

INVITATION TO ACQUIRE SHARES IN RVRC HOLDING AB (PUBL)



Joint Global Coordinators



Joint Bookrunner

Nordea

IMPORTANT INFORMATION

This prospectus has been prepared in connection with the offering to the public in Sweden and to institutional investors to acquire new and existing shares in RevolutionRace and the admission to trading of the Company's shares on Nasdaq Stockholm.

A Swedish version of this prospectus has been approved and registered by the Swedish Financial Supervisory Authority (the "**SFSA**") as competent authority under Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market (the "**Prospectus Regulation**").

The prospectus is governed by Swedish law. Disputes arising in connection with this prospectus, and related legal matters shall be settled exclusively by Swedish courts. The prospectus has been prepared in both Swedish and English language versions. In the event of any conflict between the versions, the Swedish version shall prevail.

RevolutionRace has not taken, and will not take any actions to allow a public offering in any jurisdiction other than Sweden. The Offering is not being made to persons resident in the United States, Australia, Canada, Japan or any other jurisdiction where participation would require additional prospectuses, registration or measures besides those required by Swedish law. Consequently, the prospectus may not be distributed in or into the mentioned countries or any other country or jurisdiction in which distribution or the offering in accordance with this prospectus require such measures or otherwise would be in conflict with applicable regulations. Subscription of shares and other acquisitions of securities in violation of the restrictions described above may be void. Recipients of this prospectus are required to inform themselves about, and comply with, such restrictions. Any failure to comply with the restrictions described may result in a violation of applicable securities regulations. For further information, see the section "*Selling and transfer restrictions*".

Investing in shares is associated with risk (see the section "*Risk factors*"). When an investor makes an investment decision, he or she must rely on his or her own analysis of RevolutionRace, including applicable facts and risks. Investors may only rely on the information in this prospectus and any possible supplements to this prospectus. No person is authorised to provide any information or make any statements other than those made in this prospectus. Should such information or statement nevertheless be provided or be made, it should not be considered to have been approved by RevolutionRace, and RevolutionRace is not responsible for such information or statements. Neither the publication of this prospectus nor any transaction made in respect of it shall be deemed to imply that the information in this prospectus is accurate or applicable at any time other than on the date of the publication of this prospectus or that there have been no changes in RevolutionRace business since this date. If significant changes relating to the information contained in this prospectus occur, such changes will be announced in accordance with the provisions on prospectus supplements under the Prospectus Regulation.

Information to investors in the United States

The shares in RevolutionRace ("**Securities**") have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") or the securities legislation of any state or other jurisdiction of the United States and may not be offered, subscribed for, exercised, pledged, sold, resold, granted, delivered or otherwise transferred, directly or indirectly, within or to the United States except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable securities legislation in any state or other jurisdiction of the United States. The shares are being offered outside the United States in offshore transactions in reliance on Regulation S under the Securities Act. A public offering will not be made in the United States. Any offering of the shares made in the United States will be made pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act, to a limited number of investors that (i) are qualified institutional buyers as defined in Rule 144A under the Securities Act ("**QIBS**") and (ii) have executed and returned an *investor letter* to RevolutionRace. Persons receiving the prospectus are hereby notified that RevolutionRace may be relying on an exemption from the registration requirements of Section 5 of the Securities Act. For a description of these and certain further restrictions regarding the Securities and the distribution of this prospectus, see the section "*Selling and transfer restrictions*".

The shares have not been approved or disapproved by the U.S. Securities and Exchange Commission (SEC), any state regulatory authority in the United States or any other U.S. regulatory authority nor have any of the foregoing authorities passed upon or endorsed the merits of the Offering or the accuracy or adequacy of this document. Any representation to the contrary is a criminal offense in the United States.

Up until 40 days after the initiating of the Offering, an offer or a transfer of Securities within the United States made by a dealer (regardless of whether such securities broker participates in the rights issue or not) may imply a breach of the registration requirements of the Securities Act.

Information to investors in the EEA and the United Kingdom

Within the European Economic Area ("**EEA**"), no public offering of Securities is made in other countries than Sweden. In other member states of the European Union ("**EU**"), such an offering may only be made in accordance with the Prospectus Regulation. In other member states of the EEA which have implemented the Prospectus Regulation in their national legislation, any offer may only be made in accordance with an applicable exemption in the Prospectus Regulation and/or in accordance with an applicable exemption under a relevant national implementation measure. In other member states of the EEA which have not implemented the Prospectus Regulation in their national legislation, any offer may only be made in accordance with an applicable exemption under national law. What is said about other member states in the EU than Sweden shall also apply to the United Kingdom, where the Prospectus Regulation forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018.

For additional information, see the section "*Selling and transfer restrictions*".

Stabilisation

In connection with the Offering, Carnegie may effect transactions aimed at supporting the market price of the share at levels above those which might otherwise prevail on the market. Such stabilisation transactions may be effected on Nasdaq Stockholm, in the over-the-counter market or otherwise, at any time during the period starting on the date of commencement of trading in the shares on Nasdaq Stockholm and ending no later than 30 calendar days thereafter. Stabilisation transactions aims at supporting the market price of the Securities during the stabilisation period.

Carnegie is not required to undertake any stabilisation transactions and there is no assurance that stabilisation will be undertaken. Stabilisation, if undertaken, may be discontinued at any time. In no event will stabilisation transactions be effected at levels above the Offering Price. Carnegie shall, no later than by the end of the seventh trading day after stabilisation transactions have been undertaken, disclose information about the stabilisation transactions in accordance with Article 5(4) in the Market Abuse Regulation (EU) 596/2014. Carnegie will, within one week of the end of the stabilisation period, make public whether or not stabilisation transactions were undertaken, the date at which the stabilisation transaction was undertaken, including the date at which stabilisation last occurred and the price range within which stabilisation transactions were carried out, for each of the dates during which stabilisation transactions were carried out.

Forward-looking statements

The prospectus contains certain forward-looking statements that reflect RevolutionRace's present view of future events as well as financial and operational development. Words such as "intend", "assess", "expect", "may", "plan", "believe", "estimate" and other expressions entailing indications or predictions of future development or trends, not based on historical facts, constitute forward-looking statements. Forward-looking statements are inherently associated with both known and unknown risks and uncertainties as it depends on future events and circumstances. A forward-looking statement is not a guarantee of future results or development, and actual outcomes may differ materially from those set out in the forward-looking statements. RevolutionRace does not undertake any obligation to publicly announce any update or change in forward-looking statements as a result of new information, future events or similar circumstances other than as required by applicable laws and regulations. Factors that may cause RevolutionRace's future results and development to differ from the forward-looking statements include, but are not limited to, those described in the section "*Risk factors*". The forward-looking statements contained in this prospectus apply only as at the date of this prospectus.

Presentation of financial information

Certain figures in this prospectus, including financial data, have been rounded. Accordingly, figures shown in totals in certain tables may not be an exact arithmetic aggregation of the figures which precede them. Unless otherwise stated, no information in this prospectus has been audited or reviewed by an auditor.

Important information regarding sale of allotted shares

After payment for allotted shares has been processed by Carnegie and Nordnet, paid shares will be transferred to a securities depository account (Sw. *värdepappersdepå*), investment savings account (Sw. *investeringssparkonto*) or securities account (Sw. *VP-konto*) specified by the acquirer. The time required for transferring payment and transferring paid shares to such acquirer entails that the acquirer will be unable to access said shares in the specified securities depository account, investment savings account or securities account or until on or around 18 June 2021 at the earliest. Trading in the Company's shares on Nasdaq Stockholm is expected to commence on 16 June 2021. Given that the shares will not be available in the acquirer's account or securities depository account until on or around 18 June 2021 at the earliest, the acquirer may not be able to sell these shares from the first day of trading on Nasdaq Stockholm. Instead, they may only be able to sell the shares once they are available in the securities account, investment savings account or securities depository account. Investors will be able to obtain information on allotment from 16 June 2021.

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Summary of the Offering

Offering price

SEK 75 per share

Application period for the general public

8 June–15 June 2021

Application period for institutional investors

8 June–15 June 2021

First day of trading in the Company's shares on Nasdaq Stockholm

16 June 2021

Settlement date

18 June 2021

Other information

Ticker:	RVRC
ISIN code:	SE0015962485
LEI code:	549300YU7003VHQV3J57

Financial calendar

Year-end report 2020/21:	17 August 2021
Interim report for the period July–September 2021:	9 November 2021
Interim report for the period July–December 2021:	8 February 2022
Interim report for the period July–March 2021/22:	10 May 2022

Certain definitions

In this prospectus, the following definitions are used:

"Euroclear Sweden" refers to Euroclear Sweden AB.

the **"Founder"** refers to Nyrensten Global Holding AB, wholly owned by Pernilla Nyrensten and Niclas Nyrensten.

the **"Group"** refers to RVRC Holding AB (publ) and its subsidiaries.

the **"Joint Bookrunner"** refers to Nordea Bank Abp, filial i Sverige (**"Nordea"**).

the **"Joint Global Coordinators"** refers to ABG Sundal Collier AB (**"ABG Sundal Collier"**) and Carnegie Investment Bank AB (**"Carnegie"**).

the **"Major Shareholder"** or **"Altor"** refers to Altor Fund IV (No. 1) AB and Altor Fund IV (No. 2) AB.

the **"Managers"** refers to Joint Global Coordinators and Joint Bookrunner.

"Nasdaq Stockholm" refers to the Swedish regulated market Nasdaq Stockholm or its operator Nasdaq Stockholm AB, as the context may require.

the **"Offering"** refers to the offering to the general public in Sweden and to institutional investors to acquire existing shares in RVRC Holding AB (publ) and the admission to trading of the shares on Nasdaq Stockholm in accordance with this prospectus.

"RevolutionRace", or the **"Company"** refers to, depending on the context, RVRC Holding AB (publ) (corporate ID No. 559129-4623) or the group in which RVRC Holding AB (publ) is the parent company.

the **"Selling Shareholders"** refers to the Major Shareholder and the Founder.

"SEK", **"EUR"** and **"USD"** refers to Swedish krona, Euro and U.S. dollars, respectively. **M** indicates millions. **T** indicates thousand.

Summary

Introduction and warning

Introduction and warning

This summary should be read as an introduction to the prospectus. Any decision to invest in the securities should be based on consideration of the prospectus as a whole by the investor. An investor could lose all or part of the invested capital. Where a claim relating to the information in this prospectus is brought before a court, the plaintiff investor might, under the national legislation of the member states, have to bear the costs of translating the prospectus before the legal proceedings are initiated. Civil liability may only attach to those persons who have tabled the summary, including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the prospectus, or where it does not provide, together with other parts of the prospectus, key information in order to aid investors when considering whether to invest in such securities.

Information about the issuer

RVRC Holding AB (publ) (corporate ID No. 559129-4623) is a Swedish public limited liability company. The address of the Company's head offices is Nils Jakobsonsgatan 5D, SE-504 30 Borås, Sweden. The ISIN code of the shares is SE0015962485. RevolutionRace's LEI code is 549300YU7003VHQV3J57.

Information about the Selling Shareholders

The Selling Shareholders will be offering 37,784,094 existing shares in the Offering, provided that the Overallotment Option is fully exercised. Information about the Selling Shareholders is presented in the table below.

Name	Address	LEI code
Altor Fund IV (No. 1) AB	P.O. Box 16116, SE-103 23 Stockholm, Sweden	213800SABW1EYX9A6H53
Altor Fund IV (No. 2) AB	P.O. Box 16116, SE-103 23 Stockholm, Sweden	213800VXBIOCE9FH0I68
Nyrensten Global Holding AB	Vegagatan 19, SE-506 35 Borås, Sweden	894500PCWIZ3XWZDYQ62

Competent authority

The prospectus has been approved by the Swedish Financial Supervisory Authority (Sw. *Finansinspektionen*) (the "SFSA"), which is the regulatory authority responsible for approving the prospectus in accordance with the Prospectus Regulation in Sweden.

Contact information for the SFSA is P.O. Box 7821, SE-103 97 Stockholm, Sweden, telephone +46 (0)8 408 980 00, and website www.fi.se.

The prospectus was approved by the SFSA on 7 June 2021.

Key information on the issuer

Who is the issuer of the securities?

Existing shares in RVRC Holding AB (publ) (corporate ID No. 559129-4623) are offered by the Selling Shareholders in accordance with this prospectus. The Board of Directors of RevolutionRace has its statutory seat (Sw. *säte*) in the municipality of Borås, Sweden. The Company is a public limited liability company (Sw. *publikt aktiebolag*) incorporated in Sweden on 4 July 2017. The Company conducts operations in accordance with the Swedish Companies Act (Sw. *aktiebolagslagen* (2005:551)). RevolutionRace's LEI code is 549300YU7003VHQV3J57.

Principal activities

RevolutionRace is a profitable and rapidly growing company that offers high-quality outdoor apparel and apparel for an active lifestyle¹⁾ to customers in approximately 35 countries through its online store which is locally adapted to 16 countries. The Company offers its multifunctional apparel under its own brand RevolutionRace and focuses on a broad, global customer base living an active life, primarily within the 18–70 age category. RevolutionRace conducts its operations within

1) In the prospectus defined together as "Active lifestyle".

the scope of a digital D2C²⁾ business model, entailing that sales take place exclusively online with products offered directly to consumers.

RevolutionRace offers products that the Company believes have an unmatched product value in terms of price, quality and design, which according to the Company is made possible through the digital D2C business model. By selling products directly to consumers without intermediaries in the form of wholesalers, distributors and retailers, RevolutionRace believes that it is able to offer high-quality products to the end consumer at a competitive price. The digital D2C model also provides RevolutionRace with a possibility to adapt the customer experience and develop strong involvement and loyalty in the brand.

Ownership structure

The table below sets forth the Company's ownership structure immediately prior to and directly after completion of the Offering, respectively, provided that all allocated shares have settled as allocated and that the offer to acquire warrants within LTIP 2021/2024 has been fully subscribed, reflecting both the ownership structure if the Overallotment option is not exercised and if the Overallotment option is fully exercised. The Company's largest shareholders are Altor Fund IV (No. 1) AB and Altor Fund IV (No. 2) AB, together holding 69,047,473 shares, corresponding to 61.1 per cent of the shares and votes in the Company.³⁾

Shareholding based on the assumption that the Offering is fully subscribed	Holdings prior to the Offering ¹⁾		After the Offering (if the Offering is fully subscribed and the Overallotment Option is not exercised) ²⁾		After the Offering (if the Offering is fully subscribed and the Overallotment Option is fully exercised) ²⁾	
Shareholder	Number	%	Number	%	Number	%
Major shareholders						
Altor Fund IV (No. 1) AB	34,523,735	30.6	22,973,720 ³⁾	20.3 ³⁾	20,509,540 ³⁾	18.2 ³⁾
Altor Fund IV (No. 2) AB	34,523,738	30.6	22,973,723	20.3	20,509,543	18.2
Nyrensten Global Holding AB	38,302,268	33.9	29,875,770	26.5	29,875,770	26.5
Total major shareholders	107,349,741	95.1	75,823,213	67.1	70,894,853	62.8
Other shareholders	5,569,177	4.9	4,239,971 ⁴⁾	3.8 ⁴⁾	4,239,971 ⁴⁾	3.8 ⁴⁾
<i>Additional new shareholders</i>	–	–	32,855,734	29.1	37,784,094	33.5
Total new and existing shareholders	112,918,918	100.0	112,918,918	100.0	112,918,918	100.0

1) Shareholding based on the assumption that all outstanding warrants are exercised for subscription of new shares in the Company in connection with the completion of the Offering.

2) Shareholding based on the assumption that all outstanding warrants are exercised for subscription of new shares in the Company in connection with the completion of the Offering and that the offer to acquire warrants within LTIP 2021/2024 has been fully subscribed.

3) Shareholding based on the assumption that 1,329,206 existing shares have been acquired from other selling shareholders in connection with and conditional on the completion of the Offering.

4) Shareholding based on the assumption that 1,329,206 existing shares have been transferred to Altor Fund IV (No. 1) AB in connection with and conditional on the completion of the Offering.

Executive Group Management

In the table below, the members of the Executive Group Management, as of the date of this prospectus, are set forth.

Name	Position
Pernilla Nyrensten	President and CEO (Chief Executive Officer)
Niclas Nyrensten	Creative Director
Jesper Alm	CFO (Chief Financial Officer)
Linus Andrén	CTO (Chief Technology Officer)
Jonas Persson	CCO (Chief Commercial Officer)
Hanna Blixt	Business Developer and Insight Director
Sanel Mezbur	Head of Brand
Annika Billberg	Head of Investor Relations & Communication

Auditor

Ernst & Young AB (SE-411 38 Gothenburg, Sweden) is RevolutionRace's auditor. The authorised public accountant Andreas Mast is the auditor-in-charge.

2) D2C stands for direct-to-consumer.

3) Shareholding based on the assumption that all outstanding warrants are exercised for subscription of new shares in the Company in connection with the completion of the Offering.

What is the key financial information regarding the issuer?

The selected historical financial information presented below has (in addition to alternative performance measures) been derived from RevolutionRace's audited financial statements for the financial years 2017/18, 2018/19 and 2019/20, respectively, which have been prepared in accordance with International Financial Reporting Standards ("IFRS") published by International Accounting Standards Board (IASB) and interpretations issued by the IFRS Interpretations Committee (IFRS IC), as adopted by the EU. The financial information presented below for the period July 2020–March 2021 (including comparative figures for the period July 2019–March 2020) has been derived from RevolutionRace's interim report for the period July 2020–March 2021, which has been prepared in accordance with IAS 34 Interim Financial Reporting and applicable provisions in the Swedish Annual Accounts Act (Sw. *årsredovisningslagen (1995:1554)*). The interim report has been reviewed by RevolutionRace's auditor.

Group income statement, condensed

TSEK	2019/20	2018/19	2017/18	Jul–Mar 2020/21	Jul–Mar 2019/20
Net sales	386,753	284,480	142,588	623,380	278,184
Operating profit (EBIT) ¹⁾	83,145	57,089	27,251	163,689	60,123
Profit for the period	59,702	44,858	8,960	123,864	44,074
Net sales growth, % ¹⁾	36.0	99.5	N/A	124.1	36.6
EBIT margin ¹⁾	21.5	20.1	19.1	25.8	21.4
Earnings per share before dilution, SEK	0.09	0.07	0.04	0.19	0.07
Earnings per share after dilution, SEK	0.09	0.07	0.04	0.19	0.07

1) Alternative performance measure.

Group statement of financial position, condensed

TSEK	30 Jun 2020	30 Jun 2019	30 Jun 2018	31 Mar 2021	31 Mar 2020
Total assets	956,410	915,663	874,005	1,130,512	936,991
Total equity	627,081	698,251	653,352	647,522	610,491
Net debt ¹⁾	120,011	101,709	129,042	28,675	155,771

1) Alternative performance measure.

Group statement on cash flow, condensed

TSEK	2019/20	2018/19	2017/18	Jul–Mar 2020/21	Jul–Mar 2019/20
Cash flow from operating activities	120,907	38,452	–36,105	196,638	84,261
Cash flow from investing activities	–7,032	–3,193	–376,931	–2,686	–5,930
Cash flow from financing activities	–32,480	–16,694	431,072	–104,544	–32,398
Cash flow for the period	81,395	18,565	18,036	89,408	45,933

What are the key risks that are specific to the issuer?

RevolutionRace is subject to risks related to macroeconomic factors, geopolitical conditions and changed customer behaviour

Demand for the products that the Company sells depends on a number of different factors that are affected by the macroeconomic climate as well as consumers' disposable income and consumption capacity. Outdoor apparel and casual wear are examples of products that consumers may choose to rule out in the case of an economic downturn resulting in an actual or anticipated deterioration in consumer disposable income and consumption capacity. A depression or general downturn in the economy on one or more of RevolutionRace's markets may thus have a material adverse impact on demand for the products that RevolutionRace offers and thus RevolutionRace's possibilities to maintain profitable pricing.

RevolutionRace is subject to risks related to IT and cyber security

RevolutionRace's sales take place entirely online, exclusively through RevolutionRace's own online store and through the e-commerce company Amazon, and RevolutionRace's possibilities to continue to conduct its business and maintain and expand its customer base and its sales volumes are thus, to a large extent, dependent on RevolutionRace's IT systems

being constantly developed, functioning well and having good accessibility. There is a risk that the Company's IT systems may act incorrectly and that, in turn, the Company will experience difficulties in identifying and rectifying problems as well as maintaining and developing an increasingly complex IT environment, which by extension risks leading to increased costs and an adverse impact on results of operations.

RevolutionRace is, first and foremost, dependent on being able to ensure that the Company's online trading platform as well as its logistics system is constantly accessible to potential customers and that the online trading platform has a high level of functionality and user friendliness. RevolutionRace is thus subject to risks related to disruptions and outages in its IT infrastructure, which among other things may be due to computer virus, power outages, sabotage as well as human or technical error. Since RevolutionRace's entire sales (apart from sales that take place through Amazon) are generated through the Company's online store, disruption in the online store can lead to significant losses of revenue.

RevolutionRace is subject to risks related to purchasing plans and lead times in the supply of goods and production

RevolutionRace's continued success is to a large degree dependent on the Company succeeding in making timely forecasts of future sales and adapting its product assortment to changes in customer preferences, purchasing patterns, trends, market needs and demand from consumers. A high rate of growth on both existing and new markets makes it more difficult to plan purchases and there is a risk that the limited opportunities for accelerating or curtailing production on short notice will lead to adverse consequences for RevolutionRace's business. There is thus a risk of unfavourable lead times in the supply of goods and production leading to loss of revenue or increased costs, which may adversely affect RevolutionRace's results of operations and margins.

RevolutionRace is subject to risks related to manufacture of its products

RevolutionRace has no production of its own and is, instead, dependent on external parties for the manufacture and delivery of its outdoor apparel and casual wear. RevolutionRace is thus subject to risks linked to, among other things, changes in production prices, lack of delivery capability and manufacturing quality. RevolutionRace is dependent on the Company's suppliers and subcontractors performing their contractual obligations. There is a risk of such parties failing to deliver on time or in accordance with the cost structure or quality they have undertaken, or that they will fail to apply guidelines and industry standards. The ability of such parties to deliver the Company's products in accordance with an agreed timetable and quality can also be affected by external factors such as natural disasters, fires, epidemics, pandemics, terrorism or strikes. For example, the COVID-19 pandemic has adversely affected a number of suppliers and subcontractors, thereby causing major delays in manufacture of the Company's products.

RevolutionRace is subject to risks related to payment service providers, transport and logistics companies as well as other external parties

The Company cooperates with payment service providers, transport and logistics companies for management of inventory and shipping of its products to and from the customers as well as other external parties. RevolutionRace is dependent on these parties in various ways.

Since both payment and delivery are an integral part of the overall impression of the purchase in the case of online purchasing, the functionality of RevolutionRace's payment and delivery methods will affect the customer experience, and thus there is a risk of RevolutionRace's reputation being adversely affected if payment and supply methods do not meet the customers' expectations. If RevolutionRace is forced to replace or commence collaboration with new payment service providers, transport and logistics companies, consultants or any external party, there is also a risk that this will lead to significant work in evaluating and approving a new party, increased costs as well as difficulties for RevolutionRace in purchasing corresponding services within a reasonable time and on acceptable terms. It could also lead to deteriorating delivery terms and a poorer customer experience.

RevolutionRace is subject to risks related to deficient regulatory compliance and internal control

RevolutionRace's online marketing and sales of outdoor apparel and casual wear means that the Company's business is subject to a number of consumer and marketing law regulations. If RevolutionRace were to act in a manner which violates, or might be regarded as being in violation of, such regulations, there is a risk of the Company being subject to complaints by customers, fines and orders by public authorities, or becoming involved in legal and administrative proceedings, which risk having an adverse impact on the Company's reputation and demand for its products. If RevolutionRace's internal controls and other measures for guaranteeing compliance with laws, regulations, internal guidelines and policies are insufficient, there is a risk of RevolutionRace's reputation being damaged and of the Company being subject to liability and damages, fines, liquidated damages and/or civil or criminal liability.

RevolutionRace is subject to risks related to sustainability

RevolutionRace's possibilities to conduct a business that is profitable in the long term are, to a large extent, dependent on RevolutionRace succeeding in addressing the sustainability-related risks to which the Company is subject. RevolutionRace's manufacturing in developing and low-wage countries such as Bangladesh, India, China, Myanmar, Sri Lanka, Turkey and Vietnam results, for example, in the Company being subject to risks related to sustainability factors such as human rights, working conditions, bribery and corruption. Further, there is a risk that such and other environmentally-related requirements and regulations will not be complied with by the Company's suppliers and subcontractors and that such violations will lead to prohibitions on sales, product recalls, environmental fines and, in the case of serious regulatory violations, indictment for environmental offences. RevolutionRace's carbon footprint thus risks resulting in significant costs, adverse publicity and reputational damage.

RevolutionRace is subject to risk related to the processing of personal data

RevolutionRace processes a large volume of personal data which, among other things, is obtained from consumers to enable RevolutionRace to conduct sales of its outdoor apparel and casual wear through online trading. Processing of personal data is subject to extensive data protection laws and regulations that have been adopted to protect the privacy of the individual. For example, GDPR ((EU) 2016/679) includes requirements for companies that process personal data and the maximum fine for violating GDPR is MEUR 20 or 4 per cent of the undertaking's global annual sales, whichever is higher. Violations of GDPR or other data protection legislation in conjunction with the processing of personal data may lead to RevolutionRace being forced to pay damages to third parties and significant fines, and may also damage RevolutionRace's reputation.

RevolutionRace is subject to risks related to intellectual property

The brands and logos RevolutionRace®, RVRC® and Hypershell® constitute an important and valuable part of RevolutionRace's business. RevolutionRace's brands and logos are registered within the EU and the United States and certain other strategic markets. In addition, RevolutionRace has caused to be registered other intellectual property in the form of a large number of domain names, of which revolutionrace.com is particularly important for the Company's business. If RevolutionRace fails to obtain, renew or maintain protection for its intellectual property, there may thus be adverse consequences for RevolutionRace's competitiveness and demand for its products. In addition, there is a risk of other parties claiming intellectual property which covers some of RevolutionRace's registered intellectual property or of RevolutionRace being accused of having infringed a third party's intellectual property. The results of disputes regarding intellectual property are often uncertain and may lead to significant costs as well as risks of diverting the focus of management and key employees from RevolutionRace's main business operations.

RevolutionRace is subject to currency risks

RevolutionRace's outdoor apparel and casual wear are primarily manufactured and purchased in USD and are sold in approximately 35 countries in local currency. RevolutionRace's reporting currency is SEK. Consequently, RevolutionRace is subject to currency risks. Unfavourable exchange rate changes can adversely affect RevolutionRace's exchange rate differences and thus adversely impact the Company's margins and results of operations.

RevolutionRace is subject to interest rate risks

'Interest rate risk' means the risk of changes in market interest rates leading to an adverse impact on results of operations and cash flow. The Group's interest rate risk arises through long and short-term borrowing. Increased market rates that affect RevolutionRace's financing costs to a significant extent may have a material adverse impact on the Group's profit before tax and financial position.

Key information on the securities**What are the main features of the securities?**

This prospectus relates to the public offering and listing of shares in RevolutionRace on Nasdaq Stockholm, with ISIN code SE0015962485. The shares have been issued in accordance with Swedish law, are fully paid and denominated in SEK. The quota value is SEK 0.01 per share.

As of the date of this prospectus, there are 107,747,449 shares in RevolutionRace. The share capital amounts to SEK 1,077,474.49. After completion of the Offering, the Company's share capital will still amount to SEK 1,077,474.49, represented by 107,747,449 shares.

Rights attached to the shares

Each share entitles the holder to one vote at the General Meeting. If the Company resolves to issue new shares, warrants or convertibles (Sw. *konvertibler*) in a cash issue or a set-off issue (Sw. *kvittningsemission*), shareholders shall have preferential rights to subscribe for such securities proportionally to the number of shares held prior to the issue. There are no provisions in the Company's Articles of Association that limit the ability to decide to, in accordance with the rules set out in the Swedish Companies Act, issue new shares, warrants or convertibles with deviation from the shareholders' preferential rights. All shares in the Company give equal rights to dividends and the Company's assets and possible surpluses in the event of liquidation. All shareholders that are registered in the share register maintained by Euroclear Sweden on the record date adopted by the General Meeting shall be entitled to receive dividends. RevolutionRace's shares will be freely transferable in accordance with Swedish law at the time of the admission to trading on Nasdaq Stockholm.

Dividend policy

RevolutionRace intends to distribute excess capital to shareholders, while considering long term financial robustness, growth opportunities and strategic initiatives. Subject to these considerations, RevolutionRace intends to distribute 40–60 per cent of the annual net profit.

Where will the securities be traded?

The Board of Directors of the Company intends to apply for listing of the Company's shares on Nasdaq Stockholm. On 26 May 2021, the listing committee of Nasdaq Stockholm decided that RevolutionRace meets applicable listing requirements on Nasdaq Stockholm. Nasdaq Stockholm will grant an application for admission to trading of the Company's share on Nasdaq Stockholm provided that certain terms and conditions are met, among others, that the Company submits such an application and that the distribution requirement for the Company's shares are met no later than on the date of listing of the shares. The trading is expected to commence on 16 June 2021. The shares will be traded under the ticker RVRC.

What are the key risks that are specific to the securities?

The share price can be volatile and the share price development is affected by several factors

Since an investment in shares may decrease in value, there is a risk that investors will not recover their invested capital. The Company's shares have not previously been traded on a stock market. It is thus difficult to predict the amount of trading or the interest that may be shown in the shares. Consequently, there is a risk that there will not always be an active and liquid market for trading in RevolutionRace's shares, which would affect investors' possibilities to recover their invested capital.

RevolutionRace's ability to pay future dividends depends on several factors

Payment of dividends may only take place if there are payable funds held by RevolutionRace and as long as the requirements of future dividends, and the size, scope and risks of any such dividends, are met. Such requirements depend on RevolutionRace's equity, consolidation needs, liquidity, and position in general for a certain financial year. Furthermore, future dividends, and the size of any such dividends, depend on the Group's future results, financial position, cash flows, working capital requirements and other factors. There is, however, a risk that payable dividends will not be available in any financial year, which would reduce the return on an investor's invested capital.

Sales of shares by existing shareholders could cause the share price to decline

The market price of the Company's share could decline if there are substantial sales of the Company's shares, particularly sales by the Board of Directors of the Company, Executive Group Management, and significant shareholders, or otherwise when a large number of shares are sold. Any sales of substantial amounts of the Company's shares in the public market by shareholders subject to the lock-up undertakings or the Company's other current shareholders, or the perception that such sales might occur, could cause the market price of the Company's share to decline.

Key information on the offering of securities to the public and/or admission to trading on a regulated market

Under which conditions and timetable can I invest in this security?

The Offering comprises of 32,855,734 existing shares offered by the Selling Shareholders. The Offering is divided into two parts:

- The Offering to the general public in Sweden.⁴⁾
- The Offering to institutional investors in Sweden and abroad.⁵⁾

To cover any overallotment in the Offering, the Major Shareholder will issue an overallotment option to the Joint Global Coordinators to offer not more than 4,928,360 additional shares in total, corresponding to not more than 15 per cent of the number of shares in the Offering (the "**Overallotment Option**"), which is exercisable, in whole or in part, during a period of 30 days from the first day of trading on Nasdaq Stockholm. If the Offering is fully subscribed and the Overallotment Option is fully exercised, the Offering will comprise a maximum number of 37,784,094 existing shares in RevolutionRace. The Overallotment Option may only be exercised in order to cover any overallotment in the Offering.

The final price in the Offering (the "**Offering Price**") has been set to SEK 75 per share by the Selling Shareholders in consultation with the Joint Global Coordinators based on a number of factors, including discussion with certain institutional investors, a comparison with the market price of other listed peer companies, an analysis of previous transactions for companies within the same industry, the current market situation, and estimates regarding the Group's business opportunities and future profitability. No commission is payable.

Decisions concerning the allotment of shares will be made by the Selling Shareholders in consultation with the Joint Global Coordinators, whereby the objective will be to achieve a strong institutional ownership base and a wide spread of shares among the public to enable regular and liquid trading of the Company's shares on Nasdaq Stockholm. Employees, Board members and certain related parties in the Company as well as customers of the Joint Global Coordinators can be considered separately when allocating. Furthermore, Cornerstone Investors who have undertaken to subscribe for shares are guaranteed full allocation in accordance with their respective undertakings.

Below is a summarised timetable for the Offering set forth:

Application period for the general public:	8 June–15 June 2021
Application period for institutional investors:	8 June–15 June 2021
First day of trading in the Company's shares on Nasdaq Stockholm:	16 June 2021
Settlement date:	18 June 2021

Dilution

The Company does not issue any new shares in connection with the admission to trading on Nasdaq Stockholm and the Offering. Hence, there will be no dilution.

Transaction costs

The Company's costs related to the admission to trading of the shares on Nasdaq Stockholm and the Offering, including payment to advisors, and other estimated transaction costs are estimated to amount to approximately MSEK 22 in total, of which MSEK 9.5 is included in the Company's accounts for the period July 2020–March 2021.

Furthermore, the Company's CFO Jesper Alm is entitled to a bonus from RevolutionRace of SEK 440,000 (gross before tax) payable in connection with the listing on Nasdaq Stockholm. Jesper Alm has undertaken to acquire warrants in the share-related incentive programme which is intended to be implemented in connection with the Offering, to a total value at least amounting to the entire bonus amount (net after tax).

Who is the offeror and/or the person asking for admission to trading?

The Selling Shareholders are offering 37,784,094 existing shares in the Offering, provided that the Overallotment Option is fully exercised. Information about the Selling Shareholders is presented in the table below:

4) The term "general public" refers to private individuals and legal entities in Sweden applying to subscribe for a maximum of 13,400 shares.

5) The term "institutional investors" refers to private individuals and legal entities applying to subscribe for more than 13,400 shares.

Name	Legal form	Country of formation and jurisdiction	Shares offered
Altor Fund IV (No. 1) AB	Private limited company	Sweden	15,343,401
Altor Fund IV (No. 2) AB	Private limited company	Sweden	14,014,195
Nyrensten Global Holding AB	Private limited company	Sweden	8,426,498

The number of shares offered by the Major Shareholder includes a sale of 1,329,206 existing shares by, and on behalf of, certain other shareholders in the Company, including Board members and members of the Executive Group Management.

Why is this prospectus being produced?

Background and reasons

The Board of Directors of RevolutionRace, together with the Selling Shareholders, believe that now is an appropriate time to strengthen RevolutionRace's profile through a listing of the Company's shares on Nasdaq Stockholm. The Board of Directors of RevolutionRace believes that a listing on Nasdaq Stockholm can increase the knowledge and awareness of the Company and its products, strengthen RevolutionRace's profile vis-à-vis investors and customers and strengthen its ability to attract and retain key personnel and other qualified employees. The purpose of the Offering and the listing on Nasdaq Stockholm is that it will result in RevolutionRace's ownership base being diversified and that the Company will be provided access to the Swedish as well as international capital markets. In addition, the Offering makes it possible for Selling Shareholders to sell part of their current shareholding and create a liquid market for the shares. The Selling Shareholders will retain a majority of their respective holdings and will thereby remain as committed shareholders after the Offering and continue to contribute to the future development of the Company.

The Selling Shareholders will, after deduction of transaction costs, receive proceeds from the sale of the existing shares. The Company will not issue any new shares in connection with the listing on Nasdaq Stockholm and the Offering, and the Company will not receive any proceeds from the sale of existing shares in the Offering by the Selling Shareholders. The Company will thus not receive any proceeds in connection with the listing on Nasdaq Stockholm and the Offering.

Interests of advisors

Managers provide financial advice to RevolutionRace in conjunction with the Offering and the listing on Nasdaq Stockholm. From time to time, Managers (and their affiliates) have in the ordinary course of business provided, and may in the future provide, various banking, financial, investment, commercial and other services to RevolutionRace for which they have received, and may receive, compensation. Furthermore, Nordea (and its affiliates) is lender of loans granted to RevolutionRace following the completion of the Offering.

Risk factors

An investment in securities is associated with risk. Prior to any investment decision, it is important to carefully analyse the risk factors considered to be of importance in relation to RevolutionRace and the future performance of the shares, for example risks related to RevolutionRace's operations and industry, legal risks, financial risks, and risks related to the Offering and the admission to trading on Nasdaq Stockholm. The risk factors currently deemed material to RevolutionRace and the shares are described below. The risk factors' materiality has been assessed based on the probability of their occurrence and the expected magnitude of their negative outcome. In each subsection, the risk factors currently deemed most material are presented first, but otherwise the risk factors are not ranked in any specific order of importance. The description of the risk factors below is based on information available and estimates made on the date of this prospectus.

Risks related to RevolutionRace

Risks related to RevolutionRace's operations and industry

RevolutionRace is subject to risks related to macroeconomic factors, geopolitical conditions and changed customer behaviour

RevolutionRace provides online sales of outdoor apparel and casual wear to customers in approximately 35 countries via its online store, which is locally adapted to 16 countries. The Company offers its multifunctional apparel under its own RevolutionRace brand and focuses on a global and broad customer base living an active life, primarily in the 18–70 age category. During the nine-month period ending 31 March 2021, sales in the Nordic region, the DACH region and rest of the world amounted to 46.2, 38.7 and 15.1 per cent, respectively, of net sales.

Demand for the products that the Company sells depends on a number of different factors that are affected by the macroeconomic climate as well as consumers' disposable income and consumption capacity, as well as factors such as market interest rates, tax rates and customs duties, employment levels and other macroeconomic factors. Outdoor apparel and casual wear are examples of products that consumers may choose to rule out in the case of an economic downturn resulting in an actual or anticipated deterioration in consumer disposable income and consumption capacity. A depression or general downturn in the economy on one or more of RevolutionRace's markets may thus have a material adverse impact on demand for the products that RevolutionRace offers and thus RevolutionRace's possibilities to maintain profitable pricing.

In addition, the COVID-19 pandemic has affected, and is expected to continue to affect, general economic growth, both globally and regionally, with increased unemployment levels and low disposable consumer income as a consequence. The Company also believes that the COVID-19 pandemic has resulted in consumers choosing, to a greater extent than previously, to spend more of their disposable income via online purchases. It is uncertain to what extent

consumers will continue to spend as much of their disposable income via online purchases and there is a risk that the willingness of consumers to purchase outdoor apparel and casual wear online will diminish once restrictions concerning the COVID-19 pandemic are lifted. There is also a risk that the wish to purchase online will diminish due to a changed attitude on the part of consumers against online payments and insufficient IT security. Since RevolutionRace's sales take place entirely online, stagnation or negative growth in the use of online channels for shopping runs the risk of having a material adverse impact on RevolutionRace's prospects, net sales and results of operations.

Furthermore, a negative financial trend or political uncertainty on the markets on which RevolutionRace operates may lead to reduced revenue and loss of customers with a resulting adverse impact on its sales and results of operations. For example, the effects of Brexit on the global economy are uncertain and there is a risk that Brexit might have unforeseeable consequences for the credit markets, the EU's single market and other important financial and trading relations. In particular, there is a risk of Brexit causing difficulties for RevolutionRace to market and sell its products in the United Kingdom, which is an important growth market for the Company. As a result of Brexit, the Company has, for example, chosen to limit the value per order in the United Kingdom to not more than GBP 135 (excluding VAT) and to set higher stability requirements for its marketing taking into consideration increased costs in the logistics chain, which risks leading to future loss of revenue and an adverse impact on growth. There is thus a risk that Brexit or other geopolitical factors will have an adverse impact on the Group's net sales and results of operations (see also "*RevolutionRace is subject to risks related to manufacturing and deliveries of its products*" below).

RevolutionRace is subject to risks related to IT and cyber security

RevolutionRace's sales take place entirely online, exclusively through RevolutionRace's own online store

and through the e-commerce company Amazon, and RevolutionRace's possibilities to continue to conduct its business and maintain and expand its customer base and its sales volumes are thus, to a large extent, dependent on RevolutionRace's IT systems being constantly developed, functioning well and having good accessibility.

RevolutionRace's IT environment largely comprises licensed systems including the Company's e-commerce platform (*Litium*), product management system (*PISA*), business system (*Microsoft Dynamics NAV*), logistics system (*DreamPack*) and customer service system (*ZenDesk*). As RevolutionRace's customer base and the information that RevolutionRace makes available through its websites increases, more stringent demands for functionality are placed on the Company's IT systems, and therefore adaptations and new constructions have been made in licensed systems with the help of the third party provider Distancify and automatic integrations have been established between the Company's different IT systems. Such adaptations and integrations risk, in turn, leading to a more complex IT environment, which requires increased and broader IT knowledge within the Group (see also "*RevolutionRace is dependent on attracting and retaining employees with key skills*" below). Furthermore, a high degree of adaptations and integrations in licensed systems risks creating greater dependence in relation to third party providers of the Company's different IT systems. This risk is exacerbated by the fact that the Company's agreements with such third party providers are often characterised by relatively short contract terms and termination periods. Furthermore, as a result of increased complexity of the IT environment or technical developments, the Company may need to integrate entirely new applications and systems, possibly for short periods, and thereupon incorrectly assess and evaluate such applications and systems. Increased adaptations and integrations, as well as implementations of new applications and systems, also risk leading to the loss of an acceptable overview and history of structures and flows in the IT environment. There is thus a risk that the Company's IT systems may act incorrectly and that, in turn, the Company will experience difficulties in identifying and rectifying problems as well as maintaining and developing an increasingly complex IT environment, which by extension risks leading to increased costs and an adverse impact on results of operations.

RevolutionRace is, first and foremost, dependent on being able to ensure that the Company's online trading platform as well as its logistics system is constantly accessible to potential customers and that the online trading platform has a high level of functionality and user friendliness. RevolutionRace is thus subject to risks related to disruptions and outages in its IT infrastructure, which among other things may be due to computer virus, power outages, sabotage as well as human or technical error. IT attacks, errors and damage to IT systems, operational

disruptions and incorrect or deficient supplies of IT services by RevolutionRace's IT providers such as Litium and Distancify can lead to extensive outages or disruptions in the Company's online store and other IT systems. For example, there is a risk that RevolutionRace will be subject to overloading attacks such as DDoS attacks (*Distributed Denial of Service attacks*). In September 2020, RevolutionRace suffered what was probably a DDoS attack when the Company's web servers became locked, which resulted in RevolutionRace's online store closing down and being subject to disruptions. Furthermore, RevolutionRace's online store have been closed down on two further occasions towards the end of 2020 and the beginning of 2021 due to implemented updates by the Company's IT providers. Since RevolutionRace's entire sales (apart from sales that take place through Amazon) are generated through the Company's online store, disruption in the online store can lead to significant losses of revenue. Should the Company fail to prevent or discover cyber threats and attacks carried out by external parties, these risk having a material adverse impact on RevolutionRace's sales revenue and business. A complex IT environment with advanced integrations between systems also risks rendering more difficult the opportunities to minimise the impact of an external attack and can thus accentuate the risk of an adverse impact on the business.

Cyber security incidents may also lead to a loss of important data such as product information, customer registers, data used to generate forecasts regarding demand, marketing and customer involvement, as well as on-site data which is used to understand how RevolutionRace's customers use the Company's online store and to analyse customer behaviour. Cyber security incidents can also occur at external parties with whom RevolutionRace integrates, and unauthorised persons might therefore access information about RevolutionRace's business. Data leakage as a consequence of infringement by the Company or an external party constitutes a significant risk to RevolutionRace's reputation and may result in loss of customers and reduced revenues.

RevolutionRace is subject to risks related to purchasing plans and lead times in the supply of goods and production

RevolutionRace's continued success is to a large degree dependent on the Company succeeding in making timely forecasts of future sales and adapting its product assortment to changes in customer preferences, purchasing patterns, trends, market needs and demand from consumers. A high rate of growth on both existing and new markets makes it more difficult to plan purchases and there is a risk that the limited opportunities for accelerating or curtailing production on short notice will lead to adverse consequences for RevolutionRace's business. If RevolutionRace underestimates demand for a certain type of outdoor

pants or jacket or any other type of product, or misjudges prevailing trends or customer preferences, this may lead to the Company having insufficiently large stocks of products, which in turn may lead to the Company failing to meet demand from its potential customers, who will therefore choose to purchase outdoor apparel and casual wear from another company. There is also a risk of the Company over-estimating demand and maintaining stocks of certain products that are too large, which for example might occur when launching new products or if RevolutionRace's potential customers wholly or partially desire apparel that are made solely of recyclable material or which have been produced locally or geographically nearby. RevolutionRace may choose to maintain higher stock levels of products that have been in the Company's range from long time and where there is a long history of sales. However, such major purchases can increase RevolutionRace's exposure to warehouse obsolescence and a sharp reduction in demand for such a product may thus lead to increased costs in the form of impairment and reduced revenues since the products can only be sold at significant discounts. Sales of apparel at significant discounts risk adversely affecting the Company's profitability and margins. If RevolutionRace is unsuccessful in its purchasing plans, there is thus a risk of significant costs and/or reduced revenue and, if the Company is wholly or partially unable to pass on such increased costs to its customers, this may have a material adverse impact on RevolutionRace's results of operations and profitability.

Sales of RevolutionRace's products take place primarily in Europe, while in principle manufacture takes place exclusively in Asia, which leads to less flexibility in lead times in the supply of goods than if there were a larger geographic spread through, for example, some of the production taking place in Europe with resulting shorter transport times. In addition, goods supply lead times are adversely affected by the restrictions that have been imposed in many countries as a consequence of the COVID-19 pandemic. Transports of RevolutionRace's products from suppliers to the Company's logistics partners have been subject to significant delays in 2020 and at the beginning of 2021 due to fewer sea and air departures, changes in driving schedules, significant shortages of containers as well as less personnel and fewer trucks that can transport products to and from ports and airports. RevolutionRace has chosen quicker means of transport such as more air transport and also train transport in order to avoid the Company's important products becoming sold out. This has resulted in higher shipping costs which, as regards RevolutionRace's deliveries during the nine-month period ending 31 March 2021, are estimated to have increased costs by approximately MSEK 11.8.

RevolutionRace is also subject to risks related to lead times and production since some of RevolutionRace's supply agreements do not give the Company the possibility

to quickly and flexibly change production volumes and pace of production as required by the business due to growth. There may also be a limited range of factories that can accommodate RevolutionRace's wishes regarding lead times (see also "*RevolutionRace is subject to risks related to manufacture of its products*" below). RevolutionRace is thus subject to the risk of lead times in the supply of goods and production resulting in long start and stop periods in the case of increased and reduced demand for a particular product. There is thus a risk of unfavourable lead times in the supply of goods and production leading to loss of revenue or increased costs, which may adversely affect RevolutionRace's results of operations and margins.

RevolutionRace is subject to risks related to manufacture of its products

RevolutionRace has no production of its own and is, instead, dependent on external parties for the manufacture and delivery of its outdoor apparel and casual wear. RevolutionRace is thus subject to risks linked to, among other things, changes in production prices, lack of delivery capability and manufacturing quality.

The Company uses approximately 23 different suppliers in Bangladesh, India, China, Myanmar, Sri Lanka, Turkey and Vietnam, of whom a few are particularly important for RevolutionRace due to their longstanding contractual relations with the Company and production of the Company's bestselling products such as outdoor pants and jackets. RevolutionRace is dependent on the Company's suppliers and subcontractors performing their contractual obligations in terms of quality and delivery times and meeting RevolutionRace's guidelines and other industry standards with respect to the environment, work environment, anti-corruption, human rights and business ethics. There is a risk of such parties failing to deliver on time or in accordance with the cost structure or quality they have undertaken, or that they will fail to apply guidelines and industry standards (see also "*RevolutionRace is subject to risks related to sustainability*" below), which in turn can lead to RevolutionRace being forced to discontinue its cooperation with a particular supplier. RevolutionRace is also subject to the risk of the Company's suppliers choosing to discontinue their cooperation with the Company, for example in order to cooperate instead with one of RevolutionRace's competitors. There is thus a risk of significant supply agreements being terminated, possibly on short notice, and the Company thereby losing access to such suppliers who are particularly important for the business. If, in such a situation, RevolutionRace fails to enter into new supply agreements in such time as the business requires or only on terms that are less favourable for the Company, this may have a material adverse impact on RevolutionRace's possibilities to offer an attractive range of outdoor apparel and casual wear and thereby on RevolutionRace's market position, business and results of operations.

There is also a risk that suppliers, subcontractors and other parties in the supply chain will fail to perform their obligations due to such parties encountering financial difficulties, becoming insolvent or being placed into bankruptcy. The ability of such parties to deliver the Company's products in accordance with an agreed timetable and quality can also be affected by external factors such as natural disasters, fires, epidemics, pandemics, terrorism or strikes. For example, the COVID-19 pandemic has adversely affected a number of suppliers and subcontractors, thereby causing major delays in manufacture of the Company's products. Due to the outbreak of the COVID-19 pandemic in China towards the end of 2019, the country was closed for several months, which had a material adverse impact on production in China. For example, the Company has a number of materials suppliers in China who produce cloth for other suppliers in countries such as Vietnam and Bangladesh for the end production of the Company's products. Delays in the supply of cloth from subcontractors in China resulted in additional delays further up the manufacturing chain. In addition, the rate of production at most of the production facilities where the Company's outdoor apparel and casual wear are manufactured was sharply reduced for a number of months. For example, the rate of production at the production facilities in India was reduced to approximately 30–50 per cent during approximately three months from October–December 2020. As a result of the lower rate of production, some of the Company's bestselling product models, such as Hiball Jacket Men (Jetblack), were sold out a number of times during 2020 and the beginning of 2021, which risks having resulted in lost sales. External factors that affect manufacture of the Company's products thus risk having a material adverse impact on RevolutionRace's business and results of operations as a consequence of significant shortfalls in revenue.

Since RevolutionRace's range of products has, in principle, its origin exclusively in countries of continuous and rapid economic growth, such as Vietnam, China, Myanmar, India and Bangladesh, the Company is also subject to the risk that costs and wages in countries where the Company's products are manufactured may increase. Furthermore, there is a risk that climate changes, caused by global warming with for example, forest fires and floods as a result, lead to challenges and higher production costs in Asia where the Company's production in principle exclusively takes place. RevolutionRace's outdoor apparel and casual wear also comprise materials such as polyester, nylon, elastic, cotton, wool and leather (goat), and thus the Company is also subject to possible changes in the price of these materials and shortages in access to them. If costs and wages increase in the countries where RevolutionRace manufactures its products or if price levels for the materials included in the Company's products were to increase without RevolutionRace being able, to a corresponding extent, to pass on the increases to its customers, there is

a risk that this will lead to weaker margins and an adverse impact on results of operations.

RevolutionRace is subject to risks related to payment service providers, transport and logistics companies as well as other external parties

RevolutionRace is dependent on external parties for the manufacture and deliveries of its outdoor apparel and casual wear (see "*RevolutionRace is subject to risks related to manufacture and deliveries of its products*" above). In addition, the Company cooperates with payment service providers, transport and logistics companies for management of inventory and shipping of its products to and from the customers as well as other external parties, such as providers of various IT systems for the Company's online store and customer service (see "*RevolutionRace is subject to risks related to IT and cyber security*") within the scope of its business.

RevolutionRace's payment methods are primarily delivered by Klarna, PayPal, PayU and Stripe. These payment methods may become subject to legislative measures that render the use of them more difficult or expensive, be subject to cyber attacks and/or fraud by third parties. The primary risk associated with the range of payment methods that RevolutionRace offers comprises outages during the payment process, which risks leading to customers choosing to discontinue their purchases, thereby negatively affecting the percentage of visitors on RevolutionRace's websites who carry out a purchase (conversion rate). Furthermore, RevolutionRace has no independent logistics infrastructure and is, instead, dependent on collaboration partners for transport and logistics management, which includes documentation upon delivery of goods, storage and management systems, packaging, outgoing shipments and receipts as well as control and management of returns. These processes are complex and require sophisticated and automated systems and knowledge in order to meet the business's needs. RevolutionRace is currently in an expansive phase and for the nine-month period ending 31 March 2021, it reported net sales of MSEK 623.4, corresponding to a net sales growth of 124.1 per cent compared with the nine-month period ending 31 March 2020. RevolutionRace is thus dependent on its collaboration partners possessing capacity to manage a growing order volume, in particular as regards transport and logistics management. In order to manage the increased demand for the Company's products, with a wider range and a larger geographical scope, at the beginning of 2021 RevolutionRace relocated its warehousing and commenced a new logistics collaboration with DreamLogistics AB. The relocation of the warehouse in combination with the high growth have led to some run-in problems, which have affected the customer experience and led to certain higher operating costs. As regards transportation of RevolutionRace's products to and from the customers, the

Company is dependent on shipping agreements with, primarily, PostNord, Posti, Bring, DHL, Deutsche Post and UPS. Since both payment and delivery are an integral part of the overall impression of the purchase in the case of online purchasing, the functionality of RevolutionRace's payment and delivery methods will affect the customer experience, and thus there is a risk of RevolutionRace's reputation being adversely affected if payment and supply methods do not meet the customers' expectations. There is also a risk that the Company's collaboration payment and supply partners may increase their prices and charges over time or change other important conditions, for example regarding overtime, and thus cause higher operating costs for the Company. For example, changed salary levels and working conditions for employees of the transport companies with whom the Company collaborates risk leading to higher shipping prices and thus adversely impacting RevolutionRace's results of operations.

If RevolutionRace is unsuccessful in its assessment and evaluation of external parties and it proves to be the case that they are unable to significantly maintain the quality level that RevolutionRace anticipates, are unable to deliver on time or in accordance with the cost structure they have assumed, do not have well-functioning environmental and security work or fail to satisfy human rights and maintain reasonable living and pay conditions for their employees, there is a risk that this might have a material adverse impact on RevolutionRace's reputation and business. If RevolutionRace is forced to replace or commence collaboration with new payment service providers, transport and logistics companies, consultants or any external party, there is also a risk that this will lead to significant work in evaluating and approving a new party, increased costs as well as difficulties for RevolutionRace in purchasing corresponding services within a reasonable time and on acceptable terms. It could also lead to deteriorating delivery terms and a poorer customer experience. Furthermore, replacement of a logistics provider involves particular risks, such as the new provider underestimating the complexity and scope of the logistics management and systems integrations failing upon commencement of operations. If such risks materialise, this might have a significant adverse impact on the Company's business and sales revenue. It is uncertain to what extent the risks described above relating to external parties may impact RevolutionRace, but they constitute a significant risk with respect to RevolutionRace's reputation, business and results of operations.

RevolutionRace is subject to risks related to its growing organisation

RevolutionRace's rapid growth and potential future growth have meant, and are expected to continue to mean, that RevolutionRace's management, administration, IT systems as well as other operating and financial infrastructure face

a number of challenges. As part of its growth strategy, in 2020 and at the beginning of 2021, RevolutionRace commenced and carried out a number of measures to manage current growth and prepare for future growth, including the establishment of a new e-commerce platform, which is provided by Litium AB together with the collaboration partner Distancify AB, and the implementation of a new logistics and warehouse management infrastructure (DreamPack), which is provided by DreamLogistics AB. Since RevolutionRace's business and organisation are continuing to grow and change, the Company may come to need continued improvements and investments in infrastructure, systems and processes in order to effectively manage the increased scope of the business. Investments that must be made as the business grows, as well as more extensive formal routines and processes that need to be in place, may require the Company to allocate significant resources in the form of financial resources as well as time and focus on the part of the Company's management and business in general.

There is also a risk that RevolutionRace will lose its agile ability as the organisation grows and formal routines are created, which to date have proved to be an important success factor in RevolutionRace's business and its ability to rapidly launch new and improved products. The rapid growth also leads to other challenges, for example that a large number of employees must be recruited within a short period of time (see also "*RevolutionRace is dependent on attracting and retaining employees with key skills*" below). Continued growth can also restrict RevolutionRace's possibilities to maintain satisfactory customer service levels and develop internal operational, management and financial controls at the pace that the business requires (see also "*RevolutionRace is subject to risk related to deficient regulatory compliance and internal control*" below). If RevolutionRace fails to manage its growth effectively, there is a risk that the Company will be unable to realise anticipated economies of scale and that the Company's cost base and margins will be adversely affected.

RevolutionRace is dependent on attracting and retaining employees with key skills

As of 31 March 2021, RevolutionRace had 70 employees. Skilled and committed employees and managers constitute an important part of RevolutionRace's ability to achieve its goals and visions and continue to conduct the business profitably and sustainably during the expansion phase which RevolutionRace is currently undergoing. RevolutionRace is thus dependent on being able to attract, develop, retain and motivate key employees and individuals to its management group. The growth of RevolutionRace's organisation also means that the Company needs to employ more staff in the near future and going forward. There is a risk that RevolutionRace will be unable to employ a sufficient number of qualified employees, for example

due to competition from other employees or geographic factors. The fact that the Company's head office is not located in any of the larger cities in the country, but rather in Borås, constitutes such a factor as may make it difficult to attract the right skills, particularly within for example IT, which is an area within which the Company needs, and will need going forward, to recruit qualified expertise (see also "*RevolutionRace is subject to risks related to IT and cyber security*").

In addition, RevolutionRace's founders are particularly important for the Company's business and there is a risk that the Company will experience difficulties with succession planning and transfer of knowledge regarding key expertise. Any inability to recruit, develop or transfer key expertise, engage and retain a sufficient number of qualified employees may restrict RevolutionRace's ability to develop its business, which by extension risks having a negative impact on the Company's competitiveness. There is also a risk that skilled employees will leave RevolutionRace in favour of competitors. This risk is exacerbated if such employees also take with them other qualified employees.

In the financial year 2019/20, personnel expenses amounted to TSEK 29,635. In order to address increased competition for qualified employees, RevolutionRace may need to increase its remuneration levels, which would have an adverse impact on RevolutionRace's results of operations. In order to attract skilled employees, in addition to competitive wages a positive work environment and good reputation as an employer are required. If RevolutionRace were to offer remuneration levels that are too low or fails to offer an attractive work environment, there is a risk that skilled employees might choose to terminate their employment and move to competitors, which might lead to a loss of expertise for the Company. There is also a risk that, due to its rapid growth and major recruitment needs, RevolutionRace might recruit individuals who later prove not to possess or to develop the correct characteristics and expertise or do not fit in with the Company's corporate culture, which risks being costly for the Company and adversely impacting RevolutionRace's business and results of operations. If RevolutionRace thus fails to attract and retain qualified personnel needed in the business, this will adversely impact the Company's competitiveness, profitability, and business.

RevolutionRace is dependent on succeeding with its marketing and generating traffic to its sales channels

RevolutionRace's sales take place exclusively online through RevolutionRace's online store and via Amazon, and thus RevolutionRace is dependent on continuously generating traffic to its online store and its selling site on Amazon by means of various marketing measures. RevolutionRace is thus subject to risks related to digital marketing and social media, which are accentuated by the fact that the

Company is dependent on a few marketing channels that are provided primarily by Facebook and Google. If, for example, Facebook and/or Google were to decide on price increases or otherwise change user terms and conditions, there is a risk of this having a significant impact on RevolutionRace's business in the form of increased marketing costs, with a resulting negative impact on the Company's return on ad spend ("**ROAS**"), profitability and growth.

Apart from so-called direct traffic, where RevolutionRace's customers reach the online store by manually providing the URL address (for example, www.revolutionrace.com) for the online store, *earned traffic* is generated to RevolutionRace's online store and Amazon, among other things through digital advertising on platforms such as Facebook and Instagram, product placement and influencer marketing, as well as through search engine optimisation ("**SEO**"). These platforms and tools are constantly changing, both through functions being changed or removed, and also through vital functions being added. There is thus a risk of RevolutionRace failing to identify important changes in existing platforms and tools and, as a result, reaching fewer potential customers, which in turn would reduce traffic to the Company's online store. Due to the high pace of change within digital marketing, there is also a risk of the Company failing to identify new platforms and possibilities for effective marketing, which by extension risks leading to significant revenue shortfalls. The algorithms and presentations of search engines' search results are often changed, which might result in the Company's websites being excluded from search results or given a lower ranking compared with the Company's competitors, which in turn might impact adversely traffic to the Company's websites.

In addition, a significant portion of traffic to RevolutionRace's online store and Amazon is generated through *Search Engine Marketing* ("**SEM**"), in which the Company invests at Google via *Google Display* and *Google Shopping* as well as Microsoft's Bing search engine. There is a risk of greater competition on the search engines, with an increased volume of competing bids for advertising space as a consequence. This may lead to RevolutionRace incurring increased costs for SEM or RevolutionRace being visible to a lesser extent on the search engines than the Company's competitors, which might have a material adverse impact on traffic to RevolutionRace's websites and Amazon and, by extension, on RevolutionRace's sales and net sales. Both sales via RevolutionRace's own online store and sales via Amazon are dependent on generating traffic through marketing. An adverse impact on the traffic to RevolutionRace's online store also risks affecting the number of customer reviews for the Company's products, which on 31 March 2021 comprised more than 245,000 authentic reviews. An adverse trend in customer reviews risks affecting the conversion rate, i.e. the percentage of visitors to online store who make purchases, and may thus

lead to reduced revenue and, by extension, a weaker reputation.

The use of cookies for optimising purchases of traffic to its online store constitutes another important aspect for RevolutionRace. In the case of changes in a browser's cookies settings, for example if a developer of a particular browser changes the standard setting for the browser so that the use of cookies is limited or forbidden, this might impact RevolutionRace's ability to optimise purchases of traffic to its websites. For example, in the summer of 2020, a simpler function for blocking cookies was introduced on a number of browsers, which has resulted in the Company's customers increasingly choosing to surf anonymously. By extension, this risks leading to an adverse impact on RevolutionRace's profitability and results of operations.

