



PIERCE GROUP AB (publ)

Interim report

January – June 2025

This is a translation of the Swedish original of Pierce Group's interim report for the period 1 January – 30 June 2025. In the event of any discrepancies between the two versions, the original Swedish version shall apply.

Profitability improvement and continued strong growth

April – June 2025

- Net revenue increased by 15%, totalling SEK 523 (456) million.
- EBIT was SEK 26 (17) million. Adjusted EBIT was SEK 32 (17) million and the adjusted operating margin was 6.2% (3.7%).
- Cash flow for the period was SEK 13 (83) million and the cash position at the end of the period was SEK 188 (350) million.
- Earnings per share before and after dilution was SEK 0.29 (0.17).

January – June 2025

- Net revenue increased by 14%, totalling SEK 925 (812) million.
- EBIT was SEK 11 (24) million, corresponding to an operating margin of 1.2% (2.9%). Adjusted EBIT totalled SEK 21 (24) million, and the adjusted operating margin was 2.3% (2.9%).
- Cash flow for the period was SEK -108 (140) million.
- Earnings per share before and after dilution was SEK -0.14 (0.49).

SEKm (unless stated otherwise)	Apr-Jun		Jan-Jun		Jul 2024- Jun 2025	Jan-Dec 2024
	2025	2024	2025	2024		
Net revenue	523	456	925	812	1,740	1,628
Growth (%) ¹	15%	3%	14%	3%	11%	6%
Growth in local currencies (%) ¹	20%	2%	16%	2%	13%	6%
Gross profit	229	201	400	364	760	724
Profit after variable costs ^{1 2}	120	104	196	186	371	361
Overhead costs ¹	-74	-69	-146	-128	-288	-270
EBITDA ¹	39	34	40	57	67	84
EBIT ³	26	17	11	24	6	18
Adjusted EBITDA ^{1 5}	46	35	50	58	83	91
Adjusted EBIT^{1 3 5}	32	17	21	24	22	25
Items affecting comparability ¹	-7	0	-10	0	-17	-7
Profit/loss for the period	23	14	-11	39	-14	36
Gross margin (%) ¹	43.7%	44.1%	43.2%	44.8%	43.7%	44.5%
Profit after variable costs (%) ¹	22.8%	22.7%	21.2%	22.9%	21.3%	22.2%
Adjusted EBITDA (%) ^{1 5}	8.7%	7.6%	5.4%	7.1%	4.8%	5.6%
Adjusted EBIT (%) ^{1 5}	6.2%	3.7%	2.3%	2.9%	1.3%	1.5%
Cash flow for the period	13	83	-108	140	-180	68
Net debt (+) / Net cash (-) ⁴	-188	-350	-188	-350	-188	-297
Earnings per share before dilution (SEK)	0.29	0.17	-0.14	0.49	-0.18	0.45
Earnings per share after dilution (SEK)	0.29	0.17	-0.14	0.49	-0.18	0.45

¹ Alternative performance measures (APM), see „Financial overview“ <https://www.piercigroup.com/en/reports-presentations/>.

² Variable costs refers, in addition to cost of goods sold, to variable sales and distribution costs. These include direct marketing costs as well as other direct costs and correlates essentially with net revenue.

Other direct costs mainly consist of freight, invoicing and packaging.

³ EBIT includes depreciation, amortisation and impairment.

⁴ Net debt refers to the alternative performance measure net debt excluding IFRS 16.

⁵ Adjusted measures in the current quarter, in the current year-to-date period, in the last twelve months' period and in the previous financial year exclude mainly personnel costs following the organisational restructuring.

Significant events during the reporting period

Series C share issue

In April 2025, Pierce Group AB (publ) carried out a directed issue of 1,025,000 series C shares to Nordic Issuing AB to ensure the delivery of performance shares to participants in the LTIP 2024/2027 performance-based share program.

Resignation of Chief Financial Officer

On 15 April 2025, Fredrik Idestrom announced his resignation as Chief Financial Officer.

Appointment of Chief Financial Officer

On 12 May 2025, Pierce Group AB (publ) announced the appointment of Fredrik Kjellgren as Chief Financial Officer. He is set to assume the role in the fourth quarter of 2025.

CEO comments

Financial Performance

Q2 was a strong quarter, marked by accelerating growth momentum that began in March (Q1) and continued throughout the second quarter. We are pleased to report our highest quarterly sales ever, with Q2 revenue growing by 15 percent (20 percent in local currency) compared to the same period last year - despite limited market tailwinds.

As a result, Adjusted EBIT reached SEK 32 million, a significant improvement from SEK 17 million in Q2 2024 - also considering that we absorbed SEK 8 million in non-recurring transformation-related costs during the quarter.

Growth was broad-based across all customer categories, primarily driven by improved stock availability of external brands compared to last year. External brands performed exceptionally well, while private brands growth was softer due to delayed product launches. That said, we executed major launches at the end of the quarter, and the initial customer response to our new private brand assortment has been promising.

Operating expenses remain elevated as we expense all costs related to the implementation of our new tech stack, in accordance with accounting standards that do not allow capitalization of cloud-based systems. In Q2, this amounted to SEK 8 million, similar to Q1 (SEK 9 million), covering overlapping system licenses and external consultants.

Our cash position remains strong at SEK 188 million, and inventory stood at SEK 522 million. Compared to last year, we have significantly invested in inventory breadth and depth. As communicated earlier, we will continue prioritizing product availability and short delivery lead times - core to our position as a leading industry specialist.

Operations

While comprehensive industry data is lacking, we are confident that we are taking market share. Our strategic focus on commercial fundamentals - the broadest and most attractive assortment, competitive (but not always the cheapest) pricing, and fast, reliable deliveries - is yielding results. This focus is helping us attract and retain more customers, accelerating on our journey towards our vision of undisputed market leadership. The improvements have translated into market share gains, a growing customer base, stronger retention, and a rising Net Promoter Score (NPS).

In parallel, we are executing a major transformation of our IT landscape, replacing nearly all core systems. This is a critical step to overcome legacy tech debt and ensure long-term scalability and performance. In Q2, we successfully launched two of our four major platforms: our Customer Data Platform (CDP) and our new Product Information Management (PIM) system. These will enable us to increase personalization and product presentation which will improve the customer experience in an important way and thus further fuel growth.

Operational efficiency measures also continued in Q2, including a reduction of approximately 13 white-collar FTEs across multiple functions. Since the start of our transformation, we have right-sized the company by reducing our white-collar workforce by over 30

percent - from 256 in Q2 2023 to 176 in Q2 2025 - while growing sales by 20 percent. Sales per white-collar FTE has thus increased by more than 70 percent. This was achieved by simplifying processes, reducing bureaucracy, and empowering teams to make decisions.

