

RIDERS IN  E-COMMERCE

# PIERCE

## Interim Report

Q3 2023

November 17<sup>th</sup> 2023



sledstore



## Today's Presenters



**Göran Dahlin**  
CEO



**Niclas Olsson**  
CFO

# Agenda

## 1. Q3 Summary

2. Financial update

3. Looking forward

4. Q&A



# Q3 SUMMARY

## Challenging market

Market development in line with last quarter, negative 5-10%\*. Large regional differences with Sweden being the most negatively affected market.

## Negative revenue development

Continued product price increases together with a tough market development resulting in negative revenue growth.

## Increased provision for obsolete and slow-moving stock

Significantly higher provision of 44 SEKm for slow-moving stock, which reflects our aim to work with shorter product life-cycles to increase the attractiveness of our customer offering.

## Continued underlying margin improvements

Excluding the high inventory provision, gross margin increased vs. last year with 3.7 ppt to 42.8%. Compared with Q2 2023 gross margin increased with 0.6 ppt. Positive development driven by price increases and lower shipping costs.

## Adjusted EBIT

Low season affected Adjusted EBIT. Excluding the extraordinary provision, Adjusted EBIT improved from -9 SEKm to -2 SEKm.

## Solid cash situation

Cash end of Q3 171 SEKm driven by a conservative approach for purchases to ensure a strong liquidity position.

SEKm	Q3 2022	Q3 2023	Variance	
			Reported	Local currencies
<b>Net Revenue</b>	<b>373</b>	<b>369</b>	<b>-1%</b>	<b>-9%</b>
Private Brands	138	148	7%	
<b>Adjusted EBIT</b>	<b>-9</b>	<b>-47</b>	<b>-38</b>	
<b>Adjusted EBIT excl. provision<sup>1</sup></b>	<b>-9</b>	<b>-2</b>	<b>7</b>	
Adjusted EBIT %	-2.4%	-12.7%	10.3 ppt	
Adjusted EBIT excl. provision % <sup>1</sup>	-2.4%	-0.6%	1.7 ppt	
Net Profit	-20	-61	-42	
Operating Cash Flow	-38	-3	35	

<sup>1</sup>Extraordinary provision of 44 MSEK for obsolete and slow-moving stock

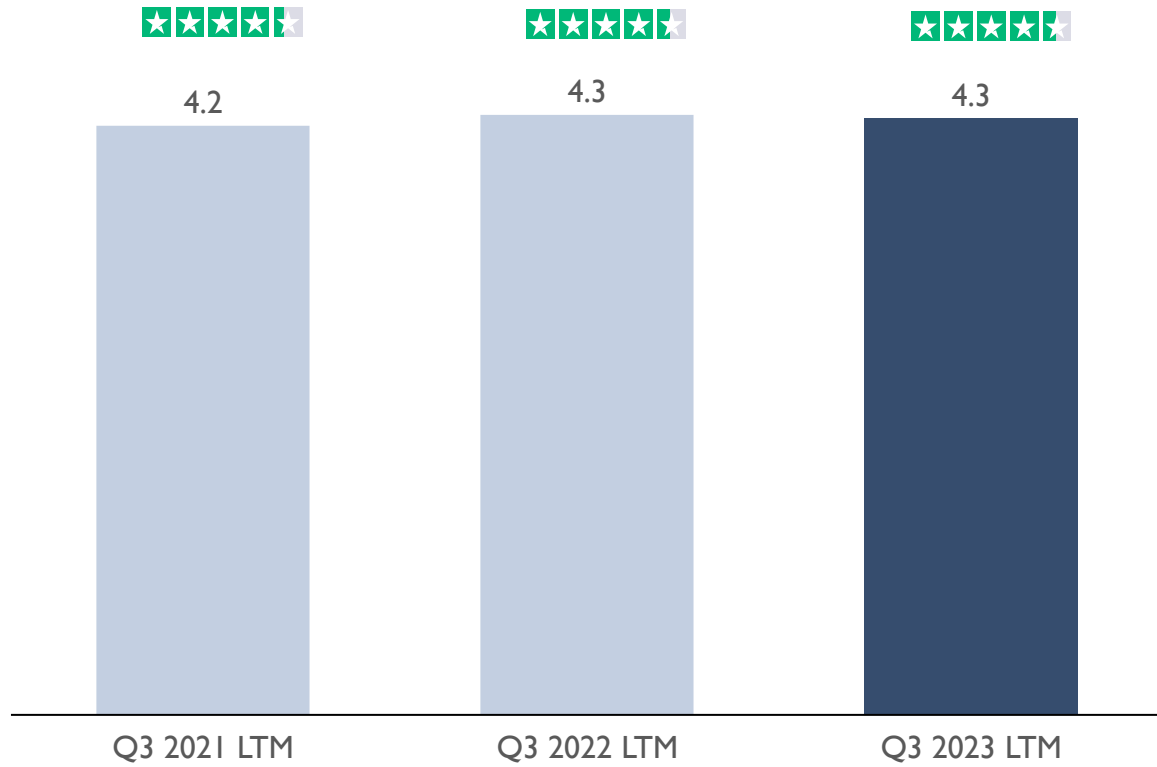


\*No official market data is available. Market growth estimated by management.

