

ANNUAL REPORT 2022/23



Our Brand Promise

RevolutionRace is **revolutionizing** the outdoor industry by developing products with **unbeatable value** and making them accessible through tight collaboration **with our community.**

NATURE IS OUR PLAYGROUND



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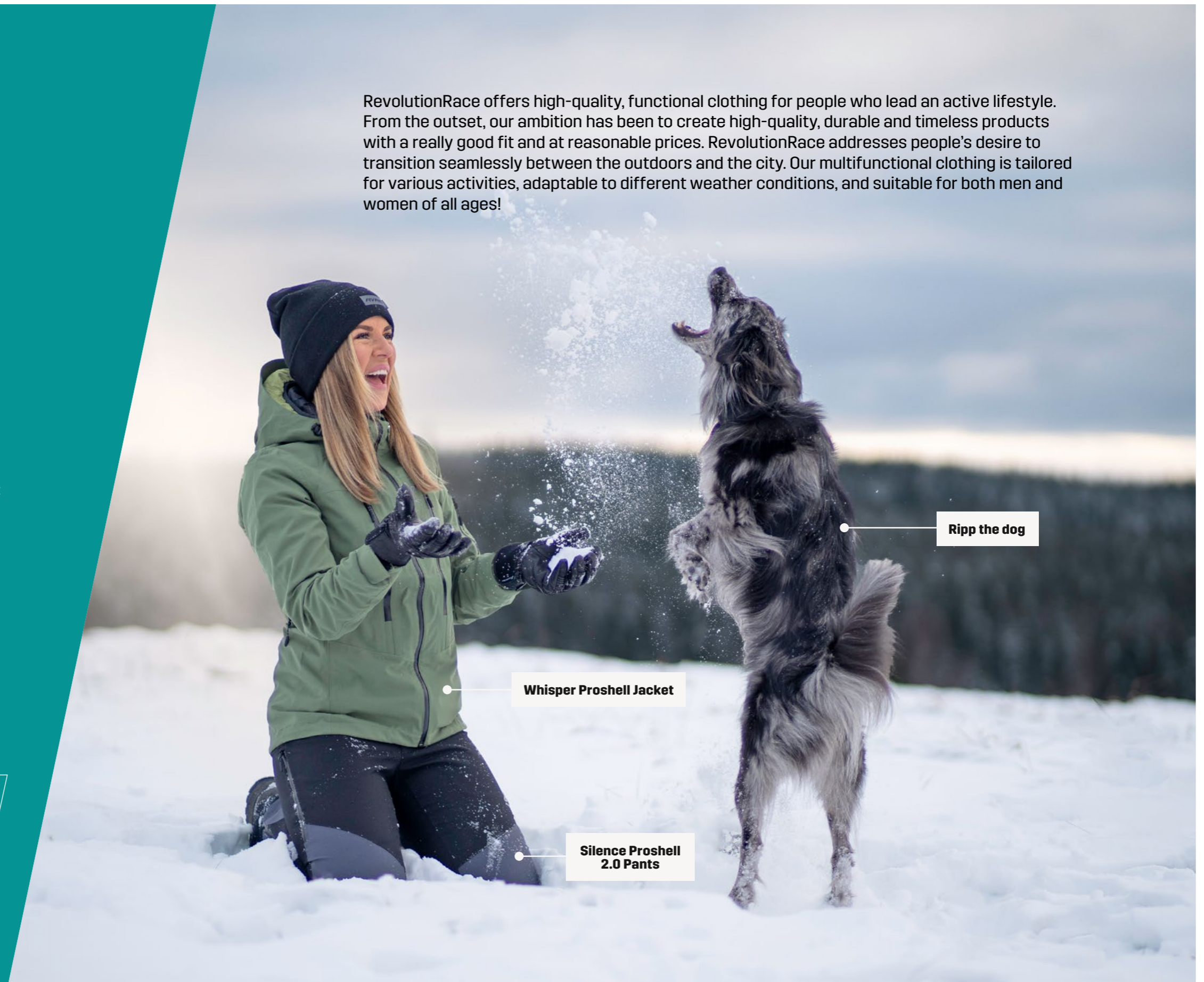
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R Pages 24–27 and 37–59 constitute the legal Annual Report, which has been audited.

RVRC Holding AB (Publ) issues a separate Sustainability Report. The report follows the Global Reporting Initiative (GRI): Standard 2021. See RVRC Holding AB's Sustainability Report on <https://corporate.revolutionrace.com/en/>

RevolutionRace offers high-quality, functional clothing for people who lead an active lifestyle. From the outset, our ambition has been to create high-quality, durable and timeless products with a really good fit and at reasonable prices. RevolutionRace addresses people's desire to transition seamlessly between the outdoors and the city. Our multifunctional clothing is tailored for various activities, adaptable to different weather conditions, and suitable for both men and women of all ages!



Whisper Proshell Jacket

Ripp the dog

Silence Proshell 2.0 Pants

THE YEAR IN BRIEF

RevolutionRace continued to develop strongly in 2022/2023, with strong and profitable growth mainly driven by higher demand in the regions DACH and Rest of the World. We have a well-positioned customer offering with a unique combination of a strong brand, high-quality design and competitive prices. Our scalable and digital business model enables an international presence with great potential to continue to gain market share, with long-term and profitable growth.

Financial KPIs

SEKm	2022/23	2021/22	2020/21	2019/20
Net sales	1,560	1,331	897	387
Average net order value (AOV), (SEK)	875	803	763	724
Gross profit	1,126	963	648	271
Gross margin, %	72.2	72.3	72.3	70.1
Adjusted EBIT	322	367	252	83
Adjusted EBIT margin, %	20.6	26.3	27.6	21.5
EBIT	310	367	230	83
EBIT margin, %	19.9	26.3	25.2	21.5
Profit before tax	306	363	218	76
Earnings per share before dilution, SEK	2.15	2.55	1.59	0.56
Earnings per share after dilution, SEK	2.15	2.55	1.59	0.55
Dividend paid	87	72	110	132

GROWTH

17%

Our net sales grew by 17 percent during 22/23, primarily driven by strong performance in the regions DACH and Rest of the World.

Significant events during the year



AN INCREASINGLY INTERNATIONAL BRAND

Our growth has mainly been driven by strong international expansion. Today, we are an international company with a share of sales from countries outside the Nordics of 75 (67) percent for the full year.

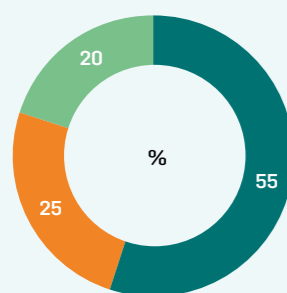
EXPANDED PRODUCT RANGE

During the year, we launched our first collection for teens. We also carried out a successful launch of our first dog collection, which sold out in a short time. The existing assortment has also been expanded with new models and colors.

NEW CEO OF REVOLUTIONRACE

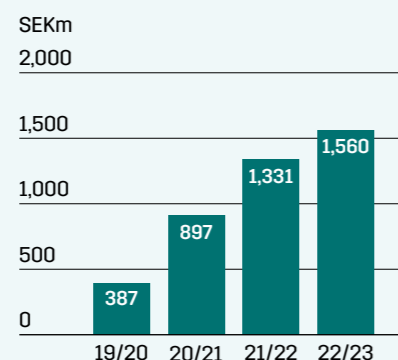
Paul Fischbein was appointed acting CEO in August 2022 and as permanent CEO in October 2022. Resigning CEO, Pernilla Nyrensten, continues as a board member.

Sales by geographical area

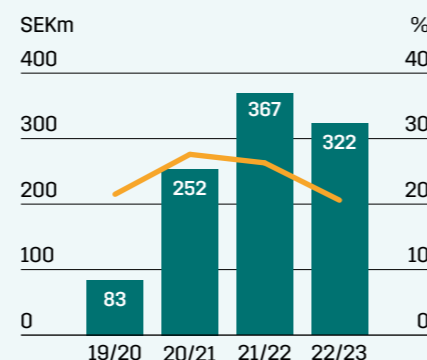


- DACH
- Nordics
- Rest of the world

Net sales



EBIT and adjusted EBIT



RECORD-BREAKING REVIEWS AND EXCELLENT RATING

During the last quarter, we achieved an accumulated total of over 500,000 reviews, with an average rating of 4.6 out of 5. Customer dialogue is central to our success and together with reviews and followers on our social media channels, these constitute highly valuable assets and success factors.

4.6 / 5
 ★★★★★
 rating in our community

500,000 +
 reviews

EXPANDING INTO NEW MARKETS

In August, i.e. after the end of the fiscal year, we expanded our international presence further by opening up to customers in Canada, South Korea and Japan. This means that RevolutionRace is available in around 40 countries.

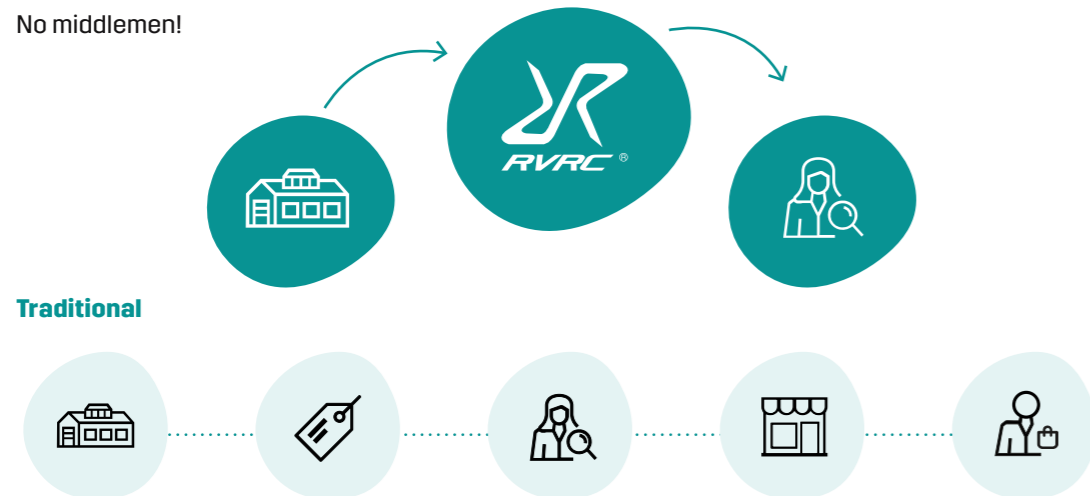
OUR BUSINESS MODEL

No middlemen and online only

We sell our outdoor products online, directly to our customers. By bypassing all middlemen and selling directly to the end customer digitally, we can offer higher quality at a lower price than what would have been possible through traditional retail channels.

D2C – DIRECT TO CONSUMER

No middlemen!



NUMBER OF COUNTRIES WHERE THE PRODUCTS ARE SOLD

~40

NUMBER OF LOCAL WEB SHOPS

18

AVERAGE NUMBER OF FTES

122

as of 30 June 2023

REVOLUTIONRACE AIMS TO BECOME THE WORLD'S MOST RECOMMENDED OUTDOOR BRAND

As I look back on the past fiscal year, it is with pride and joy over what the team at RevolutionRace has achieved. In a market marked by the challenges that the world's economies are struggling with, we have persistently worked towards our goal of becoming the most recommended outdoor brand in the world. Satisfied customers are our most valuable asset, and we have now surpassed 500,000 customer reviews with high ratings on our products. This inspires us to continue developing our range and launching new collections.

Net sales increased by 17 percent with good profitability. As a result of the company's continued growth and strong cash flow, the board is proposing an increased dividend of SEK 0.86 (SEK 0.77) per share.

Growth, profitability, and a strong financial position

During the fiscal year 22/23, RevolutionRace generated SEK 1,560 million (SEK 1,331 million) in revenue with a gross margin of 72.2 percent (72.3) and an adjusted EBIT margin of 20.6 percent (27.0). Maintaining a good gross and operating margin even in challenging times is key to our success. Stable and high profitability provides us with the maneuverability we need to move forward when other market players face tougher times.

We end the fiscal year with a net cash position of SEK 139 million and an untapped credit facility of SEK 600 million. Thus, we have a strong financial position, which is a strength given the prevailing macroeconomic conditions.

Increased global footprint

An important part of RevolutionRace's strategy is to continually evaluate and seek opportunities for further international expansion. We have a strong foothold in the Nordics and northern Europe, especially in the DACH region (Germany, Austria, Switzerland), and we continuously work to increase our presence, develop our range, and engage in close dialogue with our customers in all the countries where we are present today. Our strategy of always offering 'unmatched value' – the combination of high quality and design at the right price levels – has been crucial in building our international brand.

While we are a Swedish company, our operations are highly international. During the year, our international presence increased, with 75 percent of net sales coming from countries outside the Nordics. The DACH region, with Germany as the driving



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Satisfied customers are our most valuable asset.

force, continues to be pivotal for RevolutionRace, with significant further growth potential. During the fiscal year, the region grew by 31 percent. The region we refer to as “Other World” increased by 34 percent, and we saw positive developments in countries such as the Netherlands, where growth was strong.

In August, after the end of the fiscal year, we further expanded our international presence by opening up to customers in Canada, South Korea, and Japan. RevolutionRace is now available in approximately 40 countries.

The challenging economic climate has affected the Nordic markets to a greater extent than other regions. We note that many players are struggling with high inventory levels, leading to extensive price reductions in the market. Our assessment is that we are maintaining our market share in this currently shrinking market.

A unique community

RevolutionRace’s model is unique through our growing community on social platforms, with more than 1,300,000 followers. Our customers leave daily reviews and ratings of our products, serving as an invaluable guide in our efforts to

develop our range. At the same time, they help other consumers looking for high-quality outdoor clothing to find the right model, size, and fit. We have now reached a milestone with over 500,000 accumulated reviews and an average rating of 4.6 out of 5. A close dialogue with consumers and strong community engagement continues to be a central pillar of our success.

One project that warms my heart a little extra is the engagement we initiated this year in collaboration with Generation Pep. Together, we run “Allemansrättens Dag” with the aim of spreading knowledge about our unique Swedish “Allemansrätt” (right of public access to nature) and encouraging more people to explore nature and experience the positive benefits of an outdoor life. Our accessible and beautiful nature plays a crucial role in public health, but we need to work together to get more people to discover the wonderful aspects of being outdoors.

Our vision is to create the world’s most recommended outdoor brand, and together with our customers, we have taken several important steps toward our goal. An essential factor is that we succeed in taking on our long-term responsibilities, including our climate footprint, product development,

supply chain control, and the well-being of our employees. Read more about our sustainability efforts on page X or in the updated sustainability report available on our website.

Expanded range and new customer categories

During the year, we have continued to refine and develop our range further, including launching our first collection for teenagers – Teens. This means we meet our customers’ demand for clothing for younger individuals, which feels both important and fun and a natural step in our commitment to making nature accessible to everyone.

Dog owners are also a group that appreciates our multi-functional outdoor products, and we are pleased that during the year, we had the opportunity to introduce our first collection for our four-legged friends.

A warm thank you to employees, customers, owners, and partners

The past year has challenged us and all players in the market. In light of this, it is clear that our unique market position, clear strategy, and strong financial position help us navigate when market outlooks appear challenging. I am incredibly proud and

pleased to conclude this first year as CEO of RevolutionRace on a positive note, creating opportunities for continued strong development. RevolutionRace is built on customer focus, teamwork, dedication, and perseverance, and the efforts our employees contribute daily make me humble and grateful. Our vision is to become the world’s most recommended outdoor brand, and we look forward to our continued journey with customers, owners, and partners.

Paul Fischbein, CEO & President



REVOLUTIONRACE ACTS ON A GROWING MARKET

A segment on solid ground

RevolutionRace is an outdoor brand that offers product categories that combine outdoor clothing and sports-inspired apparel. The company's segments have several favorable attributes, which are attractive for online direct sales. For one, outdoor clothing is characterized by a lower fashion risk, and the products can be used by a wide range of customer types, regardless of gender and age. Seasonal variations are also limited since garments are primarily used based on their purpose, rather than the time of year the activity is performed.

RevolutionRace's business model gives us full control over the brand, as we only sell our products through our own channels. Overall, this means a lower risk in our business compared to many of our competitors, as we can both stock products for longer periods and adapt them to our customers' needs and desires.

RevolutionRace products are represented in the Outdoor Clothing and Activewear segments

Outdoor clothing

In 2022, the size of the global Outdoor Clothing market amounted to approximately 35 billion US dollars. This is expected to rise to more than 45 billion dollars by 2027 (Statista, February 2023¹⁾). The Outdoor Clothing market generally refers to clothing for more active, adventurous outdoor activities such as hiking and camping.

Activewear

The Activewear market has a broader definition that includes, for example, sportswear, sports shoes, swimwear, and fashion outerwear. In 2022, the size of the global Activewear market amounted to approximately 319 billion US dollars. This is expected to rise to over 450 billion dollars by 2028 (Statista, February 2023²⁾). The growth of the Activewear market is driven by health-conscious consumers seeking appropriate equipment and clothing for their physical activity, and the rise of streetwear style, which encourages consumers to incorporate active wear into their personal style.



1) <https://www.statista.com/statistics/979475/outdoor-clothing-market-value-forecast-worldwide/>

2) <https://www.statista.com/statistics/613169/size-of-the-global-sportswear-market/>

The shift to online sales is driven by global trends

RevolutionRace sales are conducted entirely digitally, primarily through our own online shops and, to a lesser extent, through Amazon's marketplace in selected countries. Our customer base consists primarily of private individuals in about 40 countries worldwide and our online shops have been customised for 18 countries. In addition to strong trends within the Outdoor Clothing and Activewear segments, RevolutionRace also benefits from the ongoing shift towards online sales. The millennial generation has consistently shown a clear preference for online shopping, compared to other generational cohorts – this group spends more online than in-store in many categories.

Drivers of the online market

- The Millennial generation, which predominantly makes purchases online, is gaining increasing purchasing power.
- Improvements in the customer experience on digital platforms through clear interfaces, a well-balanced assortment that is easy to navigate, fast and smooth delivery options, and simplified payment methods.
- Social media and influencers serve as a significant source of inspiration for consumers and allow companies to sell their products through posts on social media.
- An increased demand for personalized shopping experiences, which is made possible through online shopping.
- The Covid-19 pandemic accelerated the shift from offline to online shopping. It is expected that the e-commerce channel in the total retail industry will become the largest channel in the future.



HOW WE GENERATE VALUE

Vision

To be the world's most recommended outdoor brand



Mission

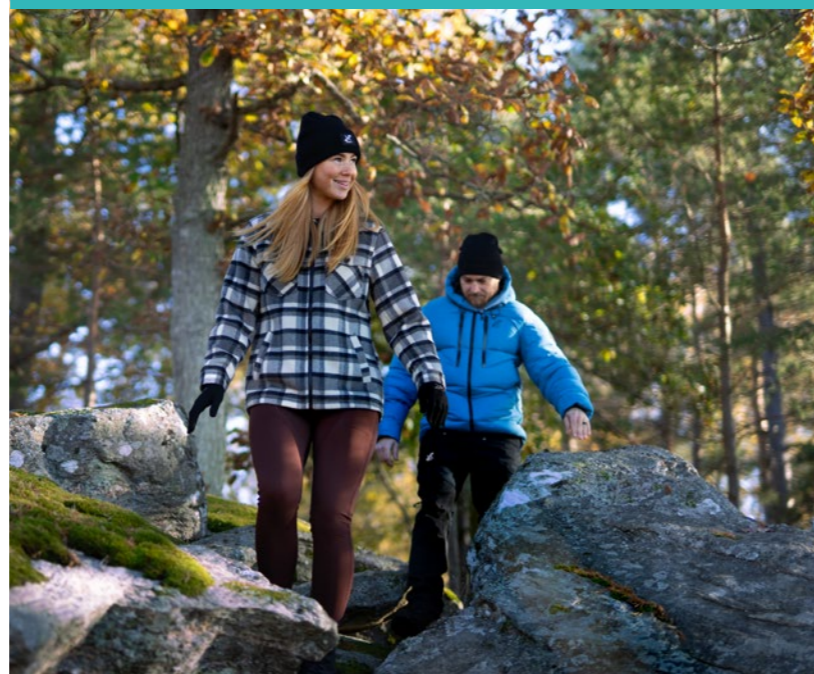
Making the outdoors accessible to all.



Business model

RevolutionRace is a digital D2C company for which the business model distinguishes itself by delivering high-quality, colourful and much-desired products at unbeatable product value in terms of price, quality and design.

By not using a number of the intermediaries normally found in retail and who do not have a bearing on the quality of products – such as wholesalers, distributors and retailers – RevolutionRace can both avoid external costs attributable to these players, while also developing new products much faster than many others in the industry. This allows us to offer more favourable prices without adversely affecting quality, while also providing scope for investments in marketing, with margins being maintained. We communicate directly with our customers via various social platforms and take their wishes and needs into account when developing new products.



Our stakeholders



CUSTOMERS

Developing colourful high-quality functional clothing with a stylish design and fit at unbeatable value has been our driving force ever since RevolutionRace's inception. We generate customer value by listening to our customers and developing products and customer experiences in line with their needs and desires. Every day.



EMPLOYEES

At RevolutionRace, we work together as a team. From the start, our goal has been to create a workplace where a sense of family and commitment are in focus. Every employee plays a crucial role, and we place great importance on supporting and developing each individual's capacity.



SHAREHOLDERS AND INVESTORS

RevolutionRace is a fast-growing company with the vision of building the world's most recommended brand for outdoor and casual wear. By maintaining a high level of profitability combined with strong growth, we generate shareholder value every day. The aim is to distribute 40–60 percent of net annual profit to shareholders.



SOCIETY

Our mission is to make the outdoors accessible to all, whether you live in an urban environment or in the countryside. Our clothes are durable with a timeless design that can be used throughout the year. This means that we rotate the range year after year, with very products left unsold and, for the industry, a low level of excess production. Benefiting the planet and society.

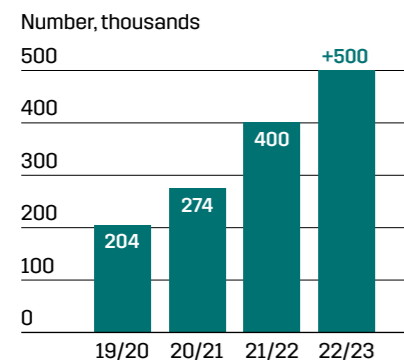
Collaboration with the community:

TOGETHER WE SHAPE THE FUTURE OF OUTDOOR PRODUCTS

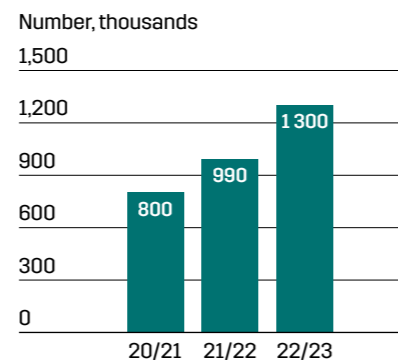
Our dedicated community, boasting more than 1.3 million followers across social platforms, plays an active role in our product development. Our customers consistently share their thoughts and feedback on our items, providing us with invaluable insights as we strive to enhance our range. Their reviews also act as a goldmine for others in search of top-tier outdoor products, guiding them in choosing the right model and size.

With over 500,000 reviews and an impressive average rating of 4.6 out of 5, it's evident that being responsive to consumers and having a strong community engagement are central factors to our success. Together with our customers, we make our products even better, enabling more people to get out and enjoy nature.

Reviews from our customers



Followers on social media



FOLLOWERS ON SOCIAL MEDIA

+1,300,000

An increase with about 40% since 30 June 2022.

REVIEWS FROM OUR CUSTOMERS

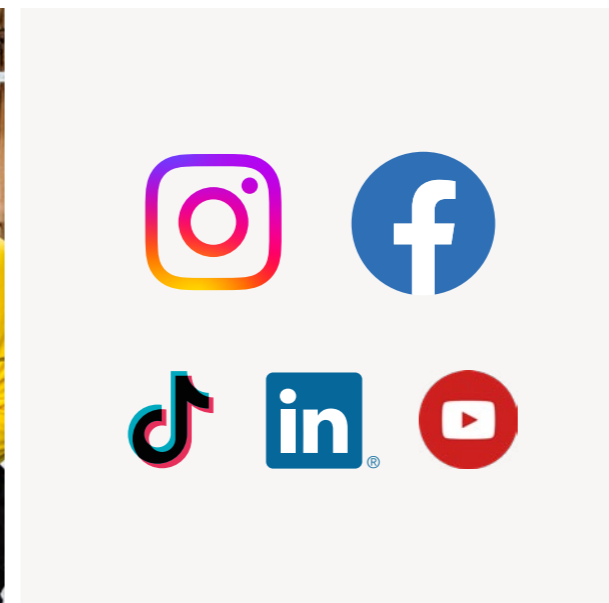
+500,000

An increase with about 25% since 30 June 2022.



FOLLOWERS ON INSTAGRAM
+528K

FOLLOWERS ON FACEBOOK
+632K



“
Our customers’ thoughts and feedback provide us with invaluable insights as we strive to enhance our range.”



STRATEGIES AND TARGETS

RevolutionRace operates in a market that holds significant long-term potential for continued growth. To achieve our financial targets while benefiting from the opportunities offered by a growing outdoor products market, we have formulated an ambitious growth strategy.

1 GROWTH IN EXISTING AND NEWLY LAUNCHED MARKETS

RevolutionRace products are represented in the Outdoor Clothing and Activewear segments. In 2022, the size of the global Outdoor Clothing market was approximately 35 billion US dollars, and the Activewear market was around 319 billion US dollars¹⁾. This means that RevolutionRace's current market share of the global market is relatively small. However, there are good opportunities to increase the market share over time in existing countries and expand into recently launched markets, both by expanding the product range to reach a broader customer base and by increased upselling to existing customers. As a stage in our continued expansion and with the goal of shortening delivery times to customers, inventory management is managed through partially automated third-party warehouses in Sweden and Germany, as well as a smaller third-party warehouse in the USA.

RevolutionRace has a strong brand and a successful marketing concept for new market launches, which we continuously refine in preparation for each new launch. In August, that is, after the end of the fiscal year, we further expanded our international presence by opening up to customers in Canada, South Korea, and Japan. As a result, RevolutionRace is now available in approximately 40 countries.

2 CONTINUED INTERNATIONAL EXPANSION

Besides growing in existing geographic markets and in markets where RevolutionRace has recently been launched, the potential for further geographic expansion is significant. The strategy for launching in new countries entails making use of the scalable and flexible platform by adapting the online shops locally in terms of content, delivery and payment options.

3 GROWTH IN MARKETPLACES

To generate further conditions for non-current growth, RevolutionRace has been collaborating with Amazon since 2020. Above all, this collaboration makes it possible to reach other customer segments, especially those that primarily purchase products via Amazon. The launch via Amazon has been successful with a strong sales trend in most countries.

With regard to future growth, opportunities to launch further products on Amazon and to newly launch RevolutionRace in other marketplaces is assessed on an ongoing basis to determine whether this would facilitate profitable and brand-building geographical expansion in additional countries without encroaching on the existing digital D2C business model.

4 EXPANSION THROUGH NEW PRODUCT CATEGORIES

RevolutionRace continuously evaluates the opportunity to add new categories to the current product range by listening to our customers' feedback. Customers' wishes have always been the starting point in RevolutionRace's product development. As a result, this year we launched our first collection for teenagers – 'Teens', and we also successfully introduced our first dog collection. The existing assortment has also been expanded with new models and colors.

5 INCREASED LOYALTY AND RETURNING CUSTOMERS

RevolutionRace has a large community and a strong commitment to the brand both on and off social media. In a close dialogue, RevolutionRace uses customer content and reviews to generate continued growth and customer engagement. RevolutionRace has customer service representatives who speak the local language in most of established markets and who are constantly working to improve the customer experience.

6 DEVELOPING THE PRICING STRATEGY

RevolutionRace's current pricing strategy is well integrated into the product strategy and includes the division of the products into "Base", "Pro" and "Statement" categories based on the product specifications and target group.

7 SUSTAINABLE GROWTH

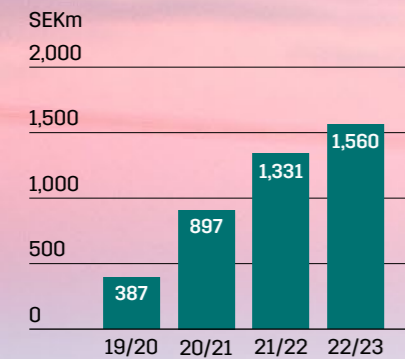
RevolutionRace strives for growth without negative environmental impact. With the strategy, A Responsible Race, we work actively to preserve natural resources and decouple growth from environmental destruction. All RevolutionRace products are made to last and to be used many times. With less than 1 percent excess production, we only make what we can sell. Emissions from our own operations are almost non-existent. RevolutionRace has set ambitious goals for using more sustainable materials and processes and shall, by 2030, reduce its emissions beyond the company's own operations by 40 percent in relation to net sales.

