



## Tough market, but stronger cash position and decreased inventory

### October – December 2022

- Net revenue increased by 3%, totalling SEK 427 (413) million. In local currencies growth was -3%.
- EBITDA totalled SEK -19 (18) million. Adjusted EBITDA was SEK -11 (18) million, equivalent to a margin of -2.6% (4.2%).
- Operating profit (EBIT) was SEK -31 (6) million. Adjusted operating profit (EBIT) was SEK -23 (6) million and the adjusted operating margin was -5.4% (1.4%).
- Cash flow for the period was SEK 16 (-5) million.
- Profit/loss for the period amounted to SEK -23 (6) million.
- Earnings per share before dilution was SEK -0.29 (0.14) and SEK -0.29 (0.14) after dilution.

### January – December 2022

- Net revenue increased by 5%, totalling SEK 1,670 (1,594) million. In local currencies growth was 1%.
- EBITDA totalled SEK -19 (93) million. Adjusted EBITDA was SEK -4 (104) million, equivalent to a margin of -0.2% (6.5%).
- Operating profit (EBIT) was SEK -68 (46) million. Adjusted operating profit (EBIT) totalled SEK -53 (58) million and the adjusted operating margin was -3.2% (3.6%).
- Cash flow for the period was SEK 117 (-71) million. The positive cash position was a result of the new share issue of SEK 337 million, after deduction of issue costs, which was used to repay a bank loan facility of approximately SEK 180 million.
- Profit/loss for the period amounted to SEK -58 (26) million.
- Earnings per share before dilution was SEK -0.98 (0.68) and SEK -0.98 (0.68) after dilution.

SEKm (unless stated otherwise)	Oct-Dec		Jan-Dec	
	2022	2021	2022	2021
<b>Net revenue</b>	<b>427</b>	<b>413</b>	<b>1,670</b>	<b>1,594</b>
Growth (%) <sup>1</sup>	3%	0%	5%	5%
Growth in local currencies (%) <sup>1</sup>	-3%	1%	1%	7%
Gross profit	161	184	657	728
Profit after variable costs <sup>1 2</sup>	60	81	252	343
Overhead costs <sup>1</sup>	-71	-63	-256	-239
Adjusted EBITDA <sup>1</sup>	-11	18	-4	104
<b>Adjusted operating profit (EBIT)<sup>1 3</sup></b>	<b>-23</b>	<b>6</b>	<b>-53</b>	<b>58</b>
Items affecting comparability <sup>1</sup>	-8	0	-15	-12
EBITDA <sup>1</sup>	-19	18	-19	93
Operating profit (EBIT) <sup>3</sup>	-31	6	-68	46
Profit/loss for the period	-23	6	-58	26
Gross margin (%) <sup>1</sup>	37.8%	44.5%	39.3%	45.7%
Profit after variable costs (%) <sup>1</sup>	14.0%	19.5%	15.1%	21.5%
Adjusted EBITDA (%) <sup>1</sup>	-2.6%	4.2%	-0.2%	6.5%
Adjusted operating margin (EBIT) (%) <sup>1</sup>	-5.4%	1.4%	-3.2%	3.6%
Cash flow for the period	16	-5	117	-71
Net debt (+) / Net cash (-) <sup>4</sup>	-136	160	-136	160

<sup>1</sup> Alternative performance measures (APM), see pages 22 - 24 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.

<sup>3</sup> 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 and 1.5 million during the current and the previous financial year.

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

## CEO comments

**Continued tough market conditions and the general overstock situation have significantly squeezed profitability. However, we have been able to maintain sales, strengthen the cash position and progressed with our financial improvement plan**

**During the quarter 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. The program to improve our financial performance is progressing according to plan, and we expect to start seeing more significant impact from the second half of 2023. We are also initiating additional structural improvements to the business which will position us stronger when the market rebounds.**

Net revenue grew 3 percent, to SEK 427 million during the quarter. The gross margin continued to be negatively impacted by our focus on stimulating sales in a weak market, and by significant campaign activities over an extended Black Month period. High costs for shipping and higher purchase prices also contributed to the margin pressure. Adjusted EBIT amounted to SEK -23 million in the quarter versus SEK 6 million in the corresponding period in 2021, largely driven by the gross margin decline.

The net cash position improved by SEK 21 million to SEK 136 million, driven by net working capital improvements. The inventory has decreased by nearly 30 percent in volume since the end of 2021 and also has a better assortment composition. Total inventory value, impacted by both cost increases and currency fluctuations, decreased by 9 percent since the end of 2021, from SEK 534 million to SEK 488 million.

**Shipping costs down to pre-pandemic levels with expected gradual cost improvements going forward**

We saw only a limited impact on results from reduced shipping costs, although the container prices from Asia were back to pre-pandemic levels. Most of the products we sold were inbound when container prices were high. Consequently, shipping costs for the goods we sold during the quarter were still at a high level compared to last year. In percent of revenue, shipping cost were 6.2 percent in the quarter, only slightly lower than the peak of 6.6 percent in the second quarter. Assuming a full effect from current container prices, the gross margin should be improved by roughly 3 percentage points. We expect to see gradual improvements from reduced shipping costs over the coming quarters.

During the quarter we progressed with the financial improvement program that we initiated earlier this year according to plan. As a result, performance marketing spend declined and direct costs in relation to revenues were reduced by 1.3 percentage points compared with last year. We also revisited our entire supplier base to further improve commercial terms with the full impact to be seen towards the end of 2023.

**Still significant uncertainty regarding the near-term outlook**

We estimate that the market declined by more than 10 percent during the quarter, negatively affected by economic uncertainty, high

inflation and interest rates, all of which have an impact on consumer demand. Despite the slow demand and high inventory levels in the market, we have been able to increase our prices towards the customer. However, balancing top line sales against improving customer prices has put constraints on our ability to fully offset increased freight and purchasing costs.

The uncertainty regarding the short-term market outlook is still significant, as demand is squeezed by a combination of inflation and deteriorating consumer sentiment. We are taking a more conservative approach towards purchasing, but we are in a strong position to navigate these turbulent conditions given our solid balance sheet and net cash position. We also have a compelling value proposition towards more price sensitive customers, with a broad assortment for every wallet, attractive prices and good value for money deals.

### Short-term priorities

In the medium term our overall objective is to come out as a stronger company when the market rebounds. In the short-term, this requires us to be both vigilant and quick to respond to changing market conditions. Over the coming quarters we will continue to focus on three main priorities:

1. **Maintain a strong cash position:** It is still very important to preserve our strong cash situation given the level of uncertainty in the market. Moving forward, we will continue to balance the preservation of our cash position by driving top line sales with our desire to gradually improve margins.
2. **Execute the financial improvement program:** The main objective is to improve margins after variable costs and to reduce net working capital. This work is progressing according to plan and we are already seeing the impact from performance marketing efficiencies. Further effects related to cost savings from supplier negotiations and improved pricing capabilities, are expected to materialize during the second half of the year.
3. **Secure economies of scale:** The organisation is working on certain structural initiatives to drive improved scalability through streamlining processes and routines, in particular as it relates to our commercial operations.

