

RUGVISTA

Interim Report

January – March 2024

Rugvista Group AB (publ)

Strategic achievements in a challenging market

First quarter

- The net revenue amounted to MSEK 176.1 (180.6), corresponding to a decrease of -2.4% (-3.1%).
- Organic net revenue growth was -3.5% (-8.1%).
- The gross margin reached 61.6% (62.6%).
- The operating profit amounted to MSEK 20.0 (25.7), and the operating margin was 11.4% (14.2%).
- The profit for the period totaled MSEK 17.2 (20.3).
- Inventory as a percentage of net revenue (rolling twelve months) was 19.1% (26.0%).
- The net debt at the end of the period was MSEK -209.2 (-116.1).
- Earnings per share before and after dilution amounted to SEK 0.83 (0.83).
- The average Net Promoter Score (NPS) was 65 (68), and the average Trustpilot score was 4.8 (4.8).

Group key performance indicators¹

<i>SEK thousand if not stated otherwise</i>	January - March	
	2024	2023
Operating income	176,136	180,610
Net revenue	175,855	180,262
Net revenue growth, %	-2.4%	-3.1%
Organic net revenue growth, %	-3.5%	-8.1%
Gross profit	108,289	112,764
Gross margin, %	61.6%	62.6%
Operating profit (EBIT)	19,972	25,666
Operating margin (EBIT margin), %	11.4%	14.2%
Profit for the period	17,152	20,309
Profit margin, %	9.8%	11.3%
Adjusted EBIT	19,972	25,666
Adjusted EBIT margin, %	11.4%	14.2%
Inventory as % of LTM net revenue	19.1%	26.0%
Net debt	-209,224	-116,071
Earnings per share, SEK	0.83	0.98
Earnings per share, diluted, SEK	0.83	0.98
Number of shares outstanding	20,785,140	20,785,140
Number of diluted shares outstanding	20,785,140	20,785,140
Number of website visits, million	7.5	8.9
Number of orders, thousand	82.4	71.7
Number of new customers, thousand	60.5	52.1
Average order value, SEK	2,957	3,602
Average NPS value	65	68
Average Trustpilot value	4.8	4.8
CO2e emissions per square meter sold rug	50	44



“Despite a continued challenging macroeconomic climate during the first quarter of the year, we see evidence that our strategic initiatives are successful, including an increase in the number of orders and new customers.”

Michael Lindskog, CEO

Strategic achievements in a challenging market

Dear shareholders,

Despite a continued challenging macroeconomic climate during the first quarter of the year, we see evidence that our strategic initiatives are successful with, for instance, an increase in the number of orders and new customers. Net revenue declined as the lower average order value level from the previous two quarters remained during the first quarter and we see clear signs that the European consumer continues to be price sensitive.

Net revenue for the quarter was SEK 175.9 (180.3) million representing a decrease of -2.4% (-3.1%). The organic net revenue growth was -3.5%. During the quarter, we noticed large differences between our most important markets where the Nordic markets grew while several markets in the rest of Europe experienced negative growth. The order growth development drove the net revenue growth rate differences between the markets. The lower level of the average order value is attributable to a combination of factors, which includes the success of our competitively priced Rugvista Essentials sub-brand, but where the customers' high focus on price continues to be the single most important reason.

The gross margin for the quarter was 61.6% (62.6%) and was negatively affected by a higher product cost as a share of net revenue reflecting that customers to a high degree selected products based on price points and discount offers. The gross margin increased compared to the previous quarter due to the slightly less intense climate for price offers than during the Black Friday period.

Marketing cost as a share of net revenue for the quarter was 30.5% (31.6%) representing an improvement of more than 1 percentage point. Our efforts to create content and the increasing share of organic traffic contributed to the higher efficiency compared to last year despite a relatively intense advertising climate. The improved marketing efficiency should also be seen in light of the fact that we increased the number of orders by 15% compared to last year.

EBIT for the quarter was SEK 20.0 (25.7) million representing an EBIT margin of 11.4% (14.2%). The EBIT margin was negatively impacted by the lower gross margin, reduced scale effects on the fixed cost base due to the lower net revenue, and higher operating costs. The higher operating costs are primarily driven by our investments into our future capabilities such as additional functionality in our new e-commerce platform and organizational development as part of the preparations for the move into our new warehouse, logistics, and office building.

The development of our strategic KPIs was stable during the quarter and we are proud that our customers continue to be very satisfied after having made a purchase from us. The number of orders and new customers grew by 15% and 16% respectively. The new customer growth was especially strong in the Nordic region.

We continue working toward the vision of becoming the center of gravity for the European rug industry. Focus areas during the quarter included development of improved operational processes ahead of our move into the new facility as well as finalizing the implementation of Consent Mode toward Google which progressed according to plan but had a temporary negative impact on the sales rate. The first version of our new checkout has been launched in most of our Rugvista web-shops and we have during the quarter continued the development and implementation of new functionality in the e-commerce platform. Some of the new components include AI based functionality. The effects of the new functionality is expected to materialize during the second half of the year. We are now looking forward toward welcoming the spring and the season for outdoor rugs which started during the end of the quarter. Within the sub-category outdoor rugs, we have extended our product offering compared to last year and we are excited to share it with our customers.

The outlook for the rest of the year is uncertain both from a global security and macroeconomic perspective. We also assess that we can expect differences in the market conditions across our markets during the rest of the year. Given the market conditions we implemented profitability enhancing measures toward the end of the quarter. The measures included price adjustments as well as cost optimizations related to operating our new e-commerce platform and we are already seeing the desired impact from these initiatives. Regardless of how market conditions develop during the rest of the year, we continue to focus on developing our customer offering and organization with the purpose of continuously improving our possibilities for profitable growth both in the short- and long-term.

