Annual Report 2024

"Robust underlying growth and margin expansion"

HAYPP GROUP

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Robust underlying growth and margin expansion

Haypp Group is a leading e-commerce business specializing in Reduced-risk products (RRPs). The Company has 11 e-commerce stores in seven countries across Europe and in the US. By providing a broad and unique assortment, competitive prices and seamless convenience the Company is continuing its expansion initiatives by entering adjacent RRP categories such as nicotine vaping and new geographies primarily in Europe. The e-commerce store brands also serve as marketing and launch platforms for new and existing products, as well as providers of customer data to the insights offering for suppliers. Haypp Group is well positioned to take advantage of a rapidly growing international market over the coming years and deliver in line with the long-term financial targets.

Vision

Haypp Group puts the consumer first, engaging with them every day to understand their needs and desires, knowing them like no other actor in the industry. The vision to “Inspire healthier enjoyment for millions” aims to help consumers change harmful habits while simultaneously increasing the company’s global presence.

Financial development 2024

- Net sales increased by 21 per cent on a LFL basis (16 per cent reported) to SEK 3,679.8 m (3,165.7). In constant currency, net sales increased by 17 per cent.
- 41 per cent LFL volume growth (35 per cent reported) in the nicotine pouch category during the period.
- The gross margin amounted to 15 per cent (12.7).
- Adjusted EBITDA amounted to SEK 205.8 m (134.6), corresponding to an adjusted EBITDA margin of 5.6 per cent (4.3).
- Adjusted EBIT amounted to SEK 134.5 m (78.2), corresponding to an adjusted EBIT margin of 3.7 per cent (2.5).
- Operating profit totaled SEK 64.2 m (22.3), including items affecting comparability of SEK –30.4 m (–15.9).
- Profit for the period amounted to SEK 45.0 m (5.0).
- Earnings per share before dilution amounted to SEK 1.51 (0.17).
- Cash flow from operating activities amounted to SEK 196.4 m (80.5)
- Net debt/Adjusted EBITDA last twelve months amounted to 0.8x versus 1.7x for the full year 2023.
- Number of orders increased to 4,946 thousand (4,426) with an average order value of SEK 690 (672).
- Active customers amounted to 1,146 thousand (953) at the end of the period.
- The Board of Directors proposes to the general meeting that no dividends will be paid for 2024.
- LFL basis shows growth rate excluding the impact of the Zyn shortage in the US, the phase-out of tobacco, and state-level closures.

Amounts in MSEK	2024	2023
Net sales	3,679.8	3,165.7
Net sales growth, %	16.2	21.8
Gross margin, %	15.0	12.7
Adjusted EBTIDA	56.7	37.5
Adjusted EBITDA margin, %	6.2	4.4
Adjusted EBIT	134.5	78.2
Adjusted EBIT margin, %	3.7	2.5
Items affecting comparability	–30.4	–15.9
Operating profit/loss	64.2	22.3
Profit/loss for the period	45.0	5.0
Earnings per share before dilution (SEK)	1.51	0.17
Cash flow from operating activities	196.4	80.5
Number of orders (thousand)	4,946	4,426
Average order value (SEK)	690	672
Active customers (thousand)	1,146	953

Haypp at a glance

Haypp Group is spearheading the global transformation from smoking to reduced-risk product (RRP) alternatives. With origins in Scandinavia, the company has leveraged its leading position, along with its category and e-commerce experience, to widen its positive impact to the US and a range of European markets. With eleven e-commerce store brands, Haypp Group is present in seven countries, serving more than 1,100,000 active consumers during 2024. Headquartered in Stockholm, Sweden, Haypp Group employs 200 FTEs and have annual net sales of over SEK 3.7 bn.

Business model

At Haypp Group, the consumer is always our primary focus. Our business model initiates with managing the consumer experience, advocating for lower-risk non-smoking alternatives, and assisting our broad consumer base in finding the most appropriate solutions via our online stores. This approach allows us to gain a more comprehensive understanding of the consumer journey in a novel way.

Haypp Group shares this knowledge with the entire industry to create high-quality products, provide superb product offers and in order to further improve the consumer experience. Our solid and scalable business model has demonstrated proven success, resulting in an increased number of loyal consumers. This loyalty directly translates to increased sales, with our tobacco-free nicotine pouches growing faster than the rest of the market.

Values

Society is demanding a change in the tobacco and nicotine industry. Haypp Group believes that "Inspiring healthier enjoyment for millions" is pivotal to drive the global change. As a result of its success in Scandinavia and recent achievements when entering new markets, the company is in a unique position to help drive that change in society.

Financial Targets 2028

The Board of Haypp Group has established the following Financial Targets for 2028:

Sales – Revenue Growth range of 18–25 per cent annually.
Profitability – Adjusted EBIT margin of 5.5 percent +/– 150 basis points.

Dividend policy

The Board of Haypp Group expects to reinvest cash flows into the company's continued expansion.

Business model

Haypp Group has a sustainable business model built on five strategic areas for sustainability. The areas align with Haypp Group's vision and higher purpose, seamlessly integrating into operations. The company's contributions to sustainability, health, and society go hand-in-hand with business success. The better the business performs, the better for society as a whole.

Continuous pursuit of sustainability

Haypp Group's sustainable business model makes sure that the business and operations are clearly related to the five strategic areas of sustainability and vice versa, so that sustainability is incorporated into the business actions.

Haypp Group reports on each of the five areas and uses a scorecard to follow certain metrics. Below is a selection from the scorecard with one metric per area which will be reported on a quarterly basis. For more detailed information, please refer to Haypp Group's annual Sustainability Report.

Sustainability area	Target	Measure	Full-Year 2024	Full-Year 2023
Health Contribution	Grow customers of harm reduced products	Number of purchasing customers	1,146,126	953,346
Insights for all	Enlightened people & public for awareness and understanding	Number of visits to editorial material, facts and reports	4,768 ,897	5,010,054
Sustainable innovation for growth and develop-ment	Quality assurance & Product development	Share of relevant portfolio tested & according to standard	100%	84.9%
Best place to work	Great employer	Employee satisfaction in per cent	80%	80%
Business Ethics	Delivering on the customer promise	Rate of customer satisfaction	67.0	70.7

Robust underlying growth and margin expansion

"The year 2024 was another significant milestone in our mission to shift consumers toward substantially less harmful nicotine products."

The year 2024 was another significant milestone in our mission to shift consumers toward substantially less harmful nicotine products. This achievement was driven by the ongoing enhancement of Haypp Group's product offerings, regulatory support for reduced risk alternatives as protective of public health, and the widespread adoption of these products reaching a tipping point. These factors not only fuelled strong performance in 2024 but also reinforced our confidence in the category's potential and the pivotal role of e-commerce within it.

We are proud of our robust commercial performance throughout 2024. Our strategically important Nicotine Pouches (NPs) achieved like-for-like volume growth of 41 per cent, with strong NP volume increases in our Core segment driving our share near 20 per cent in Norway and over 30 per cent in Sweden. Our Growth segment also performed exceptionally, with 70 per cent LFL NP volume growth, consistently outperforming market trends. Additionally, our Emerging segment, which includes vaping in the UK, Germany, and Sweden, although small in revenue contribution demonstrated solid growth. This success underscores the adaptability of our operating model across various reduced-risk products, prompting us to expand into Heat-not-Burn products in the UK during late 2024.

At Haypp Group a guiding principle is sharing our scale economies with our consumers, enabling improved offerings in convenience and pricing as we grow. Despite increased investments to enhance consumer value, incremental margins contributed to a notable increase in our gross margin. Part of this expansion was reinvested into capabilities aimed at accelerating future growth, while the remainder supported an adjusted EBIT increase of 72 per cent over 2023.

Our Media & Insights (M&I) services for business partners—brand owners—also experienced substantial growth, outpacing overall revenue growth. M&I now accounts for a high single-digit percentage of revenue and is contracted by all major nicotine brands and leading smaller players. The company continues to set industry benchmarks for quality and value in these services, fostering sustainable partnerships that benefit all stakeholders for the long-term.

"The Group's Media and Insights business is increasingly important and attractive to manufacturers due to the Group's robust growth and fair pricing"

Accelerating NP category growth in the U.S. created turbulence in 2024, with consumer demand exceeding industry expectations. This development led to shortages, particularly for ZYN—the market-leading brand owned by PMI USA—which prioritized physical retail supply over e-commerce from Q3 2024 onward. Despite these challenges, we maintain strong relationships with PMI both in Europe and the U.S., and we anticipate full supply restoration as market dynamics stabilize during 2025.

In 2023, Haypp initiated a comprehensive overhaul of its technology infrastructure to unlock scalability benefits aligned with our growth ambitions. Key advancements include:

- Replacement of ERP systems for operational robustness.
- Integration of middleware to streamline feature additions and administrative tasks.
- Standardization of warehouse hardware/software to reduce lead times and costs.
- Migration of e-commerce platforms onto an advanced in-house technology base, enhancing consumer experience and organic search rankings.

This transformation was executed without disruption to consumers and positions us to make further strides in improving our offerings in the future more quickly.

Regulatory and legal developments
In January 2025 U.S. FDA issued Marketing Granted Orders (MGOs) for ZYN, classifying the product as Appropriate for the Protection of Public Health —a precedent-setting development for the US and for Europe as we await clarity on the EU's Third Tobacco Products Directive (TPD3). In the MGO the FDA also clarifies expectations for the online channel. We remain confident that forthcoming regulations will support both the category and e-commerce channels, although progress on TPD3 will likely be limited in 2025.

Haypp continues to lead in compliance by proactively setting product standards adopted by regulators across our markets and ensuring products are available only to legal age adults. Recent technology upgrades further differentiate our compliance capabilities from competitors.

In 2024, Haypp was subject to two compliance lawsuits. One involved flavored NP sales in San Francisco. We take flavor restrictions seriously and had restrictions on selling flavored products to hundreds of locations across the US embedded in our systems and processes. San Francisco was not included in the restricted locations due to a robust external opinion that such sales were legal, based partly on published statements by the city itself. While an accrual was made during Q3 based on our best estimates, this matter is ongoing.

"The Group has invested significantly in compliance, with special focus on underage access prevention, and will continue to do so"

The status of the Stockholm litigation concerning our tobacco license has not changed; as discussed in prior releases the Group's action continues in the court system and updates will be provided when appropriate with resolution likely within the next 12-24 months. Separately, we took the opportunity to align the license for most of our volume with our operational hub south of Stockholm.

Outlook
The potential for reduced risk nicotine products, especially NPs, remains immense. We are already the leading online retailer in key markets driving global category growth, most notably the U.S. which is poised to be the major contributor. Therefore, we will continue to focus on consumers and reinvest our available resources to materially increase our market share across countries with an emphasis on the US.

In our recent Capital Markets Day, we shared our medium-term targets aiming to grow revenue by an 18–25 per cent CAGR. We expect our growth to be predominantly driven by NP's as in prior years, with the US a primary driver.

Our adjusted EBIT margin target for 2028 stands at 5.5 per cent ±1.5ppt, reflecting flexibility for optimizing shareholder value over the long term.

As CEO, I am proud of our rapid progress since joining eight years ago. While the pace of change has exceeded even my optimistic expectations, we recognize that this journey is still in its infancy. By prioritizing consumer offerings and long-term commitments to brand owners, we aim to maximize shareholder value sustainably.

Stockholm April 2025

Gavin O'Dowd
President and CEO

Strengths and competitive advantages

Haypp Group strive to maintain its strong market position through the following strengths and competitive advantages:

Haypp is the undisputed global online market leader – with an outstanding value proposition and a loyal customer base

Haypp Group is a leading e-commerce player in the online nicotine pouch and snus market in its Core markets, with around 85 per cent market share. In its Growth markets, Haypp Group has some 75 per cent market share in the US (legal market) and 30 per cent in Rest of Europe. Haypp Group assesses that it has achieved its position in Sweden and Norway by refining its model to attract and retain consumers in this category. Marketing strategies are primarily focused on organic customer acquisition through non-paid search engine results, like Google, and word-of-mouth recommendations. The goal is to become the primary destination for search engine-directed traffic. Besides being a large e-commerce player with reach across Europe and the US, Haypp Group's value proposition to its customers consists of:

- Wide assortment, with over 3,500 SKUs (Stock Keeping Units) corresponding to around 8 times more SKUs than average physical stores. The assortment is also continuously updated with new products to keep at the forefront of the market's new product innovations;
- Compelling prices, with some 40 per cent lower prices compared to convenience stores and 20 per cent lower prices compared to grocery stores; and
- Convenient order and delivery options, offering seamless age verification on websites and last mile deliveries in larger cities.

Haypp Group's share of net sales from returning customers recorded over 90 per cent in 2024, indicating customer loyalty.

First-mover in a market undergoing a structural shift

There is a strong underlying demand for reduced-risk products (RRPs) as customer preferences are shifting towards new options with less risks relative to cigarette smoking and no social stigma. The market dynamics favour Haypp Group as nicotine pouches with fresh taste, no smell nor miscolouring of teeth have become one of the most popular products within the category of reduced-risk products.

This shift is further strengthened by legislation moving in the same direction towards harm reduction rather than product use reduction. Similar shifts can also be seen in the product offerings of larger tobacco companies. Today, all of the global tobacco manufacturers communicate strategies focusing on reduced-risk products, such as tobacco heating products, vaping products, and oral nicotine.

In addition, Haypp Group believes that the group will be able to benefit from its first-mover advantage in the online channel supported by the ongoing transition from offline to online sales. In Haypp Group's Core and Growth markets online penetration for nicotine pouches and snus is just over 5 per cent. Haypp Group believes the category has opportunities to take even higher market shares online, due to its e-commerce friendly characteristics, including uniform packages that are easy to ship and high purchase frequency with low returns from customers.

Scalable business model

Haypp Group stands in a strong position to leverage emerging opportunities in adjacent markets, thanks to a business model that is easily replicable across new markets and RRPs. The core needs of customers remain consistent, focusing on key factors such as price, assortment, and convenience. The ability to scale not only allows Haypp Group to enhance these advantages but also improves SEO performance. This creates a positive feedback loop, where improved performance in these areas further strengthens the company's market position. Through this strategic approach, Haypp Group can continue to expand its reach and impact, meeting customer needs more effectively and secure a competitive advantage in the market.

Compelling Media & Insights offering strengthens relationships with suppliers

Due to the attractive characteristics of Haypp Group's consumer base (age profile, gender balance and premium focus), there is strong demand from suppliers to market their products on Haypp's sites (Media) and to understand what and why consumers are choosing via their revealed preferences (Insights). This ability to analyze consumer actions over time is also an important factor why suppliers test and launch new products on Haypp Group's platforms.

Extensive experience of navigating and influencing the complex regulatory waters

Haypp Group believes its ability to identify upcoming regulations proactively has been a strong basis for its competitive advantage. Haypp Group believes that the business has benefited through a range of regulatory changes in recent years. Utilising Haypp Group's knowledgeable in-house regulations team to identify risks and opportunities, the business has been adapted to take advantage of them. Examples of Haypp Group's experience navigating the regulatory landscape include the standards for nicotine pouches established in Sweden and the UK, based on Haypp Group's own product and marketing standards, as well as the company's ability to adapt its sales operations in the US in accordance with regulation at both state and city levels.

Track-record of strong growth resulting in economies of scale

Haypp Group recorded net sales of almost SEK 3.7 billion in 2024 and has experienced strong net sales growth with a CAGR of 21 per cent between 2020 and 2024. Net sales have mainly been driven by increase in customer base, average number of orders per customer and increase in average order values.

The net sales growth has generated economies of scale, part of which has been passed on to customers in the form of improved customer offerings and part has been retained to improve the gross margin. Gross margin has increased from 13.0 per cent in 2020 to 15.0 per cent in 2024. Haypp Group has improved its adjusted EBIT margin from 2.2 per cent in 2020 to 3.7 per cent in 2024, mainly driven by operating leverage.

Management team with extensive experience within the industry

Haypp Group is led by a management team with sector specific expertise of both e-commerce and tobacco (particularly nicotine pouches and snus). The full workforce is united behind the vision of "We put the consumer first" which drives high scores from employees in workplace satisfaction and happiness. Haypp Group has historically maintained a low employee turnover.

Regulatory environment

Legislation favours nicotine pouches
In addition to consumer behaviour that to a higher extent has begun to shift towards alternatives to cigarettes, legislation is also moving in the same direction, and legislation is a major factor behind product evolvement. Present and future regulations affect numerous aspects of the Haypp Group's operations and Haypp Group must comply with, and is affected by, extensive and complex laws and regulations at a national, regional and local level. These regulations relate, among other things, to marketing, packaging and health warning label requirements, use of ingredients, introduction of new products as well as minimum legal age for the purchase and use of nicotine and tobacco products. The intention of tobacco legislation is centred around increasing public health and is influenced by two major philosophies:
- Reduce overall tobacco and nicotine consumption
- Reduce harm from tobacco and nicotine consumption

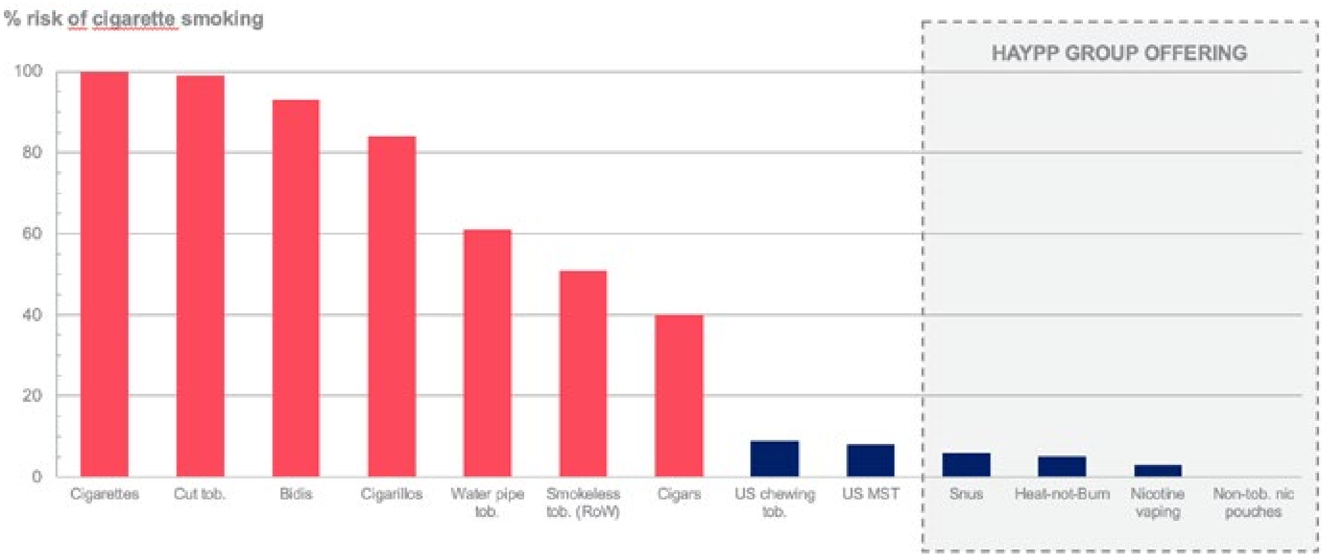
Regulatory development
The reduced-risk product (RRP) category and the nicotine pouch segment specifically faced a number of potential regulatory challenges in 2024. Notable among these where potential restrictions on nicotine pouches (NPs) in the EU as part of the revision to its Tobacco Products Directive (TPD3). Several statements and initiatives reinforced the perspective that nicotine pouches will be regulated, rather than banned, within the EU. further positive initiatives have been observed in Q1 2025. Any major announcements on TPD3 seem unlikely before the spring of 2026. However, different regulatory rumours are anticipated during the European Commission's public consultation process expected to begin in 2025. Haypp Group closely monitors the evolving European regulatory landscape for nicotine pouches and continuously informs relevant stakeholders.

Youth access prevention
The UK Parliament is expected to pass legislation aimed at minimizing youth appeal and youth induction to nicotine. It remains unclear how the UK Government will handle the broadened mandate it is expected to receive from Parliament. Importantly, Haypp Group continues to be a leader in Youth Access Compliance, committed to 100 per cent traceable compliance with adult age restrictions for its products across all of its markets.

No major changes are expected at the federal level in the US. Haypp Group is expanding its ability to monitor and influence developments at the state level.

In Norway, no major changes are expected beyond what has already been decided and communicated.

