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Press release 8 March 2021

Pierce intends to list its shares on Nasdaq Stockholm

Pierce Group AB (publ) ("Pierce" or the "Company"), a leading fast-growing European e-commerce company selling gear, spare parts, accessories and streetwear for motorcycles and snowmobiles, today announces its intention to launch an initial public offering of its shares (the "Offering") and to list its shares on Nasdaq Stockholm. The Offering is expected to consist of both new shares issued by Pierce and of existing shares in the Company offered by the Principal Shareholders (as defined below).

Pierce's largest shareholder, Procuritas Capital Investors V¹, and the Company's founders Daniel Petersen² and Stefan Rönn³ (together the "Principal Shareholders") believes that a listing of the Company's shares on Nasdaq Stockholm represents an important stage in the continued development of the Company. The board of directors of Pierce and the Principal Shareholders assess that the listing of the Company's shares on Nasdaq Stockholm will increase the awareness of Pierce's operations and activities, benefiting Pierce's future potential by strengthening the Company's profile and brand among investors, partners, and customers, as well as increasing the ability to attract and retain qualified employees and key management. The listing will also provide Pierce with access to the Swedish and international capital markets. In addition, the Offering allows new shareholders to be part of the next chapter in Pierce's continued development.

Nasdaq Stockholm's listing committee has made the assessment that Pierce fulfils the applicable listing requirements. Nasdaq Stockholm will approve an application for admission to trading of the Company's shares on Nasdaq Stockholm, provided that certain customary conditions are fulfilled. Depending on market conditions, the Offering and listing on Nasdaq Stockholm is expected to be completed during the first half of 2021.

Henrik Zadig, CEO of Pierce, comments:

"Pierce has grown to become a leading European online retailer of gear, parts, accessories and streetwear for motorcycle and snowmobile riders and our business is favorably positioned towards the underlying shift from traditional brick-and-mortar retailing to online retailing. We believe that we are still in the beginning of the journey with Pierce and that we have only scratched the surface of the potential that exists in our business model and within our niche. Our customer offering is stronger than ever, and we have a number of exciting activities ongoing with the purpose of further improving the customer experience and strengthening our position in the European market, and globally in the future. Now, we look forward to the next step in our journey in a listed environment, with the goal of continue to deliver profitable growth".

Ketil Eriksen, Chairman of the board of Pierce, comments:

"These are exciting times for Pierce and the board is proud of what the company has achieved. Pierce has a leading position within its niche due to its strong customer offering and well-invested operations. With a clear strategy for continued profitable growth, we are excited to broaden the ownership base and offer the opportunity for a wider group of shareholders to follow us into the exciting future of the company".

Mattias Feiff, Co-Managing Partner at PCI V Advisors AB, advisor to Procuritas Capital Investors V and board member of Pierce, comments:

"It has been a fantastic journey with Pierce since Procuritas invested in the company in 2014. Pierce has grown tremendously and has evolved from being primarily a Nordic player with focus on offroad, to become a European market leader within the motorcycle aftermarket online. Pierce has made significant investments in the operations, the technology platform and the organization, and thereby created great conditions for continued profitable growth. Pierce is in the centre of an attractive and fast-growing European market, and the company stands stronger than ever".

The Offering in brief

Should the Company proceed with the IPO, the shares will be offered to:

- the general public in Sweden; and
- to institutional investors in Sweden and abroad.

The Offering is expected to consist of both existing shares, sold primarily by the Principal Shareholders, and new shares issued by the Company. The Company intends to make a new issue in the Offering of approximately 350 MSEK to reduce the Company's net debt, whereafter the Company's net debt is expected to amount to approximately 100 MSEK. In connection with the Offering, the Company intend to establish a long-term incentive program in the form of subscription

¹ "Procuritas Capital Investors V" refers to Procuritas Capital Investors V LP with its General Partner Procuritas Capital Investors V GP Limited. For further information see "About Procuritas".

² Through DIMELA Ltd.

³ Through FAIRY GLEN HOLDINGS Ltd.

warrants with a total dilution effect of up to around 1 per cent. Full terms, conditions and instructions for the Offering will be included in the prospectus expected to be published by the Company in connection with the Offering and the listing. The prospectus will, if published, be available on the Company's website at www.piercegroup.com.

