

Full Year Report
January—December 2024

Q4

“Robust underlying growth
and margin expansion”



HAYPP GROUP

Highlights

FOURTH QUARTER 2024

- Net sales increased by 23 per cent on a LFL basis (8 per cent reported) to SEK 915.2 m (846.8). In constant currency, net sales increased by 8 per cent.
- 38 per cent LFL* (16 percent report) volume growth in the nicotine pouch category during the quarter.
- The gross margin amounted to 17.1 per cent (13.4).
- Adjusted EBITDA amounted to SEK 56.7 m (37.5), corresponding to an adjusted EBITDA margin of 6.2 per cent (4.4).
- Adjusted EBIT amounted to SEK 36.4 m (21.2), corresponding to an adjusted EBIT margin of 4.0 per cent (2.5).
- Operating profit totaled SEK 26.3 m (11.1), including items affecting comparability of SEK -0.1 m (0.0).
- Profit for the quarter amounted to SEK 15.2 m (-2.9).
- Earnings per share before dilution amounted to SEK 0.51 (-0.10).
- Number of orders increased to 1,217 thousand (1,168) with an average order value of SEK 689 (679).
- Active customers were 571 thousand (531) at the end of the quarter.

*L4L measurement shows growth rates excluding the impact of US Zyn shortage, discontinuation of Tobacco and state closures

THE FULL YEAR 2024 (PERIOD)

- Net sales increased by 21 per cent on a LFL basis (16 per cent reported) to SEK 3,679.8 m (3,165.7). In constant currency, net sales increased by 17 per cent.
- 41 per cent LFL volume growth (35 per cent reported) in the nicotine pouch category during the period.
- The gross margin amounted to 15 per cent (12.7).
- Adjusted EBITDA amounted to SEK 205.8 m (134.6), corresponding to an adjusted EBITDA margin of 5.6 per cent (4.3).
- Adjusted EBIT amounted to SEK 134.5 m (78.2), corresponding to an adjusted EBIT margin of 3.7 per cent (2.5).
- Operating profit totaled SEK 64.2 m (22.3), including items affecting comparability of SEK -30.4 m (-15.9).
- Profit for the period amounted to SEK 45.0 m (5.0).
- Earnings per share before dilution amounted to SEK 1.51 (0.17).
- Cash flow from operating activities amounted to SEK 196.4 m (80.5)
- Number of orders increased to 4,946 thousand (4,426) with an average order value of SEK 690 (672).
- Active customers were 1,146 thousand (953) at the end of the period.

MSEK	Q4 2024	Q4 2023	Full Year 2024	Full Year 2023
Net sales	915.2	846.8	3,679.8	3,165.7
Net sales growth, %	8.1	20.9	16.2	21.8
Gross margin, %	17.1	13.4	15.0	12.7
Adjusted EBITDA	56.7	37.5	205.8	134.6
Adjusted EBITDA margin, %	6.2	4.4	5.6	4.3
Adjusted EBIT	36.4	21.2	134.5	78.2
Adjusted EBIT margin, %	4.0	2.5	3.7	2.5
Items affecting comparability	-0.1	0.0	-30.4	-15.9
Operating profit/loss	26.3	11.1	64.2	22.3
Profit/loss for the period	15.2	-2.9	45.0	5.0
Earnings per share before dilution, SEK	0.51	-0.10	1.51	0.17
Cash flow from operating activities			196.4	80.5
Number of orders, thousand	1,217	1,168	4,946	4,426
Average order value, SEK	689	679	690	672
Active consumers, thousand	571	531	1,146	953

Robust underlying growth and margin expansion

Haypp Group delivered robust LFL growth in 2024 consistent with prior years and expanded its margins substantially. The US opportunity is improving with newer brand variants gaining rapid traction in the market, creating an ideal environment for the group. In addition, the regulatory authorization of leading brand variants provides a reassuring outlook for the category. Visibility on resolution of the regulatory and supply headwinds has improved.

Business review

Haypp Group's business in 2024 delivered robust like-for-like (LFL) growth by leveraging its increasing scale across divisions and delivering substantial margin expansion. Group sales increased 23% on a like-for-like (LFL) basis excluding the effect of the Zyn shortage and US state closures and cessation of tobacco sales in Q4, implying approximate 20% growth for the year, consistent with the 22% sales CAGR over the prior 4 years.

Nicotine pouch (NP) volumes increased 42% in 2024 on a LFL basis, also consistent with the prior four-year CAGR. In Q4, nicotine pouch volume rose 37% LFL vs the prior year and accounted for 62% of the Group's volume.

Haypp continued to follow its shared economies of scale philosophy both by reinvesting in its consumer offering while also increasing the gross margins to 17.1% up about 370bps year-over-year. There was further investment in maintaining the most attractive prices in the marketplace for consumers across its divisions, automating the Texas warehouse to reduce cost, shorten time from order to delivery and improve accuracy.