While downsizing is never easy, I am proud of the productivity gains we've realized and extremely proud of the team. We've navigated significant change together, and their resilience has been remarkable. The simultaneous increase in our employee Net Promoter Score (eNPS) reflects stronger alignment and engagement across the organization.

Looking Ahead

We are now preparing to launch our two largest systems: our new e-commerce platform and our new warehouse management system. These are complex, high-stakes deployments, and our teams are well-prepared. Rollouts will be phased over the coming quarters, with a pause during November and December to safeguard Black Friday and Christmas sales. We expect full deployment no later than Q2 2026.

As previously communicated, transformation-related costs will continue through 2025, with some expected into early 2026. However, we anticipate a significant reduction starting in Q2 2026 as the new tech stack becomes fully operational. In parallel, our depreciation schedule is easing - several major assets will be fully depreciated by the end of 2025. Combined, the lower transformation costs and reduced depreciation are expected to improve EBIT by SEK 30-40 million on an annualized basis.

With the launch of our new e-commerce platform, we will expand into 12 local markets currently served through our .eu site. These markets already contribute meaningfully to our growth. Together, they represent an accessible market twice the size of the Nordics, which today account for 30 percent of our sales. We believe locally adapted sites will further accelerate our performance in these countries.

We are also seeing improvements in the mountain bike and scooter/moped verticals, which we currently serve to a limited extent. These categories represent a strong growth opportunity from 2026 and onward.

The European e-commerce market for motorcycle gear and equipment is ripe for consolidation and the benefits of scale are clear. It's not a question of if, but when and by whom this consolidation will be driven. Pierce is uniquely positioned with a pan-European platform should such consolidation come into play.

We face a challenging and exciting period ahead, with major system launches that will unlock significant potential. I'm very pleased with where we are today and look forward to the autumn.

Göran Dahlin



CEO, Pierce Group AB (publ)
Stockholm, 22 August 2025

Performance measures – Group

SEKm (unless stated otherwise)	Apr-Jun		Jan-Jun		Jul 2024-	Jan-Dec
	2025	2024	2025	2024	Jun 2025	2024
Revenue measures						
Net revenue per geographical area						
Nordics	189	171	321	285	553	517
Outside the Nordics	334	285	604	527	1,187	1,111
Net revenue	523	456	925	812	1,740	1,628
Growth per geographical area						
Nordics (%) ¹	11%	0%	13%	0%	9%	2%
Outside the Nordics (%) ¹	17%	5%	15%	5%	13%	8%
Growth (%)¹	15%	3%	14%	3%	11%	6%
Performance measures						
Gross margin (%) ¹	43.7%	44.1%	43.2%	44.8%	43.7%	44.5%
Profit after variable costs (%) ¹	22.8%	22.7%	21.2%	22.9%	21.3%	22.2%
Overhead costs (%) ¹	14.1%	15.1%	15.8%	15.8%	16.5%	16.6%
Adjusted EBITDA (%) ¹	8.7%	7.6%	5.4%	7.1%	4.8%	5.6%
Adjusted EBIT (%) ¹	6.2%	3.7%	2.3%	2.9%	1.3%	1.5%
Earnings per share before dilution (SEK)	0.29	0.17	-0.14	0.49	-0.18	0.45
Earnings per share after dilution (SEK)	0.29	0.17	-0.14	0.49	-0.18	0.45
Other financial measures						
Cash flow for the period	13	83	-108	140	-180	68
Cash and cash equivalents ²	188	350	188	350	188	297
Net debt excluding IFRS 16 ^{1 2 4}	-188	-350	-188	-350	-188	-297
Net debt/EBITDA ^{1 3 4}	-3.8	-216.7	-3.8	-216.7	-3.8	-5.0
Inventory ²	522	307	522	307	522	419
Other current operating assets ^{1 2}	31	27	31	27	31	24
Other current operating liabilities ^{1 2}	-343	-297	-343	-297	-343	-344
Net working capital^{1 2}	210	37	210	37	210	99
Operating measures						
Number of orders (thousands) ¹	477	416	850	760	1,592	1,502
Average order value (AOV) (SEK) ¹	1,096	1,097	1,088	1,069	1,093	1,084
Net revenue from private brands ¹	191	185	333	327	645	639
Active customers last 12 months (thousands) ¹	1,089	1,004	1,089	1,004	1,089	1,042

¹ Alternative performance measures (APM), see „Financial overview“ <https://www.piercegroup.com/en/reports-presentations/>.

² Measures correspond to each period end.

³ Net debt refers to the alternative performance measure net debt excluding IFRS 16, and EBITDA refers to the measure adjusted EBITDA excluding IFRS 16.

⁴ Positive values refer to net debt, whereas negative values refer to net asset. The net debt/EBITDA ratio is positive due to the combination of both negative net debt and EBITDA.



Pierce – Riders in eCommerce

Pierce is a leading e-commerce Company that sells motorcycle and snowmobile gear, parts and accessories to riders across Europe. The Company has a unique and wide range of products, which includes several own brands. Sales are conducted through locally adapted websites to serve motocross and enduro riders, customers who ride on traffic-filled roads and snowmobile riders. Pierce is a European company with headquarters in Stockholm, a centralised warehouse in Szczecin, where it also has an office with IT, finance and marketing expert teams, and a customer care function in Barcelona. The Company has approximately 300 employees.

Comments to the Group's profit/loss for the period

(Figures in parentheses refer to the equivalent period last year)

April – June 2025

Net revenue

Net revenue increased by 15 percent to SEK 523 (456) million. In local currencies the increase was 20 percent. We achieved the highest net revenue level during a single quarter in the history of our Company, driven by a combination of factors. Growth was broad-based across all customer categories, primarily driven by strong demand across key product lines, coupled with improved stock availability of external brands compared to last year. External brands performed exceptionally well, while private brands growth was softer due to delayed product launches.



The Company's sales within Offroad grew with approximately 13 percent, whereas the sales within Onroad grew with approximately 18 percent.

SEKm	Apr-Jun		Jan-Jun		Jul 2024-	Jan-Dec
	2025	2024	2025	2024	Jun 2025	2024
Offroad	298	264	535	481	1,071	1,017
Onroad	220	186	359	293	596	530
Other	5	6	31	38	74	81
Net revenue	523	456	925	812	1,740	1,628

Gross profit and gross margin

Gross profit amounted to SEK 229 (201) million, equivalent to a gross margin of 43.7 (44.1) percent. The improvement in absolute terms is a great accomplishment, whereas the modest margin decline is mainly due to higher environmental fees and mix effects from stronger growth in external brands, which have lower gross margins than our private brands.

