

REBELLE

Rebelle AB

Q1 2022 interim report

1 January to 31 March 2022



Rebelle AB is the holding company of StyleRemains GmbH. StyleRemains GmbH operates REBELLE, a leading European online marketplace for second-hand designer fashion. With a wide range of products from global luxury brands such as Hermès, Louis Vuitton, Chanel and Gucci, REBELLE provides a digital hub for pre-loved designer fashion.

REBELLE stands out from other fashion online marketplaces via its managed marketplace business model. Different to digital peer-to-peer marketplaces, REBELLE physically handles every sold product in its central processing hub. This enables REBELLE to provide maximum comfort and convenience to sellers and to deliver a consistent high-end shopping experience to buyers thus elevating second-hand commerce to a new level.

A key value-add of REBELLE'S service offering is the physical checking of every single designer piece for authenticity and quality to ensure a superior buying experience. With market growth driven by a megatrend and shift in consumers mindset towards sustainability, REBELLE'S circular business model challenges the fashion industry as one of the most polluting in the world, aiming to extend the lifecycle of designer fashion.

The operational business is based in Hamburg, Germany.

- IPO at Nasdaq First North in Stockholm on 25 February 2022, raising SEK 200m via a capital increase from existing and new shareholders.
- Record number of 119 thousand new products uploaded onto the site, topping Q1 2021 by 17%.
- Challenging market sentiment in core German market characterised by continued Covid restrictions and a sharp drop in consumer confidence due to the Ukrainian war.
- Net sales (net GMV) amounted to € 6.33m, representing a flat development vs. Q4 2021 (€ 6.38m) and a 14% decline vs. Q1 2021 (€ 7.31m).
- Revenues of € 1.72m in Q1 2022 vs. € 2.24 in Q1 2021. 2.5% drop of blended commission rate driven by high volumes of products from commercial sellers.
- High average net shopping basket of € 294 in Q1 2022 (+7% vs. Q1 2021).
- Adjusted operating loss of € 1.53m. Significant increase vs. Q1 2021 (€ 0.01m) driven by increased costs for marketing and IT to drive long term growth.
- Management focus on expansion of technology team and ramp up marketing campaigns as well as evaluation of M&A opportunities.

Key figures (mEUR)	Q1.22	Q1.21
Net sales	6.33	7.31
Revenue	1.72	2.24
Commission rate	27.1%	30.6%
Adjusted operating profit	-1.53	-0.01
Average net shopping basket	294	275
Net cash (debt)	14.78	1.45

Message from the CEO

Q1 2022 was an important step in Rebelle's continued internationalization and growth journey. The big highlight of the quarter was our IPO at Nasdaq First North Growth Market in Stockholm. We are grateful to all investors that decided to join our vision to bring the circular economy into the fashion industry. Being awarded the "Nasdaq Green Designation", Rebelle became the first "Green IPO" in the global Nasdaq system. The IPO started a new chapter of Rebelle's development as we have raised a significant amount of growth capital and created an acquisition currency for M&As.

However, this new chapter of Rebelle started in an environment which made it hard to celebrate as the war in Ukraine started only one day before we rang the Nasdaq bell on 25 February 2022. With inflation rising to new record levels and an unprecedented feeling of instability, consumer confidence in our core German market reached the lowest point since 2009 according to a survey by GfK institute.

Naturally, this creates a harsh environment for selling discretionary products such as second-hand luxury fashion products. For Rebelle this development came at a time when we had just started to see a pickup in order activity in mid-February 2022 as Covid restrictions had started to ease considerably in our core domestic market Germany. Overall, this challenging environment led to a slow start of the year with flat net sales compared to Q4 2021 and a 14 per cent decline compared to Q1 2021. As of mid-May 2022, the market sentiment remains challenging.

However, on the inbound side we saw a strong development with a record number of new products coming onto our marketplace. As our business is strongly driven by the availability of products and the development of our inventory, this represents a key prerequisite for Rebelle's future growth.

We are currently working on a number of measures to boost the performance of our business and accelerate growth. This includes a systematic optimisation of our marketing channels, which will become important for our plan to ramp-up and

internationalise our marketing campaigns. Furthermore, we are working on a number of measures to drive the conversion of our website, most notably the integration of additional payment methods into the checkout of our online shop.

