



# INTERIM REPORT

Q4 2022

February 17, 2023







## TODAY'S PRESENTERS

**WILLEM VOS**  
ACTING CEO



**NICLAS OLSSON**  
CFO





# AGENDA

1. Q4 summary
2. Financial update
3. Looking forward
4. Q&A



# Q4 SUMMARY

OPERATIONAL

## Market continues to be challenging

The online market declined more than 10%\* during the quarter, with consumer demand impacted by high prices and inflation. This together with the general overstock situation puts more pressure on the market

## Gross margin squeeze

We were successful in driving sales to reduce inventory and to further improve our solid cash position. This sales focus in a declining market with high inventory levels led to continued margin pressure. Profitability was also squeezed by continued high shipping costs and increased purchase prices.

## Financial improvement program on track

The program - with a primary focus to improve margin after variable costs, i.e. supplier negotiations, customer pricing improvements and performance marketing efficiency - is progressing as planned.

## Net revenue grew 3%, in local currencies -3%

As the market declined more than 10%, we continue to gain market share\*. Extensive campaign activity was required though to stimulate sales in a declining market.

## Weak adjusted EBIT margin

The decline was mainly driven by the negative gross margin development on the back of our focus to build cash position and to reduce stock.

## Solid cash situation

The sales focus has reduced stock in units with nearly 30% (value -9%) since the end of 2021. Net cash at the end of 2022 was 136M.

FINANCIAL

SEKm	Q4 2021	Q4 2022	Variance	
			Reported	Local currencies
<b>Net Revenue</b>	<b>413</b>	<b>427</b>	<b>+3%</b>	<b>-3%</b>
Private Brands	157	161	+3%	
<b>Adjusted EBIT</b>	<b>6</b>	<b>-23</b>	<b>-29</b>	
Adjusted EBIT %	1.4%	-5.4%	-6.8 ppt	
Net Profit	6	-23	-29	
Operating Cash Flow	-52	12	+65	

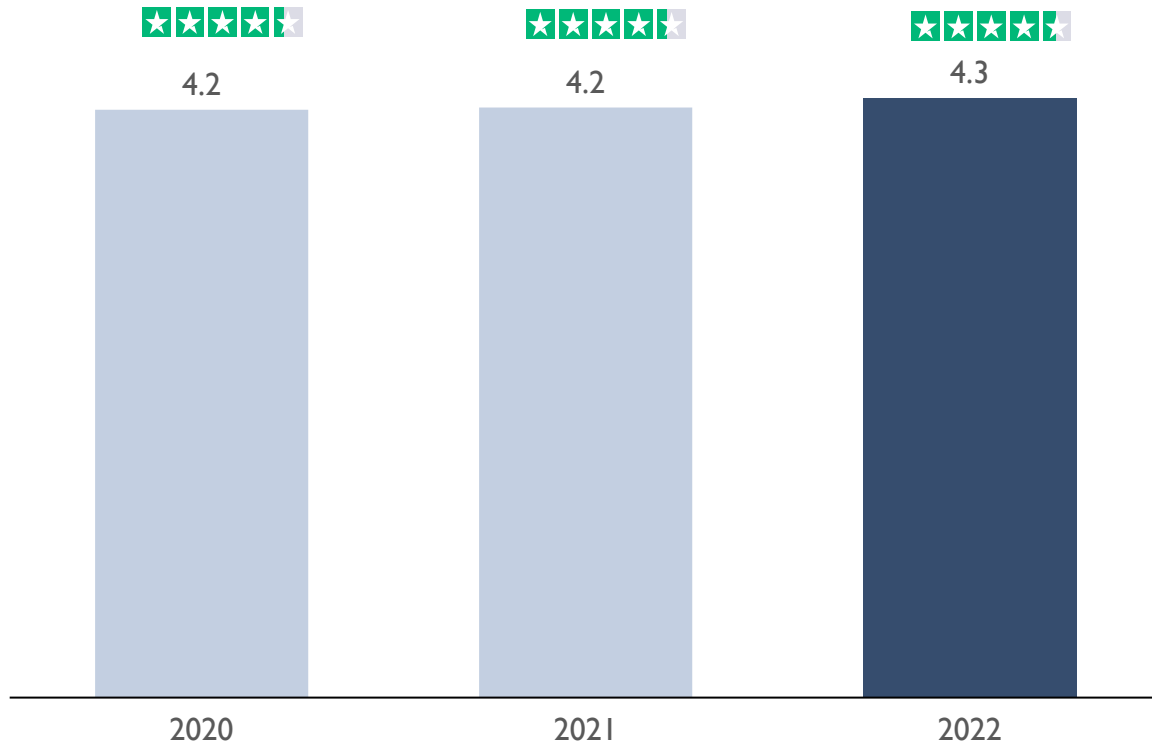


\*No official market data is available. Market growth estimated by management.

# KPI HIGHLIGHTS

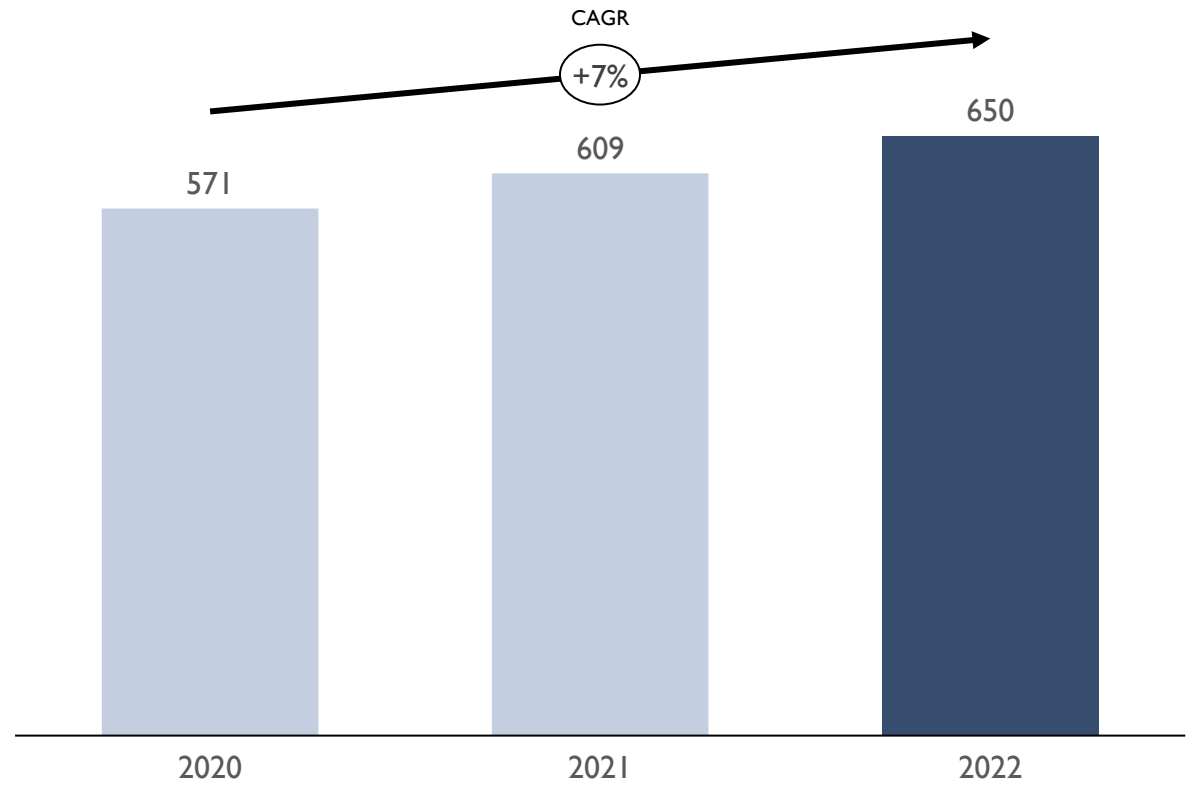
## Customer satisfaction remains at a high level

■ Aggregated Trustpilot scores



## Continued private brand growth

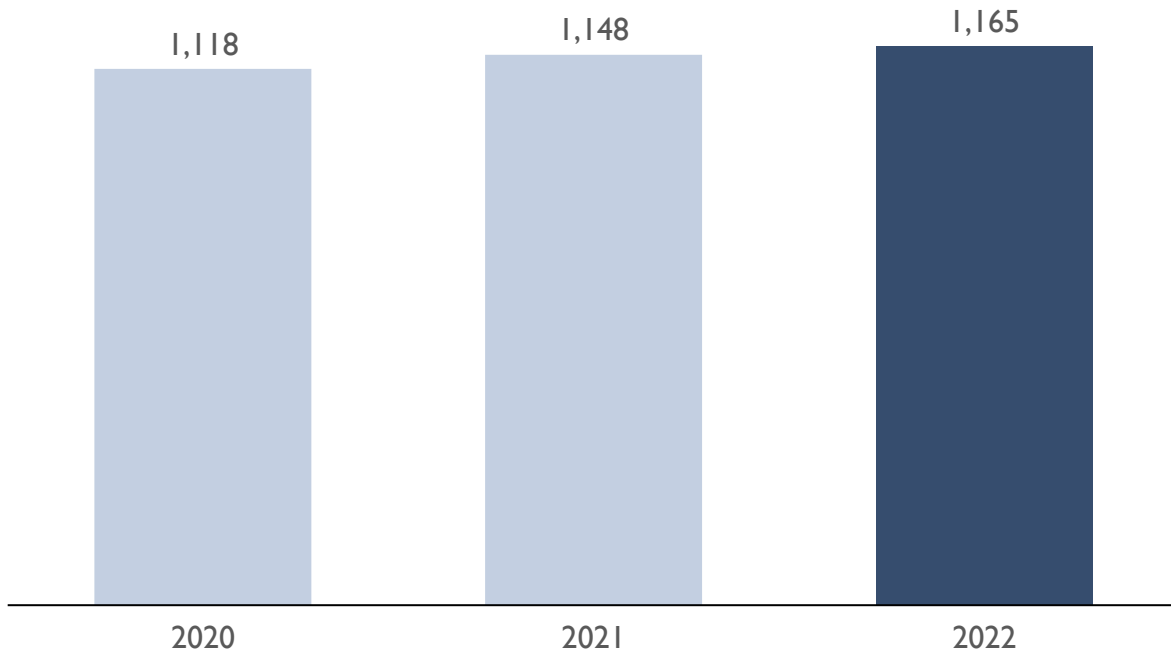
■ Net Revenue, Private brand (SEKm)