With best wishes,



CEO Rugvista Group

First quarter

Net revenue

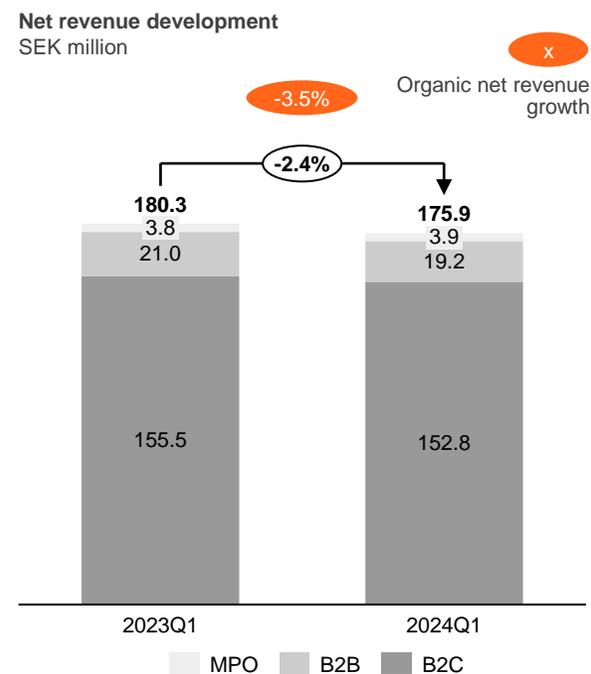
The Group's net revenue for the quarter was MSEK 175.9 (180.3), corresponding to a decrease of -2.4% (-3.1%), and after currency effects, organic growth was -3.5% (-8.1%). The number of orders increased during the quarter by 14.8%, while the average order value decreased by -17.9%. We continue to observe a continuation of the purchasing behavior seen from the second half of 2023 with consumers increasingly purchasing products at lower price points. Consumer confidence strengthened slightly during the quarter, but purchasing propensity remained historically low in several markets, while savings propensity remained high.

The net revenue within the Private Individuals (B2C) segment was MSEK 152.8 (155.5), representing a decrease of -1.7% (-5.0%). Net revenue in the Nordics increased by 13.1% (-7.7%), DACH decreased by -4.6% (-11.0%), and Rest of World, where the majority of sales come from other parts of Europe, decreased by -6.1% (-1.5%).

The net revenue within the Business Customers (B2B) segment was MSEK 19.2 (21.0), representing a decrease of -8.3% (21.8%). During the quarter, sales primarily decreased to the small business customer group.

The net revenue within the Marketplaces & Other (MPO) segment was MSEK 3.9 (3.8), representing an increase of 0.5% (-25.3%). The majority of sales in the segment were through Amazon's marketplace. Sales in the segment, similar to the

Private Individuals segment, have been characterized by consumers' focus on finding products at lower price points.



Profits and margins

The gross margin decreased to 61.6% (62.6%). The product cost as a percentage of net revenue was negatively affected by higher discounts to customers. Rugvista's discounted product offering for the year was slightly larger than the previous year, but the negative margin effect is primarily attributable to customers increasingly choosing discounted products or products at lower price points. The cost of customer deliveries as a percentage of net revenue decreased by -0.2 percentage points. Although the decrease is marginal, our logistics efficiencies have mitigated the otherwise higher costs that may arise from a lower average order value.

Other external costs amounted to MSEK -64.3 (-64.7), representing 36.6% (35.9%) of net revenue. The increase in the percentage is attributable to consultant costs related to the new warehouse and office for 2025, as well as increased IT costs. Marketing expenses as a percentage of net revenue decreased by -1.1 percentage points. Marketing costs are generally driven up by the combination of a lower average order value and higher number of orders, but this has been balanced by a higher share of organic traffic and a higher conversion rate, meaning a higher percentage of website visitors placing an order.

Personnel costs amounted to MSEK -20.2 (-17.8) and represented 11.5% (9.9%) of net revenue. The percentage increased due to general wage increases and new hires.

Other operating costs amounted to MSEK -0.2 (-1.6). This item consists of the impact of currency exchange rate changes on transactions and revaluation of balance sheet items in foreign currency at the quarter-end exchange rate.

Depreciation and impairments amounted to MSEK -3.6 (-3.0) and primarily consisted of depreciation related to right-of-use assets. The increase is mainly attributable to indexed rent increases for the company's leased premises and the additional cost for the new warehouse premises for which the company signed a lease agreement at the end of quarter 4.

Operating profit (EBIT) was MSEK 20.0 (25.7) and the operating margin was 11.4% (14.2%). The decrease was mainly driven by the lower gross margin, increase in other external costs, and increase in personnel costs.

Net financial items amounted to MSEK 1.6 (-0.1). As we have a continued strong cash position and no interest-bearing debts other than leasing, the net financial items improve when market interest rates rise.

Taxes for the period were MSEK -4.4 (-5.3).

Profit for the period amounted to MSEK 17.2 (20.3) and the period's margin was 9.8% (11.3%).

First quarter

Cash flow

The cash flow from operating activities during the quarter was MSEK 22.4 (6.7). The increase in cash flow was driven by lower paid income taxes and by the positive change in working capital, where we increased our accounts payable during the quarter.

The cash flow from investing activities during the quarter amounted to MSEK -2.5 (-2.2) and is primarily attributable to the capitalization of costs for the development of our new e-commerce platform.

The cash flow from financing activities during the quarter amounted to MSEK -3.2 (-2.7).

Other KPIs

The NPS value was 65 (68), and the Trustpilot value was 4.8 (4.8). The maintained high levels are evidence of our strong focus on ensuring a world-class customer experience. We closely monitor the weekly development of our service key metrics and place great value on exceeding our customers' expectations.

The number of website visits was 7.5 (8.9) million, representing a decrease of -15.0% (-16.0%). From July 1, 2023, Google Analytics 4 has been used to measure website visits to our stores, replacing the previous use of Google Universal Analytics. It is not possible to convert historical comparison figures for the entire reporting period. During periods when both tools were available in our web stores, we noted that Google Universal Analytics measures approximately 10 percent higher visit numbers compared to Google Analytics 4. The decrease is also attributable to reduced demand within the B2C segment.

The number of orders was 82.4 (71.7) thousand, representing an increase of 14.8% (-5.0%). The number of new customers acquired was 60.5 (52.1) thousand, representing an increase of 16.1% (-3.4%).

The average order value was SEK 2,957 (3,602), representing a decrease of -17.9% (+2.1%). The order value was negatively impacted by customers increasingly choosing products with lower price points and discounts.

Financial position and liquidity

The inventory value at the end of the period amounted to MSEK 133.0 (164.9), and the inventory value as a percentage of net revenue (rolling twelve months) was 19.1% (26.0%). Our goal is to maintain an inventory value as a percentage of net revenue (rolling twelve months) within the range of 17.5% - 22.5%. At the beginning of the quarter, the inventory level was low, and the focus during the first quarter has been to increase the inventory level of our existing products. The low inventory risk associated with our products is reflected in the company's historically low impairment needs.