The current headwind from the market does not affect our conviction that luxury second-hand fashion is offering big opportunities for growth. Consumers are becoming increasingly aware of the environmental impact of the fashion industry and this will lead to a change in their consumption patterns. Based on our unique inventory of products from leading luxury labels, a strong brand and a superior service proposition enabled by unique operational capabilities, Rebelle is ideally positioned to capture this opportunity on a European scale.

The IPO is providing us with new opportunities to invest into our business. In Q1 2022 we have started to expand our technology team and ramp up marketing campaigns. Whilst in the short term these initiatives will increase our cost base, we are convinced that in the longer term they will increase the appeal of our offer to consumers and thus accelerate growth.

Our strategy for the future also includes inorganic growth via mergers & acquisitions in order to expand our footprint and business model. Q1 has provided us with first opportunities to connect with suitable companies. As for the future, we intent to increase the engagement with investors and look forward to be able to present the development of Rebelle, new initiatives, and - hopefully as deals are concluded - about any future acquisitions.



Yours sincerely

Max Schönemann

CEO Rebelle AB

- Key event in the first quarter 2022 was the **IPO at Nasdaq First North** in Stockholm on 25 February 2022. In a challenging stock market environment, Rebelle managed to raise SEK 200m via a capital increase from existing and new shareholders. No secondary shares were sold in the IPO.
- In Q1 2022 customers uploaded a record number of new products onto our site. With 119,000 products uploaded, **product inflow** topped Q1 2021 by 17%.
- **Net sales** (net GMV) amounted to € 6.33m. This represents a flat development vs. Q4 2021 (€ 6.38m) and a 14% decline vs. Q1 2021 (€ 7.31m). One key driver of this development was a challenging consumer sentiment characterised by continued Covid restrictions in our core German market during the first half of the quarter. During the second half of the quarter, the war in Ukraine led to a sharp drop in consumer confidence as consumers started to increasingly worry about the impact of the war on prices, energy supply and economic development. Together these effects led to significant decline in consumer confidence; for Germany the GfK consumer confidence index dropped to a record low in April 2022.
- The **average basket** (net GMV divided by number of orders) amounted to € 294 in Q1 2022 which represents a 7% increase vs. Q1 2021. One of the factors behind this development is an increasing number and share of products from commercial sellers on our marketplace. As such sellers tend to list attractive items from higher priced brands (e.g. Hermès, Louis Vuitton) and from categories with high average pricing points (e.g. handbags) this is a positive development which also enriches the overall appeal of our site.
- **Revenues** amounted to € 1.72m in Q1 2022 vs. € 2.24 in Q1 2021. This corresponds to a blended commission rate (revenues / net GMV) of 27.1% which represents a drop by 2.5 percentage points vs. Q1 2021. One of the drivers behind this development is an increasing share of items sold on behalf of commercial sellers. Commercial sellers typically work on the basis of lower commission rates as they assume responsibility for item photography and description and often upload large quantities of products and thus trigger fewer handling and staff costs for Rebelle.
- The **operational loss** in Q1 2022 amounted to € 5.30m. This figure is significantly impacted by three types of one-off costs relating to the IPO:
 - Prior to the IPO, virtual management shares (ESOPs) were restructured and converted into ordinary shares. This conversion led to one-off non-cash charges amounting to € 2.61m in Q1 2022.
 - The company incurred cash expenses and fees for the preparation and execution of the IPO. A total amount of € 0.79m was included in the company's P&L in Q1 2022.
 - The IPO gave rise to the cash payout of the profit participation of media partner SevenVentures GmbH, a subsidiary of ProSieben.Sat1 Media SE. This payment amounted to 2.16% of the company's pre-IPO share capital, multiplied by the IPO share price. Net of provisions this led to a cost of € 0.37m in Q1 2022. The profit participation was paid out in April 2022 and thereby fully settled.
- Net of these three one-off items, the **adjusted operating loss** in Q1 2022 amounted to € 1.53m. The significant increase vs. Q1 2021 (adjusted operating loss of € 0.01m) is equally driven by the decline in revenues and increasing growth costs, most notably:
 - The start of the ramp-up of the company's **marketing** efforts in order to lay the foundation for accelerating the intake of new customers and expanding the international footprint of Rebelle. In Q1

2022 marketing costs amounted to € 1.24m, corresponding to a 151% increase vs. Q1 2021 (€ 0.50m).