Relative risk of nicotine product categories



Murkett R, Rugh M and Ding B. Nicotine products relative risk assessment: an updated systematic review and meta-analysis [version 2]. F1000Research 2022, 9:1225 (doi: 10.12688/f1000research.26762.2)

Growing governmental interest for harm reduction in Europe

Haypp Group remains positive that the EU will introduce favourable regulations for RRPs. We have noted an increasing number of governmental agencies across markets in Europe are advocating for regulations of new nicotine products from a harm reduction perspective. In Sweden, a revised ANDTS strategy was adopted in 2024, with nicotine products included in line with harm reduction principles. In Austria, a draft law currently under parliamentary review aims to regulate nicotine pouch products more favourably compared to other categories. Additionally, within the EU, there is a heightened focus on harm reducing policies.

Important role for compliance

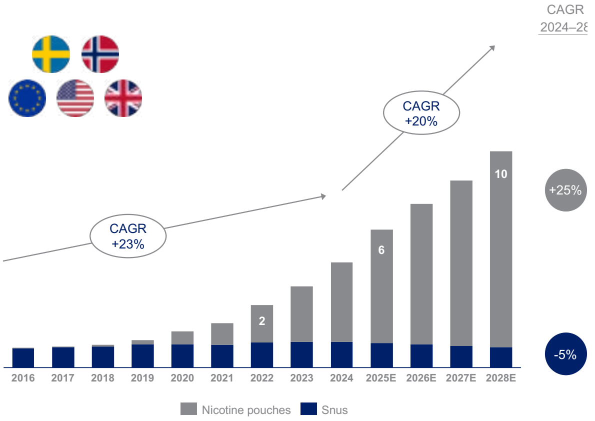
Haypp Group recently conducted its annual product quality review. The product tests were conducted in December 2024, by the independent laboratory Eurofins. In general, the product compliance of our portfolio is exceptionally high as all products are enrolled in our testing procedure. For the producers, the testing acts as a quality label. If deficiencies are caught, we initiate a dialogue and work with the producer to further develop the products.

Market trends and dynamics

Market shift towards reduced-risk nicotine products

The combined market size of nicotine pouches and snus, in Haypp Group's Core and Growth markets, is estimated to increase from approximately SEK 77 billion in 2024 to SEK 155 billion in 2028, representing a CAGR of 19 per cent. The total online market size Is expected to Increase at a CAGR of 30 per cent during the same period.

Global market for nicotine pouches and snus, EUR bn (1)



Source: Company information, Arthur D. Little
Note: FX rates as of March 2025

Low market penetration – high growth potential

Online penetration for nicotine pouches and snus remains low compared to other categories and ranged between approximately 3 and 35 per cent across markets in 2024. In Norway, online penetration reached approximately 11 per cent.

In the US, online penetration was at the lower end of the range, around 3 per cent, while in Sweden, it reached approximately 35 per cent in 2024. The low online penetration in the US represents a significant opportunity for the Group.Within the Core segment, Haypp Group's online market share was estimated at around 80 per cent in Sweden and approximately 90 per cent in Norway. Within the Growth segment, Haypp Group's online market share was estimated at around 30 per cent in the rest of Europe and approximately 75 per cent in the US in 2024.

Increasing supplier fragmentation

In 2016, when the nicotine pouches category was in its infancy, there was three small suppliers active in the market. However, all large global suppliers have since then recognised the potential within the category and have thus entered it. In parallel, a number of smaller suppliers have also entered the category. According to transactional data from Haypp Group, the smaller suppliers have gained market share across both Core markets and Growth markets leading to further supplier fragmentation. In Sweden, for example, Haypp Group has added 33 suppliers since 2016 where the share of, what Haypp Group defines as, smaller suppliers has increased from 1 per cent in 2019 to 38 per cent in 2024. The market leader tends to vary by market and is generally losing market share as competition increases.

Competitive landscape

The market for and the resale of reduced-risk products (RRPs) can be divided into two segments; physical stores and online stores. Haypp Group views that its competitive advantages versus physical stores are price and assortment. While the physical stores have historically shown a higher degree of convenience for certain consumer groups, the Company believes that improving last mile delivery options will continue to increase the convenience of online stores compared to physical stores.

Market growth drivers

The Company believes there are four specific market trends that support the growth of the RRP market generally and the online market specifically:

Underlying demand for reduced-risk products

In the last ten years, there has been a shift in demand away from cigarettes towards non-combustible products such as vaping products, tobacco heating products and nicotine pouches. In more recent years, nicotine pouches have become the fastest growing product in this category mainly due to its associated lower health risks relative to cigarette smoking. The Company's internal research suggests that the product is seen as a fresher, more discreet and more convenient alternative to cigarettes with no smell, miscolouring of teeth and no second-hand smoke or social stigma. These product characteristics have attracted a wider audience within nicotine pouches characterised as more affluent, gender balanced and urban versus cigarette smokers.

The demand for traditional tobacco products is thus changing in favour of reduced-risk products and is not only limited to the Company's Core markets where snus has been present for a long time.

Legislation favours reduced-risk products

In recent years, legislators have started to recognise that efforts to reduce overall tobacco and nicotine consumption have not had the expected benefits for public health.

Governments and organizations across the world have consequently started to focus public health policies based on harm reducing strategies to minimise the harm from tobacco and nicotine consumption.

New positive decisions are expected in Sweden after the summer of 2025. The US Food & Drug Administration (FDA) has recently, following a PMTA process, approved a manufacturer to market 20 nicotine pouch products. This theme can also be seen in many other countries such as Denmark, the UK and New Zealand.

Suppliers push for development of reduced-risk products

While cigarettes and other smoking products have been the core business of Haypp group's global competitors, the underlying change in consumer behaviour and change of sentiment among legislators has resulted in a push for these companies to innovate and drive the launch of new product categories in order to stay competitive. Today, all these companies have communicated strategies to focus on RRPs such as vaping products, tobacco heating products and oral nicotine products.

Compelling characteristics well-suited for online sales

Nicotine pouches and snus are suitable for online sales due to its non-cyclical demand and high purchase frequency. The logistical complexity is limited due to the small and similarly sized boxes with low return rates. The market is characterised by a complex regulatory environment which creates entry barriers for new competitors. In addition, Amazon has not entered the category due to its non-nicotine policy which is expected to persist in the future.

Haypp Group is well positioned to take advantage of the shifting market towards reduced-risk products

Business concept and operations

Haypp Group is an e-commerce business selling reduced-risk products (RRPs) online in seven countries across Europe and in the US. The Company's eleven e-commerce store brands enable consumers a broad and relevant assortment, competitive prices and convenience in the form of a seamless shopping experience and several delivery options. With an average of over 330,000 customers per month, the e-commerce store brands also serve as marketing and launch platforms for new and existing products, as well as providers of customer data to the insights offering for suppliers.

Haypp Group's strategic position

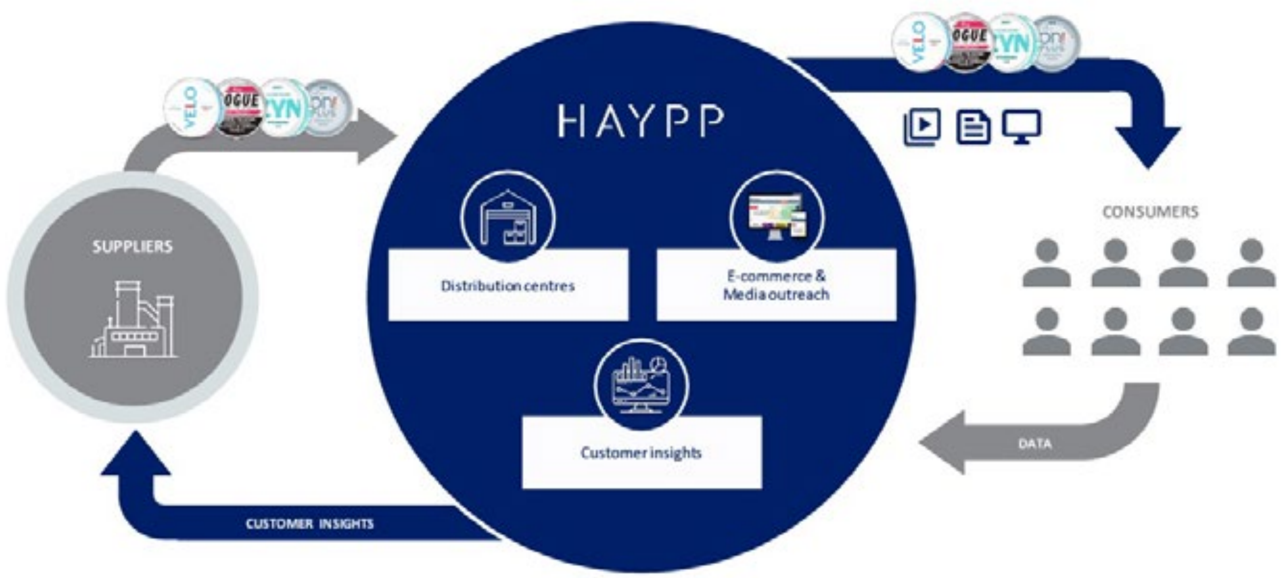
- Growth continues to be prioritised over profitability, and resources as well as investments will be redirected towards the markets which shows favourable conditions.
- The growing consumer demand for less harmful nicotine products as well as favourable regulatory development will be two major drivers of Haypp Group's future growth.
- Haypp Group is well positioned to take advantage of a rapidly growing international market over the coming years and deliver in line with the long-term financial targets.

Growth strategy

Growth continues to be prioritized over profitability, and resources as well as investments will be redirected towards the markets which shows favourable conditions such as DACH, UK and US as well as Haypp Group's Core markets Sweden and Norway. These investments encompass improvements to local customer offerings, machine learning capabilities, and to the overall efficiency.

Haypp Group intends to utilize its online market leading position, with around 85 per cent market share in Core markets, to continue to gain overall market share. In parallel, the company will target the US and selected European markets, where nicotine pouches and other RRPs are emerging, with a similar model of acquiring and retaining customers through a strong value proposition hinged upon a broad assortment, convenient ordering and shipping and compelling prices. As an online retailer, AI and machine learning are important tools in the marketing strategy. Currently we actively use them in our CRM activities (propensity and frequency models) and in our content creation work. These tools are adding value and supporting scaling, they are expected to play an even larger part in the future. Haypp Group is well positioned to take advantage of a rapidly growing international market over the coming years.

Superior position in the value chain



The illustration showcases Haypp Group's position in the value chain and how this position is leveraged to create value both for consumers and suppliers.

OPERATIONS

Customer acquisition and retention

Haypp Group gets the vast majority of its new customers organically, via non-paid search results in search engines. Haypp Group's strategy is to always be the destination which search engines promote. To determine which platforms to promote, search engines will measure site performance, content quality and conversion rates. Since Haypp Group has multiple e-commerce store brands across different markets, its share of relevant traffic increases.

For search engines, e-commerce conversion rate is a clear indicator of customer satisfaction. Haypp Group's global conversion rate is around 13 per cent and even higher in markets where the company is well established, which is significantly above the average conversion rate among other e-commerce companies, typically around 3 per cent.

Retaining customers is Haypp Group's key priority. Experience shows consumers remain loyal due to assortment, price and convenience. Haypp Group's customer base has demonstrated high stability and retention. The share of net sales from returning customers recorded over 91 per cent in 2024.

Assortment

Haypp Group has a broad assortment of products in every market it is present in with over 3,500 SKUs corresponding to around 8 times more SKUs than average physical stores. The share of net sales from nicotine pouches amounted to 55 per cent in 2024, and the company aims for more than 70 per cent of net sales to come from nicotine pouches in the short to medium term. While the majority of Haypp Group's assortment relates to niche products, the company also continuously list relevant new products on its platforms. Haypp Group utilises machine learning propensity modelling to guide existing consumers towards products which they are likely to enjoy.

Price

On average, Haypp Group's prices are 20 per cent lower than grocery stores and 40 per cent lower than convenience stores. Further, Haypp Group's deep learning algorithms will target customers with relevant offers to ensure customer retention.

Convenience

Haypp Group offers a range of delivery options such as home delivery, delivery to parcel lockers or traditional postal service, enabling the possibility of same-day or overnight delivery. Same-day delivery is currently available in Mälardalen and the Greater Stockholm area in Sweden, Oslo in Norway, and London in the United Kingdom. Approximately 40 per cent of orders dispatched from the Stockholm warehouse reach the customer within 48 hours of placing the order. Haypp Group also provides in-house customer service in local languages, covering the relevant time zones.

Customer insights

Due to the favourable characteristics of Haypp Group's customer base, there is strong demand from suppliers to market their products on Haypp Group's e-commerce stores and to gain insights regarding customer behaviours. In light of the expectation for rapid category change, i.e. growth in nicotine pouches, Haypp Group decided in 2018 to invest heavily in data management and machine learning to enhance its ability to adapt to accelerated consumer trends. Much of the insights Haypp Group needed to optimise the customer experience, such as consumers' willingness to try a product, consumer loyalty and willingness to pay premium for certain products, were also insights which the suppliers required. On the back of this, Haypp Group established an insights function which is now being utilised by all large and many small suppliers to enhance their understanding of changing consumer behaviours.

Marketing platform

In addition to the insights, Haypp Group is also a primary marketing platform for new product launches and existing brands promotions. In Q4 2024, Haypp Group's e-commerce brand stores had a reach of an average 2.3 million visits per month and an average of 328,000 customers. The company's portfolio of marketing services is, in Haypp Group's view, unparalleled in the offline market and often elevates a new brand to significant market share within the first weeks of its launch. The marketing services are bought by suppliers, normally through annual agreements.

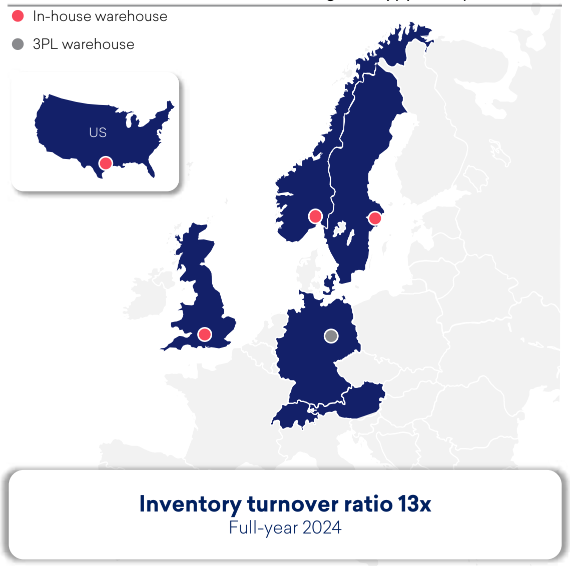
Haypp Group's portfolio

HAYPP
SnusBolaget.se
SnusHjem.no
SnusMarkt.ch
snus.com
Snuslageret
NETTOTOBAK
NORTHERNER
NICOKICK
SNUSNETTO
VAPEGLOBE
7 Markets
11 Brands

Logistics
To ensure that the convenience level is both high quality and economically viable, Haypp Group has developed a tiered approach to each market, subject to market maturity. When entering a new market, Haypp Group generally supplies that market from the Swedish warehouse and utilises international shippers. When the market approaches critical mass, Haypp Group connects its systems with local 3PL's and utilises local shipping networks, with a focus on last mile delivery and speed. Finally, when a market reaches critical mass, Haypp Group opens its own warehouse, where Haypp Group utilises automation and area pre-sorting per shipper to reduce the time to delivery.

Efficient logistics for continued global expansion

Flexible fulfilment infrastructure serving all Haypp Group's markets



Haypp Group currently operates its own warehouses in Stockholm, Sweden, Oslo, Norway, and in Texas, US, and the UK. The company offers a range of same-day and overnight delivery options to minimise delivery times, regardless of the time of day the customer places an order.

Technology stack
Haypp Group's bespoke technology infrastructure hinges around the principle of developing the core systems which fundamentally differentiate Haypp Group's interaction with consumers, such as its e-commerce platform and data management. This enables Haypp Group to optimise the technology stack for SEO and customer retention. Any new domains (including new acquisitions) are built on the technology stack, resulting in improvements to customer attraction and retention rates. Haypp Group believes its technology stack is a key differentiator versus its competitors due to its design to cater for customer attraction and retention within the category.

People and culture
Haypp Group focuses on hiring top class professionals who are capable of bringing value to the business across all markets. The company fosters a culture where multiple perspectives come together to address problems and create long-term solutions in a rapidly changing environment Haypp Group is proud of its high employee satisfaction and incredibly low staff turnover. In the company's employee survey in 2021, 100 per cent of employees stated that they support the company's purpose "We put the customer first", and in 2024, 80 per cent of employees described Haypp Group as a great place to work. The management team consists of people with in-depth digital experience from the e-commerce sector and in-depth industry experience from major tobacco companies. This combination enables the management team to identify both the risks and opportunities that arise in the business and address these on an ongoing basis.

The share and shareholders

In October 2021, Haypp Group's shares were listed on Nasdaq First North Growth Market with the ticker: HAYPP. The ISIN-code is SE0016829469 and the LEI-code is 549300NDGL14NS31UP49. Haypp Group has one class of shares and each share gives the holder a voting right and an equal share in the company assets and profits.

At the end of 2024, the total number of shares consisted of 29,839,088 ordinary shares with one vote each and the total number of shareholders amounted to approximately 5,000. Shareholding which exceeds one tenth of the number of votes consists of three shareholders, GR8 Ventures AB which holds 13.14 per cent, Patrik Rees who holds 12.16 per cent as well as Northerner Holding AB which holds 10.05 per cent of the shares.

Dividend policy

The Board of Haypp Group expects to reinvest cash flows into the company's continued expansion.

AGM

Annual shareholders' meeting will be held in Stockholm 15 May 2025. The Board of Directors proposes to the general meeting that no dividend will be distributed for fiscal year 2024. This year's generated cash flows will be used for the Company's continued expansion.

Largest shareholders as of December 31, 2024

	Number of Shares	Share of capital
GR8 Ventures AB	3,920,601	13.14%
Patrik Rees	3,627,423	12.16%
Northerner Holding AB	2,997,917	10.05%
Fidelity Investments (FMR)	2,978,569	9.98%
Robotti & Company Advisors LLC	1,390,571	4.66%
e-Business Partner Norden AB	1,067,114	3.58%
Ola Svensson	1,028,760	3.45%
Gavin O'Dowd	1,012,391	3.39%
Erik Selin	1,000,000	3.35%
Caro-Kann Capital LLC	727,000	2.44%
Sum	**19,750,356**	**66.19%**
Others	**10,088,732**	**33.81 %**
Total	**29,839,088**	**100%**

Key ratios

Amounts in MSEK	2024	2023
Income statement		
Net sales	3.,679.8	3,165.7
Net sales growth, %	16.2	21.8
Gross margin	15.0	12.7
Adjusted EBITDA margin, %	5.6	4.3
Adjusted EBIT	134.5	78.2
Adjusted EBIT margin, %	3.7	2.5
Operating profit	64.2	22.3
Balance sheet		
Net working capital	219.5	253.1
Net debt	169.0	224.5
Investments	–116.7	–61.0
Net debt/Adjusted EBITDA, times	0.8	1.7
Equity/Total assets ratio, %	55.4	56.7
Cash flow		
Cash flow from operating activities	194.6	80.5
Data per share		
Earnings per share after dilution (SEK)	1.46	0.17
Equity per share after dilution (SEK)	21.3	20.1
Cash flow from operating activities per share after dilution (SEK)	6.3	2.7
Average number of shares after dilution	30,807,543	29,720,859

Segment information by quarter

Amounts in MSEK	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024
Net sales per business unit								
Core -segment	615.5	586.6	573.6	631.8	627.7	653.0	649.5	688.8
Growth -segment	165.8	182.2	195.3	214.9	241.8	277.1	273.8	197.0
Emerging -segment					8.1	12.8	21.0	29.3
EBITDA per business unit								
Core -segment	50.4	45.4	45.6	50.1	53.7	56.3	56.4	61.0
Growth -segment	–19.8	–11.8	–12.7	–13.2	0.1	3.5	2.5	6.2
Emerging -segment					–7.0	–8.1	–7.8	–10.4
EBITDA margin per business unit (%)								
Core -segment	8.2 %	7.7 %	8.0 %	7.9 %	8.6%	8.6%	8.7%	8.9%
Growth -segment	–11.9 %	–6.5 %	–6.5 %	–6.1 %	0.0%	1.3%	0.9%	3.1%
Emerging -segment					–86.3%	–63.1%	–37.1%	–35.6%
Active customers per business unit (thousand)								
Core -segment	401	383	390	414	410	404	417	439
Growth -segment	100	103	105	117	129	174	182	111
Emerging -segment					9	14	20	21

Corporate Governance

Haypp Group AB (publ) is a Swedish public limited liability company which is listed on the Nasdaq First Growth Market since October 13, 2021.