The wider assortment of nicotine pouches on the US market at the end of 2024 including newer brand variants with premarket tobacco product applications (PMTAs) under review are changing the composition of the US NP market in 2025. These alternatives are proving to be attractive options for consumers and on Haypp's US sites with repeat purchases now evident.

The Group's Media and Insights business is increasingly important and attractive to manufacturers due to the Group's robust growth across markets and fair pricing. As a result, Haypp reached mutually beneficial agreements commencing in Q1 2025 with brand owners for campaigns and category intelligence.

Quarterly developments

In the Growth division, the effects of closing some US states due to high costs and ending tobacco sales reduced the Growth division volume by approximately 9% and will affect year-over-year comparisons through Q3 2025. Zyn shortages had a larger effect, reducing the Growth division base by about 32% in volume in Q4. Haypp Group remains in regular positive dialogue with PMI both in the US and internationally and is optimistic about resolution of the supply issue.

“ Haypp's scale benefits allowed further investment in the Group's consumer offers while continuing to expand the gross margin in the quarter.

Gavin O'Dowd
President and CEO

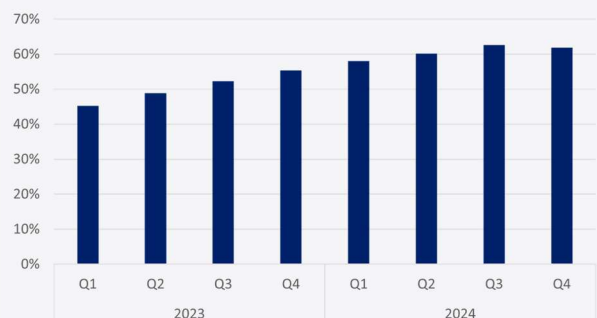


“ The wider assortment of attractive products in recent months is shifting the composition of the US NP market, further highlighting Haypp's assortment advantage for consumers.

Gavin O'Dowd
President and CEO

THE TRANSFORMATION TOWARDS NICOTINE POUCHES RUNNING ACCORDING TO PLAN

Share of NP volume %



Critically, there was little profit effect from the loss of US volumes, with Haypp's gross and adjusted EBIT margin instead improving sequentially and substantially on a year-over-year basis. Over 2025 as US volumes rebuild to their 2024 levels and higher, fulfilment costs in the Texas warehouse are likely to decline due to the benefit of automation.

Nordic sales in December were affected by the timing of Christmas (approx. 2% negative impact for the quarter), while Emerging segment sales continued their robust development, with Heat Not Burn products now offered in the UK.

Regulatory update

Litigation

Haypp has ongoing litigation in two jurisdictions, Stockholm, Sweden and San Francisco, California as noted in the Q3 2024 report. The status of the Stockholm litigation has not changed; the Group's action continues in the court system and updates will be provided as appropriate with resolution likely within the next 12-24 months.

Negotiations regarding resolution of the San Francisco complaint continue and the Group's best estimate of the cost remains in-line with the SEK11mn of litigation reserves as disclosed in the Q3 report. This amount would be similar to the settlement cost of \$1.2mn with Washington D.C. for the sale of flavoured product in that jurisdiction.

Regulatory developments

The FDA authorized sale of 20 nicotine pouch varieties in mid-January. Notably, flavours allowed include a wide range of mint/menthol varieties as well as coffee, citrus and cinnamon. The decision also highlights a clear pathway toward authorisation for brands and products, focused on showing the benefits to adults are not outweighed by risks to youth. Although predicting the timing of FDA decisions on PMTAs has proven impossible, this decision supports optimism expressed by manufacturers that additional PMTAs could be authorised in the next 12 months too. The FDA's decision also clarifies the role of online retail selling authorized products. Moreover, FDA's action could positively influence the regulatory environment in Europe.

Haypp views appropriate regulatory restrictions as an opportunity to further strengthen the Group's position over online competitors while differentiating the company relative to offline options. Haypp Group supports the announcement from the FDA, which requires consistent vigilance to ensure, for example, there is not a "a notable increase in youth initiation." The Group has invested significantly in its compliance, with special focus on Youth Access Prevention, and will continue to do so to remain the online retailer of choice for manufacturers and consumers in all its markets.

Stockholm in February 2024

Gavin O'Dowd
President and CEO

Financial overview

Net sales

Net sales for the fourth quarter increased by 8 per cent to SEK 915.2 m (846.8). In constant currency, net sales increased by 8 per cent.

Net sales for the period increased by 16 per cent to SEK 3,679.8 m (3,165.7). In constant currency, net sales increased by 17 per cent.

Gross profit

Gross profit increased to SEK 156.6 m (113.2), corresponding to a gross margin of 17.1 per cent (13.4), driven by product mix, a further strengthened position in the value chain as well as benefits of scale.

Gross Profit for the period increased to SEK 552.7 m (402.6), corresponding to a gross margin of 15.0 per cent (12.7).

Adjusted EBIT

Adjusted EBIT for the fourth quarter increased to SEK 36.4 m (21.2), driven by scale benefits and the Media & Insights contribution. The adjusted EBIT margin increased to 4.0 per cent (2.5).

