

# 21 / 22



REVOLUTIONRACE / ANNUAL REPORT / RVRC HOLDING AB





**#natureisourplayground**



# CONTENTS

- Introduction**
  - 6 This is RevolutionRace
  - 10 The year in brief
- Strategy and operations**
  - 12 CEO's comments
  - 16 RevolutionRace operates in a market with strong underlying driving forces.
  - 20 How we generate value
  - 22 Strategies and targets
  - 28 A carefully selected range
  - 38 Our employees
  - 42 Investment case
  - 44 The share and the shareholders
- Management and governance report**
  - 46 Management report / **A** /
  - 56 Remuneration Report
  - 58 Corporate Governance Report
  - 70 Auditor's opinion on the Corporate Governance Report
- Financial statements and notes**
  - 72 Group reports / **A** /
  - 78 Financial Statements, Parent Company / **A** /
  - 83 Notes / **A** /
  - 119 Assurance / **A** /
  - 120 Auditor's report
  - 125 Multi-year overview and definitions
- Other**
  - 130 Annual General Meeting and reporting dates
  - 132 Our history

Pages 46–55 and 72–119 constitute the legal Annual Report, which has been audited. **A**

RVRC Holding AB (Publ) issues a separate Sustainability Report based on the GRI Standards and meeting level Core, as well as a Sustainability Report in accordance with the RVRC Holding AB's Sustainability Report on <https://corporate.revolutionrace.com/en/>

# NATURE IS OUR PLAYGROUND

RevolutionRace offers high-quality functional clothing for people who lead an active lifestyle. The company was founded in 2013 by Pernilla Nyrensten, CEO and Niclas Nyrensten, Creative Director. 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 captures urban people's need to be able to move seamlessly between the woods and the city, in multifunctional clothing adapted to multiple activities, to weather and wind and to both men and women of all ages!

Helix Jacket

Helix Pants



NUMBER OF COUNTRIES  
WHERE THE PRODUCTS  
ARE SOLD:

> 35

NUMBER OF LOCAL  
WEB SHOPS:

18

NUMBER OF EMPLOYEES:

126

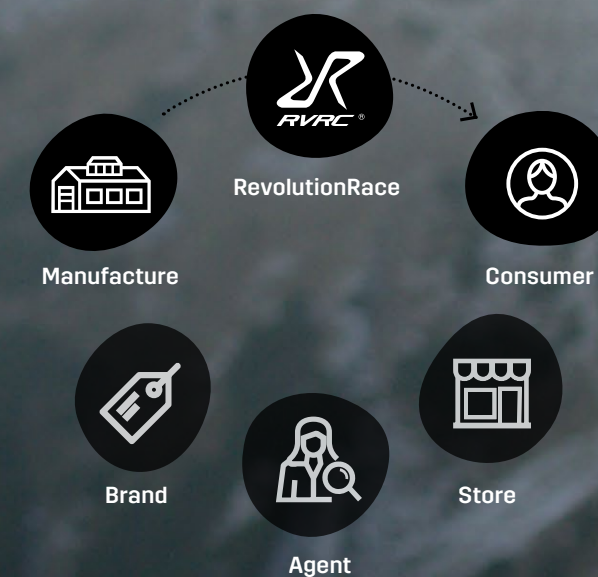
as of 30 June 2022

Tornado Fleece

RVRC® GP Pants

## OUR BUSINESS MODEL: WE CUT OUT THE INTERMEDIATES

Our business model is actually quite simple. We only sell our outdoor clothing online, directly to our customers. By skipping all intermediaries and selling directly to the end customer digitally, we can offer higher quality at a lower price than would have been possible at the retail level. Through direct communication with our customers on digital and social platforms, we capture their needs and can predict their needs based on data.





Trail Jacket

RVRC GP Pro Pants

Ripp, Border collie

NUMBER OF FOLLOWERS  
ON SOCIAL MEDIA:

# 990,000

– an increase from 800,000, in 2021.

NUMBER OF UNIQUE  
CUSTOMER REVIEWS:

# 400,000

In September, the number of customer reviews reached 400,000 – up from 240,000 in 2021.

## CUSTOMER IMPACT

Our dedicated community is actively involved in our product development. By sharing authentic and product-specific reviews and by communicating via our social media, the customer can be involved in, and influence, when we wish to add new colours, functions, product categories or upgrades. Together with our customers, we make our products even better, so that more people can get out and have fun in nature.

We improve function and design based on our customers' feedback. We retain most of our products year after year, unlike many other brands that replace their entire range every year. Seasonal products are only a small part of our total range and this means that we can sell out of stock models, which helps us eliminate wastage. To date, we have disposed of significantly less than is standard in our industry.



# THE YEAR IN BRIEF

RevolutionRace continued to develop strongly in 2021/22, with very strong and profitable growth in both new and existing markets. The Company sells high-quality, multifunctional clothing with a stylish design and good fit at unmatched value – a combination that generates great interest in the brand and the Company's products. Selling high-quality, affordable, multifunctional and well-fitting clothing for both men and women adapted for activities both in the woods and in the city is an important part of RevolutionRace's strategy.

## SIGNIFICANT EVENTS DURING THE YEAR

### CELEBRATING ONE YEAR ON THE STOCK EXCHANGE

On 16 June 2021, RevolutionRace's shares (ticker: RVRC) began trading on the Nasdaq Stockholm exchange. RevolutionRace celebrates its first full-year as a listed company.

### PASSES THE SEK 1 BILLION MARK IN SALES ON A ROLLING 12-MONTH BASIS

This year we met an important milestone when our net sales exceeded SEK 1 billion (rolling 12-months) during the first quarter of 2021/2022.

### EXPANDING INTO NEW MARKETS

Expanding our geographic presence through local online stores is an important success factor and an essential part of our global growth strategy. During the year, we launched three new markets; the US, Switzerland and Estonia.

### EXPANDED PRODUCT RANGE

During the year, we have added two new product categories to our range; shoes and backpacks. Both categories have been very well received and were given highly favourable product reviews. In addition, our first shoe launch sold out within 48 hours. We have also developed the existing range with new models and colours.

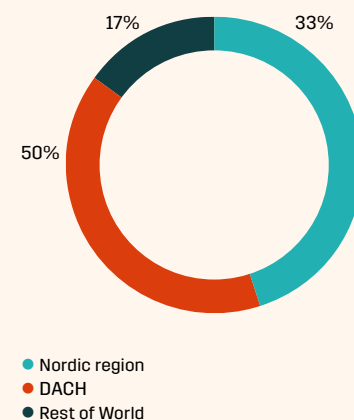
### EXPANDED PRESENCE IN THE AMAZON MARKETPLACE

Our partnership with Amazon is continuing and we have expanded our collaboration in several markets, including a relaunch in the UK and a launch in Sweden. Amazon offers several benefits, and provides a key channel for securing new customers.

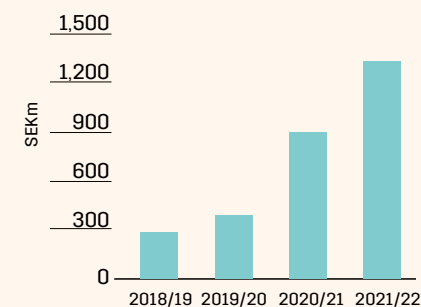
## FINANCIAL KPIS

SEKm	2021/22	2020/21	2019/20	2018/19
Net sales	1,331.5	897.1	386.8	284.5
Average net order value (AOV), (SEK)	803	763	724	697
Gross profit	962.7	648.3	271.0	203.4
Gross margin, %	72.3	72.3	70.1	71.5
Adjusted EBIT	366.8	252.2	83.1	57.1
Adjusted EBIT margin, %	26.3	27.6	21.5	20.1
EBIT	366.8	230.4	83.1	57.1
EBIT margin, %	26.3	25.2	21.5	20.1
Profit before tax	363.5	218.4	76.2	52.5
Earnings per share before dilution, SEK	2.55	1.59	0.56	0.42
Earnings per share after dilution, SEK	2.55	1.59	0.55	0.42
Distribution from Group companies	72.3	110.0	132.0	—

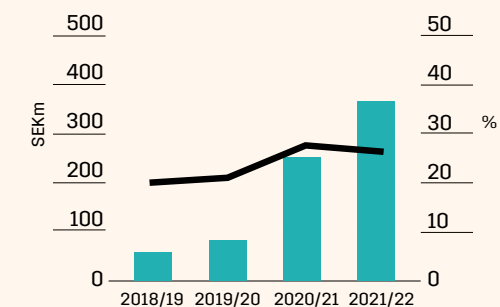
## SALES BY GEOGRAPHICAL AREA



## NET SALES (SEKm)



## EBIT AND ADJUSTED EBIT



## GROWTH

# 48%

Our net sales grew by 48 percent in 21/22, driven by highly favourable demand in all markets.



# REVOLUTIONRACE CONTINUES ITS JOURNEY OF GROWTH

RevolutionRace was founded with the clear ambition of creating high-quality, colourful and affordable outdoor products with an amazing design and fit at unbeatable value. By meeting our customers on social platforms and listening to their expectations and needs, we have continued to develop our products to meet consumers' needs for multifunctional clothing in their day-to-day lives. Today, this remains our guiding principle as we continue building one of the world's most highly recommended outdoor brands, alongside our customers.



## Successfully implementing our strategy generates favourable conditions for the future

Strong international growth, geographical expansion and new product categories launches sum up a successful year for RevolutionRace. During the 2021/22 financial year, we passed a milestone with sales in excess of SEK 1 billion. Having now completed our first year of operations as a listed company, I can state that RevolutionRace has taken a further step towards its objective of becoming a leading international outdoor brand.

Over the year, development was strong, both operationally as well as financially. Through successful launches in new markets and marketplaces, a broadened product range, a developed pricing strategy and increased customer loyalty, with a larger proportion of return customers, we managed to grow our sales by 48 percent to SEK 1,331 million while maintaining good profitability. Adjusted EBIT rose by 45 percent to SEK 367 million and the average order value increased by 5 percent to SEK 803, mainly through strong sales of jackets and shoes.

Sales in the DACH region, comprising Germany, Austria and Switzerland, rose by 81 percent to SEK 658 million.



The strong trend in the region was mainly driven by highly favourable development in the company's largest market — Germany. Net sales in the Rest of the World region continued to grow as a share of the company's total sales, achieving total growth of 76 percent to SEK 232 million.

#### Well positioned in a changing market

RevolutionRace offers high-quality products at competitive prices, which, combined with a D2C model and strong financial position, serve as a critical tool for generating value in the long term. Historically, RevolutionRace prioritises profitable growth, meaning that we meet new macro-economic challenges from a position of strength. Our positioning has always been, and continues to be, entirely central, especially when we perceive increased general concern among consumers. We are humbled by the macro-economic challenges now prevalent around world, including reduced purchasing power among consumers, and it is likely that RevolutionRace will also be affected. That said, we are confident that RevolutionRace is very well positioned for future profitable growth.

#### Strengthened brand position

The RevolutionRace brand continues to attract a broad audience with an active lifestyle. Through our digital positioning enabled by internal know-how, we engage millions of people in our ever-growing community. In addition to favourable gross margins, ownership of the brand enables considerable flexibility in developing new products, marketing materials

and campaigns. In step with the company's strong sales growth, the total customer base is also growing. With more and more customers to communicate with on an ongoing basis, we can create a high level of customer loyalty through our digital model and engaging content. A growing customer base also brings increased and more detailed insight. We now have more than 400,000 product reviews with overwhelmingly favourable feedback and nearly a million followers on social media.

#### Product range for a broad target group

RevolutionRace has built its product range over an extended period and with the intention of attracting a large number of people. The company's range is divided into "Base", "Pro" and "Statement" and we continuously evaluate the further segmentation of subcategories with the aim of increasing the relevance of the offer for different customer groups. It's actually quite simple — RevolutionRace should offer something for everyone, be it for an active everyday life or for more challenging activities. The division means access to a large target group and that we still have substantial opportunities to outperform the market as a whole.

An important part of our growth strategy is the launch of new products and product categories. During the year, new products and colours accounted for 34 percent of the company's sales, giving us a strong incentive to prioritise our product development.

We currently have a strong product pipeline of new categories at late stages of development. At the latest launches of shoes and backpacks, the interest and response from our customers were tremendous. This strengthens us for continued investments in new product categories that must all follow the same simple rules – multifunctionality at unbeatable value.

#### Ambitious aspirations in our sustainability work

At RevolutionRace, we strive to be an attractive workplace for all of our amazing employees, and it is important to behave responsibly, in both societal and environmental terms. We are therefore proud to report that we have achieved great progress in our sustainability work, this year having focused particularly on further increasing transparency and setting clear, concrete social and environmental targets. Among other things, our sustainability

”RevolutionRace should offer something for everyone, be it for an active everyday life or for more challenging activities. The division means access to a large target group and that we still have substantial opportunities to outperform the market as a whole.”

work, which we call “A Responsible Race”, entails securing and improving the social conditions in our production, manufacturing durable products, reducing wastage by keeping the amount of residual products at a low level (for the industry), and reviewing every step in the supply chain to reduce our climate impact as much as possible. Feel free to read more about our sustainability work on pages 26–27.

#### Customer satisfaction remains our top priority

Already well into our new business year, I can see that RevolutionRace is well equipped for the future despite the prevailing macro-economic challenges. The organization is well-accustomed to managing change and has previously demonstrated a tremendous capacity for finding profitable paths ahead. Our primary focus remains on exceeding our customers' expectations by developing multifunctional products offering unbeatable value in terms of price, functionality, quality and design.

#### Thank you!

I want to thank the company's former CEO, Pernilla Nyrensten, for her incredible efforts on RevolutionRace's behalf over the years. Since Pernilla started the company together with Niclas Nyrensten almost ten years ago, the company has achieved amazing development and we now look forward to continuing to develop the company with Pernilla on the Board of Directors.

In conclusion, I would also like to extend a huge debt of gratitude to the company's customers, shareholders, employees and partners who have all helped make the past financial year the most successful one in RevolutionRace's history. Together, we are continuing our journey towards becoming one of the world's most-recommended outdoor brands.

Paul Fischbein

CEO  
RevolutionRace

”I can see that RevolutionRace is well equipped for the future despite the prevailing macro-economic challenges.”



# REVOLUTIONRACE OPERATES IN A MARKET WITH STRONG UNDERLYING DRIVING FORCES



## OUTLEISURE – A SEGMENT WITH SEVERAL COMPETITIVE ADVANTAGES

RevolutionRace operates in the outleisure clothing segment – a combination of outdoor clothing and sports-inspired clothing. According to Euromonitor International, in 2021, the global market for Outleisure clothing amounted to EUR 101.5 billion, of which EUR 28.0 billion was attributable to outdoor clothing and EUR 73.5 billion was attributable to athleisure wear. The Outleisure segment has several favourable attributes that make it attractive for direct online sales. In part, outdoor clothing is characterised by lower fashion risk, with a large number of customer types being able to use the products, regardless of gender and age. Seasonal variations are also limited as garments are primarily used for a particular purpose, rather than usage being determined by the time of year in which an activity takes place. Combined with our full control of the brand, this entails lower risk in our business compared with many of our competitors, as we can both stock products for longer periods and adapt them to our customers' needs and wishes.



## OUTLEISURE – THE MARKET’S DRIVING FORCES



Increased awareness of climate impact from travel and tourism contributes to increased interest in outdoor activities in nearby areas. Eco-tourism favours outdoor activities.

The emergence of new alternatives to the outdoors activities, such as glamorous camping (glamping).

An increased focus on a healthy lifestyle, in which athleisure wear is considered to both instill and reflect an awareness of health and well-being.

An increasing interest in outdoor pursuits.

With more people working from home, demand for comfortable athleisure wear has increased.

More casual workplace dress codes are being introduced, meaning that athleisure wear is increasingly accepted in the workplace.

The boundary between sportswear and everyday clothing is becoming blurred, making it increasingly normal to wear athleisure wear on an everyday basis.

## 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 35 countries worldwide and our online shops have been customised for 18 countries. In addition to strong trends in outdoor leisure, RevolutionRace also benefits from the ongoing shift towards online sales.

## DRIVING FORCES IN THE ONLINE MARKET

- Improvements to the customer experience on digital platforms with clear interfaces, a well-balanced product range that is easy to navigate, fast and flexible delivery options and simplified payment methods.
- Social media is an important source of inspiration for consumers and enables companies to sell their products via posts on social media.
- There is an increased demand for customised shopping experiences, facilitated by online shopping.
- The Covid-19 pandemic accelerated the shift from offline to online commerce, which is expected to continue in the future.



# HOW WE GENERATE VALUE

## VISION

To be the world's most recommended brand for outdoor and outleisure wear.



## 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, we have had a vision of creating the best workplace that feels like family and where we have a lot of fun. At RevolutionRace we respect everyone, we are sensitive to injustice, and we support each employee on their individual path.



### 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.



# STRATEGIES AND TARGETS

RevolutionRace operates in a market generating significant non-current potential for continued growth. To achieve our financial targets while benefiting from the opportunities offered by a growing market for Outleisure, we have formulated an ambitious growth strategy.

## OUR GROWTH STRATEGY INCLUDES THE FOLLOWING SEVEN KEY ELEMENTS:

1.

**GROWTH IN EXISTING AND NEWLY LAUNCHED MARKETS**

The Outleisure market totals EUR 101.5 billion, meaning that RevolutionRace’s current share of the global market relatively small. Over time, opportunities are favourable for continued market share growth in established markets, as well as for expansion in recently launched markets, both by expanding the product range to reach a wider customer group 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.

