



Interim report

July – December 2022

RVRC Holding AB (publ)

The report concerns the group in which RVRC Holding AB (559129-4623) is the parent company and which is referred to in the report as RevolutionRace

SECOND QUARTER HIGHLIGHTS

Financial development (1 Oct – 31 Dec 22)

- Net sales for the period increased by 30 percent and amounted to SEK 509 (392) million.
- Gross profit amounted to SEK 360 (280) million, corresponding to a gross margin of 70.7 (71.6) percent.
- EBIT excluding costs for incentive programme (LTIP) ¹⁾ amounted to SEK 117 (117) million, corresponding to an adjusted EBIT margin of 23.0 (29.8) percent.
- EBIT amounted to SEK 105 (117) million, corresponding to an EBIT margin of 20.7 (29.8) percent.
- Average order value (AOV) amounted to SEK 876 (791).
- Earnings per share before dilution amounted to SEK 0.73 (0.82) and after dilution to SEK 0.73 (0.82).

Significant events

- Highest net sales for a single quarter.
- Growth in all regions.
- Significantly improved cash flow and decreased inventory in the quarter.
- Paul Fischbein took over as CEO in October, having served as Acting CEO since August 2022.
- The Annual General Meeting held in November approved a dividend of SEK 0.77 per share, changes in the board of directors and an incentive programme (LTIP) involving warrants.

Financial overview

SEKm	Oct-Dec 22/23	Oct-Dec 21/22	Δ	Jul-Dec 22/23	Jul-Dec 21/22	Δ	Jul-Jun 21/22	Jan-Dec 2022
Net sales	509	392	30%	784	646	21%	1,331	1,470
Average order value (AOV), (SEK)*	876	791	11%	861	792	9%	803	838
Gross profit*	360	280	28%	556	464	20%	963	1,055
Adjusted EBIT* ¹⁾	117	117	0%	167	190	-12%	367	343
EBIT*	105	117	-10%	155	190	-18%	367	332
Result for the period	82	92	-11%	121	149	-19%	288	260
Earnings per share before dilution, SEK	0.73	0.82	-11%	1.07	1.32	-19%	2.55	-
Earnings per share after dilution, SEK	0.73	0.82	-11%	1.07	1.32	-19%	2.55	-
Gross margin*	70.7%	71.6%	-0.9 pp	70.9%	71.9%	-1.0 pp	72.3%	71.7%
EBIT margin*	20.7%	29.8%	-9.1 pp	19.6%	29.2%	-9.6 pp	27.0%	22.2%
Adjusted EBIT margin*	23.0%	29.8%	-6.8 pp	21.1%	29.2%	-8.1 pp	27.0%	22.9%

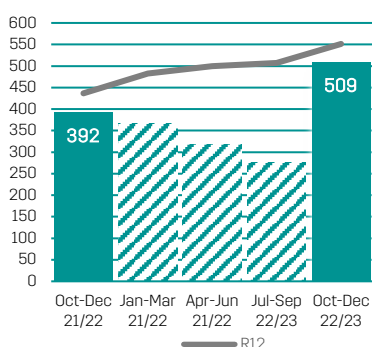
RevolutionRace financial year is 1 July – 30 June

1) Excluding costs for the incentive programme (LTIP) during the quarter amounted to SEK 12 million.

* Alternative performance measures, see pages 16–17.

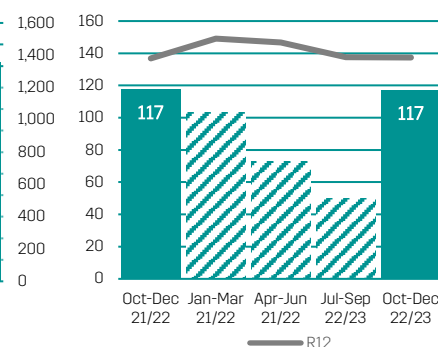
Net sales

Per quarter and rolling 12 months



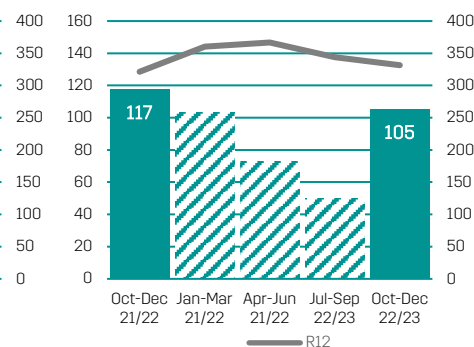
Adjusted EBIT ¹⁾

Per quarter and rolling 12 months



EBIT

Per quarter and rolling 12 months



Comments from the CEO

RevolutionRace continues to grow

We are pleased to report that RevolutionRace continues to deliver profitable growth in the second quarter of the financial year. We are gaining market share and saw further good demand for our multifunctional products in the second quarter, generating record sales of SEK 509 million. This corresponds to a growth of 30 percent year on year.