Since 2024, we have been focused on optimizing our inventory levels, particularly by reducing overstock. While these measures continue to streamline our operations, gross profit for the quarter was adversely affected by a SEK 2 million increase in the provision for overstock, compared with a SEK 3 million reversal last year.

In-freight costs of SEK -21 (-18) million corresponded to 4.0 (3.9) percent of revenue. In-freight cost ratio as a percentage of revenue increased by 0.1 percentage point compared to last year, driven by higher freight prices and a larger share of products sold during the period with higher in-freight costs. Please see *Risks and factors of uncertainty* section on page 11 for further details.

Operating costs

Sales and distribution costs amounted to SEK -148 (-137) million, equivalent to 28.2 (30.1) percent of net revenue, a positive

development in the ratio of 1.9 percentage points. We managed to achieve record-high net revenues and gross profit, while maintaining cost discipline. Marketing costs decreased in relation to net revenue and other significant costs, such as freight costs to customers, fees to payment providers and staff expenses, were maintained on a similar level in relation to net revenue.

Administration costs were SEK -58 (-47) million. Excluding items affecting comparability, administration costs totalled SEK -53 (-47) million.

Out of the above operating costs, excluding items affecting comparability, overhead costs were SEK -74 (-69) million. During the quarter, an estimated total of SEK 8 million was spent on transformation of the IT tech stack, primarily on external consultants and costs related to operating parallel systems during the transformation phase. The estimate does not include costs for in-house staff.

Adjusted EBIT and EBIT

Adjusted EBIT was SEK 32 (17) million, equivalent to a margin of 6.2 (3.7) percent.

Q2/2025

Items affecting comparability totalled SEK -7 (0) million. Items affecting comparability refer to personnel costs following the organisational restructuring.

Adjusted EBIT included accelerated amortisation of trademarks to be discontinued of SEK -2 (-2) million.

EBIT totalled SEK 26 (17) million.

Financial items

Financial income was SEK 5 (3) million due to the positive effect from the revaluation of financial balance sheet items and from interest income on deposits.

Financial expenses were SEK -8 (-5) million and mainly consisted of the significant negative effects from the revaluation of financial balance sheet items. Last year, there was a negative effect from the revaluation of financial balance sheet items. Financial expenses also included leasing expenses and credit facility fees in both periods.

Taxes and result for the period

Tax totalled SEK 0 (-1) million and the result for the period was SEK 23 (14) million.

January – June 2025

Net revenue

Net revenue increased by 14 percent to SEK 925 (812) million. In local currencies, the growth was 16 percent. The increase within the main categories Offroad and Onroad was 11 percent and 23 percent, respectively. Net revenue for the Other category (which is highly seasonal and smaller than the other two categories) declined by 18 percent.

Gross profit and gross margin

Gross profit amounted to SEK 400 (364) million, equivalent to a margin of 43.2 (44.8) percent.

In 2025, gross profit was impacted by a SEK 2 million reversal of the provision for overstock, compared with a SEK 12 million reversal last year. The smaller reversal reduced the gross margin by 1.1 percentage points compared with last year.

In-freight costs totalled SEK -40 (-32) million, corresponding to 4.4 (3.9) percent of net revenue. In-freight cost ratio as a percentage of revenue increased by 0.5 percentage points compared to last year, driven by higher freight prices and a larger share of products sold during the period with higher in-freight costs. Please see *Risks and factors of uncertainty* section on page 11 for further details.

Operating costs

Sales and distribution costs amounted to SEK -280 (-253) million, equivalent to 30.2 (31.2) percent of net revenue, an improvement in the ratio of 0.9 percentage points. Marketing costs decreased slightly in relation to net revenue, and other significant costs, such as freight costs to customers, fees to payment providers and staff expenses, were maintained on a similar level in relation to net revenue.

Administration costs were SEK -110 (-90) million and included accelerated amortisation of trademarks to be discontinued of SEK -3 (-3) million. Excluding items affecting comparability, the administration costs totalled SEK -102 (-90) million.

Out of the above operating costs, excluding items affecting comparability, overhead costs were SEK -146 (-128). During the year, an estimated total of SEK 16 million was spent on transformation of the IT tech stack, primarily in the form of external consultants and costs associated with systems that are not yet in use. The estimate does not include costs for in-house staff.

Adjusted EBIT and EBIT

Adjusted EBIT amounted to SEK 21 (24) million, corresponding to a margin of 2.3 (2.9) percent.

Adjusted EBIT included accelerated amortisation of trademarks to be discontinued of SEK -3 (-3) million.

EBIT amounted to SEK 11 (24) million and was impacted by items affecting comparability totalling SEK -10 (0) million. Items affecting comparability refer to personnel costs following the organisational restructuring.

Financial items

Financial income totalled SEK 2 (18) million, of which SEK 2 (5) million was income from short-term bank deposits. Last year SEK 10 million referred to exchange rate differences related to the revaluation of financial balance sheet items, and the remainder was attributable to gains from exchange rate effects from currency derivatives.

Financial expenses of SEK -24 (-2) million consisted of the significant negative effects from the revaluation of financial balance sheet items and of losses from the exchange rate effects of currency derivatives, which had provided a positive effect last year. Financial expenses also included leasing expenses and credit facility fees in both periods.

Taxes and results for the period

Tax totalled SEK -1 (-1) million and the result for the period was SEK -11 (39) million.

Comments to the Group's cash flow

(Figures in parentheses refer to the equivalent period last year)

April – June 2025

Cash flow from operating activities was SEK 34 (93) million and EBIT increased from SEK 17 million to SEK 26 million.

Although the quarter is normally associated with lower inventory following the summer motorcycle season, we increased stock levels in preparation for the upcoming “Black week” and Christmas sales periods. This early build-up included pre-orders for external brands and for private brand new collections, resulting in no change in net working capital, SEK 0 million, versus an increase of SEK 57 million last year.

Cash flow from investments at the end of the quarter totalled SEK -15 (-3) million and referred to the purchase of equipment for the distribution warehouse in both quarters and, in this quarter, to the placement of funds for commercial deposits and guarantees.

Cash flow from financing activities was SEK -7 (-7) million and consisted of leasing payments.