”Haypp Group’s corporate governance is based on Swedish legislation, the Nasdaq First North Growth Market Rulebook, and good practice in the securities market. Haypp Group’s governance is also based on internal regulations, such as the Board rules of procedure, the CEO instructions, the Group’s code of conduct and other policy documents. Companies listed on the Nasdaq First North Growth Market are not obliged to comply with the Swedish Code of Corporate Governance, and Haypp Group AB (publ) has not undertaken to do so on a voluntary basis.

Haypp Group’s Articles of Association and Code of Conduct can be found at www.hayppgroup.com”

Corporate Governance

At the end of 2024, the total number of shares consisted of 29,839,088 ordinary shares with one vote each. Shareholdings that exceed one tenth of the voting rights consist of three shareholders, GR8 Ventures AB, which holds 13.14%, Patrik Rees, which holds 12.16% and Northerner Holding AB, which holds 10.05% of the shares. There were no restrictions on how many votes each shareholder could cast at the Annual General Meeting.

For more information about shareholders, see page 17.

The Annual General Meeting

According to the Swedish Companies Act, the Annual General Meeting is the Company’s highest decision-making body. At the Annual General Meeting, the shareholders exercise their voting rights on key issues, such as approval of income statements and balance sheets, disposition of the Company’s results, granting discharge from liability for the Board members and CEO, election of Board members and auditors and remuneration to the Board and auditors.

The Annual General Meeting also resolves guidelines for remuneration to senior executives and any amendments to the Articles of Association.

The Annual General Meeting must be held within six months from the end of the financial year. In addition to the Annual General Meeting, it may be called an Extraordinary General Meeting. According to the Articles of Association, notice of the Annual General Meeting is given by advertising in national newspapers and by keeping the notice available on the Company’s website. Information that a notice has been issued shall at the same time be announced in Svenska Dagbladet.

Shareholders who wish to participate in the negotiations at the Annual General Meeting must be registered in the share register kept by Euroclear Sweden six banking days before the meeting, and register with the Company for participation in the general meeting no later than the date specified in the notice convening the meeting. Shareholders may attend general meetings in person or through proxies and may also be assisted by a maximum of two people. It is usually possible for shareholders to register for the Annual General Meeting in several different ways, which are specified in the notice convening the meeting. Shareholders are entitled to vote for all shares held by the shareholder.

Shareholders who wish to have a matter considered at the Annual General Meeting must send a written request to this effect to the Board. Such a request must normally be received by the Board in good time before the Annual General Meeting in order to be included on the agenda.n bolagsstämman för att bli upptagen på dagordningen.

Nomination Committee

The purpose of the Nomination Committee is to submit proposals regarding the chairmanship of general meetings, board members, including the chairman of the board, remuneration to board members and remuneration for committee work, election of and remuneration to external auditors and proposals for changes in principles for appointing nomination committees.

The Nomination Committee shall consist of the Chairman of the Board and a member appointed by each of the three largest shareholders based on ownership of the company on September 1, 2024. If any of the three largest shareholders were to refrain from appointing a member to the Nomination Committee, the right shall pass to the shareholder who, after these three shareholders, has the largest shareholding in the Company. The Chairman of the Board shall convene the Nomination Committee. The member who was appointed by the largest shareholder shall be appointed chairman of the Nomination Committee if the Nomination Committee does not unanimously appoint another member.

If shareholders who have appointed a member of the Nomination Committee no longer belong to the three largest shareholders no later than three months before the Annual General Meeting, the member appointed by this owner shall make his seat available and the shareholder who has been added among the three largest shareholders shall have the right to appoint a member to the Nomination Committee. Unless there are special reasons, however, no change shall take place in the composition of the Nomination Committee if only a marginal change of ownership has taken place or if the change occurs later than three months before the Annual General Meeting. In the event that a member leaves the Nomination Committee before its work is completed, the shareholder who appointed the member shall appoint a new member. If this shareholder no longer belongs to the three largest shareholders, a new member shall be appointed in the order specified above. Shareholders who have appointed a member of the Nomination Committee have the right to dismiss such a member and appoint a new member of the Nomination Committee.

Changes in the composition of the Nomination Committee shall be announced immediately. The Nomination Committee's term of office runs until a new Nomination Committee is appointed. The Nomination Committee shall perform its duties in accordance with the Swedish Code of Corporate Governance.

Board of Directors

The Board of Directors is the Company's highest decision-making body after the Annual General Meeting. According to the Swedish Companies Act, the Board is responsible for the Company's management and organization, which means that the Board is responsible for, among other things, setting goals and strategies, ensuring routines and systems for evaluating established goals, continuously evaluating the Company's results and financial position and evaluating operational management. The Board is also responsible for ensuring that the annual report and interim reports are prepared in a timely manner. In addition, the Board appoints the Company's CEO.

The Board members are normally elected by the Annual General Meeting for the period until the end of the next Annual General Meeting. According to the Company's Articles of Association, the board members elected by the Annual General Meeting shall be a minimum of three and a maximum of ten members in number and a maximum of four deputies. The Chairman of the Board has a special responsibility for leading the Board's work and for ensuring that the work is organized in an efficient manner.

The Board applies a set of rules of procedure which are revised annually and adopted at the statutory board meeting every year. The rules of procedure govern, among other things, the board's practices, functions and the division of work between the board members and the CEO. At the statutory Board meeting, the Board also adopts instructions for the CEO, including instructions for financial reporting. The Board meets according to an annually established schedule. In addition to these meetings, additional board meetings may be convened to address issues that cannot be postponed until the next regular board meeting. In addition to the Board meetings, the Chairman of the Board and the CEO continuously discuss the management of the Company.

At present, the Company's Board consists of six ordinary members members elected by the Annual General Meeting, which are presented in more detail on pages 23–25.

Remuneration paid to the Board members can be found in Note 7.

Audit Committee

The Audit Committee consists of all Board members, with the Chairman of the Board also chairing the committee.
The Audit Committee is primarily a preparatory body that prepares proposals for the Board. The main tasks of the Audit Committee are (without affecting the Board's responsibilities and tasks):

- monitor Haypp Group's financial reporting,
- monitor the effectiveness of Haypp Group's internal control and risk management regarding financial reporting,
- stay informed about the audit of the annual accounts and the consolidated accounts,
- inform the Board of Directors of the results of the audit and in what way the audit contributed to the reliability of the financial reporting and of the function of the committee,
- review and monitor the auditor's independence, paying particular attention to whether the auditor provides Haypp Group with services other than auditing services,
- approve the auditor's advisory services and establish a policy for the auditor's advisory services,
- assist in the preparation of proposals for the Annual General Meeting's decision on the auditor,
- annually evaluate the need for an internal audit function, and
- assure quality of year-end reports and interim reports prior to board decisions."

Remuneration Committee

The Remuneration Committee consists of the Chairman of the Board, Ingrid Jonasson Blank, and the members Deepak Mishra and Linus Liljegren. The Remuneration Committee is primarily a preparatory body that prepares proposals for the Board.

The main tasks of the Remuneration Committee are to:
– prepare the Board's decisions in matters concerning remuneration principles, remuneration and other terms of employment for senior executives,
– monitor and evaluate ongoing programs for variable remuneration to senior executives as well as such programs decided on during the year,
– monitor and evaluate the application of the guidelines for remuneration to senior executives decided on by the Annual General Meeting and of the company's remuneration structures and remuneration levels.

CEO and Senior Executives

"The CEO is subordinate to the Board and is responsible for the Company's day-to-day management and the daily operations. The division of work between the Board and the CEO is governed by the rules of procedure for the Board and the instructions for the CEO. The CEO is also responsible for preparing reports and compiling information from management prior to board meetings and for presenting such material at board meetings."

According to the instructions for financial reporting, the CEO is responsible for financial reporting in the Company and must consequently ensure that the Board receives sufficient information for the Board to be able to continuously evaluate the Company's financial position.

The CEO shall keep the Board continuously informed of the development of the Company's operations, the development of sales, the Company's earnings and financial position, liquidity and credit situation, major business events and any other event or circumstance that may be assumed to be significant to the Company's shareholders.

The CEO and other senior executives are presented on pages 26–27.

Auditor
The auditor shall review the parent company and subsidiaries' annual reports and accounts, as well as the Board of Directors' and the CEO administration of the company. After each financial year, the auditor shall submit an auditor's report and a consolidated auditor's report to the Annual General Meeting.

According to the Company's Articles of Association, the Company shall have a minimum of one and a maximum of two auditors and a maximum of two deputy auditors. The company's auditor is Öhrlings Pricewaterhouse-Coopers AB, with Magnus Lagerberg as the principal auditor.

Haypp Group assesses that advisory services during the year did not jeopardize the auditor's independence.

Information on full remuneration to the auditors is provided in Note 6.

Remuneration to the Board of Directors
Fees and other remuneration to the Board members, including the Chairman, are determined by the Annual General Meeting. At the Annual General Meeting on May 16, 2024, it was decided that fees to the Board, for the period until the end of the next Annual General Meeting, shall be paid in a total of SEK 2,000,000, of which the Chairman of the Board will receive SEK 600,000 and other members not employed by the Company will receive 300,000 SEK each.
Furthermore, it was decided that remuneration for work in the board's committee shall be paid with SEK 75,000 to the chairman of the audit committee, SEK 50,000 to the chairman of the remuneration committee and SEK 25,000 each to the respective member for work within these committees. The board members are not entitled to any benefits after their assignment as board members has ended.

For more information about renumeration to the Board see Note 7.

Remuneration to the CEO and Senior Executives
The Board has decided on current remuneration levels and other terms of employment for the CEO and for other senior executives. The employment agreements with the CEO and members of the company management contain a mutual notice period of six months.
In addition to the salary, neither the CEO nor senior executives are entitled to any severance pay during the notice period.

All senior executives are entitled to an occupational pension based on a pension insurance. The CEO's employment agreement includes a non-compete clause that restricts the CEO from competing with the Group for a period of nine months after the termination of employment.

Information on remuneration to the CEO and the management team is provided in Note 8.

Control Environment
Internal control includes control of the Company's and the Group's organization, routines and support measures. The purpose is to ensure that the financial reporting is reliable and correct, that the Company's and the Group's financial reporting is prepared in accordance with law and applicable accounting standards, that the Company's assets are protected and that other requirements are met. The internal control system shall also monitor compliance with the Company's and the Group's policies, principles and instructions. Internal control also includes risk analysis and follow-up of the incorporation of information and business systems.

The Group identifies, evaluates and manages risks based on the Group's vision and goals. A risk assessment of compliance with the Company's commitments as well as strategic, operational and financial risks shall be carried out annually by the CFO and presented to the Board.

The board is responsible for internal control. In order to create and maintain a functioning control environment, the Board has adopted a number of policies, guidelines and governing documents regarding financial reporting. These documents mainly consist of the Board's rules of procedure, CEO instructions, instructions for financial reporting and instructions for the committees that have been appointed by the Board. The Board has also adopted certification instructions and a financial policy. The company also has a financial manual that contains principles, guidelines and routines for accounting and financial reporting. In addition, the Board has adopted a number of IT-related policies in which issues such as data recovery are addressed. Furthermore, the Board has established an Audit Committee whose primary task is to monitor financial reporting, the effectiveness of internal control and risk management, and to evaluate and monitor the auditor's independence.

Processes that control the business and deliver value must be defined within the company management system. The CEO is responsible for the process structure within the Group.

Every year, an internal evaluation must be made of the minimum requirements for defined controls that reduce identified risks for each business process. A report on the evaluation shall be given to the board. The CFO is responsible for the self-evaluation process made possible by the internal control function. In addition, the internal control function conducts reviews of the system for risk management and internal control in accordance with a plan agreed with the board and company management.

Board of Directors

Board of directors
The Company's board of directors consists of six ordinary members, including the chairman of the board, with no deputy board members, all of whom has been elected for the period up until the end of the annual shareholders' meeting 2024. The table below shows the members of the board of directors, when they were first elected and whether they are considered to be independent of the Company and/or the Major Shareholders.

In the section below, information on the respective board member's and executive management's holding of shares and warrants in the Company is made as of 31 March 2024.

			Independent of	
Name	**Position**	**Member since**	**The Company and executive management**	**The major shareholders**
Ingrid Jonasson Blank	Chairman	2018	Yes	Yes
Anneli Lindblom	Board member	2021	Yes	Yes
Deepak Mishra	Board member	2024	Yes	Yes
Linus Liljegren	Board member	2016	Yes	No
Patrik Rees	Board member	2016	Yes	No
Adam Schatz	Board member	2024	Yes	Yes

Ingrid Jonasson Blank

Born 1962. Chairman of the board since 2018.

Education:	BSc. School of Business at the University of Gothenburg.
Other current assignments:	Chairman of the board of directors in Kjell Group AB (publ) and Aim Apparel AB. Member of the board of directors in Bilia AB, City Gross Sverige AB, Astrid Lindgren Aktiebolag, Musti Group Oy (publ), Meds AB and Forenom Group Oy.
Previous assignments (last five years):	Member of the board of directors in Martin & Servera Aktiebolag, Ambea AB (publ), Kulturkvarteret Astrid Lindgrens Näs AB, Matse Holding AB (publ), BHG Group AB (publ), Orkla ASA (publ) and Fiskars Group Oyj (publ). Chairman of the board of directors in Cosmetic Group Holding AS.
Shares and warrants in the Company:	Ingrid Jonasson Blank holds as of 31 March 2025, 188,347 shares in the company.
Remuneration 2024:	SEK 650,000.

Anneli Lindblom

Born 1967. Board member since 2021.	
Education:	Business and economics, Frans Schartau Business Institute.
Other current assignments:	CFO Pandox AB (publ), Member of the board of directors in i Logistea AB (publ), Member of the board of directors in Kollektivavtalsinformation Sverige AB and chairman of the board of directors in NoClds AB.
Previous assignments (last five years):	Member of the board of directors in Amasten Fastighets AB (publ) and Hemfosa Fastigheter AB. CFO and external CEO in Cabonline Holding Group AB. CFO and external deputy CEO in Acando AB (publ)
Shares and warrants in the Company:	Anneli Lindblom holds as of 31 March 2024, no shares in the company.
Remuneration 2024:	SEK 375,000.

Deepak Mishra

Born 1971. Board member since 2024.	
Education:	Master's degree (MBA Marketing, Systems) from the Indian Institute of Management, Lucknow, India and a Bachelor's degree (BE, Hons, Computer Science) from Birla Institute of Technology & Science, Pilani, India.
Other current assignments:	Operating partner in the investment company Global Asset Capital.
Previous assignments (last five years):	President of Philip Morris International's American operations and involved in the company's transformation to smoke-free products.
Shares and warrants in the Company:	Deepak Mishra holds as of 31 March 2025 no shares in the company.
Remuneration 2024:	SEK 217,00.

Linus Liljegren

Born 1990. Board member since 2016.	
Education:	No formal education.
Other current assignments:	Member of the board of directors in Solafide Capital AB. Alternate board member in GR8 Ventures AB and Retentor AB.
Previous assignments (last five years):	Member of the board of directors in Snusbolaget Norden AB.
Shares and warrants in the Company:	Linus Liljegren holds, through partly-held company[1], as of 31 March 2025, 1 960 301 shares in the company.
Remuneration 2024:	Waives compensation.

1. GR8 Ventures AB.

Patrik Rees

Born 1968. Board member since 2016.

Education:	Education in Process Engineering, Electronics & Microdata Engineering, IHM Business School (incomplete degree).
Other current assignments:	Chairman of the Board and Board member of e-Business Partner Norden AB. Board member of Icehotel Aktiebolag, Eastcoast Capital AB, ProteinBolaget in Sweden AB, Kalk Management AB, NutriCo Group AB, Tofta Intressenter AB and Corlin Eyewear AB.
Previous assignments (last five years):	Chairman of the board of directors in Frank Agency AB and Gotland Padel Center AB and member of the board of directors in Snusbolaget Norden AB and Klövern Visby AB. Hillmarketing AB, Stor & Liten AB, Stockfiller AB and FöretagsCentrum i Oskarshamn (FCO) Ekonomisk Förening, Lekia Online AB and Babyland Online Nordic AB.
Shares and warrants in the Company:	Patrik Rees holds, through company[1], as of 31 March 2025, 3,627,423 shares in the company.
Remuneration 2024:	SEK 325,000.

Adam Schatz

Born 1974. Board member since 2024.

Education:	Master's degree in Finance, Stockholm School of Economics Bachelor's degree in Theoretical Philosophy, Lund University
Other current assignments:	President and CEO of Nuent Group AB and member of the board of directors for companies within the Nuent Group.
Previous assignments (last five years):	Several key positions in e-commerce and finance, including CFO and CEO of BHG Group AB (2019–2022).
Shares and warrants in the Company:	Adam Schatz holds as of 31 March 2025, 2,000 shares in the company.
Remuneration 2024:	SEK 217,00.

1 Aktier genom Eastcoast Capital AB,

Executive management

Gavin O’Dowd

Born 1978. CEO since 2017.	
Education:	Accountant, Waterford Institute of Technology
Other current assignments:	–
Previous assignments (last five years):	Chairman of the board of directors in Fiedler & Lundgren AB and British American Tobacco Sweden AB. CEO in British American Tobacco Sweden AB.
Shares and warrants in the Company:	Gavin O’Dowd holds as of 31 March 2025, 1,064,256 shares and 155 000 warrants in the company.

Svante Andersson

Born 1987. CFO since 2017.	
Education:	BSc. in Business and Economics, Major in Business Administration, Stockholm University. MSc. in Business and Economics, Major in Finance, Stockholm School of Economics.
Other current assignments:	-
Previous assignments (last five years):	-
Shares and warrants in the Company:	Svante Andersson holds as of 31 March 2025, 49,982 shares and 140,000 warrants in the company.

Peter Deli

Born 1981. CFO since 2023	
Education:	Master’s degree in business administration and economics, Corvinus University, Budapest (Hungary) and the International Business School in Jönköping (Sweden).
Other current assignments:	–
Previous assignments (last five years):	–
Shares and warrants in the Company:	Peter Deli holds as per of 31 March 2025, 215,346 warrants in the company.

Markus Lindblad

Born 1973. Head of External Affairs since 2018.	
Education:	Economic history and political science, Stockholm University.
Other current assignments:	Member of the board of directors in Sirius Consulting & Investment AB. Alternate board member in Aktiebolaget Ramsängen.
Previous assignments (last five years):	Member of the board of directors in British American Tobacco Sweden AB, British American Tobacco Sweden Holding AB, Winnington Aktiebolag, Winnington Holding AB and Winds Global AB.
Shares and warrants in the Company:	Markus Lindbland holds as of 31 March 2025, 192,439 warrants and 50,085 shares in the company.

Other information about the board of directors and executive management
There are no conflicts of interest or potential conflicts of interest between the obligations of members of the board of directors and executive management of the Company and their private interests and/or other undertakings.

All members of the board of directors and the members of the executive management are available at the Company's address, Östgötagatan 12, SE-116 25 Stockholm, Sweden.

Auditor Öhrlings
PricewaterhouseCoopers AB has been the Company's auditor since 2017 and was, at the annual shareholders' meeting 2024 re-elected until the end of the annual shareholders' meeting 2025. Magnus Lagerberg (born 1974) is the auditor in charge since 2021. Magnus Lagerberg is an authorized public accountant and a member of FAR (professional institute for authorized public accountants). Öhrlings PricewaterhouseCoopers AB's office address is Torsgatan 21, SE-112 37 Stockholm, Sweden.

Directors' report

The Board of Directors and the CEO of Haypp Group AB (publ) (559075-6796) hereby submit the annual report and consolidated accounts for the financial year 2024-01-01 - 2024-12-31. The company is based in Stockholm. The annual report has been prepared in Swedish kronor.

Company information

The Group is active in e-commerce with nicotine products, primarily nicotine pouches and snus. The Group operates a number of different e-commerce stores under the brands Snusbolaget, Snushjem, Snuslageret, Snus.com, Haypp, Snusmarkt, Northerner, Nicokick, Nettotobak, Snusnetto and Vapeblobe. Operations are conducted in both Europe and the US through the various e-commerce stores and local offices are established in Stockholm, Oslo and Washington. Products are purchased from external suppliers and stocked before sale to consumers. Deliveries from the Group's various warehouses to consumers take place through external freight suppliers.