The quarter got off to a strong start following weaker sales performance in July and August in the first quarter. The macroeconomic situation has continued to challenge, with rising inflation and an increased cost of living once again in the second quarter, yet despite this RevolutionRace delivered sales at a record level for the quarter. This confirms that we have a strong and timely customer offering.

Growth in all regions

RevolutionRace's largest and most important region, DACH, is continuing to grow strongly with sales growth of 44 percent. We also note that various markets in the Rest of the World region are continuing to perform well, with growth of 37 percent in the region. Sales in the Nordic region have recovered and are once again increasing.

Operating profit in line with last year

Adjusted EBIT in the quarter amounted to SEK 117 (117) million, corresponding to an adjusted EBIT margin of 23.0 (29.8) percent. The lower margin in the quarter is due mainly to a 0.9 percentage point decrease in gross margin, higher fixed costs compared to the corresponding quarter last year, mainly attributable to an increase in personnel, increased marketing costs and a negative currency effect of SEK 7 million when compared year on year. Part of the increase in marketing costs is a result of investments in our brand building campaigns, in which we have tested out TV advertising and our own YouTube productions aimed at the Swedish market.

During the quarter the annual general meeting resolved to introduce a new incentive programme (LTIP 2022–26). The incentive programme involved one-time costs of SEK 12 million during the quarter, which explains the difference between adjusted EBIT and EBIT. EBIT during the quarter amounted to SEK 105 (117) million.

Strong cash flow and lower inventory

Our cash flow in the second quarter was very strong. Cash flow from operating activities amounted to SEK 146 (34) million, which includes a decrease in inventory of SEK 79 million and a tax payment of SEK 62 million. During the quarter RevolutionRace moved from net debt to net cash of SEK 32 million despite distributing dividends amounting to SEK 87 million. Our strong financial position strengthens our competitiveness and leaves us well positioned for further growth in both established and newer markets.

New collaborations and product categories

During the quarter we began an exciting long-term collaboration with German football legend Philipp Lahm.

Since Germany is the company's biggest market, we see this partnership as one element of further initiatives in the DACH region.

We are developing our product assortment further, both through new product categories and not least by refining and adding products in existing product categories. October saw the successful launch of our first collection for dogs, which sold out in a short time. We also introduced a duffel bag to complement our range of bags.

Outlook

In summary, the second quarter had good sales growth, profits in line with last year and strong cash flow. Boosted by this we are positive as regards the future, but at the same time we are humbled by the uncertainty in the world around us and the challenges that this brings. Our goal is to continue to deliver long-term profitable growth and in the current market climate, with increased pressure on many operators, RevolutionRace, with our digital business model, is well positioned, even if RevolutionRace is likely to be impacted by prevailing external factors as well. During the end of the second quarter and beginning of the third quarter, we note lower sales growth than for the second quarter in its entirety. However, despite the market challenges, we see opportunities for continued growth and to increase our market share, while balancing this with cost focus.

RevolutionRace is dedicated to continuing to develop and refine the customer offering. We have many exciting projects in progress which I look forward to sharing with you during the year. I would also like to take this opportunity to extend my great thanks to our customers, shareholders, colleagues and partners.

Paul Fischbein, CEO

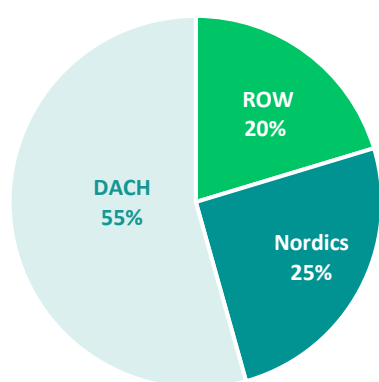


FINANCIAL DEVELOPMENT

Second quarter (Oct – Dec 2022)

Operating income

Net sales in the second quarter amounted to SEK 509 (392) million, an increase of 30 (24 in local currencies) percent. The increase in net sales is attributable to higher demand for the company's multifunctional products in all regions in which the company operates. Net sales in the Nordics increased by 3 percent to SEK 129 (125) million. Net sales in DACH increased by 44 percent to SEK 277 (192) million and in RoW by 37 percent to SEK 103 (75) million.



The regions share of net sales in the second quarter

Operating income for the period amounted to SEK 509 (394) million. The difference between net sales and operating income comprises other operating income which is mainly attributable to net amount of exchange gains and losses. The net amount for the quarter is negative, resulting in other operating costs of SEK 5 million. Effective from the start of the current financial year the group reports the result of exchange gains and losses as a net amount; comparative figures for operating income have been adjusted in accordance with the changed accounting principle.

Gross profit

Gross profit increased by 28 percent to SEK 360 (280) million, corresponding to a gross margin of 70.7 (71.6) percent. The gross margin is negatively affected by a somewhat larger share of sales with price reductions and by an average higher USD purchase price on goods sold. At the same time, the gross margin was positively affected by a favorable market mix.

