

Full-Year Report
January–December 2021

Q4

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All in all, Haypp Group
is well-positioned to
take advantages of a
large and global
market

HAYPP GROUP

Fourth quarter

- Net sales increased with 15 per cent to SEK 590.5 m (513.0). Organic sales growth was 6 per cent.
- 54 percent volume growth in the Nicotine pouches category during the quarter.
- The gross margin amounted to 10.8 per cent (14.3).
- Adjusted EBIT amounted to SEK 11.8 m (11.2), corresponding to an adjusted EBIT margin of 2.0 per cent (2.2).
- Operating profit/loss totalled SEK -10.4 m (-18.9), including items affecting comparability of SEK -12.3 m (-22.3).
- Profit/loss for the quarter to SEK -12.7 m (-22.7).
- Earnings per share before dilution amounted to SEK -0.45 (-1.11).
- Number of orders increased to 909 thousand (714) with an average order value of SEK 621 (654).
- Active customers amounted to 392 thousand (304) at the end of the period.
- Haypp Group listed its shares on Nasdaq First North Growth Market and carried out a new share issue of SEK 150 m that further strengthened Haypp Group's financial position.

Full year

- Net sales increased with 31 per cent to SEK 2,266.8 m (1,729.2). Organic sales growth was 27 per cent.
- The gross margin amounted to 11.0 per cent (13.0).
- Adjusted EBIT increased to SEK 41.5 m (38.3), corresponding to an adjusted EBIT margin of 1.8 per cent (2.2).
- Operating profit/loss totalled SEK -22.6 m (-14.3), including items affecting comparability of SEK -35.2 m (-30.5).
- Profit /loss for the period amounted to SEK -27.6 m (-27.8).
- Earnings per share before dilution amounted to SEK -1.19 (-1.36).
- Cash flow from operating activities amounted to SEK -48.3 m (48.5).
- Number of orders increased to 3,397 thousand (2,490) with an average order value of SEK 625 (657).
- Active customers amounted to 682 thousand (541) at the end of the period.
- Acquisition of certain assets of Nettotobak and Snusnetto per 30 June and 1 July respectively. The acquisitions acknowledge Haypp Group's position as a Swedish market leader in nicotine pouches.
- At the Annual General Meeting in June, Anneli Lindblom and Per Sjödel were elected as new members of the Board.
- The Board of Directors proposes to the general meeting that no dividends be paid for 2021.

| Amounts in MSEK | Q4 2021 | Q4 2020 | Full Year 2021 | Full Year 2020 |
|------------------------------------------|---------|---------|----------------|----------------|
| Net sales | 590.5 | 513.0 | 2,266.8 | 1,729.2 |
| Net sales growth, % | 15.1 % | | 31.1 % | 115.5 % |
| Gross margin, % | 10.8 % | 14.3 % | 11.0 % | 13.0 % |
| Adjusted EBIT | 11.8 | 11.2 | 41.5 | 38.3 |
| Adjusted EBIT margin, % | 2.0 % | 2.2 % | 1.8 % | 2.2 % |
| Items affecting comparability | -12.3 | -22.3 | -35.2 | -30.5 |
| Operating profit/loss | -10.4 | -18.9 | -22.6 | -14.3 |
| Profit/loss for the period | -12.7 | -22.7 | -27.6 | -27.8 |
| Earnings per share before dilution (SEK) | -0.45 | -1.11 | -1.19 | -1.36 |
| Cash flow from operating activities | | | -48.3 | 48.5 |
| Number of orders (thousand) | 909 | 714 | 3,397 | 2,490 |
| Average order value (SEK) | 621 | 654 | 625 | 657 |
| Active customers (thousand) | 392 | 304 | 682 | 541 |

Positioned for long-term profitable growth

We continue to make strong progress in the Nicotine pouch category, the volume of Nicotine pouches grew by 54 per cent for the Group during the fourth quarter. For our Growth markets and Sweden, growth rates were substantially higher than that. Net sales for the group increased by 15 per cent to SEK 591 m during the quarter. We continued to experience strong underlying growth across all segments except for Norway, which due to its relative size, hampers overall growth for the group. Gross margin continued to improve on an underlying basis during the quarter driven by Core markets. Our position in the value chain in our Core markets enables us to continuously release benefits of scale that drives our Gross margin performance. Underlying Gross margin amounted to 11.3 per cent, as compared to 11.0 per cent in the third quarter, when adjusting for one-off costs corresponding to 0.5 percentage points.

Positive development in Core markets

In Sweden, we reported 62 per cent growth in Net sales during the fourth quarter driven by strong organic performance coupled with the acquisitions of Nettotobak and Snusnetto which contributed SEK 60 m to Net sales. Our position has further strengthened in Sweden during the year as a result of investments in both organic and non-organic growth. On our existing platforms in Sweden, we continued to see strong performance with 31 per cent growth in Net sales during the quarter and more than twice as high growth rates for Nicotine pouches. In Norway, Net sales declined by 26 percent during the fourth quarter as we continued to experience a challenging trading environment on the back of the reopened boarder and duty free as well as aggressive price competition from offline retailers. As previously communicated, a range of activities has been launched to turn around the negative development in Norway. However, as year-on-year comparables will remain challenging, we reiterate our previous guidance that it will take another couple of quarters before we start seeing year-on-year growth rates coming back in Norway. Altogether, our Core market segment reported 12 per cent growth in Net sales.

Continued strong traction in Growth markets

During the fourth quarter, performance was strong across our Growth markets with comparable Net sales growth of 69 per cent when excluding the markets that were exited in the first quarter. For Nicotine pouches, which makes up the vast majority of our sales in Growth



“We continued to experience strong underlying growth across all segments except for Norway, which due to its relative size, hampers overall growth for the group.”

markets, growth rates were even higher. In the US, we have grown our Net sales sequentially during each quarter in 2021 after a challenging second half of the year in 2020. In Europe, we continue to make strong progress where Germany in particular is continuing to benefit from the current local regulatory landscape. Our position around Germany remains unchanged, while we benefit in the short-term from the situation, it is our view that clear and balanced regulation that takes the harm reduction perspective into account would greatly accelerate the long term potential of the category.

Fast growing category

The overall conditions for Nicotine pouches have never been better. The growing consumer demand for less harmful nicotine products as well as favourable regulatory development in many of Haypp Group’s Growth markets will be two major drivers of Haypp Group’s

future growth. During the fourth quarter, Haypp Group recorded 54 per cent growth in Nicotine pouches, with substantially higher volume rates in the Growth markets segment and Sweden. The category accounts for 36 per cent of the Group's volume during the quarter. We continue to leverage our position in the value chain, during the quarter we locked down agreements with some of our key business partners which further improves our commercial position for the future versus before.