# KPI HIGHLIGHTS

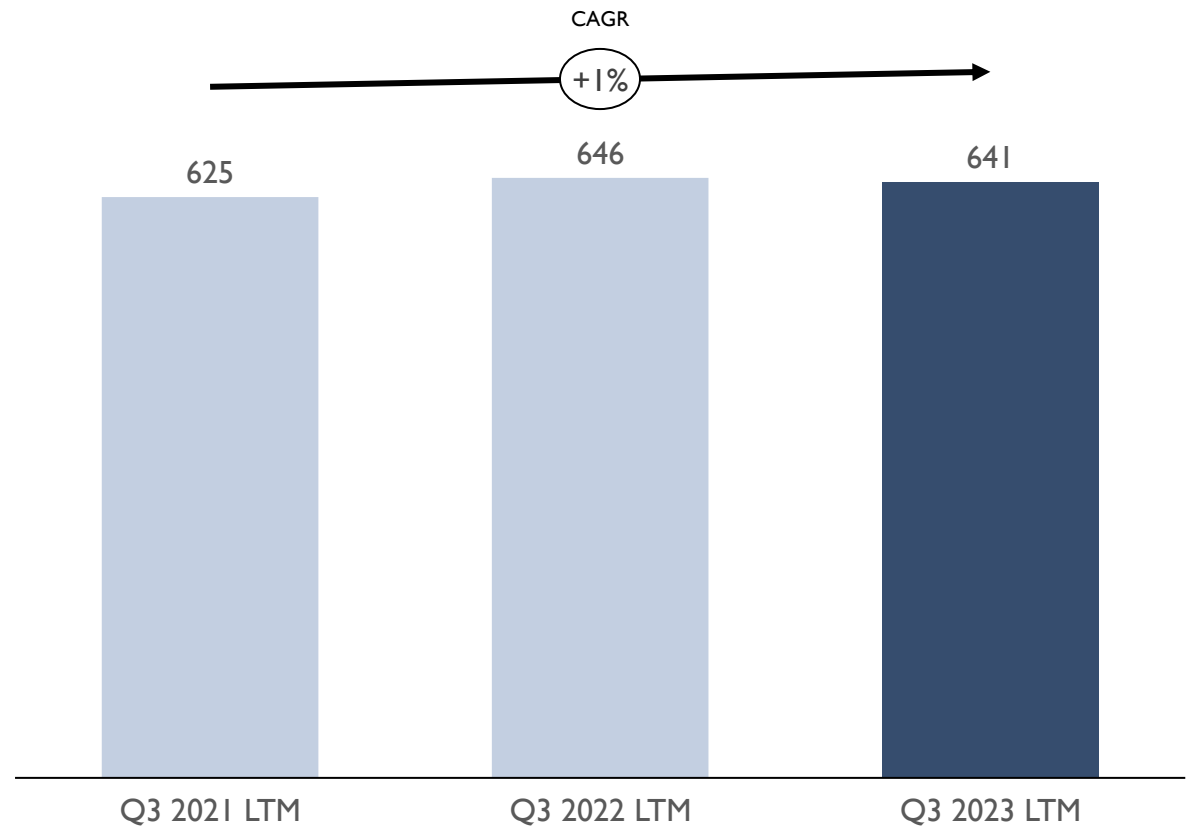
## High Trustpilot scores

■ Aggregated Trustpilot scores



## Resilient private brand revenue

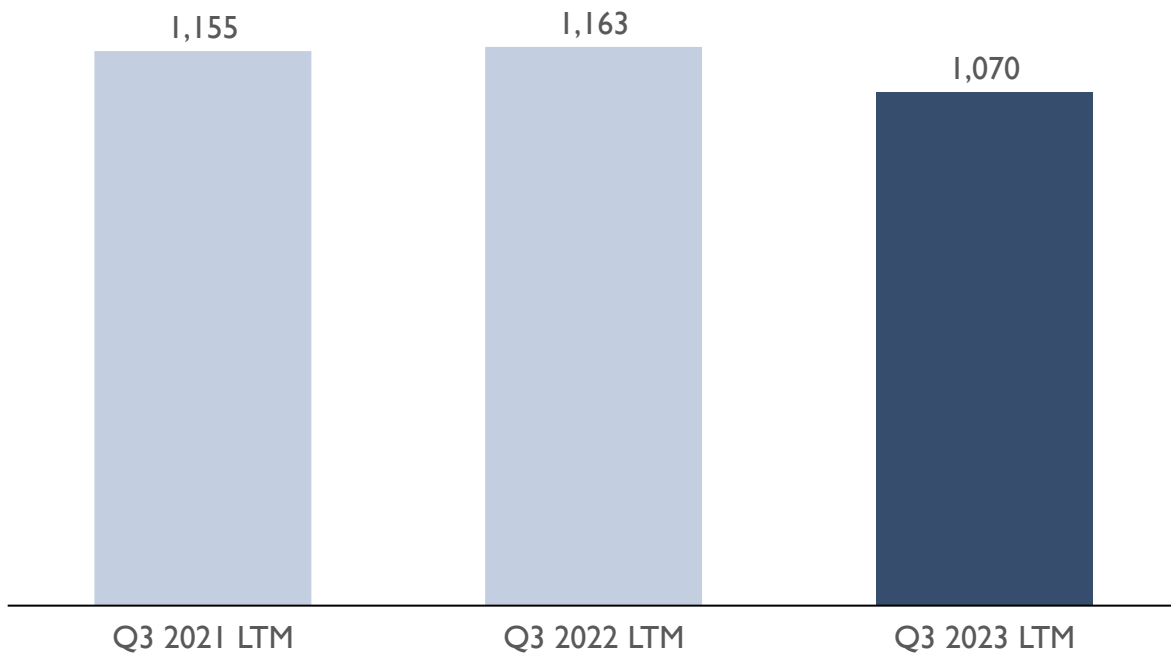
■ Net revenues, Private brand (SEKm)



# KPI HIGHLIGHTS (CONTINUED)

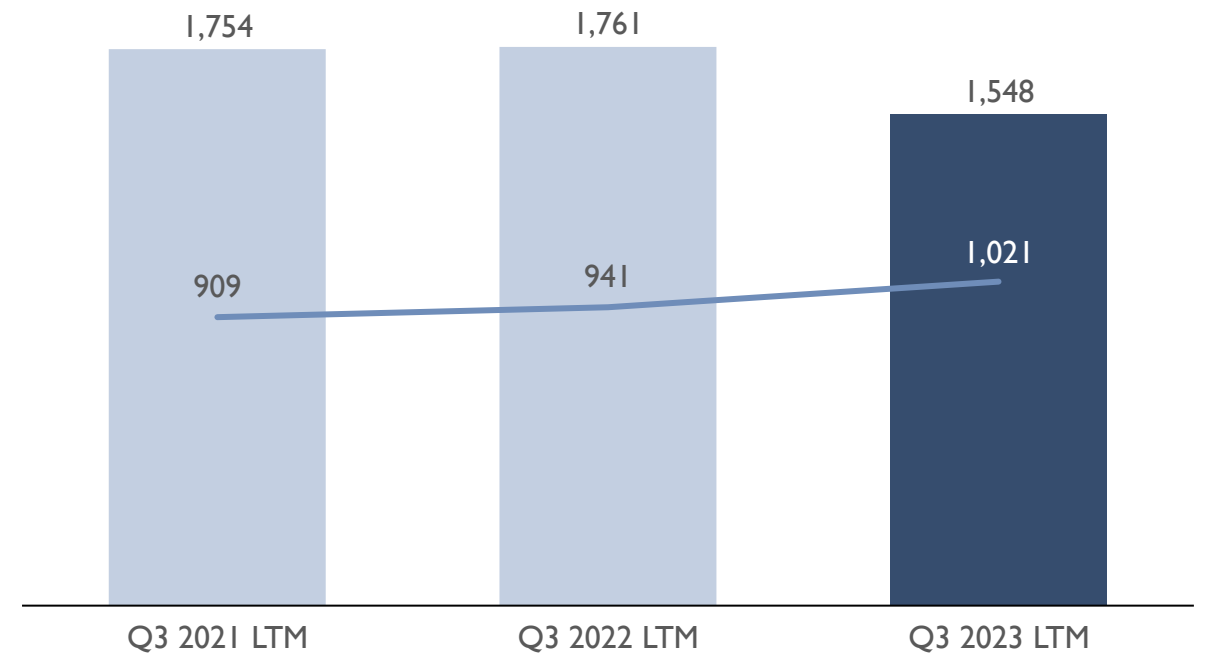
Weak demand affecting active customers negatively