RevolutionRace is subject to risks related to competition

The market for the sale of outdoor apparel and casual wear is characterised by a high degree of competition from both major global companies as well as smaller Nordic companies. RevolutionRace's competitors comprise (i) online companies specialised in outdoor apparel and otherwise products for an active lifestyle; (ii) omnichannel companies specialised in outdoor apparel and otherwise products for an active lifestyle; (iii) online companies with a focus on sports apparel; (iv) omnichannel companies focusing on sports apparel; and (v) online companies within apparel and footwear. RevolutionRace competes with, among others, more expensive brands such as Arc'teryx, Patagonia, The North Face, Fjällräven and Peak Performance, as well as lower price brands such as Black Diamond, Salewa, Jack Wolfskin and Quechua. Important competition factors with respect to online sales of outdoor apparel include, among other things, the price and quality of the products, the careful choice of material, ability to attract prevailing customer and market preferences with colours, models and design choices, delivery and payment terms (including conditions for customer returns), as well as user-friendliness on the website. There is also a risk that much larger companies will be able to utilise economies of scale to a greater extent than the Company. Companies that, at present, to a larger or smaller extent focus on other types of products, customer segments or geographic markets, such as Boozt and Zalando, or vendors of outdoor apparel that have historically primarily used traditional distributors such as local stores and department stores as selling channels, such as The North Face and Peak Performance, may come to increase or commence online sales of outdoor apparel to RevolutionRace's target groups. Entirely new companies may also come to establish on the market for online sales of outdoor apparel and casual wear. There is thus a risk that new competitors to RevolutionRace will arise and that such companies may, for example, have greater financial resources than the Company, meaning a risk that these companies will succeed in meeting customer preferences

to a greater extent than RevolutionRace. Increased competition may lead to RevolutionRace losing market shares and may cause reduced net sales. In order to address increased competition, RevolutionRace may be forced, for example, to lower prices for its products or to increase its investments in marketing measures, which risks leading to squeezed gross margins and/or increased costs for the Company.

RevolutionRace may also come to increase its business towards new segments with other products than those currently in the Company's range, such as footwear and bags, or to different geographic markets than those on which the Company currently conducts sales. Broadening one's business and entering an already competitive market involves challenges, primarily in getting customers to choose to buy RevolutionRace's products instead of products from those companies that are already well established within RevolutionRace's new segment. There is thus a risk that expansion to new product segments and markets will not be successful and will, instead, result in increased production and marketing costs, without leading to major increases in the Company sales and results of operations, which would have an adverse impact on the Company's profitability and might damage the Company's reputation and market position.

RevolutionRace is subject to risks related to customer returns

RevolutionRace's policy is to sell goods to customers with a 90-day right of return and replacement, which generally exceeds statutory return periods in those countries in which the Company's customers are located. RevolutionRace also offers its customers free returns as long as the customer uses the attached return slip. This means that RevolutionRace's customers can return purchased goods within 90 days from the goods having been delivered, and they get back the amount paid. Therefore, the Company reports a repayment liability in the form of a reserve provision and an asset in the balance sheet regarding the right to recover products which RevolutionRace expects to receive in return. In order to assess the volume of returns on the date of sale, historic data is used which is based on the anticipated value of returns, whereupon the Company takes into consideration previously identified return patterns depending on consumer behaviour within online trade. For the 12-month period ending 31 March 2021, RevolutionRace's return rate was approximately 28.7 per cent, with however the return rates varying based on different aspects. For example, the return rate between different geographic markets, where some countries such as Germany generally have higher returns than other countries, driven by the fact that it is more common behaviour to order two sizes of the same type of product and then return one of them. In addition, the rate of return varies between different customer and product categories, with generally speaking the Company seeing that women return

products to a greater extent than men, and product types such as sweatpants being returned to a lesser extent than other types of outdoor pants. There is thus a risk that RevolutionRace's rate of return will increase due to changed consumer behaviour within online trade as well as changes in the Company's customer base and product assortment. RevolutionRace also generally sees a higher rate of initial return on new products, which is subsequently expected to diminish. There is thus a risk of high returns upon launching of new products and, if the Company is incorrect in its assessment of return rates, this may lead to higher costs than estimated for a particular product. RevolutionRace's liquidity risks being adversely affected if a large number of customer returns take place within a short period of time. An increased number of customer returns also risks leading to increased administration and an increased cost base. If the Company decides to apply shorter return periods, there is a risk that existing and potential customers would consider the Company's offering to be less attractive than offerings by the Company's competitors. This would, in turn, risk leading to lost market shares and reduced net sales.

Legal risks

RevolutionRace is subject to risks related to deficient regulatory compliance and internal control

RevolutionRace's online marketing and sales of outdoor apparel and casual wear means that the Company's business is subject to a number of consumer and marketing law regulations, for example the Consumer Sales Act (1990:932) (Sw. *konsumentköplagen (1990:932)*), the Distance Agreements and Agreements Outside Commercial Premises Act (2005:59) (Sw. *lagen (2005:59) om distansavtal och avtal utanför affärslokaler*), the Marketing Act (2008: 486) (Sw. *marknadsföringslagen (2008:486)*) (the "Marketing Act") and to some extent national consumer protection and marketing regulations in those countries in which RevolutionRace conducts sales and focuses its marketing. RevolutionRace's compliance with these regulations is monitored by competent national and local authorities; as far as Sweden is concerned, these include for example by the Advertising Ombudsman (Sw. *Reklamombudsmannen*), the Swedish Consumer Agency (Sw. *Konsumentverket*), the Consumer Ombudsman (Sw. *Konsumentombudsmannen*), and the National Board for Consumer Disputes (Sw. *Allmänna Reklamationsnämnden*). Among other things, the Swedish Consumer Agency has recently increased its focus on online sales and the use of price reduction campaigns, price information and comparison prices in marketing by online companies. If RevolutionRace were to act in a manner which violates, or might be regarded as being in violation of, the above regulations, there is a risk of the Company being subject to complaints by customers, fines and orders by public authorities, or becoming involved in legal and administrative proceedings which risk having an

adverse impact on the Company's reputation and demand for its products.

RevolutionRace risks also becoming involved in legal or administrative proceedings within the scope of its ongoing operations. Such proceedings may involve, among other things, disputes with suppliers or other collaboration partners, legal claims from customers, product recalls and product liability claims or investigations and sanctions initiated by public authorities. RevolutionRace imports goods to Sweden from countries outside the EU which are subject to customs. The Company also exports goods to countries outside the EU. Measures taken by public authorities may thus, for example, be due to incorrect customs returns and lack of or inaccuracies in customs certificates and classifications. For example, the Norwegian customs authority currently conducts a customs audit regarding the subsidiary Revolutionrace AS. In case of deficiencies in customs handling, the customs authority can decide on repayment and debiting with customs surcharges, respectively, and revocation of permits. Since RevolutionRace's outdoor apparel and casual wear mainly originate in developing and low-wage countries, such as Myanmar and Bangladesh, as an importer RevolutionRace is entitled to a large extent to so-called customs rebates for products with an incentivised origin. However, the use of customs rebates exposes RevolutionRace to the risk of origin stated in a customs return proving to be incorrect, for example due to the Company having received incorrect information from a supplier, and that this results in significant unforeseen costs for RevolutionRace due to the relevant customs authority ordering the Company, for example, to retroactively pay customs or other charges as a result of such inaccuracies. RevolutionRace is also planning to commence sales of products in the United States via Amazon in 2021, which risks increasing exposure to legal proceedings in the United States with respect to, among other things, product recalls and product liability. Legal and administrative proceedings, such as of the types mentioned above, may prove to be costly, time-consuming and disrupt RevolutionRace's business.

RevolutionRace is dependent on the Company and its employees, suppliers and other external parties complying with laws and regulations as well as internal governance documents and policies. Violations or deficient compliance with applicable laws and regulations can adversely affect RevolutionRace's business and reputation. Such behaviour may, for example, include deficient compliance with laws and regulations relating to anticorruption and prohibition on bribery, international sanctions, money laundering, inside information, IT security, use of cookies on websites, corporate governance and stock exchange rules, IFRS and other regulations related to accounting and financial reporting, environment, work environment and other employment law, health, safety, business ethics and equal treatment. There is also risk of the Company having insufficient or limited

resources for training of personnel in these issues or that internal governance documents, policies and codes of conduct are insufficient and not fully effective, particularly if RevolutionRace is exposed to risks that have not entirely or sufficiently been identified or predicted. RevolutionRace is also subject to risks of its senior executives acting in violation of RevolutionRace's strategies, company governance practice, internal guidelines and policy documents. If RevolutionRace's internal controls and other measures for guaranteeing compliance with laws, regulations, internal guidelines and policies are insufficient, there is a risk of RevolutionRace's reputation being damaged and of the Company being subject to liability and damages, fines, liquidated damages and/or civil or criminal liability.

RevolutionRace is subject to risks related to sustainability

RevolutionRace's possibilities to conduct a business that is profitable in the long term are, to a large extent, dependent on RevolutionRace succeeding in addressing the sustainability-related risks to which the Company is subject. RevolutionRace's manufacturing in developing and low-wage countries such as Bangladesh, India, China, Myanmar, Sri Lanka, Turkey and Vietnam results, for example, in the Company being subject to risks related to sustainability factors such as human rights, working conditions, bribery and corruption (see also "*RevolutionRace is subject to risks related to deficient regulatory compliance and internal control*" above).

In line with this, prior to commencement of collaboration all suppliers to RevolutionRace must sign and undertake to comply, and ensure that any subcontractors comply, with RevolutionRace's *Supplier Code of Conduct*. The code of conduct is established in accordance with the conventions of the International Labor Organization (ILO), the UN Universal Declaration of Human Rights and the UN Convention on the Rights of the Child and includes, among other things, requirements concerning working conditions such as work hours, prohibition on child and forced labour, as well as employees' rights to reasonable remuneration and a safe work environment. RevolutionRace's code of conduct also provides that the Company and its representatives may, at any time whatsoever, examine and audit a supplier's compliance with the code and that the supplier is obliged to fully participate in conjunction with such audit. RevolutionRace's production and purchasing manager make regular visits to the Company's suppliers in order to monitor compliance. However, there are challenges for RevolutionRace as regards monitoring the extent of compliance with the code of conduct and the COVID-19 pandemic has made it impossible to carry out visits to the Company's suppliers. There is thus a risk that the Company's suppliers do not fully comply with the code of conduct. Furthermore, there is a risk that the code of conduct cannot be complied with as a result of the political situation in some countries. For example, the right to freedom of association and some other rights

are challenged by the coup launched in Myanmar in early February 2021.

The general living and working conditions in the countries in which RevolutionRace's outdoor apparel and casual wear are manufactured can also involve a greater risk of one or more of RevolutionRace's suppliers or subcontractors acting in violation of the Company's code of conduct. If a supplier acts in violation of the code of conduct, there is a risk of this leading to adverse publicity and reputational damage to RevolutionRace, despite RevolutionRace choosing to discontinue its relationship with the supplier (see also "*RevolutionRace is subject to risks related to manufacture of its products*" above). In many developing and low-wage countries, there is also generally a greater risk of violations of laws and regulations regarding sustainability factors such as human rights, working conditions, bribery and corruption. Such violations can result in extensive fines or other criminal, civil law or administrative sanctions and thus have a material adverse impact on RevolutionRace's reputation, business and results of operations. Violations that are committed by, or allegations of such violations as are brought against, suppliers or other external parties with whom RevolutionRace has a commercial relationship may risk leading to adverse publicity which can damage RevolutionRace's reputation, even if RevolutionRace is not involved in such incidents.

RevolutionRace's business impacts the environment, among other things through the use of various natural resources (raw materials) such as polyester and cotton as well as electricity, fuel, chemicals and water (large volumes of which are required in the production of raw materials for apparel) during the production process and in conjunction with goods transports. RevolutionRace is thus obliged, among other things, to apply and comply with the REACH Regulation ((EC) 1907/2006), which imposes requirements concerning, for example, registration of chemical substances, prohibitions and other restrictions regarding chemical substances, requirements of permits for particularly hazardous substances, as well as regulations regarding provision of information to customers. As a consequence, RevolutionRace's suppliers must, prior to commencement of a collaboration, undertake to comply with the requirements imposed by the REACH Regulation in the form of prohibitions and restrictions regarding the use of chemicals in the manufacture of the Company's products. There is, however, a risk that such and other environmentally-related requirements and regulations will not be complied with by the Company's suppliers and subcontractors and that such violations will lead to prohibitions on sales, product recalls, environmental fines and, in the case of serious regulatory violations, indictment for environmental offences. RevolutionRace's carbon footprint thus risks resulting in significant costs, adverse publicity and reputational damage.

RevolutionRace is subject to risk related to the processing of personal data

RevolutionRace processes a large volume of personal data which, among other things, is obtained from consumers to enable RevolutionRace to conduct sales of its outdoor apparel and casual wear through online trading. The personal data that is processed with respect to customers comprises, for example, contact information, payment information and information about visits to RevolutionRace's online store. RevolutionRace also processes personal data relating to, for example, its own employees and suppliers. Processing of personal data is subject to extensive data protection laws and regulations that have been adopted to protect the privacy of the individual. For example, GDPR ((EU) 2016/679) includes requirements for companies that process personal data and the maximum fine for violating GDPR is MEUR 20 or 4 per cent of the undertaking's global annual sales, whichever is higher. According to GDPR, RevolutionRace must, for example, register its measures for processing of personal data and which data subjects and personal data categories are subject to such processing. GDPR also imposes requirements that relevant information regarding personal data processing must be provided to customers and employees, among other things regarding why personal data is processed, how long it will be processed, and the identity of recipients of the data.

On 16 July 2020, the ECJU issued judgment in case C-311/18 (*the Schrems II case*) regarding third country transfers, i.e. the permissibility of transferring personal data to countries outside the EU/EEA. The decision means that the transfer mechanisms that companies could previously rely on in conjunction with transfers of personal data to the United States, so-called "Privacy Shields", were declared invalid with immediate effect. Furthermore, the decision means that additional protective measures may need to be taken when using the EU's standard contract clauses for third country transfers. RevolutionRace has, in its personal data processing, previously relied on both "Privacy Shields" and standard contract clauses. There is thus a risk that RevolutionRace will be forced to renegotiate existing agreements with, for example, ZenDesk, Mailchimp and Microsoft and that the choice of collaboration partners and suppliers of, for example, various IT systems, may become limited.

Violations of GDPR or other data protection legislation in conjunction with the processing of personal data may lead to RevolutionRace being forced to pay damages to third parties and significant fines, and may also damage RevolutionRace's reputation.

RevolutionRace is subject to risks related to intellectual property

The brands and logos RevolutionRace®, RVRC® and Hypershell® constitute an important and valuable part of RevolutionRace's business. RevolutionRace's brands and logos are registered within the EU and the United States

and certain other strategic markets. The Company regularly evaluates and seeks protection for its brands and logos on the markets that are considered to be relevant for the Company's future business. In addition, RevolutionRace has caused to be registered other intellectual property in the form of a large number of domain names, of which revolutionrace.com is particularly important for the Company's business. RevolutionRace uses an online-based brand protection service, *Yellow brand*, to identify copies of RevolutionRace's products on the market. A failure to obtain, renew or maintain protection for RevolutionRace's intellectual property may, for example, result in RevolutionRace no longer being able to use certain brands in respect of which some other party is selling low quality products while using any of RevolutionRace's brands or distinguishing marks, or otherwise presenting a misleading impression of these brands. China is such a market where it can be challenging to maintain protection for intellectual property. If RevolutionRace fails to obtain, renew or maintain protection for its intellectual property, there may thus be adverse consequences for RevolutionRace's competitiveness and demand for its products. In addition, there is a risk of other parties claiming intellectual property which covers some of RevolutionRace's registered intellectual property or of RevolutionRace being accused of having infringed a third party's intellectual property. The results of disputes regarding intellectual property are often uncertain and may lead to significant costs as well as risks of diverting the focus of management and key employees from RevolutionRace's main business operations.

RevolutionRace also uses know-how and other intellectual property that is not registrable or which the Company has chosen not to register. For example, it has not registered any apparel as patterns or designs and protection therefor is thus limited to the unregistered protection that they receive in the form of, for example, copyright or unregistered designs. Apart from certain new product categories that are under evaluation, such as footwear and bags, all designs are created internally within the Company without the involvement of external designers or consultants, and are protected through contractual agreements with employees. There is a risk, for example, that confidentiality undertakings by employees, subcontractors and other collaboration partners as well as other measures taken to protect and retain control over such unregistered intellectual property will be insufficient to prevent disclosure of sensitive information. If a competitor of RevolutionRace were to misappropriate and benefit from such sensitive information, there is a risk that this would damage the Company's business, uniqueness and market position.

With respect to the Company's e-commerce platform, to a certain extent software is used whose source code is not proprietary but rather generally available and typically free to use, read and modify and comprises open source components. The Company is thus subject to risks linked

to the software ceasing to be generally available which, for example, if the conditions for applicable licenses are not fulfilled, might mean that the Company is deemed to infringe third-party rights and/or lead to the Company being forced to incur increased costs for continued use of the software.

RevolutionRace is subject to tax risks

During the financial year 2019/20, RevolutionRace's tax on profit for the year was TSEK 16,505 and effective tax rate was 21.7 per cent. There is a risk that RevolutionRace's application and interpretation of tax law, tax agreements and other provisions is not correct in all respects. There is also a risk of tax authorities making assessments and taking decisions that differ from RevolutionRace's application and interpretation of the aforementioned laws, tax agreements and other provisions, which risks having an adverse impact on RevolutionRace's tax expenses and effective tax rate. The jurisdictions within which the Company is active has transfer pricing rules that require transactions with related companies to take place on market terms. The Company has not conducted any benchmarking studies to determine that the conditions used in its intra-group transactions are made at market terms. The Company's interpretation of the tax legislation and the profit the Company has taken up for taxation in such jurisdictions in accordance with the Company's intra-group agreements and cross-border transactions may be challenged by tax authorities in these jurisdictions. There is also a risk that changed laws, tax agreements and other provisions, which might be applied retroactively, might have a material adverse impact on RevolutionRace's results of operations.

RevolutionRace engages in online sales of outdoor apparel and casual wear to customers in approximately 35 countries and is thus obliged to register for and report value added tax in countries other than Sweden. Within the EU, such an obligation arises if total online sales to consumers in a particular EU country exceed that country's turnover threshold during one year. There is a risk that tax authorities in different countries will call into question RevolutionRace's handling of value added tax, for example if the Company is registered belatedly for value added tax in any country or if RevolutionRace's registration of value added tax in any respect fails to meet all requirements in all countries, which risks leading to increased tax expenses and possible tax surcharges which might adversely affect the Group's results of operations and financial position.

In addition, on 1 July 2021, it is proposed that new rules regarding value added taxation of online sales will enter into force based, among other things, on changes to the Value Added Tax Directive (Directive 2006/112/EC). The rules entail a joint sales threshold of EUR 10,000 (in Sweden, determined at SEK 99,680) being introduced in respect of all sales to consumers in other EU countries. If the sales threshold is exceeded, the seller is required to charge and

declare value added tax on such sales in the purchaser country. In order to charge the purchaser country's value added tax, the seller must either be registered for value added tax in all EU countries in which online sales take place or declare the online sales that take place to other EU countries through the Swedish Tax Agency's online service One Stop Shop. RevolutionRace's online sales to other EU countries will exceed the turnover threshold and the Company will therefore be required to adapt its value added taxation based on the new rules. It is uncertain how RevolutionRace can be affected by the new value added tax rules on online sales, but there is a risk that the application thereof may lead to RevolutionRace being required, in total, to pay more value added tax or that RevolutionRace will incur increased administrative expenses.

There is also a risk that RevolutionRace may become involved in other tax disputes, tax audits and proceedings of varying importance and scope. Such proceedings may be long-lasting and extend over a number of years and may require RevolutionRace to pay significant amounts in additional tax, which can thus adversely affect its results of operations.

Financial risks

RevolutionRace is subject to currency risks

RevolutionRace's outdoor apparel and casual wear are primarily manufactured and purchased in USD from approximately 23 suppliers in seven countries around the world, and are sold in approximately 35 countries via 16 country-specific websites and via Amazon in local currency. RevolutionRace's reporting currency is SEK. Consequently, RevolutionRace is subject to currency risks. 'Currency risk' means the risk of exchange rate fluctuations having an adverse impact on the Company's financial position, profitability or cash flows, and include transaction exposure and conversion exposure. Unfavourable exchange rate changes can adversely affect RevolutionRace's exchange rate differences and thus adversely impact the Company's margins and results of operations. RevolutionRace primarily has inflows in SEK, EUR, GBP, NOK and DKK, as well as outflows in USD, EUR and SEK, and is thus primarily subject to exchange rate fluctuations in these currencies. From an accounting perspective, the Company is also subject to exchange rate risks related to translation to SEK of sales on foreign markets in local currency as well as the income statements and net assets of foreign subsidiaries. Exchange rate fluctuations can therefore have an adverse impact on the Company's operating profit (EBIT) and financial position and this impact increases to the extent that RevolutionRace will establish further operations in other markets outside Sweden.

RevolutionRace is also subject to risks related to management of currency hedging, for example that RevolutionRace does not have the possibility to use favourable changes in exchange rates. Hedging measures may

thus 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 security contract, that the agreement has shortcomings or in the events of non-compliance with RevolutionRace's internal security policies and security procedures, or that such do not function as they should.

RevolutionRace is subject to interest rate risks

'Interest rate risk' means the risk of changes in market interest rates leading to an adverse impact on results of operations and cash flow. The Group's interest rate risk arises through long and short-term borrowing and is dependent on the size of the Group's borrowing. During the financial year 2019/20, RevolutionRace's financial expenses amounted to TSEK 6,942. Given the interest-bearing assets and liabilities pertaining on 30 June 2020, an increase/decrease in interest rates of one percentage point would have affected the Group's profit before tax by approximately TSEK +/- 2,672 for the financial year 2019/20. In addition, the Group's multicurrency revolving credit facility of SEK 300,000,000 carries a floating interest rate. Increased market rates that affect RevolutionRace's financing costs to a significant extent may have a material adverse impact on the Group's profit before tax and financial position.

RevolutionRace is subject to risks related to impairment of goodwill

As of 31 March 2021, RevolutionRace reported goodwill – which is the largest single item in the Group's balance sheet – of MSEK 616.8 as well as other intellectual property of MSEK 180.1, corresponding to 70.5 per cent of the Group's total assets. The factors constituting reported goodwill relate primarily to employees, know-how, reputation, customer registers as well as market leading positions on selected markets.

Goodwill and trademarks are reported at historical cost less any impairment. Recoverable amounts for goodwill and trademarks with indeterminable useful lives have been determined based on calculations of value in use and are tested each year for impairment. These calculations are based on assessed future cash flows before tax based on financial budget as well as forecast future growth for the immediately following five 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 will prove to be incorrect or that the discount rate used does not correctly reflect the specific risks for the cash generating units, which might result in deviations in the valuation of goodwill. Significant deviations and major impairments of goodwill may have a material adverse impact on the Company's financial position.

RevolutionRace is subject to liquidity and financing risks

RevolutionRace is subject to liquidity risks, which constitute the risk that the Group cannot meet its payment obligations as a result of insufficient access to funds. This may, in turn, derive from factors such as a general credit crises where access to financing from lenders is limited or other serious and long-term adverse economic conditions. The risk that this kind of factors may impact RevolutionRace's liquidity and financial position increases in the case of a significant extension in the time and scope of the COVID-19 pandemic.

In addition, RevolutionRace is subject to risks associated with that the financing of the Group's capital needs becomes more difficult or expensive in the future. Following the first day of trading of the Company's shares on Nasdaq Stockholm, the Group's financing will primarily consist of a SEK 300,000,000 multicurrency revolving credit facility agreement, which carries a floating interest rate. The Group must satisfy certain financial covenants under the revolving credit facility agreement, including a maintenance covenant by which the Group's leverage ratio may not exceed certain agreed levels. If the Group does not satisfy such financial covenants, outstanding amounts under the revolving credit facility agreement may become immediately due and payable. There is a risk that extensive deterioration in the Group's credit rating or profitability, significant increases in interest rates and significant reductions in credit access or tightened lender conditions may limit the Group's access to funds, including its ability to raise further loans and issue new shares. Such events could have a material adverse effect on the Company's liquidity, results of operations and financial position.

Risks related to the shares in RevolutionRace

The share price can be volatile and the share price development is affected by several factors

Since an investment in shares may decrease in value, there is a risk that investors will not recover their invested capital. The performance of the share depends on multiple factors, some of which are company specific, whereas others are related to the stock market in general. The final price in the Offering (the "**Offering Price**") has been set to SEK 75 per share by the Selling Shareholders in consultation with the Joint Global Coordinators. This price will not necessarily reflect the price at which investors in the market will be willing to buy and sell the shares following the Offering; for example, the price could during the trading taking place after the listing differ from the Offering Price.

Furthermore, the share price may, for example, be affected by supply and demand, fluctuations in actual or projected results, changes in earnings forecasts, failure to meet stock analysts' earnings expectations, failure to achieve financial and operational targets, changes in general economic conditions, changes in regulatory condi-

tions and other factors such as sales of significant holdings by owners. The Company's shares have not previously been traded on a stock market. It is therefore difficult to predict the amount of trading or the interest that may be shown in the shares. Consequently, there is a risk that there will not always be an active and liquid market for trading in RevolutionRace's shares, which would affect investors' possibilities to recover their invested capital. This presents a significant risk for a single investor.

RevolutionRace's ability to pay future dividends depends on several factors

Payment of dividends may only take place if there are payable funds held by RevolutionRace and as long as the requirements of future dividends, and the size, scope and risks of any such dividends, are met. Such requirements depend on RevolutionRace's equity, consolidation needs, liquidity, and position in general for a certain financial year. Furthermore, future dividends, and the size of any such dividends, depend on the Group's future results, financial position, cash flows, working capital requirements and other factors. RevolutionRace's dividend policy entails that RevolutionRace intends to distribute excess capital to shareholders, while considering long term financial robustness, growth opportunities and strategic initiatives. Subject to these considerations, RevolutionRace intends to distribute 40–60 per cent of the annual net profit. However, there is a risk that payable dividends will not be available in any financial year, which would reduce the return on an investor's invested capital.

Sales of shares by existing shareholders could cause the share price to decline

The market price of the Company's share could decline if there are substantial sales of the Company's shares, particularly sales by the Board of Directors of the Company, Executive Group Management, and significant shareholders, or otherwise when a large number of shares are sold. Selling Shareholders, current and former shareholding Board members and shareholding employees in the Group, including the members of the Company's Executive Group Management, will through so-called lock-up commitments undertake not to sell their respective holdings for a certain period as of the first day of trading on Nasdaq Stockholm. However, Joint Global Coordinators could decide to grant exceptions from the limitations on the sale of shares during the lock-up period. After the expiry of the relevant lock-up period, the shareholders subject to lock-up will be free to sell their shares in the Company. Any sales of substantial amounts of the Company's shares in the public market by the shareholders subject to the lock-up undertakings or the Company's other current shareholders, or the perception

that such sales might occur, could cause the market price of the Company's share to decline, which entails a significant risk for investors.

Undertakings by Cornerstone Investors are not secured

The Cornerstone Investors have undertaken to acquire shares in the Offering corresponding to a total of MSEK 1,400. The undertakings relate to 18,666,664 shares, corresponding to 49.4 per cent of the total number of shares in the Offering (under the assumption that the Offering is fully subscribed and the Overallotment Option is exercised in full) and 16.5 per cent of the total number of shares in the Company after the Offering.¹⁾ However, the Cornerstone Investors' undertakings are not secured by bank guarantees, blocked funds, pledges of collateral, or similar arrangements. Consequently, there is a risk that one or several of the Cornerstone Investors will not be able to fulfil their commitments. The Cornerstone Investors' undertakings are also subject to certain customary conditions. If any of these conditions is not satisfied, there is a risk that the Cornerstone Investors will not fulfil their undertakings, which could have a negative impact on the completion of the Offering.

Shareholders in the United States and other jurisdictions are subject to specific share-related risks

RevolutionRace's shares will only be denominated in SEK, and any dividends will be paid in SEK. The Offering is, however, also directed to institutional investors abroad, including the United States. This means that shareholders outside of Sweden may experience a negative impact on the value of their holdings and any dividends at conversion to other currencies if SEK declines in value against the relevant currency. Furthermore, tax legislation in both Sweden and the shareholder's home country may affect the income from any dividend.

In certain jurisdictions, there may be restrictions in national securities laws that mean that shareholders in such jurisdictions do not have the possibility to participate in new share issues and other offerings if securities are offered to the general public. If RevolutionRace issues new shares with preferential rights for the Company's shareholders in the future, shareholders in some jurisdictions, such as the United States, may be subject to restrictions, which could mean that they may be unable to participate in such new share issues or that their participation is otherwise prevented or limited. Such limitations present a significant risk to shareholders located in jurisdictions where such limitations apply.

1) Based on the assumption that all Warrants are exercised for subscription of new shares in the Company in connection with the completion of the Offering and what is further stated under the section "Share capital and ownership structure—Exercise of warrants in connection with the Offering, etc.".



Invitation to acquire shares in RVRC Holding AB (publ)

In order to facilitate the Group's continued growth and development, the Company's Board of Directors and the Major Shareholder have decided to diversify the ownership of the Company's shares. On 26 May 2021, the listing committee of Nasdaq Stockholm decided that RevolutionRace meets the applicable listing requirements for Nasdaq Stockholm. Nasdaq Stockholm will approve an application for admission to trading of the Company's shares on Nasdaq Stockholm, provided that certain terms and conditions, including that the Company submits such application, and that the distribution requirement for the Company's shares is fulfilled no later than the listing date. First day of trading on Nasdaq Stockholm is expected to be on 16 June 2021.

Pursuant to the terms and conditions set forth in this prospectus, investors are hereby invited to acquire 32,855,734 existing shares in RevolutionRace, of which all shares are offered by the Selling Shareholders.

The Offering Price has been set to SEK 75 per share by the Selling Shareholders in consultation with the Joint Global Coordinators based on a number of factors, including discussion with certain institutional investors, a comparison with the market price of other listed peer companies, an analysis of previous transactions for companies within the same industry, the current market situation, and estimates regarding the Group's business opportunities and future profitability.

The Company will not issue any new shares in connection with the admission to trading on Nasdaq Stockholm and the Offering, and the Company will not receive any proceeds from the sale of existing shares in the Offering by the Selling Shareholders. The Company will thus not receive any proceeds in connection with the admission to trading on Nasdaq Stockholm and the Offering.

The Selling Shareholders offer 32,855,734 existing shares corresponding to approximately 29.1 per cent of the total number of outstanding shares and votes in the Company after completion of the Offering.¹⁾

To cover any over-allotment in the Offering, the Major Shareholder will issue an over-allotment option to the Joint Global Coordinators to offer not more than 4,928,360 additional shares in total, corresponding to not more than 15 per cent of the number of shares in the Offering (the "**Over-allotment Option**"), which is exercisable, in whole or in part, during a period of 30 days from the first day of trading on Nasdaq Stockholm. The Over-allotment Option may only be exercised to cover any over-allotment in the Offering.

If the Offering is fully subscribed and provided that the Over-allotment Option is fully exercised, the Offering will comprise a maximum of 37,784,094 existing shares, corresponding to approximately 33.5 per cent of the shares and votes in the Company after completion of the Offering.¹⁾

The Cornerstone Investors have, on the same terms as other investors, undertaken to acquire a total of 18,666,664 shares in the Offering, which corresponds to 49.4 per cent of the Offering (provided that the Offering is fully subscribed and that the Over-allotment Option is fully exercised) and 16.5 per cent of the shares in the Company following the Offering.¹⁾ The Cornerstone Investors will be prioritised in the allotment of shares in the Offering and receive full allocation in accordance with their respective commitments. The commitments do not entitle any compensation.

Provided that the Over-allotment option is fully exercised, the total value of the Offering amounts to approximately MSEK 2,834.

In other respects, reference should be made to the full particulars of the prospectus, which has been prepared by the Board of Directors of the Company in connection with the application for listing of the Company's shares on Nasdaq Stockholm and the Offering made in connection with the listing.

Borås, 7 June 2021
RVRC Holding AB (publ)
The Board of Directors

1) Based on the assumption that all Warrants are exercised for subscription of new shares in the Company in connection with the completion of the Offering and what is further stated under the section "Share capital and ownership structure—Exercise of warrants in connection with the Offering, etc.".

Background and reasons

RevolutionRace is a profitable and rapidly growing company that offers high-quality outdoor apparel and apparel for an active lifestyle¹⁾ to customers in approximately 35 countries through its online store which is locally adapted to 16 countries. Since RevolutionRace was founded in 2013 and launched its first outdoor pants to challenge traditional brands, RevolutionRace has sold millions of products and increased its product assortment to include a large variety of apparel developed in-house. The Company offers its multifunctional apparel under its own brand RevolutionRace and focuses on a broad, global customer base living an active life, primarily within the 18–70 age category. RevolutionRace conducts its operations within the scope of a digital D2C²⁾ business model, entailing that sales take place exclusively online and are focused directly to consumers. By selling products directly to consumers without intermediaries in the form of wholesalers, distributors and retailers, RevolutionRace believes that it is able to offer products at an unmatched value in terms of price, quality and design to the end consumer. The digital D2C model also provides RevolutionRace with a possibility to adapt the customer experience and develop strong involvement and loyalty in the brand through a definite digital, data-driven marketing strategy with extensive presence on social media. The Company assesses that RevolutionRace has one of the most digitally involved group of followers within the outdoor apparel and casual wear category on social media and in the number of customer reviews.

RevolutionRace has shown a strong financial development of profitable organic growth and increased from the financial year ending 30 June 2019 to the twelve-month period ending 31 March 2021 its net sales from MSEK 284.5 to MSEK 731.9, corresponding to a compound annual growth rate ("CAGR") of 71.6 per cent. During the nine-month period ending 31 March 2021, RevolutionRace reported net sales of MSEK 623.4 and an adjusted EBIT³⁾ of MSEK 173.2, corresponding to an adjusted EBIT margin³⁾ of 27.3 per cent.

Altor's investment strategy is to acquire attractive companies with development potential to support growth and profitability over a period of time. The investment strategy thus also includes a subsequent divestment of the acquired companies. The Board of Directors of RevolutionRace, together with the Selling Shareholders, believe that now is an appropriate time to strengthen RevolutionRace's profile through a listing of the Company's shares on Nasdaq Stockholm. The Board of Directors of RevolutionRace believes that a listing on Nasdaq Stockholm can increase the knowledge and awareness of the Company and its products, strengthen RevolutionRace's profile vis-à-vis investors and customers and strengthen its ability to attract and retain key personnel and other qualified employees. The purpose of the Offering and the listing on Nasdaq Stockholm is that it will result in RevolutionRace's ownership base being diversified and that the Company will be provided access to the Swedish as well as international capital markets. In addition, the Offering makes it possible for Selling Shareholders to sell part of their current shareholding and create a liquid market for the shares. The Selling Shareholders will retain a majority of their respective holdings and will thereby remain as committed shareholders after the Offering and continue to contribute to the future development of the Company.

The Selling Shareholders will, after deduction of transaction costs, receive proceeds from the sale of the existing shares. The Company will not issue any new shares in connection with the listing on Nasdaq Stockholm and the Offering, and the Company will not receive any proceeds from the sale of existing shares in the Offering by the Selling Shareholders. The Company will thus not receive any proceeds in connection with the listing on Nasdaq Stockholm and the Offering.

The Board of Directors of RVRC Holding AB (publ) is responsible for the content of this prospectus. To the best of the Board of Directors' knowledge, the information contained in the prospectus is in accordance with the facts and the prospectus makes no omission likely to affect its import.

Borås, 7 June 2021
RVRC Holding AB (publ)
The Board of Directors

The Board of Directors of RVRC Holding AB (publ) alone is responsible for the content of the prospectus. However, the Selling Shareholders confirm their commitment to the terms and conditions of the Offering in accordance with what is set out in the section "Terms and conditions".

The Selling Shareholders

1) In the prospectus defined together as "Active lifestyle". See the section "Market overview–The market for Active lifestyle apparel" for further information about market segmentation.

2) D2C stands for direct-to-consumer. See the section "Business description–Business model" below.

3) See the section "Selected historical financial information–Key performance indicators" for definition and certain additional information.



Terms and conditions

The Offering

The Offering comprises of 32,855,734 existing shares offered by the Selling Shareholders. The Offering is divided into two parts:

- The Offering to the general public in Sweden.¹⁾
- The Offering to institutional investors in Sweden and abroad.²⁾

The ISIN-code for the Company's share is SE0015962485. The outcome of the Offering is expected to be published through a press release, which will be available on the Company's website (corporate.revolutionrace.com), on or around 16 June 2021.

Overallotment Option

To cover any overallotment in the Offering, the Major Shareholder will issue an overallotment option to the Joint Global Coordinators to offer not more than 4,928,360 additional shares in total, corresponding to not more than 15 per cent of the number of shares in the Offering (the "**Overallotment Option**"), which is exercisable, in whole or in part, during a period of 30 days from the first day of trading on Nasdaq Stockholm. If the Offering is fully subscribed and the Overallotment Option is fully exercised, the Offering will comprise a maximum number of 37,784,094 existing shares in RevolutionRace. The Overallotment Option may only be exercised in order to cover any overallotment in the Offering.

Distribution of shares

The distribution of shares between the two parts of the Offering will be based on demand. Distribution will be determined by the Selling Shareholders in consultation with the Joint Global Coordinators.

Offering Price

The Offering Price has been set to SEK 75 per share by the Selling Shareholders in consultation with the Joint Global Coordinators based on a number of factors, including discussions with certain institutional investors, a comparison with the market price of other listed peer companies, an analysis of previous transactions for companies within the same industry, the current market situation and estimates regarding the Group's business opportunities and future profitability. No commission is payable.

Application

Offering to the general public in Sweden

Applications from the general public for the acquisition of shares must be made between 8 June 2021 and 15 June 2021 and pertain to a minimum of 100 shares and a maximum of 13,400 shares, in even lots of 50 shares. Only one application per investor may be made. If more than one application is submitted, the Selling Shareholders and the Joint Global Coordinators reserve the right to consider only the first application received. Applications are binding.

From 3 January 2018, all legal entities need a global identification code or Legal Entity Identifier (LEI) in order to perform a securities transaction. To be entitled to participate in the listing and be allotted shares, a legal entity must hold and state their LEI number. Registration for an LEI code must take place in ample time prior to application since this code must be stated on the application. More information about LEI requirements is available on the SFSA's website (fi.se).

The Selling Shareholders, in consultation with the Joint Global Coordinators, reserves the right to extend the application period. Notification of such an extension will be given in a press release prior to the end of the application period. Applications can be submitted to Carnegie or Nordnet. The prospectus is available on the Company's website (corporate.revolutionrace.com), ABG Sundal Collier's website (www.abgsc.se) and Carnegie's website (www.carnegie.se).

Applications via Carnegie

Applicants applying to acquire shares through Carnegie must have a securities depository account or investment savings account with Carnegie. For customers with an investment savings account with Carnegie, Carnegie will, if the application results in allotment, acquire the corresponding number of shares in the Offering for further sale to the customer at the price specified in the Offering. Applicants may submit their applications by contacting their advisor at Carnegie. If the applicant does not have an advisor, the applicant may contact Carnegie Private Banking.

Applications via Nordnet

Depository account customers with Nordnet can apply to acquire shares via Nordnet's Internet service. Applications via Nordnet can be submitted from 8 June 2021 up to and including 15:00 on 15 June 2021. To ensure that they do

1) The term "general public" refers to private individuals and legal entities in Sweden applying to subscribe for a maximum of 13,400 shares.

2) The term "institutional investors" refers to private individuals and legal entities applying to subscribe for more than 13,400 shares.

not lose their right to any allotment, Nordnet depository account customers must have sufficient funds available in their depository account from 15:00 on 15 June 2021 until the settlement date, which is expected to be 18 June 2021. Only one application per investor may be made. If more than one application is submitted, Nordnet reserves the right to consider only the first application received. Full details of the application procedure via Nordnet are available on nordnet.se.

Offering to institutional investors

The application period for institutional investors in Sweden and abroad is between 8 June 2021 and 15 June 2021. The Selling Shareholders, in consultation with the Joint Global Coordinators, reserve the right to shorten or extend the application period for the Offering to institutional investors. Any shortening or extension will be announced by the Company through a press release. Expressions of interest from institutional investors in Sweden and abroad are to be submitted to the Joint Global Coordinators according to special instructions.

Employees within the Group

Employees within the Group who wish to acquire shares in the Offering must follow special instructions from the Company.

Allotment

Decisions concerning the allotment of shares will be made by the Selling Shareholders in consultation with the Joint Global Coordinators, whereby the objective will be to achieve a strong institutional ownership base and a wide spread of shares among the public to enable regular and liquid trading of the Company's shares on Nasdaq Stockholm. Allotment is not dependent on when during the application period the application was submitted. In the event of oversubscription, allotment may be withheld or scaled back to a lower number of shares than that stated in the application, in which case allotment may be carried out entirely or partly through random selection. Applications from certain customers of the Managers may be given special consideration. Moreover, employees and certain related parties of the Company as well as customers of the Managers may be given special consideration. Allotment with priority to employees of RevolutionRace with tax domicile in Sweden will refer to shares with a value of up to SEK 30,000 per employee. Some employees may in addition register for the acquisition of additional shares, but any allotment takes place without priority. Allotment may also take place to employees of the Managers without these being prioritised. In such cases, allotment will take place in accordance with the rules of the Swedish Securities Dealers Association and the SFSA's regulations. Furthermore, Cornerstone Investors who have undertaken to subscribe for shares are guar-

anteed full allocation in accordance with their respective undertakings.

Information regarding allotment and payment

Offering to the public in Sweden

Allotment is expected to take place on or about 16 June 2021. As soon as possible thereafter, contract notes will be sent to those who have been allotted shares in the Offering. Those who have not been allotted shares will not be notified.

Full payment for allotted shares is to be made in cash not later than 18 June 2021 in accordance with the instructions on the contract note.

Applications received by Carnegie

Those who applied via Carnegie can receive information on allotment through their advisor or customer manager from 9:00 a.m. on 16 June 2021. Funds for payment are to be available in the stated securities depository account or investment savings account from 16 June 2021.

Applications received by Nordnet

Those who applied via Nordnet's Internet service will receive information on allotment by the allotted number of shares being booked against payment of funds in the specified account, which is expected to take place on or about 9:00 on 16 June 2021. For securities deposit customers with Nordnet, funds for allotted shares will be drawn not later than the settlement date of 18 June 2021. Note that funds for the payment of allotted shares are to be available from 15 June 2021, 15:00, up to and including 18 June 2021.

Offering to institutional investors

Institutional investors are expected to receive information regarding allotment according to a special procedure on or about 16 June 2021, after which contract notes will be sent. Full payment for allotted shares must be made in accordance with the contract note and against the delivery of shares not later than 18 June. If full payment is not made within the prescribed time, the allotted shares may be transferred to another party. If the selling price for such a sale were to be less than the Offering Price, the individual who was originally allotted these shares may have to pay the difference. Furthermore, Cornerstone Investors who have undertaken to subscribe for shares are guaranteed full allocation in accordance with their respective undertakings.

Registration and recognition of allotted and paid shares

Registration of allotted and paid shares with Euroclear Sweden, for both institutional investors and the general

public in Sweden, is expected to take place on or about 18 June 2021, after which Euroclear Sweden will distribute a notice stating the number of shares in the Company that have been registered in the recipient's securities account. Shareholders whose holdings are nominee-registered will be notified in accordance with the procedures of the individual nominee.

Listing on Nasdaq Stockholm

On 26 May 2021, Nasdaq Stockholm's listing committee has made the assessment that the Company fulfils Nasdaq Stockholm's listing requirements, subject to customary conditions, including fulfilment of the distribution requirement not later than the listing date and that the Company applies for admission to trading of the Company's shares on Nasdaq Stockholm. It is expected that trading in the Company's shares on Nasdaq Stockholm will commence on 16 June 2021.

This means that trading will commence before the shares have been transferred to the securities accounts, service accounts (Sw. *servicekonto*), securities depository accounts (Sw. *värdepappersdepå*) or investment savings accounts (Sw. *investeringssparkonto*) held by the investor who has acquired the securities (the "**Acquirer**") and, in certain cases, before a contract note has been received. This also means that the trading on Nasdaq Stockholm will commence before the terms and conditions for completion of the Offering have been met. Trading that occurs in the Company's shares before the Offering is unconditional, that is, up to and including the settlement date of 18 June 2021, will thus be conditional on completion of the Offering. If the Offering is not completed, any delivered shares and any payments shall be returned. See also "*Terms and conditions for completion of the Offering*" below.

The ticker for the Company's shares on Nasdaq Stockholm will be RVRC.

Important information regarding the potential sale of allotted shares

After payment for allotted shares has been processed by Carnegie and Nordnet, paid shares will be transferred to a securities depository account, investment savings account or securities account specified by the Acquirer. The time required for transferring payment and transferring paid shares to such acquirer entails that the Acquirer will be unable to access said shares in the specified securities depository account, investment savings account or securities account or until on or around 18 June 2021 at the earliest. Trading in the Company's shares on Nasdaq Stockholm is expected to commence on 16 June 2021. Given that the shares will not be available in the Acquirer's account or securities depository account until on or around 18 June 2021 at the earliest, the Acquirer may not be able to sell these shares from the first day of trading on Nasdaq Stockholm. Instead, they may only be able to sell the shares once

they are available in the securities account, investment savings account or securities depository account. Investors will be able to obtain information on allotment from 16 June 2021. Refer also to "*Information regarding allotment and payment*" above.

Stabilisation

In connection with the Offering Carnegie may to the extent permitted in accordance with Swedish law, carry out transactions intended to stabilise, maintain or in other ways support the market price of the Company's shares for up to 30 days from the commencement of trading in the Company's shares on Nasdaq Stockholm.

For more information, refer to the section "*Legal considerations and supplementary information—Stabilisation*".

Announcement of the outcome of the Offering

The final outcome of the Offering is expected to be announced through a press release that will be available on the Company's website (corporate.revolutionrace.com) on or about 16 June 2021.

Right to dividends

The shares offered carry a right to dividends for the first time on the record date for dividends occurring immediately after completion of the Offering. Payment will be administered by Euroclear Sweden or, for nominee-registered shareholdings, in accordance with the procedures of the individual nominee. Entitlement to receive a dividend is limited to shareholders registered in the shareholder register maintained by Euroclear Sweden on the record date determined by the general meeting. For more information, refer to the section "*Share capital and ownership structure—Rights to dividends and surplus in the event of liquidation*" and to RevolutionRace's dividend policy in the section "*Business description—Financial targets and dividend policy*". For information regarding Swedish preliminary tax, refer to the section "*Certain tax considerations in Sweden*".

Terms and conditions for completion of the Offering

The Offering is conditional on the Company, the Selling Shareholders and Managers signing a placing agreement (the "**Placing Agreement**"), which is expected to take place on or about 15 June 2021. The Offering is conditional upon the Joint Global Coordinators believing there to be sufficient interest in the Offering to enable trading in the share, the Placing Agreement being signed, certain terms and conditions in the Placing Agreement being fulfilled and the Placing Agreement not being terminated. The Placing Agreement stipulates that Managers undertaking to serve as an intermediary for buyers in the acquisition of shares in the Offering is conditional on, inter alia, the Company's rep-

representations and warranties being correct and no events occurring that have such a material negative impact on the Company that it would be inappropriate to carry out the Offering. If any material negative events occur, if the guarantees that RevolutionRace has issued to the Managers should fall short or if any of the other conditions stipulated by the Placing Agreement are not fulfilled, the Joint Global Coordinators (on behalf of all Managers) are entitled to terminate the Placing Agreement up to and including the settlement date of 18 June 2021. If the above conditions are not fulfilled and if the Joint Global Coordinators terminate the Placing Agreement, the Offering may be terminated. In such cases, neither delivery nor payment will be carried out under the Offering. For more information regarding the conditions governing the completion of the Offering and the Placing Agreement, refer to the section “*Legal considerations and supplementary information–Placing Agreement*”.

Other information

Although ABG Sundal Collier, Carnegie and Nordea are Managers, this does not necessarily mean that ABG Sundal Collier, Carnegie or Nordea considers applicants for the Offering to be customers of the bank for the investment. For the investment, an Acquirer is considered a customer only if the bank has provided advisory services about the investment to the Acquirer or has otherwise contacted the Acquirer about the investment. Since the bank does not consider the Acquirer to be a customer for the investment, the investment will not be subject to the rules on investor protection stipulated in the Swedish Securities Market Act (2007:528) (*Sw. lagen (2007:528) om värdepappersmarknaden*). This means, inter alia, that neither customer categorisation nor a suitability assessment will be applied to the investment. Accordingly, the Acquirers themselves are responsible for ensuring that they have sufficient experience and knowledge to understand the risks associated with the investment.

Information about the processing of personal data

Carnegie

Personal data that is submitted to Carnegie, for example contact information and personal identification number, or which is otherwise registered in connection with the preparation or administration of the offer, is processed by Carnegie, as controller of the personal data, for the administration and execution of the Offering. Processing of personal data also takes place to enable Carnegie to comply with its statutory duties.

Personal data may for a defined purpose, in observance of bank secrecy rules, occasionally be disclosed to other companies within the Carnegie group or to undertakings which co-operate with Carnegie, within and outside the EU/EEA in accordance with EU's approved and appropriate pro-

TECTIVE measures. In certain cases Carnegie is also under a statutory duty to provide information, e.g. to the SFSA and Swedish Tax Agency.

Similarly to the Securities Market Act, the Banking and Financing Business Act (2004:297) (*Sw. lagen (2004:297) om bank- och finansieringsrörelse*) contains confidentiality provisions according to which all of Carnegie's employees are bound by a duty of confidentiality with regard to clients of Carnegie and other parties to whom services are provided. The duty of confidentiality also applies between and within the various companies in the Carnegie group.

Information regarding what personal data is processed by Carnegie, deletion of personal data, limitation on the processing of personal data, data portability or the rectification of personal data can be requested from Carnegie's Data Protection Officer. It is also possible to contact the Data Protection Officer to obtain further information about how Carnegie processes personal data. If the investor wishes to make a complaint regarding Carnegie's processing of personal data, the investor is entitled to turn to the Swedish Data Protection Authority for Privacy Protection (*Sw. Integritetsskyddsmyndigheten*) in its capacity as supervisory authority.

Personal data shall be deleted if it is no longer needed for the purposes for which it was originally collected or otherwise processed, provided that Carnegie has no legal obligation to preserve the personal data. The normal storage time for personal data is 10 years. Email address to Carnegie's data protection officer: dpo@carnegie.se.

Nordnet

Personal data may be submitted to Nordnet in connection with acquisitions of shares in the Offering via Nordnet's Internet service. Personal data submitted to Nordnet will be processed in data systems to the extent required to provide services and administer customer arrangements. Personal data obtained from sources other than the customer may also be processed. The personal data may also be processed in the data systems of companies or organisations with which Nordnet cooperates. After the customer relationship ceases, Nordnet erases all relevant personal data in accordance with applicable law. Information pertaining to the processing of personal data can be obtained from Nordnet, which also accepts requests for the rectification of personal data. For more information about how Nordnet processes personal data, contact Nordnet's customer service: info@nordnet.se.

Information to distributors

In consideration of the product governance requirements in: (a) EU Directive 2014/65/EU on markets in financial instruments (“**MiFID II**”), (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II, and (c) Chapter 5 of the Swedish Financial Supervisory Authority's regulations regarding investment

services and activities (FFFS 2017:2) (jointly referred to below as “**MiFID II’s product governance requirements**”), and with no liability to pay damages for claims that may rest with a “**manufacturer**” (in accordance with MiFID II’s product governance requirements) that may otherwise be relevant, RevolutionRace’s shares have been subject to a product approval process whereby the target market for RevolutionRace’s shares comprises (i) retail clients, and (ii) investors who meet the requirements for non-retail clients and equivalent counterparties, each in accordance with MiFID II (“**the target market**”). Notwithstanding the assessment of the target market, distributors are to note the following: the value of the shares may decline and it is not certain that investors will recover all or portions of the amount invested; shares in RevolutionRace offer no guaranteed income and no protection of capital; and an investment in RevolutionRace’s shares is suitable only for investors who do not require a guaranteed income or protection of capital, who (either themselves or together with an appropriate financial advisor or other type of advisor) are capable of evaluating the benefits and risks of such an investment and who have sufficient funds with which to sustain such losses as may arise from the investment. The assessment of the target market does not impact the requirements in the contractual, statutory, regulatory or sales restrictions in relation to the Offering.

The assessment of the target market is not to be considered to be (a) an assessment of suitability and appro-

priateness under MiFID II, or (b) a recommendation to any investors or group of investors to invest in, procure or take any other action regarding shares in RevolutionRace.

Each distributor is responsible performing their own assessment of the target market regarding RevolutionRace’s shares and for deciding on suitable channels of distribution.



Market overview

This prospectus contains statistics, data and other information from third parties relating to markets, market sizes, market shares, market positions and other industry data pertaining to the Company's markets and business. Unless otherwise indicated, such information is based on the Company's analysis of multiple sources, for example Euromonitor International and information otherwise obtained. Such information has been accurately reproduced, and, as far as the Company is aware and is able to ascertain from information published by such sources, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Industry publications or reports generally state that the information they contain has been obtained from sources believed to be reliable, but the accuracy and completeness of such information is not guaranteed. The Company has not independently verified and cannot give any assurance as to the accuracy of market data contained in this prospectus that was extracted or derived from these industry publications or reports. Market data and statistics are inherently predictive and subject to uncertainty, and are not necessarily reflective of actual market conditions. Such statistics are based on market research, which itself is based on sampling and subjective judgments by both the researchers and the respondents, including judgments about what types of products and transactions should be included in the relevant market.

This prospectus also contains estimates of market data and information derived therefrom that cannot be gathered from publications by market research institutions or any other independent sources. Such information is prepared by RevolutionRace based on third-party sources and the Company's internal estimates. In many cases, there is no publicly available information on such market data, for example from industry associations, public authorities or other organisations and institutions. RevolutionRace believes that its estimates of market data and information derived therefrom are helpful in order to give investors a better understanding of the industry in which RevolutionRace operates as well as its position within the industry. While RevolutionRace is not aware of any misstatements regarding the industry or similar data presented herein, such data involves risks and uncertainties and is subject to change based on various factors, including those discussed in this section and under the section "Risk factors". Please also refer to "Important information—forward-looking statements" on the inside of the cover page of the prospectus.

Introduction

RevolutionRace is a profitable and rapidly growing company that offers high-quality outdoor apparel and apparel for an active lifestyle¹⁾ to customers in approximately 35 countries through its online store that is locally adapted to 16 countries. The Company offers its multifunctional apparel under its own brand RevolutionRace, and focuses on a global and broad customer base living an active lifestyle, primarily in the ages 18–70. RevolutionRace conducts its business within the scope of a digital D2C²⁾ business model, entailing that sales take place exclusively online and that it is focused directly to consumers.

The global market for Active lifestyle apparel has experienced a relatively stable growth during the period 2016–2019, but is undergoing a change in which online-based sales are gaining market shares at the expense of sales in physical stores. This is reflected in the fact that

the online market's compound annual growth rate (CAGR) was 22.2 per cent during the period 2016–2019. During the period 2019–2020, the online market for Active lifestyle apparel grew by 28.2 per cent.³⁾ The Company believes that growth within the online market for Active lifestyle apparel will continue to outpace that for the total market for Active lifestyle apparel. The Company believes that the trend towards higher online penetration in different product categories has been driven primarily by changed consumer behaviour, technological improvements and improved logistics, which the Company believes have favoured, and are expected to continue to favour, companies with strong online-based platforms, which RevolutionRace believes itself to possess.

The market for Active lifestyle apparel is a sub-segment of the apparel and footwear market. Active lifestyle apparel is also a category within apparel and footwear that the

1) In the prospectus, together defined as "Active lifestyle". See "The market for Active lifestyle apparel" below for further information about market segmentation.

2) D2C stands for direct-to-consumer. See the section "Business description—Business model".

3) The Company's own calculations based on Euromonitor International, Apparel and Footwear and Retailing edition 2021. Euromonitor International Ltd is a London based market survey company that provides market data and reports. All data used in this prospectus referring to Euromonitor International has been compiled from Euromonitor's databases Apparel and Footwear edition 2021 or Retailing edition 2021. Due to the availability of data, all data used in this prospectus regarding online penetration for the Active lifestyle apparel category uses Euromonitor International's market data for the parent category of apparel and footwear as a proxy for the performance of sub-categories (outdoor apparel and sports-inspired apparel) which are identified as Active lifestyle apparel in this prospectus. All data from Euromonitor International that is used in this section is based on fixed exchange rates versus EUR of 10.599 (SEK), 10.726 (NOK), 7.463 (DKK), 0.833 (GBP) and 1.130 (USD).

Company believes is well suited for e-commerce. In the Company's opinion, this can primarily be explained by the fact that Active lifestyle apparel is characterised by relatively long product life cycles and relatively low inventory risk and return rates.

In the Company's opinion, online sales can provide a high contribution margin⁴⁾ per order due to a high average net order value and relatively high gross margins, with a limited number of intermediaries between suppliers and customers.

Introduction to RevolutionRace's products and target group

Products and target group

RevolutionRace offers a broad range of products related to outdoor lifestyle as well as apparel inspired by sports and outdoor lifestyle that are used both as functional apparel and in more everyday situations. The outdoor apparel that

RevolutionRace offers includes jackets and pants intended for outdoor activities, hardshell jackets and pants as well as ski jackets and pants, all of which have been developed and produced in order to withstand the strains entailed by an active outdoor lifestyle. The Company's range of apparel used both as functional apparel and in more everyday situations includes products such as hoodies, sweatpants, tights and shirts.

RevolutionRace defines its target group broadly, and the Company aims its products at everyone who wants to live an active lifestyle, primarily within the ages 18–70. By offering multifunctional products in a variety of bold colours and with a modern fit, the Company believes that its products are also well-suited for use in an urban environment. The Company therefore believes that its products can appeal to a larger customer group than brands whose products are characterised by a more traditional design.

Functional products used by both men and women of all ages living an active lifestyle



Overview of RevolutionRace's main markets

A significant portion of the Company's sales relate to countries outside the Nordic region and, as of the date of this prospectus, RevolutionRace sells its products to approximately 35 countries. The Company believes that most of the growth going forward is expected to relate to countries outside the Nordic region. The table below shows quarterly net sales per geographical region for 2019, 2020 and January to March 2021.

4) Contribution margin shows how much a particular product contributes to paying costs that are shared by all products.

TSEK	2019 Jan-Mar	2019 Apr-Jun	2019 Jul-Sept	2019 Oct-Dec	2020 Jan-Mar	2020 Apr-Jun	2020 Jul-Sept	2020 Oct-Dec	2021 Jan-Mar
<i>Net sales per geographical region</i>									
Nordic region ⁵⁾	39,212	49,579	54,337	61,018	47,371	67,600	75,287	110,720	102,035
DACH ⁶⁾	24,764	27,748	26,743	38,840	31,575	33,079	41,777	96,715	102,766
Rest of the world	2,974	3,503	3,391	7,963	6,942	7,894	13,469	40,911	39,698

Source: The Company's internal accounting system.

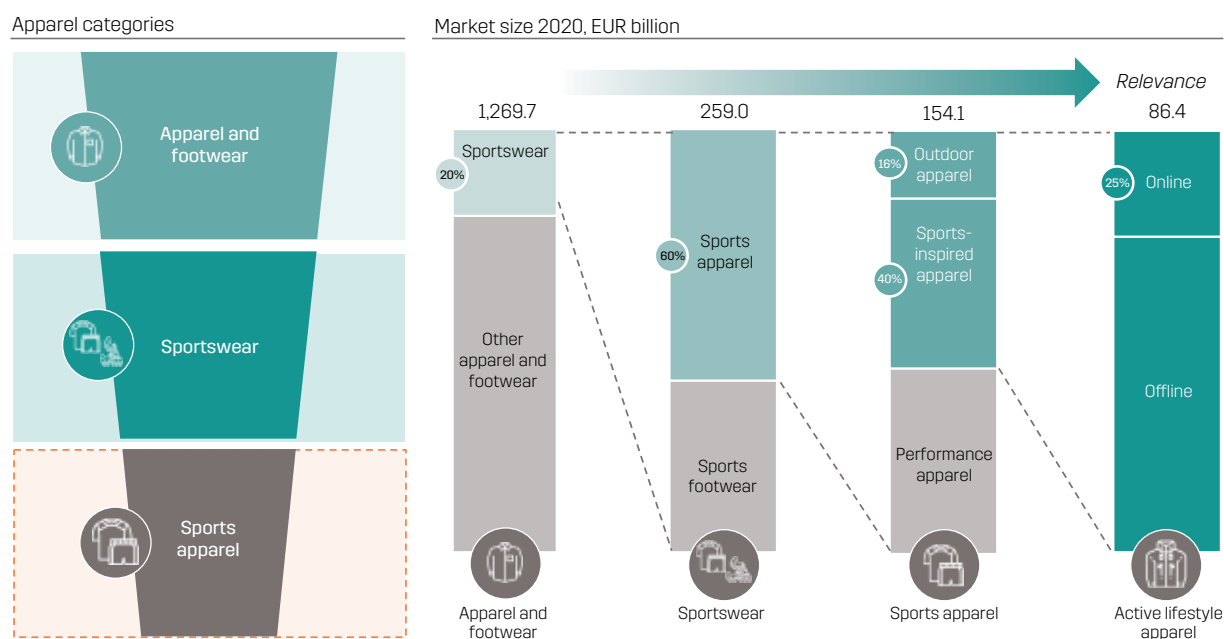
The market for Active lifestyle apparel

Overview and market segmentation

The market for Active lifestyle apparel is a subcategory of a number of more broadly defined markets in the market data that has been used as a basis for the prospectus. The most broadly defined market relates to sale of apparel and footwear, comprising a number of subcategories of which the most relevant market for RevolutionRace is the market for sportswear. The market for sportswear amounted to EUR 259 billion in 2020. The market for sports apparel (defined as the market for sportswear less the market for sports footwear) amounted to EUR 154.1 billion in 2020.⁷⁾ This market can, in turn, be divided into the subcategories outdoor apparel, sports-inspired apparel and performance apparel.