In line with our strategy, we are continuing to further enhance our distribution capabilities to improve on customer experience through shorter lead times and localized last mile solutions as well as to ensure capacity for future expected growth. We recently announced the opening of our new automated warehouse in Olso, which shortened delivery lead times to Norwegian customers, increased efficiency as well as increased the delivery capacity. Further warehouse additions and relocations will be announced throughout the year within our Growth markets segment.

In order to fully capitalize on the market trends, we have decided to increase our investments in local teams in certain geographical markets with clear mandates and responsibilities. While our business model is relatively consistent across all markets, the level of consumer understanding of the category in each market is at different levels of maturity. For this reason, we have adopted our structure to better fit with localized adaptations. Looking ahead, to continue to ride on the wave of increasing demand, 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.

"In line with our strategy, we are continuing to further enhance our distribution capabilities to improve on customer experience through shorter lead times and localized last mile solutions as well as to ensure capacity for future expected growth."

Summary and outlook

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 are emerging as a category, 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, machine learning is an important tool in our marketing strategy, and it is expected to play an even larger part in the future. So far this has added value across multiple parts of the value chain and will be a key driver of our gross margin over time. Haypp Group is well positioned to take advantage of a rapidly growing international market over the coming years.

Stockholm in February 2022

Gavin O'Dowd
President and CEO

Financial overview

Net sales

Net sales for the fourth quarter increased with 15 per cent to SEK 590.5 m (513.0). Organic sales growth was 6 per cent. Acquisitions contributed with SEK 60 m.

Net sales for the full year increased with 31 per cent to SEK 2,266.8 m (1,729.2). Organic sales growth was 27 per cent, and acquisitions contributed with SEK 121 m.

Gross Profit

Gross Profit decreased to SEK 63.5 m (73.4), corresponding to a gross margin of 10.8 per cent (14.3). Underlying gross margin was 11.3 per cent when adjusting for one-off costs relating to the opening of the new warehouse in Norway and a write down of an excise tax claim in the US.

Gross Profit during the full year increased to SEK 248.7 m (224.9), corresponding to a gross margin of 11.0 per cent (13.0).

Adjusted EBIT

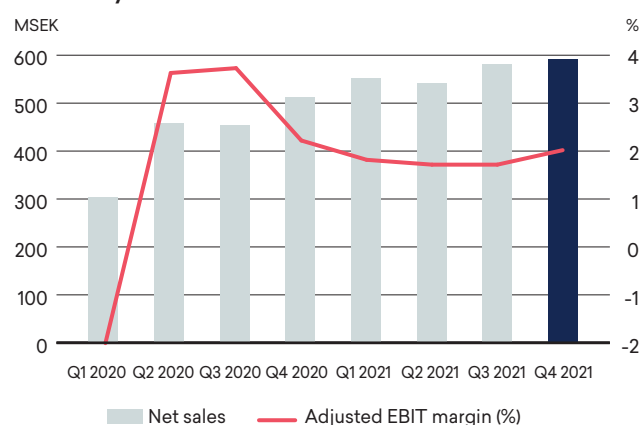
Adjusted EBIT for the fourth quarter amounted to SEK 11.8 m (11.2). The adjusted EBIT margin decreased to 2.0 per cent (2.2). The decrease was mainly due to the lower gross margin partially offset by lower operating expenses.

Adjusted EBIT for the period increased to SEK 41.5 m (38.3). The adjusted EBIT margin amounted to 1.8 per cent (2.2).

Operating profit

Operating profit amounted to SEK -10.4 m (-18.9). Lower gross profit offset by lower operating expenses explains the reduced operating loss. Items affecting comparability amounted to a negative SEK -12.3 m (-22.3). For more information on Items affecting comparability, refer to page 25. Operating margin was -1.8 per cent (-3.7).

Quarterly overview



Operating profit for the period amounted to SEK -22.6 m (-14.3). Operating profit included items affecting comparability amounting to a negative SEK -35.2 m (-30.5). For more information on Items affecting comparability, refer to page 25. Operating margin was -1.0 per cent (-0.8).

Financial items

Financial expenses (net) for the quarter amounted to a SEK -3.4 m (-12.6) related to interest costs and positive impact from exchange translations.

Financial expenses (net) for the period amounted to a SEK -8.9 m (-20.7).

Tax

Income tax for the quarter was SEK 1.1 m (8.8).

Income tax for the period was SEK 3.9 m (7.3), positively impacted by tax loss to carry forward and tax effects from amortization of acquired intangible assets.

Net Profit

Profit for the quarter decreased to SEK -12.7 m (-22.7). Earnings per share amounted to SEK -0.45 (-1.11) after dilution.

Profit for the period decreased to SEK -27.6 m (-27.8). Earnings per share amounted to SEK -1.19 (-1.36) after dilution.

Investments

During the twelve-month period Haypp Group invested SEK 245.9 m (21.6), whereof SEK 243.8 m (21.6) was invested in intangible assets of which the vast majority relates to the acquisition of certain assets of Nettotobak. In June 2021, Haypp Group acquired certain assets of Nettotobak, a Swedish e-commerce retailer of nicotine pouches and snus. The acquired assets mainly comprise of the e-commerce store brand (Nettotobak) and the customer relationships associated with the e-commerce business. In July, Haypp Group acquired certain assets of Snusnetto, an e-commerce retailer of nicotine pouches and snus based in Sweden. The acquired assets have been recognized in the Consolidated balance sheet under Trademarks and Customer relationships in an amount of SEK 132.4 m and SEK 76.6 m respectively. Furthermore, a portion of the purchase price is placed in an escrow account as collateral for potential warranty breaches or similar. The amount placed in escrow is recognized as an asset under non-current receivables with a corresponding liability recognized under non-current other liabilities.

Cash flow

Cash flow for the period from operating activities amounted to SEK -48.3 m (48.5). Cash flow from changes in working capital was SEK -65.8 m (24.6), mainly due to inventory build up ahead of expected tax driven price increases.