About Pierce

Pierce is a leading and fast-growing e-commerce company selling gear, spare parts, accessories and streetwear to riders across all of Europe through the online stores 24MX, XLMOTO and Sledstore via some forty websites adapted to the local markets. Pierce has two major segments targeting two different customer groups, Offroad – sales to motocross and enduro riders, and Onroad – sales to riders on paved roads and tracks. Pierce also has a smaller segment, Other, which primarily focuses on sales to snowmobile riders. With a large and unique product assortment, including a number of its own brands, an excellent customer experience and attractive prices, Pierce is changing the motorcycle enthusiast market in Europe. The headquarter is located in Stockholm, Sweden, the central warehouse is located in Szczecin, Poland, and the major portion of the customer support service is located in Barcelona, Spain. The Company has approximately 400 employees.

Key strengths and competitive advantages

- *Structural online channel shift expected to more than double the market in a few years*

Pierce's addressable market is currently undergoing a structural shift from traditional offline to online shopping. The online share of the market is expected to grow with an average annual growth rate (CAGR) of 15 percent, corresponding to a doubling of the market size between 2019 and 2024.

- *A European online retailer for motorcycle enthusiasts with a track-record of outgrowing the fragmented market*

The addressable market is highly fragmented and dominated by small local brick and mortar stores. Pierce is a leading online retailer and has a track-record of outgrowing both the total market and the online share of the market.

- *A Competitive customer offering with must-have external brands and private brands generating high gross margins*

Pierce has a wide assortment of private brands and popular external brands. Private brands have significant benefits for the Company as they drive loyalty, protect from price competition, and ensure a quality margin profile. Sales from private brands made up approximately 40 percent of net revenues from private brands and external brands in 2020.

- *Scalable operations set-up supported by a well invested technology platform*

Pierce has invested significant resources in creating a truly scalable European business. The Company has, among other things, invested in scalable and efficient fulfilment and logistics operations in Poland, and a technology platform with best-in-class IT system solutions.

- *Sophisticated return on investment ("ROI") driven marketing and a growing loyal customer base*

Pierce has been able to balance its rapid growth with profitability, enabled inter alia by a sophisticated ROI driven marketing approach. Pierce is actively working on optimizing both paid and free marketing channels.

- *Strong financial track-record driven by revenue growth, stable gross margins and scalability*

Following a period of significant investments in a scalable European operating platform, Pierce has generated a net revenue growth (CAGR) of 27 percent between 2018 and 2020, and an adjusted EBIT margin of 6.4 percent 2020. Pierce's adjusted EBIT has grown from 26 MSEK in 2018 to 97 MSEK in 2020 as a result of, among other things, high net revenue growth, a large share of sales from private brand with attractive gross margins, a high share of traffic and sales from free marketing channels, efficient operations, and scale benefits.

A comprehensive description of the Pierce's key strengths will be included in the prospectus expected to be published by Pierce.

Financial highlights

The following table sets forth the key figures* of Pierce, as presented in the Company's annual report for 2020:

	For the year ended 31 December		
	2020	2019	2018
Net revenue, MSEK	1,523	1,243	942
Net revenue growth, %**	23	32	-
Growth in local currencies, %**	24	29	-
Adjusted EBIT, MSEK***	97	29	26
Adjusted EBIT margin, %***	6.4	2.3	2.8

* IFRS performance metrics: Net revenue derived from the Company's consolidated financial statements audited by EY.

Remaining metrics being alternative performance metrics not defined according to IFRS derived from the Company's internal accounts and has neither been audited nor reviewed by the Company's auditor.

** Net revenue growth defined as change in net revenue compared to same period previous year and growth in local currencies defined as change in net revenue compared to same period previous year excluding exchange rate fluctuations and acquisitions.

*** Adjusted EBIT and adjusted EBIT margin defined as operating profit adjusted for items affecting comparability and in relation to the Company's net revenue.

Comprehensive information of Pierce's historical financial information will be included in the prospectus expected to be published by Pierce.

Pierce's financial targets

Prior to the listing on Nasdaq Stockholm, Pierce's board of directors has adopted a set of financial targets linked to Pierce's growth strategy:

Net revenue growth	In the medium to long term (3-5 years), grow net revenue by 15-20% annually.
Adjusted EBIT margin	In the medium to long term (3-5 years), reach an Adjusted EBIT margin of around 8%.
Capital structure	Net debt/Adjusted EBITDA* not exceeding 2.0x, subject to temporary flexibility for strategic initiatives.
Dividend policy	Over the next few years, unrestricted cashflows** are planned to be used for continued development*** of the Company and thus not distributed to the shareholders.

* Net debt in relation to last twelve month adjusted EBITDA, excluding IFRS 16 effects.

** Unrestricted cashflow refers to cashflow from ongoing operations and investment activities.

*** Development means investments in, for instance, IT-hardware, IT-development, expansion of distribution warehouse, marketing, customer acquisitions, business acquisitions and acquisition of net assets.