RevolutionRace has a strong brand and a successful marketing concept for new market launches, which we continuously refine in preparation for each new launch. Three new markets were successfully launched the financial year – Switzerland, Estonia and the US. Switzerland was launched in the second quarter of 2021/22 was the most successful launch to date in RevolutionRace’s history.

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. The non-current objective is to increase the presence on Amazon for continued growth on this platform and, since October 2020, RevolutionRace has participated in Amazon’s pan-European “Amazon FBA” programme. This entails Amazon managing the storage and distribution of our goods between its warehouses in the affected markets and out to the customer based on order data. 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 possibility of adding new categories to the current range, by listening to our customers’ feedback. The customers’ wishes have always been the starting point in RevolutionRace product development. For example, we saw a great demand for shoes among our customers, which we had the great pleasure of launching during the year followed by yet another new category — bags.

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. Looking ahead, opportunities exist to continue developing the segmentation of collections into subcategories, based on perceived customer value and product specifications, to increase the relevance of the offering to different customer groups.

We work continuously to optimise pricing in different markets, taking, for example, product margins, sales volumes, the competitive landscape and assessed local purchasing power into account. As we grow and gain access to a larger amount of customer data, our pricing strategy is also becoming more effective.

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.



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

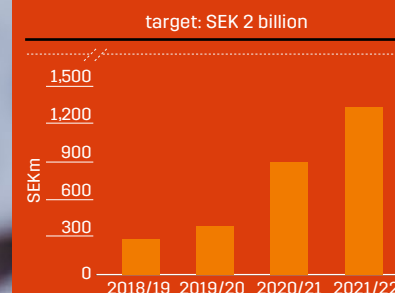
Cyclone Jacket

Whisper Jacket

## FINANCIAL TARGETS

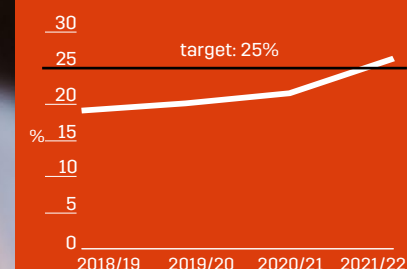
### NET SALES

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. The operating margin for 2020/21 has been adjusted for costs related to the listing of RevolutionRace on the Nasdaq Stockholm exchange.



### 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. Taking these considerations into account, RevolutionRace intends to distribute 40–60 percent of the profit for the year.

Proposed dividend for 21/22: SEK 0.77/share, corresponding to an increase of 20 percent compared to last year's dividend of SEK 0.64/share.



# 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 the product. 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 shall become the most recommended brand for an active outdoor life.

### 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 them.

### Reduce emissions

Protecting our planet and people from pollution, water scarcity and climate change has become an increasingly important priority for 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. Together with, and in cooperation with, our partners, we work for human rights, favourable working conditions and to protect our planet.

## SUSTAINABILITY TARGETS

### PRODUCTS

<3%

Excess production should never exceed 3%.

50%

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

100%

By 2025, at 100 percent of all of our cotton shall derive from more sustainable sources.

100%

of our packaging shall be more sustainable by 2025.

0 PFC's.  
We have banned PFAS in our products.

5.0/5.0

Stay close to 5.0/5.0 customer satisfaction.

## VÅRA SEX PRIORITERADE OMRÅDEN

Durable and safe products

Climate protection

Circular resources

Environmental responsibility

Motivated employees

Social responsibility in our supply chain

### EMPLOYEES

35

Increase employee satisfaction (ENP of at least 35 points by 2023).

50/50

gender balance in leading positions.

100% of employees trained in relevant sustainability topics.

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 by 2023.

100%

of our suppliers must have signed our Code of Conduct.

Solid due diligence in our supply chain.

**READ MORE →**  
More information is presented in the RevolutionRace Sustainability Report.



# CAREFULLY SELECTED RANGE

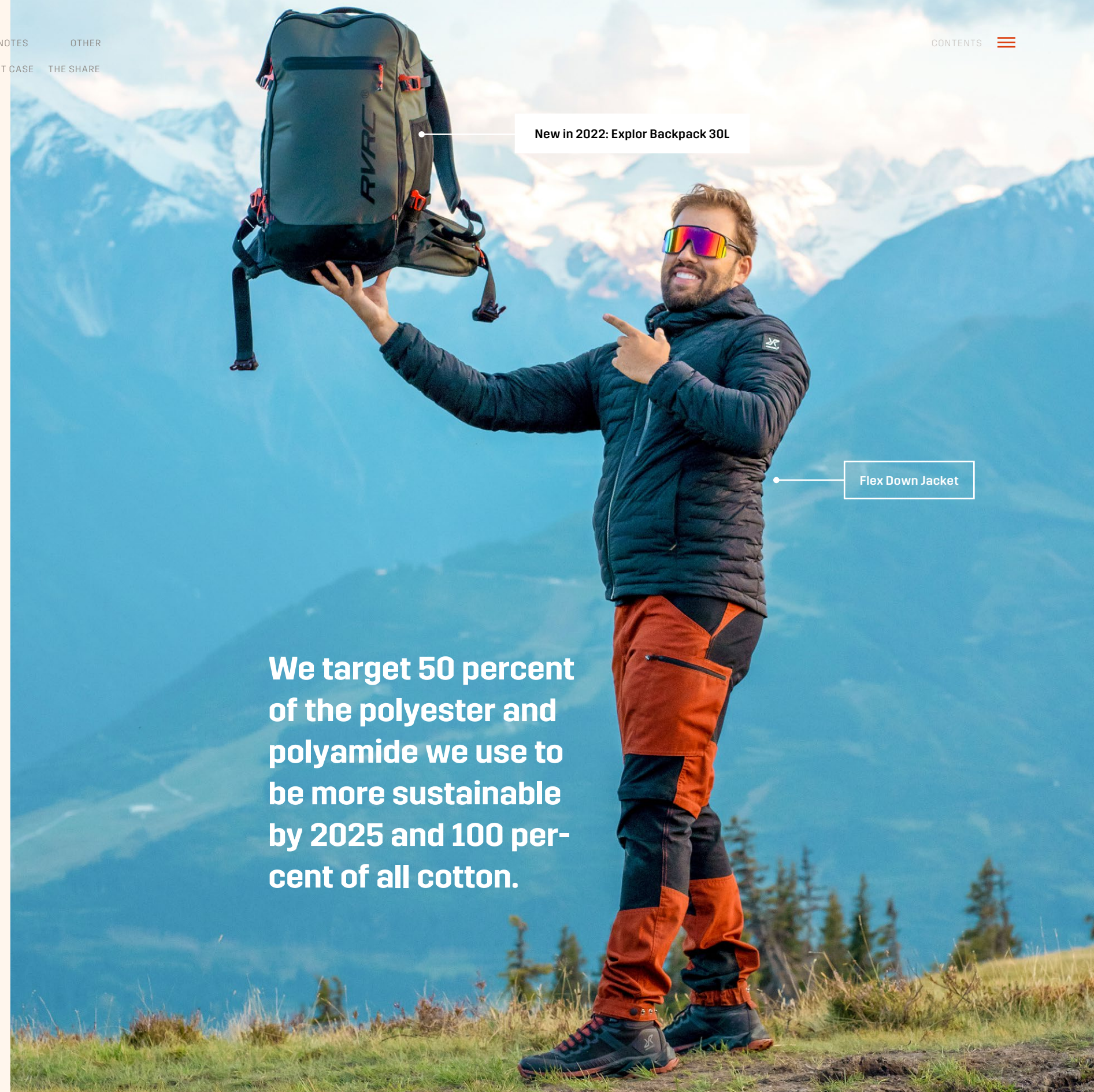
RevolutionRace designs and manufactures high-quality, durable and multi-functional products that work just as well on the trail as they do on a walk around town. Since 2020, we have increased our focus on resource efficiency and circularity, on extending the life of products and increasing the use of 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 2021/22 we introduced two new product categories, shoes and bags, to our range – largely comprising a timeless range that can be used season after season. In order to extend the lifespan even further, we have also developed a repair kit for some of our best-selling products. The products are also free of potentially dangerous chemicals and are manufactured under favourable social conditions with respect for the environment, all to offer our customers a safe and sustainable product. We target 50 percent of the polyester and polyamide we use to be more sustainable by 2025 and 100 percent of all cotton. In 2021/22 we launched our RVRC® GP trousers in recycled polyester and polyamide.

## 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. The pursuit of solid quality has always permeated the entire product and purchasing organisation. The product development process encompasses everything from generating concepts to production and is based on feedback from our thousands of customers and ambassadors. RevolutionRace has more than 400,000 authentic customer reviews of products in the online shop. Customers comment of the length, weight and fit of the garments, which is a great advantage in helping new customers find the right size and fit. In addition, the reviews form a valuable basis for us in our product development, partly through suggestions for improvements to the existing range, partly with ideas for new products.

After the idea stage, the design and sourcing team works with everything from materials to function, with durability as the watchword. All our products are durable and made to last, our hope is that RevolutionRace products will last hike after hike! With reinforcements in the right places and with materials and functions



New in 2022: Explor Backpack 30L

Flex Down Jacket

We target 50 percent  
of the polyester and  
polyamide we use to  
be more sustainable  
by 2025 and 100 per-  
cent of all cotton.



adapted to weather and activity, the product is created. Then the next exciting phase begins – testing the product, in addition to the laboratory, also in its proper element, all to ensure durability and quality.

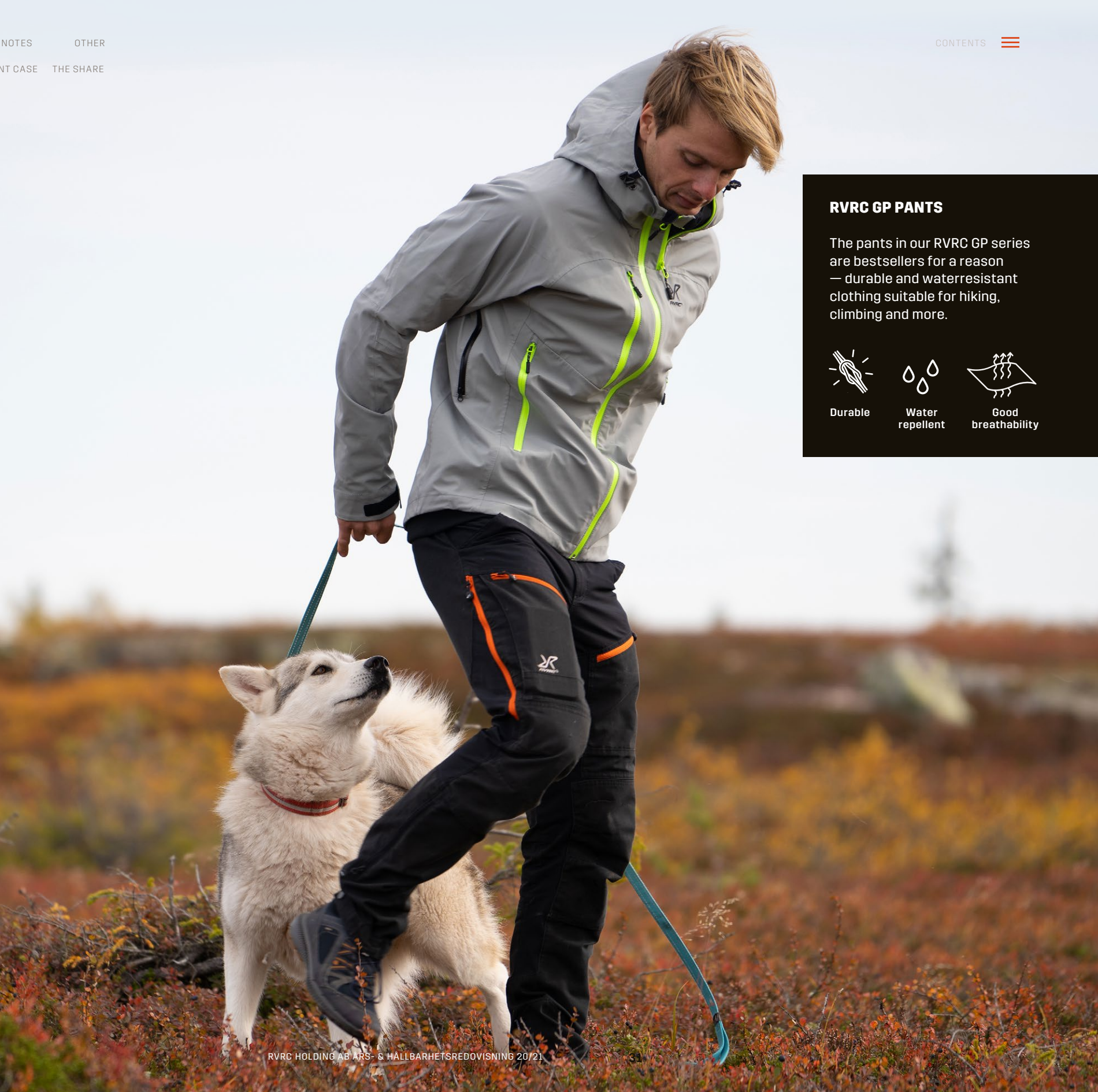
Since RevolutionRace’s inception, 234 products, developed in-house, have been launched. Most of the products are still current and available for purchase through RevolutionRace sales channels, where about 75 percent of annual sales derive from products that have also been in the range during the preceding year.

Our supply chain

RevolutionRace has a direct contractual relationship with manufacturing suppliers who sew the final product and with warehouses that stock the products. We have an indirect relationship with suppliers of fabrics and accessories as well as with suppliers of yarn and raw materials. The impact we have on people and the environment in the supply chain therefore occurs outside of our own direct operations. Our suppliers’ human rights and social responsibility are our first priority. Our products are warehoused in Europe and the US, while production of the products mainly takes place in Asia, with a particular emphasis on Vietnam, China and Myanmar. In order to secure human rights and continuously work for better working conditions, in 2022 we have developed our due diligence work in accordance with OECD guidelines, which you can read more about on pages 47–48 of 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, etc. Our Code of Conduct for Suppliers also applies to all subcontractors to manufacturers. Today, all suppliers except one supplier have signed our Code of Conduct, the penalty for not signing our agreement despite pressure is a terminated collaboration. Accordingly, the final product from that supplier was delivered in the spring of 2022.

RevolutionRace works with the Amfori Business Social Compliance Initiative (BSCI) to continuously improve social conditions in the supply chain. BSCI offers independent audits that monitor compliance with all the principles of the Code of Conduct for our suppliers. Based on the results of each individual audit, we can have a dialogue to immediately resolve zero tolerance issues to discuss possible improvements. The dialogue takes place through factory visits, continuous discussions and follow-up audits. Today, all but three suppliers are audited in Amfori BSCI, one of the two non-audited suppliers is certified in accordance with SA 8000, another one only has production in Sweden. Our goal is that by 2023 all suppliers must be audited by Amfori BSCI or certified by a similar organisation.



RVRC GP PANTS

The pants in our RVRC GP series are bestsellers for a reason — durable and waterresistant clothing suitable for hiking, climbing and more.



Durable



Water repellent



Good breathability





## NORDWAND PANTS

Our outdoor pants Nordwand have both quick-drying sections and stretch sections for ventilation. The perfect mix between durability and mobility.



Durable



Four-way  
stretch panels



Good  
breathability





### CYCLONE PANTS AND JACKETS

Designed to withstand extreme weather conditions, our Cyclone range includes fully windproof and waterproof jackets and trousers — for outdoor activities all year round.



Water-proof taped seams



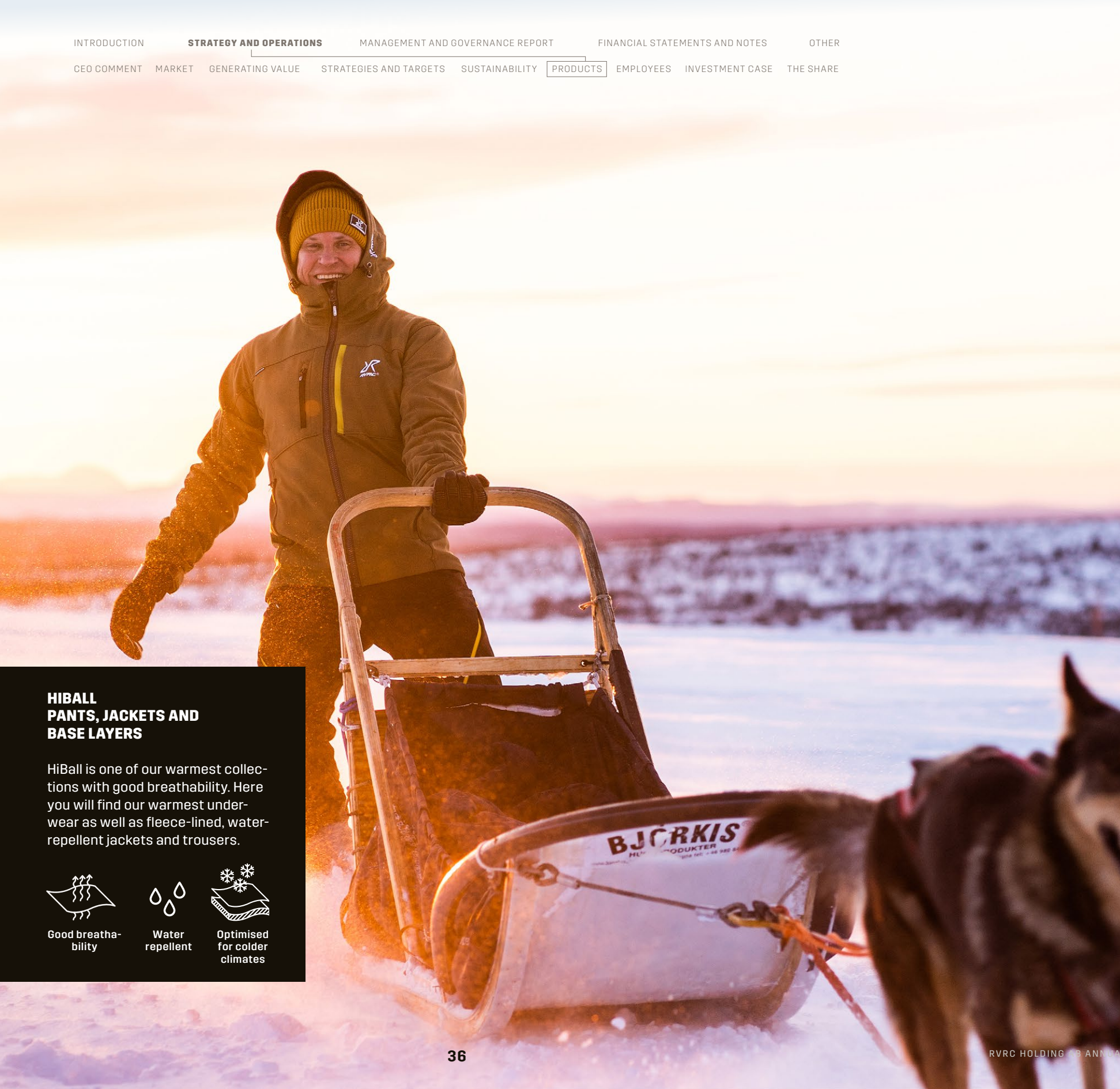
Wind and waterproof Hypershell®



Good insulating ability







**HIBALL  
PANTS, JACKETS AND  
BASE LAYERS**

HiBall is one of our warmest collections with good breathability. Here you will find our warmest under-wear as well as fleece-lined, water-repellent jackets and trousers.