Adjusted EBIT for the period increased by 72 per cent to SEK 134.5 m (78.2). The adjusted EBIT margin increased to 3.7 per cent (2.5).

EBIT

EBIT for the fourth quarter increased to SEK 26.3 m (11.1) while EBIT for the period increased by SEK 41.9 m to SEK 64.2 m (22.3). The difference between EBIT and adjusted EBIT is explained by amortization of acquired intangible assets and other items affecting comparability. See Reconciliation of alternative performance measures, page 25.

Operating profit

Operating profit for the fourth quarter was SEK 26.3 m (11.1). Items affecting comparability amounted to SEK -0.1 m (0.0). Operating profit for the period was SEK 64.2 m (22.3). Items affecting comparability amounted to SEK -30.4 m (-15.9). For more information on Items affecting comparability, refer to page 25.

Financial items

Financial expenses (net) for the quarter amounted to SEK -1.2 m (-12.2), due to interest cost for loans and leasing. 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 -5.2 m (-14.4).

Tax

The tax expense for the quarter was SEK -10.0 m (-1.8), of which SEK -5.3 m is related to income tax, SEK 1.0 m relates to amortization of surplus values and SEK -5.9 relates to excess depreciation for the quarter.

The tax expense for the period was SEK -14.0 m (-2.8) of which SEK -6.6 m is related to release of deferred tax, leaving the Group's effective tax rate for the period at 23,7%.

Net profit

Net profit for the quarter amounted to SEK 15.2 m (-2.9). Earnings per share amounted to SEK 0.50 (-0.10) after dilution.

Profit for the period increased to SEK 45.0 m (5.0). Earnings per share for the period amounted to SEK 1.46 (0.17) after dilution.

Investments

During the year, Haypp Group invested (net) SEK 116.7 m (61.0), whereof SEK 71.5 m (58.1) 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, mainly regarded to improved frontend development in the European markets.

Also contributing is closing of lease contracts for the former warehouse automatization in the Stockholm warehouse.

Cash flow

Cash flow for the period from operating activities increased to SEK 196.4 m (80.5). Cash flow from changes in working capital was SEK 16.5 m (-21.7) mainly driven by an increase in operating liabilities.

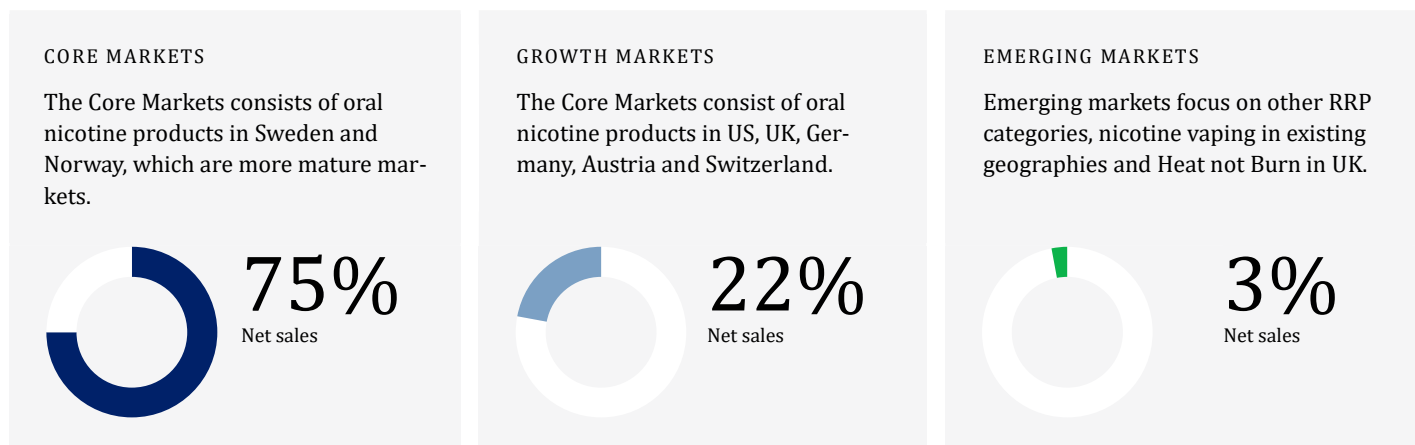
Net debt and cash and cash equivalents

At the end of the period, net debt amounted to SEK 169.0 m versus 224.5 m per 31 December 2023. In total, cash and cash equivalents amounted to SEK 35.2 m, versus 11.4 at the end of last year. At the end of the period, unutilized credit facility amounted to SEK 99 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.



