

# Haypp Group

Lytham Partners Spring 2025  
Investor Conference

# Haypp's Investment Case

Aligned with two powerful secular trends:  
1) adoption of reduced risk nicotine products; 2) consumers shift to online supporting 18-25% topline CAGR through 2028

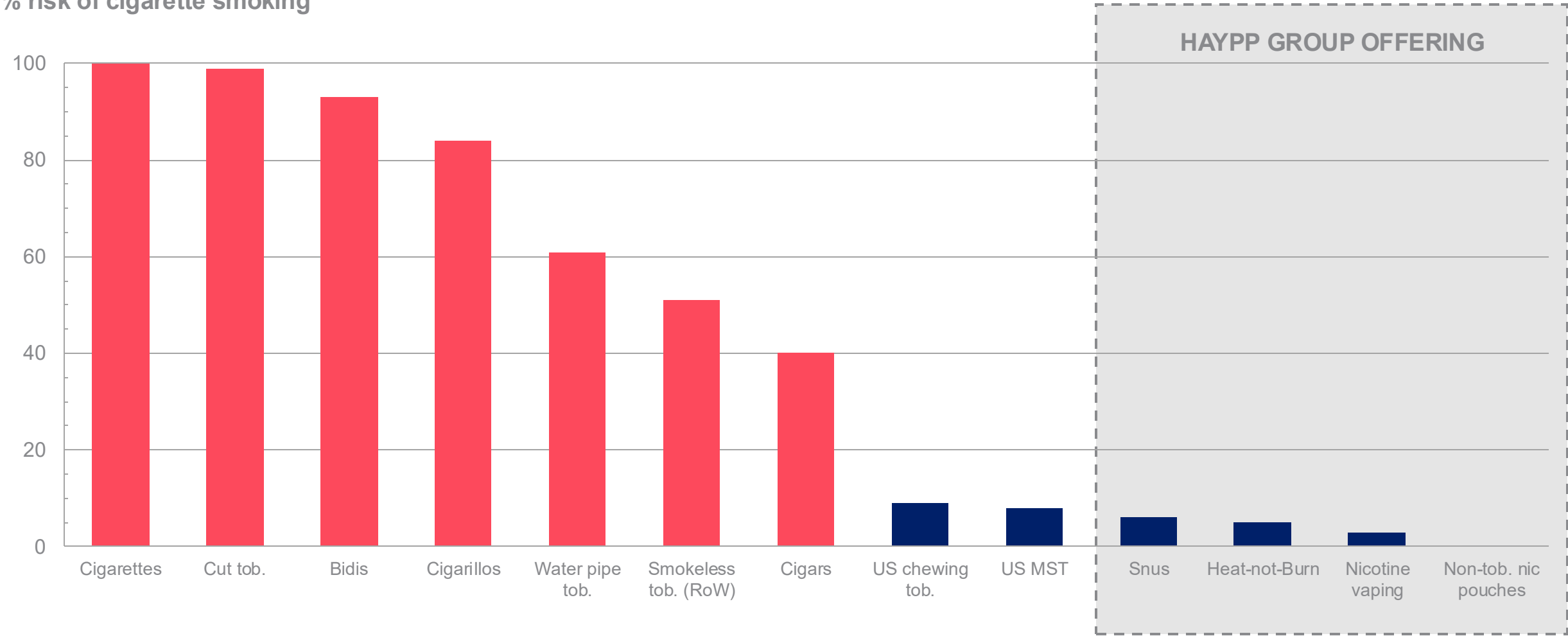
Track record of internally funded, profitable growth & margin expansion with 18% sales & 48% adj EBIT CAGR 2021-2024 with plans to accelerate this growth via market share gains primarily in the US

Philosophy of scale economies shared benefits consumers & suppliers/brand owners. As Haypp's scale grows, so do its competitive advantages supported by leading edge tech, ultimately benefitting shareholders

Jurisdictional complexity & strict regulation of nicotine products combine to make successfully operating in multiple regulatory environments a further, scale-driven barrier to entry

# Haypp's assortment focused on RRP's

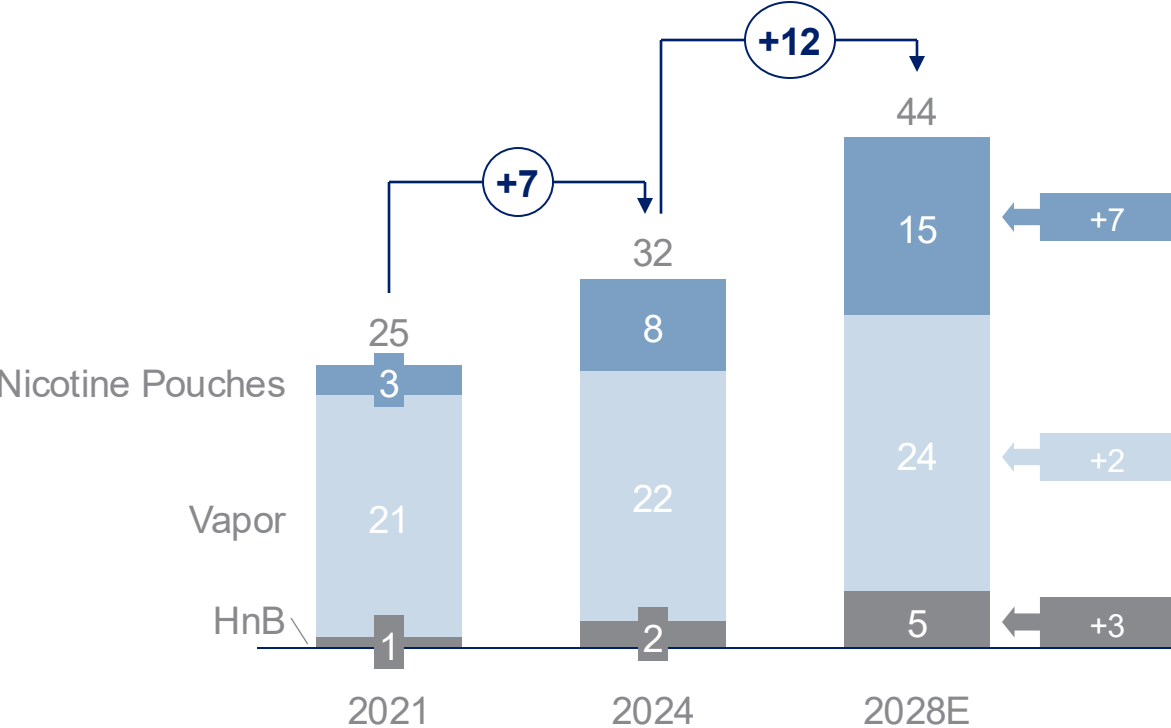
% risk of cigarette smoking



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

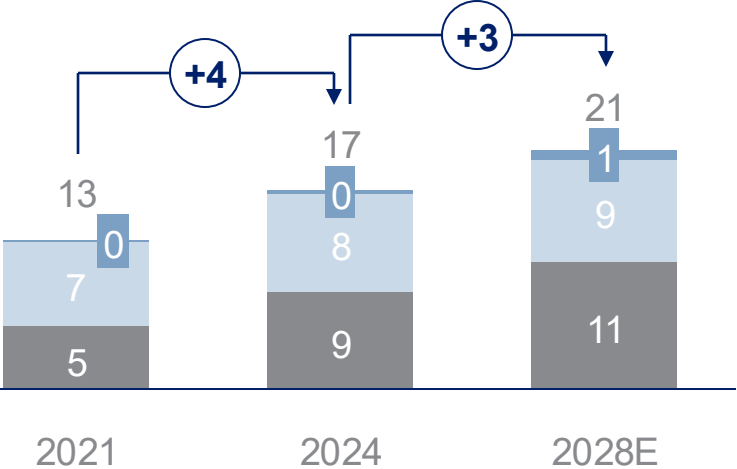
# Haypp in the right markets leading the right category

