

## On the right track

### April – June 2023

- Net revenue decreased by 2%, totalling SEK 441 (450) million.
- EBITDA totalled SEK 17 (1) million. Adjusted EBITDA was SEK 21 (3) million, equivalent to a margin of 4.7% (0.6%).
- Operating profit (EBIT) was SEK 2 (-11) million. Adjusted operating profit (EBIT) was SEK 6 (-9) million and the adjusted operating margin was 1.5% (-2.1%).
- Cash flow for the period was SEK 64 (-10) million.
- Profit/loss for the period amounted to SEK 26 (-1) million.
- Earnings per share before and after dilution was SEK 0.33 (-0.01).

### January – June 2023

- Net revenue decreased by 10%, totalling SEK 786 (870) million.
- EBITDA totalled SEK 9 (2) million. Adjusted EBITDA was SEK 13 (3) million, equivalent to a margin of 1.7% (0.4%).
- Operating profit (EBIT) was SEK -19 (-23) million. Adjusted operating profit (EBIT) totalled SEK -15 (-21) million and the adjusted operating margin was -1.9% (-2.5%).
- Cash flow for the period was SEK 31 (4) million.
- Profit/loss for the period amounted to SEK 15 (-15) million.
- Earnings per share before and after dilution was SEK 0.18 (-0.38).

SEKm (unless stated otherwise)	Apr-Jun		Jan-Jun		Jul 2022-	Jan-Dec
	2023	2022	2023	2022	Jun 2023	2022
<b>Net revenue</b>	<b>441</b>	<b>450</b>	<b>786</b>	<b>870</b>	<b>1,585</b>	<b>1,670</b>
Growth (%) <sup>1</sup>	-2%	0%	-10%	6%	-4%	5%
Growth in local currencies (%) <sup>1</sup>	-7%	-3%	-14%	3%	-8%	1%
Gross profit	186	178	323	350	629	657
Profit after variable costs <sup>1 2</sup>	88	69	142	132	262	252
Overhead costs <sup>1</sup>	-67	-66	-129	-128	-256	-256
Operating profit (EBIT) <sup>3</sup>	2	-11	-19	-23	-65	-68
<b>Adjusted operating profit (EBIT)<sup>3 5</sup></b>	<b>6</b>	<b>-9</b>	<b>-15</b>	<b>-21</b>	<b>-47</b>	<b>-53</b>
Profit/loss for the period	26	-1	15	-15	-28	-58
Gross margin (%) <sup>1</sup>	42.1%	39.5%	41.1%	40.2%	39.7%	39.3%
Profit after variable costs (%) <sup>1</sup>	20.0%	15.3%	18.1%	15.1%	16.6%	15.1%
Adjusted operating margin (EBIT) (%) <sup>1 5</sup>	1.5%	-2.1%	-1.9%	-2.5%	-2.9%	-3.2%
Cash flow for the period	64	-10	31	4	144	117
Net debt (+) / Net cash (-) <sup>4</sup>	-179	176	-179	176	-179	-136

<sup>1</sup> Alternative performance measures (APM), see pages 21 - 23 for definitions and purpose of these measurements.

<sup>2</sup> 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.

<sup>3</sup> Operating profit (EBIT) includes depreciation and amortisation. Amortisation attributable to business acquisitions<sup>1</sup> were SEK 0.6 million during the last twelve months' period.

<sup>4</sup> Net debt refers to the alternative performance measure net debt excluding IFRS 16.

<sup>5</sup> Adjusted measures exclude, among others, costs borne for transition to a permanent CEO.

### Significant events during the reporting period

- On 12 June 2023 Göran Dahlin was appointed as new CEO of Pierce Group AB, replacing Willem Vos, former Acting CEO.
- On 16 May 2023 the Annual General Meeting approved to introduce a long-term incentive program in the form of a performance share program for the Company's CEO, Group Management and key employees. A maximum number of 950,000 ordinary shares can be issued in this program.
- On 16 May 2023 the Annual General Meeting resolved to elect Lottie Saks as new ordinary board member and chair of the audit committee. Board members Gunilla Spongh, Shu Sheng and Thomas Ekman declined re-election.
- The Group has a credit facility with one of the larger Swedish banks. During the reporting period the available credit facility, which is not utilized, was reduced by agreement from SEK 200 million to SEK 150 million.

## CEO comments

It is now a little more than two months since I became CEO of Pierce Group. I have taken on this new role with a great deal of enthusiasm. The Company has an enviable position in a market with attractive underlying fundamentals including, amongst other things, a consistent year-on-year annual growth in the number of newly registered motorcycles. Furthermore, I believe we will see a continuing shift from offline to online sales, as the markets in which the Company is active are exceptionally well adapted to e-commerce due to the wide range of products and parts and relatively low cost of shipping. Our team is strong and our roadmap towards increased profitability and accelerated growth is well anchored in the Company. Taking these factors into consideration, I am convinced that we are on the right track to bring Pierce back to growth and prosperity, fulfilling the full potential of its operations. In the second quarter, market demand continued to be relatively weak, even if we saw a certain improvement compared with the first quarter. After a very tough period, we can again report both positive results for the quarter and very good liquidity.

### Margins continue to improve, at the same time liquidity has strengthened

The significantly improved liquidity since the end of 2022 has been maintained to ensure that we can focus on margin-improvement measures. We now see, for the first time in more than two years, an improved gross margin compared with the same period last year. However, the outlook for the forthcoming quarters is demanding. We will therefore continue to prioritize margin reinforcements, operational excellence and strong liquidity, primarily through a conservative approach in our go-to-market initiatives.

Net revenues decreased by 2 percent during the quarter versus the corresponding quarter last year and totalled SEK 441 million. Excluding exchange rate fluctuations, this represents a 7 percent decline, which we estimate to be in line with the online market's development, as offline competition is now normalizing post-Covid. During the quarter, we continued to raise consumer prices and, compared with the same quarter last year, this resulted in an increase in net revenue of slightly more than 5 percent.

Increased consumer prices, together with lower shipping costs, resulted in an improved gross margin of 2.6 percentage points versus the previous year, coming in at 42.1 percent. Compared with the first quarter, the increase was 2.4 percentage points. Shipping costs in relation to net revenue totalled 4.9 percent, which was a decrease of 1.8 percent compared with the second quarter 2022. Shipping prices are at a low level and we expect gradual further cost reductions during the coming quarters. However, these positive effects were to some extent offset by increased purchasing prices from previous year – the cost increases affected inventory value directly but filter into cost of goods sold only as we sell the products.

The strengthened gross margins, together with lower direct costs, resulted in an adjusted EBIT of SEK 6 million, compared with a loss of SEK 9 million in the same period last year.

Net cash increased by SEK 74 million during the quarter, totalling SEK 179 million. The end of the second quarter coincides with the end of the high season, implying a relatively strong cash position. It is reasonable to expect a decrease in the cash position at the end of the third quarter due to seasonal effects. Our focus on reducing tied-up capital resulted in a decline in inventory value of 6 percent compared with the second quarter 2022. Inventory value at the end of the quarter totalled SEK 459 million. At the same time, the number of articles has been reduced by 17 percent.

### Uncertainty in the forthcoming quarter

The market continues to be difficult and uncertain. The uncertainty means that our cautious approach is intact when planning our go-to-market initiatives and we prioritize continued margin strengthening over sales volumes. At the same time, we are concentrating on implementing the profitability improvement program which was launched last year in combination with ongoing cost controls. The effects of these measures can be seen in our results, primarily through increases in customer pricing but also through reduced direct costs for marketing and distribution chain. Direct costs in relation to net revenue decreased by 2.0 percent compared with the second quarter 2022.

### Number of newly registered motorcycles continues to grow

In the longer perspective, we believe that the prospects for sustainable market growth will persist. In spite of inflation and challenging macro conditions, both 2021 and 2022 saw an annual increase in the number of newly registered motorcycles in the five largest countries in Europe (ACEM.eu). Every day, we see firsthand our customers' passion for motorcycling. Compared with June last year, we have increased the number of followers on social media by 5 percent, and we now have more than 1.7 million followers.

In addition to our focus on improving profitability in the near term, Pierce's strong liquidity and the positive effects yielded by our profitability improvement measures give space to work with enhancing our customer offering and the effectiveness of our operation through a post-Covid re-assessment and re-calibration of the strategy.