Good breathability



Water repellent



Optimised for colder climates





# OUR EMPLOYEES

RevolutionRace has a strong corporate culture that is characterised by the company’s vision and values, forward thinking and passion to drive the company forward. Since the start in 2013, the company has progressed from two employees to more than 120 employees today – and we are continuing to grow.



READ MORE →

More information on our employees is presented in the RevolutionRace Sustainability Report.

## TOTAL NUMBER OF EMPLOYEES AS OF 30 JUNE 2022:

In total 126 (36 men, 90 women), 12 of whom are part-time employees	Quantity
Number of monthly employees having joined	53
Number of monthly employees having left	16
Average number of monthly employees per month	106
Average number of days of sick leave per employee (excl. holidays)	2.61

## NUMBER OF EMPLOYEES DIVIDED BY WOMEN/MEN AND AGE CATEGORIES

	Total	<30	30-40	40-50	>50
<b>Full-time employees,</b>					
Women	80	41	28	4	7
Men	34	20	7	7	0
<b>Part-time employees</b>					
Women	10	4	5	0	1
Men	2	1	1	0	0

### Equality and diversity

Motivated employees are an important goal in our sustainability initiative “A Responsible Race”, which you can read more about on pages 28–35 of our Sustainability Report. The goal includes, among other things, diversity and equal opportunities as well as a respectful and non-discriminatory culture. RevolutionRace is a young company, where 53 percent of the employees are under 40 and the development opportunities are many. In order to reflect the customer market and enrich the culture, we attach great importance to diversity in new recruitments.

### An inspiring and sustainable work environment

Motivated employees also require attractive working conditions, development opportunities and good leadership. During the beginning of 2022, we have put a lot of focus on work environment issues. Our leaders have been trained in work environment and the head office will be expanded to have larger and more inspiring workspaces, which will further strengthen the culture and collaboration.

During the third and fourth quarter, we conducted two employee surveys to measure commitment within the

company. The Employee Net Promoter Score averaged 33 during the period, which compares with the industry index of 18\*.

### Customer-oriented ambassadors

Our employees work every day to improve the products and the customer experience. We encourage challenging old truths, continuous learning and, above all, having fun. Company-wide staff activities are something we give high priority to, preferably in natural environments where our employees also have the opportunity to act as ambassadors for our products.

### Terms and benefits

We want to make RevolutionRace the best workplace in the world. During 2021/2022, we have reviewed and improved our terms and benefits to ensure marketability and competitiveness, all to retain and attract the best talent.

\* &Frankly, an average index based on all companies' eNPS.



## EMPLOYEES TELL THEIR STORIES



**NATHALIE KLEINWECHTER**  
Team Leader Customer Service

**”The most enjoyable part of my work is the people here. RevolutionRace has a unique culture, it’s easy to feel welcome.”**

I was hired as a customer service employee in 2019. At the time, we were 25 people in the office and had just moved into our current premises. I remember thinking about what we were going to do with all the surfaces. Now, three years later, we are almost five times as many and are about to expand the office. It has been an incredibly awesome journey!

In 2021, I got the opportunity to start in the “Influencer marketing” department”. There I worked with our partners who

represented RevolutionRace in the German-speaking markets.

A couple of months ago I got a new opportunity again, this time as Team Leader at Customer Service. Now I have personnel responsibility for the customer service employees who work towards the German-speaking market. My focus is largely on improving the processes for the employees and giving them the right conditions, which in turn creates satisfied customers. The customer experience is my main task!

The most enjoyable part of my work is the people here. RevolutionRace has a unique culture, it is easy to feel welcome and involved and there are many people who are very good at taking initiative, which is contagious. Then of course I love our clothes and the brand, I'm proud to talk about where I'm employed.

My dream trip? I love to travel! My dream is to parachute over an awesome landscape in New Zealand.



**PER ERIKSSON**  
ERP Specialist

**”The most important thing is that we move forward and if something goes wrong, we solve it together along the way. This represents a real success factor!”**

I work with upgrading and designing different solutions in our business system NAV. Right now I'm working on a number of larger projects, one of which is for example integrations with Amazon and another relates to customs with countries outside the EU.

It is very challenging to work on so many different projects at the same time. To succeed, good and talented project participants are absolutely essential — and there are plenty of them here at RevolutionRace.

I have only been employed for four months, but have already been struck by the goal-focused culture and the fast pace of the company. The most important thing is that we move forward and if something goes wrong, we solve it together along the way. This represents a real success factor!

My dream adventure? Oh, there are many! I would like to go on a longer bike adventure with the whole family where we would sleep in tents and be challenged by new routes every day.

Doubtful, however, if that dream will come true as my wife refuses to sleep in a tent and my eldest son is generally skeptical of that type of adventure with the family.



**MALIN MOTIN**  
Purchasing Manager

**”The biggest challenge in my role is to always be alert to finding new customer behaviours to analyse, as new things happen in the market all the time.”**

I have been working in sales and purchase follow-up and have been here at RevolutionRace for almost a year. My responsibility is to ensure, together with the entire purchasing team, that we have the right things at the right time. I also do some work with budget follow-up and participate in some cross-team projects within the company.

The biggest challenge in my role is to always be alert to find new customer behaviors to analyse, as new things

happen in the market all the time. Then it is important to have a good interaction between purchasing and the market in order to be able to constantly adjust the forecast and take the right actions.

The most enjoyable thing about my work is that no two days are the same. We have grown and become quite big, but it still feels like we are keeping the same pace as before and there are great opportunities to make an impact, which is great fun. It is also a playful workplace

in many ways, we come up with a lot of fun and pleasantries together.

Before the pandemic, we travelled to Costa Rica and hiked in the jungle. It's so cool to see how ecosystems change when it's as species-rich as in the jungle. Therefore, I hope that my next adventure will be the Amazon or Madagascar so I can experience it again. Then a couple of “Hike n Dive” will come in handy.



# FOUR REASONS TO INVEST IN REVOLUTIONRACE

RevolutionRace offers the opportunity to invest in a 100 percent digital company operating in a growing global market that is transitioning from physical stores to online commerce.

RevolutionRace shows strong financial development with superior growth and favourable profitability, which has been achieved thanks to an agile and entrepreneurial company culture.



## 1. FIRST-MOVER IN A LARGE GLOBAL MARKET TRANSITIONING TO ONLINE AND D2C

The Outleisure market is a large and growing market, characterised by a move to online-based commerce. Being one of Europe's first market players in Outleisure clothing to apply a digital D2C business model allows us to enjoy advantages affording us a favourable market position. Our assessment is that the online penetration of the Outleisure market will continue to increase also in the future.

## 2. HIGH-QUALITY AND FUNCTIONAL PRODUCTS AT AN UNBEATABLE PRODUCT VALUE IN TERMS OF PRICE, QUALITY AND DESIGN

The RevolutionRace offer is characterised by a carefully selected range consisting of high-quality and multifunctional products at competitive prices, for which there is in turn a large selection of different colours and sizes. Our profiling, above all regarding high quality and design at a lower price, distinguishes us from competing brands and leads to an unbeatable product value for the consumer.

## 3. COMPETITIVE MARKETING STRATEGY AND SOCIAL MEDIA BRAND EXPOSURE AND CUSTOMER ENGAGEMENT CHALLENGING TRADITIONAL MARKET PLAYERS

RevolutionRace pursues a digital marketing strategy and conducts all marketing in-house. The strategy includes data-driven and digital marketing with an extensive presence on social media, contributing to organically generated content strongly connected to the brand's core values.

## 4. STRONG FINANCIAL HISTORY WITH A COMBINATION OF HIGH GROWTH, GOOD PROFITABILITY AND STRONG CASH GENERATION

RevolutionRace's history combines strong organic growth with good profitability and, in 2021/22, sales growth amounted to 48 percent and operating profit to 26.3 percent. We see this as clear evidence of RevolutionRace's effective business model, successful geographical expansion and unbeatable value to customers.



# THE SHARE AND THE SHAREHOLDERS

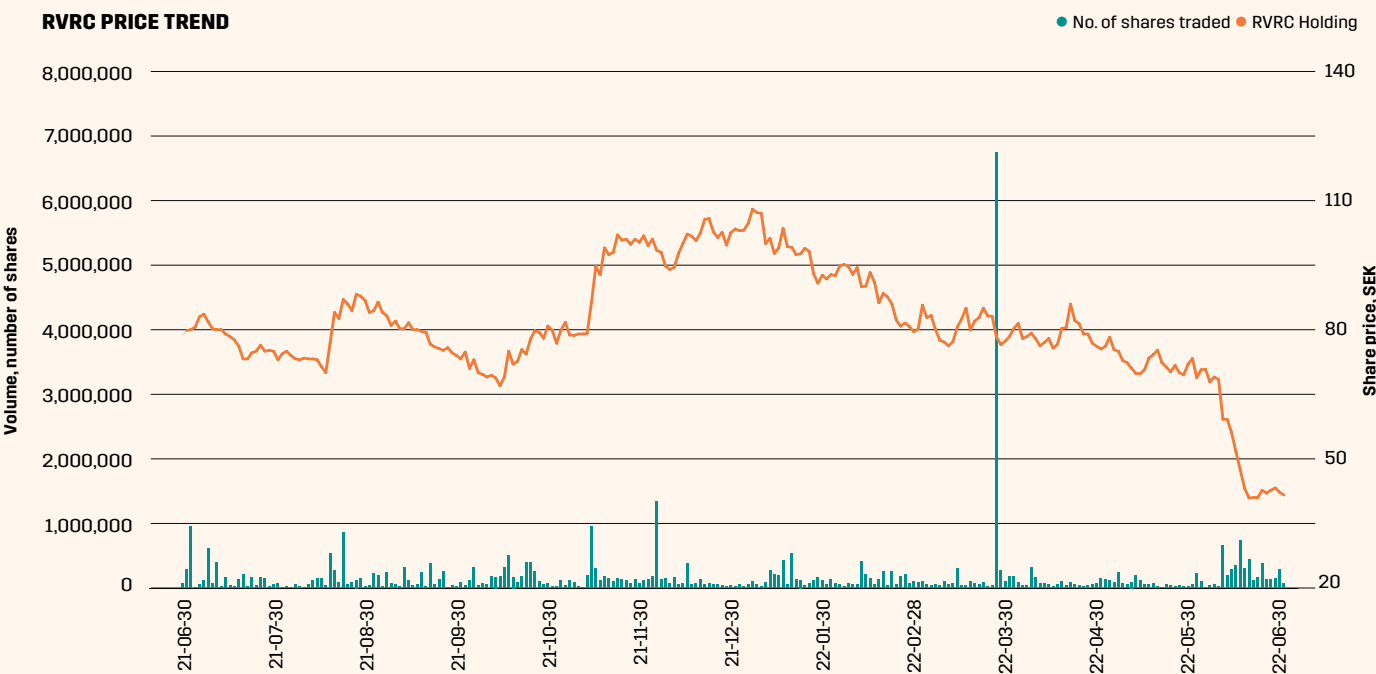
RevolutionRace’s shares have been listed on Nasdaq Stockholm Midcap since 16 June 2021 under the ticker “RVRC”. At the end of the financial year, the Company’s market capitalisation amounted to SEK 4,695 million.

## Share capital

On 30 June 2022, 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 2021/2022, the lowest quoted share price was SEK 39.06 per share on 22 June 2022 and the highest quoted share price was SEK 109.6 on 3 January 2022. The closing price on 30 June 2022 was SEK 41.58. During the period, a total of 35.8 million shares were traded on Nasdaq Stockholm.



## Shareholders

On 30 June 2022, there were 9,150 shareholders. The ten largest shareholders controlled 83.8 percent of the capital and votes. Swedish ownership amounted to 84.0 percent of capital and votes at the end of the financial year. Foreign ownership amounted to 16.0 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 10 November 2022 approve a dividend of SEK 0.77 per share, corresponding to a total dividend of SEK 86.9 million.

## SHAREHOLDERS BY COUNTRY

	Number of shares	Capital and votes, %	Number of known shareholders
Sweden	94,854,474	84.0	8,929
US	7,761,035	6.9	14
Denmark	5,106,637	4.5	60
Norway	1,665,622	1.5	22
Switzerland	877,376	0.8	7
Others	1,853,067	1.6	118
Anonymous shareholdings	800,707	0.7	N/A
<b>Total</b>	<b>112,918,918</b>	<b>100</b>	<b>9,150</b>

## TEN LARGEST SHAREHOLDERS

	Total number of shares	% of total number of shares
Altor	35,009,063	31.0
Nyrensten Global Holding AB	29,901,411	26.5
Swedbank Robur Fonder	8,014,959	7.1
Capital Group	6,067,377	5.4
Handelsbanken Fonder	5,111,905	4.5
C WorldWide Asset Management	3,225,000	2.9
AFA Försäkring	2,701,487	2.4
Arbetsmarknedets Tillægspension	1,763,905	1.6
Norges bank	1,569,068	1.4
Enter Fonder	1,261,522	1.1
<b>Total top-10</b>	<b>94,625,697</b>	<b>83.8</b>
Others	18,293,221	16.2
<b>Total</b>	<b>112,918,918</b>	

## SHARE PRICE TREND

KPIS PER SHARE	2021/22
Share price as of 30 June	41.58
Market capitalisation as of 30 June	4,695,168,610
Dividend, SEK/share <sup>1</sup>	0.77
Earnings per share before dilution	2.55
Earnings per share after dilution	2.55
Number of shares outstanding	112,918,918
Average number of shares before dilution	112,918,918
Average number of shares after dilution	112,918,918
Number of shareholders as of 30 June	9,150
Highest price paid during the financial year	109.6
Lowest price paid during the financial year	39.06

1) Proposal by the Board of Directors.



# 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 2021 — 30 June 2022. On 30 June 2022, 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 35 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 two 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 middle-man, 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 10 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, the RevolutionRace brand and its products were launched in Switzerland and Estonia, and they were re-launched with Amazon in the UK, achieving a favourable trend and experiencing good demand. At the end of the second quarter, the company launched a new product category — hiking boots. In the following quarter, another new product category was launched — bags.

### *Distribution and logistics*

During the first quarter, the Company began to handle products via the new logistics partner and logistics unit in Germany. The proportion of products handled via this logistics unit reached an appropriate level during the second quarter based on the Company's sales in the various geographic markets, which resulted in both faster, more cost-effective and environmentally-efficient deliveries beyond the Nordic region. Over the past financial year and according to plan, the company has built up its inventory — a prerequisite for being able to act pro-actively and to manoeuvre external factors, including supply-chain challenges, while also being a prerequisite for continued growth.

### *Covid-19*

The Covid-19 pandemic has affected RevolutionRace in several ways. Online penetration among potential customers is deemed to have increased, with a favourable 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.

### *Strengthened and expanded management team and Board of Directors*

To add skill and experience to facilitate RevolutionRace's continued successful development, the management team was expanded with the appointments of Jan Kantola as Head of Logistics.

### *Non-current incentive programme for management and key personnel*

RevolutionRace offers a long-term incentive programme to a total of 19 people in management and key personnel positions. The incentive programme includes the issue and transfer at market price of a maximum of 1,889,677 warrants, which can be exercised during the period 1 July 2024 – 31 December 2024. The exercise price for the warrants corresponds to 130 percent of the offer price.

During the year, 51,072 warrants were repurchased due to the termination of employment for one person in the incentive programme. In connection with its distribution of dividends and in accordance with the terms, the company also recalculated the subscription price at SEK 96.88 (97.50) and the number of shares per warrant 1.01 (1.00). At the end of the accounting year, the market value of the acquired warrants amounted to SEK 16.9 million (17.4). Assuming that all warrants in LTIP 2021/2024 are used to subscribe for new shares, the company's share capital will increase by SEK 19,018.02 (18,896.77), corresponding to a dilution effect of approximately 1.7 percent.