Number of RRP consumers  
Current\* markets



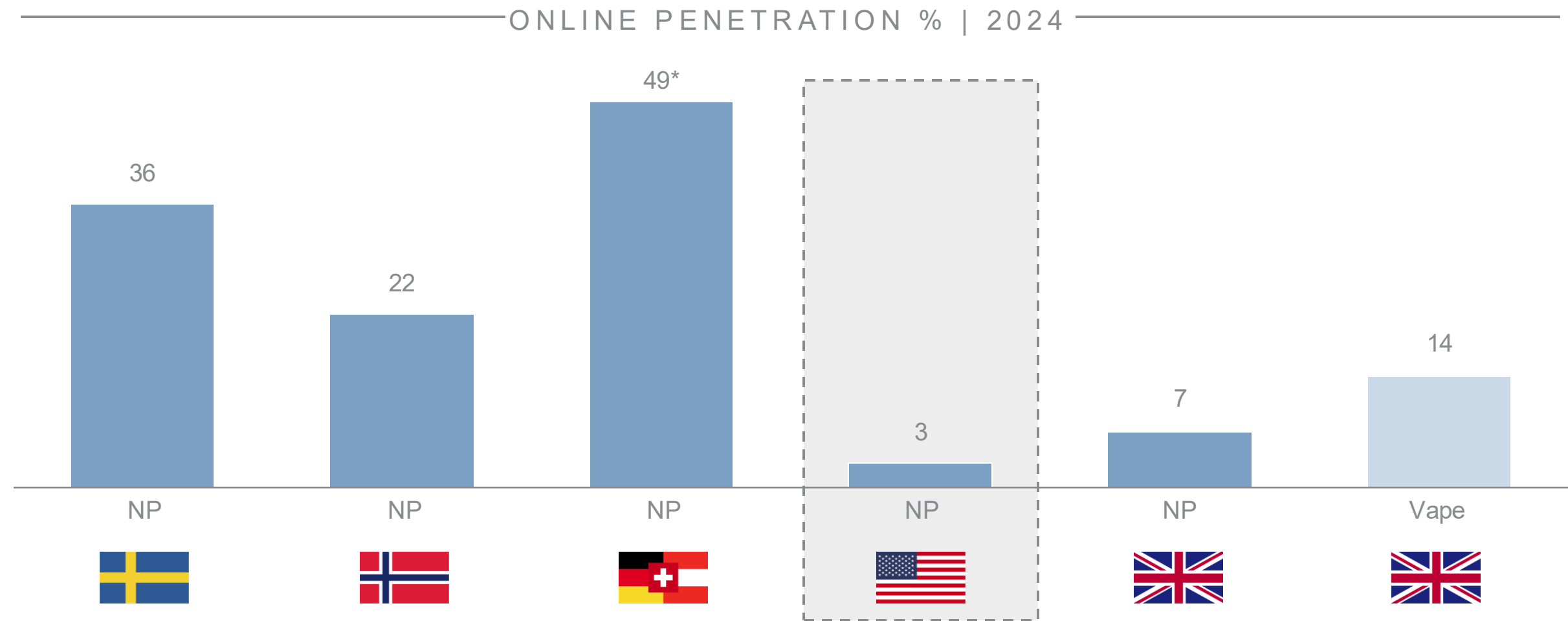
\*Includes analyzed markets Sweden, Norway, US, UK, Austria, Germany, Switzerland,  
Source: Euromonitor, FDA, UKGOV, Arthur D. Little. Note: millions of consumers

Number of RRP consumers  
Other European markets\*\*



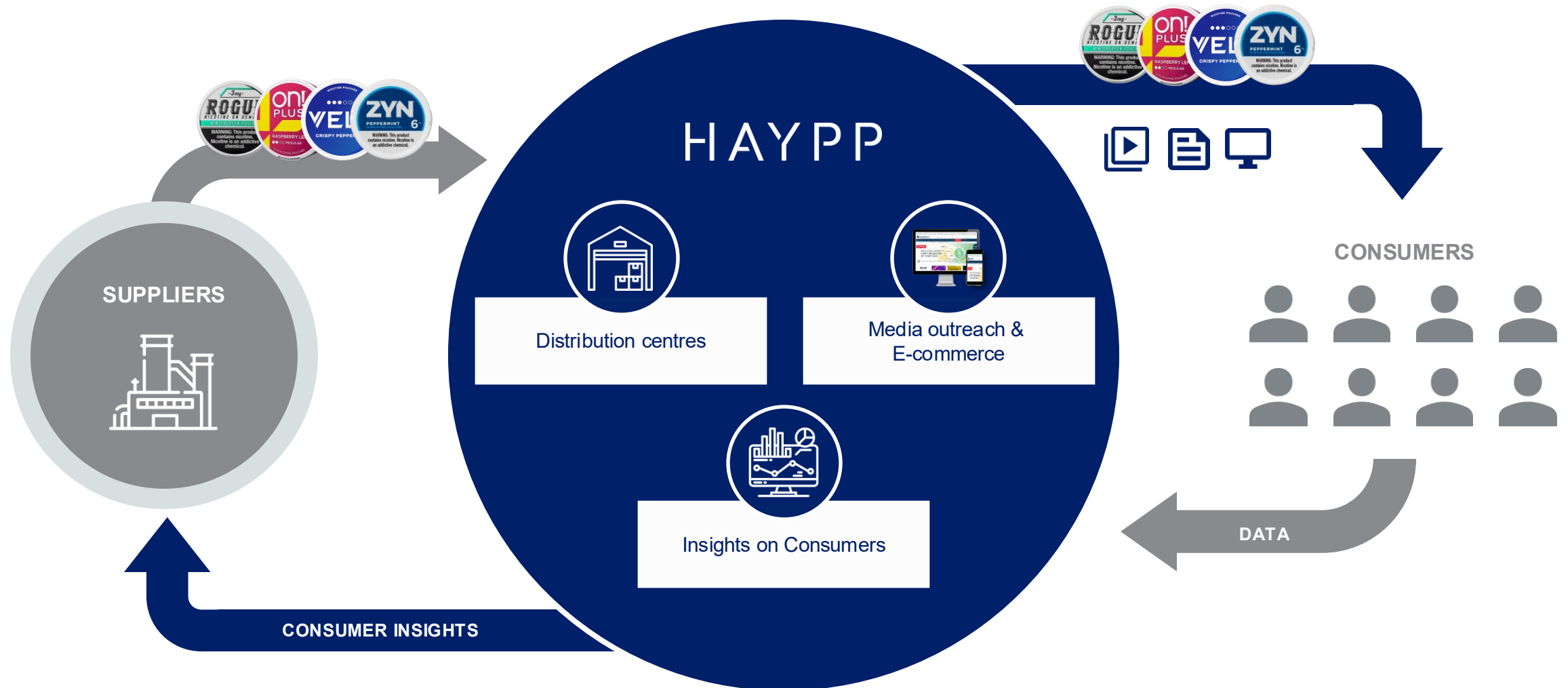
\*\* Includes analyzed markets France, Greece, Italy, Portugal, Spain, Czech Republic, Poland, and Romania. Source: Euromonitor, FDA, UKGOV, Arthur D. Little. Note: millions of consumers