Cash flow for the period was SEK 13 (83) million and cash equivalents at the end of the period totalled SEK 188 (350) million.

Comments to the Group's financial position

(Figures in parentheses refer to the equivalent period last year)

Net working capital

Product availability remains a key driver of growth, customer satisfaction, and retention. As such, Pierce continues to prioritize having a strong and accessible assortment. This focus supports the Company's position as a leading industry specialist, offering one of the most extensive and attractive product ranges at competitive prices, paired with fast and reliable delivery.

Net working capital amounted to SEK 210 (37) million, corresponding to 12.1 (2.4) percent of LTM net revenue of SEK 1,740 (1,563) million. Pierce's inventory increased by SEK 215 million, reaching SEK 522 million, driven both by the planned structural uplift of the general assortment, and by the initial stocking of the newly launched Raven Onroad gear assortment in the final weeks of the quarter. This was partly offset by a SEK 46 million increase in current operating liabilities.

Right-of-use assets and leasing liabilities

Right-of-use assets amounted to SEK 139 (47) million and leasing liabilities to SEK 136 (46) million. The increase is primarily attributable to the renewal of the lease agreement for the Group's warehouse, which, was extended for a five-year period on favorable terms. The warehouse's strategic location is beneficial to the Group's position and future operations.

January – June 2025

Cash flow from operating activities showed an outflow of SEK -75 (158) million. Operating profit was SEK 11 million, SEK 13 million lower than the SEK 24 million earned last year. The change in operating cash flow is largely attributable to working capital movements which included both our planned investments into stock during the motorcycle season, as well as the new Raven Onroad gear assortment launch. In total, these working capital movements resulted in an outflow of to SEK -115 million, compared with an inflow of SEK 93 million last year.

Cash flow from investments totalled SEK -18 (-4) million and referred to the purchase of equipment for the distribution warehouse in both quarters and, in this period, to the placement of funds in blocked accounts.

Cash flow from financing activities was SEK -14 (-14) million and consisted of leasing payments.

Cash flow for year to date was SEK -108 (140) million. Including exchange rate differences, which totalled SEK -2 (-12) million, cash and cash equivalents at the end of the period amounted to SEK 188 (350) million.

Net debt / net asset and credit facility

The net cash position at the end of the period equaled cash and cash equivalents and amounted to SEK 188 (350) million. Pierce has a credit facility of up to SEK 150 million that had not been utilised during the period. The credit facility is subject to, amongst other things, certain financial covenants regarding the Group's leverage ratio and interest coverage ratio. As of 30 June 2025, Pierce was not in breach of the covenants in accordance with the current agreements for the credit facility. Covenants are reported quarterly.

Equity

The Group's equity at the end of the period amounted to SEK 658 (668) million. The SEK 10 million decrease in equity is explained primarily by the SEK 14 million loss incurred in the last twelve months, and by adding back positive effects of the translation reserve of SEK 2 million, and of share-based compensation of SEK 2 million.

The Pierce Share

The Pierce share is listed on the Nasdaq Stockholm Small Cap and trades under the ticker symbol PIERCE and ISIN code SE0015658364.

On 14 March 2024 a total of 950,000 series C shares were registered through a directed share issue to ensure the delivery of performance shares to participants in LTIP 2023/2026 performance-based share program. Series C shares carry one-tenth of a vote per share and do not entitle the holder to dividends. As the Company holds all issued series C shares in treasury, the 95,000 votes they carry cannot be represented at any General Meeting.

On 9 April 2025 a total of 1,025,000 series C shares were registered through a directed share issue to ensure delivery of performance shares to participants in the LTIP 2024/2027 performance-based share program. Series C shares carry one-tenth of a vote per share and do not entitle the holder to dividends. As the Company holds all issued series C shares in treasury, the 102,500 votes they carry cannot be represented at any General Meeting.

As of 30 June 2025, the share capital consisted of 79,374,100 ordinary shares with one vote per share and 1,975,000 series C shares with one-tenth of a vote per share, totalling 81,349,100 shares and 79,571,600 votes, equivalent to a quota value of SEK 0.02.

The share price at the beginning of the year was SEK 7.3 and was SEK 8.4 on the last trading day of the period. The number of shareholders was 2,035, of which the largest were Verdane Capital (29.2%), Siba Invest AB (10.9%), Investment AB Garnen (5.3%), Fourth AP fund (Sw. Fjärde AP-fonden) (5.0%) and eQ Asset Management Oy (4.7%).

The Company has four ongoing long-term incentive programs – LTIP, for the CEO, Group Management and key employees. See the additional information provided below.

LTIP 2023/2026

LTIP 2023/2026 was approved by the Annual General Shareholders' Meeting on 16 May 2023, as part of an incentive program in the form of a performance-based share program for the CEO, Group Management and key employees. The program is accounted for in accordance with IFRS 2 which stipulates that the right to receive performance shares shall be expensed as a personnel cost over the vesting period. Provided that specific targets are met, a maximum of 950,000 ordinary shares can be issued to the participants for a subscription price of SEK 0.00. The vesting period ends on 16 May 2026 and participants will be awarded ordinary shares in accordance with the Terms and Conditions of the LTIP 2023/2026.

LTIP 2024/2027

LTIP 2024/2027 was approved by the Annual General Shareholders' Meeting on 17 May 2024, as part of an incentive program in the form of a performance-based share program for the CEO, Group Management and key employees. The program is accounted for in accordance with IFRS 2 which stipulates that the right to receive performance shares shall be expensed as a personnel cost over the vesting period. Provided that specific targets are met, a maximum of 1,025,000 ordinary shares can be issued to the participants for a subscription price of SEK 0.00. The vesting period ends on 17 May 2027 and participants will be awarded ordinary shares in accordance with the Terms and Conditions of the LTIP 2024/2027.

LTIP 2025/2028

LTIP 2025/2028 was approved by the Annual General Shareholders' Meeting on 20 May 2025, as part of an incentive program in the form of

a performance-based share program for Group Management and key employees. The program is accounted for in accordance with IFRS 2 which stipulates that the right to receive performance shares shall be expensed as a personnel cost over the vesting period. Provided that specific targets are met, a maximum of 850,000 ordinary shares can be issued to the participants for a subscription price of SEK 0.00. The vesting period ends on 20 May 2028 and participants will be awarded ordinary shares in accordance with the Terms and Conditions of the LTIP 2025/2028.

