

Interim Report  
January–September 2024

Q3

”Strong business momentum  
with regulatory challenges”



HAYPP GROUP

The Board of Directors and the President are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Annual Accounts Act.

### Third quarter 2024

- Net sales increased by 23 per cent to SEK 944.2 m (768.9). In constant currency, net sales increased by 25 per cent.
- 42 percent volume growth in the nicotine pouch category during the quarter.
- The gross margin amounted to 14.3 per cent (12.6).
- Adjusted EBITDA amounted to SEK 50.8 m (32.9), corresponding to an adjusted EBITDA margin of 5.4 per cent (4.3).
- Adjusted EBIT amounted to SEK 33.1 m (18.3), corresponding to an adjusted EBIT margin of 3.5 per cent (2.4).
- Operating profit totalled SEK 12.4 m (7.7), including items affecting comparability of SEK –10.7 m (–0.7).
- Profit for the quarter amounted to SEK 16.9 m (6.1).
- Earnings per share before dilution amounted to SEK 0.57 (0.21).
- Number of orders increased to 1,281 thousand (1,068) with an average order value of SEK 687 (683).
- Active customers were 618 thousand (496) at the end of the quarter.

### First nine months 2024 (Period)

- Net sales increased by 19 per cent to SEK 2,764.6 m (2,318.9). In constant currency, net sales increased by 20 per cent.
- 43 percent volume growth in the nicotine pouch category during the period.
- The gross margin amounted to 14.3 per cent (12.5).
- Adjusted EBITDA amounted to SEK 149.1 m (97.1), corresponding to an adjusted EBITDA margin of 5.4 per cent (4.2).
- Adjusted EBIT amounted to SEK 98.1 m (57.0), corresponding to an adjusted EBIT margin of 3.5 per cent (2.5).
- Operating profit totalled SEK 37.8 m (11.3), including items affecting comparability of SEK –30.3 m (–15.9).
- Profit for the period amounted to SEK 29.8 m (8.0).
- Earnings per share before dilution amounted to SEK 1.00 (0.27).
- Cash flow from operating activities amounted to SEK 159.1 m (127.9)
- Number of orders increased to 3,729 thousand (3,258) with an average order value of SEK 690 (670).
- Active customers were 980 thousand (810) at the end of the period.

Amounts in MSEK	Q3 2024	Q3 2023	YTD Q3 2024	YTD Q3 2023	Last 12 months	Full Year 2023
Net sales	944.2	768.9	2,764.6	2,318.9	3,611.4	3,165.7
Net sales growth, %	22.8	21.9	19.2	22.2		21.8
Gross margin, %	14.3	12.6	14.3	12.5	14.1	12.7
Adjusted EBITDA	50.8	32.9	149.1	97.1	186.6	134.6
Adjusted EBITDA margin, %	5.4	4.3	5.4	4.2	5.2	4.3
Adjusted EBIT	33.1	18.3	98.1	57.0	119.3	78.2
Adjusted EBIT margin, %	3.5	2.4	3.5	2.5	3.3	2.5
Items affecting comparability	–10.7	–0.7	–30.3	–15.9	–30.3	–15.9
Operating profit/loss	12.4	7.7	37.8	11.3	48.9	22.3
Profit/loss for the period	16.9	6.1	29.8	8.0	26.9	5.0
Earnings per share before dilution (SEK)	0.57	0.21	1.00	0.27	0.90	0.17
Cash flow from operating activities			159.1	127.9		80.5
Number of orders (thousand)	1,281	1,068	3,729	3,258	4,897	4,426
Average order value (SEK)	687	683	690	670	687	672
Active customers (thousand)	618	496	980	810	1,110	953

# Strong business momentum with regulatory challenges

Haypp Group retained its strong business momentum in the third quarter of 2024 with net sales growth of 25% y/y (excl. FX), the highest rate over the last 2 years driven by strong performances across the Core, Growth and Emerging divisions, complemented by the Group's Media and Insights business.

Regulatory challenges in Sweden and California also surfaced this quarter. In the Group's view, these issues are limited to their respective markets, although with implications for the US business. Haypp's experience and expertise operating in regulated markets underpins the Group's confidence in its sustained, robust growth outlook.

## Sustained margin expansion

Nicotine pouches (NPs) accounted for 63% of Q3 Group volume, up from 60% in Q2 as the Group's product mix transitions according to plan. Group NP volume grew 42% y/y, with notable momentum in the Core (+32% y/y) and Growth division (+58% y/y), US volume rose by over 63%. The Emerging division likewise retained its momentum with the Swedish and UK vaping businesses particularly robust as shown by the steadily increasing sales quarter over quarter to nearly 3x the Q1 2024 level. The Group's gross margin of 14.3% was in line with the first half of 2024, and up c. 170bps over Q3 2023 as our position in the value chain continues to strengthen. The EBITDA and EBIT margins were unchanged and slightly up y/y, affected by the legal reserve charge taken with respect to the San Francisco complaint. Adjusted EBITDA and adj. EBIT margins are 5.4% and 3.5% respectively, up about 110bp y/y as we are realizing benefits of scale.

Core sales growth accelerated sequentially to 13.2% y/y in Q3 reaching net sales of SEK650mn with robust performances by Sweden and Norway driven by NP growth, with the EBITDA margin up nearly 70bps y/y. Growth division sales increased over 40% y/y but slowed sequentially to SEK274mn reflecting the mix effect from Zyn shortages. The Growth EBITDA margin was up 740bps y/y and above Q2. Emerging division sales increased 64% sequentially to SEK21mn with lower EBITDA losses, driven by Sweden and the UK as the Haypp model gains traction.

## Regulatory challenges and implications

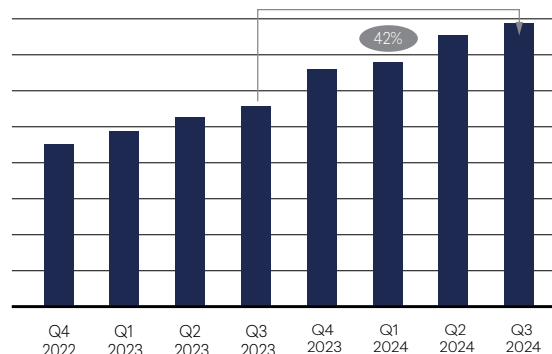
Haypp experienced two regulatory issues in the latter part of Q3, one in Sweden and one in San Francisco, California. In Sweden, the Stockholm Stad Licensing Committee's decision to revoke Haypp's tobacco products license will not materially affect Haypp's revenue or profit outlook during the appeals process that is likely to take 1–2 years. While disagreeing with the decision, Haypp has addressed the concern raised by this regulator



**“Regulatory challenges in Sweden and California also surfaced this quarter. In the Group's view, these issues are limited to their respective markets in scope”**

## The transformation towards nicotine pouches running according to plan

Volume nicotine pouches



and implemented age verification at point of delivery, supplementing its original BankID point of sale verification for all Swedish consumers. As noted in prior quarters, the snus category is declining at an approximate low double-digit rate and in Haypp's view, the changes to delivery are unlikely to materially affect the trajectory of the Swedish business.



The San Francisco city attorney filed a complaint regarding the sales of flavored products against Haypp Group's subsidiary in the US and two other brand owners' direct-to-consumer online stores. The case is ongoing.

Haypp has evaluated its potential exposure and established reasonable litigation reserves that it has estimated to be adequate to cover its ordinary course legal expenses and associated liabilities. This reserve has been charged in Q3 2024 but identified as an item affecting comparability.