# Online penetration - room to grow in US & UK



# Integral position in the value chain

Continually improving assortment of innovative products



# Haypp's constants across markets

## Consumers demand



- Significant, consistent value
- Choice/assortment
- Fast, accurate, transparent & reliable delivery

## Regulators mandate



- Legal Age Access Only
- Appropriate limits on nicotine strengths and restrictions on packaging & flavor descriptors
- Compliant with local regulation

## Suppliers/brand owners require



- Efficient, scalable access to consumers
- Reliable, trustworthy partner who sets standards for age restricted products
- Market insight on consumers revealed preferences (what & why)

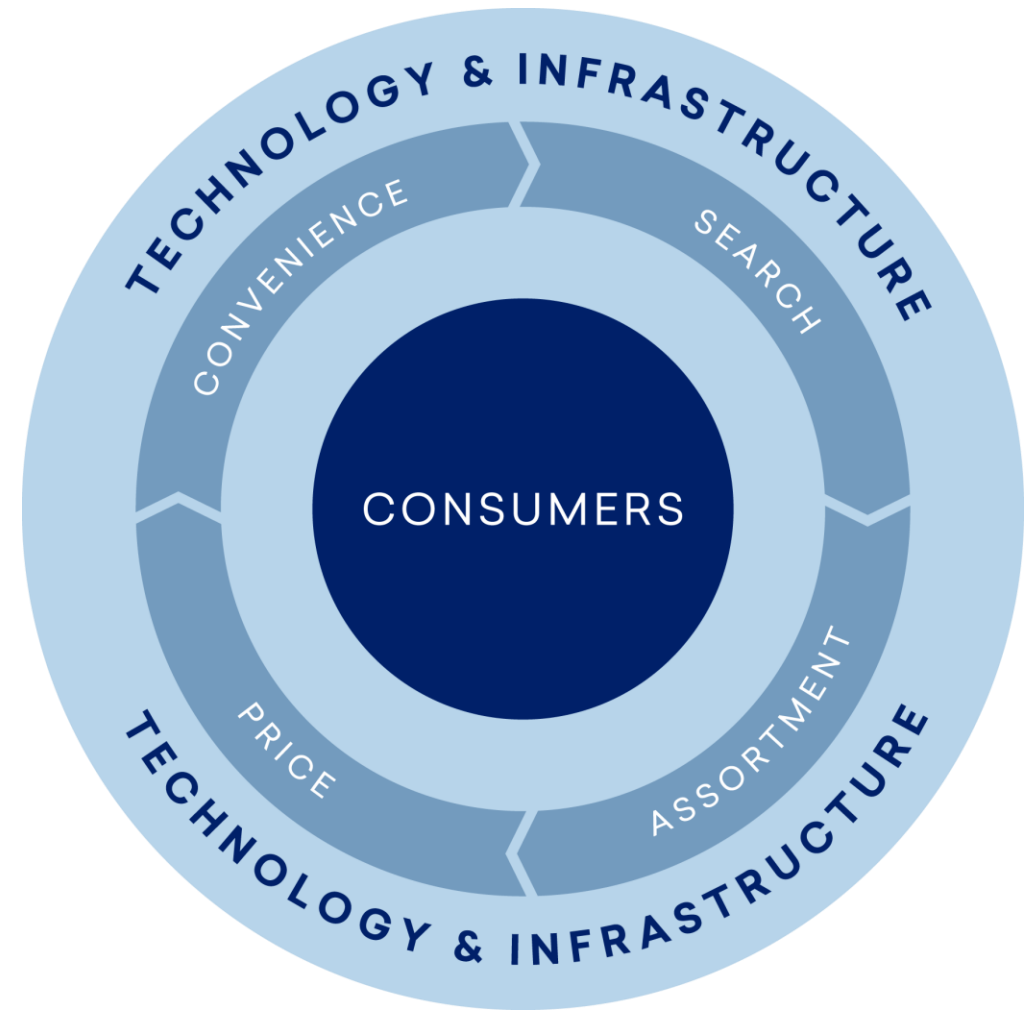
## Technology enables



- Easier purchase experience (even within highly regulated environments)
- Personalized experience
- Benefits captured by largest (if structured appropriately)

# Strategy for success

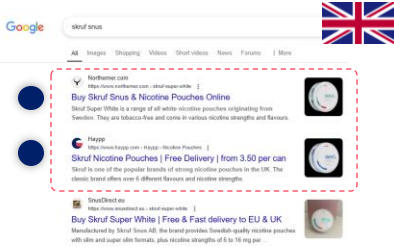
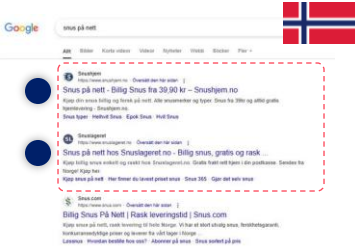
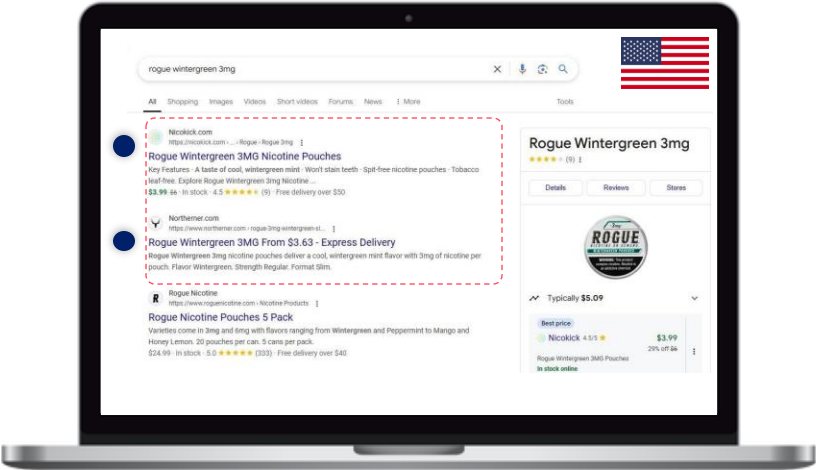
- **Search.** Dominate organic search driving near free consumer acquisition while preparing for an AI driven future
- **Assortment.** Provide the widest range of quality assured products on the market combined with newest legal innovations
- **Price.** Offer consumers the best value in the market, 20-40% below offline retail. Share cost advantage with suppliers and use Media & Insights revenue to augment value to consumers
- **Convenience.** Provide fast, accurate and transparent delivery via own, automated warehouses, selecting the optimal shipper. Develop Same Day Delivery for appropriate urban areas
- **Tech & Infrastructure.** Underpin model w/ leading edge, platform agnostic tech structure designed to offer full range of RRP's