The parent company is a holding company that holds shares in companies with operations in e-commerce with nicotine products.

Shareholders

Owners holding more than 10% of the number of shares in the company are GR8 Ventures AB, Patrik Rees and Northerner Holding AB.

Financial highlights

- Net sales increased by 21 percent on a comparable basis (16 percent reported) to SEK 3,680 million (SEK 3,166 million), with organic sales growth of 17 percent. Comparable basis reflects the growth rate excluding the impact of the Zyn shortage and the restructuring of the US operations. The increase in net sales was supported by the rapid growth in the nicotine products segment across all geographies, which more than offset the decline in snus in our core markets. Sales in emerging markets grew rapidly and supported overall sales growth.
- Adjusted EBITDA margin increased to 5.6 percent (4.3 percent). On a comparable basis, the adjusted EBITDA margin increased to 7.3 percent, mainly due to economies of scale and positive effects from the Group's media and marketing sales. In 2024, the Group established a new segment that includes vape and heat-not-burn products, with commercial investments and a high proportion of fixed costs in relation to volumes as a result.
- Operating profit (EBIT) amounted to SEK 64 million (SEK 22 million). The growth was driven by the increased gross margin, which was partly reinvested in capacity increases in marketing and external relations. The capacity increases have resulted in an increase in personnel costs.
- Total assets increased to SEK 1,184 million (SEK 1,055 million). The increase was driven by current assets, where both inventories, accounts receivable and the balance of cash and cash equivalents increased.
- Cash flow from operating activities amounted to SEK 195 million (SEK 81 million). Cash flow from operating activities amounted to SEK 180 million, while the decrease in working capital contributed SEK 16 million.
- Cash and cash equivalents at the end of the year amounted to SEK 35 million (SEK 11 million). Unutilized credit facilities amounted to SEK 99 million (SEK 32 million).

Significant events during the financial period

The Group has ongoing legal proceedings in Stockholm, Sweden, and San Francisco, California. The Group's legal actions continue and a resolution is expected within 12–24 months. Provisions for the Group's estimated costs amount to SEK 11 million.

During the financial year, three new companies were acquired, Snusbolaget Europa AB (corp. no. 559466-7122) with operations in Sweden and the dormant warehouse companies Haypp Sverige AB (corp. no. 559505-9964) and Nicokick AB (corp. no. 559505-9972).

Group financial summary

SEK thousands	2024	2023	2022	2021	2020
Net sales	3,679,800	3,165,720	2,598,813	2,266,765	1,729,171
EBITDA	180,205	118,680	99,113	35,768	30,054
Items affecting comparability	30,377	15,898	3,352	35,237	30,500
Adjusted EBITDA	205,795	134,578	102,465	71,005	60,554
Adjusted EBITDA margin, %	5,6	4,3	3,9	3,1	3,5
Operating profit/loss	64,153	22,307	15,222	–22,622	–14,331
Balance sheet total	1,183,513	1,055,144	1,021,280	925,993	549,619

Significant events after the end of the financial period

In February, the Group acquired Snusvaruhuset Sweden AB (corp. no. 559396-0957). The acquisition is part of the Group's reorganization.

Expected future development and significant risks and uncertainties

The growing consumer demand for less harmful nicotine products and the regulatory developments in many of Haypp Group's growth markets are considered to be two drivers for Haypp Group's future growth. In line with the company's strategy, Haypp Group continues to develop our distribution capabilities to improve the customer experience through shorter lead times and localized "last mile solutions" and to ensure capacity for future expected growth. Based on the positive effects and financial development in 2024, the company will continue to invest in local teams in certain geographic markets with clear mandates and responsibilities. To continue riding the wave of increasing demand, growth will be prioritized over profitability, and both resources and investments will be redirected towards markets that show favorable conditions such as DACH, the UK and the US as well as Haypp Group's main markets Sweden and Norway.

Haypp Group is exposed to a number of both business and financial risks. The business risks can in turn be divided into strategic, operational and legal risks. Risk management within the Group aims to identify, control and reduce risks. This is done based on an assessment of the probability of the risks and the potential effect for the Group. The risks and uncertainties of the Parent Company are indirectly the same as for the Group. Changing legal conditions in the markets where the Group operates constitute the main uncertainty factor, where the effect of such changes can be both positive and negative for the Group. The Group invests significant resources in proactively working with decision-makers and presenting our view on risk reduction regarding nicotine use. This includes sharing our data to support our views and generally participating in the general debate around nicotine use.

Sustainability work

This report pertains to Haypp Group AB, corporate identity no. 559075-6796, and its subsidiaries*. Haypp Group reports its sustainability work based on our materiality assessment. These sustainability aspects follow the Global Reporting Initiatives standard and have been assessed as material in relation to the Group´s business and stakeholders' expectations. The GRI Standards (GRI 1, GRI 2 and GRI 3) are used for reporting as the basis for Haypp Group's sustainability report for the fiscal year of 2024.

In accordance with ÅRL Chapter 6, Section 11, Haypp Group has chosen to prepare the statutory sustainability report as a sustainability report separate from the annual report.

Reporting takes place annually and the reporting period for the Group's sustainability report is the calendar year 2024.

Proposed disposition of profit or loss

The following profits (SEK) are available to the Annual General Meeting:

Share premium fund	701,269,361
Retained earnings (including net profit/loss for the year)	–32,806,009
Total	**668,463,352**

The Board of Directors proposes that the profits be used so that they are transferred to a new accounting period	668,463,352

Consolidated income statement

Amounts in KSEK	Notes	2024	2023
Net sales	4	3,679,800	3,165,720
Capitalised work on own account		32,383	24,371
Other operating income	5	3,197	3,542
Total		**3,715,380**	**3,193,633**
Goods for resale	19	–3,127,118	–2,763,084
Other external costs	6	–177,425	–128,784
Personnel expenses	7	–227,980	–180,313
Depreciation and amortization of tangible and intangible assets	14, 15, 17	–116,053	–96,374
Other operating expenses	8	–2,652	–2,771
Sum expenses		**–3,651,227**	**–3,171,326**
Operating profit/loss		**64,153**	**22,307**
Financial income/expense	9		
Financial income		23,082	19,647
Financial expenses		–28,294	–34,092
Financial net		**–5,212**	**–14,445**
Earnings Before Tax		**58,940**	**7,862**
Income tax	10	–13,959	–2,825
Profit/loss for the period		**44,981**	**5,036**
Profit/loss for the period attributable to:			
The parent company's shareholders		44,981	5,036
Earnings per share, calculated on the earnings attributable to the parent company's shareholders during the period:			
Earnings per share before dilution (SEK)		1.51	0.17
Earnings per share after dilution (SEK)		1.46	0.17

Consolidated statement of comprehensive income

Amounts in KSEK	Notes	2024	2023
Profit/loss for the period		**44,981**	**5,036**
Other comprehensive income:			
Items that may be reclassified to profit or loss			
Foreign currency translation differences		5,560	-8,924
Total other comprehensive income		**5,560**	**-8,924**
Total Comprehensive income		**50,541**	**-3,888**
Total comprehensive income for the year attributable to:			
Parent company shareholders		50,541	-3,888
Average number of shares before dilution		29,839,088	29,342,396
Average number of shares after dilution		30,807,543	29,720,859

Consolidated balance sheet

Amounts in KSEK	Notes	2024-12-31	2023-12-31
ASSETS			
Fixed assets			
Intangible assets	14		
Goodwill	12	158,038	155,062
Customer relationships		76,742	91,369
Trademarks		101,790	120,179
Websites		13,332	18,960
Capitalized development costs		134,337	102,033
Total intangible assets		**484,240**	**487,604**
Tangible assets	15		
Leasehold improvements		3,294	1,541
Equipment		28,361	3,406
Total tangible assets		**31,656**	**4,947**
Financial assets			
Non-current receivables	16	13,579	7,250
Total financial assets		**13,579**	**7,250**
Right-of-use assets	17	102,357	103,719
Deferred tax assets	18	10,953	15,291
Total fixed assets		**642,785**	**618,811**
Current assets			
Inventories			
Goods for resale	19	298,672	263,338
Current receivables			
Accounts receivable	20	100,463	70,197
Current tax recoverable		649	2,113
Other receivables	21	33,488	38,026
Prepaid expenses and accrued income	22	72,233	51,235
Cash and cash equivalents	23	35,223	11,424
Total current receivables		**242,056**	**172,995**
Total current assets		**540,728**	**436,333**
TOTAL ASSETS		**1,183,513**	**1,055,144**

Consolidated balance sheet cont.

Amounts in KSEK	Notes	2024-12-31	2023-12-31
EQUITY AND LIABILITIES			
EQUITY	25		
Share capital		1,955	1,955
Other contributed capital		701,269	694,627
Translation differences		–3,943	–9,503
Retained earnings (including net profit/loss for the year)		–43,330	–88,312
Total equity		**655,950**	**598,767**
LIABILITIES			
Non-current liabilities			
Non-current lease liability	17, 26	72,216	69,424
Deferred tax liabilities	18	20,482	18,489
Other liabilities		746	2,182
Total non-current liabilities		**93,444**	**90,095**
Current liabilities			
Bank overdraft	26	103,801	136,377
Current lease liability	17, 26	28,249	30,078
Accounts payable		200,827	110,623
Current tax liabilities		3,701	296
Other liabilities	27	13,043	29,879
Other provisions	28	14,211	0
Accrued expenses and deferred income	29	70,287	59,029
Total current liabilities		**434,119**	**366,282**
Total liabilities		**527,563**	**456,377**
TOTAL EQUITY AND LIABILITIES		**1,183,513**	**1,055,144**

The notes on pages 36–61 form an integral part of these consolidated financial statements.

Consolidated statement of changes in equity

Amounts in KSEK	Share capital	Other contri-buted capital	Translation differences	Retained earnings	Total equity
Opening balance, 2023-01-01	**1,908**	**689,558**	**–579**	**–93,348**	**597,539**
Profit/loss for the year				5,036	5,036
Other comprehensive income for the year			–8,924		–8,924
Total comprehensive income	**0**	**0**	**–8,924**	**5,036**	**–3,888**
New share issue *	47	5,069			5,116
Total transactions with shareholders in their attribute as shareholders	**47**	**5,069**	**0**	**0**	**5,116**
Closing balance, 2023-12-31	**1,955**	**694,627**	**–9,503**	**–88,312**	**598,767**
Opening balance, 2024-01-01	**1,955**	**694,627**	**–9,503**	**–88,312**	**598,767**
Profit/loss for the year				44,981	44,981
Other comprehensive income for the year			5,560		5,560
Total comprehensive income	**0**	**0**	**5,560**	**44,981**	**50,541**
New share issue *	0	4,179			4,179
Value of employee services		2,463			2,463
Total transactions with shareholders in their attribute as shareholders	**0**	**6,642**	**0**	**0**	**6,642**
Closing balance, 2024-12-31	**1,955**	**701,269**	**–3,943**	**–43,330**	**655,950**

* After deduction of issue costs

Consolidated statement of cash flow

Amounts in KSEK	Notes	2024	2023
Cash flow from operating activities			
Operating loss		64,153	22,307
Adjustment for non-cash items:			
- Depreciation and amortization of tangible and intangible assets		116,053	96,374
- Other non-cash items	34	12,841	–2,122
Interest received		278	177
Interest paid		–11,176	–11,254
Income tax paid		–3,088	–3,283
Cash flow from operating activities before change in working capital		**179,060**	**102,198**
Cash flow from change in working capital			
Increase/decrease in inventories		–28,370	–47,743
Increase/decrease in operating receivables		–40,777	–13,063
Increase/decrease in operating liabilities		84,720	39,155
Total change in working capital		**15,573**	**–21,650**
Cash flow from operating activities		**194,632**	**80,548**
Cash flow from investing activities			
Acquisition of subsidiaries after deduction for acquired cash and cash equivalents	12	–1,522	–53
Investment in intangible assets	14	–71,486	–58,146
Investment in tangible assets	15	–34,314	–2,356
Disposal of tangible assets		375	0
Change in other financial assets		–8,015	–459
Cash flow from investing activities		**–114,963**	**–61,014**
Cash flow from financing activities	33		
New loans		1,111	1,450
Change bank overdraft		–32,576	21,769
Repayment of loans		–3,856	–28,856
Repayment of leasing debt	17	–26,587	–22,485
New share issue *	25	4,179	5,116
Cash flow from financing activities		**–57,729**	**–23,005**
Decrease/increase in cash and cash equivalents			
Opening cash and cash equivalents		11,424	15,196
Cash flow for the period		21,941	–3,471
Exchange-rate differences in cash and cash equivalents		1,858	–301
Closing cash and cash equivalents		**35,223**	**11,424**

* Cost after deduction of issue costs

Notes

1 General information

Haypp Group AB (publ) with corporate ID number 559075–6796 is a limited liability company registered in Sweden with its registered office in Stockholm. The address of the head office is Östgötagatan 12, 116 25 Stockholm. The Group's operations comprise sales of tobacco and nicotine products as well as operations compatible therewith.

Shareholders representing more than 10% of the number of shares in the company are GR8 Ventures AB, Patrik Rees and Northerner Holding AB.

The company is the parent company in a group with the wholly owned subsidiaries Snusbolaget Norden AB (556801-3683), Nicokick AB (559505-9972), Haypp Sverige AB (559505-9964) and Northerner Scandinavia AB (556559-1699) all based in Stockholm. Furthermore, Haypp Group AB is the parent company of the wholly owned subsidiary Snushjem.no AS with its registered office in Norway, and Haypp Limited with its registered office in UK. Northerner Scandinavia AB in turn owns Snusbolaget Europa AB (559466-7122) with its registered office in Haninge and Northerner Scandinavia Inc.

Unless otherwise stated, all amounts are reported in thousands of kronor (KSEK).

2 Summary of important accounting principles

2 Summary of important accounting principles

The consolidated financial statements have been prepared in accordance with the Annual Accounts Act, RFR 1 Supplementary Accounting Rules for Groups, as well as International Financial Reporting Standards (IFRS) and interpretations from the IFRS Interpretations Committee (IFRS IC) as adopted by the EU. It has been prepared in accordance with the acquisition value method, except for financial assets and liabilities valued at fair value via the income statement.

Preparing reports in accordance with IFRS requires the use of some important estimates for accounting purposes. Furthermore, management is required to make certain assessments when applying the Group's accounting principles. The areas that include a high degree of assessment, which are complex or such areas where assumptions and estimates are of significant importance for the consolidated accounts are stated in Note 2.22. Significant estimates and assessments for accounting purposes.

2.2 New and amended standards not yet applied by the Group

A number of new standards, amendments in standards and interpretations that have been published, enter into force for financial years beginning after 1 January 2024 and have not been applied in the preparation of this financial report.

IFRS 18 will replace IAS 1 Presentation of Financial Statements, and introduce new requirements that will help achieve comparability in the reporting of financial results for similar entities and provide users with more relevant information and transparency. Although IFRS 18 will not affect the recognition or measurement of items in the financial statements, its effects on presentation and disclosure are expected to be pervasive, particularly those related to the income statement and performance measures defined by management.

Management is currently evaluating the precise consequences of applying the new standard to the consolidated financial statements.

2.3 Consolidated financial statements

Subsidiaries

Subsidiaries are all companies over which the Group has a controlling influence. The Group controls a company when it is exposed to or has the right to a variable return from its holding in the company and has the opportunity to influence the return through its influence in the company. Subsidiaries are included in the consolidated financial statements from the date on which the controlling influence is transferred to the Group. They are excluded from the consolidated financial statements from the date on which the controlling influence ceases.

The acquisition method is used to report the Group's business acquisitions. The purchase price for the acquisition of a subsidiary consists of the fair value of transferred assets, liabilities that the Group incurs to previous owners of the acquired company and shares issued by the Group. The purchase price also includes the fair value of all assets or liabilities that are a consequence of an agreement on a contingent purchase price. Identifiable acquired assets and assumed liabilities in a business combination are valued, with a few exceptions, initially at fair values on the acquisition date.

Every contingent purchase price to be transferred by the Group is reported at fair value at the time of acquisition. Subsequent changes in the fair value of a contingent consideration that is classified as an asset or liability are reported in the income statement. Contingent consideration that is classified as equity is not revalued and subsequent settlement is reported in equity.

For each acquisition, i.e. acquisition by acquisition, the Group decides whether non-controlling interests in the acquired company are reported at fair value or at the holding's proportionate share in the carrying amount of the company's identifiable net assets.

2.4 Foreign currency translation

Functional currency and reporting currency

The various units in the Group have the local currency as the functional currency as the local currency has been defined as the currency used in the primary economic environment in which each unit is mainly active. In the consolidated accounts, Swedish kronor (SEK) is used, which is the parent company's functional currency and the group's reporting currency.

Transactions and balance sheet items

Transactions in foreign currency are translated into the functional currency according to the exchange rates that apply on the transaction date. Exchange rate gains and losses that arise from the payment of such transactions and from the translation of monetary assets and liabilities in foreign currency at the exchange rate on the balance sheet date are reported in the operating profit in the statement of comprehensive income.

Exchange rate gains and losses relating to loans and cash and cash equivalents are reported in the statement of comprehensive income as financial income or financial expenses. All other exchange rate gains and losses are reported in the items other operating expenses and other operating income in the statement of comprehensive income.

Translation of foreign group companies

Earnings and financial position for all Group companies that have a functional currency other than the reporting currency are translated into the Group's reporting currency. Assets and liabilities for each of the balance sheets are translated from the functional currency of the foreign operations to the Group's reporting currency, Swedish kronor, at the exchange rate prevailing on the balance sheet date. Income and expenses for each of the income statements are translated into Swedish kronor at the average exchange rate that existed at each transaction date. Translation differences that arise from currency translation of foreign operations are reported in other comprehensive income. Accumulated gains and losses are reported in the profit for the period when the foreign operations are divested in whole or in part.

Goodwill and fair value adjustments that arise on the acquisition of a foreign operation are treated as assets and liabilities in this operation and are translated at the exchange rate on the balance sheet date.

2.5 Revenue recognition

Haypp's main revenue streams are:

- Sales of snus and nicotine products online
- Sale of online marketing space
- Sales of market research
- Sales of services via analysis tools

Sales of goods

Revenues from agreements with customers mainly comprise sales of snus and nicotine products online. Sales are reported as revenue at the time the control of the goods is transferred, which occurs when the products are delivered to the customer, and there are no unfulfilled commitments that may affect the customer's approval of the goods. Delivery takes place when the goods have been transported to the agreed location and the risks of obsolete or lost goods have been transferred to the customer. Shipping is not considered a separate performance commitment and is reported as part of product sales.

Revenue from agreements with customers is valued at the transaction price that reflects the compensation that the Group expects to receive from the sale of the goods, after deduction of VAT and other sales taxes. In connection with the transaction price, the Group considers whether there are other commitments that constitute separate performance commitments and to which the transaction price is to be allocated, and the effects of variable compensation that affect the transaction amount. Variable remuneration includes, among other things, discounts and product returns and is reported as a deduction from income based on the amounts that the Group expects to repay.

Services

The Group enters into agreements with certain parties that include the provision of marketing services, market research and services via analysis tools. Revenue from the services provided is reported in the period in which they are provided. Revenues from services in the form of marketing take place at a time in connection with products being exposed and marketed by the Group.

2.6 Leasing

The Group acts as a lessee. The Group's leasing agreements where the Group is the lessee essentially refer to premises, machines, trucks, office equipment and various equipment.

Leasing – the group as lessee

For all leasing agreements, except for the exceptions mentioned below, a right-of-use asset and a corresponding leasing liability are reported on the day on which the leased asset is available for use by the Group. Each lease payment is divided between the repayment of the debt and the financial cost. The financial cost shall be distributed over the leasing period so that each accounting period is charged with an amount corresponding to a fixed interest rate for the debt reported during the respective period.

Rights-of-use assets are amortized on a straight-line basis over the shorter of the asset's useful life and the length of the lease. The leasing agreements run for periods of 1-8 years, but options to extend or terminate the agreements exist.

Assets and liabilities arising from leasing agreements are initially reported at the present value of future leasing fees. Leasing liabilities include the present value of the following leasing payments:
- fixed fees
- variable leasing fees that depend on an index or interest rate
- residual value guarantees
- call options (which will be exercised with reasonable certainty)

Lease payments are discounted with the implicit interest rate when it can be determined easily, otherwise the marginal loan interest rate is used.