The net debt at the end of the period was MSEK -209.2 (-116.1), and cash and cash equivalents amounted to MSEK 229.4 (141.5).





B2C

First quarter

<i>SEK thousand if not stated otherwise</i>	January- March		
	2024	2023	Δ
Net revenue	152,773	155,470	-1.7%
Net revenue, DACH	31,657	33,175	-4.6%
Net revenue, Nordics	36,827	32,559	13.1%
Net revenue, Rest of World	84,289	89,737	-6.1%
Gross profit	93,619	96,961	-3.4%
Gross margin, %	61.3%	62.4%	-1.1pp
Marketing cost as a share of net revenue, %	32.7%	33.9%	-1.2pp
Segment earnings	43,596	44,239	-1.5%
Segment margin, %	28.5%	28.5%	0.1pp

The net revenue for the Private Individuals segment during the quarter was MSEK 152.8 (155.5), corresponding to a decrease of -1.7% (-5.0%). The declining net revenue within the segment was driven by DACH, specifically Germany, and Rest of World with weak sales to, among others, southern Europe. The Nordics increased by 13.1% (-7.7%), DACH decreased by -4.6% (-11.0%), and Rest of World, where the majority of sales come from other parts of Europe, decreased by -6.1% (-1.5%).

The gross profit amounted to MSEK 93.6 (97.0), representing a decrease of -3.4% (-4.0%), and the gross margin was 61.3% (62.4%). Customers have, to a higher extent than in the same quarter of the previous year, purchased products based on a high focus on price and discounts.

Marketing expenses as a percentage of net revenue amounted to 32.7% (33.9%), reflecting slightly higher marketing efficiency than the previous year.

The segment profit amounted to MSEK 43.6 (44.2), representing a decrease of -1.5% (8.5%), and the segment margin was 28.5% (28.5%), where the lower gross margin is compensated by higher marketing efficiency.



B2B

First quarter

<i>SEK thousand if not stated otherwise</i>	January-March		
	2024	2023	Δ
Net revenue	19,224	20,953	-8.3%
Gross profit	12,036	13,194	-8.8%
Gross margin, %	62.6%	63.0%	-0.4pp
Marketing cost as a share of net revenue, %	11.6%	14.9%	-3.3pp
Segment earnings	9,809	10,074	-2.6%
Segment margin, %	51.0%	48.1%	2.9pp

The net revenue for the Business Customers segment during the quarter was MSEK 19.2 (21.0), representing a decrease of -8.3% (21.8%). Contract customers continued to experience good growth, while the small business customer group decreased.

The gross profit amounted to MSEK 12.0 (13.2), representing a decrease of -8.8% (17.7%), and the gross margin was 62.6% (63.0%). The decrease in gross margin was driven by the same factors as in B2C, where small business customers increasingly purchased products with discounts compared to the previous year.

Marketing expenses as a percentage of net revenue amounted to 11.6% (14.9%), driven by higher marketing efficiency and sales mix.

The segment profit amounted to MSEK 9.8 (10.1), representing a decrease of -2.6% (20.1%), and the segment margin was 51.0% (48.1%), where the increase in margin was driven by lower marketing expenses.



Marketplaces & Others (MPO)

First quarter

<i>SEK thousand if not stated otherwise</i>	January-March		
	2024	2023	Δ
Net revenue	3,858	3,839	0.5%
Gross profit	2,352	2,262	4.0%
Gross margin, %	61.0%	58.9%	2.1pp
Marketing cost as a share of net revenue, %	36.0%	30.4%	5.6pp
Segment earnings	962	1,093	-12.0%
Segment margin, %	24.9%	28.5%	-3.5pp

The net revenue for the Marketplaces & Other (MPO) segment during the quarter amounted to MSEK 3.9 (3.8), which corresponds to an increase of 0.5% (-25.3%).

The gross profit amounted to MSEK 2.4 (2.3), representing an increase of 4.0% (-29.6%), and the gross margin was 61.0% (58.9%). The change in the geographical sales mix improved the margin during the quarter compared to the previous year.

Marketing expenses as a percentage of net revenue amounted to 36.0% (30.4%), where the increase was driven by temporary technical challenges during the quarter.

The segment profit amounted to MSEK 1.0 (1.1), a decrease due to the higher marketing expenses. The segment margin was 24.9% (28.5%), where the decrease was driven by the higher marketing expenses as a percentage of net revenue.





Other information

Material events during the quarter

No material events occurred during the quarter.

Material events after the quarter

No material events occurred after the quarter.

Significant risks and uncertainties

The Group's significant risk and uncertainty factors include financial risks such as currency risk, liquidity and financing risks, as well as operational and business risks. For more information on risks and risk management, please refer to Rugvista's annual report for 2023.

Russia invaded Ukraine in early 2022. Through its business operations, the Group has no direct exposure to Russia, Ukraine, or Belarus. However, it is difficult to assess the continued war's indirect impact on GDP growth, inflation, global supply chains, as well as consumer confidence and demand for the Group's products. The same applies to events in the Middle East, primarily the conflict between Israel and Hamas, and the risk of an expanded conflict in the region. The Group has no direct exposure in Israel or Gaza, but the events may have an indirect impact through consumer confidence, inflation, GDP growth, etc. The unrest in the Red Sea has had some impact on our supply chain for products from India, resulting in longer delivery times and higher shipping costs. The impact on Rugvista's results is expected to be marginal, but management is monitoring the situation.

Seasonality

The group's sales typically vary seasonally, with the first and fourth quarters tending to be the strongest.

Co-workers

The number of full-time employees during the period January to March amounted to 97.1 (89.1), with the proportion of women reaching 50.1% (44.1%).

The share

Rugvista Group AB (publ) shares are listed on Nasdaq First North Premier Growth under the ticker symbol RUG and the ISIN code SE0015659834.

The market value on the final trading day of the first quarter of 2024 (March 28th) was SEK 1,413 million, based on the closing price of SEK 68.00 per share.

At the end of the reporting period, the number of issued shares amounted to 20,785,140, all of which were ordinary shares.

In 2021, the company issued 860,000 subscription options. Out of these, 435,981 have been sold and remain outstanding with key individuals within the group.

During the second quarter of 2022, the company issued 300,000 subscription options. Of these, 40,000 were sold to senior executives within the group.

In the second quarter of 2023, the company issued 595,000 subscription options. Out of these, 35,000 were sold to senior executives and other key individuals within the group.