Stockholm, 25 August 2023



Göran Dahlin  
CEO, Pierce Group AB



## Performance measures – Group

SEKm (unless stated otherwise)	Apr-Jun		Jan-Jun		Jul 2022-	Jan-Dec
	2023	2022	2023	2022	Jun 2023	2022
<b>Revenue measures</b>						
<b>Net revenue per geographical area</b>						
Nordics	170	177	284	323	528	567
Outside the Nordics	271	273	502	548	1,057	1,103
<b>Net revenue</b>	<b>441</b>	<b>450</b>	<b>786</b>	<b>870</b>	<b>1,585</b>	<b>1,670</b>
<b>Growth per geographical area</b>						
Nordics (%) <sup>1</sup>	-4%	5%	-12%	9%	-10%	1%
Outside the Nordics (%) <sup>1</sup>	-1%	-3%	-8%	5%	0%	7%
<b>Growth (%)<sup>1</sup></b>	<b>-2%</b>	<b>0%</b>	<b>-10%</b>	<b>6%</b>	<b>-4%</b>	<b>5%</b>
<b>Performance measures</b>						
Gross margin (%) <sup>1</sup>	42.1%	39.5%	41.1%	40.2%	39.7%	39.3%
Profit after variable costs (%) <sup>1</sup>	20.0%	15.3%	18.1%	15.1%	16.6%	15.1%
Overhead costs (%) <sup>1</sup>	15.3%	14.7%	16.4%	14.7%	16.2%	15.3%
Adjusted EBITDA (%) <sup>1 2</sup>	4.7%	0.6%	1.7%	0.4%	0.4%	-0.2%
Adjusted operating margin (EBIT) (%) <sup>1</sup>	1.5%	-2.1%	-1.9%	-2.5%	-2.9%	-3.2%
Earnings per share before dilution (SEK)	0.33	-0.01	0.18	-0.38	-0.36	-0.98
Earnings per share after dilution (SEK)	0.33	-0.01	0.18	-0.38	-0.36	-0.98
<b>Cash flow and other financial measures</b>						
Operating profit (EBIT)	2	-11	-19	-23	-65	-68
Investments	-2	-3	-3	-9	-10	-16
<b>Operating profit (EBIT) minus investments</b>	<b>1</b>	<b>-14</b>	<b>-22</b>	<b>-32</b>	<b>-75</b>	<b>-84</b>
Changes in net working capital	56	-24	34	5	54	25
Other non-cash items <sup>1 3</sup>	8	8	18	24	25	30
<b>Operating cash flow<sup>1</sup></b>	<b>64</b>	<b>-30</b>	<b>30</b>	<b>-4</b>	<b>4</b>	<b>-29</b>
Net change in loans	—	21	—	12	-195	-184
Other cash flow <sup>1 4</sup>	0	-1	2	-4	335	329
<b>Cash flow for the period</b>	<b>64</b>	<b>-10</b>	<b>31</b>	<b>4</b>	<b>144</b>	<b>117</b>
Cash and cash equivalents <sup>5</sup>	179	23	179	23	179	136
Net debt excluding IFRS 16 <sup>1 5 7</sup>	-179	176	-179	176	-179	-136
Net debt/EBITDA <sup>1 6</sup>	8.3	15.1	8.3	15.1	8.3	4.7
Inventory <sup>5</sup>	459	490	459	490	459	488
Other current operating assets <sup>1 5</sup>	28	36	28	36	28	20
Other current operating liabilities <sup>1 5</sup>	-260	-288	-260	-288	-260	-262
<b>Net working capital<sup>1 5</sup></b>	<b>227</b>	<b>238</b>	<b>227</b>	<b>238</b>	<b>227</b>	<b>246</b>
<b>Operating measures</b>						
Number of orders (thousands) <sup>1</sup>	429	483	783	944	1,587	1,749
Average order value (AOV) (SEK) <sup>1</sup>	1,028	933	1,004	922	999	955
Net revenue from private brands <sup>1</sup>	187	179	332	350	631	650
Active customers last 12 months (thousands) <sup>1</sup>	1,083	1,167	1,083	1,167	1,083	1,165

<sup>1</sup> Alternative performance measures (APM), see pages 21 - 23 for definitions and purpose of these measurements.

<sup>2</sup> Adjusted EBITDA, excluding IFRS 16, amounted during the last twelve months' period to SEK -22 (12) million.

<sup>3</sup> Other non-cash items refers in all significance to amortisation and depreciation, excluding depreciation of right-of-use assets, and change in current short term provisions.

<sup>4</sup> Other cash flow mainly regards paid/received tax, paid financial net and new share issues and issue of warrants excluding paid issue costs.

<sup>5</sup> Measures correspond to each period end.

<sup>6</sup> Net debt refers to the alternative performance measure net debt excluding IFRS 16, and EBITDA refers to the measure adjusted EBITDA excluding IFRS 16.

<sup>7</sup> Positive values refer to net debt, whereas negative values refer to net asset.

PIERCE



## Pierce – Riders in eCommerce

Pierce is a leading e-commerce company that sells gear, parts and accessories to riders across Europe. The company has a unique and wide range of products, which includes a significant range of own brands. Sales are conducted through locally adapted websites that are divided in three segments: Offroad, Onroad, and Other. Offroad targets motocross and enduro riders through the website 24MX while Onroad targets customers who ride on traffic-filled roads through the website XLMOTO. The Other segment primarily targets snowmobile riders through the website Sledstore. Pierce is a European company with headquarters in Stockholm, a centralized warehouse in Szczecin, where it also has an office with IT, Finance and Marketing expert teams, and a customer support function in Barcelona. The company employs approximately 400 people.

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

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

### April – June 2023

#### Net sales

Net revenue decreased by 2 percent to SEK 441 (450) million. In local currencies the decrease was 7 percent. Net revenue for the Offroad segment grew by 2 percent and for the Onroad segment declined by 7 percent. The Other segment declined by 4 percent.

The Company estimates that the total European online market declined by approximately 5-10 percent compared with the second quarter 2022. The focus in the quarter has been to continue our efforts to raise customer prices and improve margins. On average the price increases compared with second quarter 2022 have been somewhat above 5 percent.

#### Gross profit and gross margin

Gross profit amounted to SEK 186 (178) million, equivalent to a gross margin of 42.1 (39.5) percent. Compared to the second quarter 2022 gross margin increased by 2.6 percentage points, due to increased prices to customers and reduced shipping costs.

Shipping costs from Asia of SEK -21 (-30) million correspond to 4.9 percent of revenue. The decrease has a positive impact on gross margin of 1.8 percentage points compared to the same period last year. A continued gradual improvement is expected in the coming quarters. The margin was also positively affected with 0.4 percentage points from revaluation of currencies in net working capital. These positive effects were to some extent offset by higher purchasing prices from last year.

#### Operating costs

Sales and distribution costs amounted to SEK -136 (-144) million and include, primarily, variable costs for marketing and freight to customers. In relation to net revenue, these costs were equivalent to 30.8 (31.9) percent. Both the cost for performance marketing and freight have decreased, as a result of the profitability improvement program. Some of the positive effects have been offset by cost increases driven by inflation and currency development, especially within the warehouse operation.

Administration costs were SEK -49 (-47) million. Excluding items affecting comparability, these costs totalled SEK -45 (-46) million.

#### Adjusted EBIT and EBIT

Adjusted operating profit (EBIT) was SEK 6 (-9) million, equivalent to a margin of 1.5 (-2.1) percent.

Items affecting comparability of SEK -4 (-1) million were borne for share-based payments related to a performance-based share program which was introduced at the end of the quarter and for transition to a permanent CEO. Last year, items affecting comparability referred to external advisors' support with strategic initiatives.

Operating profit (EBIT) totalled SEK 2 (-11) million.

Compared to the same period in 2022, exchange rate fluctuations impacted operating profit slightly negatively. The Company used currency derivatives to compensate for that negative impact. The positive effect from these currency derivatives in the second quarter of 2023 was SEK 4 (11) million and was reported as a financial item.

#### Financial items

Financial income amounted to SEK 27 (12) million, of which SEK 22 (1) million referred to exchange rate differences from the revaluation of financial balance sheet items. Income from currency derivatives amounted to SEK 4 (11) million. Interest income from short-term bank deposits amounted to SEK 1 (0) million.

Financial expenses amounted to SEK -2 (-2) million and consisted of, in both periods, leasing expenses and fees for the credit facility. The comparison period included interest expenses on external financing as well.

#### Taxes and result for the period

Tax result totalled SEK -1 (1) million and the result for the period was SEK 26 (-1) million.

# Q2/2023

## January – June 2023

### Net revenue

Net revenue decreased by 10 percent to SEK 786 (870) million. In local currencies decline was 14 percent. Growth within the main segments Offroad and Onroad was -6 percent and -14 percent, respectively.

The Company estimates that the total European online market has declined since the beginning of the year.

Due to the solid cash balance at the end of 2022, the focus during the first six months of 2023, compared with 2022, has shifted away from aggressive efforts to stimulate revenue and generate cash towards increasing customer prices and strengthening margins.

### Gross profit and gross margin

Gross profit amounted to SEK 323 (350) million, equivalent to a margin of 41.1 (40.2) percent.

The improvement in the margin was attributable to increased prices to customers together with lower cost for shipping from Asia. Shipping costs totalled SEK -41 (-51) million, and the decrease impacted the margin positively by 0.7 percentage points versus the previous year. These positive impacts have been somewhat offset by higher purchasing prices from last year.

Exchange rate differences, attributable to the revaluation of net working capital items, impacted gross profit by SEK 0 (-4) million.

### Operating costs

Sales and distribution costs amounted to SEK -254 (-287) million, equivalent to 32.3 (32.9) percent of net revenue. This decrease in relation to net revenue referred to increased effectiveness in both performance marketing and freight to customers.

Administration costs were SEK -90 (-88) million. Excluding items affecting comparability, these costs totalled SEK -86 (-87) million.