### **California flavor regulation impact**

Recent restrictions proposed in California (CA) extending the flavour ban to include online were a catalyst for Haypp Group to suspend CA until the regulatory dynamics are clarified. Since California accounted for a large portion of tobacco sales, the Group is also ending sales of tobacco products nationwide sooner than anticipated. As in Sweden, legacy tobacco products such as MST and snus have their own specific sales requirements and are declining at a low double-digit rate. Amounting to only 7% of US volume in Q3, this segment no longer merits the additional focus required. CA and tobacco products accounted for approximately 15% of US volume in Q3 and had significantly slower growth than the other parts of the US business.

The group invests significant resources to ensure it is the most compliant retailer online and offline in the US and its other markets. Our commitment to 100% Youth Access Prevention is underpinned by digital records supporting each transaction. In addition, in the US we restrict sales of products to comply with local legislation, in some cases down to a postcode level.

### **US product portfolio fragmentation**

From the latter part of Q3, the group has struggled to source the market leading brand. Assuming this continues, the group expects to sell only negligible quantities of that brand in Q4. During Q3, the brand accounted for circa 35 % of US volume excluding California. Given the phenomenal growth of the NP category in the US, supply challenges are to be expected and the group endeavors to continue to diversify its source of products. In Q3 2024, sales of NP brands other than the market leader grew sales by nearly 130% y/y (excluding CA). While this trajectory began in late 2023 driven by increased brand awareness and brand equity. This trend accelerated in 2024 due to supply constraints of the leading brand. In addition, new brand launches in 2024, by global players have already gained notable traction

and are expected to continue. Furthermore, the profit margin contribution of other brands has historically been higher than the market leader.

### **Positive regulatory developments support long term growth**

Sweden recently changed its official tobacco policy goal from reducing all tobacco use to reducing the social and medical harms of tobacco and nicotine products. This shift recognises that achieving smoke-free status (less than 5% smoking prevalence) is the critical target, supporting the availability of alternative nicotine products such as snus, nicotine pouches, and vapes, all of which are materially less harmful than cigarettes. This approach is likely to be influential in the EU and TPDIII discussions, supporting RRP regulation.

In the UK, the recently re-introduced Vapes and Tobacco Bill reinforces the importance of nicotine vaping products, tightening regulations in the category as anticipated, to limit youth usage of vapes or cigarettes. The proposed taxation likewise further embeds RRP in the UK as key elements of its approach to tobacco and nicotine.

### **Financial targets**

Haypp Group set its 2025 financial targets in 2021. The Group is evaluating its mid and long-term targets and will update the investment community in Spring 2025.

### **Conclusion**

Strong business momentum in Q3 continued across all three divisions driven by RRP demand while the regulatory issues are defined and limited in scope. Longer term, the fundamentals of both the category, the channel and the company remain robust. Future growth is expected to underpin anticipated profit margin development. Haypp remains confident in its business model and proprietary expertise managing high growth in regulated markets.

Stockholm in November 2024

Gavin O'Dowd  
President and CEO

# Financial overview

## Net sales

Net sales for the third quarter increased by 23 per cent to SEK 944.2 m (768.9). In constant currency, net sales increased by 25 per cent.

Net sales for the period increased by 19 per cent to SEK 2,764.6 m (2,318.9). In constant currency, net sales increased by 20 per cent.

## Gross Profit

Gross Profit increased to SEK 134.8 m (97.1), corresponding to a gross margin of 14.3 per cent (12.6), driven by a further strengthened position in the value chain as well as benefits of scale.

Gross Profit for the period increased to SEK 396.1 m (289.5), corresponding to a gross margin of 14.3 per cent (12.5).

## Adjusted EBIT

Adjusted EBIT for the third quarter increased to SEK 33.1 m (18.3). The result has been affected by a reservation regarding legal costs of a one-off nature of a total of SEK 11 m attributable to the American market. The adjusted EBIT margin increased to 3.5 per cent (2.4).

Adjusted EBIT for the period increased by 72 per cent to SEK 98.1 m (57.0). The adjusted EBIT margin increased to 3.5 per cent (2.5).

## Operating profit

Operating profit for the third quarter was SEK 12.4 m (7.7). Items affecting comparability amounted to SEK -10.7 m (-0.7). For more information on Items affecting comparability, refer to page 27.

Operating profit for the period was SEK 37.8 m (11.3). Items affecting comparability amounted to SEK -30.3 m (-15.9).

## Financial items

Financial expenses (net) for the quarter amounted to SEK -3.2 m (-0.4), mainly due to interest for leasing and cash pool. From Q2 2024 and onward, there is no impact from intercompany loans, revaluations of intercompany loans due to foreign exchange are recognized in OCI (Other Comprehensive income).

Financial expenses (net) for the period amounted to SEK -4.0 m (-2.3).

## Tax

The tax income for the quarter was SEK 7.7 m (-1.2), of which SEK 6.6 m is related to income tax for the quarter and SEK 1.0 m relates to amortization of surplus values.

The tax expense for the period was SEK -4.0 m (-1.0)

## Net Profit

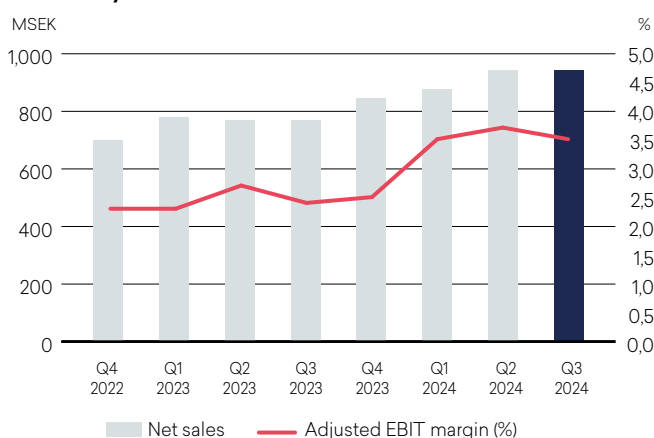
Profit for the quarter amounted to SEK 16.9 m (6.1). Earnings per share amounted to SEK 0.54 (0.20) after dilution.

Profit for the period increased to SEK 29.8 m (8.0). Earnings per share for the period amounted to SEK 0.97 (0.27) after dilution.

## Investments

During the first nine months 2024, Haypp Group invested (net) SEK 68.7 m (42.5), whereof SEK 50.3 m (40.2) was invested in intangible assets. The increase in the period is mainly driven by investment into the new ERP system and higher website development spendings as well as closing the lease contracts for the former warehouse automatization in the Stockholm warehouse.

## Quarterly overview



## Cash flow

Cash flow for the period from operating activities increased to SEK 159.1 m (127.9). Cash flow from changes in working capital decreased to SEK 34.8 m (60.2) mainly driven by a decrease in inventory levels.

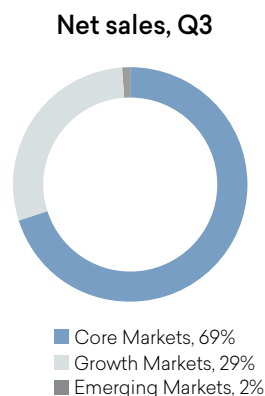
## Net debt and cash and cash equivalents

At the end of the period, net debt amounted to SEK 149.9 m versus 224.5 m per 31 December 2023. In total, cash and cash equivalents amounted to SEK 20.1 m, versus 11.4 at the end of last year. At the end of the period, unutilised credit facility amounted to SEK 66 m, versus SEK 32 m at the end of last year.

# Review of reporting segments

Haypp Group operates from January 2024 in three reporting segments or business units: Core Markets, Growth Markets and Emerging Markets.

The Core Markets consists of oral nicotine products in Sweden and Norway, which are more mature markets. The Growth Markets consist mainly of oral nicotine products in US, UK, Germany, Austria and Switzerland. Emerging Markets focus on other RRP categories, currently nicotine vaping in existing geographies.