The Company believes that its addressable market is an aggregation of the markets for outdoor apparel and

sports-inspired apparel (*athleisure*). This combined market is defined in this prospectus as the market for Active lifestyle apparel. Outdoor apparel includes apparel specifically produced for outdoor activities such as hiking, climbing as well as alpine and watersports. Sports-inspired apparel includes apparel sold by sports and outdoor clothing companies that is not intended to enhance performance, as well as sports-inspired apparel sold by clothing companies that are not focused on sports or outdoor life. Examples of products within the sports-inspired apparel category include sweatpants, tights and sweaters that take inspiration from the sports and outdoor world, and which are used both as functional apparel and in more everyday situations. The global market for Active lifestyle apparel amounted to EUR 86.4 billion in 2020, of which EUR 24.3 billion related to outdoor apparel and EUR 62.1 billion related to sports-inspired apparel.⁸⁾



Source: Market sizes sourced from Euromonitor International, Apparel and Footwear edition 2021, retail value (retail sales price), EUR million, fixed 2020 exchange rates, current prices. The market for Active lifestyle apparel is defined by the Company as an aggregation of the markets for outdoor apparel and sports-inspired apparel. The online penetration is based on the Company's own calculations based on Euromonitor International, Apparel and Footwear edition 2021 and Retailing edition 2021.

5) The Nordic market is defined as an aggregation of the markets for Sweden, Norway, Finland and Denmark.

6) Germany, Austria and Switzerland.

7) Euromonitor International, Apparel and Footwear edition 2021, retail value (retail sales price), EUR million, fixed 2020 exchange rates, current prices.

8) Euromonitor International, Apparel and Footwear edition 2021, retail value (retail sales price), EUR million, fixed 2020 exchange rates, current prices. The market for Active lifestyle apparel is defined by the Company as an aggregation of the markets for outdoor apparel and sports-inspired apparel.

Market size per geographical region

The global market for Active lifestyle apparel amounted to EUR 86.4 billion in 2020 and is expected to grow to EUR 126.9 billion in 2025.⁹⁾ The table below shows the size of the market for Active lifestyle apparel in 2020 and 2025 for the following geographical regions: the Nordic region, the rest of Europe, the United States and the rest of the world.

Markets	Market size 2020 (EUR billion)	Market size 2025E (EUR billion)
Nordic region ¹⁰⁾	1.7	2.0
Rest of Europe	24.3	31.3
United States	28.7	41.3
Rest of the world	31.7	52.3
Total	86.4	126.9

Source: Euromonitor International, Apparel and Footwear edition 2021, retail value (retail sales price), EUR million, fixed 2020 exchange rates, current prices. The market for Active lifestyle apparel is defined by the Company as an aggregation of the markets for outdoor apparel and sports-inspired apparel.

Structural trends within the market for Active lifestyle apparel

The Company's assessment is that the global market for Active lifestyle apparel is driven by a number of global trends. The global trends can be divided into trends related to outdoor life and trends related to sports-inspired apparel. The Company has identified the following trends related to outdoor life, all of which have a positive impact on the market for Active lifestyle apparel:

- Increased focus on a healthy lifestyle
- Increased interest in outdoor activities
- Increased awareness of the environmental impact of travel and tourism, which contributes to an increased interest in outdoor activities in the immediate vicinity as well as ecotourism which, in turn, benefits outdoor activities
- The emergence of new outdoor activity alternatives, such as glamour camping (or *glamping*)

The Company has identified the following trends related to sports-inspired apparel:

- Increased focus on healthy lifestyles, with sports-inspired apparel being regarded both as inspirational for and reflective of awareness of health and well-being
- An eroding distinction between performance apparel and everyday apparel, which normalises the use of sports-inspired apparel in everyday life
- Increased demand for comfortable sports-inspired apparel as a consequence of more people working from home
- A shift to more relaxed dress codes at workplaces, leading to an increased acceptance of sports-inspired apparel at work

To summarise, the above factors contribute to the Company's belief that demand for RevolutionRace's products will increase going forward.

The online market for Active lifestyle apparel

With respect to the section below, the Company has used the data regarding online penetration that is included in Euromonitor International's market data for the broader category of apparel and footwear, which is the closest category with available data concerning online penetration, in order to estimate the size of the Active lifestyle apparel online market.

Market size and growth

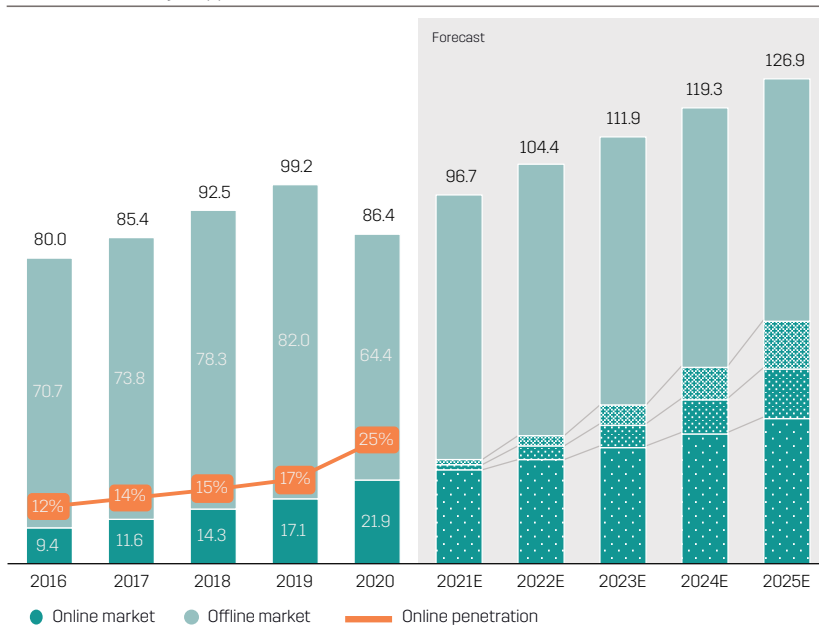
The global market for online sales of Active lifestyle apparel increased from EUR 9.4 billion in 2016 to EUR 21.9 billion in 2020, corresponding to a CAGR of 23.6 per cent. Online penetration for global sales of Active lifestyle apparel increased from 11.7 per cent in 2016 to 25.4 per cent in 2020. The Company believes that online penetration for sales of Active lifestyle apparel will continue to grow going forward. An online penetration of 30 per cent in 2025 would mean an implied CAGR for online sales of Active lifestyle apparel of 11.7 per cent between 2020–2025. If the online penetration in 2025 amounts to 40 per cent and 50 per cent, respectively, the market for online sales of Active lifestyle apparel would instead grow by an implied CAGR between 2020–2025 of 18.3 per cent and 23.7 per cent, respectively.¹¹⁾

9) Euromonitor International, Apparel and Footwear edition 2021, retail value (retail sales price), EUR million, fixed 2020 exchange rates, current prices. The market for Active lifestyle apparel is defined by the Company as an aggregation of the markets for outdoor apparel and sports-inspired apparel.

10) The Nordic market includes Sweden, Norway, Finland and Denmark.

11) The Company's own calculations based on Euromonitor International, Apparel and Footwear edition 2021 and Retailing edition 2021. The market for Active lifestyle apparel is defined by the Company as an aggregation of the markets for outdoor apparel and sports-inspired apparel. Online penetration of the global apparel and footwear market is calculated as the market size for online sales of apparel and footwear (obtained from the database Euromonitor International, Retailing edition 2021) in relation to the total market size for apparel and footwear (obtained from the database Euromonitor International, Apparel and Footwear edition 2021).

Global active lifestyle apparel market, EURbn



- Online market ● Offline market — Online penetration
- Illustrative example, online market with online penetration @50% in 2025
- Illustrative example, online market with online penetration @40% in 2025
- Illustrative example, online market with online penetration @30% in 2025

Source: Market sizes sourced from Euromonitor International, Apparel and Footwear edition 2021, retail value (retail sales price), EUR million, fixed 2020 exchange rates, current prices. The market for Active lifestyle apparel is defined by the Company as an aggregation of the markets for outdoor apparel and sports-inspired apparel. The online penetration is based on the Company's own calculations based on Euromonitor International, Apparel and Footwear edition 2021 and Retailing edition 2021.

Implied growth rates

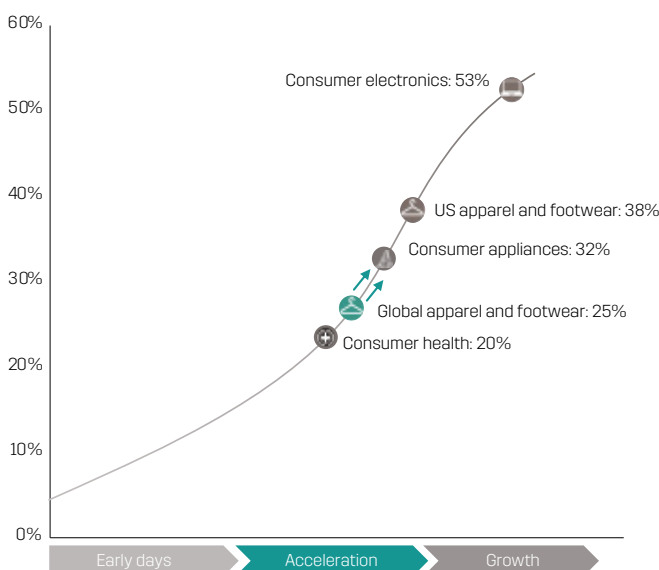
	2016–2019	2019–2020
Total	7.4%	–12.9%
Offline	5.1%	–21.5%
Online	22.2%	28.2%

Scenario analysis	
Implied online active lifestyle apparel CAGR 2020–2025E under different online penetration rates in 2025	
2025 online penetration	Implied 2020–2025E CAGR
30%	11.7%
40%	18.3%
50%	23.7%

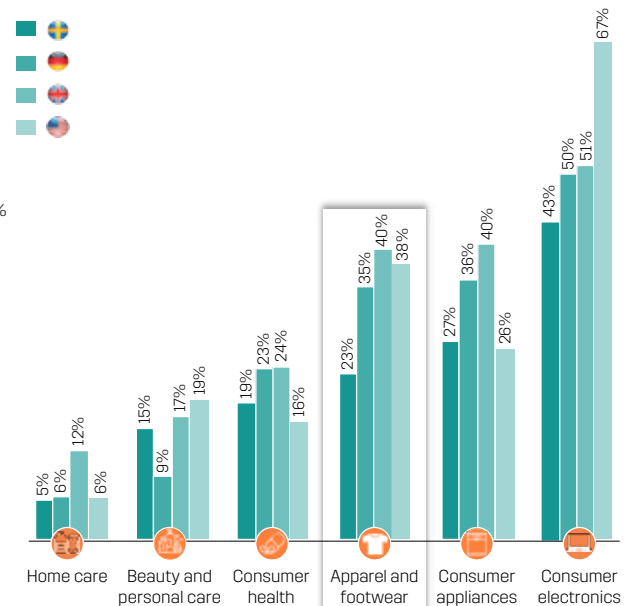
Online penetration within apparel and footwear as well as other categories

Despite the fact that online penetration has increased sharply over time, the penetration rate for apparel and footwear is still lower than for several other consumer categories. The global online penetration for apparel and footwear in 2020 of 25.4 per cent¹²⁾ can be compared with an average online penetration for the consumer electronics market for Sweden, Germany, the United Kingdom and the United States in 2020 of 52.5 per cent.¹³⁾

Online penetration by category 2020



Online penetration by category and geography, 2020



Source: Global online penetration for apparel and footwear is based on the Company's own calculations based on Euromonitor International, Apparel and Footwear edition 2021 and Retailing edition 2021. Online penetration for other product categories has been sourced from Euromonitor International, Retailing edition 2021. Unless otherwise stated, the online penetration presented in the figure to the left in the graphic above is an average for Sweden, Germany, the United Kingdom and the United States.

12) The Company's own calculations based on Euromonitor International, Apparel and Footwear edition 2021 and Retailing edition 2021.

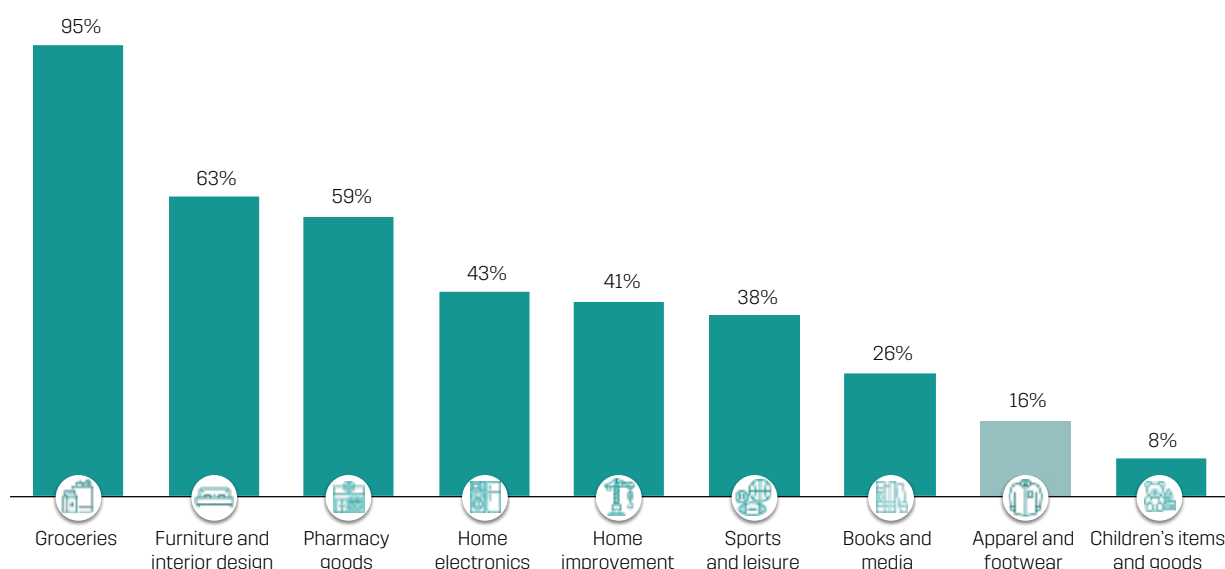
13) Euromonitor International, Retailing edition 2021.

Limited impact of the COVID-19 pandemic compared to other product categories

Total e-commerce in Sweden increased sharply in 2020 as a result of the COVID-19 pandemic. The increase varied, however, between different product categories, with e-commerce of apparel and footwear increasing by

16 per cent in Sweden in 2020, while e-commerce for several other product categories showed a higher growth rate.¹⁴⁾ The Company believes that the growth of e-commerce in the apparel and footwear category reflects a long-term growth rate and concludes that there is further potential for e-commerce growth for apparel and footwear.

E-commerce sales growth in Sweden by product category, 2020



Source: E-barometer annual report 2020.

Active lifestyle apparel is an attractive category for online sales

According to the Company, there are a number of factors indicating that the online penetration for Active lifestyle apparel will increase going forward. When compared with the broader apparel and footwear category, the Company has identified a number of factors that contribute to making Active lifestyle apparel an attractive e-commerce category, as described below.

- **Fashion risk**

Outdoor apparel is characterised by a relatively low fashion risk and products can often be utilised by a large number of customer types irrespective of age.

- **Seasonal variation**

Outdoor activities often require the participant to wear certain apparel designed for the purpose, irrespective of the time of year when the activity is carried out. In order to adapt one's outfit to the ongoing season, the bearers instead tend to vary the number of layers of outdoor apparel being worn. As a result, there is a lower risk of products being kept in stock for longer periods.

- **Return rate**

The Company aims to create apparel that allows the user to move freely without compromising on fit.

- **Product life-cycle**

Yearly variations for outdoor apparel tend to be small, and consequently, the product life-cycle becomes long. In addition, products can be held in stock for longer periods without the value of the product being adversely affected.

- **Average net order value**









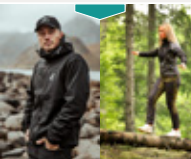
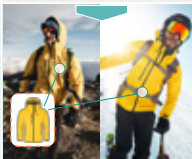

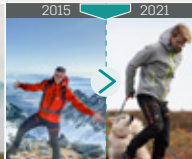
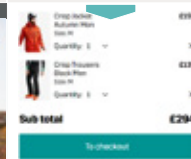
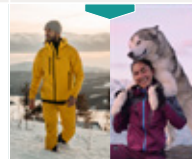
According to the Company, Active lifestyle apparel tend to be constructed with more complexity than the broader apparel and footwear category. This justifies a higher price point, and consequently the average net order value tends to be higher in this category.

- **Cross-selling**

Active lifestyle apparel brands have strong potential for cross-selling as customers frequently want to match their outfits by buying multiple products from the same collections.

14) E-barometer annual report 2020. E-barometer is a market survey carried out by PostNord in collaboration with Svensk Digital Handel and HUI Research, in which trends in Swedish e-commerce are followed. The result is presented quarterly in the E-barometer report. During the COVID-19 pandemic, the E-barometer report has been published on a monthly basis up until December 2020.

Active lifestyle apparel is well-suited for online sales, indicating a strong rationale for further online penetration

	 Fashion risk	 Seasonality	 Return rates	 Product life cycle	 AOV	 Cross-selling
 Apparel and footwear	HIGH	HIGH	HIGH	SHORT	MEDIUM	MEDIUM
 Outdoor apparel	LOW	LOW	MEDIUM	LONG	HIGH	HIGH
	 Left: Hiball Jacket Right: Tornado fleece, RVRC GP Pro Pants	 Cyclone Rescue Jacket 2.0	 Left: Silence Proshell Jacket, Nordwand Pants Right: Silence Proshell Jacket, Cyclone Rescue Pants	 Left: Hiball Jacket, RVRC GP Pro Pants Right: Cyclone Rescue Jacket 2.0, RVRC GP Pro Pants		 Left: Cyclone Rescue Jacket 2.0, Cyclone Rescue Trousers Right: Silence Proshell Jacket, Nordwand Pro Trousers

Source: The Company's risk assessment.

The shift to online sales is being driven by global trends

The Company believes that the increase in online sales of Active lifestyle apparel is being driven by a number of underlying trends, as described below.

- Improvements in customer experience on digital platforms through clear interfaces; well considered product assortments that are easy to navigate; quick and smooth delivery options; and simplified payment methods.
- The growth of social media constitutes an important source of inspiration for consumers and allows companies to sell their products via social media postings.
- An increased demand for customised purchasing experiences, which is rendered possible through e-commerce.
- The COVID-19 pandemic's impact on the shift to e-commerce, with retailers being limited in their ability to operate physical stores and new customer groups migrating online, whereupon consumer preferences are expected to further shift towards e-commerce.

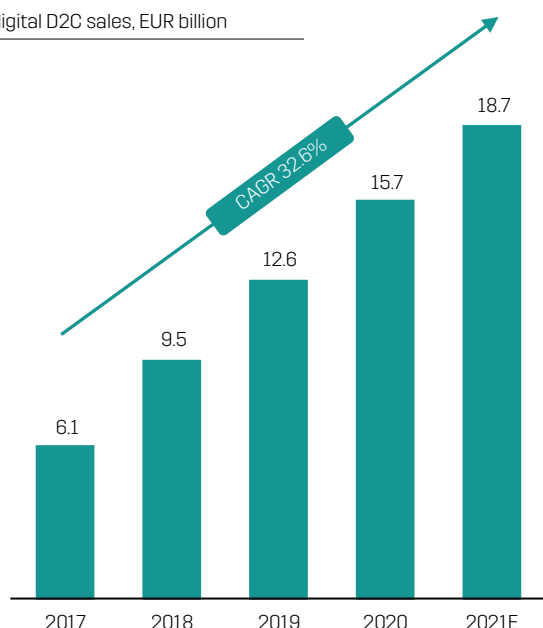
Digital D2C companies benefit from the shift to e-commerce

Digital D2C companies are growing strongly

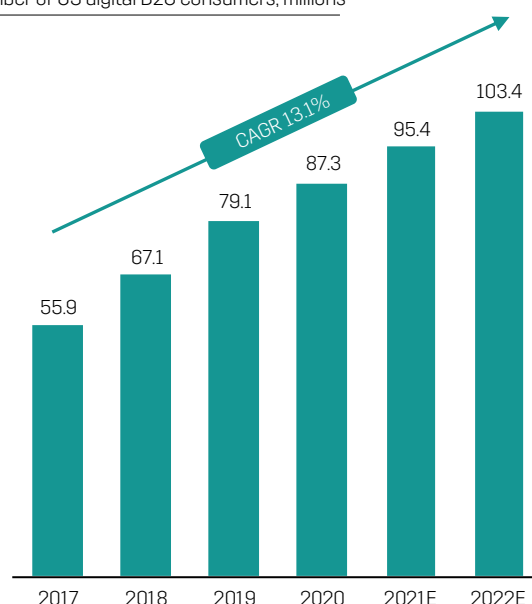
D2C is a trend that is taking place globally, with most digital D2C companies taking market shares from traditional brands in different product categories. Data from eMarketer indicate that D2C sales in the United States increased by three to six times more than the general market for e-commerce between 2016 and 2019. According to eMarketer, the number of people buying online via D2C brands in the United States is expected to grow at a CAGR of approximately 13.1 per cent between 2017 and 2022, and exceed 100 million consumers in 2022 just in the United States.¹⁵⁾ The Company believes that the growth of sales via digital D2C models can be explained by these companies' data-driven business models and presence on social media leading to in-depth understanding of customers, which allows for close customer relationships and engagement which generates a positive social influence, driving sales.

15) eMarketer, US Direct-to-Consumer Ecommerce Sales Will Rise to Nearly \$18 Billion in 2020, March 2020. eMarketer is an American market survey company within digital marketing, media and commerce.

US digital D2C sales, EUR billion



Number of US digital D2C consumers, millions



Source: eMarketer. The figure to the left has been converted from USD to EUR at an exchange rate of USD/EUR 1.130.

Companies selling Active lifestyle apparel are well suited for digital D2C

The Company believes that Active lifestyle apparel is a product category particularly well-suited for digital D2C business models and has identified a number of factors supporting this.

- **Individuals with a strong interest in an Active lifestyle are well-suited for customised marketing**
D2C models enable data-driven approaches to directly reach customers. As a result, digital D2C companies have good opportunities to reach out to customer groups with marketing material created for the specific customer group.
- **Individuals with a strong interest in an Active lifestyle buy outdoor products from brands with whom they can identify**

D2C models enable companies to retain control over the brand communicated to customers. In this way, these companies can ensure that the right message is conveyed to the customers, which contributes to strengthening the companies' brands and, in the long term, contributes to their financial development.

- **Active lifestyle apparel is well-suited for social media marketing**

Marketing of Active lifestyle apparel can be unique, authentic and stand out in consumers' social media. Active lifestyle apparel is therefore well-suited for social media marketing and has the potential to help build an engaged community of customers.

Overview of RevolutionRace's addressable markets

RevolutionRace main markets

RevolutionRace operates on a large number of geographic markets, with a majority of sales being attributable to Europe. Germany constitutes the largest single geographic market for Active lifestyle apparel, with a market for Active lifestyle apparel amounting to EUR 4.3 billion in 2020. This market is expected to grow to EUR 5.2 billion in 2025. The total European market amounted to EUR 26.0 billion in 2020 and is expected to grow to EUR 33.3 billion in 2025.¹⁶⁾

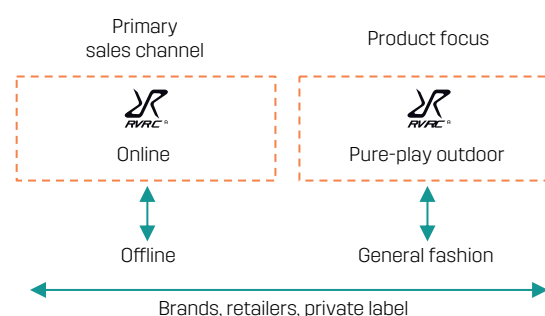
16) Euromonitor International, Apparel and Footwear edition 2021, retail value (retail sales price), EUR million, fixed 2020 exchange rates, current prices. The market for Active lifestyle apparel is defined by the Company as an aggregation of the markets for outdoor apparel and sports-inspired apparel.

Markets	Market size 2020 (EUR billion)	Market size 2025E (EUR billion)	Online penetration 2020
Nordic region	1.7 ¹⁷⁾	2.0 ¹⁷⁾	25.0% ¹⁸⁾
Germany	4.3	5.2	34.6%
United Kingdom	3.1	4.0	39.7%
France	2.8	3.4	24.7%
Netherlands	0.9	1.2	38.0%
Europe, total	26.0 ¹⁹⁾	33.3 ¹⁹⁾	22.8% ²⁰⁾

Source: Market sizes sourced from Euromonitor International, Apparel and Footwear edition 2021, retail value (retail sales price), EUR million, fixed 2020 exchange rates, current prices. The market for Active lifestyle apparel is defined by the Company as an aggregation of the markets for outdoor apparel and sports-inspired apparel. The online penetration for the Nordics and Europe is based on the Company's own calculations based on Euromonitor International, Apparel and Footwear edition 2021 and Retailing edition 2021. The online penetration for Germany, the United Kingdom, France and the Netherlands is sourced from Euromonitor International, Retailing edition 2021.

The Company believes that RevolutionRace has significant long-term potential for continued growth. Given the Company's net sales in Sweden of MSEK 138 during the twelve-month period ending 31 December 2020²¹⁾, RevolutionRace's share of the Swedish market was 1.8 per cent 2020. RevolutionRace's net sales in Europe and globally amounted to MSEK 572 and MSEK 573, respectively, during the twelve-month period ending 31 December 2020.²¹⁾ This corresponded to market shares on the European and global markets of 0.2 per cent and 0.1 per cent, respectively.²²⁾ Based thereon, the Company concludes that RevolutionRace's growth will not be limited by the size of the market.

focus on Active lifestyle apparel. These categories include brands, retailers and retailers' private label products. RevolutionRace classifies itself as (1) an online pure-play active lifestyle apparel specialist.



Competitive landscape

Overview of the competitive landscape

The Company divides the market for Active lifestyle apparel into five categories: (1) online pure-play active lifestyle apparel specialists; (2) omni-channel pure-play active lifestyle apparel specialists; (3) online sports apparel retailers; (4) omni-channel sports apparel retailers; (5) online apparel and footwear retailers. The various categories differ with regards to the degree of online presence and degree of

Online pure-play active lifestyle apparel specialists

Companies in this category have positioned themselves as Active lifestyle apparel specialists and only use online sales channels. Apart from RevolutionRace, such companies include Stellar Equipment and Garphyttan.

- 17) Euromonitor International, Apparel and Footwear edition 2021, retail value (retail sales price), EUR million, fixed 2020 exchange rates, current prices. The market for Active lifestyle apparel is defined by the Company as an aggregation of the markets for outdoor apparel and sports-inspired apparel. The Nordic market includes Sweden, Norway, Finland and Denmark.
- 18) The Company's own calculations based on Euromonitor International, Apparel and Footwear edition 2021 and Retailing edition 2021. Online penetration for the Nordic region is calculated as a weighted average of online penetration for Sweden, Norway, Finland and Denmark. Online penetration for Finland is based on the market size for online sales of apparel and footwear on the Finnish market (obtained from the database Euromonitor International, Retailing edition 2021) in relation to the total market size for apparel and footwear in Finland (obtained from the database Euromonitor International, Apparel and Footwear edition 2021). For the other markets, data for online penetration has been obtained directly from the database Euromonitor International, Retailing edition 2021.
- 19) Euromonitor International, Apparel and Footwear edition 2021, retail value (retail sales price), EUR million, fixed 2020 exchange rates, current prices. The market for Active lifestyle apparel is defined by the Company as an aggregation of the markets for outdoor apparel and sports-inspired apparel. Market size for Europe calculated as the sum of the respective market size for Western Europe and Eastern Europe (obtained from the database Euromonitor International, Apparel and Footwear edition 2021).
- 20) The Company's own calculations based on Euromonitor International, Apparel and Footwear edition 2021 and Retailing edition 2021. Online penetration for Europe calculated as the sum of the market sizes for online sales of apparel and footwear in Western Europe and Eastern Europe (obtained from the database Euromonitor International, Retailing edition 2021) in relation to the sum of total apparel and footwear sales in Western Europe and Eastern Europe (obtained from the database Euromonitor International, Apparel and Footwear edition 2021).
- 21) Source: The Company's internal accounting system.
- 22) Market shares have been calculated as the Company's net sales during the twelve-month period ending 31 December 2020 for the various markets compared to the respective Active lifestyle apparel market sizes in 2020. Market sizes have been sourced from Euromonitor International, Apparel and Footwear edition 2021, retail value (retail sales price), EUR million, fixed 2020 exchange rates, current prices and have been converted from EUR to SEK at an SEK/EUR exchange rate of 10.599. The market for Active lifestyle apparel is defined by the Company as an aggregation of the markets for outdoor apparel and sports-inspired apparel.

Omni-channel pure-play active lifestyle apparel specialists

Companies in this category have positioned themselves as Active lifestyle apparel specialists and use different channels for their sales. These companies tend to have a clear niche and only sell products related to Active lifestyle apparel, both through physical stores and through online channels. Examples of such companies are Fjällräven, Patagonia and Arc'teryx.

Online sports apparel retailers

Companies in this category primarily focus on sales of sports apparel and accessories, with an offering comprising Active lifestyle apparel amongst other products and where sales only take place online. Examples of such companies include Outnorth and Sportamore.

Omni-channel sports apparel retailers

Companies in this category primarily focus on sales of sports apparel and accessories, with a range comprising Active lifestyle apparel amongst other products and where sales take place both through physical stores and online channels. Examples of such companies are XXL Sport & Vildmark, Stadium and Intersport.

Online apparel and footwear retailers

Companies in this category offer a broad range of apparel and footwear, including Active lifestyle apparel, with sales taking place solely online. Examples of such companies are Boozt and Zalando.



Business description

Overview

RevolutionRace is a profitable and rapidly growing company that offers high-quality outdoor apparel and apparel for an active lifestyle¹⁾ to customers in approximately 35 countries through its online store which is locally adapted to 16 countries. The Company offers its multifunctional apparel under its own brand RevolutionRace and focuses on a broad, global customer base living an active life, primarily within the 18–70 age category. RevolutionRace conducts its operations within the scope of a digital D2C²⁾ business model, entailing that sales take place exclusively online with products offered directly to consumers.

RevolutionRace offers products that the Company believes have an unmatched product value in terms of price, quality and design, which according to the Company is made possible through the digital D2C business model. By selling products directly to consumers without intermediaries in the form of wholesalers, distributors and retailers, RevolutionRace believes that it is able to offer high-quality products to the end consumer at a competitive price. The digital D2C model also provides RevolutionRace with a possibility to adapt the customer experience and develop strong involvement and loyalty in the brand. RevolutionRace has a definite digital, data-driven marketing strategy with extensive presence on social media, which has resulted in one of the most digitally involved group of followers within the outdoor apparel and casual wear category on social media³⁾ and in the number of customer reviews⁴⁾. The Company's committed followers contribute to organically spreading the brand globally by sharing photos and videos as well as commenting on uploads and reviewing products. As of 31 March 2021, this has resulted in more than 245,000 reviews on the Company's online store and, on average, a higher number of comments on social media per post than the average for several competitors. As of 31 March 2021, the Company had more than 735,000 followers on social media,⁵⁾ with growth in the number of followers on Instagram being approximately 97.0 per cent

between 31 March 2020 and 31 March 2021.⁶⁾ As of 31 March 2021, the average rating, measured since the business began in 2013, in product reviews from customers on RevolutionRace's own online store is 4.6 on a scale of between one and five, where five is the highest possible rating. The result of the high customer satisfaction is also reflected in the number of returning customers⁷⁾ who, for the twelve-month period ending 31 December 2020, accounted for 46 per cent of net sales before returns. The Company also believes that the high number of product reviews contributes to a lower return rate, amounting to 28.7 per cent for the twelve-month period ending 31 March 2021,⁸⁾ since new customers can benefit from comments regarding, for example, size and fit.

Since RevolutionRace was founded in 2013 and launched its first outdoor pants to challenge traditional brands, RevolutionRace has sold millions of products and increased its product assortment to include a large variety of apparel developed in-house. The Company controls the entire value chain, from design created at the head office in Borås and the technical material that RevolutionRace has developed in-house, to the carefully selected production facilities that manufacture the apparel in accordance with detailed instructions. The Company believes that it offers a carefully selected range including high-quality and multifunctional products for which, in turn, there is a large selection of colours and sizes. The Company believes the products to be characterised by low seasonal and fashion-dictated variations in sales, which is reflected in the fact that approximately 80 per cent of annual sales is derived from products that were in the product assortment also in the preceding twelve-month period. In addition, the Company believes that it is not dependent on regularly reducing prices to any large degree and, during the twelve-month period ending 31 March 2021, only 11.5 per cent of net sales was attributable to price campaigns.⁹⁾

RevolutionRace has no physical stores but instead relies solely on online-based sales that take place primarily through its own online store, adapted to the local market,

1) In the prospectus defined together as "Active lifestyle". See the section "*Market overview–The market for Active lifestyle apparel*" for further information about market segmentation.

2) D2C stands for direct-to-consumer. See "*Business model*" below.

3) The Company's analysis of the average comments per upload on Instagram compared with selected competitors. Data from Instagram as of 31 March 2021.

4) The Company's analysis of the number of customer reviews and their content regarding rating, the product's fit as well as weight and length indications on the Company's own online store.

5) Refers to followers on Instagram and Facebook.

6) The Company's analysis of data from Instagram as of 31 March 2021.

7) Returning customers are defined as customers who have previously bought a product via RevolutionRace's online store before 31 December 2020 and have thereafter made at least one other purchase during the twelve-month period ending 31 December 2020. Customers are identified through the email address from which the orders were placed. Data from RevolutionRace.

8) Data from RevolutionRace.

9) Price campaigns are defined as a percentage of net sales attributable to products that have been price-reduced or discounted.

and to a smaller extent through a brand page, specifically designed and adapted by the Company, on Amazon's e-commerce platform in selected countries. During the nine-month period ending 31 March 2021, sales in the Nordic region, the DACH region and the rest of the world amounted to 46.2, 38.7 and 15.1 per cent, respectively, of the net sales. Of this, Germany constitutes the Company's single largest market. This also includes sales via Amazon in France, the Netherlands, Italy, Germany, Spain and Austria, which during the same period accounted for 3.5 per cent of the net sales before returns.

Sales via Amazon are conducted through an own company-specific domain on Amazon, where RevolutionRace has an own-designed brand page with specially designed content, own videos, banners and product images. The Company itself controls the product assortment, marketing and pricing on the platform.

RevolutionRace's scalable business model is proven through a history of strong organic growth and good profitability. From the financial year ending 30 June 2019 to the twelve-month period ending 31 March 2021, the Company's net sales increased at a CAGR of 71.6 per cent, from MSEK 284.5 to MSEK 731.9, and the adjusted EBIT margin¹⁰⁾ increased from 20.1 per cent to 26.5 per cent during the same period. During the nine-month period ending 31 March 2021, RevolutionRace reported net sales of MSEK 623.4 and an adjusted EBIT¹⁰⁾ of MSEK 173.2, corresponding to an adjusted EBIT margin¹⁰⁾ of 27.3 per cent.

History

Early development

RevolutionRace's business concept originates from the founders, Pernilla and Niclas Nyrensten, having for a long time sold outdoor apparel at trade fairs in large parts of Sweden, but discovering that the market lacked a product segment with quality products at lower prices. The idea was ultimately born during a hike to Everest Base Camp, after which the founders decided to launch what is today RevolutionRace. The launch began with the Nordwand outdoor pants, and sales were initially conducted at outdoor trade fairs around Sweden, but soon moved to online sales via the online store fritidsfabriken.se. The founders quickly discovered that there was a great demand for the Company's products under the RevolutionRace brand and they decided to change the name of the online store to the same name and to expand the product assortment by launching several product categories under the same brand.

Nordic expansion

During the first two years, the organisation was strengthened and the product assortment increased by 10 new

products. At the same time, RevolutionRace carried out extensive investments in digital marketing in order to drive traffic to the online store with the help of own produced content. Following strong sales growth in Sweden during the first two years, RevolutionRace launched country-specific domains in Finland, Norway and Denmark. RevolutionRace's successful investments on digital marketing resulted in Facebook publishing a case study which describes how the Company conducted a successful campaign on the platform to attract customers and increase brand awareness in Sweden, Finland and Germany.¹¹⁾

European expansion

Following the launch in the Nordic region, international expansion continued in a number of European countries. In 2017, launches took place in Germany, Austria, Italy and France, whereupon the online store was locally adapted with respect to, for example, language and region-specific payment and delivery methods in these countries. During the European expansion phase, the venture capital company Altor Fund IV 2017 became a new partner in the Company.

Business development for continued global expansion

In 2019, RevolutionRace continued to strengthen its organisation and moved to its current head office in Borås. RevolutionRace's continued business development and innovation resulted in Svensk Digital Handel awarding the Company the D-Awards Platina as the best innovative business model within e-commerce in 2018.

Since 2020, RevolutionRace has conducted all marketing within the organisation, and the Company considers this to be a success factor in the development of the brand. In 2020, the Company launched selected products on Amazon, starting in Germany. This has been conducted via an own company-specific domain on Amazon, where RevolutionRace has an own-designed brand page with specially adapted content. The initial launch in Germany, albeit of a limited number of products kept in stock, resulted in all products being sold out in two weeks. A continued successful development with Amazon has resulted in a partnership within the scope of Amazon's Pan-EU programme ("Fulfilment by Amazon" – "FBA"), whereby goods management and logistics take place via Amazon's distribution centres in selected European countries.

The geographic expansion continued in 2019 with launches in the United Kingdom, Poland and the Czech Republic, and after that also in Belgium and Ireland in 2020 and the beginning of 2021.

10) See the section "Selected historical financial information–Key performance indicators" for definition and certain additional information.

11) The case study is available via: www.facebook.com/business/success/revolutionrace (confirmed 31 March 2021).

RevolutionRace's history in brief

2013/2014	<ul style="list-style-type: none"> RevolutionRace is founded by Pernilla and Niclas Nyrensten with sales at recreational trade fairs in Sweden and via fritidsfabriken.se
2014/2015	<ul style="list-style-type: none"> The Company launches a dozen new products within categories that include jackets, pants and accessories
2015/2016	<ul style="list-style-type: none"> RevolutionRace is launched in Finland The Company moves to newly built premises in Simonsland in central Borås
2016/2017	<ul style="list-style-type: none"> RevolutionRace is launched in Norway, Denmark, Germany and Austria in local languages
2017/2018	<ul style="list-style-type: none"> The Company launches a country-specific online store for Italy, France and the Netherlands Altor Fund IV becomes a minority owner
2018/2019	<ul style="list-style-type: none"> The Company establishes new headquarters of 1,000 sq. m. in Borås RevolutionRace is awarded D-Awards for best innovative business model within e-commerce Establishment in the United Kingdom
2019/2020	<ul style="list-style-type: none"> Facebook publishes a case study which describes how RevolutionRace conducted a successful campaign on the platform to attract customers and increase brand awareness in Sweden, Finland and Germany All marketing is insourced Establishment in the United States, Poland and Czech Republic New online store and new e-commerce system (<i>Litium</i>) is implemented, including a new business system (<i>Microsoft Dynamics NAV</i>) Altor Fund IV becomes majority owner Launch on Amazon in Germany with own-designed brand page
2020/2021	<ul style="list-style-type: none"> Launch in Belgium and Ireland Launch on Amazon in the United Kingdom with own-designed brand page Offer to participate in Amazon's FBA programme New partially automated management centre together with DreamLogistics As of 31 March 2021, the Company had more than 735,000 followers on social media and more than 245,000 customer reviews The Company is mentioned in the Financial Times "FT 1000" list as one of Europe's fastest-growing companies, in position 276¹²⁾

Vision and mission

Vision

RevolutionRace's vision is to be the world's most recommended brand for outdoor apparel and casual wear.

Mission

#natureisourplayground – to make nature available to all.

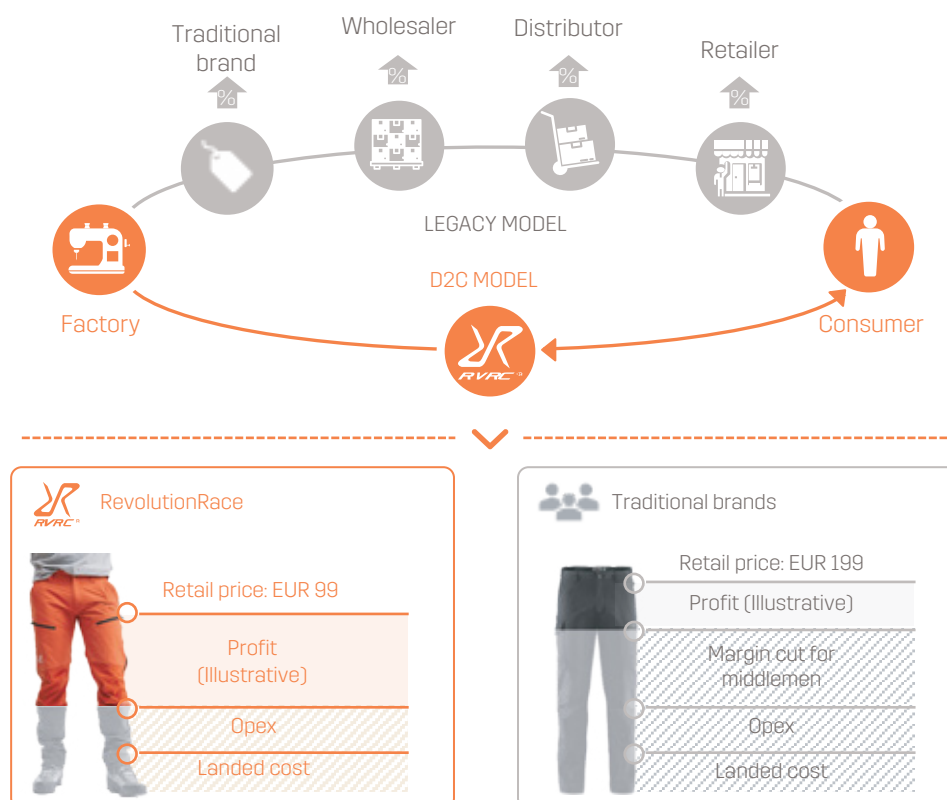
Business model

RevolutionRace is a digital D2C company whose business model, according to the Company, is characterised by delivering high-quality, colourful and desired products at an unmatched product value in terms of price, quality and design. By avoiding the use of a number of intermediaries who normally occur within retail trade and who generally have no bearing impact on the quality of the products – such as wholesalers, distributors and retailers – RevolutionRace is able to avoid external costs related to such parties. Consequently, the Company is able to offer more favourable prices without quality being adversely affected compared with products from traditional brands who use such intermediaries, while it at the same time provides scope for e.g. investments within marketing still retaining high margins.

In addition thereto, the digital D2C business model leads, according to the Company, to a number of advantages, as described below.

- Short lead times for launching new products (approximately 6–9 months) and establishment in new countries
- Agile marketing via social media
- Direct customer dialogue and involvement
- Adapted customer experience
- Scalable and flexible business
- Full ownership and control of the brand
- Ownership of customer and sales data for optimising of products, marketing materials and online store
- Exclusive channel with customers which facilitates greater loyalty to one's own selling channel

12) Financial Times in collaboration with Statista: [hwww.ft.com/content/8b37a92b-15e6-4b9c-8427-315a8b5f4332](https://www.ft.com/content/8b37a92b-15e6-4b9c-8427-315a8b5f4332) (confirmed on 31 March 2021).



Strengths and competitive advantages

RevolutionRace believes that it has a number of strengths and competitive advantages, which the Company considers to have contributed to the positive historical development and which are expected to allow for future ability to achieve long-term strategic and financial targets. These include the following:

- first-mover¹³⁾ in a large global market which is transitioning to online and D2C;
- high-quality and functional products at what the Company believes to be an unmatched product value in terms of price, quality and design;
- competitive marketing strategy and spreading of the brand on social media and customer engagement that challenges traditional retailers;
- strong financial track-record with a combination of high growth, high profitability and strong cash conversion; as well as
- strong and agile corporate culture – led by founder and CEO.

First-mover in a large market which is transitioning to online and D2C

The market for Active lifestyle apparel is a large growing market, which is characterised by a shift to online retailing. The category for apparel and footwear in a broad sense

constitutes a large consumer category, of which EUR 86.4 billion comprises the market for Active lifestyle apparel (see “*Market overview–The market for Active lifestyle apparel*”).¹⁴⁾ The market for Active lifestyle apparel demonstrated robust growth during the period 2016–2020, with increased online share as a percentage of the total market (see “*Market overview–The online market for Active lifestyle apparel*”). RevolutionRace increased the net sales at a CAGR of 71.6 per cent from the financial year ending 30 June 2019 to the twelve-month period ending 31 March 2021, which is higher than for the addressable market.

The Company expects online penetration to continue to increase going forward. RevolutionRace makes the assessment that the Company will be able to take advantage of the shift to online retailing to a greater degree than retailers and brands with traditional business models that include stores and physical presence. RevolutionRace makes the assessment that the Company is able to take advantage of its digital D2C business model since the Company is avoiding the challenges involved in transitioning to online-based sales (see “*Market overview–The online market for Active lifestyle apparel*”). This transition includes competition at the retail level regarding, for example, marketing and selling space for products as well as framework agreements regarding, for example, products, stores and logistics, where the Company considers itself to enjoy benefits through its digital D2C business model.

13) “First mover” means the advantages enjoyed by those companies that are first on the market with certain distinguishing characteristics.

14) Euromonitor International, Apparel and Footwear edition 2021, retail value (retail sales price), EUR million, fixed 2020 exchange rates, current prices. The market for Active lifestyle apparel is defined by the Company as an aggregation of the markets for outdoor apparel and sports-inspired apparel.

Furthermore, the Company makes the assessment that its digital D2C business model has allowed the Company to enjoy benefits that have given the Company a favourable market position, including:

- according to the Company, an unmatched product value in terms of price, quality and design;
- a close customer dialogue;
- an agile and effective marketing, which contributes to scalability as the Company grows and processes large quantities of data;
- no retailers, which reduces the need to launch new collections and allows for rapid establishment in new countries and facilitates higher margins; as well as
- an effective process for production of new products with short lead times.

The Company believes that all of these factors have been made possible thanks to the entirely digital D2C business model. RevolutionRace's view is that the Company is one of the first companies on the European market for Active lifestyle apparel to apply a digital D2C business model. At the same time, the shift to D2C is a trend which, according to the Company, is taking place globally, with digital D2C companies gaining market shares from traditional brands in the majority of product categories. See "*Market overview – Digital D2C benefit from the shift to online trade*".

High-quality and functional products at what the Company believes to be an unmatched product value in terms of price, quality and design

According to the Company, RevolutionRace's offering is characterised by a carefully chosen variety of high-quality and multifunctional products at competitive prices, for which in turn there are a number of different choices of colours and sizes. The Company believes that the profiling of the products, particularly in terms of quality and design at a lower price, distinguishes them from competing brands and leads to an unmatched product value for the consumer. Furthermore, the Company conducts an iterative and customer-oriented product development process, through which the Company obtains information from customers and brand ambassadors for continuously assessing the demand for new products prior to full-scale production and launching. In addition, information of existing products is analysed in order to maintain a competitive offering of already launched products.

RevolutionRace's products are produced with the customer in focus through a customer dialogue in which customers have influence over the development process. This is reflected in the number of customer reviews, of which there were more than 245,000 on the Company's online store on 31 March 2021. The high number of customer reviews also contributes positively to sales, with customer reviews contributing to authentic support for the products, which in turn generates additional authentic reviews as the Company grows.

According to the Company, the distinguishing features of the products in terms of price relative to product quality are explained by its business model which limits the number of intermediaries, which in turn means that the products are cheaper for the end consumer. RevolutionRace also believes that the Company is well positioned versus competitors in terms of quality and technical specifications. It is, therefore, the Company's assessment that the breathability, waterproofing, choice of colours and environmental friendliness of the products are equal to, or even better than, the quality of competing brands, but are offered at significantly lower prices.

The products are multifunctional and the Company believes that they are used in both everyday life and recreational activities such as hiking, climbing and skiing. The multifunctionality makes it possible for the Company to reach out to a broader customer group, both in terms of age and lifestyle categories. The multifaceted nature of the products is also an advantage since they are suitable for different geographic markets, where preferences may differ between countries. The multifunctionality also contributes to the environmental friendliness of the products and creates a greater product value for the customers.

Competitive marketing strategy and spreading of the brand on social media and customer engagement that challenges traditional retailers

Since operations began in 2013, RevolutionRace has had a digital marketing strategy and handles all marketing today internally without external consultants. The strategy includes data driven and digital marketing with an extensive presence on social media, which contributes to organically generated content with a strong connection to the brand's core values. Within the scope of the strategy, all content is created with the purpose of generating traffic to the online store and thereafter converting online traffic to purchases by the Company's customers.

In the Company's view, RevolutionRace's strategy for creating content distinguishes the Company by using its customers' and brand ambassadors' photos and videos as marketing content in the online store, on social media and in paid marketing. This leads to a competitive cost since no large-scale measures are required regarding production of content, and also an uniqueness for each customer-produced photo. In addition, it contributes to a close customer relationship in which customers are also encouraged to share their content via their channels, which leads to increased organic spread of the RevolutionRace brand. In addition thereto, the Company uses content developed in-house, which according to analyses of purchasing patterns and customer behaviour have demonstrated the customer's strongest preference, which confirms RevolutionRace's own ability to create engaging content that drives traffic and conversion into purchases.

RevolutionRace is able to regularly gather data of customer behaviour and purchasing patterns due to its extensive presence on social media and paid advertising via Facebook and Google. As a result of its successful paid advertising strategy, the Company has been acknowledged by Facebook as an example of innovative marketing via the Facebook platform.

RevolutionRace's marketing strategy has resulted in strong customer engagement, which is reflected in a higher average of comments per Instagram post than the average number of comments per Instagram post for a number of competitors and traditional retailers, at the same time as growth in the number of followers on Instagram outpaces that of its competitors.¹⁵⁾ In the same way, this has resulted in more than 245,000 authentic customer reviews on RevolutionRace's online store, with an average rating of 4.6 on a scale of between one and five as of 31 March 2021, measured since business began in 2013.

Strong financial track-record with a combination of high growth, high profitability and strong cash conversion

RevolutionRace's financial history is characterised by profitable sales growth. From the financial year ending 30 June 2019 to the twelve-month period ending 31 March 2021, net sales increased at a CAGR of 71.6 per cent and the adjusted EBIT margin¹⁶⁾ increased from 20.1 per cent to 26.5 per cent. During the same period, the average gross margin¹⁶⁾ was 71.5 per cent. As a result of the Company's business model, which has a low need for investments, the average cash conversion¹⁶⁾ during the nine-month period ending 31 March 2021 has been 134.5 per cent.

According to the Company, the growth is evidence of a successful marketing strategy, a successful geographic expansion and a broad product portfolio. The sales growth and strong profitability are a result of a continuous focus on maintaining high product margins and a strategic price strategy as regards to campaigns, product assortment and individual products as well as a proficient purchasing organisation and a successful digital D2C business model (see "*Business model*" above). As the Company has grown, purchasing terms have improved at the same time as the percentage of organic online traffic has increased substantially, which has had a further positive impact on profitability. The Company expects that the scalable and profitable business model of the Company and its underlying success factors will contribute to continued high sales growth and strong profitability.

Strong and agile corporate culture – led by founders and CEO

RevolutionRace believes that its strong financial development, with high growth and strong profitability, have been achieved due to an agile and entrepreneurial corporate culture that permeates the organisation in a broad sense. The executive management group is considered by the Company to possess broad and deep knowledge within product and business development, marketing and IT. In addition, the Company's founders have operating roles within the executive management group, as CEO and "Creative Director", and have a long-term perspective as regards to the Company's future growth.

RevolutionRace's executive management group comprises individuals with many years' of experience of senior positions in the online and retail industry. The founders have, together with an expanded executive management group during the period, taken the Company from its year of inception in 2013/2014 to achieving a net sales of MSEK 731.9 during the twelve-month period ending 31 March 2021, entirely through organic growth.¹⁷⁾

Strategic objectives

The Company believes that RevolutionRace's addressable market offers significant long-term potential for continued growth. In order for RevolutionRace to achieve its financial targets and exploit the possibilities that follow from an increased addressable Active lifestyle market, the Company has formulated an ambitious growth strategy which includes the following key elements:

Growth in existing and newly launched markets

RevolutionRace's addressable market, which comprises the global Active lifestyle market, is to a large extent unexploited by RevolutionRace. The Company believes RevolutionRace's market share globally to be 0.1 per cent and the market share in Sweden, in which the Company has conducted business the longest, is estimated at 1.8 per cent. (See the section "*Market overview—Overview of RevolutionRace's addressable markets*"). As such, the Company therefore sees good possibilities over time to continue to increase market shares in existing countries and to expand into newly launched markets, such as Belgium and Ireland, through an expanded product assortment in order to reach a broader customer group and to increase added sales to existing customers. An important factor in enabling continued growth in both existing and newly launched markets is that the Company succeeds in achieving a favourable inventory situation and can offer to its customers efficient logistics solutions when purchasing the Company's products. The Company has previously,

15) The Company's analysis of data from Instagram as of 31 December 2020.

16) See the section "*Selected historical financial information—Key performance indicators*" for definition and certain additional information.

17) Source: The Company's internal accounting system.

especially with regard to the COVID-19 pandemic, experienced difficulties in replenishing the inventory in line with increased sales and, due to the high growth rate, experienced a strained logistics situation which has affected the customer experience. To support RevolutionRace's continued expansion, the Company has moved its inventory management to a new partially automated warehouse operated by DreamLogistics since January 2021. The new warehouse means that the Company expects to eventually be able to shorten delivery times to customers.

Furthermore, the Company believes that it has developed a strong brand and a successful concept regarding marketing for establishment in new markets, which is being improved with each new launch that is carried out. For example, after active marketing was initiated in the United Kingdom in June 2020, it took approximately six months to achieve MSEK 20 in net sales. This can be compared with the launch in Germany in January 2017, which with active marketing achieved MSEK 20 in net sales only after nine months.

Continued international expansion

In addition to growth in existing geographic markets and in markets where RevolutionRace has recently been launched, the Company believes that there is significant potential for further geographic expansion. The Company has an objective of launching RevolutionRace in, on average, two to four new countries each year. RevolutionRace believes, based on economies of scale in the business model and a future dynamic logistics that can be more easily adapted, that there are conditions for continued growth on new geographic markets. RevolutionRace's strategy for launching in new countries is to exploit its scalable and flexible platform by adapting its online store in terms of content, delivery and payment alternatives.

Growth on market platforms

In order to add further long-term growth, the Company has a collaboration with Amazon since 2020. The collaboration primarily allows the Company to reach out to other segments within the target group, particularly those who otherwise purchase products primarily through Amazon (including Amazon "Prime" customers¹⁸⁾). RevolutionRace's product launch through Amazon has been successful and demonstrated strong sales growth in a number of countries. This has taken place without any significant impact on RevolutionRace's overall profitability, since the Company has been able to optimise the product assortment and pricing on the platform.

The Company intends to increase its presence on Amazon for continued growth on this platform and, since October 2020, is participating in Amazon's pan-European programme "Amazon FBA". This means that stock management takes place from Amazon's logistics centres in Europe and that products are sent between respective logistics centre based on order data. A fee is charged for this, whilst relocation of goods between logistics centres takes place at no extra cost. Closer cooperation means that the Company adds more products via Amazon's logistics centre in order to get closer to customers and meeting potential demand via Amazon's platform for increased growth.

The Company is constantly assessing the possibility to launch its products on other market platforms if doing so allows for profitable geographic expansion on further markets without compromising on the existing digital D2C business model.

To expand through new product categories

At present, the Company has a carefully selected product portfolio, with respect to which the Company continuously assesses the possibility of adding new categories to the current range and expanding within existing categories. Examples of new categories that are under assessment include the launch of footwear, which is expected to provide access to new segments of the market. Within existing categories, the Company is assessing the launch of a number of products in newly established markets, adding products or colours within collections, and expanding the categories through new product launches.

This part of the strategy contributes to strengthening the brand's product breadth and identifying complementary products to the existing portfolio that can meet identified needs and create additional sales, which is expected to increase the average net order value and increase the percentage of returning customers.

The launch strategy in new markets also allows the Company to obtain feedback regarding future product launches, which makes it increasingly possible to optimise a strategy for marketing in conjunction with each new launch.

Increased loyalty and returning customers

Customer loyalty measured as percentage of sales to returning customers¹⁹⁾ amounted to 46 per cent of net sales before returns during the twelve-month period ending 31 December 2020. The Company believes that strong brand involvement on social media, the fact that the Company is the sole supplier of the brand, as well as new optimisations within the Company's Customer Relationship

18) Prime status means, for example, free shipping for selected goods, advantageous offers, etc.

19) Returning customers are defined as customers who have previously bought a product via RevolutionRace's online store before 31 December 2020 and have thereafter made at least one other purchase during the twelve-month period ending 31 December 2020. Customers are identified through the email address from which the orders were placed. Data from RevolutionRace.

Management ("CRM") system are expected to contribute a continued positive increase in the percentage of returning customers.

CRM is considered to offer possibilities that the Company is partially working on at present and has not yet implemented in its current business. These include the following initiatives and possibilities:

- improved segmentation of subcategories and niches within the customer group, leading to more personalised newsletters;
- development of the online store and offers based on customer preferences according to cookies and login data;
- loyalty programme;
- increased additional sales based on complementary products to previous purchases; and
- increased rate of returning customers leading to lower customer acquisition costs.

Development of price strategy

RevolutionRace's current price strategy is well integrated with the product strategy and includes a division of products into "Base", "Pro" and "Statement" based on the products' specifications and target group. The Company perceives possibilities for continued segmentation of collections in subcategories, based on experienced customer value and product specifications, with the aim of increasing the offering's relevance to different customer groups. The Company also intends to adjust prices over time for products and on geographic markets.

In addition, the Company is continuously working on optimising pricing in different markets, taking into consideration for example product margins, sales volumes, the competitive landscape and assessed local purchasing power. As an example of this, the Company has on average 10 per cent higher price levels outside the Nordic region. RevolutionRace assesses that its price strategy is becoming increasingly effective as the Company is expanding and acquiring a greater volume of customer data. Thusly, a more effective price strategy becomes a natural part of the development as the Company expands its geographic presence in new markets and will allow for optimisation of product margins for increased sales and continued high gross margins.

Financial targets and dividend policy

RevolutionRace's Board of Directors has adopted the following financial targets.

Growth

RevolutionRace's target is net sales of at least SEK 2 billion in the financial year 2023/24.

Profitability

RevolutionRace's target is to maintain an annual EBIT margin of at least 25 per cent.

Dividend policy

RevolutionRace intends to distribute excess capital to shareholders, while considering long-term financial robustness, growth opportunities and strategic initiatives. Subject to these considerations, RevolutionRace intends to distribute 40–60 per cent of the annual net profit.

The above financial targets and dividend policy constitute forward-looking statements. Forward-looking statements do not constitute any guarantee regarding future earnings or development, and the actual outcome may differ significantly from that which expressed in forward-looking statements. See also the section "Important information–Forward-looking statements".

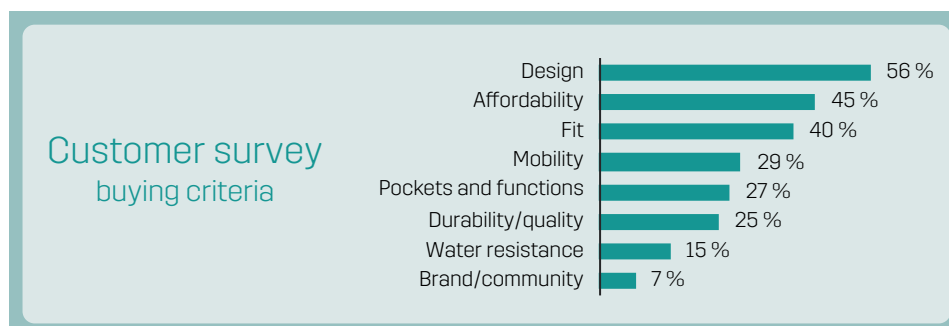
Products

Product assortment

The Company offers products which the Company believes have an unmatched product value in terms of price, quality and design, which according to the Company is made possible due to the digital D2C business model. By avoiding the use of intermediaries in the form of wholesalers, distributors and retailers, who normally take a mark-up on the products in the value chain without themselves refining the products, RevolutionRace is able to offer high-quality products to end consumers at a competitive price. The carefully chosen product assortment mainly comprises of pants, jackets and sweaters, for which there are in turn large choices of different colours and sizes as well as collections in different price levels based on the technical specifications of the products. The Company believes that the profiling of the products distinguishes them from competitors, with RevolutionRace in many cases having a wider product assortment in terms of colours, which can often be offered at a lower average price but which are otherwise of equal or better quality.