Operating profit (EBIT)

Operating profit (EBIT) amounted to SEK 105 (117) million, corresponding to an EBIT margin of 20.7 (29.8) percent. The progression in operating margin is, among other things, due to an increase in costs attributable to an AGM-approved incentive programme (LTIP) that were expensed in the second quarter with SEK 12 million. Adjusted for this one-time cost, EBIT amounted to SEK 117 million (adjusted EBIT margin 23.0 percent).

Costs attributable to brand building campaigns such as TV advertising and our own YouTube productions also impacted the operating margin for the quarter. Goods for resale increased to SEK -149 (-111) million driven by increased net sales. Other external costs amounted to SEK -207 (-145) million. Personnel expenses in the quarter amounted to SEK -41 (-19) million, including the costs attributable to the LTIP as above.

Earnings and earnings per share for the period

Profit before tax amounted to SEK 103 (117) million. Profit for the period was SEK 82 (92) million. Earnings per share before dilution amounted to SEK 0.73 (0.82) and after dilution to SEK 0.73 (0.82).

Cash flow

Cash flow from operating activities increased and amounted to SEK 146 (34) million. The increase is mainly attributable to a decrease in inventory relative to the previous quarter. Cash flow from investment activities amounted to SEK -2 (-1) million. Cash flow from financing activities includes a reduction in loan debt of SEK 142 (0) million and distributed dividend of SEK 87 (72) million and amounted to SEK -221 (-73) million. Cash flow for the period amounted to SEK -77 (-39) million.

Financial position

Net cash amounted to SEK 32 (8) million, mainly driven by cash flow from financing activities. Cash and cash equivalents amounted to SEK 65 (243) million. The interest-bearing debt of SEK 33 (235) consist of lease liabilities of SEK 16 (6) million and liabilities to credit institutions of SEK 17 (229) million in the form of a utilized bank overdraft which is within the framework of the group's credit facility. The group's total credit facility amounts to approximately SEK 600 million.

Net working capital

Net working capital amounted to SEK 203 (58). The change is mainly attributable to build up of inventory.

Investments

Investments affecting cash flow amounted to SEK 2 (1) million. Investments in intangible assets amounted to SEK 0 (1) million and are mainly attributable to activation of expenditures related to software development. Investments in tangible assets amounted to SEK 2 (0) million.

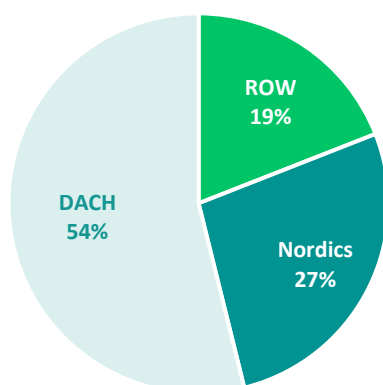
Personnel

The number of employees at the end of the period was 129 (104). The average number of employees during the period was 133 (103). The increase in the number of employees is explained by the company's growth during the past year and to enable future sales growth.

Six months (Jul – Dec 2022)

Operating income

Net sales during the six-month period amounted to SEK 784 (646) million, an increase of 21 (16 in local currencies) percent. The increase in net sales is attributable to higher demand for the company's multifunctional products in the regions DACH and Rest of the World. Net sales in the Nordics amounted to SEK 212 (240) million. Net sales in DACH increased by 42 percent to SEK 423 (297) million and in RoW by 36 percent to SEK 149 (110) million.



The regions share of net sales in the six-month period

Operating income for the period amounted to SEK 791 (651) million. The difference between net sales and operating income comprises other operating income which is mainly attributable to net amount of exchange gains and losses. The net amount for the quarter is positive, resulting in other operating income of SEK 7 million. Effective from the start of the current financial year the group reports the result of exchange gains and losses as a net amount; comparative figures for operating income have been adjusted in accordance with the changed accounting principle.

Gross profit

Gross profit increased by 20 percent to SEK 556 (464) million, corresponding to a gross margin of 70.9 (71.9) percent. The gross margin is negatively affected by a somewhat larger share of sales with price reductions and by an average higher USD purchase price on goods sold. At the same time, the gross margin was positively affected by a favorable market mix.

Operating profit (EBIT)

Operating profit (EBIT) amounted to SEK 155 (190) million, corresponding to an EBIT margin of 19.6 (29.2) percent. The progression in operating margin is mainly due to an increase in costs attributable to an AGM-approved incentive programme (LTIP) of SEK 12 million that were expensed in the second quarter of SEK 12 million.