# KPI HIGHLIGHTS (CONTINUED)

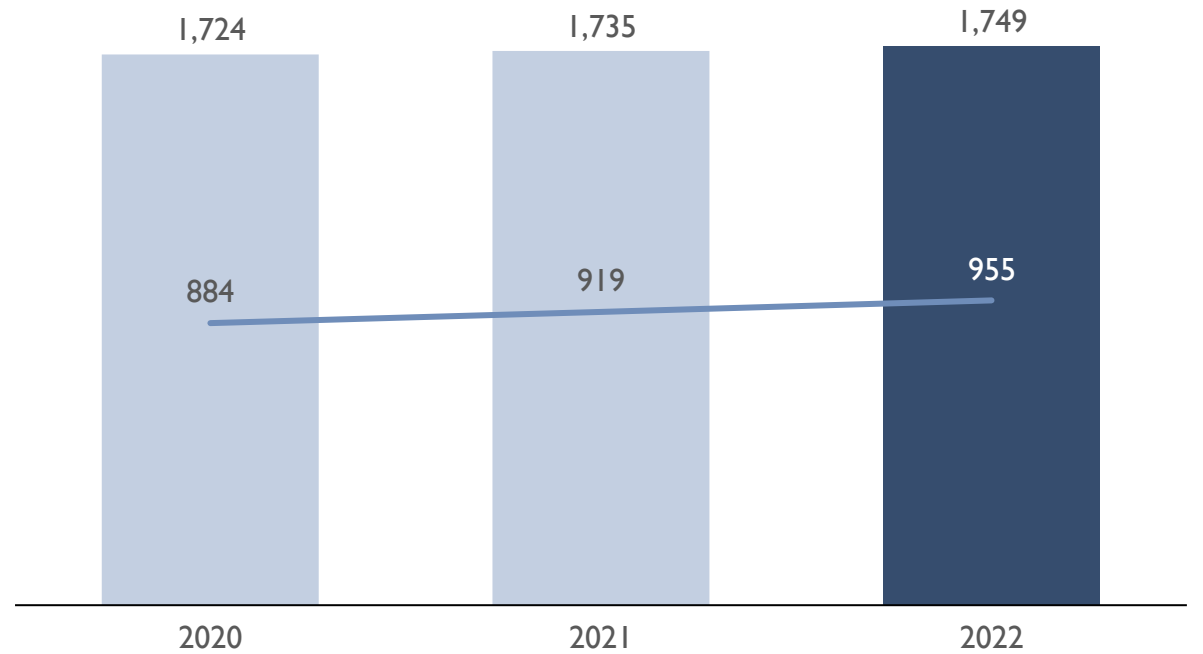
## Active customers growing

Active customers LTM (000), end of period



## Increasing AOV

Number of orders (000)  
Average order value (SEK)





# AGENDA

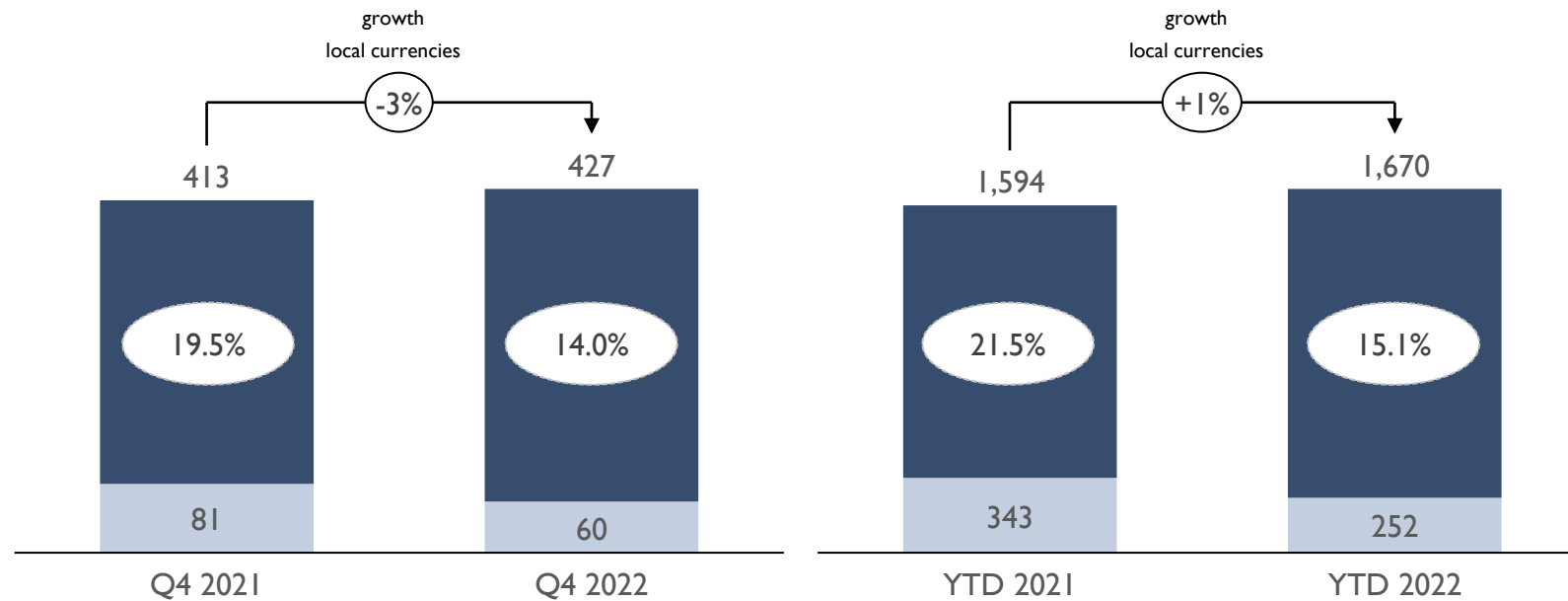
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# GROUP FINANCIALS

## Gained market shares but pressure on margin

- Net Revenue (SEKm)
- Profit after variable costs (SEKm)
- Profit after variable costs (%)



## Comments

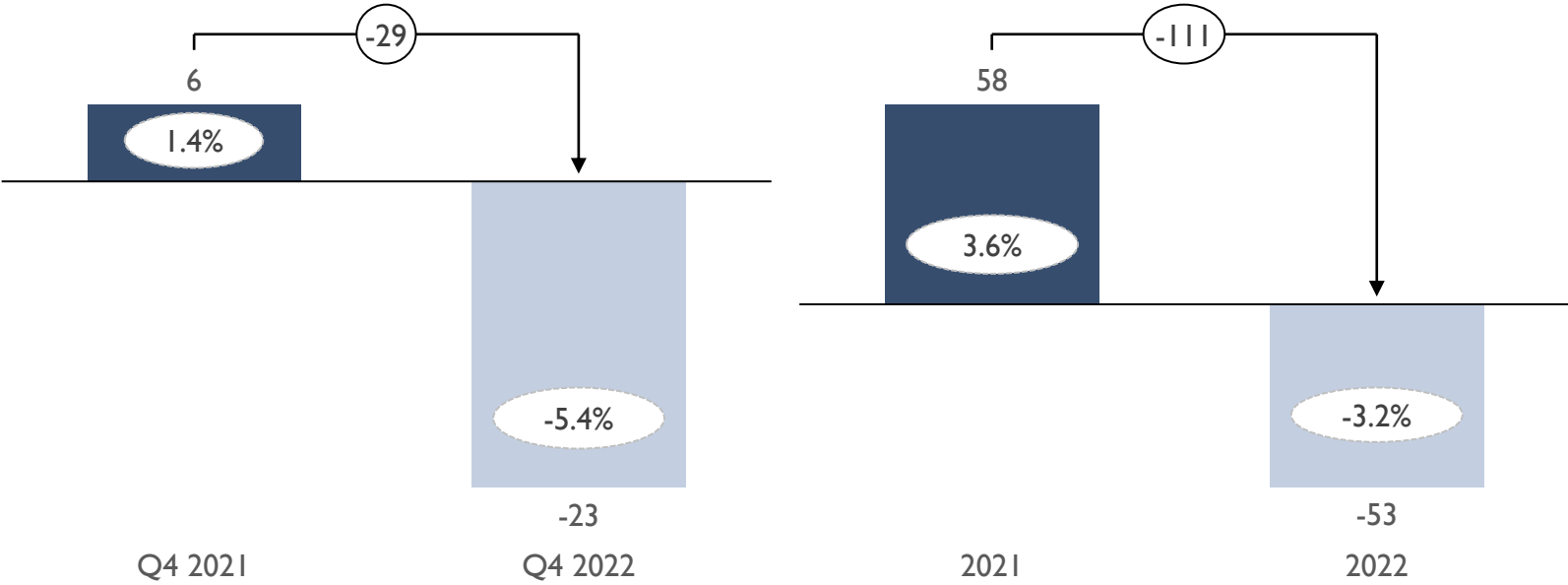
- Q4 2022 revenue growth affected by:
  - Negative development in the market.
  - Order volume -3% vs. LY and AOV on par with LY in local currencies.
- Growth during Q4 by segment was:
  - Offroad + 8% (local currencies +1%)
  - Onroad + 8% (local currencies +1%)
  - Other operations -30%
- Other operations, mainly including brand Sledstore (Snow mobiles) decreased significantly, due to availability issues both within external- as private brands.
  - Revenue share in Q4 for the segment was 9%



# ADJUSTED EBIT

## Gross margin decline affecting Adjusted EBIT development

■ Adjusted EBIT (SEKm)  
○ Adjusted EBIT margin (%)



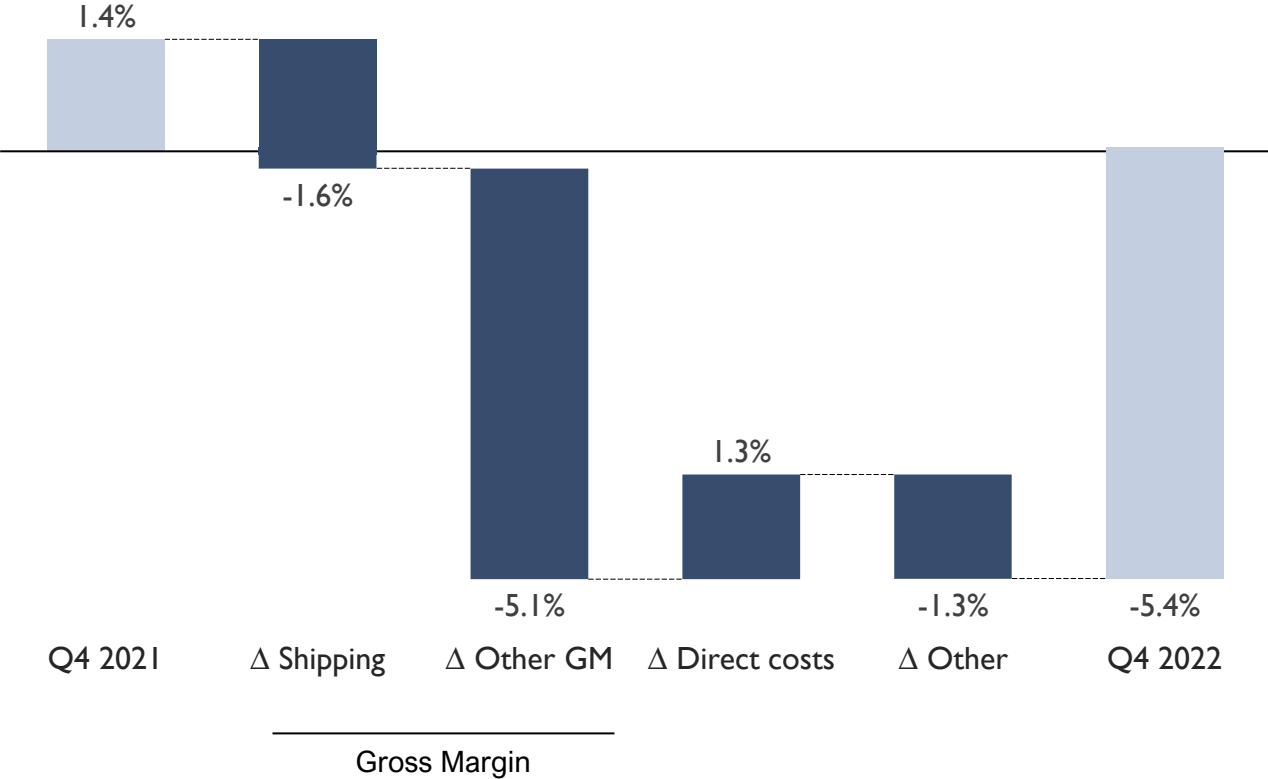
## Comments

- Q4 2022 negative profitability mainly explained by:
  - Adjusted EBIT margin Q4 2022, -6.8ppt lower than same period 2021. Negative development mainly driven by Gross margin decline.
- Q4 2022 EBIT was affected in by cost of 8M, reported as adjustment. The costs relates to external costs for financial improvement program and transition in CEO/CFO.