### **Developments in the Company's operations, profit and position**

#### *Revenues, expenses and profit*

Net sales amounted to SEK 1,331.5 million (897.1). The increase is explained by increased sales in both existing and new markets, as well as by product categories.

The costs amounted to SEK 1,025.4 million (682.3). 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.

## DEVELOPMENTS IN THE COMPANY'S OPERATIONS, PROFIT AND POSITION

Group, SEKm	2021/22	2020/21	2019/20	2018/19	2017/18
Net sales	1,331.5	897.1	386.8	284.5	142.6
Profit for the year attributable to Parent Company shareholders	288.0	171.6	59.7	44.9	9.0
Total assets	1,394.4	1,268.1	956.4	915.7	874.0
Equity/assets ratio, %	69.9	59.9	65.6	76.3	73.6
Parent Company, SEKm	2021/22	2020/21	2019/20	2018/19	2017/18
Net sales	6.6	1.1	0.0	0.0	0.0
Profit for the year	-0.0	110.4	132.0	-0.0	-0.0
Total assets	658.8	970.3	645.9	644.5	644.3
Equity/assets ratio, %	98.0	74.0	100.0	100.0	100.0



EBIT amounted to SEK 366.8 million (230.4). The loss from financial items amounted to SEK 3.3 million (12.0), mainly comprising interest income, interest expenses and similar income items. Profit for the year amounted to SEK 288.0 million (171.6).

Earnings per share before and after dilution amounted to SEK 2.55 (1.59) and SEK 2.55 (1.59) respectively.

**Cash flow, investments and financial position**  
Cash flow from operating activities amounted to SEK 64.9 million (224.8). The reduction is mainly attributable to increased inventory. The cash flow from financing activities amounted to an outflow of SEK 283.4 million (42.4), of which an outflow of SEK 72.3 million (110.0) is attributable to paid dividends paid, while an outflow of SEK 209.0 million (230) is attributable to repayments of borrowings. During the period, investments were made that affected cash flow negatively by SEK 3.3 million (3.2), primarily comprising capitalised development of the Group's e-commerce platform, business system and website.

During the third quarter, the group converted the previous bank loan from a term loan to an overdraft in its entirety to increase the flexibility of the group's financial position. During the fourth quarter, the credit facility was extended by SEK 300 million to meet the group's growth, while the credit facility was extended by one year and expires in the fourth quarter of 2027. Following the expansion, the total credit facility amounts to SEK 600 million, of which approximately SEK 300 million is an overdraft. As of the balance sheet date, SEK 22.8 million (0) of the overdraft had been used.

**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 6.6 million (1.1). EBIT was a negative SEK 6.8 million (23.9) and profit for the year amounted to SEK 0 million (110.4). The considerable change in net sales and operating profit (EBIT) compared with the preceding year is explained by the company having, in 2021/22, invoiced for internal Group services regarding group management for the entire financial year 2021/22 and that the company did not incur any costs related to IPO preparations in 2021/22.

At the end of the year, equity amounted to SEK 645.8 thousand (718.1).

**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 participation in 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 2022, 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 57.5 percent (62.8).

At the end of the year, an incentive programme was in place involving 1,889,677 warrants, issued in a series and with an exercise price of SEK 96.88. Upon full exercise of the aforementioned warrants, the number of shares will increase by 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 48 (132) percent to SEK 1,331.5 million (897.1). The Group's non-current growth target entails achieving net sales 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 non-current profitability target is an EBIT margin of at least 25 percent. In 2021/22, the EBIT margin rose to 26.3 (25.2) percent. The increase is due to higher gross profit, as well as continued favourable cost control.

**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 favourable cost control and increased efficiency throughout the organisation lay the foundations for continued favourable profitability. For the 2021/22 financial year, the Board of Directors proposes an ordinary dividend of SEK 0.77 (0.64) per share, corresponding to approximately 30 (42) percent of the profit for the year. In the proposal, in accordance with the company's dividend policy, non-current financial stability, growth opportunities and strategic initiatives have been taken into account. The ambition is for future cash flows to continue being used for share dividends but also for providing financial flexibility for investments within the existing structure. The non-current target of distributing 40–60 percent of the profit for the year 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 the law. 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 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 106 (65). 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 96–107. 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 to be 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 non-current 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 109–113. Pages 64–65 present a description of the internal control and risk assessment processes aimed at preventing errors in the financial reporting.

STRATEGIC RISKS	MANAGEMENT
<b>ECONOMIC FLUCTUATIONS</b>	
RevolutionRace’s operations depend on customer purchases and are therefore affected by cyclical fluctuations.	The Company closely monitors cyclical fluctuations and, if necessary, takes appropriate measures to adapt its operations to the prevailing situation.
<b>AVAILABILITY OF EXPERTISE</b>	
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.	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 retaining employees.
<b>BUSINESS ETHICS AND BRAND RISKS</b>	
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.	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 sub-contractors 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 and Purchasing Manager pays continuous visits to the Company’s suppliers to ascertain compliance.
<b>BRAND RISKS</b>	
The RevolutionRace®, RVRC® and Hypershell® brands and logos form a significant and valuable part of RevolutionRace’s operations.	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.



OPERATIONAL RISKS	MANAGEMENT
<b>PRICE RISK</b>	
Since RevolutionRace’s product range is manufactured more or less exclusively in countries undergoing continuous and rapid economic development, the Company is also exposed to the risk that expenses and salaries may increase in countries where the Company’s products are manufactured.	RevolutionRace continuously monitors the relevant markets and ensures that budget forecasts are based on the anticipated expenses.
<b>CHANGES AT THE SUPPLIER LEVEL</b>	
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.	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.
<b>CUSTOMER AND COUNTERPARTY RISK</b>	
RevolutionRace’s policy is to sell products to customers applying a 90-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 90 days of delivery, recouping the amount paid.	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.
<b>IT AND CYBER SECURITY</b>	
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.	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.

REGULATORY COMPLIANCE RISKS	MANAGEMENT
<b>SUSTAINABILITY GOVERNANCE</b>	
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.
<b>GLOBAL CHANGES IN TRADE REGULATIONS</b>	
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.
<b>COMPLIANCE WITH TRADE REGULATIONS</b>	
RevolutionRace’s online marketing and sales of outdoor and leisure clothing 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.



FINANCIAL RISKS	MANAGEMENT
<b>VALUATION RISKS</b>	
The Group holds assets and liabilities the values of which are based on estimates. This includes trademarks and goodwill on the asset side and tax liabilities on the liability 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.
<b>LIQUIDITY AND FINANCING RISK</b>	
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.
<b>INTEREST RATE RISKS</b>	
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.
<b>CURRENCY RISKS</b>	
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 2021 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 2022 AGM to decide on a dividend of SEK 0.77 (0.64) per share, a total of SEK 86.9 (72.3) million.

Free equity, retained earnings and share premium reserve	644,687,458
Loss for the 2021/2022 financial year	-6,331
Dividend	-86,947,567
<b>Amount carried forward</b>	<b>557,733,560</b>

**Events following the close of the financial year**

On August 15, Pernilla Nyrensten stepped down from the position of CEO at her own request. The then Chairman of the Board, Paul Fischbein, stepped in as Acting CEO from August 16, thus stepping down as Chairman of the Board and member of the Nomination Committee. Both Paul Fischbein and Pernilla Nyrensten remain as Board Members.

Effective August 16, the Board of Directors appointed Andreas Källström Säfweräng as Acting Chairman of the Board until the Annual General Meeting in November 2022. Accordingly, Andreas Källström Säfweräng replaces Paul Fischbein as a member of the Nomination Committee.

On October 7, 2022, the board appointed Paul Fischbein as acting CEO. The position was assumed with immediate effect.



# 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 2021/22. 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 2021/22 Annual Report. Information on the work of the Remuneration Committee during 2021/22 is provided in the Corporate Governance Report included in the 2021/22 Annual Report. The CEO summarises the Company's overall development and profit in his comments in the 2021/22 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 2021/22 Annual Report.

## Remuneration Guidelines

The successful implementation of the Company's business strategy and the safeguarding of its non-current 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 2021/22, 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](https://corporate.revolutionrace.com).

Beyond the remuneration covered by the Remuneration Guidelines, the Annual General Meeting of the Company on 26 May 2021 resolved to introduce a non-current share-based incentive programme. The program, which is further described in the paragraph "Share and share price-related incentive programmes outstanding", has a clear connection to the business strategy and the company's long-term generation of value through its connection to the share price trend.

## 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 non-current interest, including its sustainability by, for example, maintaining a clear connection to the business strategy or promote the executive's non-current development.

Once the period during which the fulfilment 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

The table below details the fixed basic salary and other remuneration for 2021/22 paid to the President and CEO. Pension benefits are of a defined contribution nature, corresponding to the collective agreement for white-collar workers in the industry valid from 15 April 2021. No variable compensation has been issued.

## Share and share price-related incentive programmes outstanding

During 2021/22, RevolutionRace had a warrants programme outstanding comprising a single series for senior executives and key personnel within the Group, series 2021/2024.

The programme is intended, in a straightforward manner, to reward and retain valued employees and, by employees making a personal investment, to generate and foster non-current commitment, thus increasing the interests shared by RevolutionRace's employees and shareholders.

The warrants programme covers about 19 senior executives (including the CEO for the financial year 2021/22) 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 96.88. Neither the CEO nor the Board of Directors received or sold any shares in 2021/22.

## TOTAL COMPENSATION FOR THE PRESIDENT AND CEO

SEKm	President and CEO
Fixed basic salary	1.7
Participation, %	93
Pension benefits	0.1
Participation, %	7
<b>Total</b>	<b>1.8</b>

## COMPARATIVE INFORMATION REGARDING CHANGES IN REMUNERATION AND THE COMPANY'S EARNINGS

Multi-year comparison, SEKm	2021/22	2020/21	2019/20	2018/19	2017/18
Remuneration of the President and CEO	1.7	0.9	0.5	0.9	0.6
Annual change in remuneration to the President and CEO, %	92	75	-47	51	N/A
Average remuneration to Group employees <sup>1</sup> ,	0.5	0.7	0.6	0.7	0.5
Annual change in average remuneration to Group employees, %	-30	20	-19	35	N/A
Consolidated profit for the year after tax,	288.0	171.6	59.7	44.9	9.0
Annual change in consolidated profit for the year, %	68	187	33	401	N/A

1) Refers to the average remuneration to employees, excluding members of Group Management.

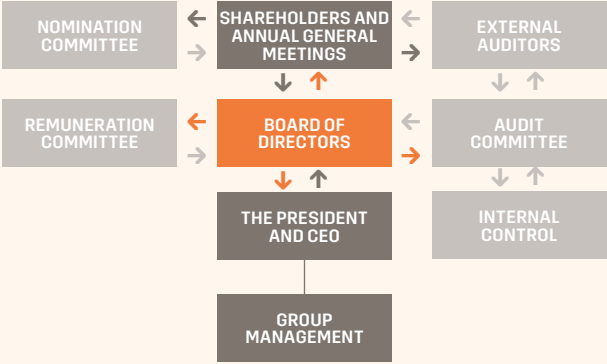


# CORPORATE GOVERNANCE REPORT

## 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 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 Nomination Committee and 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 2021/22 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 2021/22 financial year.

## 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 2022, the total number of shareholders was approximately 9,150. Of the total share capital, about 84.0 percent was held primarily by Swedish institutions, mutual funds and private individuals, with 16.0 percent being held by foreign investors. At the end of the 2021/22 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 26.5 percent of the shares and votes in the Company.

For further details of the shareholder structure and the share, see pages 44–45 in the Annual Report and the Company's website [corporate.revolutionrace.com](https://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](https://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 Chairman 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.

## 2021 Annual General Meeting

The 2021 Annual General Meeting took place on 10 November 2021. The Annual General Meeting was held solely by postal voting with support of temporary legislation that was in force in 2021, which means that the meeting was held without the physical presence of shareholders. 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 2020/21.
- Dividend of SEK 0.64 per share (SEK 72.3 million in total).
- Discharge from liability for the Board Members and the CEO for the financial year 2020/21.
- Re-election of all Board Members, Paul Fischbein, Jens Browaldh, Magnus Dimert, Cecilie Elde, Andreas Källström Säfweräng, Johan Svanström and Pernilla Nyrensten, as well as re-election of Paul Fischbein as chairman of the board.
- Adopting remuneration for the Board Members and the auditor in accordance with the Nomination Committee's proposal for decision.
- 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 compensation report.
- Authorisation for the Board to decide on a new issue of shares, warrants and/or convertibles with or without deviation from the shareholders' pre-emptive rights. The authorisation may be used on one or more occasions until the Annual General Meeting in 2022. The number of shares that can be issued through a new issue of shares, exercise of warrants or conversion of convertibles must not exceed 10 percent of the registered share capital when the authorisation is used.

## 2022 Annual General Meeting

The RevolutionRace Annual General Meeting 2022 will be held on November 10, 2022 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 2022 AGM, see the RevolutionRace website, [corporate.revolutionrace.com](https://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 chairman for the Meeting, the Board of Directors, the Chairman of the Board and an auditor, fees for each Board Member (divided between the Chairman 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. 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 Chairman 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 chairman 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 2022 Annual General Meeting**  
The composition of the Nomination Committee ahead of 2022 Annual General Meeting was announced in a press release and on the Company's website on 22 April 2022. On August 15, 2022, RevolutionRace announced that Paul Fischbein had been appointed acting CEO and would thus leave the position as Chairman of the Board and member of the Nomination Committee with effect from August 16, 2022. In connection

with this, Andreas Källström Säfweräng was appointed Chairman of the Board and thus replaced Paul Fischbein in the Nomination Committee. The Nomination Committee for the 2022 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, acting Chairman of the Board

At the first meeting of the Nomination Committee, Øistein Widding was appointed Chairman of the Nomination Committee in accordance with the instructions to the Nomination Committee. The Nomination Committee prior to the 2022 Annual General Meeting meets the requirements for independence set out in the Code.

Since the 2021 Annual General Meeting and until the publication of this Annual Report, the Nomination Committee has held 7 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. 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.

In preparation for the 2022 Annual General Meeting, the Nomination Committee proposes re-election of all members who have declared themselves available for re-election to the board, i.e. Jens Browaldh, Cecilie Elde, Andreas Källström Säfweräng, Pernilla Nyrensten and Johan Svanström and newly elected Niclas Nyrensten. The Nomination Committee further proposes that Andreas Källström Säfweräng be elected as chairman of the board. The number of members shall be six. The nomination committee has also taken note of the Audit Committee's recommendation for the election of an auditor. The Nomination Committee's complete proposal for Board Members, remuneration of the Board as well as auditor election and other relevant decision proposals can be found in the notice to the 2022 Annual General Meeting as well as in the

#### 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 <sup>1</sup>	Fee, SEK <sup>2</sup>
Paul Fischbein	Chairman/Member <sup>3</sup>	2021	Yes	Yes	Member	Chairman	369,408	610,000
Cecilie Elde	Member	2021	Yes	Yes	Chairman		88,020	300,000
Jens Browaldh	Member	2019	Yes	No	Member		15,000	250,000
Andreas Källström Säfweräng	Chairman/Member <sup>3</sup>	2017	Yes	No		Member	—	230,000
Magnus Dimert	Member	2017	Yes	Yes			747,347	200,000
Johan Svanström	Member	2017	Yes	Yes			646,794	200,000
Pernilla Nyrensten	Member	2013	No	No			29,901,411 <sup>4</sup>	—

1) Refers to people's own shareholdings, as well as those of related natural persons and legal entities.

2) Including committee fees.

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

4) 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	16 of 16	6 of 6	3 of 3
Cecilie Elde	15 of 16	6 of 6	
Jens Browaldh	16 of 16	6 of 6	
Andreas Källström Säfweräng	16 of 16		3 of 3
Magnus Dimert	15 of 16		
Johan Svanström	16 of 16		
Pernilla Nyrensten	15 of 16		

Nomination Committee's proposal and reasoned statement 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 seven members elected by the Annual General Meeting. RevolutionRace President and CEO is one of the 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 2021/22, all members except Pernilla Nyrensten have been considered independent in relation to the Company and its management and all members except Jens Browaldh, Andreas Källström Säfweräng 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.

For a closer presentation of the Board Members see pages 66–67 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 Chairman 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 Chairman 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 Chairman of the Board shall, monitor the Company's profits and prepare and chair Board meetings. The Chairman 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 Chairman 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 Chairman of the Board. The CEO serves as rapporteur at Board's 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, 16 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 Chairman 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 2022 Annual General Meeting, the Chairman 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 2021/22 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 (chairman), Jens Browaldh. Paul Fischbein was part of the audit committee until his appointment as acting CEO on August 16, 2022. Paul Fischbein was chairman of the Remuneration Committee until his appointment as acting CEO on 16 August 2022, when Andreas Källström Säfweräng replaced Paul as chairman of the committee and Jens Browaldh was appointed as a new member of the committee. During the 2021/22 financial year, three 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: Paul Fischbein (chairman) and Andreas Källström Säfweräng. During the 2021/22 financial year, six meetings were held.

#### *Board fees*

Fees are normally paid to the Chairman 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 2021, it was decided that a fee of SEK 500,000 would be paid to the Chairman of the Board and SEK 200,000 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 100,000 to the chairman of the Audit Committee and SEK 50,000 to each of the other members of the Committee, as well as in the amount of SEK 60,000 to the chairman of the Remuneration Committee and SEK 30,000 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 Chairman of the Board continuously informed of the financial position and development of the Group and the Company.