Active customers LTM (000), end of period



Increasing AOV

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



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**2. Financial update**

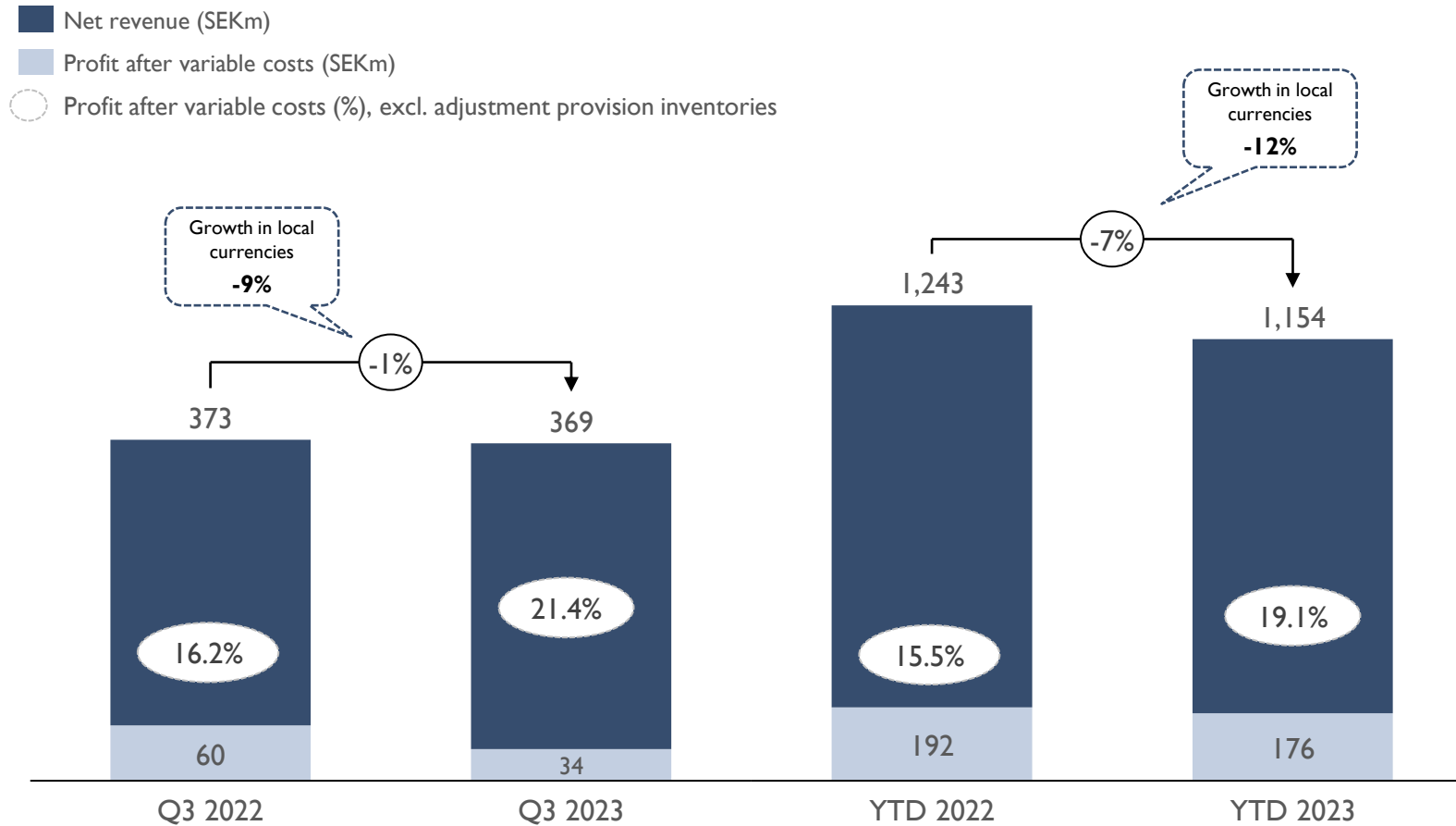
3. Looking forward

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# GROUP FINANCIALS

## Weak market affecting revenue growth



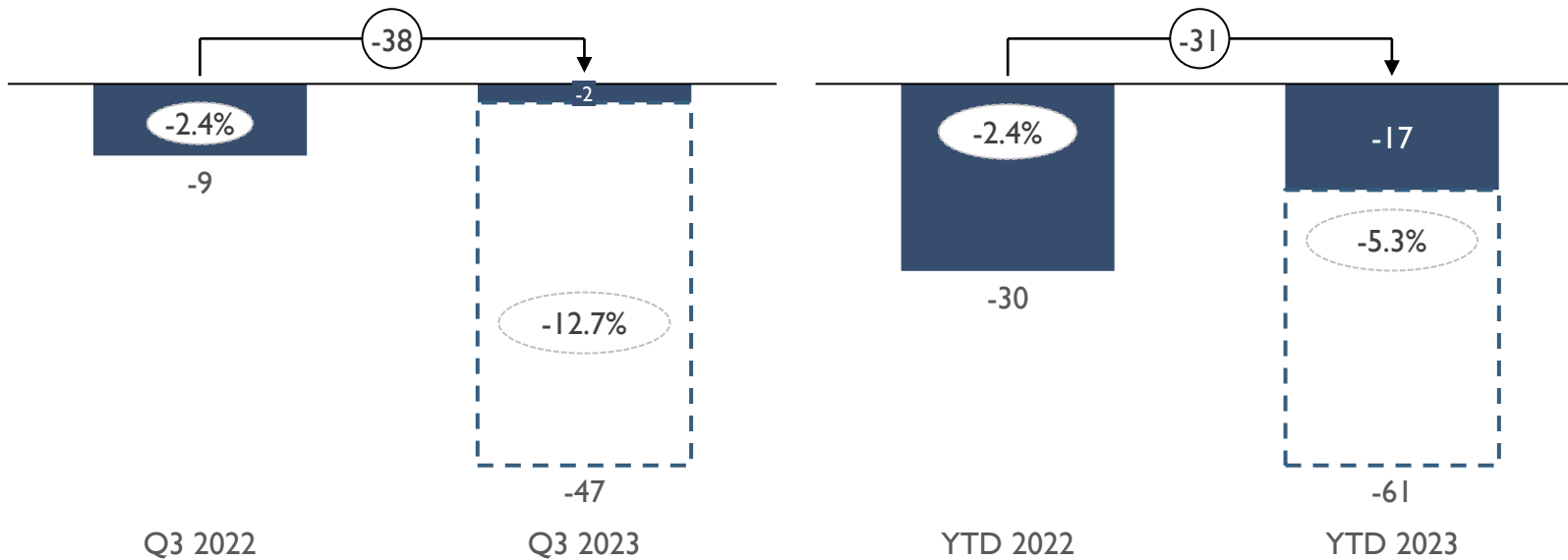
- Net revenue growth during Q3 by segment:
  - Offroad 3% and Onroad -5%. In local currencies -6% and -11% respectively. Onroad revenue share higher in Sweden with a weak general market development.



# ADJUSTED EBIT

Adjusted EBIT improved vs last year excluding adjusted provision inventories

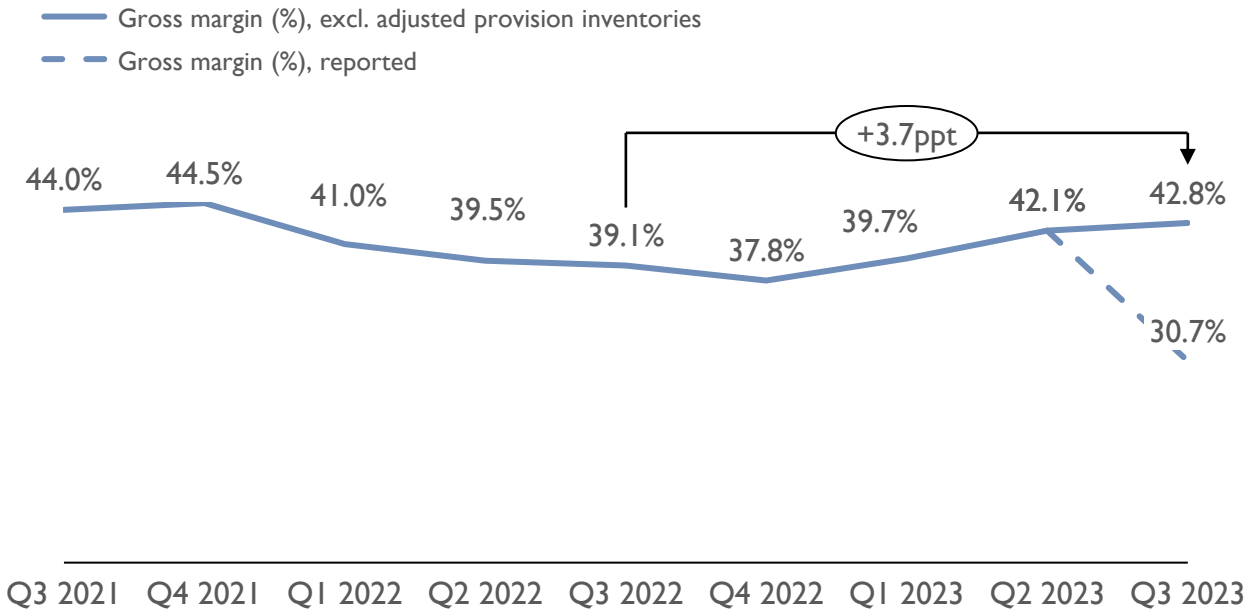
- Adjusted EBIT (SEKm), excl. adjusted provision inventories
- ▭ Adjustment inventories
- Adjusted EBIT margin (%)



- Adjusted EBIT in Q3:
  - Affected by an additional provision within inventories of 44M.
  - Excluding the provision, adjusted EBIT was -2M, which is 7M better than last year. Adjusted EBIT in relation to revenue was -0.6% excluding provision.
  - Improvement, excluding provision, driven by improved gross margin and lower variable costs.