# ADJUSTED EBIT MARGIN BRIDGE

Significant purchasing price increases not fully compensated by customer price adjustments



## Comments

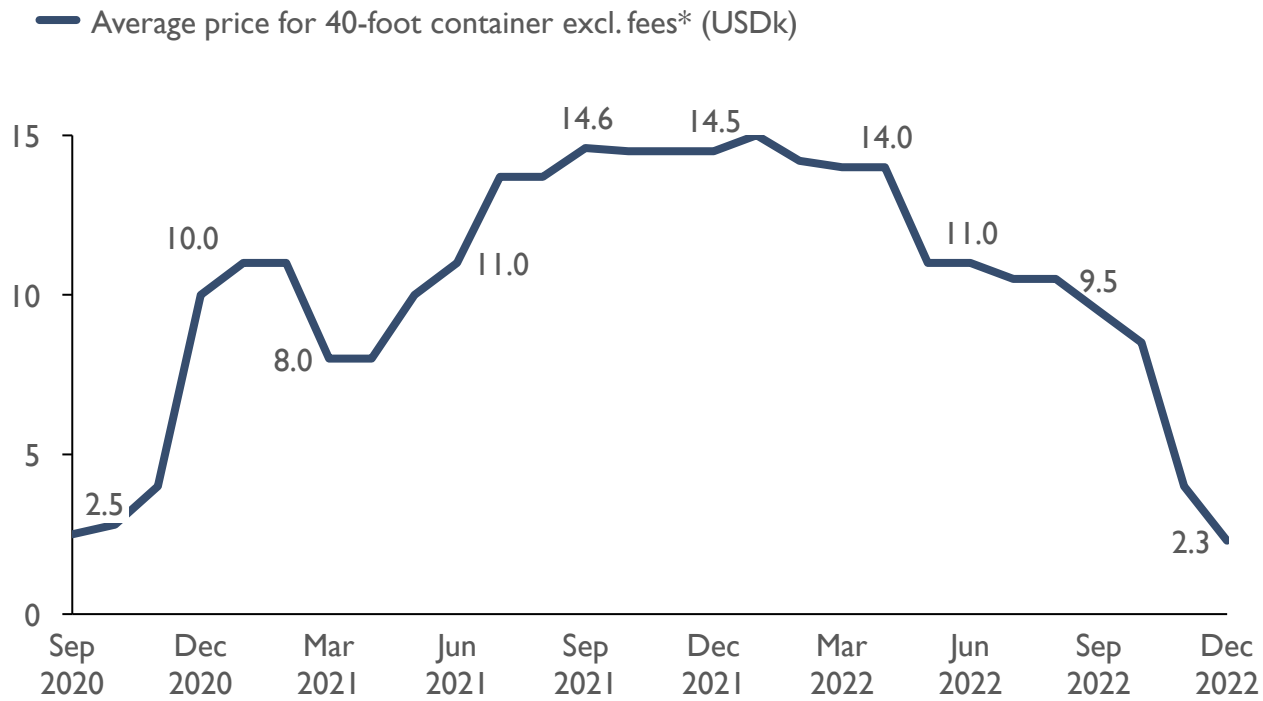
- Gross Margin:
  - Increased shipping costs from Asia, from SEKm 19 LY to SEKm 27. Cost back on pre-pandemic levels but products sold was purchased when price still was high.
  - Other gross margin effects mainly related to increased purchasing prices driven by raw material price inflation.
  - Customer prices increasing slowly but not enough to compensate for cost increases. Price adjustments to customer held back by additional campaigning to reduce stock levels.
  
- Direct costs:
  - Decrease driven by more efficient performance marketing.
  
- Other costs:
  - Cost increase driven by general salary increases and key staff retention measures.





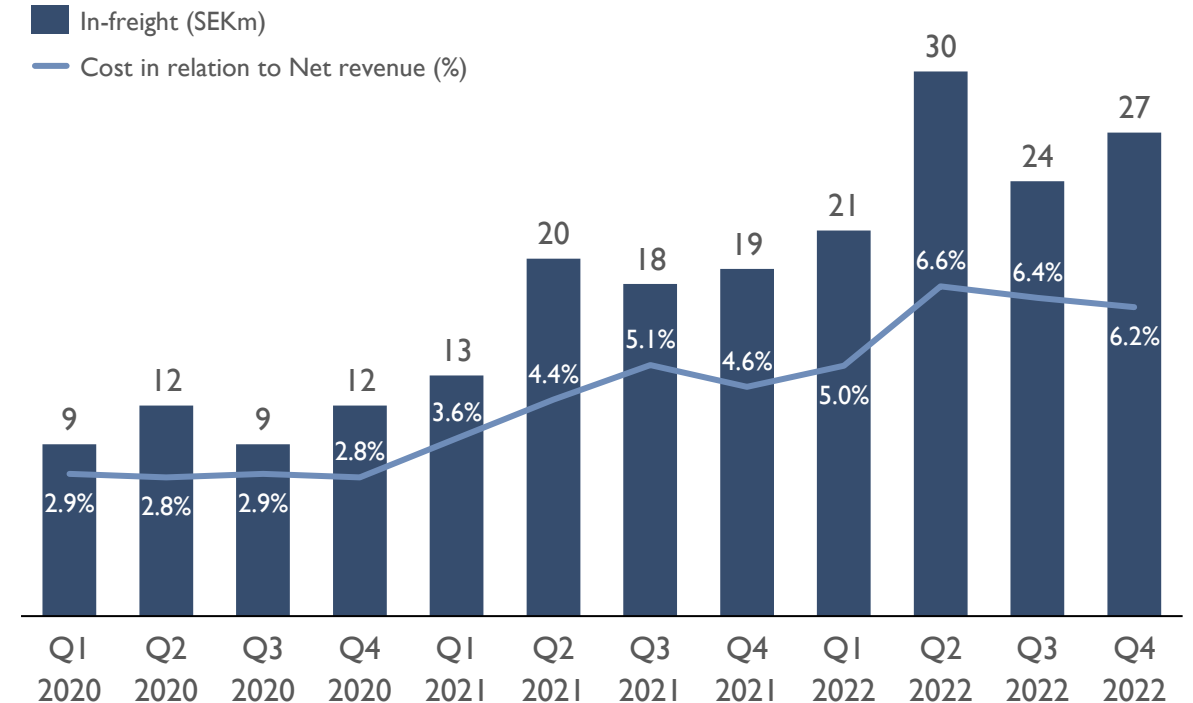
# SHIPPING COSTS

## Significant container price drop during Q4



- Shipping prices have decreased significantly since peak levels 2021 and are back to pre-pandemic levels.
- The significant drop came during Q4. Price levels until Q3 2022 have been on a historical high level.
- Note that the container prices above are exclusive of handling fees. Including fees, cost of USDk >14 equals a total cost of approx. USDk 20.

## COGS related to shipping costs still on high level Q4



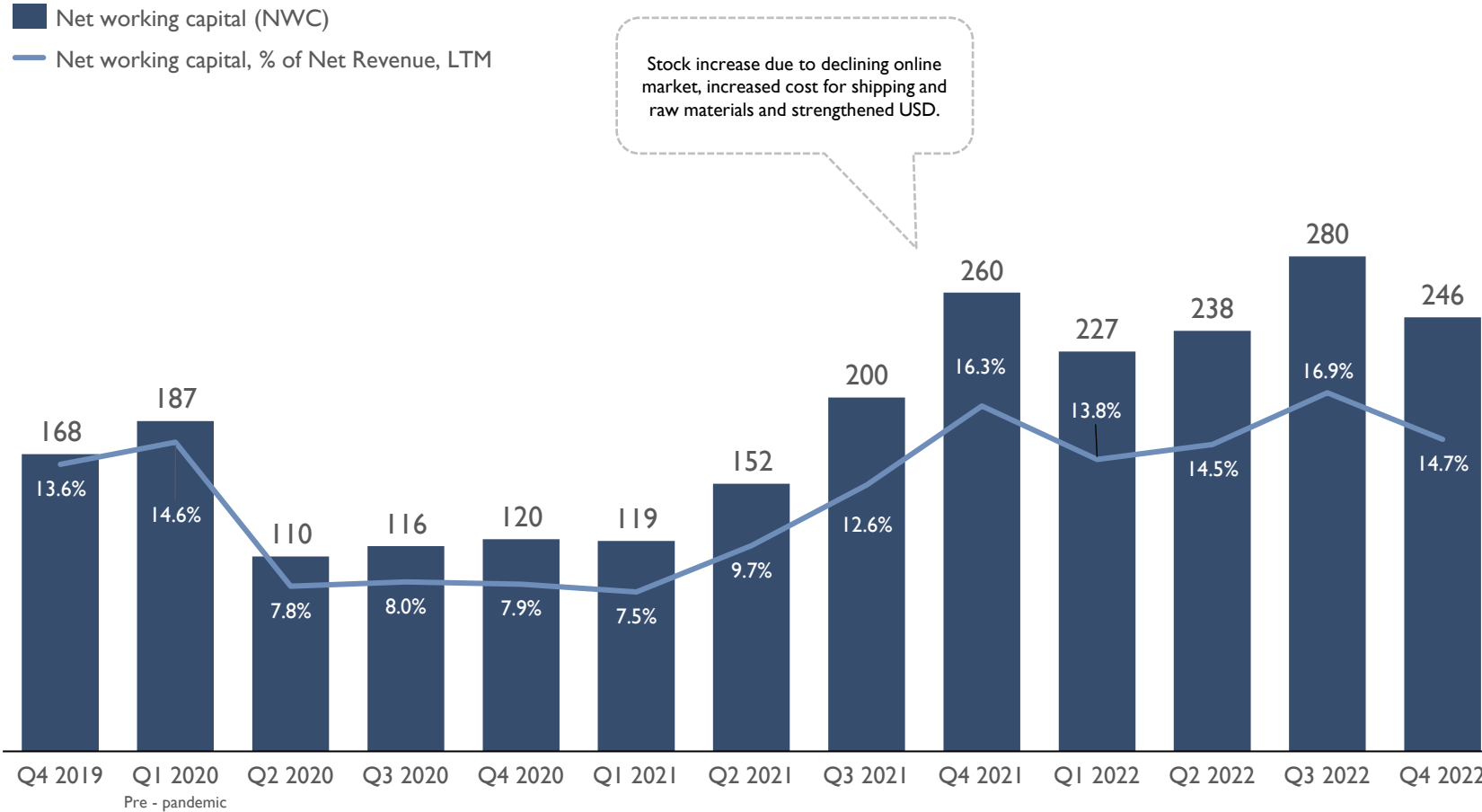
- Shipping costs are charged in the P&L when the product is sold, why it takes some quarters until price decrease gradually materialise in the P&L.
- Increased shipping prices affected cost negative with nearly 30M 2022 vs. 2021.