A customer survey carried out by the Company shows that customers primarily value design, followed by price to quality, fitting and flexibility as reasons for choosing to buy from RevolutionRace.²⁰⁾

20) Based on the customer survey carried out by the Company in February 2021 with approximately 1,400 respondents in Sweden. Several response alternatives were permitted and thus the percentages exceed 100 per cent.

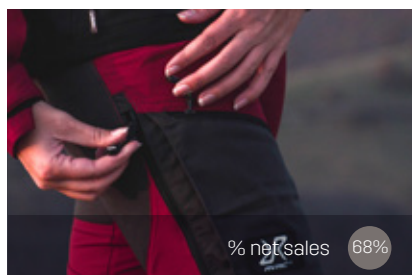


As the Company has developed, the assortment has improved and been refined and proceeded from primarily comprising outdoor apparel and casual wear to include a number of new product categories, such as winter sports apparel, outleisure apparel and other active lifestyle apparel. RevolutionRace nowadays has a broad range of multifunctional apparel for consumers primarily in the 18–70 age category, which is focused on a global, broad customer base that are keen to experience adventures both small and large. The Company believes that the multifunctionality of the products enables customers to use RevolutionRace's apparel in everything ranging from city

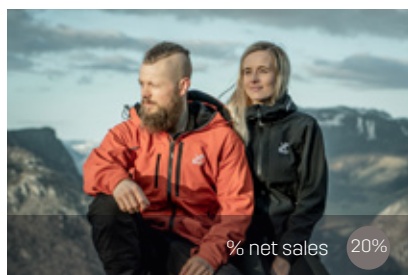
life to mountain climbing in difficult climates and weather conditions.

RevolutionRace's product assortment is characterised also by innovative improvements, such as the production of its own Hypershell® membrane, which is a water repellent material that, according to the Company, performs in line with or better than most competitors regarding breathability and waterproofing. The Company's products are also characterised by a broad range of colourful apparel and a good fit, combined with high-quality and functionality, according to the Company's analysis of customer reviews. The Company offers approximately 190 products that can be divided into the following categories:

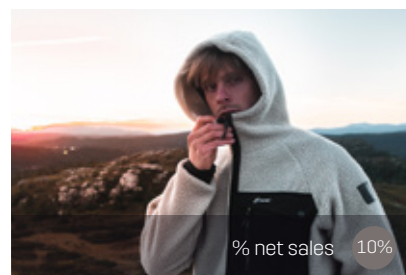
Pants



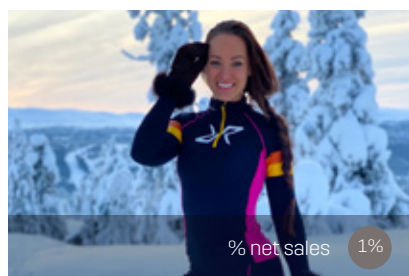
Jackets



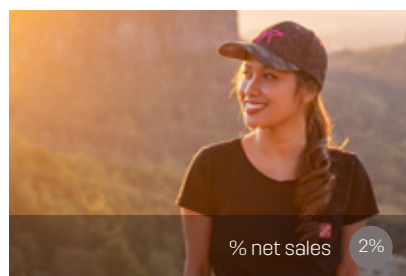
Midlayers



Baselayers



Accessories



- **Pants:** Includes outdoor and hiking pants, shell pants, zip-off pants, outdoor jeans, sweatpants and shorts and beachwear. This product category accounted for 68.2 per cent of net sales before returns during the twelve-month period ending 31 March 2021.
- **Jackets:** Includes outdoor and hiking jackets, shell jackets, rain jackets, winter jackets, down jackets and vests. This product category accounted for 19.5 per cent of net sales before returns during the twelve-month period ending 31 March 2021.

- **Sweaters and midlayers:** Includes fleece, hoodies, T-shirts, shirts and sweaters, midlayer tops and mid-layer bottoms. This product category accounted for 9.6 per cent of net sales before returns during the twelve-month period ending 31 March 2021.
- **Baselayers:** Includes baselayer sets, baselayer tops, baselayer bottoms, wool baselayers and bamboo baselayers. This product category accounted for 1.1 per cent of net sales before returns during the twelve-month period ending 31 March 2021.

- **Accessories:** Includes underwear, socks, hats and beanies, belts, gloves, collars and neck warmers, waterproofing and clothing care and accessories. This product category accounted for 1.6 per cent of net sales before returns during the twelve-month period ending 31 March 2021.
- **Winter activity apparel:** Includes ski pants, ski jackets and sweaters. This category is included in the categories described above, but comprises specially produced apparel for use in conjunction with winter activities, with specifications that include, for example, snow locks for pants, ski lift pockets for jackets and RECCO reflectors.

In addition to the development of individual products suited for particular areas of use, the Company has also developed entire collections. RevolutionRace offers parts of its product assortment divided into such collections to help the customer to find apparel with the right qualities for different activities. The Company offers the following collections:

- **RVRC GP:** Includes pants and jackets with durable and waterproof apparel, suitable for hiking and climbing.
- **Nordwand:** Includes pants and are RevolutionRace's lightweight outdoor pants with characteristics that include both rapidly drying sections and stretch sections for ventilation. The Company believes that the pants provide an optimal mix of durability and movement suitable for, among other things, rock climbing, all-round, dog sports, hiking, fishing and mountain biking.
- **Cyclone:** Includes pants and jackets designed to withstand extreme weather conditions and includes fully wind and waterproof pants and jackets for outdoor activities all year round. The Company believes that the pants and jackets are suitable for, among other things, fishing, winter sports, rock climbing, all-round and hiking.
- **Hiball:** Includes pants, jackets and baselayers developed for withstanding colder climates and with good breathability. The Company believes that the pants, jackets and base layers have an optimal balance between ventilation and waterproofing and that they are suitable for, among other things, hiking, all-round, winter sports and dog sports.
- **Crisp:** Includes pants and jackets suitable for withstanding freezing winds, wet snow and ice cold temperatures. The Company believes that the pants and jackets are suitable for winter sports, rock climbing, all-round and hiking.

The Company has also produced the **Rescue** series for a number of the collections that include pants and jackets. The Rescue collection includes pants and jackets from the RVRC GP, Nordwand, Cyclone and Crisp collections but are equipped with Hypershell® Pro-membranes and RECCO reflectors that serve a safety function if the bearer needs to make her/himself visible outdoors, for example in the case of an injured or lost individual.

Collection	RVRC GP	Nordwand	Cyclone	Hiball	Crisp
Rescue series	✓	✓	✓	✗	✓

As of 31 March 2021, the Company had more than 245,000 authentic customer reviews of products on its online store, with a large portion of the customers stating length, weight and comments on fit, which is helpful for new customers who are encouraged to read the reviews to get help in finding the right size and fit. Apart from the high level of customer satisfaction, the Company is also positively affected by a lower percentage of returned goods which, during the twelve-month period ending 31 March 2021, was approximately 28.7 per cent.²¹⁾

Through RevolutionRace's digital D2C business model, the Company has full control over its own collections. The business model, as well as the assessed multifunctionality of the products, have meant that the Company does not need to offer a seasonal range to any large extent or to follow short-term fashion trends (see "*Business model*" above). The fact that the Company needs to take seasons and changing fashion trends into consideration to a lesser extent means that the products generally have a longer lifespan than products that, for example, are offered by apparel and footwear companies, in general. In addition, in contrast to retailers, the Company does not need to fill stocks when new seasonal collections are launched and at the same time sell-out old collections at discounted prices. The products thus rarely remain unsold due to incorrect purchase volumes or product assortment ahead of a specific season. The risk of unsold goods in stock and the need for stock obsolescence is thus low. As a consequence, approximately 80 per cent of annual sales is derived from products that were in the product assortment also in the preceding twelve-month period, and the Company is therefore not dependent on regularly lowering prices to any great extent. During the twelve-month period ending 31 March 2021, only 11.5 per cent of net sales was related to price campaigns.²²⁾ The Company considers it to be a competitive advantage to use capacity which otherwise would have to be devoted to development of products pending each new season, to refine the existing product assortment, for example by adding new functions and colours or launching new products.

21) Returns correspond to a credited amount against a customer with respect to, among other things, cancelled purchase, complaint, replacement, disappeared package during transport, relative to the invoiced amount (including the replacement).

22) Price campaigns are defined as the share of net sales attributable to products that are price reduced or discounted.

Pricing

Based on its pricing strategy, RevolutionRace works actively to offer products of the same quality but at a lower price than its competitors. The pricing strategy is based on a number of parameters linked to supply and demand and the Company carries out price adjustments as needed, for example upon changes in purchasing price, high demand or if competitors change their selling prices. The Company's ability to offer a more competitive price is due to RevolutionRace's business model, which among other things allows for lower costs since the Company does not use numerous intermediaries in the chain from production to final sale to the customer, including for example wholesalers, distributors and retailers. The Company's pricing strategy aims at optimising pricing to allow for continued profitable growth.

The product assortment is primarily divided into the three price classes: "Base", "Pro" and "Statement" with the aim of categorising products based on a technical level and thus target group. Statement relates to the Company's most technically advanced products and is the highest price class. Pro relates to products with somewhat lower technical functionality and has a lower price than Statement. Base relates to the Company's entry-level products sold at a lower price level but of high-quality. The Pro range accounts for the largest share of sales volume.

- **Base:** Entry-level products that are primarily focused on customers who seek functional apparel at a lower price. The products are manufactured with high-quality and have technical specifications such as the Company's Hypershell® membrane, waterproofing, good breathability and fluorocarbon free impregnation through DWR treatment. Nordwand is an example of a collection which includes products in the Company's Base range.
- **Pro:** RevolutionRace's more advanced products compared with the Base assortment, including for example YKK zippers, more advanced Hypershell® membrane, ski lift pockets and boot hooks. Products within Pro are aimed primarily at customers seeking higher functionality and apparel that withstand more stressful outdoor activities. Nordwand Pro and Hiball are examples collections that include products from the Company's Pro range.
- **Statement:** RevolutionRace's most advanced products of a high technical level and which are carefully selected to withstand great stress in extreme weather conditions. These products are focused on people who are more advanced in outdoor activities and require the best possible quality and functionality. Cyclone and Crisp are examples collections that include products in the Company's Statement range.

Product development

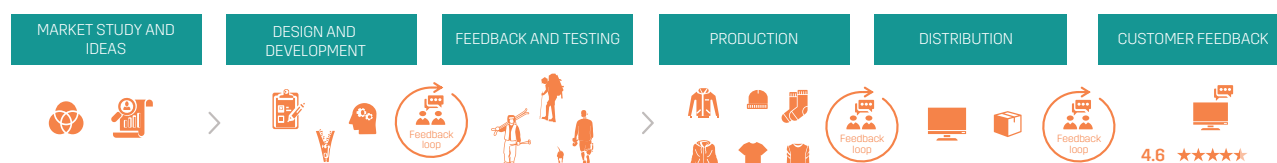
Product development plays a key role within RevolutionRace since all products that are sold under the RevolutionRace brand have been developed in-house. The product development takes place internally at the Company, which has established a process that covers everything from idea generation to production, presided over by Niclas Nyrensten, Creative Director and founder, together with a working group consisting of seven employees as of 31 March 2021.

The Company has developed an iterative and integrated product development process that is based on feedback from the Company's customers and brand ambassadors. At the same time, the Company seeks inspiration from its more than 245,000 customer reviews²³⁾ in order to generate ideas for new products and the Company often asks questions to followers on social media with the aim of establishing, for example, which new colours within existing collections that are most requested by the customers. The first phase of product development is often based on market analyses to identify products that RevolutionRace is able to offer at the same quality but at a lower price than competitors.

The next phase in product development involves establishing a prototype which is produced on a small scale and then tested internally and, in certain cases, distributed to selected customers and brand ambassadors for assessment. The Company has chosen customers and brand ambassadors based on their engagement and expertise within apparel suitable for outdoor and recreational life, for example a known adventurer or professional skier, with the objective to retrieve the best possible feedback. The Company also gathers valuable information from its customers with respect to, for example, weight, fit, areas of use and preferred functions, which are then used to further develop and optimise the products.

Once product development has been finalised, the Company is able to launch the product on a smaller scale on selected markets, often on one of the main markets, through the Company's digital platform. In this way the Company is able at an early stage to analyse demand for new products before undertaking production and a broader launch on a number of markets on which the Company operates. The Company considers the iterative and integrated product development process to be a major competitive advantage which allows for compilation of information on a number of occasions in order to assess the attractiveness and demand for new products prior to full-scale production and launching.

23) As of 31 March 2021.



Since RevolutionRace was founded in 2013, 68 products have been developed in-house and launched through the Company's platform. Most of the products are still relevant and can be purchased via RevolutionRaces's sales channels, where approximately 80 per cent of annual sales is derived from products that were in the product assortment

also in the preceding twelve-month period.²⁴⁾ The Company's successful product development has led to the Company accelerating the launch of products and, during the period 2018–2020, 41 products were launched, which is more than half as many compared with the total number of product launches since the Company was founded.

Year	2014	2015	2016	2017	2018	2019	2020
Number of launched products	2	8	11	6	7	17	17

Quality lies at the core of RevolutionRace's product development and is expressed in the skills that RevolutionRace believes exist in the Company. Already during the development of the Company's first product, the Nordwand pants, it was noted that the cord was weak, which was subsequently demonstrated by Niclas Nyrensten on site at the producer. RevolutionRace thereafter developed a specially adapted cord for the Nordwand pants that is still used in most of RevolutionRace's pants. This meticulous striving for quality has subsequently permeated the entire product and purchasing organisation.

Purchasing and production

RevolutionRace uses a central purchasing function to manage production and purchasing of products. The purchasing function consisted of three employees as of 31 March 2021, located at the Company's head office in Borås.

An important element in RevolutionRace's ability to offer an optimised product assortment at competitive prices is that the Company is purchasing from a number of carefully selected producers and suppliers. Purchases are made through a smaller number of purchasing agents and a larger portion of agreements are made directly with producers. The Company's growing sales volume has resulted in improved purchasing power vis-à-vis the suppliers. This, in turn, usually leads to advantages when purchasing, such as the possibility for volume discounts, favourable conditions for product returns and improved price protection policies. RevolutionRace has a long relationship with a number of the Company's suppliers. As of 31 March 2021, the Company worked with approximately 23 suppliers in seven countries in Asia and the Middle East, and the Company aims to expand the number of suppliers over time in order to reduce dependence on individual production facilities, at the same time as the Company is able to secure high production quality. RevolutionRace believes that it is not dependent on any individual supplier, since many products

are offered by more than one supplier in different countries. When the products are finally delivered, the Company uses external distribution partners to receive and warehouse products, including the global companies Toll, DSV and Yoyo for distribution and DreamLogistics and ITG for warehousing and goods management. For more information, see "*Distribution and logistics*" below.

The purchasing department and product development department work closely with the Company's suppliers when ordering existing and new products, to ensure that RevolutionRace's products are of the highest quality. The suppliers must comply with RevolutionRace's specifications, product quality and code of conduct, meaning that all suppliers are obliged to act in accordance with these principles and in accordance with all applicable laws and regulations. The code of conduct includes, among other things, legal requirements, freedom to associate and the right to enter into collective agreements, prohibitions on discrimination, wages and remuneration, working hours, health and safety at the workplace, living conditions, prohibition on child labour, employment conditions, prohibition on forced labour and disciplinary measures, environmental protection and environmental work, as well as business ethics. RevolutionRace's ambition is to work systematically with its suppliers based on the entire product cycle and to integrate sustainability aspects in every stage, from purchasing and choice of suppliers, to the way in which the Company works with existing suppliers and chooses to end business relationships.

Over time, the Company has strengthened its position relative to suppliers by going to suppliers directly when awarding contracts, instead of via major agents. In addition, the Company is currently working to allocate the production of products between different countries and producers in general and individual product categories in particular. At the same time, the Company is working with recommended subcontractors of materials, for example thread and cloth,

²⁴⁾ Measured as the number of products offered for sale in the present financial year compared with preceding financial year.

with the objective of ensuring the quality and uniformity of the products between the factories which, in turn, produce the apparel.

Sustainable production

RevolutionRace's products are designed in Sweden at the Company's headquarters in Borås, but production takes place externally. The Company is working actively on being transparent in relation to its impact on the environment and working conditions within the supply chain in order to continuously improve these areas. This applies to the entire chain, from design to purchasing of materials, production and shipping.

The Company has cooperated for a number of years with subcontractors in Bangladesh, India, China, Myanmar, Sri Lanka, Turkey and Vietnam and is continuously working with them to improve the products and to make the production process even more sustainable. The suppliers' social responsibility is of high priority for RevolutionRace. All suppliers except one have signed the Company's code of conduct. The code of conduct is prepared in accordance with the conventions of the International Labour Organisation (ILO), the UN Universal Declaration of Human Rights and the UN Convention on the Rights of the Child. The code of conduct is also prepared in accordance with Amfori BSCI's (Business Social Compliance Initiative) principles.²⁵⁾ RevolutionRace is a member of Amfori who conducts independent evaluations of the compliance of social criterions and measures to identify improvement potential. Through these evaluations, RevolutionRace is given detailed knowledge on how its suppliers comply with social criterions and measures. During the financial year 2019/20, 20 out of 23 suppliers were approved in a BSCI review. RevolutionRace has as an objective that, as from 2025, it will only work with BSCI audited suppliers. In addition, the Company's representatives normally visit the production facilities regularly to verify that the working conditions, wages and waste management are compliant with the laws and regulations in each country.

Product safety and handling of chemicals is another important area for the Company. Chemicals are used in textiles, primarily in dyeing and printing and for further surface treatments to ensure waterproofing of outerwear. Water resistant material is not infrequently treated with industrially produced chemicals, so-called fluorocarbons, for impregnation, which is dangerous for the environment and decomposes over a very long time. The Company is endeavouring to protect the health and safety of its customers and employees in the value chain and avoiding emissions of injurious substances into the environment. RevolutionRace has ensured improved chemical safety for

waterproof material and complies with the EU's restrictions on hazardous chemicals in apparel and textiles, and since 2019, all products are free from injurious fluorocarbons. The Company's chemical policy is based on the REACH Regulation ((EC) 1907/2006) and has been signed by all suppliers. The Company is continuously evaluating how the suppliers comply with the chemical policy through independent laboratory tests.

In addition, RevolutionRace's products are designed with quality in mind and are produced with durable materials. To ensure durability, the products are not merely tested in a laboratory but also undergo actual tests in natural areas of use and climates. In contrast to many other brands that replace their product assortments at different times of the year, which leads to a large degree of waste products that remain unsold, RevolutionRace instead retains most models around the year and works continuously to adjust and improve the design based on customer feedback. In the financial year 2019/20, only 0.5 per cent of RevolutionRace's collections were sold to collectors of deadstock, which according to the Company is a low share within the fashion industry in general. Since business began in 2013, no goods that have been offered for sale have so far been scrapped by the Company due to inventory obsolescence. The Company has set itself the target to stay below 3 per cent overproduction.

The Company has also prepared an animal protection policy which is aimed at reflecting its work with good animal husbandry, regarding that which is subsequently used as material in apparel production. This policy is divided into three subcategories: (1) down, (2) wool and (3) fur.

- The Company only uses down that is certified in accordance with RDS (Responsible Down Standard). This means that all down included in the products is derived from geese and ducks that are bred for the food industry and are neither plucked whilst alive nor force-fed.
- All wool used in the products is certified in accordance with RWS (Responsible Wool Standard), which guarantees that the sheep have not been subjected to cruel treatment referred to as "mulesing" and are well treated during and after shearing.
- The Company also does not use products containing fur and participates in the international "Fur Free Retailer" programme, which also means that no products contain any real fur.

Sustainability for RevolutionRace

RevolutionRace endeavours to be an attractive workplace, a socially and environmentally responsible member of

25) Amfori BSCI helps its members in conducting their business from a sustainability perspective. Amfori BSCI has 11 principles, which among other things include zero tolerance regarding child labour, regulation of compensation levels to employees, etc. The organisation helps its members with, among other things, carrying out regular audits, improving social performance in the supply chain, increasing efficiency and production of best practice.

society, and always to comply with the law in the countries it operates in.

Sustainability is an integrated part of RevolutionRace's business and, as described above, the Company is actively working on sustainability aspects within the scope of its product development, in conjunction with purchasing and production, and to achieve a responsible and sustainable production.

The Company's sustainability strategy "Responsible Race" defines its core priorities and targets under the pillars: *Products, People, Planet and Supply Chain*. The six core elements of the strategy are:

- Durable and safe products
- Social responsibility in the supply chain
- Inspired employees
- Climate protection
- Circularity of resources
- Environmental responsibility in the supply chain

The Company has so far focused on the first two elements, durable and safe products and social responsibility in the supply chain (as described above under "*Sustainable production*"), as well as on inspired employees.

The Company believes that its employees are the Company's most important asset. The Company believes that it emphasises a non-hierarchical and dynamic culture, diversity, equal opportunities and continuous development of its employees with 40 per cent of management positions being held by women and annual employee appraisal reviews. The Company believes that this has resulted in very loyal employees and high employee well-being.

As part of the "Responsible Race" strategy the company has added three new elements in addition to the current focus areas:

- **Climate protection.** RevolutionRace is measuring its emissions according to the GHG protocol^[26]. RevolutionRace's emissions from its own operations were during the financial year 2019/20 estimated at 10 tonnes of CO₂e. The Company has set itself the target to use 100 per cent renewable electricity and to become carbon neutral in own operations by 2023. RevolutionRace is currently evaluating transparency on its emissions outside its own operations (scope 3 of the GHG protocol) together with an external consultant. Based on this work, in 2021/22, the Company intends to develop a detailed plan and set a reduction target for its emissions outside its own operations.
- **Circularity of resources.** The Company's sustainable product strategy is to produce non-seasonal durable garments with minimum waste. To achieve durability and functionality, RevolutionRace uses synthetic fibers. In the financial year 2019/20, 46 per cent of its fiber use came from polyester, 29 per cent from nylon

and 19 per cent from cotton. Despite the advantages of polyester and nylon fibers, these are synthetic fibers produced from fossil fuels. RevolutionRace is continuously testing recycled fibers and is launching its bestselling RVRC GP pro pants in recycled polyester and nylon in July 2021. The Company is endeavouring to increase the use of recycled fibers and is also carrying out a transparency analysis regarding all packaging materials and intends to adopt a new packing policy with focus on recycled, recyclable and compostable plastic and paper materials.

- **Environmental responsibility in the supply chain.**

Through new policies, procurement procedures and transparency, RevolutionRace intends to focus on improved environmental responsibility throughout the supply chain. The Company is currently conducting an analysis of the environmental management systems and initiatives in place among its suppliers to address their environmental impacts. The analysis will also be expanded to its warehouse partners. In 2021, the Company will start using the Higg Facility Environmental Module (FEM) Index to measure the environmental performance of its largest suppliers and the Company aims to have full traceability of its largest product groups by 2022.

Marketing and sales

Overview

RevolutionRace's marketing activities are aimed at increasing awareness of and strengthening the brand, increasing the traffic to the Company's online store and the percentage of visitors to the online store who make a purchase (the conversion rate) in order to increase the Company's sales. The marketing strategy includes a combination of organically generated content with a strong connection to the brand's core values and data-driven digital marketing. The Company believes that RevolutionRace's strategy for creating content is characterised by the use of internally produced content and, first and foremost, content produced by customers and brand ambassadors on social media, used within performance marketing and in its own online store. The data-driven marketing is based on segmenting target customer groups to reach out to in order to increase traffic to RevolutionRace's online store from different channels where there are potential customers, and also to cause previous customers to return to make additional purchases.

The Company has been working to strengthen the Company's brand awareness, drive traffic and increase the loyalty and the percentage of returning customers, both through paid and free channels. As part of this development, the Company is nowadays handling all marketing inhouse, instead of using external consultants. In addition,

26) The GHG protocol (Greenhouse Gas Protocol) was developed by World Resources Institute (WRI) and World Business Counsel on Sustainable Development (WBCSD) as a global standard for measuring, handling and reporting of greenhouse gas emissions.

through its presence on social media and performance marketing, primarily through Facebook and Google, the Company has been working to an ever increasing extent with data-driven marketing in order to benefit from economies of scale as the Company grows.

During the twelve-month period ending 31 March 2021, the percentage of sales related to paid marketing channels²⁷⁾ amounted to 57.6 per cent of net sales before returns.²⁸⁾ The remaining 15.0 and 27.4 per cent, respectively, referred to email and organic traffic.

RevolutionRace's sales take place exclusively digitally through, primarily, its own online store and, to a lesser extent, through Amazon's marketplace in selected countries. RevolutionRace's customer base comprises individuals throughout the world in approximately 35 countries and the online store is locally adapted to 16 countries. The customers can be further segmented into two age categories. The age categories include "experienced quality seekers" in the 35–70 age category, who are often already introduced to Active lifestyle apparel and are seeking high-quality, as well as "young explorers" in the 18–35 age category, who are introduced to Active lifestyle close for the first time or on a beginner level. The latter group tends to have greater focus on price, but at the same time tends to be more involved in RevolutionRace's outdoor and urban lifestyle segment, which are categories of growing importance for the Company.

The Company also has a rapidly growing base of new and returning customers. During the twelve-month period ending 31 March 2021, the Company had 604,199 active customers.²⁹⁾ In a customer survey carried out in February 2021, 35.7 per cent stated that they arrived at RevolutionRace's online store via references from other customers.³⁰⁾ At the same time, the percentage of returning customers³¹⁾ as a portion of net sales before returns was 46 per cent during the twelve-month period ending 31 December 2020. Up to and including 31 December 2020, 31.7 per cent of all of the Company's customers had made at least one additional purchase within one year from the first purchase.³²⁾ The Company believes that the percentage of returning customers is primarily due to high customer satisfaction, which has resulted in an average rating of 4.6 on a scale of between one and five on the Company's online store,³³⁾ an unmatched product value in terms of

price, quality and design as well as a competitive marketing strategy on social media and in other digital channels.

A number of marketing initiatives have been identified by RevolutionRace as part of the Company's growth going forward:

- Implementation of a new CRM-system (Emarsys), which among other things will render possible personalised campaigns and segmented newsletters.
- A new automation tool, which is aimed at combining marketing costs, profitability and sales on each market on a product level.
- Expansion in new markets, both via Amazon and through the Company's own online store.
- Commencement of sales in the United States via Amazon and continuation of the successful strategy used in Germany for launching on individual markets.

Performance marketing

The Company is actively engaged in digital marketing through selected channels, which primarily comprise Facebook, Google and Instagram. In addition to so-called direct traffic, where customers reach the online store by manually entering the URL address (such as www.revolutionrace.com), traffic is generated to the online store through marketing campaigns on Facebook, Google and Instagram. Being mentioned on social media and other channels thereto generates traffic on Google's search engine for RevolutionRace's products and content in the online store. The relevance of Google's search engine is further strengthened through active internal work with Search Engine Optimisation ("**SEO**"). In addition, traffic is generated to the online store through paid search engine advertising (Search Engine Marketing – "**SEM**"), which the Company primarily conducts through Google Ads.

Based on these digital channels, the Company regularly compiles data on customer behaviour and purchasing patterns, which serves as a basis for decision-making. The compiled data may, for example, be used for segmentation of customer groups, deciding for which customer group certain content is suitable and which type of content that generates the most visits to the online store and leads to the best possible conversion rate. In total, this provides major advantages in increased efficiency of the marketing

27) Including search engine marketing, influencer marketing, performance marketing, performance-based marketing (so-called affiliate marketing, which means marketing on the Internet where the site owner publishes advertisements for RevolutionRace in exchange for commission on the purchases made via the link for the specific advertisement).

28) Data from RevolutionRace.

29) The numbers who made at least one purchase during the past twelve-month period ending 31 March 2021.

30) Based on customer survey carried out by the Company in February 2021 with approximately 1,800 respondents in the United Kingdom and Sweden. Several multiple answer alternatives were permitted.

31) Returning customers are defined as customers who have previously bought a product via RevolutionRace's online store before 31 December 2020 and have thereafter made at least one other purchase during the twelve-month period ending 31 December 2020. Customers are identified through the email address from which the orders were placed. Data from RevolutionRace.

32) Number of customers who have made at least one additional purchase following the first purchase between 2013 and 31 December 2019, within one year. Subsequent purchases are calculated up to and including 31 December 2020.

33) Data as of 31 March 2021, measured since business began in 2013.

and thereby the return on ad-spend ("**ROAS**"), which the Company actively monitors in real time on these channels.

RevolutionRace's overall strategy through performance marketing can further be divided into four categories based on purpose, with the common denominator being that it must increase sales in different stages of the customer's order before, during and after a purchase. The Company carries out campaigns aimed at building brand recognition among a large number of customers, driving traffic to the online store, increasing the conversion rate and creating involvement around the brand.

- Paid marketing aimed at building brand recognition is specifically designed to reach a large number of recipients on several channels.
- Campaigns that are aimed at increasing traffic to the online store are designed to direct customers to RevolutionRace's online store and are aimed at awakening a customer's latent need to investigate the possibilities to purchase, or a customer who already intends to purchase, outdoor apparel and casual wear. These campaigns are aimed at several niche groups to increase the level of relevance.
- Campaigns for increased conversion aimed at influencing existing customers, former customers or new customers to make a purchase. These conversion campaigns are aimed at an already segmented group that has previously shown interest in RevolutionRace, who are customers whom the Company has reached through traffic-driven campaigns.
- Campaigns intended to create involvement around the brand are aimed at existing customers and to lead to them making additional purchases, as well as to authentic brand development which in turn, through these existing customers, reaches new potential customers.

Tools that are available on the Company's channels, which are frequently used for creating campaigns, include, among other things, adapted target groups, own and customer generated photos and videos, selected look-a-likes, as well as real-time data regarding campaign profitability, customer purchase intensity, traffic and return. RevolutionRace believes that campaigns in paid channels generate high involvement, including content on Facebook which generates on average 3.2 per cent involvement, compared with the average for paid advertising on Facebook, which the Company estimates to be less than 0.2 per cent.³⁴⁾

Social media

Since the Company was founded in 2013, RevolutionRace has had a clear strategy of being active on social media. Over time, the Company has increased its presence on

more channels, from Facebook at the start to Instagram, YouTube, Snapchat, TikTok, and it is constantly monitoring the development of new social media. The Company believes that a key to a successful presence on social media is to have content that engages the follower base. According to the Company, RevolutionRace's strategy for creating content distinguishes itself through the use of internally produced material as well as photos and videos from its customers, brand ambassadors and influencers. This leads, first and foremost, to a large volume of content being regularly produced at a low cost or no cost to the Company, since no extensive production is necessary, which also provides uniqueness for each produced photo or video. In addition, this contributes to a well-knit customer relationship, with customers being involved in the brand development and being encouraged to distribute the content via their followers, which leads to an increased organic spread of the RevolutionRace brand globally. The content has been shown to create involvement and the strategy has, for example, resulted in a higher number of comments on an average upload on Instagram than selected competitors all together, at the same time as the growth on Instagram of 97.0 per cent during the period March 2020–March 2021 exceeded most other brands.³⁵⁾

In addition to photos and movable material, the Company has the possibility, through social media, to have a direct dialogue with customers in real-time and also involve customers as early as the product development stage by, for example, customer surveys and competitions. Social media also constitutes a transparent channel for authentic customer reviews.

Within the scope of RevolutionRace's social media strategy, all content and all campaigns are created with the aim of also being used on the Company's other marketing platforms and which then are used to generate traffic to the online store and thereafter lead to conversion. The Company believes that the products and the brand's core values, which permeate the marketing, are well suited for creating an involved follower base on social media.

Influencer marketing

Since 2019, the Company has been working with influencer marketing. This marketing work is conducted by cooperating with a carefully selected group of individuals with different levels of reach. Segmentation of influencers is carried out through different levels, in which each level has different attributes that are adapted to different types of campaigns and purposes. For example, Mainstream influencers are often used to a large extent when launching on a new market or when launching a new product.

34) Measured as degree of involvement, which calculates the likelihood that a person clicks, reacts to, comments, shares or expands an advertisement on Facebook. The Company's analysis of data from Facebook as of 31 March 2021.

35) The Company's analysis of data from Instagram as of 31 March 2021.

Influencer profile	Purpose	Description
Micro influencers "Everyday adventurers"	<ul style="list-style-type: none"> Conversion 	<ul style="list-style-type: none"> Ordinary users with limited groups of followers
Middle level influencers "Owning their niche"	<ul style="list-style-type: none"> Reach, conversion, and traffic Specific product or price campaigns 	<ul style="list-style-type: none"> Brand ambassadors with larger, but at the same time highly loyal, groups of followers
Mainstream influencers "Nationally famous"	<ul style="list-style-type: none"> Launch of new market or product 	<ul style="list-style-type: none"> Consistent reach corresponding to traditional TV Difficult to target for other niche recreational clothing brands that do not offer multifunctional products

The Company collaborates with approximately 2,500 influencers, of which more than 1,500 brand ambassadors, carefully selected to ensure they share the Company's core values and thus do not dilute the authenticity of the brand. Through these ambassadors, the Company has a possibility to create locally adapted content for different markets. This group is generally more involved with the brand than what is achieved by individual campaigns, contributing to a source of free and creative content, which also creates synergies for other marketing channels as well as a powerful and cost effective reach.

CRM

The Company is currently using newsletters as a part of the digital marketing strategy. At present, newsletters are segmented based on three aims: creating involvement, marketing product news or new stocks of goods, as well as other sales campaigns for temporary offers.

Involvement-driven campaigns are focused on inspiring content and having a high brand focus. These campaigns primarily market articles at full price and include influencer content and content from brand-loyal customers. At the same time, they serve as additional reminders of existing campaigns. Campaigns for product news or new goods in stock are informational regarding new products and goods that are once again in stock and include, for example, new product specifications. These are primarily products that are marketed at full price. Other sales campaigns primarily comprise temporary price campaigns and exclusive campaigns specifically for newsletter subscribers. The Company's marketing via newsletters has resulted in annual growth of 87.4 per cent in the number of subscribers and 71.7 per cent in revenue from the channel during the twelve-month period ending 31 March 2021.

The Company is actively working to increase its customer loyalty and is currently implementing a new third-party developed CRM-system, Emarsys (Customer Relationship Management). The system is aimed at supporting and optimising the Company's sales management, analysing purchasing behaviour, integrating with social media, facilitating communication with the customers through, for example newsletters, and providing information for making decisions. The investments in the system are

aimed at increasing the share of returning customers, for example through clearer segmentation of subcategories of customer groups and more targeted and personal marketing. The CRM system further allows for recognition of the customers at an increased level of granularity than what the Company previously has implemented in its loyalty strategy, which is why the Company believes that the new CRM-system can lead to increased efficiency in marketing by identifying and focusing on a particular type of already segmented customer groups in order, for example, to increase purchase propensity.

Customer service

A satisfied and loyal group of customers is important for RevolutionRace's continued growth and is strongly connected to the percentage of returning customers and brand loyalty as a whole. The Company is actively working on customer satisfaction and customer service via email and through social media and had, as of 31 March 2021, 18 fully dedicated full-time equivalents (FTEs) within customer service. Customer service is available in eight languages during all days of the week. In order to improve the customer experience, the Company is continuously working with training and skills development in order to be close to the customer, meet their needs, but also as a way to proactively identify needs and ideas that encourage product development and the customer experience. As a result of RevolutionRace's customer service work, the customers have demonstrated a customer satisfaction level in excess of 90 per cent, based on the relationship between positive and negative customer responses at the Company's support function (Zendesk).³⁶⁾

Amazon

In addition to sales via its own online store, RevolutionRace engages to a smaller extent in sales via an own designed and specially adapted brand page of the e-commerce company Amazon. This takes place in a small number of selected countries, which as of 31 March 2021 comprised France, the Netherlands, Italy, Germany, Spain and Austria. The available range on Amazon is limited and comprises less than 10 per cent of the Company's total assortment. Sales on the platform accounted for 3.4 per cent of net

36) Customer satisfaction is defined as the relationship between positive and negative satisfaction responses. Data from Zendesk, based on approximately 35,000 customer responses in 2020.

sales before returns during the three-month period ending 31 March 2021, but showed growth of approximately 465 per cent for March 2021 compared with July 2020. In addition to these countries, the Company intends to provide the platform to relaunch sales in the United Kingdom and to launch sales in the United States in 2021. In contrast to allowing Amazon to handle the sales as a third party, the Company controls in full which products are sold on its own brand page on Amazon, and at what prices. The Company does so through internal expertise from its own personnel, including the marketing and production of content on the platform. Amazon, in turn, contributes a possibility for cost-effective launching on new geographic markets, access to a new customer base comprising consumers who primarily shop via Amazon, as well as logistics and goods management in Europe within the scope of Amazon's pan-European programme, FBA. Access to the new customer base has also resulted in synergies between the Company's own channels, where 11.2 per cent of the Company's customers on Amazon then make subsequent purchases on RevolutionRace's own online store.³⁷⁾ This exceeds the number who shops on Amazon instead of the Company's own online store, which thus entails a positive net effect on new customer acquisition and subsequent sales growth.³⁸⁾ The Company believes that the positive sales growth demonstrated to date on Amazon indicates the channel's increased importance potential over time. Notably, the Company believes that the product margin does not differ appreciably from the products that are sold through RevolutionRace's own online store.

Distribution and logistics

Management

RevolutionRace's logistics processes include management (incoming goods, warehousing, outgoing goods and management of returns) as well as distribution (transport and shipping). The Company believes that an efficient process for inventory management is important for maintaining a competitive offering.

Incoming goods management is handled by the global logistics companies Toll, DSV and Yoyo, with typical delivery times of approximately six weeks for sea transport, approximately seven days for air transport and approximately three weeks for combined sea and air transport. Logistics companies are specialised in various shipping methods and the Company uses a number of delivery alternatives and suppliers with the aim of maintaining an advantageous position vis-à-vis its suppliers with respect to price and supply contracts.

Through a collaboration with DreamLogistics, in January 2021, RevolutionRace moved its central inventory management to a new warehouse in Borås close to the Company's headquarters. The new handling centre comprises 27,000 sq. m. at full capacity and entails an increased theoretical capacity with respect to size (+160 per cent), automation (+50 per cent) and maximum volume capacity (+4.6 times more order lines per week), compared with the Company's previous third-party central warehouse solution, at the same time as handling costs are expected to decrease in the longer term. Initially, the actual capacity of DreamLogistics does not reach the theoretical capacity. The move to a new warehouse has also reduced the time between order placement and collection by haulage companies thanks to a more advantageous geographic position. The handling centre houses the Company's full product assortment, comprising approximately 3,412 goods in stock as of 31 March 2021 and handles distribution of products to all markets, corresponding to handling 90.3 per cent of all orders during March 2021.

The relocation of the warehouse in combination with the high growth have led to some run-in problems, which have affected the customer experience and led to certain higher operating costs. In the long-term, the Company believes that the new solution with DreamLogistics will result in greater efficiency, less incorrect handling and lower costs per delivered product. The partially automated solution means that the Company can more effectively follow stock levels and integrate this with internal systems on its own IT platform. The new master agreement for DreamLogistics is for a two-year term and is not exclusive, which also means flexibility for the Company to assess new solutions and additional external handling centres as RevolutionRace intends to scale up the business and expand in a number of countries.

In addition to the handling centre in Borås, the Company currently uses a handling centre in Germany (ITG), which is centrally located to handle returns, but also orders within Europe with shorter lead times as a consequence. This applies to orders of the most in-demand items in the range, amounting to approximately 530 goods held in stock as of 31 March 2021 and 9.7 per cent of the Company's orders in March 2021. Together with the handling centre in Borås, there is capacity to handle approximately 50,000 order lines per day and capacity to multiply net sales within the scope of supplements within current contracts.

In addition, the Company has a further handling centre in Norway for returns and for deliveries to countries outside the EU, due to customs reasons. The handling centres in Germany and Norway primarily function as hubs for returns

37) The percentage of customers who have placed an order on RevolutionRace's brand page on Amazon and then a subsequent order in RevolutionRace's online store, based on 14,672 orders on Amazon. Customers are identified through first name, surname and city, in Germany and Austria. The measurement relates to the period 1 April 2020 to 19 January 2021 on Amazon and 1 January 2019 to 19 January 2021 on RevolutionRace's online store.

38) The Company's analysis of data from Amazon as of 31 March 2021.

(see “Returns” below). As a consequence of Brexit, the Company is assessing the possibility for a handling centre in the United Kingdom and the possibility for additional handling centres in Europe as sales volumes grow.

The Company is also using Amazon’s logistics solutions for goods sold via Amazon through its pan-European solution for total inventory management, “Fulfilment by Amazon” (FBA). This solution means that the Company regularly distributes products to Amazon’s logistics centres in Europe, from which Amazon subsequently distributes between its logistics hubs depending on anticipated and actual sales volumes. The Company is studying the possibilities to transport products directly to Amazon in the United States from production facilities after launching and, in the long term, Amazon is expected to allow inventory management for goods sold through the Company’s own online store in the United States, which provides an opportunity to add additional potential to RevolutionRace’s geographic expansion.

Distribution

In order to offer short lead times and several delivery alternatives, the Company uses local and well-reputed forwarding agents who handle the outgoing product deliveries to customers from handling centres and the incoming deliveries of returns to the Company. The Company considers that it has a flexible structure, with the Company using different partners as needed and in the event of any disruptions to deliveries, as well as in which new partners can be integrated. As the Company has grown and become a significant player for forwarding agents, more favourable terms and conditions have been negotiated. RevolutionRace regularly reviews its contractual terms and conditions in order to improve cost efficiency and to be able to offer more advantageous delivery solutions to the customers.

The Company believes that it offers good delivery times on a number of markets, which are normally estimated to amount to the number of weekdays excluding public holidays from the time of order placement, as shown in the table below.

Country	Sweden, Norway and Denmark	Finland, Germany, the United Kingdom and Austria	Belgium, the Netherlands, Poland and Czech Republic,	Rest of Europe	Rest of the world
Number of weekdays excl. public holidays	1–3	2–4	3–6	4–6	5–9

Returns

Returns are a necessary part of RevolutionRace’s business model. Returns from central Europe primarily take place via a logistics centre in Germany and returns from Norway take place via a logistics centre in Norway, while other returns take place directly via the Company’s handling centre in Borås. This results in short lead times in relation to customers between returns and refund, which in turn is aimed at promoting customer satisfaction and leading to a less negative impact on the environment. Via the return centre in Germany, returned products are also distributed to new customers in central Europe.

RevolutionRace’s policy is to sell products to customers with a return and replacement right of 90 days, which generally exceeds 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 enclosed return slip. This means that RevolutionRace’s customers can return purchased products within 90 days from the products having been delivered and receive a refund of the amount paid.

For the twelve-month period ending 31 March 2021, the return rate³⁹⁾ was 28.7 per cent. In its work on reducing the return rate, the Company is working with customer reviews,

size guides and actively requesting customers to provide feedback regarding fit, weight and measurement in order to provide as fair view as possible regarding the item’s fit in addition to the standard sizes. The Company also has a rigorous model for testing the quality of products to ensure that they meet the exacting product quality expectations of the Company and the customers and that the products are thus not defective.

Payments

The Company offers a number of payment solutions that are locally adapted based on country-specific customer preferences on each online store, including a number of cross-border solutions. RevolutionRace’s online store offers payments through, among others, the payment providers Klarna, PayPal, PayU, Stripe as well as a number of other regional providers. The payment alternatives include credit cards, direct debit, invoice and instalment payments. This broad range allows for a great freedom of choice for customers and thus makes it possible to increase the conversion rate of its own online store.

39) Percentage of returns in % is calculated by dividing the total of credited amounts (attributable to debit invoices during a certain period of time) by invoiced amounts (including replacements) during the same period of time.

IT

RevolutionRace considers itself to have a scalable, cloud based and flexible IT infrastructure based on third-party solutions, with the aim of providing customers with the best possible digital experience on RevolutionRace's online store and providing support to the Company's business and development. RevolutionRace's IT environment largely comprises licensed systems, including the Company's e-commerce system (*Litium*), product management system (*PISA*), business system (*Microsoft Dynamics NAV*), logistics system (*DreamPack*) and customer service system

(*ZenDesk*). The Company's online store is developed based on this IT infrastructure. During the 2020 calendar year, a new online store was developed with a multi-store solution, entailing that each individual country-specific online store is developed on the same platform. This facilitates the launching in new countries, since it means an integration with the same PIM system and underlying source code. As such, the online store needs only to be locally adapted with respect to translation to the local language, content and set up with regards to payment and delivery solutions.



The online store has an environment that is dynamic and adapted for several possible units for e-commerce, such as mobile phones, tablets and computers. There was a high number of visitors in the Company's online store during e.g. the Christmas shopping and Black Friday. To deal with this, the Company has taken measures to create a robust and rapid online store which copes with such extra load and the Company believes that it has capacity to meet several times the current average load, and there are also possibilities to rapidly increase the server capacity to handle temporary peaks in demand.

The Company is continuously working on developing the functionality and improving the customer experience. This can, for example, relate to managing campaigns or algorithms to determine what a specific customer sees on the website, based on past visited pages ("cookies") or previous purchases in the Company's store. In addition, an IT project is underway for integration of live video shopping, a return checkout as well as translation of sizes for customers when they switch between different localised versions of the Company's online store.

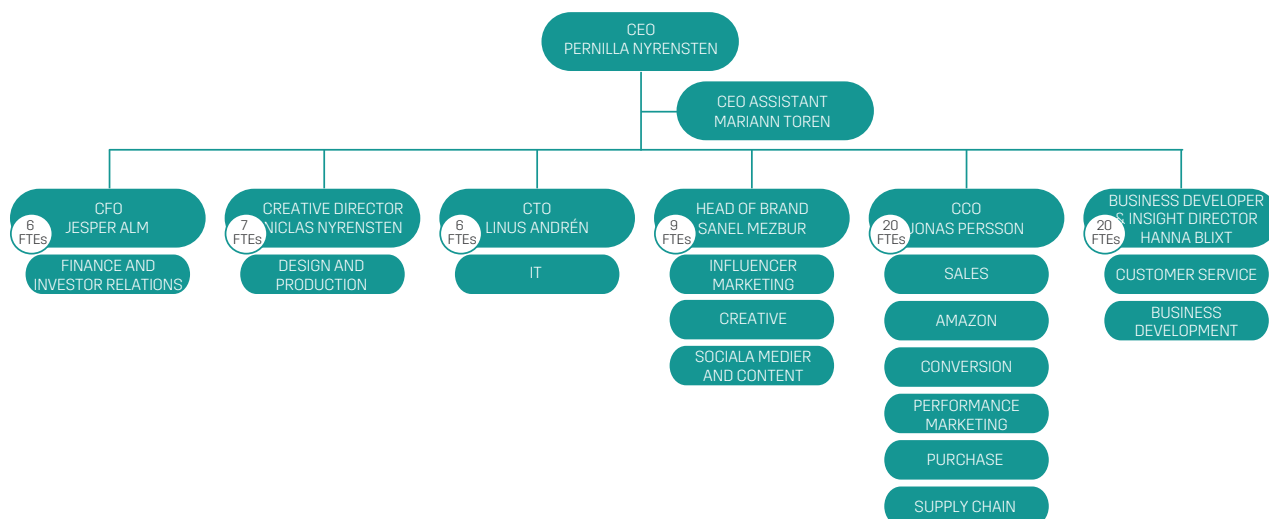
Organisation

The Company has a centralised organisation and the majority of RevolutionRace's employees work at the head office in Borås. The organisation is divided into the following functions: Design and Production, IT, Brand and Influencer Marketing, Economy, Business Development and Commercial. RevolutionRace is endeavouring to have a decentralised organisational structure with short decision processes, which are permeated by an entrepreneurial corporate culture.

RevolutionRace's management group comprises the President and Chief Executive officer, Creative Director, CFO, CTO, CCO, Business Developer and Insight Director, Head of Brand and Head of IR.

The table below shows the number of employees within the Group on 31 March 2021, 31 March 2020, 30 June 2020, 30 June 2019 and 30 June 2018, respectively. The following organisation chart also shows the average number of employees per function as of 31 March 2021. There has been no significant change in the number of employees since 31 March 2021.

Function	31 March 2021	31 March 2020	30 June 2020	30 June 2019	30 June 2018
Design and Production	7	6	6	5	4
IT	6	4	4	3	2
Brand and Influencer Marketing	9	9	9	2	1
Economy	5	–	1	2	2
Business Development	3	3	3	–	–
Commercial	38	23	22	16	10
CEO and others	2	3	3	2	2
Total	70	48	48	30	21



Regulatory overview

RevolutionRace's marketing and sale of outdoor apparel and casual wear online entail that the Company is subject to laws and regulations related to e.g. consumer protection, marketing, and online shopping. Below is a general description of the consumer and marketing law regulations that the Company deems to be material for the operations. The consumer and marketing laws and regulations that RevolutionRace's operations are subject to include the Consumer Sales Act, the Consumer Contracts Act (*Sw. lagen (1994:1512) om avtalsvillkor i konsumentförhållanden*), the Act on Electronic Commerce and Other Information Society Services (*Sw. lagen (2002:562) om elektronisk handel och andra informationssamhällets tjänster*) (the "**E-commerce Act**"), the Act on Distance Contracts and Off-Premises Contracts (2005:59) (the "**Distance Contracts Act**"), and the Marketing Act. RevolutionRace is also to some extent subject to national consumer protection and marketing rules in the countries in which the Company conducts sales and directs its marketing to.

The Distance Contracts Act (which is based on the Consumer Rights Directive (2011/83/EC)) and the E-Commerce Act (which is based on the Electronic Commerce Directive (2000/31/EC)) impose certain requirements to companies that conduct online shopping and contains e.g. rules that state what information must be provided and how an agreement is entered into in connection with selling products to consumers. The Consumer Contracts Act sets

the framework for the terms and conditions that traders (*Sw. näringsidkare*) may apply when selling goods to consumers. The Consumers Sales Act regulates the rights that consumers have when buying goods from traders. All of these laws set requirements for the protection of consumers' rights.

The Marketing Act (which is based on the Unfair Commercial Practices Directive (2005/29 / EC)) regulates how a trader may market itself, its goods and services. Among other things, the Marketing Act demands that marketing must meet requirements of good marketing practice, advertising identification and that marketing must not be misleading. If the marketing violates these regulations, it can be considered unfair. The scope is wide and includes a trader's actions before, during and after a sale or a delivery of goods or services.

RevolutionRace's compliance with these rules is monitored by national and local authorities. In Sweden, for example, by the Swedish Advertising Ombudsman, the Swedish Consumer Agency, the Consumer Ombudsman, and the National Board for consumer Complaints. According to the Marketing Act, other traders can also file claims against RevolutionRace for non-compliance with the rules in e.g. the Marketing Act. Any violations can lead to financial sanctions (under the Marketing Act, for example, a market disruption fine can be imposed) and prohibition against certain advertising or marketing that is combined with a fine.

Selected historical financial information

Unless otherwise stated, the historical financial information presented below has (other than alternative performance measures) been derived from RevolutionRace's audited financial statements for the financial years 2017/18, 2018/19 and 2019/20, respectively, which have been prepared in accordance with International Financial Reporting Standards ("IFRS") published by International Accounting Standards Board (IASB) and interpretations issued by the IFRS Interpretations Committee (IFRS IC), as adopted by the EU. The financial statements for the financial years 2017/18 and 2018/19 have been audited by Revisionsgruppen i Borås AB, and the financial statements for the financial year 2019/20 have been audited by Ernst & Young AB, as set forth in their audit reports included elsewhere in this prospectus (see "Auditor's report for the financial years 2018/19 and 2017/18" and "Auditor's report for the financial year 2019/20" on page F-55–F-56 and page F-53–F-54 in the section "Historical financial information"). The financial information presented below for the period July 2020–March 2021 (including comparative figures for the period July 2019–March 2020) has been derived from RevolutionRace's interim report for the period July 2020–March 2021, which has been prepared in accordance with IAS 34 Interim Financial Reporting and applicable provisions in the Swedish Annual Accounts Act (Sw. årsredovisningslagen (1995:1554)). The interim report has been reviewed by RevolutionRace's auditor (see "Auditor's review report" on page F-9 in the section "Historical financial information").

RVRC Holding AB (publ) was incorporated in Sweden on 4 July 2017, and registered with the Swedish Companies Registration Office on 17 October 2017. The financial year 2017/18 therefore refers to the period 17 October 2017–30 June 2018. On 10 November 2017, RVRC Holding AB (publ), through its wholly owned subsidiary RevolutionRace Holding AB, acquired all shares in the operating company RevolutionRace AB.

Group income statement

TSEK	Jul–Mar 2020/21	Jul–Mar 2019/20	2019/20	2018/19	2017/18
Operating income					
Net sales	623,380	278,184	386,753	284,480	142,588
Other operating income	10,118	2,258	754	151	0
	633,498	280,442	387,507	284,631	142,588
Operating expenses					
Goods for resale	–175,917	–83,319	–115,720	–81,110	–38,622
Other external expenses	–246,608	–111,827	–156,999	–122,401	–66,858
Personnel expenses	–32,484	–22,757	–29,635	–22,220	–9,256
Depreciation and amortisation of tangible and intangible assets	–2,843	–1,386	–1,982	–1,147	–64
Other operating expenses	–11,954	–1,030	–25	–664	–537
	–469,806	–220,319	–304,362	–227,542	–115,337
Operating profit (EBIT)	163,689	60,123	83,145	57,089	27,251
Financial income	4	–	4	7	144
Financial expenses	–5,702	–4,047	–6,942	–4,615	–7,413
	–5,698	–4,047	–6,938	–4,608	–7,269
Profit before tax	157,991	56,076	76,207	52,481	19,981
Tax	–34,127	–12,002	–16,505	–7,623	–11,021
Profit for the period	123,864	44,074	59,702	44,858	8,960
Attributable to parent company's shareholders	123,864	44,074	59,702	44,858	8,960

Group statement of financial position

TSEK	31 Mar 2021	31 Mar 2020	30 Jun 2020	30 Jun 2019	30 Jun 2018
ASSETS					
Non-current assets					
Intangible assets					
Capitalised expenditures for development work	8,876	6,700	7,671	899	–
Trademarks	171,200	171,200	171,200	171,200	171,200
Goodwill	616,831	616,831	616,831	616,831	616,831
	796,907	794,731	795,702	788,930	788,031
Tangible assets					
Expenditures on third-party property	373	450	432	507	–
Plant and machinery	–	51	51	58	–
Equipment, tools and installations	1,231	1,535	1,423	1,741	294
Right of use assets	5,237	6,376	6,043	7,251	290
	6,841	8,412	7,949	9,557	584
Deferred tax asset	1,476	1,507	1,491	1,459	1,375
	1,476	1,507	1,491	1,459	1,375
Total non-current assets	805,224	804,650	805,141	799,945	789,990
Current assets					
Goods in stock	54,690	27,878	20,147	63,471	53,780
Goods in transit	30,053	9,489	2,822	4,250	4,552
Return rights assets	6,288	1,820	1,788	1,046	–
Total inventory	91,031	39,187	24,757	68,767	58,332
Accounts receivable	550	–	5	3,226	5,608
Current tax assets	2,720	–	–	1,643	–
Other current receivables	11,660	3,314	3,206	4,560	1,450
Derivative instrument	3,089	–	–	–	–
Prepaid expenses and accrued income	9,025	8,615	6,595	988	547
Cash and cash equivalents	207,213	81,225	116,706	36,533	18,080
Total current assets	325,288	132,341	151,269	115,717	84,016
TOTAL ASSETS	1,130,512	936,991	956,410	915,663	874,005

TSEK	31 Mar 2021	31 Mar 2020	30 Jun 2020	30 Jun 2019	30 Jun 2018
EQUITY AND LIABILITIES					
Equity					
Share capital	114	113	113	113	113
Other contributed capital	652,338	645,513	645,764	644,384	644,209
Reserves, translation differences	-316	-1,028	-316	-64	70
Retained earnings	-128,478	-78,181	-78,181	8,960	-
Profit for the period	123,864	44,074	59,702	44,858	8,960
Total equity, attributable to parent company's shareholders	647,522	610,491	627,081	698,251	653,352
Long-term liabilities					
Liabilities to credit institutions	230,000	230,000	230,000	114,375	130,625
Lease liabilities	4,579	5,749	5,435	6,717	165
Deferred tax liabilities	35,469	43,069	35,354	43,287	43,464
Total long-term liabilities	270,048	278,818	270,789	164,379	174,254
Current liabilities					
Liabilities to credit institutions	-	-	-	16,250	16,250
Lease liabilities	1,309	1,247	1,282	900	82
Accounts payable	77,833	15,839	13,467	15,852	7,216
Other current liabilities	40,273	12,426	11,104	8,827	8,412
Derivative instrument	2,563	-	42	17	-
Tax liabilities	26,735	351	14,426	-	5,360
Repayment liabilities	25,474	6,703	6,594	3,429	-
Prepaid income and accrued expenses	38,755	11,116	11,624	7,758	9,078
Total current liabilities	212,942	47,682	58,540	53,033	46,399
TOTAL EQUITY AND LIABILITIES	1,130,512	936,991	956,410	915,663	874,005

Group statements on cash flow

TSEK	Jul-Mar 2020/21	Jul-Mar 2019/20	2019/20	2018/19	2017/18
Cash flow from operating activities					
Operating profit (EBIT)	163,689	60,123	83,145	57,089	27,251
Adjustment for non-cash items					
Depreciation and amortisation	2,843	1,386	1,982	1,147	64
Other non-cash items	–	–16	–17	17	–
Interest received	–	–	4	7	144
Interest paid	–5,556	–3,878	–6,942	–4,615	–7,413
Paid income tax	–24,441	–11,787	–8,204	–14,873	–3,917
Cash flow from operating activities before changes in working capital	136,535	45,828	69,968	38,772	16,128
Cash flow from changes in net working capital					
Increase (-)/Decrease (+) in inventory	–66,231	30,354	45,798	–10,435	–32,324
Increase (-)/Decrease (+) in operating receivables	–14,492	–3,312	–3,401	–1,262	–3,616
Increase (+)/Decrease (-) in operating liabilities	140,826	11,391	8,542	11,377	–16,293
Cash flow from operating activities	196,638	84,261	120,907	38,452	–36,105
Investing activities					
Acquisition of subsidiaries	–	–	–	–	–376,931
Acquisition of intangible assets	–2,556	–5,801	–6,901	–899	–
Acquisition of tangible assets	–130	–129	–131	–2,294	–
Cash flow from investing activities	–2,686	–5,930	–7,032	–3,193	–376,931
Financing activities					
Amortisation of lease liabilities	–1,119	–903	–1,235	–619	–
Borrowings	–	230,000	230,000	–	165,000
Repayment of borrowings	–	–130,625	–130,625	–16,250	–18,125
Received shareholder contributions	–	–	–	–	284,197
Dividend paid	–110,000	–132,000	–132,000	–	–
New issue	6,575	1,130	1,380	175	–
Cash flow from financing activities	–104,544	–32,398	–32,480	–16,694	431,072
Cash flow for the period	89,408	45,933	81,395	18,565	18,036
Cash and cash equivalents at start of period	116,706	36,533	36,533	18,080	50
Exchange rate differences in cash and cash equivalents	1,099	–1,241	–1,222	–112	–6
Cash and cash equivalents at end of period	207,213	81,225	116,706	36,533	18,080

Key performance indicators

RevolutionRace presents certain measures that are not defined under IFRS (alternative performance measures – “APMs”). These are used by the Executive Group Management to assess the Group's performance. Such measures may not be comparable to similar measures presented by other companies. Consequently, APMs have limitations as

analytical tools and should not be considered in isolation or as a substitute for related financial measures prepared in accordance with IFRS. The APMs have been derived from RevolutionRace's internal accounting system and have not been audited or reviewed.

TSEK (unless otherwise stated)	Jul-Mar 2020/21	Jul-Mar 2019/20	2019/20	2018/19	2017/18
Net sales	623,380	278,185	386,753	284,480	142,588
Net sales growth, % ¹⁾	124.1	36.6	36.0	99.5	N/A
Gross profit ¹⁾	447,463	194,866	271,033	203,370	103,966
Gross profit margin, % ¹⁾	71.8	70.1	70.1	71.5	72.9
Operating profit (EBIT) ¹⁾	163,689	60,123	83,145	57,089	27,251
EBIT margin, % ¹⁾	25.8	21.4	21.5	20.1	19.1
Adjusted EBIT ¹⁾	173,189	60,123	83,145	57,089	27,251
Adjusted EBIT margin, % ¹⁾	27.3	21.4	21.5	20.1	19.1
Profit before tax	157,991	56,076	76,207	52,481	19,981
Earnings per share before dilution, SEK	0.19	0.07	0.09	0.07	0.04
Earnings per share after dilution, SEK	0.19	0.07	0.09	0.07	0.04
Net working capital ¹⁾	-93,558	4,681	-22,695	43,301	35,869
Net working capital as a share of net sales, % ¹⁾	-12.8	1.3	-5.9	15.2	25.2
Cash flow from operating activities	196,600	84,261	120,907	38,452	-36,105
Cash conversion, % ¹⁾	134.5	152.9	169.3	81.8	N/A
Net debt ¹⁾	28,675	155,771	120,011	101,709	129,042
Number of orders	781,920	381,063	533,488	408,379	153,671 ²⁾
Average net order value (AOV), SEK	797	730	725	697	710 ²⁾
Number of employees (at end of period)	70	48	56	25	17

1) Alternative performance measure (key performance indicators that are not defined in accordance with IFRS).