1) Statista, February 2023

Financial targets

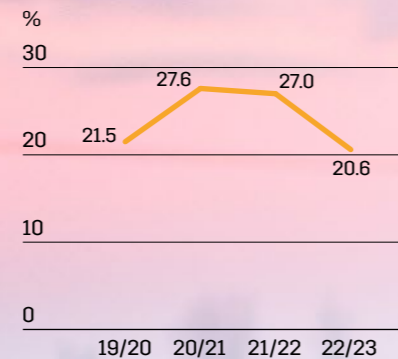
The Board of Directors for RVRC Holding AB (publ) adopted long-term financial goals in 2021 aimed at enhancing the comprehension of the Company's growth strategy and long-term development.

Net sales



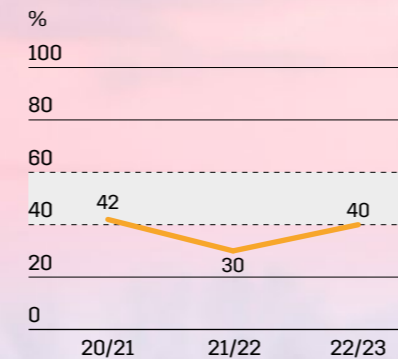
RevolutionRace shall achieve net sales of at least SEK 2 billion during the 2023/24 financial year.

Profitability



RevolutionRace shall maintain an annual operating margin of at least 25 percent.

Dividend policy



RevolutionRace intends to distribute 40–60 percent of the profit for the year to its shareholders, once long-term financial stability, growth opportunities and strategic initiatives have been taken into account.



Sustainability targets

“A Responsible Race”

RevolutionRace strives to be an attractive workplace and to act responsibly both socially and environmentally, we refer to this as “A Responsible Race”. Since 2020, our sustainability work has built on this very strategy, which is based on six pillars involving our products, our employees, our planet and our supply chain. Each pillar is defined and guided by strategies, policies, projects, KPIs and goals. Please read more about our sustainability work in our Sustainability Report.

Better products

At RevolutionRace, sustainability work starts with our products. We manufacture timeless, durable and high-quality products that are designed to last a long time. We work to reduce the product’s impact on the environment. Durable products of superior quality that our customers can use frequently and recommend to others: RevolutionRace aims to become the most recommended outdoor brand in the world.

Satisfied employees and skills development

RevolutionRace would not be the successful company we are without our amazing employees. We work in a structured manner to ensure that our employees are satisfied and to develop at work.

Reduce emissions

Protecting our planet and its inhabitants from pollution, water scarcity, and climate change has been given increasing priority by us.

Due diligence and good conditions in our supply chain

It is in our supply chain that the majority of our social and environmental impact occurs. In cooperation with, our partners, we work for human rights, favourable working conditions and to protect our planet.

Updated materiality assessment

In 2023, we reviewed and updated our materiality assessment from 2021. The assessment adheres to the requirements of the Swedish Annual Accounts Act and has been updated in line with the GRI 3: 2021 standard (Global Reporting Initiative), as well as with a dual materiality perspective in preparation for the upcoming EU CSRD directive (Corporate Sustainability Reporting Directive).

READ MORE

More information is presented in the RevolutionRace Sustainability Report.



PRODUCTS

<3%

Excess production should never exceed 3 percent.

50%

By 2025, at least 50 percent of all polyester and polyamide we produce shall derive from more sustainable sources.

100%

of our packaging shall be more sustainable by 2025.

We have banned PFCs in our products.

5.0/5.0

Stay close to 5.0/5.0 customer satisfaction.

100%

by 2025 100 percent of our cotton will be more sustainable.



PEOPLE

35

Employee satisfaction, eNPS¹⁾ of at least 35 points.

50/50

gender balance in leading positions.

100%

of all employees will attend a relevant sustainability training.

100%

employee interviews and all new employees shall have participated in our on-boarding programme.



PLANET

-50%

At least 50 percent absolute reduction of emissions in Scopes 1 and 2 (2020/21–2030).

-40%

40 percent relative reduction of emissions in Scope 3 relative to net sales (2020/21–2030).

100%

renewable electricity in our own operations by 2023.



SUPPLY CHAIN

100%

of our suppliers shall have a good third-party audit in place.

100%

of our suppliers must have signed our Code of Conduct. Solid due diligence in our supply chain.

Solid Due Diligence

in our Supply Chain



OUR SIX PRIORITY AREAS

- Durable and safe products
- Circular resources
- Motivated employees
- Climate protection
- Environmental responsibility
- Social responsibility in our supply chain

1) The eNPS scale reaches from -100 till 100.



NORDWAND PANTS

The Nordwand Pants are a pair of highly versatile all-around hiking pants crafted from PFC-free Hypershell® material. Durable reinforcements over thighs and lower legs are designed to withstand heavy wear and tear. Nordwand Pants are wind- and water-repellent and an excellent choice for any outdoor activity that requires flexible, high-performance outdoor pants with a great fit.

CAREFULLY SELECTED RANGE

RevolutionRace designs and manufactures high-quality, durable and multi-functional outdoor products that work just as well on the trail as they do on a walk around town. Since 2020, we have increased our focus on resource efficiency and circularity, on extending the life of products and increasing the use of sustainable materials. Making timeless products regardless of season helps to extend the lifespan of our products by allowing the products to be used hike after hike.

In 2022/23, we launched our first collection for children and teenagers, Teens, which initially consists of the brand's most appreciated pants and shirts. The collection is part of our timeless rolling range that can be used season after season. This year, we also introduced the first collection for dogs. Our products are free from potentially harmful chemicals and are produced under good social conditions and with respect for the environment, all to offer our customers a safe and sustainable product. Our goal is for 50 percent of all polyester and polyamide, and 100 percent of all cotton we use, to be more sustainable by 2025.

Our product development process

All products sold under the RevolutionRace brand have been developed in-house. Quality and durability are at the heart of RevolutionRace's product development, where the pursuit of robust quality has always permeated the entire product and purchasing organisation. The product development process encompasses everything from idea generation to production and is based on feedback from our thousands of customers and ambassadors. RevolutionRace has over 500,000 authentic customer reviews of products in the online shop. Customers comment on the length, weight and fit of the garments, which is a great advantage in helping new customers find the right size and fit. Furthermore, these reviews serve as valuable input for us in our product development, both through suggestions for improvements on the existing range and with ideas for new products.

After the idea stage, the design and sourcing teams work on everything from materials to functionality, with durability as the guiding principle. With reinforcements in the right places and with materials and features tailored to the weather and activity, the product is created. The products are then tested in a laboratory and later also in their intended environment, all to ensure durability and quality.

During 2022/2023, we developed and launched 92 new products. However, the majority of this year's sales come from existing collections, where 81 percent of the sales come from products that have been in the range in previous years.

Our supply chain

RevolutionRace has a direct contractual relationship with manufacturing suppliers who sew the final product and with warehouses that store the products. We have an indirect relationship with suppliers of fabrics and accessories as well as with suppliers of yarns and raw materials. Therefore, our impact on people and the environment in the supply chain occurs outside our own direct operations. The approach our suppliers take towards human rights and social responsibility is of high priority. Our products are warehoused in Europe and the USA, while the production of the products primarily takes place in Asia, mainly in Vietnam and China. To secure human rights and continuously work for better working conditions, we have developed our due diligence work according to the OECD guidelines, which you can read more about in our sustainability report.

Our Code of Conduct for our suppliers defines our principles based on the UN Declaration of Human Rights, the

International Labor Organization (ILO) basic labour conventions and the ten principles of the UN Global Compact which define basic principles such as fair remuneration, decent working hours, no forced labour or child labour. Our Code of Conduct for Suppliers also applies to all subcontractors to manufacturers. All suppliers to RevolutionRace have signed our code of conduct.

RevolutionRace collaborates with the Amfori Business Social Compliance Initiative (BSCI) to continuously improve social conditions in our supply chain. BSCI offers independent audits that monitor compliance with all principles in our code of conduct for suppliers. Based on the results from each individual audit, we can engage in a dialogue to promptly address zero-tolerance issues and discuss potential improvements. This dialogue is facilitated through factory visits, ongoing discussions, and follow-up audits. Today, all suppliers have been audited under Amfori BSCI or are certified by a similar organisation.

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Our goal is that 50 percent of all the polyester and polyamide we use, as well as 100 percent of all cotton, should be more sustainable by the year 2025.

More sustainable materials

We define more sustainable materials as materials with documented less environmental impact, renewable, recycled, organic, biobased and/or certified materials. We are committed to increasing the proportion of sustainable materials in our products. When we make active choices, we will carefully balance durability and quality with sustainable materials. We want to make good choices of materials, but we will never compromise on quality.

**RVRC GP PANTS**

The RVRC GP Pants are a pair of highly durable outdoor pants developed for multifunctionality. Made with PFC-free Hypershell® material, these pants are resistant to both wind and water. Durable reinforcements over the thighs, lower legs, and seat add extra strength, protecting against wear and tear. The 4-way stretch panels at the top, inside thighs, and behind the knees ventilate and provide incredible comfort. RVRC GP Pants are the ideal outdoor pants offering the perfect combination of functionality, durability, and comfort.

Our bestselling collections



RVRC GP

PANTS & JACKETS

Our RVRC GP pants and jackets are bestsellers for a reason. These durable, water repellent clothes are an excellent choice for hiking, climbing and being outdoors.



Good durability



Water repellent



Good breathability



Nordwand

PANTS

Our lightweight Nordwand Pants are equipped with both fast-drying panels and stretch panels for ventilation. The perfect mix between durability and flexibility.



Good durability



4-way stretch panels



Good breathability

Our bestselling collections



Cyclone

PANTS & JACKETS

Our tough Cyclone Collection jackets and pants are completely wind and waterproof, and designed for extreme weather conditions. For activities all year round.



Waterproof taped seams



Wind and waterproof Hypershell®



Good insulating ability



Hiball

PANTS, JACKETS & BASE LAYERS

Hiball is one of our warmest collections for activities in colder weather. It includes toasty base layers as well as fleece-lined, water repellent jackets and pants.



Good breathability



Water repellent



Optimized for alpine climate

OUR EMPLOYEES

RevolutionRace has a corporate culture that is rooted in our values and vision. Our commitment and our forward spirit are central to the work of constantly improving and developing the company. Since our launch in 2013, we have grown from two employees to 122¹⁾ staff members, and we continue to expand to meet our growth in existing and new markets.

An Attractive Workplace

At RevolutionRace, we work as a unified team. Since our beginning, our goal has been to create a workplace where a sense of family and commitment are in focus. Every employee plays a crucial role, and we place great importance on supporting and developing each individual's capacity. Here, everyone gets the opportunity to influence their daily life and grow professionally. Both leaders and employees actively contribute to a positive work environment and jointly address the challenges that may arise. By offering an excellent working environment along with competitive employment benefits, we position ourselves to continuously attract and retain the industry's most qualified talents.

Engaged Employees in a Stimulating Work Environment

During the year, we have expanded and renovated our office, which has been furnished in true RevolutionRace spirit – with nature-inspired decor based on suggestions gathered from employee forums. As our company has grown with more employees, we have created new functional spaces in a pleasant environment.

Development and Leadership in Focus

Motivated employees also require attractive working conditions, opportunities for development, and good leadership. During the year, we have established new managerial forums, groups where our leaders can come together, share experiences, information, and strategy – all with the focus on developing both leadership and employee participation.

Regular Employee Surveys

Employee surveys are conducted three times a year to continuously monitor how our employees are doing and how they enjoy their work. RevolutionRace scores above the industry average in the majority of all areas, and we consistently work with workshops and action plans within all teams to continuously improve.

The leadership index²⁾ was at 79.6 in the latest survey. Employee Net Promoter Score stood at 15, which can be compared to the industry average of 14³⁾. Engagement index has risen from 76 to 79 during the period.

1) Average number of FTEs.

2) Leadership issues from the 'Comprehensive Engagement Survey' by &Frankly.

3) &Frankly, an average index based on the eNPS of all companies.



Team-driven Innovation and Adventure

Every day, our employees strive to enhance the quality of our products and optimize the customer experience. We value and encourage a work culture where we challenge the status quo, continuously learn, and most importantly, have fun along the way. Company-wide activities, especially in natural settings, are a priority for us, where our employees also serve as ambassadors for our products. This year, the entire team gathered for a combined conference and team building – a trip that blended work with pleasure and offered many memorable adventures.

Employee Value Proposition (EVP)

EVP is a concept used to summarize the offerings employers have in various areas.

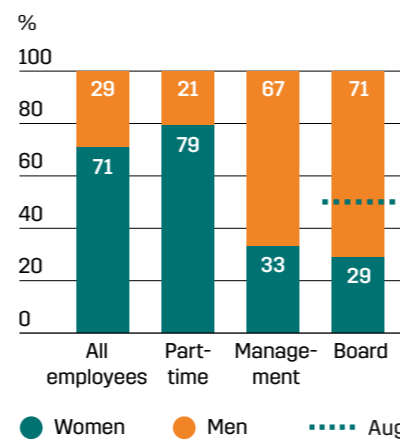
In the spring of 2023, a project was initiated to develop and package the company's EVP. By identifying and communicating the benefits of choosing RevolutionRace as an employer, we aim to attract and retain talents who naturally fit into the company and who value the advantages of working with us. The main focus areas for the upcoming year will be skill and leadership development, as well as more extensively promoting our attractive benefits and our newly renovated headquarters – both internally and externally.



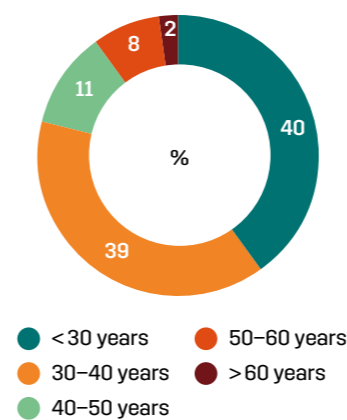
“Great workplace and great colleagues. You can talk to everyone regardless of position or role.”

Anonymous comment from the employee survey.

Employees divided by women/men



Employees by age category



40%

WOMEN IN THE GROUP MANAGEMENT

50%

WOMEN IN THE BOARD OF DIRECTORS

68%

FEMALE TEAMLEADERS

Employees share their stories...

”
We are always on the lookout for new products and product categories.



MARCUS LEHTOLA
Product Development Manager

Since February of this year, I have had the pleasure of working as a product development manager. In this exciting position, alongside my fantastic team of talented designers and skilled pattern constructors, I am responsible for developing our next bestsellers. Alongside this, we also focus on updating and fine-tuning our existing products. One of the most inspiring challenges, which also brings me great joy, is to constantly work to evolve our product range. We are always on the lookout for new products and product categories, all to ensure that Revolution Race continues to flourish and grow. What I am most proud of is the company culture. Being part of a company where everyone is so committed, and where everyone genuinely has a passion for the products and the company's future, gives an incredible feeling of satisfaction.

When I let my mind wander and think about travel destinations, Patagonia is high on the list. To combine hiking with running in the heart of South America, exploring its incredible landscapes on foot, and perhaps even diving into a trail race down there – that would truly be a dream come true.

ANNETTE ANDERSSON
Office Manager

I work as an Office Manager at the best workplace in the world! In my role, I am responsible for the overall experience and reception related to the entire office. I started at RevolutionRace just over two years ago, initially as the CEO's assistant, but since the fall of 2022, I have been in my current role. It's crucial to be receptive and understand what's most important at any given moment for my colleagues, and the challenge lies in balancing and connecting all tasks while prioritizing correctly.

The culture and cohesion we have, together with my amazing colleagues, make me so happy and inspired. Our beautiful office, decorated in nature-inspired settings, offers something for everyone. There's table tennis, a climbing wall, a massage chair, and a popcorn machine, and I'm proud to be part of this culture. I always take a 'morning round' to say hello to everyone and check in on the mood for the day. I want all my colleagues to feel recognized and valued.

Ideal destination? Nothing compares to the joy of making memories, and for me, it's a dream as long as the trip revolves around crafting remarkable moments with my loved ones. Some of the most unforgettable times have been when I've had the chance to be in warmer climes – outside on a beach. On those chilly summer evenings up here in the north, the Lounge Sweater has been my go-to and has accompanied me during many delightful outdoor nights.

”
I love the culture and cohesion we have make me so happy and inspired.



MARITA JOHANSSON
Financial assistant

I've been with RevolutionRace for 2.5 years now, working in the Finance department within an amazing team of ten people. In my role as an accounting assistant, I closely collaborate with my five colleagues in accounting. I'm proud of our teamwork; we all support each other and together we evolve and constantly make improvements. To keep up with the company's growth, we need to be flexible.

The challenge in my job is meeting deadlines and ensuring everyone involved is satisfied. We're usually the busiest around month-ends, when we want to ensure that everything is covered and delivered on time – be it vouchers, approvals, payments, or reconciling bank accounts. That being said, routines and structure in the work process are crucial for smooth operations, and I personally thrive in such an environment. Precision and responsibility are qualities I value highly and are essential for success in my role.

As for my dream destination? I had an incredible experience mountain biking in the Austrian Alps, in Kitzbühel. When we reached the snow-covered summit, the feeling of gazing out over the surrounding mountains was unmatched. However, at the moment, I'm longing for a tropical destination with clear turquoise waters.

”
I'm proud of our teamwork; we all support each other and together we evolve and constantly make improvements.



THE SHARE AND THE SHAREHOLDERS

RevolutionRace's shares have been listed on Nasdaq Stockholm Midcap since 16 June 2021 under the ticker "RVRC". At the end of the financial year, the Company's market capitalisation amounted to SEK 3,751 million.

Share capital

On 30 June 2023, the share capital in RevolutionRace amounted to SEK 1,129,189.18, divided between 112,918,918 shares with a quota value of SEK 0.01 each. Each share conveys the right to one vote. Each share conveys the right to one vote and all shareholders entitled to vote at the Annual General Meeting may cast votes for the full number of shares that they hold and represent. All shares convey equal rights to the Company's assets and profits.

Price trend and share trading over the year

RVRC Holding AB (publ) has been listed on Nasdaq Stockholm Midcap since 16 June 2021. During 2022/2023, the lowest quoted share price was SEK 21.20 per share on 23 September 2022 and the highest quoted share price was SEK 52.65 on 12 August 2022. The closing price on 30 June 2023 was SEK 33.22. During the period, a total of 81.5 million shares were traded on Nasdaq Stockholm.

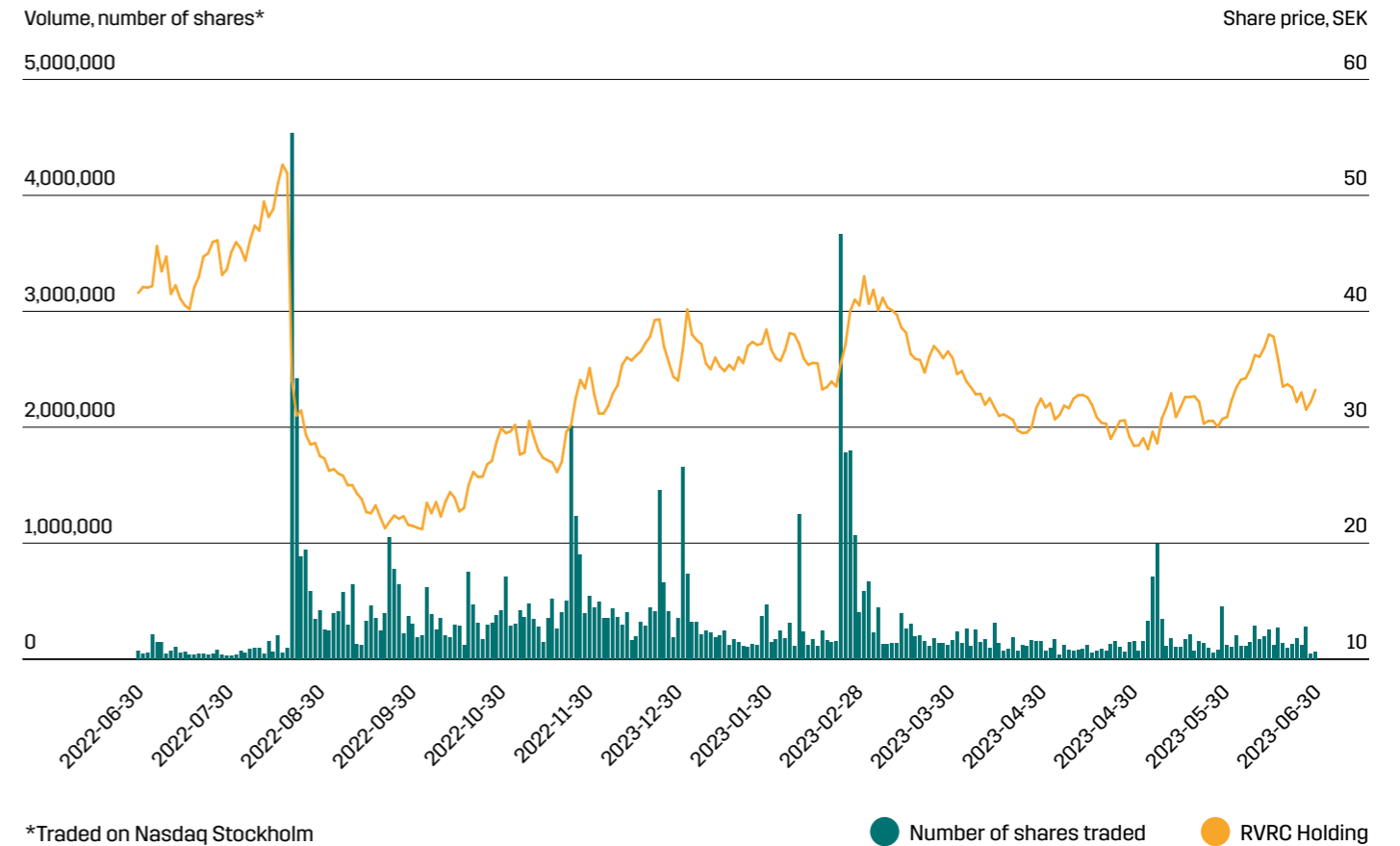
Shareholders

On 30 June 2023, there were 12,180 shareholders. The ten largest shareholders controlled 75.8 percent of the capital and votes. Swedish ownership amounted to 81.6 percent of capital and votes at the end of the financial year. Foreign ownership amounted to 18.4 percent.

Dividends and dividend policy

RevolutionRace intends to distribute surplus capital to shareholders once non-current financial stability, growth opportunities and strategic initiatives have been taken into account. The Board of Directors proposes that the Annual General Meeting on 21 November 2023 approve a dividend of SEK 0.86 per share, corresponding to a total dividend of SEK 97.1 million.

RVRC, price trend



Shareholders by country

	Number of shares	Capital and votes, %	Number of known shareholders
Sweden	92,129,029	81.59%	11,862
Norway	3,619,481	3.21%	31
Denmark	3,542,817	3.14%	79
Finland	1,833,939	1.62%	119
USA	1,817,347	1.61%	19
Övriga	9,976,305	8.83%	70
Total	112,918,918	100.00%	12,180

As of 30 June 2023.

Ten largest shareholders

	Total number of shares	% of total number of shares
Altor	35,009,063	31.00%
Nyrensten Global Holding AB	26,275,732	23.27%
Handelsbanken Fonder	5,974,883	5.29%
Swedbank Robur Fonder	5,583,573	4.94%
Norges Bank	3,515,660	3.11%
C WorldWide Asset Management	3,305,000	2.93%
LGT Capital Partners	1,725,000	1.53%
Avanza Pension	1,595,959	1.41%
Länsförsäkringar Fonder	1,498,265	1.33%
Pascal Investment Advisers	1,118,174	0.99%
Total top 10	85,601,309	75.81%
Others	27,317,609	24.19%
Total	112,918,918	100.00%

As of 30 June 2023.

Share data

KPIs per share	2022/23	2021/22
Share price as of 30 June	33.22	41.58
Market capitalisation as of 30 June	3,751,166,456	4,695,168,610
Dividend, SEK/share	0.86 ¹⁾	0.77
Earnings per share before dilution	2.15	2.55
Earnings per share after dilution	2.15	2.55
Number of shares outstanding	112,918,918	112,918,918
Average number of shares before dilution	112,918,918	112,918,918
Average number of shares after dilution	112,918,918	112,918,918
Number of shareholders as of 30 June	12,180	9,150
Highest price paid during the financial year	52.65	109.6
Lowest price paid during the financial year	21.20	39.06

1) Proposal by the Board of Directors.



Paradigm Softshell Jacket

Paradigm Softshell Pants

Cyclone Long 3L Jacket

Cyclone Zip-up 3L Pants

Paradigm Softshell Jacket

Paradigm Softshell Pants

MANAGEMENT REPORT

The Board of Directors and the CEO of RVRC Holding AB (publ), corporate identity no. 559129-4623, hereby submit the Annual Report and consolidated accounts for the financial year 1 July 2022–30 June 2023. On 30 June 2023, the Group comprised Parent Company RVRC Holding AB (publ), domiciled in Borås, Sweden and four Group companies, see also Note 10.

Operations

RevolutionRace offers high-quality clothing for outdoor pursuits and an active lifestyle to customers in more than 40 countries through its online store, which has been adapted to local circumstances in 18 countries. Since the inception of the Company in 2013 and the launch of its first outdoor trousers to challenge traditional brands, RevolutionRace has sold more than three million pairs of trousers and expanded its product range to offer a wide variety of clothing developed in-house. The Company offers its multifunctional clothing under its own brand, RevolutionRace, targeting a broad and global customer base leading an active lifestyle, primarily in the age category of 18–70 years. The company sells its products online, directly to customers. By removing the middleman, RevolutionRace is able to offer higher quality at a lower price than would have been possible at the dealer level. The lack of intermediaries also allows for a faster product development process. Through good communication with customers on digital and social platforms, the customer's wishes are taken into account when new garments are developed.

Market

RevolutionRace conducts its operations within the framework of a digital D2C business model, meaning that sales occur exclusively online, targeting consumers directly. By selling products directly to consumers without intermediaries in the form of wholesalers, distributors and retailers, RevolutionRace considers itself able to offer products at unbeatable value in terms of price, quality and design for end consumers. The digital D2C model has also enabled RevolutionRace to adapt the customer experience, building strong commitment and loyalty around the brand by means of distinctly digital and data-driven marketing with a pronounced social media presence.

RevolutionRace's largest individual market is Germany, followed by Sweden and Finland. In addition to the digital D2C business model, the Company also has sales via Amazon in more than 20 countries. Sales are conducted through a separate company-specific domain on Amazon, where RevolutionRace maintains a brand page with custom content, as well as its own videos, banners and product images. The product range, marketing and pricing on the platform are controlled by the Company itself.

Significant events during the financial year

New markets and products

During the financial year, RevolutionRace have launched new collections for young people and dogs, in line with the Company's endeavor to make nature accessible to all. The largest product category is still trousers, but the other product categories through the past year have expanded and grown with high customer reviews.

Distribution and logistics

During the year, the Company continued to cooperate with two main third-party suppliers in warehousing and logistics and worked on balancing them to make available a wider product range. The company's ability to control this creates good conditions for optimizing both sales and costs. The services for delivery to the customer have improved and communication with customers has been clarified, both at checkout and upon delivery.

The company has implemented adjustments to the inventory accordingly with the sales pattern, which has resulted in a balanced inventory management. Through various measures, turnover of older stock successfully increased. During the year a new purchase agreement has also been implemented and the supply chain has been carefully evaluated, partly to be able to optimize and partly to spread risks.

Covid-19

The Covid-19 pandemic has affected RevolutionRace in several ways. Online penetration among potential customers is deemed to have increased, with a favorable trend for e-commerce in general, while producers' supply of goods to the Company was hampered, resulting in low inventory levels. Deliveries to customers have also been affected by the various measures taken in each country.

Changes in management team and Board of Directors

- On August 15, 2022, Pernilla Nyrensten, former CEO, resigned and Paul Fischbein took over as acting CEO. Due to this, Andreas Källström Säfweräng was appointed acting chairman of the board.
- On October 7, 2022, Paul Fischbein was appointed as the permanent CEO. At the annual general meeting on November 10, 2022, Paul Fischbein left the board and

Andreas Källström Säfweräng was elected as permanent chairman of the board. At the annual general meeting, Magnus Dimert also left the board and Niclas Nyrensten took office as a board member.

- On November 1, 2022, Hanna Blixt was appointed Chief Operating Officer (COO), a new role in the management team with responsibility for among other things, logistics, customer service and HR.
- On February 24, 2023, member Johan Svanström left his role on the board at his own request, when he was appointed CEO of Rightmove, a UK-listed company. Therefore, Johan could not continue as a board member for RevolutionRace due to the listing environment and the rules for the FTSE100.

Non-current incentive programme for management and key personnel

The company has two long-term incentive programs aimed at management and key personnel in RevolutionRace.