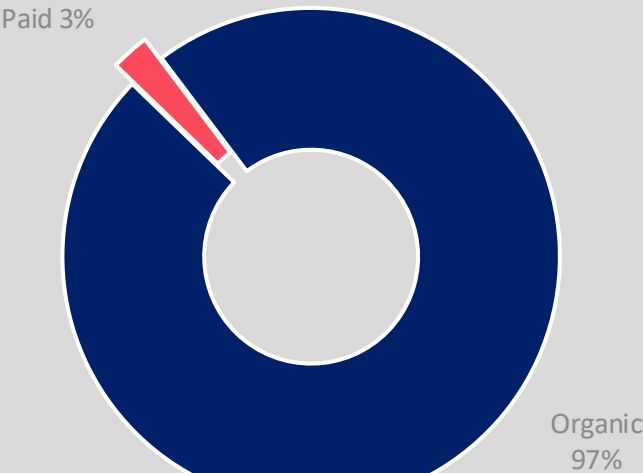


# Search dominance

## Controlling the digital AAA locations



## Generating high share of free traffic



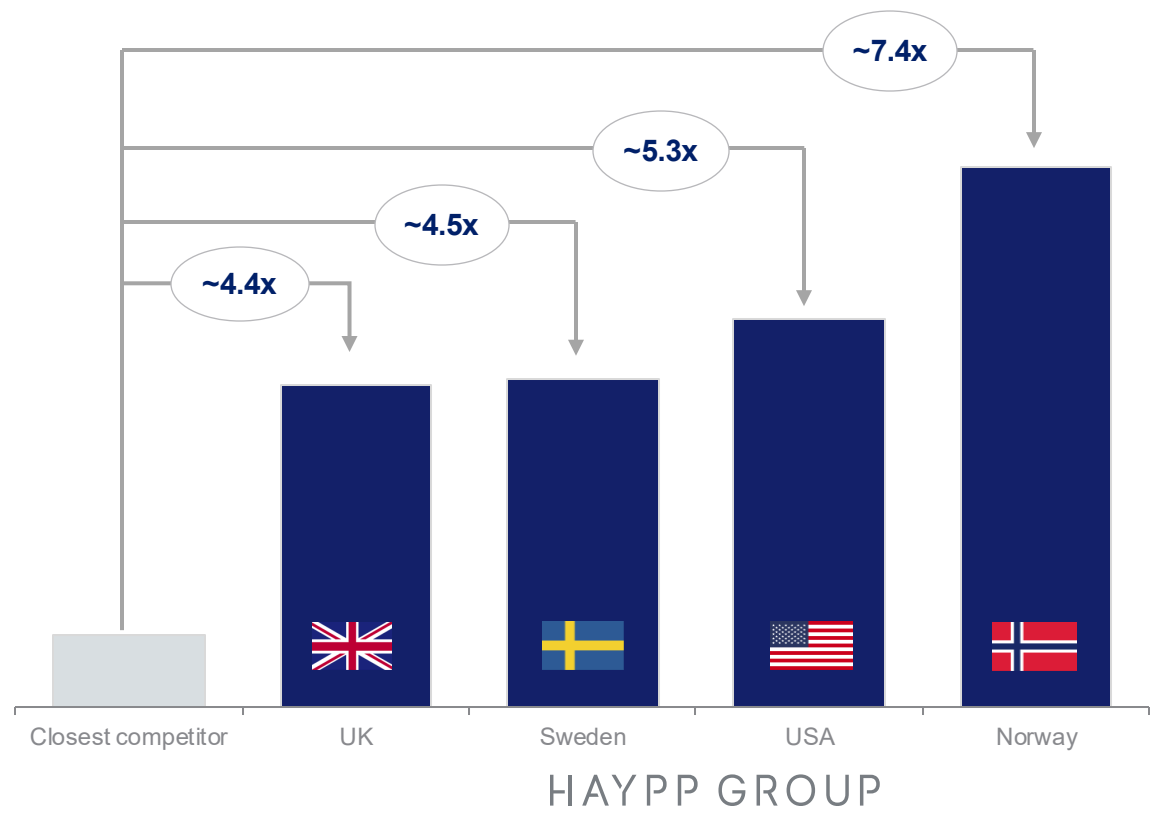
Organic Paid

## 2 effects of search dominance:

- Marketing costs now 0.5% revenue
- Barrier to entry due to traffic to AAA locations

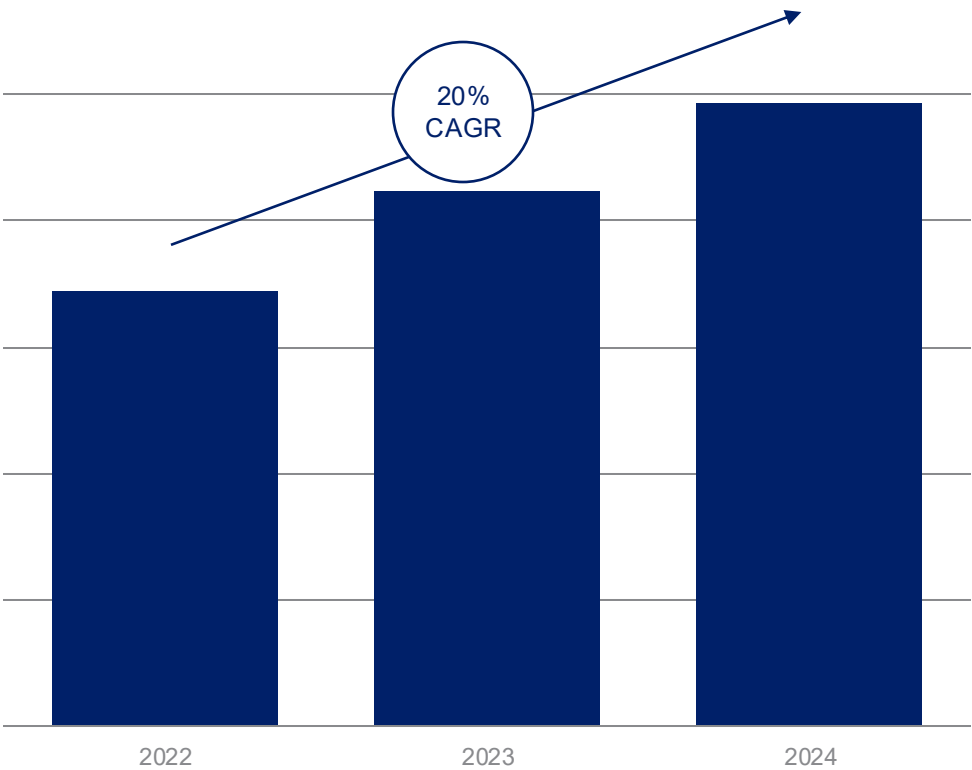
# Haypp's SEO positions are barriers to entry