During the financial year 2021/22, Pernilla Nyrensten has been the CEO of RevolutionRace. 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 2021/22 financial year, Group Management comprised nine



individuals in addition to the CEO. For a more detailed presentation of RevolutionRace's CEO and Group Management, see pages 68–69 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 2021 Annual General Meeting, authorised auditing company Ernst & Young AB was re-elected as auditor for the period extending until the end of the 2022 Annual General Meeting. The principal auditor is authorised public accountant Andreas Mast.

For the 2021/22 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 2021/22 financial year is presented on pages 120–123 and information on auditors' fees is presented in Note 5 *Auditors' fees* on page 98.

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 and in ensuring that the Group's policies and guidelines are complied with. 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



Jens Browaldh



Cecilie Elde



Paul Fischbein



Pernilla Nyrensten



Magnus Dimert



Johan Svanström

### Andreas Källström Säfweräng

Acting Chairman of the Board, chairman of the Remuneration Committee

Born: 1981

Board Member 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.

Principal occupation outside RevolutionRace: Partner at Altor Equity Partners AB.

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

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

Education: MBA from, Stockholm School of Economics.

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

Independent in relation to the Company and Group Management: Yes

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

### Cecilie Elde

Board Member, Chairman of the Audit Committee

Born: 1979

Board Member since: 2021

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

Principal occupation outside RevolutionRace: CFO of SATS ASA.

Current assignments: Board Member of subsidiaries of SATS ASA.

Education: MBA from BI Norwegian Business School.

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

Independent in relation to the Company, its management and major shareholders: Yes

### Johan Svanström

Board Member

Born: 1971

Board Member since: 2018

Multiple years of experience of international roles in e-commerce, including as Global CEO for Hotels.com and Expedia Partner Solutions, and management positions in Asia for Expedia Group. Previous experience includes positions as Vice President Business Development at Glocalnet AB, CEO of Freefund NV and Head of Digital Innovation Group at McDonald's Inc (USA).

### Jens Browaldh

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

Born: 1985

Board Member since: 2019

Previous experience includes several positions within Altor Equity Partners AB and ABG Sundal Collier AB (Investment Banking).

Principal occupation outside RevolutionRace: Partner at Altor Equity Partners AB.

Current assignments: Chairman of the Board of GB TopCo AB. Board Member of Laedi TopCo AB, Altor D2C Holding AB, Altor V GB Holding AB, Aarke TopCo AB, Carbonate the World AB, Altor HEG 88(113) Holding AB, HEG TopCo AB, Femur Holdings LP and Rotla B.V. Board Member and CEO of Jebro AB. Deputy Board Member of Gastrodent AB. Board observer at Ampco-Pittsburgh Corporation.

Previous assignments: Board Member of Bokoredö AB and Deputy Board Member of ÅKERS Aktiebolag, Valsar Sweden Holding AB, Xygen MipCo AB and Xygen HoldCo AB.

Education: MBA from, Stockholm School of Economics.

Own, through insurance or closely associated person or legal person's holding of shares in RevolutionRace: 15,000 shares.

Independent in relation to the Company and Group Management: Yes

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

### Paul Fischbein

CEO, Board Member

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 Fyndiq AB, Eversport Group AB and 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.

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: 369,408 shares.

Independent in relation to the Company and Group Management: No

Independent in relation to the Company's major shareholders: Yes

Principal occupation outside RevolutionRace: Partner at EQT Partners Ltd.

Current assignments: Board Member of Freepik Company S.L (Spain), BIMobject AB and Holidu GmbH (Germany).

Previous Board assignments: Epidemic Sound Holding AB, Wolt Enterprises Oy (Finland), eLong (China), Yepstr AB, Venere UK Ltd. and Parques Reunidos SARL (Spain)

### Magnus Dimert

Board member

Born: 1970

Board Member since: 2018

Experience from several operational roles in e-commerce and as co-founder in that sector, including as co-founder of Addnature AB, Evidensa utveckling AB and Eero Aarnio Originals, and as former CEO and co-founder of Adlibris Aktiebolag. Also, previous experience as manager at Accenture AB.

Principal occupation outside RevolutionRace: Current CEO of Evidensa utveckling AB.

Current assignments: Chairman of the Board of Alerna Systems AB. Board Member of RugVista Group AB (publ), Best Transport Holding AB, Sub 18 Holding AB, GAMBETTA Affärsutveckling AB, Lygna AB, Kusthavet AB and NOD Group AB. Board Member and CEO of Evidensa utveckling AB. Deputy Board Member of Gimbur AB.

Previous assignments: Board Member of Sofaco Holding ApS and Sofaco International ApS, Pierce Group AB and LGT Group AB and Deputy Board Member of Vilppu Holding AB.

Education: MBA, Department of Economics at Gothenburg University.

Own, through insurance or closely associated person or legal person's holding of shares in RevolutionRace: 747,347 shares.

Independent in relation to the Company, its management and major shareholders: Yes

### Pernilla Nyrensten

Board Member, co-founder

Born: 1972

Board Member since: 2013

Co-founder and CEO of RevolutionRace between 2013 and 2022. Previous experience includes several leading positions within, and as partner at, Emy Turesson Fashion Eftr and Firma U B Pettersson.

Current assignments: CEO and Board Member of Nyrensten Global Holding AB and Board Member of Pricerunner Group AB and MatildaDjerf Design AB.

Previous assignments: Board Member of Swedish Bra AB and shareholder in Emy Turesson Fashion Eftr.

Own, through insurance or closely associated person or legal person's holding of shares in RevolutionRace: 29,901,411 shares\* and 715,015 warrants\*.

Independent in relation to the Company, its management and major shareholders: No

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

Education: MBA, Stockholm School of Economics.

Own, through insurance or closely associated person or legal person's holding of shares in RevolutionRace: 646,794 shares.

Independent in relation to the Company, its management and major shareholders: Yes

Stated shareholding is as of September 30 2022.



## GROUP MANAGEMENT



Paul Fischbein



Jesper Alm



Linus Andrén



Hanna Blixt



Jan Kantola



Sanel Mezbur



Frida Mordenfeld



Niclas Nyrensten



Jonas Persson

### Paul Fischbein CEO and member of the board

Born: 1973

Employed since: 2022

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

**Current assignments:** Chairman of the board of Fyndiq AB, EverySPORT Group AB and 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.

**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:** 369,408 shares.

### Hanna Blixt Business Development and Insight Director

Born: 1986

Employed since: 2020

Previous experience includes several leading positions within inom Gina Tricot AB and NLY Scandinavia AB.

**Current assignments:** Board Member of EGK i 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 102,145 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 51,072 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, Grängesberg Exploration Holding AB (publ) and Draupner Energy AB.

**Education:** MBA (Finance and Strategic Management), 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 204,290 warrants.

### Jan Kantola Head of Logistics

Born: 1979

Employed since: 2022

Previous experience as Business Controller – Supply Chain and several global roles within the H&M Group.

**Current assignments:** Partner at Easycom AB. Member of Management Group for Logistics Training at KYH (vocational college in Borås, Sweden)

**Education:** MA Economics, Jönköping International Business School and Helsinki School of Economics.

**Own, through insurance or closely associated person or legal person's holding of shares in RevolutionRace:** 2,000 shares.

### Niclas Nyrensten Creative Director and co-founder

Born: 1975

Employed since: 2013

Previous experience as partner at Emy Turesson Fashion Eftr.

**Current assignments:** Co-founder of RevolutionRace Holding AB, Chairman of Nyrensten Global Holding AB and board member of Lombok Invest AB.

**Previous assignments:** Board Member of RVRC Holding AB (publ).

**Own, through insurance or closely associated person or legal person's holding of shares in RevolutionRace:** 29,901,411 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 September 30 2022.

Borås, October 12,  
Board of Directors

### Linus Andrén Chief Technology Officer

Born: 1979

Employed since: 2020

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

**Current assignments:** Deputy Board Member at TKF Fiberförening.

**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 102,145 warrants.

### Sanel Mezbur Head of Brand

Born: 1994

Employed since: 2019

Previous experience as founder and Marketing Director of FadeCase Ltd, Florpad and X-Gamer Energy.

**Previous assignments:** Board Member of ABC European Agency AB, Board Member and CEO of NeckCndy AB and Deputy Board Member of IROOTFOR AB.

**Education:** Strategic Communications, Jönköpings University.

**Own, through insurance or closely associated person or legal person's holding of shares in RevolutionRace:** 102,145 warrants.

### Jonas Persson Chief Commercial Officer

Born: 1986

Employed since: 2020

Previous experience as Purchasing and Marketing Manager at Nordic Web Trading AB, owner and Managing Director of Brandvillage AB, Management consultant at Högström & Co Management AB and Marketing Director at Jollyroom AB.

**Previous assignments:** Member of the Board in Brandvillage AB and Kronobergs Marknadsförening.

**Education:** Enterprising & Business Development at Linné University.

**Own, through insurance or closely associated person or legal person's holding of shares in RevolutionRace:** 102,145 warrants.



# 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 financial year 2021-07-01—2022-06-30 on pages 58–69 and that it has been prepared in accordance with the Annual Accounts Act.

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, 12 October 2022

Ernst & Young AB

Andreas Mast  
Authorised Public Accountant

# FINANCIAL REPORTS CONTENTS

<b>72</b> Group income statement	<b>94</b> Note 4 Employees and personnel expenses	<b>107</b> Note 19 Inventories
<b>73</b> Group statement on comprehensive income	<b>98</b> Note 5 Auditor's fees	<b>107</b> Note 20 Financial instruments
<b>74</b> Consolidated balance sheet	<b>98</b> Note 6 Other current receivables	<b>109</b> Note 21 Financial risks
<b>76</b> Cash flow, group	<b>99</b> Note 7 Other current liabilities	<b>114</b> Note 22 Cash flow
<b>77</b> Consolidated statement of changes in equity	<b>99</b> Note 8 Profit from participations in group companies	<b>115</b> Note 23 Pledged assets and contingent liabilities
<b>78</b> Income statement parent company	<b>99</b> Note 9 Taxes	<b>115</b> Note 24 Related party transactions
<b>79</b> Balance sheet parent company	<b>102</b> Note 10 Group companies	<b>116</b> Note 25 Share-based payments
<b>81</b> Parent company statement on cash flow	<b>102</b> Note 11 Prepaid expenses and accrued income	<b>117</b> Note 26 Financial income
<b>82</b> Parent company statement on changes in equity	<b>102</b> Note 12 Cash and cash equivalents	<b>117</b> Note 27 Financial expenses
<b>83</b> Note 1 Accounting principles	<b>103</b> Note 13 Equity	<b>118</b> Note 28 Profit of the year
<b>92</b> Note 2 Significant estimates and assessments	<b>103</b> Note 14 Prepaid income and accrued expenses	<b>118</b> Note 29 Proposed appropriations of profits
<b>93</b> Note 3 Income from agreements with customers	<b>104</b> Note 15 Intangible assets	<b>118</b> Note 30 Events after the balance sheet date
	<b>104</b> Note 16 Goodwill and intangible assets with indeterminable useful life	<b>119</b> Assurance
	<b>105</b> Note 17 Tangible assets	
	<b>106</b> Note 18 Lease agreements	



## GROUP INCOME STATEMENT

SEKm	Note	July-June 2021/22	July-June 2020/21
<strong>Operating income</strong>			
Net sales	3	1,331.5	897.1
Other operating income <sup>1</sup>		60.7	15.6
		<strong>1,392.2</strong>	<strong>912.7</strong>
<strong>Operating expenses</strong>			
Goods for resale	19	-368.8	-248.8
Other external expenses	5	-539.4	-363.7
Personnel expenses	4	-76.9	-48.6
Depreciation and amortisation of tangible and intangible assets	15, 17, 18	-4.6	-3.9
Other operating expenses <sup>2</sup>		-35.7	-17.4
		<strong>-1,025.4</strong>	<strong>-682.3</strong>
<strong>Operating profit (EBIT)</strong>		<strong>366.8</strong>	<strong>230.4</strong>
Financial income and expenses			
Interest income and similar items	26	0.0	0.0
Interest expenses and similar items	27	-3.3	-12.0
		<strong>-3.3</strong>	<strong>-12.0</strong>
<strong>Profit before tax</strong>		<strong>363.5</strong>	<strong>218.4</strong>
Tax	9	-75.5	-46.8
<strong>Profit for the year</strong>		<strong>288.0</strong>	<strong>171.6</strong>
<strong>Attributable to parent company's shareholders</strong>		<strong>288.0</strong>	<strong>171.6</strong>
<strong>Earnings per share</strong>			
Earnings per share before dilution, SEK	4, 28	2.55	1.59
Earnings per share after dilution, SEK	4, 28	2.55	1.59

1) The increase compared with previous financial year is primarily explained by positive currency effects.  
2) The increase compared with previous financial year is primarily explained by negative currency effects.

## GROUP STATEMENT ON COMPREHENSIVE INCOME

SEKm	Note	July-June 2021/22	July-June 2020/21
<strong>Profit for the year</strong>		<strong>288.0</strong>	<strong>171.6</strong>
<strong>Other comprehensive income</strong>			
Items reversed or which may be reversed to profit for the year			
Exchange rate differences upon translation on foreign subsidiaries	21	0.1	0.2
<strong>Other comprehensive income for the year after tax</strong>		<strong>0.1</strong>	<strong>0.2</strong>
<strong>Comprehensive income for the year</strong>		<strong>288.1</strong>	<strong>171.7</strong>
<strong>Attributable to parent company's shareholders</strong>		<strong>288.1</strong>	<strong>171.7</strong>



## CONSOLIDATED BALANCE SHEET

SEKm	Note	2022-06-30	2021-06-30
<b>ASSETS</b>			
<b>Non-current assets</b>			
<b>Intangible assets</b>			
Capitalised expenditure for development work and equivalent work	15	9.3	8.8
Trademarks	16	171.2	171.2
Goodwill	16	616.8	616.8
<b>Total intangible assets</b>		<b>797.3</b>	<b>796.8</b>
<b>Tangible assets</b>			
Expenditures on third-party property	17	0.3	0.4
Equipment, tools and installations	17	1.0	1.1
Right of use assets	18	7.5	5.5
<b>Total tangible assets</b>		<b>8.8</b>	<b>7.0</b>
Deferred tax asset	9	1.4	1.5
<b>Total non-current assets</b>		<b>807.5</b>	<b>805.3</b>
<b>Current assets</b>			
Goods in warehouse	19	306.6	82.6
Goods in transit	19	126.9	53.2
Return rights assets	3,19	8.0	7.1
<b>Total inventory</b>		<b>441.5</b>	<b>142.8</b>
Trade receivables		0.3	—
Current tax assets	9	5.2	2.7
Other current receivables	6	50.1	16.9
Derivative instrument		7.9	2.1
Prepaid expenses and accrued income	11	7.1	1.9
Cash and cash equivalents	12	74.8	296.3
<b>Total current assets</b>		<b>586.9</b>	<b>462.7</b>
<b>TOTAL ASSETS</b>		<b>1,394.4</b>	<b>1,268.1</b>

SEKm	Note	2022-06-30	2021-06-30
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	13	1.1	1.1
Other contributed capital	13	715.6	716.4
Reserves	13	-0.1	-0.2
Retained earnings	13	-30.1	-129.4
Profit for the year	13	288.0	171.6
<b>Total equity</b>		<b>974.5</b>	<b>759.5</b>
<b>Non-current liabilities</b>			
Liabilities to credit institutions	18,20	19.9	228.5
Lease liabilities	18	6.5	4.6
Deferred tax liabilities	9	36.4	35.7
<b>Total long-term liabilities</b>		<b>62.8</b>	<b>268.8</b>
<b>Current liabilities</b>			
Lease liabilities	18,20	1.6	1.5
Accounts payable	20	184.7	99.0
Other current liabilities	7	40.0	35.1
Other financial liabilities	20	2.7	0.6
Tax liabilities	9	50.4	36.2
Repayment liabilities	20	31.3	25.7
Prepaid income and accrued expenses	14	46.4	41.7
<b>Total current liabilities</b>		<b>357.1</b>	<b>239.8</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,394.4</b>	<b>1,268.1</b>



## CASH FLOW, GROUP

SEKm	Note	July-June 2021/22	July-June 2020/21
<b>Current operations</b>			
<b>Profit before financial items</b>		<b>366.8</b>	<b>230.4</b>
Adjustment for non-cash items			
Depreciation, amortisation and impairment		4.6	3.9
Interest paid		-2.7	-11.8
Income tax paid		-63.0	-27.5
<b>Cash flow from current operations before changes in working capital</b>		<b>305.7</b>	<b>195.0</b>
Increase (-)/decrease (+) in inventory		-296.5	-118.0
Increase (-)/decrease (+) in operating receivables		-44.1	-11.0
Increase (+)/decrease (-) in operating liabilities		99.8	158.8
<b>Cash flow from current operations</b>		<b>64.9</b>	<b>224.8</b>
<b>Investing activities</b>			
Acquisitions of tangible assets		-0.3	-3.1
Acquisitions of intangible assets		-3.0	-0.1
<b>Cash flow from investing activities</b>		<b>-3.3</b>	<b>-3.2</b>
<b>Financing activities</b>			
Amortisation of lease liabilities		-1.7	-1.6
Borrowings		0.0	230.0
Repayments of borrowings		-208.9	-230.0
Expenditures related to borrowings		0.3	-1.5
Dividend paid		-72.3	-110.0
New share issue		0.0	53.3
Warrants, programme 2021/24		-0.8	17.4
<b>Cash flow from financing activities</b>		<b>-283.4</b>	<b>-42.4</b>
<b>Cash flow for the year</b>		<b>-221.8</b>	<b>179.2</b>
Cash and cash equivalents at start of year		296.3	116.7
Exchange rate differences in cash and cash equivalents		0.3	0.4
<b>Cash and cash equivalents at end of year</b>	12	<b>74.8</b>	<b>296.3</b>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