The first program, 2021/2024, includes a total of 19 people. The incentive program includes the issue and transfer at market price of a maximum of 1,889,677 warrants, which can be exercised during the period July 1, 2024–December 31, 2024. The exercise price for the warrants corresponds to 130 percent of the offer price.

During the year, a repurchase was made of 178,753 warrants, as a consequence of people terminating their employment. The company has also, in connection with the share distribution and according to the terms, recalculated the subscription price to SEK 94.83 (96.88) and the number of shares per warrant to 1.03 (1.01). Assuming that all warrants in LTIP 2021/2024 are used to subscribe for new shares, the company's share capital will increase by SEK 19,463.73 (19,018.02), corresponding to a dilution effect of approximately 1.7 (1.7) percent.

The second program, 2022/2026, includes a total of approximately 25 people. The incentive program includes the issue and transfer at market price of a maximum of 2,125,000 warrants, which can be exercised during the

period November 15, 2025–May 15, 2026. The exercise price for the warrants corresponds to 140 percent of the offer price.

During the year, a repurchase was made of 140,000 warrants, as a consequence of people ending their employment. The subscription price to SEK 38.81 and the number of shares per warrant to 1.02. Assuming that all warrants in LTIP 2022/2026 are used to subscribe for new shares, the company's share capital will increase by SEK 21,675, corresponding to a dilution effect of approximately 1.9 percent.

Developments in the Company's operations, profit and position

Revenues, expenses and profit

Net sales amounted to SEK 1,560 million (1,331). The increase in net sales is attributable to higher demand for the company's multifunctional products in DACH and Rest of the World.

The costs amounted to SEK 1,252 million (990). The increase is largely attributable to increased expenses for merchandise, personnel and other external expenses. The Company's total expenses are largely attributable to other external expenses.

During the fourth quarter, the Company implemented a new obsolescence model. The assessment is that the updated obsolescence model creates better conditions for the business to assess the obsolescence of the inventory. The positive net effect from the changed obsolescence model amounts to SEK 7.0 million.

EBIT amounted to SEK 310 million (367). The operating result was affected, among other things, by costs attributable to the AGM-decided incentive program (LTIP) which was implemented during the second quarter at a cost of SEK 12 million. Adjusted for this one-off cost, EBIT amounted to SEK 322 million. Financial income and expenses amounted to SEK –4 million (–3), mainly comprising interest income, interest expenses and similar items. Profit for the year amounted to SEK 243 million (288). Earnings per share before and after dilution amounted to SEK 2.15 (2.55) and SEK 2.15 (2.55) respectively.

Developments in the company's operations, profit and position

Gorup, SEKm	2022/23	2021/22	2020/21	2019/20	2018/19
Net sales	1,560	1,331	897	387	284
Profit for the year attributable to Parent Company shareholders	243	288	172	60	45
Total assets	1,437	1,394	1,268	956	916
Equity/assets ratio, %	79.2	69.9	59.9	65.6	76.3
Parent Company, SEKm	2022/23	2021/22	2020/21	2019/20	2018/19
Net Sales	19	7	1	0	0
Profit for the year	93	0	110	132	0
Total assets	688	659	970	646	645
Equity/assets ratio, %	96.1	98.0	74.0	100.0	100.0

Cash flow, investments and financial position

Cash flow from operating activities amounted to SEK 188 million (65). The increase is mainly attributable to the operating profit and reduced inventory. The cash flow from financing activities amounted to an outflow of SEK –102 million (–283), of which an outflow of SEK –87 million (–72) is attributable to dividends paid, and SEK –20 million (209) to repayments of borrowings. During the period, investments were made that affected cash flow by SEK –6 million (–3), primarily comprising capitalised development of the Group's e-commerce platform, business system and website.

During the fourth quarter, the credit facility was extended by one year and thus expires in June 2028. The total credit facility amounts to SEK 600 million, of which approximately SEK 300 million is an overdraft. As of the balance sheet date, the utilized overdraft amounted to SEK 0 (23) million.

Parent Company

The Parent Company conducts administrative tasks and performs intra-group services regarding group management. The Parent Company's net sales amounted to SEK 19 million (7). The operating profit (EBIT) amounted to SEK –7 million (–7) and profit for the year amounted to SEK 93 million (0). The considerable change is mainly attributable to results from shares in group companies in the form of dividends SEK 90 million (0). At the end of the year, equity amounted to SEK 661 million (646).

Share and shareholders

Since 16 June 2021, the share has been listed on the Nasdaq Stockholm exchange. As of 30 June 2022, the share capital amounted to SEK 1.1 million, divided between 112,918,918 shares. Each share conveys one vote at the Annual General Meeting and the shares convey equal rights to the Company's profit and surplus in the event of liquidation.

At the Annual General Meeting, each shareholder is entitled to vote for the entire number of shares held with no limit to the number of votes. The shares are not subject to any transfer restrictions. As of 30 June 2023, there were 2 (2) shareholders with direct or indirect shareholdings amounting to more than one tenth of the total number of votes in the Company, corresponding to a total shareholding of 54.3 percent (57.5). At the end of the year, two incentive programmes were in place involving a total of 4,014,677 (1,889,677) warrants, issued in two series and with an exercise price of SEK 94.83 (96.88) and SEK 38.81 respectively. Upon full exercise of the aforementioned warrants, the number of shares will increase by 4,113,867 (1,901,803).

Related party transactions

The company has no external transactions with related parties. For further details, see Note 24.

Outlook**Target achievement**

During the financial year, net sales increased by 17 (48) percent to SEK 1 560 million (1 331).

The group's long-term goal regarding growth is a net turnover of at least SEK 2 billion during the 2023/24 financial year. The Company takes a confident view of the upcoming years, with RevolutionRace appearing to be well-positioned in the market.

The group's long-term goal for profitability is an EBIT margin of at least 25 percent. In 2022/23, the EBIT margin fell to 19.9 (27.0) percent. The decrease is mainly due to a larger share of sales with price reductions, higher costs in logistics, larger marketing investments in relation to sales and costs for incentive programs.

Profitable growth

RevolutionRace's strategy and financial targets remain unchanged. The focus in 2022/23 will be to increase sales through, among other things, growth in existing markets, but also an expansion of markets. Continued cost control and increased efficiency throughout the organisation lay the foundations for continued profitability. For the 2022/23 financial year, the Board of Directors proposes an ordinary dividend of SEK 0.86 (0.77) per share, corresponding to approximately 40 (30) percent of the profit for the year. In the proposal, in accordance with the company's dividend policy, long-term financial stability, growth opportunities and strategic initiatives have been taken into account. The ambition is that future cash flows should continue to be used for dividends but also provide financial flexibility for investments within the existing structure. The long-term goal of distributing 40–60 percent of the year's results remains unchanged.

Financial forecast

RevolutionRace is not presenting a financial forecast for 2022/23.

Sustainability at RevolutionRace

RevolutionRace strives to be an attractive workplace, a socially and environmentally responsible member of society, and to always follow legislation. Sustainability forms an integral part of RevolutionRace's operations and, as described above, the Company works actively with aspects of sustainability within the framework of its product development, in purchasing and manufacturing and to achieve responsible and sustainable production. In the sustainability strategy "A Responsible Race", the Company defines its core priorities and targets within the pillars: Products, Employees, Planet and Supply Chain. The six principal elements of the strategy are:

- Durable and safe products
- Circular resources
- Motivated employees
- Climate protection
- Environmental responsibility
- Social responsibility in our supply chain

RevolutionRace manufactures high-quality products which enable the consumer to use the products a lot and for a longer period of time. The company works with circularity and has set ambitious goals for excess production and more sustainable materials and packaging. The Company views itself as emphasising a non-hierarchical and dynamic culture, diversity, equal opportunities and continuous employee development, with 40 (33) percent of senior positions being held by women and with annual reviews for all employees. With the year 2020/21 as a baseline, the Company undertakes to reduce emissions from its own operations by at least 50 percent by 2030 and to be climate neutral from 2023. The company must also reduce emissions in Scope 3 by 40 percent in relation to net sales by the year 2030. The company's extensive due diligence work strives to ensure suppliers' social and environmental responsibility. The average number of employees was 134 (106). Other disclosures regarding the number of employees, salaries, other remunerations and terms of employment for the Group and the Parent Company are provided in Note 4, Employees and personnel expenses. In accordance with Chapter 6, Section 10 of the Annual Accounts Act, RVRC Holding AB (publ) has chosen to prepare its statutory Sustainability Report separately from the Annual Report. The Sustainability Report can be found at corporate.revolutionrace.se. For more information on corporate governance, see the Corporate Governance Report on pages 29–34. The Corporate Governance Report has been prepared in accordance with Chapter 6, Section 8 of the Annual Accounts Act.

Significant risks and uncertainties

The current valuation of the Company's assets presupposes adherence to the business plan that has been prepared. The Board of Directors estimates that future sales volumes will be sufficient for discounted cash flows deriving from these to justify current valuations by a good margin. The Board of Directors considers the probability of implementing the business plan as favourable. Financial risks are presented in Note 21.

Risks and risk management

RevolutionRace is subject to a number of risks associated with, among other things, macroeconomic factors, geopolitical conditions and changing customer behaviours. Exposure to risks is a natural element of business operations and, for

this reason, RevolutionRace has a risk management plan. Some risks can be eliminated by means of internal procedures. Other risks are minimised by means of various policies, action plans and employee training.

Risk management organisation

The Board of Directors of RevolutionRace is responsible for managing the Company's risks on shareholders' behalf. Risks associated with business development and long-term strategic planning are prepared by Group Management and adopted by the Board of Directors. Group Management continuously reports risk issues such as the Group's financial position and compliance with the Group's Finance Policy to the Board of Directors. As a basis for the operational risk management, which is handled at all levels in the organisation, the RevolutionRace Code of Conduct and a number of central policies have been established.

Identification of risks

Identifying risks and pre-empting, mitigating or preventing their potential adverse effects on the business is of fundamental importance for the Company's operations. RevolutionRace works continuously to assess and evaluate the risks to which the Group is, and can be, exposed. It is important to monitor and minimise all events that could affect confidence or trust in RevolutionRace or that could lead to operational disruptions. This is the responsibility of Group Management and occurs by means of a dialogue with various stakeholders.

Risk management

The capacity for managing risks forms part of RevolutionRace's governance and control. The rapid dissemination of appropriate information is safeguarded through the Company's management structures and processes. Where possible, the risk is eliminated, with the effects of undesirable events being minimised through preventive measures. Alternatively, the risk is transferred through, for example, contracts or insurance plans. Not all risks can be eliminated or transferred, however, and such risks generally form an active element in the operations.

Risk overview

In RevolutionRace's risk management process, several areas of risk have been identified. A selection of these and an overarching description of how each area of risk is managed can be found on the following pages. The financial risk management is further described in greater detail in Note 21 on pages 55–56. Page 32 presents a description of the internal control and risk assessment processes aimed at preventing errors in the financial reporting.

STRATEGIC RISKS	MANAGEMENT	OPERATIONAL RISKS	MANAGEMENT
New and existing markets		Price risk	
<p>RevolutionRace's vision is to become the world's most recommended outdoor brand. In the long-term work with achieving this are both new markets and to develop existing markets significantly.</p>	<p>By continuously working with and following up on the expansion plans, regarding both new and existing markets, and customers, the Company prevents the risk of stunted growth.</p>	<p>Since RevolutionRace's product range is manufactured more or less exclusively in countries undergoing continuous and rapid economic development, the Company is exposed to the risk that expenses and salaries may increase in countries where the Company's products are manufactured.</p>	<p>RevolutionRace continuously monitors the relevant markets and ensures that forecasts are based on the anticipated expenses.</p>
Availability of expertise		Changes at the supplier level	
<p>Skilled and committed employees and managers play an important role in RevolutionRace's capacity to achieve its objectives and visions and to continue running the operations profitably and sustainably during RevolutionRace's current expansion phase.</p>	<p>RevolutionRace shall continue to be an attractive employer. Development and follow-up plans for employees, combined with market-based and competitive remunerations, help make it possible to recruit and retain employees.</p>	<p>There is always a risk of a supplier terminating its collaboration with RevolutionRace, or of an agreement having to be terminated by RevolutionRace if the supplier has not met its commitments.</p>	<p>The Company uses 25 different suppliers in 6 different countries. A few are particularly important to RevolutionRace as they manufacture the Company's best-selling products. To ensure favourable access to suppliers, the Company works continuously to strengthen existing relationships and identify potential new suppliers that meet the Company's requirements.</p>
Business ethics and brand risks		Customer and counterparty risk	
<p>Demand for RevolutionRace products builds on consumers associating them with positive values. If RevolutionRace or any of the Group's partners takes any action conflicting with the values represented by the brand, the RevolutionRace brand may be harmed.</p>	<p>To prevent the risk of harm to the brand, RevolutionRace has implemented a Code of Conduct, ethical guidelines and procedures. Accordingly, before a collaboration commences, all suppliers of products to RevolutionRace must sign and undertake to comply with the RevolutionRace Code of Conduct for Suppliers and to ensure that any subcontractors also comply with this. At any time, the Company and its representatives may review and check a supplier's compliance with the Code, the supplier is obliged to fully participate in any such review. RevolutionRace's Production Manager pays continuous visits to the Company's suppliers to ascertain compliance.</p>	<p>RevolutionRace's policy is to sell products to customers applying a 30-day entitlement to return and exchange those products, generally exceeding statutory return periods in the countries where the Company's customers are located. RevolutionRace also offers its customers free returns as long as the customer uses the return slip enclosed with their purchase. This allows RevolutionRace's customers to return purchased goods within 30 days of delivery, recouping the amount paid.</p>	<p>For the returned products that RevolutionRace expects to receive, the Company reports a repayment liability in the form of a return provision and asset in the balance sheet. To assess the scale of the returns at the time of sale, historical data is used based on the expected value of returns, with the Company taking into account previously identified return patterns deriving from consumer behaviours in e-commerce.</p>
Brand risks		It and cyber security	
<p>The RevolutionRace®, RVRC® and Hypershell® brands and logos form a significant and valuable part of RevolutionRace's operations.</p>	<p>The Company assesses its brands and logos on an ongoing basis and seeks to protect them in the markets deemed relevant to the Company's future operations. RevolutionRace has also registered other intellectual property rights in the form of a large number of domain names. RevolutionRace uses an Internet-based trademark protection service, Yellow brand, to identify copies of RevolutionRace products in the market.</p>	<p>RevolutionRace's sales are Internet-based and are conducted exclusively through the Company's own online shops, as well as through e-commerce company Amazon. A high degree of adaptations and integrations in licensed systems risks increasing the Company's dependency on third-party suppliers of the Company's various IT systems. Cyber-security incidents can also lead to important data being lost, which could, in turn entail non-compliance with GDPR. There is also a risk that the Company's IT systems could function incorrectly, which in the long run risks incurring increased costs and having a negative impact on profit</p>	<p>RevolutionRace's IT environment consists largely of licensed systems. Systems are maintained continuously and the Company works actively to safeguard a high level of expertise among IT personnel to reduce dependence on external parties.</p>

REGULATORY COMPLIANCE RISKS	MANAGEMENT
Sustainability Governance	
If RevolutionRace does not identify significant sustainability risks or deficiencies in the management of the risks identified, the Company may be fined or subject to various forms of sanctions.	Sustainability is a priority area, and RevolutionRace holds regular formal and informal meetings to review how the operations are developing. To ensure that all material aspects of sustainability are addressed, joint training sessions and workshops are held.
Global changes in trade regulations	
Amendments to national or international import or export of regulations for different products may cause increased expenses or other difficulties for RevolutionRace	RevolutionRace works pro-actively to minimise the effects of amended regulations.
Compliance with trade regulations	
RevolutionRace's online marketing and sales of outdoor products means that the Company's operations are subject to a number of regulations under consumer and marketing law, as well as national consumer protection and marketing regulations, to a certain extent. Intentional or unintentional violations of various trade regulations may result in Group's companies being fined and the Company's reputation being harmed and demand for its products deteriorating.	RevolutionRace applies several internal governance documents and policies to safeguard compliance with trading regulations in different markets. The Company conducts continuous employee training and risk analyses of potentially risky business flows are done continuously.
FINANCIAL RISKS	MANAGEMENT
Valuation risks	
The Group holds assets and liabilities the values of which are based on estimates. This includes trademarks and goodwill on the asset side.	Impairment needs for assets and upward revaluation needs for liabilities are tested annually and when there is an indication that this is necessary. Further information can be found in the notes on each asset/liability
Liquidity and financing risk	
RevolutionRace is subject to liquidity risk, meaning the risk of the Group being unable to meet its payment obligations as a consequence of inadequate access to cash and cash equivalents. RevolutionRace is also subject to risks associated with the financing of the Group's capital requirements becoming more difficult or more expensive in the future.	To limit this financing risk, the Group strives to maintain an even maturity structure, a favourable liquidity reserve, and diversified borrowing. This creates the conditions for undertaking necessary alternative capital raising measures if necessary.
Interest rate risks	
Interest rate risk refers to the risk that unfavourable fluctuations in market interest rates will have a negative impact on earnings and cash flow.	RevolutionRace continuously and frequently monitors the interest rate situation and continuously assesses needs for increased loans at fixed interest rates or for hedging interest rates with interest rate swaps.
Currency risks	
Currency risk refers to the risk that unfavourable exchange rate changes will affect the Group's profit and equity measured in SEK. The risk consists partly of a transaction exposure arising when the Group has inflows and outflows in foreign currencies, and partly of a translation exposure in foreign subsidiaries.	Exchange rate effects are eliminated as much as possible by applying currency clauses in supplier contracts. RevolutionRace also uses futures contracts. Translation risk is not currently hedged.

Remuneration Guidelines for Senior Executives

The guidelines for the remuneration of senior executives that were adopted at an Extraordinary General Meeting on 15 April 2021 and remaining unamended by the Annual General Meeting on 10 November 2022 and that were in effect between 1 July 2021 to 30 June 2022 are presented in Note 4. The decided guidelines apply until new guidelines are adopted by the General Meeting.

The Company's auditors have ascertained that the guidelines adopted by the Extraordinary General Meeting have been adhered to.

Appropriation of profit

The Board propose that the 2023 AGM to decide on a dividend of SEK 0.86 (0.77) per share, a total of SEK 97 (87) million.

Free equity, retained earnings and share premium reserve	567,104,810
The result for the 2022/2023 financial year	93,159,153
Dividend	-97,110,269
Amount carried forward	563,153,693

Events following the close of the financial year

In August 2023, RevolutionRace expanded its presence internationally by opening up to customers in three new markets – Canada, South Korea and Japan. The opening means that RevolutionRace is available in approximately 40 countries.

At the extraordinary general meeting on 30 August 2023, it was decided, in accordance with the nomination committee's proposal, to expand the company's board with one member through the new election of Sara Diez Jauregui as board member for the time until the next annual general meeting.



REMUNERATION REPORT

This report describes how the guidelines for remuneration of senior executives of RevolutionRace, adopted at the extraordinary general meeting on 15 April 2021 (the "Remuneration Guidelines"), have been applied during the financial year 2022/23. The Report also includes details of the remuneration of the CEO and a summary of outstanding share-based incentive programmes. The Report has been prepared in accordance with the Swedish Companies Act and the rules on the remuneration of senior executives and incentive programmes issued by the Swedish Corporate Governance Board.

Further information on the remuneration of senior executives is provided in Note 4 Employees and personnel expenses in the 2022/23 Annual Report. Information on the work of the Remuneration Committee during 2022/23 is provided in the Corporate Governance Report included in the 2022/23 Annual Report. The CEO summarises the Company's overall development and profit in his comments in the 2022/23 Annual Report. Board fees are not covered by this Report, such fees being determined annually by the Annual General Meeting and reported in Note 4 in the 2022/23 Annual Report.

Remuneration Guidelines

The successful implementation of the Company's business strategy and the safeguarding of its long-term interests, including sustainability, require that RevolutionRace be able to recruit and retain a highly skilled management team. In turn, this requires that the Company be able to offer competitive levels of remuneration and terms of employment, which is facilitated by the Remuneration Guidelines. Remuneration formats shall motivate the management team to do its utmost to safeguard the shareholders' interests. Total remuneration shall be market-based and may comprise the following components: fixed cash salary, variable cash remuneration (bonus), pension benefits and other benefits. Beyond this and regardless of these guidelines, the Annual General Meeting may, for example, adopt share and share price-related remunerations.

During the financial year 2022/23, the company has fully followed the current guidelines for remuneration to senior executives. No deviations from the Remuneration Guidelines were made and no deviations have been made from the decision-making process, which according to the Remuneration Guidelines shall be applied to determine the remuneration. No remuneration has been reclaimed. The Remuneration Guidelines apply until the General Meeting adopts new guidelines.

The auditor's statement regarding the company's compliance with the remuneration guidelines for senior executives is available at corporate.revolutionrace.com.

Beyond the remuneration covered by the Remuneration Guidelines, decided the extraordinary general meeting on

May 26 2021 and the annual general meeting November 10 2022, to introduce long-term share-related incentive programs. The programs, which are further described in the paragraph "Outstanding share and share price-related incentive programs," has a clear connection to the business strategy and the company's long-term value creation through the connection to the share price development.

Criteria for the distribution of variable cash compensation

Variable cash compensation is linked to predetermined and measurable financial or non-financial criteria. They may also consist of individually adapted quantitative or qualitative goals. The criteria are formulated so that they promote RevolutionRace's business strategy and long-term interest, including its sustainability by, for example, maintaining a clear connection to the business strategy or promote the executive's long-term development.

Once the period during which the fulfillment of the criteria for disbursement of variable cash compensation is measured has ended, the outcome shall be assessed. The Company's Board of Directors is responsible for this assessment regarding variable cash remuneration for the CEO. The Remuneration Committee is responsible for the assessment regarding variable cash remuneration to other senior executives.

Total compensation for the President and CEO

For both the former CEO and President and current CEO and President were paid a fixed basic salary and other remuneration for 2022/23 according to the table below. Compensation for pension is fee-based and corresponds to a collective agreement for white-collar workers within the industry.

Total compensation for the President and CEO 2022/23

MSEK	Former President and CEO (until August 15, 2022), Pernilla Nyrensten	Current President and CEO (from August 16, 2022), Paul Fischbein
Fixed basic salary	0.2	3.3
Variable cash compensation	—	—
Extraordinary compensation	—	3.2 ¹⁾
Pension benefits	0	0.9
Total	0.2	7.4
The proportion of fixed and variable remuneration respectively, % ²⁾	100/0	57/43

1) Refers in full to the subsidy that Paul Fischbein received for participation in the Program series 2022/2026 (see further below under "Outstanding share and share price-related incentive programs")

2) Pension benefits, which in their entirety refer to basic salary and are determined by fixed fees, have been fully reported as fixed remuneration.



Outstanding share and share price-related incentive programs

During 2022/23, RevolutionRace has had two outstanding warrant program for senior executives and key persons within the group, series 2021/2024 as well as series 2022/2026. The intention of the programs is to, in a simple way, reward and retain valuable employees as well as to, through employees' own investment, promote and create long-term participation and thereby achieve increased community of interest between the employees and RevolutionRace shareholders.

The warrants programme series 2021/2024 covers about 19 senior executives (including the former CEO, Pernilla Nyrensten) and key personnel within the Group. The warrants were acquired by the participants in 2021 at an estimated market price. Shares can be subscribed during the subscription period from 1 July 2024 up to and including 31 December 2024. The strike price for series 2021/2024

currently corresponds to SEK 94.83, after recalculation according to the conditions. Neither the CEO nor the Board of Directors received or sold any shares in 2022/23.

The warrants programme series 2022/2026 covers about 25 senior executives (including CEO, Paul Fischbein) and key personnel within the Group. The warrants were acquired by the participants in 2022 at an estimated market price, of which the CEO acquired 750,000 options in the latter. In conjunction with the transfer of the warrants, the participants received a subsidy in the form of a salary supplement from the company as net, corresponding to 50 percent of the amount that the participant paid for the warrants (the warrant premium). Shares can be subscribed during the subscription period from 15 November 2025 up to and including 15 May 2026. The strike price for series 2022/2026 currently corresponds to SEK 38.81. Neither the CEO nor the Board of Directors received or sold any shares in 2022/23.

Comparative information regarding changes in remuneration and the Company's earnings

Multi-year comparison, SEKm	2022/23	2021/22	2020/21	2019/20	2018/19
Remuneration of the President and CEO	6.6 ¹⁾	1.7	0.9	0.5	0.9
Annual change in remuneration to the President and CEO, %	282 ¹⁾	92	75	-47	51
Average remuneration to Group employees ²⁾	0.4	0.5	0.7	0.6	0.7
Annual change in average remuneration to Group employees, %	-17	-30	20	-19	35
Consolidated profit for the year after tax	243	288	172	60	45
Annual change in consolidated profit for the year, %	-16	68	187	33	401

1) Payment of subsidy to CEO for participation in warrant program series 2022/2026 has resulted in an increase in the total remuneration in comparison with 2021/22.

2) Refers to average remuneration to employees, excluding members of the group management.

CORPORATE GOVERNANCE REPORT

Overarching corporate governance structure

Good corporate governance is of great importance in maintaining correct, transparent and trustworthy governance and control. The external governing instruments that form the framework for corporate governance within RevolutionRace include the Swedish Companies Act (ABL), the Annual Accounts Act (ÅRL), the stock exchange's regulations, the Code (Swedish Code of Corporate Governance) and other relevant laws and statements. Foreign subsidiaries apply the laws and regulations applicable in those countries. Governance is also based on RevolutionRace's Articles of Association. And, in addition to these, other internal governance documents, including Instructions and Rules of Procedure for the Board of Directors, the Board's committees and the Chief Executive Officer (CEO), the Group's Code of Conduct, as well as policies and guidelines for the Company's operations and organisation. The responsibility for the Group's governance and control is divided between the central corporate bodies, which comprise the Annual General Meeting, the Board of Directors and its elected committees, the CEO and the auditor.

This Corporate Governance Report for the 2022/2023 financial year has been prepared in accordance with the Annual Accounts Act and the Code and has been reviewed by the Company's auditor.

Compliance with the Swedish Code of Corporate Governance

RevolutionRace is a Swedish public limited company that has applied the Code since the Company's listing on the Nasdaq Stockholm exchange on 16 June 2021. The Code forms part of the Swedish business community's self-regulation with the purpose of improving corporate governance

in listed companies. The Code is based on the principle "comply or explain". This means that a company applying the Code need not follow all rules in the Code at every single opportunity, but has the opportunity to select alternative solutions that the Company deems better suited with regard to its specific circumstances, provided that each deviation is reported, that the alternative solution selected is described and that an explanation for the deviation is provided. RevolutionRace has no discrepancies to report for the 2022/2023 financial year, other than the fact that the Board for the period from Johan Svanström's resignation in February 2023 until Sara Diez Jauregui's appointment in August 2023 did not follow the independency requirement in relation to the major shareholders (rule 4.5). This temporary deviation was due to Johan Svanström taking on a CEO role outside the company and to give the Nomination Committee sufficient time to find a suitable candidate for the position.

Share capital and shareholders

RevolutionRace's shares are listed on the Nasdaq Stockholm exchange and included in the Nasdaq Nordic Mid cap segment. The share capital in the Company amounts to SEK 1,129,189.18, divided between 112,918,918 shares with a quota value of SEK 0.01 each. Each share carries the right to one vote. All shares convey equal rights to the Company's profit and share of surplus in the event of liquidation.

On 30 June 2023, the total number of shareholders was approximately 12,180. Of the total share capital, about 81.6 percent was held primarily by Swedish institutions, mutual funds and private individuals, with 18.4 percent being held by foreign investors. At the end of the 2022/2023 financial year, two shareholders each held 10 percent or more of the voting rights – Altor Fund IV (No. 1) AB and Altor Fund IV (No. 2) AB, which together held approximately 31.0 percent of the shares and votes, and Nyrensten Global Holding AB, which held approximately 23.3 percent of the shares and votes in the Company.

For further details of the shareholder structure and the share, see page 22 in the Annual Report and the Company's website corporate.revolutionrace.com.

Articles of Association

RevolutionRace's Articles of Association were adopted by an Extraordinary General Meeting on 26 May 2021. The Articles of Association do not contain any restrictions regarding how many votes each shareholder may cast at a General Meeting, or regarding the appointment or dismissal of Board Members or regarding changes to the Articles of Association. The Articles of Association are available on the Company's website, corporate.revolutionrace.com.

Annual General Meeting

The Annual General Meeting is RevolutionRace's highest decision-making body RevolutionRace. At the Annual General Meeting and, where applicable, at Extraordinary General Meetings, all shareholders are given the opportunity to exercise the influence that their respective shareholdings represent. The Annual General Meeting is held in the Municipality of Borås, where the Company's registered office is located, or in the Cities of Stockholm or Gothenburg. The notice to attend a General Meeting shall be announced by means of an advertisement in the Swedish Official Gazette (Post- och Inrikes Tidningar) and on the Company's website. The announcement of a General Meeting shall also be advertised in the Swedish business newspaper Dagens Industri. Beyond the legal stipulations regarding shareholders' right to participate in General Meetings, the Articles of Association require prior notification within a certain period specified in the announcement.