\*Pierce internal data

# NET WORKING CAPITAL DEVELOPMENT

Positive development driven by reduced stock levels



## Comments

- Net working capital (NWC) decreased Q4 2022 vs. Q4 2021 with 14M:
  - Total inventory decreased with SEKm 46.
  - Other NWC items SEKm -32, driven by reduced short term liabilities.
- Total inventories decreased 9% from SEKm 534 in the end of 2021 to SEKm 488 end 2022. In units the decrease was 28%.





# FINANCIAL POSITION

Debt-free, net cash positive and a solid equity position

SEKm (unless stated otherwise)	31 Dec 2022	30 Sep 2022
Interest-bearing liabilities <sup>1</sup>	-	-
Cash and cash equivalents	136	115
<b>Net debt excl. IFRS 16</b>	<b>-136</b>	<b>-115</b>
<b>Equity</b>	<b>719</b>	<b>740</b>

<sup>1</sup> Interest-bearing liabilities does not include leasing liabilities.

## Comments

- Cash positive since new share issue.
- Solid equity position of SEKm 719.



# AGENDA

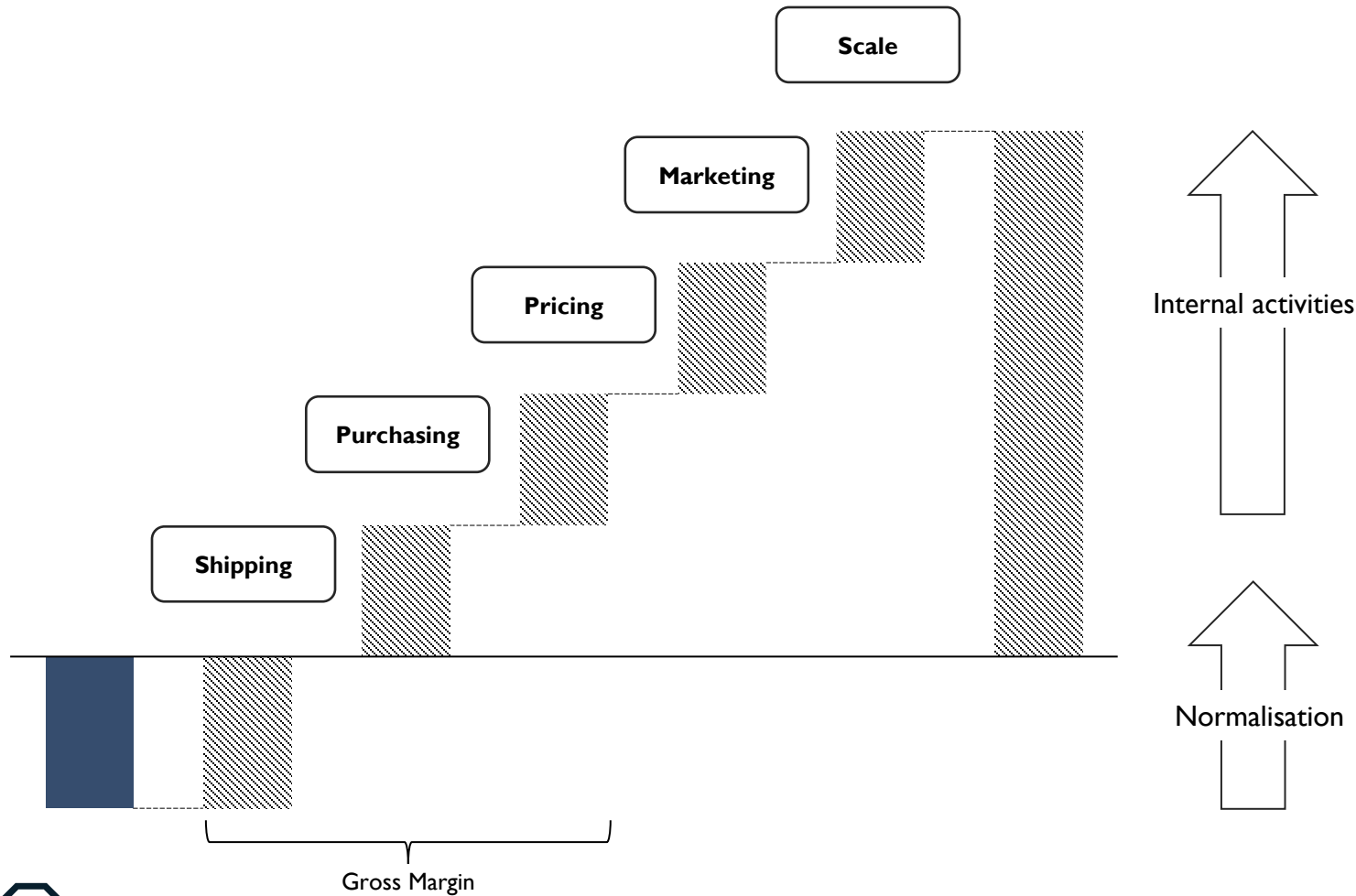
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# KEY LEVERS TO RESTORE LONG-TERM PROFITABILITY

Illustrative chart of key levers for long-term profitability.  
Not drawn to scale.



## Shipping

- Price for container shipping from Asia is back on pre-pandemic levels. Cost reduction effect will materialise gradually as stock still includes products shipped with high prices

## Purchasing

- Action program to negotiate commercial terms during Q4 finalised. Effect will materialise gradually over time
- Longer term, we have started a review of our private brand portfolio and supplier set up

## Pricing

- New pricing engine implemented
- Less price pressure when the overstock situation in the market will be normalised
- Assortment optimisation to reduce low-value tail products

## Marketing

- Increased efficiency within performance marketing and less push on ROI. Effects can be seen in direct cost from Q3 onwards

## Scale

- Base organisation and systems in place. Built to handle growth at low marginal cost.

*Please note that the Financial outcome is highly dependent on external factors as market demand, inflation, Fx-development etc.*



# THREE PRIORITIES NEXT QUARTERS

1

## Maintain a strong cash position

- Gradually shift focus from building up cash to driving margin improvements
- Adapt purchasing volumes to market development

2

## Execute financial improvement program

- Improve gross margin from supplier negotiations and customer pricing
- Capture marketing and freight cost efficiencies
- Improve working capital

3

## Secure economies of scale

- Continue to simplify the business and streamline routines, processes and systems
- Drive more scalability to further improve the P/L when the market rebounds



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A black and white photograph of three motorcyclists in a desert landscape. They are wearing full riding gear, including helmets and jackets. They are standing next to their motorcycles, which are parked on a dirt path. The background shows rolling hills and a clear sky. The word "Appendix" is overlaid in the center of the image.

# Appendix

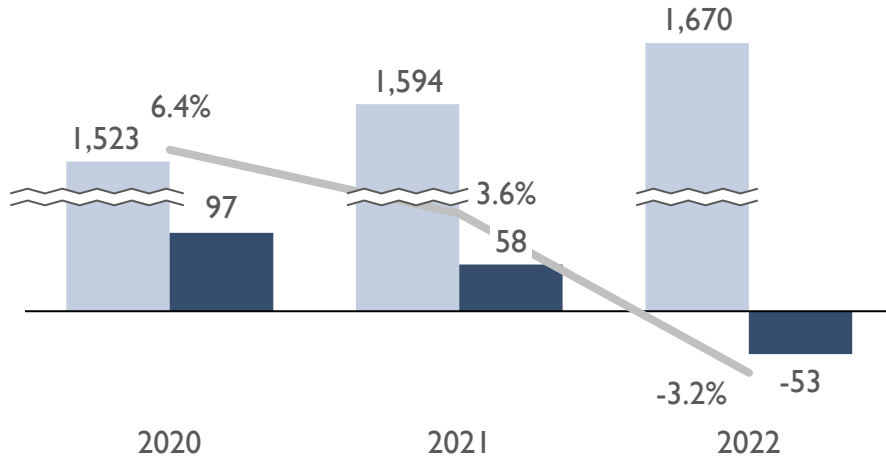


# THIS IS PIERCE

## Online leader in a fragmented niche

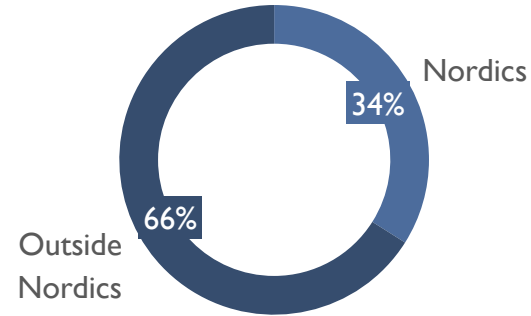
- A **pan-European** company with local presence in 16 markets
- Large share of **private brands** makes **offering unique**
- Headquartered in Stockholm, a centralized warehouse in Szczecin, Poland and customer service in Barcelona. Approximately 420<sup>1)</sup> employees

■ Net revenue (SEKm)  
■ Adjusted EBIT<sup>3</sup> (SEKm)  
— Adjusted EBIT margin<sup>3</sup> (%)



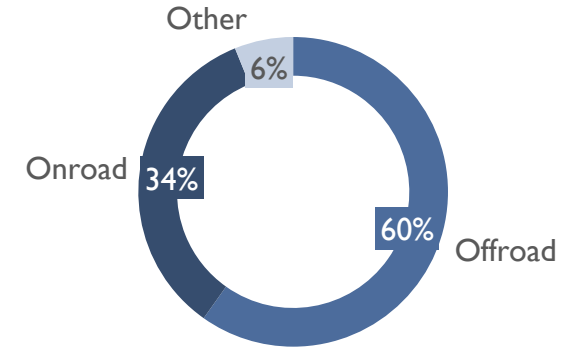
## Pan-European company

Net revenue split, Q4 2022 LTM



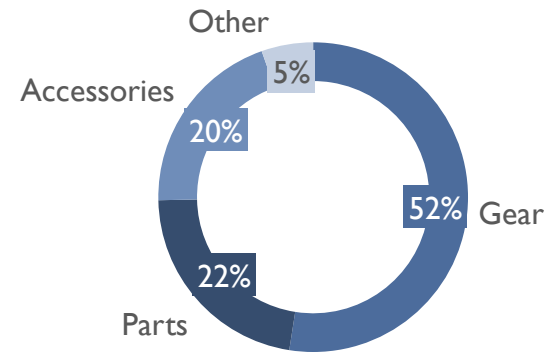
## Motorcycle specialist

Net revenue split, Q4 2022 LTM



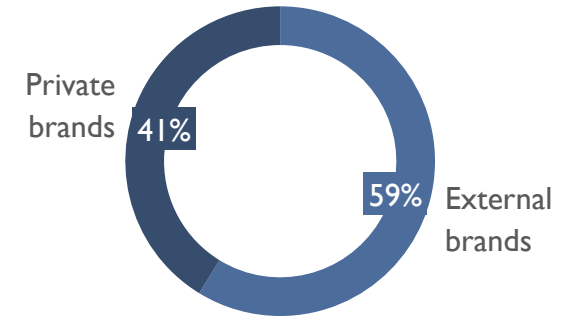
## One-stop-shop offering

Net revenue split, Q4 2022 LTM



## Strong private brands

Brand revenue split<sup>2</sup>, Q4 2022 LTM



1) Total headcount of which approximately 260 white-collar employees and 160 blue-collar employees. Blue-collar workers are employed in the warehouse. 2) Net revenue, freight income and other fees. 3) EBIT adjusted for items affecting comparability for 2020- Q4 2022 LTM. Reported EBIT margin was 5.3%, 2.9% and -4.0% for 2020, 2021 and Q4 2022 LTM respectively.