SEKm	Attributable to parent company´s shareholders					
	Share capital	Other contributed capital	Share premium reserve	Retained earnings	Profit for the year	Total equity
<b>Opening balance, 1 July 2020</b>	<b>0.1</b>	<b>645.8</b>	<b>-0.3</b>	<b>-78.2</b>	<b>59.7</b>	<b>627.1</b>
Transfer of profits for the previous period				59.7	-59.7	0.0
Profit for the period					171.6	171.6
Other comprehensive income			0.2			0.2
<b>Comprehensive profit/loss for the year</b>	<b>—</b>	<b>—</b>	<b>0.2</b>	<b>59.7</b>	<b>111.9</b>	<b>171.7</b>
<b>Transactions with owners</b>						
Dividend				-110.0		-110.0
New issue	—	6.6				6.6
Capitalisation issue	1.0			-1.0		—
Warrants	0.1	46.7				46.8
Warrants, program 2021/24		17.4				17.4
<b>Total</b>	<b>1.0</b>	<b>70.7</b>	<b>—</b>	<b>-111.0</b>	<b>—</b>	<b>-39.3</b>
<b>Closing balance, 30 June 2021</b>	<b>1.1</b>	<b>716.4</b>	<b>-0.2</b>	<b>-129.4</b>	<b>171.6</b>	<b>759.5</b>
<b>Opening balance, 1 July 2021</b>	<b>1.1</b>	<b>716.4</b>	<b>-0.2</b>	<b>-129.4</b>	<b>171.6</b>	<b>759.5</b>
Transfer of profits for the previous period				171.6	-171.6	0.0
Profit for the period					288.0	288.0
Other comprehensive income			0.1			0.1
<b>Comprehensive profit/loss for the year</b>	<b>—</b>	<b>—</b>	<b>0.1</b>	<b>171.6</b>	<b>116.4</b>	<b>288.1</b>
<b>Transactions with owners</b>						
Dividend				-72.3		-72.3
Warrants, program 2021/24		-0.8				-0.8
<b>Total</b>	<b>—</b>	<b>-0.8</b>	<b>0.1</b>	<b>-72.3</b>	<b>—</b>	<b>-73.1</b>
<b>Closing balance, 30 June 2022</b>	<b>1.1</b>	<b>715.6</b>	<b>-0.1</b>	<b>-30.1</b>	<b>288.0</b>	<b>974.5</b>



## INCOME STATEMENT PARENT COMPANY

SEKm	Note	July-June 2021/22	July-June 2020/21
Operating income		6.6	1.1
		6.6	1.1
<b>Operating expenses</b>			
Other operating expenses	5	-6.2	-22.9
Personnel expenses	4	-7.1	-2.1
Other external expenses		-0.1	—
		-13.4	-25.0
<b>(EBIT)</b>		-6.8	-23.9
<b>Financial income and expenses</b>			
Profit from participations in Group companies	8	—	110.0
Financial income		2.4	—
Financial expenses		-2.5	-0.1
		-0.1	109.9
<b>(EBIT)</b>		-6.9	86.0
<b>Appropriations</b>			
Group contribution received		6.9	24.5
<b>Total appropriations</b>		6.9	24.5
<b>Profit before taxes</b>		-0.0	110.5
Income tax	9	-0.0	-0.1
<b>Net Profit/Loss for the period</b>		-0.0	110.4

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	2022-06-30	2021-06-30
<b>ASSETS</b>			
<b>Non-current assets</b>			
Intangible assets		0.2	—
<b>Total intangible assets</b>		0.2	—
<b>Financial assets</b>			
Participations in group companies	10	644.3	644.3
Receivables from group companies		0.0	230.0
<b>Total financial assets</b>		644.3	874.3
<b>Total non-current assets</b>		644.5	874.3
<b>Current assets</b>			
Receivables from group companies		6.9	24.9
Other receivables	6	3.8	2.4
Prepaid expenses and accrued income	11	3.6	0.1
<b>Total current receivables</b>		14.3	27.4
<b>Cash and cash equivalents</b>			
Cash and bank balances	12	0.0	68.6
<b>Total cash and cash equivalents</b>		0.0	68.6
<b>Total current assets</b>		14.3	96.1
<b>TOTAL ASSETS</b>		658.8	970.3



BALANCE SHEET PARENT COMPANY

SEKm	Note	2022-06-30	2021-06-30
EQUITY AND LIABILITIES			
Equity			
Restricted equity			
Share capital		1.1	1.1
		1.1	1.1
Unrestricted equity			
Share premium reserve		433.3	433.3
Retained earnings		211.3	173.2
Profit for the year		-0.0	110.4
		644.7	717.0
Total equity			
		645.8	718.1
Non-current liabilities			
Liabilities to credit institutions	21	0.0	228.5
Total non-current liabilities			
		0.0	228.5
Current liabilities			
Accounts payable		0.1	1.2
Prepaid income and accrued expenses	14	1.3	11.6
Liabilities to Group companies		11.0	10.4
Tax liabilities		0.0	0.1
Other liabilities		0.6	0.5
Total current liabilities			
		13.0	23.8
TOTAL EQUITY AND LIABILITIES			
		658.8	970.3

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

PARENT COMPANY STATEMENT ON CASH FLOW

SEKm	Note	2020/21	2020/21
Operating activities			
Operating profit (EBIT)		-6.9	-23.9
Adjustment for non-cash items			
Group contributions and distributions received		6.9	134.5
Interest paid		-0.2	—
Cash flow from operating activities before changes in working capital			
		-0.1	-23.9
Increase(-)/Decrease(+) inter-company transactions			
		18.0	-24.9
Increase (-)/Decrease (+) in operating receivables		-4.9	-2.5
Increase (+)/Decrease (-) in operating liabilities		-10.8	23.6
Cash flow from operating activities			
		2.3	-3.8
Investing activities			
Acquisition of financial assets		—	-230.0
Increase(-)/Decrease(+) inter-company transactions		230.0	—
Cash flow from investing activities			
		230.0	-230.0
Financing activities			
Borrowings		—	230.0
Expenditures related to borrowings		—	-1.5
Repayments of borrowings		-228.5	—
Dividend paid		-72.3	-110.0
New issue		—	71.8
Cash flow from financing activities			
	21	-300.8	324.8
Cash flow for the period			
		68.6	67.1
Cash and cash equivalents at start of period		68.6	1.5
Exchange rate differences in cash and cash equivalents		0.0	0.0
Cash and cash equivalents at end of period			
	22	0.0	68.6



## PARENT COMPANY STATEMENT ON CHANGES IN EQUITY

SEK m	Attributable to parent company´s shareholders				
	Share capital	Share premium reserve	Retained earnings	Profit for the period	Total equity
Closing balance, 30 June 2020	0.1	361.6	152.2	132.0	645.9
Opening balance, 1 July 2020	0.1	361.6	152.1	132.0	645.9
Profit for the year			132.0	-132.0	0
Other comprehensive income				110.4	110.4
Comprehensive profit/loss for the year	0.0	0.0	132.0	-21.6	110.4
Transactions with owners					
Dividend			-110.0		-110.0
New issue	0.0	6.6			6.6
Capitalisation issue	1.0		-1.0		0
New issue, subscription of shares with the support of warrants, old program	0.0	46.7			46.8
Warrants, program 2021/24		17.4			17.4
Warrants, transfer of non-utilised to subsidiary		1.1			1.1
Total	1.0	71.8	-111.0	0.0	-38.2
Closing balance, 30 June 2021	1.1	433.3	173.2	110.4	718.1
Opening balance, 1 July 2021	1.1	433.3	173.2	110.4	718.1
Transfer of last period's result	—	—	110.4	-110.4	—
Total			110.4	-110.4	—
Comprehensive profit/loss for the year	—	—	110.4	-110.4	—
Transactions with owners					
Dividend	—	—	-72.3	—	-72.3
Total	1.1	433.3	211.3	0.0	645.8

### 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 outdoor and functional clothes 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 12 October 2022. The financial statements for the Group and RVRC Holding AB (publ) are to be adopted by the Annual General Meeting on 10 November 2022.

##### 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 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*. 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.



NOTE 1 →

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).

NOTE 1 →

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 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 90 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.

RevolutionRace currently does not sell gift vouchers and has no customer loyalty programme. This is being considered regularly in order to pick up any effect on income recognition.

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



NOTE 1 →

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*.

Government subsidies

Government subsidies are reported when there is reasonable certainty that RevolutionRace will satisfy the conditions associated with the aid and the aid will be received. Government subsidies are reported as income in the income statement systematically over the same periods as the costs which the aid is intended to compensate. Where subsidies are attributable to specific assets, they are reported in the statement of financial position as deferred income, which is reported in profit/loss allocated systematically over the useful life of the asset. When the aid is attributable to an asset, the aid reduces the reported value of the asset. The aid is reported in profit/ loss during the useful life of the depreciable asset in the form of lower depreciation.

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 an incentive program, 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

NOTE 1 →

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.

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 were previously booked as costs are not reported as an asset in subsequent periods.

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
---	---------

The trademark is deemed to have an indeterminable useful life and thus is not amortised and instead is tested annually for impairment.

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



NOTE 1 →

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

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

NOTE 1 →

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. 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 invitation to acquire shares in RVRC Holding AB (publ) 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

\*Though not longer than the lease period.



NOTE 1 →

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.

NOTE 1 →

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 amended accounting principles

New and amended standards and interpretations having entered into force

The Group has applied all IFRS effective as per 30 June 2022. 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. Neither of these are expected to have a significant impact on the Group.



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*.

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 deter-

mining 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 revolutionrace.se for Sweden and revolutionrace.de for Germany. Here is Net sales presented per geographical market and region, respectively.

SEKm	2021/22	Group 2020/21
Geographical market		
Germany	570.9	323.3
Sweden	203.9	186.4
Finland	130.3	115.5
Rest of the world	426.4	271.9
Total income from agreements with customers	1,331.5	897.1
Geographical market		
Nordics	441.7	401.3
DACH	658.1	363.9
Rest of the world	231.7	131.9
Total income from agreements with customers	1,331.5	897.1
Right of return assets and repayment liabilities		
Right of return assets	8.0	7.1
Repayment liabilities	31.3	25.7

The Parent Company's net sales, which consist entirely of internal invoicing of services, amounted to SEKm 6.516 (1.064) for the year.



NOTE 4

EMPLOYEES AND PERSONNEL EXPENSES

Average number of employees 2021/2022	Average number of employees	Of whom, women %	Of whom, men %
<b>Parent company</b>			
Sweden	2	50	50
<b>Subsidiaries</b>			
Sweden	104	72	28
<b>Group total</b>	<b>106</b>	<b>72</b>	<b>28</b>
<b>Average number of employees 2020/2021</b>			
<b>Parent company</b>			
Sweden	—	—	—
<b>Subsidiaries</b>			
Sweden	65	66	34
<b>Group total</b>	<b>65</b>	<b>66</b>	<b>34</b>

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	2021/22	2020/21
<b>Directors including alternates</b>	<b>7</b>	<b>7</b>
Of whom, women %	29	29
Of whom, men %	71	71
<b>CEO and other senior executives</b>	<b>9</b>	<b>7</b>
Of whom, women %	33	29
Of whom, men %	66	71

NOTE 4 →

Personnel expenses, SEKm	2021/22	2020/21
<b>Parent company</b>		
Board and other senior executives		
Salaries and other remuneration	5.4	1.6
Social security contribution	1.7	0.5
Pension expenses	0.5	—
Other personnel expenses	0.0	0.0
<b>Subsidiaries</b>		
Board and other senior executives		
Salaries and other remuneration	6.2	4.9
Social security contribution	1.9	1.5
Pension expenses	0.7	0.7
Other personnel expenses	0.0	0.0
<b>Total</b>	<b>16.4</b>	<b>9.2</b>
<b>Other employees</b>		
Salaries and other remuneration	41.4	27.5
Social security contribution	13.6	8.5
Pension expenses	2.7	2.0
Other personnel expenses	2.8	1.4
<b>Total</b>	<b>60.5</b>	<b>39.4</b>
<b>Group total</b>	<b>76.9</b>	<b>48.6</b>

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



NOTE 4 →

Board and CEO remuneration 2020/21, SEKm	Base salary member of the board	Variable remuneration	Pension benefits	Other benefits	Total
<b>Board chairman</b>					
Paul Fischbein	0.3	—	—	—	<b>0.3</b>
<b>Directors</b>					
Magnus Dimert	0.2	—	—	—	<b>0.2</b>
Cecilie Elde	0.1	—	—	—	<b>0.1</b>
Peter Sjölander	0.2	—	—	—	<b>0.2</b>
Andreas Källström Säfweräng	—	—	—	—	<b>—</b>
Johan Svanström	0.2	—	—	—	<b>0.2</b>
Jens Browaldh	—	—	—	—	<b>—</b>
<b>CEO</b>					
Pernilla Nyrensten	0.9	—	0.1	—	<b>1.0</b>
<b>Other senior executives, 3 in number</b>	4.0	0.7	0.6	0.0	<b>5.2</b>
<b>Total</b>	<b>5.8</b>	<b>0.7</b>	<b>0.7</b>	<b>0.0</b>	<b>7.2</b>

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 for the other senior executives amounts to 0–6 monthly salaries.

The CEO has a termination period of 12 months in the event of termination by the Company, and six months if the CEO terminates the employment. 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 4–6 months. Pension benefits for other senior executives are in accordance with those for the CEO.

NOTE 4 →

Severance package

The CEO is entitled to a severance package corresponding to 12 monthly salaries, calculated based on the employee's salary at the time of termination of the agreement, in the event of termination by the Company. For all of the other senior executives, when using a restrictive practices clause, a severance package exists and equals maximum 12 months and up to 60 percent of the salary at the time of termination of the agreement.

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 RevolutionRace group. Shares can be subscribed during specially stipulated subscription periods through Tuesday, 31 December 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

2021/22 Outstanding incentive programmes	Number of options	Corre- sponding number of shares	Proportion of total shares, %	Price per warrant, SEK	Original subscription price, SEK	Number of exercised warrants	Corre- sponding number of shares	Expiration period
<b>Outstanding programme</b>								
2021/2024, Serie I	1,7261,39	1,7261,39	1.5	9.79	96.88	—	—	2024-07-01– 2024-12-31

2020/21 Outstanding incentive programmes	Number of options	Corre- sponding number of shares	Proportion of total shares, %	Price per warrant, SEK	Original subscription price, SEK	Number of exercised warrants	Corre- sponding number of shares	Expiration period
<b>Outstanding programme</b>								
2021/2024, Serie I	1,777,211	1,777,211	1.6	9.79	97.5	—	—	2024-07-01– 2024-12-31

During the year, 51,072 warrants were repurchased due to the termination of employment for one person in the incentive programme.



## NOTE 5

### AUDITOR'S FEES

SEKm	2021/22	Group 2020/21	Parent company 2021/22	Parent company 2020/21
<b>Ernst &amp; Young AB</b>				
Audit engagement	0.6	0.6	0.3	0.3
Other audit work	0.2	—	0.2	—
Tax advice	—	—	—	—
Other services	0.2	6.5	0.1	6.0
<b>Total</b>	<b>1.0</b>	<b>7.1</b>	<b>0.6</b>	<b>6.3</b>
<b>Ernst &amp; Young AS</b>				
Audit engagement	0.1	0.1	—	—
Other audit work	—	—	—	—
Tax advice	—	—	—	—
Other services	—	0.0	—	—
<b>Total</b>	<b>0.1</b>	<b>0.1</b>	<b>—</b>	<b>—</b>
<b>Total fees to auditors</b>	<b>1.1</b>	<b>7.2</b>	<b>0.6</b>	<b>6.3</b>

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 i statutory audit or tax advising.