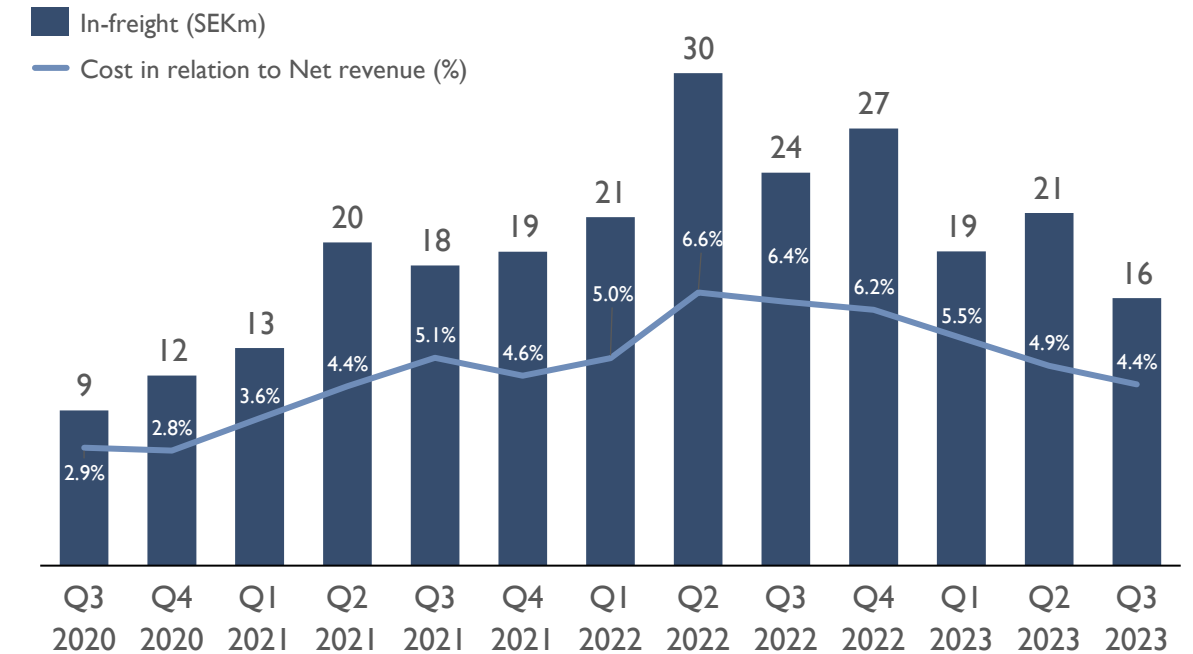
# Gross margin

## Trend shift in gross margin since Q1 2023



- Due to a strong cash position from end of 2022, our focus has shifted from driving sales and generate cash to margin improvements.
- Negative gross margin trend since 2021 primarily attributed to escalated shipping and supplier costs. These cost hikes have been mitigated by passing them on to customers, initiated in Q1 2023.
- Significant drop in the margin during first half of 2022, due to our focus on generating cash and reducing net debt.

## Shipping costs continue to decrease in relation to revenues



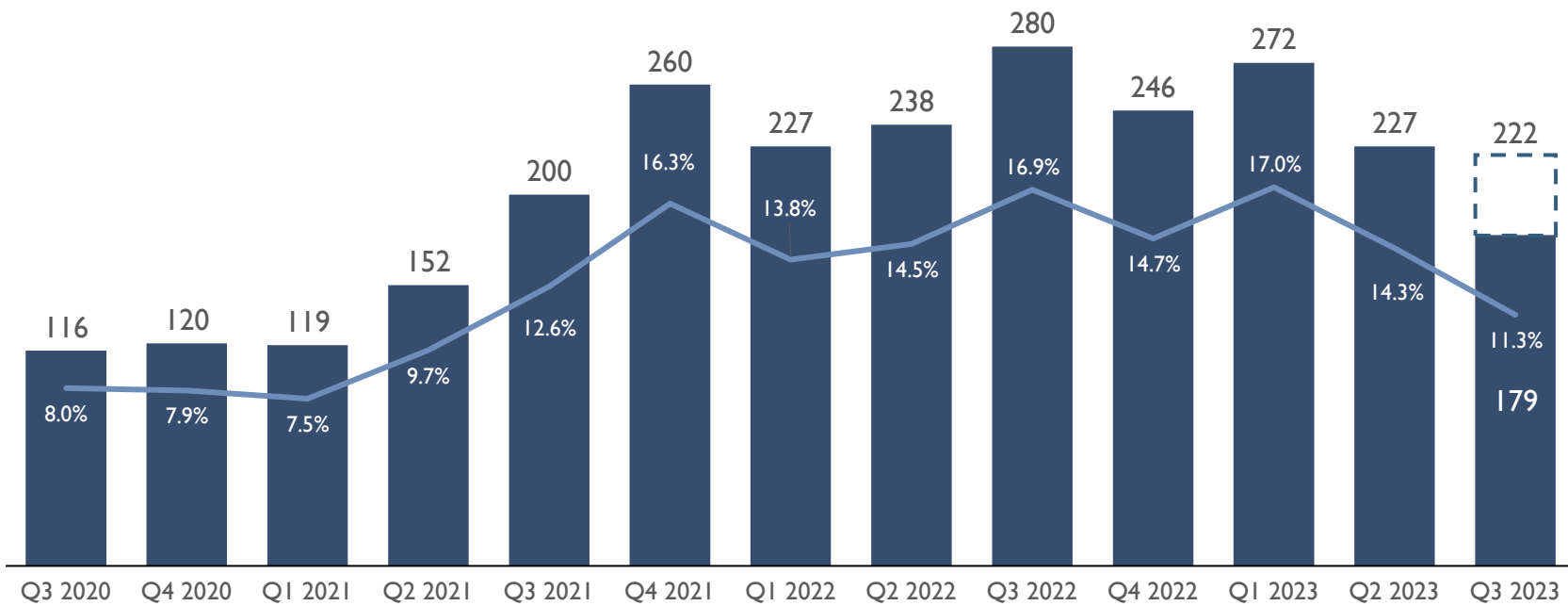
- Since end of 2022 container prices continue to decrease and reach pre-pandemic levels. Shipping costs are accounted in the P&L when the product is sold, hence it requires a few quarters until price decreases start to materialise in the P&L.
- Shipping cost expected to further decline over the coming quarters as the share of shipping cost in inventory continues to decrease.



# NET WORKING CAPITAL DEVELOPMENT

NWC decreased in Q3 2023 despite low season

- Adjusted provision inventories (SEKm)
- Net working capital, NWC (SEKm), reported
- Net working capital, % of Net Revenue, LTM (%)



- Net working capital (NWC) decreased Q3 2023 vs. Q3 2022 with 102M:
  - Total inventory decreased with SEKm 127, of which 43M was related to the adjusted provision of inventories.
  - Other short-term liabilities decreased with SEKm 29, driven by less purchases and less VAT liabilities because of lower sales in the quarter
- Due to seasonality, the NWC in relation to Revenue LTM should be lower in Q2 (end of high season) and Q4 (end of campaign season) compared with Q1 and Q3.



# FINANCIAL POSITION

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

SEKm (unless stated otherwise)	31 Dec 2022	30 Sep 2023
Interest-bearing liabilities <sup>1</sup>	-	-
Cash and cash equivalents	136	171
<b>Net debt excl. IFRS 16</b>	<b>-136</b>	<b>-171</b>
<b>Equity</b>	<b>719</b>	<b>677</b>

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

- Cash positive since new share issue.
- Solid equity position of SEKm 677.