For more detailed information on incentive programs, refer to "LTIP2021," "LTIP2022," and "LTIP2023" on page 15, as well as the company's website at www.rugvistagroup.com.

Refer to Note 5 for an overview of the ten largest shareholders.

Other information

LTIP 2021

The Group has issued warrants as part of an incentive program ("LTIP 2021/2024"). Each warrant entitles, after re-calculation due to dividends resolved by the Annual General Meeting 2022 and 2023, subscription for 1.07 shares in the company during the exercise period at SEK 152.20. The initial subscription price corresponded to 130 percent of the share's introductory price. The warrants can be exercised during the period from April 15 to June 15, 2024.

The Annual General Meeting on May 20, 2022, was the last day for the transfer of warrants under LTIP 2021. Out of the total 860,000 warrants issued, 423,019 warrants remained unsold and thus expired.

LTIP 2022

The Group has issued warrants as part of an incentive program ("LTIP 2022/2025"). Each warrant entitles, after re-calculation due to dividend resolved by the Annual General Meeting 2023, subscription for 1,03 share in the company during the exercise period at SEK 87.20. The initial subscription price corresponded to 130 percent of the average share price during the valuation period. The warrants can be exercised during the period from June 1 to September 1, 2025.

The Annual General Meeting on May 25, 2023, was the last day for the transfer of warrants under LTIP 2022. Out of the total 300,000 warrants issued, 260,000 warrants remained unsold and thus expired.

LTIP 2023

The Group has issued warrants as part of an incentive program ("LTIP 2023/2026"). Each warrant entitles the holder to subscribe for one (1) share in the company during the exercise period at SEK 62.60, which corresponds to 120 percent of the average share price during the valuation period. The warrants can be exercised during the period from June 1 to September 1, 2026.

January – March

During the first quarter, no warrants under the LTIP2023 program were sold.

Transactions with closely related parties

January – March

No transactions with closely related parties have occurred during the quarter.

Audit

This Interim Report has not been audited by the Group's auditor.

Parent company

Rugvista Group AB (publ), with registration number 559037-7882, is the parent company of the Group. The Group includes Rugvista AB and Rugvista GmbH. Rugvista Group AB (publ) is incorporated and registered in Sweden.

Since March 18, 2021, Rugvista Group AB (publ) has been listed on the Nasdaq First North Premier Growth Market.

The parent company's net revenue amounted to MSEK 3.5 (4.0) during the quarter. The parent company's revenues consist of invoiced fees for management services to subsidiaries, in accordance with an intra-group agreement.

The parent company's expenses mainly consist of salaries for parts of the management, remuneration to the board, and costs related to the company's shares being listed on Nasdaq. The result for the quarter amounted to MSEK 0.1 (0.0).

The parent company has an intra-group receivable from the subsidiary, which, together with shares in the subsidiary Rugvista AB, constitutes the majority of the company's assets.

Other information

Financial calendar

Activity	Date	Conference call
AGM 2024	May 23, 2024	
Interim report January – June 2024	August 15, 2024	09:00-10:00 CEST
Interim report January - September 2024	November 7, 2024	09:00-10:00 CET
Year-end report 2024	February 6, 2025	09:00-10:00 CET

In connection with the publication of this Interim Report, Michael Lindskog (CEO) and Joakim Tuvner (CFO) will host a conference call and a webcast on May 8th, 2024, at 09:00 CEST. The presentation will be held in English.

To participate in the conference call (with the opportunity to ask verbal questions)

Register via: <https://conference.financialhearings.com/teleconference/?id=50048857>

After registration you will be provided with phone numbers and a conference ID to access the conference. It is also possible to participate in the telephone conference via the Group's website.

<https://www.rugvistagroup.com/en/report/Q1-2024/>

To participate via the audiocast (with the opportunity to ask written questions)

Please join via: <https://ir.financialhearings.com/rugvista-group-q1-report-2024>

The Interim Report and the presentation are available on Rugvista Group's website:

<https://www.rugvistagroup.com/en/investors/reports-and-presentations/>

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This report contains information that Rugvista Group AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at 07.30 a.m. CEST on May 8, 2024.



Group

Consolidated Statement of Income

<i>SEK thousand if not stated otherwise</i>	January - March		
	2024	2023	Δ
Net revenue	175,855	180,262	-2.4%
Other income	282	348	-19.0%
Total operating income	176,136	180,610	-2.5%
Goods for resale	-67,848	-67,846	
Other external expenses	-64,304	-64,687	
Personnel expenses	-20,214	-17,805	
Other operating expenses	-231	-1,603	
Amortization & depreciation	-3,567	-3,003	
Operating profit (EBIT)	19,972	25,666	-22.2%
Financial income	1,795	119	
Financial expenses	-178	-203	
Profit before taxes (EBT)	21,589	25,581	-15.6%
Taxes	-4,438	-5,272	
Profit for the period	17,152	20,309	-15.5%
Attributable to:			
Parent company's shareholders	17,152	20,309	
Earnings per share	0.83	0.98	
Earnings per share, diluted	0.83	0.98	

Group

Consolidated Statement of Comprehensive Income

<i>SEK thousand if not stated otherwise</i>	January - March		
	2024	2023	Δ
Profit for the period	17,152	20,309	-15.5%
<i>Items that can later be reclassified to the income statement</i>			
Translation differences	10	-	
Other comprehensive income	10	-	-
Comprehensive profit for the period attributable the parent company's shareholders	17,161	20,309	-15.5%

Group

Consolidated Statement of Financial position

SEK thousand if not stated otherwise

<u>ASSETS</u>	<u>March 31, 2024</u>	<u>March 31, 2023</u>	<u>EQUITY AND LIABILITIES</u>	<u>March 31, 2024</u>	<u>March 31, 2023</u>
<u>NON-CURRENT ASSETS</u>			<u>EQUITY</u>		
Goodwill	299,949	299,949	Share capital	1,039	1,039
Intangible assets	21,987	10,960	Other contributed capital	228,052	227,627
Tangible assets	3,724	3,459	Retained earnings	313,760	274,985
Right-of-use assets	19,275	24,211	Profit for the period	17,152	20,309
Deferred tax assets	242	311	Total equity attributable to the parent company's shareholders	560,003	523,960
Total non-current assets	345,178	338,890			
<u>CURRENT ASSETS</u>			<u>NON-CURRENT LIABILITIES</u>		
Inventory	133,012	164,884	Deferred tax liability	22	90
Other receivables	29,412	29,110	Leasing debt	7,442	14,481
Prepaid expenses	6,606	5,791	Total non-current liabilities	7,463	14,570
Cash and cash equivalents	229,410	141,543			
Total current assets	398,440	341,328	<u>CURRENT LIABILITIES</u>		
TOTAL ASSETS	743,618	680,219	Accounts payable	98,486	63,434
			Current tax liabilities	10,311	12,297
			Other current liabilities	38,215	39,970
			Current leasing debt	12,745	10,991
			Prepaid income and accrued expenses	16,395	14,995
			Total current liabilities	176,152	141,688
			TOTAL EQUITY AND LIABILITIES	743,618	680,219