The Annual General Meeting shall be held within six months of the end of the financial year, which, in RevolutionRace's case, extends from 1 July to 30 June. At the Annual General Meeting, resolutions are made regarding proposals from the Nomination Committee, the Board of Directors and the shareholders, with other statutory matters also being addressed. Among other matters, shareholders approve the income statements and balance sheets, determine the disposition of the Company's profit, discharge the Board of Directors and the CEO from liability, determine the composition of the Nomination Committee, elect Board Members (including the Chairperson of the Board) and an auditor, approve the Board Members' and auditors' fees and approve the Remuneration Report. Guidelines for the remuneration of the CEO and other senior executives are adopted every four years at the least.

Shareholders wishing to have a matter addressed by the Annual General Meeting and other General Meetings must request this of the Board of Directors in writing. Such requests must normally be received by the Board of Directors no later than seven weeks prior to the Annual General Meeting.

2022 Annual General Meeting

The 2022 Annual General Meeting took place on 10 November 2022. At the Annual General Meeting, among other things, it was decided on:

- Adoption of the income and balance sheets for the parent company and the group for the financial year 2021/2022.
- Dividend of SEK 0.77 per share (SEK 86.9 million in total).
- Discharge from liability for the Board Members and the CEO for the financial year 2021/2022.
- Re-election of Board Members, Jens Browaldh, Cecilie Elde, Andreas Källström Säfweräng, Pernilla Nyrensten and Johan Svanström. Niclas Nyrensten was elected as new member of the Board. Andreas Källström Säfweräng was elected as Chairperson of the Board.
- The AGM resolved that Board fees, excluding remuneration for Committee work, shall be paid with SEK 525,000

(500,000) to the Chairperson and SEK 210,000 (200,000) to each of the other Board members elected by the General Meeting. In addition, the AGM resolved that work in the Audit Committee shall be compensated with SEK 105,000 (100,000) to the Chairperson and SEK 55,000 (50,000) to each of the other members. It was further resolved that work in the Remuneration Committee shall be compensated with SEK 65,000 (60,000) to the Chairperson and SEK 35,000 (30,000) to each of the other members.

- Re-election of Ernst & Young AB as the company's auditor for the period until the end of the next Annual General Meeting.
- Approval of remuneration report.
- Authorisation for the Board of Directors to resolve on new issues
- Authorisation for the Board of Directors to resolve on acquisition and transfer of own shares
- Resolution on incentive program

Extraordinary General Meeting 2023

On August 30, 2023, an extraordinary general meeting was held. At the Extraordinary General Meeting, it was resolved that the Board should consist of six members and to elect Sara Diez Jauregui as a Board member for the term concluding at the end of the next Annual General Meeting.

2023 Annual General Meeting

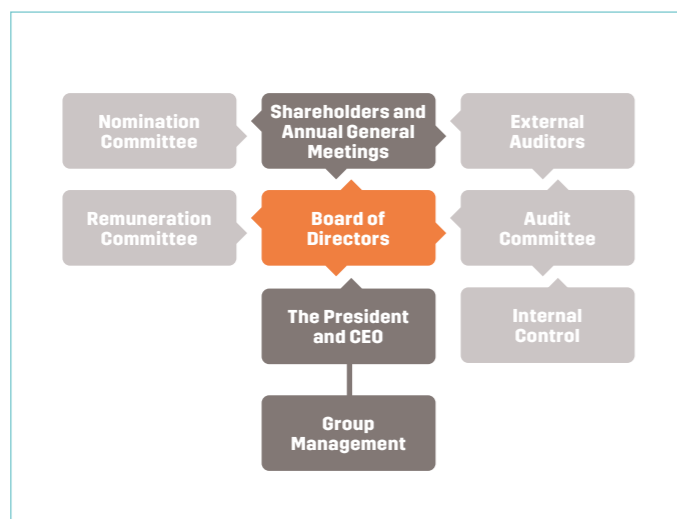
The RevolutionRace Annual General Meeting 2023 will be held on November 21, 2023 at 10.00 at Astern Mat och Möten, Kyrkängsgatan 8, 503 38 Borås. The Board has decided that shareholders should be able to exercise their right to vote at the Annual General Meeting also by postal voting in accordance with the regulations in the company's articles of association. For more information about the 2023 AGM, see the RevolutionRace website, corporate.revolutionrace.com.

Nomination Committee

The work of the Nomination Committee

The Nomination Committee is tasked with submitting proposals to the Annual General Meeting regarding the election of a Chairperson for the Meeting, the Board of Directors, the Chairperson of the Board and an auditor, fees for each Board Member (divided between the Chairperson of the Board and the other Board Members, as well as fees for committee work), the auditor's fees and, to the extent deemed necessary, proposing amendments to the instructions to the Nomination Committee. The Nomination Committee shall also issue a reasoned opinion on its proposal regarding the composition of the Board of Directors.

In preparing its proposal regarding the composition of the Board of Directors, the Nomination Committee applies Rule 4.1 of the Code as its diversity policy. The objective of the policy is that the Board of Directors shall be appropriately composed with regard to the Company's operations, stage of development and other conditions, pervaded by versatility



and breadth in terms of the skills, experience and background of the Board Members elected by the Annual General Meeting, and to seek an even gender distribution. The Annual General Meeting 2022 resolved to elect Board members in accordance with the Nomination Committee's proposal. As regards gender equality, the Board consisted of six members, of which two were women and four were men.

During this financial year and following Johan Svanström's decision to leave the Board on 24 February 2023 as he became the CEO at Rightmove, a listed company in the UK, the Nomination Committee has also made the proposal for a new Board Member. The outcome of this proposal was that Sara Diez Jauregui was elected new Board Member at the extraordinary general meeting held on 30 August 2023, i.e. after the end of the financial year. As regards gender equality, the Board currently consists of six members, of which three are women and three are men.

No fees are to be paid to the members of the Nomination Committee. The Company shall, however, reimburse reasonable and necessary outlays associated with the performance of the Nomination Committee's assignment.

Composition of the Nomination Committee

In accordance with the instructions for the Nomination Committee adopted by the Extraordinary General Meeting held on 15 April 2021 and valid until further notice, the Nomination Committee shall comprise representatives of the three largest shareholders in terms of votes as per the last banking day in March each year and the Chairperson of the Board, who shall also convene the Nomination Committee's first meeting. The member representing the largest shareholder in terms of votes shall be appointed Chairperson of the Nomination Committee, unless the Nomination Committee decides otherwise. The composition of the Nomination Committee shall be published on the Company's website without undue delay and normally no later than six months prior to the Annual General Meeting. The Nomination Committee's term of office applies until the composition of the ensuing Nomination Committee has been announced.

Changes in the composition of the Nomination Committee shall be published on the Company's website without undue delay. According to the Code, a majority of the members of the Nomination Committee shall be independent in relation to the Company and its management, and at least one of these shall also be independent in relation to the Company's largest shareholder in terms of votes.

Nomination Committee prior to the 2023 Annual General Meeting

The composition of the Nomination Committee ahead of the 2023 Annual General Meeting was announced in a press release and on the Company's website on 21 April 2023. The Nomination Committee for the 2023 Annual General Meeting therefore consists of:

- Øistein Widding, appointed by Altor Fund IV (No.1) AB and Altor Fund IV (No.2) AB
- Peter Algar, appointed by Nyrensten Global Holding AB
- Caroline Sjösten, appointed by Swedbank Robur Fonder AB
- Andreas Källström Säfweräng, Chairperson of the Board

At the first meeting of the Nomination Committee, Øistein Widding was appointed Chairperson of the Nomination Committee in accordance with the instructions to the Nomination Committee. The Nomination Committee prior to the 2023 Annual General Meeting meets the requirements for independence set out in the Code.

Since the 2022 Annual General Meeting and until the publication of this Annual Report, the Nomination Committee has held 11 meetings. The Nomination Committee has addressed all of the issues that the Nomination Committee is required to address in accordance with the Code, as outlined in greater detail below.

The Nomination Committee's complete proposal for Board Members, remuneration of the Board as well as auditor election and other relevant decision proposals will be presented in the notice to the 2023 Annual General Meeting as well as in the Nomination Committee's proposal and reasoned statement that will be available on the company's website. Shareholders wishing to submit proposals to the Nomination Committee have been able to do so by sending an e-mail to valberedning@revolutionrace.se.

Board of Directors

Composition of the Board of Directors

According to the Articles of Association, Revolution Race's Board of Directors shall comprise a minimum of three and a maximum of ten members, with no deputies. Members of the Board are elected annually at the Annual General Meeting for the period until the end of the next Annual General Meeting. The Board of Directors currently comprises six members elected by the Annual General Meeting.

According to Rules 4.4 and 4.5 of the Code, the majority of the Board Members elected by the Annual General Meeting shall be independent in relation to the Company and its management, and at least two of these Board Members shall also be independent in relation to the Company's major shareholders. During the financial year 2022/23, all members except Niclas Nyrensten, Pernilla Nyrensten and Paul Fischbein (for the period of time that he served as both CEO and Board Member) have been considered independent in relation to the Company and its management and all members except Jens Browaldh, Andreas Källström Säfweräng, Niclas Nyrensten and Pernilla Nyrensten have been considered independent in relation to the Company's major shareholders. Accordingly, the Board of Directors has been deemed as meeting the requirements for independence set out in the Code, except for the period from Johan Svanström's resignation in February 2023 until Sara Diez Jauregui's appointment in August 2023.

Composition of the board of directors

Name	Assignment	Elected	Independent in relation to the Company and its management	Independent in relation to the Company's major shareholders	Audit Committee	Remuneration Committee	Share holding ¹⁾	Fee, SEK ²⁾
Paul Fischbein	Chairperson/Member ³⁾	2021	No ⁴⁾	Yes	Member ³⁾	Chairperson	419,408	— ⁶⁾
Cecilie Elde	Member	2021	Yes	Yes	Chairperson		88,020	315,000
Jens Browaldh	Member	2019	Yes	No	Member	Member	30,000	300,000
Andreas Källström Säfweräng	Chairperson/Member ³⁾	2017	Yes	No		Chairperson	—	590,000
Magnus Dimert	Member	2017	Yes	Yes			747,347	— ⁶⁾
Johan Svanström	Member	2017	Yes	Yes			646,794	210,000 ⁷⁾
Pernilla Nyrensten	Member	2013	No	No			26,275,732 ⁸⁾	210,000
Niclas Nyrensten	Member	2022	No	No			26,275,732 ⁸⁾	210,000

1) Refers to people's own shareholdings, as well as those of related natural persons and legal entities. Stated shareholding is as of August 29 2023.

2) Including committee fees. All fees are equal to the remuneration resolved by the Annual General Meeting.

3) In connection with Paul Fischbein's appointment as acting CEO on August 16, the Board appointed Anders Källström Säfweräng as acting Chairperson of the Board.

4) Following Paul Fischbein's appointment as acting CEO in August 2023, he was deemed dependent in relation to the Company and its management.

5) Paul Fischbein was a member of the Audit Committee until he resigned from the Board in connection with the AGM 2022.

6) Paul Fischbein and Magnus Dimert resigned from the Board in connection with the AGM 2022.

7) Johan Svanström resigned from the Board in February 2023 and has thereby only received remuneration for the time he served on the Board.

8) Refers to the joint holding of Pernilla Nyrensten and Niclas Nyrensten through Nyrensten Global Holding AB.

Number of meetings

Name	Board of Directors	Audit Committee	Remuneration Committee
Paul Fischbein	6 of 8 ¹⁾	1 of 1 ²⁾	
Cecilie Elde	17 of 17	7 of 7	
Jens Browaldh	17 of 17	7 of 7	3 of 3
Andreas Källström Säfweräng	17 of 17		3 of 3
Magnus Dimert	8 of 8 ¹⁾		
Johan Svanström	12 of 13 ³⁾		
Pernilla Nyrensten	16 of 17		
Niclas Nyrensten	9 of 9 ⁴⁾		

1) Paul Fischbein and Magnus Dimert resigned from the Board in connection with the AGM 2022.

2) Paul Fischbein was a member of the Audit Committee until he resigned from the Board in connection with the AGM 2022.

3) Johan Svanström resigned from the Board in February 2023.

4) Niclas Nyrensten was appointed to the Board in connection with the AGM 2022.

For a closer presentation of the Board Members see page 33 and corporate.revolutionrace.com. The composition and independence of the Board of Directors, Members' attendance at Board and committee meetings, as well as their fees, are presented in the table above.

Work of the Board of Directors

The tasks of the Board of Directors are regulated in the Companies Act, the Company's Articles of Association and the Code. In addition, the work of the Board of Directors is regulated by the Rules of Procedure adopted annually by the Board of Directors. Among other things, the rules of procedure regulate how the Board of Directors meets, what matters are to be dealt with at Board meetings, as well as the division of labour and responsibilities between the Board Members, the Chairperson of the Board, the CEO and the committees. The Board of Directors has also adopted specific instructions for the CEO and the Board's committees.

The Board of Directors bears the overall responsibility for Revolution Race's organisation and management. The tasks of the Board of Directors include establishing strategies, goals, business plans, budget, financing, annual accounts and adopting policies.

The Board of Directors shall also monitor the Company's financial results and approve the financial reporting, ensure that the Company maintains good internal control and formalised procedures ensuring compliance with established principles for financial reporting and internal control and that the Company's financial reporting is prepared in accordance with the law, applicable accounting standards and other requirements for listed companies (see "Internal control of financial reporting" below). The Board of Directors shall also safeguard satisfactory control of the Company's compliance with laws and other regulations applicable to the Company's operations, as well as the Company's compliance with internal guidelines. The Board of Directors shall also evaluate the operations with regard to the targets and policies that it has established. The Board of Directors is also responsible for continuously assessing the work of the CEO. The Board of Directors also determines major investments and changes to the Group's organisation and operations.

The Chairperson of the Board leads and organises the work of the Board of Directors, ensuring that the Board fulfils its tasks and that its decisions are implemented. Alongside the CEO, the Chairperson of the Board shall monitor the Company's profits and prepare and chair Board meetings. The Chairperson of the Board is also responsible for ensuring that the Board Members evaluate their work annually and continuously receive the information required to be able to conduct their work efficiently. The Chairperson of the Board represents the Company in its interactions with shareholders.

Each Board meeting is based on an agenda distributed to the Board Members and relevant documentation. All Board

decisions are based on detailed underlying documentation and are reached following discussions led by the Chairperson of the Board. The CEO serves as rapporteur at Board meetings, and minutes of Board meetings are kept by the Company's CFO. Other senior executives also participate where necessary. In addition to the statutory meeting, held in connection with the Annual General Meeting, the Board of Directors shall hold at least five ordinary meetings. Extraordinary Board meetings are convened where necessary. During the 2021/22 financial year, 17 Board meetings were held.

Assessment of the work of the Board of Directors

An annual assessment is conducted to ensure the quality of the Board's work and to identify any needs for additional skills or experience. The Chairperson of the Board is responsible for ensuring that this assessment is conducted and that the Nomination Committee is informed of its conclusions. Where so requested by the Nomination Committee, Board Members shall attend interviews with the Nomination Committee to facilitate the assessment.

Prior to the 2023 Annual General Meeting, the Chairperson of the Board has provided an account of the work of the Board to the Nomination Committee, whereby the Nomination Committee has had the opportunity to ask questions about the work of the Board as a basis for its proposal to the Board of Directors. During the 2022/23 financial year, an evaluation has been carried out regarding the work of the board. This was facilitated by Board Members being required to answer a questionnaire concerning, among other things, strategies and targets, investments, reporting and control, organisation and executive management, the Board's working methods, the Board's composition and overall functionality, as well as skills and the members own Board work.

Board committees

The Company has established an Audit Committee and a Remunerations Committee. A majority of the members of each committee is independent in relation to the Company and its management. For the Audit Committee, at least one of the members who are independent in relation to the Company and its management shall also be independent in relation to the Company's major shareholders.

The work of the committees is mainly of a preparatory and advisory nature, although the Board may, in specific cases, delegate the authority to make decisions to the committees. The matters dealt with at the committee meetings shall be recorded in minutes and regularly reported to the Board of Directors. The members and chairmen of the committees are appointed at the statutory Board meeting held immediately following the election of Board Members. The Board may also delegate the handling of a specific issue to one or more Board Members or to the CEO by means of a minuted decision.

Audit Committee

The Audit Committee's principal tasks are, without affecting the responsibilities and tasks of the Board of Directors in general, to monitor RevolutionRace's financial reporting and provide recommendations and proposals to ensure the reliability of the reporting, monitor the effectiveness of the Company's internal control and risk management, keep itself informed on the audit of the Annual Report and consolidated accounts, as well as on the conclusions of the Swedish Inspectorate of Auditors' quality control, inform the Board of Directors of the results of the audit and how the audit contributed to the reliability of the financial reporting and of the function of the Committee, review and monitor the auditor's impartiality and independence, paying particular attention to any services the auditor provides to the Company beyond the audit, and assist in the preparation of proposals for the Annual General Meeting's resolution on the election of auditors.

The Audit Committee, which shall meet at least five times per financial year, comprises the following Board Members: Cecilie Elde (Chairperson) and Jens Browaldh. During the 2022/23 financial year, six meetings were held.

Remuneration Committee

The principal tasks of the Remuneration Committee are to elaborate and prepare proposals for decisions on issues of remuneration principles, remunerations and other terms of employment for company management, monitors and evaluates ongoing and completed programmes of variable remuneration for Company management during the year, monitors and evaluates the application of current Remuneration Guidelines for Senior Executives to be determined by the Annual General Meeting as required by law, as well as the applicable remuneration structures and remuneration levels in the Company, and prepares a proposal for a report for each financial year on paid and outstanding remunerations covered by the Remuneration Guidelines for Senior Executives.

The Remuneration Committee, which shall meet at least once per financial year, consists of the following two Board Members: Andreas Källström Säfweräng (Chairperson) and Jens Browaldh. During the 2022/23 financial year, three meetings were held.

Board fees

Fees are normally paid to the Chairperson of the Board and the other Board Members in accordance with a resolution by the Annual General Meeting. No Board fees are paid to Board Members employed by RevolutionRace. At the Annual General Meeting 2022, it was decided that a fee of SEK 525,000 would be paid to the Chairperson of the Board and SEK 210,000 to each of the other Board Members not employed by RevolutionRace. The Meeting also resolved that remuneration for committee work shall be paid in the amount of SEK 105,000 to the Chairperson of the Audit Com-

mittee and SEK 55,000 to each of the other members of the Committee, as well as in the amount of SEK 65,000 to the Chairperson of the Remuneration Committee and SEK 35,000 to each of the other members of the Committee.

CEO and Group Management

The CEO is appointed by, and receives instructions from, the Board of Directors. In turn, the CEO appoints other members of Group Management and is responsible for the day-to-day management of the Group's operations in accordance with the Board's guidelines and instructions. The CEO is also responsible for ensuring that the Board of Directors receives information and necessary underlying documentation of which to base its decisions, serves as rapporteur at Board meetings and keeps the Board of Directors and the Chairperson of the Board continuously informed of the financial position and development of the Group and the Company.

On August 15, 2022, the company announced Pernilla Nyrensten's intention to leave the CEO position and that Paul Fischbein would take over as acting CEO with effect from August 16, 2022. On October 7, 2022, the company announced that Paul Fischbein had been appointed permanent CEO with immediate effect. At the end of the 2022/23 financial year, Group Management comprised five individuals in addition to the CEO. For a more detailed presentation of RevolutionRace's CEO and Group Management, see page 34 and at corporate.revolutionrace.com.

External auditor

The Annual General Meeting annually appoints an auditor for the Company. The auditor reviews the Annual Report, the bookkeeping and the consolidated accounts, as well as the administration of the Company by the Board of Directors and the CEO. The auditor also reviews the Corporate Governance Report and confirms whether the Group has presented a Sustainability Report. The auditor reports to the Audit Committee and the Board of Directors on this review. Following the end of each financial year, the auditor submits an audit report to the Parent Company and a consolidated auditor's report to the Annual General Meeting, as well as providing a special opinion on whether the Remuneration Guidelines for Senior Executives applicable since the preceding Annual General Meeting have been followed.

At the 2022 Annual General Meeting, authorised auditing company Ernst & Young AB was re-elected as auditor for the period extending until the end of the 2023 Annual General Meeting. The principal auditor is authorised public accountant Andreas Mast.

For the 2022/23 financial year, RevolutionRace's auditor has reviewed the nine-month report and audited the Annual Report and the consolidated accounts. In addition to its ordinary auditing tasks, Ernst & Young AB assists with advisory and review assignments. Assignments are allocated in accordance with rules determined by the Audit Committee for approving the nature and scope of the services and their

compensation. The assignments undertaken are not considered to have given rise to any conflicts of interest. The Auditor's Report regarding the 2022/23 financial year is presented on pages 60–62 and information on auditors' fees is presented in Note 5 Auditors' fees on page 50.

Internal control of financial reporting

According to the Companies Act, the Board of Directors is responsible for internal control. This report has been prepared in accordance with the Annual Accounts Act and describes how the internal control of the financial reporting is organised.

Control environment

Effective Board work forms the basis for good internal control. The Board's Rules of Procedure and Instructions for the CEO and the Board's committees ensure a clear division of roles and responsibilities providing the conditions for the effective management of the operations' risks. Processes for internal control, risk assessment, control activities, information and communication, as well as the monitoring of the financial reporting, have been determined and designed by the Board of Directors to generate conditions for a favourable control environment. The processes are reviewed and reworked if necessary. All companies within the Group must maintain satisfactory internal control. A minimum requirement is that the control activities conducted must cover the key risks identified within the Group. Responsibilities and authorisations are defined in authorisation instructions, manuals, policies, procedures and codes. All RevolutionRace employees are required to adhere to these.

The Group applies a shared reporting system as the basis for its monthly reporting, consolidation and performance monitoring.

Risk assessment

The Company has implemented a structured process for assessing the risks that could affect the financial reporting. This process is fundamental in ensuring that the financial reporting is reliable. In accordance with the Company's Risk Management Policy, the Company's CEO initiates an annual process to identify and assess risks within the Group. The risk assessment is performed by Group Management with the results being reported to the Board of Directors of RevolutionRace. The purpose of the process is to identify new risks and, if necessary, to re-evaluate the Company's assessment of risks that are already known. Through the risk assessment, it has been established that there are a number of medium-level or low-level risks. For most presenting a medium-level risk, someone has been appointed and action plans have been developed. The risk assessment also included the Group's income statement and balance

sheet items to identify the areas where the total risk of errors and the effects of these would be greatest. The areas identified are mainly brand valuation and goodwill. Continuous risk assessments also occur in connection with strategic planning, budgeting and forecasting, which aim, among other things, to identify events in the market or in the operations that could lead to fluctuations in income, for example. An annual risk assessment is also performed by the Company's Audit Committee. The principles of risk assessment are discussed with Group Management and the Company's auditor. Also discussed are significant financial exposures and the measures taken, or intended to be taken, by Group Management to limit, monitor or control such exposures.

Control activities

RevolutionRace's Group Controller plays a central role in the analysis and follow-up of the Company's financial reporting. The Group maintains additional functions for the ongoing analysis and follow-up of the financial reporting by the Group and its subsidiaries. The Chief Accountant is responsible for annual for self-assessment process regarding the internal control of financial reporting. The procedure has been reviewed over the year. RevolutionRace has prepared a questionnaire (based on the completed risk analysis) for assessing the internal control. The answers have been compiled and evaluated. To complement this process, parts of the questionnaire have been validated by the auditors. Both the assessment performed by the Company and the results of the auditors' validation have been reported to, and discussed with, the Audit Committee. The Audit Committee has also presented the results to the Board of Directors. The assessment of the internal control of the financial reporting forms the basis for future years' self-assessments and the process to further strengthen the internal control.

Information and communication

Information and communication regarding risks and controls within the Group help ensure that appropriate business decisions are made. Guidelines for financial reporting are communicated to employees by means of manuals, policies and codes, for example, that are published and kept available on the Company's server. The guidelines are continuously updated. Systems and procedures have been established to provide management with reports on profit trends and financial position in relation to established objectives, among other things. RevolutionRace's external dissemination of information is governed by an Information Policy adopted by the Company's Board of Directors. Information to external parties in the form of press releases and other news is communicated on corporate.revolutionrace.com. Quarterly reports are published and supplemented with presentations and meetings with investors. The Annual Report is made available to shareholders and other stakeholders by means of publication on the Company's website.

Follow-up

The Board of Directors evaluates the development, profits, position and cash flow of the operations on a monthly basis by means of a report package including comments on outcomes and key financial indicators. Follow-up and testing of control activities are performed continuously to ensure that risks have been satisfactorily addressed. Control activities are continuously monitored and evaluated by the Board of Directors. The Audit Committee plays a supervisory role with regard to the Company's financial reporting, risk management and governance. The Audit Committee maintains ongoing contacts with the Company's auditors to monitor (a) the compliance of both the internal and external accounts of the Company with the requirements made of listed companies, as well as (b) observations from the audit.

Internal audit

RevolutionRace has not established a separate internal audit function, nor does it have an independent internal audit function. This task is performed by the Board of Directors, with the Audit Committee bearing a specific responsibility for any possible internal audit. The Audit Committee regularly reviews and evaluates the adequacy of the internal control regulations. The Audit Committee also works preventively by proposing improvements to the internal control. The CEO and Group Management bear the ultimate responsibility for the internal control within their individual areas of responsibility. In addition, a specific individual is appointed as process manager with the overall responsibility of advancing the internal control. In light of the above, the Board of Directors has chosen not to maintain a specific internal audit function.



Board of Directors



Andreas Källström Säfweräng

Chairman of the Board, Chairman of the Remuneration committee

Born: 1981. **Member of the Board since:** 2017

Former Investment Professional at Altor Equity Partners AB and Head of Business Development at Meltwater Holding B.V. Also, previous experience as Investment Banking Analyst at Goldman Sachs Group, Inc.

Main employment outside of RevolutionRace: Partner of Altor Equity Partners AB

Current assignments: Chairman of Aarke Group AB, Audiowell Group AB, Loud Holding AB and NextGen Ecom AB. Board assignments in several companies within the groups NOD Group, Q-Matic Group and Social Entertainment Group. Board member of Altor Equity Partners AB, Lombok Invest AB, Kreti AB and Pletti AB.

Previous assignments: Board member of Meltwater Holding B.V., Piab Group Holding AB, Rotla B.V. (Infotheek Group), Trioplast Group AB and KonfiDents.

Education: MBA, Stockholm School of Economics.

Independent in relation to the Company and Senior Management: Yes

Independent in relation to the Company's major shareholders: No

Own, through insurance or closely associated person or legal person's holding of shares in RevolutionRace: —



Jens Browaldh

Member of the Board, Member of the Audit Committee, Member of the Remuneration Committee

Born: 1985. **Member of the Board since:** 2019

Previous experience include several positions within Altor Equity Partners AB as well as ABG Sundal Collier AB (Investment Banking).

Main employment outside of RevolutionRace: Partner at Altor Equity Partners AB.

Current assignments: Chairman of the board of Xygen Holding AB samt Altor D2C Holding AB. Board member of T Group AB, Laedi TopCo AB, Gunnebo Holding AB, Altor V GB Holding AB, Aarke Group AB, Carbonate the World AB, Femur Holdings LP and Rotla BV. Board member and CEO of Jebro AB. Deputy board member of Gastrodent AB.

Previous assignments: Board member of Bokoreda AB and deputy board member of ÅKERS Aktiebolag, Valsar Sweden Holding AB and Xygen HoldCo AB.

Education: Master of Science in Business Administration at Stockholm School of Economics.

Independent in relation to the Company and Senior Management: Yes

Independent in relation to the Company's major shareholders: No

Own, through insurance or closely associated person or legal person's holding of shares in RevolutionRace: 30,000



Sara Diez Jauregui

Member of the Board

Born: 1975. **Member of the Board since:** 2023

Previous experiences include more than 20 years of senior management experience in the fashion, sports retail and digital platforms industries for worldwide leading companies, such as Zara (Inditex), Nike and Zalando.

Main employment outside of RevolutionRace: VP Zalando PrivateLabels and product sustainability and D&I.

Current assignments: Advisory Board member at Unspun, Made2flow and Mysize.

Previous assignments: Advisory Board member at Zeitreel (SONAE group).

Education: Master's degree in International Business, Trade and Commerce from ESIC Business & Marketing School in Madrid.

Independent in relation to the Company and Senior Management as well as the Company's major shareholders: Yes

Own, through insurance or closely associated person or legal person's holding of shares in RevolutionRace: —



Cecilie Elde

Member of the Board, Chairman of the Audit Committee

Born: 1979. **Member of the Board since:** 2021

Previous experience as CFO and Business Controller of SATS Norway AS, deputy CFO of SATS Nordic, Head of Finance & Business Analysis and Head of Controlling of Tele2 Norway and Head of Commercial Excellence & Business Control of NetCom TeliaSonera Norway AS.