Net debt and cash and cash equivalents

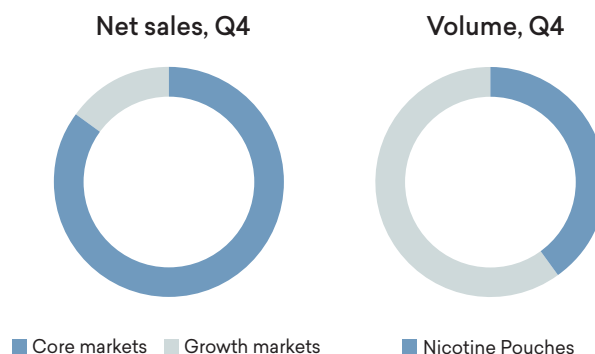
At the end of the period, net debt amounted to SEK 46.9 m (102.7) and the net financial debt ratio to 0.7 times, versus 1.7 per 31 December 2020. The reduction in net debt is attributable to the issue of primary shares in connection to the listing of the company's shares at the Nasdaq First North Growth Market. In total, cash and cash equivalents amounted to SEK 49.1 m, versus 32.0 at the end of last year. At the end of the period, unutilised credit facility amounted to SEK 38 m, versus SEK 15 m at 31 December 2020.



Review of reporting segments

Haypp Group operates two reporting segments, or business units, Core markets and Growth markets.

The Core markets consists of the Swedish and Norwegian markets, which are more mature. Growth markets consist of the US, UK, Germany, Austria, Denmark, Finland and Switzerland, which are characterized more as emerging markets.



Segment breakdown

| Amounts in KSEK | Net Sales | | | | EBITDA | | | |
|-----------------------------|----------------|----------------|------------------|------------------|----------------|----------------|----------------|----------------|
| | Q4 2021 | Q4 2020 | Full Year 2021 | Full Year 2020 | Q4 2021 | Q4 2020 | Full Year 2021 | Full Year 2020 |
| Core markets | 503,624 | 449,219 | 1,977,855 | 1,475,427 | 36,369 | 26,945 | 119,219 | 100,981 |
| EBITDA margin, % | | | | | 7.2 % | 6.0 % | 6.0 % | 6.8 % |
| Growth markets | 86,921 | 63,765 | 288,909 | 253,745 | -15,281 | -8,405 | -47,202 | -40,469 |
| EBITDA margin, % | | | | | -17.6 % | -13.2 % | -16.3 % | -15.9 % |
| Parent company/other | 0 | 0 | 0 | 0 | -12,292 | -22,305 | -35,239 | -30,422 |
| Reconciliation items | 0 | 0 | 0 | 0 | -340 | 448 | -1,010 | -36 |
| GROUP TOTAL | 590,545 | 512,984 | 2,266,764 | 1,729,172 | 8,457 | -3,318 | 35,767 | 30,054 |
| EBITDA margin, % | | | | | 1.4 % | -0.6 % | 1.6 % | 1.7 % |
| Depreciation & Amortization | | | | | -18,829 | -15,602 | -58,390 | -44,386 |
| Financial items | | | | | -3,383 | -12,552 | -8,872 | -20,736 |
| PROFIT BEFORE TAXES | | | | | -13,756 | -31,472 | -31,495 | -35,068 |

Core markets

Core markets

| (Amounts in MSEK) | Q4 2021 | Q4 2020 | Change, % | Full Year 2021 | Full Year 2020 | Change, % |
|-----------------------------|---------|---------|-----------|----------------|----------------|-----------|
| Net sales | 503.6 | 449.2 | 12.1 % | 1 977.9 | 1 475.4 | 34.1 % |
| EBITDA | 36.4 | 26.9 | 35.0 % | 119.2 | 101.0 | 18.1 % |
| EBITDA margin (%) | 7.2 % | 6.0 % | 1.2p.p | 6.0 % | 6.8 % | -0.8p.p |
| Number of orders (thousand) | 779 | 627 | 24.2 % | 2994 | 2096 | 42.8 % |
| Average order value (SEK) | 619 | 648 | -4.4 % | 619 | 643 | -3.7% |
| Active customers (thousand) | 324 | 257 | 26.1 % | 554 | 415 | 33.5 % |

Net sales

Net sales for the quarter increased with 12 per cent to SEK 503.6 m (449.2). In Sweden, Net sales for the quarter increased by 62 per cent driven by strong organic performance coupled with the acquisitions of Net-totobak and Snusnetto which contributed SEK 59.6 m to Net sales. For the existing platforms in Sweden, Net sales grew by 31 per cent during the quarter. Net sales in Norway declined by 26 percent during the quarter due to a continued challenging trading environment on the back of the reopened border and duty free as well as aggressive price competition from offline retailers. The number of active customers increased with 26 per cent to 324 thousand (257) partly driven by the acquisitions.

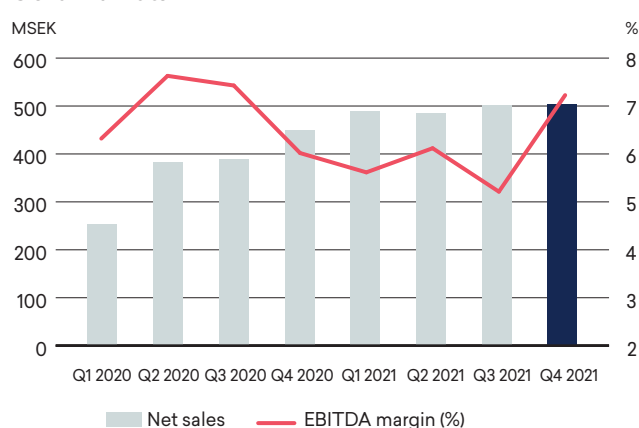
Net sales for the period increased with 34 per cent to SEK 1,977.9 m (1,475.4), whereof 26 per cent organically.

EBITDA

EBITDA for the business unit amounted to SEK 36.4 m (26.9). The EBITDA margin increased by 1.2 percentage points to 7.2 per cent (6.0), mainly attributable to a higher gross margin following the partial reversal of growth investments during the third quarter.

EBITDA for the period increased to SEK 119.2 m (101.0), corresponding to an EBITDA margin of 6.0 per cent (6.8).

Core markets



Growth markets

Growth markets

| (Amounts in MSEK) | Q4 2021 | Q4 2020 | Change, % | Full Year 2021 | Full Year 2020 | Change, % |
|-----------------------------|---------|---------|-----------|----------------|----------------|-----------|
| Net sales | 86.9 | 63.8 | 36.3 % | 288.9 | 253.7 | 13.9 % |
| EBITDA | -15.3 | -8.4 | 81.8 % | -47.2 | -40.5 | 16.5 % |
| EBITDA margin (%) | -17.6 % | -13.2 % | -4.4p.p | -16.3 % | -15.9 % | -0.4p.p |
| Number of orders (thousand) | 130 | 87 | 49.1 % | 403 | 394 | 2.3 % |
| Average order value (SEK) | 638 | 694 | -8.0 % | 671 | 732 | 8.3 % |
| Active customers (thousand) | 68 | 46 | 47.8 % | 128 | 126 | 1.6 % |

Net sales

Net sales for the quarter increased with 36 per cent to SEK 86.9 m (63.8), mainly due to a strong performance in the US and Germany. The number of active customers increased with 48 per cent, due to a positive momentum in the US and Germany primarily in the nicotine pouches category. Comparable net sales grew by 69 per cent when excluding the effects of markets that were closed in the first quarter.