Group

Consolidated Statement of Changes in Equity January - March

	Share capital	Other contributed capital	Retained earnings including profit for the period	Total equity
2024				
Opening balance 2024-01-01	1,039	228,052	313,750	542,842
Profit for the period			17,152	17,152
Other comprehensive income			10	10
Total comprehensive profit	1,039	228,052	330,912	560,003
<i>Transactions with shareholders:</i>				
Dividend per AGM decision				-
Warrants, issue				-
Warrants, repurchase				-
New share issue				-
Closing balance 2024-03-31	1,039	228,052	330,912	560,003

	Share capital	Other contributed capital	Retained earnings including profit for the period	Total equity
2023				
Opening balance 2023-01-01	1,039	227,627	274,985	503,651
Profit for the period			20,309	20,309
Other comprehensive income			-	-
Total comprehensive profit	1,039	227,627	295,294	523,960
<i>Transactions with shareholders:</i>				
Dividend per AGM decision				-
Warrants, issue				-
Warrants, repurchase				-
New share issue				-
Closing balance 2023-03-31	1,039	227,627	295,294	523,960

Group

Consolidated Statement of Cash flow

KSEK if not stated otherwise

	January - March	
	2024	2023
<i>Operating activities before changes in working capital</i>		
EBIT	19,972	25,666
<i>Adjustments for non-cash items</i>		
Depreciation and amortization	3,567	3,003
Unrealized exchange rate difference	-1,471	992
Interest received	1,795	119
Interest paid	-178	-203
Income tax paid	-13,281	-34,531
Cash flow from operating activities before changes in working capital	10,404	-4,954
<i>Changes in working capital</i>		
Change in inventory	-7,355	9,375
Change in operating receivables	-10,849	18,320
Change in operating liabilities	30,243	-16,047
Cash flow from changes in working capital	12,039	11,648
Cash flow from operating activities	22,443	6,693
Investment in intangible assets	-2,234	-1,896
Acquisition of tangible assets	-286	-305
Sales of tangible assets	-	-
Cash flow from investing activities	-2,520	-2,201
New shares issue	-	-
Warrants	-	-
Warrants, repurchase	-	-
Amortization of leasing debt	-3,184	-2,695
Dividend payout	-	-
Cash flow from financing activities	-3,184	-2,695
TOTAL CASH FLOW DURING THE PERIOD	16,738	1,797
Liquidity at the start of the period	208,936	139,978
Exchange rate differences in liquidity	3,736	-231
Liquidity at the end of the period	229,410	141,543



Notes

Note 1 – Accounting principles

This interim report has been prepared according to IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act. Statements and disclosures in accordance with IAS 34 p. 16A appear not only in the financial statements and their accompanying notes but also in other parts of the interim report. The parent company applies the Swedish Annual Accounts Act and RFR 2 Accounting for legal entities. For additional information about Rugvista Group's accounting principles, we refer to note 2 in the 2023 Annual Report published on www.rugvistagroup.com

New and changed standards

None of the new and changed standards and interpretations applicable commencing January 1, 2024, have had any material impact on the financial statements of the Group or the parent company.

Future standards

A number of new and changed IFRS have not yet entered into effect and are not applied in advance in conjunction with preparation of the financial statements of the Group and of the parent company. None of the new or changed standards or interpretations published by IASB are expected to have any impact on the financial statements of the Group or the parent company.

Significant accounting assessments, estimates, and assumptions

When the board of directors and CEO prepare financial statements in accordance with applied accounting principles, certain estimates and assumptions must be made that affect the reported value of assets, liabilities, income, and expenses. The areas where estimates and assumptions are of great importance for the Group and may affect the income statement and balance sheet are described in detail in the annual report for 2023.

No changes to these assessments, estimates, and assumptions have been made that could have had a material impact on the interim report.

Note 2 – Risks and factors of uncertainty

There are several strategic, operational, and financial risks and uncertainties that can affect the Group's financial results and position. Most risks can be managed through internal procedures, while others are largely driven by external factors.

For a more detailed description of the risks and uncertainties faced by the Group, please refer to the Director's Report in the 2023 Annual Report.

Notes

Note 3 – Reconciliation of segment reporting

The Group's operations are divided into three segments: B2C, B2B, and Marketplaces & Other (MPO). The B2C segment represents the consumer market and is the Company's core segment.

	B2C	B2B	MPO	Segment total
January – March 2024				
Net revenue	152,773	19,224	3,858	175,855
Goods for resale	-59,155	-7,187	-1,506	-67,848
Gross profit	93,619	12,036	2,352	108,007
Marketing costs	-50,023	-2,228	-1,390	-53,641
Segment earnings	43,596	9,809	962	54,366
	B2C	B2B	MPO	Segment total
January – March 2023				
Net revenue	155,470	20,953	3,839	180,262
Goods for resale	-58,509	-7,759	-1,578	-67,846
Gross profit	96,961	13,194	2,262	112,417
Marketing costs	-52,723	-3,119	-1,169	-57,011
Segment earnings	44,239	10,074	1,093	55,406

Additional information

Adjustments and eliminations

Only net revenue, goods for resale and marketing costs are allocated to the respective segments. Other income and costs are not allocated on a segment level as these line items relate to Group activities.

	January - March	
	2024	2023
Reconciliation of income		
Segment earnings	54,366	55,406
Other income	282	348
Other external expenses (excl. Marketing costs)	-10,663	-7,676
Personnel expenses	-20,214	-17,805
Other operating expenses	-231	-1,603
Amortization & depreciation	-3,567	-3,003
Financial income and expenses	1,617	-85
Profit before taxes (EBT)	21,589	25,581

Notes

Note 4 – Financial assets

Financial assets valued at accrued acquisition value	2024-03-31	2023-03-31
<i>Financial assets in the balance sheet</i>		
Other receivables	9,099	5,050
Cash and cash equivalents	229,410	141,543
Total	238,509	146,593

The maximum credit risk of the assets comprises amounts reported in the table above. The Group has received no pledged securities in respect of the financial net assets.