- In parallel, Rebelle increased its costs for certain **overhead functions**. Most importantly we hired additional staff for our IT team in order to accelerate product development. We also added personnel to our finance and communication departments to comply with the reporting requirements as listed company. This led to an increase in **costs for salaries and wages** by 23% vs. Q1 2021 to a level of € 1.01m in Q1 2022 (excluding charges relating to ESOPs).
 - The IPO had a significant impact on our **balance sheet**. Total assets increased from € 3.96m at the end of Q1 2021 to € 17.65m at the end of Q1 2022. Largest item on the balance sheet is a cash position amounting to € 14.79m at the end of Q1 2022 stemming primarily from the capital raised in the IPO. A portion of the IPO proceeds was used to repay loans that had been granted to the company (€ 2.99m as of 31 December 2021), reducing Rebelle's financial debt to € 0.01m at the end of the quarter.
 - Rebelle AB granted a € 13m long term loan to its operational subsidiary StyleRemains GmbH in March 2022 where the capital raised shall be employed to finance ongoing working capital needs and growth initiatives. To avoid currency risks, the loan amount was converted from Swedish Krona to Euro. As the value of the Krona increased in relation to the Euro between the date of the money transfer and the last day of the reporting period, this currency transfer gave rise to a **loss from hedging** instruments of € 0.60m in the group's Q1 2022 consolidated comprehensive statement of income. At the level of the single entity level of the parent company, this FX effect gave rise to finance costs of SEK 6.30m.
- The **shares** of Rebelle AB have been trading on Nasdaq First North Growth Market Stockholm with the ticker symbol BELLE and ISIN code SE0016829899 since 25 February 2022. As of 31 March 2022, the total number of shares in the company amounted to 22,356,934.
 - This interim report has not been reviewed by the company's auditor.
 - Rebelle's **Certified Adviser** on Nasdaq First North is Vator Securities AB, tel +46 8 5333 2737 or ca@vatorsec.se.
 - **Financial calendar:**
 - 25 Aug 2022 - Interim report for Q2 2022.
 - 10 Nov 2022 – Interim report for Q3 2022.
 - For more information, please **contact** Paues Åberg Communications, tel +46 76 190 90 51 or IR@rebelle.com.

Group - Consolidated Profit & Loss

(kEUR)	Q1.22	Q1.21	2021
Revenue	1,718	2,238	7,368
Changes in inventories of finished goods and work in progress	-19	-18	-60
Other operating income	16	23	150
Raw materials and consumables used	-292	-416	-1,397
Personnel expenses	-3,624	-810	-3,471
Wages and salaries	-830	-680	-2,878
Social security contributions	-184	-142	-639
ESOP costs	-2,610	12	46
Other operating expenses	-3,087	-983	-4,717
Marketing costs	-1,240	-495	-2,567
Costs relating to IPO and group restructuring	-794	0	0
Exit participation	-369	0	0
Other	-683	-488	-2,150
Depreciation and amortization	-14	-28	-67
Operating profit	-5,302	6	-2,194
Finance costs	-118	0	-126
Profit before tax	-5,421	6	-2,320
Income taxes	0	0	1,002
Profit or loss from continuing operations	-5,421	6	-1,318
Profit or loss	-5,421	6	-1,318

Profit or loss attributable to owners of the parent	-5,421	6	-1,318
---	--------	---	--------

Basic earnings per share (EUR)	-0.32	0.00	-0.10
--------------------------------	-------	------	-------

Diluted earnings per share (EUR)	-0.32	0.00	-0.10
----------------------------------	-------	------	-------

Average number of shares, thousands	16,782	13,356	13,675
-------------------------------------	--------	--------	--------

Group - Consolidated Statement of Comprehensive Income

(kEUR)	Q1.22	Q1.21	2021
Profit or loss	-5,421	6	-1,318
Other comprehensive income	-598		
Items that may be reclassified subsequently to profit or loss	-598		
Gains and losses from net investment hedges	-596		
Gains and losses from differences from foreign currency translation	-2		
Comprehensive income	-6,019	6	-1,318