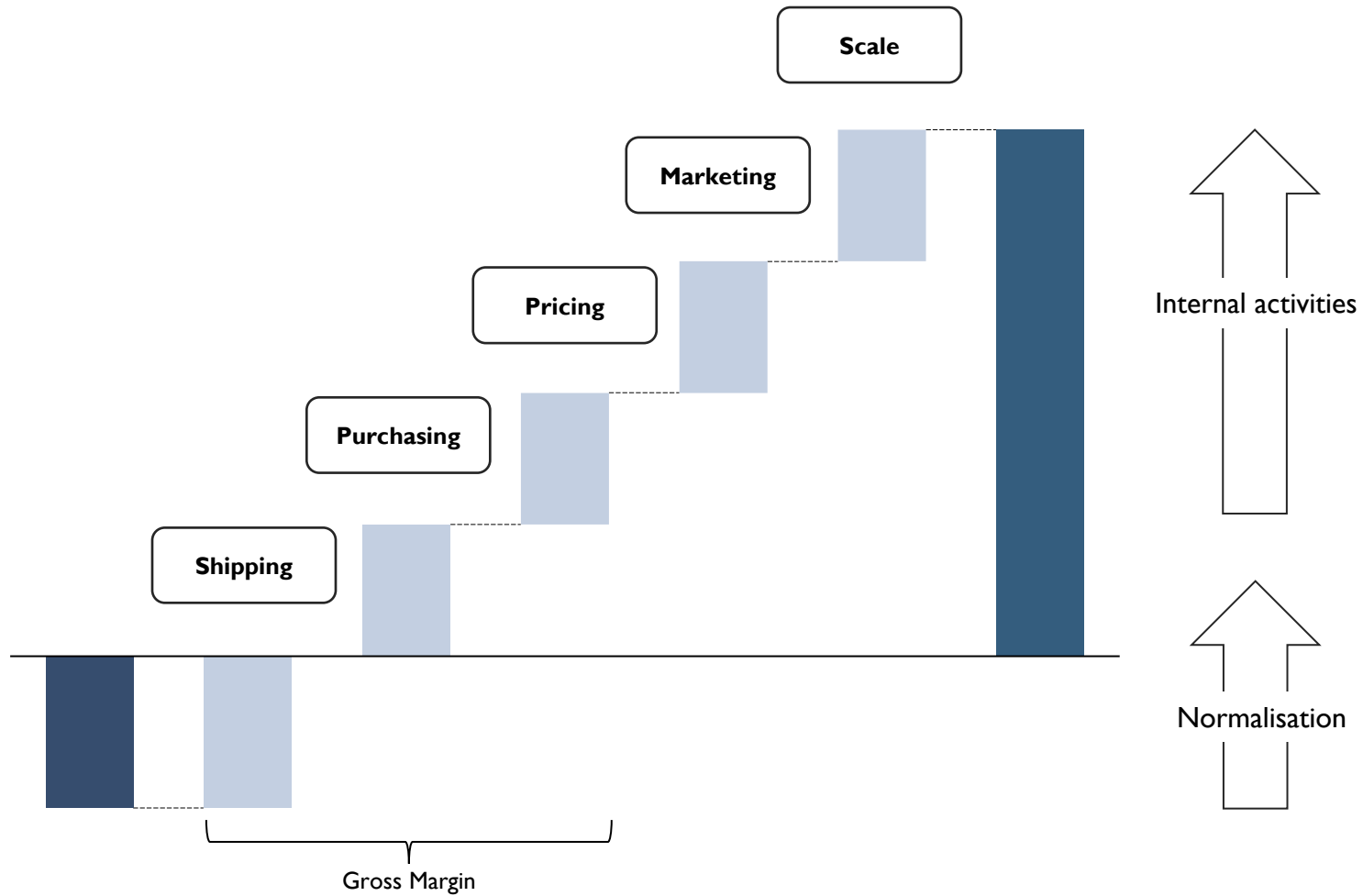


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# KEY DRIVERS TO RESTORE LONG-TERM PROFITABILITY



## Shipping

- Shipping cost in relation to revenue was 4.4%, a decrease of 2.0ppt vs. third quarter last year

## Purchasing

- Gradual margin improvement from supplier negotiations expected coming quarters

## Pricing

- Consumer prices up approx. 5% vs. Q3 2022.
- Development first three quarters 2023 mainly driven from shift of focus to margin improvement instead of maximising sales. Future positive effect expected from gradually refining our pricing approach

## Marketing

- Compared with third quarter last year, the variable costs decreased with 1.4ppt in Q3 2023. The positive effect was driven by both more effective marketing and lower freight costs

## Scale

- Several areas, as for example the distribution set up is sized for improved volumes driving scale effects on the profit margin, but there are also significant improvement to streamline our operations going forward.

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



# STRATEGIC RE-CALIBRATION FOR LONG-TERM PROFITABLE GROWTH

## **Keep strong cash position and gross margin improvement**

Short-term market conditions are uncertain, and a solid cash position and gross margin improvement will be prioritized for market share growth.

## **Offroad – enhance specialist position**

Enhance our unique specialist position with strong own- and external brands to further grow markets share long-term.

## **Simplify our go-to-market model**

Streamlining our processes and create a better customer experience through enhanced personalization, by consolidate 39 local sites to 3 global sites

## **Onroad – prioritize profitable growth**

Adjusted approach and be more selective with brands to partner with and markets, to ensure profitable growth.

## **Build marketing leading value-for-money brands**

Focus investments to fewer own brands, to accelerate the building of market leading value-for-money brands.

## **Customer loyalty and retention**

Several steps to improve the customers loyalty to increase the revenue from recurring customers.

## **Organisational rightsizing**

New team-based organisational model with fewer managers and greater individual mandate and responsibility. Yearly cost saving of approx. SEK 25 million.



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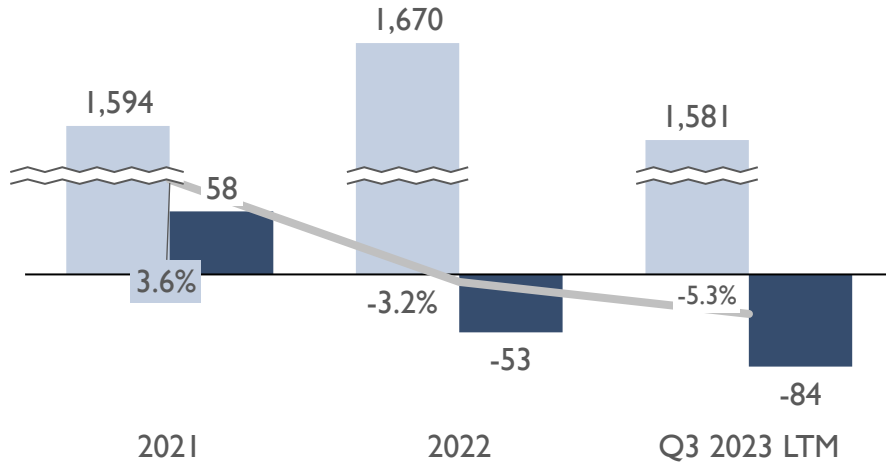
Appendix

# THIS IS PIERCE

## Online leader in a fragmented niche

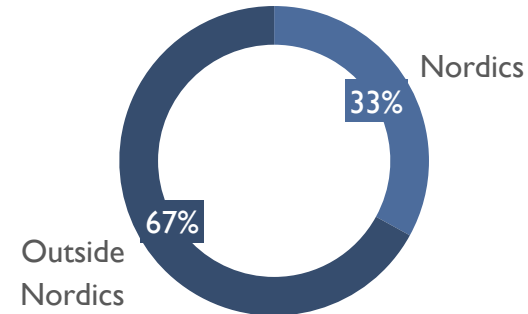
- A **pan-European** company with local presence in 16 markets
- Large share of **private brands** makes **offering unique**
- Headquartered in Stockholm, a centralized warehouse in Szczecin, Poland and customer service in Barcelona. Approximately 400<sup>1)</sup> employees