## Segment breakdown

Amounts in KSEK	Net Sales					EBITDA				
	Q3 2024	Q3 2023	YTD Q3 2024	YTD Q3 2023	LTM	Q3 2024	Q3 2023	YTD Q3 2024	YTD Q3 2023	LTM
Core markets	649,474	573,586	1,930,160	1,775,628	2,562,010	56,361	45,640	166,311	141,421	216,446
EBITDA margin, %						8.7 %	8.0 %	8.6 %	8.0 %	8.4 %
Growth markets	273,812	195,270	792,645	543,305	1,007,582	2,512	-12,707	6,066	-44,238	-7,114
EBITDA margin, %						0.9 %	-6.5 %	0.8 %	-8.1 %	-0.7 %
Emerging markets	20,956		41,778		41,778	-7,780		-22,847		-22,847
EBITDA margin, %						-37.1%		-54.7%		-54.7%
Parent company/other	0	0	0	0	0	-10,688	-652	-25,508	-15,881	-25,525
Reconciliation items	0		0		0	-340	-60	-451	-119	108
<b>GROUP TOTAL</b>	<b>944,242</b>	<b>768,856</b>	<b>2,764,584</b>	<b>2,318,933</b>	<b>3,611,371</b>	<b>40,065</b>	<b>32,221</b>	<b>123,571</b>	<b>81,184</b>	<b>161,067</b>
EBITDA margin, %						4.2 %	4.2 %	4.5 %	3.5 %	4.5 %
Depreciation & Amortization						-27,708	-24,543	-85,732	-69,933	-112,172
Financial items						-3,150	-421	-4,039	-2,286	-16,198
<b>PROFIT BEFORE TAXES</b>						<b>9,207</b>	<b>7,257</b>	<b>33,800</b>	<b>8,966</b>	<b>32,697</b>

# Core markets

## Core markets

(Amounts in MSEK)	Q3 2024	Q3 2023	Change, %	YTD Q3 2024	YTD Q3 2023	Change, %	LTM	Full Year 2023
Net sales	649.5	573.6	13.2 %	1,930.2	1,775.6	8.7 %	2,562.0	2,407.5
EBITDA	56.4	45.6	23.5 %	166.3	141.4	17.6 %	216.4	191.6
EBITDA margin (%)	8.7 %	8.0 %	0.7p.p.	8.6 %	8.0 %	0.6 p.p.	8.4 %	8.0 %
Active customers (thousand)	417	390	7%	651	628	4%	748	732

### Net sales

Net sales for the third quarter increased by 13 per cent to SEK 649.5 m (573.6), and 16 per cent in constant currency. Nicotine pouches grew by 32 per cent in volume during the quarter, driven by a strong performance both in Sweden and Norway. Within the traditional snus category, the downward trend continued during the quarter due to fewer product launches and less investment in new products. The number of active customers increased by 7 per cent to 417 thousand (390).

Net sales for the period increased by 8.7 per cent to SEK 1,930.2 m (1,775.6), and 10 per cent in constant currency. Nicotine pouch volume grew by 33 per cent during the period. The number of active customers increased by 4 per cent to 651 thousand (628).

### EBITDA

EBITDA in the Core Markets increased by 24 per cent to SEK 56.4 m (45.6) during the third quarter. The EBITDA margin increased by 0.7 percentage points to 8.7 per cent (8.0) mainly due to economies of scale.

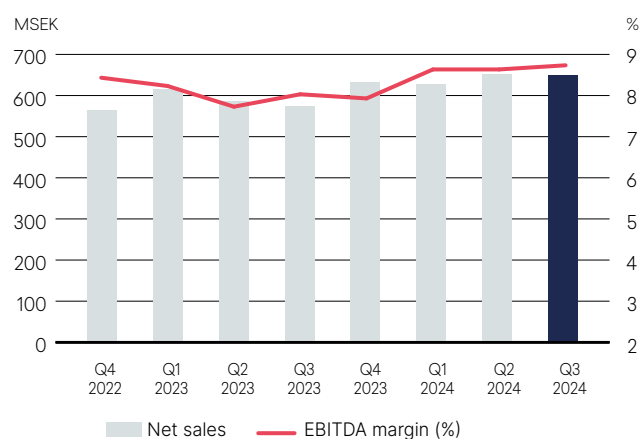
EBITDA increased by 18 per cent to SEK 166.3 m (141.4) during the period. The EBITDA margin increased by 0.6 percentage points to 8.6 per cent (8.0).

### Other

The Licensing Committee within the Social Welfare Department of the City of Stockholm decided in September to revoke Haypp Group's (Snusbolaget) sales permit for tobacco products, including snus, due to a difference in interpretation between the Social Welfare

Department of the City of Stockholm and Haypp Group regarding how consumers should be age verified upon delivery of tobacco products in Sweden. The decision was not unanimous, and several members of the Licensing Committee opposed the decision to revoke Snusbolaget's sales permit. The withdrawal will not materially affect Haypp Group's net sales or earnings outlook during the appeals process that is likely to take one to two years. Haypp Group is addressing the concern raised by the regulator and expects to have completely implemented age verification at point of delivery, supplementing its original BankID point of sale verification for all Swedish consumers of snus or NPs within short.

### Core Markets



# Growth markets

## Growth markets

(Amounts in MSEK)	Q3 2024	Q3 2023	Change, %	YTD Q3 2024	YTD Q3 2023	Change, %	LTM	Full Year 2023
Net sales	273.8	195.3	40.2 %	792.6	543.3	45.9 %	1,007.6	758.2
EBITDA	2.5	-12.7	-119.8 %	6.1	-44.2	-113.7 %	-7.1	-57.4
EBITDA margin (%)	0.9 %	-6.5 %	7.4p.p.	0.8 %	-8.1 %	8.9 p.p.	-0.7 %	-7.6 %
Active customers (thousand)	182	105	73%	298	182	64%	328	222

### Net sales

Net sales for the third quarter increased by 40 per cent to SEK 273.8 m (195.3), mainly due to a strong performance in the US. Net sales in constant currency rose 44 per cent. The number of active customers increased by 73 per cent to 182 thousand (105), due to positive momentum in the nicotine pouches category. Nicotine pouch volume grew by 58 per cent during the quarter.

Net sales for the period increased by 46 per cent to SEK 792.6 m (543.3). Net sales in constant currency rose 47 per cent. The number of active customers increased by 64 per cent to 298 thousand (182).

### EBITDA

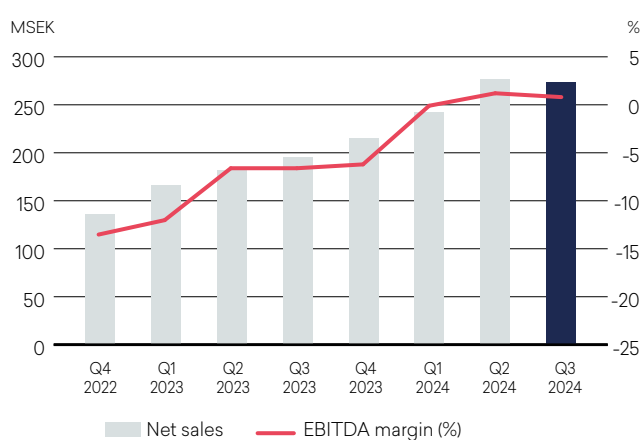
EBITDA for the segment amounted to SEK 2.5 m (-12.7) during the third quarter. The EBITDA margin was improved to 0.9 per cent (-6.5), due to economies of scales, offset by continued commercial investments.

EBITDA for the segment improved to SEK 6.1 m (-44.2) during the period. The EBITDA margin was 0.8 per cent (-8.1).

### Other

The San Francisco City Attorney filed a complaint against Haypp Group's subsidiary in the US and three other entities on behalf of the City and County of San Francisco and the State of California. Haypp has ceased all sales into California since early September and is working to reach a mutually acceptable settlement. The Group has evaluated its potential exposure and established litigation reserves, of SEK 11 mn, classified as an item affecting comparability, during the third quarter.