Right-of-use assets are valued at acquisition value and include the following:
- the initial valuation of the lease liability, and
- payments made at or before the time when the leased asset is made available to the lessee.
- any initial direct expenditure, and
- estimation of any costs for dismantling and removal of the underlying asset, restoration of the location where it is located or restoration of the underlying asset to the condition prescribed in the terms of the lease.

The Group applies the exemption attributable to non-leasing components and has chosen not to separate these from leasing fees attributable to premises.

The Group applies the exemption in IFRS 16, which means that leasing fees attributable to short-term leasing agreements and leasing agreements for which the underlying asset has a low value are not reported as a right-of-use asset and leasing liability but are reported as an expense on a straight-line basis over the leasing period. Short-term leasing agreements are agreements with a leasing period of 12 months or less. Leasing agreements for which the underlying asset has a low value essentially refer to office equipment.

Options to extend and terminate agreements
Options to extend or terminate agreements are included in the Group's leasing agreements regarding offices. The terms are used to maximize the flexibility in the handling of the agreements. Options to extend or terminate agreements are included in the asset and liability as it is reasonably certain that they will be exercised.

Accounting in subsequent periods
The lease liability is revalued if there are any changes in the lease agreement or if there are changes in the cash flow that are based on the original contract term. Changes in cash flows based on original contract terms occur when; the group changes its initial assessment of whether options for extension and/or termination will be exercised, there will be changes in previous assessments if a call option will be exercised, leasing fees will change due to changes in the index or interest rate. A revaluation of the lease liability leads to a corresponding adjustment of the right-of-use asset. If the carrying amount of the right-of-use asset has already been reduced to zero, the remaining revaluation is reported in the income statement. The right-of-use asset is tested for impairment whenever events or changes in conditions indicate that the carrying amount of an asset cannot be recovered.

Presentation
Right-of-use assets and lease liabilities are reported on a separate line in the balance sheet. Depreciation of right-of-use assets is reported in the income statement on the line depreciation and the interest expense on the lease liability is reported as a financial expense. Leasing fees attributable to low-value leasing agreements and short-term leasing agreements are reported in the income statement under Other external costs. Repayment of the lease liability is reported as cash flow from financing activities. Payments of interest as well as payments of short-term leasing agreements and leasing agreements of low value are reported as cash flow from operating activities.

2.7 Current and deferred income tax
The tax expense for the period comprises current tax calculated on the tax profit for the period according to current tax rates. The current tax expense is adjusted with changes in deferred tax assets and liabilities that relate to temporary differences and unutilized deficits.

The current tax cost is calculated on the basis of the tax rules that are decided on the balance sheet date or in practice decided in the countries where the parent company and its subsidiaries are active and generate taxable income. Management regularly evaluates the claims made in self-declarations regarding situations where applicable tax rules are subject to interpretation. It makes, when deemed appropriate, provisions for amounts that are likely to be paid to the tax authority.

Deferred tax is reported on all temporary differences that arise between the tax value of assets and liabilities and their reported values in the consolidated accounts. However, deferred tax liabilities are not reported if they arise as a result of the initial recognition of goodwill. Deferred tax is also not reported if it arises as a result of a transaction that constitutes the first recognition of an asset or liability that is not a business combination and which, at the time of the transaction, does not affect the reported or taxable result. Deferred income tax is calculated by applying tax rates (and laws) that have been decided or announced on the balance sheet date and that are expected to apply when the relevant deferred tax asset is realized or the deferred tax liability is settled.

Deferred tax assets are reported to the extent that it is probable that future taxable surpluses will be available, against which the temporary differences can be utilized.

Deferred tax assets and liabilities are set off when there is a legal right of set-off for current tax claims and tax liabilities and when the deferred tax assets and liabilities relate to taxes debited by one and the same tax authority and refer to either the same tax subject or different tax subjects, where there is an intention to regulate balances through net payments.

Current and deferred tax are reported in the statement of comprehensive income, except when the tax refers to items that are reported in other comprehensive income or directly in equity. In such cases, the tax is also reported in other comprehensive income and equity.

2.8 Intangible assets
Goodwill
Goodwill arises on the acquisition of subsidiaries and refers to the amount by which the purchase price, any non-controlling interest in the acquired company and the fair value on the acquisition date of the previous equity share in the acquired company exceeds the fair value of identifiable acquired net assets.

In order to test impairment, goodwill acquired in a business combination is allocated to cash-generating units or groups of cash-generating units that are expected to benefit from synergies from the acquisition. Each unit or group of units to which goodwill has been allocated corresponds to the lowest level in the Group at which the goodwill in question is monitored in internal management. Goodwill is monitored based on operating segments.

Trademarks, customer relationships and websites
Trademarks, customer relationships and websites acquired through a business combination are reported at fair value on the acquisition date. Trademarks, customer relationships and websites have a definable useful life and are reported at acquisition value less accumulated depreciation. Depreciation is made on a straight-line basis to distribute the cost of trademarks, customer relationships and the website over their estimated useful life of 10 years.

Capitalized development expenses and similar
Capitalized expenses for development work and similar work essentially consist of capitalized expenses for development. The Group continuously evaluates whether internally generated intangible assets, such as capitalized expenses for development work, can be capitalized.

The following criteria must be met in order for internally generated intangible assets to be activated:
- it is technically possible to complete the internally generated intangible asset so that it can be used;
- the company's intention is to complete the internally generated intangible asset and to use or sell it;
- there are conditions for using or selling the internally generated intangible asset;
- it can be shown how the internally generated intangible asset generates probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the internally generated intangible asset are available, and the expenses attributable to the internally generated intangible asset during its development can be calculated reliably.

Other development expenses, which do not meet these criteria, are expensed as incurred. Expenses for development that were previously expensed are not reported as an asset in the subsequent period.

Capitalized development expenses that are reported as intangible assets are depreciated from the time the asset is ready for use. The capitalized expenses are attributable to the development of new products. Capitalized expenses for development are amortized on a straight-line basis over the forecast useful life, which amounts to 5 years.

2.9 Tangible fixed assets
Tangible fixed assets include equipment and improvement expenses on someone else's property. Tangible fixed assets are reported at acquisition value less depreciation. The acquisition value includes expenses that can be directly attributed to the acquisition of the asset.

Additional expenses are added to the asset's carrying amount or are reported as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the asset will benefit the Group and the asset's acquisition value can be measured reliably. The carrying amount of the replaced part is removed from the statement of financial position. All other forms of repairs and maintenance are reported as costs in the statement of comprehensive income during the period in which they arise.

Depreciation of property, plant and equipment, in order to distribute their acquisition value down to the estimated residual value over the estimated useful life, is made on a straight-line basis as follows:

- Improvement expenses on someone else's property are depreciated according to the length of the contract period
- Equipment 3–5 years

The assets' residual values and useful lives are tested at the end of each reporting period and adjusted if necessary.

The carrying amount of an asset is immediately written down to its recoverable amount if the carrying amount of the asset exceeds its estimated recoverable amount.

Gains and losses on divestments are determined through a comparison between sales proceeds and the carrying amount and are reported in other operating income or other operating expenses net in the statement of comprehensive income.

2.10 Write-downs of non-financial assets
Goodwill that has an indefinite useful life or intangible assets that are not ready for use is not amortized but is tested annually, or when there is an indication of impairment, regarding any need for impairment. Assets that are depreciated are assessed with respect to impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and its value in use. When assessing impairment, assets are grouped at the lowest levels where there are substantially independent cash flows (cash-generating units). For assets (other than goodwill) that have previously been written down, an assessment is made on each balance sheet date as to whether reversal should be made.

2.11 Financial instruments
Accounting and removal from the balance sheet
Financial assets and financial liabilities are reported when the Group becomes a party to the instrument's contractual terms. Purchases and sales of financial assets and liabilities are reported on the business day, the date on which the Group undertakes to buy or sell the asset or liability.

A financial asset is removed from the statement of financial position when the right to receive cash flows from the instrument has expired or has been transferred and the Group has transferred virtually all risks and benefits associated with ownership. A financial liability is removed from the statement of financial position when the obligations have been settled, canceled or otherwise terminated. Gains and losses that arise from cancellations from the balance sheet are reported directly in the income statement.

Classification and valuation
Financial assets
Financial assets are reported at fair value at the first reporting date plus, in cases where the asset is not reported at fair value via the income statement, transaction costs that are directly attributable to the purchase. Transaction costs attributable to financial assets that are reported at fair value via the income statement are expensed directly in the income statement.

The Group classifies and values its financial assets in the following categories:
- financial assets that are reported at amortized cost, and
- financial assets that are reported at fair value via the income statement

The classification of financial assets depends on the Group's business model for managing financial assets and the contractual terms for the assets' cash flows. The Group reclassifies financial assets only in cases where the Group's business model for the instruments changes.

Subsequent valuation of financial assets depends on the Group's business model for managing the asset and the type of cash flows the asset gives rise to. The Group classifies its financial assets into two valuation categories:
- Accrued acquisition value (items Other long-term receivables, Accounts receivable, Other receivables, Accrued income, Cash and cash equivalents): Assets held for the purpose of collecting contractual cash flows and where these cash flows only consist of capital amounts and interest, are reported at accrued acquisition value. Interest income from such financial assets is reported as financial income through the application of the effective interest method. Gains and losses that arise from cancellation from the balance sheet are reported directly in the result within other gains and losses together with the exchange rate result. Impairment losses are reported in the income statement.
- Fair value via the income statement (item Accounts receivable): Assets that do not meet the requirements to be reported at accrued acquisition value are valued at fair value via the income statement. A gain or loss for a debt instrument that is reported at fair value via the income statement is reported net in the income statement in the period in which the gain or loss arises.

The part of accounts receivable that is covered by factoring agreements where the Group has transferred the credit risk and the risk of late payment to third parties is reported at fair value via the income statement.

Removal of financial assets
Purchases and sales of financial assets are reported on the business day, the date on which the Group undertakes to buy or sell the asset. Financial assets are removed from the statement of financial position when the right to receive cash flows from the instrument has expired or has been transferred and the Group has transferred virtually all risks and benefits associated with ownership.

Gains and losses that arise from removal from the balance sheet are reported directly in the income statement within financial expenses or financial income.

Financial liabilities
The Group has financial liabilities that are valued after the first reporting date at accrued acquisition value with application of the effective interest method and at fair value via the income statement.

The Group's financial liabilities that are valued at accrued acquisition value consist of the items Bank overdraft, Liabilities to credit institutions, Accounts payable, Other liabilities and Accrued expenses.

Financial liabilities are removed from the statement of financial position when the obligations have been settled, canceled or otherwise terminated. The difference between the carrying amount of a financial liability (or part of a financial liability) that has been eliminated or transferred to another party and the consideration paid, including transferred assets that are not cash or assumed liabilities, is reported in the statement of comprehensive income.

Accounts payable are financial liabilities and refer to obligations to pay for goods and services that have been acquired in the day-to-day operations from suppliers.

Financial liabilities are classified as current liabilities unless the Group has an unconditional right to defer payment of the debt for at least 12 months after the end of the reporting period.

Impairment of financial assets reported at accrued acquisition value
The Group assesses the future expected credit losses that are linked to assets that are reported at accrued acquisition value. The Group reports a credit reserve for such expected credit losses at each reporting date.

For accounts receivable, the Group applies the simplified approach to credit provisions, i.e. the reserve will correspond to the expected loss over the entire life of the accounts receivable. To measure the expected credit losses, accounts receivable have been grouped based on distributed credit risk characteristics and due dates. The Group uses forward-looking variables for expected credit losses. Expected credit losses are reported in the Group's statement of comprehensive income in the item other external costs.

Offsetting of financial instruments
Financial assets and liabilities are set off and reported with a net amount in the statement of financial position, only when there is a legal right to set off the reported amounts and an intention to settle them with a net amount or to simultaneously realize the asset and settle the debt. The legal right must not be dependent on future events and it must be legally binding on the company and the counterparty both in the normal course of business and in the event of suspension of payments, insolvency or bankruptcy.

2.12 Inventories
Inventories are reported at the lower of cost and net realizable value. The acquisition value is determined using the first-in, first-out method (FIFO). The acquisition value of merchandise is determined after deduction of discounts. The net sales value is the estimated sales price in operating activities, less applicable variable sales costs.

2.13 Accounts receivable
Accounts receivable are amounts attributable to customers relating to goods or services sold that are performed in the day-to-day operations. Accounts receivable are initially reported at fair value (transaction price). The Group holds trade receivables for the purpose of collecting contractual cash flows and therefore values trade receivables at subsequent reporting dates at accrued acquisition value with application of the effective interest method, less a provision for expected credit losses.

2.14 Cash and cash equivalents
Cash and cash equivalents include, both in the statement of financial position and in the statement of cash flows, bank balances.

2.15 Share capital
Ordinary shares are classified as equity. Transaction costs that can be directly attributed to the issue of new shares are reported, net after tax, in equity as a deduction from the issue proceeds. Payment of subscription premiums regarding warrants is reported in equity.

Warrants for employees
The Group has issued warrants to employees. The employees have paid the fair value of the warrants. The warrant premium is reported against other contributed capital. The program has been classified as equity settled as the holder will receive shares upon redemption. Upon redemption of the warrants, the exercise price will be reported against equity.

Warrants for third parties
The Group has issued warrants to external parties. These have paid the fair value of the warrants and these instruments meet the criteria for reporting in equity as a fixed number of shares must be delivered. The warrants premium is reported against other contributed capital. Upon redemption of the warrants, the exercise price will be reported against equity.

2.16 Borrowing
Borrowing is initially reported at fair value, net after transaction costs. Borrowing is then reported at accrued acquisition value and any difference between the amount received (net after transaction costs) and the repayment amount is reported in the statement of comprehensive income distributed over the loan period, applying the effective interest method.

Borrowing is removed from the statement of financial position when the obligations have been settled, canceled or otherwise terminated. The difference between the carrying amount of a financial liability (or part of a financial liability) that has been eliminated or transferred to another party and the consideration paid, including transferred assets that are not cash or assumed liabilities, is reported in the statement of comprehensive income.

Borrowing is classified as current liabilities unless the Group has an unconditional right to defer payment of the debt for at least 12 months after the end of the reporting period.

2.17 Accounts payable
Accounts payable are financial instruments and refer to obligations to pay for goods and services that have been

acquired in the day-to-day operations from suppliers. Accounts payable are classified as current liabilities if they fall due within one year. If not, they are reported as long-term liabilities. Accounts payable are initially reported at fair value and thereafter at accrued acquisition value with application of the effective interest method.

2.18 Employee remuneration

Short-term compensation to employees

Liabilities for salaries and benefits, including non-monetary benefits and paid absences, which are expected to be settled within 12 months after the end of the financial year, are reported as current liabilities at the undiscounted amount that is expected to be paid when the debts are settled. The cost is reported in the statement of comprehensive income as the services are performed by the employees. The liability is reported as a liability regarding employee benefits in the Group's statement of financial position.

Pension obligations

The Group only has defined contribution pension plans. A defined contribution pension plan is a pension plan according to which the company pays fixed contributions to a separate legal entity. The Group has no legal or informal obligations to pay additional fees if this legal entity does not have sufficient assets to pay all employee benefits related to the employees' service during the current or previous periods. The fees are reported as personnel costs in the statement of comprehensive income when they fall due for payment.

Share-based compensations

Share-based compensations refer to payments to employees in accordance with the employee stock option programs implemented over the years. Personnel costs are reported for the value of received services and are accrued over the program's vesting periods, calculated as the fair value of the allocated equity instruments. The fair value is determined at the grant date, which is when the group and the employees agree on the terms and conditions of the program. When the program is settled with equity instruments, they are classified as equity-settled, and an amount corresponding to the recognized personnel cost is recorded directly in equity.

The reported cost is initially based on the number of options assumed to be earned, considering how many program participants are expected to remain in service during the vesting period. The number of outstanding options is revised on each balance sheet date until the end of the vesting period.

When the options are exercised, social security contributions must be paid in certain countries for the value of the employee's benefit. A cost and provision for these social security contributions are accrued over the vesting period. The provision for social security contributions is based on the number of options expected to be earned and on the options' fair value at each vesting date until the final exercise of the option.

2.19 Provisions

Provisions are reported when the Group has a legal or informal obligation as a result of previous events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been calculated in a reliable manner. The provisions are valued at the present value of the amount that is expected to be required to settle the obligation. In assessing the probability and estimating the amount, the company considers all available evidence, including the advice of legal counsel. The provision is reviewed regularly and adjusted to reflect new information or changes in circumstances. If an outflow of resources is no longer probable, the provision is reversed. A discount rate before tax is used, which reflects a current market assessment of the time-dependent value of money and the risks associated with the provision. The increase in the provision due to the passage of time is reported as interest expense.

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are measured at the present value of the amount expected to be required to settle the obligation. A pre-tax discount rate is used that reflects current market assessments of the time value of money and the risks specific to the provision. The increase in the provision due to the passage of time is recognized as interest expense.

2.20 Cash flow statement

The cash flow analysis is prepared according to the indirect method. The reported cash flow only includes transactions that resulted in inflows or outflows.

2.21 Important estimates and assessments for accounting purposes

The Group makes estimates and assumptions about the future. The estimates for accounting purposes that result from these will, by definition, rarely correspond to the actual result. The estimates and assumptions that involve a significant risk of significant adjustments in the reported values of assets and liabilities during the next financial year are dealt with in outline below.

Impairment testing for goodwill

Every year, the Group examines whether there is any need for impairment of goodwill, in accordance with the accounting principle described in Note 14. Recycling values for cash-generating units have been determined by calculating value in use. For these calculations, certain assumptions must be made, of which the most important assumptions are sales growth, EBITDA margin, the discount rate and the long-term growth rate. The carrying amount of goodwill amounts to SEK 158,038 thousand as of December 31, 2024. The recoverable amount exceeds the carrying amount of goodwill by a good margin. For more information on impairment testing, see Note 14.

Valuation of deferred tax assets
The Group examines each year whether there is a need for provisions for legal disputes. In case the Group identifies potential future liability in connection with any open legal case, it creates a reserve to cover for future liabilities. The assessment also takes into account current tax legislation and known future changes in the legislation. In addition, the Group is examining the possibility of capitalizing new deferred tax assets regarding the year's tax loss carryforwards, if applicable. Deferred tax assets are only recognized in cases where it is probable that future tax surpluses will be available, against which the temporary difference can be utilized.

Valuation of legal claims
The Group examines each year whether there is a need for provisions for legal disputes. In case the Group identifies potential future liability in connection with any open legal case, it creates a reserve to cover for future liabilities.

3 Financial Risk Factors

3.1 Financial Risk Factors

Through its operations, the Group is exposed to a number of different financial risks, such as: various market risks (currency risk and interest rate risk), credit risk, liquidity risk and refinancing risk. The Group strives to minimize potential adverse effects on the Group's financial results. The objective of the Group's financial operations is to:

- ensure that the Group can fulfill its payment obligations,
- manage financial risks,
- ensure access to the necessary funding, and
- optimize the group's net financial items.

The Group's risk management is managed by a central finance department that identifies, evaluates and hedges financial risks in close collaboration with the Group's operating units. The Group has a finance policy that sets out guidelines and frameworks for the Group's financial operations. The responsibility for managing the Group's financial transactions and risks is centralized to the Parent Company.

Market risks
Currency risk
The Group is exposed to currency risks that arise from various currency exposures, primarily regarding the pound (GBP), Norwegian krone (NOK) and dollars (USD) as the company has foreign subsidiaries with these functional currencies.

In the Group, currency risk arises from the translation of foreign subsidiaries' income statement and balance sheet to the Group's reporting currency, which is SEK, so-called balance sheet exposure.

Furthermore, there is a currency risk in the revaluation of the Group intercompany balances that are revalued at the exchange rate on the balance sheet date and the cash transfers that take place as part of the financing within the Group. See the table below for a summary.

Transaction risks that arise mainly from exports from Sweden to Europe also constitute a risk, but linked to the turnover rate, it is not a significant risk factor.

Most purchases are made in local currency, but in cases where purchases are made from foreign suppliers, a transaction risk also arises which is currently considered to be low risk linked to turnover rate and the insignificance of the amounts. Due to the high turnover rate, purchases and sales are matched.

Exposures

	2024-12-31				2023-12-31			
	GBP	NOK	EUR	USD	GBP	NOK	EUR	USD
Balance sheet exposure	52	21,387	–266	–278	–2	19,860	12	–1,106
Group balances	–1,568	5,969	–578	–15,037	–1,456	–26,881	–409	–9,727

Sensitivity analysis - group intercompany balances
If the Swedish krona had weakened/strengthened by 5% in relation to GBP, with all other variables constant, the recalculated profit after tax for the financial year 2024 would have been SEK 1,082 thousand (SEK 935 thousand) lower/higher, as a result of recalculation of group intercompany balances.