Other receivables primarily comprise receivables from payment providers with whom the Group co-operates in order to offer payment and financing solutions to end customers as well as various current receivables.

Book value corresponds in all essential respects to fair value.

Other financial liabilities valued at accrued acquisition value	2024-03-31	2023-03-31
<i>Financial liabilities in the balance sheet</i>		
Accounts payable	98,486	63,434
Other liabilities	6,949	7,321
Accrued expenses	13,614	13,073
Leasing debt	20,186	25,472
Total	139,236	109,300

Fair value of financial assets is considered to correspond to the reported value.

Note 5 – Parent company ownership overview

The ten largest shareholders as of March 28th, 2024. A group of shareholders is considered to constitute one owner if they have been grouped together by Euroclear.

Owner	Number of shares	Share of capital	Share of votes
Madhat AB	2,505,874	12.1%	12.1%
BANK JULIUS BAER & CO LTD	2,321,605	11.2%	11.2%
Futur Pension Försäkringsaktiebolag	1,816,806	8.7%	8.7%
TIN Fonder	1,500,000	7.2%	7.2%
Indexon AB	1,490,204	7.2%	7.2%
Alcur Fonder AB	1,429,913	6.9%	6.9%
Movestic Livförsäkring AB	1,073,366	5.2%	5.2%
SEB LIFE INTERNATIONAL ASSURANCE	876,600	4.2%	4.2%
MEDIUMINVEST AS	813,242	3.9%	3.9%
Nordnet Pensionsförsäkring AB	759,802	3.7%	3.7%
<i>Total the ten largest shareholders</i>	<i>14,587,412</i>	<i>70.2%</i>	<i>70.2%</i>
Total number of outstanding shares	20,785,140	100.0%	100.0%

Source: Euroclear extract per March 28th, 2024

Parent company

Parent company's Statement of Income

<i>SEK thousand if not stated otherwise</i>	January - March		
	2024	2023	Δ
Net revenue	3,470	4,045	-14.2%
Other income	-	-	-
Total operating income	3,470	4,045	-14.2%
Other external expenses	-1,263	-1,732	
Personnel expenses	-2,298	-2,372	
Other operating expenses	-	-	
Operating profit (EBIT)	-92	-58	57%
Financial income	211	93	
Financial expenses	-	-	
Profit before taxes (EBT)	119	35	238.5%
Taxes	-	-	-
Profit for the period ¹⁾	119	35	238.5%

Parent company

Parent company's Statement of Financial position

SEK thousand if not stated otherwise

ASSETS	March 31, 2024	March 31, 2023	EQUITY AND LIABILITIES	March 31, 2024	March 31, 2023
<u>NON-CURRENT ASSETS</u>			<u>EQUITY</u>		
<i>Financial non-current assets</i>			<i>Restricted equity</i>		
Shares in group companies	321,271	321,271	Share capital	1,039	1,039
Long-term receivables from subsidiaries	11,393	3,633	Sub-total, restricted equity	1,039	1,039
Total non-current assets	332,664	324,904	<i>Unrestricted equity</i>		
<u>CURRENT ASSETS</u>			Retained earnings	383,266	355,561
Other receivables	15,453	32,955	Profit for the period	119	35
Prepaid expenses	856	723	Sub-total, unrestricted equity	383,385	355,596
Cash and cash equivalents	49,863	10,585	Total equity	384,424	356,635
Total current assets	66,171	44,263	<u>CURRENT LIABILITIES</u>		
TOTAL ASSETS	398,835	369,167	Accounts payable	461	309
			Current tax liabilities	11,716	9,454
			Other current liabilities	806	580
			Prepaid income and accrued expenses	1,429	2,188
			Total current liabilities	14,411	12,532
			TOTAL EQUITY AND LIABILITIES	398,835	369,167

Board of Directors and Chief Executive Officer assurance

The Board of Directors and the Chief Executive Officer (CEO) confirm that the Interim Report provides a true development overview of the group's and parent company's (Rugvista Group AB (publ)) operations, financial position, and financial performance as well as describes the material risks and uncertainties facing the parent company and the companies comprising the group.

Limhamn on the 8th of May 2024

Martin Benckert

Chairman of the Board

Hanna Graflund Sleyman

Board member

Ebba Ljungerud

Board member

Patrik Berntsson

Board member

Ludvig Friberger

Board member

Magnus Dimert

Board member

Michael Lindskog

CEO

Definitions of metrics and key performance indicators

Rugvista Group presents certain measures that are not defined under IFRS (alternative performance measures – “APMs”). The Group believes that these measures provide useful supplementary information to investors and the company’s management as they enable evaluation of the company’s financial development and position. Since all companies do not calculate financial and operational measures in the same manner, these are not always comparable with measures used by other companies. These measures should therefore not be regarded as substitute for measures defined in accordance with IFRS.

Measure	Definition	Explanation
Adjusted EBIT	Operating income less operating costs adjusted for non-recurring items before net financial income and taxes.	A measure that demonstrates the operational profits excluding effects from non-recurring items
Adjusted EBIT margin	Adjusted EBIT divided by net revenue.	A measure that demonstrates the profitability for the operations excluding effects from non-recurring items.
Average NPS value	The average value for customer responses on the NPS (Net Promotor Score) question for orders received during the period. The maximum value is 100.	A measure that is used to measure customer satisfaction and established broadly across multiple industries.
Average order value	The average value, including VAT, of orders after cancellations during the period, divided by the number of orders during the period.	A measure that provides an indication of how much each customer is willing to pay for the company’s products.
Average TrustPilot value	The average value for customer responses on the TrustPilot platform during the period. The maximum value is 5.0.	A number which is used to measure customer satisfaction.
CO2e emissions per square meter sold rug	Emissions of carbon dioxide equivalents from purchasing rugs during the period recalculated to an intensity target per square meter of rug sold during the period.	A measure used to quantify the greenhouse gas emissions from the company’s rug purchases over the period.
Earnings per share	Comprehensive profit for the period attributable to the parent company’s shareholders divided by the average number of outstanding shares.	The aim is to distribute the company’s profit to each share.
Gross margin	Gross profit divided by the net revenue.	A measure that demonstrates profitability after costs for goods for resale.
Gross profit	Operating income less the cost for goods for resale.	A measure that demonstrates what is left to finance other costs after the goods for resale have been paid for.
Inventory as % of LTM net revenue	Inventory value divided by the sum of net revenue during the past 12 months (LTM)	A measure that provides an indication of whether there is sufficient inventory on hand to support demand.
Items affecting comparability	Items that are not related with the operations and are the type of items that are not expected to re-occur often or regularly and are of significant value.	A measure that isolates events that cannot be characterized as normal operational costs.
Marketing costs as a share of net revenue	The costs for marketing activities carried out during the period, divided by net revenue during the period.	A measure that demonstrates how much is invested in marketing in relation to net revenue.