Dominating organic NP visibility

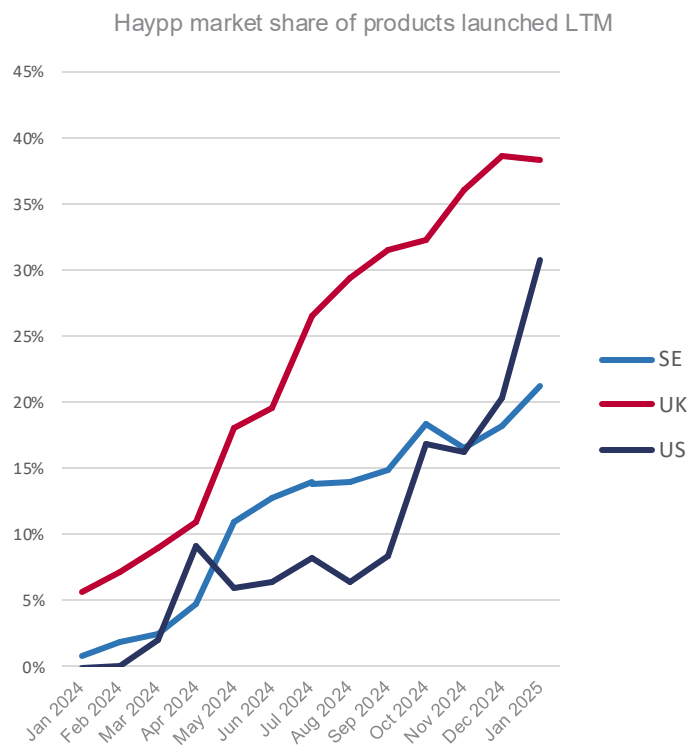


Source: Company information  
\* Compared to online retailers in USA

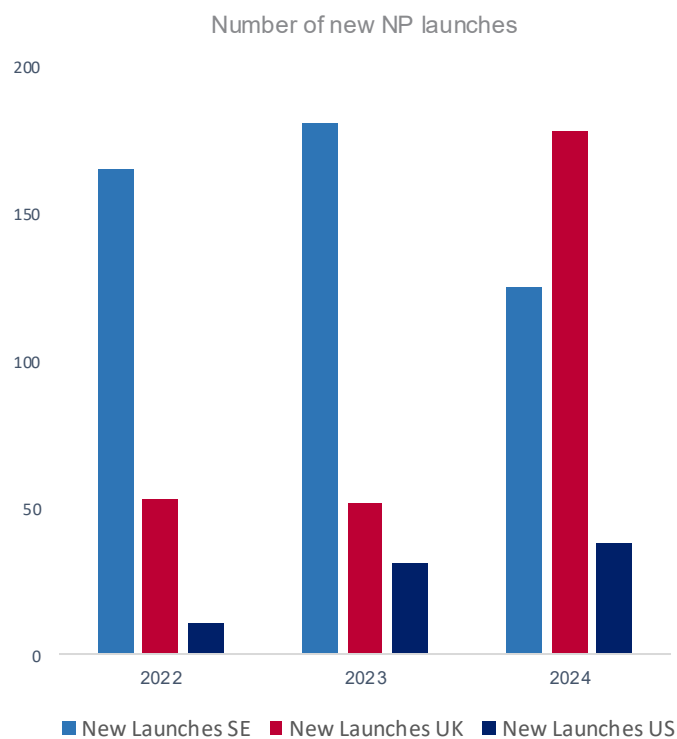
New consumers



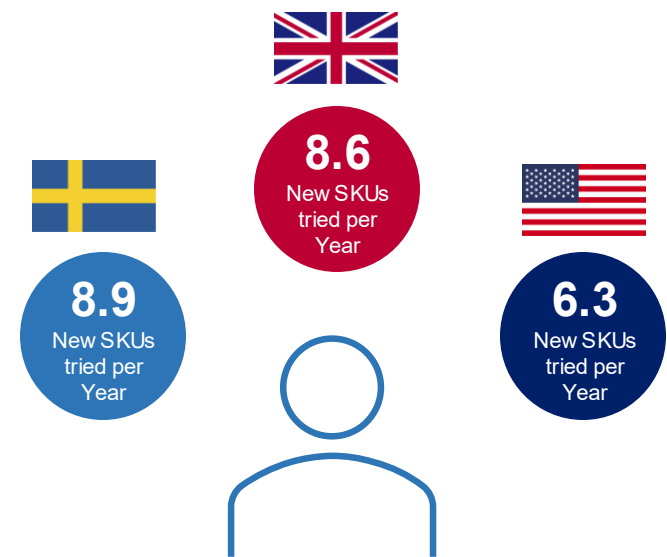
# Consumers demand wide-range of continuously improving products



~1/3<sup>rd</sup> of today's NP sales did not exist 12m ago



Increasing number of new launches



PRODUCT EXPLORATION



Trusted products

# Haypp's Media eco-system

Activation tools (examples)