### Growth Markets





# Emerging Markets<sup>1</sup>

## Emerging Markets

(Amounts in MSEK)	Q3 2024	Q3 2023	Change, %	YTD Q3 2024	YTD Q3 2023	Change, %	LTM	Full Year 2023
Net sales	21.0	-	-	41.8	-	-	41.8	-
EBITDA	-7.8	-	-	-22.8	-	-	-22.8	-
EBITDA margin (%)	-37.1%	-	-	-54.7%	-	-	-54.7%	-
Active customers (thousand)	20	-	-	31	-	-	31	-

### Net sales

Net sales for the third quarter were SEK 21.0 m, derived from the vape segment in the UK, Germany and Sweden. The number of active customers reached 20 thousand.

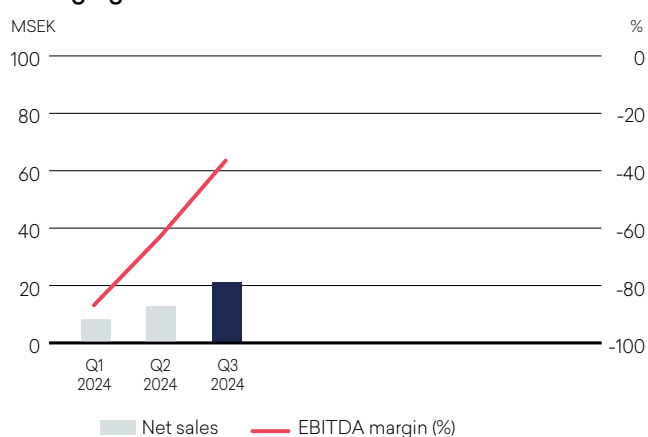
Net sales for the period were SEK 41.8 m. The number of active customers were 31 thousand.

### EBITDA

EBITDA for the segment was SEK -7.8 m during the third quarter (-1.0 percentage points impact on total Group's adjusted EBITDA margin). The EBITDA margin amounted to -37.1 per cent, driven by commercial investments and a high share of fixed costs compared with current low volumes.

EBITDA for the segment during the period amounted to SEK -22.8 m. The EBITDA margin was -54.7 per cent.

### Emerging Markets



<sup>1</sup> The Emerging Markets segment was established in January 2024 and currently includes the nicotine vaping category in UK, Sweden and Germany. Haypp Group intends to report new categories and markets in the future within this segment.

# Other information

## Employees

The average number of full-time employees during Q3 2024 was 200, compared to 174 the same period last year. The increase is primarily attributable to expansion of the business.

## Events after the balance sheet date

No significant events to report after the balance sheet date.

## Shareholders

The total number of shareholders amounted to approximately 4,800 at the end of September 2024.

Largest shareholders per September 30, 2024.

	Numbers of shares	Share of capital and votes
GR8 Ventures AB	3,904,953	13.09 %
Patrik Rees	3,627,423	12.16 %
Fidelity Investments (FMR)	2,978,580	9.98 %
Northerner Holding AB	2,797,917	9.38 %
Robotti & Company Advisors LLC	1,441,131	4.83 %
madHat AB	1,155,926	3.87 %
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 %
<b>Sum</b>	<b>20,014,195</b>	<b>67.08 %</b>
Others	9,824,893	32.92 %
<b>Total</b>	<b>29,839,088</b>	<b>100 %</b>

## Parent company

Haypp Group AB (Corp. Reg. No. 559075-6796), which is domiciled in Stockholm, Sweden, conducts holding operations. During the period, other operating income amounted to SEK 1.9 m (1.2) and profit totalled SEK -2.5 m (-2.3) Total equity amounted to SEK 630.1 m (631.0) per 30 September 2024.

## Seasonal effects

Haypp Group assesses that its revenues and EBIT to a limited degree are affected by seasonality. The three segments have varying, but limited, seasonality patterns. The strongest seasonality effect can normally be seen in the months of July and December respectively where holiday seasonality tends to have an adverse effect on Haypp Group's net sales.

## Risks and uncertainties

The Haypp Group's and the parent company's business risks and risk management, as well as the management of financial risks, are described in the Annual Report 2023 and the sustainability report. No events of material significance occurred in the period that materially affect or change these descriptions of the Group's and parent company's risks and their management.

This is information that Haypp Group AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons below, at 07:45 CET on 7 November 2024.

## Webcast conference call on 7 November

In connection with the interim report, Haypp Group will hold a webcast conference call in English at 09.00 am CET. Haypp Group will be represented by President and CEO Gavin O'Dowd and CFO Peter Deli, who will present the interim report and answer questions. Information regarding telephone numbers and website is available at <https://www.hayppgroup.com>. The presentation will be available at [www.hayppgroup.com/ir](http://www.hayppgroup.com/ir) after publication of the interim report. The webcast will be available at the same address after the live broadcast.

## For further information, please contact:

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Erik Bloomquist, CFA, Investor Relations  
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## Financial calendar

February 13, 2025  
Interim report Q4

May 06, 2025  
Interim report Q1

May 15, 2025  
Annual shareholders' meeting 2025

August 07, 2025  
Interim report Q2

November 05, 2025  
Interim report Q3

# Signatures

The Board of Directors and the CEO give their assurance that the nine-month report provides a fair view of the Parent Company's and the Group's operations, financial position and results of operations and describes the significant risks and uncertainties facing the Parent Company and the companies that are part of the Group.

Stockholm on 7 November 2024

**Ingrid Jonasson Blank**

Chairman

**Linus Liljegren**

Board member

**Adam Schatz**

Board member

**Anneli Lindblom**

Board member

**Patrik Rees**

Board member

**Deepak Mishra**

Board member

**Gavin O'Dowd**

President and CEO

# Haypp Group at glance

The Haypp Group is spearheading the global transformation from smoking to risk-reduced 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, the Haypp Group is present in seven countries where we served more than 950,000 active consumers during 2023. Headquartered in Stockholm, Sweden, Haypp Group employs 200 FTEs and had net sales of over SEK 3 bn during 2023.

## Vision

We put the consumer first. We engage with them every day to understand their needs and desires, and we know them like no other actor in the industry. Our vision to “Inspire healthier enjoyment for millions” will help consumers change harmful habits, whilst simultaneously increasing our global presence.

## Business model

The consumer is always the focus of our business. Our model starts with managing the consumer experience. We reach out to a broad consumer base, effectively advocating for reduced risk nicotine alternatives and assisting them to find the most appropriate solution.

Our model enables us to gain a more comprehensive understanding of the consumer in a revolutionary new way. We utilise this knowledge to constantly evolve and improve our customer’s journey. Our insights are the driving force for the whole industry to create great quality products, provide superb product offers and produce in a responsible and sustainable way.

Our business model is solid and scalable. It is a model with proven success, that has resulted in increased consumption across a broader range of consumer profiles. It has also resulted in increased sales of premium products and tobacco-free nicotine pouches, in comparison to the rest of the industry.

## Values

Society is demanding a change in the tobacco and nicotine industry. We believe that “Inspiring healthier enjoyment for millions” is pivotal to drive the global change. As a result of our success in Scandinavia and our recent achievements when entering new markets, we are in a unique position to help drive that change in society.

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## Financial targets

Haypp Group’s Board of Directors has adopted the following financial targets:

### Topline Growth

Haypp Group targets net sales of SEK 5 billion by 2025 in its existing business through organic growth. Expansion into adjacent categories and new markets will be incremental.

### Profitability

While Haypp Group will continue to prioritise topline growth, it expects to reach a high single digit adjusted EBIT margin in the current Core & Growth Markets business in 2025.