Main employment outside of RevolutionRace: CFO of SATS ASA.

Current assignments: Board member of subsidiaries of SATS ASA.

Education: Master of Science in Business Administration at BI Norwegian Business School.

Independent in relation to the Company and Senior Management as well as the Company's major shareholders: Yes

Own, through insurance or closely associated person or legal person's holding of shares in RevolutionRace: 88,020



Niclas Nyrensten

Member of the Board and co-founder

Born: 1975. **Member of the Board since:** 2022

Previous experience as partner at Emy Turesson Fashion Eftr. Co-founder of RevolutionRace Holding AB.

Main employment outside of RevolutionRace: —

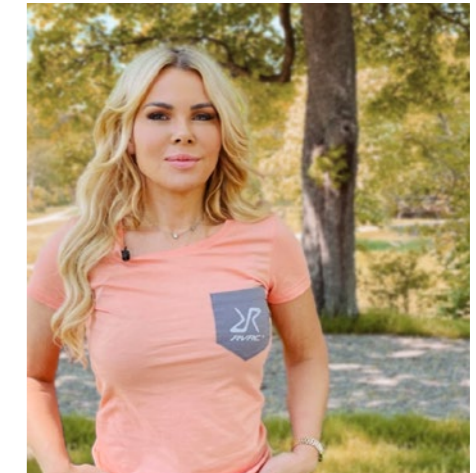
Current assignments: Chairman of Nyrensten Global Holding AB and board member of Lombok Invest AB.

Previous assignments: —

Independent in relation to the Company and Senior Management as well as the Company's major shareholders: No

Own, through insurance or closely associated person or legal person's holding of shares in RevolutionRace: 26,275,732 shares* and 715,015 warrants*

* Refers to Pernilla Nyrensten's and Niclas Nyrensten's joint holdings through the wholly owned company Nyrensten Global Holding AB.



Pernilla Nyrensten

Member of the Board and co-founder

Born: 1972. **Member of the Board since:** 2013

Previous experiences include several leading positions and partner at Emy Turesson Fashion Eftr. Co-founder of RevolutionRace Holding AB.

Main employment outside of RevolutionRace: CEO of BE GOOD Nordic Group AB.

Current assignments: CEO and board member of Nyrensten Global Holding AB.

Previous assignments: Board member of MatildaDjerf Design AB, Swedish Bra AB, owner of Emy Turesson Fashion Eftr and Board member of Pricerunner Sweden AB.

Independent in relation to the Company and Senior Management as well as the Company's major shareholders: No

Own, through insurance or closely associated person or legal person's holding of shares in RevolutionRace: 26,275,732 shares* and 715,015 warrants*

* Refers to Pernilla Nyrensten's and Niclas Nyrensten's joint holdings through the wholly owned company Nyrensten Global Holding AB.

Stated shareholding is as of August 29 2023.

Group Management



Paul Fischbein
CEO

Born: 1973. **Employed since:** 2022

Many years of experience as an entrepreneur and CEO in e-commerce, including chairman of the board of Pricerunner Group AB, CEO of Qliro Group AB (publ) and founder and former CEO of Tretti AB (publ).

Current assignments: Chairman of the board of iBinder TopCo AB. Board member of NOD Group AB, Fougstedts Invest AB, Malmviken Holding AB, Aktiebolaget Svenska Varuhuset. Board member and CEO of Malmviken Partners AB. Chairman of EQT Ventures, Investment Advisory Committee.

Previous assignments: Chairman of the board of Pricerunner Group AB, Fyndiq AB, Everysport Group AB and CEO of Nelly Group AB (publ) (previously Qliro Group AB (publ)). Chairman of LightAir AB (publ) and Barnebys Group AB. Board member of Nordic Nest Group AB, Budbee AB and Gaming Innovation Group Inc.

Education: Master of Science in Business Administration, Lunds University and London School of Economics and Political Science.

Own, through insurance or closely associated person or legal person's holding of shares in RevolutionRace: 419,408 shares and 750,000 warrants



Jesper Alm
Chief Financial Officer

Born: 1975. **Employed since:** 2021

Former consultant and advisor through Alm Corporate Advisor AB, CFO and Executive Vice President (Corporate Development) at Tethys Oil AB and partner at Pareto Securities AB.

Current assignments: Board member of Alm Corporate Advisor AB and SnigelDesign AB.

Education: Master of Science, Business Administration, Lund University School of Economics and Management.

Own, through insurance or closely associated person or legal person's holding of shares in RevolutionRace: 87,612 shares and 404,290 warrants



Linus Andrén
Chief Technology Officer

Born: 1979. **Employed since:** 2020

Previous experience as E-commerce Platform Manager at Eton AB, Systems and Web Developer and Senior Business Systems Developer at NetOnNet AB and Systems Developer at Innovationlab at the University of Borås.

Current assignments: Deputy board member at TKF Fiberförening and treasurer in Finnekumla road association.

Education: Master's degree in Informatics, System architecture education, University of Borås and degree from master's program Mobile Services, Department of applied IT, Gothenburg University

Own, through insurance or closely associated person or legal person's holding of shares in RevolutionRace: 37,283 shares and 202,145 warrants



Hanna Blixt
Chief Operating Officer

Born: 1986. **Employed since:** 2020

Previous experiences include several leading positions within Gina Tricot AB and NLY Scandinavia AB.

Current assignments: Board member of EGK Borås AB
Education: Master of Science in Industrial Engineering specialized in organization and leadership at Borås University.

Own, through insurance or closely associated person or legal person's holding of shares in RevolutionRace: 86,148 shares and 177,145 warrants



Frida Mordenfeld
Head of Purchasing and Production

Born: 1988. **Employed since:** 2020

Previous experience as Business Controller at Gina Tricot and NLY Scandinavia.

Current assignments: Owner of Frida Mordenfeld – Proprietorship and Frida Mordenfeld AB. Board assignments in family-owned companies.

Education: Master of Science with a major in Business Administration (MBA), Managing in A Global Context, Jönköping International Business School.

Own, through insurance or closely associated person or legal person's holding of shares in RevolutionRace: 10,400 shares and 151,072 warrants

Stated shareholding is as of August 29 2023.

AUDITOR'S REPORT ON THE CORPORATE GOVERNANCE STATEMENT

To the general meeting of the shareholders of RVRC Holding AB (publ), corporate identity number 559129-4623.

Engagement and responsibility

It is the Board of Directors who is responsible for the corporate governance statement for the year 2022-07-01–2023-06-30 on pages 29–34 and that it has been prepared in accordance with the Annual Accounts Act.

The scope of the audit

Our examination has been conducted in accordance with FAR's standard RevR 16 The auditor's examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

Opinions

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2–6 the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the annual accounts and the consolidated accounts and are in accordance with the Annual Accounts Act.

Gothenburg 17 October 2023
Ernst & Young AB

Andreas Mast
Authorized Public Accountant



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GROUP INCOME STATEMENT

SEKm	Note	July-June 2022/23	July-June 2021/22
Operating income			
Net sales	3	1,560	1,331
Other operating income	30	2	25
		1,562	1,356
Operating expenses			
Goods for resale	19	-434	-369
Other external expenses	5	-701	-539
Personnel expenses	4	-110	-77
Depreciation and amortisation of tangible and intangible assets	15, 17, 18	-7	-5
Other operating expenses	30	0	0
		-1,252	-990
Operating profit (EBIT)		310	367
Financial income and expenses			
Interest income and similar items	26	1	0
Interest expenses and similar items	27	-5	-3
		-4	-3
Profit before tax		306	363
Tax	9	-63	-75
Profit for the year		243	288
Attributable to parent company's shareholders		243	288
Earnings per share			
Earnings per share before dilution, SEK	4, 28	2.15	2.55
Earnings per share after dilution, SEK	4, 28	2.15	2.55

GROUP STATEMENT ON COMPREHENSIVE INCOME

SEKm	Note	July-June 2022/23	July-June 2021/22
Profit for the year		243	288
Other comprehensive income			
Items reversed or which may be reversed to profit for the year			
Exchange rate differences upon translation on foreign subsidiaries	21	0	0
Other comprehensive income for the year after tax		0	0
Comprehensive income for the year		243	288
Attributable to parent company's shareholders		243	288

CONSOLIDATED BALANCE SHEET

SEKm	Note	2023-06-30	2022-06-30
ASSETS			
Non-current assets			
Intangible assets			
Capitalised expenditure for development work and equivalent work	15	9	9
Trademarks	16	171	171
Goodwill	16	617	617
Total intangible assets		797	797
Tangible assets			
Expenditure on third-party property	17	2	0
Equipment, tools and installations	17	1	1
Right of use assets	18	14	8
Total tangible assets		17	9
Deferred tax asset	9	2	1
Total non-current assets		816	807
Current assets			
Goods in warehouse	19	323	307
Goods in transit	19	72	127
Return rights assets	3, 19	8	8
Total inventory		403	442
Trade receivables		0	0
Current tax assets	9	7	5
Other current receivables	6	44	50
Derivative instrument		2	8
Prepaid expenses and accrued income	11	11	7
Cash and cash equivalents	12	154	75
Total current assets		621	587
Total assets		1,437	1,394

SEKm	Note	2023-06-30	2022-06-30
EQUITY AND LIABILITIES			
Equity			
Share capital	13	1	1
Other contributed capital	13	723	716
Reserves	13	0	0
Retained earnings	13	171	-30
Profit for the year	13	243	288
Total equity		1,138	975
Non-current liabilities			
Liabilities to credit institutions	18, 20	0	20
Lease liabilities	18	11	7
Deferred tax liabilities	9	35	36
Total long-term liabilities		46	63
Current liabilities			
Lease liabilities	18	4	2
Accounts payable	20	91	185
Other current liabilities	7	43	40
Derivative instrument	20	3	3
Tax liabilities	9	17	50
Repayment liabilities	20	32	31
Prepaid income and accrued expenses	14	63	46
Total current liabilities		253	357
TOTAL EQUITY AND LIABILITIES		1,437	1,394

CONSOLIDATED STATEMENT OF CASH FLOWS

SEKm	Note	July–June 2022/23	July–June 2021/22
Operating activities			
Profit before financial items		310	367
Adjustment for non-cash items			
Depreciation and amortisation		7	5
Interest received		1	0
Interest paid		-5	-3
Paid income tax		-100	-63
Cash flow from current operations before changes in working capital		213	306
Increase (-)/decrease (+) in inventory		40	-296
Increase (-)/decrease (+) in operating receivables		8	-44
Increase (+)/decrease (-) in operating liabilities		-73	100
Cash flow from operating activities		188	65
Investing activities			
Acquisition of tangible assets		-3	-0
Acquisition of intangible assets		-3	-3
Cash flow from investing activities		-6	-3
Financing activities			
Amortisation of lease liabilities		-3	-2
Repayment of borrowings		-20	-209
Expenditures related to borrowings		1	0
Dividend paid		-87	-72
Warrants, programme 2021/24		-0	-1
Warrants, programme 2022/26		7	0
Cash flow from financing activities	22	-102	-283
Cash flow for the period		79	-222
Cash and cash equivalents at start of period		75	296
Exchange rate differences in cash and cash equivalents		0	0
Cash and cash equivalents at end of period	12	154	75

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

SEKm	Attributable to parent company's shareholders					Total equity
	Share capital	Other contributed capital	Reserves, translation differences	Retained earnings	Profit for the year	
Opening balance, 1 July 2021	1	716	0	-129	172	760
Transfer of profits for the previous period	0	0	0	172	-172	0
Profit for the period	-	-	-	-	288	288
Other comprehensive income	-	-	0	-	-	0
Comprehensive profit/loss for the year	0	0	0	172	116	288
Transactions with owners						
Dividend	0	0	0	-72	0	-72
Warrants, program 2021/24	-	-1	-	-	-	-1
Total	0	-1	0	-72	0	-73
Closing balance, 30 June 2022	1	716	0	-30	288	975
Opening balance, 1 July 2022	1	716	0	-30	288	975
Transfer of profits for the previous period	0	0	0	288	-288	0
Profit for the period	-	-	-	-	243	243
Other comprehensive income	-	-	0	-	-	0
Comprehensive profit/loss for the year	0	0	0	288	-45	243
Transactions with owners						
Dividend	0	0	0	-87	0	-87
Warrants, program 2021/24	0	0	0	0	0	0
Warrants, program 2022/26	0	7	0	0	0	7
Total	0	7	0	-87	0	-80
Closing balance, 30 June 2023	1	723	0	171	243	1138

INCOME STATEMENT PARENT COMPANY

SEKm	Note	July-June 2022/23	July-June 2021/22
Operating income		19	7
		19	7
Operating expenses			
Other external expenses	5	-7	-6
Personnel expenses	4	-18	-7
Other operating expenses		0	0
		-26	-13
EBIT		-7	-7
Financial income and expenses			
Profit from participations in Group companies	8	90	0
Interest income and equivalents		0	2
Interest expenses and equivalents		-2	-3
		88	0
EBT		81	-7
Appropriations			
Group contribution received		13	7
Total appropriations		13	7
Profit before taxes		94	0
Income tax	9	-1	0
Net Profit/Loss for the period		93	0

The parent company has no items that are recognised as other comprehensive income. Thus, total comprehensive income is the same as profit/loss for the year.

BALANCE SHEET PARENT COMPANY

SEKm	Note	2023-06-30	2022-06-30
ASSETS			
Non-current assets			
Intangible assets			
Capitalised expenditure for development work and equivalent work		0	0
Total intangible assets		0	0
Financial assets			
Participations in Group companies	10	644	644
Receivables from group companies		0	0
Total financial assets		644	644
Total non-current assets		644	644
Current assets			
Current tax assets		2	4
Receivables from Group companies		30	7
Other receivables	6	0	0
Prepaid expenses and accrued income	11	4	3
Total current receivables		36	14
Cash and cash equivalents			
Cash and bank balances	12	8	0
Total cash and cash equivalents		8	0
Total current assets		44	14
TOTAL ASSETS		688	659

Balance Sheet Parent company, cont.

SEKm	Note	2023-06-30	2022-06-30
EQUITY AND LIABILITIES			
Equity			
Restricted equity		0	0
Share capital		1	1
		1	1
Unrestricted equity			
Share premium reserve		443	433
Retained earnings		124	211
Profit for the year		93	0
		660	645
Total equity		661	646
Non-current liabilities			
Liabilities to credit institutions	21	0	0
Total long-term liabilities		0	0
Current liabilities			
Accounts payable		0	0
Prepaid income and accrued expenses	14	3	1
Liabilities to Group companies		21	11
Tax liabilities		1	0
Other liabilities		1	1
Total current liabilities		27	13
TOTAL EQUITY AND LIABILITIES		688	659

Information on pledged assets and contingent liabilities is provided in Note 23.

**CONSOLIDATED STATEMENT OF CASH FLOWS
PARENT COMPANY**

SEKm	Note	2022/23	2021/22
Operating activities			
Operating profit (EBIT)		-7	-7
Adjustment for non-cash items		0	0
Income from investments in group companies		103	7
Interest received		0	0
Interest paid		-2	-0
Paid income tax		2	0
Cash flow from operating activities before changes in working capital		96	-0
Increase (-)/Decrease (+) inter-company transactions		0	18
Increase (-)/Decrease (+) in operating receivables		-24	-5
Increase (+)/Decrease (-) in operating liabilities		13	-11
Cash flow from operating activities		85	2
Investing activities			
Increase (-)/Decrease (+) inter-company transactions		0	230
Cash flow from investing activities		0	230
Financing activities			
Repayment of borrowings		0	-229
Dividend paid		-87	-72
Warrants, programme 2022/26		9	0
Cash flow from financing activities	22	-78	-301
Cash flow for the period		8	-69
Cash and cash equivalents at start of period		0	69
Exchange rate differences in cash and cash equivalents		0	0
Cash and cash equivalents at end of period	12	8	0

PARENT COMPANY STATEMENT ON CHANGES IN EQUITY

SEKm	Attributable to parent company's shareholders					Total equity
	Share capital	Other contributed capital	Reserves, translation differences	Retained earnings	Profit for the period	
Opening balance, 1 July 2021	1	433	0	173	110	718
Transfer of profits for the previous period	0	0	0	110	-110	0
Profit for the period	0	0	0	0	0	0
Other comprehensive income	0	0	0	0	0	0
Comprehensive profit/loss for the year	0	0	0	110	-110	0
Transactions with owners						
Dividend	0	0	0	-72	0	-72
Warrants, program 2021/24	0	0	0	0	0	0
Total	0	0	0	-72	0	-72
Closing balance, 30 June 2022	1	433	0	211	0	646
Opening balance, 1 July 2022	1	433	0	211	0	646
Transfer of profits for the previous period	0	0	0	0	0	0
Profit for the period	0	0	0	0	93	93
Other comprehensive income	0	0	0	0	0	0
Comprehensive profit/loss for the year	0	0	0	0	93	93
Transactions with owners						
Dividend	0	0	0	-87	0	-87
Warrants, program 2021/24	0	0	0	0	0	0
Warrants, program 2022/26	0	9	0	0	0	9
Total	0	9	0	-87	0	-78
Closing balance, 30 June 2023	1	443	0	124	93	661



NOTES

NOTE 1 ACCOUNTING PRINCIPLES

General information

These financial statements comprise the Swedish parent company RVRC Holding AB (publ), Corp. ID No. 559129-4623 and its subsidiaries. RVRC Holding AB (publ) is a limited company domiciled in Borås, Sweden at the address Nils Jakobsonsgatan 5D, SE-50430 Borås, Sweden. The company engages in e-commerce in the active outdoor segment through the wholly-owned subsidiary RevolutionRace AB, with Corp. ID No. 556938-2913. The Parent Company engages in holding company activities on behalf of the Group's companies. The RVRC Holding AB (publ) share has been listed on Nasdaq Stockholm since 2021.

This Annual Report has been approved for public disclosure by the board of directors on 17 October 2023. The financial statements for the Group and RVRC Holding AB (publ) are to be adopted by the Annual General Meeting on 21 November 2023.

The basics for the preparation of the financial statements

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and interpretations issued by the IFRS Interpretations Committee (IFRS IC) that have been adopted by the European Union (EU). In addition, the group applies the Swedish Annual Accounts Act and RFR 1 "Supplementary accounting rules for groups" issued by the Swedish Financial Reporting Board.

The preparation of statements in accordance with IFRS equires that a number of estimates are made by management for accounting purposes. The areas that include a high degree of assessment, that are complex or such areas where assumptions and estimates are of material significance for the consolidated financial statements, are specified in Note 2 Significant estimates and assessments.

These estimates and assessments are based on historical experience and other factors that are deemed to be reasonable in the prevailing circumstances. Actual outcomes may differ from assessments made if made assessments are changed or other circumstances pertain.

These financial statements are prepared based on a going concern assumption. Assets and liabilities are valued at historical cost with the exception of certain financial instruments that are valued at fair value. The financial statements are prepared in accordance with the acquisition method and all subsidiaries in which there is a controlling influence have been consolidated commencing the date on which such influence was obtained.

The parent company applies RFR 2 Accounting for legal entities and the Swedish Annual Accounts Act. The application of the RFR 2 means that the parent company, as a legal entity, applies the by EU applied IFRS framework as far as it is possible within the framework of the Swedish Annual Accounts Act, the Swedish Social Security Act and considering the relationship between accounting and taxation. The actual deviations are caused by limitations in applying IFRS in the parent company because of the Swedish Annual Accounts Act and existing tax rules.

The preparation of statements in accordance with RFR 2 Accounting for legal entities requires that a number of estimates are made by management for accounting purposes. The areas that include a high degree of assessment, that are complex or such areas where assumptions and estimates are of material significance for the consolidated financial statements, are specified in Note 2 Significant estimates and assessments.

The parent company applies other accounting principles than the Group, which are described below:

Format

Income statement and statement of financial position is according to the Swedish Annual Accounts Act format. Statement on changes in equity is according to the format of the Group, but consists of the columns according to the Swedish Annual Accounts Act. Further and compared with the Group, there are differences in definitions, mainly with regards to financial income, financial expenses and equity.

Participations in Group companies

Participations in Group companies are stated at accrued historical cost including any eventual impairment. In the accrued historical cost, expenses related to acquisitions and any eventual purchase expenses are included. When there is an indication of a decrease in the value of the participations in Group companies, a calculation of the recovery value. If the recovery value is lower than the stated accrued historical cost, an impairment is reported. Impairment is reported under the item "Profit from participations in group companies".

Distribution from Group companies

When the parent company has full control and has decided about the amount of the distribution prior to publication of the financial statements, anticipated distribution from group companies is reported in the income statement.

Appropriations

Group contributions are reported as appropriations.

Significant accounting principles applied

The accounting principles below have, unless otherwise specified, been applied consistently in all periods reported in the Group's financial statements.

Consolidation

Subsidiaries

Subsidiaries are all undertakings over which the group has a controlling interest. The group controls an undertaking when it is exposed to, or is entitled to, variable income from the holding in the undertaking and has the possibility to affect the income through its influence in the undertaking. Subsidiaries are included in the consolidated financial statements commencing the date on which the controlling influence is transferred to the group. They are excluded from the consolidated financial statements as from the date when the controlling influence ceases.

Subsidiaries are reported in accordance with the acquisition method. The method entails that the acquisition of a subsidiary is regarded as a transaction by which the group indirectly acquires the assets of the subsidiary and assumes its liabilities. In the acquisition analysis, the fair value is determined on the acquisition date of acquired identifiable assets and assumed liabilities, as well as any holdings without controlling influence. With the exception of transaction expenses related to the issuance of equity instruments or debt instruments, transaction expenses which arise are reported directly in profit for the year. In the case of a business combination in which transferred compensation exceeds the fair value of acquired assets and assumed liabilities that are reported separately, the difference is reported as goodwill. When the difference is negative, referred to as a low price acquisition, this is reported directly in Profit for the year. After the first accounting occasion, goodwill is assessed at the historical cost less than deduction for accumulated impairment. Commencing on the date of the acquisition, goodwill which is acquired in a business combination is allocated to the cash-generating unit which is expected to benefit from the acquisition.

The group determines a transaction as a business combination by assessing whether the acquired assets and assumed liabilities constitute a business. A business comprises input and processes that are applied to such input and which can contribute to creating output. If the acquired assets are not a business, the transaction or other event is reported as an asset acquisition.

Transactions that are eliminated upon consolidation

Intra-group receivables and liabilities, incomes or expenses and unrealised profits or losses that arise from intra-group transactions between group companies are eliminated in their entirety upon the preparation of the consolidated financial statements.

Currency

Functional currency and reporting currency

The functional currency of the Parent Company is Swedish kronor, which is the reporting currency of the Parent Company and the group. Unless otherwise stated, all amounts are stated in Swedish kronor.

Transactions in foreign currency

Transactions in foreign currency are translated to the functional currency at the exchange rate on the transaction date. Monetary assets and liabilities in foreign currency are translated to the functional currency at the exchange rate on the closing date. Non-monetary items, which are valued at historical cost in a foreign currency, are not translated. Exchange rate differences arising upon translations are reported in profit for the year. Exchange rate gains and exchange rate losses on operating receivables and operating liabilities are reported in operating profit (EBIT), while exchange rate gains and exchange rate losses on financial receivables and liabilities are reported as financial items.

Translation of foreign subsidiaries

The group has foreign operations in the form of subsidiaries in Norway and the US. Profit and financial position of foreign operations with a functional currency other than the group's functional currency are translated by assets and liabilities being translated at the closing day rate and by income and expenses being translated at the average exchange rate for the financial year.

All exchange rate effects are reported in other comprehensive income and accumulated in the reserves, translation differences in equity. Upon divestment of a foreign business, the translation differences belonging to the divested business are realised, whereupon they are reclassified from the reserves, translation differences in equity to profit for the year. SEK is the functional currency of the parent company and the Group's presentation currency.

Classifications

An asset is classified as a current asset when it is expected to be realised within 12 months of the reporting period, is held primarily for trading purposes or comprises cash and cash equivalents (unless the asset is subject to restrictions applicable to replacement or used to settle a liability in at least 12 months after the reporting period). All other assets are classified as non-current assets. A liability is classified as a current liability when it is primarily held for trading purposes, is to be settled within 12 months of the reporting period or when the group does not have an unconditional right to defer payment of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current liabilities.

Operating segments

The basic principle in IFRS 8 is that disclosures must be provided by the Executive Group Management's perspective in order to identify and measure the financial performance for a company's operating segment. This means that reported segment information must be based on the follow-up used internally by the Executive Group Management. Segment reporting in accordance with IFRS 8 must emphasise the

Note 1 cont.

information and measures that the Executive Group Management considers important and that are used to make important decisions. It should also provide a better link between the financial reports and the information provided in the Executive Group Management's statements, such as group overview, multi-year overview, CEO statement and management report. RevolutionRace's CEO is the highest executive body in terms of both decision-making, allocation of resources and follow-up of results. RevolutionRace's CEO is considered to be the one who allocates resources and assesses the results for the group's operating segments and is thus considered to be the highest executive decision-maker within RevolutionRace.

RevolutionRace has followed the decision tree in IFRS 8 to identify the group's operating segments. The financial follow-up with regard to net sales and marketing costs for the group takes place at market level (revolutionrace.se, revolutionrace.de, revolutionrace.com, etc.). In other respects, there is no breakdown, allocation or follow-up per market and there is no follow-up of performance measures per market.

The report, which is produced monthly and presented to the highest executive decision-maker (as well as the Executive Group Management and the Board of Directors), contains financial information about the entire RevolutionRace group and no breakdown takes place to lower levels in the organisation. To constitute an operating segment, its operating results must be regularly reviewed by the highest executive decision-maker and there must be independent financial information about the segment. In the case of RevolutionRace, the operating profit is only monitored for the entire group in accordance with the above. RevolutionRace thus assesses that the entire group constitutes one single operating segment.

Income from agreements with customers

The group's income from agreements with customers primarily comprises:

- Sales of products via RevolutionRace's website
- Sales of products via Amazon's website

In addition, the Company receives income in the form of commission from some Payment Service Providers (PSP) when the customer chooses to pay part of the invoice via PSP. This commission is reported as other income.

Product sales through RevolutionRace's website and Amazon's website

RevolutionRace's agreement with customers comprise an order, an order confirmation as well as general terms and conditions (RevolutionRace's or Amazon's). When RevolutionRace sells via Amazon, the agreement between Amazon and RevolutionRace is also included in the assessment of what constitutes the agreement with the customer, since it constitutes a basis for the sale via Amazon's website.

RevolutionRace acts as principal in all agreements with customers and two performance obligations have been identified, which are the sale of products as well as express orders. At present, there is no possibility for customers to purchase supplementary products or services, but this is being regularly reviewed in order to pick up if it leads to a significant right which is to be reported as a separate performance obligation.

The transaction price in RevolutionRace's agreements with customers comprises the price that the customer is obliged to pay according to the order confirmation. Any discounts are fixed and known in advance. Customers have a 30 day right of return, which is taken into consideration as variable compensation when the transaction price is established. The customers' possibility to return products is reported as a repayment liability and as a right of return asset in the Statement of financial position.

Irrespective of how sales take place, income is reported when the product is sent from the warehouse for delivery to the customer. If possibilities arise in the future for customers to purchase supplementary goods or services, and this gives rise to a significant right which constitutes a separate performance obligation, the income will be reported at the time when the possibility to purchase supplementary products or services is exercised.

RevolutionRace has not identified any expenditures for receiving or performing an agreement.

RevolutionRace's customers can pay by card or by Payment Service Providers (PSP) such as Klarna or PayPal. Thus, no accounts receivable arise for RevolutionRace, only receivables from PSP and Amazon. RevolutionRace thus has no contractual assets or contractual liabilities.

Right of return assets

A right of return is reported when there is a right to recover a product from a customer. The asset is valued based on the previously reported value of the product, less potential reductions in value for returned products. The group updates the value of right of return assets based on any changes in expectations regarding the volume of returns and/or further reductions in value of returned products.

Repayment liabilities

A repayment liability is reported when there is an obligation to repay all compensation that the group has received, or will receive, from a customer. The group's repayment liabilities arise from the customer's right of return. The liability is valued based on the amount that the group expects that it will need to repay to the customer, which is updated at the end of each reporting period taking into consideration any changes in the anticipated repaid amounts.

Information regarding significant estimates and assessments related to income from agreements with customers is provided in Note 2 Significant estimates and assessments.

Remuneration to employees**Current remuneration**

Current remuneration to employees such as salary, social security contributions and holiday pay are booked as costs in the period when the employees perform the services.

Contribution defined pension plans

The group's pension obligations only include contribution defined plans. A contribution defined pension plan is a pension plan in which the group pays fixed fees to a separate legal entity. The group has no legal or informal obligations to pay additional fees if this legal entity has insufficient assets to pay all benefits to employees that are associated with the employees' service during current or earlier periods. Accordingly, the group has no further risk. The group's obligations regarding fees to contribution defined plans are reported as an expense in the income statement as they are earned through the employees performing services on behalf of the group during the period.