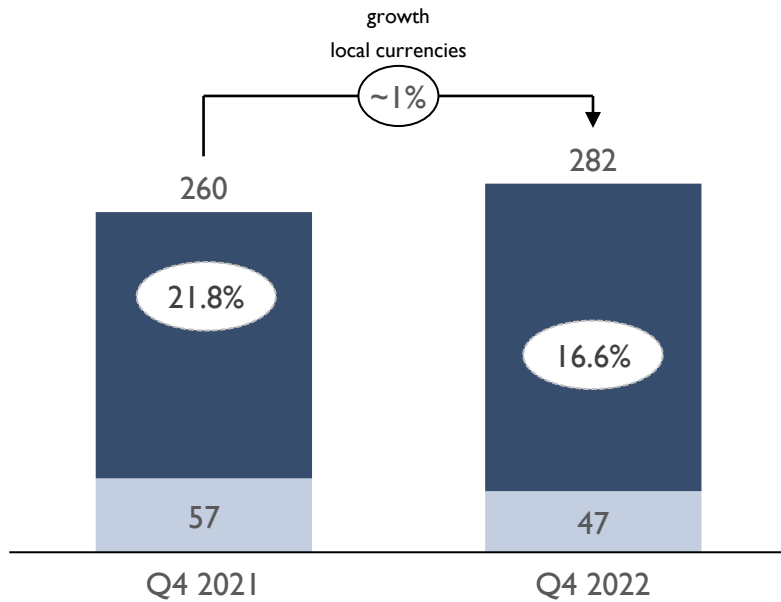
# SEGMENT OFFROAD

Price increases impacted volume in Q4

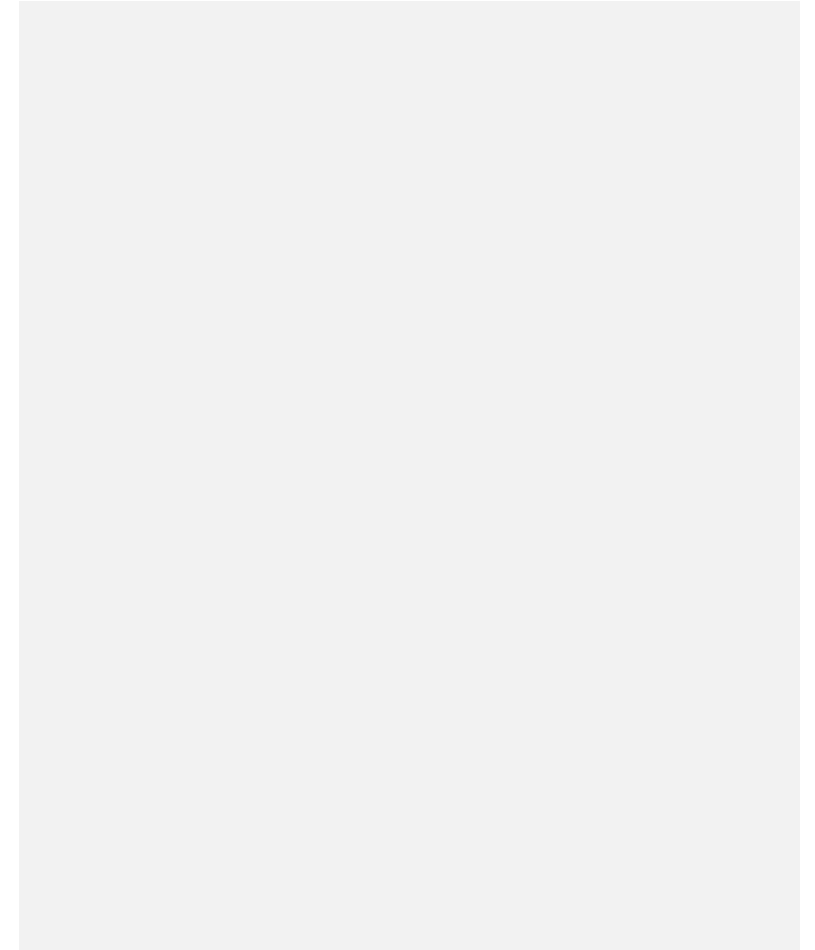
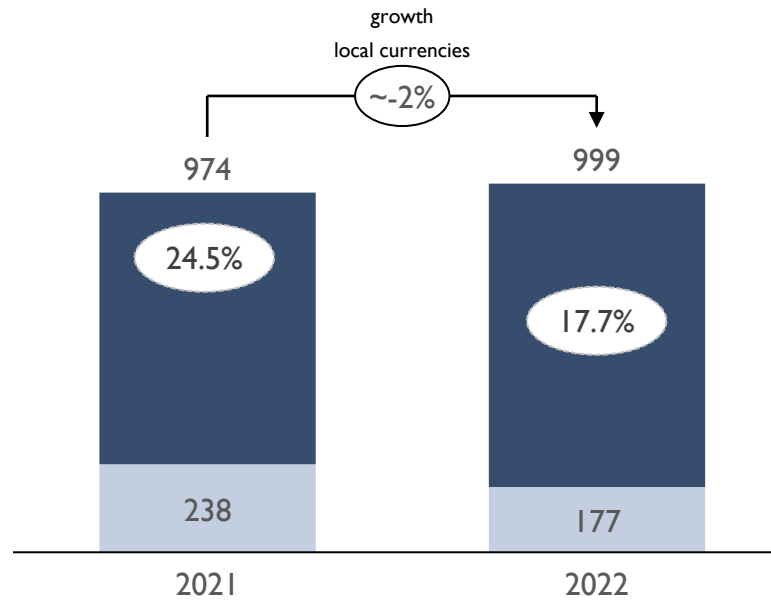
In line with last year YTD

Comments

- Net Revenue (SEKm)
- Profit after variable costs (SEKm)
- Profit after variable costs (%)



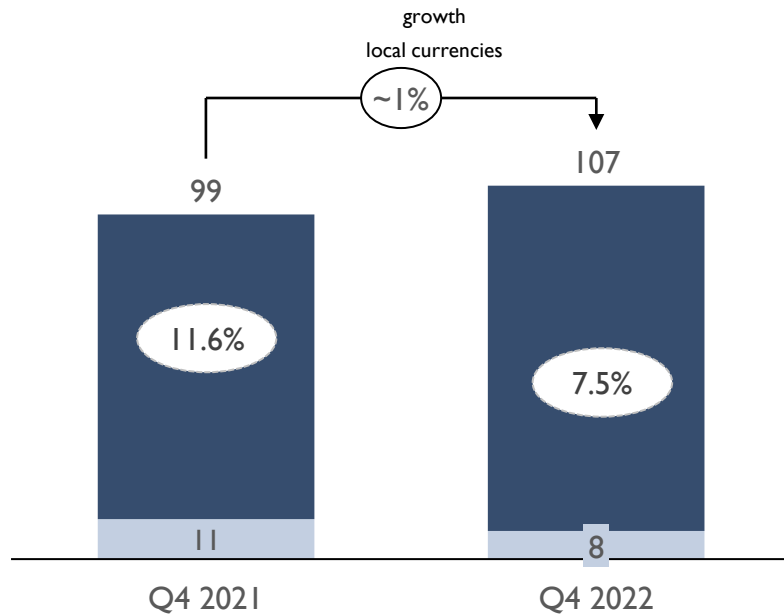
- Net Revenue (SEKm)
- Profit after variable costs (SEKm)
- Profit after variable costs (%)



# SEGMENT ONROAD

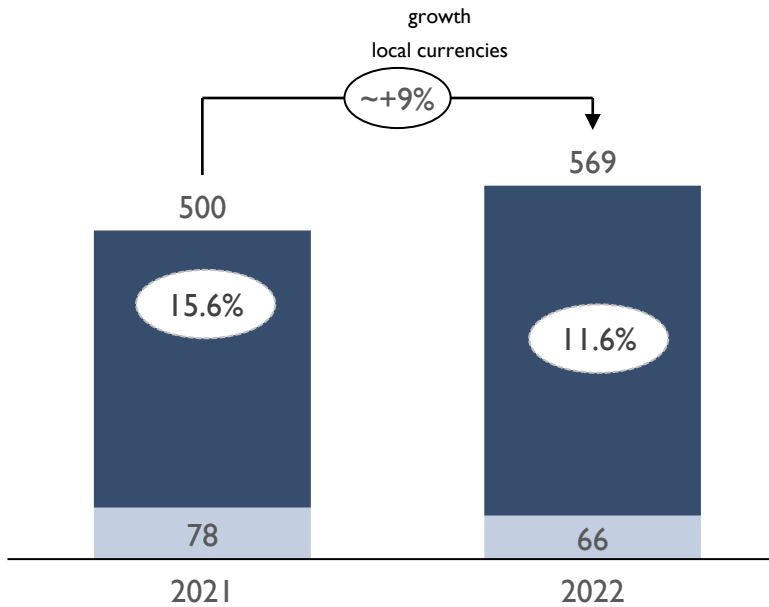
## Solid growth in Q4

- Net Revenue (SEKm)
- Profit after variable costs (SEKm)
- Profit after variable costs (%)