## NOTE 6

### OTHER CURRENT RECEIVABLES

SEKm	2022-06-30	Group 2021-06-30	Parent company 2022-06-30	Parent company 2021-06-30
Receivables payment service providers	4.7	8.5	—	—
VAT receivable	—	3.2	3.8	2.4
Deposit VAT abroad	6.4	2.7	—	—
Advance payments	38.9	—	—	—
Other	0.1	2.5	—	0.0
<b>Reported value</b>	<b>50.1</b>	<b>16.9</b>	<b>3.8</b>	<b>2.4</b>

## NOTE 7

### OTHER CURRENT LIABILITIES

SEKm	2022-06-30	Group 2021-06-30	Parent company 2022-06-30	Parent company 2021-06-30
VAT liability	37.2	32.7	0.3	—
Taxes and fees — personnel	2.8	2.3	0.3	0.5
Other	—	0.0	—	—
<b>Reported value</b>	<b>40.0</b>	<b>35.0</b>	<b>0.6</b>	<b>0.5</b>

## NOTE 8

### PROFIT FROM PARTICIPATIONS IN GROUP COMPANIES

SEKm	2021/22	Parent company 2020/21
Dividend received from subsidiaries	—	110.0
<b>Total</b>	<b>—</b>	<b>111.0</b>

## NOTE 9

### TAXES

Income statement, SEKm	Group 2021/22	Parent company 2021/22
<b>Tax expense</b>		
Current tax	-74.7	0
<b>Total tax expenses</b>	<b>-74.7</b>	<b>0</b>
<b>Deferred tax</b>		
Deferred tax temporary differences	-0.8	—
<b>Total deferred tax</b>	<b>-0.8</b>	<b>0</b>
<b>Total reported tax</b>	<b>-75.5</b>	<b>0</b>

### 2020/21, SEKm

<b>Tax expense</b>		
Current tax	-46.5	-0.1
<b>Total tax expenses</b>	<b>-46.5</b>	<b>-0.1</b>
<b>Deferred tax</b>		
Deferred tax temporary differences	-0.3	—
<b>Total deferred tax</b>	<b>-0.3</b>	<b>—</b>
<b>Total reported tax</b>	<b>-46.8</b>	<b>-0.1</b>



NOTE 9 →

		Group	Parent company
Reconciliation of effective tax rate, SEKm	2021/22	2020/21	2021/22 2020/21
<b>Profit before taxes</b>	<b>-363.5</b>	<b>-218.4</b>	<b>-0.0 -110.5</b>
Tax in accordance with applicable tax rate for the Parent Company <sup>1</sup>	-74.9	-46.7	-0.0 23.6
Tax effect of:			
Non-deductible income	—	—	-0.0 23.5
Non-deductible expenses	-0.2	—	-0.0 —
Other	-0.3	-0.1	-0.0 -0.0
Utilisation of non activated losses carried forward from previous fiscal years	—	0.0	— —
Change in foreign tax rate	-0.1	-0.0	— —
<b>Reported tax</b>	<b>-75.5</b>	<b>-46.8</b>	<b>-0.0 -0.1</b>
Effective tax rate, %	20.8	21.4	— —

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

**Specification of deferred tax assets and tax liabilities**

*Statement of financial position*

		Group	Parent company
Deferred tax asset, SEKm	2021/22	2020/21	2021/22 2020/21
Expenses relating to acquisition of Revolutionrace AB	1.3	1.3	— —
Lease liabilities	0.1	0.2	— —
<b>Reported value</b>	<b>1.4</b>	<b>1.5</b>	<b>— —</b>

*Statement of income*

		Group	Parent company
Deferred tax income, SEK m	2021/22	2020/21	2021/22 2020/21
Temporary differences attributable to changed tax rate	-0.1	—	— —
Temporary differences attributable to leases	0.0	0.0	— —
<b>Reported value</b>	<b>-0.1</b>	<b>0.0</b>	<b>— —</b>

NOTE 9 →

*Report on financial position*

		Group	Parent company
Deferred tax liability, SEKm	2021/22	2020/21	2021/22 2020/21
Temporary differences attributable to accelerated depreciation	—	0.1	— —
Temporary differences attributable to acquired trademark	35.3	35.3	— —
Temporary differences attributable to financial instruments	1.1	0.3	— —
<b>Reported value</b>	<b>36.4</b>	<b>35.7</b>	<b>— —</b>

*Income statement*

		Group	Parent company
Deferred tax liability (-) / tax asset (+)	2021/22	2020/21	2021/22 2020/21
Temporary differences attributable to changed tax rate	0.0	—	— —
Temporary differences attributable to accelerated depreciation	—	-0.0	— —
Temporary differences attributable to leases	0.0	-0.0	— —
Temporary differences attributable to financial instruments	0.8	0.3	— —
<b>Reported value</b>	<b>0.8</b>	<b>0.3</b>	<b>— —</b>

**Deferred tax net**

Presented in statement of financial position as			
Deferred tax asset	1.4	1.5	— —
Deferred tax liability	-36.4	-35.7	— —
<b>Deferred tax liability (-) / tax asset (+), net</b>	<b>-35.0</b>	<b>-34.2</b>	<b>— —</b>

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

<b>Opening book value</b>	<b>-34.2</b>	<b>-33.9</b>	<b>— —</b>
Deferred tax expenses as per income statement	-0.8	-0.3	— —
Deferred tax income as per income statement	0.3	0.0	— —
<b>Closing book value</b>	<b>-34.7</b>	<b>-34.2</b>	<b>— —</b>



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	644.3
Revolutionrace AB	556938-2913	Borås	100	100	E-commerce outdoor clothing	793.4
Revolutionrace AS	917349886	Halden, Norway	100	100	E-commerce outdoor clothing	0.3
Revolutionrace Inc	85-3695008	Delaware, USA	100	100	E-commerce outdoor clothing	0.8

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	
	2022-06-30	2021-06-30	2022-06-30	2021-06-30
Prepaid expenses — credit facility	—	—	3.0	—
Accrued income	0.5	—	—	—
Other prepaid expenses	6.6	1.9	0.6	0.1
<b>Reported value</b>	<b>7.1</b>	<b>1.9</b>	<b>3.6</b>	<b>0.1</b>

NOTE 12

CASH AND CASH EQUIVALENTS

SEKm	Group		Parent company	
	2022-06-30	2021-06-30	2022-06-30	2021-06-30
Cash and bank balances	74.8	296.3	0.0	68.6
<b>Reported value</b>	<b>74.8</b>	<b>296.3</b>	<b>0.0</b>	<b>68.6</b>

NOTE 13

EQUITY

Share capital

As per 30 June 2022 the share capital consists of one share class.

Share capital development	
Vote value	1.00
Share quota as per 30 June 2022	0.01
Number of shares as per 30 June 2022	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	2022-06-30	2021-06-30
Opening book value	-0.2	-0.3
Change during the year	0.1	0.2
<b>Closing book value</b>	<b>-0.1</b>	<b>-0.2</b>

NOTE 14

PREPAID INCOME AND ACCRUED EXPENSES

SEKm	Group		Parent company	
	2022-06-30	2021-06-30	2022-06-30	2021-06-30
Accrued vacation pay	5.9	4.8	0.2	0.1
Accrued social security costs	2.7	0.5	0.1	—
Other payroll cost	2.7	1.9	—	—
Accrued costs for advertising	14.6	9.3	—	—
Accrued cost for logistics	15.3	10.3	—	—
Accrued cost for audit fees	1.0	0.6	1.0	0.3
Accrued financial expenses	0.0	11.2	0.0	11.2
Other accrued expenses	4.2	3.1	—	—
<b>Reported value</b>	<b>46.4</b>	<b>41.7</b>	<b>1.3</b>	<b>11.6</b>



NOTE 15

INTANGIBLE ASSETS

Group, 1 July 2021 — 30 June 2022, SEKm	Capitalised expenses for development work	Trademarks	Goodwill
Opening historical cost	10.9	171.2	616.8
Internally worked up	2.9	—	—
Closing historical cost as of 30 June 2022	13.8	171.2	616.8
Opening amortisation	-2.1	—	—
Amortisation for the year	-2.4	—	—
Closing amortisation as of 30 June 2022	-4.5	—	—
Group, 1 July 2020 — 30 June 2021, SEKm			
Opening historical cost	7.8	171.2	616.8
Internally worked up	3.1	—	—
Closing historical cost as of 30 June 2021	10.9	171.2	616.8
Opening amortisation	-0.1	—	—
Amortisation for the year	-2.0	—	—
Closing book value as per 30 June 2021	-2.1	—	—
Net carrying value			
As of 30 June 2022	9.3	171.2	616.8
As of 30 June 2021	8.8	171.2	616.8

NOTE 16

GOODWILL AND INTANGIBLE ASSETS WITH INDETERMINABLE USEFUL LIFE

Reported value goodwill and trademark, SEKm	2022-06-30	2021-06-30
Goodwill	616.8	616.8
Trademark, RevolutionRace	171.2	171.2
Reported value	788.0	788.0

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 2022. 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 10,359 million (SEK 7 912 million) as of 30 June 2022, comprises the value in use which has been calculated by using cash flow forecasts from budgets over a 5-year period. The interest before tax which is used to discount cash flows amounts to 8.1 percent and flows beyond the 5-year period are extrapolated with 2.0 percent growth. Thus, no impairment has taken place

NOTE 16 →

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 2022" (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 1.519 million (SEK 1.008 million). A reduction in the discount rate by 1.0 percentage points would mean an increase in the recovery value by SEK 2.120 million (SEK 1.328 million).

NOTE 17

ASSETS

Group, SEKm	Expenses incurred on thirdparty property	Plant and machinery	Equipment, tools, fixtures and fittings
Opening book value			
Opening book value 1 July 2020	0.5	0.1	2.3
Investments during the year	—	0.0	0.1
Reclassifications	—	-0.1	0.1
Closing book value	0.5	—	2.5
Investments during the year	—	—	0.3
Closing book value	0.5	—	2.8
Depreciation/amortisation			
Opening book value 1 July 2020	-0.1	0.0	-0.8
Depreciation/amortisation for the year	-0.1	0.0	-0.5
Reclassifications	—	0.0	-0.0
Accumulated depreciation/amortisation as per 30 June 2021	-0.2	—	-1.3
Depreciation/amortisation for the year	-0.1	—	-0.5
Accumulated amortisation as per 30 July 2022	-0.2	—	-1.8
Net carrying value			
As per 30 June 2022	0.3	0.0	1.0
As per 30 June 2021	0.4	0.0	1.1



NOTE 18

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				
Opening book value 30 June 2020	5.8	0.2	0.1	6.0
Additional agreements	—	0.9	—	0.9
Depreciation	-1.1	-0.2	-0.1	-1.4
Terminated agreements	—	-0.1	—	-0.1
Reassessment of agreements	0.0	—	—	0.0
Closing balance as per 30 June 2021	4.7	0.8	0.0	5.5
Additional rights-of-use	0.2	0.7	—	0.9
Amortisation	-1.1	-0.5	0.0	-1.6
Leases ended	—	-0.1	—	-0.1
Reclassification	2.8	—	—	2.8
Reported value as per 30 June 2022	6.6	0.9	0.0	7.5
Lease liability <sup>1</sup>				
Opening book value as per 1 July 2020	6.4	0.2	0.1	6.7
Additional rights-of-use	—	0.8	—	0.8
Reclassification	0.0	—	—	0.0
Terminated agreements	—	0.0	—	0.0
Interest expense on lease liabilities	0.2	0.0	0.0	0.2
Lease expenses	-1.2	-0.3	-0.1	-1.6
Closing book value as per 30 June 2021	5.4	0.7	0.0	6.1
Additional rights-of-use	0.2	0.7	—	0.9
Reclassification	2.7	—	—	2.7
Terminated agreements	—	0.0	—	0.0
Interest expense on lease liabilities	0.2	0.0	0.0	0.2
Lease expenses	-1.2	-0.5	0.0	-1.7
Closing book value as per 30 June 2022	7.2	0.9	0.0	8.1

1) See Note 15 Financial risks for maturity analysis of the lease liability.

NOTE 18 →

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

SEKm	2021/22	2020/21
Depreciation of right of use assets	1.6	1.3
Interest expenses for lease liabilities	0.2	0.2
Expenses related to short-term lease agreements	—	—
Reported value	1.8	1.5

The group's total cash flow for lease agreements amounted SEK 1.917 million (SEK 1, 235 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	2022-06-30	2021-06-30
Goods in warehouse	306.5	82.6
Goods in transit	126.9	53.1
Return rights assets	8.0	7.1
Reported value	441.5	142.8

As a result of low inventory levels in previous financial years, the group has taken an active decision during the financial year to increase inventory levels to meet and increased growth and delivery difficulties. Obsolescence deductions of SEK 9.6 million have been applied to the inventory.

NOTE 20

FINANCIAL INSTRUMENTS

Fair value of the Group's financial liabilities is shown in the table below. See also Note 17 *Financial risks*.

SEKm	2022-06-30		2021-06-30	
	Reported value	Fair value	Reported value	Fair value
Financial assets valued at historical cost				
Other current receivables	50.1	50,1	16.9	16.9
Cash and cash equivalents	74.8	74.8	296.3	296.3
Financial liabilities valued at fair value in income statement				



NOTE 20 →

SEKm	2022-06-30		2021-06-30	
	Reported value	Fair value	Reported value	Fair value
Derivative instruments	7.8	7.8	2.1	2.1
Closing value	132.7	132.7	315.3	315.3
Financial liabilities valued at accrued historical cost				
Long-term liabilities to credit institutions	19.9	25.4	228.5	248.3
Lease liabilities	8.2	8.2	6.1	6.1
Accounts payable	184.6	184.6	99.0	99.0
Repayment liabilities	31.3	31.3	25.7	25.7
Other current liabilities	40.0	40.0	35.1	35.1
Financial liabilities valued at fair value via profit/loss				
Derivative instruments	2.6	2.6	0.6	0.6
Closing value	286.6	292.1	395.0	414.8

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.

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. Fair value of financial instruments traded on an active market are based on quoted market prices on the balance sheet date. A market considered active if quoted prices from an exchange, broker, industry group, pricing service or supervisory authority are readily and regularly accessible and these prices represent real and regularly occurring prices market transactions at arm's length. The quoted market price used for the group's financial assets is the current buying-rate.

**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.

NOTE 20 →

SEKm	Level 1	Level 2	Level 3	Total
Financial instrument valued at fair value per 30 June 2022				
Financial liabilities valued at fair value via profit/loss				
Derivative instruments				
Foreign exchange forwards	—	7.8	—	7.8
Financial liabilities valued at fair value via profit/loss				
Derivative instruments				
Foreign exchange forwards	—	2.6	—	2.6
Financial instrument valued at fair value per 30 June 2021				
Financial liabilities valued at fair value via profit/loss				
Derivative instruments				
Foreign exchange forwards	—	2.1	—	2.1
Financial liabilities valued at fair value via profit/loss				
Derivative instruments				
Foreign exchange forwards	—	0.6	—	0.6

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.

NOTE 21 →

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 2022, 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 +/- SEK 0.3 million for the financial year 2021/22, for the financial year 2020/21 by +/- SEK 2.6 million.

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 2022				
Bank loan Facility B	19.9	SEK	2026-06-02	Variable
Lease liabilities (see Note 18 <i>Lease agreements</i> )	8.2	SEK	*	Variable
Reported value				
Long-term liabilities to credit institutions as of 30 June 2021				
Bank loan Facility B	228.5	SEK	2026-06-02	Variable
Lease liabilities (see Note 18 <i>Lease agreements</i> )	6.1	SEK	*	Variable

\*Lease liabilities mature in the period 30 Sep 2022—30 Sep 2027.

NOTE 21 →

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 2022			
Contract in USD	—	—	31.1
Contract in EUR	—	-106,6	-61.5
Contract in DKK	—	—	-27.7
Contract in NOK	—	—	-17.6
Contract in GBP	—	—	-22.0
Total	—	-106,6	-97.6

SEKm	EUR	USD	SEK
Opposing currency 30 June 2021			
Contract in USD	125.6	—	—
Contract in EUR	—	—	22.4
Contract in DKK	—	—	-21.5
Contract in NOK	—	—	-16.5
Contract in GBP	—	—	-21.5
Total	125.6	—	-37.0

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 3,0 million on 30 June 2022.



NOTE 21 →

Currency

An upturn/downturn in currency rates by 1 percentage point on the closing date would have a positive/negative net impact on profit before tax totalling SEK 1.8 million for the 2021/22 financial year. Distributed on the following currencies:

Sensitivity analysis by currency	Upturn 10 percentage points	Downturn 10 percentage points
USD	-3.8	3.8
EUR	1.3	-1.3
GBP	0.0	-0.0
DKK	0.3	-0.3
NOK	0.1	-0.1
CHF	0.2	-0.2
PLN	0.1	-0.1
CZK	0.0	-0.0
	-1.8	1.8

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 74.8 million with unused credit facility of SEK 577.2 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 →

Maturity analysis regarding non-discounted liabilities

SEKm	<6 months	6–12 months	1–3 years	3–5 years	>5 years	Total
2022-06-30						
Debts to credit institutions	—	—	—	—	—	—
Leases <sup>1</sup>	0.8	0.8	3.2	2.9	0.4	8.1
Trade payables	184.7	—	—	—	—	184.7
Expected returns	31.3	—	—	—	—	31.3
Other liabilities	2.7	—	—	—	—	2.7
Other current liabilities	40.0	—	—	—	—	40.0
Total	259.5	0.8	3.2	2.9	0.4	266.8
2021-06-30						
Debts to credit institutions	1.8	1.8	7.4	237.3	—	248.3
Leases <sup>1</sup>	0.8	0.8	2.9	1.7	—	6.1
Trade payables	99.0	—	—	—	—	99.0
Expected returns	25.7	—	—	—	—	25.7
Other liabilities	0.6	—	—	—	—	0.6
Other current liabilities	35.1	—	—	—	—	35.1
Total	163.0	2.6	10.2	239.0	—	414.8

1) Liabilities calculated on actual lease contracts.

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

SEKm	Amount 2022-06-30	Used 2022-06-30	Amount 2021-06-30	Used 2021-06-30
Credit Facility B	600	-22.8	300	230
Total	600	-22.8	300	230

Capital management

The group works regularly using two key performance indicators 1) interest coverage and 2) leverage, which are governing in the bank covenants. According to the bank covenants, the interest coverage (EBITDA divided by net interest) must not be less than 5.0. Debt relative to EBITDA must not exceed 3.75 on 30 June 2022. The group tests these threshold values quarterly and, on 30 June 2022, 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

Financing activities, SEKm	2021-07-01	Items affecting cash flow	Non-cash changes			Interest	2022-06-30
			Revaluation	Effects of changed currency rates	New lease agree-ments		
Liabilities to credit institutions	228.5	-208.6					19.9
Lease liabilities	6.1	-1.7	0.9		2.7	0.2	8.1
<b>Total liabilities attributable to financing activities</b>	<b>234.6</b>	<b>-210.3</b>	<b>0.9</b>	<b>0.0</b>	<b>2.7</b>	<b>0.2</b>	<b>28.0</b>

Financing activities, SEKm	2020-07-01	Items affecting cash flow	Non-cash changes			Interest	2021-06-30
			Revaluation	Effects of changed currency rates	New lease agree-ments		
Liabilities to credit institutions	230.0	-1.5					228.5
Lease liabilities	6.7	-1.6	0.0		0.0	0.2	6.1
<b>Total liabilities attributable to financing activities</b>	<b>236.7</b>	<b>-3.1</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.2</b>	<b>234.6</b>

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

Financing activities, SEKm	2021-07-01	Items affecting cash flow	Non-cash changes			Interest	2022-06-30
			Revaluation	Effects of changed currency rates	New lease agree-ments		
Liabilities to credit institutions	228.5	-228.5					0
Lease liabilities	—	—	—	—	—	—	—
<b>Total liabilities attributable to financing activities</b>	<b>228.5</b>	<b>-228.5</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Financing activities, SEKm	2020-07-01	Items affecting cash flow	Non-cash changes			Interest	2021-06-30
			Revaluation	Effects of changed currency rates	New lease agree-ments		
Liabilities to credit institutions	—	228.5	—	—	—	—	228.5
Lease liabilities	—	—	—	—	—	—	—
<b>Total liabilities attributable to financing activities</b>	<b>—</b>	<b>228.5</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>228.5</b>

NOTE 23

PLEDGED ASSETS AND CONTINGENT LIABILITIES

SEKm	2022-06-30	Group	Parent company	
		2021-06-30	2022-06-30	2021-06-30
<b>Assets pledged to credit institutions for own liabilities</b>				
Pledged assets	—	—	—	—
Contingent liabilities	—	—	22.8	230.0
<b>Total</b>	<b>—</b>	<b>—</b>	<b>22.8</b>	<b>230.0</b>

RVRC Holding AB (publ) is the guarantor for the amount that the group companies used on the group's credit facility. Correction of comparison figures has been made. An adjustment of previous reported period has been carried out.