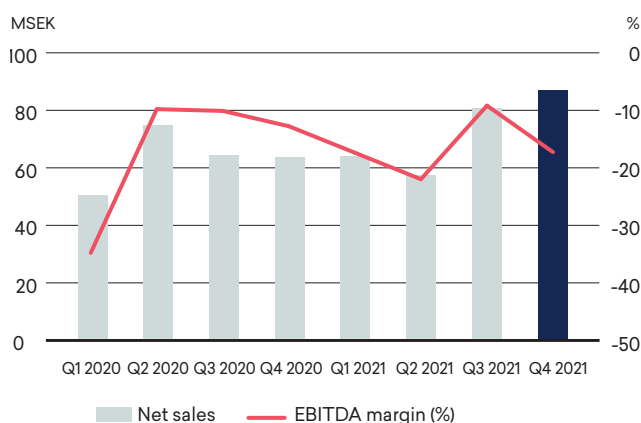
Net sales for the period increased with 14 per cent and amounted to SEK 288.9 m (253.7).

EBITDA

EBITDA for the business unit decreased to SEK -15.3 m (-8.4). The EBITDA margin was -17.6 per cent (-13.2), due to continued investment in the platform and organization.

EBITDA for the period amounted SEK -47.2 m (-40.5), corresponding to an EBITDA margin of -16.3 per cent (-15.9).

Growth markets



Other information

Employees

The average number of full-time employees during the period was 117 compared with 89 during 2020. The increase was primarily attributable to expansion of the business.

New members of the Board of Directors

At the Annual General Meeting in June, Anneli Lindblom and Per Sjödel were elected as new members of the Board.

Split of shares

The company decided at an Extraordinary General Meeting on September 2, 2021 on a split of the shares (150:1), which meant that the number of shares in the company increased from 154,432 to 23,164,800 shares.

IPO

Haypp Group listed its shares on Nasdaq First North Growth Market in October. The offering consisted of 2,272,727 new shares issued by the company and 5,632,404 existing shares offered by the shareholders, corresponding to 27.2 percent of the total number of shares and votes in the Company. The offering attracted strong interest, both from institutional investors in Sweden and internationally as well as the general public in Sweden and Norway. The Offering was heavily oversubscribed. Trading on Nasdaq First North Growth Market commenced on 13 October 2021.

AGM

Annual shareholders' meeting will be held in Stockholm 18 May 2022. The Board of Directors proposes to the general meeting that no dividends be paid for fiscal year 2021.

Events after the balance sheet date

No significant events to report after the balance sheet date.

Owner structure

Largest shareholders per December 31, 2021.

| | Numbers of shares | Share of capital and votes |
|------------------------------|-------------------|----------------------------|
| GR8 Ventures AB | 4,261,960 | 14.65 % |
| Patrik Rees | 3,498,624 | 12.02 % |
| Fidelity Investments (FMR) | 2,909,997 | 10.00 % |
| Northerner Holding AB | 2,797,917 | 9.61 % |
| Rutger Arnhult | 1,534,126 | 5.27 % |
| Gavin O'Dowd | 1,179,391 | 4.05 % |
| e-Business Partner Norden AB | 1,146,049 | 3.94 % |
| Per Ola Wilhelm Svensson | 1,110,721 | 3.82 % |
| Pulsen Sb Investment AB | 1,065,900 | 3.66 % |
| Erik Selin | 1,000,000 | 3.44 % |
| Sum | 20,504,685 | 70.46 % |
| Others | 8,595,294 | 29.54 % |
| Total | 29,099,979 | 100 % |

Parent company

Haypp Group AB (Corp. Reg. No. 559075-6796), which is domiciled in Stockholm, Sweden, conducts holding operations. During 2021, other operating income amounted to SEK 2.3 m (0.5) and profit totalled SEK -15.0 m (-19.0). Total equity amounted to SEK 609.0 m (245.5).

Seasonal effects

Haypp Group assesses that its revenues and EBIT to a limited degree are affected by seasonality. The two 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.

During 2020, the normal seasonality patterns were distorted by Covid restrictions as customers in general traveled to a lesser extent than normal during the summer and winter holidays. In 2021, Haypp Group has seen a return of normal seasonality patterns on the back of eased Covid restrictions across its markets.

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 2020 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.

In terms of risks related to Covid-19, the company assesses that the risks mainly hinge around the supply of products and services from its suppliers and the health and well-being of its staff. Haypp Group is closely monitoring its supply chain and keeps an active dialogue with its business partners to get early indications of any potential disturbances so that proactive measures can be taken. In terms of its employees, Haypp Group is dedicated to ensuring the health and safety of its personnel and has implemented policies and procedures in line with guidance given by authorities in the respective countries where Haypp Group conducts operations.

Gavin O'Dowd

This report has not been reviewed by the company's auditors.

This is information that Haypp Group AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person below out above, at 07:45 CET on 23 February 2022.

Webcast conference call on 23 February

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 Svante Andersson, 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 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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Svante Andersson, CFO
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Financial calendar

May 4, 2022
Interim report for January–March, 2022

May 18, 2022
Annual General Meeting 2022

August 12, 2022
Interim report for January–June, 2022

November 11, 2022
Interim report for January–September, 2022



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 ten e-commerce store brands, the Haypp Group is present in seven countries where we served more than 650,000 active consumers during 2021. Headquartered in Stockholm, Sweden, Haypp Group employ 117 FTEs and have net sales of over SEK 2 bn in the last twelve months to December 31, 2021.

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 increase 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 the healthier non-smoking 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.

Sustainability

Haypp Group has a sustainable business model that is built on five strategic areas for sustainability that is in line with our vision and incorporated into our operations; our contribution to sustainability, wellness and society go hand-in-hand with our business success. The better business we do, the better for society as a whole.

Haypp Group’s sustainable business model is built around business ethics and focuses on health contribution, being the best place to work, provide insights for all and support sustainable innovation.



Financial targets

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

Growth

Haypp Group targets to reach net sales of at least SEK 5 billion by 2025, predominantly through organic growth.

Profitability

Haypp Group will prioritise growth over profitability and targets to reach a high single digit adjusted EBIT margin in the medium to long term.