### Reinvestment

In order to provide multiple choices for a broader range of consumers and take advantage of its substantial revenue growth opportunities, Haypp Group plans to enter new markets and adjacent RRP (Reduced Risk Products) categories in Europe. The Group will reinvest approximately 1–2 percentage points of adjusted EBIT margin through 2024 and 2025. These efforts are reported in the Emerging segment.

### Dividend policy

Moreover, as the Board and management team look beyond 2025 and the Group’s anticipated substantial cash generation, Haypp will maintain its policy of prudent capital allocation taking advantage of appropriate opportunities and returning excess cash to shareholders.

# Haypp Group and sustainability

Haypp Group has a sustainable business model built on five strategic areas. The areas are aligned with our vision and higher purpose and incorporated into our operations. Our contribution to sustainability, health and society go hand-in-hand with our business success. The better business we do, the better for society as a whole.

## Continuous pursuit of sustainability

Haypp Group's 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 the full report please refer to our annual Sustainability Report.



Sustainability area	Target	Measure	Q3 2024	Q3 2023	Full Year 2023
<b>Health Contribution</b>	Grow customers of harm reduced products	Number of purchasing customers	618 227	495 657	953 346
<b>Insights for all</b>	Increase public awareness and understanding	Number of visits to editorial material, facts and reports	1 024 972	1 262 339	5 010 054
<b>Sustainable innovation for growth and development</b>	Quality assurance & Product development	Share of relevant portfolio tested & according to standard	100,0 %	90,5 %	84,9 %
<b>Best place to work</b>	Great employer	Employee satisfaction in per cent	80 %	79 %	80 %
<b>Business Ethics</b>	Delivering on the customer promise	Rate of customer satisfaction	67.1	69.5	70.7

\* This year we have started measuring the tested percentage of products launched during the year instead of the total portfolio, which was previously measured.



# Consolidated income statement

Amounts in KSEK	Q3 2024	Q3 2023	YTD Q3 2024	YTD Q3 2023	Last 12 months	Full Year 2023
Net sales	944,242	768,856	2,764,584	2,318,933	3,611,371	3,165,720
Capitalised work on own account	7,406	6,018	21,744	16,784	29,332	24,371
Other operating income	257	-6,381	1,702	2,403	2,841	3,542
<b>Total</b>	<b>951,905</b>	<b>768,494</b>	<b>2,788,030</b>	<b>2,338,119</b>	<b>3,643,543</b>	<b>3,193,633</b>
Goods for resale	-809,438	-671,718	-2,368,462	-2,029,469	-3,102,077	-2,763,084
Other external costs	-56,031	-31,364	-129,869	-94,408	-164,245	-128,784
Personnel expenses	-45,652	-38,079	-163,899	-130,750	-213,462	-180,313
Depreciation and amortization of tangible and intangible assets	-27,708	-24,543	-85,732	-69,932	-112,174	-96,374
Other operating expenses	-719	4,889	-2,229	-2,307	-2,692	-2,771
<b>Sum expenses</b>	<b>-939,548</b>	<b>-760,814</b>	<b>-2,750,191</b>	<b>-2,326,867</b>	<b>-3,594,650</b>	<b>-3,171,326</b>
<b>Operating profit/loss</b>	<b>12,357</b>	<b>7,680</b>	<b>37,838</b>	<b>11,252</b>	<b>48,893</b>	<b>22,307</b>
<b>Financial income/expense</b>						
Financial income	455	10,272	10,453	18,035	12,065	19,647
Financial expenses	-3,605	-10,694	-14,491	-20,320	-28,263	-34,092
<b>Financial net</b>	<b>-3,150</b>	<b>-422</b>	<b>-4,039</b>	<b>-2,286</b>	<b>-16,198</b>	<b>-14,445</b>
<b>Earnings Before Tax</b>	<b>9,207</b>	<b>7,257</b>	<b>33,800</b>	<b>8,966</b>	<b>32,696</b>	<b>7,862</b>
Income tax	7,714	-1,183	-4,002	-1,015	-5,812	-2,825
<b>Profit/loss for the period</b>	<b>16,920</b>	<b>6,074</b>	<b>29,798</b>	<b>7,951</b>	<b>26,884</b>	<b>5,036</b>
<b>Profit/loss for the period attributable to:</b>						
The parent company's shareholders	16,920	6,074	29,798	7,951	26,884	5,036
<b>Earnings per share, calculated on the earnings attributable to the parent company's shareholders during the period:</b>						
Earnings per share before dilution (SEK)	0.57	0.21	1.00	0.27	0.90	0.17
Earnings per share after dilution (SEK)	0.54	0.20	0.97	0.27	0.88	0.17

# Consolidated statement of comprehensive income

Amounts in KSEK	Q3 2024	Q3 2023	YTD Q3 2024	YTD Q3 2023	Last 12 months	Full Year 2023
<b>Profit/loss for the period</b>	<b>16,920</b>	<b>6,074</b>	<b>29,798</b>	<b>7,951</b>	<b>26,884</b>	<b>5,036</b>
<b>Other comprehensive income:</b>						
<b>Items that may be reclassified to profit or loss</b>						
Foreign currency translation differences	-13,553	882	-10,450	-3,560	-15,814	-8,924
<b>Total other comprehensive income</b>	<b>-13,553</b>	<b>882</b>	<b>-10,450</b>	<b>-3,560</b>	<b>-15,814</b>	<b>-8,924</b>
<b>Total Comprehensive income</b>	<b>3,367</b>	<b>6,957</b>	<b>19,348</b>	<b>4,391</b>	<b>11,069</b>	<b>-3,888</b>
<b>Total comprehensive income for the year attributable to:</b>						
Parent company shareholders	3,367	6,957	19,348	4,391	11,069	-3,888
Average number of shares before dilution	29,839,088	29,294,025	29,839,088	29,179,865	29,836,814	29,342,396
Average number of shares after dilution	31,114,719	29,868,304	30,843,640	29,662,979	30,664,350	29,720,859

# Consolidated balance sheet

Amounts in KSEK	2024-09-30	2023-12-31
<b>ASSETS</b>		
<b>Fixed assets</b>		
<b>Intangible assets</b>		
Goodwill	153,306	155,062
Customer relationships	79,720	91,369
Trademarks	106,082	120,179
Websites	14,747	18,960
Capitalized development costs	123,064	102,033
<b>Total intangible assets</b>	<b>476,919</b>	<b>487,604</b>
<b>Tangible assets</b>		
Leasehold improvements	3,324	1,541
Equipment	11,193	3,406
<b>Total tangible assets</b>	<b>14,517</b>	<b>4,947</b>
<b>Financial assets</b>		
Non-current receivables	7,408	7,250
<b>Total financial assets</b>	<b>7,408</b>	<b>7,250</b>
Right-of-use assets	96,032	103,719
Deferred tax assets	9,952	15,291
<b>Total fixed assets</b>	<b>604,829</b>	<b>618,811</b>
<b>Current assets</b>		
<b>Inventories</b>		
Goods for resale	237,916	263,338
<b>Current receivables</b>		
Accounts receivable	97,697	70,197
Current tax recoverable	4,693	2,113
Other receivables	20,874	38,026
Prepaid expenses and accrued income	76,881	51,235
Cash and cash equivalents	20,095	11,424
<b>Total current receivables</b>	<b>220,241</b>	<b>172,995</b>
<b>Total current assets</b>	<b>458,157</b>	<b>436,333</b>
<b>TOTAL ASSETS</b>	<b>1,062,985</b>	<b>1,055,144</b>