Adjusted for this one-time cost, EBIT amounted to SEK 167 million (adjusted EBIT margin 21.1 percent). Costs attributable to brand building campaigns such as TV advertising and our own YouTube productions also impacted the operating margin for the first half-year. Goods for resale increased to SEK -228 (-182) million driven by increased net sales. Other external costs amounted to SEK -343 (-242) million. Personnel expenses in the period amounted to SEK -62 (-34) million of which SEK 11 million is attributable to LTIP.

Earnings and earnings per share for the period

Profit before tax amounted to SEK 152 (188) million. Profit for the period was SEK 121 (149) million. Earnings per share before dilution amounted to SEK 1.07 (1.32) and after dilution to SEK 1.07 (1.32).

Cash flow

Cash flow from operating activities amounted to SEK 75 (22) million. The increase is mainly attributable to the fact that the build-up of inventory has slowed down. Cash flow from investment activities amounted to SEK -3 (-1) million. Cash flow from financing activities was SEK -82 (-74) million, which is mainly attributable to LTIP and distributed dividend of SEK 87 (72) million. Cash flow for the period amounted to SEK -10 (-54) million.

Financial position

Net cash amounted to SEK 32 (8) million, mainly driven by cash flow from financing activities. Cash and cash equivalents amounted to SEK 65 (243) million. The interest-bearing debt of SEK 33 (235) consist of lease liabilities of SEK 16 (6) million and liabilities to credit institutions of SEK 17 (229) million in the form of a utilized bank overdraft which is within the framework of the group's credit facility. The group's total credit facility amounts to approximately SEK 600 million.

Net working capital

Net working capital amounted to SEK 203 (58). The change is mainly attributable to build up of inventory.

Investments

Investments affecting cash flow amounted to SEK 3 (1) million. Investments in intangible assets amounted to SEK 1 (1) million and are mainly attributable to activation of expenditures related to software development. Investments in tangible assets amounted to SEK 2 (0) million.

Personnel

The number of employees at the end of the period was 129 (104). The average number of employees during the period was 133 (100). The increase in the number of employees is explained by the company's growth during the past year and to enable future sales growth.

Other information

Financial goals

During the financial year 2020/21, the Board of RVRC Holding AB established a number of long-term financial goals as and a dividend policy for the company.

- Net sales during the financial year 2023/2024 shall amount to at least SEK 2 billion
- The company shall maintain an annual EBIT margin of at least 25 percent
- RevolutionRace intends to distribute surplus capital to shareholders after considering long-term financial stability, growth opportunities and strategic initiatives. With these considerations in mind, RevolutionRace intends to distribute 40-60 percent of profits for the year.

Significant events after the end of the period

No significant events after the end of the period.

Future prospects

RevolutionRace's strategy is to continue to capitalize on the transformation from physical in-store trading to ecommerce and strong expected market growth. The company focuses on driving continued high growth in existing and new markets combined with good profitability. The company does not provide a forecast.

Items affecting comparability

Items affecting comparability amount to -12 (0) MSEK for the second quarter and -12 (0) MSEK for the period July 2022 to December 2022. The item is attributable to the AGM-approved LTIP and is included in personnel costs and other external costs in the income statement.

Parent company

RVRC Holding AB (publ), org. nr. 559129–4623, is a Swedish public company with domicile in Borås, Sweden.

Net sales for the second quarter of SEK 11 (2) million is attributable to intra-group services related to group management. The Parent Company's profit for the second quarter amounted to SEK 86 (-3) million.

Risks and uncertainties

A full description of the risks and uncertainties associated with RevolutionRace can be found in the annual report 2021/22 published on 12 October 2022.

RevolutionRace is an international company and its operations as such can be affected by several risk factors in the form of both operational and financial risks. The risks related to the industry and the company include, but are not limited to, trends linked to people's interest in nature as well as increased competition. An economic downturn or change in consumer preferences could have a negative impact on the Group's net sales and profitability.

RevolutionRace is further exposed to external factors that the company cannot influence, such as, for example, the effects of COVID-19.

Since RevolutionRace operates globally, the company is exposed to changes in exchange rates, which may have a negative impact on the company's revenues as they are reported in SEK but since a large proportion of net sales originate from other currencies. In addition, the company's products are produced in Asia, which entails a currency risk also on the cost side. The company works actively to reduce currency risks by futureproofing the Swedish krona against mainly EUR and USD.

About RevolutionRace

RVRC Holding AB (publ) (RevolutionRace) is a fast-growing outdoor company offering multifunctional products including clothes, shoes, backpacks, and accessories to people with an active lifestyle. RevolutionRace ambition is to create high-quality, colorful, and affordable outdoor products with an amazing design and fit at unmatched value under the tagline “Nature is our playground.” The company operates with a digital D2C business model reaching customers in more than 35 countries with 18 unique webshops. The company was founded in 2013 and is listed on Nasdaq Stockholm since 2021. RevolutionRace is on a mission – to make the nature accessible for everyone!