Dividend policy

In the upcoming years, the Board of Haypp Group will primarily use the generated cash flows for the company’s continued expansion.

Consolidated income statement

| Amounts in KSEK | Q4 2021 | Q4 2020 | Full Year 2021 | Full Year 2020 |
|----------------------------------------------------------------------------------------------------------------------------|-----------------|-----------------|-------------------|-------------------|
| Net sales | 590,545 | 512,984 | 2,266,765 | 1,729,171 |
| Capitalised work on own account | 3,719 | 1,845 | 10,339 | 6,539 |
| Other operating income | 7,548 | 1,367 | 9,857 | 2,413 |
| Total | 601,812 | 516,195 | 2,286,961 | 1,738,124 |
| Goods for resale | -527,007 | -439,613 | -2,018,045 | -1,504,274 |
| Other external costs | -29,975 | -48,455 | -115,152 | -115,856 |
| Personnel expenses | -34,531 | -27,657 | -114,428 | -81,647 |
| Depreciation and amortization of tangible and intangible assets | -18,829 | -15,602 | -58,390 | -44,386 |
| Other operating expenses | -1,843 | -3,788 | -3,567 | -6,291 |
| Operating expenses | -612,184 | -535,115 | -2,309,583 | -1,752,454 |
| Operating profit/loss | -10,372 | -18,920 | -22,622 | -14,330 |
| Financial income/expense | | | | |
| Interest income and other financial income | 1,498 | 3 | 1,499 | 3 |
| Interest and other financial expenses | -4,881 | -12,555 | -10,371 | -20,741 |
| Financial net | -3,383 | -12,552 | -8,872 | -20,738 |
| Earnings Before Tax | -13,756 | -31,472 | -31,495 | -35,068 |
| Income tax | 1,076 | 8,803 | 3,861 | 7,254 |
| Profit/loss for the period | -12,680 | -22,669 | -27,634 | -27,814 |
| Profit/loss for the period attributable to: | | | | |
| The parent company's shareholders | -12,680 | -22,669 | -27,634 | -27,814 |
| Earnings per share, calculated on the earnings attributable to the parent company's shareholders during the period: | | | | |
| Earnings per share before dilution, SEK | -0.45 | -1.11 | -1.19 | -1.36 |
| Earnings per share after dilution, SEK | -0.45 | -1.11 | -1.19 | -1.36 |

Consolidated statement of comprehensive income

| Amounts in KSEK | Q4 2021 | Q4 2020 | Full Year 2021 | Full Year 2020 |
|-----------------------------------------------------------------|----------------|----------------|----------------|----------------|
| Profit/loss for the period | -12,680 | -22,669 | -27,634 | -27,814 |
| Other comprehensive income: | | | | |
| Items that may be reclassified to profit or loss | | | | |
| Foreign currency translation differences | 3,513 | -1,189 | 8,995 | -11,683 |
| Total other comprehensive income | 3,513 | -1,189 | 8,995 | -11,683 |
| Total Comprehensive income | -9,167 | -23,857 | -18,638 | -39,497 |
| Total comprehensive income for the year attributable to: | | | | |
| Parent company shareholders | -9,167 | -23,857 | -18,638 | -39,497 |
| Average number of shares before dilution | 28,308,622 | 20,391,000 | 23,152,447 | 20,391,000 |
| Average number of shares after dilution | 29,388,181 | 23,985,876 | 26,396,415 | 23,684,300 |

Consolidated balance sheet

| Amounts in KSEK | Notes | 2021-12-31 | 2020-12-31 |
|-------------------------------------|-------|----------------|----------------|
| ASSETS | | | |
| Fixed assets | | | |
| Intangible assets | | | |
| Goodwill | | 156,869 | 149,485 |
| Customer relationships | | 120,468 | 53,095 |
| Trademarks | | 157,006 | 35,670 |
| Websites | | 30,185 | 35,798 |
| Capitalized development costs | | 52,700 | 30,984 |
| Other intangible assets | | 0 | 105 |
| Total intangible assets | | 517,228 | 305,136 |
| Tangible assets | | | |
| Leasehold improvements | | 600 | 187 |
| Equipment | | 1,393 | 1,094 |
| Total tangible assets | | 1,993 | 1,281 |
| Financial assets | | | |
| Non-current receivables | | 29,748 | 3,987 |
| Total financial assets | | 29,748 | 3,987 |
| Right-of-use assets | | 50,206 | 35,586 |
| Deferred tax assets | | 19,070 | 16,550 |
| Total fixed assets | | 618,245 | 362,541 |
| Current assets | | | |
| Inventories | | | |
| Goods for resale | | 141,997 | 77,531 |
| Current receivables | | | |
| Accounts receivable | | 65,529 | 42,019 |
| Other receivables | | 13,395 | 12,456 |
| Prepaid expenses and accrued income | | 37,773 | 23,042 |
| Cash and cash equivalents | | 49,055 | 32,031 |
| Total current receivables | | 165,751 | 109,548 |
| Total current assets | | 307,748 | 187,079 |
| TOTAL ASSETS | | 925,993 | 549,620 |

Consolidated balance sheet cont.

| Amounts in KSEK | Notes | 2021-12-31 | 2020-12-31 |
|------------------------------------------------------------|-------|----------------|----------------|
| EQUITY AND LIABILITIES | | | |
| EQUITY | | | |
| | 3 | | |
| Share capital | | 1,906 | 1,336 |
| Other contributed capital | | 686,553 | 308,696 |
| Translation differences | | -6,413 | -15,408 |
| Retained earnings (including net profit/loss for the year) | | -113,430 | -85,796 |
| Total equity | | 568,617 | 208,828 |
| LIABILITIES | | | |
| Non-current liabilities | | | |
| Non-current lease liability | | 34,036 | 21,351 |
| Deferred tax liabilities | | 25,326 | 28,861 |
| Other liabilities | | 25,845 | 42,750 |
| Total non-current liabilities | | 85,207 | 92,962 |
| Current liabilities | | | |
| Bank overdraft | | 49,824 | 58,085 |
| Current lease liability | | 11,243 | 10,641 |
| Liabilities to credit institutions | | 0 | 1,875 |
| Accounts payable | | 146,216 | 105,612 |
| Current tax liabilities | | 108 | 4,277 |
| Other liabilities | | 22,139 | 21,021 |
| Accrued expenses and deferred income | | 42,639 | 46,318 |
| Total current liabilities | | 272,169 | 247,830 |
| Total liabilities | | 357,376 | 340,792 |
| TOTAL EQUITY AND LIABILITIES | | 925,993 | 549,620 |