Awareness

Trial

BRAND PAGES

ON SITE COMMUNICATION

SEARCH BAR VISIBILITY

SPONSORED LISTING

MAIL COMMUNICATION

CHECK-OUT UPSELL

On-site marketing with +3M impressions per month

ACCELERATED SHARE GROWTH FOR QUALITY PRODUCTS

2-4x

share of trials

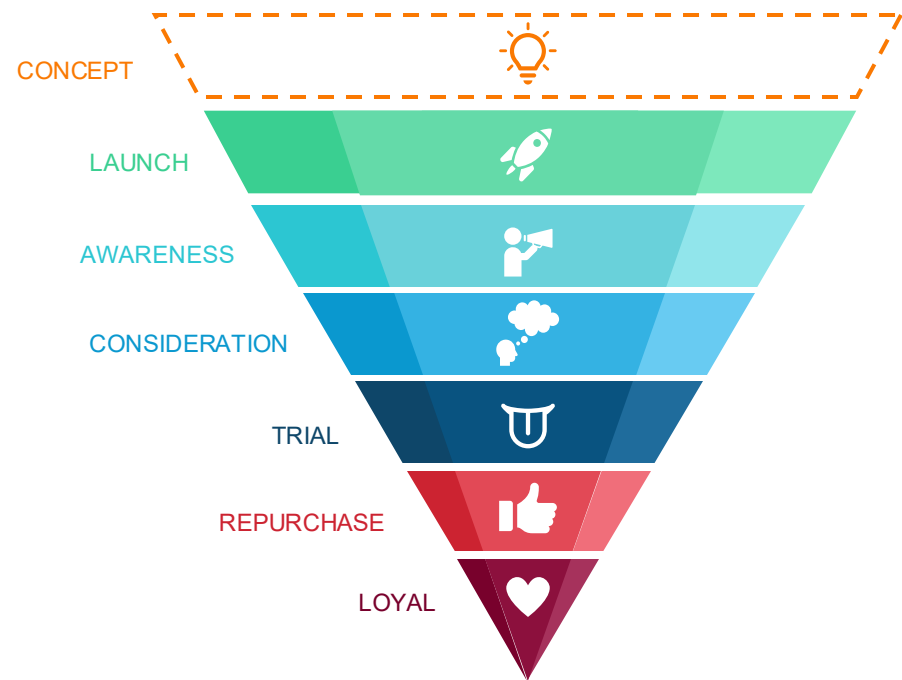
Top real estate in the search result

One of our primary trial drivers

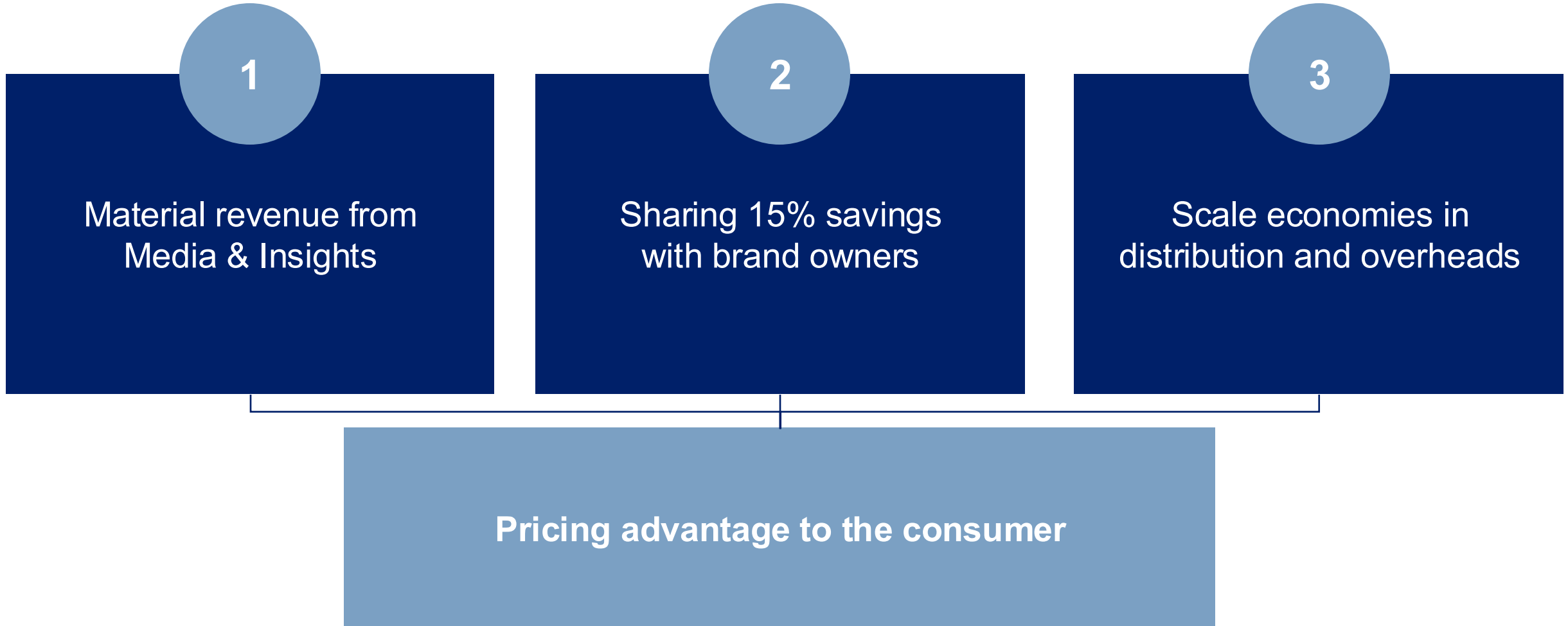
Temporarily boost new launches

Media 2.0 – rolled out across all markets

# Industry's largest Insights provider

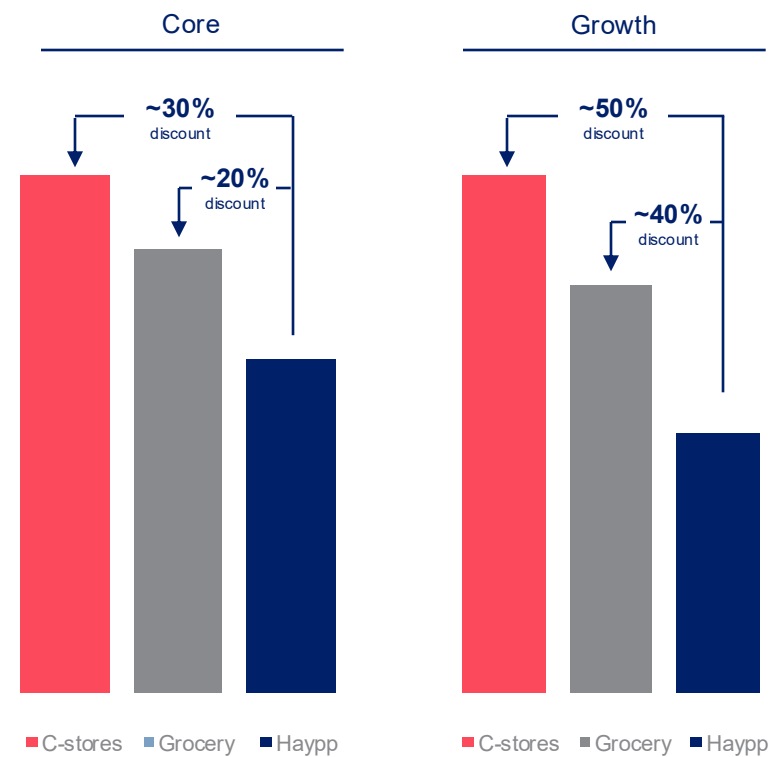


# Sharing scale benefits with consumers



# Sustainable lower price for consumers

Haypp offers lower prices than physical POS



Price gap accelerates online migration

Market model differs by geography

Market type	Offline retail margin NP	Media & Insights contribution
Core	Mid	High
Growth	High	Medium and rapidly growing



Model successful in Core markets despite lower margins on nicotine pouches

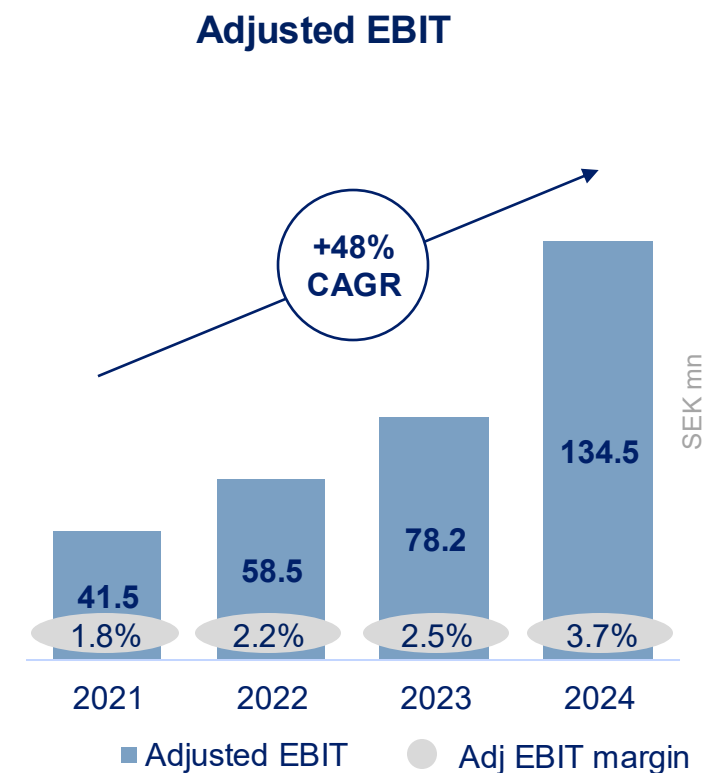
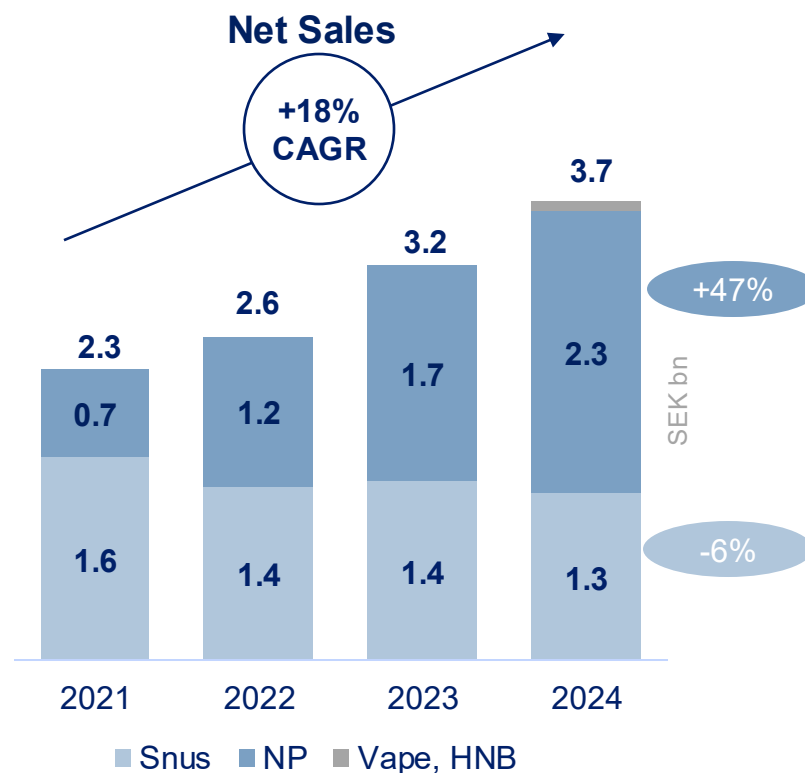
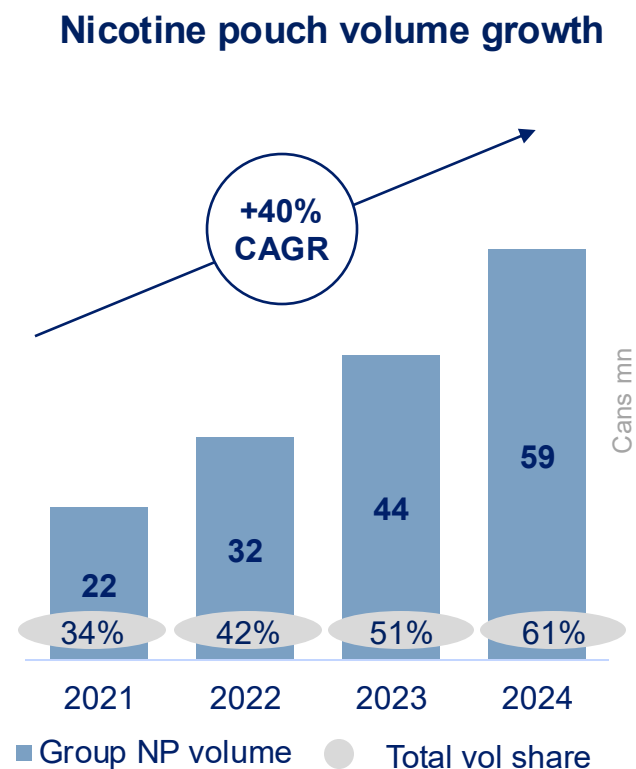
# Scale advantages in compliance & regulation