NOTE 24

RELATED PARTY TRANSACTIONS

SEKm	2021/22	2020/21
<b>Altor Fund Manager AB</b>		
Purchase of services	—	1.0
<b>Fritidsgrossen JIPK AB</b>		
Sale of goods	—	1.3

Conditions

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



NOTE 25

SHARE-BASED PAYMENTS

The company holds a long-term incentive program for the group management team members and key personnel ("Participants"). The program consists of 1,889,677 warrants in total. 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.

Exercise price

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

Term and subscription period

The expected term is estimated to 2.54 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	96.88
Warrant price, SEK	9.79
Expected volatility, %	30
Risk-free interest, %	1.68
Expected term	2.54

The share fair value and number of warrants

2022-06-30

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	—

NOTE 26

FINANCIAL INCOME

SEKm	2021/22	Group 2020/21
Assets and liabilities valued at accrued historical cost		
Interest income from other financial assets	—	0.0
Total interest income in accordance with the effective interest method	—	0.0
Total financial income	—	0.0

NOTE 27

FINANCIAL EXPENSES

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

SEKm	2021/22	Group 2020/21
Assets and liabilities valued at accrued historical cost		
Interest expenses, liabilities to credit institutions	-3.1	-6.1
Interest expenses, lease liabilities	-0.2	-0.2
Interest expenses, other financial liabilities		-0.1
Total interest expenses in accordance with the effective interest method	-3.3	-6.4
Costs related to raising loans	0	-5.6
Total	0	-5.6
Total financial expenses	-3.3	-12.0

NOTE 28

PROFIT OF THE YEAR

SEKm	2021/22	Group 2020/21
Profit of the year for calculation before and after dilution	288.0	171.6
Weighted number of ordinary shares before dilution	112,918,918	107,767,104
Dilution warrants	—	—
Weighted number of ordinary shares after dilution	112,918,918	107,767,104
Earnings per share before dilution (SEK) <sup>1</sup>	2.55	1.59
Earnings per share after dilution (SEK) <sup>1</sup>	2.55	1.59

1) During the previous fiscal year a reverse split 6:1 has taken place which affects the number of shares. The comparative number of shares has been recalculated.

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	644,687,458
Profit for the year 2021/22	-6,331
Dividend	-86,947,567
Amount carried forward	557,733,560

NOTE 30

EVENTS AFTER THE BALANCE SHEET DATE

On August 15 Pernilla Nyrensten decided, at her own request and with immediate effect, to resign as CEO of Revolution-Race. Pernilla Nyrensten will Continue as an active board member focusing on trademark and sales. The work with finding a new CEO started immediately and meanwhile the Group's Chairman of the board Paul Fischbein has been appointed as acting CEO.

Associated with these changes, Paul Fischbein left the position as Chairman of the board and as member of the election committee but remains as member of the board. The board has appointed Andreas Källström Säfweräng as acting Chairman of the board until the annual general meeting in November 2022 and he also replaces Paul Fischbein as member of the election committee.

On October 7, 2022, the board appointed Paul Fischbein as acting CEO. The position was assumed with immediate effect.

ASSURANCE

The Board of Directors' complete statement motivating the proposed disposition of earnings for the 2021/22 fiscal year will be presented in a separate document prior to the 2021 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 12 October 2022 and are proposed for approval by the Annual General Meeting on 10 November 2022.

Stockholm 12 October 2022		
Andreas Källström Säfweräng, Acting Chairman of the Board	Jens Browaldh, Board Member	Magnus Dimert, Board Member
Cecilie Elde, Board Member	Pernilla Nyrensten, Board Member	Johan Svanström, Board Member
Paul Fischbein Acting CEO and Board Member		



# AUDITOR'S REPORT

To the general meeting of the shareholders of RVRC Holding AB (publ), 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 (publ) for the financial year 2021-07-01–2022-06-30. The annual accounts and consolidated accounts of the company are included on pages 46–55 and 72–119 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 2022 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 2022 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.

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.

### 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.

VALUATION OF INVENTORY	
Description	How our audit addressed this key audit matter
Inventories for the group amount to SEK 441,5 MSEK for the year ended June 30, 2022, which corresponds to 32 % 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.	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.
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.	

VALUATION OF GOODWILL AND TRADEMARKS	
Description	How our audit addressed this key audit matter
The carrying amount of goodwill and brands amounted to 788 MSEK in the consolidated balance sheet as of June 30, 2022, which corresponds to 57 percent of the total assets.	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, 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.
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.	

### 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 4–45, 56–57 and 125–133 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 scepticism 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

### 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 RVRC Holding AB (publ) for the financial year 2021-07-01–2022-06-30 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated 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 fulfil 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 practice in Sweden, we use professional judgment and adopt a professionally sceptical attitude throughout the audit. The audit of management and the proposal for appropriation of the company's profit or loss are mainly based on the audit of the accounts. Which additional audit procedures are performed are based on our professional assessment, on the basis of risk and materiality. This means that we focus the audit on those measures, areas and circumstances that are significant for the business, and where any deviations or breaches would be particularly important for the company's situa-

tion. We review and examine decisions taken, decision-making data, implemented measures and other circumstances that are relevant to our opinion about discharge from liability. As a basis for our opinion on the Board of Directors' proposal for appropriation of the company's profit or loss, we have examined the Board of Directors' reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in compliance with the Swedish Companies Act.

## THE AUDITOR'S EXAMINATION OF THE ESEF REPORTS

### Opinions

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 RVRC Holding AB (publ) for the financial year 2021-07-01–2022-06-30.

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

In our opinion, the ESEF report #[checksumma] 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 Auditor's responsibility section. We are independent of RVRC 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 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 technical validation of the Esef report, i.e. if the file containing the Esef report meets the technical specification set out in the Commission's Delegated Regulation (EU) 2019/815 and a reconciliation of the Esef report with the audited annual account and consolidated accounts.

Furthermore, the procedures also include an assessment of whether the Esef report has been marked with iXBRL which enables a fair and complete machine-readable version of the consolidated statement of financial performance, financial position, changes in equity and cash flow.

Ernst & Young AB, with Andreas Mast as head responsible auditor, was appointed auditor of RVRC Holding AB (publ) by the general meeting of the shareholders on the 10th of November, 2021 and has been the company's auditor since 27 January, 2020.

Gothenburg 12 October 2022

Ernst & Young AB

Andreas Mast  
Authorised Public Accountant

## MULTI-YEAR OVERVIEW, DEFINITIONS AND KPIS

#### GROUP STATEMENT ON COMPREHENSIVE INCOME, CONDENSED

SEKm	2021/22	2020/21	2019/20	2018/19	2017/18
Net sales	1,331.5	897.1	386.8	284.5	142.6
Operating profit (EBIT)	366.8	230.4	83.1	57.1	27.3
Profit for the year attributable to parent company's shareholders	288.0	171.6	59.7	44.9	9.0
Net sales growth, % <sup>1</sup>	48.4	132.0	36.0	99.5	N/A
EBIT-margin	27.5	25.7	21.5	20.1	19.1
Earnings per share before dilution (SEK) <sup>2</sup>	2.55	1.59	0.56	0.42	0.25
Earnings per share after dilution (SEK) <sup>2</sup>	2.55	1.59	0.55	0.42	0.25

1) Alternative performance measure

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

#### CONSOLIDATED STATEMENT OF FINANCIAL POSITION, CONDENSED

SEKm	2021/22	2020/21	2019/20	2018/19	2017/18
Total assets	1,394.4	1268.1	956.4	915.7	874.0
Equity, attributable to parent company's shareholders	974.5	759.5	627.1	698.3	653.4

#### GROUP STATEMENT ON CASH FLOW, CONDENSED

SEKm	2021/22	2020/21	2019/20	2018/19	2017/18
Cash flow from operating activities	64.9	224.7	120.9	38.5	-36.1
Cash flow from investing activities	-3.3	-3.2	-7.0	-3.2	-376.9
Cash flow from financing activities	-283.4	-42.4	-32.5	-16.7	431.1
Cash flow for the year	-221.8	179.2	81.4	18.6	18.0

## 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	2021/22	2020/21	2019/20	2018/19	2017/18
Net sales	1,331.5	897.1	386.8,	284.5	142.588
Net sales growth, % <sup>1</sup>	48.4	132.0	36.0,	99.5	N/A
Gross profit <sup>1</sup>	962.6	648.3	271.0,	203.4	104.0
Gross margin, % <sup>1</sup>	72.3	72.3	70.1,	71.5	72.9
Operating profit (EBIT) <sup>1</sup>	366.8	230.4	83.1,	57.1	27.3
EBIT-margin,%	27.5	25.2	21.5,	20.1	19.1
Adjusted EBIT <sup>1</sup>	366.8	252.2	83.1,	57.1	27.3
Adjusted EBIT-margin, % <sup>1</sup>	27.5	27.6	21.5,	20.1	19.1
Profit before tax	363.5	218.4	76.2,	52.5	20.0
Earnings per share before dilution, SEK	2.55	1.59	0.56	0.42	0.25
Earnings per share after dilution, SEK	2.55	1.59	0.55	0.42	0.25
Net working capital <sup>1</sup>	156.6	-71.8	-22.7,	43.3	35.9
Net working capital as share of net sales, % <sup>1</sup>	11.8	-8.0	-5.9,	15.2	25.2
Cash flow from operating activities	64.9	224.7	120.9,	38.5	-36.1
Cash conversion, % <sup>1</sup>	160.6	111.7	169.3,	81.8	N/A
Net debt <sup>1</sup>	-46.7	-61.6	120.0,	101.7	129.0
Number of orders <sup>1</sup>	1,659,012	1,176,227	534,235	408,379	153,671*
Average order value (AOV) <sup>1</sup>	803	763	725,	697	710*
Number of employees at year-end	126	91	56	25	17

1)Alternative performance measure  
\* Refers to period January-June 2018

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)	2021/22	2020/21	2019/20	2018/19	2017/18
Net sales, reported	1,331.5	897.1	386.8	284.5	N/A
Net sales previous year	897.1	386.8	284.5	142.6	N/A
Change in net sales, SEK	434.3	528.3	102.3	141.9	N/A
Net sales growth, %	48.4	132.0	36.0	99.5	N/A

### GROSS PROFIT AND GROSS PROFIT MARGIN

SEKm (unless otherwise stated)					
Net sales	1,331.5	897.1	386.8	284.5	142.6
Goods for resale	-368.8	248.8	-115.7	-81.1	-38.6
Gross profit	962.6	648.3	271.0	203.4	104.0
Net sales	1,331.4	897.1	386.8	284.5	142.6
Gross profit margin, %	72.3	72.3	70.1	71.5	72.9

### EBIT-MARGIN, ADJUSTED EBIT AND ADJUSTED EBIT-MARGIN

SEKm (unless otherwise stated)					
Operating profit (EBIT)	366.8	230.4	83.1	57.1	27.3
Operating income	1,392.2	912.7	387.5	284.6	142.6
EBIT-margin, %	27.5	25.2	21.5	20.1	19.1
Items affecting comparability:					
Other external expenses, related to the listing preparations (+)	—	22	—	—	—
Adjusted EBIT	366.8	252.2	83.1	57.1	27.3
Adjusted EBIT-margin, %	26.3	27.6	21.5	20.1	19.1

### CASH CONVERSION

SEKm (unless otherwise stated)					
Operating profit (EBIT)	366.8	230.4	83.1	57.1	N/A
Depreciation and amortisation of tangible and intangible assets	4.6	-3.9	2.0	1.1	N/A
EBITDA	371.4	226.5	85.1	58.2	N/A
Changes in net working capital (+/-)	228.4	29.8	66.0	-7.4	N/A
Cash flow from investing activities	-3.3	-3.2	-7.0	-3.2	N/A
	596.6	253.1	144.1	47.6	N/A
EBITDA	371.4	226.5	85.1	58.2	N/A
Cash conversion,%	160.6	111.7	169.3	81.8	N/A

### NET DEBT

SEKm(unless otherwise stated)	2021/22	2020/21	2019/20	2018/19	2017/18
Interest-bearing debt	19.9	228.5	230.0	114.4	130.6
Interest-bearing assets (-)	—	—	—	16.3	16.3
Long-term lease agreements	6.5	4.6	5.4	6.7	0.2
Short-term lease agreements	1.6	1.5	1.3	0.9	0.1
Interest-bearing debt	28.0	234.6	236.7	138.2	147.1
Cash and cash equivalents (-)	-74.8	-296.3	-116.7	-36.5	-18.1
Net debt	-46.7	61.7	120.0	101.7	129.0

### NET WORKING CAPITAL AND NET WORKING CAPITAL AS SHARE OF NET SALES

SEKm(unless otherwise stated)					
Current assets	586.8	462.7	151.3	115.7	84.0
Cash and cash equivalents (-)	-74.8	-296.3	-116.7	-36.5	-18.1
Current liabilities (-)	-357.1	-239.8	-58.5	-53.0	-46.4
Liabilities to credit institutions (+)	—	0	—	16.25	16.25
Lease liability (+)	1.6	1.5	1.3	0.9	0.1
Net working capital	156.6	-71.8	-22.7	43.3	35.9
Net sales (rolling 12 months)	1,331.5	897.1	386.8	284.5	142.6
Net working capital as a share of net sales, %	11.8	-8.0	-5.9	15.2	25.2

### QUARTERLY OVERVIEW

Net sales per geographical region	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Nordics <sup>1</sup>	99.8	102.3	124.5	115.1	113.3	102.0	110.7	75.3
DACH <sup>2</sup>	167.4	198.7	191.9	104.9	122.6	102.8	96.7	41.8
Rest of the world	51	66.4	75.3	34.2	37.8	39.7	40.9	13.5
Total net sales	318.2	367.4	391.7	254.2	273.7	244.5	248.3	130.5
Net sales growth, % <sup>3</sup>	16.3	50.3	57.7	94.7	152.1	184.7	130.3	54.5
Operating profit (EBIT) <sup>3</sup>	73.0	103.5	117.5	72.7	66.7	64.4	66.8	32.4
EBIT-margin <sup>3</sup>	21.3	27.0	28.9	28.0	23.9	25.9	26.6	24.3
Adjusted EBIT <sup>3</sup>	73.0	103.5	117.5	72.7	79.0	72.8	67.9	32.4
Adjusted EBIT-margin <sup>3</sup>	21.3	27.0	28.9	28.0	28.3	29.3	27.0	24.3
Number of orders <sup>3</sup>	410,801	432,555	495,226	320,430	369,633	314,722	321,447	170,425
Average order value (AOV) <sup>3</sup>	774	849	791	793	740	777	773	766

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 10 November 2022

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 10 November 2022, 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-2022/>

## DIVIDEND

The Board proposes a dividend of SEK 0.77 per share. The proposed record date for the dividend is 14 November 2022. 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 17 November 2022.

## REPORTING DATES

### Interim reports

1 July–30 September 2022, 8 November 2022  
 1 July–31 December 2022, 31 January 2023  
 1 July 2022–31 March 2023, 9 May 2023

RVRC Holding AB (publ)  
 Nils Jakobsongatan 5D  
 504 30 Borås, Sweden  
 Corporate identity number: 559129-4623  
[corporate.revolutionrace.com](https://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 self-produced content.

2015/16

**NORDIC EXPANSION  
COMMENCED**

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

**NUMBER OF EMPLOYEES: 5  
NUMBER OF CUSTOMER  
REVIEWS ONLINE: 15,170**

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.

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 EMPLOYEES: 19  
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.

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 EMPLOYEES: 46  
NUMBER OF CUSTOMER  
REVIEWS ONLINE: 204,237**

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 ("Fulfilment 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. Pernilla Nyrensten becomes the first female founder to take her company to the stock exchange in the role of president and CEO.

**NUMBER OF EMPLOYEES: 86  
NUMBER OF CUSTOMER  
REVIEWS ONLINE: 274,000**



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 EMPLOYEES: 126  
NUMBER OF CUSTOMER  
REVIEWS ONLINE: 400,000**



RVRC Holding AB (publ)  
Nils Jakobsonsgatan 5D, 50430 Borås  
Sweden  
[corporate.revolutionrace.com](http://corporate.revolutionrace.com)

**Contact**

[investorrelations@revolutionrace.se](mailto:investorrelations@revolutionrace.se)