Consolidated statement of changes in equity

| Amounts in KSEK | Notes | Share capital | New share issue in progress | Other contributed capital | Translation difference | Retained earnings (including net profit/loss for the year) | Sum |
|-------------------------------------------------------------------------------|-------|---------------|-----------------------------|---------------------------|------------------------|------------------------------------------------------------|----------------|
| Opening balance, 2020-01-01 | | 1,321 | 15 | 306,710 | -3,725 | -51,114 | 253,207 |
| Profit/loss for the year | | | | | | -27,814 | -27,814 |
| Other comprehensive income for the year | | | | | -11,683 | | -11,683 |
| Total comprehensive income | | 0 | 0 | 0 | -11,683 | -27,814 | -39,497 |
| New share issue | | 15 | -15 | 1,986 | | | 1,986 |
| Other | | | | | | -6,869 | -6,869 |
| Total transactions with shareholders in their capacity as shareholders | | 15 | -15 | 1,986 | 0 | -6,869 | -4,883 |
| Closing balance, 2020-12-31 | | 1,336 | 0 | 308,696 | -15,408 | -85,796 | 208,828 |
| Opening balance, 2021-01-01 | | 1,336 | 0 | 308,696 | -15,408 | -85,796 | 208,828 |
| Profit/loss for the year | | | | | | -27,634 | -27,634 |
| Other comprehensive income for the year | | | | | 8,995 | | 8,995 |
| Total comprehensive income | | 0 | 0 | 0 | 8,995 | -27,634 | -18,638 |
| New share issue | 3 | 571 | | 377,857 | | | 378,427 |
| Total transactions with shareholders in their capacity as shareholders | | 571 | 0 | 377,857 | 0 | 0 | 378,427 |
| Closing balance, 2021-12-31 | | 1,906 | 0 | 686,553 | -6,413 | -113,430 | 568,617 |

Consolidated statement of cash flow

| Amounts in KSEK | Notes | Full Year 2021 | Full Year 2020 |
|-----------------------------------------------------------------------------|-------|-----------------|----------------|
| Cash flow from operating activities | | | |
| Operating loss | | -22,622 | -14,331 |
| Adjustment for non-cash items: | | | |
| - Depreciation and amortization of tangible and intangible assets | | 58,390 | 44,386 |
| - Other non-cash items | | -1,831 | 4,260 |
| Interest received | | 0 | 3 |
| Interest paid | | -9,134 | -9,716 |
| Income tax paid | | -7,350 | -703 |
| Cash flow from operating activities before change in working capital | | 17,452 | 23,899 |
| Cash flow from change in working capital | | | |
| Increase/decrease in inventories | | -59,744 | -9,062 |
| Increase/decrease in operating receivables | | -38,390 | -31,691 |
| Increase/decrease in operating liabilities | | 32,344 | 65,341 |
| Total change in working capital | | -65,791 | 24,588 |
| Cash flow from operating activities | | -48,339 | 48,487 |
| Cash flow from investing activities | | | |
| Investment in intangible assets | | -243,818 | -21,565 |
| Investment in tangible assets | | -1,448 | -805 |
| Disposal of tangible assets | | 52 | 0 |
| Change in other financial assets | | -688 | 745 |
| Cash flow from investing activities | | -245,901 | -21,625 |
| Cash flow from financing activities | | | |
| New loans | | 18,527 | 22,352 |
| Repayment of loans | | -73,879 | -9,504 |
| Transactions with shareholders | | | -6,919 |
| Repayment of leasing debt | | -13,822 | -11,103 |
| New share issue | 3 | 378,427 | 1,048 |
| Cash flow from financing activities | | 309,254 | -4,126 |
| Decrease/increase in cash and cash equivalents | | | |
| Opening cash and cash equivalents | | 32,031 | 9,295 |
| Cash flow for the period | | 15,013 | 22,736 |
| Exchange-rate differences in cash and cash equivalents | | 2,011 | 0 |
| Closing cash and cash equivalents | | 49,055 | 32,031 |

Parent Company income statement

| Amounts in KSEK | Q4 2021 | Q4 2020 | Full Year 2021 | Full Year 2020 |
|-----------------------------------------------------------------|---------------|----------------|----------------|----------------|
| Other operating income | 2,339 | 517 | 2,339 | 518 |
| Total | 2,339 | 517 | 2,339 | 518 |
| Goods for resale | 0 | 0 | 0 | 0 |
| Other external costs | -4,806 | -837 | -21,293 | -6,407 |
| Personnel expenses | -2,006 | -361 | -3,726 | -488 |
| Depreciation and amortization of tangible and intangible assets | -13 | -12 | -50 | -50 |
| Other operating expenses | -30 | -2 | -33 | -139 |
| Operating expenses | -6,853 | -1,213 | -25,103 | -7,085 |
| Operating profit/loss | -4,515 | -695 | -22,764 | -6,566 |
| Financial income/expense | | | | |
| Results from shares in group companies | 0 | -15,000 | -7,000 | -15,000 |
| Interest income and other financial income | 1,045 | 3 | 1,045 | 0 |
| Interest and other financial expenses | -437 | -3,159 | -3,299 | -3,583 |
| Financial net | 608 | -18,156 | -9,254 | -18,583 |
| Earnings Before Tax | -3,906 | -18,851 | -32,018 | -25,149 |
| Appropriations | 15,000 | 5,200 | 15,000 | 5,200 |
| Earnings before tax | 11,094 | -13,651 | -17,018 | -19,949 |
| Income tax | 2,064 | 975 | 2,064 | 975 |
| Profit/loss for the period | 13,157 | -12,676 | -14,954 | -18,974 |

