RugVista Group AB (publ) publishes prospectus for its initial public offering on Nasdaq First North Premier Growth Market

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RugVista Group AB (publ) ("RugVista", "RugVista Group" or the "Company"), one of the leading European DTC[1] online platforms within carpet and rug sales[2], announced, on February 24, 2021, its intention to list its shares (the "IPO" or the "Offering") on Nasdaq First North Premier Growth Market ("First North Premier"). Today, the Company publishes the prospectus for the IPO. First day of trading on First North Premier is expected to be March 18, 2021.

The offering in brief

- The final price in the Offering is expected to be set within a price range of SEK 110-125 per share, corresponding to a total market value of all issued shares of the Company of approximately SEK 2.2–2.5 billion[3]. The final offering price is expected to be published in a press release on or around March 18, 2021.
- The Offering comprises 10,383,535 existing shares, corresponding to approximately 51.2 percent of the total number of outstanding shares in the Company[3)] and a total value of approximately SEK 1.1-1.3 billion, which are being offered by the principal shareholder Litorina IV L.P. ("Litorina") and a few other shareholders (together the "Selling Shareholders").
- In order to cover any over-allotment in connection with the Offering, the Selling Shareholders will commit to sell up to 1,557,528 additional existing shares,

[1] Direct-to-consumer.

[2] "One of the leading European online platforms selling carpets and rugs" refers to RugVista considering that the Company distinguishes itself due to a number of different characteristics, including its well-advanced technology platform, the number of articles offered in combination with quick home delivery as well as the Company's business relationships with suppliers in India and Turkey and wholesalers within the EU. According to the Company, the RugVista and CarpetVista online stores are among the leading platforms in Europe due to the high degree of customer satisfaction, as is evident from an NPS figure of 67, a Trustpilot rating of 4.81 and a growing number of new customers (an increase from 107 thousand new customers in 2019 to 149 thousand new customers in 2020).

[3] Based on number of outstanding shares immediately prior to the Offering (20,280,560 shares).

corresponding to 15.0 percent of the number of shares in the Offering (the "Over-Allotment Option").

- The Selling Shareholders also intend to reserve the right to increase the Offering and sell not more than 1,983,217 additional existing shares.
- Teknik Innovation i Norden Fonder AB (TIN Fonder), Roosgruppen AB, Knutsson Holdings AB, OstVast Capital Management Ltd, Adrigo Asset Management AB, Alcur Fonder AB, Fosielund Holding AB, Gornergrat Capital AB[4], Lhotse Capital AB[5] and LMK Venture Partners AB have, subject to certain conditions, undertaken to acquire shares in the Offering corresponding to an aggregate value of SEK 820 million. The undertakings, under the assumption that the offering price corresponds to the midpoint of the price range, represent, 33.6 percent of the total number of outstanding shares in the Company after the Offering and 50.1 percent of the number of shares in the Offering if the Offering is fully increased and the Over-Allotment Option is fully exercised.
- Members of the executive management team and shareholding board members intend to enter into customary lock-up undertakings for a period of 360 days after the first day of trading on First North Premier. Litorina and the other Selling Shareholders who are not members of the executive management team nor a shareholding board member intend to enter into customary lock-up undertakings for a period of 180 days from the same point in time.
- The Offering is directed to institutional investors in Sweden and internationally as well as to the general public in Sweden.
- The application period is expected to proceed from March 10 until March 17, 2021.
- First day of trading on First North Premier is expected to be March 18, 2021 under the ticker "RUG". Settlement is expected to take place on March 22, 2021.
- Full terms, conditions, and instructions for the Offering are included in the prospectus that the Company has prepared in connection with the IPO which today has been approved by the Swedish Financial Supervisory Authority and now is available on the Company's website, www.rugvistagroup.com.

Michael Lindskog, CEO of RugVista, comments:

"I am excited that we are in a position to take this next step in the organization's development and appreciate the commitment that the cornerstone investors and other potential investors have placed in our long-term ambition and strategic plan. Being a listed company will strengthen our ability to achieve our long-term targets and I look forward welcoming the new shareholders onboard our exciting journey ahead."

Background and reasons for the Offering

The Offering will broaden the Company's shareholder base and give RugVista access to the Swedish and international capital markets, which is considered to support the Company's continued growth and development. The board of directors and RugVista's executive management, together with the Selling Shareholders, believe that a listing of the Company's shares is a logical and important step in RugVista's development, which further will increase the awareness of RugVista and its operations among current and potential customers,

[4] Owned by Filip Engelbert.
[5] Owned by Jonas Nordlander.

suppliers and future employees. For these reasons, the board of directors has applied for a listing on First North Premier.

About RugVista

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. RugVista 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.

In 2020, RugVista Group's net revenue amounted to SEK 562 million and the adjusted operating profit reached SEK 109 million, corresponding to an adjusted operating margin of 19 percent. During the period 2018–2020, the compound annual growth rate of its net revenue amounted to 24 percent.

During the period January–February 2021, RugVista Group's net revenue amounted to SEK 140 million, corresponding to an increase of 80 percent compared to the corresponding period 2020, and the adjusted operating profit amounted to SEK 36 million, corresponding to an adjusted operating margin of 26 percent. During the period January–February 2020, RugVista Group's net revenue amounted to SEK 77 million and the adjusted operating profit amounted to SEK 11 million, corresponding to an adjusted operating margin of 14 percent.