Group - Consolidated Balance Sheet

(kEUR)	31-Mar-22	31-Mar-21	31-Dec-21
Assets	17,654	3,959	7,151
Non-current assets	301	283	285
Intangible assets	59	57	61
Property, plant and equipment	239	222	221
Right-of-use assets	2	4	2
Current assets	16,351	3,676	5,864
Inventories	124	144	113
Trade and other receivables	193	198	175
Current financial assets	134	148	1,157
Contract assets	710	784	729
Income tax receivables	247	56	161
Other current assets	149	119	124
Cash and cash equivalents	14,794	2,226	3,405
Deferred tax assets	1,002	0	1,002
Equity and liabilities	17,654	3,959	7,151
Equity	14,408	32	381
Equity attributable to owners of the parent	14,408	32	381
Share capital	83	272	285
Capital reserves	46,986	25,082	26,742
Treasury shares	0	-4	-4
Other comprehensive income	-598	0	0
Retained earnings	-32,063	-25,319	-26,642
Non-current liabilities	12	1,004	945
Non-current interest-bearing loans and borrowings	11	18	13
Liabilities from share-based payments	0	984	931
Non-current financial liabilities	1	2	1
Current liabilities	3,234	2,923	5,824
Trade and other payables	1,632	686	794
Contract liabilities	117	80	117
Liabilities to customers	1,306	1,015	1,600
Provisions	8	107	8
Current Interest-bearing loans	0	755	2,990
Other current liabilities	172	279	317

Group - Consolidated Statement of Cash Flow

(kEUR)	Q1.22	Q1.21	2021
Cash flow from operating activities	-2,310	-290	-2,833
Profit or loss	-5,421	6	-1,318
Depreciation, amortization and impairment losses	14	28	67
Increase/decrease in provisions	0	0	-100
Change in inventories, trade receivables and other assets	902	2	-1,007
Change in trade payables and other liabilities	-533	-321	401
Loss/gain on disposal of assets	0	-5	0
ESOP costs	2,610	0	0
Interest expenses/interest income	118	0	126
Income tax expenses	0	0	-1,002
Cash flow from investing activities	-30	-20	-70
Cash flow from financing activities	13,729	0	3,772
Proceeds on issue of shares	16,901	0	0
Proceeds on issue of shares transformation loan	0	0	825
Proceeds from issuance of financial liabilities	0	0	2,990
Repayment of financial liabilities	-2,990	0	-7
Interest paid	-182	0	-36
Change in cash and cash equivalents	11,389	-310	869
Cash and cash equivalents at beginning of period	3,405	2,536	2,536
Cash and cash equivalents at end of period	14,794	2,226	3,405

Group - Consolidated Statement of Changes in Shareholders' Equity

(kEUR)			Capital reserves		Other comprehensive income		Retained earnings	Total equity
	Share capital	Treasury shares	Capital reserves	Share Based Payments Reserve	Net Investment Hedge	Currency Translation Adjustment		
StyleRemains SR	285	-4	26,742				-26,642	381
As at 1 January 2022	285	-4	26,742	0	0	0	-26,642	381
Results for the period							-5,421	-5,421
Other comprehensive income					-596	-2		-598
Contribution in kind Rebelle AB assets	56		-5					51
Contribution in kind legal transformation	-285	4	281					0
Initial Public Offering	27		19,100					19,127
IPO Costs			-2,191					-2,191
Share Based Payments				3,059				3,059
As at 31 March 2022	83	0	43,927	3,059	-596	-2	-32,063	14,408

(kEUR)			Capital reserves		Other comprehensive income		Retained earnings	Total equity
	Share capital	Treasury shares	Capital reserves	Share Based Payments Reserve	Net Investment Hedge	Currency Translation Adjustment		
Style Remains SR	0	0	0				0	0
As at 1 January 2021	272	-4	25,082	0	0	0	-25,324	26
Results for the period							6	6
As at 31 March 2021	272	-4	25,082	0	0	0	-25,318	32