SEGMENT BREAKDOWN

KSEK	Net sales				EBITDA			
	Q4 2024	Q4 2023	Full Year 2024	Full Year 2023	Q4 2024	Q4 2023	Full Year 2024	Full Year 2023
Core Markets	688,830	631,850	2,618,990	2,407,478	60,990	50,135	227,302	191,556
EBITDA margin, %					8.9%	7.9%	8.7%	8.0%
Growth Markets	197,041	214,937	989,687	758,242	6,176	-13,181	12,243	-57,419
EBITDA margin, %					3.1%	-6.1%	1.2%	-7.6%
Emerging Markets	29,345		71,123		-10,445		-33,293	
EBITDA margin, %					-35.6%		-46.8%	
Parent Company/other	0	0	0	0	-82	-16	-25,590	-15,897
Reconciliation items	0		0		-5	559	-456	440
Group total	915,217	846,787	3,679,800	3,165,720	56,634	37,496	180,205	118,680
EBITDA margin, %					6.2%	4.4%	4.9%	3.7%
Depreciation and amortization					-30,320	-26,441	-116,053	-96,374
Financial items					-1,174	-12,159	-5,212	-14,445
Profit before taxes					25,140	-1,104	58,940	7,862

Core Markets

CORE MARKETS

MSEK	Q4 2024	Q4 2023	Change, %	Full Year 2024	Full Year 2023	Change, %
Net sales	688.8	631.8	9%	2,619.0	2,407.5	9%
EBITDA	61.0	50.1	22%	227.3	191.6	19%
EBITDA margin, %	8.9%	7.9%	1.0 p.p.	8.7%	8.0%	0.7 p.p.
Active consumers, thousand	439	414	6%	756	732	3%

Net sales

Net sales for the fourth quarter increased by 9 per cent to SEK 688.8 m (631.8), and 9 per cent in constant currency. Nicotine pouches grew by 24 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 consumers increased by 6 per cent to 439 thousand (414).

Net sales for the period increased by 9 per cent to SEK 2,619.0 m (2,407.5), and 10 per cent in constant currency. Nicotine pouch volume grew by 30 per cent during the period. The number of active consumers increased by 3 per cent to 756 thousand (732).

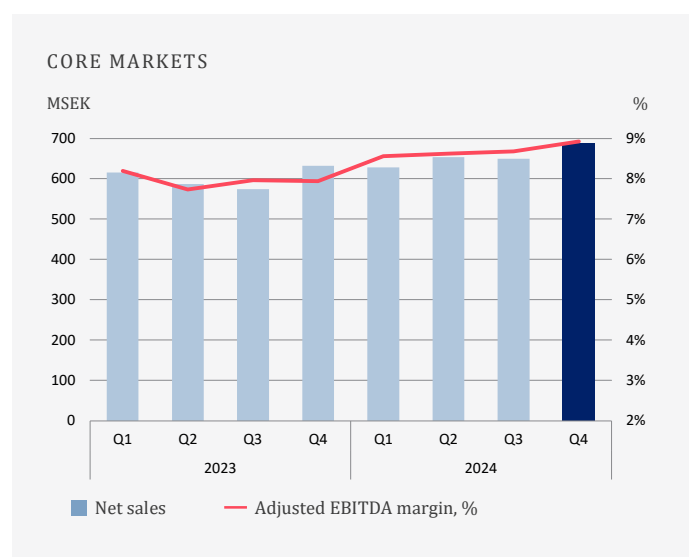
EBITDA

EBITDA in the Core segment increased by 22 per cent to SEK 61.0 m (50.1) during the fourth quarter. The EBITDA margin increased by 1.0 percentage points to 8.9 per cent (7.9) mainly due to economies of scale.

EBITDA increased by 19 per cent to SEK 227.3 m (191.6) during the period. The EBITDA margin increased by 0.7 percentage points to 8.7 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 Committee and Haypp. The appeals process is still ongoing and is likely to take one to two years. The Group has addressed all the concerns raised by the regulator and has completely implemented age verification at point of delivery, supplementing its original BankID point of sale verification for all Swedish consumers of snus or NPs as well.



Growth Markets

GROWTH MARKETS						
MSEK	Q4 2024	Q4 2023	Change, %	Full Year 2024	Full Year 2023	Change, %
Net sales	197.0	214.9	-8%	989.7	758.2	30%
EBITDA	6.2	-13.2	-	12.2	-57.4	-
EBITDA margin, %	3.1%	-6.1%	9.2 p.p.	1.2%	-7.6%	8.8 p.p.
Active consumers, thousand	111	117	-5%	327	222	47%

Net sales

Net sales for the fourth quarter decreased by 8 per cent to SEK 197.0 m (214.9), due to ceased of all sales into California since early September. Net sales in constant currency decreased by 9 per cent. The number of active consumers decreased by 5 per cent to 111 thousand (117). Nicotine pouch volume grew by 3 per cent during the quarter.

Net sales for the period increased by 30 per cent to SEK 989.7 m (758.2). Net sales in constant currency rose 31 per cent. The number of active consumers increased by 47 per cent to 327 thousand (222).