### Adjusted EBIT and EBIT

Adjusted operating profit (EBIT) amounted to SEK -15 (-21) million, equivalent to a margin of -1.9 (-2.5) percent. The margin increase was driven by the positive gross margin development and lower cost for sales and distribution.

Operating profit (EBIT) amounted to SEK -19 (-23) million and was impacted by items affecting comparability totalling SEK -4 (-1) million. Those were related to share-based payments share program which was introduced at the end of the quarter and to transition to a permanent CEO. The equivalent costs in 2022 were attributed to external advisors' support with strategic initiatives.

Operating profit was negatively impacted by exchange rate fluctuations compared with the same period 2022. The Company used currency derivatives to compensate for that negative impact. There is positive effect from these currency derivatives of SEK 8 (10) million reported in financial net.

### Financial items

Financial income totalled SEK 37 (10) million, of which SEK 27 (0) million referred to exchange rate differences related to the revaluation of financial balance sheet items, and SEK 8 (10) million was attributable to gain from exchange rate effects from currency derivatives.

Financial expenses of SEK -3 (-5) million consisted of interest expenses on external financing and of fees for the credit facility. In the comparative period, financial expenses mainly referred to interest expenses on external financing.

### Taxes and results for the period

Tax totalled SEK 0 (2) million and the result for the period was SEK 15 (-15) million.

## Comments to the Group's cash flow

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

### April – June 2023

Cash flow from operating activities was SEK 73 (-22) million. Compared with the same period in 2022, operating profit (EBIT) was SEK 13 million higher and amounted to SEK 2 (-11) million. The cash flow from net working capital was SEK 56 (-24) million.

In the recent quarters certain measures were taken to optimize inventory levels together with inventory forecast. During the second quarter of 2023 the positive results of these measures started to become visible, as the change in net working capital from inventory and current liabilities added totalled SEK 51 (-19) million.

Additionally, the quarter was affected by positive non-cash items on net working capital totalling SEK 11 million, arising from exchange rate effects.

Cash flow from investments amounted to SEK -2 (-3) million and referred mainly to investments in IT systems in both periods.

Cash flow from financing activities was SEK -7 (16) million and consisted solely of leasing payments in the current period. In the comparative period, except for the outflow of leasing payments, Pierce utilised the credit facility in the amount of SEK 21 million.

Cash flow for the period was SEK 64 (-10) million and cash equivalents for the period totalled SEK 179 (23) million.

### January – June 2023

Cash flow from operating activities was SEK 48 (13) million. The difference between the comparative periods referred to operating profit of SEK -19 (-23) million, and to changes in net working capital of SEK 34 (5) million. The latter was explained mostly by a reduction of outflows from current liabilities.

Cash flow from investments totalled SEK -3 (-9) million and referred to investments in IT systems and to purchase of equipment for the distribution warehouse.

Cash flow from financing activities was SEK -14 (1) million and consisted solely of leasing payments in both periods. The equivalent figure in the comparative period is explained by leasing payments and utilisation of the credit facility.

Cash flow for year to date was SEK 31 (4) million. Including exchange rate differences, which totalled SEK 12 (0) million, cash and cash equivalents at the end of the period amounted to SEK 179 (23) million.

Operating cash flow during the last twelve months amounted to SEK 4 (-102) million.

## Comments to the Group's financial position

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

### Net working capital

Net working capital at the end of the period was SEK 227 (238) million. A decrease in current operating liabilities of SEK 28 million was mostly outweighed by a continued decrease in inventory of SEK 31 million.

### Right-of-use assets and leasing liabilities

Right-of-use assets amounted to SEK 67 (64) million. The increase was a result of new lease contracts netted against depreciation for the period. Leasing liabilities amounted to SEK 68 (71) million.

### Net debt (net asset)

The net cash position at the end of the period equaled cash and cash equivalents and amounted to SEK 179 (23) million. In the comparison period, the net debt position, excluding IFRS 16, amounted to SEK 176 million. This significant increase in the level of cash and cash equivalents, SEK 156 million, together with a decrease in interest-bearing liabilities, SEK 199 million, was explained by the share issue and bank loan repayment made in July 2022. The share issue yielded proceeds totalling SEK 337 million. These proceeds were used to

repay a bank loan facility of approximately SEK 180 million. A credit facility of up to SEK 150 million remains available to the Company but had not been utilised at the end of the period.

### Equity

The Group's equity amounted to SEK 739 (414) million. The SEK 326 million increase in equity between comparative quarters is explained mainly by the rights issue effective in July 2022, which totalled SEK 331 million after deducting issue costs, and the loss for the period (SEK -25 million) as well as adding back the positive effect of the translation reserve of SEK 3 million.

### Credit facility

During the reporting period the Company and its bank agreed to reduce the credit facility from SEK 200 million to SEK 150 million. The Pierce credit facility is subject, amongst other things, to certain financial covenants regarding the Group's leverage ratio and interest coverage ratio. As of 30 June 2023, there was no breach of covenants in accordance with the current agreement for the credit facility. Covenants are reported quarterly.

## Development per segment

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

Pierce's operations are, in all essential aspects, carried out in Europe and primarily within the segments Offroad and Onroad. Offroad refers to sales to motocross and enduro riders, and these products are sold under the brand 24MX. Onroad refers to sales to motorcycle riders primarily using high roads, and the products are sold under the brand XLMOTO. Within Offroad, Pierce has significantly larger market shares compared to Onroad. The Company's addressable market within Onroad is significantly larger and more exposed to competition compared to Offroad. Pierce's sales consist of gear, parts and accessories. Pierce has one additional segment, Other, which primarily focuses on sales to snowmobile riders in the Nordics and is naturally highly seasonal and e.g. dependent on snowfall.

### Overall summary

SEKm	Apr-Jun		Jan-Jun		Jul 2022-	Jan-Dec
	2023	2022	2023	2022	Jun 2023	2022
Offroad	248	243	456	484	970	999
Onroad	183	197	285	331	523	569
Other	10	10	45	56	92	102
<b>Net revenue</b>	<b>441</b>	<b>450</b>	<b>786</b>	<b>870</b>	<b>1,585</b>	<b>1,670</b>
Offroad	111	103	197	207	402	412
Onroad	71	73	108	123	192	208
Other	4	4	18	24	36	41
Intra-group costs <sup>1</sup>	0	-2	0	-4	0	-4
<b>Gross profit</b>	<b>186</b>	<b>178</b>	<b>323</b>	<b>350</b>	<b>629</b>	<b>657</b>
Offroad	59	45	98	86	190	177
Onroad	28	25	39	42	63	66
Other	2	1	5	8	10	13
Intra-group costs <sup>1</sup>	0	-2	0	-4	0	-4
<b>Profit after variable costs<sup>2 3</sup></b>	<b>88</b>	<b>69</b>	<b>142</b>	<b>132</b>	<b>262</b>	<b>252</b>

<sup>1</sup> Intra-group costs, consist of exchange rate revaluation of net working capital items which are not divided between segments. These amounted in Q3 2022 SEK -2 (0) million, Q4 2022 SEK 2 (2) million, Q1 2023 SEK 0 (-1) million and Q2 2023 SEK 0 (-2) million.

<sup>2</sup> Alternative performance measures (APM), see pages 21 - 23 for definitions and purpose of these measurements.

<sup>3</sup> 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.

For more information about the segment, see Note 4.

### Offroad 24MX

SEKm (unless stated otherwise)	Apr-Jun		Jan-Jun		Jul 2022-	Jan-Dec
	2023	2022	2023	2022	Jun 2023	2022
Net revenue	248	243	456	484	970	999
Growth (%) <sup>1</sup>	2%	-9%	-6%	-1%	0%	3%
Gross profit	111	103	197	207	402	412
Gross margin (%) <sup>1</sup>	44.8%	42.5%	43.3%	42.7%	41.4%	41.2%
Profit after variable costs <sup>1 2</sup>	59	45	98	86	190	177
Profit after variable costs (%) <sup>1</sup>	23.7%	18.7%	21.6%	17.7%	19.6%	17.7%
Number of orders (thousands) <sup>1</sup>	231	253	437	518	938	1,019
Average order value (AOV) (SEK) <sup>1</sup>	1,077	960	1,044	935	1,035	980
Active customers last 12 months (thousands) <sup>1</sup>	611	644	611	644	611	648

<sup>1</sup> Alternative performance measures (APM), see pages 21 - 23 for definitions and purpose of these measurements.

<sup>2</sup> 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.

For more information about the segment, see Note 4.

#### April – June 2023

Net revenue increased by 2 percent to SEK 248 (243) million compared with the equivalent period in 2022. The decrease in local currencies was approximately 4 percent. Net revenue outside the Nordics increased by 5 percent, -3 percent in local currencies. Net revenue growth in the Nordics was negative with 5 percent, same in local currencies, driven by the market development.

Profit after variable costs amounted to SEK 59 (45) million, which was equivalent to a margin of 23.7 (18.7) percent. This increase was attributable to higher gross margins and lower variable costs. Increased prices to customers and lower costs from shipping improved the gross margin. The variable cost in relation to revenue decreased due to more effective performance marketing and lower cost for freight to customers.