- Haypp has built the necessary processes and infrastructure
  - **Legal Age Access Only is the priority**
  - Systems are rigorous and fully tested
  - Red flag processes in place to detect unusual behavior
  - Real time reporting
  - Complex implementation with low transactional costs
  - Haypp recognized as the standard setter by nicotine/tobacco majors & governments
- Sophisticated compliance reduces friction and provides benefits to consumers & suppliers





# Remarkable performance since IPO



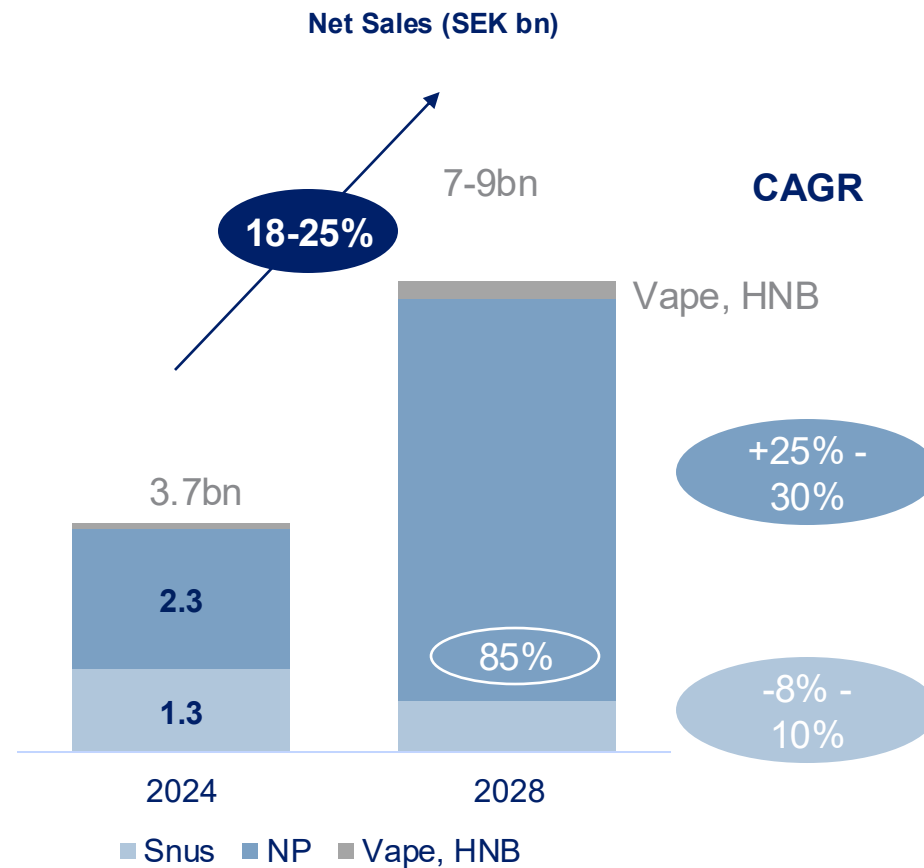
- Served more than 1.1 million consumers in 2024
- Built robust and consistent business model to deliver LT performance

# Net sales to reach SEK 7-9bn by 2028

## Transformation drivers

- NP dominated product mix
- Increasing contribution from Growth segment markets of US, UK and DACH
- Category growth across markets