Borås, January 31, 2023

Andreas Källström Säfweräng
Chairman of the Board

Jens Browaldh
Member of the Board

Cecilie Elde
Member of the Board

Pernilla Nyrensten
Member of the Board

Niclas Nyrensten
Member of the Board

Johan Svanström
Member of the Board

Paul Fischbein
CEO

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Auditor's audit

This interim report has not been subject to a review by the company's auditors.

This information is information that RVRC Holding AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication, through the agency of the contact person set out above, at 07:30 CET on January 31, 2023.



FINANCIAL REPORTS

Group income statement

SEKm	Note	Oct-Dec 22/23	Oct-Dec 21/22	Jul-Dec 22/23	Jul-Dec 21/22	Jul-Jun 21/22
Operating income						
Net sales	3	509	392	784	646	1,331
Other operating income		0	2	7	5	25
		509	394	791	651	1,356
Operating expenses						
Goods for resale		-149	-111	-228	-182	-369
Other external expenses		-207	-145	-343	-242	-539
Personnel expenses		-41	-19	-62	-34	-77
Depreciation and amortisation of tangible and intangible assets		-2	-1	-3	-2	-5
Other operating expenses		-5	0	0	0	0
		-404	-277	-636	-460	-990
Operating profit (EBIT)		105	117	155	190	367
Financial income and expenses						
Financial income		0	0	0	0	0
Financial expenses		-2	-1	-3	-2	-3
		-2	-1	-3	-2	-3
Profit before tax		103	117	152	188	363
Income tax		-21	-24	-31	-40	-76
Profit for the period		82	92	121	149	288
Attributable to parent company's shareholders		82	92	121	149	288
Earnings per share						
Earnings per share before dilution, SEK		0.73	0.82	1.07	1.32	2.55
Earnings per share after dilution, SEK		0.73	0.82	1.07	1.32	2.55

Group statement on other comprehensive income

SEKm	Note	Oct-Dec 22/23	Oct-Dec 21/22	Jul-Dec 22/23	Jul-Dec 21/22	Jul-Jun 21/22
Profit for the period		82	92	121	149	288
Other comprehensive income						
Items reclassified or which may be reclassified to profit for the period						
Exchange rate differences upon translation of foreign subsidiaries		0	0	0	0	0
Other comprehensive income for the period, after tax		0	0	0	0	0
Comprehensive income for the period		82	93	121	149	288
Attributable to parent company's shareholders		82	93	121	149	288

Group statement of financial position

SEKm	Note	2022-12-31	2021-12-31	2022-06-30
ASSETS				
Non-current assets				
Intangible assets				
Capitalised expenditures for development work		9	9	9
Trademarks		171	171	171
Goodwill		617	617	617
		797	797	797
Tangible assets				
Expenditures on third-party property		1	0	0
Equipment, tools and installations		1	1	1
Right of use assets		15	5	8
		18	7	9
Deferred tax asset		2	1	1
		2	1	1
Total non-current assets		818	805	808
Current assets				
Goods in warehouse		384	204	307
Goods in transit		51	108	127
Right of return assets		10	10	8
Sum inventory		445	322	442
Accounts receivable		0	1	0
Current tax assets		1	0	5
Other current receivables		60	41	50
Derivative instrument	2	0	1	8
Prepaid expenses and accrued income		7	7	7
Cash and cash equivalents		65	243	75
Total current assets		578	614	587
Total assets		1,396	1,419	1,394

Group statement of financial position

SEKm	Note	2022-12-31	2021-12-31	2022-06-30
EQUITY AND LIABILITIES				
Equity				
Share capital		1	1	1
Other contributed capital		724	716	716
Reserves, translation differences		0	0	-0
Retained earnings		171	-30	-30
Profit for the period		121	149	288
Total equity		1,017	836	975
Long-term liabilities				
Liabilities to credit institutions		17	229	20
Lease liabilities		13	4	7
Deferred tax liabilities		35	35	36
Total long-term liabilities		65	268	63
Current liabilities				
Lease liabilities		3	2	2
Accounts payable		117	154	185
Other current liabilities		69	52	40
Derivative instrument	2	5	1	3
Tax liabilities		8	26	50
Repayment liabilities		48	41	31
Prepaid income and accrued expenses		65	39	46
Total current liabilities		314	316	357
TOTAL EQUITY AND LIABILITIES		1,396	1,419	1,394