To conclude, I wish to express my appreciation to all colleagues for their continued commitment and hard work. This quarter we are also proud to be recognized by the Polish authorities for our ongoing CSR efforts in the Pierce Distribution Center. This is in response to our active involvement in developing the social economy, to our long-standing relationships with local schools to provide learning and development opportunities and to our efforts to employ functionally disabled individuals in the warehouse.

Stockholm, 17 February 2023



Willem Vos  
Acting CEO, Pierce Group AB



## Performance measures – Group

SEKm (unless stated otherwise)	Oct-Dec		Jan-Dec	
	2022	2021	2022	2021
<b>Revenue measures</b>				
<b>Net revenue per geographical area</b>				
Nordics	120	137	567	563
Outside the Nordics	306	276	1,103	1,031
<b>Net revenue</b>	<b>427</b>	<b>413</b>	<b>1,670</b>	<b>1,594</b>
<b>Growth per geographical area</b>				
Nordics (%) <sup>1</sup>	-12%	10%	1%	11%
Outside the Nordics (%) <sup>1</sup>	11%	-5%	7%	1%
<b>Growth (%)<sup>1</sup></b>	<b>3%</b>	<b>0%</b>	<b>5%</b>	<b>5%</b>
<b>Performance measures</b>				
Gross margin (%) <sup>1</sup>	37.8%	44.5%	39.3%	45.7%
Profit after variable costs (%) <sup>1</sup>	14.0%	19.5%	15.1%	21.5%
Overhead costs (%) <sup>1</sup>	16.6%	15.3%	15.3%	15.0%
Adjusted EBITDA (%) <sup>1 2</sup>	-2.6%	4.2%	-0.2%	6.5%
Adjusted operating margin (EBIT) (%) <sup>1</sup>	-5.4%	1.4%	-3.2%	3.6%
Earnings per share before dilution (SEK)	-0.29	0.14	-0.98	0.68
Earnings per share after dilution (SEK)	-0.29	0.14	-0.98	0.68
<b>Cash flow and other financial measures</b>				
Operating profit (EBIT)	-31	6	-68	46
Investments <sup>3</sup>	-4	-9	-16	-26
<b>Operating profit (EBIT) minus investments</b>	<b>-35</b>	<b>-3</b>	<b>-84</b>	<b>20</b>
Changes in net working capital	42	-57	25	-137
Other non-cash items <sup>1 4</sup>	5	8	30	21
<b>Operating cash flow<sup>1</sup></b>	<b>12</b>	<b>-52</b>	<b>-29</b>	<b>-96</b>
Net change in loans	-1	48	-184	-331
Paid/received blocked funds	—	—	—	14
Other cash flow <sup>1 5</sup>	5	-1	329	342
<b>Cash flow for the period</b>	<b>16</b>	<b>-5</b>	<b>117</b>	<b>-71</b>
Cash and cash equivalents <sup>6</sup>	136	18	136	18
Net debt excluding IFRS 16 <sup>1 6 8</sup>	-136	160	-136	160
Net debt/EBITDA <sup>1 7</sup>	4.7	2.0	4.7	2.0
Inventory <sup>6</sup>	488	534	488	534
Other current operating assets <sup>1 6</sup>	20	30	20	30
Other current operating liabilities <sup>1 6</sup>	-262	-305	-262	-305
<b>Net working capital<sup>1 6</sup></b>	<b>246</b>	<b>260</b>	<b>246</b>	<b>260</b>
<b>Operating measures</b>				
Number of orders (thousands) <sup>1</sup>	433	445	1,749	1,735
Average order value (AOV) (SEK) <sup>1</sup>	985	928	955	919
Net revenue from private brands <sup>1</sup>	161	157	650	609
Active customers last 12 months (thousands) <sup>1</sup>	1,165	1,148	1,165	1,148

<sup>1</sup> Alternative performance measures (APM), see pages 22 - 24 for definitions and purpose of these measurements.

<sup>2</sup> Adjusted EBITDA, excluding IFRS 16, amounted during the year-end to SEK -29 (81) million.

<sup>3</sup> Investments regards cash flow from investments excluding paid/received blocked funds.

<sup>4</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>5</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>6</sup> Measures correspond to each period end.

<sup>7</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>8</sup> Positive values refer to net debt, whereas negative values refer to net asset



## Pierce – Riders in eCommerce

Pierce is a leading e-commerce company selling gear, parts and accessories to riders across all of Europe via some forty websites adapted to local markets. Pierce has two major segments, Offroad – sales to motocross and enduro riders, and Onroad – sales to high road riders. Pierce also has a smaller segment, Other, which primarily focuses on sales to snowmobile riders. With a large and unique product assortment, including several private brands, an excellent customer experience and attractive prices, Pierce is changing the motorcycle enthusiast market in Europe. Headquarters is located in Stockholm, the distribution warehouse is located in Szczecin and our customer support services is located in Barcelona. The Company has approximately 420 employees.

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

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

### October – December 2022

#### Net sales

Net revenue increased by 3 percent to SEK 427 (413) million. In local currencies the growth was -3 percent. Net revenue for the Offroad and Onroad segment grew by 8 and 8 percent respectively. The Other segment declined by 30 percent.

The Company deems that the total European online market declined compared to the equivalent quarter last year. The Company's net revenue growth in this declining market was driven by attractive and competitive pricing, with an extended Black Month campaign period throughout November, compared to a 12-day campaign period at the same time last year.

#### Gross profit and gross margin

Gross profit amounted to SEK 161 (184) million, equivalent to a gross margin of 37.8 (44.5) percent.

Higher shipping costs from Asia, SEK -27 (-19) million, impacted the margin by -1.6 percentage points. The remaining margin decline, -5.1 percentage points, was primarily attributable to higher purchasing prices from suppliers. Customers prices have increased but not in line with cost inflation.

Shipping costs were still at a high level in the fourth quarter, despite shipping prices from Asia having decreased to pre-pandemic levels during the fourth quarter. This price decrease will affect costs with a delay as these reductions will take some time to materialize in the profit/loss. This is due to the fact that changes in shipping prices directly affect inventory value, but impact the cost of goods first when the products are sold.

#### Operating costs

Sales and distribution costs amounted to SEK -137 (-137) million and include, primarily, variable costs for marketing and freight costs to customers. In relation to net revenue, these costs were equivalent to 32.1 (33.2) percent. The decrease was driven by lower spending on performance marketing activities, as an effect of the financial improvement program.

Administration costs were SEK -55 (-43) million. Excluding items affecting comparability, these costs totalled SEK -47 (-43) million, of which approximately SEK 3 million were related to key staff retention measures.

#### Adjusted EBIT and EBIT

Adjusted operating profit (EBIT) was SEK -23 (6) million, equivalent to a margin of -5.4 (1.4) percent. The decrease in operating profit was mainly driven by a reduced gross margin. Operating profit (EBIT) totalled SEK -31 (6) million.