If the Swedish krona had weakened/strengthened by 5% in relation to NOK, with all other variables constant, the recalculated profit after tax for the financial year 2024 would have been SEK 290 thousand (SEK 1,319 thousand) lower/higher, as a result of recalculation of group intercompany balances.

If the Swedish krona had weakened/strengthened by 5% in relation to EUR, with all other variables constant, the recalculated profit after tax for the financial year 2024 would have been SEK 331 thousand (SEK 228 thousand) lower/higher, as a result of recalculation of group intercompany balances.

If the Swedish krona had weakened/strengthened by 5% in relation to the USD, with all other variables constant, the recalculated profit after tax for the financial year 2024 would have been SEK 8,270 thousand (SEK 4,899 thousand) lower/higher, as a result of recalculation of group intercompany balances.

(a) Interest rate risk
Borrowing consists of liabilities to credit institutions with variable interest rates and other borrowing at fixed and variable interest rates. All borrowing takes place in SEK. The Group is exposed to interest rate risk regarding cash flows and fair value, the Group does not hedge its interest rate risk regarding future cash flows. Borrowings amount to SEK 204,265 thousand (SEK 235,880 thousand).

Sensitivity analysis interest rate risk
If the interest rates on borrowing as of December 31, 2024 were 2 basis points higher/lower with all other variables constant, the estimated profit after tax for the financial year would have been SEK 2,076 thousand (SEK 2,728 thousand) lower/higher, as an effect of higher/lower interest costs for borrowing with variable interest rates.

(b) Credit risk
Credit risk arises through balances with banks and credit institutions as well as customer credit exposures, including outstanding receivables. Credit risk is managed by Group management.

Cash and cash equivalents are held in accounts with a number of well-established credit institutions. All credit institutions have a high credit rating according to external valuation institutions.

Credit risk regarding accounts receivable is managed at Group level where agreements with payment providers are concluded. Accounts receivable essentially consist of sales to private individuals where receivables, as well as credit risk, have been transferred to payment providers. Each Group company is responsible for following up and analyzing the credit risk for other receivables. In cases where there is no independent credit assessment, a risk assessment is made of the customer's creditworthiness where his financial position is taken into account, as well as previous experience and other factors. Individual risk limits are determined based on internal or external credit assessments in accordance with the limits set by the Group.

No credit limits were exceeded during the reporting period and management does not expect any losses as a result of non-payment from these counterparties. The Group's credit losses have historically been insignificant and customers' payment history good. Taking this into account and forward-looking information on macroeconomic factors that may affect customers' ability to pay the receivable, the Group's expected credit losses have also been assessed as insignificant.

(c) Liquidity risk
Through prudent liquidity management, the Group ensures that sufficient cash is available to meet the needs of day-to-day operations. At the same time, it is ensured that the Group has sufficient space on agreed credit facilities so that debts can be paid when they fall due. Management follows rolling forecasts for the Group's liquidity reserve (including unutilized credit facilities) and cash and cash equivalents based on expected cash flows. The analyzes are normally performed by the central finance department, taking into account the guidelines and restrictions established by Group management.

(d) Refinancing risk
Refinancing risk is defined as the risk that difficulties arise in refinancing the Group, that financing cannot be obtained, or that it can only be obtained at increased costs. The risk is limited by the Group continuously evaluating various financing solutions.

The table below analyzes the Group's financial liabilities broken down by the time remaining on the balance sheet date until the contractual maturity date. The amounts stated in the table are the contractual, undiscounted cash flows.

Per 31 december 2023	Less than 3 months	Between 3 months and 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years	Total contractual cash flows	Reported value
Financial liabilities							
Bank overdraft	0	146,332	0	0	0	146,332	136,377
Other liabilities	23,657	6,476	1,928	0	0	32,061	32,061
Lease liability	7,644	22,932	34,408	30,262,	11,938	107,105	99,502
Accounts payable	110,623	0	0	0	0	110,623	110,623
Accrued expenses	40,754	18,275	0	0	0	59,029	59,029
Total	**182,678**	**194,015**	**36,337**	**30,262**	**11,938**	**455,229**	**437,592**

Per 31 december 2024	Less than 3 months	Between 3 months and 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years	Total contractual cash flows	Reported value
Financial liabilities							
Bank overdraft	0	108,775	0	0	0	108,775	103,801
Other liabilities	11,115	2,674	0	0	0	13,789	13,789
Lease liability	7,219	21658	46,331	26,815	6,810	108,833	100,465
Accounts payable	200,826	0	0	0	0	200,826	200,826
Accrued expenses	48,912	21,375	0	0	0	70,287	70,287
Total	**268,073**	**154,482**	**46,331**	**26,815**	**6,810**	**502,511**	**489,169**

3.2 Fair value level

The different levels of financial instruments valued at fair value are defined as follows:

(a) Level 1 financial instruments
Listed prices (unadjusted) in active markets for identical assets or liabilities.

(b) Level 2 financial instruments
Observable data for the asset or liability other than quoted prices included in level 1, either directly (i.e. as price quotations) or indirectly (i.e. derived from price quotations).

(c) Level 3 financial instruments
In cases where one or more significant inputs are not based on observable market information, the relevant instrument is classified at level 3.

Interest-bearing liabilities
The carrying amount corresponds to the fair value of the Group's borrowing, in the event that the loans have a variable interest rate and the credit spread is not such that the carrying amount deviates materially from fair value.

There have been no transfers between the respective fair value levels.

3.3 Management of capital

The Group's goal regarding the capital structure is to secure the Group's ability to continue its operations, so that it can continue to generate returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to keep the costs of capital down.

To maintain or adjust the capital structure, the Group may change the dividend paid to shareholders, repay capital to shareholders, issue new shares or sell assets to reduce liabilities.

The Group has a strategy of having a balanced capital structure where the debt / equity ratio is monitored on an ongoing basis based on the Group's need for the capital debt / equity ratio at each balance sheet date, as follows:

	2024-12-31	2023-12-31
Total borrowing (Note 26)	204,265	235,880
Cash and cash equivalents	–35,223	–11,424
Net debt	**169,043**	**224,456**
Total equity	655,950	598,767
Total capital	**486,908**	**374,311**

4 Segment information

The Group's highest executive decision-maker is the CEO, who mainly uses operating profit before depreciation and amortization (EBITDA) in the assessment of the operating segments' results.

The Group's operations are managed and reported on the basis of the two operating segments:

Core – consists of sales of oral nicotine products as well as marketing space and marketing research to the main markets Sweden and Norway, which are more mature markets.

Growth – consists of sales of oral nicotine products as well as marketing space and marketing research to the emerging markets US, UK, Germany, Austria and Switzerland which are more characterized as emerging markets.

Emerging – consists of sales of oral nicotine products as well as marketing space and marketing research regarding vape category in UK, Sweden and Germany, as well as heat-not-burn in UK.

Parent/Other – Consists mainly of items affecting comparability within operating profit and items that are not allocated within the segments.

2024

	CORE	GROWTH	EMERGING	Parent/Other	Total
Net sales	2,618,990	989,687	71,123	0	3,679,800
Total net sales from external customers	**2,618,990**	**989,687**	**71,123**	**0**	**3,679,800**
Operating profit/loss before depreciation	227,302	12,243	–33,293	–26,046	180,205
Depreciation and amortization of tangible and intangible assets				–116,053	–116,053
Financial net				–5,212	–5,212
Earnings before tax					**58,940**

2023

	CORE	GROWTH	EMERGING	Moderbolaget/ Övrigt	Totalt
Net sales	2,407,478	758,242	0	0	3,165,720
Total net sales from external customers	**2,407,478**	**758,242**	**0**	**0**	**3,165,720**
Operating profit/loss before depreciation	191,556	–57,410	0	–15,465	118,680
Depreciation and amortization of tangible and intangible assets				–96,374	–96,374
Financial net				–14,445	–14,445
Earnings before tax					**7,862**

Information about larger customers

No customer individually accounts for more than ten percent of the Group's total revenue.

Net sales are reported below by geographical area. Sales are reported in the countries where the sales were made.

	2024	2023
Sweden	1,753,717	1,583,954
Norway	903,198	823,523
Europe*	348,852	237,176
USA	674,033	521,066
Total	**3,679,800**	**3,165,720**

*where of Germany 202,420 (139,507)

Segment assets

Fixed assets in addition to financial instruments and deferred tax assets, broken down by the physical location of the asset, are shown in the tables below:

	2024	2023
CORE	508,414	516,506
GROWTH	109,838	79,757
EMERGING	0	0
Other	0	8
Total	**618,253**	**596,271**

Segment assets per country

	2024	2023
Sweden	526,572	529,751
Norway	8,548	15,836
USA	76,738	43,392
United Kingdom	6,395	7,291
Total	**618,253**	**596,271**

5 Other operating income

	2024	2023
Exchange rate gains	1,925	1,571
Other operating income	1,272	1,971
Total	**3,197**	**3,542**

6 Auditors' fees

	2024	2023
PwC		
- Audit fees	–1,603	–1,493
- Other audit-related fees	–357	–274
- Tax advisory fees	–694	–1,351
- Other fees	–6	–150
Total	**–2,660**	**–3,269**
BDO		
- Other fees	0	–72
Total	**0**	**–72**

Audit assignments refer to statutory audits of the annual and consolidated financial statement and accounting, as well as the Board of Directors' and the CEO administration, as well as audits and other audits performed in accordance with an agreement or contract.

This includes other tasks that are the responsibility of the company's auditor to perform as well as advice or other assistance that is prompted by observations during such review or the implementation of such other tasks.

7 Employee benefits, etc.

	2024	2023
Salaries		
Board and CEO	–5,166	–4,331
(of which variable remuneration)	0	–428
other management	–5,154	–6,401
(of which variable remuneration)	–1,434	–1,789
Other employees	–142,408	–103,283
Total	**–152,729**	**–114,015**
Social costs		
CEO, Board and other management	–3,976	–4,594
(of which pension costs)	–1,243	–1,237
Other employees	–53,133	–42,907
(of which pension costs)	–15,639	–11,964
Total	**–57,109**	**–47,501**
Total salaries, social and pension costs	**–209,838**	**–161,515**

Compensation to the Board can be found in the corporate governance report, on page 20.

Average employees with geographical split per country

	2024		2023	
	Average employees	Of which men	Average employees	Of which men
Sweden	167	94	142	84
Norway	12	10	14	12
USA	13	9	9	6
UK	7	5	2	2
The group total	**199**	**118**	**167**	**104**

Gender distribution in the Group (incl. Subsidiaries) for Board members and other senior executives

	2024		2023	
	Number on the balance sheet date	Of which men	Number on the balance sheet date	Of which men
Board members	25	17	22	14
CEO and senior executives	13	13	10	10
The group total	**38**	**30**	**32**	**24**

Compensation and other benefits (KSEK)	2024						
	Salary/ Board fee	Variable remunera-tion	Other benefits	Pension costs	Share-based compensation	Social charges	Total
Board members							
Deepak Mishra	–217	0	0	0	0	–68	–285
Adam Schatz	–217	0	0	0	0	–68	–285
Patrik Rees	–325	0	0	0	0	–102	–427
Linus Liljegren	0	0	0	0	0	0	0
Ingrid Jonasson Blank	–650	0	0	0	0	–204	–854
Anneli Lindblom	–375	0	0	0	0	–118	–493
Kristian Ford	–135	0	0	0	0	–43	–178
Per Sjödell	–135	0	0	0	0	–43	–178
CEO							
Gavin O'Dowd	–3,000	0	0	–440	–191	–943	–4,574
Total	**–5,054**	**0**	**0**	**–440**	**–191**	**–1,588**	**–7,273**

Compensation and other benefits (KSEK)	2023						
	Salary/ Board fee	Variable remunera-tion	Other benefits	Pension costs	Share-based compensation	Social charges	Total
Board members							
Patrik Rees	–306	0	0	0	0	–96	–402
Linus Liljegren	0	0	0	0	0	0	0
Ingrid Jonasson Blank	–612	0	0	0	0	–192	–805
Anneli Lindblom	–356	0	0	0	0	–112	–468
Kristian Ford	–306	0	0	0	0	–96	–402
Per Sjödell	–306	0	0	0	0	–96	–402
CEO							
Gavin O'Dowd	–2,203	–428	0	–465	0	–692	–3,788
Total	**–4,091**	**–428**	**0**	**–465**	**0**	**–1,285**	**–6,268**

Warrrant programs

Below is a summary of warrant programs in the Group during the periods covered by the 2024 annual report.

Warrants

All of the Group's warrant programs have been approved by the shareholders at general meetings during the years 2017–2024. The warrant programs cover permanent employees and certain external parties.

The warrants have been acquired at market value and the valuation has been prepared in accordance with Black-Scholes' valuation model at each issue. Each warrant entitles the holder to subscribe for one new share in Haypp Group AB against cash payment at a subscription price per share in accordance with the table below for each program. Subscription prices and the number of warrants have been recalculated to adjust for share splits (150:1) carried out in 2021.

For outstanding warrants in series allotted in October 2021, the exercise period is October 1, 2024 through October 13, 2024. For the 2022 allotment the warrants can be exercised from the date they are issued until the date they expire, while for warrants allotted in 2023 the exercise period is 15 May 2026 up to and including 31 May 2026. The majority of the warrants granted in 2024 have an exercise period of May 15, 2027 through May 31, 2027.

Maturity dates vary from October 2024 to May 2027.

Part of the option programs rolled out in 2024 falls under IFRS2 and accounted as personnel cost.

Below is a summary of issued warrants:

	2024		2023	
	Average strike price in SEK per warrent	Number of warrants	Average strike price in SEK per warrent	Number of warrants
Opening January 1st	50.01	2,619,808	43.09	3,180,112
Assigned	101.01	1,125,197	41.52	800,000
Forfeited	0.00	0	74.56	–34,506
Utilized	0.00	0	24.09	–1,255,748
Matured	82.50	–209,780	90.91	–70,050
Closing December 31st	**64.32**	**3,535,225**	**50.01**	**2,619,808**

Assigned warrants during the year

Programme	Type	Fair value at grant date	Volatily	Risk free rate	Maturity	Strike price	Warrants 31 dec 2024
2024 – 2024 – 2025	Warrants – share based payment	18.6	28%	2.68%	2025	42	70,197
2024 – 2024 – 2026	Warrants – share based payment	29.0	28%	2.68%	2026	54	55,000
2024 – 2024 – 2027	Warrants – share based payment	5.14	28%	2.38%	2027	108	187,000
2024 – 2024 – 2027	Warrants	5.14	28%	2.38%	2027	108	813,000
							1,125,197

Volatility has been based on market data for historical trading for comparable companies.

No warrants were exercised in 2024 (2023: 1,255,748 warrants were exercised at an average subscriptiont price of SEK 24.09).

Fair value of allotted warrants
The weighted average fair value of warrants granted during the period, determined using the Black-Scholes valuation model, was SEK 5.14 per option (2023: SEK 4.03 per warrant). Important inputs in the model are the share price on the allotment date, exercise price, volatility of 27.9% (2023: 31.7%), expected maturity of the warrants of 3 years as above and annual risk-free interest rate of 2.4% (2023: 2.8%).

Part of the option programs rolled out in 2024 falls under IFRS2 and accounted as personnel cost.

Personnel costs are reported for the value of received services and are accrued over the program's vesting periods, calculated as the fair value of the allocated equity instruments. The fair value is determined at the grant date, which is when the group and the employees agree on the terms and conditions of the program. When the program is settled with equity instruments, they are classified as equity-settled, and an amount corresponding to the recognized personnel cost is recorded directly in equity.

The reported cost is initially based on the number of options assumed to be earned, considering how many program participants are expected to remain in service during the vesting period. The number of outstanding options is revised on each balance sheet date until the end of the vesting period.

When the options are exercised, social security contributions must be paid in certain countries for the value of the employee's benefit. A cost and provision for these social security contributions are accrued over the vesting period. The provision for social security contributions is based on the number of options expected to be earned and, on the options', fair value at each vesting date until the final exercise of the option.

The total cost, including social securities recognized in the period amounted to 2 540 943 SEK.

Synthetic warrants
In June 2018, the Group decided to grant an employee in Norway 52,200 synthetic warrants. The warrants entitle the employee to cash payment after 5 years of service. The amount paid out is determined by the difference between the share price on the allotment date (June 30, 2018: SEK 21.62) and the vesting date (June 30, 2023). The options were exercised in 2023.

In November 2020, the Group decided to grant an additional employee in Norway 3,300 synthetic warrants with expire date of 1 November 2022. The warrants expired without being struck.

In January 2022, the Group decided to grant 8,179 synthetic warrants to an employee in Norway. The warrants had to be exercised by 31 December 2024. The warrants expired without being exercised.

In January 2023, the Group decided to grant 50,000 synthetic warrants to an employee in Norway. The amount paid out is determined by the difference between the share price on the grant date (1 January 2023: SEK 35.6) and the date the warrants were exercised. The warrants had to be exercised by 31 December 2024. The options expired without being exercised.

The amount paid is determined by the difference between the share price on the grant date (1 January 2023: SEK 35.6) and the date on which the warrants were exercised. The warrants had to be exercised by 31 December 2024. The options expired without being exercised.

Fair value of allotted synthetic warrants
The weighted average fair value of options granted during the period, determined using Black-Scholes' valuation model, was SEK 6.10 per warrant. Important inputs in the model are the share price on the allotment date, exercise price, volatility of 29.2% (2023: 20%), expected maturity of the warrants 3 years and annual risk-free interest rate of 3.7% (2022: 0%).

The weighted average fair value of options granted during the period, determined using the Black-Scholes valuation model, was SEK 6.10 per option. Key inputs to the model are the share price on the grant date, the exercise price, volatility of 29.2% (20%), expected life of the options of 3 years and annual risk-free interest rate of 3.7% (0%).

Fair value of employee services
The fair value of services received from employees in exchange for granted options is measured based on the fair value of the options granted. The fair value of the options has been estimated using the Black Scholes valuation model.

The total cost of share-based payments during the period and which was reported as part of the personnel costs amounted to 2,756 KSEK (784).

Volatility has been based on market data for historical trading for comparable companies.

8 Other operating expenses

	2024	2023
Exchange rate losses	–2,112	–2,771
Loss on disposal of fixed assets	–541	0
Total	**–2,652**	**–2,771**

9 Financial income and financial expenses

	2024	2023
Interest income, other	278	177
Exchange-rate differences	22,804	19,470
Total financial income	**23,082**	**19,647**
Interest expense loans	–6,492	–7,712
Interest expenses leasing debt	–4,457	–3,199
Interest expenses, other	–3,725	–1,006
Exchange-rate differences	–13,620	–22,176
Total financial expenses	**–28,294**	**–34,092**
Financial items – net	**–5,212**	**–14,445**

10 Income tax

	2024	2023
Current tax:		
Current tax on the profit/loss for the year	–7,890	–1,194
Adjustments regarding previous years	0	–594
Total current tax	**–7,890**	**–1,788**
Deferred tax (Note 18)		
Emergence and reversal of temporary differences	–6,215	–1,528
Deferred tax regarding financial leasing	146	490
Total deferred tax	**–6,069**	**–1,037**
Reported tax in statement of comprehensive income	**–13,959**	**–2,825**

The income tax on profit before tax differs from the theoretical amount that would have emerged when using the Swedish tax rate for profit in the parent company as follows:

	2024	2023
Earnings before tax	58,940	7,862
Tax rate, %	20,6	20,6
Income tax calculated according to tax rate in Sweden	–11,344	–1,567
Tax effects of:		
Non-deductible expenses	–1,599	–1,269
Non-taxable income	1,042	103
Other tax adjustments	451	477
Difference in foreign tax rates	–269	169
New loss carryforwards on previous years	–10	0
Effect of changed tax rate	0	74
Tax due to change in previous years taxation	–48	–102
Effect of intercompany exchange rates	–1,011	0
State taxes	–1,120	0
Other	–50	–710
Income tax	**–13,959**	**–2,825**
The weighted average tax rate for the Group was:	23,7%	35,9%

11 Net exchange rate differences

	2024	2023
Other operating income (Note 5)	1,925	1,571
Other operating expenses (Note 8)	–2,112	–2,771
Financial items - net (Note 9)	9,184	–2,706
Total	**8,998**	**–3,906**

12 Business acquisitions

Summary of completed acquisitions

Acquisition date	Share acquired	Name of acquired company	The target company's main activities and how they complement the group's operations
2024-11-22	100%	Haypp Sverige AB	The target company was a warehouse company at the time of the purchase. The acquisition was made for the future expansion of the group's operations.
2024-11-22	100%	Nicokick AB	The target company was a warehouse company at the time of the purchase. The acquisition was made for the future expansion of the group's operations.
2024-12-20	100%	Snusbolaget Europa AB	The target company operates in the e-commerce of tobacco products in Sweden. The acquisition was made as part of a reorganization in the group.