Warrant program 2025/2029

Warrant program 2025/2029 was approved by the Annual General Shareholders' Meeting on 20 May 2025, as part of an incentive program in the form of a warrant program for the CEO. The program comprises 800,000 warrants, all of which were subscribed as of 30 June 2025. Each warrant grants the right to subscribe to one (1) ordinary share in the Company. The warrants were subscribed at market value, calculated applying the Black & Scholes model, equivalent to SEK 1 million.

The warrants can be exercised from 1 January 2029 – 30 June 2029, at a predetermined share price of SEK 13.5. With full subscription of the warrants, the Company's share capital can increase with a maximum of SEK 16,000, based on the current quota value.

The Company has reserved the right to repurchase warrants if, amongst other circumstances, the Participant's employment with the Company is terminated.

Significant events during the reporting period

Series C share issue

In April 2025, Pierce Group AB (publ) carried out a directed issue of 1,025,000 series C shares to Nordic Issuing AB to ensure the delivery of performance shares to participants in the LTIP 2024/2027 performance-based share program.

Resignation of Chief Financial Officer

On 15 April 2025, Fredrik Idestrom announced his resignation as Chief Financial Officer.

Appointment of Chief Financial Officer

On 12 May 2025, Pierce Group AB (publ) announced the appointment of Fredrik Kjellgren as Chief Financial Officer. He is set to assume the role in the fourth quarter of 2025.

Significant events after the end of the reporting period

No significant events took place after the end of the reporting period.

Impact of currency effects

In all material aspects, net revenue and the sum of total costs and investments are equivalent to payments received and payments made. Payments received during the last 12-month period in EUR, SEK and NOK accounted for 55, 14 and 10 percent respectively. With regards to payments made, EUR, SEK, USD and PLN accounted for 52, 21, 12 and 10 percent respectively. In order to reduce exposure to effects on earnings and cash flow due to exchange rate fluctuations, the Group utilised currency derivatives for certain currencies, including EUR, PLN and USD.

Furthermore, operating assets and operating liabilities in foreign currency are revalued at the end of each month. This revaluation refers primarily to operating liabilities including trade payables. Exchange rate fluctuations arising from revaluations of operating balance sheet items are reported net, primarily as a part of the cost of goods sold.

If leasing agreements have been signed in a currency other than the functional currency of each Group company, the leasing liability is revalued at each month-end close. These revaluation effects, as well as the revaluation of financial balance sheet items, are reported in financial net.

Employees

The average number of employees during the quarter amounted to 303 (329). Of these, 176 (202) were white collar workers in Sweden, Poland and Spain.

Seasonal variations

As the peak of the motorcycle season occurs in the second quarter, this time of the year generates the highest net revenue level of about 30 percent of total sales. The fourth quarter usually shows the second highest level of net revenue, due to "Black week" and Christmas sales, while the first quarter has the lowest impact on total net revenue, slightly exceeding 20 percent of total sales.

Parent Company

Pierce Group AB (publ), Corp. ID Number 556967-4392, is the Parent Company in the Pierce Group, and is a public limited liability company with registered offices in Stockholm, Sweden. Since 26 March 2021, Pierce Group AB (publ) is listed on the Nasdaq Stockholm Small Cap.

The object of the Parent Company's business is to own and manage real property and movable property and directly or indirectly, through subsidiaries, carry out sales of equipment, accessories, and spare parts for motorcycles and other vehicles, and carry out other operations consistent therewith.

During the quarter, net revenue totalled SEK 8 (5) million and was fully attributable to sales to Group companies. Financial net consisted of interest income from an intercompany loan. The net result before tax for the quarter was SEK 8 (5) million. The Parent Company's equity at the end of the period was SEK 759 (750) million.

The CEO is employed in the Parent Company.

Risks and factors of uncertainty

The Group's operations and results are influenced by various external factors. Pierce Group continues to be primarily exposed to operational risks, including competition, market developments in local markets, the quality of delivered goods, particularly from Asia, inventory and product assortment risks, IT-related risks, and dependency on key individuals and suppliers. A more detailed description of these risks and Pierce Group's risk management strategy can be found in the Annual Report for 2024.

As in previous periods, inflation and the prevailing economic climate continue to impact consumer behavior and demand, adding a layer of uncertainty to the market. Additionally, disruptions in the Red Sea region since December 2023 have caused significant challenges to global supply chains. These disruptions, including vessel diversions around Africa and capacity constraints affecting Asian exports to Europe via the Suez Canal, have resulted in delays and port congestion, further complicating global trade routes in the region and beyond. These issues are ongoing and are continuing to impact supply chain dynamics.

Further details on risks and uncertainties arising from the geopolitical situation, including the ongoing conflicts in Ukraine and the Middle East, were also provided in the Annual Report for 2024. While the direct impact on Pierce remains largely unchanged, new global trade risks have emerged. Following the recent U.S. election, shifts in trade policy have introduced uncertainty regarding global tariffs, particularly concerning key international partners. These changes could influence trade dynamics significantly. Since Pierce Group's purchasing activities are primarily concentrated in Europe and Asia, and its sales are largely focused within Europe, it is particularly affected by these developments through increased consumer uncertainty, which has softened demand in the region. Moreover, the evolving geopolitical situation poses a potential risk to the stability of the supply chain.

We are closely monitoring these policy changes and assessing contingency strategies to mitigate any potential disruptions arising from new or adjusted tariff measures. However, it's important to note that trade flows to and from the U.S. remain a minor factor in the Group's overall operations. Despite this, the evolving trade dynamics continue to pose risks to the stability of our supply chain.

Looking ahead, the uncertainties surrounding these global trade developments may continue to affect freight prices and other related costs, including the possibility of new trade tariffs. The current outlook remains uncertain, with the risk of ongoing volatility in shipping rates. In fact, higher freight prices, which began rising in 2024, have already impacted margins and operational costs. Pierce Group is actively monitoring these developments to understand their full impact and take necessary actions to adapt to the changing market environment.

The impact of the above-mentioned uncertainties on the financial and foreign exchange markets could have a negative effect on Pierce.

Financial risks include e.g., currency risks (see previous page), interest rate risks and the risk of not being able to obtain sufficient financing. E-commerce is characterised, amongst other things, by a sharp increase in sales during certain campaign periods. If Pierce's sales do not develop in line with the Group's expectations during these periods, this may negatively affect both the Company's results and financial position.

Pierce has a credit facility with one of the larger Swedish banks of up to SEK 150 million that was not utilised by the end of the period. The credit facility is subject to, amongst other things, certain financial covenants regarding the Group's leverage ratio and interest coverage ratio. As of 30 June 2025, Pierce was not in breach of the covenants in accordance with the current agreements for the credit facility. Covenants are reported quarterly.