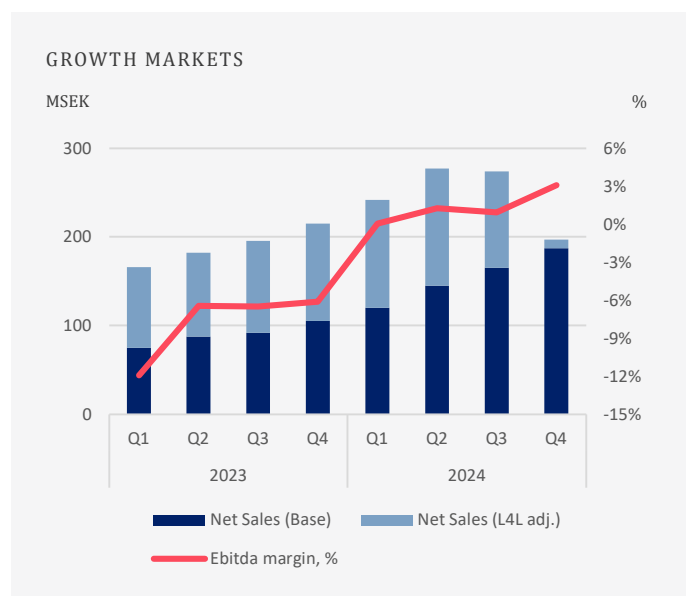
EBITDA

EBITDA for the Growth segment amounted to SEK 6.2 m (-13.2) during the fourth quarter. The EBITDA margin improved to 3.1 per cent (-6.1), due to a more favourable product mix and Media and Insights benefits.

EBITDA for the segment improved to SEK 12.2 m (-57.4) during the period. The EBITDA margin was 1.2 per cent (-7.6).

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 in September 2024. Haypp Group is cooperating with the authorities and working to settle the case in the foreseeable future. The Group established a reserve of SEK 11 MN in Q3 2024, which is the best estimate for the potential settlement cost.



Emerging Markets

EMERGING MARKETS

MSEK	Q4 2024	Q4 2023	Change, %	Full Year 2024	Full Year 2023	Change, %
Net sales	29.3	-	-	71.1	-	-
EBITDA	-10.4	-	-	-33.3	-	-
EBITDA margin, %	-35.6%	-	-	-46.8%	-	-
Active consumers, thousand	21	-	-	63	-	-

Net sales

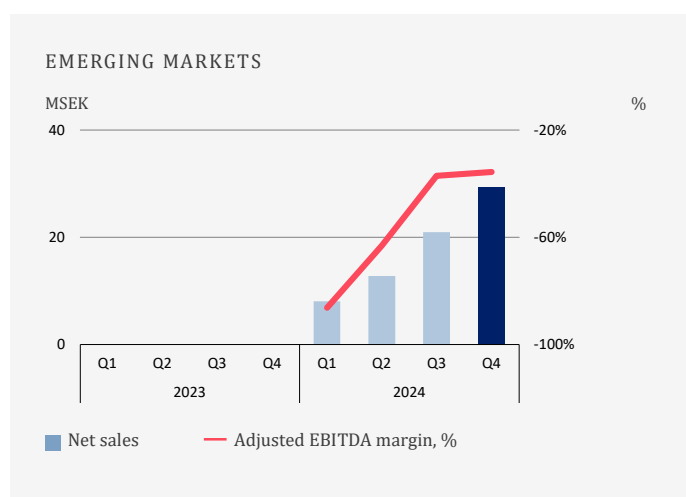
Net sales for the fourth quarter were SEK 29.3 m, derived from the nicotine vape segment in the UK, Germany and Sweden. The number of active consumers reached 21 thousand.

Net sales for the period were SEK 71.1 m. The number of active consumers was 63 thousand. During Q4 the Emerging division also included sales from heat-not-burn products sold to consumers in the UK.

EBITDA

EBITDA for the Emerging segment was SEK -10.4 m during the fourth quarter (-0.3 percentage points impact on total Group's adjusted EBITDA margin). The EBITDA margin amounted to -35.6 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 -33.3 m. The EBITDA margin was -46.8 per cent.



Other information

Employees

The average number of full-time employees during Q4 2024 was 213, compared to 179 the same period last year. The increase was primarily attributable to the 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 5,000 at the end of December 2024.

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

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 4.6 m (3.8) and profit totalled SEK 32.7 m (-7.0) Total equity amounted to SEK 670.4 m (631.0) per 31 December 2024.

Acquisitions

As a part of a reorganization the Group's organizational structure has changed during Q4 with the acquisition of three new subsidiaries. The acquisitions are a part of the Group's efforts to simplify its the legal structure and processes, without any impact on serving the Group's consumers.

November 22, 100% of the shares in Haypp Sverige AB and Nicokick AB were acquired by Haypp Group AB. Both subsidiaries were purchased as off-shelf companies at a purchase price of KSEK 25.

On December 20, 100% of the shares in Snusbolaget Europa AB were acquired by Northerner Scandinavia AB. The purchase price fully accounted as Goodwill, with no related acquisitions costs. Snusbolaget Europa AB has not contributed to any effect on Groups consolidated income statement during the period.