Incentive programmes

The Group offers, through two incentive programs, warrants to senior executives and key personnel. Goods or services that are acquired or purchased with share-related remunerations are according to IFRS 2 reported when the goods or services are acquired. If the share-related remuneration is settled with equity instruments they are reported as an increase in equity. If settled with cash, they are reported as a liability. As the warrants are not settled as share-related remuneration towards acquired goods or services, they are not reported according to IFRS 2. Instead, they are reported as an increase in equity equal to the price of the warrants as acquired by the individuals. See also Note 25 Share-related remuneration.

Financial items**Financial income**

Interest income is reported in accordance with the effective interest method. The effective interest is the rate which discounts estimated future incoming and outgoing payments during the expected term of a financial instrument at the reported net value of the financial instrument or liability. The calculation includes all fees paid or received from contracting parties that constitute part of the effective interest, transaction cost and all other excess rates and discounted rates. Interest income is reported in the period to which it relates.

Received dividend is reported when the right to receive the dividend is established.

Financial expenses

Interest expenses are reported in accordance with the effective interest method. Interest expenses are reported in the period to which they relate.

Income taxes

Income taxes comprise current tax and deferred tax. Income taxes are reported in profit for the year except when the underlying transaction is reported in other comprehensive income or in equity, whereupon the related tax effect is reported in other comprehensive income or in equity.

Current tax is tax which is to be paid or received with respect to a current year, applying the tax rates decided upon or in practice decided upon on the closing date. Current tax also includes adjustments of current tax attributable to earlier periods.

Deferred tax is reported in its entirety, in accordance with the balance sheet method, on all temporary differences that arise between the taxable value of assets and liabilities and their reported value.

Temporary differences are not taken into account when reporting goodwill or for the initial reporting of an asset acquisition since the acquisition does not affect reported or taxable profit. Furthermore, temporary differences attributable to participations in subsidiaries that are not expected to be returned within a foreseeable future are not taken into account. The valuation of deferred tax is based on how and in which jurisdiction the underlying assets or liabilities are expected to be realised or settled. Deferred tax is calculated applying the tax rates and tax rules that are decided or have been notified on the closing date and which are expected to apply in the jurisdiction when the relevant deferred tax asset is realised or when the deferred tax liability is settled. Deferred tax assets relating to deductible temporary differences and loss carryforwards are reported only insofar as it is likely that they might be utilised. The value of deferred tax liabilities is reduced when it is no longer deemed likely that they can be utilised. Deferred tax assets and deferred tax liabilities are set off if there is a legal right to set off current tax assets against current tax liabilities and the deferred tax relates to the same unit in the group and the same tax authority.

Intangible assets

An intangible asset is valued at historical cost when it is included in the financial statement for the first time. The useful life of an intangible asset is deemed to be determinable or indeterminable. Intangible assets with the determinable useful lives are reported at historical cost less amortisation and any impairment. Intangible assets with indeterminable useful lives are tested annually for impairment at year-end on the cash-generating unit to which the asset relates as well as upon indication of impairment.

Note 1 cont.

Capitalised expenditures for development work

Capitalised expenditures for development work relate primarily to development expenses for the group's e-commerce platform, business systems and websites. Research expenses are booked as they are incurred. Development work expenses are reported as an asset when all of the following conditions are satisfied:

- It is technically possible to complete the intangible asset so that it can be used or sold
- The Company's intention is to complete the intangible asset and use or sell it
- Conditions are in place for using or selling the intangible asset
- It can be shown how the intangible asset will generate probable future financial benefits
- There are adequate technical, financial and other resources to complete the development and to use or sell the intangible asset
- The expenses attributable to the intangible asset during its development can be calculated in a reliable manner. Development expenses that do not satisfy these criteria are booked as they are incurred.

Development expenses that do not meet these criteria are expensed when they occur. Development expenses as previously categorised as expensed in earlier periods is not reported as an asset in the subsequently period.

Amortisation principles

Intangible assets with a determinable useful life are amortised systematically over the assessed useful life of the asset. The useful life is reviewed at each period-end and adjusted when needed. When the amortisable amount of the assets is determined, where appropriate the residual value of the asset is taken into consideration. Intangible assets with a determinable useful life are depreciated commencing the date when they are available for use. The calculated useful life periods for intangible assets are:

Capitalised expenditures for development work and similar	5 years
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The trademark is deemed to have an indeterminable useful life and thus is not amortised and instead is tested annually for impairment, or if there is any indication.

Tangible assets

Tangible assets are reported as an asset in the balance sheet if it is likely that future financial benefits will accrue to the Company and the historical cost of the asset can be calculated in a reliable manner. Tangible assets are reported in the group at historical cost after deduction of accumulated depreciation and any impairment. The historical cost includes the purchase price as well as expenses directly related to the asset to bring it to the location and condition to be utilised in accordance with the purpose of the acquisition.

The reported value of an asset is removed from the balance sheet upon disposal or divestment or when no future economic benefits are expected from use or disposal/ divestment of the asset. Profits or losses arising upon divestment or disposal of an asset constitute the difference between the selling price and the asset's reported value less deduction for direct selling expenses. Profit and loss are reported as other operating income/expense.

Additional expenses

Additional expenses are added to historical cost only if it is likely that the future financial benefits associated with the asset will accrue to the group and the historical cost can be calculated in a reliable manner. All other additional expenses are reported as costs in the period in which they are incurred.

Depreciation principles

Depreciation takes place on the straight-line basis over the estimated useful life of the asset. The estimated useful life periods are:

Expenditures on third-party property	7 years*
Plant and machinery	5 years
Equipment, tools and installations	5 years

* Though not longer than the lease period.

Used depreciation methods, residual values and useful life periods are reviewed at the end of each financial year.

Leases**The Group as lessee**

Upon the entry into an agreement, the group determines whether the agreement is, or contains, a lease agreement based on the substance of the agreement. An agreement is, or contains, a lease agreement if the agreement transfers the right during a certain period to determine the use of an identified asset in exchange for compensation.

Right of use assets

The group reports right of use assets in the statement of financial position on the opening date of the lease agreement, i.e. the date when the underlying asset becomes available for use. Right of use assets are valued at historical cost after deduction for accumulated depreciation and any impairment, and adjusted for reassessment of the lease liability. The historical cost for right of use assets includes the initial value which is reported for the attributable lease liability, initial direct expenses, as well as any start date for the lease agreement after deduction for any discounts and equivalent that are received in connection with entry into the lease agreement. Provided that the group is not reasonably certain that it will assume title to the underlying asset at the end of the lease agreement, the right of use asset is depreciated on a straight-line basis over the term of the lease.

Lease liabilities

On the opening date of a lease agreement, the group reports a lease liability corresponding to the present value of the lease payments to be paid during the lease period. The lease period is determined as the non-terminable period together with periods to extend or terminate the agreement if the group is reasonably certain that it will exercise the options. Lease payments include fixed payments (after deduction for any discounts and similar received in connection with the signing of the lease agreement), variable lease fees due to an index or price and amount which are expected to be paid in accordance with residual value guarantees. The lease payments also include the purchase price for an option to buy the underlying asset or a penalty payable upon termination in accordance with a termination option, if such options are reasonably certain to be used by the group. Variable lease fees that are not due to an index or a price are reported as an expense in the period to which they relate.

To calculate the present value of the lease payments, the group uses the implicit rate of interest in the agreement if it can be determined simply and in other cases the group's marginal borrowing rate as of the initial date of the lease agreement is used. After the initial date of a lease agreement, the lease liability increases to reflect interest on the lease liability and is reduced by paid lease fees. In addition, the value of the lease liability is reassessed as a consequence of modifications, changes of lease period, changes in lease payments or changes in an assessment to purchase the underlying asset.

Application of practical exceptions

The group applies the practical exceptions regarding current lease agreements and lease agreements where the underlying asset has a low value. Current lease agreements are defined as lease agreements with an initial lease term of not more than 12 months taking into consideration any options to extend the lease agreement. Lease agreements where the underlying asset is of low value have been defined by the group as agreements where the underlying asset might be purchased for not more than SEK 50,000 and, in the group, consist for example of office equipment. Lease payments for current leases and lease agreements where the underlying asset is of low value are booked as expenses on a straight line basis over the lease period. The group also applies the exception of not differentiating between non-leasing components and leasing components in lease agreements, except with respect to vehicles, where the group applies the main rule. For those agreements where the relief rule is applied, lease components and related non-lease components are reported as a single lease component.

Impairment of non-financial assets

The group carries out a test for impairment when there are indications that a reduction in value has taken place in tangible or intangible assets, i.e. at any time when events

or changes in circumstances indicate that the reported value is not recoverable.

Impairment takes place by the amount by which the reported value of the asset exceeds its recoverable value. A recoverable value comprises the higher of net realisable value and a value in use which comprises an internally generated value based on future cash flows. When assessing a need for impairment, assets are grouped on the lowest levels on which there are separate identifiable cash flows (cash-generating units). When the need for impairment is identified for a cash-generating unit (group of units), the impairment amount is broken down primarily to goodwill. Thereafter, a proportionate impairment is made of other assets that are included in the unit (group of units). When calculating the value in use, future cash flows are discounted applying a discount factor which takes into account risk-free interest and the risk associated with the specific asset. Impairment is charged to the income statement.

For all assets apart from goodwill, impairment is reversed if the recovery value is deemed to exceed the reported value. However, recovery does not take place in an amount which exceeds what the reported value would have been if impairment had not been reported in earlier periods. Any reversal is reported in the income statement.

Goodwill is tested annually for impairment on 30 June and when there are indications that a reported value may need to be impaired. The need for impairment is assessed for goodwill by calculating the recovery value of each cash-generating unit to which the goodwill relates. When the recovery value of the cash-generating unit is less than the reported value, impairment is reported. Impairment of goodwill cannot be reversed in subsequent periods.

Intangible assets with indeterminable useful life periods are tested annually for impairment on 30 June on the cash-generating unit to which the asset belongs and upon indications.

Financial instruments

Financial instruments comprise every form of agreement which gives rise to a financial asset in one company and a financial liability or an equity instrument in another company.

Reporting and removal

Financial assets and liabilities are reported when the group becomes a party in accordance with the contractual terms of the instrument. Transactions in financial instruments are reported on the transaction date, which is the date when the group undertakes to acquire or divest the assets.

A financial asset is removed from the balance sheet (wholly or in part) when the rights in the contract have been realised or have lapsed, or when the group no longer has control over them. A financial liability is removed from the balance sheet (in whole or in part) when the obligations in the agreement are performed or are otherwise extinguished.

Note 1 cont.

A financial asset and a financial liability are reported net in the balance sheet when there is a legal right to set off the reported amounts and the intention is either to settle net or realise the asset at the same time as the liability is settled.

Profits and losses from removal from the balance sheet and modification are reported in profit/loss. On each reporting occasion, the Company assesses the need for impairment regarding anticipated credit losses for a financial asset or the group of financial assets, as well as any other future credit exposure.

Classification and valuation**Financial assets**

Financial assets comprise either debt instruments, derivatives or equity instruments.

Financial assets which comprise debt instruments can be valued in the following three ways depending on the group's business model and the contractual cash flows of the asset:

- Valuation at accrued historical cost;
- Valuation at fair value via other comprehensive income; or
- Valuation at fair value via profit/loss.

Financial assets that are valued at accrued historical cost are held in accordance with the business model for collecting contractual cash flows that only comprise payments of principal and interest on the outstanding principal. The group holds accounts receivable, cash and cash equivalents as well as other receivables that are reported at accrued historical cost. The assets are initially valued at fair value plus transaction costs. After the first reporting occasion, the assets are valued in accordance with the effective interest method. The assets are covered by a loss reserve for anticipated credit losses.

The group holds no financial instruments that constitute debt instruments valued at fair value via other comprehensive income, nor any debt instruments valued at fair value via profit/loss.

Financial assets that constitute equity instruments are reported at fair value via profit/loss except if they are not held for trading. If equity instruments are not held for trading, an irrevocable decision may be made to classify them at fair value via other comprehensive income without subsequent reclassifications to profit/loss. This choice is made anew for each instrument (i.e. share for share). The group holds no financial instruments that constitute equity instruments that are reported at fair value via profit/loss/other comprehensive income.

Financial instruments that constitute derivatives are valued at fair value via profit/loss. The group's derivative instruments have been acquired in order, through cash flow hedging, to hedge the risks of fluctuations in exchange rates to which the group is exposed. These derivative instruments are reported on the first reporting occasion at fair value on the date on which the derivative contract is entered into and subsequently reassessed at fair value in

subsequent periods. Derivative instruments are reported as a financial asset when the fair value is positive and as a financial liability when the fair value is negative. The group applies no hedge accounting for derivative instruments.

Impairment of anticipated credit losses

The group has the following assets that are covered by the model for anticipated credit losses in IFRS 9:

- Accounts receivable
- Other receivables (Payment Service Providers)
- Cash and cash equivalents

Impairment for anticipated credit losses in accordance with IFRS 9 takes place when there is an exposure to a credit risk, normally already on the first reporting occasion for an asset or claim.

The credit risk is assessed take into consideration all reasonable and verifiable information, including forward-looking information.

The simplified method is applied to the group's accounts receivable and other receivables. According to the simplified method, a loss reserve is reported in an amount corresponding to the anticipated credit losses for the remaining period. The general method is applied to the group's cash and cash equivalents.

The financial assets are reported in the balance sheet net of gross value and loss reserve. Changes in the loss reserve are reported as credit losses within operating profit (EBIT). Since the group works with a number of Payment Service Providers (PSP) who assume the credit risk, Revolution-Race has accounts receivable only in exceptional cases and then in unusual amounts. In light of this, no provision is made in respect of anticipated credit losses.

The group has bank balances at Nordea. The loss reserve for receivables at Nordea is considered to be negligible and no anticipated credit losses are reported since they are not significant.

Fair value is established in accordance with the description in Note 20 Financial instruments.

Financial liabilities

Financial liabilities are valued at accrued historical cost with the exception of derivatives and conditional additional purchase prices that are valued to fair value and settled via cash and cash equivalents.

The group has accounts payable, liabilities to credit institutions and other liabilities that are reported at accrued historical cost. Financial liabilities are reported at accrued historical cost valued initially at fair value including transaction expenses. After the initial reporting occasion, they are valued at accrued historical cost in accordance with the effective interest method.

Fair value is established in accordance with the description in Note 20 Financial instruments.

Inventory

Inventory is valued at the lower of historical cost and net realisable value. The historical cost is calculated in accordance with the first in, first out principle. Historical cost includes all costs for purchase as well as other costs for bringing the goods to their current location and condition.

Net realisable value is the estimated selling price in the current operations less estimated costs for completion and estimated costs that are necessary to make a sale.

Obsolescence deductions are applied to the company's inventory. See note 19.

Cash and cash equivalents

Cash and cash equivalents comprise cash funds as well as immediately available balances at banks and equivalent institutions that can easily be converted to a known amount and which are subject to insignificant risk of fluctuations in value. Drawn overdraft is reported as borrowing among current liabilities. Cash and cash equivalents are covered by requirements for loss reserves in respect of anticipated credit losses.

Equity

Transaction costs that are directly attributable to issuance of new shares are reported, net after tax, in equity as a deduction from the issue proceeds.

Provisions

A provision is reported in the balance sheet when the Company has an existing legal or informal obligations as a consequence of an occurred event and it is likely that an outflow of financial resources will be required to settle the obligation and a reliable estimate of the amount can be made. When the effect of the date when payment takes place is significant, provisions are calculated by discounting the anticipated future cash flow to a rate of interest before tax which reflects current market assessments of the time value of money and, if appropriate, the risks associated with the liability. Provisions are reviewed at the end of each fiscal period.

Contingent liabilities

A contingent liability is reported when there is a possible obligation derived from occurred events and where the existence thereof is confirmed only by one or several uncertain future events or when there is an obligation that is not reported as a liability or provision on the ground that it is not likely that an outflow of resources will be required.

Cash flow statement

The cash flow statement is prepared in accordance with the indirect method. This means that profit is adjusted with transactions that have not resulted in incoming or outgoing payments and for income and expenses attributable to investment and/or financing activities.

New and changed accounting principles

The group has changed the accounting principle regarding the presentation of exchange rate gains and change rate losses as of the start of the 2022/2023 financial year. The assessment is that the change creates greater clarity around the company's incomes and costs linked to the business. The changed accounting principle means that exchange rate gains and exchange rate losses are reported net in other operating income in the case of a positive net, and in other operating expenses in the case of a negative net, for each individual reporting period. The change means that the comparison periods' other operating income, other operating expenses and EBIT-margin have been adjusted in accordance with the changed accounting principle.

New and amended standards and interpretations having entered into force

The Group has applied all IFRS effective as per 30 June 2023. None of the new standards or interpretations applied has had or are expected to have a material effect on the group.

New and amended standards and interpretations that have not yet been applied by the group

Upon completion of the Annual Report, several changes in the IFRS standards and interpretations by IFRS interpretation committee have been published but not yet become effective. The changes that are expected to have a significant impact on the Group is IAS 1 Preparation of financial reports (information on accounting principles), where the requirement for enlightenment about accounting principles is replaced with a requirement for enlightenment about significant information about accounting principles. The changes must be applied for financial years starting on or after 1 January 2023, which for the Group means enforcement from and including the financial year 2023/2024. The IASB has published changes to IAS 1 regarding the classification of liabilities as short-term or long-term and where the meaning of the right to postpone payment beyond 12 months from the balance sheet date is clarified in the presence of so-called covenants. The change comes into force in 2024. New disclosure requirements are also introduced on loan debts linked to covenants during the next twelve-month period. The group is affected by the extended disclosure requirements and is investigating the changes.

NOTE 2 SIGNIFICANT ESTIMATES AND ASSESSMENTS

Upon preparation of the financial statements, company management and the board of directors must make certain assessments and assumptions that affect the reported value of asset and liability items as well as income and expense items and other provided information. The assessments are based on experience and assumptions that management and the board of directors believe to be reasonable under prevailing circumstances. Actual results may then differ from these assessments if other circumstances arise. The estimates and assumptions are evaluated regularly and are not deemed to constitute any significant risk for material adjustments in reported values of assets and liabilities during the coming financial year.

Changes to estimates are reported in the period in which the change made only affects that period, or in the period in which the changes made and future periods if the change affects both a current period and future periods.

Described below are the estimates and assessments that are most significant upon the preparation of the Company's financial statements.

Impairment of goodwill and trademarks

Goodwill and trademarks are reported at historical cost less any impairment. Recoverable amounts for goodwill and trademarks with indeterminable useful life periods have been determined based on estimates of useful life value and are tested annually for impairment. These assessments are made based on estimated future cash flows before tax based on financial budget and a forecast of future development for the immediately following 5 years. The rate of growth has been assessed based on RevolutionRace's historical rate of growth and anticipated growth of the online market for RevolutionRace's products.

There is a risk that RevolutionRace's assumptions in these respects may prove to be incorrect or that the discount rate used does not correctly reflect the specific risks for the cash-generating unit, which might result in deviations in the valuation of goodwill. Any such significant deviations and major impairment of goodwill may have a material adverse impact on the Company's financial position. See also Note 16 Goodwill and intangible assets with indeterminable useful life periods.

Inventory

The inventory is recorded at the lower of the acquisition value and the net sales value.

The acquisition value is determined according to the so-called first-in-first-out principle (FIFO) and is based on a standard cost method including costs for all direct manufacturing costs and attributable share of capacity and other manufacturing-related overheads. Costs for research and development, sales, administration and financial costs are not included. The net sales value is calculated as the sales price reduced by costs attributable to the sale.

Inventories are written down on an ongoing basis using an obsolescence ladder that is based on an age classification of the goods reported in the balance sheet as Inventories.

During the fourth quarter, the Group implemented a new obsolescence model. The assessment is that the updated obsolescence model creates better conditions for the business to assess the obsolescence of the inventory. See also Note 19 Inventory.

Leases

If the Company is reasonably certain that it will exercise a possibility to extend a lease agreement or that it will not exercise an alternative to terminate the lease agreement prematurely, this is taken into consideration when determining the lease term. Extension options and the possibility to terminate a contract prematurely relate primarily to lease of premises. Each contract and its lease term is assessed individually. The Company uses the marginal borrowing rate to discount future lease expenses.

Deferred tax liabilities/assets

Deferred tax liabilities and tax assets are reported at the applicable tax rate for each individual period. Deferred tax liabilities are largely attributable to the book value of the trademark, while deferred tax assets are largely attributable to costs related to the acquisition of RevolutionRace AB. The key assessments are made in the sub-group RevolutionRace Holding AB.

Financial instruments valued at fair value

The Company classifies all financial assets and liabilities at accrued historical cost apart from derivative instruments, which are classified at fair value via operating profit. The assessment for derivative instruments is based on the Company using foreign exchange forwards to hedge sales and purchases in different currencies. The assessment with respect to other financial assets and liabilities is based on such comprising inflows and outflows of contractually compatible cash flows.

Income from agreements with customers

Upon the sale of the Company's products, the transaction price comprises the price, including known discounts determined in advance, which the customer is obliged to pay in accordance with the order confirmation. All discounts are fixed and known in advance and thus do not constitute variable compensation which affects the transaction price. Since the customer is entitled to return the product, the Company makes an estimate regarding the proportion of the products that will be returned. The calculation of the estimated value of returns takes place with the help of historic data and per country.

Two performance obligations have been identified in the Company's agreements: sale of product and express orders. The transaction price is allocated to the respective obligation based on independent selling price. The Company has made the assessment that the performance obligation is fulfilled when the product is sent from the warehouse for delivery to the customer. Income is reported as each performance obligation is fulfilled.

Total income constitutes the aggregate of income including discounts reduced by the value of actual and estimated returns.

NOTE 3 INCOME FROM AGREEMENTS WITH CUSTOMERS**Breakdown of income from agreements with customers**

The company has one operating segment and has for the breakdown of income identified one category, geographical area, for which the smallest entity is market which belongs to a region. The definition of a market is connected with the site on which the sales take place, for example revolution-race.se for Sweden and revolutionrace.de for Germany. Here is Net sales presented per geographical market and region, respectively.

SEKm	Group	
	2022/23	2021/22
Geographical market		
Germany	743	571
Sweden	182	204
Finland	102	130
Rest of the world	533	426
Total income from agreements with customers	1,560	1,331
Geographical region		
Nordics	388	442
DACH	862	658
Rest of the world	310	232
Total income from agreements with customers	1,560	1,331
Right of return assets and repayment liabilities		
Right of return assets	8	8
Repayment liabilities	32	31

The Parent Company's net sales, which consist entirely of internal invoicing of services, amounted to SEKm 19 (7) for the year.

NOTE 4 EMPLOYEES AND PERSONNEL EXPENSES

	Average number of employees	Of whom, women %	Of whom, men %
Average number of employees 2022/23			
Parent company			
Sweden	2	0	100
Subsidiaries			
Sweden	132	71	29
Group total	134	70	30

Average number of employees 2021/22

Parent company			
Sweden	2	50	50
Subsidiaries			
Sweden	104	72	28
Group total	106	72	28

The Group has no employees in the foreign subsidiaries. The operations in the foreign subsidiaries is conducted by employees of the Swedish companies.

Gender distribution of board and senior executives	2022/23	2021/22
Directors including alternates	6	7
Of whom, women %	33	29
Of whom, men %	67	71
CEO and other senior executives	8	9
Of whom, women %	26	33
Of whom, men %	74	67

Personnel expenses, SEKm	2022/23	2021/22
Parent company		
Board and other senior executives		
Salaries and other remuneration	13	5
Social security contribution	4	2
Pension expenses	2	0
Other personnel expenses	0	0
Subsidiaries		
Board and other senior executives		
Salaries and other remuneration	10	6
Social security contribution	3	2
Pension expenses	1	1
Other personnel expenses	0	0
Total	32	16
Other employees		
Salaries and other remuneration	53	41
Social security contribution	16	14
Pension expenses	4	3
Other personnel expenses	4	3
Total	78	60
Group total	110	77

Note 4 cont.

Board and CEO remuneration 2022/23, SEKm	Base salary member of the board	Variable remuneration ⁶⁾	Pension benefits	Other benefits	Total
Chairman					
Paul Fischbein/Andreas Källström Säfweräng ¹⁾	0.6	—	—	—	0.6
Directors					
Magnus Dimert ²⁾	0.1	—	—	—	0.1
Cecilie Elde	0.2	—	—	—	0.2
Andreas Källström Säfweräng ³⁾	0.1	—	—	—	0.1
Johan Svanström ⁴⁾	0.1	—	—	—	0.1
Jens Browaldh	0.2	—	—	—	0.2
Niklas Nyrensten ⁵⁾	0.1	—	—	—	0.1
Pernilla Nyrensten	0.2	—	—	—	0.2
CEO					
Pernilla Nyrensten	0.2	0.0	0.0	0.0	0.2
Paul Fischbein	3.3	3.2	0.9	0.0	7.4
Other senior executives, 7 persons	8.0	5.0	1.4	0.0	14.4
Total	13.3	8.2	2.3	0.0	23.6

1) Paul Fischbein 2022-07-01–2022-11-09, Andreas Källström Säfweräng 2022-11-10–2023-06-30

2) Until the annual general meeting 2022

3) Until the annual general meeting 2022

4) Until 2023-02-24

5) From the annual general meeting 2022

6) During the fiscal year, SEK 6.3 million related to variable compensation linked to the incentive program serie 2022/2026.

Board and CEO remuneration 2021/22, SEKm	Base salary member of the board	Variable remuneration ⁶⁾	Pension benefits	Other benefits	Total
Chairman					
Paul Fischbein	0.5	—	—	—	0.5
Directors					
Magnus Dimert	0.2	—	—	—	0.2
Cecilie Elde	0.2	—	—	—	0.2
Andreas Källström Säfweräng	0.2	—	—	—	0.2
Johan Svanström	0.2	—	—	—	0.2
Jens Browaldh	0.2	—	—	—	0.2
CEO					
Pernilla Nyrensten	1.7	—	0.1	0.0	1.8
Other senior executives, 6 persons	5.2	1.0	1.1	—	7.3
Total	8.4	1.0	1.2	—	10.6

Variable remuneration is remuneration where the amount is not determined in advance.

Remuneration and conditions for senior executives

Remuneration for the CEO and other senior executives comprises base salary, variable remuneration, pension benefits and other benefits such as wellness allowance. "Other senior executives" means those persons who, together with the CEO, constitute the Group Executive Management. The variable remuneration to the CEO amounts to a maximum of six months' salary and for other senior executives to 4–6 months' salary.

The CEO and the Company have a mutual termination period of 6 months. Pension benefits for the CEO are in accordance with a collective agreement for white-collar employees in the industry. For other senior executives there is a mutual termination period of 3–6 months. Pension benefits for other senior executives are in accordance with those for the CEO

Severance package

The CEO is entitled to a severance package corresponding to during the termination period, calculated based on the employee's salary at the time of termination of the agreement. For CEO and other senior executives no severance compensation is paid.

Inventive programmes

The Extraordinary General Meeting held on May 26 2021 resolved to introduce a long-term incentive programme, Series 2021/2024, comprising a combined maximum of 1,889,677 warrants in one serie for senior executives and other key persons in the Group. Shares can be subscribed during specially stipulated subscription periods through December 31 2024. The warrants were acquired at an estimated market price. The CEO acquired, through a corporation and together with Niclas Nyrensten, 715,015 warrants. The other members of the senior management team acquired in total 817,160 warrants.

As a condition of the implementation of the offer, the founders of RevolutionRace, the Nyrenstens, through Nyrensten Global Holding, has issued bonus bonds to senior executives and certain key persons in the Group, a total of

17 people, not including Pernilla Nyrensten and Niclas Nyrensten, which means that a so-called stay-on bonus will be paid to the employees if they remain in employment as of 31 December 2024 (with customary exceptions). The commitment includes a total amount of a maximum of SEK 11 million net after tax and is conditional, among other things, on the fact that LTIP 2021/2024 has not been redeemed. If and to the extent that the bonus commitments result in costs for the Company, including accrued bonus amounts and subsequent costs in the form of social security contributions, Nyrensten Global Holding has undertaken to reimburse RevolutionRace for all of these costs.

At the Annual General Meeting on November 10 2022, it was resolved on the introduction of an incentive program, Series 2022/2026, comprising a total of not more than 2,125,000 warrants in a series aimed at senior executives and other key personnel within the Group. Shares can be subscribed during specially stipulated subscription periods through May 15 2026. The warrants were acquired at an estimated market price. The CEO acquired 750,000 warrants, other senior executives acquired a total of 800,000 warrants.

2022/23 Outstanding incentive programmes	Number of options	Corresponding number of shares	Proportion of total shares, %	Price per warrant, SEK	Recalculated subscription price, SEK	Number of exercised warrants,	Corresponding number of shares	Expiration period
Outstanding programme								
2021/2024, Serie I	1,547,386	1,593,808	1.4	9.79	94.83	0	0	2024-07-01–2024-12-31
2022/2026, Serie I	1,797,000	1,832,940	1.6	4.41	38.81	0	0	2025-11-15–2026-05-15
2021/22 Outstanding incentive programmes								
Outstanding programme								
2021/2024, Serie I	1,726,139	1,726,139	1.5	9.79	96.88	0	0	2024-07-01–2024-12-31

During the financial year, total buybacks of 178,753 warrants in incentive program 2021/24 and 140,000 in incentive program 2022/26 were carried out.