KSEK	Snusbolaget Europa AB	Haypp Sverige AB	Nicokick AB
Purchase price			
Cash and cash equivalents	1,500	25	25
Conditional purchase price	1,000		
Total purchase price	**2,500**	**25**	**25**

Reported amounts of identifiable acquired assets and assumed liabilities:

KSEK	Snusbolaget Europa AB	Haypp Sverige AB	Nicokick AB
Fair value			
Cash and cash equivalents	28		
Other liabilities	17	25	25
Acquired identifiable net assets	**45**	**25**	**25**
Goodwill	2,455	0	0
Total acquired net assets	**2,500**	**25**	**25**

Goodwill is attributable to the expected future profitability of the acquired business. No portion of the goodwill recognized is expected to be tax deductible.

Acquisition of Snusbolaget Europa AB

Intäkter och resultat i förvärvad rörelse
The income from Snusbolaget Europa AB included in the consolidated statement of comprehensive income for 2024 relates to the period after 20 December 2024 and amounts to 0 KSEK. Snusbolaget Europa AB also contributed a profit of 0 KSEK for the same period. If Snusbolaget Europa AB had been consolidated from 2024-01-01, the consolidated statement of comprehensive income would show income of 3,715,387 KSEK and a profit of 44,838 KSEK.

Acquisition-related costs

Acquisition-related costs of 0 KSEK are included in other external costs in the consolidated statement of comprehensive income and in operating activities in the cash flow statement.

Conditional purchase price

A contingent consideration is payable in cash one year after the acquisition, provided that no breaches of the agreement have occurred. The fair value of the contingent consideration has been estimated by making assumptions about the probability of achieving the terms of the agreement. As the contingent consideration falls due within one year from the acquisition date, the discounting effect has not been deemed material.

Acquisition of Haypp Sverige AB and Nicokick AB

The companies were purchased as warehouse companies and no operations have been conducted either before or after the Group purchased the companies.

Purchase price – cash flow

	2024-01-01–2024-12-31
Cash flow for acquiring subsidiaries, net of acquired cash and cash equivalents	
Cash purchase price	1,550
Subtract: Acquired cash and cash equivalents	–28
Net cash outflow – investing activities	**1,522**

13 Shares in subsidiaries

The Group had the following subsidiaries on December 31, 2024:

Name	Country of residence and business	Operations	Share of ordinary shares directly owned by parent company (%)	Share of ordinary shares owned by group (%)
Snusbolaget Norden AB	Sweden	E-commerce with nicotine products to households in Sweden and Europe	100	
Snushjem.no AS	Norway	E-commerce with nicotine products to households in Norway	100	
Northerner Scandinavia AB	Sweden	No business since December 2020	100	
Northerner Scandinavia Inc	USA	E-commerce with nicotine products to households in USA		100
Haypp Limited	United Kingdom	E-commerce with nicotine products to households in United Kingdom	100	
Haypp GmbH	Germany	E-commerce with nicotine products to households in Germany	100	
Haypp Sverige AB	Sweden	No business	100	
Nicokick AB	Sweden	No business	100	
Snusbolaget Europa AB	Sweden	E-commerce with nicotine products to households in Sweden and Europe		100

14 Intangible assets

	Goodwill	Customer relationships	Trademarks	Websites	Capitalized expenses for development work	Total
Financial year 2023						
Opening carrying amount	161,985	107,697	139,345	24,573	75,212	508,811
This year's acquisitions	36	0	0	0	58,456	58,491
Divestments and disposals	0	0	0	0	–456	–456
This year's depreciations	0	–15,573	–18,810	–5,613	–29,098	–69,093
Write-downs for the year *	0	0	0	0	–310	–310
Exchange-rate differences	0	0	0	0	–1,158	–1,158
Closing carrying amount	–6,958	–755	–355	0	–613	–8,682
Utgående redovisat värde	**155,062**	**91,369**	**120,179**	**18,960**	**102,033**	**487,604**
Per 31 december 2023						
Acquisition value	155,062	154,769	188,931	58,200	180,009	736,971
Accumulated depreciation and write-downs	0	–63,400	–68,752	–39,240	–77,976	–249,368
Carrying amount per 31 december 2023	**155,062**	**91,369**	**120,179**	**18,960**	**102,033**	**487,604**
Financial year 2024						
Opening carrying amount	155,062	91,369	120,179	18,960	102,033	487,604
Acquisitions of the year	2,455	0	0	0	0	2,455
This year's acquisitions	0	0	0	0	71,486	71,486
Divestments and disposals	0	0	0	0	–689	–689
This year's depreciations	0	–15,566	–18,812	–5,628	–40,913	–80,919
Write-downs for the year *	0	0	0	0	854	854
Exchange-rate differences	521	939	423	0	1,566	3,449
Closing carrying amount	**158,038**	**76,742**	**101,790**	**13,332**	**134,337**	**484,240**
Per 31 december 2024						
Acquisition value	158,038	156,537	189,725	58,200	252,812	815,312
Accumulated depreciation and write-downs	0	–79,795	–87,935	–44,868	–118,475	–331,072
Carrying amount per 31 december 2024	**158,038**	**76,742**	**101,790**	**13,332**	**134,337**	**484,240**

* During 2022 a decision was made to implement a new ERP system. Write down of parts of the existing ERP has been made to reflect the remaining economic life.

Impairment testing for goodwill
The company's mangement assesses the business's performance based on the Group's three operating segments; Core, Growth and Emerging, while goodwill is monitored and tested at the cash-generting level, which is Sweden, Norway, Europe, the USA and vape. For more information on segments, see note 4. Below is a summary of goodwill divided into each operating segment.

Goodwill	2024-12-31	2023-12-31
Sweden	50,809	48,355
Norway	82,241	83,048
Europe	9,234	9,233
USA	15,753	14,426
Vape	0	0
Total	**158,038**	**155,062**

The recoverable amount of goodwill has been determined based on calculations of value in use. The mangement has assessed that sales growth, EBITDA margin, the discount rate and long-term growth are the most important assumptions in the impairment test. Calculations of the value in use are based on estimated future cash flows before tax based on financial budgets approved by company management and covering a five-year period. The calculation is based on the mangements experience and historical data. The long-term sustainable growth rate for the operating segments has been assessed on the basis of industry forecasts.

For each operating segment as above, to which a significant amount of goodwill has been allocated, the significant assumptions, long-term growth rate and discount rate used when calculating the value in use are stated below.

Significant assumptions used for value in use calculations:

Sweden	2024-12-31	2023-12-31
Discount rate before tax *	14.91%	15.62%
Long-term growth rate **	2%	2%

Norway	2024-12-31	2023-12-31
Discount rate before tax *	16.51%	16.64%
Long-term growth rate **	2%	2%

Europe	2024-12-31	2023-12-31
Discount rate before tax *	15.05%	15.56%
Long-term growth rate **	2%	2%

USA	2024-12-31	2023-12-31
Discount rate before tax *	17.20%	17.54%
Long-term growth rate **	2%	2%

* Pre-tax discount rate used in calculating the present value of estimated future cash flows.
** Weighted average growth rate used to extrapolate cash flows beyond the budget period.

Sensitivity analysis for goodwill:
No reasonably possible change in key assumptions would cause the recoverable amount to be less than the carrying amount.

The recoverable amount exceeds the carrying amount of goodwill by a margin. This also applies to the assumption that:
– the pre-tax discount rate had been 2 percentage points higher,
– the estimated EBITDA margin had been 2 percentage points lower

15 Tangible fixed assets

	Leasehold improvements	Equipment	Total
Financial year 2023			
Opening carrying amount	833	3,553	4,386
Exchange-rate differences	–60	–50	–111
This year's acquisitions	1,170	995	2,165
This year's depreciations	–402	–1,401	–1,803
This year's reclassifications	0,	310	310
Closing carrying amount	**1,541**	**3,406**	**4,947**
Per 31 december 2023			
Acquisition value	2,547	7,153	9,700
Accumulated depreciation and write-downs	–1,005	–3,747	–4,753
Reported value	**1,541**	**3,406**	**4,947**
Financial year 2024			
Opening carrying amount	1,541	3,406	4,947
Exchange-rate differences	89	1,090	1,179
This year's acquisitions	2,435	31,879	34,314
Divestments and disposals	0	–554	–544
This year's depreciations	–771	–2,673	–3,444
Write-downs for the year	0	–4,787	–4,787,
Closing carrying amount	**3,294**	**28,361**	**31,656**
Per 31 december 2024			
Acquisition value	5,067	39,773	44,840
Accumulated depreciation and write-downs	–1,773	–11,411	–13,184
Reported value	**3,294**	**28,361**	**31,656**

16 Long-Term receivables

	2024-12-31	2023-12-31
Opening balance	7,250	7,451
Additional receivables	8,117	1,244
Settlements	–101	–470
Reclassification to current receivables	–1,847	–748
This year's translation differences	161	–227
Closing balance	**13,579**	**7,250**

Long-term receivables consists of deposits and loans to employees.

17 Leasing

The following amounts are reported in the income statement related to leasing agreements::

	2024	2023
Right-of-use depreciation:		
Premises	–18,385	–17,582
Vehicles	–547	–548
Machines	–8,303	–6,189
Total	**–27,236**	**–24,319**
Interest expenses (part of Interest and other financial expenses)	–4,457	–3,199
Expenses attributable to variable lease payments that are not included in lease liabilities (included in the item Other external expenses in the income statement)	–1,026	–817
Expenses attributable to leasing agreements for which the underlying asset is of low value that is not a short-term leasing agreement (included in Other external costs in the income statement)	191	–308

Contracted investments regarding right-of-use assets at the end of the reporting period that have not yet been reported in the financial statements amount to 0 TSEK (28,723 TSEK)

	2024	2023
Repayment of leasing debt	–26,587	–21,488

For information on the maturity of the lease liability, see Note 3.

Maturity analysis for leasing liabilities is presented in Note 3.

The following amounts related to leasing agreements are reported in the balance sheet:

	2024-12-31	2023-12-31
Right-of-use assets:		
Premises	73,098	60,888
Vehicles	760	720
Machines	28,499	42,112
Total	**102,357**	**103,719**
Lease liabilities:		
Long-term	72,216	69,424
Short-term	28,249	30,078
Total	**100,465**	**99,503**
Additional right-of-use assets amounted to:	29,303	42,067

Some leasing agreements have extension options that have not been considered in the leasing debt. Thus there are potential future cash flows that have not been included in the lease liability as it is not reasonably certain that the agreements will be extended.

18 Deferred tax

Deferred tax liabilities and tax receivables are distributed as follows:

Deferred tax liabilities	Intangible assets	Right-of-use assets	Total
Per 31 december 2022	21,725	0	21,725
Reported in the income statement	–4,146	0	–4,146
Exchange-rate differences	909	0	909
Per 31 december 2023	**18,489**	**0**	**18,489**
Reported in the income statement	1,668	0	1,668
Exchange-rate differences	326	0	326
Per 31 december 2024	**20,482**	**0**	**20,482**

Deferred tax assets	Leasing liabilities	Loss carry forward and other temporary differences	Total
Per 31 december 2022	**807**	**18,531**	**19,337**
Reported in the income statement	490	–5,673	–5,183
Exchange-rate differences	0	1,137	1,137
Per 31 december 2023	**1,297**	**13,994**	**15,291**
Reported in the income statement	146	–4,547	–4,401
Exchange-rate differences	–24	86	63
Per 31 december 2024	**1,419**	**9,534**	**10,953**

Accumulated loss carryforwards amount to 44,114 thousand SEK as of 31 December 2024. Unutilized loss carryforwards for which no deferred tax asset has been recognized amount to 0 thousand SEK as of 31 December 2024.

19 Inventories

	2024-12-31	2023-12-31
Finished goods	298,672	263,338
Total	**298,672**	**263,338**

Amounts reported in the income statement
During the financial year, cost of goods was reported in the income statement of KSEK 3 447 220 (KSEK 2 970 894). They were reported as Goods for resale.

20 Accounts receivables

	2024-12-31	2023-12-31
Accounts receivable	100,463	70,197
Accounts receivable – net	**100,463**	**70,197**

The maximum exposure to credit risk as of the balance sheet date for accounts receivable is the carrying amount as described above.

The fair value of accounts receivable corresponds to its carrying amount, as the discounting effect is not significant.

No accounts receivable have been provided as security for any debt.

Aging analysis of past due but not impaired accounts receivables

Koncernen	2024-12-31	2023-12-31
Ej förfallet	80,477	55,855
1–29 dagar	13,548	6,025
30–60 dagar	2,735	1,027
60–90 dagar	64	1,274
> 90 dagar	3,640	6,017
Summa	**100,463**	**70,197**

21 Övriga fordringar

	2024-12-31	2023-12-31
Momsfordran	7,642	7,952
Skattekonto	13,360	6,166
Fordringar hos leverantörer	2,906	16,995
Övriga fordringar	9,581	6,913
Totalt	**33,488**	**38,026**

22 Prepaid expenses and accrued income

	2024-12-31	2023-12-31
Prepaid leasing fee	–45	3
Prepaid insurance	1,211	1,991
Accrued income	55,077	30,659
Other tax related items	11,618	13,284
Other prepaid expenses and accrued income	4,371	5,298
Total	**72,233**	**51,235**

Accrued income consists in its entirety of income-related short-term contractual assets. The Group's contractual assets have not changed significantly compared with 2023-12-31.

23 Cash and cash equivalents

	2024-12-31	2023-12-31
Bank accounts	35,223	11,424
Total	**35,223**	**11,424**

24 Financial instruments by category

2023-12-31	Financial assets measured at actual value via the income statement	Financial assets measured at amortised cost	Total
Assets in balance sheet			
Long-Term receivables		7,250	7,250
Accounts receivable*	27,107	43,090	70,197
Other receivables		23,722	23,722
Cash and cash equivalents		11,424	11,424
Total	**27,107**	**85,486**	**112,593**

2023-12-31	Financial assets measured at actual value via the income statement	Financial assets measured at amortised cost	Total
Liabilities in balance sheet			
Bank overdraft		136,377	136,377
Other long-term liabilities		2,182	2,182
Accounts payable		110,623	110,623
Other current liabilities		23,614	23,614
Total		**272,796,**	**272,796,**

2024-12-31	Financial assets measured at actual value via the income statement	Financial assets measured at amortised cost	Total
Assets in balance sheet			
Long-Term receivables		13,579	13,579
Accounts receivable*	41,643	58,820	100,463
Other receivables		12,300	12,300
Cash and cash equivalents		35,223	35,223
Total	**41,643**	**119,922**	**161,565**

2024-12-31	Financial assets measured at actual value via the income statement	Financial assets measured at amortised cost	Total
Liabilities in balance sheet			
Bank overdraft		103,801	103,801
Other long-term liabilities		746	746
Accounts payable		200,827	200,827
Other current liabilities		2,767	2,767
Total		**308,140**	**308,140**

In addition to the financial instruments listed in the tables (above), the Group has financial liabilities in the form of leasing liabilities which are reported and valued in accordance with IFRS 16.

* The part of accounts receivable that is covered by factoring agreements where the Group has transferred the credit risk and the risk of late payment to the factoring company is reported at actual value via the income statement..

25 Share capital and other contributed capital

	Number of shares	Share capital	Other contributed capital
Per 1 januari 2022	**29,099,979**	**1,906**	**686,553**
New share issue*	22,500	1	3,005
Per 31 december 2022	**29,122,479**	**1,908**	**689,558**
New share issue*	716,609	47	5,069
Per 31 december 2023	**29,839,088**	**1,955**	**694,627**
New share issue*	0	0	4,179
Value of employee services	0	0	2,463
Per 31 december 2024	**29,839,088**	**1,955**	**701,269**

As of 31 December 2024, the share capital consists of 29 839 088 ordinary shares with a quota value of SEK 0,066. As of December 31, 2023, the share capital consisted of 29 839 088 ordinary shares with a quota value of SEK 0,067.

All shares issued by the parent company are fully paid.

26 Borrowings

	2024-12-31	2023-12-31
Long-term loans		
Leasing debt	72,216	69,424
Total loans	**72,216**	**69,424**
Short-term loans		
Leasing debt	28,249	30,078
Bank overdraft	103,801	136,377
Total short-term loans	**132,050**	**166,455**
Total borrowing	**204,265**	**235,880**

Bank overdraft facility

The Group has an approved overdraft facility in SEK of KSEK 203 000 (KSEK 168 000) which is renegotiated on an ongoing basis.

	2024-12-31	2023-12-31
Of the granted overdraft facility, the following have been utilized:	103,801	136,377

27 Other current liabilities

	2024-12-31	2023-12-31
VAT liability	10,277	6,265
Personnel tax	4,240	3,003
Deferment from the Swedish Tax Agency	1,928	3,856
Other excise tax	–4,310	16,707
Other	909	48
Total	**13,043**	**29,879**

28 Other provisions

	2024-12-31	2023-12-31
Additional purchase price	1,000	0
Provisions for legal proceedings	13,133	0
Other provisions	78	0
Total	**14,211**	**0**

The San Francisco City Attorney has filed a lawsuit against Haypp Group's US subsidiary and three other companies on behalf of the City of San Francisco and the State of California. Haypp Group is cooperating with the authorities and is working to reach a resolution in the foreseeable future. The Group established a provision of SEK 11 million in the third quarter of 2024, which continues to reflect management's best estimate of the most likely outcome.

29 Accrued expenses and deferred income

	2024-12-31	2023-12-31
Accrued holiday pay including social security contributions	11,432	9,724
Social security contributions and special payroll tax	9,354	5,414
Other accrued expenses	44,648	36,201
Prepaid income	4,854	7,690
Total	**70,287**	**59,029**

Prepaid income consists in its entirety of income-related short-term contractual liabilities. During the financial year, income corresponding to the entire incoming item for prepaid income was reported in the income statement.

The Group's revenue agreement has an original expected term of no more than one year or is invoiced based on time spent. In accordance with the rules in IFRS 15, no information has been provided on the transaction price for these unfulfilled commitments.

30 Assets pledged

	2024-12-31	2023-12-31
Corporate mortgages	203,000	138,000
Total	**203,000**	**138,000**

31 Contingent Liabilities

	2024-12-31	2023-12-31
Guarantee for Snusbolaget Norden AB's liabilities	103,801	136,377
Total	**103,801**	**136,377**

In the parent company, there are two guarantees issued on behalf of subsidiaries regarding two suppliers, one of which is limited to NOK 15 million and the other is unlimited in amount.

In addition to this, there is a guarantee from Snusbolaget Norden AB for Haypp GmbH's commitments regarding third-party stock.

32 Related-party transactions

The following transactions have taken place with related parties:

	2024	2023
(a) Sales of goods and services		
Sales of goods and services to related parties	0	0
Sum	**0**	**0**

	2024	2023
(a) Purchases of goods and services		
Purchases of services from Advokatfirman Vinge KB	483	564
Purchases of services from E-Business Partner	0	511
Purchases of services from otZar Advisory AB	25	0
Sum	**508**	**1,075**

There are no receivables or liabilities as a result of sales of goods or services to related parties at the end of the year.

There are no loans to or from related parties at the end of the year or the comparison year.

Remuneration to senior executives is stated in Note 7.

Transactions with related parties relating to the purchase of warrants at market value during the year amount to SEK 0 (1,411) thousand. Related parties in this case refer to key persons in a leading position in the company.

33 Changes to liabilities that belong to financing activities

	2023-01-01	Cash inflow	Cash outflow	Items not affecting cash flow Capitalized interest	2023-12-31
Leasing debt	85,686	0	–22,485	36,301	99,503
Changes in loans	32,079	1,450	–28,856	0	4,673
Bank overdraft	114,607	21,769	0	0	136,377
Total	**232,373**	**23,219**	**–51,341**	**36,301**	**240,553**

	2024-01-01	Cash inflow	Cash outflow	Items not affecting cash flow Capitalized interest	2024–12–31
Leasing debt	99,503	0	–26,587	27,549	100,465
Changes in loans	4,673	1,111	–3,856	0	1,928
Bank overdraft	136,377	0	–32,576	0	103,801
Total	**240,553**	**1,111**	**–63,019**	**27,549**	**206,193**

34 Adjustments for non-cash Items

	2024	2023
Exchange-rate differences	–3,146	–3,320
Result from sale/disposal of fixed assets	–541	456
Revaluation of financial liabilities	3,843	854
Other provisions	12,685	0
Other	0	7
Total	**12,841**	**–2,003**

35 Events after the end of the reporting period

In February, the Group acquired Snusvaruhuset Sweden AB (corporate identity number 559396-0957). The acquisition is part of the Group's reorganization.