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



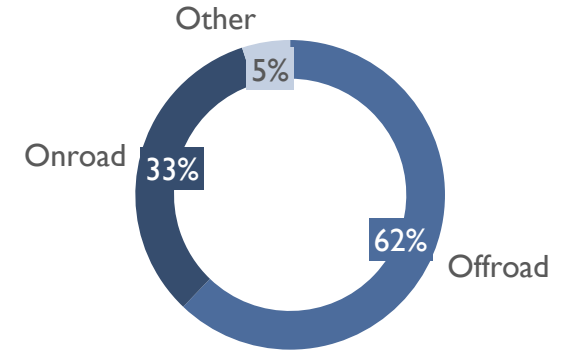
## Pan-European company

Net revenue split, Q3 2023 LTM



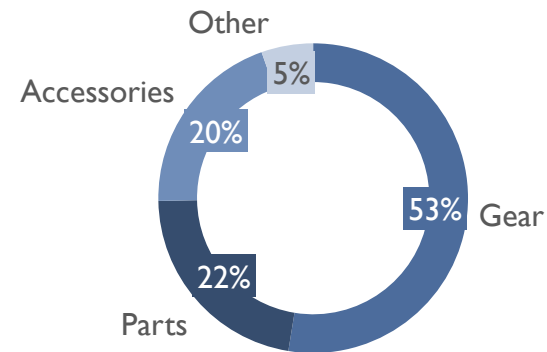
## Motorcycle specialist

Net revenue split, Q3 2023 LTM



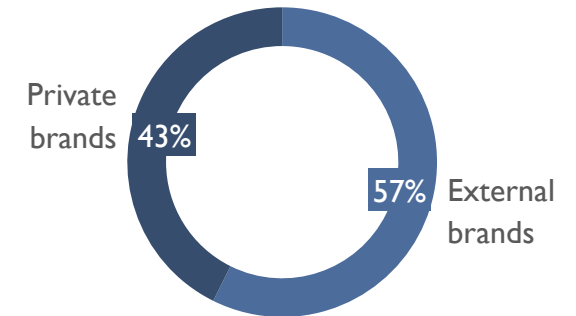
## One-stop-shop offering

Net revenue split, Q3 2023 LTM



## Strong private brands

Brand revenue split<sup>2</sup>, Q3 2023 LTM



1) Total headcount of which approximately 260 white-collar employees and 140 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 2021- Q1 2023 LTM. Reported EBIT margin was 2.9%, -4.1% and -6.1% for 2021, 2022 and Q3 2023 LTM respectively.



# Q3 SUMMARY – PROFIT AND LOSS

SEKm (unless stated otherwise)	Q3 2022					Q3 2023				
	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>233</b>	<b>131</b>	<b>9</b>	<b>-</b>	<b>373</b>	<b>238</b>	<b>124</b>	<b>6</b>	<b>-</b>	<b>369</b>
<i>Growth (y/y) (%)</i>	3%	2%	22%	-%	3%	3%	-5%	-29%	-%	-1%
<b>Gross Profit</b>	<b>95</b>	<b>49</b>	<b>4</b>	<b>-2</b>	<b>146</b>	<b>76</b>	<b>36</b>	<b>2</b>	<b>-1</b>	<b>113</b>
<i>Gross margin (%)</i>	40.7%	37.4%	39.6%	-%	39.1%	31.9%	29.2%	24.4%	-%	30.7%
Variable sales- and distribution costs	-50	-32	-2	-	-85	-48	-30	-1	-	-79
<i>Variable sales- and distribution costs (%)</i>	-21.6%	-24.8%	-25.7%	-%	-22.8%	-20.0%	-24.2%	-18.1%	-%	-21.4%
<b>Profit after variable costs</b>	<b>45</b>	<b>16</b>	<b>1</b>	<b>-2</b>	<b>60</b>	<b>28</b>	<b>6</b>	<b>0</b>	<b>-1</b>	<b>34</b>
<i>Profit after variable costs (%)</i>	19.1%	12.6%	13.9%	-%	16.2%	11.9%	5.0%	6.3%	-%	9.3%
Overhead costs					-57					-67
<i>Overhead costs (%)</i>					-15.2%					-18.1%
<b>Adjusted EBITDA</b>					<b>4</b>					<b>-32</b>
<i>Adjusted EBITDA margin (%)</i>					1.1%					-8.7%
Depreciation and amortisation (D&A)					-13					-15
<i>D&amp;A (% of net revenue)</i>					-3.4%					-3.9%
<b>Adjusted EBIT</b>					<b>-9</b>					<b>-47</b>
<i>Adjusted EBIT margin (%)</i>					-2.4%					-12.7%
Items affecting comparability (IAC)					-6					-1
<i>IAC (% of net revenue)</i>					1.6%					-0.2%

<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)	2021	2022 Q3	2023 LTM
<b>Net Revenue</b>	<b>1,594</b>	<b>1,670</b>	<b>1,581</b>
<i>Growth (y/y) (%)</i>	5%	5%	-5%
<i>Growth in local currencies (y/y) (%)</i>	7%	1%	-10%
<i>Growth in private brand sales (y/y) (%)</i>	7%	7%	-1%
<b>Gross Profit</b>	<b>728</b>	<b>657</b>	<b>597</b>
<i>Gross margin (%)</i>	45.7%	39.3%	37.8%
Variable sales- and distribution costs	-384	-405	-361
<i>Variable sales- and distribution costs (%)</i>	-24.1%	-24.2%	-22.8%
<b>Profit after variable costs</b>	<b>343</b>	<b>252</b>	<b>236</b>
<i>Profit after variable costs (%)</i>	21.5%	15.1%	14.9%
Overhead costs	-239	-256	-266
<i>Overhead costs (%)</i>	-15.0%	-15.3%	-16.8%
<b>Adjusted EBITDA</b>	<b>104</b>	<b>-4</b>	<b>-30</b>
<i>Adjusted EBITDA margin (%)</i>	6.5%	-0.2%	-1.9%
Depreciation and amortisation (D&A)	-46	-49	-54
<i>D&amp;A (% of net revenue)</i>	-2.9%	-3.0%	-3.4%
<b>Adjusted EBIT</b>	<b>58</b>	<b>-53</b>	<b>-84</b>
<i>Adjusted EBIT margin (%)</i>	3.6%	-3.2%	-5.3%
Items affecting comparability (IAC)	-12	-15	-13
<i>IAC (% of net revenue)</i>	-0.7%	-0.9%	-0.8%



# SEGMENT FINANCIAL INFORMATION

SEKm (unless stated otherwise)	2021	2022 Q3	2023 LTM
<b>Offroad</b>			
<b>Net Revenue</b>	<b>974</b>	<b>999</b>	<b>976</b>
<i>Growth (y/y) (%)</i>	2%	3%	0%
<b>Gross Profit</b>	<b>462</b>	<b>412</b>	<b>384</b>
<i>Gross margin (%)</i>	47.5%	41.2%	39.3%
Variable sales- and distribution costs	-224	-235	-210
<i>Variable sales- and distribution costs (%)</i>	-23.0%	-23.5%	-21.5%
<b>Profit after variable costs<sup>1</sup></b>	<b>238</b>	<b>177</b>	<b>174</b>
<i>Profit after variable costs (%)</i>	24.5%	17.7%	17.8%
<b>Onroad</b>			
<b>Net Revenue</b>	<b>500</b>	<b>569</b>	<b>516</b>
<i>Growth (y/y) (%)</i>	8%	14%	-8%
<b>Gross Profit</b>	<b>209</b>	<b>208</b>	<b>179</b>
<i>Gross margin (%)</i>	41.8%	36.6%	34.8%
Variable sales- and distribution costs	-131	-142	-127
<i>Variable sales- and distribution costs (%)</i>	-26.1%	-24.9%	-24.6%
<b>Profit after variable costs<sup>1</sup></b>	<b>78</b>	<b>66</b>	<b>53</b>
<i>Profit after variable costs (%)</i>	15.6%	11.6%	10.2%
<b>Other</b>			
<b>Net Revenue</b>	<b>119</b>	<b>102</b>	<b>89</b>
<i>Growth (y/y) (%)</i>	9%	-14%	-25%
<b>Gross Profit</b>	<b>59</b>	<b>41</b>	<b>34</b>
<i>Gross margin (%)</i>	49.4%	40.1%	37.5%
Variable sales- and distribution costs	-30	-28	-24
<i>Variable sales- and distribution costs (%)</i>	-25.1%	-27.7%	-27.4%
<b>Profit after variable costs<sup>1</sup></b>	<b>29</b>	<b>13</b>	<b>9</b>
<i>Profit after variable costs (%)</i>	24.2%	12.4%	10.1%