2) Refers to the period January–June 2018.

Net sales by geographical region

TSEK	Jul-Mar 2020/21	Jul-Mar 2019/20	2019/20	2018/19	2017/18
Nordic region	288,064	162,737	230,336	180,573	93,224
DACH	241,243	97,152	130,231	93,410	44,558
Rest of the world	94,073	18,296	26,185	10,497	4,806
Total	623,380	278,185	386,753	284,480	142,588

Selected financial information on a quarterly basis

	2017/18		2018/19				2019/20				2020/21		
TSEK	Jan-Mar 2018	Apr-Jun 2018	Jul-Sep 2018	Oct-Dec 2018	Jan-Mar 2019	Apr-Jun 2019	Jul-Sep 2019	Oct-Dec 2019	Jan-Mar 2020	Apr-Jun 2020	Jul-Sep 2020	Oct-Dec 2020	Jan-Mar 2021
Operating income													
Net sales	51,250	57,888	55,970	80,730	66,950	80,830	84,472	107,820	85,888	108,573	130,533	248,347	244,500
Nordic region	31,924	39,921	39,593	52,190	39,212	49,579	54,337	61,018	47,371	67,600	75,287	110,720	102,035
DACH	16,811	17,588	14,948	25,950	24,764	27,748	26,743	38,840	31,575	33,079	41,777	96,715	102,766
Rest of the world	2,515	379	1,429	2,590	2,974	3,503	3,391	7,963	6,942	7,894	13,469	40,911	39,698
Net sales growth,% ¹⁾	N/A	N/A	N/A	N/A	30.6	39.6	50.9	33.6	28.3	34.3	54.5	130.3	184.7
Other operating income	-240	-	235	365	-205	-244	138	85	2,037	-1,506	3,002	3,294	3,822
Operating income	51,010	57,888	56,205	81,095	66,745	80,586	84,610	107,905	87,925	107,067	133,535	251,641	248,322
Operating expenses													
Goods for resale	-12,952	-15,352	-15,669	-24,702	-19,019	-21,720	-24,305	-33,357	-25,638	-32,420	-38,509	-69,889	-67,519
Other external expenses	-20,380	-24,258	-24,006	-32,994	-30,450	-34,951	-32,163	-41,560	-38,103	-45,173	-49,592	-95,600	-101,416
Personnel expenses	-3,468	-3,256	-4,788	-5,447	-5,289	-6,696	-6,346	-9,107	-7,347	-6,835	-8,701	-11,139	-12,644
Depreciation and amortisation of tangible and intangible assets	-22	-27	-48	-233	-419	-447	-458	-458	-471	-595	-867	-974	-1,002
Other operating expenses	-505	-37	-122	-33	-335	-174	-326	-953	279	975	-3,433	-7,206	-1,315
Operating expenses	-37,327	-42,930	-44,633	-63,409	-55,512	-63,988	-63,599	-85,435	-71,280	-84,048	-101,102	-184,808	-183,896
Operating profit (EBIT)	13,683	14,958	11,572	17,686	11,233	16,598	21,011	22,470	16,645	23,019	32,433	66,833	64,426

1) Alternative performance measure (key performance indicators that are not defined in accordance with IFRS).

	2017/18		2018/19				2019/20				2020/21		
TSEK	Jan-Mar 2018	Apr-Jun 2018	Jul-Sep 2018	Oct-Dec 2018	Jan-Mar 2019	Apr-Jun 2019	Jul-Sep 2019	Oct-Dec 2019	Jan-Mar 2020	Apr-Jun 2020	Jul-Sep 2020	Oct-Dec 2020	Jan-Mar 2021
Gross profit ⁽¹⁾	38,298	42,536	40,301	56,028	47,931	59,110	60,166	74,463	60,250	76,153	92,024	178,458	176,981
Gross profit margin, % ⁽¹⁾	74.7	73.5	72.0	69.4	71.6	73.1	71.2	69.1	70.1	70.1	70.5	71.9	72.4
Operating profit (EBIT) ⁽¹⁾	13,683	14,958	11,572	17,686	11,233	16,598	21,011	22,470	16,645	23,019	32,433	66,833	64,426
EBIT margin, % ⁽¹⁾	26.8	25.8	20.6	21.8	16.8	20.6	24.8	20.8	18.9	21.5	24.3	26.6	25.9
Items affecting comparability	-	-	-	-	-	-	-	-	-	-	-	1,100	8,400
Adjusted EBIT ⁽¹⁾	13,683	14,958	11,572	17,686	11,233	16,598	21,011	22,470	16,645	23,019	32,433	67,933	72,826
Adjusted EBIT margin, % ⁽¹⁾	26.8	25.8	20.6	21.8	16.8	20.6	24.8	20.8	18.9	21.5	24.3	27.0	29.3
Current assets	87,532	84,016	102,235	103,551	119,650	115,717	108,805	264,245	132,341	151,269	216,271	212,312	325,288
Cash and cash equivalents (-)	-25,713	-18,080	-15,524	-26,209	-30,016	-36,533	-33,005	-198,878	-81,225	-116,706	-175,393	-127,053	-207,213
Current liabilities (-)	-43,600	-46,399	-56,622	-54,374	-63,470	-53,033	-57,372	-57,293	-47,682	-58,540	-99,721	-154,751	-212,940
Current inter- est-bearing liabil- ities	16,250	16,332	16,349	16,858	16,902	17,150	17,222	1,047	1,247	1,282	1,311	1,409	1,309
Net working capital ⁽¹⁾	34,469	35,869	46,438	39,826	43,066	43,302	35,650	9,121	4,681	-22,695	-57,532	-68,083	-93,556
Net working capital as a share of net sales (rolling 12 months), % ⁽¹⁾	N/A	N/A	N/A	16.2	16.5	15.2	11.4	2.7	1.3	-5.9	-13.3	-11.9	-12.8
Interest-bearing debt	155,000	147,122	147,197	146,403	146,397	138,242	113,033	237,159	236,900	236,600	236,437	236,234	235,888
Cash and cash equivalents (-)	-25,713	-18,080	-15,524	-26,209	-30,016	-36,533	-33,005	-198,878	-81,225	-116,706	-175,393	-127,053	-207,213
Net debt ⁽¹⁾	129,287	129,042	131,673	120,194	116,381	101,709	80,028	38,281	155,675	119,894	61,044	109,181	28,675
Number of orders	72,824	80,847	79,331	122,385	95,498	111,165	111,923	152,615	116,525	152,425	168,143	311,519	302,258
Average net order value (AOV), SEK	704	716	706	660	701	727	755	706	737	712	776	797	809

1) Alternative performance measure (key performance indicators that are not defined in accordance with IFRS).

Definitions of key performance indicators

Measure	Definition	Purpose
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).
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.
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.
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.
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.
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 RevolutionRace's profit that is converted into cash and cash equivalents.
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 RevolutionRace's growth rate between different periods and 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 RevolutionRace 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 RevolutionRace to finance the day-to-day operations.
Net working capital as a share of net sales	Net working capital as a percentage of 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.

Reconciliation of alternative performance measures

Net sales growth

TSEK (unless otherwise stated)	Jul-Mar 2020/21	Jul-Mar 2019/20	2019/20	2018/19	2017/18
Net sales, as reported	623,380	278,184	386,753	284,480	N/A
Net sales previous period	278,184	203,649	284,480	142,588	N/A
Changes in net sales, SEK	345,196	74,535	102,273	141,892	N/A
Net sales growth, %	124.1	36.6	36.0	99.5	N/A

Gross profit and gross profit margin

TSEK (unless otherwise stated)	Jul-Mar 2020/21	Jul-Mar 2019/20	2019/20	2018/19	2017/18
Net sales	623,380	278,184	386,753	284,480	142,588
Goods for resale (-)	-175,917	-83,319	-115,720	-81,110	-38,622
Gross profit	447,463	194,866	271,033	203,370	103,966
Net sales	623,380	278,184	386,753	284,480	142,588
Gross profit margin, %	71.8	70.1	70.1	71.5	72.9

EBIT margin, adjusted EBIT and adjusted EBIT margin

TSEK (unless otherwise stated)	Jul-Mar 2020/21	Jul-Mar 2019/20	2019/20	2018/19	2017/18
Operating profit (EBIT)	163,689	60,123	83,145	57,089	27,251
Operating income	633,498	280,442	387,507	284,631	142,588
EBIT margin, %	25.8	21.4	21.5	20.1	19.1
Items affecting comparability:					
Other external expenses related to listing preparations (+)	9,500	-	-	-	-
Adjusted EBIT	173,189	60,123	83,145	57,089	27,251
Adjusted EBIT margin, %	27.3	21.4	21.5	20.1	19.1

Cash conversion

TSEK (unless otherwise stated)	Jul-Mar 2020/21	Jul-Mar 2019/20	2019/20	2018/19	2017/18
Operating profit (EBIT)	163,689	60,123	83,145	57,089	N/A
Depreciation and amortisation of tangible and intangible assets (+)	2,843	1,386	1,982	1,147	N/A
EBITDA	166,532	61,509	85,128	58,237	N/A
Changes in net working capital (+/-)	60,103	38,454	65,996	-7,432	N/A
Cash flow from investing activities (-)	-2,686	-5,930	-7,032	-3,193	N/A
	223,949	94,033	144,092	47,611	N/A
EBITDA	166,532	61,509	85,128	58,128	N/A
Cash conversion, %	134.5	152.9	169.3	81.8	N/A

Net debt

TSEK	31 March 2021	31 March 2020	30 June 2020	30 June 2019	30 June 2018
Liabilities to credit institutions (long-term)	230,000	230,000	230,000	114,375	130,625
Liabilities to credit institutions (current)	–	–	–	16,250	16,250
Lease liabilities (long-term)	4,579	5,749	5,435	6,717	165
Lease liabilities (current)	1,309	1,247	1,282	900	82
Interest-bearing liabilities	235,888	236,996	236,717	138,242	147,122
Cash and cash equivalents (-)	-207,213	-81,225	-116,706	-36,533	-18,080
Net debt	28,675	155,771	120,011	101,709	129,042

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

TSEK (unless otherwise stated)	31 March 2021	31 March 2020	30 June 2020	30 June 2019	30 June 2018
Current assets	325,288	132,341	151,269	115,717	84,016
Cash and cash equivalents (-)	-207,213	-81,225	-116,706	-36,533	-18,080
Current liabilities (-)	-212,942	-47,682	-58,540	-53,033	-46,399
Liabilities to credit institutions (+)	–	–	–	16,250	16,250
Lease liabilities (+)	1,309	1,247	1,282	900	82
Net working capital	-93,558	4,681	-22,695	43,301	35,869
Net sales (rolling 12 months)	731,948	359,016	386,753	284,480	142,588
Net working capital as a share of net sales, %	-12.8	1.3	-5.9	15.2	25.2

Operating and financial review

The information presented below should be read together with the sections “Selected historical financial information”, “Capitalisation and other financial information” and RevolutionRace’s audited consolidated financial statements per and for the three financial years which ended on June 30, 2020, 2019 and 2018 with supplementary notes, and the reviewed interim information per and for the nine-month period which ended on 31 March 2021 (with comparative figures per and for the corresponding period 2019/20) as included in the section “Historical financial information”. The financial information for the financial year 2017/18 constitutes a shortened financial year and runs between 17 October 2017–30 June 2018. The following information contains forward-looking statements that involve inherent risks and uncertainties. The Company’s actual results may differ significantly from the results discussed in the forward-looking statements as a result of many factors, including but not limited to what is stated in the section “Risk factors” and elsewhere in this prospectus.

Overview

RevolutionRace is a profitable and rapidly growing company that offers high-quality outdoor apparel and apparel for an active lifestyle to customers in approximately 35 countries through its online store which is locally adapted to 16 countries. The Company offers its multifunctional apparel under its own brand RevolutionRace and focuses on a broad, global customer base living an active life, primarily within the 18–70 age category. RevolutionRace conducts its operations within the scope of a digital D2C business model, entailing that sales take place exclusively online with products offered directly to consumers.

During the nine-month period ending 31 March 2021, the Nordic region, the DACH region and the rest of the world were the Company’s largest geographic markets and accounted for 46.2, 38.7 and 15.1 per cent of RevolutionRace’s net sales during corresponding periods, respectively. In addition, the Company has a strong cash flow from operating activities, which has increased from MSEK 84.3 for the nine-month period ending 31 March 2020 to MSEK 196.6 for the nine-month period ending 31 March 2021. The Company has high cash conversion¹⁾ of 134.5 per cent for the nine-month period ending 31 March 2021.

Key factors that affect RevolutionRace’s results of operations and cash flow

RevolutionRace’s results of operations and cash flow have been affected, and will probably continue to be affected, by a number of factors, some of which are beyond RevolutionRace’s control. Presented below is a description of important factors that RevolutionRace believes have affected the results of operations and cash flow during the financial years 2017/18–2019/20 as well as the period 1 July 2020–31 March 2021 (with comparative figures for the period 1 July 2019–31 March 2020) and which can be

expected to affect RevolutionRace’s results of operations and cash flow in the future:

- Growth on existing markets and geographic expansion
- Customer satisfaction and repurchase frequency
- Business efficiency
 - Average net order value
 - Gross margin
 - Logistics
 - Marketing
 - Other operating expenses
- Net working capital

Growth on existing markets and geographic expansion

RevolutionRace currently sells its products through a digital D2C business model to approximately 35 countries through its online store which is locally adapted to 16 countries. The Company intends to continue to grow on existing markets and to continue to expand to two to four new geographic markets each year, which is important for the Company’s continued growth and for the Company achieving its financial target of net sales of at least SEK 2 billion in the financial year 2023/24. During the past three years, the Company has expanded on average to three new markets per year. Normally, RevolutionRace’s costs for launching on new markets are relatively limited and the Company usually achieves profitability shortly after launch. Examples of successful launches include the launch in Germany in 2017 and in the United Kingdom in 2020. Important success factors for these launches were that the Company launched on a small scale and tested demand for various products, and that the Company tested different marketing channels before the Company increased investments in marketing. Within the scope of the Company’s expansion strategy, cooperation with Amazon is important, since the Company has established an online store on Amazon which the Company is able to use when launching on new markets. For example, the Company intends to launch in the United States in 2021 and intends to do so via the

1) Cash conversion is defined as EBITDA less changes in net working capital and cash flow from investing activities divided by EBITDA.

Company's platform on Amazon. Furthermore, the Company changed its logistics solution at the end of January 2021 to a warehouse operated by DreamLogistics, which RevolutionRace considers was a necessary step for supporting continued expansion and increased volumes.

Customer satisfaction and repurchase frequency

The Company is endeavouring to retain a high level of returning customers and therefore markets itself also to customers who have previously bought products from RevolutionRace. During the twelve-month period ending 31 March 2021, the percentage of returning customers²⁾ was 42.0 per cent. In addition, RevolutionRace is actively working on developing a strong involvement with the brand among the Company's customers. This is why the Company requests, for example, product reviews from customers soon after purchasing, encourages the customers to photograph and film short clips in which they are using RevolutionRace's products, and regularly carries out voting among customers regarding colours or similar factors prior to future product launches. This work has contributed to RevolutionRace today having a large number of followers who also show great involvement on their channels such as Instagram and Facebook.

Business efficiency

Average net order value

The average net order value was SEK 797 for the nine-month period ending 31 March 2021. The average net order value is an important factor for the Company's underlying profitability. The average net order value is higher in DACH and the rest of the world than in the Nordic region, which is due to the Company having a higher price level and, on average, more order lines in DACH and the rest of the world than the Company has in the Nordic region. RevolutionRace's products and categories are characterised by a large number of price levels and margin profiles. RevolutionRace divides its products into the following categories: Base (lower price point), Pro (average price point), and Statement (higher price point). During the nine-month period ending 31 March 2021, the Company increased its focus within the jackets category, which is characterised by a higher product price. To create additional sales and thereby increase the average net order value, RevolutionRace regularly monitors changes in demand for the Company's products and which price combinations are often bought by customers. This, together with the Company applying a digital D2C business model, entails that it is possible for the Company to effectively adapt its business to meet customer demand and facilitate continued expansion of the product assortment.

Gross margin

The application by RevolutionRace of a digital D2C business model means that intermediaries such as retailers and distributors are limited in the value chain. The removal of these elements from the value chain entails that the Company is able to exercise better control over pricing and achieve a stable, high gross margin. The Company's stable, high gross margins are also due to its clear pricing strategy which involves RevolutionRace working in a disciplined fashion with offers and discounts and having the possibility to determine which products are marketed. For the nine-month period ending 31 March 2021, the Company's gross margin was 71.8 per cent, which is an increase of 1.7 percentage points compared with the corresponding period the preceding year. RevolutionRace's results of operations are affected by the cost of the Company's products, which in turn depends on pricing by subcontractors. For a number of years, the Company has been working with multiple suppliers in order to ensure that the Company succeeds in maintaining low purchasing prices for the Company's high-quality products.

Logistics

The Company's ability to offer effective logistics solutions when purchasing the Company's products is an important factor for RevolutionRace continuing to achieve both a high level of customer satisfaction as well as a high level of loyalty among the customers. For this reason, customers are offered both free shipping as well as free returns. RevolutionRace's warehousing and distribution costs are a major cost item for the Company and primarily comprise costs related to outgoing goods, including shipping, returns and order processing costs. Handling and distribution costs amounted to MSEK 76 during the nine-month period ending 31 March 2021, which corresponds to 12.2 per cent as a share of net sales during the corresponding period. In order to support RevolutionRace's continued expansion and to reduce handling and distribution costs, the Company has, since January 2021, relocated its warehouse management to a new, partially automated warehouse operated by DreamLogistics. The new warehouse means that the Company expects to eventually be able to shorten delivery times to the customers, which is an important competition factor for both attracting new customers and retaining existing customers. RevolutionRace is now able to offer its customers in Sweden, Norway and Denmark delivery of products normally within 1–3 weekdays excluding public holidays; in Finland, Germany, the United Kingdom and Austria within 2–4 weekdays excluding public holidays; in Belgium, the Netherlands, Poland and the Czech Republic within 3–6 weekdays excluding public holidays; in the rest of Europe within 4–6 weekdays excluding public holidays;

2) Returning customers are defined as customers who have previously bought a product via RevolutionRace's online store before 31 December 2020 and have thereafter made at least one other purchase during the twelve-month period ending 31 December 2020. Customers are identified through the email address from which the orders were placed. Data from RevolutionRace.

and in the rest of the world within 5–9 weekdays excluding public holidays, from the date of order placement. The relocation of the warehouse in combination with the high growth have led to some run-in problems, which have affected the customer experience and led to higher operating costs.

Returns are a natural element of e-commerce and the Company is actively engaged in reducing the return rate through clear communication with respect to sizes and fit, and in doing so is helped by the Company's customers who provide RevolutionRace with valuable product reviews with respect to, for example, fit and quality. This has, among other things, contributed to RevolutionRace's average return rate being lower than for the clothing category generally.³⁾ The share of returns within the clothing e-commerce differs considerably between different geographic markets and for different product categories. For the nine-month period ending 31 March 2021, RevolutionRace's return rate was 28.7 per cent.

It is important for RevolutionRace to continue to develop and improve its logistics solutions and the Company believes that this is possible as the Company has grown in size and therefore has had the possibility to negotiate improved terms with various suppliers. For example, in its agreement with Amazon, RevolutionRace has the same shipping cost in all markets in Europe and the Company thus does not need to negotiate logistics solutions for each market to which the Company sells via Amazon.

Marketing

RevolutionRace believes that it is important for the Company's continued growth that the Company continues, in a cost efficient way, to attract both potential new customers and to retain former and returning customers. RevolutionRace is investing, and intends to continue to invest, significant amounts in marketing through a number of channels such as Facebook and Google in order to drive traffic to the Company's online store and improve RevolutionRace's overall brand recognition. The Company carefully monitors the percentage of marketing costs relative to net sales in order to effectively control marketing costs in relation to the growth of the net sales. Marketing costs amounted to MSEK 111.9 during the nine-month period ending 31 March 2021, which corresponds to 18.0 per cent as a share of net sales during the corresponding period. The Company's high gross margin of 71.8 per cent for the nine-month period ending 31 March 2021 enables profitability from a customer's first order. RevolutionRace's allocation of the marketing budget is based on a data-driven method that has been developed and refined by the Company in recent years, whereupon continuous assessment is made as to which channels and which marketing strategies are most cost efficient and which have the highest conversion rate. In addition,

RevolutionRace is working on adapting the content of each marketing channel in order to drive traffic to its online store and individually adapting marketing in order to achieve a higher degree of conversion of individuals to active customers.

Other operating expenses

RevolutionRace's other operating expenses consist primarily of personnel expenses. RevolutionRace has developed its management group and recruited a large number of people during the past year, and as a result, the Company had 70 employees as of 31 March 2021. The Company's personnel expenses amounted to MSEK 32.5 during the nine-month period ending 31 March 2021, which corresponds to 5.2 per cent as a share of net sales during the corresponding period. Despite this increase, personnel expenses as a share of net sales have decreased, which has thus had positive effects on the Company's results of operations and profitability. The Company has a financial target of achieving an annual EBIT margin of at least 25 per cent. During the nine-month period ending 31 March 2021, the Company's EBIT margin was 25.8 per cent and adjusted EBIT margin was 27.3 per cent.

Net working capital

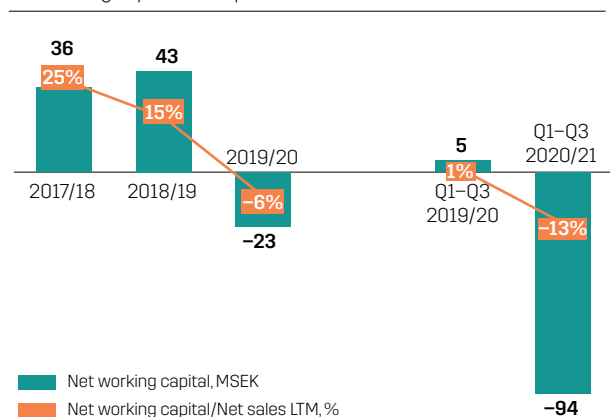
The development of the Company's net working capital is a key factor for cash flow from operating activities. RevolutionRace defines net working capital as current assets, excluding cash and cash equivalents, less non-interest-bearing current liabilities.⁴⁾ RevolutionRace's net working capital was MSEK -93.6 as of 31 March 2021. The Company has had negative net working capital during the financial year 2019/20 and the nine-month period ending 31 March 2021, which indicates that the Company's current liabilities are financing the operating activities and the growth.

Current assets comprise, among other things, inventory, other current receivables, prepaid expenses and accrued income; where goods in stock is the largest single item. As of 31 March 2021, RevolutionRace's goods in stock amounted to MSEK 54.7. During the past year, the Company has had a lower inventory level than what is desirable going forward, in part prior to the move to a more automated warehouse. Over time, the Company's ambition is an inventory level of 8–12 per cent relative to net sales. The non-interest-bearing current financial liabilities primarily comprise deferred income and accrued expenses, accounts payable, current tax liabilities and other liabilities. Accounts payable comprise the amount that RevolutionRace is obliged to pay for delivered goods and services. As of 31 March 2021, RevolutionRace's accounts payable amounted to MSEK 77.8.

3) PostNord in collaboration with Svensk Digital Handel and HUI Research, the E barometer, Yearly report 2019.

4) See the section "Selected historical financial information—Key performance indicators".

Net working capital development



Description of key income statement items

Net sales

RevolutionRace's net sales comprise sales of outdoor apparel and apparel for an active lifestyle. RevolutionRace reports net sales exclusive of VAT, returns and discounts and excluding intra-group sales, where the Company has transferred the risks and benefits of ownership of the products to the customer, on condition that it is likely that the money will be received by RevolutionRace and the amount can be valued in a reliable manner. Net sales are valued at fair value of the payment that has been or will be received. RevolutionRace applies the gross method when reporting anticipated returns. The gross method means that net sales are reduced in full by the sales amount that the Company believes will be refunded. The Company has no segment reporting, but reports net sales on different geographic markets divided into the Nordic region, DACH, and the rest of the world.

Other operating income

Other operating income comprises positive currency effects.

Goods for resale

Costs for goods for resale primarily comprise acquisition costs for products that are purchased from goods suppliers, amortisation of inventory and other selling expenses. Costs for goods for resale for an article are usually reported only at the time of sale or amortisation. Costs for incoming goods include all costs that arise before the products reach their place in the warehouse at the handling centre and primarily comprise transport costs for incoming goods and customs. Deductions in respect of goods for resale reflect amortisation of inventory to realisable value in order to cover risks of goods that sell slowly or have reduced saleability. The cost for goods for resale is reduced by the estimated cost for goods for resale that RevolutionRace anticipates that the customers will return.

Other external expenses

Other external expenses comprise all other external expenses such as costs for external handling, distribution costs and external marketing costs.

Personnel expenses

Personnel expenses comprise all expenses for RevolutionRace's own personnel. Personnel expenses will also include any accrued expenses for incentive programmes and share-based remuneration plans.

Depreciation and amortisation of tangible and intangible assets

Depreciation and amortisation of tangible and intangible assets primarily comprise depreciation of equipment and IT. Depreciation and amortisation are reported under earnings on a straight-line basis for the year over the estimated useful life of the asset, unless such useful life periods are unlimited. Amortisation of intangible assets with a limited useful life begins on the day they are taken into use. Useful life periods are reviewed at least once annually.

Other operating expenses

Other operating expenses primarily comprise negative currency effects.

Operating profit (EBIT)

Operating profit (EBIT) is calculated by aggregating net sales and other operating income and deducting costs for goods for resale, other external expenses, personnel expenses, depreciation and amortisation of tangible and intangible assets, as well as other operating expenses.

Financial income

Financial income primarily comprises interest payments received on deposited bank funds.

Financial expenses

Financial expenses relate primarily to paid interest on interest-bearing loans and the Company's drawn credit facility.

Profit before tax

Profit before tax relates to operating profit (EBIT) plus net financial items, which is the total of financial income and financial expenses.

Tax

Tax on profit for the year includes all current taxes and deferred tax income and tax expenses as calculated in accordance with applicable tax legislation in the jurisdictions in which RevolutionRace conducts business.

Profit for the period

Profit for the period means profit before tax less tax.

Comparison between the periods 1 July 2020–31 March 2021 and 1 July 2019–31 March 2020

The table below shows RevolutionRace's operating profit (EBIT) in MSEK and the accumulated annual growth and percentage changes between both periods.

MSEK	For the nine-month period ending 31 March			
	2021	2020	+ / –	+ / – %
Net sales	623.4	278.2	345.2	124.1
Other operating income	10.1	2.3	7.9	347.7
Operating income	633.5	280.5	353.0	125.9
Operating expenses				
Goods for resale	–175.9	–83.3	–92.6	111.2
Other external expenses	–246.6	–111.8	–134.8	120.6
Personnel expenses	–32.5	–22.8	–9.7	42.5
Depreciation and amortisation of tangible and intangible assets	–2.8	–1.4	–1.4	103.1
Other operating expenses	–12.0	–1.0	–10.9	1,049.4
Operating profit (EBIT)	163.7	60.1	103.6	172.3
Financial income	0.0	–	0.0	N/A
Financial expenses	–5.7	–4.0	–1.7	42.6
	–5.7	–4.0	–1.7	42.6
Profit before tax	158.0	56.1	101.9	181.5
Tax	–34.1	–12.0	–22.1	184.4
Profit for the period	123.9	44.1	79.7	180.8

Net sales

Net sales increased by MSEK 345.2, corresponding to 124.1 per cent, from MSEK 278.2 during the nine-month period ending 31 March 2020 to MSEK 623.4 during the corresponding period for the financial year 2020/21, which is due to increased net sales on all of the Company's markets, where DACH and the rest of the world can be identified as examples of the Company's markets with the highest percentage growth since the preceding period.

Other operating income

Other operating income increased by MSEK 7.9, corresponding to 347.7 per cent, from MSEK 2.3 during the nine-month period ending 31 March 2020 to MSEK 10.1 during the corresponding period of the financial year 2020/21, which can be explained by increased positive currency effects.

Goods for resale

Costs for goods for resale increased by MSEK 92.6, corresponding to 111.2 per cent, from MSEK 83.3 during the nine-month period ending 31 March 2020 to MSEK 175.9 during the corresponding period of the financial year 2020/21. Costs for goods for resale as a percentage of net sales decreased by 1.7 percentage points, from 29.9 per cent during the nine-month period ending 31 March 2020 to 28.2 per cent during the corresponding period of the financial year 2020/21, which can be explained primarily by fewer price campaigns.

Other external expenses

Other external expenses increased by MSEK 134.8, corresponding to 120.6 per cent, from MSEK 111.8 during the nine-month period ending 31 March 2020 to MSEK 246.6 during the corresponding period of the financial year 2020/21. Other external expenses as a percentage of net sales decreased by 0.6 percentage points, from 40.2 per cent during the nine-month period ending 31 March 2020 to 39.6 per cent during the corresponding period of the financial year 2020/21, which can be explained primarily by more efficient marketing and economies of scale.

Personnel expenses

Personnel expenses increased by MSEK 9.7, corresponding to 42.5 per cent, from MSEK 22.8 during the nine-month period ending 31 March 2020 to MSEK 32.5 during the corresponding period of the financial year 2020/21. Personnel expenses as a percentage of net sales decreased by 3.0 percentage points, from 8.2 per cent during the nine-month period ending 31 March 2020 to 5.2 per cent during the corresponding period of the financial year 2020/21. This can be explained primarily by the fact that the Company's net sales growth is higher than the percentage increase for personnel costs despite the fact that the Company's number of employees has increased from 48 as of 31 March 2020 to 70 as of 31 March 2021, which has entailed increased personnel costs.

Depreciation and amortisation of tangible and intangible assets

Depreciation and amortisation increased by MSEK 1.4, corresponding to 103.1 per cent, from MSEK 1.4 during the nine-month period ending 31 March 2020 to MSEK 2.8 during the corresponding period of the financial year 2020/21, which was due primarily to investments in the IT platform.

Other operating expenses

Other operating expenses increased by MSEK 10.9, corresponding to 1,049.4 per cent, from MSEK 1.0 during the nine-month period ending 31 March 2020 to MSEK 12.0 during the corresponding period of the financial year 2020/21, which can be explained by reduced negative currency effects.

Operating profit (EBIT)

Operating profit (EBIT) increased by MSEK 103.6, corresponding to 172.3 per cent, from MSEK 60.1 during the nine-month period ending 31 March 2020 to MSEK 163.7 during the corresponding period of the financial year 2020/21.

Financial expenses

Financial expenses increased by MSEK 1.7, corresponding to 42.6 per cent, from MSEK 4.0 during the nine-month

period ending 31 March 2020 to MSEK 5.7 during the corresponding period of the financial year 2020/21, which was due primarily to increased interest costs for the Company's bank loans.

Profit before tax

Profit before tax increased by MSEK 101.9, corresponding to 181.5 per cent, from MSEK 56.1 during the nine-month period ending 31 March 2020 to MSEK 158.0 during the corresponding period of the financial year 2020/21.

Tax

The Company's tax increased by MSEK 22.1, corresponding to 184.4 per cent, from MSEK 12.0 during the nine-month period ending 31 March 2020 to MSEK 34.1 during the corresponding period of the financial year 2020/21. The increase was due primarily to the fact that profit before tax during the nine-month period ending 31 March 2021 was higher than the corresponding period of the preceding year.

Profit for the period

Profit for the period increased by MSEK 79.7, corresponding to 180.8 per cent, from MSEK 44.1 during the nine-month period ending 31 March 2020 to MSEK 123.9 during the corresponding period of the financial year 2020/21.

Comparison between the financial years 2019/20 and 2018/19

The table below shows RevolutionRace's operating profit (EBIT) in MSEK and the accumulated annual growth and percentage changes between the financial years.

MSEK	Financial year			
	2019/20	2018/19	+ / -	+ / - %
Net sales	386.8	284.5	102.3	36.0
Other operating income	0.8	0.2	0.6	399.3
Operating income	387.5	284.6	102.9	36.1
Operating expenses				
Goods for resale	-115.7	-81.1	-34.6	42.7
Other external expenses	-157.0	-122.4	-34.6	28.3
Personnel expenses	-29.6	-22.2	-7.4	33.4
Depreciation and amortisation of tangible and intangible assets	-2.0	-1.1	-0.8	72.8
Other operating expenses	0.0	-0.7	0.6	-96.2
	-304.4	-227.5	-76.8	33.8
Operating profit (EBIT)	83.1	57.1	26.1	45.6
Financial income	0.0	0.0	0.0	-42.9
Financial expenses	-6.9	-4.6	-2.3	50.4
	-6.9	-4.6	-2.3	50.6
Profit before tax	76.2	52.5	23.7	45.2
Tax	-16.5	-7.6	-8.9	116.5
Profit for the period	59.7	44.9	14.8	33.1

Net sales

RevolutionRace's net sales increased by MSEK 102.3, corresponding to 36.0 per cent, from MSEK 284.5 for the financial year 2018/19 to MSEK 386.8 for the financial year 2019/20, which is explained by increased net sales on both existing and new markets.

Other operating income

RevolutionRace's other operating income increased by MSEK 0.6, from MSEK 0.2 for the financial year 2018/19 to MSEK 0.8 for the financial year 2019/20, which is explained by increased positive currency effects.

Goods for resale

Costs for goods for resale increased by MSEK 34.6, corresponding to 42.7 per cent, from MSEK 81.1 for the financial year 2018/19 to MSEK 115.7 for the financial year 2019/20, which was higher than the percentage increase in net sales during this period. The decrease in the Company's gross margin of approximately one percentage point to 70.1 per cent (71.5) during the financial year 2019/20 is explained by the Company's increase in the product mix to more products with somewhat lower margins but with a higher price point, such as jackets, and the fact that the Company had more campaigns with reduced prices than it had during the corresponding period of the preceding year.

Other external expenses

Other external expenses increased by MSEK 34.6, corresponding to 28.3 per cent, from MSEK 122.4 for the financial year 2018/19 to MSEK 157.0 for the financial year 2019/20, which was lower than the percentage increase in net sales during this period. This was due to marketing and logistics costs having decreased as a percentage of net sales compared with the preceding period.

Personnel expenses

Personnel expenses increased by MSEK 7.4, corresponding to 33.4 per cent, from MSEK 22.2 for the financial year 2018/19 to MSEK 29.6 for the financial year 2019/20, which was generally in line with the increase in net sales.

Depreciation and amortisation of tangible and intangible assets

Depreciation and amortisation increased by MSEK 0.8, corresponding to 72.8 per cent, from MSEK 1.1 for the financial year 2018/19 to MSEK 2.0 for the financial year 2019/20, which was due primarily to investments in the IT platform.

Other operating expenses

Other operating expenses decreased by MSEK 0.6, corresponding to 96.2 per cent, from MSEK 0.7 for the financial year 2018/19 to MSEK 0.0 for the financial year 2019/20, which was due to reduced negative currency effects.

Operating profit (EBIT)

Operating profit (EBIT) increased by MSEK 26.1, corresponding to 45.6 per cent, from MSEK 57.1 for the financial year 2018/19 to MSEK 83.1 for the financial year 2019/20, which was higher than the percentage increase in net sales during this period. The increase in the Company's EBIT margin by 1.4 percentage points to 21.5 per cent (20.1) during the financial year 2019/20 was due primarily to the decline in other external expenses relative to net sales.

Financial expenses

Financial expenses increased by MSEK 2.3, corresponding to 50.4 per cent, from MSEK 4.6 for the financial year 2018/19 to MSEK 6.9 for the financial year 2019/20, which was due primarily to increased interest expenses on the Company's bank loans.

Profit before tax

Profit before tax increased by MSEK 23.7, corresponding to 45.2 per cent, from MSEK 52.5 for the financial year 2018/19 to MSEK 76.2 for the financial year 2019/20, which was due primarily to the increase in net sales as a consequence of the increase in orders combined with margin improvements.

Tax

The Company's tax increased by MSEK 8.9, corresponding to 116.5 per cent, from MSEK 7.6 for the financial year 2018/19 to MSEK 16.5 for the financial year 2019/20. The increase was due primarily to the fact that profit before tax for 2019/20 was higher than for 2018/19 and due to reversal of a tax allocation reserve.

Profit for the period

As a result of all of the above-mentioned factors, profit for the period increased by MSEK 14.8, corresponding to 33.1 per cent, from MSEK 44.9 for the financial year 2018/19 to MSEK 59.7 for the financial year 2019/20.

Comparison between the financial years 2018/19 and 2017/18

The table below shows RevolutionRace's operating profit (EBIT) in MSEK and the accumulated annual growth and percentage changes between the financial years.

MSEK	Financial year			
	2018/19	2017/18	+ / -	+ / - %
Net sales	284.5	142.6	141.9	99.5
Other operating income	0.2	0.0	0.2	–
Operating income	284.6	142.6	142.0	99.6
Operating expenses				
Goods for resale	–81.1	–38.6	–42.5	110.0
Other external expenses	–122.4	–66.9	–55.5	83.1
Personnel expenses	–22.2	–9.3	–13.0	140.1
Depreciation and amortisation of tangible and intangible assets	–1.1	–0.1	–1.1	1685.2
Other operating expenses	–0.7	–0.5	–0.1	23.5
	–227.5	–115.3	–112.2	97.3
Operating profit (EBIT)	57.1	27.3	29.8	109.5
Financial income	0.0	0.1	–0.1	–95.1
Financial expenses	–4.6	–7.4	2.8	–37.7
	–4.6	–7.3	2.7	–36.6
Profit before tax	52.5	20.0	32.5	162.7
Tax	–7.6	–11.0	3.4	–30.8
Profit for the period	44.9	9.0	35.9	400.6

Net sales

RevolutionRace's net sales increased by MSEK 141.9, corresponding to 99.5 per cent, from MSEK 142.6 for the financial year 2017/18 to MSEK 284.5 for the financial year 2018/19, which is explained by increased sales on both existing and new markets.

Other operating income

RevolutionRace's other operating income increased by MSEK 0.2, from MSEK 0.0 for the financial year 2017/18 to MSEK 0.2 for the financial year 2018/19, which is explained by increased positive currency effects.

Goods for resale

Costs for goods for resale increased by MSEK 42.5, corresponding to 110.0 per cent, from MSEK 38.6 for the financial year 2017/18 to MSEK 81.1 for the financial year 2018/19, which was higher than the percentage increase in net sales during this period. The decrease in the Company's gross margin by approximately one percentage point to 71.5 per cent (72.9) during the financial year 2018/19 is explained by the Company's increase in the product mix to more products with somewhat lower margins but with a higher price point, such as jackets, and the fact that the Company had more campaigns with reduced prices than it had during the corresponding period of the preceding year.

Other external expenses

Other external expenses increased by MSEK 55.5, corresponding to 83.1 per cent, from MSEK 66.9 for the financial year 2017/18 to MSEK 122.4 for the financial year 2018/19, which was lower than the percentage increase in net sales during this period. For the financial year 2017/18, acquisition-related costs of MSEK 6 were included.

Personnel expenses

Personnel expenses increased by MSEK 13.0, corresponding to 140.1 per cent, from MSEK 9.3 for the financial year 2017/18 to MSEK 22.2 for the financial year 2018/19, which was higher than the percentage increase in net sales during this period.

Depreciation and amortisation of tangible and intangible assets

Depreciation and amortisation increased by MSEK 1.1, from MSEK 0.1 for the financial year 2017/18 to MSEK 1.1 for the financial year 2018/19, which was due primarily to depreciation of equipment related to new premises.

Other operating expenses

Other operating expenses increased by MSEK 0.1, corresponding to 23.5 per cent, from MSEK 0.5 for the financial year 2017/18 to MSEK 0.7 for the financial year 2018/19, which is explained by increased negative currency effects.

Operating profit (EBIT)

Operating profit (EBIT) increased by MSEK 29.8, corresponding to 109.5 per cent, from MSEK 27.3 for the financial year 2017/18 to MSEK 57.1 for the financial year 2018/19, which was higher than the percentage increase in net sales during this period. The increase by one percentage point in the Company's EBIT margin to 20.1 per cent (19.1) during the financial year 2018/19 is due primarily to a reduction in other external expenses relative to net sales.

Financial expenses

Financial expenses decreased by MSEK 2.8, corresponding to 37.7 per cent, from MSEK 7.4 for the financial year 2017/18 to MSEK 4.6 for the financial year 2018/19.

Profit before tax

Profit before tax increased by MSEK 32.5, corresponding to 162.7 per cent, from MSEK 20.0 for the financial year 2017/18 to MSEK 52.5 for the financial year 2018/19.

Tax

The Company's tax decreased by MSEK 3.4, corresponding to 30.8 per cent, from MSEK 11.0 for the financial year 2017/18 to MSEK 7.6 for the financial year 2018/19. The increase was primarily due to the fact that profit before tax for 2018/19 was higher than for 2017/18.

Profit for the period

As a result of all of the above-mentioned factors, profit for the period increased by MSEK 35.9, corresponding to 400.6 per cent, from MSEK 9.0 for the financial year 2017/18 to MSEK 44.9 for the financial year 2018/19.

Cash flow

The table below shows the Group's cash flow from operating activities, investing activities, financing activities and cash flow for the period for the financial years 2017/18, 2018/19 and 2019/20 and for the nine-month periods ending 31 March 2020 and 2021, respectively. For complete information on the Group's cash flow, see the section "Selected historical financial information-Group statements on cash flow".

MSEK	1 July–31 March		Financial year		
	2020/21	2019/20	2019/20	2018/19	2017/18
Cash flow from operating activities	196.6	84.3	120.9	38.5	–36.1
Cash flow from investing activities	–2.7	–5.9	–7.0	–3.2	–376.9
Cash flow from financing activities	–104.5	–32.4	–32.5	–16.7	431.1
Cash flow for the period	89.4	45.9	81.4	18.6	18.0

Cash flow from operating activities

Cash flow from operating activities improved by MSEK 112.3, from MSEK 84.3 during the period 1 July 2019–31 March 2020 to MSEK 196.6 during the corresponding period of 2020/21. The improved cash flow from operating activities was due primarily to an increased operating profit (EBIT).

Cash flow from operating activities improved by MSEK 82.5, from MSEK 38.5 during the financial year 2018/19 to MSEK 120.9 during the financial year 2019/20. The improved cash flow from operating activities was due primarily to increased operating profit (EBIT) as well as lower outgoing net working capital.

The cash flow from operating activities improved by MSEK 74.6, from a cash outflow of MSEK 36.1 during the financial year 2017/18 to a cash inflow of MSEK 38.5 during the financial year 2018/19. The improved cash flow from operating activities was due primarily to increased operating profit (EBIT).

Cash flow from investing activities

Cash flow from investing activities improved by MSEK 3.2, from a cash outflow of MSEK 5.9 during the period 1 July 2019–31 March 2020 to a cash outflow of MSEK 2.7 during

the corresponding period of 2020/21. The increase was due primarily to the Company making fewer investments in intangible assets of MSEK 0.5 (1.7) which are mainly attributable to archiving for costs related to software development, which positively affected cash flow from investing activities.

Cash flow from investing activities deteriorated by MSEK 3.8, from a cash outflow of MSEK 3.2 during the financial year 2018/19 to a cash outflow of MSEK 7.0 during the financial year 2019/20. The deterioration was due primarily to the Company having increased its investments in intangible assets compared with the preceding period, which adversely affected the cash flow from investing activities.

Cash flow from investing activities improved by MSEK 373.7, from a cash outflow of MSEK 376.9 during the financial year 2017/18 to a cash outflow of MSEK 3.2 during the financial year 2018/19. The improvement was due primarily to the Company in 2017/18 acquiring subsidiaries that conducted RevolutionRace's operating business, which in 2017/18 resulted in a cash outflow of MSEK 376.9, while in 2018/19 the Company made only a number of small investments in tangible and intangible assets, which positively affected the cash flow from investing activities.

Cash flow from financing activities

Cash flow from financing activities deteriorated by MSEK 72.1, from a cash outflow of MSEK 32.4 during the period 1 July 2019–31 March 2020 to a cash outflow of MSEK 104.5 during the corresponding period of 2020/21. The decrease was due primarily to the fact that the Company paid a dividend of MSEK 110.0 during the second quarter 2020/21, which adversely affected cash flow from financing activities.

Cash flow from financing activities deteriorated by MSEK 15.8, from a cash outflow of MSEK 16.7 during the financial year 2018/19 to cash outflow of MSEK 32.5 during the financial year 2019/20. The deterioration was due primarily to the fact that the Company repaid loans and carried out a dividend to its shareholders, which adversely affected cash flow from financing activities.

Cash flow from financing activities deteriorated by MSEK 447.8, from a cash inflow of MSEK 431.1 during the financial year 2017/18 to a cash outflow of MSEK 16.7 during the financial year 2018/19. The deterioration was due primarily to the Company having had cash inflows of MSEK 449.2 in 2017/18 as a consequence of shareholder contributions and newly raised loans, which the Company did not have during the following year. In 2018/19, the Company repaid loans and lease liabilities, which adversely affected cash flow from financing activities.

Liquidity and financial position

Capital resources

As of 31 March 2021, equity amounted to MSEK 647.5, compared with MSEK 610.5 as of 31 March 2020. The increase of MSEK 37, corresponding to 6.1 per cent, was due primarily to the profit for the period. As of 31 March 2021, RevolutionRace's cash and cash equivalents amounted to MSEK 207.2, compared with MSEK 81.2 as of 31 March 2020. The increase of MSEK 126, corresponding to 155.1 per cent, was due primarily to the changes described under "Cash flow" above.

As of 30 June 2020, equity amounted to MSEK 627.1, compared with MSEK 698.3 as of 30 June 2019. The decrease of MSEK 71.2, corresponding to 10.2 per cent, was due primarily to a dividend of MSEK 132.0. As of 30 June 2020, RevolutionRace's cash and cash equivalents amounted to MSEK 116.7, compared with MSEK 36.5 as of 30 July 2019. The increase of MSEK 80.2, corresponding to 219.5 per cent, was due primarily to the changes described under "Cash flow" above.

Loans and contractual obligations

New financing in connection with the Offering

In connection with the Offering and the admission to trading on Nasdaq Stockholm, RevolutionRace has entered into a new facility agreement with Nordea Bank Abp, filial i Sverige regarding a multicurrency revolving credit facility ("RCF") of SEK 300,000,000, which will be available commencing the first day of trading of the Company's shares on Nasdaq Stockholm. The existing financing will be repaid and cancelled by drawings under the new RCF and/or the use of cash and cash equivalents. The RCF can be utilised in SEK, with NOK, DKK, EUR, USD and GBP as optional currencies. The final repayment date under the new facility agreement will occur five years after the first utilisation under the RCF, with an option for the Company to extend the term up to two years (1+1) subject to approval of the lender. The RCF is unsecured.

The RCF is subject to a floating interest rate. Amounts borrowed under the RCF shall be used towards general corporate purposes and refinancing of existing debt.

The facility agreement includes customary representations for this type of financing, which are made on the date of signing of the facilities agreement and on certain subsequent dates. Furthermore, the facility agreement includes customary undertakings for this type of financing (subject to certain agreed exceptions and qualifications) such as compliance with laws and regulations, negative pledge and certain restrictions to incur debt.

The facility agreement also includes customary mandatory prepayment provisions relating to events such as illegality, change of control, de-listing or a sale of the business. In addition, the facility agreement includes a maintenance covenant by which the leverage ratio may not exceed certain agreed levels. The facility agreement contains no restrictions on dividends.

Interest-bearing liabilities and contractual, non-discounted cash flows

The table below shows RevolutionRace's interest-bearing liabilities as per the stated dates.

MSEK	As of 31 March		As of 30 June		
	2021	2020	2020	2019	2018
Long-term liabilities					
<i>Liabilities to credit institutions</i>	246.9	254.4	256.3	116.2	127.2
<i>Lease liabilities</i>	4.9	5.8	5.8	7.3	0.2
Total long-term interest-bearing liabilities	251.8	260.2	262.1	123.5	127.4
Current liabilities					
<i>Liabilities to credit institutions</i>	-7.5	-7.5	-7.5	19.3	19.7
<i>Lease liabilities</i>	1.5	1.5	1.5	1.2	0.1
Total current interest-bearing liabilities	9.0	9.0	9.0	20.5	19.8

The Group's contractual and non-discounted interest payments and repayments of financial liabilities as of 31 March 2021 are shown in the table below. Financial instruments with variable interest have been calculated at the rate of interest in force on the balance sheet date. Liabilities have been included in the period when repayment can be demanded at the earliest.

MSEK	Less than 6 months		1–3 years	3–5 years	More than 5 years	Total
	6 months	6–12 months				
As of 31 March 2021						
Liabilities to credit institutions	–	–	–	230.0	–	230.0
Lease liabilities ¹⁾	–	1.3	0.1	4.4	–	5.9
Accounts payable	–	–	–	–	–	–
Repayment liabilities	–	–	–	–	–	–
Derivative instrument	–	–	–	–	–	–
Other current liabilities	–	–	–	–	–	–
Total	–	1.3	0.1	234.4	–	235.9

1) Liability calculated based on actual lease contracts.

Working capital statement

RevolutionRace is of the opinion that its current working capital is sufficient for the present requirements during the coming twelve-month period. In this context, working capital refers to RevolutionRace's ability to access cash and other available liquid resources in order to meet its liabilities as they fall due.

Investments

RevolutionRace's ordinary investments relate to intangible and tangible assets. RevolutionRace's investments in intangible assets comprise investments in the business system and IT platform. The Company's investments in tangible assets relate primarily to furniture and other office accessories.

The table below shows RevolutionRace's investments in the financial years 2017/18 to 2019/20, and for the period 1 July–31 March 2020 (with comparative figures for the corresponding period 2019/20).

MSEK	1 July–31 March		Financial year		
	2020/21	2019/20	2019/20	2018/19	2017/18
Investments in intangible assets	-2.6	-5.8	-6.9	-0.9	0.0
Investments in tangible assets	-0.1	-0.1	-0.1	-2.3	0.0

Ongoing and decided investments

RevolutionRace has no significant ongoing investments and has made no significant future investment commitments.

Tangible assets

As of 31 March 2021, the carrying net value of the Company's tangible assets was MSEK 6.8 and mainly comprised expenditures on third-party property, plant and machinery as well as equipment, tools and installations.

Goodwill and other intangible assets

As of 31 March 2021, the carrying net value of the Company's goodwill was MSEK 616.8 and primarily comprised the part of the historical cost from acquisitions of shares in subsidiaries which exceeds the value of the acquired company's net assets less deduction for accumulated depreciation and any impairment as established in the acquisition analysis. RevolutionRace has no division into cash generating units, and instead the Group as a whole constitutes the single cash generating unit. The Group takes into consideration, among other things, its market value compared with carrying value when assessing indications of a need for impairment.

As of 31 March 2021, the carrying net value of intangible assets was MSEK 796.9 and comprised primarily trademarks.

Recent trends

RevolutionRace experienced strong demand throughout Europe during the period June 2020–March 2021 with continued very strong interest in the Company's products. RevolutionRace believes that the growth is driven both by the Company strengthening its brand in all markets through communication with new and existing customers on the digital platforms where they are located, as well as an increased need for multifunctional clothing in the urban environment combined with an increased interest in going out into nature. These trends are considered by the Company to create an underlying increase in demand in RevolutionRace's segment, and in addition, the Company sees an increased interest in e-commerce in general. Two factors that RevolutionRace considers benefit the Company. Managing to deliver strong growth combined with a high profitability, despite the challenges that the ongoing COVID-19 pandemic poses for the Company and the entire world, is considered by the Company to be a clear demonstration of the strength of the agile organisation and in the RevolutionRace brand.

The DACH region, where RevolutionRace currently sells to customers in Germany and Austria, is the Company's largest geographical region. The Company intends to expand within the region and also target Switzerland. The Company also sees a very good development in the Nordic region, which is considered to be a statement of strength given that the Nordic region is a region where RevolutionRace has been established for several years.

The Company sees a particularly good development in Denmark, which the Company believes is linked to the fact that RevolutionRace has begun started working with local influencers in the marketing. RevolutionRace also sees that markets where the Company is relatively newly established are growing, where the United Kingdom excelling particularly, despite the fact that from 1 January 2021 there are new customs rules as a result of Brexit, which have created some uncertainty for companies selling products to consumers.

The challenges posed by the COVID-19 pandemic in the form of a globally strained logistics situation continue to have a negative impact on RevolutionRace in the sense that the Company still have an unfavourable inventory situation. Overall, the Company experiences long lead times and a lack of containers, which means that the Company has difficulty replenishing the stock in line with sales. During the period June 2020–March 2021, the Company had extra costs of MSEK 11.8 for shipments of products from Asia by alternative modes of transportation. Thanks to efficient optimisation of marketing activities, the Company still considers itself succeeding well in meeting customer demand.

During the third quarter of 2020/21, the Company made a move to a new outsourced central warehouse in Borås. RevolutionRace continues to work with the logistics partner to optimise the flow and provide further improvements.

RevolutionRace considers itself to be very well positioned to continue to take market shares in Europe and the rest of the world. RevolutionRace expects that net sales growth for the fourth quarter of 2020/21 as a whole will amount to at least 150 per cent compared with the fourth quarter of 2019/20 when net sales amounted to MSEK 108.6. For the month of April 2021, net sales amounted to MSEK 97.6, corresponding to an increase by 116.5 per cent compared with April 2020 when net sales amounted to MSEK 45.1.

Significant changes since 31 March 2021

There have been no significant changes in the Company's financial position or financial performance since 31 March 2021.

Capitalisation and other financial information

Capitalisation and indebtedness

Capitalisation and indebtedness

Set forth below is RevolutionRace's capitalisation as of 31 March 2021.

TSEK	31 March 2021
Total current debt (including current portion of non-current debt)	1,309
Guaranteed	–
Secured	1,309
Unguaranteed/unsecured ¹⁾	–
Total non-current debt (excluding current portion of non-current debt)	234,579
Guaranteed ²⁾	2,675
Secured ³⁾	227,325
Unguaranteed/unsecured ⁴⁾	4,579
Shareholder equity	647,522
Share capital	114
Legal reserve(s)	–316
Other reserves ⁵⁾	647,724
Total	883,410

1) Refers to the current part of the Group's lease liabilities.

2) Refers to the long-term part of the non-current bank loan secured by a corporate mortgage.

3) Refers to the long-term part of the non-current bank loan secured by pledged shares in significant subsidiaries.

4) Refers to the long-term part of the Group's lease liabilities.

5) Consists of other contributed capital of TSEK 652,338 and includes retained earnings of TSEK -128,478 and profit for the period of TSEK 123,864.

Net financial indebtedness

Set forth below is RevolutionRace's net financial indebtedness as of 31 March 2021.

TSEK	31 March 2021
(A) Cash	207,213
(B) Cash equivalents	–
(C) Other current financial assets	–
(D) Liquidity (A)+(B)+(C)	207,213
(E) Current financial debt (including debt instruments, but excluding current portion of non-current financial debt)	1,309
(F) Current portion of non-current financial debt	–
(G) Current financial indebtedness (E)+(F)	1,309
(H) Net current financial indebtedness (G)-(D)	–205,904
(I) Non-current financial debt (excluding current portion and debt instruments)	234,579
(J) Debt instruments	–
(K) Non-current trade and other payables	–
(L) Non-current financial indebtedness (I)+(J)+(K)	234,579
(M) Total financial indebtedness (H)+(L)	28,675

Indirect indebtedness and contingent liabilities

As of 31 March 2021, the Company had a counter-commitment to a bank guarantee issued by Nordea Bank Abp, filial i Sverige, to the Swedish Customs (Sw. *Tullverket*) amounting to TSEK 3,890. See also "Note 25 – Pledged assets and contingent liabilities" on page F-41 in the section "Historical financial information".

Financial exposure and risk management

For information on quantitative and qualitative disclosures about financial risk management, see "Note 16 – Financial risks" on page F-34–F-37 in the section "Historical financial information".

Board of Directors, Executive Group Management and auditor

Board of Directors

According to RevolutionRace's Articles of Association, the Board of Directors shall be comprised of not less than three and not more than ten members without deputies, elected by the shareholders at the General Meeting. In addition, and by law, employee organisations are entitled to appoint employee representatives. The Board of Directors currently comprises seven members elected by the Annual General Meeting 2020 and the Extraordinary General Meeting on 15 January 2021 and 2 February 2021 for a term of office extending until the close of the Annual General Meeting 2021, with no deputies. As of the date of this prospectus, the employee organisations have not appointed any employee representatives to the Board of Directors.

Name	Position	Board member since ¹⁾	Independent in relation to the Company and the Executive Group Management	Independent in relation to the Company's major shareholders	Audit Committee	Remuneration Committee	Shareholding after the Offering ²⁾
Paul Fischbein	Chairman	2021	Yes	Yes	Member	Chairman	279,408
Jens Browaldh	Member	2019	Yes	No	Member		–
Magnus Dimert	Member	2017	Yes	Yes			747,347
Cecilie Elde	Member	2021	Yes	Yes	Chairman		88,020
Andreas Källström Säfwerång	Member	2017	Yes	No		Member	–
Johan Svanström	Member	2017	Yes	Yes			646,794
Pernilla Nyrensten	Member	2013	No	No			29,875,770 ³⁾

1) RevolutionRace was incorporated 2017. The years refer, where applicable, to the year the respective Board member was elected as a Board member of the previous parent company.

2) Own shareholdings and shareholdings of related persons and affiliated companies after the Offering based on the assumption that all Warrants are exercised for subscription of new shares in the Company in connection with the completion of the Offering. See further the section "Share capital and ownership structure –Exercise of warrants in connection with the Offering, etc." below.

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

Paul Fischbein

Born 1973. Chairman of the Board and Board member since 2021. Chairman of the Remuneration Committee. Member of the Audit Committee.

Education and professional experience: M.Sc. in Business and Economics, Lund University and London School of Economics and Political Science. Many years of professional experience as entrepreneur and CEO within online sales, among other the founder and former CEO of Tretti AB (publ) and President & CEO of Qliro Group AB (publ).

Principal activities outside of RevolutionRace: Active advisor in e-commerce and growth companies.

Current Board assignments and similar: Chairman of the Board of Pricerunner Group AB, EverySport Media Group AB, Hemmy AB, Fyndiq AB and iBinder TopCo AB. Board member of Fougstedts Invest AB, Malmviken Holding AB and HEG

TopCo AB¹⁾. Board member and CEO of Malmviken Partners AB. Deputy Board member of Aktiebolaget Svenska Varuhuset. Chairman of the EQT Ventures Investment Advisory Committee.

Previous Board assignments and similar (past five years): CEO of Nelly Group AB (publ) (previously Qliro Group AB (publ)). Chairman of the Board of LightAir AB (publ) and Barnebys Group AB. Board member of Nordic Nest Group AB, Budbee AB and Gaming Innovation Group Inc.

Independent in relation to the Company and the Executive Group Management as well as the Company's major shareholders.

1) Paul Fischbein's Board assignment in HEG TopCo AB has, as of the date of this prospectus, been resolved by the company's general meeting but not been registered with the Swedish Companies Registration Office. The company is undergoing a name change to The NOD TopCo AB.

Jens Browaldh

Born 1985. Board member since 2019 and deputy Board member 2017–2019. Member of the Audit Committee.

Education and professional experience: M.Sc. in Economics, Stockholm School of Economics. Previous experiences include several executive positions within Altor Equity Partners AB and ABG Sundal Collier AB (Investment Banking).

Principal activities outside of RevolutionRace: Principal at Altor Equity Partners AB.

Current Board assignments and similar: 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 NOD Holding AB, HEG TopCo AB²⁾, Femur Holdings LP and Rotla BV. Board member and CEO of Jebro AB. Deputy Board member of Gastrodent AB. Board observer in Ampco-Pittsburgh Corporation.

Previous Board assignments and similar (past five years): Board member of Bokored AB and deputy Board member of ÅKERS Aktiebolag, Valsar Sweden Holding AB, Xygen MipCo AB and Xygen HoldCo AB.

Independent in relation to the Company and the Executive Group Management, but not in relation to the Company's major shareholders.

Magnus Dimert

Born 1970. Board member since 2018.

Education and professional experience: M.Sc. in Business and Economics, School of Business, Economics and Law, University of Gothenburg. Professional experience from several operational positions within online sales and as a co-founder within the sector, including co-founder of Evidensa utveckling AB, Addnature AB and Eero Aarnio Originals and former CEO and co-founder of Adlibris Aktiebolag. Also previous experience as manager at Accenture AB.

Principal activities outside of RevolutionRace: CEO of Evidensa utveckling AB.

Current Board assignments and similar: Chairman of the Board of Alerna Systems AB. Board member of RugVista Group AB (publ), GAMBETTA Affärsutveckling AB, Lygna AB, Kusthavet AB, Best Transport Holding AB, Sub 18 Holding AB, Sofaco Holding ApS, Sofaco International ApS and HEG TopCo AB³⁾. Board member and CEO of Evidensa utveckling AB. Deputy Board member of Gimbur AB.

Previous Board assignments and similar (past five years): Board member of Pierce Group AB and LGT Group AB and deputy Board member of Vilppu Holding AB.

Independent in relation to the Company and the Executive Group Management as well as the Company's major shareholders.

Cecilie Elde

Born 1979. Board member since 2021. Chairman of the Audit Committee.

Education and professional experience: Master of Business Administration, BI Norwegian Business School. Previous experience as CFO and Business Controller at SATS Norge AS, deputy CFO at SATS Nordic, Head of Finance & Business Analysis and Head of Controlling at Tele2 Norge and Head of Commercial Excellence & Business Control at NetCom TeliaSonera Norge AS.