Parent Company income statement

Amounts in KSEK	Notes	2024	2023
Other operating income		4,633	3,814
Total		**4,633**	**3,814**
Other external costs	37	–5,659	–6,380
Personnel expenses	38	–7,468	–7,276
Depreciation and amortization of tangible and intangible assets	42	–37	–50
Other operating expenses		–48	–13
Sum expenses		**–13,213**	**–13,719**
Operating profit/loss		**–8,580**	**–9,905**
Financial income/expense			
Interest income and other financial income	39	2	2
Interest and other financial expenses	39	–140	0
Result from financial income/expenses		**–138**	**2**
Earnings Before Tax		**–8,718**	**–9,903**
Appropriations	40	50,000	0
Earnings before tax		**41,282**	**–9,903**
Income tax	41	–8,537	2,878
Profit/loss for the period		**32,745**	**–7,025**

In the Parent Company, there are no items that are reported as other comprehensive income, hence the total comprehensive income corresponds to the profit for the year.

Parent Company balance sheet

Amounts in KSEK	Notes	2024-12-31	2023-12-31
ASSETS			
Fixed assets			
Intangible assets			
Capitalized development costs	42	0	37
Total intangible assets		**0**	**37**
Financial assets			
Shares in subsidiaries	43	321,976	321,926
Deferred tax assets	44	0	5,429
Non-current receivables		189	2,036
Non-current intercompany receivables		344,816	297,166
Total financial assets		**666,980**	**626,556**
Total fixed assets		**666,980**	**626,594**
Current assets			
Current receivables			
Receivables from group companies		4,303	8,028
Current tax recoverable		0	79
Other receivables	45	3,313	1,957
Prepaid expenses and accrued income		618	728
Total current receivables		**8,234**	**10,791**
Cash and cash equivalents	46	0	175
Total current assets		**8,234**	**10,966**
TOTAL ASSETS		**675,213**	**637,559**

Parent Company balance sheet cont.

Belopp i KSEK	Not	2024-12-31	2023-12-31
EQUITY AND LIABILITIES			
EQUITY	25		
Restricted equity			
Share capital		1,955	1,955
Non-restricted equity			
Premium fund		701,269	694,627
Retained earnings		–65,551	–58,526
Profit/loss for the period		32,745	–7,025
Total equity		**670,418**	**631,031**
LIABILITIES			
Non-current liabilities			
Non-current intercompany liabilities		52	4,329
Other liabilities		746	254
Total non-current liabilities		**798**	**4,583**
Current liabilities			
Current liabilities to group companies		396	175
Current tax liabilities		2,907	0
Other liabilities		0	127
Accrued expenses and deferred income		695	1,643
Total current liabilities		**3,997**	**1,945**
Total liabilities		**4,795**	**6,528**
TOTAL EQUITY AND LIABILITIES		**675,213**	**637,559**

The notes on pages 67–70 are an integral part of the parent company's financial statements.

The Parent Company's statement of changes in equity

	Restricted equity	Non-restricted equity			
Belopp i KSEK	Share capital	Premium fund	Retained earnings	Profit/loss for the period	Total equity
Opening balance, 2023-01-01	**1,908**	**689,558**	**–79,466**	**20,940**	**632,941**
Disposition of results according to the Annual General Meeting			20,940	–20,940	0
Profit/loss for the year as well as comprehensive income			0	–7,025	–7,025
Total comprehensive income	**0**	**0**	**0**	**–7,025**	**–7,025**
Transactions with shareholders in their attribute as shareholders					
New share issue*	47	5,069			5,116
Total transactions with shareholders in their attribute as shareholders	**47**	**5,069**	**0**	**0**	**5,116**
Closing balance, 2023-12-31	**1,955**	**694,627**	**–58,526**	**–7,025**	**631,031**
Opening balance, 2024-01-01	**1,955**	**694,627**	**–58,526**	**–7,025**	**631,031**
Disposition of results according to the Annual General Meeting			–7,025	7,025	0
Profit/loss for the year as well as comprehensive income				32,745	32,745
Total comprehensive income	**0**	**0**	**0**	**32,745**	**32,745**
Transactions with shareholders in their attribute as shareholders					
New share issue*	0	4,179			4,179
Value of employee services	0	2,463			2,463
Total transactions with shareholders in their attribute as shareholders	**0**	**6,642**	**0**	**0**	**6,642**
Closing balance, 2024-12-31	**1,955**	**701,269**	**–65,551**	**32,745**	**670,418**

* After deduction of issue costs

The Parent Company’s statement of cash flow

Belopp i KSEK	Note	2024	2023
Cash flow from operating activities			
Operating loss		–8,580	–9,905
Adjustment for non-cash items:			
- Depreciation and amortization of tangible and intangible assets		37	50
- Other non-cash items	49	2,422	–281
Interest received		2	2
Interest paid		–102	0
Income tax paid		–123	–79
Cash flow from operating activities before change in working capital		**–6,343**	**–10,213**
Cash flow from change in working capital			
Increase/decrease in operating receivables		–101	–42
Increase/decrease in operating liabilities		–1,071	125
Total change in working capital		**–1,172**	**83**
Cash flow from operating activities		**–7,515**	**–10,130**
Cash flow from investing activities			
Acquisition of subsidiaries after deduction for acquired cash and cash equivalents		–50	–53
Change in other financial assets		0	440
Cash flow from investing activities		**–50**	**387**
Cash flow from financing activities			
New loans		–46,788	3,151
New share issue *		4,179	5,116
Group contributions		50,000	0
Cash flow from financing activities		**7,390**	**8,267**
Decrease/increase in cash and cash equivalents			
Opening cash and cash equivalents		175	1,650
Cash flow for the period		–175	–1,475
Closing cash and cash equivalents		**0**	**175**

* Cost after deduction of issue costs

36 The Parent Company's accounting principles

The most important accounting principles applied when this annual report has been prepared are stated below. These principles have been applied consistently for all years presented, unless otherwise stated.

The annual report for the parent company has been prepared in accordance with RFR 2 Accounting for Legal Entities and the Annual Accounts Act. In cases where the parent company applies accounting principles other than the Group's accounting principles, which are described in Note 1 to the consolidated financial statement, these are stated below.

Preparing reports in accordance with RFR 2 requires the use of some important estimates for accounting purposes. Furthermore, management is required to make certain assessments when applying the parent company's accounting principles. The areas that include a high degree of assessment, are complex or such areas where assumptions and estimates are of significant importance for the Annual report are stated in Note 2.22 of the consolidated financial statement.

Through its operations, the parent company is exposed to a variety of financial risks: market risk (currency risk and interest rate risk), credit risk and liquidity risk. The parent company's overall risk management policy focuses on the unpredictability of the financial markets and strives to minimize potential adverse effects on the Group's financial results. For more information on financial risks, see the consolidated financial statements note 3.

The parent company applies other accounting principles than the group in the cases listed below:

Forms of arrangement
The income statement and balance sheet follow the format of the Annual Accounts Act. The report on changes in equity also follows the Group's presentation, but must contain the columns specified in the Annual Accounts Act. Furthermore, it means a difference in names, compared with the consolidated accounts, mainly regarding financial income and expenses and equity.

Shares in subsidiaries
"Shares in subsidiaries are reported at acquisition value after deductions for any write-downs. The acquisition value includes acquisition-related costs and any additional purchase consideration. When there is an indication that shares in subsidiaries have decreased in value, a calculation of the recoverable amount is made. If this is lower than the carrying amount, a write-down is made. Impairment losses are reported in the items "Profit/loss from shares in group companies.

Financial instruments
IFRS 9 is not applied in the parent company. The parent company instead applies the points specified in RFR 2 (IFRS 9 Financial Instruments, p. 3–10).

Financial instruments are valued on the basis of acquisition value. In subsequent periods, financial assets acquired with the intention of being held in the short term will be reported in accordance with the principle of the lowest value at the lower of acquisition value and market value. Derivative instruments with a negative fair value are reported at this value.

When calculating the net sales value of receivables that are reported as current assets, the principles for impairment testing and loss risk provision in IFRS 9 shall be applied. For a receivable that is reported at accrued acquisition value at Group level, this means that the loss risk reserve that is reported in the Group in accordance with IFRS 9 must also be recognized in the parent company.

37 Auditors' fees

	2024	2023
PwC		
Audit fees	–1,138	–420
Other audit–related fees	–164	–229
Tax advisory fees	–276	–132
Other fees	0	–110
Total	**–1,577**	**–891**

Audit assignments refer to statutory audits of the annual and consolidated financial statement and accounting, as well as the Board of Directors' and the CEO administration, as well as audits and other audits performed in accordance with an agreement or contract.

This includes other tasks that are the responsibility of the company's auditor to perform as well as advice or other assistance that is prompted by observations during such review or the implementation of such other tasks.

38 Employee benefits, etc.

	2024	2023
Salaries		
Board	–2,127	–2,556
CEO	–3,039	–1,775
Total	**–5,166**	**–4,331**
Social costs		
CEO, Board and other management	–1,554	–1,810
(of which pension costs)	–440	–465
Total	**–1,554**	**–1,810**
Total salaries, social and pension costs	**–6,720**	**–6,141**

Compensation to the Board can be found in the corporate governance report, on page 20.

Average employees

	2024	2023
Men	1	1
Parent company total	**1**	**1**

39 Interest income and similar financial items as well as interest expenses and similar financial items

	2024	2023
Interest income, other	2	2
Sum Interest income and other f inancial income	**2**	**2**
Interest expense loans	–102	0
Interest expenses, inter company	–36	0
Interest expenses, other	–2	0
Exchange-rate differences	**–140**	**0**
Sum Interest and other financial expenses	**–138**	**2**
Financial items – net		

40 Appropriations

	2024	2023
Group contributions received	50,000	0
Total	**50,000**	**0**

41 Tax on profit for the year

Reported tax in statement of comprehensive income

	2024	2023
Current tax:		
Current tax on the profit/loss for the year	–3,109	0
Total current tax	**–3,109**	**0**
Deferred tax (Note 44)		
Emergence and reversal of temporary differences	–5,429	2,878
Total deferred tax	**–5,429**	**2,878**
Reported tax in statement of comprehensive income	**–8,537**	**2,878**

The income tax on profit before tax differs from the theoretical amount that would have emerged when using the Swedish tax rate for profit in the parent company as follows:

	2024	2023
Earnings before tax	41,282	–9,903
Tax rate, %	20,6	20,6
Income tax calculated according to tax rate in Sweden	–8,504	2,040
Non-deductible expenses	–37	–66
Tax due to change in previous years taxation	0	904
Övrigt	4	0
Income tax	**–8,537**	**2,878**

Deferred tax assets are reported for tax loss carry-forwards or other deductions to the extent that it is probable that they can be utilized through future taxable profits. Unutilized loss carryforwards for which no deferred tax asset has been reported amount to KSEK 0 as of December 31, 2023.

42 Intangible assets

	Capitalized expenses for development work	Total
Financial year 2023		
Opening carrying amount	87	87
This year's depreciations	–50	–50
Closing carrying amount	**37**	**37**
Per 31 december 2023		
Acquisition value	250	250
Accumulated depreciation and write-downs	–213	–213
Carrying amount per 31 december 2023	**37**	**37**

	Capitalized expenses for development work	Total
Financial year 2024		
Opening carrying amount	37	37
This year's depreciations	–37	–37
Closing carrying amount	**0**	**0**
Per 31 december 2024		
Acquisition value	250	250
Accumulated depreciation and write-downs	–250	–250
Carrying amount per 31 december 2024	**0**	**0**

43 Shares in subsidiaries

Name	Org no	Residence and registration - and country of business	No of shares	Book value 2024-12-31	Book value 2024-12-31
Snusbolaget Norden AB	556801-3683	Stockholm	1,100	141,550	141,550
Snushjem.no AS	919649585	Oslo	300	8,642	8,642
Northerner Scandinavia AB	556559-1699	Stockholm	1,000	171,401	171,401
Haypp Limited	13876184	London	1	0	0
Haypp GmbH	HRB 729097	Hamburg	25,000	333	333
Haypp Sverige AB	559505-9964	Stockholm	25,000	25	0
Nicokick AB	559505-9972	Stockholm	25,000	25	0

	2024-12-31	2023-12-31
Opening acquisition value	380,926	380,592
Acquisitions	50	333
Shareholder contribution	0	0
Closing accumulated acquisition value	**380,976**	**380,926**
Opening accumulated write-downs	-59,000	-59,000
Write-downs for the year	0	0
Closing accumulated write-downs	**-59,000**	**-59,000**
Closing book value	**321,976**	**321,926**

44 Deferred tax

Deferred tax liabilities and tax receivables are distributed as follows:

Deferred tax assets	Temporary differences	Loss carry forward	Total
Per 31 december 2022	**1,176**	**1,375**	**2,551**
Reported in the income statement	0	2,878	2,878
Per 31 december 2023	**1,176**	**4,252**	**5,429**
Reported in the income statement	–1,176	–4,252	–5,429
Per 31 december 2024	**0**	**0**	**0**

45 Other receivables

	2024-12-31	2023-12-31
VAT claim	0	51
Tax account	183	237
Other receivables	3,135	1,669
Total	**3,318**	**1,957**

46 Cash and cash equivalents

	2024-12-31	2023-12-31
Bank accounts	0	175
Total	**0**	**175**

47 Contingent Liabilities

	2024-12-31	2023-12-31
Guarantee for Snusbolaget Norden AB's liabilities	103,801	136,377
Total	**103,801**	**136,377**

In the parent company, there are two guarantees issued on behalf of subsidiaries regarding two suppliers, one of which is limited to NOK 15 million and the other is unlimited in amount.

48 Related-party transactions

The following transactions have taken place with related parties:

	2024	2023
(a) Sales of goods and services		
Sales of goods and services to related parties	0	0
Sum	**0**	**0**
(a) Purchases of goods and services		
Purchases of services from Advokatfirman Vinge KB	483	564
Purchases of services from otZar Advisory AB	25	
Sum	**508**	**564**

There are no receivables or liabilities as a result of sales of goods or services to related parties at the end of the year.

There are no loans to or from related parties at the end of the year or the comparison year.

Remuneration to senior executives is stated in Note 7.

Transactions with related parties relating to the purchase of warrants at market value during the year amount to SEK 0 (1,411) thousand. Related parties in this case refer to key persons in a leading position in the company.

49 Adjustments for non-cash Items

	2024	2023
Exchange-rate differences	–41	0
Revaluation of financial liabilities	2,463	0
Other	0	–281
Total	**2,422**	**–281**

50 Events after the end of the reporting period

No significant events have occurred after the end of the financial year.

Signatures from the Board of Directors

The Board of Directors and the President declare that the consolidated financial statements were prepared in accordance with the International Financial Reporting Standards IFRS as adopted by the EU and present a true and fair view of the Group's financial position and results. The Annual Report was prepared in accordance with generally accepted accounting principles and presents a true and fair view of the Parent Company's financial position and earnings. The Board of Directors' report for the Group and the Parent Company provides a fair review of the development of the Group's and the Parent Company's operations, position and earnings and describes significant risks and uncertainties facing the Parent Company and the companies included in the Group.

Stockholm, the date stated on our electronic signature

Ingrid Jonasson Blank
Chairman

Deepak Mishra
Board member

Anneli Lindblom
Board member

Adam Schatz
Board member

Linus Liljegren
Board member

Patrik Rees
Board member

Gavin O'Dowd
CEO

Our Auditor's Report was submitted on the date stated on our electronic signature
Öhrlings PricewaterhouseCoopers AB

Magnus Lagerberg
Authorised Public Accountant

Auditor's report

To the general meeting of the shareholders of Haypp Group AB (publ), corporate identity number 559075-6796

Report on the annual accounts and consolidated accounts

Opinions

We have performed an audit of the annual accounts and consolidated accounts of Haypp Group AB (publ) for year 2024. The annual accounts and consolidated accounts of the company are included on pages 28-71 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company and the group as of 31 December 2024 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act.

The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2024 and their financial performance and cash flow for the year then ended in accordance with IFRS Accounting Standards, as adopted by the EU, and the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.
We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Other information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1-27 and 74-75. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.
If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS Accounting Standards, as adopted by the EU, and the Annual Accounts Act. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, the Board of Directors and the Managing Director are responsible for the assessment of the company and group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intends to liquidate the company, cease operations or has no realistic alternative to doing any of this.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

A further description of our responsibility for the audit of the annual accounts and consolidated accounts is available on the Swedish Inspectorate of Auditors' website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.

Report on other legal and regulatory requirements

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Haypp Group AB (publ) for year 2024 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company and group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.
The Board of Directors is responsible for the company's organization and the management of the company's affairs. This includes among other things continuous assessment of the company and group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that

can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

A further description of our responsibility for the audit of the administration is available on the Swedish Inspectorate of Auditors' website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.

Stockholm the date indicated by our electronic signature

Öhrlings PricewaterhouseCoopers AB

Magnus Lagerberg
Authorized Public Accountant

This is a translation of the Swedish language original. In the event of any differences between this translation and the Swedish language original, the latter shall prevail.

Definitions

	Definition	Reason for use
Net sales growth, %	Change in net sales growth for the period.	Shows whether the company's business is expanding or contracting.
Organic sales growth, %	Change in net sales excluding businesses which have been acquired, sold or exited.	Shows whether the company's business is expanding or contracting when excluding the effects from acquisitions, divestments or exits.
Gross margin, %	Gross profit as a percentage of net sales.	The measure is an indicator of the Company's gross earnings capacity.
Gross profit growth, %	Change in net sales growth for the period minus cost of goods sold for the period.	Shows change in the profitability and the financial performance of the company's business.
EBIT margin, MSEK	EBIT as a percentage of net sales.	Shows operating profit in relation to net sales and is a measurement of the profitability in the company's operational business.
Adjusted EBIT, MSEK	EBIT excluding amortization and impairment losses on acquisition-related intangible assets and items affecting comparability.	Shows results of the company's operational business excluding amortization that arises as a result of accounting treatment of purchase price allocations in conjunction with acquisitions and items that affect comparison with other periods.
Adjusted EBIT margin, %	EBIT margin adjusted for amortization and impairment losses on acquisition-related intangible assets and items affecting comparability.	Shows EBIT margin excluding amortization that arises as a result of accounting treatment of purchase price allocations in conjunction with acquisitions and items that affect comparison with other periods.
EBITDA, MSEK	EBIT excluding depreciation/amortization and impairment of assets.	Shows the ability of the company's operations to generate resources for investment and payment to capital providers.
EBITDA margin, %	EBITDA as a percentage of net sales.	A profitability measurement that is used by investors, analysts and the company's management for evaluating the company's profitability.
Adjusted EBITDA, MSEK	EBITDA adjusted for items affecting comparability.	Shows EBITDA excluding items that affect comparison with other periods.
Adjusted EBITDA margin, %	EBITDA margin adjusted for items affecting comparability.	Shows EBITDA margin excluding items that affect comparison with other periods.
Net debt, MSEK	Non-current lease liability, other non-current liabilities, bank overdraft, current lease liability, liabilities to credit institutions and cash and cash equivalents.	Shows how much cash would remain if all debts were paid off.
Net debt / adjusted EBITDA, x	Net debt in relation to adjusted EBITDA.	Shows financial risk and is an indication of repayment capacity.
Items affecting comparability	Significant items affecting comparability, including significant consulting and advisory costs, acquisition, integration and restructuring costs, and significant legal costs.	Refers to items that are reported separately as they are of a significant nature and are relevant for understanding the financial performance when comparing the profit/loss for the current period with the previous periods.

AGM information

AGM information 2025
AGM information Haypp Group will hold its Annual General Meeting on Thursday , May 15, 2025 in Stockholm.

Participation and registration
Shareholders who wish to participate in the Annual General Meeting must (i) be listed in the shareholders' register maintained by Euroclear Sweden AB regarding circumstances on Wednesday May 7, 2025.

Further information about the Annual General Meeting can be found in the notice on our website www.hayppgroup.com

HAYPP GROUP

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