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. Events of material significance occurred in the period that materially affects or change these descriptions were disclosed and the Group's and Parent Company's management taking them into consideration for risk management purposes.

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 13 February 2025.

Webcast conference call on 13 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 Peter Deli, who will present the interim report and answer questions. Information regarding telephone numbers and website is available at hayppgroup.com or at haypp-group.events.inderes.com/q4-report-2024. The presentation will be available at hayppgroup.com/ir after publication of the interim report.

FINANCIAL CALENDAR

Capital Markets Day	April 03, 2025
Interim report Q1	May 06, 2025
Annual shareholders’ meeting 2025	May 15, 2025
Interim report Q2	August 7, 2025
Interim report Q3	November 5, 2025

CONTACT

For further information, please contact:
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Haypp Group at glance

The Haypp Group is spearheading the global transition 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. The Group has eleven e-commerce store brands across seven countries where we served more than 1,100,000 active consumers during 2024. Headquartered in Stockholm, Sweden, Haypp Group employs 199 FTEs and had net sales of over SEK 3,6 bn during 2024.

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 their 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 utilize this knowledge to constantly evolve and improve our consumers’

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.

Financial targets

Haypp Group’s Board of Directors adopted the following financial targets in 2021:

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 prioritize 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

Signatures

The Board of Directors and the CEO give their assurance that the full-year 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 13 February 2025

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 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	Q4 2024	Q4 2023	Full Year 2024	Full Year 2023
Health Contribution	Grow consumers of harm reduced products	Number of purchasing consumers	570,560	532,359	1,146,126	953,346
Insights for all	Increase public awareness and understanding	Number of visits to editorial material, facts and reports	921,560	1,452,289	4,768,897	5,010,054
Sustainable innovation for growth and development	Quality assurance and product development	Share of relevant portfolio tested and according to standard ¹	100.0%	84.9%	100.0%	84.9%
Best place to work	Great employer	Employee satisfaction in per cent	80%	81%	80%	80%
Business Ethics	Delivering on the consumer promise	Rate of consumer satisfaction	70.5	72.0	67.0	70.7

¹ 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

KSEK	Q4 2024	Q4 2023	Full Year 2024	Full Year 2023
Net sales	915,217	846,787	3,679,800	3,165,720
Capitalized work on own account	10,638	7,588	32,383	24,371
Other operating income	1,495	1,139	3,197	3,542
Total	927,350	855,513	3,715,380	3,193,633
Goods for resale	-758,657	-733,615	-3,127,118	-2,763,084
Other external costs	-47,555	-34,376	-177,425	-128,784
Personnel expenses	-64,080	-49,563	-227,980	-180,313
Depreciation and amortization of tangible and intangible assets	-30,320	-26,441	-116,053	-96,374
Other operating expenses	-423	-463	-2,652	-2,771
Sum expenses	-901,036	-844,458	-3,651,227	-3,171,326
Operating profit/loss	26,314	11,055	64,153	22,307
Financial income/expense				
Financial income	12,630	1,612	23,082	19,647
Financial expenses	-13,803	-13,772	-28,294	-34,092
Financial net	-1,174	-12,159	-5,212	-14,445
Earnings before tax	25,140	-1,104	58,940	7,862
Income tax	-9,957	-1,810	-13,959	-2,825
Profit/loss for the period	15,183	-2,914	44,981	5,036
Profit/loss for the period attributable to:				
The Parent Company's shareholders	15,183	-2,914	44,981	5,036
Earnings per share, calculated on the earnings attributable to the Parent Company's shareholders during the period:				
Earnings per share before dilution, SEK	0.51	-0.10	1.51	0.17
Earnings per share after dilution, SEK	0.50	-0.10	1.46	0.17

Consolidated statement of comprehensive income

KSEK	Q4 2024	Q4 2023	Full Year 2024	Full Year 2023
Profit/loss for the period	15,183	-2,914	44,981	5,036
Other comprehensive income				
Items that may be reclassified to profit or loss				
Foreign currency translation differences	16,010	-5,364	5,560	-8,924
Total other comprehensive income	16,010	-5,364	5,560	-8,924
Total comprehensive income	31,193	-8,279	50,541	-3,888
Total comprehensive income for the year attributable to:				
Parent Company shareholders	31,193	-8,279	50,541	-3,888
Average number of shares before dilution	29,839,088	29,829,988	29,839,088	29,342,396
Average number of shares after dilution	30,623,110	29,902,303	30,807,543	29,720,859