The 2022/2026 incentive program has charged SEK 12 million to the year's result after financial items.

NOTE 5 AUDITOR'S FEES

SEKm	Group		Parent company	
	2022/23	2021/22	2022/23	2021/22
Ernst & Young AB				
Audit engagement	1	1	0	0
Other audit work	0	0	0	0
Other services	0	0	0	0
Total	1	1	1	1

Audit engagement pertains to fees for the statutory audit, i.e., such work that was necessary to issue the audit report as well as audit consulting in connection with the audit engagement. Other services are services not included in statutory audit or tax advising.

NOTE 6 OTHER CURRENT RECEIVABLES

SEKm	Group		Parent company	
	2023-06-30	2022-06-30	2023-06-30	2022-06-30
Receivables payment service providers	8	5	—	—
VAT receivable	3	—	—	—
Deposit VAT abroad	5	6	—	—
Advance payments	29	39	—	—
Other	0	0	0	0
Reported value	44	50	0	0

NOTE 7 OTHER CURRENT LIABILITIES

SEKm	Group		Parent company	
	2023-06-30	2022-06-30	2023-06-30	2022-06-30
VAT liability	40	37	1	0
Taxes and fees – personnel	3	3	0	0
Other	—	—	—	—
Reported value	43	40	1	1

NOTE 8 PROFIT FROM PARTICIPATIONS IN GROUP COMPANIES

SEKm	Parent company	
	2022/23	2021/22
Dividend received from subsidiaries	90	0
Total	90	0

NOTE 9 TAXES

Income statement, SEKm	Group		Parent company	
	2022/23	2021/22	2022/23	2021/22
Tax expense				
Current tax	-65	-75	-1	0
Tax adjustment previous years				
Total tax expenses	-65	-75	-1	0
Deferred tax				
Deferred tax temporary differences	1	-1	—	—
Deferred tax on losses carried forward	—	—	—	—
Total deferred tax	1	-1	0	0
Total reported tax	-63	-75	-1	0

Reconciliation of effective tax rate, SEKm	Group		Parent company	
	2022/23	2021/22	2022/23	2021/22
Profit before taxes	306	363	94	0
Tax rate parent company ¹⁾	-63	-75	-19	0
Tax effect of:				
Non-deductible income	—	—	19	0
Non-deductible expenses	0	0	0	0
Temporary differences due to IFRS and change in tax rate				
Other	0	0	—	—
Tax allocation reserve				
Change in foreign tax rate		0	—	—
Reported tax	-63	-75	-1	0
Effective tax rate	-20,8	-20,8	-1,0	—

1) The group has no tax items reported directly against equity.

Specification of deferred tax assets and tax liabilities**Statement of financial position**

Deferred tax asset, SEKm	Group		Parent company	
	2022/23	2021/22	2022/23	2021/22
Expenses relating to acquisition of RevolutionRace AB	1	1	—	—
Lease liabilities	0	0	—	—
Fair value of financial instruments	0	—	—	—
Reported value	2	1	0	0

Statement of income

Deferred tax income, SEKm	Group		Parent company	
	2022/23	2021/22	2022/23	2021/22
Temporary differences attributable to changed tax rate	0	0	—	—
Temporary differences attributable to untaxed reserves				
Temporary differences attributable to leases	0	0	—	—
Temporary differences attributable to acquisition costs				
Temporary differences attributable to financial instruments	1	—	—	—
Reported value	1	0	0	0

Note 9 cont.

Report on financial position

	Group		Parent company	
	2022/23	2021/22	2022/23	2021/22
Deferred tax liability, SEKm				
Temporary differences attributable to leases	—	—		—
Temporary differences attributable to accelerated depreciation				—
Temporary differences attributable to untaxed reserves	—	—		—
Temporary differences attributable to acquired trademark	35	35		—
Temporary differences attributable to financial instruments	0	1		—
Reported value	35	36		0

Income statement

	Group		Parent company	
	2022/23	2021/22	2022/23	2021/22
Deferred tax liability (-) / tax asset (+)				
Temporary differences attributable to changed tax rate	0	0		—
Temporary differences attributable to untaxed reserves				—
Temporary differences attributable to accelerated depreciation				—
Temporary differences attributable to leases	0	0		—
Temporary differences attributable to financial instruments	1	1		—
Reported value	1	1	0	0

Deferred tax net

Presented in statement of financial position as:

Deferred tax asset	2	1		—
Deferred tax liability	-35	-36		—
Deferred tax liability (-) / tax asset (+), net	-33	-35		0

Reconciliation of deferred tax liability (-) / tax asset (+), net

Opening book value	-35	-34		—
Deferred tax expenses as per income statement	1	-1		—
Deferred tax income as per income statement	0	0		—
Closing book value	-33	-35		0

NOTE 10 GROUP COMPANIES

The Parent Company's (direct and indirect) holdings in subsidiaries covered by these financial statements are shown in the table below:

Company	Registration number	Domicile	Share of capital %	Share of votes %	Type of business	Reported value, SEKm
RevolutionRace Holding AB	559118-2174	Borås	100	100	Holding company	644
RevolutionRace AB	556938-2913	Borås	100	100	E-commerce outdoor clothing	793
RevolutionRace AS	917349886	Halden, Norge	100	100	E-commerce outdoor clothing	0
RevolutionRace Inc	85-3695008	Delaware, USA	100	100	E-commerce outdoor clothing	0

RevolutionRace Holding AB conducts holding company operations for the group's companies. RevolutionRace AB conducts e-commerce with functional apparel under the brand RevolutionRace and is a wholly-owned subsidiary of RevolutionRace Holding AB.

RevolutionRace AS's operations include the purchase of goods and services from RevolutionRace AB, and to

conduct e-commerce in Norway with functional apparel under the brand RevolutionRace. The company is a wholly-owned subsidiary of RevolutionRace AB.

For the Group's holdings of shares and participations in other companies, fair value is considered to be equal to cost. See also Note 1.

NOTE 11 PREPAID EXPENSES AND ACCRUED INCOME

SEKm	Group		Parent company	
	2023-06-30	2022-06-30	2023-06-30	2022-06-30
Prepaid expenses – credit facility	3		3	3
Accrued income	1	1		
Other prepaid expenses	8	7	2	1
Reported value	11	7	4	4

NOTE 12 CASH AND CASH EQUIVALENTS

SEKm	Group		Parent company	
	2023-06-30	2022-06-30	2023-06-30	2022-06-30
Cash and bank balances	154	75	8	0
Reported value	154	75	8	0

NOTE 13 EQUITY**Share capital**

As per 30 June 2023 the share capital consists of one share class.

	Share capital development
Vote value	1.00
Share quota as per 30 June 2023	0.01
Number of shares as per 30 June 2023	112,918,918.00

Development of Equity

During the year, no events has affected the share capital.

Other contributed capital

Other contributed capital comprises capital contributed by the group's owners.

Reserves, translation differences

Reserves, translation differences relate in full to a translation difference, which includes all currency rate differences arising upon translation of financial statements from foreign operations which have prepared their financial statements in a different functional currency than the currency in which the group's financial statements are presented. The group presents its financial statements in Swedish kronor. Accumulated translation differences are reported in profit/loss upon divestment of foreign businesses.

Group, SEKm	2023-06-30	2022-06-30
Opening book value	0	0
Change during the year	0	0
Closing book value	0	0

NOTE 14 PREPAID INCOME AND ACCRUED EXPENSES

SEKm	Group		Parent company	
	2023-06-30	2022-06-30	2023-06-30	2022-06-30
Accrued vacation pay	7	6	0	0
Accrued social security costs	4	3	0	0
Other payroll cost	2	3	1	
Accrued costs for advertising	20	15		
Accrued cost for logistics	24	15		
Accrued cost for audit fees	1	1	1	1
Other accrued expenses	4	4	0	0
Reported value	63	46	3	1

NOTE 15 INTANGIBLE ASSETS

Group, 1 July 2022 – 30 June 2023, SEKm	Capitalised expenses for development work	Trademarks	Goodwill
Opening historical cost	14	171	617
Internally worked up	3	—	—
Disposal	0	—	—
Closing historical cost as of 30 June 2023	16	171	617
Opening amortisation	-5	—	—
Amortisation for the year	-3	—	—
Disposal amortisation	0	—	—
Closing amortisation as of 30 June 2023	-7	—	—

Group, 1 July 2021 – 30 June 2022, SEKm	Capitalised expenses for development work	Trademarks	Goodwill
Opening historical cost	11	171	617
Internally worked up	3	—	—
Closing historical cost as of 30 June 2022	14	171	617
Opening amortisation	-2	—	—
Amortisation for the year	-2	—	—
Closing amortisation as of 30 June 2022	-5	—	—

Net carrying value

As of 30 June 2023	9	171	617
As of 30 June 2022	9	171	617

NOTE 16 GOODWILL AND INTANGIBLE ASSETS WITH INDETERMINABLE USEFUL LIFE

Reported value goodwill and trademark, SEKm	2023-06-30	2022-06-30
Goodwill	617	617
Trademark, RevolutionRace	171	171
Reported value	788	788

The group makes the assessment that the RevolutionRace trademark has an indeterminable useful life since the trademark has been developed and used over an extended period and constitutes the brand for all of the group's products. The trademark is used both for marketing of clothes, as the name of the trading platform, etc. The group conducted its yearly test of impairment on 30 June 2023. For RevolutionRace, there is no division into cash-generating units, and instead the group in its entirety constitutes the only cash-generating unit.

The recovery value of goodwill and trademarks, amounting to SEK 5,859 million (SEK 10,359 million) as of 30 June 2023, comprises the value in use which has been calculated by using cash flow forecasts from budgets over a 5-year period, where the group management prepares the budgets. The interest before tax which is used to discount cash flows amounts to 9.7 percent (8.1) and flows beyond the 5-year period are extrapolated with 2.0 percent growth. Thus, no impairment has taken place.

Main assumptions used when calculating the recovery value and sensitivity analysis:

Discount rate

The discount rate has been determined by using WACC (Weighted Average Cost of Capital). Consideration has been given to the Company's unlevered beta, tax rate and assessed debt/equity ratio. Furthermore, as input the Company has used the most recently published report "Risk premium study 2023" (issued by PwC), which among other things studies the market risk premium assessed by the market and the risk-free rate of interest. The Company has also assessed its specific risk premium and the long-term borrowing rate for the Company (before and after tax).

An increase of 1.0 percentage points in the discount rate would mean a reduced recovery value of SEK 688 million (SEK 1,519 million). A reduction in the discount rate by 1.0 percentage points would mean an increase in the recovery value by SEK 896 million (SEK 2,120 million).

NOTE 17 TANGIBLE ASSETS

Group, SEKm	Expenses incurred on thirdparty property	Equipment, tools, fixtures and fittings
Opening book value		
Opening book value 1 July 2021	1	2
Investments during the year		0
Reclassification		
Closing book value 30 June 2022	1	3
Investments during the year	2	1
Reclassification		
Closing book value 30 June 2023	3	4
Depreciation/amortisation		
Opening book value 1 July 2021	0	-1
Investments during the year	0	0
Reclassification		
Accumulated depreciation/amortisation as per 30 June 2022	0	-2
Depreciation/amortisation for the year	0	-1
Reclassification		
Accumulated depreciation/amortisation as per 30 June 2023	-1	-3
Net carrying value		
As per 30 June 2023	2	1
As per 30 June 2022	0	1

NOTE 18 LEASE AGREEMENTS**The group as lessee**

Important lease agreements primarily comprise agreements regarding office premises, cars and office equipment. The group classifies its lease agreements into the following types of assets: premises, vehicles and other. The table below shows the group's closing balances regarding right of use assets and lease liabilities as well as the businesses during the years:

Group	Premises	Vehicles	Other	Total
Right-of-use assets, SEKm				
Opening book value	5	1	0	6
Additional agreements	0	1	—	1
Depreciation	-1	0	0	-2
Terminated agreements	—	0	—	0
Reassessment of agreements	3	—	—	3
Closing balance as per 30 June 2022	7	1	0	8
Additional rights-of-use	9	0	0	9
Amortisation	-2	0	0	-3
Leases ended	0	0	0	0
Reclassification	0	0	0	0
Reported value as per 30 Jun 2023	13	1	0	14
Lease liability¹⁾, SEKm				
Opening book value	6	1	0	6
Additional rights-of-use	0	1	—	1
Reclassification	3	—	—	3
Terminated agreements	—	—	—	—
Interest expense on lease liabilities	0	0	0	0
Lease expenses	-1	0	0	-2
Closing balance as per 30 June 2022	8	1	0	9
Additional rights-of-use	9	0	0	9
Reclassification	0	0	0	0
Terminated agreements	0	0	0	0
Interest expense on lease liabilities	0	0	0	0
Lease expenses	-2	0	0	-3
Reported value as per 30 Jun 2023	14	0	0	15

1) See Note 21 Financial risks for maturity analysis of the lease liability.

Presented below are the amounts reported in the consolidated statement of income during the financial years related to leasing activities.

SEKm	2022/23	2021/22
Depreciation of right of use assets	3	2
Interest expenses for lease liabilities	0	0
Expenses related to short-term lease agreements	—	—
Reported value	3	2

The group's total cash flow for lease agreements amounted SEK 3 million (SEK 2 million).

With respect to each agreement, the Company has made an assessment regarding possible early termination or a possible extension. The Company has, with reasonable certainty, arrived at agreements for which it is possible that they will neither be terminated prematurely nor extended.

NOTE 19 INVENTORIES

Group, SEKm	2023-06-30	2022-06-30
Goods in warehouse	323	307
Return rights assets	8	8
Goods in transit	72	127
Reported value	403	442

As of closing 2022/2023, the Company changed the method for calculating the write-down of the inventory.

The previous method, used a fixed percentage on the entire inventory value to calculate the write-down amount. The new method, focuses on each item and the age (number of months) of each product using stacked levels to determine

the size of the write-down. See also note 2 Significant estimates and assessments. The positive net effect from the changed method amounts to SEK 7 million.

This year's write-down of inventory has affected the item Goods for resale by SEK 3 million.

NOTE 20 FINANCIAL INSTRUMENTS

Fair value of the Group's financial liabilities is shown in the table below. See also Note 21 Financial risks.

SEKm	2023-06-30		2022-06-30	
	Reported value	Fair value	Reported value	Fair value
Financial assets valued at historical cost				
Other current receivables	44	44	50	50
Cash and cash equivalents	154	154	75	75
Financial liabilities valued at fair value via profit/loss				
Derivative instruments	2	2	8	8
Closing value	201	201	133	133
Financial liabilities valued at accrued historical cost				
Long-term liabilities to credit institutions	0	0	20	25
Lease liabilities	15	15	8	8
Accounts payable	91	91	185	185
Repayment liabilities	32	32	31	31
Other current liabilities	43	43	40	40
Financial liabilities valued at fair value via profit/loss				
Derivative instruments	3	3	3	3
Closing value	184	184	287	292

Interest-bearing receivables and liabilities

For informational purposes, a fair value is calculated regarding interest-bearing receivables and liabilities by discounting future cash flows from principal and interest, discounted to current market rate.

Current receivables and liabilities

The reported value is deemed to be a reasonable estimate of the fair value. The group has no financial assets or liabilities that have been set off in the reporting or are covered by a legally binding netting agreement.

Note 20 cont.

Valuation at fair value

Fair value is the price which, at the time of valuation, would be obtained upon a sale of an asset or paid upon transfer of a liability through an orderly transaction between market parties. Taking into consideration that interest-bearing liabilities carry variable interest and that the discounting effect for current receivables and liabilities is marginal, all reported values are deemed to correspond to their fair value.

The table below shows financial instrument valued at fair value, based on the way in which the classification in the fair value hierarchy has been made. The various levels are defined as follows:

Level 1 – Listed prices (unadjusted) on active markets for identical assets or liabilities.

Level 2 – Fair value of a financial instrument which is not traded on an active market is determined with the help of valuation techniques. Hereupon, as far as possible, market information is used where such is available, while company-specific information is used as little as possible. If all important input data required for fair value valuation of an instrument is observable, the instrument is set at level 2. In those cases where one or more significant input data are not based on observable market information, the relevant instrument is classified in level 3.

Level 3 – Input data for level 3 comprises non-observable input data for the asset or liability. Non-observable data is used for valuation at fair value insofar as observable data is not available, which relates to situations in which there is little or no market activity for the asset or liability at the time of valuation

SEKm	Level 1	Level 2	Level 3	Total fair value
Financial instrument valued at fair value per 30 June 2023				
Financial assets valued at fair value via profit/loss				
Derivative instruments				
Foreign exchange forwards	—	2	—	2
Financial liabilities valued at fair value via profit/loss				
Derivative instruments				
Foreign exchange forwards	—	3	—	3
Financial instrument valued at fair value per 30 June 2022				
Financial assets valued at fair value via profit/loss				
Derivative instruments	—			
Foreign exchange forwards		8		8
Financial liabilities valued at fair value via profit/loss				
Derivative instruments				
Foreign exchange forwards		3		3

Note 21 cont.

NOTE 21 FINANCIAL RISKS

In its business, the group is exposed to different types of financial risks: credit risks, market risks and liquidity risks. RevolutionRace's board of directors has adopted a finance policy which includes a financial risk policy that regulates how these risks are to be controlled and governed and which defines roles and responsibilities within the group. The financial risk policy also establishes principles as to how financial activities are to be carried out, establishes mandates and governance principles for managing financial risks, and states which financial instruments are to be used in order to mitigate such risks. RevolutionRace's board of directors is regularly informed regarding trends with respect to the group's financial risks and other subjects that are covered by the financial risk policy, and approves this policy each year. The CEO has overall responsibility and reports to the board of directors. The CFO is strategically and operationally primarily responsible for all financial activities and for such being performed in line with this policy and reported to the CEO.

Credit risk

Credit risk is the risk that the group's counterparty in a financial instrument is unable to perform its obligations and thereby causes the group to sustain a financial loss. The group works with a number of major Payment Service Providers such as Klarna and PayPal. This means, in practice, that accounts receivable are transferred to the payment service provider upon the customer placing an order. Accordingly, there is a relatively low credit risk. With respect to accounts receivable, contractual assets and other receivables, the Company uses a simplified method for reporting anticipated credit losses. RevolutionRace rarely has accounts receivable and, in such case, they account for insignificant amounts. For this reason, no provisions are made regarding anticipated credit losses on accounts receivable. Other receivables consist of financial instruments, which are the receivables that RevolutionRace has against its payment service providers. When the Payment Service Providers acquire a claim, they also assume the risk of credit loss, and thus RevolutionRace has no credit risk related to the end customer. The credit risk with respect to the sale is only linked to the risk that the Payment

Service Providers will not pay RevolutionRace. Since these credit institutions have high credit ratings, the anticipated credit loss is regarded as insignificant. For this reason, no anticipated credit loss is booked related to receivables from Payment Service Providers.

Cash and cash equivalents

The group's credit risk also arises from deposits of cash and cash equivalents. For deposits on bank accounts, the Company primarily uses a major credit institution for which there is a relatively low credit risk. Cash and cash equivalents are relevant also within the area of application for the reporting of anticipated credit losses in IFRS 9. However, the analysis has shown that the provision with respect to this item is insignificant. RevolutionRace regularly monitors the credit rating of the banks. The contractual terms for bank deposits are extremely short, and thus the loss provision is deemed to be insignificant. Due to this insignificance, no anticipated credit losses are reported in respect of cash and cash equivalents.

Market risk

Market risk is the risk that the fair value of, or future cash flows from, a financial instrument will vary due to changes in market prices. Market risk is divided into three types: currency risk, interest rate risk and other price risks. The market risks that affect the group primarily comprise interest rate risk and currency risk.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows from a financial instrument will vary due to changes in market rates. The group manages the interest rate risk by monitoring forecasts for future interest rate adjustments and interest hedging in accordance with the group's finance policy. As of 30 June 2023, the group had no interest rate hedging. Given the interest-bearing assets and liabilities on the closing date, an increase/decrease of 1 percentage point would have affected profit before tax by SEKm +/- 0,2 for the financial year 2022/23 and by +/- 0,3 for 2021/22.

The table below shows conditions and maturity dates for respective interest-bearing liabilities:

SEKm	Reported value	Currency	Matures	Interest
Long-term liabilities to credit institutions as of 30 June 2023				
Bank loan Facility B	0	SEK	2028-06-02	Variable
Lease liabilities (see Note 14 Lease agreements)	15	SEK	¹⁾	Variable
Reported value				
Long-term liabilities to credit institutions as of 30 June 2022				
Bank loan Facilitet B	20	SEK	2027-06-02	Variable
Lease liabilities (see Note 14 Lease agreements)	9	SEK	¹⁾	Variable
Reported value				

¹⁾ Lease liabilities mature in the period 30 April 2024–31 December 2027.

Currency risk

Currency risk is the risk that fair value or future cash flows from a financial instrument will vary due to changes in currency exchange rates. Currency risks exist in the translation of the assets and liabilities of foreign operations to the Parent Company's functional currency, referred to as translation exposure, and through inflows and outflows, so-called transaction exposure. The group primarily has inflows in SEK, EUR, GBP, NOK and DKK and outflows in USD, EUR and SEK and thus is primarily exposed to exchange rate fluctuations in these currencies. The group manages the currency risk with respect to purchases and sales in different currencies through derivative instruments in the form of foreign exchange forwards. Foreign exchange forwards are not structured as hedge instruments, but have the aim of reducing the currency risk in future anticipated purchases and sales, primarily between purchases in USD and sales in EUR. The group reduces its currency risk through foreign exchange forwards as the group's sales develop.

RevolutionRace is also subject to risks related to the management of currency hedging, for example that RevolutionRace does not have a possibility to use favourable currency rate exchanges. Therefore, hedging measures can lead to major losses. These losses can arise for various reasons, such as that a counterparty fails to perform its obligations in accordance with an applicable hedging agreement, that the agreement has shortcomings or that RevolutionRace's internal hedging policies and hedging procedures are not followed or do not function as they should.

The table below shows the group's significant foreign exchange forwards on the closing date. Positive (+) negative (-) amounts mean that the currency has been bought/sold.

SEKm	EUR	USD	SEK
Opposing currency 30 June 2023			
Contract in USD	64		41
Contract in EUR	—		-25
Contract in DKK	—		-12
Contract in NOK	—		-9
Contract in GBP	—		-10
Total	64	0	-16

SEKm	EUR	USD	SEK
Opposing currency 30 June 2022			
Contract in USD	—	—	31
Contract in EUR	—	-107	-61
Contract in DKK	—	—	-28
Contract in NOK	—	—	-18
Contract in GBP	—	—	-22
Total	—	-107	-98

The group does not apply hedge accounting for foreign exchange forwards. Changes in fair value are reported in operating profit (EBIT). The assessment regarding derivative instruments is based on the group using foreign exchange forwards to hedge sales and purchases in different currencies. The net result of the futures amounted to SEK 5 million on 30 June 2023.

Currency

An upturn/downturn in currency rates by 10 percentage point on the closing date would have a positive/negative net impact on profit before tax totalling SEK 0 million. Distributed on the following currencies:

Sensitivity analysis by currency, SEKm	Upturn 10 percentage points	Downturn 10 percentage points
USD	-3	3
EUR	3	-3
GBP	0	0
DKK	0	0
NOK	0	0
CHF	0	0
PLN	0	0
CZK	0	0
	0	0

Liquidity risk

Liquidity risk means the risk that the group is unable to discharge its payment obligations as a consequence of insufficient access to cash and cash equivalents. The accounts function uses liquidity forecasts in order to control and plan the group's needs for cash and cash equivalents. The group's cash and cash equivalents on the closing date amounted to SEK 154 million with unused credit facility of SEK 600 million and liquidity was good in relation to the maturity structure of external financial liabilities.

The group's contractual and non-discounted interest payments and repayments of financial liabilities are shown in the table below. Financial instrument with variable interest have been calculated applying the rate of interest on the closing date. Liabilities have been included in the period when the earliest repayment can be demanded.

Note 21 cont.

Maturity analysis regarding non-discounted liabilities

SEKm	<6 months	6–12 months	1–3 years	3–5 years	>5 years	Total
30 June 2023						
Debts to credit institutions						
Leases ¹⁾	2	2	7	4	0	15
Trade payables	91					91
Expected returns	32					32
Derivate instrument	3					3
Other current liabilities	43					43
Total	171	2	7	4	0	184
30 June 2022						
Debts to credit institutions						
Leases ¹⁾	1	1	3	3	0	8
Trade payables	185					185
Expected returns	31					31
Derivate instrument	3					3
Other current liabilities	40					40
Total	259	1	3	3	0	267

1) Liabilities calculated on actual lease contracts.

Shown below are credit agreements/frameworks entered into by the group:

SEKm	Amount 2023-06-30	Used 2023-06-30	Amount 2022-06-30	Used 2022-06-30
Credit Facility B	600	0	600	-23
Total	600	0	600	-23

Capital management

The group works regularly with leverage, which are governing in the bank covenants. According to the bank covenants, Net debt relative to EBITDA must not exceed 3.75 on 30 June 2023. The group tests these threshold values quarterly and, on 30 June 2023, the risk was low.

NOTE 22 CASH FLOW

Changes in the Group's liabilities attributable to financing activities relating to changes not affecting cash flow.

GROUP

Financing activities, SEKm	2022-07-01	Items affecting cash flow	Non-cash changes			Interest	2023-06-30
			Acqui- sitions	Effects of changed currency rates	New lease agreements		
Liabilities to credit institutions	20	-20					0
Lease liabilities	9	-3	9		0	0	15
Total liabilities attributable to financing activities	28	-23	9	0	0	0	15

Financing activities, SEKm	2021-07-01	Items affecting cash flow	Non-cash changes			Interest	2022-06-30
			Acqui- sitions	Effects of changed currency rates	New lease agreements		
Liabilities to credit institutions	229	-209					20
Lease liabilities	6	-2	1		3	0	9
Total liabilities attributable to financing activities	235	-210	1	0	3	0	28

Changes in the Parent Company's liabilities attributable to financing activities relating to changes not affecting cash flow.

PARENT COMPANY

Financing activities, SEKm	2022-07-01	Items affecting cash flow	Non-cash changes			Interest	2023-06-30
			Acqui- sitions	Effects of changed currency rates	New lease agreements		
Liabilities to credit institutions	0	0					0
Lease liabilities	—	—	—	—	—	—	—
Total liabilities attributable to financing activities	0	0	0	0	0	0	0

Financing activities, SEKm	2021-07-01	Items affecting cash flow	Non-cash changes			Interest	2022-06-30
			Acqui- sitions	Effects of changed currency rates	New lease agreements		
Liabilities to credit institutions	229	-229					0
Lease liabilities	—	—	—	—	—	—	—
Total liabilities attributable to financing activities	229	-229	—	—	—	—	0

NOTE 23 PLEDGED ASSETS AND CONTINGENT LIABILITIES

SEKm	Group		Parent company	
	2023-06-30	2022-06-30	2023-06-30	2022-06-30
Assets pledged to credit institutions for own liabilities				
Pledged assets	0	0	0	0
Contingent liabilities	0	0	0	23
Total	0	0	0	23

RVRC Holding AB (publ) is the guarantor for the amount that the group companies used on the group's credit facility.

NOTE 24 RELATED PARTY TRANSACTIONS

SEKm	2022/23	2021/22
Altor Fund Manager AB		
Sales of goods	—	—
Purchase of services	—	—
Fritidsgrossen JIPK AB		
Sales of goods	—	—
Purchase of services	—	—
Nyrensten Invest AB		
Sales of goods	—	—
Purchase of services	—	—

Conditions

All transactions have been made at an arm's length basis.

NOTE 25 SHARE-BASED PAYMENTS

The company holds two long-term incentive programmes for the group management team members and key personnel ("Participants"), which were decided by general meetings in 2021 and 2022 respectively. The warrants have been issued to the subsidiary RevolutionRace Holding AB and from there assigned to the Participants.

Issues, splits and reverse splits

Upon subscription which is executed post a decision about an issue, split or reverse split, a recalculation of both the number of shares each warrant authorise and the subscription price.

Termination of employment and pre-emption

The Company follows common practice upon termination of employment. The Company has a right, but no obligation, to buy or appoint a third party to buy the warrants.

Incentive programme 2021/24

The program consists of 1,889,677 warrants in total.

Exercise price

The exercise price equals 130 percent of SEK 75 (price upon listing).

Term and subscription period

The expected term is estimated to 3.54 years which equals the time from valuation of the warrant to the last day within the subscription period. The subscription period is July 1 2024–December 31 2024.

Volatility

The expected volatility is based on the historical volatility for comparable companies and over a period equal to the term of the warrants. When calculating the expected volatility, the extraordinary months during the first phase of the Covid-pandemic have been considered. The result is indicative also for future trends which does not necessarily need to become reality. In the table below, the data put into the valuation of the warrants upon emission is presented.