# Consolidated balance sheet cont.

Amounts in KSEK	2024-09-30	2023-12-31
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Share capital	1,955	1,955
Other contributed capital	701,524	694,627
Translation differences	-19,953	-9,503
Retained earnings (including net profit/loss for the year)	-58,514	-88,312
<b>Total equity</b>	<b>625,012</b>	<b>598,767</b>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Non-current lease liability	69,210	69,424
Deferred tax liabilities	15,395	18,489
Other liabilities	1,565	2,182
<b>Total non-current liabilities</b>	<b>86,170</b>	<b>90,095</b>
<b>Current liabilities</b>		
Bank overdraft	76,690	136,377
Current lease liability	24,121	30,078
Accounts payable	111,200	110,623
Current tax liabilities	1,761	296
Other liabilities	22,103	29,879
Other provisions	10,093	0
Accrued expenses and deferred income	105,835	59,029
<b>Total current liabilities</b>	<b>351,803</b>	<b>366,282</b>
<b>Total liabilities</b>	<b>437,973</b>	<b>456,377</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,062,985</b>	<b>1,055,144</b>

# Consolidated statement of changes in equity

Amounts in KSEK	Share capital	Other contributed capital	Translation differences	Retained earnings	Total equity
<b>Opening balance, 2023-01-01</b>	<b>1,908</b>	<b>689,558</b>	<b>-579</b>	<b>-93,348</b>	<b>597,539</b>
Profit/loss for the year				7,951	7,951
Other comprehensive income for the year			-3,560		-3,560
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>-3,560</b>	<b>7,951</b>	<b>4,391</b>
New share issue <sup>1</sup>	46	4,862			4,908
<b>Total transactions with shareholders in their attribute as shareholders</b>	<b>46</b>	<b>4,862</b>	<b>0</b>	<b>0</b>	<b>4,908</b>
<b>Closing balance, 2023-09-30</b>	<b>1,953</b>	<b>694,421</b>	<b>-4,139</b>	<b>-85,397</b>	<b>606,838</b>
<b>Opening balance, 2024-01-01</b>	<b>1,955</b>	<b>694,627</b>	<b>-9,503</b>	<b>-88,312</b>	<b>598,767</b>
Profit/loss for the year				29,798	29,798
Other comprehensive income for the year			-10,450		-10,450
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>-10,450</b>	<b>29,798</b>	<b>19,348</b>
New share issue <sup>1</sup>	0	4,179			4,179
Value of employee services		2,718			2,718
<b>Total transactions with shareholders in their attribute as shareholders</b>	<b>0</b>	<b>6,897</b>	<b>0</b>	<b>0</b>	<b>6,897</b>
<b>Closing balance, 2024-09-30</b>	<b>1,955</b>	<b>701,524</b>	<b>-19,953</b>	<b>-58,514</b>	<b>625,012</b>

<sup>1</sup> After deduction of issue costs.



# Consolidated statement of cash flow

Amounts in KSEK	YTD Q3 2024	YTD Q3 2023
<b>Cash flow from operating activities</b>		
Operating loss	37,838	11,252
Adjustment for non-cash items:		
– Depreciation and amortization of tangible and intangible assets	85,732	69,932
– Other non-cash items	11,914	–2,502
Interest received	320	99
Interest paid	–8,591	–7,782
Income tax paid	–2,887	–3,299
<b>Cash flow from operating activities before change in working capital</b>	<b>124,326</b>	<b>67,700</b>
<b>Cash flow from change in working capital</b>		
Increase/decrease in inventories	25,513	48,100
Increase/decrease in operating receivables	–30,605	–6,913
Increase/decrease in operating liabilities	39,857	18,964
<b>Total change in working capital</b>	<b>34,766</b>	<b>60,151</b>
<b>Cash flow from operating activities</b>	<b>159,092</b>	<b>127,851</b>
<b>Cash flow from investing activities</b>		
Acquisition of subsidiaries after deduction for acquired cash and cash equivalents	0	–53
Investment in intangible assets	–50,258	–40,174
Investment in tangible assets	–16,395	–1,835
Change in other financial assets	–2,004	–458
<b>Cash flow from investing activities</b>	<b>–68,658</b>	<b>–42,521</b>
<b>Cash flow from financing activities</b>		
New loans	–1,048	1,410
Change bank overdraft	–59,687	–24,934
Repayment of loans	–1,928	–26,928
Repayment of leasing debt	–18,698	–15,666
New share issue <sup>1</sup>	0	4,203
<b>Cash flow from financing activities</b>	<b>–81,362</b>	<b>–61,914</b>
<b>Decrease/increase in cash and cash equivalents</b>		
Opening cash and cash equivalents	11,424	15,196
Cash flow for the period	9,073	23,416
Exchange-rate differences in cash and cash equivalents	–402	1,039
<b>Closing cash and cash equivalents</b>	<b>20,095</b>	<b>39,651</b>

<sup>1</sup> After deduction of issue costs

# Parent Company income statement

Amounts in KSEK	Q3 2024	Q3 2023	YTD Q3 2024	YTD Q3 2023	Last 12 months	Full Year 2023
Other operating income	1,895	1,210	3,626	3,005	4,434	3,814
<b>Total</b>	<b>1,895</b>	<b>1,210</b>	<b>3,626</b>	<b>3,005</b>	<b>4,434</b>	<b>3,814</b>
Other external costs	-2,252	-2,002	-6,036	-3,803	-8,613	-6,380
Personnel expenses	-2,099	-1,445	-5,280	-5,489	-7,067	-7,276
Depreciation and amortization of tangible and intangible assets	-12	-12	-37	-37	-50	-50
Other operating expenses	-14	-6	-21	-11	-22	-13
<b>Sum expenses</b>	<b>-4,376</b>	<b>-3,465</b>	<b>-11,375</b>	<b>-9,341</b>	<b>-15,753</b>	<b>-13,719</b>
<b>Operating profit/loss</b>	<b>-2,481</b>	<b>-2,255</b>	<b>-7,749</b>	<b>-6,336</b>	<b>-11,319</b>	<b>-9,905</b>
<b>Financial income/expense</b>						
Interest income and other financial income	1	1	1	1	3	2
Interest and other financial expenses	-66	0	-89	-2	-88	0
<b>Result from financial income/expenses</b>	<b>-65</b>	<b>1</b>	<b>-88</b>	<b>-1</b>	<b>-85</b>	<b>2</b>
<b>Earnings after financial items</b>	<b>-2,546</b>	<b>-2,254</b>	<b>-7,838</b>	<b>-6,337</b>	<b>-11,404</b>	<b>-9,903</b>
<b>Earnings before tax</b>	<b>-2,546</b>	<b>-2,254</b>	<b>-7,838</b>	<b>-6,337</b>	<b>-11,404</b>	<b>-9,903</b>
Income tax	0	0	0	880	1,998	2,878
<b>Profit/loss for the period</b>	<b>-2,546</b>	<b>-2,254</b>	<b>-7,838</b>	<b>-5,457</b>	<b>-9,406</b>	<b>-7,025</b>

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	2024-09-30	2023-12-31
<b>ASSETS</b>		
<b>Fixed assets</b>		
<b>Intangible assets</b>		
Capitalized development costs	0	37
<b>Total intangible assets</b>	<b>0</b>	<b>37</b>
<b>Financial assets</b>		
Shares in subsidiaries	321,926	321,926
Deferred tax assets	5,429	5,429
Non-current receivables	189	2,036
Non-current intercompany receivables	295,980	297,166
<b>Total financial assets</b>	<b>623,523</b>	<b>626,556</b>
<b>Total fixed assets</b>	<b>623,523</b>	<b>626,594</b>
<b>Current assets</b>		
<b>Current receivables</b>		
Receivables from group companies	4,185	8,028
Current tax recoverable	170	79
Other receivables	6,387	1,957
Prepaid expenses and accrued income	926	728
<b>Total current receivables</b>	<b>11,668</b>	<b>10,791</b>
Cash and cash equivalents	0	175
<b>Total current assets</b>	<b>11,668</b>	<b>10,966</b>
<b>TOTAL ASSETS</b>	<b>635,190</b>	<b>637,559</b>