Items affecting comparability totalled SEK -8 (0) million and were incurred for support provided by external advisors regarding financial improvement initiatives and transition of CEO/CFO.

The impact from exchange rates fluctuations, compared with the same period in 2021, did not affect the operating profit significantly during the fourth quarter.

#### Financial items

Financial income amounted to SEK 13 (5) million, of which SEK 13 (1) million referred to exchange rate differences from the revaluation of financial balance sheet items. In the comparative period, the financial net was impacted positively by exchange rate effects on currency derivatives, SEK 4 million. In the current period, however, there was a negative result from currency derivatives of SEK 4 million.

Financial expenses amounted to SEK -6 (-2) million. Excluding the losses on currency derivatives, financial expenses consisted in both periods, of periodic expenses comprised of prepaid loan fees.

#### Taxes and result for the period

The tax result totalled SEK 0 (-3) million and the result for the period was SEK -23 (6) million.

## January – December 2022

### Net revenue

Net revenue increased by 5 percent to SEK 1,670 (1,594) million. In local currencies growth was 1 percent. Growth within the main segments Offroad and Onroad was 3 percent and 14 percent, respectively.

The Company assesses that the total European online market has declined since the beginning of the year. The negative development in the general economic situation and uncertainty as regards future development, has negatively affected consumer demand.

Net revenue growth during the year has been driven by more attractive offers to customers, a prolonged campaign period in Q4 and an improved assortment especially within Onroad.

### Gross profit and gross margin

Gross profit amounted to SEK 657 (728) million, equivalent to a margin of 39.3 (45.7) percent.

The decline in the margin was attributable to increased purchasing prices from suppliers driven by inflated costs for raw materials and higher costs for shipping from Asia. The impact from shipping costs was SEK -102 (-70) million impacting the margin by -1.7 percentage points, versus the previous year. Price increases to customers did not fully offset cost increases, due to our focus on driving sales and reducing stock levels.

Exchange rate differences, attributable to the revaluation of net working capital items, impacted gross profit by SEK -4 (-2) million.

### Operating costs

Sales and distribution costs amounted to SEK -540 (-512) million, equivalent to 32.3 (32.1) percent of net revenue. This increase in relation to net revenue referred to increased freight costs driven by fuel prices and increased costs for packaging material.

Administration costs were SEK -188 (-169) million. Excluding items affecting comparability, these costs totalled SEK -173 (-160) million. The increase was primarily due to general salary increases and increased IT costs.

### Adjusted EBIT and EBIT

Adjusted operating profit (EBIT) amounted to SEK -53 (58) million, equivalent to a margin of -3.2 (3.6) percent. The margin decrease was mainly driven by the negative gross margin development of 6.3 percentage points.

Operating profit (EBIT) amounted to SEK -68 (46) million and was impacted by items affecting comparability totalling SEK -15 (-12) million. The items affecting comparability were related to external costs for strategic initiatives, the financial improvement program and transition of CEO/CFO. The equivalent costs in 2021 were attributed to the Company's stock market listing in March 2021.

Operating profit was slightly positively impacted by exchange rate fluctuations compared with same period 2021.

### Financial items

Financial income totalled SEK 28 (6) million, of which SEK 18 (1) million referred to exchange rate differences related to the revaluation of financial balance sheet items, and SEK 10 (4) million was attributable to exchange rate effects on gain on currency derivatives.

Financial expenses of SEK -11 (-26) million consisted of interest expenses for tax liabilities related to export adjustments, interest expenses on external financing and of periodic expenses comprised of prepaid loan fees. In the comparative period, financial expenses mainly referred to interest expenses on external financing. Costs incurred last year related to early redemption of bond loan, interest expenses on bond loan and to shareholders loans. This was due to the previous financing structure being repaid in the beginning of the second quarter in conjunction with the listing, and this financing structure was replaced by a credit facility totalling SEK 300 million.

### Taxes and results for the period

Tax totalled SEK -6 (0) million and the result for the period was SEK -58 (26) million.

The tax result was comprised of tax income of SEK 0 (5) million and tax expenses of SEK -6 (-5) million. The tax income in the comparative period referred primarily to deferred tax receivables on previous years' non-deductible interest expenses. These expenses were previously assessed to be deductible in future income tax returns. During the third quarter, a reassessment was made and it was concluded that it is uncertain that the interest carried forward will be deductible in the near future. The tax cost reported for the period is a result of this reassessment.

### Net revenue and growth in local currencies (%), last twelve months



### Adjusted EBIT<sup>1</sup> and adjusted EBIT (%), last twelve months



<sup>1</sup> Alternative performance measures (APM), see pages 22 - 24 for definitions and purpose of these measurements.

## Comments to the Group's cash flow

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

### October – December 2022

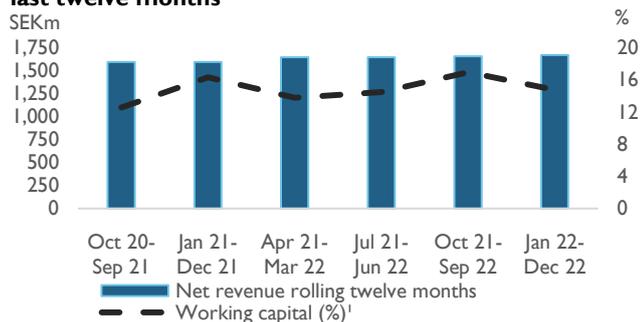
Cash flow from operating activities was SEK 27 (-39) million. Compared with the same period in 2021, operating profit (EBIT) was lower by SEK 37 million and amounted to SEK -31 (6) million. The cash flow within net working capital in the current quarter was SEK 42 (-57) million and the improvement was achieved by continuous efforts to decrease stock levels. Additionally, the quarter was affected by positive non-cash items on net working capital totalling SEK 8 million, arising from exchange rate effect. During the comparison period, changes in net working capital were mainly related to the increase in inventories of SEK 56 million.

Cash flow from investments amounted to SEK -4 (-9) million and referred mainly to investments in IT systems in both periods.

Cash flow from financing activities was SEK -7 (43) million and consisted primarily of leasing payments. In the comparative period, except for the outflow of leasing payments, Pierce saw an inflow from new loans under the credit facility.

Cash flow for the period was SEK 16 (-5) million and cash equivalents for the period totalled SEK 136 (18) million.

### Net revenue and net working capital (%)<sup>1</sup>, last twelve months



<sup>1</sup> Alternative performance measures (APM), see pages 22 - 24 for definitions and purpose of these measurements.

### January – December 2022

Cash flow from operating activities was SEK 9 (-61) million. The difference between the comparative periods referred to changes in net working capital, SEK 25 (-137) million, and operating profit of SEK -68 (46) million.