Measure	Definition	Explanation
Net financial indebtedness / Net debt	Interest bearing liabilities less cash and cash equivalents.	A measure that displays the cash and cash equivalent available after having theoretical settled all interest-bearing liabilities; be it current or non-current.
Net revenue growth	Percent change in the period’s net revenue compared to the previous period.	A measure that demonstrates the growth rate of net revenue.
Number of new customers	Number of orders from first time customers, before cancellations or returns.	A measure that provides an indication of how well the company succeeds in attracting new customers with its offering.
Number of orders	Number of orders placed by customers during the period, before cancellations or returns.	A measure that provides an indication of the company’s level of activity towards customers. Also used to calculate unit-based metrics.
Number of web-shop visits	Number of visits to the company’s online stores during the period.	A measure that provides an indication of the company’s ability to attract potential customers to its online stores.
Operating margin (EBIT margin)	Operating profit (EBIT) divided by net revenue.	A measure that demonstrates the profitability for the operations.
Operating profit (EBIT)	Operating income less operating costs before net financial income and taxes.	A measure that demonstrates the operational profits.
Organic net revenue growth	Percent change in the period’s net revenue excluding divested operations with adjustment made for currency effects compared to the previous period.	A measure that demonstrates the growth rate of net revenue for ongoing operations excluding currency effects.
Profit margin	Profit for the period after taxes, divided by total income.	A measure that demonstrates the profitability after taxes.
Return rate in percent	The value of returns (actual and expected) divided by the sales during the period.	A measure that provides an indication of the company’s customers are satisfied with the products they have ordered.
Segment earnings	Net revenue less the cost for goods for resale and marketing costs for the segment.	A measure that demonstrates the segment’s profit contribution.
Segment margin	Segment earnings divided by net revenue for the segment.	A measure that demonstrates the segment’s profitability.

Glossary

Acronym	Explanation
B2B	Business-to-Business, i.e., segment representing sales to other businesses.
B2C	Business-to-Consumer, i.e., segment representing sales to private individuals (consumers).
MPO	Marketplaces & Other, i.e., segment representing sales via third party platforms like Amazon.
DACH	The markets where German is the primary language, i.e., Germany, Austria, and Switzerland.
Nordics	The Nordic markets including Sweden, Denmark, Norway, Finland and Iceland.
Rest of World	All other markets that the Group serves which are not included in either the DACH or Nordic regions.
pp	Percentage point(s).
LTM	Last Twelve Months



Reconciliation with financial statements according to IFRS

Gross margin

<i>SEK thousand if not stated otherwise</i>	January - March	
	2024	2023
Total operating income (A)	176,136	180,610
Goods for resale (B)	-67,848	-67,846
Gross profit (A) + (B)	108,289	112,764
Net revenue (C)	175,855	180,262
Gross margin, % ((A) + (B)) / (C)	61.6%	62.6%

Adjusted EBIT margin

<i>SEK thousand if not stated otherwise</i>	January - March	
	2024	2023
Operating profit (EBIT) (A)	19,972	25,666
Items affecting comparability (B)	-	-
Adjusted EBIT (A) + (B)	19,972	25,666
Net revenue (C)	175,855	180,262
Adjusted EBIT margin, % ((A) + (B)) / (C)	11.4%	14.2%

Inventory as % of LTM net revenue

<i>SEK thousand if not stated otherwise</i>	January - March	
	2024	2023
Inventory (A)	133,012	164,884
Net revenue, last twelve months (LTM) (B)	697,795	633,562
Inventory as % of LTM net revenue (A) / (B)	19.1%	26.0%

Net debt

<i>SEK thousand if not stated otherwise</i>	January - March	
	2024	2023
Cash and cash equivalents (A)	-229,410	-141,543
Interest bearing liabilities (current and non-current) (B)	-	-
Interest bearing lease liabilities (current and non-current) (C)	20,186	25,472
Net financial indebtedness (+) /net cash (-) (A)+(B)+(C)	-209,224	-116,071

Organic net revenue growth

<i>SEK thousand if not stated otherwise</i>	January - March	
	2024	2023
Last year's net revenue (A)	180,262	185,973
Net revenue divested operations (B)	-	-
Last year's net revenue, excluding divested operations (A)-(B)=(C)	180,262	185,973
Net revenue (D)	175,855	180,262
Net revenue divested operations (E)	-	-
Net revenue, excluding divested operations (D)-(E)=(F)	175,855	180,262
FX impact on this year's net revenue (G)	1,963	9,384
Net revenue, excluding divested operations and FX impact (F)-(G)=(H)	173,891	170,878
Organic net revenue growth % (H)/(C)-1	-3.5%	-8.1%