# Parent Company balance sheet cont.

Amounts in KSEK	2024-09-30	2023-12-31
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
<b>Restricted equity</b>		
Share capital	1,955	1,955
<b>Non-restricted equity</b>		
Premium fund	701,524	694,627
Retained earnings	-65,551	-58,526
Profit/loss for the period	-7,838	-7,025
<b>Total equity</b>	<b>630,090</b>	<b>631,031</b>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Non-current intercompany liabilities	45	4,329
Other liabilities	1,565	254
<b>Total non-current liabilities</b>	<b>1,611</b>	<b>4,583</b>
<b>Current liabilities</b>		
Current liabilities to group companies	175	175
Accounts payable	761	0
Other liabilities	551	127
Accrued expenses and deferred income	2,003	1,643
<b>Total current liabilities</b>	<b>3,489</b>	<b>1,945</b>
<b>Total liabilities</b>	<b>5,100</b>	<b>6,528</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>635,190</b>	<b>637,559</b>

# Notes

## General information

Haypp Group AB (publ) with Corporate Registration No. 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, SE-116 25, Stockholm, Sweden. The operations of the Parent Company and its subsidiaries comprise investing in e-commerce companies and conducting related activities.

## Accounting principles

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

The consolidated accounts for Haypp Group AB (publ) have been prepared in accordance with the Annual Accounts Act, RFR 1 Supplementary Accounting Rules for Groups, as well as International Accounting Standards (IFRS) and interpretations from the International Accounting Interpretation Committee (IFRS IC) as adopted by the EU. This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting and the Annual Accounts Act. The Parent Company applies RFR 2 Accounting for Legal Entities and the Annual Accounts Act.

The accounting principles and calculation methods applied in this interim report are in accordance with the principles described in the Annual Report 2023. For further information regarding the Group's and the Parent Company's applied accounting principles, see the Group's Annual Report 2023.

## Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Group's operations are divided into operating segments consisting of Core Markets (Sweden and Norway) and Growth Markets (US, Europe outside Sweden and Norway) and Emerging Markets focused on new product categories in current geographies. The Chief operating decision maker is the function responsible for allocating resources and assessing the operating segments' results. In the Group, this function has been identified as the CEO, who makes strategic decisions.

## Earnings per share before dilution

Earnings per share before dilution are calculated by dividing:

- Profit/loss for the year attributable to the parent company's shareholders,
- with a weighted average number of outstanding ordinary shares during the period, excluding repurchased shares held as treasury shares by the parent company

## Earnings per share after dilution

For the calculation of earnings per share after dilution, the amounts used for the calculation of earnings per share before dilution are adjusted by taking into account:

- the weighted average of the additional ordinary shares that would have been outstanding in a conversion of all potential ordinary shares

Dilution effect of potential ordinary shares is reported only if a conversion to ordinary shares would lead to a reduction in earnings per share after dilution. As the Company reports losses for certain periods, no dilution effect for such periods is reported.

## Important estimates and assessments for accounting purposes

Estimates and assessments are evaluated on an ongoing basis and are based on historical experience and other factors, including expectations of future events that are considered reasonable under prevailing conditions.

Significant estimates and assessments in the Group are attributable to goodwill and deferred tax. For further information, see the Group's Annual Report 2023.

## Note 1 Financial instruments

The carrying amount of the Group's long-term financial instruments valued at amortized cost essentially corresponds to its fair value as the interest rate is in parity with current market interest rates.

The carrying amount of the Group's short-term financial instruments valued at accrued acquisition value essentially corresponds to its fair value as the discounting effect is not significant.

## Note 2 Transactions with related parties

Transactions between Haypp Group and its subsidiaries have been eliminated in the consolidated financial statements. All transactions between related parties have been conducted on commercial terms, on an arm's length basis.

## Note 3 Disclosure on new share and warrant issues

At the Annual General Meeting in May 2024 it was decided to issue 1 125 197 new warrants to employees, increasing other contributed capital by SEK 6 943 200. Historically warrants have been repurchased, reducing the actual dilution, refer to 2024 AGM and resolution on repurchase and set-off offer regarding warrants.

Allocation date	Maturity	Strike price	Warrants 2024-09-30
2021	2024	82.5	209,780
2022	2025	50	1,610,028
2023	2026	42	800,000
2024	2025	53.8	70,197
2024	2026	42	55,000
2024	2027	107.57	1,000,000
			3,745,005



# Auditor's limited review report

*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.*

To the board of Haypp Group AB (publ), reg. no. 559075-6796

## **Introduction**

We have reviewed the condensed interim financial information (interim report) of Haypp Group AB (publ), and its subsidiaries as of 30 September 2024 and the nine-month period then ended. The board of directors and the CEO are responsible for the preparation and presentation of the interim financial information in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

## **Scope of Review**

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, Review of Interim Report Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, ISA, and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act, regarding the Group, and with the Swedish Annual Accounts Act, regarding the Parent Company.

Stockholm 7 November 2024  
Öhrlings PricewaterhouseCoopers AB

Magnus Lagerberg  
Authorized Public Accountant

# Key ratios

Amounts in MSEK	Q3 2024	Q3 2023	YTD Q3 2024	YTD Q3 2023	Last 12 months	Full Year 2023
<b>Income statement</b>						
Net sales growth, %	22.8	21.9	19.2	22.2		21.8
Adjusted EBITDA	50.8	32.9	149.1	97.1	186.6	134.6
Adjusted EBITDA margin, %	5.4	4.3	5.4	4.2	5.2	4.3
Adjusted EBIT	33.1	18.3	98.1	57.0	119.3	78.2
Adjusted EBIT margin, %	3.5	2.4	3.5	2.5	3.3	2.5
Operating profit/loss	12.4	7.7	37.8	11.3	48.9	22.3
<b>Balance sheet</b>						
Net working capital	206.2	183.4	206.2	183.4	206.2	253.1
Net debt			149.9	131.1	149.9	224.5
Investments			-68.7	-42.5		-61.0
Net debt/Adjusted EBITDA, times					0.8	1.7
Equity/Total assets ratio, %	58.8	61.6	58.8	61.6		56.7
<b>Cash flow</b>						
Cash flow from operating activities			159.1	127.9		80.5
<b>Data per share</b>						
Earnings per share after dilution (SEK)	0.54	0.20	0.97	0.27	0.88	0.17
Equity per share after dilution (SEK)	20.1	20.3	20.3	20.5	20.4	20.1
Cash flow from operating activities per share after dilution (SEK)			5.2	4.3		2.7
Average number of shares after dilution	31,114,719	29,868,304	30,843,640	29,662,979	30,664,350	29,720,859

# Segment information by quarter

Amounts in MSEK	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024
<b>Net sales per segment</b>								
Core Markets	564.8	615.5	586.6	573.6	631.8	627.7	653.0	649.5
Growth Markets	135.7	165.8	182.2	195.3	214.9	241.8	277.1	273.8
Emerging Markets						8.1	12.8	21.0
<b>EBITDA per segment</b>								
Core Markets	47.3	50.4	45.4	45.6	50.1	53.7	56.3	56.4
Growth Markets	-18.2	-19.8	-11.8	-12.7	-13.2	0.1	3.5	2.5
Emerging Markets						-7.0	-8.1	-7.8
<b>EBITDA margin per segment (%)</b>								
Core Markets	8.4 %	8.2 %	7.7 %	8.0 %	7.9 %	8.6 %	8.6 %	8.7 %
Growth Markets	-13.4 %	-11.9 %	-6.5 %	-6.5 %	-6.1 %	0.0 %	1.3 %	0.9 %
Emerging Markets						-86.3 %	-63.1 %	-37.1 %
<b>Active customers per segment (thousand)</b>								
Core Markets	376	401	383	390	414	410	404	417
Growth Markets	82	100	103	105	117	129	174	182
Emerging Markets						9	14	20

# Reconciliation of alternative performance measures

Management uses performance measures to supplement measures defined by IFRS or directly in the income statement and balance sheet. These measures are known as alternative performance measures, APM.