Indata	Programme 2021/24
Exercise price, SEK	94.83
Warrant price, SEK	9.79
Expected volatility, %	30
Risk-free interest, %	-0.12
Expected term	3.54

The share fair value and number of warrants	2023-06-30
Share price, SEK	41.58
Outstanding at the beginning of the period	1,889,677
Allocated at the end of the period	1,726,139
Outstanding at the end of the period	1,889,677
Redeemable at the end of the period	—

Incentive programme 2022/26

The program consists of 2,125,000 warrants in total.

Exercise price

The exercise price equals 140 percent of SEK 28.32.

Term and subscription period

The expected term is estimated to 3.50 years which equals the time from valuation of the warrant to the last day within the subscription period. The subscription period is 15 november 2025–15 May 2026.

Volatility

The expected volatility is based on the historical volatility for comparable companies and over a period equal to the term of the warrants. When calculating the expected volatility, the extraordinary months during the first phase of the Covid-pandemic have been considered. The result is indicative also for future trends which does not necessarily need to become reality. In the table below, the data put into the valuation of the warrants upon emission is presented.

Indata	Programme 2022/26
Exercise price, SEK	39.65
Warrant price, SEK	4.41
Expected volatility, %	33
Risk-free interest, %	2.36
Expected term	3.50

The share fair value and number of warrants	2023-06-30
Share price, SEK	33.22
Outstanding at the beginning of the period	0
Allocated at the end of the period	1,797,000
Outstanding at the end of the period	2,125,000
Redeemable at the end of the period	—

NOTE 26 FINANCIAL INCOME

SEKm	Group	
	2022/23	2021/22
Assets and liabilities valued at accrued historical cost		
Interest income from other financial assets	1	0
Total interest income in accordance with the effective interest method	1	0
Total financial income	1	0

NOTE 27 FINANCIAL EXPENSES

Interest expenses are accounted according to effective interest method and are accounted in the period they relate to.

SEKm	Group	
	2022/23	2021/22
Assets and liabilities valued at accrued historical cost		
Interest expenses, liabilities to credit institutions	-3	-3
Interest expenses, lease liabilities	0	0
Interest expenses, other financial liabilities		
Total interest expenses in accordance with the effective interest method	-3	-3
Costs related to credit facility	-2	0
Translation difference on group liabilities	-	
Total	-2	0
Total financial expenses	-5	-3

NOTE 28 EARNINGS PER SHARE

SEKm	Group	
	2022/23	2021/22
Profit for the year	243	288
Adjustments		
Profit for the year for calculation before and after dilution	243	288
Weighted number of shares before dilution	112,918,918	112,918,918
Dilution effect, warrants	0	0
Weighted number of ordinary shares after dilution	112,918,918	112,918,918
Earnings per share before dilution (SEK)	2.15	2.55
Earnings per share after dilution (SEK)	2.15	2.55

NOTE 29 PROPOSED APPROPRIATIONS OF PROFITS

The Board proposes an appropriation of profits according to below:

SEK	
Free equity, retained earnings and share premium reserve	567,104,810
Profit for the year 2022/23	93,159,153
Dividend	-97,110,269
Amount carried forward	563,153,693

NOTE 30 OTHER OPERATING INCOME AND OTHER OPERATING EXPENSES

SEKm	Group	
	2022/23	2021/22
Exchange rate gains	58	55
Exchange rate losses	-57	-36
Other	1	6
Total	2	25

NOTE 31 EVENTS AFTER THE BALANCE SHEET DATE

In August 2023, RevolutionRace expanded its presence internationally by opening up to customers in three new markets – Canada, South Korea and Japan. The opening means that RevolutionRace is available in approximately 40 countries.

At the extraordinary general meeting on 30 August 2023, it was decided, in accordance with the nomination committee's proposal, to expand the company's board with one member through the new election of Sara Diez Jauregui as board member for the time until the next annual general meeting.

ASSURANCE

The Board of Directors' complete statement motivating the proposed disposition of earnings for the 2022/23 fiscal year will be presented in a separate document prior to the 2023 Annual General Meeting. It concludes, among other things, that the proposed dividend is in line with the Company's dividend policy and that the Board, having considered the nature, scope and risks of the Company's operations, as well as the Company's and the Group's consolidation requirements, liquidity and financial position in general, has found no indications that the proposed dividend is unjustified. The Board of Directors and the CEO certify that the Annual Report has been prepared in accordance with generally accepted accounting standards in Sweden and that the consolidated accounts have been prepared in

accordance with the international accounting standards IFRS as adopted by the EU. The annual accounts and consolidated accounts give a true and fair view of the financial position and results of the Parent Company and the Group.

The Board of Directors' Report for the Parent Company and the Group provide a true and fair overview of the Group's and the Parent Company's operations, financial position and results of the Parent Company and the Group and describes significant risks and uncertainties concerning the Parent Company and the companies in the Group. The annual and consolidated accounts were approved for publication by the Board of Directors and the CEO on 17 October 2023 and are proposed for approval by the Annual General Meeting on 21 November 2023.

Borås 17 October 2023

Andreas Källström Säfweräng
Chairman of the Board

Jens Browaldh
Board member

Sara Diez Jauregui
Board member

Cecilie Elde
Board member

Niclas Nyrensten
Board member

Pernilla Nyrensten
Board member

Paul Fischbein
CEO



AUDITOR'S REPORT

To the general meeting of the shareholders of RVRC Holding AB, corporate identity number 559129-4623

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of RVRC Holding AB AB (publ) for the year the financial year 2022-07-01 – 2023-06-30. The annual accounts and consolidated accounts of the company are included on pages 24-27 and 37-59 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 30 June 2023 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 30 June 2023 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

Key Audit Matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

VALUATION OF INVENTORY

Description

Inventories for the group amount to SEK 403 MSEK for the year ended June 30, 2023, which corresponds to 28 % of the Group's total assets. The inventory consists of clothing for sale via e-commerce and is valued using the first-in, first-out principle to the lower of acquisition value and net sales value at the balance sheet date.

The accounting principles are stated in Note 1. The company's information regarding inventories is presented in note 19, in the company's annual report.

Valuation of inventories has significant elements of management's assessments and estimates due to the uncertainty associated with obsolescence and slow-moving products. Considering this, we have assessed valuation of inventories as a key matter of our audit.

How our audit addressed this key audit matter

We have reviewed the company's processes and routines for monitoring and assessing slow-moving and obsolete goods and the company's model for calculating obsolescence. We have compared reservations made with historical actuals. Our review has also included random samples to identify slow-moving and obsolete goods as well as analyzing historical sales statistics. We have also evaluated the company's assessment of potential impairment. We have reviewed the information included in the annual report and assessed whether the information presented is appropriate and sufficient.

VALUATION OF GOODWILL AND TRADEMARKS

Description

The carrying amount of goodwill and brands amounted to 788 MSEK in the consolidated balance sheet as of June 30, 2023, which corresponds to 55 percent of the total assets.

The company's information regarding goodwill and brands with an indefinite useful life is stated in Note 16 in the company's annual report and in the accounting and valuation principles, note 1.

The company tests goodwill and brands with an indefinite useful life annually, and when there is an indication that the carrying amount may be impaired. Reported values may not exceed the assets' recoverable amount, which consists of the higher of a net sales value and the fair value in use which constitutes a value based on future discounted cash flows. The impairment test is presented in note 16.

Impairment testing of assets involves a number of significant estimates and assessments, including estimating expected future discounted cash flows, calculating the weighted average cost of capital ("WACC") and growth rate. The company's process for impairment testing also includes management's and the board's business plans and forecasts.

Considering the above, we have assessed that valuation of goodwill and brands are assessed as a key matter of our audit.

How our audit addressed this key audit matter

We have evaluated and tested management's process for establishing impairment tests for goodwill and brands. With the support of our valuation specialists we have reviewed the company's model and method for conducting impairment tests. We have evaluated the reasonableness of management's preparation of forecasts, and carried out sensitivity analyzes of the key assumptions made and possible influencing factors. With the support of our valuation specialists, we have also made comparisons with other companies in the same industry to evaluate the reasonableness of the chosen discount rate and examined the reasonableness of other assumptions such as long-term growth. We have also assessed whether the information provided in the annual report is appropriate and sufficient.

Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 4–23, 28–34 and 63–67. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intends to liquidate the company, to cease operations, or has no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the company's financial reporting process.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

We must also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or related safeguards applied.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the annual accounts and consolidated accounts, including the most important assessed risks for material misstatement, and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes disclosure about the matter.

Report on other legal and regulatory requirements

REPORT ON THE AUDIT OF THE ADMINISTRATION AND THE PROPOSED APPROPRIATIONS OF THE COMPANY'S PROFIT OR LOSS

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of ABC AB (publ) for the financial year 2022-07-01–2023-06-30 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated (loss be dealt with) in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled

in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional skepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined whether the proposal is in accordance with the Companies Act.

THE AUDITOR'S EXAMINATION OF THE ESEF REPORT

Opinion

In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528) for RVC Holding AB (publ) for the financial year 2022-07-01 – 2023-06-30.

Our examination and our opinion relate only to the statutory requirements.

In our opinion, the Esef report has been prepared in a format that, in all material respects, enables uniform electronic reporting.

Basis for opinion

We have performed the examination in accordance with FAR's recommendation RevR 18 Examination of the ESEF report. Our responsibility under this recommendation is described in more detail in the Auditors' responsibility section. We are independent of RVC Holding AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the Esef report in accordance with Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors and the Managing Director determine is necessary to prepare the Esef report without material misstatements, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to obtain reasonable assurance whether the Esef report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed.

RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the Esef report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 and generally accepted auditing standards

in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Esef report.

The audit firm applies ISQC 1 Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and other Assurance and Related Services Engagements and accordingly maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with professional ethical requirements, professional standards and legal and regulatory requirements.

The examination involves obtaining evidence, through various procedures, that the Esef report has been prepared in a format that enables uniform electronic reporting of the annual and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design audit procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the Esef report by the Board of Directors and the Managing Director, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of assumptions made by the Board of Directors and the Managing Director.

The procedures mainly include a validation that the Esef report has been prepared in a valid XHTML format and a reconciliation of the Esef report with the audited annual accounts and consolidated accounts.

Furthermore, the procedures also include an assessment of whether the consolidated statement of financial performance, financial position, changes in equity, cash flow and disclosures in the Esef report have been marked with iXBRL in accordance with what follows from the Esef regulation.

Ernst & Young AB, with Andreas Mast as head responsible auditor, was appointed auditor of RVC Holding AB (publ) by the general meeting of the shareholders on the 10 of November 2022 and has been the company's auditor since the 27 January, 2020.

Gothenburg 17 October 2023
Ernst & Young AB

Andreas Mast
Authorized Public Accountant

MULTI-YEAR OVERVIEW

GROUP STATEMENT ON COMPREHENSIVE INCOME, CONDENSED

SEKm	2022/23	2021/22	2020/21	2019/20	2018/19
Net sales	1,560	1,331	897	387	284
Operating profit (EBIT)	310	367	230	83	57
Profit for the year attributable to parent company's shareholders	243	288	172	60	45
Net sales growth ¹⁾ , %	17.1	48.4	132.0	36.0	99.5
EBIT-margin, %	19.9	27.5	25.7	21.5	20.1
Earnings per share before dilution ²⁾ (SEK)	2.15	2.55	1.59	0.56	0.42
Earnings per share after dilution ²⁾ (SEK)	2.15	2.55	1.59	0.55	0.42

1) Alternative performance measure

2) A reversed split 6:1 was executed during 2020/21. All comparison figures have been restated for the new number of shares.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION, CONDENSED

SEKm	2022/23	2021/22	2020/21	2019/20	2018/19
Total assets	1,437	1,394	1,268	956	916
Equity attributable to parent company's shareholders	1,138	975	760	627	698

GROUP STATEMENT ON CASH FLOW, CONDENSED

SEKm	2022/23	2021/22	2020/21	2019/20	2018/19
Cash flow from operating activities	188	65	225	121	38
Cash flow from investing activities	-6	-3	-3	-7	-3
Cash flow from financing activities	-102	-283	-42	-32	-17
Cash flow for the year	79	-222	179	81	19

KEY PERFORMANCE INDICATORS

RevolutionRace uses various key figures, including alternative performance measures (APMs), for internal analysis purposes and for external communication of the operations' results, performance and financial position. The key figures support stakeholders in their assessment of RevolutionRace earnings and performance. The aim of these APMs is to illustrate the performance measures tailored to operations that,

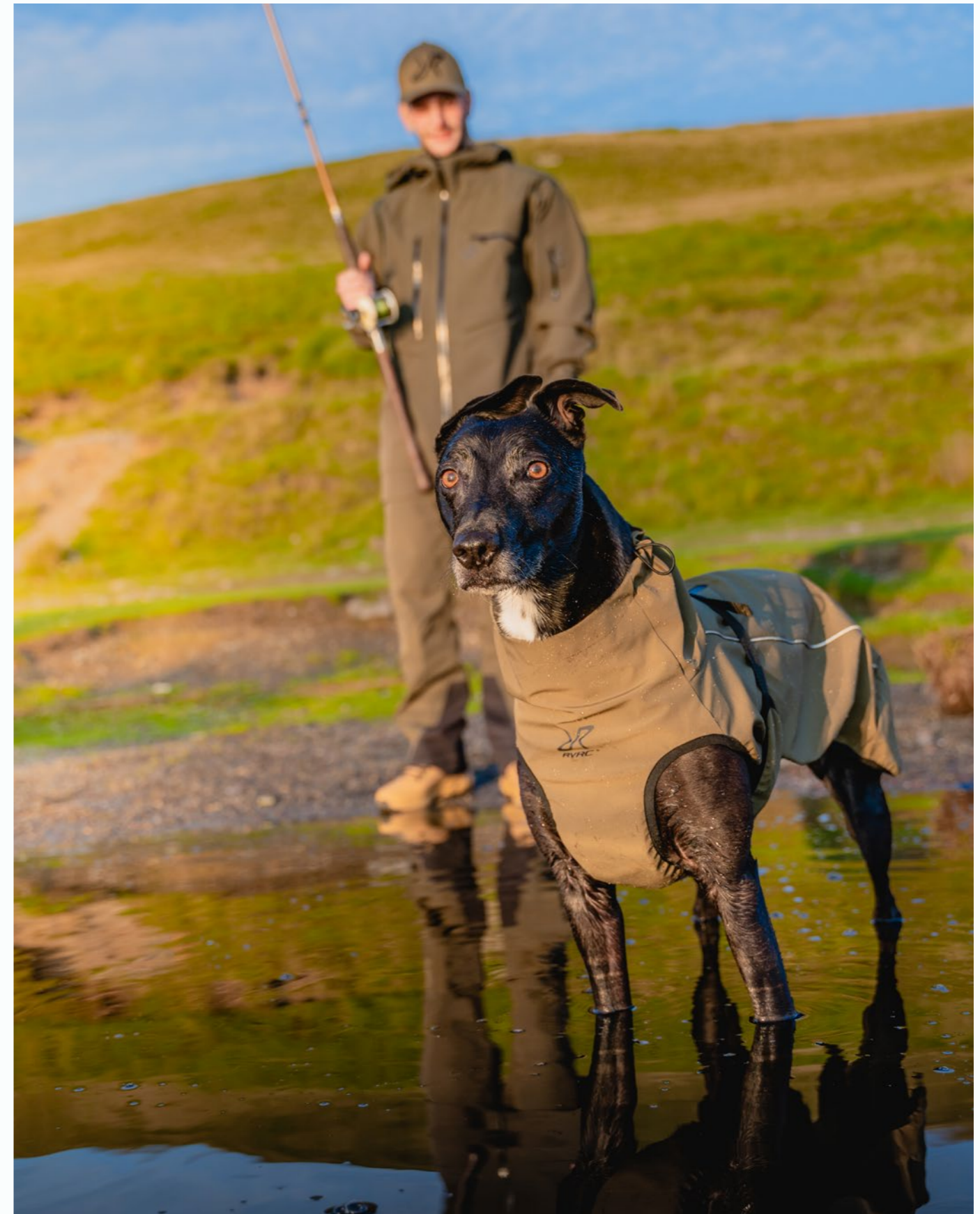
in addition to the other key figures, enable various stakeholders to more accurately assess and value RevolutionRace historical, current and future performance and position. The APMs reported by RevolutionRace can differ from similarly named metrics presented by other companies and, accordingly, are not always comparable.

Key performance indicators, SEKm	2022/23	2021/22	2020/21	2019/20	2018/19
Net sales	1,560	1,331	897	387	284
Net sales growth ¹⁾ %	17.1	48.4	132.0	36.0	99.5
Gross profit ¹⁾	1,126	963	664	271	203
Gross profit margin ¹⁾ %	72.2	72.3	74.0	70.1	71.5
Operating profit (EBIT)	310	367	230	83	57
EBIT-margin	19.9	27.5	25.2	21.5	20.1
Adjusted EBIT ¹⁾	322	367	252	83	57
Adjusted EBIT-margin, %	20.6	27.5	27.6	21.5	20.1
Profit before tax	306	363	218	76	52
Earnings per share before dilution, SEK	2.15	2.55	1.59	0.56	0.42
Earnings per share after dilution, SEK	2.15	2.55	1.59	0.55	0.42
Net working capital ¹⁾	218	157	-72	-23	43
Net working capital as share of net sales ¹⁾ %	14.0	11.8	-8.0	-5.9	15.2
Cash flow from operating activities	188	65	225	121	38
Cash conversion ¹⁾ %	117.4	160.6	119.6	169.3	81.8
Net debt ¹⁾	-139	-47	-62	120	102
Number of orders ¹⁾	1,783	1,659	1,176	534	408
Average order value (AOV) ¹⁾	875	803	763	725	697
Number of employees at year-end	135	126	91	56	25

1) Alternative performance measure

DEFINITIONS OF KEY PERFORMANCE INDICATORS

Key Performance Indicator	Definition	Purpose
Adjusted EBIT	Operating profit (EBIT) adjusted by items affecting comparability.	Adjusted EBIT is used to maintain the clarity and comparability of the profit of the day-to-day operations.
Adjusted EBIT margin	Adjusted EBIT as a percentage of operating income (net sales and other operating income).	Adjusted EBIT margin is used to show the degree of profitability, excluding items affecting comparability.
Average net order value (AOV)	Net sales for the period divided by number of orders for the period.	Average net order value (AOV) is used to analyse the profitability per order.
Cash conversion	EBITDA (operating profit (EBIT) before depreciation and amortisation of tangible and intangible assets) less changes in net working capital and cash flow from investing activities divided by EBITDA.	Cash conversion is used as an efficiency measure of the proportion of the profit that is converted into cash and cash equivalents.
Operating profit (EBIT)	Operating profit (EBIT).	Operating profit (EBIT) is used to analyse the profitability generated by the operating activities.
EBIT margin	Operating profit (EBIT) divided by operating income (net sales and other operating income).	EBIT margin is used to analyse the degree of profitability of the operating business.
Gross profit	Net sales less goods for resale	Gross profit is used to analyse the profitability of the sale of goods.
Gross profit margin	Gross profit divided by net sales	Gross profit margin is used to show the degree of profitability of the sale of goods.
Net sales growth	Net sales for the period divided by net sales for the previous period.	Net sales growth is used to enable comparison of the growth rate between different periods, with the market as a whole and between periods.
Net debt	Current and long-term interest-bearing liabilities (liabilities to credit institutions and lease liabilities) reduced by cash and cash equivalents.	Net debt is used to determine if the Group will be able to fulfil its financial commitments.
Net working capital	Current assets reduced by cash and cash equivalents less non-interest-bearing current liabilities.	Net working capital is used to analyse the condition of the Company to finance the day-to-day operations.
Net working capital as a share of net sales	Net working capital divided by net sales (rolling 12 months).	Net working capital as a share of net sales is used to assess how efficiently the net working capital is used in the business.
Number of orders	Number of orders before cancellations and returns in the period.	Number of orders is used to measure the level of customer activity and to calculate the average net order value (AOV).
Equity/assets ratio	Equity in relation to total assets in the balance sheet.	This ratio is an indicator of the company's leverage used to finance the company.



RECONCILIATION OF ALTERNATIVE PERFORMANCE MEASURES

Net sales growth

SEKm (unless otherwise stated)	2022/23	2021/22	2020/21	2019/20	2018/19
Net sales, reported	1,560	1,331	897	387	284
Net sales previous year	1,331	897	387	284	143
Change in net sales, SEKm	228	434	510	102	142
Net sales growth, %	17.1	48.4	132.0	36.0	99.5

Gross profit and gross profit margin

SEKm (unless otherwise stated)	2022/23	2021/22	2020/21	2019/20	2018/19
Net sales	1,560	1,331	897	387	284
Goods for resale	-434	-369	-249	-116	-81
Gross profit	1,126	963	648	271	203
Net sales	1,560	1,331	897	387	284
Gross profit margin, %	72.2	72.3	72.3	70.1	71.5

EBIT-margin, adjusted EBIT and adjusted EBIT-margin

SEKm (unless otherwise stated)	2022/23	2021/22	2020/21	2019/20	2018/19
Operating profit (EBIT)	310	367	230	83	57
Operating income	1,562	1,356	913	388	285
EBIT-margin, %	19.9	27.0	25.2	21.5	20.1
Items affecting comparability:					
Other external expenses, related to the listing preparations (+)	—	—	22	—	—
Other external expenses, related to incentive program	12	—	—	—	—
Adjusted EBIT	322	367	252	83	57
Adjusted EBIT-margin, %	20.6	27.0	27.6	21.5	20.1

Cash conversion

SEKm (unless otherwise stated)	2022/23	2021/22	2020/21	2019/20	2018/19
Operating profit (EBIT)	310	367	230	83	57
Depreciation and amortisation of tangible and intangible assets	7	5	4	2	1
EBITDA	317	371	234	85	58
Changes in net working capital (+/-)	-61	-228	49	66	-7
Cash flow from investing activities	-6	-3	-3	-7	-3
	250	140	280	144	48
EBITDA	317	371	234	85	58
Cash conversion %	78.9	37.6	119.6	169.3	81.8

Net debt

SEKm (unless otherwise stated)	2022/23	2021/22	2020/21	2019/20	2018/19
Interest-bearing debt (non-current)	—	20	229	230	114
Interest-bearing debt (current)	—	—	—	—	16
Long-term lease agreements	11	7	5	5	7
Short-term lease agreements	4	2	2	1	1
Interest-bearing debt	15	28	235	237	138
Cash and cash equivalents (-)	-154	-75	-296	-117	-37
Net debt	-139	-47	-62	120	102

Net working capital and net working capital as share of net sales

SEKm (unless otherwise stated)	2022/23	2021/22	2020/21	2019/20	2018/19
Current assets	621	587	463	151	116
Cash and cash equivalents (-)	-154	-75	-296	-117	-37
Current liabilities (-)	-253	-357	-240	-59	-53
Current interest-bearing liabilities (+)	—	—	—	—	16
Lease liability (+)	4	2	2	1	1
Net working capital	218	157	-72	-23	43
Net sales (rolling 12 months)	1,560	1,331	897	387	284
Net working capital as a share of net sales	14.0	11.8	-8.0	-5.9	15.2

Quarterly overview

Net sales per geographical region	2022/23				2021/22			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Nordics ¹⁾	84	91	129	84	100	102	125	115
DACH ²⁾	205	235	277	146	167	199	192	105
Rest of the world	73	88	103	46	51	66	75	34
Total net sales	362	414	509	276	318	367	392	254
Net sales growth ³⁾ (%)	13.8	12.8	29.8	8.5	16.2	50.1	57.9	94.8
Operating profit (EBIT)	68	87	105	50	73	104	117	73
EBIT-margin (%)	18.9	21.1	20.7	17.4	21.9	27.8	29.8	28.4
Adjusted EBIT ³⁾	68	87	117	50	73	104	117	73
Adjusted EBIT-margin ³⁾ (%)	18.9	21.1	23.0	17.4	21.9	27.8	29.8	28.4
Number of orders ³⁾	430	444	580	330	411	433	495	320
Average order value (AOV) ³⁾ (SEK)	842	930	876	835	774	849	791	793

1) Nordics is defined as total sales of Sweden, Norway, Finland and Denmark

2) Germany, Austria and Switzerland

3) Alternative performance measure

ANNUAL GENERAL MEETING AND REPORTING DATES

Annual General Meeting

Annual General Meeting 21 November 2023

The shareholders of RVRC Holding AB (publ), reg. no. 559129-4623, have been invited to attend the Annual General Meeting (AGM) to be held on 21 November 2023, at 10.00 CET at Astern mat & möten, Kyrkängsgatan 8, Borås, Sweden.

For more information, please see the notice and other documents available at:

<https://corporate.revolutionrace.com/en/general-meeting-2023/>

Dividend

The Board proposes a dividend of SEK 0.86 per share. The proposed record date for the dividend is 23 November 2023. Provided that the AGM resolves in accordance with the Board's proposal, payment of the dividend is expected to be made via Euroclear Sweden AB on 28 November 2023.

Reporting dates

Interim report July–September (Q1) 2023/24, 7 November 2023

Interim report July–December (Q2) 2023/24, 30 January 2024

Interim report July–March (Q3) 2023/24, 7 May 2024

Full year report (Q4) 2023/24, 13 August 2024

RVRC Holding AB (publ) Nils Jakobsongatan 5D

SE-504 30 Borås, Sweden

Org.nr: 5591294623

corporate.revolutionrace.com



OUR HISTORY

2013/14 RevolutionRace is founded by Pernilla and Niclas Nyrensten

During a trek to Everest Base Camp, a women sewed a seed by avoiding using her hiking pants in the forest so as not to risk staining them with blueberry, and from there Pernilla and Niclas decided to launch what is today RevolutionRace. The launch began with the outdoor Nordwand pants, and sales were initially conducted at leisure fairs around Sweden, but soon moved to online-based sales via fritidsfabriken.se.

Number of customer reviews online: 859



2014/15 Expanded assortment

The company launched ten new products including jackets, trousers and accessories. At the same time, RevolutionRace made extensive investments in digital marketing to drive traffic to the online store with the help of selfproduced content.

2015/16 Nordic expansion commenced

RevolutionRace was launched in Finland and moved into newly built premises in Simonsland in central Borås.

Number of customer reviews online: 15,170

2017/18 European expansion and new partners

The company continued to expand through launches in Italy, France and the Netherlands. At the same time, the collaboration with the venture capital company Altor began, with Altor Fund IV becoming a minority owner.

Number of customer reviews online: 77,147



2018/19 Awards for innovation

In 2019, the company moved to its current headquarters in Borås. RevolutionRace's continued business development and innovation resulted in Svensk Digital Handel awarding the Company the D-Awards Platinum award as the best innovative business model in e-commerce in 2018. In 2019, global expansion continued with launches in the UK, Poland and the Czech Republic.

2016/17 Growth in the Nordics and DACH

RevolutionRace continued to build locally adapted online stores for the Nordic countries and launched the brand in Norway and Denmark. Their success also led them to start investing outside the Nordic countries, initially in Germany and Austria.



2021/22 Continued profitable and global growth

Continued profitable growth in both new and existing markets. Local online stores were launched in Switzerland and Estonia, as well as via Amazon in the US. This year we met an important milestone when our net sales passed SEK 1 billion (rolling 12 months) during the first quarter of 2021/2022 and landed at SEK 1.3 billion for the 2021/22 full year.

Number of customer reviews online: 400,000



2022/23

Expanded range

- RevolutionRace launches its first collection for teenagers – Teens.
- A successful launch of the first dog collection is made and sells out in a short time.
- RevolutionRace reaches an important milestone with over one million followers on social media

Number of customer Reviews online: +500,000



2020/21

Continued expansion and listing on Nasdaq

Local online stores were launched in Ireland and Spain. The successful collaboration with Amazon resulted in a partnership within the framework of Amazon's Pan-EU programme ("Fulfillment by Amazon" – "FBA"), where goods handling and logistics take place via Amazon's distribution centres in selected European countries. In June 2021, RevolutionRace launched on Amazon in the US. The company is mentioned in the Financial Times "FT 1000" list as one of Europe's fastest growing companies and on 16 June 2021, RevolutionRace would be listed on Nasdaq Stockholm Midcap.

Number of customer reviews online: 274,000

2019/20

Noticed by Facebook

RevolutionRace's successful investments in digital marketing resulted in Facebook publishing a case study that described how the Company ran a successful campaign on the platform to attract customers and increase brand awareness in Sweden, Finland and Germany. Altor Fund IV became the majority owner and the company expanded with a locally adapted online store in Belgium. Since 2020, RevolutionRace has conducted all marketing within the organisation, which the Company considers to be a success factor for building the brand. In 2020, the Company launched selected products on Amazon, starting in Germany. This has been conducted via a proprietary company-specific domain on Amazon, where RevolutionRace has a custom-designed brand page with custom content.

Number of customer reviews online: 204,237



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