Information by quarter for selected expenses

<i>SEK thousand if not stated otherwise</i>		Jan - Mar 2021		Apr - Jun 2021		Jul - Sep 2021		Oct - Dec 2021	
Expense item	SEK K	%¹							
Net revenue	204,538	100.0%	140,621	100.0%	141,025	100.0%	218,801	100.0%	
Product expenses	-48,509	-23.7%	-32,651	-23.2%	-33,432	-23.7%	-52,939	-24.2%	
Shipping and other selling expenses	-23,762	-11.6%	-18,218	-13.0%	-17,074	-12.1%	-24,243	-11.1%	
Marketing costs	-57,280	-28.0%	-41,635	-29.6%	-44,731	-31.7%	-69,025	-31.5%	
		Jan - Mar 2022		Apr - Jun 2022		Jul - Sep 2022		Oct - Dec 2022	
Expense item	SEK K	%¹							
Net revenue	185,973	100.0%	121,228	100.0%	127,937	100.0%	204,135	100.0%	
Product expenses	-45,993	-24.7%	-32,284	-26.6%	-29,294	-22.9%	-49,878	-24.4%	
Shipping and other selling expenses	-24,529	-13.2%	-16,517	-13.6%	-17,860	-14.0%	-28,458	-13.9%	
Marketing costs	-65,038	-35.0%	-40,529	-33.4%	-36,837	-28.8%	-62,898	-30.8%	
		Jan - Mar 2023		April - June 2023		Jul - Sep 2023		Oct - Dec 2023	
Expense item	SEK K	%¹							
Net revenue	180,262	100.0%	129,063	100.0%	159,593	100.0%	233,284	100.0%	
Product expenses	-41,557	-23.1%	-29,588	-22.9%	-38,414	-24.1%	-59,633	-25.6%	
Shipping and other selling expenses	-26,289	-14.6%	-17,617	-13.7%	-21,623	-13.5%	-34,427	-14.8%	
Marketing costs	-57,011	-31.6%	-40,242	-31.2%	-51,301	-32.1%	-72,135	-30.9%	
		Jan - Mar 2024							
Expense item	SEK K	%¹							
Net revenue	175,855	100.0%							
Product expenses	-42,542	-24.2%							
Shipping and other selling expenses	-25,306	-14.4%							
Marketing costs	-53,641	-30.5%							

Overview of Rugvista Group web-shops

Rugvista web-shops

Domain	Legacy platform	New platform	Launch of new platform
Rugvista.se	x	x	Q2 2023
Rugvista.dk	x	x	Q3 2023
Rugvista.no	x	x	Q3 2023
Rugvista.fi	x	x	Q3 2023
Rugvista.de	x	x	Q2 2023
Rugvista.at		x	Q2 2023
Rugvista.ch		x	Q2 2023
Rugvista.nl	x	x	Q3 2023
Rugvista.be		x	Q3 2023
Rugvista.co.uk		x	Q2 2023
Rugvista.ie		x	Q3 2023
Rugvista.pl	x	x	Q3 2023
Rugvista.ro	x	x	Q3 2023
Rugvista.cz	x	x	Q3 2023
Rugvista.hu	x	x	Q3 2023
Rugvista.hr		x	Q1 2023
Rugvista.it	x	x	Q2 2023
Rugvista.fr	x	x	Q2 2023
Rugvista.es	x	x	Q3 2023
Rugvista.pt	x	x	Q3 2023
Rugvista.jp		x	Q1 2024
Rugvista.com	x	x	Q4 2023
Rugvista.kr	x		

Carpetvista web-shops

Domain	Legacy platform	New platform	Launch of new platform
Carpetvista.se	x		
Carpetvista.dk	x		
Carpetvista.no	x		
Carpetvista.fi	x		
Carpetvista.de	x		
Carpetvista.nl	x		
Carpetvista.com	x		
Carpetvista.pl	x		
Carpetvista.cz	x		
Carpetvista.ro	x		
Carpetvista.hu	x		
Carpetvista.hr	x		
Carpetvista.it	x		
Carpetvista.fr	x		
Carpetvista.es	x		
Carpetvista.pt	x		
Carpetvista.gr	x		
Carpetvista.jp	x		
Carpetvista.kr	x		

Business vision and strategy

Rugvista's business vision is ***to become the center of gravity for the European rug industry.***

To realize the vision, a set of key strategic initiatives have been defined. The Group's current strategic initiatives are:

Win the key European markets

This goal is to be achieved by further localization of the end-to-end user experience in the core markets. Localization initiatives per region and/or market includes, but are not limited to, actions such as optimizing delivery options, tailoring payment alternatives, and customizing marketing activities.

The Group believes that additional localization will drive increased consumer preference in the core markets and thus enable further efficient scaling in these regions.

In phase 2 of this initiative, the ambition is to start investing in building a known and liked brand which is expected to further drive consumer acquisition efforts and preference.

Showcase our assortment

This goal is to be achieved by refining how our assortment is presented to users in our web-shops. Emphasis will be made to make it clear that most of the products we have on offer is either designed in-house or only available to purchase from us. More inspirational images and content will also be added to enhance the storytelling around each category, collection, and/or article.

An additional effort within this initiative is to re-design of and to add additional features to the Rugvista web-shop with the purpose to make it even easier for the user to find the perfect rug just for them.

The Group believes that these efforts will not only drive increased brand preference, consumer satisfaction and loyalty, but also over time increase conversion rates.

Be world-class in everything we do

This goal is to be achieved by implementing more comprehensive and sophisticated tracking tools and processes to steer and optimize our commercial and operational performance.

The Group believes that these efforts will be the foundation for continued profitable scaling and operational efficiency improvements.

Capture selected marketplace opportunities

This goal is currently focused on scaling our Amazon business as the Group has identified this as a historically largely unaddressed growth opportunity. The opportunity is to be captured by executing actions such as optimizing the assortment on offer, enhanced article presentation, securing Prime eligibility, and scaling marketing activities on the Amazon platform.

About Rugvista Group AB (publ)

Introduction

Rugvista Group is one of the leading European direct-to-consumer online platforms within carpet and rug sales through its online stores, available in 20 different languages, using the Rugvista and CarpetVista brands. The company was founded in 2005 and offers a broad and relevant range of quality design and traditional carpets and rugs. Rugvista Group offers its EU based customers free deliveries and returns free of charge. The Group's operations are divided into three segments: B2C, B2B, and Marketplaces & Other (MPO). The B2C segment represents the consumer market and is the Company's core segment.

Purpose and vision

Rugvista Group's purpose is to help people to a home they love. Rugvista Group has defined three visions, each of which has a clear ambition.

- **Business:** To be the center of gravity for the European rug industry.
- **Sustainability:** To lead the rug industry towards a socially and environmentally sustainable future.
- **People:** To attract, motivate, and retain extraordinary people.

Strengths and competitive advantages

Rugvista Group considers itself having several strengths and competitive advantages which contributes to the Group's ability to realize strategic objectives and reaching financial targets.

- Large European rug market with strong momentum for online sales.
- Leading position on a market in which size is important.
- Comprehensive product and assortment expertise.
- Bespoke technology platform and data-driven operational model.
- Best-in-class customer satisfaction and growing customer base.
- Track record of profitable growth and high cash generation.
- Well-qualified Board of Directors and management team with extensive and relevant experience.



RUGVISTA

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