#### January – June 2023

Net revenue decreased by 6 percent, totalling SEK 456 (484) million. In local currencies, the development was -11 percent. Net revenue in the Nordics decreased by 10 percent and outside the Nordics decreased by 5 percent. In local currencies, the decrease was 11 and 12 percent, respectively.

Profit after variable costs amounted to SEK 98 (86) million, equivalent to a margin of 21.6 (17.7) percent. The increase in the margins was attributable to higher gross margin, lower costs for performance marketing and reduced costs for freight to customers.



SEKm (unless stated otherwise)	Apr-Jun		Jan-Jun		Jul 2022-	Jan-Dec
	2023	2022	2023	2022	Jun 2023	2022
Net revenue	183	197	285	331	523	569
Growth (%) <sup>1</sup>	-7%	14%	-14%	21%	-6%	14%
Gross profit	71	73	108	123	192	208
Gross margin (%) <sup>1</sup>	38.9%	37.2%	37.8%	37.3%	36.8%	36.6%
Profit after variable costs <sup>1 2</sup>	28	25	39	42	63	66
Profit after variable costs (%) <sup>1</sup>	15.4%	12.7%	13.5%	12.6%	12.1%	11.6%
Number of orders (thousands) <sup>1</sup>	191	221	305	374	566	635
Average order value (AOV) (SEK) <sup>1</sup>	956	893	934	884	924	895
Active customers last 12 months (thousands) <sup>1</sup>	411	453	411	453	411	449

<sup>1</sup> Alternative performance measures (APM), see pages 21 - 23 for definitions and purpose of these measurements.

<sup>2</sup> 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.

For more information about the segment, see Note 4.

### April – June 2023

Net revenue decreased by 7 percent to SEK 183 (197) million compared with the equivalent period in 2022. Decrease in local currencies was approximately 10 percent. The decrease in the Nordics and outside the Nordics was 3 and 12 percent, respectively. In local currencies the decrease was 2 and 19 percent, respectively.

The market decline affected revenue development negatively and there was also a drop in revenue, especially outside Nordic, related to different campaign set-up. In the beginning of the second quarter 2022, there was a successful and aggressive pricing campaign, Mega-Kit. This year's focus was to increase margin by raising prices in the campaign, rather than to maximize revenue.

Profit after variable costs, SEK 28 (25) million, was equivalent to a margin of 15.4 (12.7) percent. This increase was primarily attributable to improved margin driven by price increases but also more effective performance marketing.

### January – June 2023

Net revenue decreased by 14 percent compared to 2022, totalling SEK 285 (331) million. The decrease in local currencies was approximately 17 percent. Growth in the Nordics and outside the Nordics amounted to -11 and -16 percent respectively. In local currencies the change was -11 and -22 percent, respectively.

Profit after variable costs amounted to SEK 39 (42) million, equivalent to a margin of 13.5 (12.6) percent. The improved margin is attributable to price increases to customers and more effective performance marketing.

### Other sledstore

SEKm (unless stated otherwise)	Apr-Jun		Jan-Jun		Jul 2022-	Jan-Dec
	2023	2022	2023	2022	Jun 2023	2022
Net revenue	10	10	45	56	92	102
Growth (%) <sup>1</sup>	-4%	-5%	-19%	-4%	-21%	-14%
Gross profit	4	4	18	24	36	41
Gross margin (%) <sup>1</sup>	40.6%	36.2%	40.2%	42.5%	38.7%	40.1%
Profit after variable costs <sup>1 2</sup>	2	1	5	8	10	13
Profit after variable costs (%) <sup>1</sup>	17.6%	11.2%	11.5%	14.3%	10.8%	12.4%

<sup>1</sup> Alternative performance measures (APM), see pages 21 - 23 for definitions and purpose of these measurements.

<sup>2</sup> 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.

For more information about the segment, see Note 4.

### April – June 2023

Net revenue decreased by 4 percent to SEK 10 (10) million compared with the equivalent period last year.

The margin increased from 36.2 to 40.6 percent.

The activity was low as the winter season for snowmobiles was over.

### January – June 2023

Net revenue decreased by 19 percent to SEK 45 (56) million compared with the previous year. This decrease was driven by availability issues during the first quarter 2023.

The margin after variable costs decreased from 42.5 to 40.2 percent mainly due to availability issues within certain private brand products with strong gross margins.

## 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 6 July 2022 a total of 39,687,050 shares were registered through a new share issue. The number of registered shares, and votes, as of 30 June 2023, amounted to 79,374,100, equivalent to a quota value of SEK 0.02.

The share price at the beginning of the year was SEK 9.0 and was SEK 6.9 on the last trading day of the period. The number of shareholders was 1,460, of which the largest were Verdane Capital (29.9%), Procuritas (25.4%), AP4 (Sw. *Fjärde AP-fonden*) (6.1%), Allianz France (5.0%) and Adrigo Asset Management (5.0%).

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

### LTIP 2021/2024

LTIP 2021/2024 was issued in March 2021 as a part of an incentive program for certain senior executives and key employees of the Group. The warrant program comprises 376,443 warrants, all of which were subscribed to as of 31 March 2021. The warrants were subscribed at market value, calculated applying the Black & Scholes model, equivalent to SEK 4 million. Each warrant entitles the holder to subscribe to 1.03 ordinary shares in the Company.

The warrants can be exercised from the day after publication of the interim report for the period 1 January – 31 March 2024 however, not earlier than on 1 April 2024, up to and including 31 August 2024, at an updated predetermined share price of SEK 71.20. With the full subscription of the warrants, the Company's share capital can increase with a maximum of SEK 7,528.9, 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.

### 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 CEO, Group Management and key employees. The program will be 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 number of 950,000 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.

## 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 57, 15 and 10 percent respectively. With regards to payments made, EUR, SEK, USD and PLN accounted for 46, 23, 16 and 9 percent respectively. In order to reduce exposure to effects on earnings and cash flow due to exchange rate fluctuations, the Group utilises 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 403 (426). Of these, 137 (146) worked at the distribution warehouse in Poland and 256 (269) were white collar workers in Sweden, Poland and Spain.

Excluding customer services personnel and certain production staff, the number of white-collar workers was 195 (203).

## Seasonal variations

As "Black Week" and Christmas occur in the fourth quarter, that quarter most often shows the highest level of net revenue, while the first quarter often shows the lowest. Together, these two quarters account for about fifty percent of annual sales.

## Parent Company

Pierce Group AB (publ), Corp. ID Number 556967-4392, is the Parent Company in the Pierce Group, and is a public 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 5 (3) million and was fully attributable to sales to Group companies. The financial net consisted of interest income from an intercompany loan. The net result before tax for the quarter was SEK 2 (-1) million.

The Parent Company's equity at the end of the period was SEK 747 (402) million.

The CEO and CFO are employed in the Parent Company.

## Risks and factors of uncertainty

The Group's operations and results are affected by a number of external factors. The Pierce Group is primarily exposed to operational risks which are largely comprised of competition and market developments in local markets, quality of delivered goods mainly from Asia, inventory and product assortment risks, IT-related risks, and dependency on key individuals. A more detailed description of risks and risk management can be found in Pierce's Annual Report for 2022.

As in the previous periods, inflation and possible recession affect consumer behavior and demand and continue to be factors of uncertainty.

The ongoing conflict between Russia and Ukraine that started on 24 February 2022, is deemed to possibly imply a major impact on prices, exchange rates, import and export restrictions, availability of raw materials and goods and resources where Russia, Belarus and/or Ukraine are involved.

The Pierce Group has no direct operations in any of these countries which means that the direct impact of the events is assessed as limited. However, the indirect effects might prove to be significant, depending on how the situation develops and how long the conflict continues. The primary risk is a general dampening effect on consumer demand in Europe. Since the beginning of the conflict, this decrease in demand in Europe has had a negative effect on Pierce's sales. Furthermore, the impact on the financial and foreign exchange markets could also 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 affect both the result and financial position negatively.

The Group has a credit facility with one of the larger Swedish banks. During the reporting period the available credit facility, which is not utilized, was reduced by agreement from SEK 200 million to SEK 150 million. The credit facility contains certain financial covenants and there is a risk that Pierce will not be able to comply with them in the future. As of 30 June 2023, there was no breach of covenants stipulated in the agreement for the credit facility.

For further information, see Note 7.

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 a recognition of impairment of assets.

## Related party transactions

During the current interim 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 6 (17) million. Transactions with this supplier were performed on commercial market terms.

In the comparison interim period other related party sales transactions totalled SEK 0 thousand and purchases totalled SEK 9 thousand.

For further information regarding related parties see Note 6.

## Medium to long term financial targets

Pierce's Board of Directors has adopted the following medium to long term financial targets<sup>1</sup>.

### Growth – 15-20%

In the medium to long term, grow net revenue by 15–20 percent on average per annum.

### Adjusted operating margin – around 8%

In the medium to long term, reach an adjusted operating margin of around 8 percent.

### Capital structure – 2.0x

Net debt/EBITDA<sup>2</sup> not exceeding 2.0x, subject to temporary flexibility for strategic initiatives.

### Dividend policy

In the coming years, free cash flows<sup>3</sup> are planned to be used for the continued development<sup>4</sup> of the Company and will, therefore, not be distributed to shareholders.