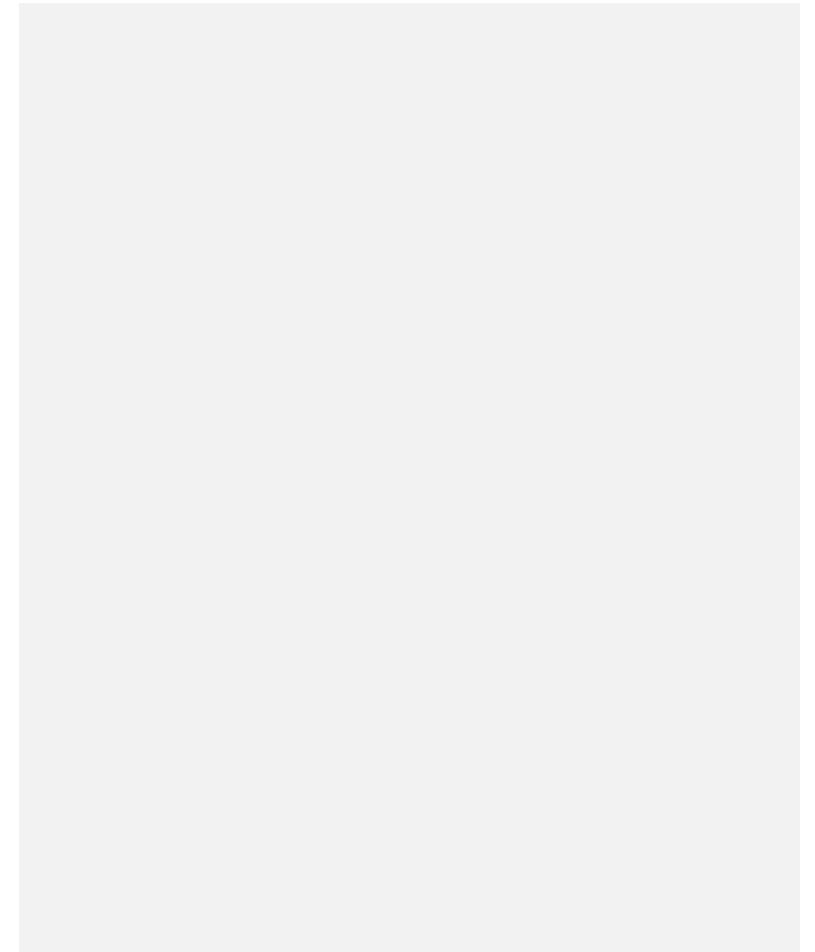


## Stronger offering drives growth YTD

- Net Revenue (SEKm)
- Profit after variable costs (SEKm)
- Profit after variable costs (%)



## Comments

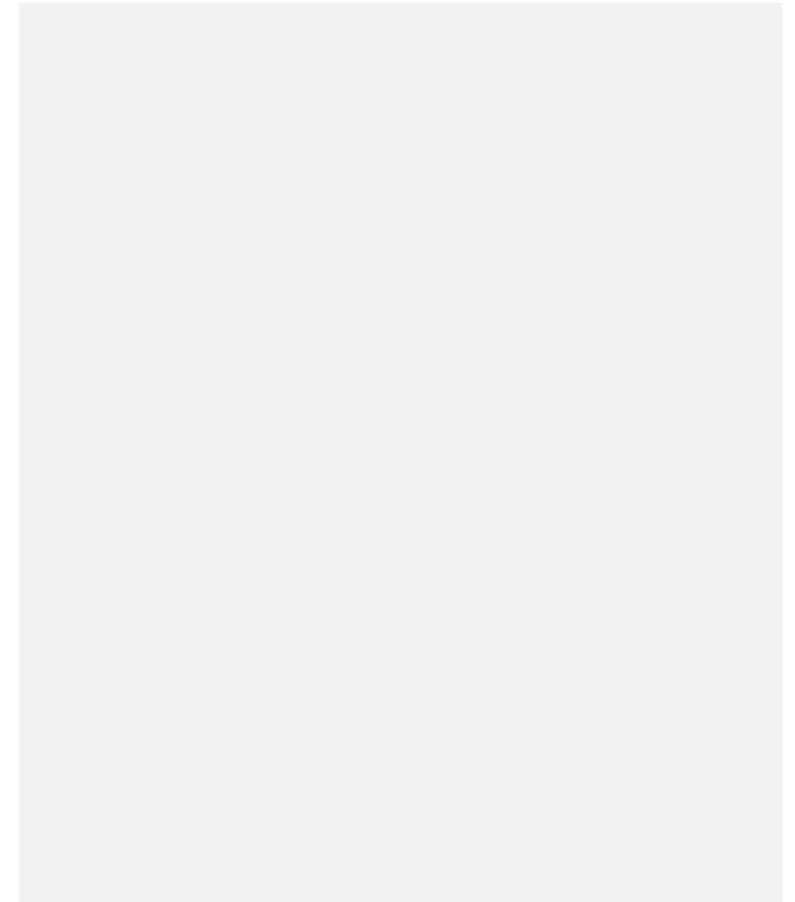
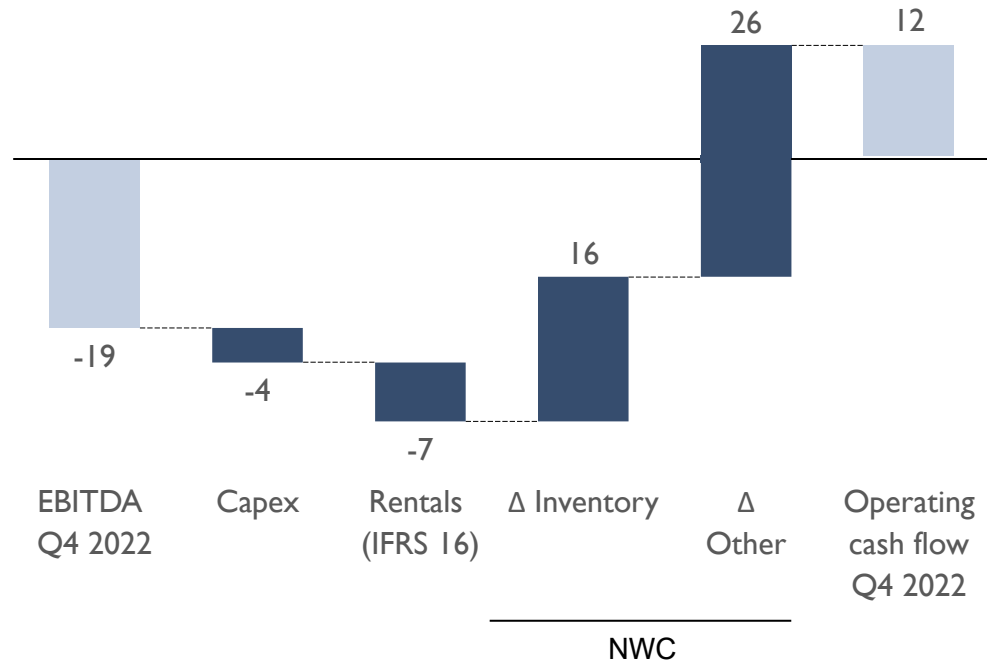


# CASH GENERATION

Inventory reduction offset by mainly lower short-term liabilities

Comments

Cash generation Q4 2022





# FINANCIAL TARGETS

## Medium- and long-term financial targets

<b>Adjusted EBIT margin</b>	<b>~8%</b>
<b>Growth</b>	<b>15-20% p.a</b>
<b>Capital structure</b>	<b>2.0x Net debt / EBITDA<sup>1</sup></b>

1) Net debt refers to Net debt excluding IFRS 16, EBITDA refers to Adjusted EBITDA excluding IFRS 16.



# Q4 SUMMARY – PROFIT AND LOSS

SEKm (unless stated otherwise)	Q4 2021					Q4 2022				
	Offroad	Onroad	Other	Intra-group costs <sup>1</sup>	Total	Offroad	Onroad	Other	Intra-group costs <sup>1</sup>	Total
<b>Net Revenue</b>	<b>260</b>	<b>99</b>	<b>54</b>	<b>-</b>	<b>413</b>	<b>282</b>	<b>107</b>	<b>38</b>	<b>-</b>	<b>427</b>
<i>Growth (y/y) (%)</i>	-6%	8%	17%	-%	0%	8%	8%	-30%	-%	3%
<b>Gross Profit</b>	<b>118</b>	<b>39</b>	<b>25</b>	<b>2</b>	<b>184</b>	<b>110</b>	<b>36</b>	<b>14</b>	<b>2</b>	<b>161</b>
<i>Gross margin (%)</i>	45.4%	39.4%	46.9%	-%	44.5%	39.1%	33.2%	36.6%	-%	37.8%
Variable sales- and distribution costs	-61	-28	-15	-	-103	-63	-28	-10	-	-101
<i>Variable sales- and distribution costs (%)</i>	-23.6%	-27.8%	-27.0%	-%	-25.0%	-22.5%	-25.7%	-27.4%	-%	-23.7%
<b>Profit after variable costs</b>	<b>57</b>	<b>11</b>	<b>11</b>	<b>2</b>	<b>81</b>	<b>47</b>	<b>8</b>	<b>3</b>	<b>2</b>	<b>60</b>
<i>Profit after variable costs (%)</i>	21.8%	11.6%	19.9%	-%	19.5%	16.6%	7.5%	9.2%	-%	14.0%
Overhead costs					-63					-71
<i>Overhead costs (%)</i>					-15.3%					-16.6%
<b>Adjusted EBITDA</b>					<b>18</b>					<b>-11</b>
<i>Adjusted EBITDA margin (%)</i>					4.2%					-2.6%
Depreciation and amortisation (D&A)					-12					-12
<i>D&amp;A (% of net revenue)</i>					-2.9%					-2.8%
<b>Adjusted EBIT</b>					<b>6</b>					<b>-23</b>
<i>Adjusted EBIT margin (%)</i>					1.4%					-5.4%
Items affecting comparability (IAC)					0					-8
<i>IAC (% of net revenue)</i>					0.0%					-1.9%

<sup>1</sup> Intra-group costs, consists of exchange rate revaluation of net working capital items which are not divided between segments.