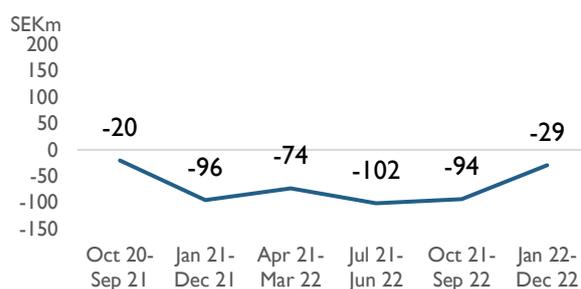
Cash flow from investments totalled SEK -16 (-12) million and referred to investments in IT systems and to the purchase of equipment for the distribution warehouse, SEK -15 (-26) million. Additionally, the comparison period included repaid blocked funds of SEK 14 million.

Cash flow from financing activities was SEK 124 (2) million. This net improvement was a result of the receipt of proceeds from the new rights issue, less the loan repayment. The equivalent figure in the comparative period is explained by costs for the listing, the repayment of the previous financing structure and repaid earn-out, and also, by the utilised credit facility.

Cash flow for the full year was SEK 117 (-71) million. Including exchange rate differences, which totalled SEK 1 (2) million, cash and cash equivalents at the end of the period amounted to SEK 136 (18) million.

Operating cash flow during the last twelve months amounted to SEK -29 (-96) million.

### Operating cash flow<sup>1</sup>, last twelve months



## 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 246 (260) million. The successful decrease in stock was, to a major degree, offset by a decrease in current operating liabilities.

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

Right-of-use assets decreased by SEK 3 million to SEK 60 million, compared with the same period last year, largely as a result of depreciations for the period. Leasing liabilities decreased by SEK 6 million to SEK 65 million.

### Net debt (net asset)

Following the repayment of bank loans of approximately SEK 180 million, Pierce reduced the credit facility from SEK 300 million to SEK 200 million. The credit facility had not been utilised at the end of the period. As a result, the net cash position at the end of the period equaled cash and cash equivalents and amounted to SEK 136 (18) million.

In the comparison period, the net debt position, excluding IFRS 16, amounted to SEK 160 million. This change is explained by a significant increase in the level of cash and cash equivalents, SEK 118 million, and by a decrease in interest-bearing liabilities, SEK 178 million.

### Equity

The Group's equity amounted to SEK 719 (441) million. The SEK 277 million increase in equity between comparative quarters is explained mainly by the rights issue effective in July 2022, SEK 331 million after deducting issue costs, the loss for the period, SEK -58 million and a translation reserve of SEK 4 million.

### Credit facility

The Pierce credit facility is subject to, amongst other things, certain financial covenants regarding the Group's leverage ratio and interest coverage ratio. As of 31 December 2022, there was no breach of covenants in accordance with the agreement for the credit facility. Covenants are reported quarterly.

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<sup>1</sup> Alternative Performance Measures (APM), see pages 22 - 24 for definitions and the purpose of these measures.

## 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 more segment, Other, which primarily focuses on sales to snowmobile riders.

### Overall summary

SEKm	Oct-Dec		Jan-Dec	
	2022	2021	2022	2021
Offroad	282	260	999	974
Onroad	107	99	569	500
Other	38	54	102	119
<b>Net revenue</b>	<b>427</b>	<b>413</b>	<b>1,670</b>	<b>1,594</b>
Offroad	110	118	412	462
Onroad	36	39	208	209
Other	14	25	41	59
Intra-group costs <sup>1</sup>	2	2	-4	-2
<b>Gross profit</b>	<b>161</b>	<b>184</b>	<b>657</b>	<b>728</b>
Offroad	47	57	177	238
Onroad	8	11	66	78
Other	3	11	13	29
Intra-group costs <sup>1</sup>	2	2	-4	-2
<b>Profit after variable costs<sup>2 3</sup></b>	<b>60</b>	<b>81</b>	<b>252</b>	<b>343</b>

<sup>1</sup> Intra-group costs, consists of exchange rate revaluation of net working capital items which are not divided between segments. These amounted in Q1 2022 SEK -1 (-4) million, Q2 2022 SEK -2 (0) million, Q3 2022 SEK -2 (0) million and Q4 2022 SEK 2 (2) million.

<sup>2</sup> Alternative performance measures (APM), see pages 22 - 24 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)	Oct-Dec		Jan-Dec	
	2022	2021	2022	2021
Net revenue	282	260	999	974
Growth (%) <sup>1</sup>	8%	-6%	3%	2%
Gross profit	110	118	412	462
Gross margin (%) <sup>1</sup>	39.1%	45.4%	41.2%	47.5%
Profit after variable costs <sup>1 2</sup>	47	57	177	238
Profit after variable costs (%) <sup>1</sup>	16.6%	21.8%	17.7%	24.5%
Number of orders (thousands) <sup>1</sup>	278	281	1,019	1,064
Average order value (AOV) (SEK) <sup>1</sup>	1,015	928	980	916
Active customers last 12 months (thousands) <sup>1</sup>	648	660	648	660

<sup>1</sup> Alternative performance measures (APM), see pages 22 - 24 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.

### October – December 2022

Net revenue grew by 8 percent to SEK 282 (260) million compared with the equivalent period in 2021. The increase in local currencies was approximately 1 percent. The Nordics decreased net revenue by 5 percent and outside the Nordics net revenue increased by 12 percent. In local currencies the change was -8 and 3 percent, respectively. The company assesses that the market decline has been more pronounced in Nordic than outside the Nordics.

Profit after variable costs amounted to SEK 47 (57) million, which is equivalent to a margin of 16.6 (21.8) percent. The decrease in the margin was primarily attributable to higher costs for shipping from Asia and higher purchasing prices. Cost increases have not been fully offset by customer price increases due to the focus on driving growth and reducing stock levels.

### January – December 2022

Net revenue was SEK 999 (974) million, a minor increase compared with 2021. In local currencies, the negative development was -2 percent. Net revenue in the Nordics decreased by 3 percent and outside the Nordics increased by 4 percent. In local currencies, the decrease was 5 and 1 percent, respectively.

Profit after variable costs amounted to SEK 177 (238) million, equivalent to a margin of 17.7 (24.5) percent. The decrease of the margin was primarily attributable to higher shipping costs from Asia and increased purchase prices. Customer prices increased slightly during the period but not to the degree required to fully compensate for cost increases.

SEKm (unless stated otherwise)	Oct-Dec		Jan-Dec	
	2022	2021	2022	2021
Net revenue	107	99	569	500
Growth (%) <sup>1</sup>	8%	8%	14%	8%
Gross profit	36	39	208	209
Gross margin (%) <sup>1</sup>	33.2%	39.4%	36.6%	41.8%
Profit after variable costs <sup>1 2</sup>	8	11	66	78
Profit after variable costs (%) <sup>1</sup>	7.5%	11.6%	11.6%	15.6%
Number of orders (thousands) <sup>1</sup>	121	120	635	568
Average order value (AOV) (SEK) <sup>1</sup>	887	825	895	881
Active customers last 12 months (thousands) <sup>1</sup>	449	414	449	414

<sup>1</sup> Alternative performance measures (APM), see pages 22 - 24 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.