<sup>1</sup> The Board adopted the financial targets in December 2020. Medium to long term should be understood as 3-5 years.

<sup>2</sup> Alternative performance measures (APM), see pages 21 - 23 for definitions and purpose of these measurements.

<sup>3</sup> Free cash flow refers to cash flow from operating activities and operations and investment activities.

<sup>4</sup> 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 has not been subject to review by the Company's auditors.

#### Upcoming financial events

##### 17 November 2023

Interim report January – September 2023

##### 20 February 2024

Year-end report January – December 2023

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

CEO Göran Dahlin and CFO Niclas Olsson will hold a web telephone conference in English on 25 August 2023, 9.00 am CEST, in conjunction with the publication of the quarterly report.

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

<https://conference.financialhearings.com/teleconference/?id=200942>

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 the telephone conference.

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

<https://ir.financialhearings.com/pierce-group-q2-2023>

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.piercgroup.com/en/reports-presentations/>

### Contact information, Pierce

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Niclas Olsson, CFO, +46 70 889 05 75

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 quarterly 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, 25 August 2023

Henrik Theilbjørn

Chairman of the Board

Göran Dahlin

CEO

Mattias Feiff

Board Member

Max Carlsén

Board Member

Thomas Schwarz

Board Member

Lottie Saks

Board Member

## Condensed consolidated statement of profit/loss

SEKm (unless stated otherwise)	Note	Apr-Jun		Jan-Jun		Jul 2022-	Jan-Dec
		2023	2022	2023	2022	Jun 2023	2022
Net revenue	3.4	441	450	786	870	1,585	1,670
Cost of goods sold		-255	-272	-463	-520	-956	-1,013
<b>Gross profit</b>	<b>4</b>	<b>186</b>	<b>178</b>	<b>323</b>	<b>350</b>	<b>629</b>	<b>657</b>
Sales and distribution costs		-136	-144	-254	-287	-506	-540
Administration costs		-49	-47	-90	-88	-190	-188
Other operating income and expenses		1	2	2	2	2	2
<b>Operating profit</b>	<b>4</b>	<b>2</b>	<b>-11</b>	<b>-19</b>	<b>-23</b>	<b>-65</b>	<b>-68</b>
Financial net		25	10	33	6	44	17
<b>Profit/loss before tax</b>	<b>4</b>	<b>27</b>	<b>-1</b>	<b>14</b>	<b>-17</b>	<b>-20</b>	<b>-52</b>
Tax		-1	1	0	2	-8	-6
<b>Profit/loss for the period</b>		<b>26</b>	<b>-1</b>	<b>15</b>	<b>-15</b>	<b>-28</b>	<b>-58</b>
<b>Attributable to shareholders of the parent company</b>		<b>26</b>	<b>-1</b>	<b>15</b>	<b>-15</b>	<b>-28</b>	<b>-58</b>
<b>Earnings per share</b>							
Earnings per share before dilution (SEK)		0.33	-0.01	0.18	-0.38	-0.36	-0.98
Earnings per share after dilution (SEK)		0.33	-0.01	0.18	-0.38	-0.36	-0.98
Average number of shares before dilution (thousands)		79,374	39,687	79,374	39,687	78,830	59,150
Average number of shares after dilution (thousands)		79,374	39,687	79,374	39,687	78,830	59,150

## Consolidated statement of comprehensive income

SEKm	Note	Apr-Jun		Jan-Jun		Jul 2022-	Jan-Dec
		2023	2022	2023	2022	Jun 2023	2022
Profit/loss for the period		26	-1	15	-15	-28	-58
<b>Items that may subsequently be reclassified to income</b>							
Translation difference		6	2	6	3	7	4
<b>Other comprehensive income for the period</b>		<b>6</b>	<b>2</b>	<b>6</b>	<b>3</b>	<b>7</b>	<b>4</b>
<b>Comprehensive income for the period and attributable to shareholders of the parent company</b>		<b>32</b>	<b>2</b>	<b>20</b>	<b>-12</b>	<b>-21</b>	<b>-53</b>

## Condensed consolidated statement of financial position

SEKm	Note	Jun 30 2023	Jun 30 2022	Dec 31 2022
<b>Assets</b>				
<b>Non-current assets</b>				
Intangible assets		341	351	345
Property, plant and equipment		15	17	16
Right-of-use assets		67	64	60
Financial assets	7	4	3	4
Deferred tax assets		5	10	6
<b>Total non-current assets</b>		<b>431</b>	<b>445</b>	<b>431</b>
<b>Current assets</b>				
Inventory		459	490	488
Other current assets	5	41	56	27
Cash and cash equivalents		179	23	136
<b>Total current assets</b>		<b>678</b>	<b>569</b>	<b>651</b>
<b>Total assets</b>		<b>1,110</b>	<b>1,014</b>	<b>1,083</b>
<b>Equity and liabilities</b>				
<b>Total equity attributable to shareholders of the parent company</b>				
		<b>739</b>	<b>414</b>	<b>719</b>
<b>Non-current liabilities</b>				
Leasing liabilities		38	45	39
Deferred tax liabilities		27	28	29
Provisions		0	0	0
<b>Total non-current liabilities</b>		<b>65</b>	<b>74</b>	<b>68</b>
<b>Current liabilities</b>				
Liabilities to credit institutions	7	—	199	—
Leasing liabilities		30	25	26
Trade payables		89	96	105
Other current liabilities	5	187	206	165
<b>Total current liabilities</b>		<b>306</b>	<b>526</b>	<b>296</b>
<b>Total equity and liabilities</b>		<b>1,110</b>	<b>1,014</b>	<b>1,083</b>

## 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
<b>Opening balance 2022-01-01</b>	<b>1</b>	<b>484</b>	<b>0</b>	<b>-44</b>	<b>441</b>
Profit/loss for the year	—	—	—	-15	-15
Other comprehensive income for the year	—	—	3	—	3
<b>Total comprehensive income for the year</b>	<b>—</b>	<b>—</b>	<b>3</b>	<b>-15</b>	<b>-12</b>
<b>Transactions with shareholders</b>					
New share issue including issue costs	—	-16	—	—	-16
<b>Total</b>	<b>—</b>	<b>-16</b>	<b>—</b>	<b>—</b>	<b>-16</b>
<b>Closing balance 2022-06-30</b>	<b>1</b>	<b>468</b>	<b>4</b>	<b>-58</b>	<b>414</b>
<b>Opening balance 2023-01-01</b>	<b>2</b>	<b>814</b>	<b>5</b>	<b>-101</b>	<b>719</b>
Profit/loss for the year	—	—	—	15	15
Other comprehensive income for the year	—	—	2	4	6
<b>Total comprehensive income for the year</b>	<b>—</b>	<b>—</b>	<b>2</b>	<b>18</b>	<b>20</b>
<b>Closing balance 2023-06-30</b>	<b>2</b>	<b>814</b>	<b>7</b>	<b>-83</b>	<b>739</b>

## Condensed consolidated statement of cash flow

SEKm	Note	Apr-Jun		Jan-Jun		Jul 2022-	Jan-Dec
		2023	2022	2023	2022	Jun 2023	2022
<b>Operating activities</b>							
Operating profit		2	-11	-19	-23	-65	-68
Adjustments for non-cash items <sup>1</sup>		15	14	34	37	54	56
Paid interest		-1	-3	-3	-5	-9	-11
Realised currency derivatives		1	2	4	4	13	13
Received interest		0	0	0	0	1	1
Paid/received tax		-1	-1	-1	-5	-4	-8
<b>Cash flow from operating activities before changes in net working capital</b>		<b>17</b>	<b>2</b>	<b>15</b>	<b>8</b>	<b>-10</b>	<b>-17</b>
Changes in net working capital		56	-24	34	5	54	25
<b>Cash flow from operating activities</b>		<b>73</b>	<b>-22</b>	<b>48</b>	<b>13</b>	<b>44</b>	<b>9</b>
<b>Investing activities</b>							
Investments in non-current assets		-2	-3	-3	-9	-10	-16
<b>Cash flow from investing activities</b>		<b>-2</b>	<b>-3</b>	<b>-3</b>	<b>-9</b>	<b>-10</b>	<b>-16</b>
<b>Financing activities</b>							
New share issue including issue costs		—	—	—	—	331	331
Change in utilised credit facility		—	21	—	19	-46	-27
Repayment of liabilities to credit institutions		—	0	—	-7	-150	-157
Repayment of leasing liabilities		-7	-6	-14	-11	-26	-23
<b>Cash flow from financing activities</b>		<b>-7</b>	<b>16</b>	<b>-14</b>	<b>1</b>	<b>110</b>	<b>124</b>
Cash flow for the period		64	-10	31	4	144	117
Cash and cash equivalents at the beginning of period		105	32	136	18	23	18
Exchange rate difference in cash and cash equivalents		10	0	12	0	12	1
<b>Cash and cash equivalents end of period</b>		<b>179</b>	<b>23</b>	<b>179</b>	<b>23</b>	<b>179</b>	<b>136</b>

<sup>1</sup> Adjustments for non-cash items mainly comprises depreciation and amortisation and changes in short term provisions.