# CONSOLIDATED FINANCIAL INFORMATION

SEKm (unless stated otherwise)	2020	2021	2022
<b>Net Revenue</b>	<b>1,523</b>	<b>1,594</b>	<b>1,670</b>
<i>Growth (y/y) (%)</i>	23%	5%	5%
<i>Growth in local currencies (y/y) (%)</i>	24%	7%	1%
<i>Growth in private brand sales (y/y) (%)</i>	24%	7%	7%
<b>Gross Profit</b>	<b>711</b>	<b>728</b>	<b>657</b>
<i>Gross margin (%)</i>	46.7%	45.7%	39.3%
Variable sales- and distribution costs	-353	-384	-405
<i>Variable sales- and distribution costs (%)</i>	-23.2%	-24.1%	-24.2%
<b>Profit after variable costs</b>	<b>358</b>	<b>343</b>	<b>252</b>
<i>Profit after variable costs (%)</i>	23.5%	21.5%	15.1%
Overhead costs	-221	-239	-256
<i>Overhead costs (%)</i>	-14.5%	-15.0%	-15.3%
<b>Adjusted EBITDA</b>	<b>137</b>	<b>104</b>	<b>-4</b>
<i>Adjusted EBITDA margin (%)</i>	9.0%	6.5%	-0.2%
Depreciation and amortisation (D&A)	-40	-46	-49
<i>D&amp;A (% of net revenue)</i>	-2.6%	-2.9%	-3.0%
<b>Adjusted EBIT</b>	<b>97</b>	<b>58</b>	<b>-53</b>
<i>Adjusted EBIT margin (%)</i>	6.4%	3.6%	-3.2%
Items affecting comparability (IAC)	-17	-12	-15
<i>IAC (% of net revenue)</i>	-1.1%	-0.7%	-0.9%



# SEGMENT FINANCIAL INFORMATION

SEKm (unless stated otherwise)	2020	2021	2022
<b>Offroad</b>			
<b>Net Revenue</b>	<b>952</b>	<b>974</b>	<b>999</b>
<i>Growth (y/y) (%)</i>	30%	2%	3%
<b>Gross Profit</b>	<b>460</b>	<b>462</b>	<b>412</b>
<i>Gross margin (%)</i>	48.3%	47.5%	41.2%
Variable sales- and distribution costs	-206	-224	-235
<i>Variable sales- and distribution costs (%)</i>	-21.7%	-23.0%	-23.5%
<b>Profit after variable costs<sup>1</sup></b>	<b>254</b>	<b>238</b>	<b>177</b>
<i>Profit after variable costs (%)</i>	26.7%	24.5%	17.7%
<b>Onroad</b>			
<b>Net Revenue</b>	<b>461</b>	<b>500</b>	<b>569</b>
<i>Growth (y/y) (%)</i>	11%	8%	14%
<b>Gross Profit</b>	<b>195</b>	<b>209</b>	<b>208</b>
<i>Gross margin (%)</i>	42.3%	41.8%	36.6%
Variable sales- and distribution costs	-122	-131	-142
<i>Variable sales- and distribution costs (%)</i>	-26.4%	-26.1%	-24.9%
<b>Profit after variable costs<sup>1</sup></b>	<b>73</b>	<b>78</b>	<b>66</b>
<i>Profit after variable costs (%)</i>	15.9%	15.6%	11.6%
<b>Other</b>			
<b>Net Revenue</b>	<b>110</b>	<b>119</b>	<b>102</b>
<i>Growth (y/y) (%)</i>	14%	9%	-14%
<b>Gross Profit</b>	<b>50</b>	<b>59</b>	<b>41</b>
<i>Gross margin (%)</i>	46.1%	49.4%	40.1%
Variable sales- and distribution costs	-25	-30	-28
<i>Variable sales- and distribution costs (%)</i>	-22.4%	-25.1%	-27.7%
<b>Profit after variable costs<sup>1</sup></b>	<b>26</b>	<b>29</b>	<b>13</b>
<i>Profit after variable costs (%)</i>	23.7%	24.2%	12.4%

1) Excluding intra-group costs, which are not allocated on segments, of SEKm 5, SEKm -2 and SEKm -4 respectively. Intra-group costs refers to exchange rate revaluation of net working capital items that are not divided between segments.





# QUARTERLY CONSOLIDATED FINANCIAL INFORMATION

SEKm (unless stated otherwise)	2020					2021					2022				
	Q1	Q2	Q3	Q4	FY20	Q1	Q2	Q3	Q4	FY21	Q1	Q2	Q3	Q4	FY22
<b>Net Revenue</b>	308	472	329	414	1,523	369	451	361	413	1,594	420	450	373	427	1,670
Growth (y/y) (%)	15%	39%	13%	20%	23%	20%	-5%	10%	0%	5%	14%	0%	3%	3%	5%
Growth in local currencies (y/y) (%)	13%	39%	16%	25%	24%	25%	-1%	11%	1%	7%	10%	-3%	-0%	-3%	1%
Growth in private brand sales (y/y) (%)	14%	32%	21%	27%	24%	36%	3%	6%	-9%	7%	9%	9%	7%	3%	7%
<b>Gross Profit<sup>1</sup></b>	<b>138</b>	<b>216</b>	<b>150</b>	<b>206</b>	<b>711</b>	<b>176</b>	<b>209</b>	<b>159</b>	<b>184</b>	<b>728</b>	<b>172</b>	<b>178</b>	<b>146</b>	<b>161</b>	<b>657</b>
Gross margin (%)	44.9%	45.8%	45.7%	49.8%	46.7%	47.8%	46.3%	44.0%	44.5%	45.7%	41.0%	39.5%	39.1%	37.8%	39.3%
Variable sales- and distribution costs	-73	-106	-78	-96	-353	-89	-106	-86	-103	-384	-110	-109	-85	-101	-405
Variable sales- and distribution costs (%)	-23.7%	-22.4%	-23.6%	-23.3%	-23.2%	-24.0%	-23.5%	-23.9%	-25.0%	-24.1%	-26.1%	-24.2%	-22.8%	-23.7%	-24.2%
<b>Profit after variable costs</b>	<b>65</b>	<b>110</b>	<b>73</b>	<b>110</b>	<b>358</b>	<b>88</b>	<b>103</b>	<b>72</b>	<b>81</b>	<b>343</b>	<b>62</b>	<b>69</b>	<b>60</b>	<b>60</b>	<b>252</b>
Profit after variable costs (%)	21.1%	23.4%	22.1%	26.5%	23.5%	23.7%	22.8%	20.0%	19.5%	21.5%	14.9%	15.3%	16.2%	14.0%	15.1%
Overhead costs	-55	-57	-49	-60	-221	-58	-60	-57	-63	-239	-62	-66	-57	-71	-256
Overhead costs (%)	-17.8%	-12.0%	-15.0%	-14.5%	-14.5%	-15.8%	-13.3%	-15.9%	-15.3%	-15.0%	-14.7%	-14.7%	-15.2%	-16.6%	-15.3%
<b>Adjusted EBITDA</b>	<b>10</b>	<b>54</b>	<b>23</b>	<b>50</b>	<b>137</b>	<b>29</b>	<b>43</b>	<b>15</b>	<b>18</b>	<b>104</b>	<b>1</b>	<b>3</b>	<b>4</b>	<b>-11</b>	<b>-4</b>
Adjusted EBITDA margin (%)	3.4%	11.4%	7.1%	12.0%	9.0%	7.9%	9.5%	4.1%	4.2%	6.5%	0.1%	0.6%	1.1%	-2.6%	-0.2%
Depreciation and amortisation (D&A)	-8	-9	-11	-11	-40	-11	-11	-12	-12	-46	-13	-12	-13	-12	-49
D&A (% of net revenue)	-2.6%	-2.0%	-3.3%	-2.7%	-2.6%	-3.0%	-2.5%	-3.4%	-2.9%	-2.9%	-3.0%	-2.7%	-3.4%	-2.8%	-3.0%
<b>Adjusted EBIT</b>	<b>2</b>	<b>44</b>	<b>12</b>	<b>39</b>	<b>97</b>	<b>18</b>	<b>32</b>	<b>3</b>	<b>6</b>	<b>58</b>	<b>-12</b>	<b>-9</b>	<b>-9</b>	<b>-23</b>	<b>-53</b>
Adjusted EBIT margin (%)	0.6%	9.4%	3.8%	9.3%	6.4%	4.9%	7.0%	0.7%	1.4%	3.6%	-2.9%	-2.1%	-2.4%	-5.4%	-3.2%
Items affecting comparability (IAC)	-1	-1	-2	-12	-17	-10	-1	-1	0	-12	-	-1	-6	-8	-15
IAC (% of net revenue)	-0.2%	-0.2%	-0.8%	-2.9%	-1.1%	-2.8%	-0.2%	-0.1%	0.0%	-0.7%	-%	-0.3%	-1.6%	-1.9%	-0.9%
<sup>1</sup> Revaluation of working capital items	-5	5	-1	6	5	-4	-	-	2	-2	-1	-2	-2	2	-3
Number of orders (000)	354	521	385	464	1,724	427	477	385	445	1,735	462	483	371	433	1,749
Average order value (AOV) (SEK)	869	906	856	893	884	864	944	936	928	919	910	933	1,004	985	955
Net revenue from private brands	116	160	122	173	571	157	165	129	157	609	171	179	138	161	650
Active customers, LTM (000)	902	1,010	1,057	1,118	1,118	1,174	1,141	1,155	1,148	1,148	1,165	1,167	1,163	1,165	1,165

1) Exchange rate revaluation of working capital items are included in cost of goods sold.