### October – December 2022

Net revenue increased by 8 percent to SEK 107 (99) million compared with the equivalent period in 2021. Growth in local currencies was approximately 1 percent. The growth in the Nordics and outside the Nordics was 6 and 9 percent, respectively. In local currencies the change was 3 and 0 percent, respectively.

Profit after variable costs, SEK 8 (11) million, was equivalent to a margin of 7.5 (11.6) percent. The decrease in the margin was primarily attributable to increased costs for shipping from Asia and higher purchasing prices. Prices to customers have slightly increased but were held back by our focus on driving growth and reducing stock levels.

### January – December 2022

Net revenue increased by 14 percent compared to 2021, totalling SEK 569 (500) million. Growth in local currencies was approximately 9 percent. Growth in the Nordics and outside the Nordics amounted to 12 and 15 percent respectively. In local currencies the change was 9 and 9 percent, respectively. Growth was driven by a stronger customer offering, related to both pricing and an improved assortment.

Profit after variable costs amounted to SEK 66 (78) million, equivalent to a margin of 11.6 (15.6) percent. The decrease in the margin was primarily attributable to increased shipping costs, higher purchasing prices and more competitive pricing.

### Other sledstore

SEKm (unless stated otherwise)	Oct-Dec		Jan-Dec	
	2022	2021	2022	2021
Net revenue	38	54	102	119
Growth (%) <sup>1</sup>	-30%	17%	-14%	9%
Gross profit	14	25	41	59
Gross margin (%) <sup>1</sup>	36.6%	46.9%	40.1%	49.4%
Profit after variable costs <sup>1 2</sup>	3	11	13	29
Profit after variable costs (%) <sup>1</sup>	9.2%	19.9%	12.4%	24.2%

<sup>1</sup> Alternative performance measures (APM), see pages 22 - 24 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.

### October – December 2022

Net revenue decreased by 30 percent to SEK 38 (54) million compared with the equivalent period last year.

The margin decreased from 46.9 to 36.6 percent.

The segment has been negatively affected by availability issues leading to negative revenue development. Issues were particularly noted within the high gross margin private brand assortment, which is the reason the gross margin was significantly reduced compared with last year.

### January – December 2022

Net revenue decreased by 14 percent to SEK 102 (119) million compared with the previous year. This decrease was driven by availability issues in particular during the start of the season in fourth quarter of 2022.

The margin after variable costs decreased from 49.4 to 40.1 percent mainly due to increased costs including shipping and availability problems 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. In conjunction with the listing, a total of 5,468,750 shares were issued.

On 6 April 2021 a total of 534,600 shares were registered through a share issue based on the exercise of warrants in LTIP 2020/2025. 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 31 December 2022, 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 68.6 and was SEK 9.0 on the last trading day of the period. The number of shareholders was 1,461, of which the largest were Verdane Capital (29.9%), Procuritas (25.4%), Fourth AP fund (6.1%), Allianz France (5.0%) and Adrigo Asset Management (4.4%).

The Company has launched warrant programs, long-term incentive programs – LTIP (entitling the right to acquire shares according to certain terms and conditions). 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 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. Following the rights issue in July 2022, the incentive program was recalculated and after this update, each warrant entitles the right 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 71.2. 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.

## Significant events during the reporting period

CEO Henrik Zadig left the Company during the fourth quarter and was replaced by COO Willem Vos. Willem will be the acting CEO until a permanent solution is decided upon.

Niclas Olsson has been acting CFO of Pierce Group since 3 June 2022. His role as CFO has now been made permanent as from, and including 23 December 2022.

## Significant events after the end of the reporting period

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

## Impact of currency effects

In all material aspects, net revenue and the sum of total costs and investments are equivalent to payments received and payments made. Payments received during the last 12-month period in EUR, SEK and NOK accounted for 55, 17 and 11 percent respectively. With regards to payments made, EUR, SEK, USD and PLN accounted for 46, 24, 15 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 413 (445). Of these, 140 (158) worked at the distribution warehouse in Poland and 263 (275) were white collar workers in Sweden, Poland and Spain.

Excluding customer services personnel and certain production staff, the number of white-collar workers was 196 (208).

## Seasonal variations

As "Black Week" and Christmas occur in the fourth quarter, this 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 Parent Company is comprised of owning and managing the subsidiaries.

During the quarter, net revenue totalled SEK 3 (3) million and was fully attributable to sales to Group companies. The financial net comprised of interest income from an intercompany loan. Whereas, in the comparative period this item mainly comprised of expenses regarding bond and shareholders' loans up and until April last year, as the previous financing structure had been repaid. The net result before tax for the quarter was SEK -8 (27) million.

The Parent Company's equity at the end of the period was SEK 739 (419) million.

The Acting 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 2021.

During the recent year, the Covid-19 pandemic has impacted the operations through cost increases, certain product availability shortages in the market and through delays and disturbances in deliveries.

In previous periods, we identified the risk of significantly increased shipping prices from Asia due to global shortage of containers. As of the end of the year, this risk is no longer relevant as shipping prices from Asia have gone back to pre-pandemic levels. The inflation and possible recession's impact on customer behavior and demand also continue to be factors of uncertainty.

The conflict between Russia and Ukraine started on 24 February 2022 and continued throughout the year. The conflict 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 implies that the direct impact of the events is assessed as low. However, the indirect effects can prove to be significant depending on the manner in which the situation will develop and how long the conflict will continue. The primary effect is the impact on customer demand, in general, 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.

In conjunction with the listing, the Group entered into a new financing agreement with one of the larger Swedish banks for a credit facility totalling SEK 300 million. During the third quarter of 2022, in connection with new share issue, the credit facility was decreased to SEK 200 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 31 December 2022, 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 the impairment of assets.

## Related party transactions

During the current interim period the Group did not have any related party transactions.

For further information regarding related parties see Note 6.

## Annual General Meeting 2023

The Board of Directors has decided that the Annual General Meeting will be held on 16 May 2023. Additional information will be provided together with the notice of the Annual General Meeting. The Board of Directors' proposal to the annual meeting of shareholders is that no dividend will be distributed for the financial year 2022.

## Financial targets

Pierce's Board of Directors has adopted the following 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 22 - 24 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 year-end report was not subject to review by the Company's auditors.

### Upcoming financial events

#### 31 March 2023

Annual report 2022

#### 12 May 2023

Interim report January – March 2023

#### 16 May 2023

Annual General Meeting

#### 25 August 2023

Interim report January – June 2023

#### 17 November 2023

Interim report January – September 2023

### Telephone and web conference in conjunction with the publication of year-end report

Acting CEO Willem Vos and CFO Niclas Olsson will hold a web telephone conference in English on 17 February 2023, 9.00 am CET, in conjunction with the publication of the year-end report.