1) Excluding intra-group costs, which are not allocated on segments, of SEKm -2, SEKm -4 and SEKm 1 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)	2021					2022					2023			
	Q1	Q2	Q3	Q4	FY21	Q1	Q2	Q3	Q4	FY22	Q1	Q2	Q3	Q3 LTM
<b>Net Revenue</b>	369	451	361	413	1,594	420	450	373	427	1,670	345	441	369	1,581
Growth (yly) (%)	20%	-5%	10%	0%	5%	14%	0%	3%	3%	5%	-18%	-2%	-1%	-5%
Growth in local currencies (yly) (%)	25%	-1%	11%	1%	7%	10%	-3%	0%	-3%	1%	-22%	-7%	-9%	-10%
Growth in private brand sales (yly) (%)	36%	3%	6%	-9%	7%	9%	9%	7%	3%	7%	-15%	5%	7%	-1%
<b>Gross Profit<sup>1</sup></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>	<b>137</b>	<b>186</b>	<b>113</b>	<b>597</b>
Gross margin (%)	47.8%	46.3%	44.0%	44.5%	45.7%	41.0%	39.5%	39.1%	37.8%	39.3%	39.7%	42.1%	30.7%	37.8%
Variable sales- and distribution costs	-89	-106	-86	-103	-384	-110	-109	-85	-101	-405	-83	-98	-79	-361
Variable sales- and distribution costs (%)	-24.0%	-23.5%	-23.9%	-25.0%	-24.1%	-26.1%	-24.2%	-22.8%	-23.7%	-24.2%	-24.1%	-22.1%	-21.4%	-22.8%
<b>Profit after variable costs</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>	<b>54</b>	<b>88</b>	<b>34</b>	<b>236</b>
Profit after variable costs (%)	23.7%	22.8%	20.0%	19.5%	21.5%	14.9%	15.3%	16.2%	14.0%	15.1%	15.6%	20.0%	9.3%	14.9%
Overhead costs	-58	-60	-57	-63	-239	-62	-66	-57	-71	-256	-61	-67	-67	-266
Overhead costs (%)	-15.8%	-13.3%	-15.9%	-15.3%	-15.0%	-14.7%	-14.7%	-15.2%	-16.6%	-15.3%	-17.7%	-15.3%	-18.1%	-16.8%
<b>Adjusted EBITDA</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>	<b>-7</b>	<b>21</b>	<b>-32</b>	<b>-30</b>
Adjusted EBITDA margin (%)	7.9%	9.5%	4.1%	4.2%	6.5%	0.1%	0.6%	1.1%	-2.6%	-0.2%	-2.1%	4.7%	-8.7%	-1.9%
Depreciation and amortisation (D&A)	-11	-11	-12	-12	-46	-13	-12	-13	-12	-49	-14	-14	-15	-54
D&A (% of net revenue)	-3.0%	-2.5%	-3.4%	-2.9%	-2.9%	-3.0%	-2.7%	-3.4%	-2.8%	-3.0%	-4.0%	-3.2%	-3.9%	-3.4%
<b>Adjusted EBIT</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>	<b>-21</b>	<b>6</b>	<b>-47</b>	<b>-84</b>
Adjusted EBIT margin (%)	4.9%	7.0%	0.7%	1.4%	3.6%	-2.9%	-2.1%	-2.4%	-5.4%	-3.2%	-6.2%	1.5%	-12.7%	-5.3%
Items affecting comparability (IAC)	-10	-1	-1	0	-12	-	-1	-6	-8	-15	0	-4	-1	-13
IAC (% of net revenue)	-2.8%	-0.2%	-0.1%	0.0%	-0.7%	-%	-0.3%	-1.6%	-1.9%	-0.9%	-0.0%	-0.9%	-0.2%	-0.8%
<sup>1</sup> Revaluation of working capital items	-4	-	-	2	-2	-1	-2	-2	2	-3	-	-	-1	1
Number of orders (000)	427	477	385	445	1,735	462	483	371	433	1,749	354	429	332	1,548
Average order value (AOV) (SEK)	864	944	936	928	919	910	933	1,004	985	955	974	1,028	1,110	1,021
Net revenue from private brands	157	165	129	157	609	171	179	138	161	650	145	187	148	641
Active customers, LTM (000)	1,174	1,141	1,155	1,148	1,148	1,165	1,167	1,163	1,165	1,165	1,106	1,083	1,070	1,070

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



# QUARTERLY SEGMENT FINANCIAL INFORMATION

SEKm (unless stated otherwise)	2021					2022					2023			
	Q1	Q2	Q3	Q4	FY21	Q1	Q2	Q3	Q4	FY22	Q1	Q2	Q3	Q3 LTM
<b>Offroad</b>														
<b>Net Revenue</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>	<b>207</b>	<b>248</b>	<b>238</b>	<b>976</b>
Growth (y/y) (%)	22%	-7%	9%	-6%	2%	9%	-9%	3%	8%	3%	-14%	2%	3%	0%
<b>Gross Profit</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>	<b>86</b>	<b>111</b>	<b>76</b>	<b>384</b>
Gross margin (%)	50.1%	48.4%	46.1%	45.4%	47.5%	42.8%	42.5%	40.7%	39.1%	41.2%	41.5%	44.8%	31.9%	39.3%
Variable sales- and distribution costs	-50	-60	-52	-61	-224	-63	-58	-50	-63	-235	-46	-52	-48	-210
Variable sales- and distribution costs (%)	-22.7%	-22.4%	-23.2%	-23.6%	-23.0%	-26.1%	-23.9%	-21.6%	-22.5%	-23.5%	-22.3%	-21.1%	-20.0%	-21.5%
<b>Profit after variable costs<sup>1</sup></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>	<b>40</b>	<b>59</b>	<b>28</b>	<b>174</b>
Profit after variable costs (%)	27.3%	26.0%	23.0%	21.8%	24.5%	16.7%	18.7%	19.1%	16.6%	17.7%	19.2%	23.7%	11.9%	17.8%
<b>Onroad</b>														
<b>Net Revenue</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>	<b>102</b>	<b>183</b>	<b>124</b>	<b>516</b>
Growth (y/y) (%)	20%	-1%	14%	8%	8%	33%	14%	2%	8%	14%	-24%	-7%	-5%	-8%
<b>Gross Profit</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>	<b>37</b>	<b>71</b>	<b>36</b>	<b>179</b>
Gross margin (%)	44.0%	43.2%	39.9%	39.4%	41.8%	37.5%	37.2%	37.4%	33.2%	36.6%	35.8%	38.9%	29.2%	34.8%
Variable sales- and distribution costs	-27	-43	-33	-28	-131	-34	-48	-32	-28	-142	-26	-43	-30	-127
Variable sales- and distribution costs (%)	-26.8%	-25.1%	-25.6%	-27.8%	-26.1%	-25.0%	-24.5%	-24.8%	-25.7%	-24.9%	-25.6%	-23.5%	-24.2%	-24.6%
<b>Profit after variable costs<sup>1</sup></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>	<b>10</b>	<b>28</b>	<b>6</b>	<b>53</b>
Profit after variable costs (%)	17.2%	18.0%	14.3%	11.6%	15.6%	12.4%	12.7%	12.6%	7.5%	11.6%	10.2%	15.4%	5.0%	10.2%
<b>Other</b>														
<b>Net Revenue</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>	<b>35</b>	<b>10</b>	<b>6</b>	<b>89</b>
Growth (y/y) (%)	12%	-10%	-22%	17%	9%	-4%	-5%	22%	-30%	-14%	-22%	-4%	-29%	-25%
<b>Gross Profit</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>	<b>14</b>	<b>4</b>	<b>2</b>	<b>34</b>
Gross margin (%)	52.7%	47.2%	49.4%	46.9%	49.4%	43.9%	36.2%	39.6%	36.6%	40.1%	40.1%	40.6%	24.4%	37.5%
Variable sales- and distribution costs	-11	-3	-1	-15	-30	-13	-3	-2	-10	-28	-11	-2	-1	-24
Variable sales- and distribution costs (%)	-24.4%	-23.4%	-18.8%	-27.0%	-25.1%	-28.9%	-25.0%	-25.7%	-27.4%	-27.7%	-30.3%	-23.0%	-18.1%	-27.4%
<b>Profit after variable costs<sup>1</sup></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>	<b>3</b>	<b>2</b>	<b>0</b>	<b>9</b>
Profit after variable costs (%)	28.3%	23.8%	30.7%	19.9%	24.2%	15.0%	11.2%	13.9%	9.2%	12.4%	9.8%	17.6%	6.3%	10.1%