Group statement on cash flow

SEKm	Oct-Dec 22/23	Oct-Dec 21/22	Jul-Dec 22/23	Jul-Dec 21/22
Operating activities				
Operating profit (EBIT)	105	117	155	190
Adjustment for non-cash items				
Depreciation and amortisation	2	1	3	2
Interest paid	-2	-1	-3	-2
Paid income tax	-62	-7	-72	-47
Cash flow from operating activities before changes in working capital	43	111	83	144
Increase (-)/Decrease(+) in inventory	79	-91	-2	-179
Increase (-)/Decrease(+) in operating receivables	31	13	-2	-28
Increase (+)/Decrease(-) in operating liabilities	-7	1	-3	85
Cash flow from operating activities	146	34	75	22
Investing activities				
Acquisition of tangible assets	-2	-0	-2	-0
Acquisition of intangible assets	-0	-1	-1	-1
Cash flow from investing activities	-2	-1	-3	-1
Financing activities				
Amortisation of lease liabilities	-1	-0	-1	-1
Repayment of borrowings	-142	0	-2	0
Fees related to borrowings	-0	0	-0	0
Dividend paid	-87	-72	-87	-72
Warrants, program 2021/24	-0	0	-0	-1
Warrants, program 2022/26	9	0	9	0
Cash flow from financing activities	-221	-73	-82	-74
Cash flow for the period	-77	-39	-10	-54
Cash and cash equivalents at start of period	142	282	75	296
Exchange rate differences in cash and cash equivalents	0	0	0	0
Cash and cash equivalents at end of period	65	243	65	243

Group statement on changes in equity

SEKm	Share capital	Other contributed capital	Reserves, translation differences	Retained earnings	Profit for the period	Total equity
Opening balance, 1 July 2021	1	716	-0	-129	172	760
Transfer of profits for the previous period	0	0	0	172	-172	0
Profit for the period	-	-	-	-	149	149
Other comprehensive income	-	-	0	-	-	0
Comprehensive profit/loss for the year	0	0	0	172	-23	149
Transactions with owners						
Dividend	-	-	-	-72	-	-72
Warrants, program 2021/24	-	-1	-	-	-	-1
Total	0	-1	0	-72	0	-73
Closing balance, 31 December 2021	1	716	0	-30	149	836
Opening balance, 1 July 2022	1	716	-0	-30	288	975
Transfer of profits for the previous period	0	0	0	288	-288	0
Profit for the period	-	-	-	-	121	121
Other comprehensive income	-	-	0	-	-	0
Comprehensive profit/loss for the year	0	0	0	288	-167	121
Transactions with owners						
Dividend	0	0	0	-87	0	-87
Warrants, program 2021/24	0	-0	0	0	0	-0
Warrants, program 2022/26	0	9	0	0	0	9
Total	0	9	0	-87	0	-78
Closing balance, 31 December 2022	1	724	0	171	121	1,017

Parent company

Parent company income statement

SEKm	Oct-Dec 22/23	Oct-Dec 21/22	Jul-Dec 22/23	Jul-Dec 21/22	Jul-Jun 21/22
Operating income					
Net sales	11	2	12	3	7
	11	2	12	3	7
Operating costs					
Other operating expenses	-3	-2	-4	-4	-6
Personnel expenses	-11	-2	-13	-3	-7
Other operating expenses	-0	0	-0	0	-0
	-14	-5	-17	-8	-13
Operating profit (EBIT)	-3	-3	-5	-5	-7
Financial income and expenses					
Profit from participations in group companies	90	0	90	0	0
Interest expenses and equivalents	-1	-1	-1	-2	-3
Interest income and equivalents	0	0	0	0	2
	89	-1	89	-2	-0
Appropriations					
Group contribution received	0	0	0	0	7
	0	0	0	0	7
Profit or loss before tax	86	-3	84	-6	-0
Income tax	0	0	0	0	0
Profit/Loss for the period	86	-3	84	-6	-0

Parent company statement of financial position

SEKm	2022-12-31	2021-12-31	2022-06-30
ASSETS			
Non-current assets			
Intangible assets			
Capitalised expenditures for development work	0	0	0
Total intangible assets	0	0	0
Financial assets			
Participations in group companies	644	644	644
Receivables from group companies	0	230	0
Total financial assets	644	874	644
Total non-current assets	644	874	644
Current assets			
Tax receivables	0	0	4
Receivables from group companies	24	0	7
Other receivables	0	5	0
Prepaid expenses and accrued income	3	1	4
Total current receivables	28	6	14
Cash and cash equivalents			
Cash and cash equivalents	1	2	0
Total cash and cash equivalents	1	2	0
Total current assets	29	7	14
TOTAL ASSETS	673	881	659

Parent company statement of financial position

SEKm	2022-12-31	2021-12-31	2022-06-30
EQUITY AND LIABILITIES			
Equity			
Restricted equity			
Share capital	1	1	1
	1	1	1
Unrestricted equity			
Share premium reserve	443	433	433
Retained earnings	124	211	211
Profit for the period	84	-6	-0
	651	638	645
Total equity	652	639	646
Non-current liabilities			
Liabilities to credit institutions	0	229	0
Total non-current liabilities	0	229	0
Current liabilities			
Accounts payable	1	0	0
Prepaid income and accrued expenses	4	2	1
Övriga skulder	3	1	1
Tax liabilities	0	0	0
Liabilities to Group companies	14	10	11
Total current liabilities	21	13	13
TOTAL EQUITY AND LIABILITIES	673	881	659

Definitions

Items affecting comparability

Items affecting comparability refer to events of a material nature that make it difficult for the company to achieve good transparency and comparability over time in the financial statements.