## Items affecting comparability

### Consulting and advisory costs

External costs mainly include fees to external financial and commercial advisors.

### Acquisition, restructuring and legal costs

Acquisition costs and integration mainly consist of external costs for acquisitions (mainly fees to external advisors) and costs relating to integrating acquired businesses or assets.

Restructuring costs mainly consists of severance pay for significant organizational changes and also includes write down and impairment connected to improvements made in the company infrastructure. Charge for a bonus paid to senior leaders to allow them to purchase new warrants (2024/2027), since no benefit was realized from previous program.

Amounts in MSEK	Q3 2024	Q3 2023	YTD Q3 2024	YTD Q3 2023	Last 12 months	Full Year 2023
<b>EBIT margin</b>						
EBIT	12.4	7.7	37.8	11.3	48.9	22.3
Net sales	944.2	768.9	2,764.6	2,318.9	3,611.4	3,165.7
EBIT margin, %	1.3	1.0	1.4	0.5	1.4	0.7
<b>Adjusted EBIT</b>						
EBIT	12.4	7.7	37.8	11.3	48.9	22.3
Amortisation of acquired intangible assets	10.0	10.0	30.0	29.9	40.1	40.0
Less items affecting comparability:						
Consulting and advisory costs	0.0	0.0	0.0	0.7	0.0	0.7
Acquisition, restructuring and legal costs	10.7	0.7	30.3	15.2	30.3	15.2
Adjusted EBIT	33.1	18.3	98.1	57.0	119.3	78.2
Adjusted EBIT margin, %	3.5	2.4	3.5	2.5	3.3	2.5
<b>EBITDA</b>						
EBIT	12.4	7.7	37.8	11.3	48.9	22.3
Depreciation/amortisation and impairment of assets	27.7	24.5	85.7	69.9	112.2	96.4
EBITDA	40.1	32.2	123.6	81.2	161.1	118.7
<b>EBITDA margin</b>						
EBITDA	40.1	32.2	123.6	81.2	161.1	118.7
Net sales	944.2	768.9	2,764.6	2,318.9	3,611.4	3,165.7
EBITDA margin, %	4.2	4.2	4.5	3.5	4.5	3.7
<b>Adjusted EBITDA</b>						
EBITDA	40.1	32.2	123.6	81.2	161.1	118.7
Less items affecting comparability:						
Consulting and advisory costs	0.0	0.0	0.0	0.7	0.0	0.7
Acquisition, restructuring and legal costs	10.7	0.7	25.5	15.2	25.5	15.2
Adjusted EBITDA	50.8	32.9	149.1	97.1	186.6	134.6
Adjusted EBITDA margin, %	5.4	4.3	5.4	4.2	5.2	4.3

Amounts in MSEK	Q3 2024	Q3 2023	YTD Q3 2024	YTD Q3 2023	Last 12 months	Full Year 2023
<b>Adjusted operating expenses</b>						
Sum expenses	-939.5	-760.8	-2,750.2	-2,326.9	-3,594.6	-3,171.3
Other operating income	0.3	-6.4	1.7	2.4	2.8	3.5
Capitalised work on own account	7.4	6.0	21.7	16.8	29.3	24.4
Cost of Goods sold (-)	809.4	671.7	2,368.5	2,029.5	3,102.1	2,763.1
Depreciation and amortization of tangible and intangible assets	27.7	24.5	85.7	69.9	112.2	96.4
Less items affecting comparability:						
Consulting and advisory costs	0.0	0.0	0.0	0.7	0.0	0.7
Acquisition, restructuring and legal costs	10.7	0.7	30.3	15.2	30.3	15.2
<b>Adjusted operating expenses</b>	<b>-84.1</b>	<b>-64.3</b>	<b>-242.3</b>	<b>-192.4</b>	<b>-317.9</b>	<b>-268.1</b>
<b>Net debt</b>						
Non-current lease liability					69.2	69.4
Bank overdraft					76.7	136.4
Current lease liability					24.1	30.1
Cash and cash equivalents					-20.1	-11.4
<b>Net debt</b>					<b>149.9</b>	<b>224.5</b>
<b>Net debt / adjusted EBITDA</b>						
Net debt					149.9	224.5
Adjusted EBITDA					186.6	134.6
<b>Net debt/Adjusted EBITDA, times</b>					<b>0.8</b>	<b>1.7</b>
<b>Items affecting comparability</b>						
Consulting and advisory costs	0.0	0.0	0.0	-0.7	0.0	-0.7
Acquisition, restructuring and legal costs	-10.7	-0.7	-30.3	-15.2	-30.3	-15.2
<b>Items affecting comparability</b>	<b>-10.7</b>	<b>-0.7</b>	<b>-30.3</b>	<b>-15.9</b>	<b>-30.3</b>	<b>-15.9</b>
<b>Equity per share after dilution</b>						
Total equity	625.0	606.8	625.0	606.8	625.0	598.8
Average number of shares after dilution	31,114,719	29,868,304	30,843,640	29,662,979	30,664,350	29,720,859
<b>Equity per share after dilution (SEK)</b>	<b>20.1</b>	<b>20.3</b>	<b>20.3</b>	<b>20.5</b>	<b>20.3</b>	<b>20.1</b>
<b>Cash flow from operating activities per share after dilution</b>						
Cash flow from operating activities			159.1	127.9	159.1	80.5
Average number of shares after dilution	31,114,719	29,868,304	30,843,640	29,662,979	30,664,350	29,720,859
<b>Cash flow from operating activities per share after dilution (SEK)</b>			<b>5.2</b>	<b>4.3</b>	<b>5.2</b>	<b>2.7</b>

#### Net working capital

Amounts in MSEK	Sep 30, 2024	Sep 30, 2023	Dec 31, 2023
Goods for resale	237.9	175.4	263.3
Accounts receivable	97.7	70.2	70.2
Other receivables	20.9	36.6	38.0
Prepaid expenses and accrued income	76.9	52.5	51.2
Accounts payable	-111.2	-76.9	-110.6
Accrued expenses and deferred income	-105.8	-74.5	-59.0
Other provisions	-10.1	-	-
<b>Net working capital</b>	<b>206,2</b>	<b>183.4</b>	<b>253.1</b>

# Definitions

	Definition	Reason for use
<b>Net sales growth, %</b>	Change in net sales growth for the period.	Shows whether the company's business is expanding or contracting.
<b>Organic sales growth, %</b>	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.
<b>Gross profit growth, %</b>	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.
<b>EBIT margin, MSEK</b>	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.
<b>Adjusted EBIT, MSEK</b>	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.
<b>Adjusted EBIT margin, %</b>	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.
<b>EBITDA, MSEK</b>	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.
<b>EBITDA margin, %</b>	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.
<b>Adjusted EBITDA, MSEK</b>	EBITDA adjusted for items affecting comparability.	Shows EBITDA excluding items that affect comparison with other periods.
<b>Adjusted EBITDA margin, %</b>	EBITDA margin adjusted for items affecting comparability.	Shows EBITDA margin excluding items that affect comparison with other periods.
<b>Net debt, MSEK</b>	Non-current lease liability, 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.
<b>Net debt / adjusted EBITDA, x</b>	Net debt in relation to adjusted EBITDA.	Shows financial risk and is an indication of repayment capacity.
<b>Items affecting comparability</b>	Significant items affecting comparability, including significant consulting and advisory costs, acquisition, integration and restructuring costs, significant legal costs and bonus paid. It also includes write down and impairment connected to improvements made in the company infrastructure.	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.
<b>Active customers</b>	Unique customers who have made a purchase during the period.	Shows unique customers who have made a purchase during the period.