Principal activities outside of RevolutionRace: CFO at SATS ASA.

Current Board assignments and similar: Board member of subsidiaries of SATS ASA.

Previous Board assignments and similar (past five years): –

Independent in relation to the Company and the Executive Group Management as well as the Company's major shareholders.

Andreas Källström Säfweräng

Born 1981. Board member since 2017. Member of the Remuneration Committee.

Education and professional experience: M.Sc. in Economics and Business Administration, Stockholm School of Economics. Former Investment Professional at Altor Equity Partners AB and Head of Business Development at Meltwater Holding B.V. Also previous experience as an Investment Banking Analyst at Goldman Sachs Group, Inc.

Principal activities outside of RevolutionRace: Partner at Altor Equity Partners AB.

Current Board assignments and similar: Chairman of the Board of Aarke TopCo AB, Carbonate the World AB, Altor NOD Holding AB, HEG TopCo AB⁴⁾ and NextGenEcom AB. Board member of Altor Equity Partners AB, O'Learys Holding AB, Q-MATIC Group AB, Charge Holding AB, CTEK TopCo AB, CC Group Co-Invest AB, Where Fans Meet AB, Lombok Invest AB, Altordent Holding AB, QM Holding AB and Meltwater Holding B.V. Board member and CEO of Kreti AB. Deputy Board member of Pleti AB.

Previous Board assignments and similar (past five years): Chairman of the Board of Rawbike Scandinavia AB. Board member of PIAB Group Holding Aktiebolag, Trioplast Group AB and Rotla B.V. (Infotheek Group).

Independent in relation to the Company and the Executive Group Management, but not in relation to the Company's major shareholders.

2) HEG TopCo AB is undergoing a name change to The NOD TopCo AB.

3) Magnus Dimert's Board assignment in HEG TopCo AB has, as of the date of this prospectus, been resolved by the company's general meeting but not been registered with the Swedish Companies Registration Office. The company is undergoing a name change to The NOD TopCo AB.

4) HEG TopCo AB is undergoing a name change to The NOD TopCo AB.

Johan Svanström

Born 1971. Board member since 2018.

Education and professional experience: M.Sc. in Business Administration, Stockholm School of Economics. Experience of international roles in e-commerce, including global CEO of Hotels.com and Expedia Partner Solutions, as well as leadership roles in Asia within Expedia Group. Previous experience includes positions such as Vice President Business Development at Glocalnet AB, CEO of Freefund NV and Head of Digital Innovation Group at McDonald's Inc.

Principal activities outside of RevolutionRace: Partner at EQT Partners Ltd.

Current Board assignments and similar: Chairman of the Board of BIMobject AB. Board member of Epidemic Sound Holding AB, Wolt Enterprises Oy and Freepik Company S.L.

Previous Board assignments and similar (past five years): Board member of Yepstr AB, Venere UK Ltd. and Parques Reunidos SARL.

Independent in relation to the Company and the Executive Group Management as well as the Company's major shareholders.

Pernilla Nyrensten

Born 1972. Board member and President and CEO since 2013.

Education and professional experience: Previous experience includes several leading positions within and partner at Emy Turesson Fashion Eftr and Firma U B Pettersson.

Principal activities outside of RevolutionRace: –

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

Previous Board assignments and similar (past five years): Board member of Swedish Bra AB and holder of Emy Turesson Fashion Eftr.

Neither independent in relation to the Company and the Executive Group Management, nor in relation to the Company's major shareholders.

Executive Group Management

Name	Position	Employed since ¹⁾	Shareholding after the Offering ²⁾	Holding of warrants after the Offering ³⁾
Pernilla Nyrensten	President and CEO (Chief Executive Officer)	2013	29,875,770 ⁴⁾	715,015 ⁴⁾
Niclas Nyrensten	Creative Director	2013	29,875,770 ⁴⁾	715,015 ⁴⁾
Jesper Alm	CFO (Chief Financial Officer)	2021	74,212	204,290
Linus Andrén	CTO (Chief Technology Officer)	2020	35,783	102,145
Jonas Persson	CCO (Chief Commercial Officer)	2020	132,141	102,145
Hanna Blixt	Business Developer and Insight Director	2020	85,745	102,145
Sanel Mezbur	Head of Brand	2019	134,280	102,145
Annika Billberg	Head of Investor Relations & Communication	2021	–	51,072

1) RevolutionRace was incorporated 2017. The years refer, where applicable, to the year the respective member of the Executive Group Management was elected as a member of the Executive Group Management of the previous parent company.

2) Own shareholdings and shareholdings of related persons and affiliated companies after the Offering based on the assumption that all Warrants are exercised for subscription of new shares in the Company in connection with the completion of the Offering. See further the section "Share capital and ownership structure – Exercise of warrants in connection with the Offering, etc." below.

3) Own holdings and holdings of related persons and affiliated companies of warrants in LTIP 2021/2024 after the Offering provided that the offer to acquire warrants within LTIP 2021/2024 has been fully subscribed. See further the section "Share capital and ownership structure – Long-term incentive programmes".

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

Pernilla Nyrensten

See above under "Board of Directors".

Niclas Nyrensten

Born 1975. Creative Director since 2013.

Education and professional experience: Previous experience as partner at Emy Turesson Fashion Eftr.

Current Board assignments and similar: Chairman of the Board of Nyrensten Global Holding AB and Board member of Lombok Invest AB.

Previous Board assignments and similar (past five years): Board member of RVRC Holding AB.

Jesper Alm

Born 1975. CFO since 2021.

Education and professional experience: M.Sc. in Business Administration (Finance and Strategic Management), School of Economics and Management, Lund University. Former consultant and advisor via Alm Corporate Advisor AB. Former CFO and Executive Vice President (Corporate Development) at Tethys Oil AB and former partner at Pareto Securities AB.

Current Board assignments and similar: Board member of Alm Corporate Advisor AB, Grängesberg Exploration Holding AB (publ) and Draupner Energy AB.

Previous Board assignments and similar (past five years): –

Linus Andrén

Born 1979. CTO since 2020.

Education and professional experience: M.Sc. in Informatics, Systems Architect Program, University of Borås and Master in Mobile Service, Department of Applied IT, University of Gothenburg. Previous experience as a 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 Board assignments and similar: Deputy Board member of TKF Fiberförening Ekonomisk förening.

Previous Board assignments and similar (past five years): –

Jonas Persson

Born 1986. CCO since 2020.

Education and professional experience: Degree in Entreprenship & Business Development, Linneaus University. Previous experience as Purchasing and Marketing Manager at Nordic Web Trading AB, owner and CEO of Brandvillage AB, Management Consultant at Högström & Co Management AB and Marketing Manager at Jollyroom AB.

Current Board assignments and similar: –

Previous Board assignments and similar (past five years): Board member of Brandvillage AB and Kronobergs Marknadsförening.

Hanna Blixt

Born 1986. Business Developer and Insight Director since 2020.

Education and professional experience: B.Sc. in Industrial Engineering with specialisation in organisation and leadership, University of Borås. Previous experience includes several leading positions within Gina Tricot AB and NLY Scandinavia AB.

Current Board assignments and similar: Board member of EGK i Borås AB.

Previous Board assignments and similar (past five years): –

Sanel Mezbur

Born 1994. Head of Brand since 2019.

Education and professional experience: Degree in Strategic Communication, Jönköping University. Previous experience as founder and Marketing Manager at FadeCase Ltd, Florpad and X-Gamer Energy.

Current Board assignments and similar: –

Previous Board assignments and similar (past five years): Board member of ABC European Agency AB, Board member and CEO of NeckCndy AB and deputy Board member of IROOTFOR AB.

Annika Billberg

Born 1975. Head of Investor Relations & Communication since 2021.

Education and professional experience: M.Sc. in Economics and Business Administration with specialisation in financing/accounting and international marketing, Jönköping International Business School. Founder and CEO of True Communications AB with, among other things, assignments as advisor in connection with the IPO of Ready International AB. Previous experience as Chief Brand & Communications Officer at Intrum AB (publ), IR & Communications Director at Intrum Justitia AB, Head of Corporate Communications at HiQ International AB (publ), Research Analys at Hagströmer & Qviberg Fondkommission AB and project manager at NC Riksanläggningar AB and OM London Exchange Ltd, London.

Current Board assignments and similar: Chairman of the Board of YMR Track Club AB. Board member of Raketech Group Holding Plc. Board member and CEO of True Communications AB. Deputy Board member of Shortcut Media AB and JB Advisory & Invest AB

Previous Board assignments and similar (past five years): Chairman of the Board of Midnattsloppet Nordic AB, Board member of Oppboga Bruk AB and deputy Board member of Studio Vasa AB.

Other information concerning the Board of Directors and the Executive Group Management

All members of the Board of Directors and the Executive Group Management can be reached through RevolutionRace's address, Nils Jakobsonsgatan 5D, SE-504 30 Borås, Sweden.

There are no family relationships between any of the members of the Board of Directors and/or the Executive Group Management, except that Pernilla Nyrensten and Niclas Nyrensten are spouses. No member of the Board of Directors or the Executive Group Management has been convicted in any case involving fraudulence during the past five years. No member of the Board of Directors or the Executive Group Management have been involved in any bankruptcy, receiverships or liquidation during the past five years in the capacity of a member of administrative, management or supervisory bodies or a senior executive. No official public incrimination and/or sanctions have been issued by statutory or regulatory authorities (including designated professional bodies) during the past five years against any of the members of the Board of Directors or the Executive Group Management. Nor, during the past five years, has any member of the Board of Directors or the Executive Group Management been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of the affairs of any issuer.

Besides the above, no member of the Board of Directors or the Executive Group Management has any private interests or other duties which might conflict with their duties carried out on behalf of RevolutionRace. However, as stated above, a number of members of the Board of Directors and the Executive Group Management has a financial interest in RevolutionRace through shareholdings, and where applicable, holdings of warrants. In relation to Jesper Alm's holding of shares in the Company, it can be noted that in the event that Jesper Alm's employment in the Company would cease before 2 February 2023, the Major Shareholder and the Founder have in certain cases the right to *pro rata* acquire the shares in the Company that Jesper Alm owns at the time of admission to trading for a predetermined price. Jesper Alm also has, in addition to what is stated under the section "*Share capital and ownership structure–Lock-up arrangements, etc.*" below, undertaken, subject to certain conditions, not to sell his shareholding at the time of admission to trading, without the consent of the Major Shareholder and the Founder during the corresponding period.

Auditor

Ernst & Young AB (SE-411 38 Gothenburg, Sweden) is RevolutionRace's auditor since 2019. Ernst & Young AB was re-elected at the Annual General Meeting 2020 for the

period up and including the Annual General Meeting 2021. Andreas Mast, authorised public accountant and a member of FAR (the professional institute for authorised public accountants in Sweden), is auditor-in-charge.

During the financial year 2017/18 and 2018/19, Revisionsgruppen i Borås AB (SE-503 37 Borås, Sweden) was RevolutionRace's auditor, with Rikard Johelid, authorised public accountant and a member of FAR (the professional institute for authorised public accountants in Sweden), as auditor-in-charge.

Revisionsgruppen i Borås AB has audited the Group's financial statements for the financial years 2017/18 and 2018/19, and Ernst & Young AB has audited the Group's financial statements for the financial year 2019/20. The audited financial statements are found on pages F-10–F-52 in the section "*Historical financial information*". Ernst & Young AB has reviewed the Group's financial statements for the interim period July 2020–March 2021, which are found on pages F-2–F-8 in the section "*Historical financial information*".

For additional information about the Company's auditor, please refer to the section "*Corporate governance–External auditors*".



Corporate governance

Corporate governance within RevolutionRace

The governance of RevolutionRace is based on Swedish law, RevolutionRace's Articles of Association, the Swedish Corporate Governance Code (the "**Code**") and Nordic Main Market Rulebook for Issuers of Shares, as well as other applicable laws and regulations. The Code is based on the "comply or explain" principle, meaning that companies are not obliged to at all times apply every rule in the Code, but are allowed the freedom to choose alternative solutions which they feel are better in their particular circumstances, provided they report every deviation, describe the alternative solution and explain the reasons for the deviation. RevolutionRace intends to apply the Code without any deviation as from the listing on Nasdaq Stockholm.

General Meeting of shareholders

Pursuant to the Swedish Companies Act (*Sw. aktiebolagslagen (2005:551)*), the General Meeting is the supreme decision-making body in a Swedish limited liability company, and the shareholders exercise their voting rights at such meetings. The Annual General Meetings of RevolutionRace will be held within six months of the end of the financial year. In addition to the Annual General Meeting, Extraordinary General Meetings can be convened when required. The General Meetings of RevolutionRace are held in the municipality of Borås, Sweden, where the Company's registered office is situated, or in the municipality of Stockholm or Gothenburg.

Notice of General Meetings shall be published in the Swedish Official Gazette (*Sw. Post- och Inrikes Tidningar*) and on the Company's website. Simultaneously, an announcement with information that the notice has been issued shall be published in Dagens industri.

At the Annual General Meeting, the shareholders of RevolutionRace resolve on several matters, including confirmation of income statements and balance sheets, the disposition of the Company's profit or loss, discharge of liability for the members of the Board and the CEO, composition of the Nomination Committee, election of members of the Board (including the Chairman of the Board) and auditor, remuneration to the members of the Board and auditor as well as guidelines for remuneration to the CEO and other members of the Executive Group Management. The shareholders of RevolutionRace also resolve on other matters that are important to the Company, for example any changes of the Articles of Association, at the General Meeting.

Right to attend General Meetings

All shareholders who are recorded in the Company's share register maintained by Euroclear Sweden six banking days prior to the General Meeting and who have notified the Company of their intention to participate in the General Meeting no later than the date indicated in the notice of the General Meeting, are entitled to attend the General Meeting and vote for the number of shares they hold.

In addition to notifying the Company, shareholders whose shares are nominee registered through a bank or other nominee must request that their shares are temporarily registered in their own names in the register of shareholders maintained by Euroclear Sweden, in order to be entitled to participate in the General Meeting. Shareholders should inform their nominees well in advance of the record date since voting registrations by nominees must be made no later than four banking days prior to the General Meeting to be taken into account.

Shareholders may attend RevolutionRace's General Meetings in person or by proxy and may be accompanied by a maximum of two assistants. It is normally possible for shareholders to register for the General Meeting in several different ways, as indicated in the notice of the General Meeting.

Shareholder initiatives

Any shareholder of the Company who wishes to have a matter dealt with at a General Meeting must submit a written request to the Board of Directors to that effect. The request must have been received by the Company no later than seven weeks prior to the General Meeting or after such date, but in due time for the matter to be included in the notice of the General Meeting.

Nomination Committee

Under the Code, a company listed on Nasdaq Stockholm shall have a Nomination Committee, the purpose of which is to make proposals to the Annual General Meeting in respect of the Chairman at General Meetings, elections of Board members, Chairman of the Board and auditor, remuneration of each Board member (divided between the Chairman of the Board and other Board members, and remuneration for committee work), remuneration to the auditor, and to the extent deemed necessary, proposals for amendments to the instruction for the Nomination Committee. Further, the Nomination Committee shall make a reasoned statement regarding its proposal for elections of Board members. At the Extraordinary General Meeting held on 15 April 2021, the current instruction for the Nomination Committee was

adopted to apply until further notice, with the exception that the Nomination Committee prior to the Annual General Meeting 2021 shall consist of representatives of the three largest shareholders on the last banking day in July 2021, provided that the Company is listed on Nasdaq Stockholm.

The Nomination Committee of the Company shall be composed of the representatives of the three largest shareholders in terms of voting rights, as of the last banking day in March each year, and of the Chairman of the Board of Directors, who will also convene the first meeting of the Nomination Committee. The member representing the largest shareholder in terms of voting rights shall be appointed Chairman of the Nomination Committee, unless otherwise agreed amongst the committee members. The composition of the Nomination Committee shall be posted on the Company's website without undue delay.

In the event that shareholders will decline to appoint a member to the Nomination Committee, the next in turn largest shareholder(s) shall be asked to appoint a member to the Nomination Committee. If before the Nomination Committee has presented its proposals, a shareholder who has appointed a representative to the Nomination Committee is no longer among the largest shareholders, the representative appointed by such shareholder shall resign and, if the Nomination Committee finds it appropriate, the next in turn largest shareholder(s) shall be asked to appoint a member to the Nomination Committee. Should for other reasons a member of the Nomination Committee resign before its work is completed and if the Nomination Committee finds it appropriate, the appointing shareholder shall be asked to replace the resigning member, or if declined, the largest shareholder(s) in turn shall be asked to appoint a new member to the Nomination Committee. Changes in the composition of the Nomination Committee shall be posted on the Company's website without undue delay.

The term of the Nomination Committee ends when the composition of the subsequent Nomination Committee has been announced. No remuneration shall be paid to the members of the Nomination Committee. However, the Company shall pay any reasonable and necessary out-of-pocket expenses that the Nomination Committee may incur in its work.

Board of Directors

The Board of Directors has the overall responsibility for RevolutionRace's organisation and administration.

Composition and independence

RevolutionRace's Board of Directors is comprised of seven members, who are normally elected by the Annual General Meeting.

The Annual General Meeting elects the Chairman of the Board. Directly after the Annual General Meeting, the Board of Directors holds a meeting for formal constitution at which the members of the committees of the Board of

Directors are elected, among other things. The Chairman of the Board of RevolutionRace is Paul Fischbein.

According to the Code, a majority of the Board members appointed by the General Meeting must be independent in relation to the Company and its Executive Group Management. This does not apply for any employee representatives. To determine whether a Board member is independent, all circumstances should be considered that may put into question the independence of a Board member in relation to the Company or the Executive Group Management, for instance if the Board member was recently employed by the Company or an affiliated company. At least two of the Board members that are independent in relation to the Company and the Executive Group Management must also be independent in relation to the major shareholders of the Company. To evaluate a Board member's independence, the extent of the Board member's direct or indirect relation to the larger shareholders should be taken into consideration. A major shareholder, according to the Code, is a shareholder that directly or indirectly controls 10 per cent or more of the shares or votes in the Company.

The Board of Directors is considered to be in compliance with relevant requirements for independence. 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.

The Board's responsibility and work

The duties of the Board of Directors are set forth in the Swedish Companies Act, the Company's Articles of Association and the Code, the latter of which will be applicable for the Company as from the date of listing of the shares on Nasdaq Stockholm. In addition, the work of the Board of Directors is governed by rules of procedure for the Board of Directors, adopted annually by the Board of Directors. The rules of procedures for the Board of Directors govern, among other things, how the Board of Directors meet, which matters should be discussed at the meetings of the Board of Directors and the division of work and responsibility between the members of the Board of Directors, the Chairman of the Board, the CEO and committees. The Board of Directors also adopts instructions for the CEO and Board committees.

The Board of Directors is responsible for the organisation of RevolutionRace and the management of the Company's affairs. The Board of Directors' tasks include adopting strategies, targets, business plans, budgets, year-end financial statements and policies. The Board of Directors is also required to monitor the Company's financial performance and ensure that the Company has good internal controls and formalised routines to ensure that approved principles for financial reporting and internal controls are applied and that the Company's financial reports are pro-

duced in accordance with legislation, applicable accounting standards and other requirements for listed companies (please refer to “*Internal control over financial reporting*” below). Moreover, the Board of Directors is to ensure that there is a satisfactory process for monitoring the Company’s compliance with laws and other regulations relevant to the Company’s operations, as well as the application of internal guidelines, and evaluate the operations against the goals and policies that have been adopted by the Board of Directors. In addition, the Board of Directors is responsible for regularly evaluating the work of the CEO. Furthermore, the Board of Directors decides on major investments and changes in the organisation and operations of the Group. The Chairman of the Board leads and organises the work of the Board of Directors, ensures that the Board of Directors fulfils its tasks and ensures that the Board of Directors’ decisions are implemented. The Chairman of the Board shall, together with the CEO, monitor the Company’s performance and prepare and chair Board meetings. The Chairman is also responsible for ensuring that the Board members evaluate their work each year and continuously receive the information necessary to effectively perform their tasks. The Chairman represents the Company in relation to its shareholders.

Board committees

According to the Swedish Companies Act and the Code, the Board of Directors shall institute an audit committee and a remuneration committee. The Company has established an Audit Committee and a Remuneration Committee. A majority of each committee’s members are independent in relation to the Company and the Executive Group Management. For the Audit Committee, at least one of the members who is independent in relation to the Company and the Executive Group Management is also to be independent in relation to the Company’s major shareholders.

The major tasks of these committees are preparatory and advisory, but the Board of Directors may delegate decision-making powers on specific issues to the committees. The issues considered at committee meetings shall be recorded in minutes of the meetings and be continuously reported to the Board of Directors. The members and Chairmen of the committees are appointed at the statutory Board meeting following election of Board members. The Board of Directors may also, through a decision that is recorded in minutes, delegate the examination of a certain question to one or more Board members or the CEO.

Audit Committee

The main tasks of the Audit Committee is, without any impact otherwise on the responsibility and tasks of the Board of Directors, to monitor RevolutionRace’s financial reporting and provide recommendations and proposals to ensure the reliability of the reporting, monitor the efficiency of the Company’s internal controls and risk management, keep itself informed regarding audit of the annual report

and group accounts as well as regarding the conclusions of the Swedish Inspectorate of Auditors’ (Sw. *Revisorsinspektionen*) quality controls, inform the Board of Directors of the result of the audit and the way in which the audit contributed to the reliability of the financial reporting, as well as the function filled by the Audit Committee, review and monitor the impartiality and independence of the auditor and, in conjunction therewith, pay special attention to whether the auditor provides the Company with services other than auditing services, and assist in conjunction with preparation of proposals to the General Meeting’s resolution regarding election of auditor.

The Audit Committee, which shall meet at least five times each financial year, consists of the following three Board members: Cecilie Elde (Chairman), Jens Browaldh and Paul Fischbein.

Remuneration Committee

The main tasks of the Remuneration Committee is to prepare the Board of Directors’ decisions on issues concerning principles for remuneration, remunerations and other terms of employment for the Executive Group Management, monitor and evaluate programmes for variable remuneration, both ongoing and those that have ended during the year, for the Executive Group Management, monitor and evaluate the application of the applicable guidelines for remuneration that the General Meeting is legally obliged to adopt, as well as the current remuneration structures and levels in the Company and draft a proposal for a report as to each financial year that shows the remuneration that has been paid and the remuneration that is outstanding which is governed by the guidelines for remuneration the Executive Group Management.

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.

Remuneration to the Board of Directors

The Extraordinary General Meeting held on 26 May 2021 resolved that the remuneration to the Board of Directors will amount to SEK 500,000 for the Chairman of the Board and SEK 200,000 for each other Board member that is not employed by RevolutionRace. In addition, the General Meeting resolved that the Chairman of the Audit Committee will receive fees totalling SEK 100,000 and the other members of the Audit Committee will receive fees totalling SEK 50,000, and that the Chairman of the Remuneration Committee will receive fees totalling SEK 60,000 and the other members of the Remuneration Committee will receive fees totalling SEK 30,000. No remuneration shall be paid to the Board members Jens Browaldh and Andreas Källström Säfweräng.

The table below presents the remuneration paid to the Board of Directors in 2019/20.

Name	Function	Total compensation, SEK
Peter Sjölander	Chairman	400,000
Jens Browaldh	Member	–
Magnus Dimert	Member	200,000
Andreas Källström		
Säfweräng	Member	–
Niclas Nyrensten	Member	200,000
Johan Svanström	Member	200,000
Pernilla Nyrensten	Member	200,000
Total compensation		1,200,000

CEO and the Executive Group Management

The Executive Group Management currently includes the CEO and seven other members. The CEO is appointed by, and receives instructions from, the Board of Directors. The CEO, in turn, appoints other members of the Executive Group Management and is responsible for the ongoing management of the Group's operations in accordance with the Board of Directors' guidelines and instructions. Executive Group Management meetings are normally held every week for review of operational development and update of plans as well as general coordination. In addition, the previous month's results, updates of forecasts and strategy issues are dealt with monthly.

Remuneration guidelines

The following principle guidelines for remuneration to senior executives were adopted at the Annual General Meeting held on 15 April 2021, conditional upon the Company's shares being admitted to trading on Nasdaq Stockholm.

Types of remuneration, etc.

The remuneration shall be on market terms and may consist of the following components: fixed cash salary, variable cash remuneration (bonus), pension benefits and other benefits. Additionally, the general meeting may – irrespective of these guidelines – resolve on, among other things, share-related or share price-related remuneration.

The satisfaction of criteria for awarding variable cash remuneration shall be measured over a period of one year. The variable cash remuneration may amount to not more than 50 per cent of the total fixed cash salary under the measurement period for such criteria/of the fixed annual cash salary. Further variable cash remuneration may be awarded in extraordinary circumstances, provided that such extraordinary arrangements are limited in time and only made on an individual basis, either for the purpose of recruiting or retaining executives, or as remuneration for extraordinary performance beyond the individual's ordinary tasks. Such remuneration may not exceed an amount cor-

responding to 50 per cent of the fixed annual cash salary and may not be paid more than once each year per individual. Any resolution on such remuneration shall be made by the Board of Directors based on a proposal from the Remuneration Committee.

Pension benefits, including health insurance and group life insurance, shall be premium defined and correspond to the premium levels under the current ITP 1-plan.

Other benefits may include, for example, additional life insurance, medical insurance (Sw. *sjukvårdsförsäkring*) and company cars. Such benefits may amount to not more than 10 per cent of the fixed annual cash salary.

Termination of employment

Upon termination of employment, the notice period may not exceed twelve months. Severance pay, if any, may not exceed an amount corresponding to twelve months full benefits.

Additionally, remuneration may be paid for non-compete undertakings. Such remuneration shall compensate for loss of income. The remuneration shall amount to not more than 60 per cent of the Executive's average monthly compensation at the time of termination, during the time the non-compete undertaking applies, however not for more than 12 months following termination of employment.

Criteria for awarding variable cash remuneration, etc.

The variable cash remuneration shall be linked to predetermined and measurable criteria which can be financial or non-financial. They may also be individualised, quantitative or qualitative objectives. The criteria shall be designed so as to contribute to RevolutionRace's business strategy and long-term interests, including its sustainability, by for example being clearly linked to the business strategy or promote the executive's long-term development.

To which extent the criteria for awarding variable cash remuneration has been satisfied shall be evaluated/determined when the measurement period has ended. The Board of Directors is responsible for the evaluation so far as it concerns variable remuneration to the CEO. For variable cash remuneration to other executives, the Remuneration Committee is responsible for the evaluation.

Derogation from the guidelines

The Board of Directors may temporarily resolve to derogate from the guidelines, in whole or in part, if in a specific case there is special cause for the derogation and a derogation is necessary to serve RevolutionRace's long-term interests, including its sustainability, or to ensure RevolutionRace's financial viability.

Remuneration to the Executive Group Management

Remuneration to members of the Executive Group Management comprises base salary, variable remuneration and

pension benefits. The table below shows the remuneration paid to the CEO and other members of the Executive Group Management in 2019/20.

TSEK	Base salary	Variable remuneration ¹⁾	Pension benefits ²⁾	Total
President and CEO	482	–	58	540
Other executive management members*	3,332	304	555	4,191
Total	3,814	304	613	4,731

*J) 4 persons during 2019/20.

1) Variable remuneration refers to cash bonuses that follow from employment contracts and are based on individual goals and the Company's earnings.

2) The Executive Group Management's pension plans are defined contribution plans. There are consequently no amounts set aside or accrued to provide pension, retirement or similar benefits to the current Executive Group Management.

Notice period and severance payment

For senior executives, except for the President and CEO and the Creative Director, a mutual notice period of four months applies, without the right to severance pay. For the President and CEO, a mutual notice period of twelve months applies, with the right to twelve months' severance pay if the employment is terminated by the Company. For the Creative Director, a mutual notice period of six months applies, with the right to six months' severance pay if the employment is terminated by the Company.

Long-term incentive programmes

Please refer to the section "*Share capital and ownership structure—Long-term incentive programmes*".

External auditors

At the Annual General Meeting 2020, Ernst & Young AB was elected as the Company's external auditor for a period of one year, until the Annual General Meeting in 2021. Ernst & Young AB provides an audit opinion regarding RevolutionRace, annual reports of its subsidiaries, the financial statements and the administration of RevolutionRace. The auditor shall also, on behalf of the Audit Committee, conduct a review of the interim financial report for the nine-month period, as well as the sustainability report.

The audit is conducted in accordance with the Swedish Companies Act, International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden.

The auditor participates in the Board meeting where the annual report is to be discussed. At the Board meeting, the auditor presents, among others, the financial information and discuss the audit with the Board members without the CEO and other members of the Executive Group Management being present.

Internal control over financial reporting

The responsibility and liability of the Board of Directors for the internal control within RevolutionRace cannot be assigned to any other party. RevolutionRace has not established a separate function for internal audit and does neither have an independent internal audit function. This

task is performed by the Board, whereby the Audit Committee, according to internal governing documents, has a special responsibility for any internal audit. The Board shall annually evaluate the need for a separate function for internal audit and in the description of the internal control in the corporate governance report explain its position.

The processes for internal control, risk assessment, control activities, information and communication, and monitoring regarding the financial reporting are designed to ensure reliable overall financial reporting and that external financial statements are drafted in accordance with IFRS, applicable laws and regulations and other requirements applicable to companies listed on Nasdaq Stockholm. This process involves the Board of Directors, the Audit Committee, the Executive Group Management and all employees.

The Board of Directors has the overall responsibility for establishing an effective system of internal control which is mainly governed by the Swedish Companies Act, the Swedish Annual Accounts Act and the Code. The Audit Committee regularly reviews and evaluates the adequacy of the internal control framework. Further, the Audit Committee monitors control deficiencies identified within the Group's internal control environment and oversees implementation of action plans if applicable. The CEO and the Executive Group Management have the ultimate responsibility for internal controls within their areas of responsibility.

All entities within the Group must maintain adequate internal controls. As a minimum requirement, control activities should address key risks identified within the Group. Responsibilities and authorities are given in instructions for delegation of authority, manuals, policies, procedures and codes. All employees of RevolutionRace are held accountable for compliance with these guidelines.

Risk assessment

Risk assessment is the assessment of risks in the various processes and data points that feed into the Company's financial reports. This includes identifying risks of not fulfilling the fundamental criteria, i.e., completeness, accuracy, valuation and reporting for significant accounts in the financial reporting for the Group as well as risk of loss or misappropriation of assets and potential fraud. Risk man-

agement is an important part of the internal control. The Board of Directors is ultimately responsible for risk management within the Group.

In accordance with the Company's Risk Management Policy, the Company's CEO annually initiates a process to identify and evaluate risks within the Group. The risk evaluation is conducted by the Executive Group Management and the result is reported to RevolutionRace's Board of Directors. The purpose of the process is to identify new risks and, if necessary, re-evaluate the Company's assessment of already known risks. The main risks that the Company faces can be divided into the following four categories: strategic risks, operational risk, compliance and legal risks, and financial risks.

An annual risk evaluation is also conducted by the Company's Audit Committee. The principles of risk evaluation are discussed with the Executive Group Management and the Company's auditor. Further, material financial exposure and measures taken, or intended to be taken by the Executive Group Management, to mitigate, monitor and control such exposures are also discussed.

Control activities

Control activities aim at mitigating the risks identified and ensure accurate and reliable financial reporting as well as process efficiency. The control activities include among other ongoing evaluations and self-assessments to ascertain whether the internal control is present and functioning.

Information and communication

Information and communication within the Group regarding risks and controls contributes to ensuring that the right business decisions are made. Guidelines for the financial reporting are communicated to employees among other by manuals, policies and codes that are published and accessible through the Company's server.

Monitoring

Monitor and test of control activities is performed continuously to ensure that risks have been handled in an appropriate manner. The effectiveness of control activities is monitored continuously by the Board of Directors. Monitoring involves both formal and informal procedures applied by management, process owners and control operators. These routines include reviews of results in comparison with budgets and plans, analytical procedures and key-performance indicators and the self-assessment results.

The Company perform a self-assessment of the work related to risk management and internal control at least annually. The head of each segment (for example CFO, CTO, CCO, etc.) is responsible for performing such evaluation within their segment, respectively. Besides this, there is also a specific person appointed as process manager with an overall responsibility to progress the evaluation (for example the financial manager). The Board of Directors is provided with the result of the self-assessment, including important conclusions from this evaluation process, as well as any measures regarding the Company's internal control and risk management.

The Audit Committee continuously reviews RevolutionRace's internal control regarding financial reporting, management of assets and financial position in general. Further, the Audit Committee continuously evaluates that the Company's financial reporting and financial control is effective, which is also made through an ongoing discussion with the Company's auditor and Executive Group Management. The Audit Committee is also working in a preventive manner by making proposals on improvements in the internal control.

Share capital and ownership structure

Share information

As of 31 March 2021, the Company's registered share capital amounted to SEK 113,757.647652 represented by 646,484,696 shares, with a quota value of SEK 0.000176 per share.

In preparation for the listing of the Company's shares on Nasdaq Stockholm, an Extraordinary General Meeting of RevolutionRace held on 15 April 2021 resolved on a bonus issue, resulting in the share capital increasing by SEK 386,242.352348, from SEK 113,757.647652 to SEK 500,000 without issuing new shares. Further, an Extraordinary General Meeting of the Company held on 26 May 2021 resolved on a reverse share split (6:1), resulting in the number of shares in the Company decreasing from 646,484,696 shares to 107,747,449 shares. At the same time, the Extraordinary General Meeting resolved on another bonus issue, resulting in the share capital increasing by SEK 577,474.49, from SEK 500,000 to SEK 1,077,474.49 without issuing new shares. The Extraordinary General Meeting also resolved to amend the Articles of Association with regard to the minimum and maximum number of shares, and according to the Company's current registered Articles of Association the share capital shall amount to a minimum of SEK 500,000 and a maximum of SEK 2,000,000, divided into a minimum of 100,000,000 and a maximum of 400,000,000 shares. The reverse share split, the bonus issue and the amendment to the Articles of Association were registered with the Swedish Companies Registration Office on 1 June 2021. At the time of this prospectus, the Company's registered share capital amounts to SEK 1,077,474.49, represented by 107,747,449 shares, with a quota value of SEK 0.01 per share.

For information regarding changes in the Company's share capital, please refer to "Share capital development" below.

The shares in RevolutionRace have been issued in accordance with Swedish law, are fully paid and denominated in SEK. At the time of the admission to trading on Nasdaq Stockholm, the shares will be freely transferable in accordance with Swedish law. The rights of the shareholders may only be changed pursuant to the procedures set out in the Swedish Companies Act and the Articles of Association.

Certain rights attached to the shares

Voting rights

Each share carries one vote at the General Meeting. Each shareholder is entitled to vote for the total number of

shares held without limitation of the voting powers. Please refer to the section "Corporate governance—General Meeting of shareholders" for further information about the General Meetings in RevolutionRace.

Preferential rights to new shares, etc.

Should the Company decide to issue new shares, warrants or convertibles (Sw. *konvertibler*) by way of a cash issue or a set-off issue (Sw. *kvittningsemission*), the shareholders shall have preferential rights to subscribe in proportion to their existing shareholdings. There are no provisions in the Company's Articles of Association limiting the Company's ability to decide to, in accordance with the rules set out in the Swedish Companies Act, issue new shares, warrants or convertibles with deviation from the shareholders' preferential rights.

Rights to dividends and surplus in the event of liquidation

The shares in the Company carry the same right to share in the Company's profit and any surplus in the event of liquidation.

Dividends are resolved upon by the General Meeting and the payment is administered by Euroclear Sweden. Dividends may only be paid if the Company, after such dividends, still has full coverage of its restricted equity and further to the extent that such dividends are justified taking into consideration (i) the demands with respect to size of shareholders' equity which are imposed by the nature, scope, and risks associated with the operations; and (ii) the Company's and the Group's consolidation needs, liquidity, and position in general (the so-called prudence rule). As a general rule, the shareholders may not resolve on larger dividends than those proposed or approved by the Board of Directors. Dividends are normally paid to shareholders in cash on a per share basis, but may also be paid in kind.

On the record date established by the General Meeting, holders recorded as owners of shares in the register of shareholders maintained by Euroclear Sweden will be entitled to receive dividends. If a shareholder cannot be paid through Euroclear Sweden, such shareholder still retains its claim to the dividend amount, and the claim remains against the Company subject to a statutory limitation of ten years. Should the claim become barred by the statute of limitations, the dividend amount is forfeited to RevolutionRace. Neither the Swedish Companies Act, nor RevolutionRace's Articles of Association contain any restrictions regarding dividend rights of shareholders outside Sweden. Subject to any restrictions imposed by banks or clearing systems

in the relevant jurisdiction, payments to such shareholders are made in the same manner as for shareholders resident in Sweden. However, shareholders who are not tax resident

in Sweden are normally subject to Swedish withholding tax. Please refer to the section “*Tax considerations*” for additional information.

Important information on taxation

The tax legislation in the investor’s home country and in Sweden may affect any income received from shares in RevolutionRace.

The taxation of any dividend, as well as capital gains taxation and rules concerning capital losses in connection with disposal of securities, depends on the investor’s particular circumstances. Special rules apply to certain categories of tax payers and certain types of investment forms. Therefore, each investor should consult a tax advisor for information on the specific implications that may arise in the individual case, including the applicability and effect of foreign tax rules and tax treaties.

Dividend history

The table below shows dividends paid by RevolutionRace during the financial years 2017/18–2019/20.

SEK	2019/20	2018/19	2017/18
Total dividend	110,000,000	132,000,000	–
Number of out-standing shares	644,591,657	643,494,658	–
Dividend per share	0.17	0.21	–

For information on RevolutionRace’s dividend policy, please refer to the section “*Business description–Financial targets and dividend policy*”.

Share capital development

The table below shows the development of the Company’s share capital since 17 October 2017, when the Company was registered with the Swedish Companies Registration Office.

Year	Event	Change in number of shares	Change in share capital, SEK	Total number of shares	Total share capital, SEK	Quota value, SEK
2017	Input value	–	–	50,000	50,000	1
2017	New share issue ¹⁾	61,111	61,111	111,111	111,111	1
2018	Share split ²⁾	631,332,702	0	631,443,813	111,111	0.000176
2018	New share issue ³⁾	11,055,084	1 945.290163	642,498,897	113,056.290163	0.000176
2018	New share issue ⁴⁾	847,457	149.121414	643,346,354	113,205.411577	0.000176
2019	New share issue ⁵⁾	148,304	26.096075	643,494,658	113,231.507652	0.000176
2020	New share issue ⁶⁾	569,615	100.23	644,064,273	113,331.737652	0.000176
2020	New share issue ⁷⁾	527,384	92.80	644,591,657	113,424.537652	0.000176
2021	New share issue ⁸⁾	1,494,898	263.050000	646,086,555	113,687.587652	0.000176
2021	New share issue ⁹⁾	398,141	70.060000	646,484,696	113,757.647652	0.000176
2021	Bonus issue ¹⁰⁾	–	386,242.352348	646,484,696	500,000	0.000773
2021	Reverse share split ¹¹⁾	–538,737,247	–	107,747,449	500,000	0.004640
2021	Bonus issue ¹²⁾	–	577,474.49	107,747,449	1,077,474.49	0.01
2021	Exercise of warrants ¹³⁾	5,171,469	51,714.69	112,918,918	1,129,189.18	0.01 ¹⁴⁾

1) On 10 November 2017, the Extraordinary General Meeting of RevolutionRace resolved on a new share issue. The new share issue was carried out at a subscription price of SEK 5.682.94 per share.

2) On 19 January 2018, the Extraordinary General Meeting of RevolutionRace resolved on a share split, whereby each existing share was replaced by 5,683 new shares (1: 5,683).

3) On 27 February 2018, the Board of Directors of RevolutionRace resolved on a new share issue. The new share issue was carried out at a subscription price of SEK 1 per share.

4) On 26 April 2018, the Board of Directors of RevolutionRace resolved on a new share issue. The new share issue was carried out at a subscription price of SEK 1 per share.

5) On 17 April 2019, the Board of Directors of RevolutionRace resolved on a new share issue. The new share issue was carried out at a subscription price of SEK 1 per share.

6) On 17 February 2020, the Extraordinary General Meeting of RevolutionRace resolved on a new share issue. The new share issue was carried out at a subscription price of SEK 1.34 per share.

7) On 30 September 2020, the Extraordinary General Meeting of RevolutionRace resolved on a new share issue. The new share issue was carried out at a subscription price of SEK 2.09 per share.

8) On 15 January 2021, the Extraordinary General Meeting of RevolutionRace resolved on a new share issue. The new share issue was carried out at a subscription price of SEK 2.48 per share.

9) On 2 February 2021, the Extraordinary General Meeting of RevolutionRace resolved on a new share issue. The new share issue was carried out at a subscription price of SEK 2.48 per share.

10) See “*Share information*” above.

11) See “*Share information*” above.

12) See “*Share information*” above.

13) The exercise of existing Warrants for subscription of new shares in the Company will take place on the first day of trading on Nasdaq Stockholm and is conditional on the completion of the Offering, see “*Exercise of warrants in connection with the Offering, etc.*” below.

14) Based on submitted acceptances of exercise of Warrants and what is further stated under “*Exercise of warrants in connection with the Offering, etc.*” below.

Exercise of warrants in connection with the Offering, etc.

As of the date of this prospectus, a total of 27,703,296 warrants of series A–G have been issued by the Company, each with three sub-series (I–III) (the “Warrants”). Series I–III(A) includes 12,165,252 warrants, series I–III(B) includes 2,542,371 warrants, series I–III(C) includes 444,912 warrants, series I–III(D) includes 7,708,845 warrants, series I–III(E) includes 1,582,152 warrants, series I–III(F) includes 2,065,341 warrants and series I–III(G) includes 1,194,423 warrants. After recalculations that have taken place in accordance with the terms of the Warrants, the warrants of series I–III(A) confer rights to subscribe for 2,387,355 new shares to a subscription price of SEK 7.21 per share, the warrants of series I–III(B) confer rights to subscribe for 498,921 new shares to a subscription price of SEK 8.45 per share, the warrants of series I–III(C) confer rights to subscribe for 87,312 new shares to a subscription price of SEK 7.21 per share, the warrants of series I–III(D) confer rights to subscribe for 1,372,854 new shares to a subscription price of SEK 8.89 per share, the warrants of series I–III(E) confer rights to subscribe for 281,754 new shares to a subscription price of SEK 13.54 per share, the warrants of series I–III(F) confer rights to subscribe for 344,205 new shares to a subscription price of SEK 15.98 per share and the warrants of series I–III(G) confer rights to subscribe for 199,068 new shares to a subscription price of SEK 15.98 per share.

Based on submitted acceptances of exercise of Warrants and subject to the completion of the Offering, all War-

rants will be exercised for subscription of new shares in the Company in connection with the completion of the Offering, resulting in that the number of shares in the Company will increase by 5,171,469 shares and the share capital will increase by SEK 51,714.69, as well as approximately MSEK 46.8 being added to the Company as subscription payment. The new shares are expected to be admitted to trading around 24 June 2021. All new shares issued as a result of the exercise of the Warrants will be subject to so-called lock-up in accordance with what is stated under “Lock-up arrangements, etc.” below.

Net asset value per share

The net asset value per share¹⁾ as of 31 March 2021 amounted to SEK 0.001. The Offering Price has been set to SEK 75 per share.

Ownership structure

The table below sets forth the Company’s ownership structure immediately prior to and directly after completion of the Offering, respectively, provided that all allocated shares have settled as allocated and that the offer to acquire warrants within LTIP 2021/2024 has been fully subscribed, reflecting both the ownership structure if the Overallotment option is not exercised and if the Overallotment option is fully exercised. The Company’s largest shareholders are Altor Fund IV (No. 1) AB and Altor Fund IV (No. 2) AB, together holding 69,047,473 shares, corresponding to 61.1 per cent of the shares and votes in the Company.²⁾

Shareholding based on the assumption that the Offering is fully subscribed	Holdings prior to the Offering ¹⁾		After the Offering (if the Offering is fully subscribed and the Overallotment Option is not exercised) ²⁾		After the Offering (if the Offering is fully subscribed and the Overallotment Option is fully exercised) ²⁾	
	Number	%	Number	%	Number	%
Major shareholders						
Altor Fund IV (No. 1) AB	34,523,735	30.6	22,973,720 ³⁾	20.3 ³⁾	20,509,540 ³⁾	18.2 ³⁾
Altor Fund IV (No. 2) AB	34,523,738	30.6	22,973,723	20.3	20,509,543	18.2
Nyrensten Global Holding AB	38,302,268	33.9	29,875,770	26.5	29,875,770	26.5
Total major shareholders	107,349,741	95.1	75,823,213	67.1	70,894,853	62.8
Other shareholders	5,569,177	4.9	4,239,971 ⁴⁾	3.8 ⁴⁾	4,239,971 ⁴⁾	3.8 ⁴⁾
<i>Additional new shareholders</i>	–	–	32,855,734	29.1	37,784,094	33.5
Total new and existing shareholders	112,918,918	100.0	112,918,918	100.0	112,918,918	100.0

1) Shareholding based on the assumption that all Warrants are exercised for subscription of new shares in the Company in connection with the completion of the Offering and what is further stated under “Exercise of warrants in connection with the Offering, etc.” above.

2) Shareholding based on the assumption that all Warrants are exercised for subscription of new shares in the Company in connection with the completion of the Offering and what is further stated under “Exercise of warrants in connection with the Offering, etc.” and that the offer to acquire warrants within LTIP 2021/2024 has been fully subscribed.

3) Shareholding based on the assumption that 1,329,206 existing shares have been acquired from Other Selling Shareholders in connection with and conditional on the completion of the Offering.

4) Shareholding based on the assumption that 1,329,206 existing shares have been transferred to Altor Fund IV (No. 1) AB in connection with and conditional on the completion of the Offering.

In Sweden, the lowest limit for disclosure of holdings (Sw. *flaggning*) is five per cent of all shares or the voting rights of all shares.

Altor can exercise significant influence over the Company in matters where the shareholders have a voting right. Due to its shareholding, Altor may vote through several

1) Calculated as equity (SEK 647,522) divided by the number of shares (646,484,696) as of 31 March 2021.

2) Shareholding based on the assumption that all Warrants are exercised for subscription of new shares in the Company in connection with the completion of the Offering and what is further stated under “Exercise of warrants in connection with the Offering, etc.” above.

proposals at a general meeting, even if other shareholders do not agree with the proposal. Altor's control is, however,

limited in accordance with the rules set out in the Swedish Companies Act on minority protection.

Information about Selling Shareholders

The Selling Shareholders are offering 37,784,094 existing shares in the Offering, provided that the Overallotment Option is fully exercised. Information about the Selling Shareholders is presented in the table below.

Name	Address	Legal form	Country of formation and jurisdiction	LEI code	Shares offered
Altor Fund IV (No. 1) AB	P.O. Box 16116, SE-103 23 Stockholm, Sweden	Private limited liability company	Sweden	213800SABW1EYX9A6H53	15,343,401
Altor Fund IV (No. 2) AB	P.O. Box 16116, SE-103 23 Stockholm, Sweden	Private limited liability company	Sweden	213800VXBIOCE9FHOI68	14,014,195
Nyrensten Global Holding AB	Vegagatan 19, SE-506 35 Borås, Sweden	Private limited liability company	Sweden	894500PCWIZ3XWZDYQ62	8,426,498

The number of shares offered by the Major Shareholder includes a sale of up to 1,329,206 existing shares by, and on behalf of, certain other shareholders in the Company, including Board members and members of the Executive Group Management ("**Other Selling Shareholders**"). In general, Other Selling Shareholders will be given the opportunity to divest shares to cover the cost of exercising Warrants in connection with the Offering and, as for the Participants in LTIP 2021/2024, for the acquisition of new warrants as part of LTIP 2021/2024, in both cases with the addition of a standard tax cost of 20 per cent of the net proceeds. In addition, Other Selling Shareholders are given the opportunity in the Offering to sell an additional up to 20 per cent of their respective holdings in the Company after exercise of Warrants and sale to cover the costs of exercise and acquisition of warrants as set out above.

For administrative reasons, the Major Shareholder will sell shares on behalf of the Other Selling Shareholders in the Offering. Please refer to "*Ownership structure*" above for information on holdings before and after the completion of the Offering.

Lock-up arrangements, etc.

The Selling Shareholders, current and former shareholding members of the Board of Directors and shareholding employees in the Group, including members of the Executive Group Management, will undertake, with certain exceptions, not to sell their respective holdings for a certain period after trading in RevolutionRace's shares on Nasdaq Stockholm has commenced (the "**Lock-up Period**").

The Lock-up Period for the Major Shareholder will be 180 days. The Founder has undertaken a Lock-up Period of 1,080 days with respect to 20 percentage points of its holdings (corresponding to 20 per cent of the total number of outstanding shares and votes in the Company after completion of the Offering)³⁾, and the remaining part of the holding will be subject to a Lock-up Period of 360 days. The Lock-up Period for current and former shareholding

members of the Board of Directors and shareholding employees in the Group, including members of the Executive Group Management, will be 360 days. After the end of each Lock-up Period, the shares may be offered for sale, which may affect the market price of the shares. Joint Global Coordinators may grant exemptions from the commitments in question and may jointly decide, in their sole discretion and at any time, to lift the restrictions on the sale of shares during this period. The Company will in the agreement undertake towards the Joint Global Coordinators to, among others, with some exemptions, for a period of 180 days from the first day of trading in the Company's shares on Nasdaq Stockholm, not without written consent from the Joint Global Coordinators, decide or propose to the General Meeting to resolve on an increase in the share capital through issue of shares or other financial instruments. For further information, please refer to the section "*Legal considerations and supplementary information—Placing Agreement*".

Listing application

On 26 May 2021, the listing committee of Nasdaq Stockholm decided that the Company meets applicable listing requirements on Nasdaq Stockholm. Nasdaq Stockholm will grant an application for admission to trading of the Company's shares on Nasdaq Stockholm provided that certain terms and conditions are met, among others, that the Company submits such an application and that the distribution requirement for the Company's shares are met no later than on the date of listing of the shares. The trading is expected to commence on or around 16 June 2021. The shares will be traded under the ticker RVRC.

Shareholders' agreements, etc.

There are shareholders' agreements between the Selling Shareholders and other shareholders in the Company. The shareholders' agreements will cease to apply in connection

3) Based on the assumption that all Warrants are exercised for subscription of new shares in the Company in connection with the completion of the Offering and what is further stated under "*Share capital and ownership structure—Exercise of warrants in connection with the Offering, etc.*".

with the listing of the Company's shares on Nasdaq Stockholm.

To the Board of Directors' knowledge, there are no shareholders' agreements or other agreements between shareholders in the Company intended to exercise joint control of the Company. Nor is the Board of Directors aware of any agreements which may result in a change to the control of the Company.

Long-term incentive programmes

At an Extraordinary General Meeting in the Company on 6 June 2021, it was resolved, subject to the completion of the Offering, on an issue of warrants as a part of the implementation of a long-term incentive programme ("**LTIP 2021/2024**") for the Executive Group Management and an a total of 19 key personnel (the "**Participants**"). In total, LTIP 2021/2024 will comprise 1,889,677 warrants. The number of warrants per Participant will vary depending on the Participant's position within the Group. The maximum number of warrants that each of the Participants in the Executive Group Management will be allowed to acquire is specified in the section "*Board of Directors, Executive Group Management and auditor–Executive Group Management*".

The warrants are issued to the Company's subsidiary Revolutionrace Holding AB, to be subsequently transferred to the Participants. LTIP 2021/2024 means that participants are offered to acquire warrants at a market value of a total of up to MSEK 18.5 in accordance with the Black & Scholes valuation method.

The warrants can be exercised during the period 1 July–31 December 2024. The strike price of the warrants will correspond to 130 per cent of the Offering Price.

The terms and conditions of the warrants include customary recalculation provisions relating to, among other things, dividends that are distributed before the time of exercise of the warrants. The Company has reserved itself the right to repurchase the warrants if, for example, the Participant wishes to sell the warrants to a third party or if the Participant's employment is terminated.

Assuming that all 1,889,677 warrants in LTIP 2021/2024 are exercised for subscription of new shares, the share capital of the Company will increase by SEK 18,897, corresponding to 1.7 per cent of the Company's share capital after completion of the Offering.⁴⁾

Since the warrants are transferred at fair market value, the Company assesses that any potential costs for social charges associated with LTIP 2021/2024 will be limited. The costs related to LTIP 2021/2024 will accordingly mostly consist of limited costs for the implementation and administration of the program.

Bonus commitments

Subject to the completion of the Offering, the Company has issued bonus commitments to members of the Executive Group Management and certain key personnel in the Group, a total of 17 persons, not including the CEO and the Creative Director, which means that a so called stay-on bonus will be paid to employees if they remain in employment as of 31 December 2024 (with customary exceptions). The commitments comprise a total amount of not more than MSEK 11 net after tax and is, among other things, conditional on that LTIP 2021/2024 has not been redeemed. If and to the extent that the bonus commitments entail costs for the Company, including outstanding bonus amounts and related costs in the form of social fees, the Founder has undertaken to reimburse the Company for all these costs.

Information about public takeover bids and redemption of minority shares

Under the Swedish Stock Market (Takeover Bids) Act (*Sw. lagen (2006:451) om offentliga uppköpserbudanden på aktiemarknaden*), any person who does not hold any shares, or hold shares representing less than 30 per cent of the voting rights in a Swedish limited liability company whose shares are admitted to trading on a regulated market, and who through the acquisition of shares in such a company, alone or together with a closely related party, holds shares representing 30 per cent or more of the voting rights, is obliged to immediately disclose the size of its holding in the company and, within four weeks thereafter, make an offer to acquire the remaining shares in the company (mandatory bid requirement).

A shareholder who directly, or through a subsidiary, holds more than 90 per cent of the shares in a Swedish limited liability company is entitled to redeem the remaining shares in the company. Holders of the remaining shares are, correspondingly, entitled to have their shares redeemed by the majority shareholder. The procedure for such redemption of minority shares is regulated in the Swedish Companies Act.

Central securities depository

The Company's shares are book-entry registered in a securities register in accordance with the Swedish Central Securities Depositories and Financial Instruments Accounts Act (*Sw. lagen (1998:1479) om värdepapperscentraler och kontoföring av finansiella instrument*). The register is operated by Euroclear Sweden (Euroclear Sweden AB, P.O. Box 191, SE-101 23 Stockholm, Sweden). The shares are registered on person. No share certificates have been issued for the shares or will be issued for the new shares. The ISIN code for the shares is SE0015962485.

4) The Company's share capital after completion of the Offering is based on submitted acceptances of exercise of Warrants and what is further stated under "*Exercise of warrants in connection with the Offering, etc.*" above.

Articles of Association

Adopted at the Extraordinary General Meeting on 26 May 2021.

RVRC Holding AB's Articles of Association

§ 1 Company name

The company's name is RVRC Holding AB. The company is a public company (publ).

§ 2 Registered office

The registered head office of the company is in the municipality of Borås.

§ 3 Objects of the company

The objects of the company shall be to, directly or indirectly, own and administer shares in subsidiaries and sell outdoor clothing and casual wear and associated products and conduct thereto related business.

§ 4 Share capital

The share capital shall be not less than SEK 500,000 and not more than SEK 2,000,000.

§ 5 Amount of shares

The number of shares shall be not less than 100,000,000 and not more than 400,000,000.

§ 6 Board of directors and company auditors

The board of directors shall consist of not less than three (3) and not more than ten (10) directors, with no deputies. The company shall appoint not less than one (1) and not more than two (2) auditors, with not more than two (2) deputy auditors. As auditor and, when applicable, deputy auditors shall be elected an authorised public accountant or a registered public accounting firm.

§ 7 Notice of general meeting

Notice convening a general meeting shall be issued through announcement in the Swedish Official Gazette (Sw. *"Post- och Inrikes Tidningar"*) as well as at the company's website. Announcement to the effect that notice convening a general meeting has been issued shall be made in Dagens industri.

§ 8 Notification to participate in a general meeting

A shareholder who wishes to participate at a general meeting shall notify the company of his or her intention to attend the shareholders' meeting not later than on the day stated in the notice of the shareholders' meeting. Such day shall not be a Sunday, other public holiday, Saturday, Midsummer Eve, Christmas Eve or New Year's Eve and shall not occur earlier than on the fifth weekday before the shareholders' meeting.

At a general meeting, shareholders may be accompanied by one or two assistants, however, only if the shareholder has given notification of this as specified in the previous paragraph.

§ 9 Location of shareholders' meeting

The shareholders' meeting may be held, besides where the company has its registered head office, in the municipality of Stockholm or Gothenburg.

§ 10 Annual general meeting

The following business shall be considered at the annual general meeting:

1. Election of chairman of the meeting;
2. Drawing up and approval of the voting list;
3. Approval of the agenda;
4. Election of one or two persons to certify the minutes;
5. Determination of whether the meeting was duly convened;
6. Presentation of the annual report and the auditor report and, where applicable, the consolidated accounts and the group audit report;
7. Resolutions
 - a. regarding the adoption of the income statement and balance sheet and, where applicable, the consolidated income statement and balance sheet,
 - b. regarding allocation of profit or loss in accordance with the adopted balance sheet,
 - c. regarding the discharge from liability of the Board members and of the managing director;
8. Resolution on the number of directors and auditors and, where applicable, the number of deputy auditors;
9. Resolution on the fees for the board of directors and the auditors and, where applicable, deputy auditors;
10. Election of the board of directors and auditors and, if applicable, deputy auditors;
11. Other matter which rests upon the meeting according to the Swedish Companies Act or the company's articles of association.

§ 11 Collection of powers of attorney and voting by post

The board of directors may collect powers of attorney in accordance with the procedure described in chapter 7, section 4, second paragraph of the Swedish Companies Act (2005:551).

The board of directors has the right before a general meeting to decide that shareholders shall be able to exercise their right to vote by post before the general meeting pursuant to the procedure stated in chapter 7, section 4 a of the Swedish Companies Act (2005:551).

§ 12 Financial year

The company's financial year shall be 1 July to 30 June.

§ 13 CSD company

The company's shares shall be registered in a central securities depository register in accordance with the Swedish Central Securities Depositories and Financial Instruments Account Act (SFS 1998:1479) (Sw. *lagen (1998:1479) om värdepapperscentraler och kontoföring av finansiella instrument*).

Legal considerations and supplementary information

Information about the prospectus

This prospectus has been approved by the SFSA as competent authority under Regulation (EU) 2017/1129 (the Prospectus Regulation). The SFSA only approves this prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by Regulation (EU) 2017/1129. Such approval should not be considered as an endorsement of the issuer or of the quality of the securities that are the subject of this prospectus. Investors should make their own assessment as to the suitability of investing in the securities.

This prospectus is valid for up to 12 months after the date of the approval of the prospectus provided that it is complemented by any supplement required pursuant to Article 23 of Regulation (EU) 2017/1129. Any supplements will be published on RevolutionRace's website. Investors who in such case have already applied for participation in the Offering could under certain circumstances have a right to withdraw the application. The obligation to supplement this prospectus in the event of significant new factors, material mistakes or material inaccuracies does not apply once the subscription period in the Offering has ended and once the shares in RevolutionRace have been admitted to trading on Nasdaq Stockholm.

General corporate and group information

The legal name of the Company (and its commercial name) is RVRC Holding AB (publ). RevolutionRace's Swedish corporate ID No. is 559129-4623 and the statutory seat (Sw. *säte*) of the Board of Directors is situated in the municipality of Borås, Sweden. The Company was incorporated in Sweden on 4 July 2017, and registered with the Swedish Companies Registration Office on 17 October 2017. The founder was Bolagsrätt Sundsvall AB (P.O. Box 270, SE-851 04 Sundsvall, Sweden). The Company is a Swedish public limited liability company (Sw. *publikt aktiebolag*) governed by the Swedish Companies Act. RevolutionRace's LEI code is 549300YU7003VHQV3J57. The address to RevolutionRace's website is corporate.revolutionrace.com. The information on the website is not a part of this prospectus.

Group structure and subsidiaries

RevolutionRace is the ultimate parent company of the Group, which comprises four legal entities in three countries. The table below shows the Group companies.

RevolutionRace has no shareholding in any associated company.

Subsidiary	Country	Shares and voting rights, %
Revolutionrace Holding AB	Sweden	100.0
Revolutionrace AB	Sweden	100.0
Revolutionrace AS	Norway	100.0
Revolutionrace Inc	United States	100.0

Material agreements

Presented below is a summary of material agreements entered into by RevolutionRace during the past two years as well as other agreements entered into by RevolutionRace which contain any entitlements or obligations that are material to RevolutionRace (in both cases excluding agreements entered into in the ordinary course of business).

Financing agreements

Please refer to the section "Operating and financial review—New financing in connection with the Offering".

Placing Agreement

The Selling Shareholders, the Company and the Managers intend to enter into an agreement for the placement of shares in RevolutionRace on or around 15 June 2021 (the "Placing Agreement"). The Offering is conditional on the interest in the Offering, as determined by the Managers, being large enough for trading in the share, that the Placing Agreement is being entered into, that certain conditions set forth in the agreement are met and that the Placing Agreement is not terminated. Under the Placing Agreement, the Managers will agree to procure purchasers for, or failing which, to purchase themselves, shares in the Offering at the Offering Price, with the percentage distribution as outlined in the table below.

Managers	Percentage of shares, %	Number of shares ¹⁾
ABG Sundal Collier	41.0	15,491,479
Carnegie	41.0	15,491,479
Nordea	18.0	6,801,136
Total	100.0	37,784,094

1) Provided that the Offering is fully subscribed and that the Overallotment Option is fully exercised.