Parent Company balance sheet

| Amounts in KSEK | 2021-12-31 | 2020-12-31 |
|------------------------------------------------------------|----------------|----------------|
| ASSETS | | |
| Fixed assets | | |
| Intangible assets | | |
| Capitalized development costs | 137 | 187 |
| Total intangible assets | 137 | 187 |
| Financial assets | | |
| Shares in subsidiaries | 321,592 | 321,592 |
| Deferred tax assets | 4,233 | 2,169 |
| Non-current receivables | 1,310 | 1,625 |
| Non-current intercompany receivables | 323,399 | 12,762 |
| Total financial assets | 650,534 | 338,148 |
| Total fixed assets | 650,671 | 338,335 |
| Current assets | | |
| Current receivables | | |
| Receivables from group companies | 1,431 | 0 |
| Other receivables | 2,459 | 0 |
| Prepaid expenses and accrued income | 931 | 90 |
| Total current receivables | 4,822 | 90 |
| Cash and cash equivalents | 1,798 | 538 |
| Total current assets | 6,620 | 628 |
| TOTAL ASSETS | 657,291 | 338,963 |
| EQUITY AND LIABILITIES | | |
| EQUITY | | |
| Share capital | 1,906 | 1,336 |
| Other contributed capital | 686,553 | 308,696 |
| Retained earnings (including net profit/loss for the year) | -79,466 | -64,511 |
| Total equity | 608,994 | 245,521 |
| LIABILITIES | | |
| Non-current liabilities | | |
| Non-current intercompany liabilities | 43,182 | 41,395 |
| Other liabilities | 845 | 42,750 |
| Total non-current liabilities | 44,027 | 84,145 |
| Current liabilities | | |
| Liabilities to credit institutions | 0 | 1,875 |
| Accounts payable | 777 | 6,943 |
| Other liabilities | 161 | 0 |
| Accrued expenses and deferred income | 3,067 | 479 |
| Total current liabilities | 4,270 | 9,297 |
| Total liabilities | 48,297 | 93,443 |
| TOTAL EQUITY AND LIABILITIES | 657,291 | 338,963 |

Notes

General information

Haypp Group AB 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 Birger Jarlsgatan 43, SE-111 45 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 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 2020. For further information regarding the Group's and the Parent Company's applied accounting principles, see the Group's Annual Report 2020.

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 Rest of World). 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 2020.

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.

Notes

Note 3 Disclosure on new share and warrant issues

During the first half of 2021, redemption of warrants took place, which resulted in an issue of 323,550 new shares and an increase in the share capital by SEK 21,192 and an increase in other contributed capital by SEK 1,579,511. The subscription price for the new shares varies from SEK 32.53 to SEK 55.65 per share. Another redemption of warrants took place in June 2021. 12,450 shares was issued, which resulted in an increase in the share capital of SEK 815 and an increase in other contributed capital by SEK 334,965. The exercise price varies between SEK 14.48 and 40.99 per share. Another 4,500 shares were issued in an offset issue, increasing share capital with SEK 294.

A decision on a private placement to primarily existing shareholders was made on an Extra General Meeting in June 2021 in order to finance part of the acquisition of certain assets of Nettotobak, which entails an increase in share capital of SEK 159,402 and an increase in other contributed capital by SEK 184,836,286. Costs for issuance has decreased other contributed capital with SEK 3,188,968.

In October 2021, Haypp Group was listed on Nasdaq First North and 2,272,727 new shares was issued. Share capital increased with SEK 148,883 and net after costs, other contributed capital increased with SEK 132,312,686. In connection to this, warrants were struck resulting in 3,662,452 new shares. Share capital increased with SEK 239,922 and other contributed capital with SEK 56,608,402. The exercise price varied between SEK 10.50 and 38.29 per share.

An Extra General Meeting decided to issue 169,950 warrants to employees in April. This issue entails an increase in other contributed capital by SEK 873,753. The duration of these warrants is two years from April 2021.

Another 1,212,499 warrants for employees were issued in October, increasing other contributed capital with SEK 5,140,996. The duration is three years from October 2021. All warrants have been acquired at market value.

Warrants have been cancelled for employees who have left the company. These have been repurchased at acquisition cost which resulted in a decrease of other contributed capital by SEK 639,956 during 2021.

Key ratios

| Amounts in MSEK | Q4 2021 | Q4 2020 | Full Year 2021 | Full Year 2020 |
|--------------------------------------------------------------------|------------|------------|----------------|----------------|
| Income statement | | | | |
| Net sales growth, % | 15.1 | | 31.1 | |
| Adjusted EBITDA | 20.7 | 19.0 | 71.0 | 60.6 |
| Adjusted EBITDA margin, % | 3.5 | 3.7 | 3.1 | 3.5 |
| Adjusted EBIT | 11.8 | 11.2 | 41.5 | 38.3 |
| Adjusted EBIT margin, % | 2.0 | 2.2 | 1.8 | 2.2 |
| Operating profit/loss | -10.4 | -18.9 | -22.6 | -14.3 |
| Balance sheet | | | | |
| Net working capital | 69.8 | 3.1 | 69.8 | 3.1 |
| Net debt | | | 46.9 | 102.7 |
| Investments | | | -245.9 | -21.6 |
| Net debt/Adjusted EBITDA, times | | | 0.7 | 1.7 |
| Equity/Total assets ratio, % | 61.4 | 38.0 | 61.4 | 38.0 |
| Cash flow | | | | |
| Cash flow from operating activities | | | -48.3 | 48.5 |
| Data per share | | | | |
| Earnings per share after dilution (SEK) | -0.45 | -1.11 | -1.19 | -1.36 |
| Equity per share after dilution (SEK) | 19.3 | 8.7 | 21.5 | 8.8 |
| Cash flow from operating activities per share after dilution (SEK) | | | -1.8 | 2.0 |
| Average number of shares after dilution | 29,388,181 | 23,985,876 | 26,396,415 | 23,684,300 |

Segment information by quarter

| Amounts in MSEK | Q1 2020 | Q2 2020 | Q3 2020 | Q4 2020 | Q1 2021 | Q2 2021 | Q3 2021 | Q4 2021 |
|-------------------------------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|
| Net sales per business unit: | | | | | | | | |
| Core markets | 254.2 | 382.8 | 389.3 | 449.2 | 488.5 | 484.4 | 501.3 | 503.6 |
| Growth markets | 50.4 | 75.0 | 64.5 | 63.8 | 64.0 | 57.4 | 80.6 | 86.9 |
| EBITDA per business unit: | | | | | | | | |
| Core markets | 16.0 | 29.1 | 28.8 | 26.9 | 27.1 | 29.7 | 26.0 | 36.4 |
| Growth markets | -17.5 | -7.8 | -6.8 | -8.4 | -11.3 | -12.7 | -7.8 | -15.3 |
| EBITDA margin per business unit (%): | | | | | | | | |
| Core markets | 6.3 | 7.6 | 7.4 | 6.0 | 5.6 | 6.1 | 5.2 | 7.2 |
| Growth markets | -34.7 | -10.3 | -10.6 | -13.2 | -17.7 | -22.2 | -9.7 | -17.6 |
| Number of orders per business unit (thousand): | | | | | | | | |
| Core markets | 387 | 540 | 542 | 627 | 713 | 726 | 776 | 779 |
| Growth markets | 95 | 118 | 94 | 87 | 82 | 80 | 111 | 130 |
| Average order value per business unit (SEK): | | | | | | | | |
| Core markets | 605 | 658 | 648 | 648 | 617 | 613 | 625 | 619 |
| Growth markets | 682 | 762 | 779 | 694 | 762 | 700 | 619 | 638 |
| Active customers (thousand): | | | | | | | | |
| Core markets | 179 | 226 | 229 | 257 | 285 | 287 | 321 | 324 |
| Growth markets | 49 | 60 | 51 | 46 | 46 | 45 | 61 | 68 |

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 related to preparing the Group for a potential initial public offering, IPO. The costs mainly include fees to external financial and commercial advisors and other preparation costs.