## Condensed Parent Company statement of profit/loss

SEKm	Apr-Jun		Jan-Jun		Jan-Dec
	2023	2022	2023	2022	2022
Net revenue	5	3	10	6	11
<b>Gross profit</b>	<b>5</b>	<b>3</b>	<b>10</b>	<b>6</b>	<b>11</b>
Administration costs	-9	-5	-14	-8	-31
<b>Operating profit</b>	<b>-4</b>	<b>-2</b>	<b>-4</b>	<b>-2</b>	<b>-20</b>
Financial net	6	1	12	1	9
<b>Profit/loss after financial items</b>	<b>2</b>	<b>-1</b>	<b>8</b>	<b>-1</b>	<b>-11</b>
Appropriations	—	—	—	—	—
<b>Profit/loss before tax</b>	<b>2</b>	<b>-1</b>	<b>8</b>	<b>-1</b>	<b>-11</b>
Tax	—	—	—	—	—
<b>Profit/loss for the period</b>	<b>2</b>	<b>-1</b>	<b>8</b>	<b>-1</b>	<b>-11</b>

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

## Condensed Parent Company balance sheet

SEKm	Jun 30 2023	Jun 30 2022	Dec 31 2022
<b>Assets</b>			
<b>Non-current assets</b>			
Shares in group companies	334	308	308
Receivables from group companies	416	78	416
<b>Total non-current assets</b>	<b>750</b>	<b>386</b>	<b>724</b>
<b>Current assets</b>			
Receivables from group companies	2	29	29
Other current assets	1	2	1
Cash and cash equivalents	3	6	1
<b>Total current assets</b>	<b>6</b>	<b>37</b>	<b>31</b>
<b>Total assets</b>	<b>756</b>	<b>423</b>	<b>755</b>
<b>Equity and liabilities</b>			
<b>Total equity</b>	<b>747</b>	<b>402</b>	<b>739</b>
<b>Current liabilities</b>			
Other current liabilities	9	21	16
<b>Total current liabilities</b>	<b>9</b>	<b>21</b>	<b>16</b>
<b>Total equity and liabilities</b>	<b>756</b>	<b>423</b>	<b>755</b>

## 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, basis for calculations and assessments have been applied as applied in the Annual Report for 2022. For a description of the Group's applied accounting principles, see Note 1 and Note 2 in the Annual Report for 2022.

Disclosures in accordance with IAS 34.16A are shown in the financial statements and associated Notes in this information, in addition to pages 1–11 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.

### Information on future standards

A few standards and interpretations have been updated since January 1, 2023. These have had no impact on the preparation of these financial statements. None of the IFRS or IFRIC interpretations that are yet to come into force are expected to have any significant impact on the Group.

## Note 3 – Revenue

The Group's revenue consists exclusively of the sale of goods via the Group's websites and a physical store. 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. In addition to the segments, geographical area is also an important attribute when specifying revenue, and this is presented in the table below.

SEKm	Apr-Jun		Jan-Jun		Jul 2022-	Jan-Dec
	2023	2022	2023	2022	Jun 2023	2022
Sweden	28	32	45	53	95	104
Other Nordics	30	30	49	50	100	101
Outside the Nordics	190	181	362	381	775	793
<b>Revenue Offroad</b>	<b>248</b>	<b>243</b>	<b>456</b>	<b>484</b>	<b>970</b>	<b>999</b>
Sweden	39	41	55	63	95	103
Other Nordics	63	64	90	101	146	156
Outside the Nordics	81	92	140	167	282	309
<b>Revenue Onroad</b>	<b>183</b>	<b>197</b>	<b>285</b>	<b>331</b>	<b>523</b>	<b>569</b>
Sweden	5	6	24	30	50	56
Other Nordics	5	5	22	26	42	46
Outside the Nordics	—	—	—	—	—	—
<b>Revenue Other</b>	<b>10</b>	<b>10</b>	<b>45</b>	<b>56</b>	<b>92</b>	<b>102</b>
Sweden	72	79	123	146	240	264
Other Nordics	98	99	160	177	288	304
Outside the Nordics	271	273	502	548	1,057	1,103
<b>Revenue Group</b>	<b>441</b>	<b>450</b>	<b>786</b>	<b>870</b>	<b>1,585</b>	<b>1,670</b>

## 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 2022 Annual Report. No changes have been made to these estimations and assessments that could have a significant impact on the interim report.

## Note 4 - Segment reporting

SEKm	Apr-Jun		Jan-Jun		Jul 2022-	Jan-Dec
	2023	2022	2023	2022	Jun 2023	2022
Offroad	248	243	456	484	970	999
Onroad	183	197	285	331	523	569
Other	10	10	45	56	92	102
<b>Net revenue</b>	<b>441</b>	<b>450</b>	<b>786</b>	<b>870</b>	<b>1,585</b>	<b>1,670</b>
Offroad	111	103	197	207	402	412
Onroad	71	73	108	123	192	208
Other	4	4	18	24	36	41
Intra-group costs	0	-2	0	-4	0	-4
<b>Gross profit</b>	<b>186</b>	<b>178</b>	<b>323</b>	<b>350</b>	<b>629</b>	<b>657</b>
Offroad	-52	-58	-99	-121	-212	-235
Onroad	-43	-48	-69	-82	-129	-142
Other	-2	-3	-13	-16	-26	-28
<b>Variable sales and distribution costs<sup>1</sup></b>	<b>-98</b>	<b>-109</b>	<b>-181</b>	<b>-218</b>	<b>-367</b>	<b>-405</b>
Offroad	59	45	98	86	190	177
Onroad	28	25	39	42	63	66
Other	2	1	5	8	10	13
Intra-group costs	0	-2	0	-4	0	-4
<b>Profit after variable costs<sup>1 2</sup></b>	<b>88</b>	<b>69</b>	<b>142</b>	<b>132</b>	<b>262</b>	<b>252</b>
Other expenses in the operation <sup>1 3</sup>	-86	-80	-161	-154	-327	-320
<b>Operating profit</b>	<b>2</b>	<b>-11</b>	<b>-19</b>	<b>-23</b>	<b>-65</b>	<b>-68</b>
Financial net <sup>3</sup>	25	10	33	6	44	17
<b>Pre-tax income</b>	<b>27</b>	<b>-1</b>	<b>14</b>	<b>-17</b>	<b>-20</b>	<b>-52</b>

<sup>1</sup> Alternative performance measures (APM), see pages 21 - 23 for definitions and purpose of these measurements.

<sup>2</sup> 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.

<sup>3</sup> Other expenses in the operation and financial net regards intra-group costs.

Pierce sells gear, parts and accessories to riders. The operating segments into which the Group's operations are divided are:

- **Offroad:** sales to motocross and enduro riders under the 24MX brand.
- **Onroad:** sales to customers who ride motorcycles on high roads. Sales are under the XLMOTO brand.
- **Other:** sales to snowmobile riders under the Sledstore brand and sales via a physical store in Stockholm.

- **Intra-group transactions:**
- Intra-group transactions included under Gross profit and Profit after variable costs refer to the revaluation of net working capital items, mainly included in cost of goods sold. These items are not allocated to segments.
- Intra-group costs, after Profit after variable costs, refers to expenses for group-wide functions, such as central administration, which are not allocated to segments.

No information is provided on segment assets or liabilities as no separate segmentation is performed in reporting the consolidated financial position.

## Note 5 - 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 liability regarding the currency derivatives were attributable to level 2 in the fair value hierarchy.

## Note 6 - Related party transactions

### Other related party transactions

During the current interim 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 6 (17) million. Thomas Schwarz is a Board Member since June 2022, therefore O'Neal Europe GmbH & Co. KG was recognized as a related party since the second quarter 2022.

In March 2023 Pierce entered into an agreement to sell campaign advisory services to O'Neal Europe GmbH & Co. KG, with expected proceeds of approximately SEK 200 thousand.

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

There were no other related party transactions in the current interim period.

In the comparison interim period other related party sales transactions totalled SEK 0 thousand and purchases totalled SEK 9 thousand. See Note 29 in the Annual Report for 2022 for more information.

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 4 (9) million and these derivatives have been classified as current assets.

### Warrant program

The Group has a warrant program 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.

### Performance-based share program

The Group has a performance-based share program 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.

## Note 7 - Pledged assets and contingent liabilities

SEKm	Jun 30 2023	Jun 30 2022	Dec 31 2022
<b>To credit institutions for the Group's own liabilities and provisions</b>			
Deposits for fulfillment of payments	3	3	2
Utilised credit facility <sup>1</sup>	—	22	—
<b>Total pledged assets</b>	<b>3</b>	<b>25</b>	<b>2</b>

<sup>1</sup> Utilised credit facility refers to utilised overdraft, which does not include obtained loan or capitalised loan and interest expenses.

In conjunction with the listing, the previous financing structure was replaced by a SEK 300 million credit facility, which was first decreased during the second quarter of 2022 to SEK 200 million in connection with new share issue. During the second quarter of 2023 the credit facility was further reduced by agreement to SEK 150 million. At the end of the interim period Pierce had not utilised the credit facility, holding a positive cash position. There is a guarantee given on the credit facility provided by the Parent Company, Pierce Group AB, in

relation to the liabilities of its subsidiary, Pierce AB, to credit institutions.