For further information, see Note 6.

Pierce performs impairment testing for assets applying a discount rate considering the risk-free interest level. There is a risk that the risk-free interest level will increase and, as a result, the discount rate used to calculate asset values will also increase, something that could lead to the recognition of impairment of assets.

Related party transactions

During the current period Pierce purchased goods (for resale in its ordinary business) from O'Neal Europe GmbH & Co. KG, a company controlled by Pierce Group AB Board Member Thomas Schwarz, for a price of SEK 9 (11) million.

All transactions with this supplier were performed on commercial market terms.

For further information regarding related parties see Note 5.

Medium to long term financial targets

Pierce's Board of Directors has adopted the following medium to long term financial targets¹.

Net revenue growth

In the medium to long term (3-5 years), organically outgrow the European online market for motorcycle gear, accessories and parts.

Adjusted EBIT margin

In the medium to long term (3-5 years), achieve an adjusted EBIT margin of 5-8 percent.

Capital structure

Net debt/EBITDA² not exceeding 2.0x, subject to temporary flexibility for strategic initiatives.

Dividend policy

Over the next few years, free cash flows³ are planned to be used for the continued development⁴ of the Company and thus not distributed to the shareholders.

¹ The Board adopted the financial targets in May 2024.

² Alternative performance measures (APM), see „Financial overview“ <https://www.piercgroup.com/en/reports-presentations/>.

³ Free cash flow refers to cash flow from operating activities and operations and investment activities.

⁴ Development of the company refers to e.g., investments in IT-hardware, IT-development, expansion of distribution warehouses, marketing, customer acquisition and business and asset acquisitions.

Other

The interim report was not subject to review by the Company's auditors.

Upcoming financial events

14 November 2025

Interim report July – September 2025

20 February 2026

Year-end report January – December 2025

Telephone and web conference in conjunction with the publication of quarterly report

CEO Göran Dahlin will hold a web telephone conference in English on 22 August 2025, 09:00 CEST, in conjunction with the publication of the quarterly report.

To participate via telephone conference, please register via the link below.

<https://events.inderes.com/pierce-group/q2-report-2025/dial-in>

After registration, you will be provided with a telephone number and a conference ID to access the telephone conference. You can ask questions verbally via telephone conference.

The presentation and conference can be followed via the following web link:

<https://pierce-group.events.inderes.com/q2-report-2025>

The presentation material will be available prior to the start of the conference on Pierce Group's website via the following web link:

<https://www.piercigroup.com/en/reports-presentations/>

Contact information, Pierce

Göran Dahlin, CEO, +46 72 730 31 11

The information was submitted for publication by the above-mentioned contact individual on 22 August 2025 at 08:00 CEST.

The information in this quarterly report comprises information which Pierce Group AB (publ) is obliged to disclose under the EU Market Abuse Regulation and the Securities Markets Act.

Signatures

The undersigned hereby confirm that the interim report provides a true and fair view of the Parent Company's and Group's operations, financial position and results, and that it describes the significant risks and uncertainties to which the Parent Company and the companies included in the Group are exposed.

Stockholm, 22 August 2025

Henrik Theilbjørn

Chairman of the Board

Göran Dahlin

CEO

Johannes Gadsbøll

Board Member

Niklas Jarl

Board Member

Thomas Schwarz

Board Member

Lottie Saks

Board Member

Roger Sandberg

Board Member

Condensed consolidated statement of profit/loss

SEKm (unless stated otherwise)	Note	Apr-Jun		Jan-Jun		Jul 2024-	Jan-Dec
		2025	2024	2025	2024	Jun 2025	2024
Net revenue	3.4	523	456	925	812	1,740	1,628
Cost of goods sold		-295	-255	-525	-448	-980	-903
Gross profit	4	229	201	400	364	760	724
Sales and distribution costs		-148	-137	-280	-253	-541	-515
Administration costs		-58	-47	-110	-90	-217	-196
Other operating income and expenses		2	0	1	3	4	5
Operating profit	4	26	17	11	24	6	18
Financial net		-3	-2	-21	16	-14	24
Profit/loss before tax	4	23	14	-10	40	-8	42
Income tax		0	-1	-1	-1	-6	-6
Profit/loss for the period		23	14	-11	39	-14	36
Attributable to shareholders of the parent company		23	14	-11	39	-14	36
Earnings per share							
Earnings per share before dilution (SEK)		0.29	0.17	-0.14	0.49	-0.18	0.45
Earnings per share after dilution (SEK)		0.29	0.17	-0.14	0.49	-0.18	0.45
Average number of shares before dilution (thousands)		79,374	79,374	79,374	79,374	79,374	79,374
Average number of shares after dilution (thousands)		79,539	79,447	79,374	79,429	79,374	79,429

Consolidated statement of comprehensive income

SEKm	Note	Apr-Jun		Jan-Jun		Jul 2024-	Jan-Dec
		2025	2024	2025	2024	Jun 2025	2024
Profit/loss for the period		23	14	-11	39	-14	36
Items that may subsequently be reclassified to income statement							
Translation difference		7	-2	1	2	2	3
Other comprehensive income for the period		7	-2	1	2	2	3
Comprehensive income for the period and attributable to shareholders of the parent company		30	12	-10	40	-12	39

Condensed consolidated statement of financial position

SEKm	Note	Jun 30 2025	Jun 30 2024	Dec 31 2024
Assets				
Non-current assets				
Intangible assets		273	295	281
Property, plant and equipment		12	14	15
Right-of-use assets		139	47	54
Financial assets	7	19	5	6
Deferred tax assets		2	7	2
Total non-current assets		444	367	358
Current assets				
Inventory		522	307	419
Other current assets	5	33	29	29
Cash and cash equivalents		188	350	297
Total current assets		742	687	745
Total assets		1,186	1,054	1,103
Equity and liabilities				
Total equity attributable to shareholders of the parent company		658	668	666
Non-current liabilities				
Leasing liabilities		104	17	25
Deferred tax liabilities		24	26	25
Provisions		0	0	0
Total non-current liabilities		128	43	50
Current liabilities				
Leasing liabilities		32	30	27
Trade payables		113	99	111
Other current liabilities	5	255	214	248
Total current liabilities		400	343	386
Total equity and liabilities		1,186	1,054	1,103