<sup>1</sup>) 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)	2021		2022			2023		
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Physical stock	447	431	431	432	414	420	401	317
Goods in transit	87	80	59	72	74	44	58	60
Inventory	534	511	490	504	488	464	459	377
Working capital assets	30	31	36	24	20	30	28	20
Working capital liabilities	-305	-316	-288	-248	-262	-223	-260	-219
<b>Net working capital</b>	<b>260</b>	<b>227</b>	<b>238</b>	<b>280</b>	<b>246</b>	<b>272</b>	<b>227</b>	<b>179</b>
As % of net revenue LTM	16.3%	13.8%	14.5%	16.9%	14.7%	17.0%	14.3%	11.3%
Stock turnover <sup>1</sup>	1.6x	1.8x	1.9x	1.9x	2.1x	2.1x	2.1x	2.6x
Inventory % of net revenue LTM	33.5%	31.1%	29.8%	30.4%	29.2%	29.1%	28.9%	23.8%

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





# CONDENSED CONSOLIDATED STATEMENT OF PROFIT/LOSS

SEKm	Jul-Sep		Jan-Sep		Oct 2022-	Jan-Dec
	2023	2022	2023	2022	Sep 2023	2022
Net revenue	369	373	1,154	1,243	1,581	1,670
Cost of goods sold	-255	-227	-718	-747	-984	-1,013
<b>Gross profit</b>	<b>113</b>	<b>146</b>	<b>436</b>	<b>496</b>	<b>597</b>	<b>657</b>
Sales and distribution costs	-115	-116	-368	-403	-505	-540
Administration costs	-45	-45	-135	-133	-190	-188
Other operating income- and expenses	-1	0	1	2	1	2
<b>Operating profit</b>	<b>-47</b>	<b>-15</b>	<b>-66</b>	<b>-37</b>	<b>-97</b>	<b>-68</b>
Financial net	-14	3	20	9	27	17
<b>Profit/loss before tax</b>	<b>-61</b>	<b>-11</b>	<b>-47</b>	<b>-28</b>	<b>-70</b>	<b>-52</b>
Tax	0	-8	0	-6	0	-6
<b>Profit/loss for the period</b>	<b>-61</b>	<b>-20</b>	<b>-47</b>	<b>-35</b>	<b>-70</b>	<b>-58</b>



# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

SEKm	30 Sep 2023	30 Sep 2022	31 Dec 2022
Intangible assets	335	348	345
Property, plant and equipment	13	15	16
Right-of-use assets	60	61	60
Financial assets	3	3	4
Deferred tax assets	5	5	6
<b>Total non-current assets</b>	<b>417</b>	<b>432</b>	<b>431</b>
Inventory	377	504	488
Other current assets	30	42	27
Cash and cash equivalents	171	115	136
<b>Total current assets</b>	<b>578</b>	<b>661</b>	<b>651</b>
<b>Total assets</b>	<b>995</b>	<b>1,093</b>	<b>1,083</b>
<b>Total equity</b>	<b>677</b>	<b>740</b>	<b>719</b>
Leasing liabilities	31	43	39
Deferred tax liabilities	27	28	29
Provisions	0	0	0
<b>Total non-current liabilities</b>	<b>58</b>	<b>72</b>	<b>68</b>
Leasing liabilities	32	25	26
Trade payables	68	98	105
Other current liabilities	160	158	165
<b>Total current liabilities</b>	<b>259</b>	<b>281</b>	<b>296</b>
<b>Total equity and liabilities</b>	<b>995</b>	<b>1,093</b>	<b>1,083</b>



# CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

SEKm	NOTE	Jul-Sep		Jan-Sep		Oct 2022-	Jan-Dec
		2023	2022	2023	2022	Sep 2023	2022
Operating profit	A	-47	-15	-66	-37	-97	-68
Adjustments for non-cash items	B	53	8	86	45	98	56
Paid interest		-1	-5	-4	-9	-5	-11
Received interest		1	0	1	0	2	1
Realised currency derivatives		1	5	5	9	9	13
Paid/received tax		-1	-3	-2	-8	-2	-8
<b>Cash flow from operating activities before changes in net working capital</b>		<b>6</b>	<b>-9</b>	<b>21</b>	<b>-1</b>	<b>5</b>	<b>-17</b>
Changes in net working capital	C	1	-22	35	-17	77	25
<b>Cash flow from operating activities</b>		<b>7</b>	<b>-31</b>	<b>55</b>	<b>-18</b>	<b>82</b>	<b>9</b>
<b>Investing activities</b>							
Investments in non-current assets	D	-2	-3	-5	-12	-9	-16
<b>Cash flow from investing activities</b>		<b>-2</b>	<b>-3</b>	<b>-5</b>	<b>-12</b>	<b>-9</b>	<b>-16</b>
<b>Financing activities</b>							
New share issue including issue costs		-	331	-	331	0	331
Change in utilised credit facility		-	-45	-	-26	-1	-27
Repayment of liabilities to credit institutions <sup>1</sup>		-	-150	-	-157	-	-157
Repayment of leasing liabilities	E	-7	-6	-21	-17	-27	-23
<b>Cash flow from financing activities</b>		<b>-7</b>	<b>130</b>	<b>-21</b>	<b>131</b>	<b>-28</b>	<b>124</b>
<b>Cash flow for the period</b>		<b>-1</b>	<b>96</b>	<b>30</b>	<b>100</b>	<b>46</b>	<b>117</b>
Cash and cash equivalents at the beginning of period		179	23	136	18	115	18
Exchange rate difference		-7	-4	5	-4	10	1
<b>Cash and cash equivalents end of period</b>		<b>171</b>	<b>115</b>	<b>171</b>	<b>115</b>	<b>171</b>	<b>136</b>
<b>Operating cash flow before IFRS 16 interest</b>	<b>A+B+C+D+E</b>	<b>-2</b>	<b>-37</b>	<b>29</b>	<b>-39</b>	<b>42</b>	<b>-26</b>
Interest IFRS 16		-1	-1	-2	-3	-3	-3
<b>Operating cash flow</b>		<b>-3</b>	<b>-38</b>	<b>27</b>	<b>-42</b>	<b>39</b>	<b>-29</b>

1) Including capitalised interest expenses.



# RECONCILIATION OF ADJUSTED FINANCIALS

SEKm	Jul-Sep		Jan-Sep		Oct 2022-	Jan-Dec
	2023	2022	2023	2022	Sep 2023	2022
Net revenue	369	373	1,154	1,243	1,581	1,670
Cost of goods sold	-255	-227	-718	-747	-984	-1,013
Variable sales- and distribution costs	-79	-85	-260	-304	-361	-405
Other costs <sup>1</sup>	-82	-75	-243	-229	-333	-320
<b>Operating profit (EBIT)</b>	<b>-47</b>	<b>-15</b>	<b>-66</b>	<b>-37</b>	<b>-97</b>	<b>-68</b>
<b>Reconciliation of adj. EBIT and adj. EBITDA</b>						
<b>Operating profit (EBIT)</b>	-47	-15	-66	-37	-97	-68
IAC related to:						
IPO-costs	-	0	-	-1	-	-1
Restructuring expenses	0	-	-4	-	-8	-4
Share-based payments	0	-	-1	-	-1	-
Share-based payments (social costs)	0	-	0	-	0	-
Other costs (XO)	-	-5	0	-6	-4	-11
<b>Adjusted operating profit (EBIT)</b>	<b>-47</b>	<b>-9</b>	<b>-61</b>	<b>-30</b>	<b>-84</b>	<b>-53</b>
<b>Adjusted EBIT margin (%)</b>	<b>-12.7%</b>	<b>-2.4%</b>	<b>-5.3%</b>	<b>-2.4%</b>	<b>-5.3%</b>	<b>-3.2%</b>
Depreciation	-9	-7	-25	-21	-33	-29
Amortisation	-6	-6	-18	-17	-21	-20
<i>(of which PPA amortisations included in adjusted EBIT)</i>	0	0	0	0	0	-1
<b>Adjusted EBITDA</b>	<b>-32</b>	<b>4</b>	<b>-19</b>	<b>7</b>	<b>-30</b>	<b>-4</b>
<b>Adjusted EBITDA margin (%)</b>	<b>-8.7%</b>	<b>1.1%</b>	<b>-1.6%</b>	<b>0.6%</b>	<b>-1.9%</b>	<b>-0.2%</b>

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



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