Consolidated balance sheet

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

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

Consolidated statement of changes in equity

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

¹⁾ After deduction of issue costs

Consolidated statement of cash flow

KSEK	Full Year 2024	Full Year 2023
Cash flow from operating activities		
Operating profit	64,153	22,307
Adjustment for non-cash items:		
— Depreciation and amortization of tangible and intangible assets	116,053	96,374
— Other non-cash items ¹⁾	13,654	-2,122
Interest received	278	177
Interest paid	-11,176	-11,254
Income tax paid	-3,088	-3,283
Cash flow from operating activities before change in working capital	179,873	102,198
Cash flow from change in working capital		
Increase/decrease in inventories	-28,370	-47,743
Increase/decrease in operating receivables	-39,819	-13,063
Increase/decrease in operating liabilities	84,720	39,155
Total change in working capital	16,530	-21,650
Cash flow from operating activities	196,403	80,548
Cash flow from investing activities		
Acquisition of subsidiaries after deduction for acquired cash and cash equivalents	-2,387	-53
Investment in intangible assets	-71,486	-58,146
Investment in tangible assets	-34,246	-2,356
Disposal of tangible assets	375	0
Change in other financial assets	-8,990	-459
Cash flow from investing activities	-116,733	-61,014
Cash flow from financing activities		
New loans	1,061	1,450
Change bank overdraft	-32,576	21,769
Repayment of loans	-3,856	-28,856
Repayment of leasing debt	-26,587	-22,485
New share issue ²⁾	4,229	5,116
Cash flow from financing activities	-57,729	-23,005
Decrease/increase in cash and cash equivalents		
Opening cash and cash equivalents	11,424	15,196
Cash flow for the period	21,941	-3,471
Exchange-rate differences in cash and cash equivalents	1,858	-301
Closing cash and cash equivalents	35,223	11,424

¹⁾ Mainly consisting of litigation reserves as disclosed in the Q3 report

²⁾ Cost after deduction of issue costs

Parent Company income statement

KSEK	Q4 2024	Q4 2023	Full Year 2024	Full Year 2023
Other operating income	1,008	809	4,633	3,814
Total	1,008	809	4,633	3,814
Other external costs	377	-2,577	-5,659	-6,380
Personnel expenses	-2,187	-1,787	-7,468	-7,276
Depreciation and amortization of tangible and intangible assets	0	-13	-37	-50
Other operating expenses	-28	-2	-48	-13
Sum expenses	-1,838	-4,378	-13,213	-13,719
Operating profit/loss	-830	-3,569	-8,580	-9,905
Financial income/expense				
Interest income and other financial income	1	2	2	2
Interest and other financial expenses	-51	1	-140	0
Result from financial income/expenses	-50	3	-138	2
Earnings before tax	-880	-3,567	-8,718	-9,903
Appropriations	50,000	0	50,000	0
Earnings before tax	49,120	-3,567	41,282	-9,903
Income tax	-8,537	1,998	-8,537	2,878
Profit/loss for the period	40,583	-1,568	32,745	-7,025

Parent company balance sheet

KSEK	2024-12-31	2023-12-31	KSEK	2024-12-31	2023-12-31
ASSETS			EQUITY AND LIABILITIES		
Fixed assets			EQUITY		
Intangible assets			Restricted equity		
Capitalized development costs	0	37	Share capital	1,955	1,955
Total intangible assets	0	37	Non-restricted equity		
Financial assets			Premium fund	701,269	694,627
Shares in subsidiaries	321,976	321,926	Retained earnings	-65,551	-58,526
Deferred tax assets	0	5,429	Profit/loss for the period	32,745	-7,025
Non-current receivables	189	2,036	Total equity	670,418	631,031
Non-current intercompany receivables	344,816	297,166	LIABILITIES		
Total financial assets	666,980	626,556	Non-current liabilities		
Total fixed assets	666,980	626,594	Non-current intercompany liabilities	52	4,329
Current assets			Other liabilities	746	254
Current receivables			Total non-current liabilities	798	4,583
Receivables from group companies	4,303	8,028	Current liabilities		
Current tax recoverable	0	79	Current liabilities to group companies	396	175
Other receivables	3,318	1,957	Current tax liabilities	2,907	0
Prepaid expenses and accrued income	618	728	Other liabilities	0	127
Total current receivables	8,238	10,791	Accrued expenses and deferred income	695	1,643
Cash and cash equivalents	-5	175	Total current liabilities	3,997	1,945
Total current assets	8,234	10,966	Total liabilities	4,795	6,528
TOTAL ASSETS	675,213	637,559	TOTAL EQUITY AND LIABILITIES	675,213	637,559

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. Estimates regarding resolution of the San Francisco complaint and the Group's best estimate of the cost remains in-line with the reserves as disclosed in the Q3 report.

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, where of 312,197 warrants are valued under IFRS 2. The duration of these warrants is between 1–3 years. Other contributed capital increased by SEK 6,642,145 for the period. Social security liability for warrants subject of IFRS 2 standard are revalued each quarter. Revaluation during the fourth quarter affected consolidated income statement with SEK 301,055.