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 quarter referred to deposits paid.

## Note 8 - Significant events after the end of the reporting period

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

## 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.

### 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 described below.

### Financial Performance Measures – Group

Performance measure	Definition	Purpose
Adjusted EBITDA	EBITDA, excluding items affecting comparability.	This measure is used to measure the profit from the ongoing operations, excluding items affecting comparability, amortisation, depreciation and impairment.
Adjusted EBITDA (%)	Adjusted EBITDA in relation to net revenue.	The performance measure is used to assess the profitability generated by the ongoing operations, excluding items affecting comparability, amortisation, depreciation and impairment.
Adjusted EBITDA excluding IFRS 16	Operating profit (EBIT) excluding depreciation, amortisation and items affecting comparability, less rental costs for leasing agreements reported in the statement of financial position.  Rental costs essentially correspond to depreciation on right-of-use assets and interest expenses on leasing liabilities.	The measure aims to measure the profit generated by the ongoing operations, including expenses for office rent but excluding items affecting comparability, amortisation, depreciation and impairment.
Adjusted operating margin (EBIT) (%)	Adjusted operating profit (EBIT) in relation to net revenue.	The performance measure is used to monitor the Company's profitability generated by the operating activities, including depreciation and amortisation, but excluding items affecting comparability.
Adjusted operating profit (EBIT)	Operating profit (EBIT) excluding items affecting comparability.	This measure is used to measure the profit generated by the ongoing operations, including amortisation, depreciation, and impairment, but excluding items affecting comparability.
Amortisation related to business acquisitions	Amortisation less amortisation excluding business acquisitions.	The purpose is to measure the performance measure's impact on operating profit (EBIT).
EBITDA	Operating profit (EBIT), excluding amortisation, depreciation, and impairment.	The measure is used to measure the profit generated by ongoing operations before amortisation, depreciation and impairment.
CAGR	Compound annual growth rate in percent over a given period.  The formula to calculate CAGR is: $(\text{ending value}/\text{starting value})^{1/(\text{number of years between the ending value and starting value})-1}$ .	The measure shows the Company's growth over time.
Gross margin (%)	Gross profit in relation to net revenue.	This measure is used to measure profitability after deduction of cost of goods sold.
Growth (%)	Net revenue for the period compared with net revenue during the corresponding period last year.	This performance measure makes it possible to analyse the Group's and the segments' growth in net revenue.

Performance measure	Definition	Purpose
Growth in local currencies (%)	Change in net revenue, adjusted for exchange rate changes and business acquisitions, in comparison with the corresponding period last year.	This measure enables follow-up of the development of net revenue excluding exchange rate effects and business acquisitions.
Growth per geographical area (%)	Net revenue for the period for a geographical area compared to net revenue for the same geographical area during the corresponding period last year.	This measure makes it possible to analyse net revenue growth for the Group specified according to geographical area.
Items affecting comparability	Items affecting comparability refers to material transactions lacking a clear connection to the ordinary operations, and which are not expected to occur regularly. These transactions include, for instance, advisory and integration costs in conjunction with business acquisitions, new share issue costs, advisory and directly attributable costs in conjunction with essential restructuring or efficiency programs/projects, changes in fair value regarding contingent consideration and share-based payments costs including related taxes (recognized under IFRS 2 and settled via issuing of shares).	This measure is excluded in calculating adjusted measures which are used to monitor the Company's underlying earnings trend over time.
Net debt/EBITDA	Net debt excluding IFRS 16 in relation to adjusted EBITDA excluding IFRS, during the last twelve months.	This measure is used to measure the debt/ equity ratio and to follow up on Pierce's financial targets on capital structure.
Net debt excluding IFRS 16	Liabilities to credit institutions, decreased by cash and cash equivalents at the end of the period. Pierce's assessment of the Groups' actual net debt corresponds to liabilities to credit institutions, and that is why leasing liabilities are excluded.	This measure is used to monitor the indebtedness, financial flexibility, and capital structure.
Net working capital	Inventory and other operating assets less other operating liabilities.	This measure is used to analyse the Company's short-term tied up capital.
Net working capital (%)	Net working capital in relation to net revenue.	This measure is a measure of how efficiently working capital is managed.
Operating cash flow	Cash flow from the ongoing operations, excluding paid interest, realised currency derivatives and tax paid/received, with deduction for investments in non-current assets, repayment of leasing liabilities and interest expenses on leasing liabilities.	This measure shows the underlying cash flow generated from the operating activities.
Other cash flow	Cash flow from financing activities, excluding net changes in loans and repayment of leasing liabilities, less realised currency derivatives, and tax paid/received as well as interest, less interest expenses on leasing liabilities.	This measure is used, together with operating cash flow, received/paid blocked funds and net changes in loans, to calculate the cash flow for the period.
Other non-cash items	Non-cash items less repayment of leasing liabilities and interest expenses on leasing liabilities.	This measure excludes other non-cash flow impacting items and is used to calculate the operating cash flow.
Other operating costs	Overhead costs, amortisation, depreciation, impairment and items affecting comparability.	This measure shows the costs for intra-Group functions such as central administration costs which are not distributed over segments.
Overhead costs	Operating costs, excluding variable sales and distribution costs, amortisation, depreciation, impairment and items affecting comparability. Operating costs refer to sales and distribution costs, administration costs, and other operating revenue and costs.	Costs that are not allocated to segments, but which each segment contributes to cover. These costs are largely fixed and semi-fixed. The measure is used to calculate the scalability of this part of the cost mass, see overhead costs (%) below for more information.
Overhead costs (%)	Overhead costs in relation to net revenue.	This measure shows the scalability of the Company's semi-fixed and fixed cost structure.
Profit after variable costs	Gross profit less variable sales and distribution costs.	The measure is used to measure contribution after all variable costs.

Performance measure	Definition	Purpose
Profit after variable costs (%)	Profit after variable costs in relation to net revenue.	This measure is used to illustrate profitability after deduction of all variable costs.
Variable sales and distribution costs	Sales and distribution costs less non-variable sales and distribution costs. Variable sales and distribution costs refer to direct marketing costs and other direct costs. Other direct costs essentially include costs for shipping to end customer, invoicing and packaging.	This measure is monitored at Group and segment level in order to calculate results after variable costs.

### Operating performance measures – Group

Performance measure	Definition	Purpose
Active customers during the last 12 months	Number of customers making purchases on at least one occasion during the last 12 months in one of the online stores. One customer can be counted several times if they make purchases in different stores or use different personal identifiers.	This measure is primarily relevant at segment level and illustrates the number of individual customers choosing to order goods on several occasions, which shows the Company's capability to attract customers.
Average order value (AOV)	Net revenue for the period divided by number of orders.	This measure is used as an indicator of revenue generation per customer.
Net revenue from private brands	Net revenue for the period less net revenue for the period from external brands and net revenue not attributable to brands such as revenue from freight and accrued income.	Interesting to follow over time as these products are unique and can often be sold at attractive prices and at a relatively high gross margin.
Number of orders	Number of orders handled during the period.	This measure is used to measure customer activity generating sales.

## Reconciliation of Alternative Performance Measures from statement of profit/loss

SEKm (unless stated otherwise)	Apr-Jun		Jan-Jun		Jul 2022-	Jan-Dec
	2023	2022	2023	2022	Jun 2023	2022
Gross profit	186	178	323	350	629	657
Variable sales and distribution costs	-98	-109	-181	-218	-367	-405
<b>Profit after variable costs</b>	<b>88</b>	<b>69</b>	<b>142</b>	<b>132</b>	<b>262</b>	<b>252</b>
Operating profit (EBIT)	2	-11	-19	-23	-65	-68
Reversal of depreciation and amortisation	14	12	28	25	53	49
<b>EBITDA</b>	<b>17</b>	<b>1</b>	<b>9</b>	<b>2</b>	<b>-12</b>	<b>-19</b>
Reversal of items affecting comparability	4	1	4	1	18	15
<b>Adjusted EBITDA</b>	<b>21</b>	<b>3</b>	<b>13</b>	<b>3</b>	<b>6</b>	<b>-4</b>
Operating profit (EBIT), past twelve months	-65	-15	-65	-15	-65	-68
Reversal of depreciation and amortisation, past twelve months	53	49	53	49	53	49
Reversal of items affecting comparability, past twelve months	18	2	18	2	18	15
Rental costs, past twelve months, regarding leasing agreements reported in the statement of financial position <sup>1</sup>	-28	-24	-28	-24	-28	-25
<b>Adjusted EBITDA excluding IFRS 16</b>	<b>-22</b>	<b>12</b>	<b>-22</b>	<b>12</b>	<b>-22</b>	<b>-29</b>
<sup>1</sup> Refers in all significance to depreciation of right-of-use assets and interest expenses on leasing liabilities.						
Operating profit (EBIT)	2	-11	-19	-23	-65	-68
Reversal of items affecting comparability	4	1	4	1	18	15
<b>Adjusted operating profit (EBIT)</b>	<b>6</b>	<b>-9</b>	<b>-15</b>	<b>-21</b>	<b>-47</b>	<b>-53</b>
Sales and distribution costs	-136	-144	-254	-287	-506	-540
Reversal of non-variable sales and distribution costs	38	35	73	68	139	135
<b>Variable sales and distribution costs</b>	<b>-98</b>	<b>-109</b>	<b>-181</b>	<b>-218</b>	<b>-367</b>	<b>-405</b>
Sales and distribution costs	-136	-144	-254	-287	-506	-540
Administration costs	-49	-47	-90	-88	-190	-188
Other operating income and expenses	1	2	2	2	2	2
<b>Operating costs</b>	<b>-183</b>	<b>-189</b>	<b>-342</b>	<b>-373</b>	<b>-694</b>	<b>-725</b>
Reversal of variable sales and distribution costs	98	109	181	218	367	405
<b>Other expenses in the operation</b>	<b>-86</b>	<b>-80</b>	<b>-161</b>	<b>-154</b>	<b>-326</b>	<b>-320</b>
Reversal of depreciation and amortisation	14	12	28	25	53	49
Reversal of items affecting comparability	4	1	4	1	18	15
<b>Overhead costs</b>	<b>-67</b>	<b>-66</b>	<b>-129</b>	<b>-128</b>	<b>-256</b>	<b>-256</b>
Amortisation	-6	-5	-12	-11	-21	-20
Reversal of amortisation excluding business acquisitions	6	5	11	11	20	19
<b>Amortisation related to business acquisitions</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-1</b>	<b>-1</b>
IPO costs	—	0	—	0	0	-1
Restructuring expenses	-3	—	-3	—	-7	-4
Share-based payments	-1	—	-1	—	-1	—
Other	—	-1	0	-1	-10	-11
<b>Items affecting comparability</b>	<b>-4</b>	<b>-1</b>	<b>-4</b>	<b>-1</b>	<b>-18</b>	<b>-15</b>