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

<https://conference.financialhearings.com/teleconference/?id=5007441>

After registration, you will be provided with 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-q4-2022>

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

## Contact information, Pierce

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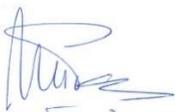
Niclas Olsson, CFO, +46 70 889 05 75

The information in this year-end report comprises information which Pierce Group AB (publ) is obliged to disclose under the EU Market Abuse Regulation.

## Signatures

The undersigned hereby confirm that the year-end 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, 17 February 2023



Willem Vos

Acting CEO

## Condensed consolidated statement of profit/loss

SEKm (unless stated otherwise)	Note	Oct-Dec		Jan-Dec	
		2022	2021	2022	2021
Net revenue	3.4	427	413	1,670	1,594
Cost of goods sold		-266	-229	-1,013	-866
<b>Gross profit</b>	<b>4</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>4</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>4</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>
<b>Attributable to shareholders of the parent company</b>		<b>-23</b>	<b>6</b>	<b>-58</b>	<b>26</b>
<b>Earnings per share</b>					
Earnings per share before dilution (SEK)		-0.29	0.14	-0.98	0.68
Earnings per share after dilution (SEK)		-0.29	0.14	-0.98	0.68
Average number of shares before dilution (thousands)		79,374	39,687	59,150	38,289
Average number of shares after dilution (thousands)		79,374	39,687	59,150	38,378

## Consolidated statement of comprehensive income

SEKm	Note	Oct-Dec		Jan-Dec	
		2022	2021	2022	2021
Profit/loss for the period		-23	6	-58	26
<b>Items that may subsequently be reclassified to income statement</b>					
Translation difference		2	1	4	1
<b>Other comprehensive income for the period</b>		<b>2</b>	<b>1</b>	<b>4</b>	<b>1</b>
<b>Comprehensive income for the period and attributable to shareholders of the parent company</b>		<b>-21</b>	<b>6</b>	<b>-53</b>	<b>28</b>

## Condensed consolidated statement of financial position

SEKm	Note	Dec 31 2022	Dec 31 2021
<b>Assets</b>			
<b>Non-current assets</b>			
Intangible assets		345	351
Property, plant and equipment		16	18
Right-of-use assets		60	63
Financial assets	7	4	2
Deferred tax assets		6	10
<b>Total non-current assets</b>		<b>431</b>	<b>445</b>
<b>Current assets</b>			
Inventory		488	534
Other current assets	5	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>Equity and liabilities</b>			
<b>Total equity attributable to shareholders of the parent company</b>			
		<b>719</b>	<b>441</b>
<b>Non-current liabilities</b>			
Leasing liabilities		39	48
Deferred tax liabilities		29	28
<b>Total non-current liabilities</b>		<b>68</b>	<b>76</b>
<b>Current liabilities</b>			
Liabilities to credit institutions	7	—	178
Leasing liabilities		26	23
Trade payables		105	147
Other current liabilities	5	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 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 2021-01-01</b>	<b>0</b>	<b>128</b>	<b>-1</b>	<b>-70</b>	<b>57</b>
Profit/loss for the year	—	—	—	26	26
Other comprehensive income for the year	—	—	1	—	1
<b>Total comprehensive income for the year</b>	<b>—</b>	<b>—</b>	<b>1</b>	<b>26</b>	<b>28</b>
<b>Transactions with shareholders</b>					
New share issue including issue costs	0	350	—	—	350
Bonus issue	1	-1	—	—	—
Issue of warrants including issue costs	—	4	—	—	4
Tax effect of issue costs	—	3	—	—	3
<b>Total</b>	<b>0</b>	<b>356</b>	<b>—</b>	<b>—</b>	<b>357</b>
<b>Closing balance 2021-12-31</b>	<b>1</b>	<b>484</b>	<b>0</b>	<b>-44</b>	<b>441</b>
<b>Opening balance 2022-01-01</b>					
<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	—	—	—	-58	-58
Other comprehensive income for the year	—	—	4	—	4
<b>Total comprehensive income for the year</b>	<b>—</b>	<b>—</b>	<b>4</b>	<b>-58</b>	<b>-53</b>
<b>Transactions with shareholders</b>					
New share issue including issue costs <sup>1</sup>	1	330	—	—	331
<b>Total</b>	<b>1</b>	<b>330</b>	<b>—</b>	<b>—</b>	<b>331</b>
<b>Closing balance 2022-12-31</b>	<b>2</b>	<b>814</b>	<b>5</b>	<b>-101</b>	<b>719</b>

<sup>1</sup> New share issue including issue costs was finalized in July 2022, total issue costs amounted to SEK 16 million.

## Condensed consolidated statement of cash flow

SEKm	Note	Oct-Dec		Jan-Dec	
		2022	2021	2022	2021
<b>Operating activities</b>					
Operating profit		-31	6	-68	46
Adjustments for non-cash items <sup>1</sup>		12	14	56	45
Paid interest		-1	-2	-11	-12
Realised currency derivatives		4	1	13	1
Received interest		1	0	1	0
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		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		-4	-9	-16	-26
Paid/received blocked funds		—	—	—	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>2</sup>		—	—	—	-64
Repayment of liabilities to credit institutions <sup>3</sup>		—	—	-157	-414
Repayment of leasing liabilities		-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>
Cash flow for the period		16	-5	117	-71
Cash and cash equivalents at the beginning of period		115	23	18	87
Exchange rate difference in cash and cash equivalents		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>

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

<sup>2</sup> Repaid amount referred to capitalised interest expenses, which for the previous financial year amounted to SEK 3 million.

<sup>3</sup> Of which SEK 64 million referred to capitalised interest expenses during the previous financial year. During the current reporting period no interest expenses were capitalized.

## Condensed Parent Company statement of profit/loss

SEKm	Oct-Dec		Jan-Dec	
	2022	2021	2022	2021
Net revenue	3	3	11	12
<b>Gross profit</b>	<b>3</b>	<b>3</b>	<b>11</b>	<b>12</b>
Administration costs	-16	-3	-31	-21
<b>Operating profit</b>	<b>-13</b>	<b>0</b>	<b>-20</b>	<b>-9</b>
Financial net	5	0	9	-12
<b>Profit/loss after financial items</b>	<b>-8</b>	<b>0</b>	<b>-11</b>	<b>-21</b>
Appropriations	—	27	—	27
<b>Profit/loss before tax</b>	<b>-8</b>	<b>27</b>	<b>-11</b>	<b>6</b>
Tax	—	-2	—	-2
<b>Profit/loss for the period</b>	<b>-8</b>	<b>25</b>	<b>-11</b>	<b>4</b>

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

## Condensed Parent Company balance sheet

SEKm	Dec 31 2022	Dec 31 2021
<b>Assets</b>		
<b>Non-current assets</b>		
Shares in group companies	308	308
Receivables from group companies	416	77
<b>Total non-current assets</b>	<b>724</b>	<b>385</b>
<b>Current assets</b>		
Receivables from group companies	29	28
Other current assets	1	2
Cash and cash equivalents	1	7
<b>Total current assets</b>	<b>31</b>	<b>37</b>
<b>Total assets</b>	<b>755</b>	<b>422</b>
<b>Equity and liabilities</b>		
<b>Total equity</b>	<b>739</b>	<b>419</b>
<b>Current liabilities</b>		
Other current liabilities	16	3
<b>Total current liabilities</b>	<b>16</b>	<b>3</b>
<b>Total equity and liabilities</b>	<b>755</b>	<b>422</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 Year-end 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 2021. For a description of the Group's applied accounting principles, see Note 1 and Note 2 in the Annual Report for 2021.