Parent Company - Profit & Loss

(kSEK)	Q1.22	2021
Other operating expenses	-863	-48
Costs relating to IPO and group restructuring	-456	-48
Other	-407	0
Operating profit	-863	-48
Finance income	301	
Finance costs	-6,301	
Profit before tax	-6,863	-48
Profit or loss from continuing operations	-6,863	-48
Profit or loss	-6,863	-48
Profit or loss attributable to owners of the parent	-6,863	-48

Parent Company - Balance Sheet

(kSEK)	31-Mar-22	31-Dec-21
Assets	180,941	37
Non-current assets	167,773	0
Long term receivables to related parties	167,773	0
Current assets	13,168	37
Cash and cash equivalents	12,168	37
Receivables for subscribed but unpaid share capital	1,000	0
Equity and liabilities	180,941	37
Equity	180,180	27
Equity attributable to owners of the parent	180,180	27
Share capital	894	25
Capital reserves	186,197	50
Other comprehensive income	-1	0
Retained earnings	-6,911	-48
Current liabilities	761	10
Other current liabilities	35	10
Liabilities to related parties	726	0

Parent Company - Statement of Changes in Shareholders' Equity

(kSEK)	Share capital	Capital reserves	Retained earnings	Total equity
As at 1 January 2022	25	50	-48	27
Results for the period			-6,863	-6,863
Contribution in kind Rebelle AB assets	522			522
Contribution in kind ESOP	61			61
Initial Public Offering	286	199,714		200,000
IPO costs		-13,567		-13,567
As at 31 March 2022	894	186,197	-6,911	180,180

Note 1 Corporate information

Rebelle AB is a limited liability company incorporated and domiciled in Stockholm, Sweden. The registered office (Registration number 559328-4689) is located at c/o Intertrust Sveavägen 9, 10th floor, 111 57 Stockholm, Sweden.

REBELLE operates an Online-Platform, which is a marketplace for private and commercial sellers and purchasers of second-hand designer fashion items (clothing, bags, shoes, accessories, jewellery and similar items).

The Rebelle group consists of:

Rebelle AB	Holding company	Incorporated and located in Sweden
StyleRemains GmbH	Main operating company	Incorporated and located in Germany

StyleRemains GmbH is a 100% subsidiary of Rebelle AB.

Note 2 Basis of preparation

The interim report for the Group and Parent Company comprises summary consolidated financial statements for Rebelle AB. The interim consolidated financial statements include the StyleRemains GmbH, Hamburg, according to above specification.

Note 3 (Significant) Accounting policies

The consolidated report has been prepared in accordance with International Financial Reporting Standards (IFRS) and IAS 34, Interim Financial Reporting. Rebelle continues to apply the same accounting principles and valuation methods as those described in the most recent Annual Report.

The Parent Company report is prepared in accordance with RFR 2, Accounting for Legal Entities, the Swedish Annual Accounts Act and accounting principles. Assets have been measured mainly based on historical cost. Liabilities are measured based on their requirements to fulfill obligations

Note 4 Group reorganization and Initial Public Offering

The shareholders of StyleRemains contributed the shares of StyleRemains into Rebelle AB in exchange for 15,214,076 shares of Rebelle AB. The operational business of StyleRemains was brought into Rebelle AB to prepare the Initial Public Offering in Sweden. From an economic point of view StyleRemains changed its legal corporate veil. Therefore, the assets and liabilities of Rebelle AB were brought into StyleRemains applying the book values (Pooling of Interests) and the prior periods comprise the financial accounting figures of the single entity StyleRemains.

Within the Initial Public Offering 7,142,858 additional shares have been issued with a share price of SEK 28/Share. Costs incremental to the capital increase within the IPO amounting to 2,192 kEUR have been deducted from equity and 772 kEUR have been included within the expenses of the Statement of Profit & Loss. The costs have been deducted from equity without any net-of-tax effect, because no income tax has been included in the Statement of Comprehensive income in the first quarter 2022. At prior year end costs for preparing the Initial Public Offering have been capitalised within other assets amounting to 1,022 kEUR. Capital raised for the IPO shall be used to finance the company's future growth and internationalization.

Note 5 Significant operational transactions and events in Q1 2022

The Rebelle Group was formed via contribution in kind of StyleRemains GmbH into Rebelle AB in January 2022. In February Rebelle AB conducted an Initial Public Offering (IPO) at Nasdaq First North Growth Market in Sweden raising approx. SEK 200m via a capital increase. No secondary shares were sold.