## Reconciliation of Alternative Performance Measures from statement of financial position

SEKm (unless stated otherwise)	Apr-Jun		Jan-Jun		Jul 2022-	Jan-Dec
	2023	2022	2023	2022	Jun 2023	2022
<b>Inventory</b>	<b>459</b>	<b>490</b>	<b>459</b>	<b>490</b>	<b>459</b>	<b>488</b>
Other current assets	41	56	41	56	41	27
Current tax receivables	-8	-11	-8	-11	-8	-8
Current investments	-4	-9	-4	-9	-4	—
<b>Other current operating assets</b>	<b>28</b>	<b>36</b>	<b>28</b>	<b>36</b>	<b>28</b>	<b>20</b>
Trade payables	-89	-96	-89	-96	-89	-105
Other current liabilities	-187	-206	-187	-206	-187	-165
Reversal of:						
Current tax liabilities	2	2	2	2	2	1
Current provisions	13	11	13	11	13	7
<b>Other current operating liabilities</b>	<b>-260</b>	<b>-288</b>	<b>-260</b>	<b>-288</b>	<b>-260</b>	<b>-262</b>
<b>Net working capital</b>	<b>227</b>	<b>238</b>	<b>227</b>	<b>238</b>	<b>227</b>	<b>246</b>
Liabilities to credit institutions	—	199	—	199	—	—
Cash and cash equivalents	-179	-23	-179	-23	-179	-136
<b>Net debt excluding IFRS 16<sup>1</sup></b>	<b>-179</b>	<b>176</b>	<b>-179</b>	<b>176</b>	<b>-179</b>	<b>-136</b>
Net debt excluding IFRS 16 (A) <sup>1</sup>	-179	176	-179	176	-179	-136
Adjusted EBITDA excluding IFRS 16, past twelve months (B)	-22	12	-22	12	-22	-29
<b>Net debt/EBITDA (A) / (B)</b>	<b>8.3</b>	<b>15.1</b>	<b>8.3</b>	<b>15.1</b>	<b>8.3</b>	<b>4.7</b>

<sup>1</sup> Positive values refer to net debt, whereas negative values refer to net asset

## Reconciliation of Alternative Performance Measures from statement of cash flow

SEKm (unless stated otherwise)	Apr-Jun		Jan-Jun		Jul 2022-	Jan-Dec
	2023	2022	2023	2022	Jun 2023	2022
Cash flow from operating activities	73	-22	48	13	44	9
Investments in non-current assets	-2	-3	-3	-9	-10	-16
Repayment of leasing liabilities	-7	-6	-14	-11	-26	-23
Interest expenses on leasing liabilities	-1	-1	-2	-2	-3	-3
Reversal of:						
Paid interest	1	3	3	5	9	11
Realised currency derivatives	-1	-2	-4	-4	-13	-13
Received interest	0	0	0	0	-1	-1
Paid/received tax	1	1	1	5	4	8
<b>Operating cash flow</b>	<b>64</b>	<b>-30</b>	<b>30</b>	<b>-4</b>	<b>4</b>	<b>-29</b>
Adjustments for non-cash items	15	14	34	37	54	56
Repayment of leasing liabilities	-7	-6	-14	-11	-26	-23
Interest expenses on leasing liabilities	-1	-1	-2	-2	-3	-3
<b>Other non-cash items</b>	<b>8</b>	<b>8</b>	<b>18</b>	<b>24</b>	<b>25</b>	<b>30</b>
Cash flow from financing activities	-7	16	-14	1	110	124
Paid interest	-1	-3	-3	-5	-9	-11
Realised currency derivatives	1	2	4	4	13	13
Paid/received tax	-1	-1	-1	-5	-4	-8
Reversal of:						
Interest expenses on leasing liabilities	1	1	2	2	3	3
Net change in loans <sup>1</sup>	—	-21	0	-12	195	184
Repayment of leasing liabilities	7	6	14	11	26	23
<b>Other cash flow</b>	<b>0</b>	<b>-1</b>	<b>2</b>	<b>-4</b>	<b>335</b>	<b>329</b>

<sup>1</sup> Net change in loans refers to changes in the utilised credit facility and repayment of liabilities to credit institutions.

## Reconciliation of other Alternative Performance Measures

SEKm (unless stated otherwise)	Apr-Jun		Jan-Jun		Jul 2022-	Jan-Dec
	2023	2022	2023	2022	Jun 2023	2022
Net revenue (A)	441	450	786	870	1,585	1,670
Number of orders (thousands) (B)	429	483	783	944	1,587	1,749
<b>Average order value (AOV) (SEK) (A) / ((B) / 1,000)</b>	<b>1,028</b>	<b>933</b>	<b>1,004</b>	<b>922</b>	<b>999</b>	<b>955</b>
Net revenue	441	450	786	870	1,585	1,670
Reversal of net revenue from external brands	-235	-252	-426	-485	-866	-925
Non-branded net revenue	-19	-19	-28	-35	-88	-95
<b>Net revenues from private brands</b>	<b>187</b>	<b>179</b>	<b>332</b>	<b>350</b>	<b>631</b>	<b>650</b>

## Reconciliation of Alternative Performance Measures concerning growth

SEKm (unless stated otherwise)	Apr-Jun		Jan-Jun		Jul 2022-	Jan-Dec
	2023	2022	2023	2022	Jun 2023	2022
Net revenue for the period (A)	441	450	786	870	1,585	1,670
Net revenue for the period previous year (B)	450	451	870	820	1,645	1,594
<b>Growth (%) (A) / (B) -1</b>	<b>-2%</b>	<b>0%</b>	<b>-10%</b>	<b>6%</b>	<b>-4%</b>	<b>5%</b>
Net revenue for the period in local currencies <sup>1</sup> (A)	420	437	748	844	1,508	1,603
Net revenue for the period previous year (B)	450	451	870	820	1,645	1,594
<b>Growth in local currencies (%) (A) / (B) -1</b>	<b>-7%</b>	<b>-3%</b>	<b>-14%</b>	<b>3%</b>	<b>-8%</b>	<b>1%</b>
<small><sup>1</sup> Net revenue for both the period and the period last year in local currencies, converted to SEK using previous year's exchange rates.</small>						
Net revenue Nordics for the period (A)	170	177	284	323	528	567
Net revenue Nordics for the period previous year (B)	177	169	323	296	590	563
<b>Growth Nordics (%) (A)/(B) -1</b>	<b>-4%</b>	<b>5%</b>	<b>-12%</b>	<b>9%</b>	<b>-10%</b>	<b>1%</b>
Net revenue outside the Nordics for the period (A)	271	273	502	548	1,057	1,103
Net revenue outside the Nordics for the period previous year (B)	273	282	548	524	1,055	1,031
<b>Growth outside the Nordics (%) (A) / (B) -1</b>	<b>-1%</b>	<b>-3%</b>	<b>-8%</b>	<b>5%</b>	<b>0%</b>	<b>7%</b>
Net revenue (A)	441	450	786	870	1,585	1,670
Net revenue, 2 years ago (B)	451	472	820	780	1,563	1,523
Number of years calculated (C)	2	2	2	2	2	2
<b>CAGR (%) ((A) / (B)) ^ (1 / (C)) -1</b>	<b>-1%</b>	<b>-2%</b>	<b>-2%</b>	<b>6%</b>	<b>1%</b>	<b>5%</b>