Disclosures in accordance with IAS 34.16A are shown in the financial statements and associated Notes in this information, in addition to pages 1–13 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 were updated during this financial year. 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	Oct-Dec		Jan-Dec	
	2022	2021	2022	2021
Sweden	24	26	104	113
Other Nordics	24	24	101	99
Outside the Nordics	234	209	793	763
<b>Revenue Offroad</b>	<b>282</b>	<b>260</b>	<b>999</b>	<b>974</b>
Sweden	14	13	103	90
Other Nordics	20	19	156	141
Outside the Nordics	73	66	309	269
<b>Revenue Onroad</b>	<b>107</b>	<b>99</b>	<b>569</b>	<b>500</b>
Sweden	20	30	56	70
Other Nordics	17	24	46	50
Outside the Nordics	—	—	—	—
<b>Revenue Other</b>	<b>38</b>	<b>54</b>	<b>102</b>	<b>119</b>
Sweden	58	70	264	273
Other Nordics	62	67	304	290
Outside the Nordics	306	276	1,103	1,031
<b>Revenue Group</b>	<b>427</b>	<b>413</b>	<b>1,670</b>	<b>1,594</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 2021 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	Oct-Dec		Jan-Dec	
	2022	2021	2022	2021
Offroad	282	260	999	974
Onroad	107	99	569	500
Other	38	54	102	119
<b>Net revenue</b>	<b>427</b>	<b>413</b>	<b>1,670</b>	<b>1,594</b>
Offroad	110	118	412	462
Onroad	36	39	208	209
Other	14	25	41	59
Intra-group costs	2	2	-4	-2
<b>Gross profit</b>	<b>161</b>	<b>184</b>	<b>657</b>	<b>728</b>
Offroad	-63	-61	-235	-224
Onroad	-28	-28	-142	-131
Other	-10	-15	-28	-30
<b>Variable sales and distribution costs<sup>1</sup></b>	<b>-101</b>	<b>-103</b>	<b>-405</b>	<b>-384</b>
Offroad	47	57	177	238
Onroad	8	11	66	78
Other	3	11	13	29
Intra-group costs	2	2	-4	-2
<b>Profit after variable costs<sup>1 2</sup></b>	<b>60</b>	<b>81</b>	<b>252</b>	<b>343</b>
Other expenses in the operation <sup>1 3</sup>	-91	-75	-320	-297
<b>Operating profit</b>	<b>-31</b>	<b>6</b>	<b>-68</b>	<b>46</b>
Financial net <sup>3</sup>	8	3	17	-20
<b>Pre-tax income</b>	<b>-23</b>	<b>9</b>	<b>-52</b>	<b>26</b>

<sup>1</sup> Alternative performance measures (APM), see pages 22 - 24 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 highroads. 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

The contingent consideration and 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 contingent consideration was attributable to level 3 and the currency derivatives to level 2 in the fair value hierarchy.

The valuation of currency derivatives is based on official market data for exchange rates. At the end of the period, the fair value amounted to SEK 0 (3) million and these derivatives have been classified as current liabilities.

## Note 6 - Related party transactions

### Other related party transactions

During the current interim period the Group did not have any related party transactions. In the comparison quarter 2021, related party sales transactions totalled SEK 1 thousand. In the comparison interim period related party sales transactions totalled SEK 52 thousand and purchases totalled SEK 197 thousand. See Note 29 in the Annual Report for 2021 for more information.

## Note 7 - Pledged assets and contingent liabilities

SEKm	Dec 31 2022	Dec 31 2021
<b>To credit institutions for the Group's own liabilities and provisions</b>		
Deposits for fulfillment of payments	2	2
Utilised credit facility <sup>1</sup>	—	26
<b>Total pledged assets</b>	<b>2</b>	<b>28</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 decreased during the previous quarter to SEK 200 million in connection with new share issue. At the end of the year Pierce has 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 favor of the subsidiary, Pierce AB's, liabilities to credit institutions.

The credit facility includes certain financial covenants. See more information under the "Risks and factors of uncertainty" section, page 12.

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

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

### Applied input for the valuation of level 3 financial liabilities

The valuation of the contingent consideration took place in two steps; a probability adjustment was assigned to an assumed value in case of a listing or sale, as well as a date for payment, then, this probability-adjusted value was discounted to present value based on a discount rate. The contingent consideration was settled during the second quarter last year.

### 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 11 for further information.

All transactions are based on market terms and conditions.

Pledged shares in Pierce AB relating to bond loans, as well as blocked funds, were released in conjunction with the early redemption that took place in the beginning of the second quarter 2021. Pledged assets at the end of the year referred to deposits paid.

## 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. Following a review of the alternative performance measures, an update and clarification of "Items affecting comparability" measure has taken place in connection with the quarterly report in June 2022. The item was amended to better describe operational measures for Pierce.