Condensed consolidated statement of changes in equity

SEKm	Share capital	Other capital contributions	Translation reserve	Retained earnings including profit/loss for the year	Total equity attributable to shareholders of the Parent Company
Opening balance 2024-01-01	2	814	10	-198	627
Profit/loss for the year	—	—	—	39	39
Other comprehensive income for the year	—	—	2	—	2
Total comprehensive income for the year	—	—	2	39	40
Closing balance 2024-06-30	2	814	11	-159	668
Opening balance 2025-01-01	2	814	12	-162	666
Profit/loss for the year	—	—	—	-11	-11
Share-based compensation	—	2	—	—	2
Other comprehensive income for the year	—	—	1	—	1
Total comprehensive income for the year	—	2	1	-11	-8
Transactions with shareholders					
New share issue including issue costs	—	0	—	—	0
Total	—	0	—	—	0
Closing balance 2025-06-30	2	816	13	-173	658

Condensed consolidated statement of cash flow

SEKm	Note	Apr-Jun		Jan-Jun		Jul 2024- Jun 2025	Jan-Dec 2024
		2025	2024	2025	2024		
Operating activities							
Operating profit		26	17	11	24	6	18
Adjustments for non-cash items ¹		13	19	35	40	65	69
Paid interest		-2	-1	-4	-2	-5	-4
Realised currency derivatives		-2	1	-2	2	0	4
Received interest		1	2	1	4	5	8
Paid/received tax		-1	-1	-2	-2	-4	-4
Cash flow from operating activities before changes in net working capital		34	37	39	65	66	92
Changes in net working capital		0	57	-115	93	-195	13
Cash flow from operating activities		34	93	-75	158	-129	105
Investing activities							
Investments in non-current assets		-1	0	-4	-2	-9	-6
Paid/received blocked funds		-14	-2	-14	-2	-14	-2
Cash flow from investing activities		-15	-3	-18	-4	-23	-8
Financing activities							
Share issue costs		0	0	0	0	0	0
Repayment of leasing liabilities		-7	-7	-14	-14	-29	-29
Cash flow from financing activities		-7	-7	-14	-14	-29	-29
Cash flow for the period		13	83	-108	140	-180	68
Cash and cash equivalents at the beginning of period		175	278	297	222	350	222
Exchange rate difference in cash and cash equivalents		0	-11	-2	-12	18	7
Cash and cash equivalents end of period		188	350	188	350	188	297

¹ Adjustments for non-cash items refer in all significance to amortisation and depreciation and changes in current short term provisions. Additionally, in all reported periods, amortisation is also affected by discontinued brands.

Condensed Parent Company statement of profit/loss

SEKm	Apr-Jun		Jan-Jun		Jan-Dec
	2025	2024	2025	2024	2024
Net revenue	8	5	12	10	20
Gross profit	8	5	12	10	20
Administration costs	-9	-5	-13	-10	-22
Operating profit	-1	0	-1	-0	-2
Financial net	8	6	2	11	19
Profit/loss after financial items	8	5	1	11	17
Appropriations	—	—	—	—	—
Profit/loss before tax	8	5	1	11	17
Income tax	—	—	—	—	—
Profit/loss for the period	8	5	1	11	17

Profit/loss for the period equals comprehensive income for the period.

Condensed Parent Company balance sheet

SEKm	Jun 30 2025	Jun 30 2024	Dec 31 2024
Assets			
Non-current assets			
Shares in group companies	565	409	409
Receivables from group companies	192	342	346
Total non-current assets	757	751	755
Current assets			
Receivables from group companies	8	4	7
Other current assets	2	1	1
Cash and cash equivalents	—	0	—
Total current assets	11	6	8
Total assets	768	757	763
Equity and liabilities			
Total equity	759	750	756
Current liabilities			
Other current liabilities	9	7	7
Total current liabilities	9	7	7
Total equity and liabilities	768	757	763

Note 1 - Accounting principles

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU. The Group's Interim Report has been prepared in accordance with IAS 34 Interim Financial Reporting and the applicable parts of the Swedish Annual Accounts Act.

The Interim Report for the Parent Company has been prepared in accordance with Chapter 9 of the Annual Accounts Act, Interim reports, and RFR 2 Accounting for legal entities.

For the Group and the Parent Company, the same accounting principles, providing basis for calculations and assessments have been applied as applied in the Annual Report for 2024. For a description of the Group's applied accounting principles, see Note 1 and Note 2 in the Annual Report for 2024.

Disclosures in accordance with IAS 34.16A are shown in the financial statements and associated Notes in this information, in addition to pages 1–12 which form an integral part of this financial report.

All amounts in this report are stated in millions of Swedish kronor (SEKm) unless stated otherwise. Rounding variances may occur.

Segment reporting

The Group operates as a single business segment. Management monitors the business as a whole and does not allocate resources or assess performance based on separate operating segments. Accordingly, no segment information is presented in these financial statements in accordance with IFRS 8 Operating Segments.

Information on future standards

None of the IFRS or IFRIC interpretations that are to come into force in 2025 are expected to have any significant impact on the Group.

Note 3 – Revenue

The Group's revenue consists of the sale of goods via the Group's websites. Revenue is reported at a given point in time due to the fact that the conditions for control being transferred over time are not met. Geographical area is an important attribute when specifying revenue, and this is presented in the table below.

SEKm	Apr-Jun		Jan-Jun		Jul 2024-	Jan-Dec
	2025	2024	2025	2024	Jun 2025	2024
Sweden	78	72	137	122	241	227
Other Nordics	111	99	185	163	312	290
Outside the Nordics	334	285	604	527	1,187	1,111
Revenue Group	523	456	925	812	1,740	1,628

Note 2 - Estimations and assessments

The preparation of the Interim Report requires that the Company's management make assessments and estimates, as well as assumptions that affect the application of the accounting principles and the reported amounts of assets, liabilities, income and expenses. The actual outcome may differ from these estimates. Changes in estimates are recognised in the period in which the change occurs, if the change affected only that period, or in the period in which the change is made and future periods if the change affects both the current period and future periods.

Important estimations and assessments can be found in Note 2 in the 2024 Annual Report. No changes have been made to these estimations and assessments that could have a significant impact on the financial report.

Note 4 - Financial instruments, fair value

Currency derivatives are the only instruments reported at fair value through profit/loss. Other financial instruments are valued at amortised cost in the statement of financial position, and the reported values corresponded in all material respects with the fair value.

In accordance with IFRS 13, last year the asset regarding the currency derivatives was attributable to level 2 in the fair value hierarchy.

The valuation of currency derivatives is based on official market data for exchange rates. At the end of the period, the fair value amounted to SEK -6 (0) million and these derivatives were classified as current liabilities.