Acquisition, integration and restructuring 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.

Legal costs

Costs for external legal advisors in relation to legal disputes.

| Amounts in MSEK | Q4 2021 | Q4 2020 | Full Year 2021 | Full Year 2020 |
|----------------------------------------------------|---------|---------|----------------|----------------|
| EBIT margin | | | | |
| EBIT | -10.4 | -18.9 | -22.6 | -14.3 |
| Net sales | 590.5 | 513.0 | 2 266.8 | 1 729.2 |
| EBIT margin, % | -1.8 | -3.7 | -1.0 | -0.8 |
| Adjusted EBIT | | | | |
| EBIT | -10.4 | -18.9 | -22.6 | -14.3 |
| Amortisation of acquired intangible assets | 9.9 | 7.8 | 28.9 | 22.1 |
| Less items affecting comparability: | | | | |
| Consulting and advisory costs | 10.9 | 21.9 | 30.5 | 24.9 |
| Acquisition, integration and restructuring costs | 1.4 | 0.0 | 3.9 | 3.8 |
| Legal costs | 0.0 | 0.4 | 0.8 | 1.8 |
| Adjusted EBIT | 11.8 | 11.2 | 41.5 | 38.3 |
| Adjusted EBIT margin, % | 2.0 | 2.2 | 1.8 | 2.2 |
| EBITDA | | | | |
| EBIT | -10.4 | -18.9 | -22.6 | -14.3 |
| Depreciation/amortisation and impairment of assets | 18.8 | 15.6 | 58.4 | 44.4 |
| EBITDA | 8.5 | -3.3 | 35.8 | 30.1 |
| EBITDA margin | | | | |
| EBITDA | 8.5 | -3.3 | 35.8 | 30.1 |
| Net sales | 590.5 | 513.0 | 2 266.8 | 1 729.2 |
| EBITDA margin, % | 1.4 | -0.6 | 1.6 | 1.7 |
| Adjusted EBITDA | | | | |
| EBITDA | 8.5 | -3.3 | 35.8 | 30.1 |
| Less items affecting comparability: | | | | |
| Consulting and advisory costs | 10.9 | 21.9 | 30.5 | 24.9 |
| Acquisition, integration and restructuring costs | 1.4 | 0.0 | 3.9 | 3.8 |
| Legal costs | 0.0 | 0.4 | 0.8 | 1.8 |
| Adjusted EBITDA | 20.7 | 19.0 | 71.0 | 60.6 |
| Adjusted EBITDA margin, % | 3.5 | 3.7 | 3.1 | 3.5 |

| Amounts in MSEK | Q4 2021 | Q4 2020 | Full Year 2021 | Full Year 2020 |
|---------------------------------------------------------------------|------------|------------|----------------|----------------|
| Operating expenses | -612.2 | -535.1 | -2 309.6 | -1 752.5 |
| Other operating income | 7.5 | 1.4 | 9.9 | 2.4 |
| Capitalised work on own account | 3.7 | 1.8 | 10.3 | 6.5 |
| Cost of Goods sold (-) | 527.0 | 439.6 | 2 018.0 | 1 504.3 |
| Depreciation of material and immaterial assets | 18.8 | 15.6 | 58.4 | 44.4 |
| Less items affecting comparability: | | | | |
| Consulting and advisory costs | 10.9 | 21.9 | 30.5 | 24.9 |
| Acquisition, integration and restructuring costs | 0.1 | 0.0 | 2.6 | 3.8 |
| Legal costs | 0.0 | 0.4 | 0.8 | 1.8 |
| Adjusted operating expenses | -44.1 | -54.4 | -179.0 | -164.3 |
| Net debt | | | | |
| Non-current lease liability | | | 34.0 | 21.4 |
| Other non-current liabilities (excluding amounts in escrow) | | | 0.8 | 42.7 |
| Bank overdraft | | | 49.8 | 58.1 |
| Current lease liability | | | 11.2 | 10.6 |
| Liabilities to credit institutions | | | 0.0 | 1.9 |
| Other liabilities - Shareholder loans | | | 0.0 | 0.0 |
| Cash and cash equivalents | | | -49.1 | -32.0 |
| Net debt | | | 46.9 | 102.7 |
| Net debt / adjusted EBITDA | | | | |
| Net debt | | | 46.9 | 102.7 |
| Adjusted EBITDA | | | 71.0 | 60.6 |
| Net debt/Adjusted EBITDA, times | | | 0.7 | 1.7 |
| Items affecting comparability | | | | |
| Consulting and advisory costs | -10.9 | -21.9 | -30.5 | -24.9 |
| Acquisition, integration and restructuring costs | -1.4 | 0.0 | -3.9 | -3.8 |
| Legal costs | 0.0 | -0.4 | -0.8 | -1.8 |
| Items affecting comparability | -12.3 | -22.3 | -35.2 | -30.5 |
| Equity per share after dilution | | | | |
| Total equity | 568.6 | 208.8 | 568.6 | 208.8 |
| Average number of shares after dilution | 29,388,181 | 23,985,876 | 26,396,415 | 23,684,300 |
| Equity per share after dilution (SEK) | 19.3 | 8.7 | 21.5 | 8.8 |
| Cash flow from operating activities per share after dilution | | | | |
| Cash flow from operating activities | | | -48.3 | 48.5 |
| Average number of shares after dilution | 29,388,181 | 23,985,876 | 26,396,415 | 23,684,300 |
| Cash flow from operating activities per share after dilution (SEK) | | | -1.8 | 2.0 |

Net working capital

| Amounts in MSEK | Dec 31, 2021 | Dec 31, 2020 |
|--------------------------------------|--------------|--------------|
| Goods for resale | 142.0 | 77.5 |
| Accounts receivable | 65.5 | 42.0 |
| Other receivables | 13.4 | 12.5 |
| Prepaid expenses and accrued income | 37.8 | 23.0 |
| Accounts payable | -146.2 | -105.6 |
| Accrued expenses and deferred income | -42.6 | -46.3 |
| Net working capital | 69.8 | 3.1 |

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 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. |

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