### 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, IPO or new share issue costs, advisory and directly attributable costs in conjunction with essential restructuring or efficiency programs/projects, and changes in fair value regarding contingent consideration.	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 shareholders loans and 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 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.
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 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.
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 refers 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.	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 from 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)	Oct-Dec		Jan-Dec	
	2022	2021	2022	2021
Gross profit	161	184	657	728
Variable sales and distribution costs	-101	-103	-405	-384
<b>Profit after variable costs</b>	<b>60</b>	<b>81</b>	<b>252</b>	<b>343</b>
Operating profit (EBIT)	-31	6	-68	46
Reversal of depreciation and amortisation	12	12	49	46
<b>EBITDA</b>	<b>-19</b>	<b>18</b>	<b>-19</b>	<b>93</b>
Reversal of items affecting comparability	8	0	15	12
<b>Adjusted EBITDA</b>	<b>-11</b>	<b>18</b>	<b>-4</b>	<b>104</b>
Operating profit (EBIT), past twelve months	-68	46	-68	46
Reversal of depreciation and amortisation, past twelve months	49	46	49	46
Reversal of items affecting comparability, past twelve months	15	12	15	12
Rental costs, past twelve months, regarding leasing agreements reported in the statement of financial position <sup>1</sup>	-25	-23	-25	-23
<b>Adjusted EBITDA excluding IFRS 16</b>	<b>-29</b>	<b>81</b>	<b>-29</b>	<b>81</b>
<sup>1</sup> Refers in all significance to depreciation of right-of-use assets and interest expenses on leasing liabilities.				
Operating profit (EBIT)	-31	6	-68	46
Reversal of items affecting comparability	8	0	15	12
<b>Adjusted operating profit (EBIT)</b>	<b>-23</b>	<b>6</b>	<b>-53</b>	<b>58</b>
Sales and distribution costs	-137	-137	-540	-512
Reversal of non-variable sales and distribution costs	36	34	135	128
<b>Variable sales and distribution costs</b>	<b>-101</b>	<b>-103</b>	<b>-405</b>	<b>-384</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 costs</b>	<b>-192</b>	<b>-178</b>	<b>-725</b>	<b>-681</b>
Reversal of variable sales and distribution costs	101	103	405	384
<b>Other expenses in the operation</b>	<b>-91</b>	<b>-75</b>	<b>-320</b>	<b>-297</b>
Reversal of depreciation and amortisation	12	12	49	46
Reversal of items affecting comparability	8	0	15	12
<b>Overhead costs</b>	<b>-71</b>	<b>-63</b>	<b>-256</b>	<b>-239</b>
Amortisation	-3	-5	-20	-20
Reversal of amortisation excluding business acquisitions	3	5	19	19
<b>Amortisation related to business acquisitions</b>	<b>0</b>	<b>0</b>	<b>-1</b>	<b>-1</b>
IPO costs	0	0	-1	-9
Restructuring expenses	-4	—	-4	—
Change in fair value, contingent consideration	—	—	—	-3
Other	-4	—	-11	0
<b>Items affecting comparability</b>	<b>-8</b>	<b>0</b>	<b>-15</b>	<b>-12</b>

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

SEKm (unless stated otherwise)	Oct-Dec		Jan-Dec	
	2022	2021	2022	2021
<b>Inventory</b>	<b>488</b>	<b>534</b>	<b>488</b>	<b>534</b>
Other current assets	27	38	27	38
Current tax receivables	-8	-5	-8	-5
Current investments	—	-3	—	-3
<b>Other current operating assets</b>	<b>20</b>	<b>30</b>	<b>20</b>	<b>30</b>
Trade payables	-105	-147	-105	-147
Other current liabilities	-165	-169	-165	-169
Reversal of:				
Current tax liabilities	1	3	1	3
Current provisions	7	8	7	8
<b>Other current operating liabilities</b>	<b>-262</b>	<b>-305</b>	<b>-262</b>	<b>-305</b>
<b>Net working capital</b>	<b>246</b>	<b>260</b>	<b>246</b>	<b>260</b>
Liabilities to credit institutions	—	178	—	178
Cash and cash equivalents	-136	-18	-136	-18
<b>Net debt excluding IFRS 16<sup>1</sup></b>	<b>-136</b>	<b>160</b>	<b>-136</b>	<b>160</b>
Net debt excluding IFRS 16 (A) <sup>1</sup>	-136	160	-136	160
Adjusted EBITDA excluding IFRS 16, past twelve months (B)	-29	81	-29	81
<b>Net debt/EBITDA (A) / (B)</b>	<b>4.7</b>	<b>2.0</b>	<b>4.7</b>	<b>2.0</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)	Oct-Dec		Jan-Dec	
	2022	2021	2022	2021
Cash flow from operating activities	27	-39	9	-61
Investments in non-current assets	-4	-9	-16	-26
Repayment of leasing liabilities	-6	-5	-23	-20
Interest expenses on leasing liabilities	-1	-1	-3	-4
Reversal of:				
Paid interest	1	2	11	12
Realised currency derivatives	-4	-1	-13	-1
Received interest	-1	0	-1	0
Paid/received tax	0	1	8	4
<b>Operating cash flow</b>	<b>12</b>	<b>-52</b>	<b>-29</b>	<b>-96</b>
Adjustments for non-cash items	12	14	56	45
Repayment of leasing liabilities	-6	-5	-23	-20
Interest expenses on leasing liabilities	-1	-1	-3	-4
<b>Other non-cash items</b>	<b>5</b>	<b>8</b>	<b>30</b>	<b>21</b>
Cash flow from financing activities	-7	43	124	2
Paid interest	-1	-2	-11	-12
Realised currency derivatives	4	1	13	1
Paid/received tax	0	-1	-8	-4
Reversal of:				
Interest expenses on leasing liabilities	1	1	3	4
Net change in loans <sup>1</sup>	1	-48	184	331
Repayment of leasing liabilities	6	5	23	20
<b>Other cash flow</b>	<b>5</b>	<b>-1</b>	<b>329</b>	<b>342</b>

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

## Reconciliation of other Alternative Performance Measures

SEKm (unless stated otherwise)	Oct-Dec		Jan-Dec	
	2022	2021	2022	2021
Net revenue (A)	427	413	1,670	1,594
Number of orders (thousands) (B)	433	445	1,749	1,735
<b>Average order value (AOV) (SEK) (A) / ((B) / 1,000)</b>	<b>985</b>	<b>928</b>	<b>955</b>	<b>919</b>
Net revenue	427	413	1,670	1,594
Reversal of net revenue from external brands	-245	-234	-925	-888
Non-branded net revenue	-20	-22	-95	-98
<b>Net revenues from private brands</b>	<b>161</b>	<b>157</b>	<b>650</b>	<b>609</b>

## Reconciliation of Alternative Performance Measures concerning growth

SEKm (unless stated otherwise)	Oct-Dec		Jan-Dec	
	2022	2021	2022	2021
Net revenue for the period (A)	427	413	1,670	1,594
Net revenue for the period previous year (B)	413	414	1,594	1,523
<b>Growth (%) (A) / (B) - 1</b>	<b>3%</b>	<b>0%</b>	<b>5%</b>	<b>5%</b>
Net revenue for the period in local currencies <sup>1</sup> (A)	399	418	1,603	1,636
Net revenue for the period previous year (B)	413	414	1,594	1,523
<b>Growth in local currencies (%) (A) / (B) - 1</b>	<b>-3%</b>	<b>1%</b>	<b>1%</b>	<b>7%</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)	120	137	567	563
Net revenue Nordics for the period previous year (B)	137	125	563	507
<b>Growth Nordics (%) (A)/(B) - 1</b>	<b>-12%</b>	<b>10%</b>	<b>1%</b>	<b>11%</b>
Net revenue outside the Nordics for the period (A)	306	276	1,103	1,031
Net revenue outside the Nordics for the period previous year (B)	276	289	1,031	1,016
<b>Growth outside the Nordics (%) (A) / (B) - 1</b>	<b>11%</b>	<b>-5%</b>	<b>7%</b>	<b>1%</b>
Net revenue (A)	427	413	1,670	1,594
Net revenue, 2 years ago (B)	414	344	1,523	1,243
Number of years calculated (C)	2	2	2	2
<b>CAGR (%) ((A) / (B)) ^ (1 / (C)) - 1</b>	<b>2%</b>	<b>10%</b>	<b>5%</b>	<b>13%</b>