Key performance measures

Some key measures that management and analysts use to assess the Group's performance are not defined by IFRS (alternative performance measures – “APM”). The following table follows definitions and a description of the purpose of all key measures. The Company applies ESMA's guidelines for alternative performance measures.

Key measure	Definition	Purpose
<i>Adjusted EBIT</i> ¹	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.
<i>Adjusted EBIT margin</i> ¹	Adjusted EBIT as a percentage of operating income. Operating income = Net sales + Other operating income.	Adjusted EBIT margin is used to show the degree of profitability, excluding items affecting comparability.
<i>Average net order value (AOV)</i> ¹	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.
<i>Cash flow from operations</i>	Cash flow attributable to operations, investment and financial activities not included.	KPI defined by IFRS.
<i>Earnings per share before dilution (SEK)</i>	Net profit for the period attributable to holders of ordinary shares of the parent company, before dilution.	KPI defined by IFRS.
<i>Earnings per share after dilution (SEK)</i>	Net profit for the period attributable to holders of ordinary shares of the parent company, after dilution.	KPI defined by IFRS.
<i>EBIT margin</i> ¹	Earnings before interest and taxes divided by operating income. Operating income = Net sales + Other operating income.	EBIT margin is used to analyse the degree of profitability of the operating business.
<i>EBT</i>	Earnings before taxes.	KPI defined by IFRS.
<i>EBITDA</i> ¹	Operating profit before depreciation and write-downs of tangible and intangible assets.	EBITDA is used to show the profitability of the sale of goods.
<i>EBITDA-margin</i> ¹	EBITDA as a percentage of operating income. (operating income = net sales + other operating income)	EBITDA-margin is used to show the profitability of the operating business
<i>Gross profit</i> ¹	Net sales less direct costs related to purchase of goods including freight and customs to warehouse.	Gross profit is used to analyse the profitability of the sale of goods.
<i>Gross margin</i> ¹	Gross profit divided by net sales.	Gross profit margin is used to show the degree of profitability of the sale of goods.
<i>Net sales</i>	Total sales less exchange gains related to operational assets and liabilities.	Net sales is used to analyse sales less exchange rate gains.
<i>Net sales growth, local currency</i> ²	Net sales for the period in local currency translated to SEK with comparison period currency rates, compared with net sales in comparison period.	Net sales growth, local currency is used to compare RevolutionRace growth, excluding currency effects.
<i>Net debt</i> ¹	Interest-bearing current and long-term liabilities reduced by interest-bearing assets, cash and cash equivalents.	Net debt is used to determine if the company will be able to fulfil its financial commitments.
<i>Net working capital</i> ¹	Current assets reduced by cash and cash equivalents minus non-interest-bearing current liabilities.	Net working capital is used to analyse the condition of the company to finance the day-to-day operations.
<i>Number of orders</i> ¹	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).
<i>Operating profit (EBIT)</i> ¹	Earnings before interest and taxes	Operating profit (EBIT) is used to analyse the profitability of the operating business.
<i>Result for the period</i>	Result for the period.	KPI defined by IFRS.

1) Alternative performance measures according to the guidelines of ESMA.

Reconciliation tables, alternative performance measures

	Note	Oct-Dec 22/23	Oct-Dec 21/22	Jul-Dec 22/23	Jul-Dec 21/22	Jul-Jun 21/22	Jan-Dec 2022
Gross profit							
Net sales		509	392	784	646	1,331	1,470
Goods for resale		-149	-111	-228	-182	-369	-415
Gross profit		360	280	556	464	963	1,055
Operating profit (EBIT)							
Operating income		509	394	791	651	1,356	1,497
Operating expenses		-404	-277	-636	-460	-990	-1,165
Operating profit (EBIT)		105	117	155	190	367	332
Adjusted EBIT							
Operating profit (EBIT) as reported		105	117	155	190	367	332
Costs related to LTIP (+)		12	0	12	0	0	12
Adjusted EBIT		117	117	167	190	367	343
EBIT margin							
Earnings before interest and taxes		105	117	155	190	367	332
Operating income		509	394	791	651	1,356	1,497
EBIT Margin		20.7%	29.8%	19.6%	29.2%	27.0%	22.2%
Adjusted EBIT margin							
Adjusted EBIT		117	117	167	190	367	343
Operating income		509	394	791	651	1,356	1,497
Adjusted EBIT margin		23.0%	29.8%	21.1%	29.2%	27.0%	22.9%
Net working capital							
Current assets		578	614	578	614	587	578
Cash and cash equivalents (-)		-65	-243	-65	-243	-75	-65
Current liabilities (-)		-314	-316	-314	-316	-357	-314
Current interest-bearing liabilities (+)		3	2	3	2	2	3
Net working capital		203	58	203	58	157	203
Net debt							
Interest-bearing debt		33	235	33	235	28	33
Interest-bearing assets (-)		0	0	0	0	0	0
Cash and cash equivalents (-)		-65	-243	-65	-243	-75	-65
Net debt		-32	-8	-32	-8	-47	-32
Number of orders and average order value (AOV)							
Number of orders ('000)		580	495	911	816	1,659	1,754
Net sales		509	392	784	646	1,331	1,470
Average order value (AOV); (SEK)		876	791	861	792	803	838