Note 5 - Related party transactions

Other related party transactions

During the current period Pierce purchased goods (for resale in its ordinary business) from O'Neal Europe GmbH & Co. KG, a company controlled by Pierce Group AB Board Member Thomas Schwarz, for SEK 9 (11) million.

All transactions with this supplier were performed on commercial market terms.

Besides remuneration to senior executives, there were no other related party transactions in the current and previous interim periods.

See Note 29 in the Annual Report for 2024 for more information.

Performance-based share program

The Group has two performance-based share programs as a part of an incentive program for certain senior executives and key employees in the Group. See page 10 for further information.

All transactions are based on market terms and conditions.

Warrant program

The Group has a warrant program as a part of an incentive program for the CEO. See page 10 for further information.

All transactions are based on market terms and conditions.

Note 6 - Pledged assets and contingent liabilities

SEKm	Jun 30 2025	Jun 30 2024	Dec 31 2024
To credit institutions for the Group's own liabilities and provisions			
Deposits for fulfillment of payments	3	3	3
Lease guarantee	14	—	—
Paid blocked funds	2	2	2
Total pledged assets	19	5	5

Pierce has a credit facility of SEK 150 million, which was not utilised by the end of the reporting period or during the financial year, while maintaining a positive cash position. There is a guarantee granted for the credit facility to credit institutions provided by the Parent Company, Pierce Group AB, for the liabilities of its subsidiary, Pierce AB.

The credit facility includes certain financial covenants. See more information under the "Risks and factors of uncertainty" section, page 11.

Pledged assets at the end of the period referred to deposits paid.

Note 7 - Significant events after the end of the reporting period

No significant events took place after the end of the reporting period.

Key financials - quarterly

SEKm (unless stated otherwise)	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q1 2025	Q2 2025
Net revenue	450	373	427	345	441	369	382	356	456	365	451	401	523
Growth (%) ¹	-0%	3%	3%	-18%	-2%	-1%	-10%	3%	3%	-1%	18%	13%	15%
Growth in local currencies (%) ¹	-3%	-0%	-3%	-22%	-7%	-9%	-15%	2%	2%	1%	19%	12%	20%
Gross profit	178	146	161	137	186	113	171	162	201	166	195	171	229
Profit after variable costs ^{1 2}	69	60	60	54	88	34	80	82	104	82	93	76	120
Overhead costs ¹	-66	-57	-71	-61	-67	-67	-72	-59	-69	-65	-76	-72	-74
EBITDA ¹	1	-2	-19	-7	17	-33	-13	23	34	17	10	1	39
EBIT ³	-11	-15	-31	-21	2	-47	-45	7	17	0	-5	-15	26
Adjusted EBITDA ^{1 5}	3	4	-11	-7	21	-32	8	23	35	17	16	4	46
Adjusted EBIT^{1 3 5}	-9	-9	-23	-21	6	-47	-7	7	17	0	1	-11	32
Items affecting comparability ¹	-1	-6	-8	0	-4	-1	-38	0	0	0	-6	-4	-7
Profit/loss for the period	-1	-20	-23	-11	26	-61	-49	25	14	-2	-1	-34	23
Gross margin (%) ¹	39.5%	39.1%	37.8%	39.7%	42.1%	30.7%	44.7%	45.6%	44.1%	45.5%	43.2%	42.6%	43.7%
Profit after variable costs (%) ¹	15.3%	16.2%	14.0%	15.6%	20.0%	9.3%	20.9%	23.1%	22.7%	22.5%	20.6%	19.0%	22.8%
Adjusted EBITDA (%) ^{1 5}	0.6%	1.1%	-2.6%	-2.2%	4.7%	-8.7%	2.1%	6.5%	7.6%	4.6%	3.6%	1.1%	8.7%
Adjusted EBIT (%) ^{1 5}	-2.1%	-2.4%	-5.4%	-6.2%	1.5%	-12.7%	-1.9%	2.0%	3.7%	-0.0%	0.3%	-2.7%	6.2%
Cash flow for the period	-10	96	16	-33	64	-1	61	57	83	-105	32	-120	13
Net debt (+) / Net cash (-) ⁴	176	-115	-136	-105	-179	-171	-222	-278	-350	-261	-297	-175	-188
Earnings per share before dilution (SEK)	-0.01	-0.26	-0.29	-0.14	0.33	-0.77	-0.62	0.32	0.17	-0.03	-0.01	-0.43	0.29
Earnings per share after dilution (SEK)	-0.01	-0.26	-0.29	-0.14	0.33	-0.77	-0.62	0.32	0.17	-0.03	-0.01	-0.43	0.29

¹ Alternative performance measures (APM), see „Financial overview“ <https://www.piercegroup.com/en/reports-presentations/>.

² Variable costs refers, in addition to cost of goods sold, to variable sales and distribution costs. These include direct marketing costs as well as other direct costs and correlates essentially with net revenue.

Other direct costs mainly consist of freight, invoicing and packaging.

³ EBIT includes depreciation, amortisation and impairment.

⁴ Net debt refers to the alternative performance measure net debt excluding IFRS 16.

⁵ Adjusted measures in the current quarter and in the current financial year exclude mainly personnel costs following changes of roles. Adjusted measures in the comparison quarter and in the previous financial year exclude, among others, costs of organisational downsizing.

Alternative Performance Measures

Financial measures not defined in accordance with IFRS

Pierce applies financial measurements in its interim reports which are not defined in accordance with IFRS. The Company believes that these measurements provide valuable supplementary information to investors and the Company's management. As not all companies calculate Alternative Performance Measures in the same manner, these measures are not always comparable with measures used by other companies. These financial measurements should, therefore, not be seen to comprise a replacement for measures defined according to IFRS.

As part of our ongoing efforts to enhance transparency and provide more meaningful insight into the performance of the Company, we have reviewed and updated the set of APMs presented alongside our IFRS financial statements. In line with regulatory guidance and best practices, we aim to present APMs that are relevant, consistent, and tailored to our stakeholders' needs, particularly in the context of our industry.

Several previously disclosed measures have been discontinued, as we concluded they provided limited incremental insight into the Company's performance or were no longer relevant.

Definitions

The interim report contains financial performance measures in accordance with the applied framework for financial reporting, which is based on IFRS. In addition, there are other performance measures and indicators which are used as a supplement to the financial information. These performance measures are applied to provide the Group's stakeholders with financial information for the purpose of analysing the Group's operations and goals. The various performance measures applied which are not defined according to IFRS are available on the Company's website <https://www.piercigroup.com/en/reports-presentations/>.