Pierce's financial targets stated above constitute forward-looking information. The financial targets are based upon a number of estimates and assumptions relating to, among others, the development of Pierce's industry, business, result of operations and financial position, and are subject to risks and uncertainties. The executive management team's key assumptions underpinning the financial targets set out above will be described further in the prospectus expected to be published by Pierce.

About Procuritas

Procuritas is a Nordic private equity investor founded in 1986 with over EUR 1.0 billion raised over 6 funds, and carefully invested in over 40 portfolio companies. Procuritas has a passion for business and invests in Nordic niche market leaders with strong management teams and large opportunities to grow. Procuritas' current portfolio includes 15 companies across all Nordic countries. Procuritas started investing from its latest fund PCI VI, which has committed capital of EUR 318 million, in April 2017. For further information please visit: www.procuritas.com

Advisers

Carnegie Investment Bank AB (publ) is Sole Global Coordinator and Joint Bookrunner. Nordea Bank Abp, filial i Sverige is Joint Bookrunner. Gernandt & Danielsson Advokatbyrå KB is legal advisor to the Company and Procuritas. White & Case Advokat AB is legal advisor to the Joint Bookrunners.

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The information was submitted for publication, through the agency of the contact persons set out above, at 08.00 CET on 8 March 2021.

Important information

This announcement is not an offer to sell or a solicitation of any offer to buy any securities of the Company. The contents of this announcement have been prepared by and are the sole responsibility of the Company. The information contained in this announcement is for background purposes only and does not purport to be full or complete. No reliance may be placed by any person for any purpose on the information contained in this announcement or its accuracy, fairness or completeness. Copies of this announcement are not being made and may not be distributed or sent into the United States, Australia, Canada, Hong Kong, Japan, New Zealand, Switzerland, Singapore, South Africa or any other jurisdiction in which such distribution would be unlawful or would require registration or other measures.

Any offering of the securities referred to in this announcement will be made by means of a prospectus. This announcement is not a prospectus for the purposes of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC (together with any related implementing and delegated regulations, the "Prospectus Regulation"). Investors should not invest in any securities referred to in this announcement except on the basis of information contained in the aforementioned prospectus.

The securities referred to in this announcement have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), and accordingly may not be offered or sold in the United States absent registration or an exemption from the registration requirements of the Securities Act and in accordance with applicable U.S. state securities laws. The Company does not intend to register any offering in the United States or to conduct a offering of securities in the United States.

Copies of this announcement are not being, and should not be, distributed in or sent into the United States. The securities described herein have also not been and will not be registered under the applicable securities laws of Australia, Canada, Hong Kong, Japan, New Zealand, Switzerland, Singapore, South Africa and, subject to certain exemptions, may not be offered or sold in or into or for the account or benefit of any person having a registered address in, or located or resident in Australia, Canada, Hong Kong, Japan, New Zealand, Switzerland, Singapore, South Africa. There will be no offering of the securities described herein in Australia, Canada, Hong Kong, Japan, New Zealand, Switzerland, Singapore, or South Africa.

In any Member State of the European Economic Area (the "EEA"), other than Sweden, this communication is only addressed to and is only directed at qualified investors in that Member State within the meaning of the Prospectus Regulation, i.e., only to investors who can receive the offer without an approved prospectus in such EEA Member State.

In the United Kingdom, this announcement is for distribution only to and is directed only at persons who (i) have professional experience in matters relating to investments which fall within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the "Order"), (ii) are persons falling within Article 49(2)(a) to (d) ("high net worth companies, unincorporated associations etc") of the Financial Promotion Order, (iii) are outside the United Kingdom, or (iv) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000) in connection with the issue or sale of any securities may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as "relevant persons"). This announcement is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this announcement relates is available only to relevant persons and will be engaged in only with relevant persons.

Matters discussed in this announcement may constitute forward-looking statements. Forward-looking statements are statements that are not historical facts and may be identified by words such as "believe", "expect", "anticipate", "intends", "estimate", "will", "may", "continue", "should", and similar expressions. The forward-looking statements in this release are based upon various assumptions, many of which are based, in turn, upon further assumptions. Although the Company believes that these assumptions were reasonable when made, these assumptions are inherently subject to significant known and unknown risks, uncertainties, contingencies and other important factors which are difficult or impossible to predict and are beyond its control. Such risks, uncertainties, contingencies and other important factors could cause actual events to differ materially from the expectations expressed or implied in this release by such forward-looking statements.

The information, opinions and forward-looking statements contained in this announcement speak only as at its date and are subject to change without notice. The Company does not undertake any obligation to review, update, confirm or release publicly any revisions to any forward-looking statements to reflect events that occur or circumstances that arise in relation to the content of this communication.