NOTE 3 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 relates to the site on which the sales take place, for example revolutionrace.se for Sweden and revolutionrace.de for Germany.

Below, net sales is presented per geographical market and region, respectively.

Market	Oct-Dec 22/23	Oct-Dec 21/22	Δ	Jul-Dec 22/23	Jul-Dec 21/22	Δ	Jul-Jun 21/22
Germany	236	164	43%	361	259	39%	571
Sweden	61	59	4%	98	108	-9%	204
Finland	32	34	-6%	60	80	-25%	130
Other	180	135	34%	265	199	33%	426
Total net sales	509	392	30%	784	646	21%	1,331

Region	Oct-Dec 22/23	Oct-Dec 21/22	Δ	Jul-Dec 22/23	Jul-Dec 21/22	Δ	Jul-Jun 21/22
Nordics	129	125	3%	212	240	-11%	442
DACH	277	192	44%	423	297	42%	658
Rest of world	103	75	37%	149	110	36%	232
Total net sales	509	392	30%	784	646	21%	1,331

NOTE 4 Other operating income and other operating expenses

Other operating income and other operating expenses	Oct-Dec 22/23	Oct-Dec 21/22	Δ	Jul-Dec 22/23	Jul-Dec 21/22	Δ	Jul-Jun 21/22
Exchange rate gains	16	15	9%	46	20	135%	55
Exchange rate losses	-21	-13	58%	-39	-16	152%	-36
Other	0	0	128%	0	1	-57%	6
Total net sales	-5	2	-377%	7	5	41%	25

NOTE 5 Related Party Transactions

The company has no external transactions with related parties in the period

NOTE 6 Number of shares and warrants**Number of shares**

Date	Description	Change in number of shares	Total number of shares
2022-07-01	Opening balance		112 918 918
2022-12-31	Closing balance		112 918 918

Number of warrants

Description	Utilisation period	Subscription price	Number of shares per warrant	Issued	Allocated
2021/24 incentive program	2024-07-01 - 2024-12-31	95.17	1.02	1 889 677	1 649 531
2021/24 incentive program	2025-11-15 - 2026-05-15	38.81	1.02	2 125 000	1 937 000

RevolutionRace has two incentive programs comprising warrants for senior executives and key personnel. The warrants have been transferred to the participants at market price. In the second quarter, a buyback of 76,608 warrants in the 2021/24 incentive program was carried out.

NOTE 7 Currency rates

RevolutionRace has a currency exposure mainly towards SEK, EUR, GBP, NOK and DKK for inflow and towards USD, EUR and SEK for outflow. RevolutionRace has accordingly an exposure towards these currencies. For inflow EUR is the primary currency and for outflow the primary currency is USD.

Below currency cross rates for SEK/EUR and SEK/USD for information purposes.

Currency	Oct-Dec 22/23		Oct-Dec 21/22		Jul-Dec 22/23		Jul-Dec 21/22	
	AR	CR	AR	CR	AR	CR	AR	CR
SEK/EUR	10.94	11.12	10.13	10.24	10.78	11.12	10.16	10.24
SEK/USD	10.73	10.43	8.86	9.04	10.64	10.43	8.75	9.04

Source: European Central Bank

AR = average rate

CR = closing rate



Financial Calendar

Interim report Jul–Mar 2022/2023
Full year report 2022/2023
Interim report Jul–Sept
Interim report Jul–Dec

9 May 2023
15 August 2023
31 October 2023
30 January 2024



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In the event of discrepancies between the English and Swedish reports, the Swedish version shall govern.

This report contains forward-looking statements that reflect the company's current expectations. Although the Company believes that the expectations reflected in such forward-looking statements are reasonable, it cannot be guaranteed that expectations will prove correct as they are subject to risks and uncertainties that could cause actual results to differ materially depending on a number of factors. Such factors include, but are not limited to, changes in consumer demand, changing economic, market and competitive conditions, exchange rate fluctuations, developments in product liability disputes, regulatory environment changes and other government measures. Forward-looking statements relate only to expectations as of the date they were made, and beyond what is required by applicable law, the Company undertakes no responsibility for updating any of them in the event of new information or future events.