Allocation date	Maturity	Strike price	Warrants 2024-12-31
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
			3,535,225

Key ratios

MSEK	Q4 2024	Q4 2023	Full Year 2024	Full Year 2023
Income statement				
Net sales growth, %	8.1	20.9	16.2	21.8
Adjusted EBITDA	56.7	37.5	205.8	134.6
Adjusted EBITDA margin, %	6.2	4.4	5.6	4.3
Adjusted EBIT	36.4	21.2	134.5	78.2
Adjusted EBIT margin, %	4.0	2.5	3.7	2.5
Operating profit/loss	26.3	11.1	64.2	22.3
Balance sheet				
Net working capital	219.5	253.1	219.5	253.1
Net debt			169.0	224.5
Investments			-116.7	-61.0
Net debt/Adjusted EBITDA, x			0.8	1.7
Equity/Total assets ratio, %	55.4	56.7	55.4	56.7
Cash flow				
Cash flow from operating activities			196.4	80.5
Data per share				
Earnings per share after dilution, SEK	0.50	-0.10	1.46	0.17
Equity per share after dilution, SEK	21.4	20.0	21.3	20.1
Cash flow from operating activities per share after dilution, SEK			6.4	2.7
Average number of shares after dilution	30,623,110	29,902,303	30,807,543	29,720,859

Segment information by quarter

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

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.

MSEK	Q4 2024	Q4 2023	Full Year 2024	Full Year 2023
EBIT margin				
EBIT	26.3	11.1	64.2	22.3
Net sales	915.2	846.8	3,679.8	3,165.7
EBIT margin, %	2.9	1.3	1.7	0.7
Adjusted EBIT				
EBIT	26.3	11.1	64.2	22.3
Amortisation of acquired intangible assets	10.0	10.1	40.0	40.0
Less items affecting comparability:				
Consulting and advisory costs	0.0	0.0	0.0	0.7
Acquisition, integration and restructuring costs	0.1	0.0	30.4	15.2
Adjusted EBIT	36.4	21.2	134.5	78.2
Adjusted EBIT margin, %	4.0	2.5	3.7	2.5
EBITDA				
EBIT	26.3	11.1	64.2	22.3
Depreciation/amortisation and impairment of assets	30.3	26.4	116.1	96.4
EBITDA	56.6	37.5	180.2	118.7
EBITDA margin				
EBITDA	56.6	37.5	180.2	118.7
Net sales	915.2	846.8	3,679.8	3,165.7
EBITDA margin, %	6.2	4.4	4.9	3.7
Adjusted EBITDA				
EBITDA	56.6	37.5	180.2	118.7
Less items affecting comparability:				
Consulting and advisory costs	0.0	0.0	0.0	0.7
Acquisition, integration and restructuring costs	0.1	0.0	25.6	15.2
Adjusted EBITDA	56.7	37.5	205.8	134.6
Adjusted EBITDA margin, %	6.2	4.4	5.6	4.3

MSEK	Q4 2024	Q4 2023	Full Year 2024	Full Year 2023
Adjusted operating expenses				
Sum expenses	-901.0	-844.5	-3,651.2	-3,171.3
Other operating income	1.5	1.1	3.2	3.5
Capitalised work on own account	10.6	7.6	32.4	24.4
Cost of Goods sold (-)	758.7	733.6	3,127.1	2,763.1
Depreciation and amortization of tangible and intangible assets	30.3	26.4	116.1	96.4
Less items affecting comparability:				
Consulting and advisory costs	0.0	0.0	0.0	0.7
Acquisition, integration and restructuring costs	0.1	0.0	30.4	15.2
Adjusted operating expenses	-99.8	-75.7	-342.1	-268.1
Net debt				
Non-current lease liability			72.2	69.4
Bank overdraft			103.8	136.4
Current lease liability			28.2	30.1
Cash and cash equivalents			-35.2	-11.4
Net debt			169.0	224.5
Net debt / adjusted EBITDA				
Net debt			169.0	224.5
Adjusted EBITDA			205.8	134.6
Net debt / adjusted EBITDA, times			0.8	1.7
Items affecting comparability				
Consulting and advisory costs	0.0	0.0	0.0	-0.7
Acquisition, integration and restructuring costs	-0.1	0.0	-30.4	-15.2
Items affecting comparability	-0.1	0.0	-30.4	-15.9
Equity per share after dilution				
Total equity	656.0	598.8	656.0	598.8
Average number of shares after dilution	30,623,110	29,902,303	30,807,543	29,720,859
Equity per share after dilution, SEK	21.4	20.0	21.3	20.1
Cash flow from operating activities per share after dilution				
Cash flow from operating activities			196.4	80.5
Average number of shares after dilution	30,623,110	29,902,303	30,807,543	29,720,859
Cash flow from operating activities per share after dilution, SEK			6.4	2.7

Net working capital

MSEK	Dec 31, 2024	Dec 31, 2023
Goods for resale	298.7	263.3
Accounts receivable	100.5	70.2
Other receivables	33.5	38.0
Prepaid expenses and accrued income	72.2	51.2
Accounts payable	-200.8	-110.6
Other provisions	-14.2	0.0
Accrued expenses and deferred income	-70.3	-59.0
Net working capital	219.5	253.1

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, 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, 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.
Active consumers	Unique consumers who have made a purchase during the period.	Shows unique consumers who have made a purchase during the period.