## leading to expected overall sales acceleration



# What could this look like for Haypp?

Net sales range from SEK7bn to SEK9bn in 2028

**7bn**

**7.5bn**

**9bn**

CAGR 18%

CAGR 20%

CAGR 25%

US market CAGR 17%

US market CAGR 21%

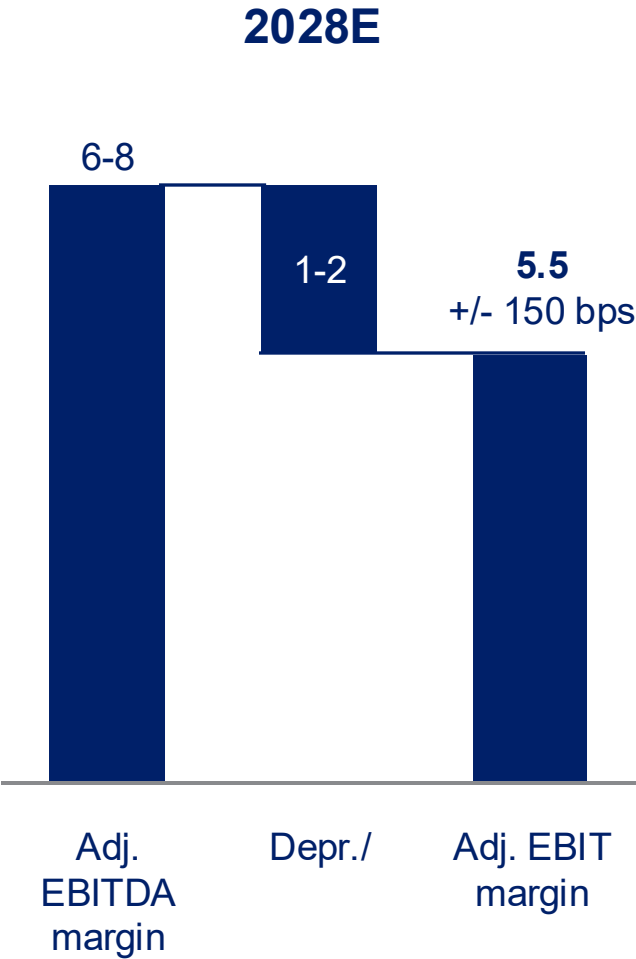
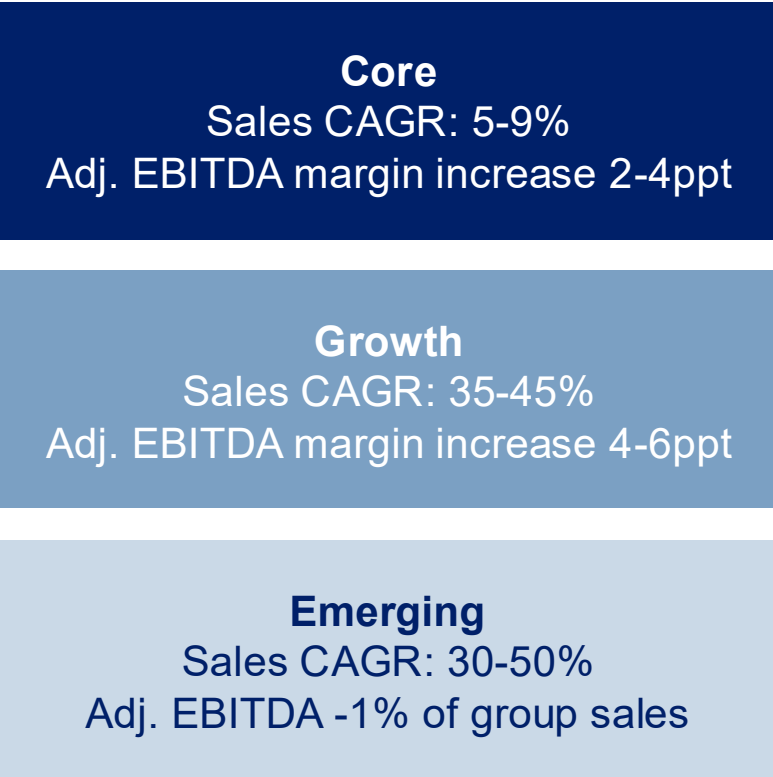
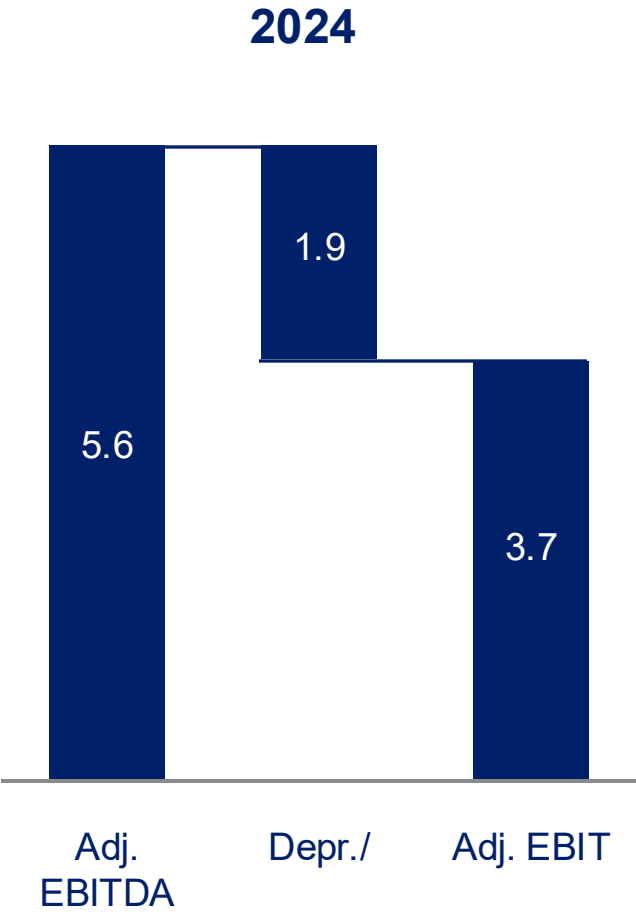
US market CAGR 26%

Haypp market  
share – 3%

Haypp market  
share – 4%

Haypp market  
share – 5%

# Mid-single digit adj. EBIT margin expected in 2028



# Measuring success through 2028

## Net sales

Target: 18-25% CAGR (2024 → 2028)  
(Lower in 2025 due to US Zyn shortage)

## Adjusted EBIT

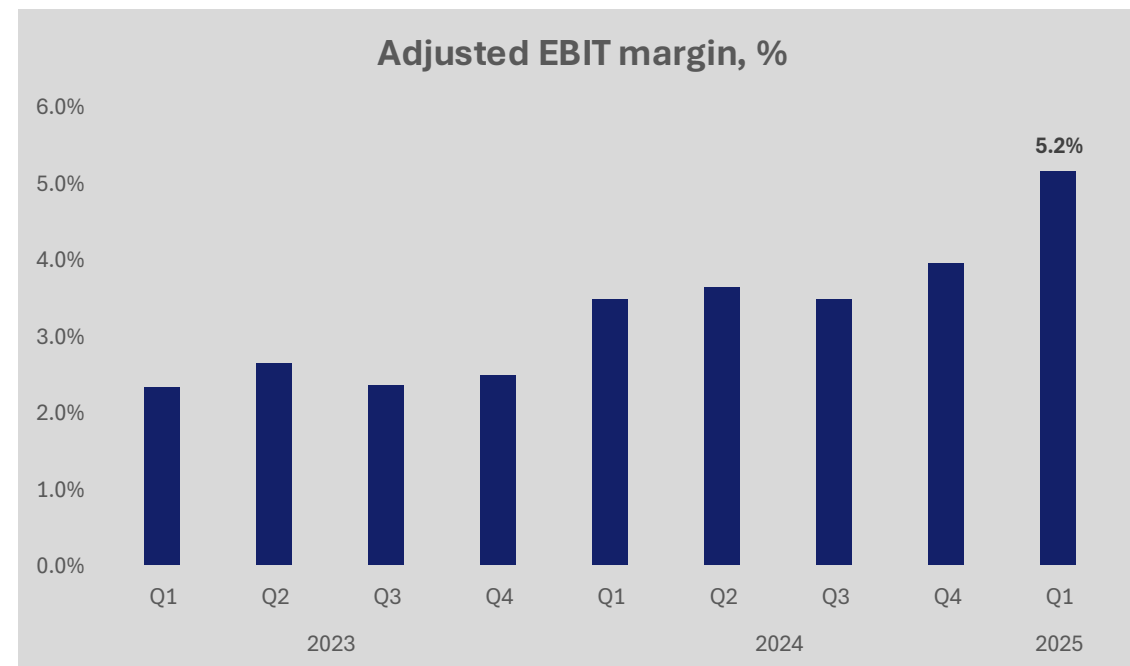
Target: 5.5% +/-150 bps adj. EBIT in 2028  
(Non-linear improvement, 2025-2027  
relatively heavier US investment)

**Haypp will invest in growth as long as strong returns are expected**

# Q1 2025 highlights



# Sustained sales growth with improving margins



## Rapid growth driven by nicotine pouch leverage

- Nicotine pouches are 63% of Group volume at Q1 2025
- Nicotine pouch volume CAGR 37% (Q1 23 – Q1 25)
- Snus volume decline in Sweden as consumer preferences change
- Vape / HNB added 3ppt to sales growth in Q1 2025

## Consistent margin expansion despite Emerging investment

- Growing Media & Insights revenue
- Fulfilment costs declining per unit due to scaling
- Emerging segment investment 1.2ppt drag on Q1 2025 adj. EBIT

*\*LFL: 2023 Q4 and 2024 Q1 baseline excludes US NP sales to closed states, Zyn and tobacco products*

# Haypp Group

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