The commitments by the Managers is conditional on, among other, that no events occur which have such a

material adverse effect on the Company that it is inappropriate to implement the Offering as well as certain other conditions. If any material negative events occur, if the guarantees that RevolutionRace has issued to the Managers should fall short or if any of the other conditions stipulated by the Placing Agreement are not fulfilled, the Joint Global Coordinators (on behalf of all Managers) are entitled to terminate the Placing Agreement up to and including the settlement date of 18 June 2021. If the abovementioned conditions are not fulfilled and if the Joint Global Coordinators terminate the Placing Agreement, the Offering may consequently be terminated up to and including the settlement date on 18 June 2021. In such case, no delivery of, or payment for, shares will be conducted under the Offering. The Company will, in accordance with the Placing Agreement, subject to certain customary conditions, undertake to compensate the Managers for certain claims under certain conditions.

Stabilisation

In connection with the Offering, Carnegie may effect transactions aimed at supporting the market price of the share at levels above those which might otherwise prevail on the market. Such stabilisation transactions may be effected on Nasdaq Stockholm, in the over-the-counter market or otherwise, at any time during the period starting on the date of commencement of trading in the shares on Nasdaq Stockholm and ending no later than 30 calendar days thereafter. Stabilisation transactions aims at supporting the market price of the securities during the stabilisation period.

Carnegie is not required to undertake any stabilisation transactions and there is no assurance that stabilisation will be undertaken. Stabilisation, if undertaken, may be discontinued at any time. In no event will stabilisation transactions be effected at levels above the Offering Price. Car-

negie shall, no later than by the end of the seventh trading day after stabilisation transactions have been undertaken, disclose information about the stabilisation transactions in accordance with Article 5(4) in the Market Abuse Regulation (EU) 596/2014. Carnegie will, within one week of the end of the stabilisation period, make public whether or not stabilisation transactions were undertaken, the date at which the stabilisation transaction was undertaken, including the date at which stabilisation last occurred and the price range within which stabilisation transactions were carried out, for each of the dates during which stabilisation transactions were carried out.

Undertakings from Cornerstone Investors

The Cornerstone Investors have, on the same terms as other investors, undertaken to acquire a total of 18,666,664 shares in the Offering, corresponding to 49.4 per cent of the Offering (provided that the Offering is fully subscribed and that the Overallotment Option is fully exercised) and 16.5 per cent of the shares in the Company following the Offering.¹⁾ The Cornerstone Investors will be prioritised in the allotment of shares in the Offering and receive full allocation in accordance with their respective commitments. These commitments were entered into on or about 4 June 2021. The commitments do not entitle any compensation.

The commitments from Cornerstone Investors are not covered by any bank guarantee, blocked funds, pledging, or similar arrangement, and consequently there is a risk that Cornerstone investors will not fulfil their commitments, see also the section "*Risk factors—Undertakings by Cornerstone Investors are not secured*".

The table below contains a summary of name, address, size of the commitment and the commitment's share of the Offering for each Cornerstone Investor.

Name	Commitment in the Offering, MSEK	Commitment in the Offering, number of shares	% of the shares in the Company after completion of the Offering ¹⁾
Funds managed and advised by Capital World Investors	350	4,666,666	4.1
Funds and accounts under management by direct and indirect investment management subsidiaries of BlackRock, Inc.	275	3,666,666	3.2
Swedbank Robur Fonder	250	3,333,333	3.0
Ophir Asset Management Pty Ltd	175	2,333,333	2.1
Lancelot Asset Management AB	175	2,333,333	2.1
Handelsbanken Fonder AB on behalf of investment funds under management	175	2,333,333	2.1
Total	1,400	18,666,664	16.5

1) Shareholding based on the assumption that all Warrants are exercised for subscription of new shares in the Company in connection with the completion of the Offering and what is further stated under the section "*Share capital and ownership structure—Exercise of warrants in connection with the Offering, etc.*" above.

1) Based on the assumption that all Warrants are exercised for subscription of new shares in the Company in connection with the completion of the Offering and what is further stated under the section "*Share capital and ownership structure—Exercise of warrants in connection with the Offering, etc.*" above.

Legal and arbitration proceedings

RevolutionRace has not been part to any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which RevolutionRace is aware) during the last 12 months which are deemed may have, or have had in the recent past, significant effects on RevolutionRace's financial position or profitability.

Related-party transactions

For information on related-party transactions during the financial years 2017/18–2019/20 and the period 1 July 2020–31 March 2021, please refer to “*Note 26 – Transactions with related parties*” and “*Note 4 – Related party transactions*” on page F-8 and F-41, respectively, in the section “*Historical financial information*”.

No related-party transactions have occurred after 31 March 2021, which, as a single transaction or in their entirety, are material to RevolutionRace.

For information on remuneration to Board members and Executive Group Management, please refer to the sections “*Corporate governance–Remuneration to the Board of Directors*” and “*Corporate governance–Remuneration to the Executive Group Management*”, respectively.

Advisors, etc.

Managers provide financial advice to RevolutionRace in conjunction with the Offering and the listing on Nasdaq Stockholm. From time to time, Managers (and their affiliates) have in the ordinary course of business provided, and may in the future provide, various banking, financial, investment, commercial and other services to RevolutionRace for which they have received, and may receive, compensation. Furthermore, Nordea (and its affiliates) is lender of loans granted to RevolutionRace following the completion of the Offering.

Mannheimer Swartling Advokatbyrå is RevolutionRace's legal advisor in relation to the Offering and the listing of the Company's shares on Nasdaq Stockholm. Advokatfirman Vinge KB is legal advisor to Managers.

Costs relating to the Offering

The Company's costs related to the admission to trading of the shares on Nasdaq Stockholm and the Offering, including payment to advisors, and other estimated transaction costs are estimated to amount to approximately MSEK 22 in total, of which MSEK 9.5 is included in the Company's accounts for the period July 2020–March 2021.

Furthermore, the Company's CFO Jesper Alm is entitled to a bonus from RevolutionRace of SEK 440,000 (gross before tax) payable in connection with the listing on Nasdaq Stockholm. Jesper Alm has undertaken to acquire warrants in the share-related incentive programme which is described in more detail under the section “*Share capital and ownership structure–Long-term incentive programmes*” above to a total value at least amounting to the entire bonus amount (net after tax).

Documents on display

RevolutionRace's certification of registration and Articles of Association are available in electronic form on the Company's website (corporate.revolutionrace.com) during the validity of the prospectus.

Tax considerations

Tax considerations in Sweden

The following is a summary of certain Swedish tax consequences that may arise in connection to the Offering. The summary is based on current legislation (applicable at the time of this prospectus with reservation for changes in Swedish legislation that is introduced after the time of this prospectus, which may have a retroactive effect). The summary is only intended as general information for shareholders that have an unlimited tax liability in Sweden. The section "Shareholders who are not tax resident in Sweden" includes a brief summary of certain Swedish tax implications for shareholders that are not tax resident in Sweden.

This description does not deal comprehensively with all tax consequences that may occur in this context. For instance, the summary does not address shares held on a so-called investment savings account and that are subject to special rules on standardised taxation or shares held by partnerships or as current assets in business operations. Moreover, the summary does not address the specific rules on tax-exempt capital gains and dividends (including non-deductibility for capital losses) in the corporate sector that may be applicable when shares are considered to be held for business purposes (Sw. näringsbetingade andelar) by the shareholder. Neither are the specific rules covered that could be applicable to holdings in companies that are, or have previously been, closely held companies or shares acquired on the basis of such holdings.

Special tax rules apply to certain categories of taxpayers, for example, investment companies, mutual funds and insurance companies. The tax treatment of each individual shareholder depends on such investor's particular circumstances. Each holder of shares should therefore consult a tax advisor for information on the specific implications that may arise in an individual case, including the applicability and effect of foreign rules and tax treaties. Potential taxation in other jurisdictions, of dividends and capital gains, is not covered by this summary and should be analysed based on each investor's particular circumstances.

Shareholders who are tax resident in Sweden

Individuals

Dividend taxation

For individuals, dividends on listed shares are taxed as income from capital at a rate of 30 per cent. A preliminary tax of 30 per cent is generally withheld on dividends paid to individuals resident in Sweden. The preliminary tax is withheld by Euroclear Sweden or, regarding nominee-registered shares, by the Swedish nominee.

A Swedish tax resident individual who is residing abroad might be regarded as a tax treaty resident of the other country, based on the applicable tax treaty. Following the rules of the treaty, the Swedish taxation of dividends may be reduced.

Capital gains taxation

Upon the sale or other disposal of listed shares a taxable capital gain or deductible capital loss may arise. Capital gains are taxed as income from capital at a tax rate of 30 per cent.

The capital gain or loss is calculated as the difference between the sales proceeds, after deducting sales costs, and the tax basis. The tax basis for all shares of the same class and type is calculated together in accordance with the average cost method. Upon the sale of listed shares, the acquisition cost may be alternatively calculated according to the "standardised method". The acquisition cost is then

fixed to 20 per cent of the sales proceeds after deduction of sales costs.

Capital losses on listed shares, except for units in securities funds or special funds that consist solely of Swedish receivables ("interest funds"), are fully deductible against taxable capital gains on shares, other listed equity-related securities and non-listed shares in Swedish limited liability companies and foreign legal entities. Up to 70 per cent of capital losses on shares that cannot be offset in this way are deductible against other capital income. If there is a net loss in the capital income category, a tax reduction is allowed against municipal and national income tax, as well as against real estate tax and municipal real estate charges. A tax reduction of 30 per cent is allowed on the portion of such net loss that does not exceed SEK 100,000 and of 21 per cent on any remaining loss. Such net loss cannot be carried forward to future financial years.

A Swedish tax resident individual who is residing abroad might be regarded as a tax treaty resident of the other country, based on the applicable tax treaty. Following the rules of the treaty, the Swedish taxation of capital gains may be limited.

Limited liability companies

Dividend and capital gains taxation

For a limited liability company, all income, including taxable capital gains and dividends, is taxed as business income at a tax rate of 20.6 per cent (as from 1 January 2021).

Capital gains and capital losses are calculated in the same manner as set forth above with respect to individuals. Deductible capital losses on shares and other equity-related securities may only be deducted against taxable capital gains on other securities that are taxed in the same manner as shares. Under certain circumstances such capital losses may also be deducted against capital gains in another company in the same group, provided among others that the companies can tax consolidate (Sw. *koncernbidragsrätt*). A capital loss that could not be utilised during a given year may be carried forward and offset against taxable capital gains on shares and other equity-related securities during subsequent financial years without any limitation in time.

Shareholders who are not tax resident in Sweden

Dividend taxation

For shareholders not tax resident in Sweden who receive dividends from a Swedish limited liability company, Swedish withholding tax is normally payable. The same applies to dividends from a limited company in connection with i.a. redemption of shares. In Sweden, normally Euroclear Sweden, or in the case of nominee-registered shares, the nominee, carries out the deduction of withholding tax. The withholding tax rate is 30 per cent. However, the tax rate is generally reduced for shareholders resident in other jurisdictions with which Sweden has entered into a double tax treaty. The majority of Sweden's tax treaties enable an at-source reduction of the Swedish withholding tax to the

tax rate stipulated in the treaty at the time of payment of dividends, provided that necessary information is made available to Euroclear Sweden in relation to the person entitled to such dividends.

The withholding tax rate is generally reduced provided the shareholder can demonstrate a tax residence certificate (Sw. *hemvistintyg*).

If a 30 per cent withholding tax is deducted from a payment to a person entitled to be taxed at a lower rate, or in case too much withholding tax has otherwise been withheld, a refund can be claimed from the Swedish Tax Agency prior to the expiry of the fifth calendar year following the dividend distribution.

Capital gains taxation

Shareholders not tax resident in Sweden and who are not operating a business from a permanent establishment in Sweden are normally not liable for Swedish capital gains taxation on the disposal of shares. The shareholder may, however, be subject to taxation in their country of residence. Under a specific tax rule, individuals that are not tax resident in Sweden may, however, be subject to tax in Sweden on the sale of shares if they have been resident or stayed permanently in Sweden at any time during the calendar year of such disposal or during any of the previous ten calendar years. The applicability of this rule may, however, be limited by tax treaties to avoid double taxation between Sweden and other countries.

Tax considerations in the United States

The following is a summary of certain U.S. federal income tax considerations that are likely to be relevant to the purchase, ownership and disposition of the Company's shares by a U.S. Holder (as defined below).

This summary is based on provisions of the Internal Revenue Code of 1986, as amended (the "**Revenue Code**"), and regulations, rulings and judicial interpretations thereof, in force as of the date hereof, and the Sweden-United States income tax treaty dated 1 September 1994 (as amended by any subsequent protocols, including the protocol of 30 September 2005) (the "**Treaty**"). Those authorities may be changed at any time, perhaps retroactively, so as to result in U.S. federal income tax consequences different from those summarised below.

This summary is not a comprehensive discussion of all of the tax considerations that may be relevant to a particular investor's decision to purchase, hold, or dispose of shares. In particular, this summary is directed only to U.S. Holders that hold shares as capital assets and does not address particular tax consequences that may be applicable to U.S. Holders who may be subject to special tax rules, such as banks, brokers or dealers in securities or currencies, traders in securities electing to mark to market, financial institutions, life insurance companies, tax-exempt entities, regulated investment companies, entities or arrangements that are treated as partnerships for U.S. federal income tax purposes (or partners therein), holders that own or are treated as owning 10 per cent or more of the Company's stock by vote or value, persons holding shares as part of a hedging or conversion transaction or a straddle, or persons whose functional currency is not the USD. Moreover, this summary does not address state, local or foreign taxes, the U.S. federal estate and gift taxes, or the Medicare contribution tax applicable to net investment income of certain non-corporate U.S. Holders, or alternative minimum tax consequences of acquiring, holding or disposing of shares.

For purposes of this summary, a "U.S. Holder" is a beneficial owner of shares that is a citizen or resident of the United States or a U.S. domestic corporation or that otherwise is subject to U.S. federal income taxation on a net income basis in respect of such shares and that is fully eligible for benefits under the Treaty.

U.S. Holders should consult their own tax advisors about the consequences of the acquisition, ownership, and disposition of the shares, including the relevance to U.S. Holders particular situation of the considerations discussed below and any consequences arising under foreign, state, local or other tax laws.

Taxation of dividends

Subject to the discussion below under "*Passive foreign investment company status*", the gross amount of any distribution of cash or property with respect to the Company's shares (including any amount withheld in respect of Swedish taxes) that is paid out of the Company's current and/or accumulated earnings and profits (as determined for U.S. federal income tax purposes) will generally be includible in U.S. Holders' taxable income as ordinary dividend income on the day on which U.S. Holders receive the dividend and will not be eligible for the dividends-received deduction allowed to corporations under the Revenue Code.

The Company does not expect to maintain calculations of the Company's earnings and profits in accordance with U.S. federal income tax principles. In the absence of information to the contrary, U.S. Holders therefore should expect that distributions generally will be treated as dividends for U.S. federal income tax purposes.

Dividends paid in a currency other than USD generally will be includible in U.S. Holders income in a USD amount calculated by reference to the exchange rate in effect on the day U.S. Holders receive the dividends. Any gain or loss on a subsequent sale, conversion or other disposition of such non-U.S. currency by such U.S. Holder generally will be treated as ordinary income or loss and generally will be income or loss from sources within the United States.

Subject to certain exceptions for short-term positions, the USD amount of dividends received by an individual

with respect to the shares will be subject to taxation at a preferential rate if the dividends are "qualified dividends". Dividends paid on the shares will be treated as qualified dividends if:

- the shares with respect to which such dividend is paid are readily tradable on an established securities market in the United States or the dividend payment qualifies for the benefits of a comprehensive tax treaty with the United States that the U.S. Treasury determines is satisfactory for purposes of this provision and that includes an exchange of information program; and
- the Company was not, in the year prior to the year in which the dividend was paid, and is not, in the year in which the dividend is paid, a passive foreign investment company (a "**PFIC**").

The U.S. Treasury has determined that the Treaty qualifies as a comprehensive income tax treaty with the United States for these purposes, and although the Company has not conducted a formal analysis of how the Treaty would apply in relation to potential investors in the Offering it believes that it is eligible for the benefits of the Treaty. Based on the Company's financial statements and relevant market and shareholder data, RevolutionRace believes that it was not treated as a PFIC for U.S. federal income tax purposes with respect to the Company's prior taxable year or any prior taxable year. In addition, based on the Company's financial statements and the Company's current expect-

tations regarding the value and nature of the Company's assets, the sources and nature of the Company's income, and relevant market and shareholder data, RevolutionRace does not anticipate becoming a PFIC for the Company's current taxable year or in the foreseeable future. U.S. Holders should consult their own tax advisors regarding the availability of the reduced dividend tax rate in light of their own particular circumstances.

Dividend distributions with respect to the Company's shares generally will be treated as "passive category" income from sources outside the United States for purposes of determining a U.S. Holder's U.S. foreign tax credit limitation. Subject to the limitations and conditions provided in the Revenue Code and the applicable U.S. Treasury Regulations, a U.S. Holder may be able to claim a foreign tax credit against its U.S. federal income tax liability in respect of any Swedish income taxes withheld at the appropriate rate applicable to the U.S. Holder from a dividend paid to such U.S. Holder. Alternatively, the U.S. Holder may deduct such Swedish income taxes from its U.S. federal taxable income, provided that the U.S. Holder elects to deduct rather than credit all foreign income taxes for the relevant taxable year. The rules with respect to foreign tax credits are complex and involve the application of rules that depend on a U.S. Holder's particular circumstances. Accordingly, U.S. Holders are urged to consult their tax advisors regarding the availability of the foreign tax credit under their particular circumstances.

U.S. Holders that receive distributions of additional shares or rights to subscribe for shares as part of a *pro rata* distribution to all of the Company's shareholders generally will not be subject to U.S. federal income tax in respect of the distributions, unless the U.S. Holder has the right to receive cash or property, in which case the U.S. Holder will be treated as if it received cash equal to the fair market value of the distribution.

Taxation of dispositions of shares

Subject to the discussion below under "*Passive foreign investment company status*", upon a sale, exchange or other taxable disposition of the shares, U.S. Holders will realise gain or loss for U.S. federal income tax purposes in an amount equal to the difference between the amount realised on the disposition and the U.S. Holder's adjusted tax basis in the shares, as determined in USD as discussed below. Provided that the Company is not a PFIC, as discussed more fully below, such gain or loss will be capital gain or loss, and will generally be long-term capital gain or loss if the shares have been held for more than one year. Long-term capital gain realised by a U.S. Holder that is an individual generally is subject to taxation at a preferential rate. The deductibility of capital losses is subject to limitations.

Gain, if any, realised by a U.S. Holder on the sale or other disposition of the shares generally will be treated

as U.S. source income for U.S. foreign tax credit purposes. Consequently, if a Swedish tax is imposed on the sale or disposition of the shares, a U.S. Holder that does not receive significant foreign source income from other sources may not be able to derive effective U.S. foreign tax credit benefits in respect of such Swedish taxes. U.S. Holders should consult their own tax advisors regarding the application of the foreign tax credit rules to their investment in, and disposition of, the shares.

If a U.S. Holder sells or otherwise disposes of the Company's shares in exchange for currency other than USD, the amount realised generally will be the USD value of the currency received at the spot rate in effect on the date of sale or other disposition (or, if the shares are traded on an established securities market at such time, in the case of cash basis and electing accrual basis U.S. holders, the settlement date). An accrual basis U.S. Holder that does not elect to determine the amount realised using the spot exchange rate on the settlement date will recognise foreign currency gain or loss equal to the difference between the USD value of the amount received based on the spot exchange rates in effect on the date of the sale or other disposition and the settlement date. A U.S. Holder generally will have a tax basis in the currency received equal to the USD value of the currency received at the spot rate in effect on the settlement date. Any currency gain or loss realised on the settlement date or the subsequent sale, conversion, or other disposition of the non-U.S. currency received for a different USD amount generally will be U.S.-source ordinary income or loss, and will not be eligible for the reduced tax rate applicable to long-term capital gains. If an accrual basis U.S. Holder makes the election described in the first sentence of this paragraph, it must be applied consistently from year to year and cannot be revoked without the consent of the IRS. A U.S. Holder should consult its own tax advisors regarding the treatment of any foreign currency gain or loss realised with respect to any currency received in a sale or other disposition of the shares.

Passive foreign investment company status

Special U.S. tax rules apply to companies that are considered to be PFICs. The Company will be classified as a PFIC in a particular taxable year if either

- 75 per cent or more of the Company's gross income for the taxable year is passive income; or
- the average percentage of the value of the Company's assets that produce or are held for the production of passive income is at least 50 per cent.

For this purpose, passive income generally includes dividends, interest, gains from certain commodities transactions, rents, royalties and the excess of gains over losses from the disposition of assets that produce passive income.

Based on the Company's financial statements and its expectations about the nature and amount of its income, assets and activities and the market value of its equity, the

Company does not believe that it was a PFIC in 2020, and the Company does not expect to become a PFIC in 2021 or the foreseeable future. In the event that, contrary to the Company's expectation, the Company is classified as a PFIC in any year, a U.S. Holder will generally be subject to a special tax at ordinary income tax rates on "excess distributions", including certain distributions by the Company as well as gain (including gain that would otherwise be capital gain) that a U.S. Holder recognizes on the sale of shares. The amount of income tax on any excess distributions will be increased by an interest charge to compensate for tax deferral, calculated as if the excess distributions were earned ratably over the holding period for the U.S. Holder. Classification as a PFIC may also have other adverse tax consequences, including, in the case of individuals, the denial of a step-up in the basis of shares at death.

A U.S. Holder that owns an equity interest in a PFIC generally must annually file IRS Form 8621, and may be required to file other IRS forms. A failure to file one or more of these forms as required may toll the running of the statute of limitations in respect of each taxable year for which such form is required to be filed. As a result, the taxable years with respect to which a U.S. Holder fails to file the form may remain open to assessment by the IRS indefinitely, until the form is filed.

U.S. Holders should consult their own tax advisors regarding the U.S. federal income tax considerations discussed above and the desirability of making a mark-to-market election.

Foreign financial asset reporting.

Certain U.S. Holders that own "specified foreign financial assets" with an aggregate value in excess of USD 50,000 on the last day of the taxable year or USD 75,000 at any time during the taxable year are generally required to file an information statement along with their tax returns, currently on Form 8938, with respect to such assets. "Specified foreign financial assets" include any financial accounts held at a non-U.S. financial institution, as well as securities issued by a non-U.S. issuer that are not held in accounts maintained by financial institutions. The understatement of income attributable to "specified foreign financial assets" in excess of USD 5,000 extends the statute of limitations with respect to the tax return to six years after the return was filed. U.S. Holders who fail to report the required information could be subject to substantial penalties. Prospective investors are encouraged to consult with their own tax advisors regarding the possible application of these rules, including the application of the rules to their particular circumstances.

Backup withholding and information reporting

Dividends paid on, and proceeds from the sale or other disposition of, the shares to a U.S. Holder generally may be subject to the information reporting requirements of the

Revenue Code and may be subject to backup withholding unless the U.S. Holder provides an accurate taxpayer identification number and makes any other required certification or otherwise establishes an exemption. Backup withholding is not an additional tax. The amount of any backup withholding from a payment to a U.S. Holder will be allowed as a refund or credit against the U.S. Holder's U.S. federal income tax liability, provided the required information is furnished to the U.S. Internal Revenue Service in a timely manner.

A holder that is not a U.S. Holder may be required to comply with certification and identification procedures in order to establish its exemption from information reporting and backup withholding.

Selling and transfer restrictions

Selling restrictions

United States

The shares in the Offering have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state of the United States for offer or sale as part of their distribution and may not be offered or sold except: (i) in the United States to QIBS in reliance on Rule 144A or pursuant to another available exemption from the registration requirements of the Securities Act; or (ii) outside the United States to certain persons in compliance with Regulation S under the Securities Act, and in accordance with any applicable securities laws of any state or territory of the United States or any other jurisdiction. The Placing Agreement provides that the Joint Global Coordinators may directly or through their respective United States broker-dealer affiliates arrange for the offer and sale of existing shares within the United States only to QIBS in reliance on Rule 144A or another exemption from, or transaction not subject to, the registration requirements of the Securities Act.

Any offer or sale of shares in the Offering in the United States will be made by broker-dealers who are registered as such under the U.S. Exchange Act. Nordea will not participate in the solicitation, offer or sale of any shares within or directed into the United States or to U.S. Persons (as defined in Regulation S under the Securities Act), and will not be involved in any activities relating to the shares or the Offering undertaken within or directed to the United States or any U.S. Persons. In addition, until 40 days after the commencement of the Offering, an offer or sale of shares in the Offering within the United States by a dealer, whether or not participating in the Offering, may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A or another exemption from the registration requirements of the Securities Act and in connection with any applicable state securities laws. The terms used above have the meanings given to them by Regulation S and Rule 144A.

Australia

This prospectus does not constitute a prospectus, product disclosure statement or other disclosure document for the purposes of Chapter 6D or Chapter 7 of the Australian Corporations Act 2001 (Cth) ("**Corporations Act**") and has not been (and will not be) lodged with the Australian Securities and Investments Commission. The prospectus does not contain all information which would be included in a prospectus, product disclosure statement or other disclosure prepared for an offer of securities under the Corporations

Act. If you (or any person for whom you are acquiring the shares) are in Australia, you (and any such person) represent and warrant, by receiving this prospectus, that you are a "professional investor" or "sophisticated investor" (as those terms are used in section 708(11) and section 708(8), respectively, of the Corporations Act and are also, in each case, a "wholesale client" (as defined in section 761A of the Corporations Act).

European Economic Area

In relation to each Member State of the European Economic Area (with the exception of Sweden) (each a "**Relevant State**"), no shares in the Offering have been offered or will be offered to the public in that Relevant State, except that offers of the shares in the Offering may be made under the following exemptions under the Prospectus Regulation:

- to any legal entity that is a qualified investor as defined in the Prospectus Regulation;
- to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation), as permitted under the Prospectus Regulation, subject to obtaining the prior consent of the Joint Global Coordinators for any such offer; or
- in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of shares in the Offering shall result in a requirement for the publication by the Group, the Selling Shareholders, or any Joint Global Coordinator of a prospectus pursuant to Article 3 of the Prospectus Regulation or of a supplement to a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression "offered to the public" in relation to any shares in the Offering in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the Offering and the shares in the Offering so as to enable an investor to decide to purchase or subscribe for any shares in the Offering.

Each person in a Relevant State who receives any communication in respect of, or who acquires any shares under, the Offering contemplated hereby will be deemed to have represented, warranted and agreed to and with each of the Group and the Joint Global Coordinators that it is a qualified investor within the meaning of Article 2(e) of the Prospectus Regulation.

The Group, Selling Shareholders, the Joint Global Coordinators and their respective affiliates and its and their respective directors, employees, agents, advisers, subsidiaries and others will rely upon the truth and accuracy

of the foregoing representation, acknowledgement and agreement.

United Kingdom

This prospectus is only being distributed to and is only directed at (i) persons who are outside the United Kingdom (the “**UK**”) or (ii) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “**Order**”) or (iii) high net worth companies, falling within Article 49(2) (a) to (d) of the Order or (iv) any other persons to whom it may otherwise lawfully be communicated (all such persons together being referred to as the “**Relevant Persons**”). The shares in the Offering are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such shares will be engaged in only with, Relevant Persons. Any person who is not a Relevant Person should not act or rely on this prospectus or any of its contents.

The Managers are acting exclusively for the Selling Shareholders and the Company and no one else in connection with the Offering. The Managers will not regard any other person (whether or not a recipient of this prospectus) as a client in relation to the Offering and will not be responsible to anyone other than the Selling Shareholders and the Company for providing the protections afforded to its clients nor for the giving of advice in relation to the Offering or any other transaction, matter or arrangement referred to in this prospectus.

No shares in the Offering have been offered or will be offered to the public in the United Kingdom, except that offers of the shares in the Offering may be made under the following exemptions under Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the “**UK Prospectus Regulation**”):

- to any legal entity that is a qualified investor as defined in Article 2 of the UK Prospectus Regulation;
- to fewer than 150 natural or legal persons (other than qualified investors as defined in Article 2 of the UK Prospectus Regulation), in the United Kingdom, subject to obtaining the prior consent of the Joint Global Coordinators for any such offer; or
- in any other circumstances falling within section 86 of the FSMA,

provided that no such offer of shares in the Offering shall result in a requirement for the publication by the Group, the Selling Shareholders, or any Joint Global Coordinator of a prospectus pursuant to section 85 of the FSMA or of a supplement to a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision, the expression “offered to the public” in relation to any shares in the Offering means the communication in any form and by any means of sufficient information on the terms of the Offering

and the shares in the Offering so as to enable an investor to decide to purchase or subscribe for any shares in the Offering.

Each person in the United Kingdom who receives any communication in respect of, or who acquires any shares under, the Offering contemplated hereby will be deemed to have represented, warranted and agreed to and with each of the Group and the Joint Global Coordinators that it is a qualified investor within the meaning of Article 2(e) of the UK Prospectus Regulation.

The Group, Selling Shareholders, the Joint Global Coordinators and their respective affiliates and its and their respective directors, employees, agents, advisers, subsidiaries and others will rely upon the truth and accuracy of the foregoing representation, acknowledgement and agreement.

Other regulatory restrictions

Each Joint Global Coordinator has represented and agreed that:

- it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (the “**FSMA**”)) in connection with the issue or sale of any shares in the Offering in circumstances in which Section 21(1) of the FSMA does not apply to the Group; and
- it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the shares in the Offering in, from or otherwise involving the United Kingdom.

General

No action has been or will be taken in any country or jurisdiction other than Sweden that would, or is intended to, permit a public offering of the shares in the Offering, or the possession or distribution of this prospectus or any other offering material, in any country or jurisdiction where action for that purpose is required.

Persons into whose hands this prospectus comes are required by the Group and the Joint Global Coordinators to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver shares in the Offering or have in their possession or distribute such offering material, in all cases at their own expense. None of the Group or the Joint Global Coordinators accept any legal responsibility for any violation by any person, whether or not a prospective subscriber or purchaser of any of the shares in the Offering, of any such restrictions.

Transfer restrictions

No action has been or will be taken in any country or jurisdiction other than Sweden by it that would, or is intended to, permit a public offering of the shares in the Offering, or the possession or distribution of this prospectus or any other offering material, in any country or jurisdiction where action for that purpose is required.

Persons into whose hands this prospectus comes are required by the Group and the Joint Global Coordinators to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver shares in the Offering or have in their possession or distribute such offering material, in all cases at their own expense.

The shares in the Offering have not been and will not be registered under the Securities Act and the shares in the Offering may not be offered or sold, directly or indirectly, within or into the United States or to, or for the account or benefit of, United States persons except in certain transactions exempt from, or in a transaction not subject to the registration requirements of, the Securities Act.

Each purchaser of the shares in the Offering in the United States purchasing pursuant to Rule 144A or another exemption from the registration requirements of the Securities Act will be deemed to have acknowledged, represented and agreed that it has received a copy of this prospectus and such other information as it deems necessary to make an informed investment decision and that:

- a) the purchaser is authorised to consummate the purchase of the shares in the Offering in compliance with all applicable laws and regulations;
- b) the purchaser acknowledges that the shares in the Offering have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state of the United States, are subject to significant restrictions on transfer and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act;
- c) the purchaser is (i) a QIB; (ii) aware that the sale to it is being made in reliance on Rule 144A or pursuant to another exemption from, or in a transaction not subject to, the registration requirements of the Securities Act; and (iii) acquiring such shares in the Offering for its own account or for the account of a QIB, in each case for investment and not with a view to any resale or distribution to the shares, as the case may be;
- d) the purchaser is aware that the shares in the Offering are being offered in the United States in a transaction not involving any public offering in the United States within the meaning of the Securities Act;
- e) if, in the future, the purchaser decides to offer, resell, pledge or otherwise transfer such shares in the

Offering, or any economic interest therein, as the case may be, such shares in the Offering or any economic interest therein may be offered, sold, pledged or otherwise transferred only (i) to a person whom the beneficial owner and/or any person acting on its behalf reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A; (ii) outside the United States in accordance with Regulation S; (iii) in accordance with Rule 144 under the Securities Act (if available); (iv) pursuant to any other exemption from the registration requirements of the Securities Act, subject to receipt by the Group of an opinion of counsel or such other evidence that the Group may reasonably require that such sale or transfer is in compliance with the Securities Act, or (v) pursuant to an effective registration statement under the Securities Act, in each case in accordance with any applicable securities laws of any state or territory of the United States and any other jurisdiction;

- f) the purchaser is not an affiliate of the Group or a person acting on behalf of such affiliate, and is not in the business of buying and selling securities or, if it is in such business, it did not acquire the shares from the Group or an affiliate thereof in the initial distribution of such shares;
- g) the shares in the Offering are "restricted securities" within the meaning of Rule 144(a)(3) and no representation is made as to the availability of the exemption provided by Rule 144 under the Securities Act for resale of any shares in the Offering;
- h) the purchaser will not deposit or cause to be deposited any shares in the Offering into any depositary receipt facility established or maintained by a depositary bank other than a Rule 144A restricted depositary receipt facility, so long as such shares in the Offering are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act;
- i) if the purchaser is acquiring any of the shares in the Offering as a fiduciary or agent for one or more accounts, the purchaser represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account;
- j) the Group will not recognize any offer, sale, pledge or other transfer of the shares in the Offering made other than in compliance with the above stated restrictions;
- k) the shares in the Offering have not been offered to it by means of any "general solicitation" or "general advertising" (as those terms are used in Regulation D under the Securities Act"); and
- l) the purchaser acknowledges that these representations and undertakings are required in connection with the securities laws of the United States and the

Group, the Joint Global Coordinators and their respective affiliates and advisers will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

Each purchaser of the shares in the Offering in compliance with Regulation S will be deemed to have acknowledged, represented and agreed that it has received a copy of this prospectus and such other information as it deems necessary to make an informed investment decision and that:

- a) the purchaser is authorised to consummate the purchase of the shares in the Offering in compliance with all applicable laws and regulations;
- b) the purchaser acknowledges that the shares of the Group have not been and will not be registered under the Securities Act, or with any securities regulatory authority of any state of the United States, are subject to significant restrictions on transfer and, subject to certain exceptions, may not be offered or sold within the United States;
- c) the purchaser is, and the person, if any, for whose account or benefit the purchaser acquired the shares in the Offering, was located outside the United States at the time the buy order for the shares in the Offering was originated and continues to be located outside the United States and has not purchased the shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of the shares or any economic interest therein to any person in the United States;
- d) the purchaser is not an affiliate of the Group or a person acting on behalf of such affiliate, and is not in the business of buying and selling securities or, if it is in such business, it did not acquire the shares in the Offering from the Group or an affiliate thereof in the initial distribution of such shares;
- e) the purchaser is aware of the restrictions on the offer and sale of the shares in the Offering pursuant to Regulation S described in this prospectus;
- f) the shares in the Offering have not been offered to it by means of any "directed selling efforts" as defined under Regulation S and the purchaser agrees that neither the purchaser, nor any of its affiliates, nor any person acting on behalf of the purchaser or any of its affiliates, will make any "directed selling efforts" as defined under Regulation S in the United States with respect to the shares in the Offering;
- g) the Group will not recognize any offer, sale, pledge or other transfer of the shares in the Offering made other than in compliance with the above stated restrictions;
- h) if the purchaser is acquiring any of the shares in the Offering as a fiduciary or agent for one or more accounts, the purchaser represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account; and
- i) the purchaser acknowledges that these representations and undertakings are required in connection with the securities laws of the United States and that the Group, the Joint Global Coordinators and their respective affiliates and advisers will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.



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Financial information for the period July 2020-March 2021

Group income statement, condensed

Amounts in MSEK	Note	Jan-Mar 20/21	Jan-Mar 19/20	Jul-Mar 20/21	Jul-Mar 19/20	Jul-Jun 19/20
Operating income						
Net sales	3	244.5	85.9	623.4	278.2	386.8
Other operating income		3.8	2.0	10.1	2.3	0.8
		248.3	87.9	633.5	280.5	387.5
Operating expenses						
Goods for resale		-67.5	-25.6	-175.9	-83.3	-115.7
Other external expenses		-101.4	-38.1	-246.6	-111.8	-157.0
Personnel expenses		-12.6	-7.3	-32.5	-22.8	-29.6
Depreciation and amortisation of tangible and intangible assets		-1.0	-0.5	-2.8	-1.4	-2.0
Other operating expenses		-1.3	0.2	-12.0	-1.0	-0.0
		-183.9	-71.3	-469.8	-220.3	-304.4
Operating profit (EBIT)		64.4	16.6	163.7	60.1	83.1
Financial income		0.0	0.0	0.0	0.0	-0.0
Financial expenses		-1.9	-2.2	-5.7	-4.0	-6.9
		-1.9	-2.2	-5.7	-4.0	-6.9
Profit before tax		62.5	14.5	158.0	56.1	76.2
Tax		-13.4	-3.1	-34.1	-12.0	16.5
Profit for the period		49.1	11.3	123.9	44.1	59.7
Attributable to parent company's shareholders		49.1	11.3	123.9	44.1	59.7
Earnings per share						
Earnings per share before dilution (SEK)		0.08	0.02	0.19	0.07	0.09
Earnings per share after dilution (SEK)		0.07	0.02	0.19	0.07	0.09

Group statement on comprehensive income, condensed

Amounts in MSEK	Note	Jan-Mar 20/21	Jan-Mar 19/20	Jul-Mar 20/21	Jul-Mar 19/20	Jul-Jun 19/20
Profit for the period		49.1	11.3	123.9	44.1	59.7
Other comprehensive income						
Items reversed or which may be reversed to profit after tax						
Exchange rate differences upon translation of foreign subsidiaries		0.0	0.0	0.0	0.0	-0.3
Other comprehensive income for the period after tax		0.0	0.0	0.0	0.0	-0.3
Comprehensive income for the period, after tax		49.1	11.3	123.9	44.1	59.4
Attributable to parent company's shareholder		49.1	11.3	123.9	44.1	59.4

Group statement of financial position, condensed

Amounts in MSEK	Note	31 March 2021	31 March 2020	30 June 2020
ASSETS				
Non-current assets				
Intangible assets				
Capitalised expenditures for development work		8.9	6.7	7.7
Trademarks		171.2	171.2	171.2
Goodwill		616.8	616.8	616.8
		796.9	794.7	795.7
Tangible assets				
Expenditures on third-party property		0.4	0.5	0.4
Plant and machinery		0.0	0.1	0.1
Equipment, tools and installations		1.2	1.5	1.4
Right of use assets		5.2	6.4	6.0
		6.8	8.4	7.9
Deferred tax asset		1.5	1.5	1.5
		1.5	1.5	1.5
Total non-current assets		805.2	804.7	805.1
Current assets				
Goods in stock		54.7	27.9	20.1
Goods in transit		30.1	9.5	2.8
Right of return assets		6.3	1.8	1.8
Total inventory		91.0	39.2	24.8
Accounts receivable		0.6	0.0	0.0
Current tax assets		2.7	0.0	0.0
Other current receivables		11.7	3.3	3.2
Derivative instrument	2	3.1	0.0	0.0
Prepaid expenses and accrued income		9.0	8.6	6.6
Cash and cash equivalents		207.2	81.2	116.7
Total current assets		325.3	132.3	151.3
TOTAL ASSETS		1,130.5	937.0	956.4

Amounts in MSEK	Note	31 March 2021	31 March 2020	30 June 2020
EQUITY AND LIABILITIES				
Equity				
Share capital		0.1	0.1	0.1
Other contributed capital		652.3	645.5	645.8
Reserves, translation differences		-0.3	-1.0	-0.3
Retained earnings		-128.5	-78.2	-78.2
Profit for the period		123.9	44.1	59.7
Total equity, attributable to parent company's shareholders		647.5	610.5	627.1
Long-term liabilities				
Liabilities to credit institutions		230.0	230.0	230.0
Lease liabilities		4.6	5.7	5.4
Deferred tax liabilities		35.5	43.1	35.4
Total long-term liabilities		270.0	278.8	270.8
Current liabilities				
Liabilities to credit institutions		0.0	0.0	0.0
Lease liabilities		1.3	1.2	1.3
Accounts payable		77.8	15.8	13.5
Other current liabilities		40.3	12.4	11.1
Derivative instrument	2	2.6	0.0	0.0
Tax liabilities		26.7	0.4	14.4
Repayment liabilities		25.5	6.7	6.6
Prepaid income and accrued expenses		38.8	11.1	11.6
Total current liabilities		212.9	47.7	58.5
TOTAL EQUITY AND LIABILITIES		1,130.5	937.0	956.4

Group statement on cash flow, condensed

Amounts in MSEK	Jan-Mar 20/21	Jan-Mar 19/20	Jul-Mar 20/21	Jul-Mar 19/20
Operating activities				
Operating profit (EBIT)	64.4	16.6	163.7	60.1
Adjustment for non-cash items				
Depreciation and amortisation	1.0	0.5	2.8	1.4
Interest received	0.0	0.0	0.0	0.0
Interest paid	-2.6	-2.1	-5.6	-3.9
Paid income tax	-18.8	-13.0	-24.4	-11.8
Cash flow from operating activities before changes in working capital	43.9	2.0	136.5	45.8
Increase (-) / Decrease (+) in inventory	-42.3	6.6	-66.2	30.4
Increase (-) / Decrease (+) in operating receivables	12.5	6.9	-14.5	-3.3
Increase (+) / Decrease (-) in operating liabilities	60.8	0.8	140.8	11.4
Cash flow from operating activities	74.9	16.3	196.6	84.3
Investing activities				
Acquisition of tangible assets	0.0	0.0	-0.1	-0.1
Acquisition of intangible assets	-0.5	-1.7	-2.6	-5.8
Cash flow from investing activities	-0.5	-1.7	-2.7	-5.9
Financing activities				
Amortisation of lease liabilities	-0.6	-0.3	-1.1	-0.9
Borrowings	0.0	0.0	0.0	230.0
Repayment of borrowings	0.0	0.0	0.0	-130.6
Dividend paid	0.0	-132.0	-110.0	-132.0
New issue	5.2	1.1	6.6	1.1
Cash flow from financing activities	4.6	-131.2	-104.5	-32.4
Cash flow for the period	79.1	-116.6	89.4	45.9
Cash and cash equivalents at start of period	127.1	198.9	116.7	36.5
Exchange rate differences in cash and cash equivalents	1.0	-1.1	1.1	-1.2
Cash and cash equivalents at period-end	207.2	81.2	207.2	81.2

Group statement on changes in equity, condensed

Amounts in MSEK	Share capital	Other contributed capital	Reserves, translation differences	Retained earnings	Profit for the period	Total equity
Opening equity, 1 July 2019	0.1	644.4	-0.1	53.8	0.0	698.3
Profit for the period	0.0	0.0	0.0	0.0	44.1	44.1
Other comprehensive income for the period	0.0	0.0	-1.0	0.0	0.0	-1.0
Comprehensive income for the period	0.0	0.0	-1.0	0.0	44.1	43.2
Transactions with the group's owners						
Dividend	0.0	0.0	0.0	-132.0	0.0	-132.0
New issue	0.0	1.1	0.0	0.0	0.0	1.1
Total	0.0	1.1	0.0	-132.0	0.0	-130.9
Closing equity, 31 March 2020	0.1	645.5	-1.0	-78.2	44.1	610.5
Opening equity, 1 Jul 2020	0.1	645.8	-0.3	-18.5	0.0	627.1
Profit for the period	0.0	0.0	0.0	0.0	123.9	123.9
Other comprehensive income for the period	0.0	0.0	0.0	0.0	0.0	0.0
Comprehensive income for the period	0.0	0.0	0.0	0.0	123.9	123.9
Transactions with the group's owners						
Dividend	0.0	0.0	0.0	-110.0	0.0	-110.0
New issue	0.0	6.6	0.0	0.0	0.0	6.6
Total	0.0	6.6	0.0	-110.0	0.0	-103.4
Closing equity, 31 March 2021	0.1	652.3	-0.3	128.5	123.9	647.5

Notes

All amounts in the notes in MSEK, unless otherwise stated.

Note 1 Accounting principles

RVRC Holding AB applies International Financial Reporting Standards (IFRS) as adopted by EU. The group's interim report has been prepared in accordance with applicable parts of the Swedish Annual Accounts Act and IAS 34 Interim Reporting.

The parent company's accounting has been prepared in accordance with the Swedish Annual Accounts Act and RFR 2 "Accounting for legal entities" issued by the Swedish Financial Reporting Board.

For complete information regarding accounting and valuation principles applied by the group, see "Note 1 – Accounting principles" on p. F-15–F-22.

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

As per the preparation of the interim financial report as of 31 March 2021, a number of amendments to IFRS standards and interpretations from IFRS interpretation committee has been published, but which has not yet entered into force. Neither of these amendments nor these interpretations are expected to have any material effect on the group.

Note 2 Fair value of financial instruments

	31 March 2021		31 March 2020		30 June 2020	
	Reported value	Fair value	Reported value	Fair value	Reported value	Fair value
Financial assets						
Financial assets reported at fair value via income statement						
Derivative instrument						
Foreign exchange forwards	3.1	3.1	0.0	0.0	0.0	0.0

	31 March 2021		31 March 2020		30 June 2020	
	Reported value	Fair value	Reported value	Fair value	Reported value	Fair value
Financial liabilities						
Financial liabilities reported at fair value via income statement						
Derivative instrument						
Foreign exchange forwards	2.6	2.6	0.0	0.0	0.0	0.0

For other financial assets and liabilities, carrying amount represents a good approximation of fair value.

Note 3 Income from agreements with customers

The company has one operating segment and has for the allocation of income identified one category, geographical area, for which the smallest entity is a market that belongs to a region. Here is income (less exchange gains) presented per geographical market and region, respectively.

Geographical market	Jan–Mar 20/21	Jan–Mar 19/20	Δ	Jul–Mar 20/21	Jul–Mar 19/20	Δ	Jul–Jun 19/20
Germany	90.8	28.4	220%	211.2	87.8	141%	116.1
Sweden	50.9	21.7	135%	137.5	72.5	90%	102.2
Finland	23.6	15.9	48%	85.2	60.6	41%	84.0
Other	79.3	19.9	299%	189.5	57.3	231%	84.5
Total	244.5	85.9	185%	623.4	278.2	124%	386.8

Geographical region	Jan–Mar 20/21	Jan–Mar 19/20	Δ	Jul–Mar 20/21	Jul–Mar 19/20	Δ	Jul–Jun 19/20
Nordic region	102.0	47.4	115%	288.1	162.7	77%	230.0
DACH	102.8	31.6	225%	241.2	97.2	148%	130.2
Rest of the world	39.7	6.9	472%	94.1	18.3	414%	26.2
Total	244.5	85.9	185%	623.4	278.2	124%	386.8

Note 4 Related party transactions

The company has transactions with Altor Fund Manager AB and Fritidsgrossen JIPK AB. None of these transactions are material.

Auditors' review report

To the Board of Directors of RVRC Holding AB (publ), corporate identity number 559129-4623

Introduction

We have reviewed the condensed consolidated interim financial information on pages F-2–F-8 of RVRC Holding AB (publ) as of March 31, 2021 and for the nine-month period then ended. The Board of Directors and the CEO are responsible for the preparation and fair presentation of this condensed consolidated interim financial information in accordance with IAS 34. Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated interim financial information is not prepared, in all material aspects, in accordance with IAS 34.

Gothenburg, 7 June 2021
Ernst & Young AB

Andreas Mast
Authorised Public Accountant

Financial information for the financial years 2019/20, 2018/19 and 2017/18

Group income statement

TSEK	Note	1 Jul 2019– 30 Jun 2020	1 Jul 2018– 30 Jun 2019	17 Oct 2017– 30 Jun 2018
Operating income				
Net sales	3	386,753	284,480	142,588
Other operating income		754	151	–
		387,507	284,631	142,588
Operating expenses				
Goods for resale	14	–115,720	–81,110	–38,622
Other external expenses	5	–156,999	–122,401	–66,858
Personnel expenses	6	–29,635	–22,220	–9,256
Depreciation and amortisation of tangible and intangible assets	10, 12, 13	–1,982	–1,147	–64
Other operating expenses		–25	–664	–537
		–304,362	–227,542	–115,337
Operating profit (EBIT)		83,145	57,089	27,251
Financial income	7	4	7	144
Financial expenses	8	–6,942	–4,615	–7,413
		–6,938	–4,608	–7,269
Profit before tax		76,207	52,481	19,981
Tax	9	–16,505	–7,623	–11,021
Profit for the year		59,702	44,858	8,960
Attributable to parent company's shareholders		59,702	44,858	8,960
Earnings per share				
Earnings per share before dilution (SEK)	17, 29	0.09	0.07	0.04
Earnings per share after dilution (SEK)	17, 29	0.09	0.07	0.04

Group statement on comprehensive income

TSEK	Note	2019/2020	2018/2019	2017/2018
Profit for the year		59,702	44,858	8,960
Other comprehensive income				
Items reversed or which may be reversed to profit for the year				
Exchange rate differences upon translation of foreign subsidiaries	16	–252	–134	70
Other comprehensive income for the year, after tax		–252	–134	70
Comprehensive income for the year, after tax		59,450	44,724	9,030
Comprehensive income for the year attributable to				
Parent company's shareholders		59,450	44,724	9,030
Comprehensive income for the year		59,450	44,724	9,030

Group statement of financial position

TSEK	Note	30 Jun 2020	30 Jun 2019	30 Jun 2018
ASSETS				
Non-current assets				
Intangible assets				
Capitalised expenditures for development work	10	7,671	899	–
Trademarks	10	171,200	171,200	171,200
Goodwill	11	616,831	616,831	616,831
		795,702	788,930	788,031
Tangible assets				
Expenditures on third-party property	12	432	507	–
Plant and machinery	12	51	58	–
Equipment, tools and installations	12	1,423	1,741	294
Right of use assets	13	6,043	7,251	290
		7,949	9,557	584
Deferred tax asset	9	1,491	1,459	1,375
Total non-current assets		805,141	799,945	789,990
Current assets				
Goods in stock	14	20,147	63,471	53,780
Goods in transit	14	2,822	4,250	4,552
Right of return assets	3, 14	1,788	1,046	–
Total inventory		24,757	68,767	58,332
Accounts receivable		5	3,226	5,608
Current tax assets	9	–	1,643	–
Other current receivables		3,206	4,560	1,450
Prepaid expenses and accrued income	18	6,595	988	547
Cash and cash equivalents	19	116,706	36,533	18,080
Total current assets		151,269	115,717	84,016
TOTAL ASSETS		956,410	915,663	874,005

TSEK	Note	30 Jun 2020	30 Jun 2019	30 Jun 2018
EQUITY AND LIABILITIES				
Equity	21			
Share capital		113	113	113
Other contributed capital		645,764	644,384	644,209
Reserves, translation differences		-316	-64	70
Retained earnings		-78,181	8,960	-
Profit for the year		59,702	44,858	8,960
Total equity, attributable to parent company's shareholders		627,081	698,251	653,352
Long-term liabilities				
Liabilities to credit institutions	15,16	230,000	114,375	130,625
Lease liabilities	13	5,435	6,717	165
Deferred tax liabilities	9	35,354	43,287	43,464
Total long-term liabilities		270,789	164,379	174,254
Current liabilities				
Liabilities to credit institutions	15,16	-	16,250	16,250
Lease liabilities	13	1,282	900	82
Accounts payable		13,467	15,852	7,216
Other current liabilities		11,104	8,827	8,412
Derivative instrument	15,16	42	17	-
Tax liabilities	9	14,426	-	5,360
Repayment liabilities	3	6,594	3,429	-
Prepaid income and accrued expenses	22	11,624	7,758	9,078
Total current liabilities		58,540	53,033	46,399
TOTAL EQUITY AND LIABILITIES		956,410	915,663	874,005

Group statement on cash flow

TSEK	Note	1 Jul 2019– 30 Jun 2020	1 Jul 2018– 30 Jun 2019	17 Oct 2017– 30 Jun 2018
Cash flow from operating activities				
Operating profit (EBIT)	27	83,145	57,089	27,251
Adjustment for non-cash items				
Depreciation and amortisation		1,982	1,147	64
Other non-cash items		-17	17	-
Interest received		4	7	144
Interest paid		-6,942	-4,615	-7,413
Paid income tax		-8,204	-14,873	-3,917
Cash flow from operating activities before changes in working capital		69,968	38,772	16,128
Cash flow from changes in working capital				
Increase (-) / Decrease (+) in inventory		45,798	-10,435	-32,324
Increase (-) / Decrease (+) in operating receivables		-3,401	-1,262	-3,616
Increase (+) / Decrease (-) in operating liabilities		8,542	11,377	-16,293
Cash flow from operating activities		120,907	38,452	-36,105
Investing activities				
Acquisition of subsidiaries	4	-	-	-376,931
Acquisition of intangible assets		-6,901	-899	-
Acquisition of tangible assets		-131	-2,294	-
Cash flow from investing activities		-7,032	-3,193	-376,931
Financing activities				
Amortisation of lease liabilities	13	-1,235	-619	-
Borrowings	15, 16, 24	230,000	-	165,000
Repayment of borrowings	15, 16, 24	-130,625	-16,250	-18,125
Received shareholder contributions		-	-	284,197
Dividend paid		-132,000	-	-
New issue		1,380	175	-
Cash flow from financing activities		-32,480	-16,694	431,072
Cash flow for the year		81,395	18,565	18,036
Cash and cash equivalents at start of year		36,533	18,080	50
Exchange rate differences in cash and cash equivalents		-1,222	-112	-6
Cash and cash equivalents at year-end	19	116,706	36,533	18,080

Group statement on changes in equity

TSEK	Share capital (Note 21)	Other contributed capital	Reserves, translation differences	Retained earnings	Profit for the year	Total equity
Opening equity, 17 Oct 2017	50					50
Profit for the year					8,960	8,960
Other comprehensive income for the year			70			70
Comprehensive income for the year			70		8,960	9,030
<i>Transactions with the group's owners</i>						
Received shareholder contributions		284,197				284,197
New issue	63	360,012				360,075
<i>Total transactions with the group's owners</i>	63	644,209				644,272
Closing equity, 30 Jun 2018	113	644,209	70		8,960	653,352
Opening equity, 1 Jul 2018	113	644,209	70		8,960	653,352
Transfer of previous year's profit				8,960	-8,960	
Profit for the year					44,858	44,858
Other comprehensive income for the year			-134			-134
Comprehensive income for the year			-134	8,960	35,898	44,724
<i>Transactions with the group's owners</i>						
New issue		175				175
<i>Total transactions with the group's owners</i>		175				175
Closing equity, 30 Jun 2019	113	644,384	-64	8,960	44,858	698,251
Opening equity, 1 Jul 2019	113	644,384	-64	8,960	44,858	698,251
Reversal from previous year's profit				44,858	-44,858	
Profit for the year					59,702	59,702
Other comprehensive income for the year			-252			-252
Comprehensive income for the year			-252	44,858	14,844	59,450
<i>Transactions with the group's owners</i>						
Dividend				-132,000		-132,000
New issue		1,380				1,380
<i>Total transactions with the group's owners</i>		1,380		-132,000		130,620
Closing equity, 30 Jun 2020	113	645,764	-316	-78,181	59,702	627,081

Notes

General information

These financial statements cover the Swedish parent Company RVRC Holding AB, registration number 559129-4623 and its subsidiaries. RVRC Holding AB (publ) is a public Company registered in Sweden. The Company's registered office is located in Borås. The company engages in e-commerce in outdoor and functional clothes through the wholly-owned subsidiary Revolutionrace AB registration number 556938-2913. The Parent Company engages in holding company activities on behalf of the group's companies. The Company's major shareholders are Altor Fund Manager AB (hereafter Altor) through the funds Altor Fund IV (No. 1), Altor Fund IV (No. 2) as well as Nyrensten Global Holding AB. The address of the head office is Nils Jakobsonsgatan 5D, SE-504 30 Borås. These financial statements were approved by the Board of Directors on 7 June 2021 in connection with approval of the prospectus.

NOTE 1 Accounting principles

Accounting and valuation principles

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 (1995:1554) and RFR 1 "Supplementary accounting rules for groups" issued by the Swedish Financial Reporting Board.

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 preparation of statements in accordance with IFRS requires that a number of estimates be 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 Material estimates and assessments. These assessments and assumptions 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.

Unless otherwise stated, the accounting principles stated below have been applied consistently in all periods presented in the consolidated financial statements. This is the group's first set of financial statements prepared

in accordance with IFRS. The group has applied IFRS 1 First-time Adoption of International Financial Reporting Standards upon preparation of these financial statements. The transition to IFRS is described in greater detail in Note 30 Transition to IFRS.

Significant applied accounting principles

The accounting principles stated below have been applied consistently in all periods presented in the consolidated 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 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 profits and exchange rate losses on financial receivables and liabilities are reported as financial items.

Translation of foreign subsidiaries

The group has operations in the form of a subsidiaries abroad. 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.

Classifications

An asset is classified as a current asset when it is expected to be realised within twelve 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 twelve months after the reporting period). All other assets are classified as non-current assets. A liability is classified as a current liability when it is primarily held for trading purposes, is to be settled within twelve months of the reporting period or when the group does not have an unconditional right to defer payment of the liability for at

least twelve months after the reporting period. All other liabilities are classified as long-term liabilities.

Operating segment

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 according to 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 Klarna when the customer chooses

to pay part of the invoice via Klarna. This commission is reported as other income.

Sales of products via 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.

Revolution Race 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 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.

Contractual balances

Accounts receivable

An account receivable is an unconditional right to compensation for goods and services that have been delivered and may comprise both invoiced and non-invoiced receivables.

Contractual liabilities

A contractual liability is reported if the group is entitled to a compensation amount that is unconditional before the group transfers a service or a product. The reporting of contractual liabilities takes place when the customer pays or when payment is to take place, depending on which occurs first. Contractual liabilities are reported as income when the group performs in accordance with the agreement (i.e. transfers control of the relevant goods or services to the customer).

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 Note 2 Significant estimates and assessments.

State aid

State aid is reported when there is reasonable certainty that RevolutionRace will satisfy the conditions associated with the aid and the aid will be received. State aid is reported as income in the income statement systematically over the same periods as the costs which the aid is intended to compensate.

When the aid is attributable to an asset, the aid is 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

Short-term remuneration

Short-term 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.

Share-related remuneration

In accordance with applied accounting principles, the group has no share-related remuneration pursuant to IFRS 2. Employees in the group are invited to invest at market price in the equity instrument RVRC Holding AB. See also information and description of the model in Note 17 Share related remuneration.

Financial items**Financial income**

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

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

Financial expenses

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

Income taxes

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

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

Deferred tax is reported in its entirety, in accordance with the balance sheet method, on all temporary differ-

ences 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 expenses for development work 5 years

The RevolutionRace trademark is deemed to have an indefinite 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 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 (however, at most over the lease term) 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 leasing period.

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 short-term lease agreements and lease agreements where the underlying asset has a low value. Short-term lease agreements are defined as lease agreements with an initial lease term of not more than 12 months taking into consideration any options to extend the lease agreement. Lease agreements where the underlying asset is of low value have been defined by the group as agreements where the underlying asset might be purchased for not more than SEK 50,000 and, in the group, consist for example of office equipment. Lease payments for short-term 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 instrument

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

group's business model and the contractual cash flows of the asset:

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

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

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

Financial assets that constitute equity instruments are reported at fair value via profit/loss except if they are not held for trading. If equity instruments are not held for trading, an irrevocable decision may be made to classify them at fair value via other comprehensive income without subsequent reclassifications to profit/loss. This choice is made anew for each instrument (i.e. share for share).

The group holds no financial instruments that constitute equity instruments that are reported at fair value via profit/loss/other comprehensive income.

Financial instruments that constitute derivatives are valued at fair value via profit/loss. The group's derivative instruments have been acquired in order, through cash flow hedging, to hedge the risks of fluctuations in exchange rates to which the group is exposed. These derivative instruments are reported on the first reporting occasion at fair value on the date on which the derivative contract is entered into and subsequently reassessed at fair value in subsequent periods. Derivative instruments are reported as a financial asset when the fair value is positive and as a financial liability when the fair value is negative. The group applies no hedge accounting for derivative instruments.

Impairment of anticipated credit losses

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

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

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

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

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

The general method is applied to the group's cash and cash equivalents.

The financial assets are reported in the balance sheet net of gross value and loss reserve. Changes in the loss reserve are reported as credit losses within operating profit (EBIT). Since the group works with a number of Payment Service Providers (PSP) who assume the credit risk, RevolutionRace 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 15 Financial instruments.

Financial liabilities

Financial liabilities are valued at accrued historical cost with the exception of derivatives and conditional additional purchase prices that are 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 15 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. In own-manufactured finished products and semifinished products, the historical cost comprises direct manufacturing costs and direct salaries as well as a portion of indirect costs based on normal capacity utilisation. The historical cost for inventory includes profits and losses linked to foreign exchange forwards that are used to hedge purchases in foreign currency. These are reported in operating profit (EBIT).

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

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 that have entered into force

Upon transition to IFRS, the group has applied all IAS and IFRS applicable as of 30 June 2020 that affect the group.

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

Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Interest Benchmark Reform Phase 2

In August 2020, IASB published amendments to the standards IFRS 4, IFRS 7, IFRS 9, IFRS 16 and IAS 39 regarding reporting of the transition to new reference interest rates initiated in 2014 by the Financial Stability Board and thereafter, among other things, resulting from the EU's Benchmarks Regulation. The amendments clarify how transition to new reference interest rates for financial assets and liabilities as well as hedging conditions are to be reported, together with additional disclosure requirements. The amendments apply to financial years beginning 1 January 2021 or later, provided that the EU approves the amendments. The amendments are not considered to have any effect on the financial statements of the group or the parent company.