Prospectus and application

The prospectus, which contains full terms and instructions for the Offering, is available on RugVista's website (www.rugvistagroup.com). The prospectus will also be available on Carnegie Investment Bank AB's (publ) ("Carnegie") website (www.carnegie.se), ABG Sundal Collier AB's website (www.abgsc.com) and Nordnet's website (www.nordnet.se) during the application period. Applications from the general public can be made through Carnegie or Nordnet in accordance with the terms set out in the prospectus.

Preliminary timetable

Application period for the general public in Sweden:	March 10–17, 2021
Application period for institutional investors:	March 10–17, 2021
First day of trading on First North Premier:	March 18, 2021
Settlement date:	March 22, 2021

Stabilization measures

In connection with the Offering, Carnegie will act as stabilization manager ("Stabilization Manager") and may conduct transactions in order to maintain the market price for the shares at a level above that which might otherwise prevail in the open market. Such stabilization transactions may be carried out on First North Premier, 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 First North Premier and ending not later than 30 calendar days thereafter.

The Stabilization Manager has no obligation to undertake any stabilization measures and there is no assurance that stabilization measures will be undertaken. Under no circumstances will transactions be conducted at a price higher than the one set in the Offering. The Stabilization Manager may use the Over-Allotment Option to over-allot shares in order to facilitate any stabilization transaction.

The stabilization transactions, if conducted, may be discontinued at any time without prior notice but must be discontinued no later than within the aforementioned 30-day period. The Stabilization Manager must, no later than by the end of the seventh trading day after stabilization transactions have been undertaken, in accordance with article 5(4) of the Market Abuse Regulation (EU) 596/2014 and the Commission Delegated Regulation (EU) 2016/1052, disclose that stabilization measures have been undertaken. Within one week of the end of the stabilization period, the Stabilization Manager will disclose whether or not stabilization measures were undertaken, the date on which stabilization started, the date on which stabilization was last carried out as well as the price range within which stabilization was carried out for each of the dates when stabilization measures were conducted.

Advisors
Carnegie and ABG Sundal Collier are Joint Global Coordinators and Joint Bookrunners. Mannheimer Swartling Advokatbyrå is legal advisor to the Company and Litorina IV L.P. Baker & McKenzie Advokatbyrå KB is legal advisor to Carnegie and ABG Sundal Collier. Sundling Wärn Partners AB is independent financial advisor to the Company.

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This information was submitted for publication, through the agency of the contact person set out above, at 15:00 CET on March 9, 2021.

Important information
This press release does not constitute an offer or a solicitation to sell or acquire securities in the Company in any jurisdiction. The contents of this press release has been prepared by the Company and the Company is solely responsible for the contents hereof.

Any offering of the securities referred to in this announcement will be made by means of a prospectus prepared in accordance with Regulation (EU) of the European Parliament and of the Council) 2017/1129 (the “Prospectus Regulation”). This press release does not constitute a prospectus in accordance with the Prospectus Regulation. Investors should not subscribe

or deal in securities referred to in this press release other than on the basis of the information included in a prospectus.

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The shares in the Company have not been registered and will not be registered under the United States Securities Act of 1933 as amended (the "Securities Act") or under the securities laws of any state or other jurisdiction in the United States and may not be offered, sold or otherwise transferred, directly or indirectly, in or to the United States, except in accordance with an applicable exemption from or through a transaction that is not subject to the registration requirements of the Securities Act and in accordance with the securities laws of the relevant state or other jurisdiction in the United States.

Furthermore, the securities mentioned in this press release have not been registered and will not be registered under any applicable securities law in Australia, Hong Kong, Canada, New Zealand, Japan, Switzerland or South Africa and may, with certain exceptions, not be offered or sold to or within, or on behalf of a person or for the benefit of a person who is registered, resident or located in, these countries. The Company does not intend to make an offer to the public to acquire the securities mentioned in this press release other than in Sweden, Norway and Finland.

In the EEA Member States, with the exception of Sweden, (each such EEA Members State a "Relevant State"), this press release and the information contained herein are intended only for and directed to qualified investors as defined in the Prospectus Regulation. The securities mentioned in this press release are not intended to be offered to the public in any Relevant State and are only available to qualified investors except in accordance with exceptions in the Prospectus Regulation. Any invitation, offer or agreement to subscribe for, purchase or otherwise acquire such securities will only be processed for qualified investors. Persons in any Relevant State who are not qualified investors should not take any actions based on this press release, nor rely on it.

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which this press release relates are only available to relevant persons and will only be directed to relevant persons. Persons who are not relevant persons should not take any actions based on this press release, nor rely on it.

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This press release may contain certain forward-looking information and statements that reflect the Company's current views on future events as well as financial and operational developments. Words such as "refer", "assess", "expect", "can", "plan", "estimate", "calculate", "could" and other expressions that indicate indications or assessments regarding future developments or trends, and which does not relate to historical facts, constitutes forward-looking information. Forward-looking information is inherently associated with both known and unknown risks and uncertainties because it is dependent on future events and circumstances. Forward-looking information does not constitute a guarantee regarding future results or development and the actual outcome may differ materially from what is stated in forward-looking information. The Company does not make any representations about publishing updates or revisions of forward-looking information as a result of new information, future events or similar circumstances other than as provided by applicable law.