrants issued	-	574	775	12,643
Cash flow from financing activities	-3,737	21,922	-12,106	36,348
CASH FLOW FOR THE PERIOD	-11,700	-6,522	-15,919	31,847
Cash and cash equivalents at start of period	38,552	49,292	42,771	10,923
Cash and cash equivalents at end of period	26,852	42,770	26,852	42,770
Change in cash and cash equivalents	-11,700	-6,522	-15,919	31,847

STATEMENT OF CHANGES IN EQUITY GROUP

Amounts in SEK thousand	2015	2014
	Jan-Dec	Jan-Dec
Equity at start of period	86,294	22,880
Share subscription on warrants	775	12,643
Acquisition of subsidiary	-	21,534
Dividend to shareholders	-7,725	-2,708
Exchange rate differences	-115	-794
Profit for the period	9,090	32,739
Equity at end of period	88,319	86,294

DEFINITIONS OF KEY FIGURES

<p>Gross margin Total revenue minus cost of goods sold, partner commissions and shipping costs as a percentage of the period's total revenue.</p>	<p>Earnings per share Profit for the period in relation to the period's average number of outstanding shares.</p>	<p>Equity per share Equity in relation to the number of outstanding shares on the balance sheet day.</p>
<p>Operating margin Operating profit after depreciation as a percentage of the total revenue for the period.</p>	<p>Operating margin before depreciation Operating profit before depreciation as a percentage of the total revenue for the period.</p>	<p>Net margin Profit for the period as a percentage of the period's net sales.</p>
		<p>Equity/assets ratio Equity as a percentage of the balance sheet total.</p>

NUMBER OF OUTSTANDING SHARES

As of 12/31/2015, the share capital was distributed between 30,900,025 shares, of which 5,113,392 are Class A shares (1 vote per share) and 25,786,633 Class B shares (0.1 vote per share). The share's quota value is SEK 0.10. The company's Class B shares are traded on Nasdaq Omx First North, nasdaqomxnordic.com.

The company has three outstanding options programs. The first expires on November 1, 2016 and comprises 2,100,000 options at a strike price of SEK 2. As of February 2016, 820,000 warrants had been used to subscribe for shares. The second option program expires on May 31, 2019 at a strike price of SEK 16 and covers 600,000 options. In addition to this, the AGM resolved on May 8, 2015 to issue a further 600,000 warrants at a strike price of SEK 26. The option program expires on May 31, 2020.

If all the warrants are used for the new subscription of 2,880,000 shares, dilution of the share capital will amount to approximately 9%.

INSIDER HOLDINGS AS OF 12/31/2015

Name	Position	Share	12/31/2015	12/31/2014
Örjan Saele	Others with insider knowledge	ZZA	3,123,397	3,123,397
Örjan Saele		ZZB	6,186,671	6,266,328
Peter Sörensen	Others with insider knowledge	ZZA	1,809,995	1,809,995
Peter Sörensen		ZZB	1,843,194	1,766,755
Hans Jacobsson	Chairman	ZZB	431,215	414,215
Hans Jacobsson		ZZ TO	45,000	45,000
Cecilia Halldner	Board Member	ZZB	45,000	45,000
Staffan Hillberg	Board Member	ZZB	206,414	238,983
Staffan Hillberg		ZZ TO	45,000	45,000
Pierre Mårtensson	Board Member	ZZB	0	0
Dag Pettersen	President and CEO	ZZB	180,000	180,000
Dag Pettersen		ZZ TO	1,460,000	1,460,000
Carin Andersson	Management	ZZB	36,082	36,082
Fredrik Nielsen	Management	ZZB	15,000	15,000
Fredrik Nielsen		ZZ TO	30,000	30,000
Helena Byström	Management	ZZ B	15,000	15,000
Jakob Spijker	Management	ZZ B	15,000	15,000
Lina Rydh	Management	ZZ B	5,000	5,000
Mikaela Wahlbro	Management	ZZ B	15,000	15,000

ACCOUNTING PRINCIPLES

This Interim Report has been prepared in accordance with the Swedish Annual Accounts Act and the Swedish Accounting Standards Board's general guidelines. As of the 2014 financial year, the consolidated financial statements and annual report are prepared in accordance with BFNAR 2012:1 Annual Accounts and Consolidated Accounts (K3). Where applicable, the comparative figures for 2014 have been adapted to K3.

REVENUES BY COMPANY (SEK THOUSANDS)

	Q4 2015	Acc Jan-Dec 2015	Q4 2014	Acc Jan-Dec 2014
Zinzino Sverige AB	13,914	44,541	13,733	34,888
Zinzino AS (Norway)	27,842	100,510	29,749	92,609
Zinzino OY (Finland)	16,436	63,102	9,605	54,682
Zinzino ApS (Denmark)	15,815	62,181	16,103	47,081
Zinzino Ehf (Iceland)	6,574	39,985	12,545	42,476
Zinzino UAB (Lithuania)	3,304	12,398	4,657	15,287
Zinzino SIA (Latvia)	3,482	12,649	3,455	11,983
Zinzino OÜ (Estonia)	7,495	35,995	12,547	37,959
Zinzino LLC (USA)	5,030	17,605	4,602	13,120
Zinzino BV (Netherlands)	768	2,760	339	339
Zinzino SP z.o.o (Poland)	562	1,155	288	288
Canada	255	255	n/a	n/a
Faun Pharma AS (Norway)	8,702	34,847	4,621	4,621
Zinzino Nordic AB	3,025	7,014	2,397	2,397
Total	113,204	434,997	114,641	357,730

DIVIDENDS

The Board proposes dividends of SEK 0.25 (0.25) per share for the 2015 financial year.

AUDITOR EXAMINATION

This interim report has not been subject to examination by the company's auditors.

ANNUAL GENERAL MEETING

The Annual General Meeting of Zinzino AB will be held at the company's premises on Hulda Lindgrens gata 8 in Västra Frölunda on May 20 at 12.30 pm.

NEXT REPORT

Annual Report 2015 will be published on 4/29/2016

Interim Report Q1 2016 will be published on 5/20/2016

Interim Report Q2 2016 will be published on 8/31/2016

For more information, please call Dag Bergheim Pettersen, President and CEO, Zinzino AB

Gothenburg, February 29, 2016

Zinzino AB (publ.)
Board of Directors

Zinzino AB

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Note: This report is published in Swedish and English. In the event of any difference between the English version and the Swedish original, the Swedish version shall prevail.