Otherwise, the Company believes that there are no new, amended accounting standards or interpretations that have been published and which have entered into force commencing 1 July 2020 or later that are considered to have a material impact on the consolidated financial statements.

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 11 Goodwill and intangible assets with indeterminable useful life periods.

Impairment of non-financial non-current assets

When conducting impairment tests, estimates are made to determine the recovery value of the Company's cash-generating units. The recovery value is based on Company management's estimates of future cash flows, which are based on internal business plans and forecasts. For more information and details, see the description in Note 11 Goodwill and intangible assets with indeterminable useful life periods.

Anticipated credit losses on accounts receivable and contractual assets

The Company has no significant accounts receivable and no contractual assets.

Leasing

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

Deferred tax liabilities/assets

Deferred tax liabilities and tax assets are reported at the applicable tax rate for each individual period. Deferred tax liabilities are largely attributable to the book value of the trademark, while deferred tax assets are largely attributable to costs related to the acquisition of Revolutionrace AB.

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 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 allocation of income identified one category, geographical area, for which the smallest entity is a market that belongs to a region. Here is income (less exchange gains) presented per geographical market and region, respectively.

	1 Jul 2019– 30 Jun 2020
TSEK	
Geographical market	
Germany	116,124
Sweden	102,190
Finland	83,980
Other	84,459
Total income from agreements with customers	386,753
TSEK	
Geographical market	
Germany	94,157
Sweden	84,408
Finland	57,601
Other	48,314
Total income from agreements with customers	284,480

TSEK	17 Oct 2017– 30 Jun 2018
Geographical market	
Germany	49,691
Sweden	38,389
Finland	28,296
Other	26,212
Total income from agreements with customers	142,588

TSEK	1 Jul 2019– 30 Jun 2020
Geographical region	
Nordics	230,336
DACH	130,231
Rest of the world	26,185
Total income from agreements with customers	386,753

TSEK	1 Jul 2018– 30 Jun 2019
Geographical region	
Nordics	180,573
DACH	93,410
Rest of the world	10,497
Total income from agreements with customers	284,480

TSEK	17 Oct 2017– 30 Jun 2018
Geographical region	
Nordics	93,224
DACH	44,558
Rest of the world	4,806
Total income from agreements with customers	142,588

Right of return assets and repayment liabilities

TSEK	30 Jun 2020	30 Jun 2019	30 Jun 2018
Right of return assets	1,788	1,046	–
Repayment liabilities			
Rights of return	6,594	3,429	–

NOTE 4 Business combinations

Acquisition of Revolutionrace AB

On 10 November 2017, RVRC Holding AB (the group) acquired 100% of the shares and votes in Revolutionrace Holding AB including its wholly-owned subsidiary. Altor acquired 45% and the founders of RevolutionRace, through Nyrensten Global Holding AB, the remaining 55% in RVRC Holding AB. In December 2019, Altor acquired additional shares in RVRC Holding AB from Nyrensten Global Holding AB, who after that holds 35%.

Acquired assets and assumed liabilities

The fair value of identifiable assets and liabilities in Revolutionrace AB on the acquisition date comprises the following:

TSEK	Business combination of Revolutionrace AB	Fair value
Assets		
	Trademarks	171,200
	Tangible assets	350
	Inventory	26,007
	Cash and cash equivalents	57,374
	Other current assets	3,988
	Total assets	258,919
Liabilities		
	Accounts payable	7,285
	Deferred tax liabilities	40,345
	Other long-term liabilities	67
	Other current liabilities	33,673
	Total liabilities	81,370
	Net total identifiable assets valued at fair value	177,549
	Goodwill arising upon the acquisition	616,831
	Purchase price	794,380
Cashflow		
	Acquired cash and cash equivalents	57,374
	Purchase price (cash and cash equivalents)	–434,305
	Net cash flow from the acquisition	–376,931

Specification, financing of acquisition

Cash paid	434,305
Non-cash issue	360,075
Purchase price	794,380

Goodwill, which amounted to TSEK 616,831, comprises an anticipated expanded market position within outdoor and recreational life, an established workforce and customer relations. None of the reported goodwill will be tax-deductible. Transaction expenses attributable to the acquisition amounted to TSEK 6,249 which are reported in other external expenses.

Since the acquisition date, Revolutionrace AB has contributed income of TSEK 147,497 and TSEK 32,965 to profit before tax. If the acquisition had occurred at the beginning of the year, the group's income would have been TSEK 219,372 and profit before tax would have been TSEK 60,698.

NOTE 5 Auditor's fees

TSEK Revisionsgruppen i Borås AB	1 Jul 2019– 30 Jun 2020	1 Jul 2018– 30 Jun 2019	17 Oct 2017– 30 Jun 2018
Audit engagement	104	123	91
Other audit work	–	–	–
Tax advice	–	–	–
Other services	–	–	–
Total	104	123	91
TSEK Ernst & Young AB	1 Jul 2019– 30 Jun 2020	1 Jul 2018– 30 Jun 2019	17 Oct 2017– 30 Jun 2018
Audit engagement	100	–	–
Other audit work	–	–	–
Tax advice	–	–	–
Other services	–	–	–
Total	100	–	–
TSEK Ernst & Young AS	1 Jul 2019– 30 Jun 2020	1 Jul 2018– 30 Jun 2019	17 Oct 2017– 30 Jun 2018
Audit engagement	41	11	–
Other audit work	10	–	–
Tax advice	–	–	–
Other services	–	–	–
Total	51	11	–
Total fees to auditors	255	134	91

"Audit engagement" means the auditor's work for the statutory audit and "audit work" means other types of quality assurance services. Other services are such as are not included in audit engagement or tax advice.

NOTE 6 Employees and personnel expenses

Average number of employees, the group: 2019/20	Average number of employees	Of whom women %	Of whom men %
<i>Parent Company</i>			
Sweden	–	–	–
<i>Subsidiaries</i>			
Sweden	44	66%	34%
Total in the group	44	66%	34%
Average number of employees, the group: 2018/19	Average number of employees	Of whom women %	Of whom men %
<i>Parent Company</i>			
Sweden	–	–	–
<i>Subsidiaries</i>			
Sweden	25	64%	36%
Total in the group	25	64%	36%
Average number of employees, the group: 2017/18	Average number of employees	Of whom women %	Of whom men %
<i>Parent Company</i>			
Sweden	–	–	–
<i>Subsidiaries</i>			
Sweden	17	71%	29%
Total in the group	17	71%	29%

Gender breakdown within the board and senior executives	2019/20	2018/19	2017/18
Directors including alternates	7	7	7
Of whom women %	14%	14%	14%
Of whom men %	86%	86%	86%
CEO and other senior executives	5	5	3
Of whom women %	40%	40%	33%
Of whom men %	60%	60%	67%

TSEK			
Personnel expenses	2019/20	2018/19	2017/18
Subsidiaries			
<i>Board and other senior executives</i>			
Salaries and other remuneration	5,318	5,917	1,522
Social security contributions	1,671	1,859	478
Pension expenses	613	576	77
Other personnel expenses	2	–	–
Total	7,604	8,352	2,077
<i>Other employees</i>			
Salaries and other remuneration	15,003	9,265	4,899
Social security contributions	4,378	3,152	1,848
Pension expenses	671	384	67
Other personnel expenses	1,980	1,067	365
Total	22,031	13,868	7,179
Total in the group	29,635	22,220	9,256

TSEK					
Remuneration and other benefits to board of directors and CEO 2019/20:	Basic salary directors' fees	Variable remuneration	Pension expenses	Other remuneration	Total
<i>Board chairman</i>					
Peter Sjölander	400	–	–	–	400
<i>Directors</i>					
Magnus Dimert	200	–	–	–	200
Niclas Nyrensten	645	–	58	–	703
Andreas Källström Säfweräng	–	–	–	–	–
Johan Svanström	200	–	–	–	200
Jens Browaldh	–	–	–	–	–
<i>CEO</i>					
Pernilla Nyrensten	682	–	58	–	740
Other senior executives, 3 in number	2,887	304	497	–	3,688
Total	5,014	304	613		5,931

TSEK

Remuneration and other benefits to board of directors and CEO 2018/19:	Basic salary directors' fees	Variable remuneration	Pension expenses	Other remuneration	Total
<i>Board chairman</i>					
Peter Sjölander	600	–	–	–	600
<i>Directors</i>					
Magnus Dimert	300	–	–	–	300
Niclas Nyrensten	1,143	–	62	–	1,205
Andreas Källström Säfweräng	–	–	–	–	–
Johan Svanström	300	–	–	–	300
Jens Browaldh	–	–	–	–	–
<i>CEO</i>					
Pernilla Nyrensten	1,164	–	62	–	1,226
Other senior executives, 3 in number	2,400	10	451	2	2,864
Total	5,907	10	576	2	6,495

TSEK

Remuneration and other benefits to board of directors and CEO 2017/18:	Basic salary directors' fees	Variable remuneration	Pension expenses	Other remuneration	Total
<i>Board chairman</i>					
Peter Sjölander	–	–	–	–	–
<i>Directors</i>					
Magnus Dimert	–	–	–	–	–
Niclas Nyrensten	594	–	38	–	632
Andreas Källström Säfweräng	–	–	–	–	–
Johan Svanström	–	–	–	–	–
Jens Browaldh	–	–	–	–	–
<i>CEO</i>					
Pernilla Nyrensten	576	–	38	–	614
Other senior executives, 1 in number	353	–	–	–	353
Total	1,522		77		1,599

"Variable remuneration" means remuneration the amount of which is not determined in advance.

Remuneration and conditions for senior executives

Remuneration for the CEO and other senior executives comprises basic 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 CEO has a termination period of 12 months in the event of termination by the group, 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 termination period of 4-6 months in the case of termination by the group and 4-6 months in the event the executive terminates the employment. Pension benefits for other senior executives are in accordance with those for the CEO.

Severance package

The CEO is entitled to a severance package corresponding to 12 monthly salaries, calculated based on the employee's salary at the time of termination of the agreement.

NOTE 7 Financial income

TSEK

	1 Jul 2019– 30 Jun 2020	1 Jul 2018– 30 Jun 2019	17 Oct 2017– 30 Jun 2018
Assets and liabilities valued at accrued historical cost			
Interest income from other financial assets	4	7	144
Total interest income in accordance with the effective interest method	4	7	144
Total financial income	4	7	144

NOTE 8 Financial expenses

TSEK	1 Jul 2019– 30 Jun 2020	1 Jul 2018– 30 Jun 2019	17 Oct 2017– 30 Jun 2018
Assets and liabilities valued at accrued historical cost			
Interest expenses, liabilities to credit institutions	–5,588	–4,076	–3,018
Interest expenses, lease liabilities	–222	–161	–1
Interest expenses, other financial liabilities	–27	–82	–42
Total interest expenses in accordance with the effective interest method	–5,837	–4,319	–3,061
Costs related to raising loans	–961	–241	–3,641
Translation difference on group liabilities	–144	–55	–711
Total	–1,105	–296	–4,352
Total financial expenses	–6,942	–4,615	–7,413

NOTE 9 Tax

TSEK 2019/20	Income statement	Other compre- hensive income
Current tax		
Current tax on profit for the year	24,469	–
Adjustments regarding previous years	–	–
Total Current tax	24,469	
Deferred tax		
Deferred tax regarding temporary differences	–7,964	–
Deferred tax on loss carryforwards	–	–
Total deferred tax	–7,964	–
Total reported tax	16,505	–
TSEK 2018/19	Income statement	Other compre- hensive income
Current tax		
Current tax on profit for the year	7,885	–
Adjustments regarding previous years	–1	–
Total Current tax	7,884	–
Deferred tax		
Deferred tax regarding temporary differences	–261	–
Deferred tax on loss carryforwards	–	–
Total deferred tax	–261	–
Total reported tax	7,623	–
TSEK 2017/18	Income statement	Other compre- hensive income
Current tax		
Current tax on profit for the year	9,615	–
Adjustments regarding previous years	–2	–
Total Current tax	9,613	–
Deferred tax		
Deferred tax regarding temporary differences	1,409	–
Deferred tax on loss carryforwards	–	–
Total deferred tax	1,409	–
Total reported tax	11,021	–

TSEK	1 Jul 2019– 30 Jun 2020	1 Jul 2018– 30 Jun 2019	17 Oct 2017– 30 Jun 2018
Reconciliation of effective tax rate			
Profit before tax	76,207	52,481	19,981
Tax in accordance with applicable tax rate for the Parent Company ¹⁾	16,308	11,546	4,396
Tax effect of:			
Non-taxable income	–	–	–
Non-deductible expenses	66	31	57
Temporary differences regarding IFRS and changed tax rate	–168	–2,431	43
Utilisation of non-capitalised loss carryforwards from previous years	–	–1,552	–
Items regarding tax allocation reserve	270	29	15
Effect of foreign tax rate	29	–	–
Regarding the 2017/18 year-end and the period prior to the acquisition of Revolutionrace AB	–	–	6,509
Reported tax	16,505	7,623	11,021
Effective tax rate ²⁾	21.7%	14.5%	55.2%

1) The tax rates in 2017/18 and 2018/19 were 22.0% and in 2019/20 the tax rate was 21.4%.

2) The effective tax rate regarding the 2017/18 financial year and the period after the acquisition of RevolutionRace is 30.3%.

The group has no tax items reported directly against equity.

Specification of deferred tax assets and tax liabilities

Statement of financial position

TSEK	1 Jul 2019– 30 Jun 2020	1 Jul 2018– 30 Jun 2019	17 Oct 2017– 30 Jun 2018
Deferred tax asset			
Expenses relating to acquisition of Revolutionrace AB	1,337	1,375	1,375
Lease liabilities	144	81	–
Fair value of financial instruments	9	4	–
Reported value	1,491	1,459	1,375

Statement of income

TSEK	1 Jul 2019– 30 Jun 2020	1 Jul 2018– 30 Jun 2019	17 Oct 2017– 30 Jun 2018
Deferred tax income			
Temporary differences attributable to changed tax rate	–	2,397	–
Temporary differences attributable to untaxed reserves	7,933	–	–
Temporary differences attributable to leases	64	90	–
Temporary differences attributable to acquisition expenses	–	–	1,375
Temporary differences attributable to financial instruments	5	4	–
Reported value	8,002	2,490	1,375

Statement of financial position

TSEK	1 Jul 2019– 30 Jun 2020	1 Jul 2018– 30 Jun 2019	17 Oct 2017– 30 Jun 2018
Deferred taxes			
Temporary differences attributable to leases	–	–	9
Temporary differences attributable to accelerated depreciation	87	–	–
Temporary differences attributable to untaxed reserves	–	8,020	5,791
Temporary differences attributable to acquired trademark	35,267	35,267	37,664
Reported value	35,354	43,287	43,464

Statement of income

TSEK	1 Jul 2019– 30 Jun 2020	1 Jul 2018– 30 Jun 2019	17 Oct 2017– 30 Jun 2018
Deferred tax expenses			
Temporary differences attributable to changed tax rate	37	–	–
Temporary differences attributable to untaxed reserves	–	2,229	2,774
Temporary differences attributable to leases	–	–	9
Reported value	37	2,229	2,783

TSEK	1 Jul 2019– 30 Jun 2020	1 Jul 2018– 30 Jun 2019	17 Oct 2017– 30 Jun 2018
Deferred tax net			
Presented in Statement of financial position as follows:			
Deferred tax asset	1,491	1,459	1,375
Deferred tax liability	–35,354	–43,287	–43,464
Deferred tax liability (–) /tax asset (+), net	–33,864	–41,828	–42,090

TSEK	1 Jul 2019– 30 Jun 2020	1 Jul 2018– 30 Jun 2019	17 Oct 2017– 30 Jun 2018
Reconciliation of deferred tax liability (–) /tax asset (+), net			
Opening balance	–41,828	–42,089	–40,681
Deferred tax expenses during the period reported in statement of income	–37	–2,229	–2,783
Deferred tax income during the period reported in statement of income	8,002	2,490	1,375
Closing balance	–33,864	–41,828	–42,090

NOTE 10 Intangible assets

TSEK	Capitalised expenses for development work	Trademarks	Goodwill
<i>Historical cost</i>			
Opening historical cost as of 17 October 2017	–	–	–
Acquisition of subsidiary	–	171,200	616,831
Closing historical cost as of 30 June 2018	–	171,200	616,831
Internally worked up	899	–	–
Closing historical cost as of 30 June 2019	899	171,200	616,831
Internally worked up	6,902	–	–
Closing historical cost as of 30 June 2020	7,801	171,200	616,831
<i>Amortisation</i>			
Opening amortisation as of 17 October 2017	–	–	–
Amortisation for the year	–	–	–
Closing amortisation as of 30 June 2018	–	–	–
Amortisation for the year	–	–	–
Closing amortisation as of 30 June 2019	–	–	–
Amortisation for the year	–129	–	–
Closing amortisation as of 30 June 2020	–129	–	–
Net carrying value			
As of 30 June 2020	7,671	171,200	616,831
As of 30 June 2019	899	171,200	616,831
As of 30 June 2018	–	171,200	616,831

NOTE 11 Goodwill and intangible assets with indeterminable useful life

TSEK	30 Jun 2020	30 Jun 2019	30 Jun 2018
Reported value of goodwill and trademarks			
Goodwill	616,831	616,831	616,831
Trademark, RevolutionRace	171,200	171,200	171,200
Reported value	788,031	788,031	788,031

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 2020. 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 TSEK 5,222,500 as of 30 June 2020, 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 5.4% and flows beyond the 5-year period are extrapolated with 2.0% growth. Thus, no impairment has taken place.

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

Discount rate

The discount rate has been determined by using WACC (Weighted Average Cost of Capital). Consideration has been given to the Company's unlevered beta, tax rate and assessed debt/equity ratio. Furthermore, as input the Company has used the most recently published report "Risk premium study 2020" (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 TSEK 600,000. A reduction in the discount rate by 1.0 percentage points would mean an increase in the recovery value by TSEK 762,000.

NOTE 12 Tangible assets

TSEK	Expenses incurred on thirdparty property	Plant and machinery	Equipment, tools, fixtures and fittings
<i>Historical cost</i>			
Opening historical cost as of 17 October 2017	–	–	419
Acquisitions for the year	–	–	–
Closing historical cost as of 30 June 2018	–	–	419
Acquisitions for the year	526	66	1,702
Closing historical cost as of 30 June 2019	526	66	2,121
Acquisitions for the year	–	–	131
Closing historical cost as of 30 June 2020	526	55	2,252
<i>Depreciation</i>			
Opening depreciation as of 17 October 2017	–	–	–83
Depreciation for the year	–	–	–42
Closing depreciation as of 30 June 2018	–	–	–125
Depreciation for the year	–19	–8	–255
Closing depreciation as of 30 June 2019	–19	–8	–380
Depreciation for the year	–75	–7	449
Closing depreciation as of 30 June 2020	–94	–15	–829
Net carrying value			
As of 30 June 2020	432	51	1,423
As of 30 June 2019	507	58	1,741
As of 30 June 2018	–	–	294

NOTE 13 Lease agreements

The group as lessee

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

TSEK	Premises	Vehicles	Other	Total
<i>Right of use assets</i>				
Opening balance as of 17 October 2017	–	–	–	–
Additional agreements	–	298	–	298
Depreciation	–	–8	–	–8
Terminated agreements	–	–	–	–
Reassessment of agreements	–	–	–	–
Closing balance as of 30 June 2018	–	290	–	290
Additional agreements	7,252	176	221	7,649
Depreciation	–704	–120	–42	–866
Terminated agreements	–	–	–	–
Reassessment of agreements	179	–	–	179
Closing balance as of 30 June 2019	6,727	345	179	7,251
Additional agreements	–	–	–	–
Depreciation	–1,072	–184	–66	–1,322
Terminated agreements	–	–	–	–
Reassessment of agreements	114	–	–	114
Closing balance as of 30 June 2020	5,769	161	113	6,043
<i>Lease liability¹⁾</i>				
Opening balance as of 17 October 2017	–	–	–	–
Additional agreements	–	254	–	254
Terminated agreements	–	–	–	–
Reassessments of agreements	–	–	–	–
Interest expenses	–	1	–	1
Leasing expenses	–	–7	–	–7
Closing balance as of 30 June 2018	–	247	–	247
Additional agreements	7,252	176	221	7,649
Terminated agreements	–	–	–	–
Reassessments of agreements	179	–	–	179
Interest expenses	149	8	5	161
Leasing expenses	–457	–111	–52	–619
Closing balance as of 30 June 2019	7,123	320	174	7,617
Additional agreements	–	–	–	–
Terminated agreements	–	–	–	–
Reassessments of agreements	114	–	–	114
Interest expenses	210	8	5	222
Leasing expenses	–989	–176	–70	–1,235
Closing balance as of 30 June 2020	6,456	152	109	6,717

1) See Note 16 Financial risks for maturity analysis of the lease liability.

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

TSEK	1 Jul 2019– 30 Jun 2020	1 Jul 2018– 30 Jun 2019	17 Oct 2017– 30 Jun 2018
Depreciation of right of use assets	1,322	866	8
Interest expenses for lease liabilities	222	161	1
Expenses related to short-term lease agreements	–	74	148
Reported value	1,544	1,101	157

The group's total cash flow for lease agreements amounted TSEK 1,235 (TSEK 619).

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 14 Inventory

TSEK	1 Jul 2019– 30 Jun 2020	1 Jul 2018– 30 Jun 2019	17 Oct 2017– 30 Jun 2018
Goods in stock	20,147	63,471	53,780
Goods in transit	2,822	4,250	4,552
Right of return assets	1,788	1,046	–
Reported value	24,757	68,767	58,332

NOTE 15 Financial instruments

Fair value of financial liabilities is shown in the table below. See also Note 16 Financial risks.

TSEK	30 Jun 2020		30 Jun 2019		30 Jun 2018	
	Reported value	Fair value	Reported value	Fair value	Reported value	Fair value
Financial liabilities valued at accrued historical cost						
Long-term liabilities to credit institutions	230,000	263,845	114,375	115,711	130,625	134,967
Current liabilities to credit institutions	–	–	16,250	16,473	16,250	16,920
Financial liabilities valued at fair value via profit/loss						
Derivative instrument						
Foreign exchange forwards	42	42	17	17	–	–
Closing value	230,042	263,887	130,642	132,201	146,875	151,887

For other financial assets and liabilities, reported value constitutes a good approximation of the fair value.

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 a financial instrument traded on an active market is based on listed market prices on the closing date. A market is regarded as active if listed prices from an exchange, broker, industrial group, pricing service or monitoring authority are easily and regularly available and such prices represent fair and regularly achieved market transactions at arm's length. The listed market price used for the group's financial assets is the relevant transaction price.

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.

TSEK Financial instrument valued at fair value per 30 Jun 2020	Level 1	Level 2	Level 3	Total fair value
Financial liabilities valued at fair value via profit/loss				
Derivative instrument				
Foreign exchange forwards	–	42	–	42

TSEK Financial instrument valued at fair value per 30 Jun 2019	Level 1	Level 2	Level 3	Total fair value
Financial liabilities valued at fair value via profit/loss				
Derivative instrument				
Foreign exchange forwards	–	17	–	17

TSEK Financial instrument valued at fair value per 30 Jun 2018	Level 1	Level 2	Level 3	Total fair value
Financial liabilities valued at fair value via profit/loss				
Derivative instrument				
Foreign exchange forwards	–	–	–	–

NOTE 16 Financial risks

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

The CEO has overall responsibility and reports to the board of directors. The CFO is strategically and operationally primarily responsible for all financial activities and for such being performed in line with this policy and reported to the CEO.

Credit risk

Credit risk is the risk that the group's counterparty in a financial instrument is unable to perform its obligations and thereby causes the group to sustain a financial loss.

The group works with a number of major Payment Service Providers such as Klarna and PayPal. This means, in practice, that accounts receivable are transferred to the payment service provider upon the customer placing an order. Accordingly, there is a relatively low credit risk. With respect to accounts receivable, contractual assets and other receivables, the Company uses a simplified method for reporting anticipated credit losses. RevolutionRace rarely has accounts receivable and, in such case, they account for insignificant amounts. For this reason, no provisions are made regarding anticipated credit losses on accounts receivable.

Other receivables consist of financial instruments, which are the receivables that RevolutionRace has against its payment service providers. When the Payment Service Providers acquire a claim, they also assume the risk of credit loss, and thus RevolutionRace has no credit risk related to

the end customer. The credit risk with respect to the sale is only linked to the risk that the Payment Service Providers will not pay RevolutionRace. Since these credit institutions have high credit ratings, the anticipated credit loss is regarded as insignificant. For this reason, no anticipated credit loss is booked related to receivables from Payment Service Providers.

Cash and cash equivalents

The group's credit risk also arises from deposits of cash and cash equivalents. For deposits on bank accounts, the Company primarily uses a major credit institution for which there is a relatively low credit risk.

Cash and cash equivalents are relevant also within the area of application for the reporting of anticipated credit losses in IFRS 9. However, the analysis has shown that the provision with respect to this item is insignificant.

RevolutionRace regularly monitors the credit rating of the banks. The contractual terms for bank deposits are extremely short, and thus the loss provision is deemed to be insignificant. Due to this insignificance, no anticipated credit losses are reported in respect of cash and cash equivalents.

Market risk

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

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows from a financial instrument will vary due to changes in market rates.

The group manages the interest rate risk by monitoring forecasts for future interest rate adjustments and interest hedging in accordance with the group's finance policy. As of 30 June 2020, 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 +/- TSEK 2,672 for the financial year 2019/20, by +/- TSEK 1,382 for the financial year 2018/19 and by +/- TSEK 1,471 for the financial year 2017/18.

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

TSEK				
Interest-bearing liabilities and conditions	Reported value	Currency	Matures	Interest
Long-term liabilities to credit institutions as of 30 Jun 2020				
Bank loan Facility B	230,000	SEK	31 Dec 2024	Variable
Lease liabilities (see Note 13 Lease agreements)	6,717	SEK	*1)	Variable
Reported value	236,717			
Long-term liabilities to credit institutions as of 30 Jun 2019				
Bank loan 241-2	40,625	SEK	10 Nov 2021	Variable
Bank loan 273-5	65,000	SEK	10 Nov 2021	Variable
Bank loan 940-8	25,000	SEK	10 Nov 2021	Variable
Lease liabilities (see Note 13 Lease agreements)	7,617	SEK	*1)	Variable
Reported value	138,242			
Long-term liabilities to credit institutions as of 30 Jun 2018				
Bank loan 241-2	56,875	SEK	10 Nov 2021	Variable
Bank loan 273-5	65,000	SEK	10 Nov 2021	Variable
Bank loan 940-8	25,000	SEK	10 Nov 2021	Variable
Lease liabilities (see Note 13 Lease agreements)	247	SEK	*1)	Variable
Reported value	147,122			

*1) Lease liabilities mature in the period 30 Apr 2021-31 Oct 2025.

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).

TSEK

Opposing currency 30 Jun 2020	EUR	SEK	NOK
Contract in USD	–	7,049	–
Contract in EUR	–	–	–
Total		7,049	–

TSEK

Opposing currency 30 Jun 2019	EUR	SEK	NOK
Contract in USD	–	–	–
Contract in EUR	–	–5,264	–
Total	–	–5,264	–

TSEK

Opposing currency 30 Jun 2018	EUR	SEK	NOK
Contract in USD	–	–	–
Contract in EUR	–	–	–
Total	–	–	–

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 TSEK -20 on 30 June 2020 and TSEK -13 on 30 June 2019.

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 TSEK 266 for the 2019/20 financial year, TSEK 102 for the 2018/19 financial year and TSEK 47 for the 2017/18 financial year.

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 TSEK 116,706 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.

Maturity analysis regarding non-discounted liabilities:

TSEK 30 Jun 2020	<6 months	6–12 months	1–3 years	3–5 years	>5 years	Total
Liabilities to credit institutions	3,761	3,761	15,042	241,282	–	263,846
Lease liabilities ¹⁾	705	766	2,703	2,661	443	7,278
Accounts payable	13,467	–	–	–	–	13,467
Repayment liabilities	6,594	–	–	–	–	6,594
Derivative instrument	42	–	–	–	–	42
Other long-term liabilities	11,104	–	–	–	–	11,104
Total	35,673	4,527	17,745	243,943	443	302,331

TSEK 30 Jun 2019	<6 months	6–12 months	1–3 years	3–5 years	>5 years	Total
Liabilities to credit institutions	9,684	9,572	116,183	–	–	135,439
Lease liabilities ¹⁾	572	663	2,837	2,667	1,774	8,513
Accounts payable	15,852	–	–	–	–	15,852
Repayment liabilities	3,429	–	–	–	–	3,429
Derivative instrument	17	–	–	–	–	17
Other long-term liabilities	8,827	–	–	–	–	8,827
Total	38,381	10,235	119,020	2,667	1,774	172,077

TSEK 30 Jun 2018	<6 months	6–12 months	1–3 years	3–5 years	>5 years	Total
Liabilities to credit institutions	9,907	9,796	34,059	99,933	–	153,695
Lease liabilities ¹⁾	44	44	170	–	–	259
Accounts payable	7,216	–	–	–	–	7,216
Repayment liabilities	–	–	–	–	–	–
Derivative instrument	–	–	–	–	–	–
Other long-term liabilities	8,412	–	–	–	–	8,412
Total	25,579	9,840	34,229	99,933	–	169,582

1) Liability calculated based on actual lease contract.

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

TSEK	Amount 30 Jun 2020	Drawn 30 Jun 2020	Amount 30 Jun 2019	Drawn 30 Jun 2019	Amount 30 Jun 2018	Drawn 30 Jun 2018
Credit facility	–	–	130,625	130,625	146,875	146,875
Credit facility B	230,000	230,000	–	–	–	–
Credit facility Revolving	25,000	–	–	–	–	–
Total	255,000	230,000	130,625	130,625	146,875	146,875

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 3.6 on 30 June 2020. The group tests these threshold values quarterly and, on 30 June 2020, the risk was low.

NOTE 17 Share-related remuneration

The group has an incentive programme that allows employees to invest on the same terms as institutional investors. The instrument comprises four components: one share and three warrant components. The value of the warrants has been calculated applying Black & Scholes and the value of the warrants upon future sales depend on IRR since the investment was made. Each warrant entitles the holder to subscribe for 1 share.

Shareholders' agreement – summary

Overriding principle: Financially, all shareholders are treated equally

New issues and mergers

- Only at market value which is reasonably determined by the board of directors
- Employees will not be diluted in terms of value, but may be diluted in terms of percentage
- Upon a share for share merger with another company, employees will be treated equally with Altor and the founders

Terminated employment

- Upon termination of employment which takes place for any reason, the person shall be invited to sell all of her/his shares and warrants
- Vesting (three years) determines the price per share and warrant

Competition and prohibition on headhunting

- A shareholder may not compete with the Company or headhunt the Company's employees or customers/suppliers as long as the person owns shares in the Company and for a period of 24 months thereafter

Exercise price

- The exercise price shall be increased at an annual rate of interest of 10% per year until the date of exercise.

Term

The agreement's term (expiration date) is the following alternative that occurs first;

- the date when notice is sent to the Warrant Holder that an Exit has taken place or is expected to take place according to the Principal Investor; or
- 1 December 2027
- In calculating the option price, the likelihood of the time for an Exit has been taken into account when determining the term.

Liquidation /transfer of instruments

- A shareholder may not transfer or divest her/his shares to a third party without the consent of the board
- If Altor and the founders sell all of their shares, the agreement shall contain customary features and include provisions that grant the employees a right and obligation to sell their shares on the same financial terms
- Upon an IPO, the employees' shares may be subject to a customary lock-up period

Volatility

- The anticipated volatility is based on the assumption that the historic volatility over a period corresponding to the term of the warrants is indicative also of future trends, which will not necessarily be the outcome.

The table below shows input data in the valuation model for the three subscription components (warrant series) on the date of issuance.

TSEK	1 Jul 2019– 30 Jun 2020	1 Jul 2018– 30 Jun 2019	17 Oct 2017– 30 Jun 2018
Fair value of the share	1.34	1.21	1.00
Exercise price	1.68	1.46	1.46
Warrant price	0.06–0.10	0.04–0.08	0.04–0.08
Anticipated volatility	28.0%	27.5%	27.5%
Risk-free interest	–0.30%	–0.47%	–0.47%
Anticipated term	2 years	3 years	4 years

The table below shows changes in the number of issued warrants for each year.

TSEK	1 Jul 2019– 30 Jun 2020	1 Jul 2018– 30 Jun 2019	17 Oct 2017– 30 Jun 2018
Outstanding at start of the period	15,152,535	14,707,623	–
Allotted during the period	7,708,845	444,912	14,707,623
Adjustment in number due to dividend	1,544,676	–	–
Outstanding at end of period	24,406,056	15,152,535	14,707,623
Exercisable at end of period	–	–	–

NOTE 18 Prepaid expenses and accrued income

TSEK	30 Jun 2020	30 Jun 2019	30 Jun 2018
Prepaid expenses - credit facility	5,631	–	–
Accrued income	332	–	–
Other prepaid expenses	633	998	547
Reported value	6,595	998	547

NOTE 19 Cash and cash equivalents

TSEK	30 Jun 2020	30 Jun 2019	30 Jun 2018
Cash and bank balances	116,706	36,533	18,080
Reported value	116,706	36,533	18,080

NOTE 20 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	Registered office	Equity stake (%)	Share of votes (%)	Main activity
Revolutionrace Holding AB	559118-2174	Stockholm	100%	100%	Holding activity
Revolutionrace AB	556938-2913	Borås	100%	100%	E-commerce outdoor/functional clothes
Revolutionrace AS	917349886	Halden, Norway	100%	100%	E-commerce outdoor/functional clothes

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.

The percentage of equity and voting rights has been 100% during all financial years since 30 June 2018.

NOTE 21 Equity

Share capital

On 30 June 2020, the registered share capital included one class of share.

Voting value	1.000000
Quota value, 17 October 2017	1.000000
Quota value, 30 June 2018	0.000176
Quota value, 30 June 2019	0.000176
Quota value, 30 June 2020	0.000176
Opening number of shares, 17 October 2017	50,000
Increase via new issue	11,963,652
Share split	631,332,702
Closing number of shares, 30 June 2018	643,346,354
Increase via new issue	148,304
Closing number of shares, 30 June 2019	643,494,658
Increase via new issue	569,615
Closing number of shares, 30 June 2020	644,064,273

All shares are paid up in full and no shares are reserved for transfer.

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.

TSEK	30 Jun 2020	30 Jun 2019	30 Jun 2018
Opening reported value	–64	70	–
Change for the year	–252	–134	70
Closing reported value	–316	–64	70

NOTE 22 Prepaid income and accrued expenses

TSEK	30 Jun 2020	30 Jun 2019	30 Jun 2018
Accrued holiday pay expenses	1,933	1,429	822
Accrued social security expenses	929	762	450
Other personal expenses	49	242	–
Accrued advertising expenses	4,269	3,049	1,222
Accrued e-logistics expenses	2,070	1,511	1,148
Audit	60	75	100
Accrued financial expenses	–	–	5,336
Other accrued expenses	2,314	690	–
Reported value	11,624	7,758	9,078

NOTE 23 State aid

The group has received a small amount of state aid to assist an employee to return to working life from long-term sick leave. In addition, the group has received relief regarding employer's contributions in connection and compatible with COVID 19 and relief regulations.

NOTE 24 Cash flow statement

Changes in liabilities attributable to financing activities relating to changes not affecting cash flow.

Items from financing activities	1 Jul 2019	Cash flow from financing	Acquisitions	Effects of changed currency rates	New lease agreements	Interest	30 Jun 2020
Liabilities to credit institutions	130,625	99,375	–	–	–	–	230,000
Lease liabilities	7,617	–1,235	–	–	114	222	6,717
Total liabilities attributable to financing activities	138,241	98,140	–	–	114	222	236,717

Items from financing activities	1 Jul 2018	Cash flow from financing	Acquisitions	Effects of changed currency rates	New lease agreements	Interest	30 Jun 2019
Liabilities to credit institutions	146,875	–16,250	–	–	–	–	130,625
Lease liabilities	247	–619	–	–	7,827	161	7,616
Total liabilities attributable to financing activities	147,122	–16,869	–	–	7,827	161	138,241

Items from financing activities	1 Jul 2017	Cash flow from financing	Acquisitions	Effects of changed currency rates	New lease agreements	Interest	30 Jun 2018
Liabilities to credit institutions	–	146,875	–	–	–	–	146,875
Lease liabilities	–	–7	–	–	255	–1	247
Total liabilities attributable to financing activities		146,868	–	–	255	–1	147,122

NOTE 25 Pledged assets and contingent liabilities

TSEK	30 Jun 2020	30 Jun 2019	30 Jun 2018
Assets pledged to credit institutions for own liabilities			
Floating charges	2,675	2,675	2,675
Total	2,675	2,675	2,675

Conditions for security

Presented below is a summary of some of the most important conditions regarding security.

Until such time as the security is released, the respective pledgor has, among other things, undertaken not to:

- sell or pledge any asset covered by the security without Nordea's written consent;
- take any measure entailing a material adverse impact on the property covered by the security or that such property is destroyed;
- take any measure whereby Nordea's rights to the property covered by the security are in any way materially jeopardised; or
- take any measure entailing the creation of additional floating charges in Revolutionrace AB, other than those covered by the security.

In addition, it follows from the security that, upon occurrence of a ground for termination pursuant to the loan agreement and where Nordea has notified the lenders thereof in accordance with the provisions below, Nordea has a power of attorney to take necessary and/or appropriate measures with respect to the property covered by the security.

NOTE 26 Transactions with related parties

A list of the group's subsidiaries, which are also the companies closely related to the Parent Company, is provided in Note 20 Group companies. All transactions between RVRC Holding AB and its subsidiaries have been eliminated in these financial statements. For information regarding remuneration to senior executives, see Note 6 Employees and personnel expenses.

The group's other transactions with related parties comprise purchases of administrative-related services from Altor (principal shareholder) and sales of products to Fritidsgrossen JIPK AB (closely related to the group's CEO).

TSEK	1 Jul 2019– 30 Jun 2020	1 Jul 2018– 30 Jun 2019	17 Oct 2017– 30 Jun 2018
Altor			
Purchase of goods/ services	400	715	–

TSEK	1 Jul 2019– 30 Jun 2020	1 Jul 2018– 30 Jun 2019	17 Oct 2017– 30 Jun 2018
Fritidsgrossen			
Sales of goods/ services	212	390	330
Receivables on the closing date	5	–	96

Terms

All transactions have taken place on market terms.

NOTE 27 Paid and received interest

TSEK	30 Jun 2020	30 Jun 2019	30 Jun 2018
Paid interest	–6,720	–4,454	–7,413
Received interest	4	7	144

NOTE 28 Events since the closing date

After the closing date, launch of the RevolutionRace trademark and its products was carried out in Belgium and Ireland.

The RevolutionRace trademark and its products were also launched on the Amazon platform in the UK with an own designed trademark page.

RevolutionRace received an offer to participate in Amazon's Fulfilment By Amazon (FBA) programme, meaning that the products are warehoused, picked, packaged and delivered to customers by Amazon via their fulfilment centres.

On 1 January 2021, Brexit entered into force, entailing changed routines regarding sales to the UK. Despite this, the Company has continued to enjoy good development and large demand from the UK market, also after Brexit entered into force.

At the beginning of 2021, the relocation to a new central warehouse in Borås was completed. In connection with the relocation of the central warehouse, a new logistics system was implemented whereby the Company has automated its entire logistics chain, from receipt of order to distribu-

tion. The implementation of the new logistics system is extremely important for the Company's continued growth.

In February 2021, Jesper Alm became the new CFO of RevolutionRace. Magnus Boström, former CFO, assumed the position of head of accounts and reports to the CFO.

Paul Fischbein and Cecilie Elde were elected as new directors at an extraordinary general meeting held on 15 January and 2 February 2021, respectively.

At the extraordinary general meeting on 15 April 2021, it was resolved on a bonus issue and amendments to the Articles of Association, whereby the company, among other things, changed company category from private to public limited liability company, and a record day provision was included in the Articles of Association. In addition, it was resolved to remove the pre-emption clause in the Articles of Association, provided that Altor Fund IV (No. 1) AB, Altor Fund IV (No. 2) AB and Nyrensten Global Holding AB approve the amendments. Furthermore, the extraordinary general meeting on 26 May 2021 resolved on an additional bonus issue and a reversed share split as well as amendments to the Articles of Association in connection therewith. On 31 May 2021, the company announced its intention to list its shares on Nasdaq Stockholm.

NOTE 29 Earnings per share

The calculation of the earnings per share before dilution is conducted by profit for the year attributable to the shareholders of the Parent Company being divided by the weighted average number of outstanding ordinary shares in the period.

When calculating earnings per share after dilution, the potential ordinary shares corresponding to outstanding

warrants are added insofar as they give rise to a dilution effect. This is the case if the issuance of shares in accordance with the terms of the programme leads to an issuance at a lower price than the average price of the outstanding ordinary shares during the period.

TSEK	1 Jul 2019– 30 Jun 2020	1 Jul 2018– 30 Jun 2019	17 Oct 2017– 30 Jun 2018
Profit for the year	59,702	44,858	8,960
Adjustments	–	–	–
Profit for the year for calculation before and after dilution	59,702	44,858	8,960
Weighted number of ordinary shares before dilution	643,637,062	643,346,766	214,242,727
Dilution effect, warrants	7,077,201	–	137,447
Weighted number of ordinary shares after dilution	650,714,263	643,346,766	214,380,174
Profit per share before dilution (SEK)	0.09	0.07	0.04
Profit per share after dilution (SEK)	0.09	0.07	0.04

NOTE 30 Transition to IFRS

These financial statements for the three financial years closing 30 June 2020 are the first that RVRC Holding AB has prepared in accordance with International Financial Reporting Standards (IFRS) issued by International Accounting Standards Board (IASB) as well as interpretation statements from IFRS Interpretations Committee as adopted by the European Union (EU). Previously prepared annual reports for the group, up to and including the financial year 30 June 2020, have been prepared in accordance with the Annual Accounts Act as well as BFNAR 2012:1 (K3). The transition to IFRS is reported in accordance with IFRS 1, "First-time Adoption of IFRS".

The accounting principles set forth in Note 1 Accounting principles have been applied when the consolidated financial statements were prepared on 30 June 2020 and the comparison information is presented as of 30 June 2019 and 30 June 2018. The date for transition to IFRS is 17 October 2017 which coincides with the formation of the Parent Company. No consolidated financial statements in accordance with K3 were prepared or published for the financial years 2017/2018 or 2018/2019. A consolidated financial statement was published for the financial year 2019/2020 with comparison information 2018/2019. In light of the aforesaid, reconciliation is presented below

between previous principles and IFRS in respect of the financial years 2019/2020 and 2018/2019.

The summary below shows the effects of the above applications on the group's statements of comprehensive income for the financial years 2018/2019 and 2019/2020 and the consolidated statements of financial position as of 30 June 2019 and 30 June 2020 as well as the consolidated statements of cash flows for the financial years 2018/2019 and 2019/2020, which are the periods for which published information is available.

The following voluntary exemptions from retroactive application of IFRS have been applied by the group:

Lease liabilities are reported at present value of all outstanding leasing fees discounted by the group's marginal borrowing rate of interest on 1 July 2018. Right of use assets are valued at the corresponding value of the lease liability, adjusted for any prepaid or accrued lease fees for lease agreements that are reported in the statement of financial position directly prior to 1 July 2018. Lease fees for lease agreements where the agreement is terminated within 12 months from the transition to IFRS and for lease agreements where the underlying asset is of a lower value have been reported as expenses, either on a straight-line basis or over another systematic basis.

Consolidated statement of financial position as of 30 Jun 2019

TSEK	Note	In accordance with previous principles	Adjustments for IFRS	According to IFRS
ASSETS				
Non-current assets				
Intangible assets				
Capitalised expenses for development work	F	899	–	899
Trademarks	F	156,938	14,262	171,200
Goodwill	F	519,238	97,593	616,831
		677,075	111,855	788,930
Tangible assets				
Expenditures on third-party property		507	–	507
Plant and machinery		58	–	58
Equipment, tools and installations		1,741	–	1,741
Right of use assets	A	–	7,251	7,251
		2,306	7,251	9,557
Deferred tax asset	C,D	–	1,459	1,459
Total non-current assets		679,381	120,564	799,945
Current assets				
Goods in stock		63,471	–	63,471
Goods in transit		4,250	–	4,250
Right of return assets	E	–	1,046	1,046
Total inventory		67,721	1,046	68,767
Accounts receivable		3,226	–	3,226
Current tax assets		1,643	–	1,643
Other current receivables		4,560	–	4,560
Prepaid expenses and accrued income	A	1,032	–44	988
Cash and cash equivalents		36,533	–	36,533
Total current assets		114,715	1,002	115,717
TOTAL ASSETS		794,096	121,567	915,663

TSEK	Note	In accordance with previous principles	Adjustments for IFRS	According to IFRS
EQUITY AND LIABILITIES				
Equity				
Share capital		113	–	113
Other contributed capital	C	360,187	284,197	644,384
Restricted reserves ¹⁾	C	–	–	–
Reserves, translation differences	C	192	–256	–64
Other equity including profit for the year ¹⁾	C	227,740	–227,740	–
Retained earnings or losses		–	8,960	8,960
Profit for the year			44,858	44,858
Total equity, attributable to parent company's shareholders		588,232	110,019	698,251
Provisions				
Deferred tax liability	C	40,419	–40,419	–
Total		40,419	–40,419	–
Long-term liabilities				
Liabilities to credit institutions	B	114,375	–	114,375
Lease liabilities	A	–	6,717	6,717
Deferred tax liability	C, D	–	43,287	43,287
Total long-term liabilities		114,375	50,004	164,379
Current liabilities				
Liabilities to credit institutions	B	16,250	–	16,250
Lease liabilities	A	–	900	900
Accounts payable	C	15,852	–	15,852
Other current liabilities		8,827	–	8,827
Derivative instrument	C	–	17	17
Tax liabilities				
Repayment liabilities	E	–	3,429	3,429
Prepaid income and accrued expenses	E	10,141	–2,383	7,758
Total current liabilities		51,070	1,963	53,033
TOTAL EQUITY AND LIABILITIES		794,096	121,567	915,663

1) Added to show reclassifications compared with earlier annual report

Consolidated statement of comprehensive income 1 Jul 2018 - 30 Jun 2019

TSEK	Note	In accordance with previous principles	Adjustments for IFRS	According to IFRS
Operating income				
Net sales	E	284,480	–	284,480
Other operating income		151	–	151
		284,631	–	284,631
Operating expenses				
Goods for resale		–81,110	–	–81,110
Other external expenses	A	–123,020	619	–122,401
Personnel expenses		–22,220	–	–22,220
Depreciation and amortisation of tangible and intangible assets	F	–71,141	69,994	–1,471
Impairment of anticipated credit losses		–	–	–
Other operating expenses	B	–647	–17	–644
		–298,138	70,596	–227,542
Operating profit (EBIT)		–13,507	70,596	57,089
Financial income		7	–	7
Financial expenses	A	–4,454	–161	–4,615
		–4,447	–161	–4,608
Profit before tax		–17,954	70,435	52,481
Tax	D	–6,103	–1,520	–7,623
Profit for the year		–24,057	68,915	44,858
Other comprehensive income				
Exchange rate differences upon translation of foreign subsidiaries		–134	–	–134
Other comprehensive income for the year, after tax		–134	–	–134
Comprehensive income for the year, after tax		–24,191	68,915	44,724

Consolidated statement of financial position as of 30 Jun 2020

TSEK	Note	In accordance with previous principles	Adjustments for IFRS	According to IFRS
ASSETS				
Non-current assets				
Intangible assets				
Capitalised expenses on development work	F	7,671	–	7,671
Trademarks	F	148,382	22,818	171,200
Goodwill	F	456,934	159,897	616,831
		612,987	182,715	795,702
Tangible assets				
Expenses incurred on third-party property		432	–	432
Plant and machinery		51	–	51
Equipment, tools and installations		1,423	–	1,423
Right of use assets	A	–	6,043	6,043
		1,906	6,043	7,949
Deferred tax asset	C, D	–	1,491	1,491
Total non-current assets		614,893	190,248	805,141
Current assets				
Goods in stock		20,147	–	20,147
Goods in transit		2,822	–	2,822
Right of use assets	E	–	1,788	1,788
Total inventory		22,969	1,788	24,757
Accounts receivable	E	5	–	5
Current tax assets		–	–	–
Other current receivables		3,206	–	3,206
Prepaid expenses and accrued income	A	6,639	–44	6,595
Cash and cash equivalents		116,706	–	116,706
Total current assets		149,525	1,744	151,269
TOTAL ASSETS		764,418	191,992	956,410

TSEK	Note	In accordance with previous principles	Adjustments for IFRS	According to IFRS
EQUITY AND LIABILITIES				
Equity				
Share capital		113	–	113
Other contributed capital	C	361,567	284,197	645,764
Restricted reserves ¹⁾	C	–	–	–
Reserves, translation differences	C	–60	–256	–316
Other equity including profit for the year ¹⁾	C	86,715	–86,715	–
Retained earnings or losses		–	–78,181	–78,181
Profit for the year		–	59,702	59,702
Total equity, attributable to parent company's shareholders		448,335	178,746	627,081
Provisions				
Deferred tax liability	C	30,655	–30,655	–
Total provisions		30,655	–30,655	–
Long-term liabilities				
Liabilities to credit institutions	B	230,000	–	230,000
Lease liabilities	A	–	5,435	5,435
Deferred tax liability	C, D	–	35,354	35,354
Total long-term liabilities		230,000	40,789	270,789
Current liabilities				
Liabilities to credit institutions	B	–	–	–
Lease liabilities	A	–	1,282	1,282
Accounts payable	C	13,467	–	13,467
Other current liabilities		11,104	–	11,104
Derivative instrument	C	–	42	42
Tax liabilities		14,426	–	14,426
Repayment liabilities	E	–	6,594	6,594
Prepaid income and accrued expenses	E	16,431	–4,807	11,624
Total current liabilities		55,428	3,112	58,540
TOTAL EQUITY AND LIABILITIES		764 418	191 992	956 410

1) Added to show reclassifications compared with earlier annual reports

Consolidated statement of comprehensive income 1 Jul 2019–30 Jun 2020

TSEK	Note	In accordance with previous principles	Adjustments for IFRS	According to IFRS
Operating income				
Net sales	E	386,753	–	386,763
Other operating income		754	–	754
		387,507	–	387,507
Operating expenses				
Goods for resale		–115,720	–	–115,720
Other external expenses	A	–158,234	1,235	–156,999
Personnel expenses		–29,635	–	–29,635
Depreciation and amortisation of tangible and intangible assets	F	–71,521	69,539	–1,982
Impairment of anticipated credit losses		–	–	–
Other operating expenses	B		–25	–25
		–375,110	70,748	–304,362
Operating profit (EBIT)		12,397	70,748	83,145
Financial income		4	–	4
Financial expenses	A	–6,720	–222	–6,942
		–6,716	–222	–6,938
Profit before tax		5,681	70,526	76,207
Tax	D	–14,706	–1,799	–16,505
Profit for the year		–9,025	68,727	59,702
Other comprehensive income				
Exchange rate differences upon translation of for- eign subsidiaries		–252	–	–252
Other comprehensive income for the year, after tax		–252	–	–252
Comprehensive income for the year, after tax		–9,277	68,727	59,450

Consolidated statement of cash flows for the financial year 1 Jul 2018 - 30 Jun 2019

TSEK	Note	In accordance with previous principles	Adjustments for IFRS	According to IFRS
Cash flow from operating activities				
Profit before tax		-17,954	70,435	52,481
Add-back of Interest received		-7	0	-7
Add-back of Interest paid		4,454	161	4,615
Operating profit (EBIT)		-13,507	70,596	57,089
Adjustment for non-cash items				
Depreciation and amortisation		71,142	-69,995	1,147
Other non-cash items		-	17	17
Paid income tax		-14,831	-42	-14,873
Cash flow from operating activities before changes in working capital		38,357	415	38,772
Cash flow from changes in working capital				
Increase (-) / Decrease (+) in inventory		-9,389	-1,046	-10,435
Increase (-) / Decrease (+) in operating receivables		-1,262	-	-1,262
Increase (+) / Decrease (-) in operating liabilities		10,127	1,250	11,377
Cash flow from operating activities		37,833	619	38,452
Investing activities				
Acquisition of intangible assets		-899	-	-899
Acquisition of tangible assets		-2,294	-	-2,294
Cash flow from investing activities		-3,193	-	-3,193
Financing activities				
Amortisation of lease liabilities		-	-619	-619
Repayment of borrowing		-16,250	-	-16,250
New issue		175	-	175
Cash flow from financing activities		-16,075	-619	-16,694
Cash flow for the year		18,565	-	18,565
Cash and cash equivalents at start of year		18,080	-	18,080
Exchange rate differences in cash and cash equivalents		-112	-	-112
Cash and cash equivalents at year-end		36,533	-	36,533

Consolidated statement of cash flows for the financial year 1 Jul 2019–30 Jun 2020

TSEK	Note	In accordance with previous principles	Adjustments for IFRS	According to IFRS
Cash flow from operating activities				
Profit before tax		5,681	70,526	76,207
Add-back of Interest received		–4	0	–4
Add-back of Interest paid		6,720	222	6,942
Operating profit (EBIT)		12,397	70,748	83,145
Adjustment for items not included in cash flow for the year				
Depreciation and amortisation		71,521	–69,539	1,982
Other non-cash items		–	–17	–17
Paid income tax		–8,204	–	–8,204
Cash flow from operating activities before changes in working capital		68,998	970	69,986
Cash flow from changes in working capital				
Increase (–) / Decrease (+) in inventory		44,752	1,046	44,752
Increase (–) / Decrease (+) in operating receivables		–1,614	–1,787	–2,355
Increase (+) / Decrease (–) in operating liabilities		7,536	1,006	8,542
Cash flow from operating activities		119,672	1,235	120,907
Investing activities				
Acquisition of intangible assets		–6,901	–	–6,901
Acquisition of tangible assets		–131	–	–131
Cash flow from investing activities		–7,032	–	–7,032
Financing activities				
Amortisation of lease liabilities		–	–1,235	–1,235
Borrowings		230,000	–	230,000
Repayment of borrowings		–130,625	–	–130,625
Dividend paid		–132,000	–	–132,000
New issue		1,380	–	1,380
Cash flow from financing activity		–31,245	–1,235	–32,480
Cash flow for the year		81,395	–	81,395
Cash and cash equivalents at start of year		36,533	–	36,533
Exchange rate differences in cash and cash equivalents		–1,222	–	–1,222
Cash and cash equivalents at year-end		116,706	–	116,706

Notes

A. Leasing (IFRS 16)

In accordance with previously applied accounting principles, the group has divided lease agreements into either operational or financial lease agreements where only financial lease agreements are reported as assets and liabilities in the balance sheet. In accordance with IFRS 16, all of the group's lease agreements will be reported in the balance sheet, which also means that expenses for previous operational lease agreements will be reclassified from operating expenses to depreciation on right of use assets and income expenses on lease liabilities.

The change in accounting principle means that right of use assets are reported in respect of previous operational lease agreements in the amount of TSEK 7,251 on 30 Jun 2019 and TSEK 6,043 on 30 Jun 2020. For previously classified operational lease agreements, a long-term lease liability of TSEK 6,717 is reported on 30 Jun 2019 and TSEK 5,435 on 30 Jun 2020, as well as a current lease liability of TSEK 900 on 30 Jun 2019 and TSEK 1,282 on 30 Jun 2020.

As a result of the reported right of use assets and lease liabilities, lease expenses are reduced for previously reported operational lease agreements (other external expenses) by TSEK 619 in 2018/2019 and by TSEK 1,235 in 2019/2020. In the statement of comprehensive income, depreciation of right of use assets will instead be reported in the amount of TSEK 866 for 2018/2019 and TSEK 1,322 for 2019/2020. In addition, interest expenses attributable to the lease liability is reported, which increases financial expenses by TSEK 161 in 2018/2019 and by TSEK 221 in 2019/2020.

Finally, the reclassification also affects the presentation of the group's cash flows. According to previous accounting principles, cash flow attributable to the operational lease agreements was reported as part of the operating activities. According to IFRS, the payments are broken down between amortisation of lease liabilities and payment of interest. Operating profit (EBIT) fell by TSEK 247 in 2018/19 and by TSEK 87 in 2019/2020; paid interest increased by TSEK 161 in 2018/2019 and by TSEK 221 in 2019/2020; and amortisation of lease liabilities increased by TSEK 619 in 2018/2019 and by TSEK 1,235 in 2019/2020.

B. Financial instruments

The change means that the group reports foreign exchange forwards at fair value on each closing date, either as a current financial asset or as a current financial liability. As soon as the foreign exchange forwards is terminated, an asset or liability is no longer reported in the balance sheet.

The change in fair value in the balance sheet is reported as other operating income/other operating expense. The change in accounting principle also entails an allocation to a particular period in the income statement and that the income/expense for the financial instrument is reported earlier compared with previously applied accounting principles

C. Reclassifications

Certain reclassifications have taken place in connection with the transition to IFRS. Translation differences attributable to foreign operations are reclassified from Translation Difference to Reserves, translation differences. Provisions are classified as non-current or current liabilities. Other equity including profit for the year has been reclassified as Other contributed capital, Retained profits or losses, and Profit for the year.

D. Deferred tax

Adjustments of deferred tax comprise effects of deferred tax that have arisen through adjustments made upon the transition to IFRS. In total, adjustments to deferred tax amount to TSEK 1,409 on 30 June 2019 and TSEK 3,209 on 30 June 2020. On both closing dates, the adjustment means an increase in deferred net tax liability.

E. Income from agreements with customers

According to previously applied accounting principles, the group has reported calculated returns of products at a net amount in the item Deferred income and accrued expenses. As a consequence of the transition to IFRS, the group reports instead a Repayment liability and a Right of return asset. The change results in a decrease in deferred income and accrued expenses by TSEK 2,383 on 30 June 2019 and TSEK 4,807 on 30 June 2020. In addition, the change means an increase in Repayment liabilities of TSEK 3,429 on 30 June 2019 and of TSEK 6,594 on 30 June 2020 as well as an increase in Right of return assets by TSEK 1,046 on 30 June 2019 and by TSEK 1,788 on 30 June 2020.

F. Intangible assets and goodwill

In connection with the transition to IFRS, the group reports Goodwill and Trademarks with an indeterminable useful life. The change means that, instead of straight-line amortisation, the group carries out a test of impairment in accordance with IFRS. In addition, the change means an increase in the balance sheet of Goodwill by TSEK 111,855 on 30 June 2019 and by TSEK 182,715 on 30 June 2020.

Auditor's Report for the financial year 2019/20

To the Board of Directors of RVRC Holding AB (publ), corporate identity number 559129-4623

Report on the consolidated accounts

Opinions

We have audited the consolidated accounts of RVRC Holding AB (publ) for the year ended 30 June 2020. The consolidated accounts of the company are included on pages F-10–F-52 in this document.

In our opinion, 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 2020 and its financial performance and cash flow for the year ending 30 June 2020 in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act.

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 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 CEO

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

In preparing the consolidated accounts, The Board of Directors and the CEO are responsible for the assessment of 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 CEO intends to liquidate the

group, to cease operations, or has no realistic alternative but to do so.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the consolidated accounts as a whole are free from material misstatements, 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 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 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, misrepresentation, or the override of internal control.
- Obtain an understanding of the group'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 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 CEO.
- Conclude on the appropriateness of the Board of Directors' and the CEO's use of the going concern basis of accounting in preparing the 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 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 consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the 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 group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated accounts, including the disclosures, and whether the 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.

Gothenburg, 7 June 2021

Ernst & Young AB

Andreas Mast

Authorised Public Accountant

Auditor's report for the financial years 2018/19 and 2017/18

To the Board of Directors of RVRC Holding AB (publ), corporate identity number 559129-4623

Report on the consolidated accounts

Opinions

I have audited the consolidated accounts of RVRC Holding AB (publ) for each of the two years ended 30 June 2019. The consolidated accounts of the company are included on pages F-10–F-52 in this document.

In my opinion, 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 2019 and 30 June 2018 and its financial performance and cash flow for each of the two financial years ending the 30 June 2019 in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act.

Basis for Opinions

I conducted my audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. My responsibilities under those standards are further described in the Auditor's Responsibilities section. I am independent of the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled my ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinions.

Responsibilities of the Board of Directors and the CEO

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

In preparing the consolidated accounts, The Board of Directors and the CEO are responsible for the assessment of 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 CEO intends to liquidate the group, to cease operations, or has no realistic alternative but to do so.

Auditor's responsibility

My objectives are to obtain reasonable assurance about whether the consolidated accounts as a whole are free from material misstatements, whether due to fraud or error,

and to issue an auditor's report that includes my 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 consolidated accounts.

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

- Identify and assess the risks of material misstatement of the 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 my 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, misrepresentation, or the override of internal control.
- Obtain an understanding of the group's internal control relevant to my 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 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 CEO.
- Conclude on the appropriateness of the Board of Directors' and the CEO's use of the going concern basis of accounting in preparing the consolidated accounts. I 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 group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated accounts or, if such disclosures are inadequate, to modify my opinion about the consolidated accounts. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause a group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated accounts, including the

disclosures, and whether the 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. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my opinions.

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

Borås, 7 June 2021

Rikard Johelid
Authorised Public Accountant

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