# QUARTERLY SEGMENT FINANCIAL INFORMATION

SEKm (unless stated otherwise)	2020					2021					2022				
	Q1	Q2	Q3	Q4	FY20	Q1	Q2	Q3	Q4	FY21	Q1	Q2	Q3	Q4	FY22
<b>Offroad</b>															
<b>Net Revenue</b>	<b>182</b>	<b>286</b>	<b>208</b>	<b>276</b>	<b>952</b>	<b>221</b>	<b>267</b>	<b>226</b>	<b>260</b>	<b>974</b>	<b>241</b>	<b>243</b>	<b>233</b>	<b>282</b>	<b>999</b>
Growth (y/y) (%)	22%	48%	18%	30%	30%	22%	-7%	9%	-6%	2%	9%	-9%	3%	8%	3%
<b>Gross Profit</b>	<b>89</b>	<b>133</b>	<b>100</b>	<b>138</b>	<b>460</b>	<b>111</b>	<b>129</b>	<b>104</b>	<b>118</b>	<b>462</b>	<b>103</b>	<b>103</b>	<b>95</b>	<b>110</b>	<b>412</b>
Gross margin (%)	48.9%	46.4%	48.3%	49.9%	48.3%	50.1%	48.4%	46.1%	45.4%	47.5%	42.8%	42.5%	40.7%	39.1%	41.2%
Variable sales- and distribution costs	-41	-60	-45	-60	-206	-50	-60	-52	-61	-224	-63	-58	-50	-63	-235
Variable sales- and distribution costs (%)	-22.5%	-20.8%	-21.9%	-21.9%	-21.7%	-22.7%	-22.4%	-23.2%	-23.6%	-23.0%	-26.1%	-23.9%	-21.6%	-22.5%	-23.5%
<b>Profit after variable costs<sup>1</sup></b>	<b>48</b>	<b>73</b>	<b>55</b>	<b>77</b>	<b>254</b>	<b>61</b>	<b>69</b>	<b>52</b>	<b>57</b>	<b>238</b>	<b>40</b>	<b>45</b>	<b>45</b>	<b>47</b>	<b>177</b>
Profit after variable costs (%)	26.5%	25.6%	26.4%	28.0%	26.7%	27.3%	26.0%	23.0%	21.8%	24.5%	16.7%	18.7%	19.1%	16.6%	17.7%
<b>Onroad</b>															
<b>Net Revenue</b>	<b>84</b>	<b>174</b>	<b>112</b>	<b>92</b>	<b>461</b>	<b>101</b>	<b>173</b>	<b>128</b>	<b>99</b>	<b>500</b>	<b>134</b>	<b>197</b>	<b>131</b>	<b>107</b>	<b>569</b>
Growth (y/y) (%)	0%	27%	5%	4%	11%	20%	-1%	14%	8%	8%	33%	14%	2%	8%	14%
<b>Gross Profit</b>	<b>35</b>	<b>74</b>	<b>47</b>	<b>40</b>	<b>195</b>	<b>44</b>	<b>75</b>	<b>51</b>	<b>39</b>	<b>209</b>	<b>50</b>	<b>73</b>	<b>49</b>	<b>36</b>	<b>208</b>
Gross margin (%)	41.5%	42.3%	41.9%	43.3%	42.3%	44.0%	43.2%	39.9%	39.4%	41.8%	37.5%	37.2%	37.4%	33.2%	36.6%
Variable sales- and distribution costs	-23	-43	-30	-25	-122	-27	-43	-33	-28	-131	-34	-48	-32	-28	-142
Variable sales- and distribution costs (%)	-27.7%	-24.8%	-27.2%	-27.3%	-26.4%	-26.8%	-25.1%	-25.6%	-27.8%	-26.1%	-25.0%	-24.5%	-24.8%	-25.7%	-24.9%
<b>Profit after variable costs<sup>1</sup></b>	<b>12</b>	<b>30</b>	<b>16</b>	<b>15</b>	<b>73</b>	<b>17</b>	<b>31</b>	<b>18</b>	<b>11</b>	<b>78</b>	<b>17</b>	<b>25</b>	<b>16</b>	<b>8</b>	<b>66</b>
Profit after variable costs (%)	13.8%	17.5%	14.7%	16.0%	15.9%	17.2%	18.0%	14.3%	11.6%	15.6%	12.4%	12.7%	12.6%	7.5%	11.6%
<b>Other</b>															
<b>Net Revenue</b>	<b>42</b>	<b>12</b>	<b>10</b>	<b>46</b>	<b>110</b>	<b>47</b>	<b>11</b>	<b>8</b>	<b>54</b>	<b>119</b>	<b>45</b>	<b>10</b>	<b>9</b>	<b>38</b>	<b>102</b>
Growth (y/y) (%)	20%	23%	13%	7%	14%	12%	-10%	-22%	17%	9%	-4%	-5%	22%	-30%	-14%
<b>Gross Profit</b>	<b>19</b>	<b>5</b>	<b>4</b>	<b>22</b>	<b>50</b>	<b>25</b>	<b>5</b>	<b>4</b>	<b>25</b>	<b>59</b>	<b>20</b>	<b>4</b>	<b>4</b>	<b>14</b>	<b>41</b>
Gross margin (%)	45.5%	39.9%	45.8%	48.3%	46.1%	52.7%	47.2%	49.4%	46.9%	49.4%	43.9%	36.2%	39.6%	36.6%	40.1%
Variable sales- and distribution costs	-9	-3	-2	-11	-25	-11	-3	-1	-15	-30	-13	-3	-2	-10	-28
Variable sales- and distribution costs (%)	-21.2%	-24.5%	-21.2%	-23.2%	-22.4%	-24.4%	-23.4%	-18.8%	-27.0%	-25.1%	-28.9%	-25.0%	-25.7%	-27.4%	-27.7%
<b>Profit after variable costs<sup>1</sup></b>	<b>10</b>	<b>2</b>	<b>2</b>	<b>12</b>	<b>26</b>	<b>13</b>	<b>3</b>	<b>2</b>	<b>11</b>	<b>29</b>	<b>7</b>	<b>1</b>	<b>1</b>	<b>3</b>	<b>13</b>
Profit after variable costs (%)	24.3%	15.4%	24.6%	25.0%	23.7%	28.3%	23.8%	30.7%	19.9%	24.2%	15.0%	11.2%	13.9%	9.2%	12.4%

1) Excluding intra-group costs, which are not allocated on segments. Intra-group costs refers to exchange rate revaluation of net working capital items that are not divided between segments. See previous slide, row "Revaluation for working capital items" for quarterly details.



# QUARTERLY CONSOLIDATED NET WORKING CAPITAL

SEKm (unless stated otherwise)	2020		2021			2022			
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Physical stock	270	283	293	357	447	431	431	432	414
Goods in transit	64	68	81	122	87	80	59	72	74
Inventory	334	350	374	479	534	511	490	504	488
Working capital assets	29	39	43	27	30	31	36	24	20
Working capital liabilities	-244	-270	-265	-305	-305	-316	-288	-248	-262
<b>Net working capital</b>	<b>120</b>	<b>119</b>	<b>152</b>	<b>200</b>	<b>260</b>	<b>227</b>	<b>238</b>	<b>280</b>	<b>246</b>
As % of net revenue LTM	7.9%	7.5%	9.7%	12.6%	16.3%	13.8%	14.5%	16.9%	14.7%
Stock turnover <sup>1</sup>	2.4x	2.4x	2.2x	1.8x	1.6x	1.8x	1.9x	1.9x	2.1x
Inventory % of net revenue LTM	22.0%	22.1%	23.9%	30.0%	33.5%	31.1%	29.8%	30.4%	29.2%

1) Defined as cost of goods sold LTM divided by end of quarter inventory.



# CONDENSED CONSOLIDATED STATEMENT OF PROFIT/LOSS

SEKm	Oct-Dec		Jan-Dec	Jan-Dec
	2022	2021	2022	2021
Net revenue	427	413	1,670	1,594
Cost of goods sold	-266	-229	-1,013	-866
<b>Gross profit</b>	<b>161</b>	<b>184</b>	<b>657</b>	<b>728</b>
Sales and distribution costs	-137	-137	-540	-512
Administration costs	-55	-43	-188	-169
Other operating income- and expenses	0	2	2	-1
<b>Operating profit</b>	<b>-31</b>	<b>6</b>	<b>-68</b>	<b>46</b>
Financial net	8	3	17	-20
<b>Profit/loss before tax</b>	<b>-23</b>	<b>9</b>	<b>-52</b>	<b>26</b>
Tax	0	-3	-6	0
<b>Profit/loss for the period</b>	<b>-23</b>	<b>6</b>	<b>-58</b>	<b>26</b>



# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

SEKm	Dec 2022	Dec 2021
Intangible assets	345	351
Property, plant and equipment	16	18
Right-of-use assets	60	63
Financial assets	4	2
Deferred tax assets	6	10
<b>Total non-current assets</b>	<b>431</b>	<b>445</b>
Inventory	488	534
Other current assets	27	38
Cash and cash equivalents	136	18
<b>Total current assets</b>	<b>651</b>	<b>591</b>
<b>Total assets</b>	<b>1,083</b>	<b>1,035</b>
<b>Total equity</b>	<b>719</b>	<b>441</b>
Liabilities to credit institutions	-	-
Leasing liabilities	39	48
Deferred tax liabilities	29	28
<b>Total non-current liabilities</b>	<b>68</b>	<b>76</b>
Liabilities to credit institutions	-	178
Shareholder loans	-	-
Leasing liabilities	26	23
Contingent consideration	-	-
Trade payables	105	147
Other current liabilities	165	169
<b>Total current liabilities</b>	<b>296</b>	<b>517</b>
<b>Total equity and liabilities</b>	<b>1,083</b>	<b>1,035</b>





# CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

SEKm	NOTE	Oct-Dec		Jan-Dec	Jan-Dec
		2022	2021	2022	2021
Operating profit	A	-31	6	-68	46
Adjustments for non-cash items	B	12	14	56	45
Paid interest		-1	-2	-11	-12
Received interest		1	0	1	0
Realised currency derivatives		4	1	13	1
Paid/received tax		0	-1	-8	-4
<b>Cash flow from operating activities before changes in net working capital</b>		<b>-15</b>	<b>18</b>	<b>-17</b>	<b>76</b>
Changes in net working capital	C	42	-57	25	-137
<b>Cash flow from operating activities</b>		<b>27</b>	<b>-39</b>	<b>9</b>	<b>-61</b>
<b>Investing activities</b>					
Investments in non-current assets	D	-4	-9	-16	-26
Paid/received blocked funds		0	-	0	14
<b>Cash flow from investing activities</b>		<b>-4</b>	<b>-9</b>	<b>-16</b>	<b>-12</b>
<b>Financing activities</b>					
New share issue including issue costs		0	0	331	350
Issue of warrants including issue costs		-	-	-	4
Change in utilised credit facility		-1	48	-27	177
Repayment of shareholder loans <sup>1</sup>		-	-	-	-64
Repayment of liabilities to credit institutions <sup>1</sup>		-	-	-157	-414
Repayment of leasing liabilities	E	-6	-5	-23	-20
Paid contingent consideration		-	-	-	-30
<b>Cash flow from financing activities</b>		<b>-7</b>	<b>43</b>	<b>124</b>	<b>2</b>
<b>Cash flow for the period</b>		<b>16</b>	<b>-5</b>	<b>117</b>	<b>-71</b>
Cash and cash equivalents at the beginning of period		115	23	18	87
Exchange rate difference		5	0	1	2
<b>Cash and cash equivalents end of period</b>		<b>136</b>	<b>18</b>	<b>136</b>	<b>18</b>
<b>Operating cash flow before IFRS 16 interest</b>	<b>A+B+C+D+E</b>	<b>13</b>	<b>-51</b>	<b>-26</b>	<b>-92</b>
Interest IFRS 16		-1	-1	-3	-4
<b>Operating cash flow</b>		<b>12</b>	<b>-52</b>	<b>-29</b>	<b>-96</b>



# RECONCILIATION OF ADJUSTED FINANCIALS

SEKm	Oct-Dec		Jan-Dec	Jan-Dec
	2022	2021	2022	2021
Net revenue	427	413	1,670	1,594
Cost of goods sold	-266	-229	-1,013	-866
Variable sales- and distribution costs	-101	-103	-405	-384
Other costs <sup>1</sup>	-91	-75	-320	-297
<b>Operating profit (EBIT)</b>	<b>-31</b>	<b>6</b>	<b>-68</b>	<b>46</b>
<b>Reconciliation of adj. EBIT and adj. EBITDA</b>				
<b>Operating profit (EBIT)</b>	<b>-31</b>	<b>6</b>	<b>-68</b>	<b>46</b>
IAC related to:				
IPO-costs	-	0	1	9
Restructuring expenses	4	-	4	-
Change in fair value, contingent consideration	-	-	-	3
Other costs (XO)	4	-	11	0
<b>Adjusted operating profit (EBIT)</b>	<b>-23</b>	<b>6</b>	<b>-53</b>	<b>58</b>
<b>Adjusted EBIT margin (%)</b>	<b>-5.4%</b>	<b>1.4%</b>	<b>-3.2%</b>	<b>3.6%</b>
Depreciation	-8	-6	-29	-26
Amortisation	-3	-5	-20	-20
<i>(of which PPA amortisations included in adjusted EBIT)</i>	0	0	-1	-1
<b>Adjusted EBITDA</b>	<b>-11</b>	<b>18</b>	<b>-4</b>	<b>104</b>
<b>Adjusted EBITDA margin (%)</b>	<b>-2.6%</b>	<b>4.2%</b>	<b>-0.2%</b>	<b>6.5%</b>

1) Other costs mainly consist of non-variable sales- and distribution costs, administration costs and other operating expenses/income.





PIERCE

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