Note 6 Risk management

The Rebelle Group is exposed to business and financial risks through its operations. These risks have been described at length in the annual report 2021 of StyleRemains. In addition to the risks described in these documents, no additional significant risks have been identified.

Note 7 Related parties

Related parties comprise the members of the Board of Directors and the group's executive management senior executives. Apart from remuneration of the Board of Directors, transactions to market price were recognized with related parties during the year.

Compensation of key management personnel (kEUR)	Q1.22	2021
Short-term employee benefits	108	506
Share-based payments	2.499	46
Board fee	33	2
Total	2.640	552

Note 8 Revenue recognition

REBELLE operates a platform-based online marketplace for second-hand designer fashion. Through its platform, REBELLE facilitates the sale of fashion items by private individuals and businesses to private end-users.

In its customer arrangements, REBELLE provides private and commercial sellers access to the platform with the aim to sell a specific item of designer fashion and arranges for ancillary services such as shipping, handling, effecting payments, customer service, verifying quality and authenticity, packaging, and product presentation. REBELLE concluded that its arrangements fall within the scope of IFRS 15 Revenue from contracts with customers. The arrangements, which are governed by general terms and conditions or individual contracts, create enforceable rights and obligations for REBELLE and its counterparty.

Note 9 Employee Stock Option Programs (ESOPs)

Due to the reorganization of the group (see Note 4) the cash settled ESOPs have been modified into equity settled ESOPs on the shares of Rebelle AB. Furthermore, new ESOP programmes have been issued. In total 1,219,840 shares of Rebelle AB have been issued. The employees have the option to purchase the shares of Rebelle AB at a strike price of SEK 0.04/share. The fair value of the options are equal to the internal value of the options (SEK 27.96 = SEK 28.00 ./ SEK 0.04). The shares are deposited in an escrow account. Issuing the ESOPs in Quarter 1/2022 led to share based payment expenses in the Statement of Profit & Loss amounting to 2,610 kEUR and to additional capital reserves within equity amounting to 3,059 kEUR. The liability of 448 kEUR as of December 31, 2021 has been cancelled due to the modification.

Note 10 Net investment hedge

Rebelle AB transferred funds from the Initial Public Offering via a EUR-Intercompany loan (16,024 kEUR; interest 3%) to StyleRemains. When translating the EUR-loan from the transactional currency EUR into the functional currency SEK of Rebelle AB foreign exchange losses amounting to 596 kEUR occurred.

However, these foreign exchange losses have been presented within other comprehensive income applying net investment hedge accounting, because the Intercompany loan will not be settled within the foreseeable future according to IFRS 9.6.3.6. and IAS 21.15.

Note 11 Other financial instruments

No financial instrument has been measured with its fair value. The book value of the financial assets and liabilities is a reasonable approximation of the fair value of the financial instruments.

Liabilities against shareholders amounting to 2,990 kEUR have decreased by paying back 975 kEUR and by netting receivables caused by the Initial Public Offering and liabilities against the shareholders amounting to 2,015 kEUR.

Note 12 Events after the reporting period

No significant events occurred after the reporting period.

Affirmation

This interim report has been prepared in accordance with International Accounting Standard (IAS) 34 “Interim Financial Reporting” and in accordance with the Swedish Annual Accounts Act. With respect to the Parent Company, this interim report has been prepared in accordance with the Swedish Annual Accounts Act and in compliance with RFR2, Accounting for Legal Entities. The Board of Directors and the CEO certify that this interim report presents a true and fair overview of the Group’s and the Parent Company’s operations, financial position and results of operations, and describes the significant risks and uncertainties facing the Parent Company and the companies belonging to the Group.

Stockholm, 19 May 2022

Executive management

Max Schönemann (CEO)

Board of Directors

Hans-Christian Semmler
(Chairman)

Robert Frowein

Christoffer Martinsen-Køningsfeldt

Jesper Gravlund Nielsen

Claire Midwood

Mernosh Saatchi

Rebelle AB

c/o Intertrust (Sweden) AB

Box 16285

103 25 Stockholm

Sweden

ir@rebelle.com