



RUG
VISTA

**Year-end report
January – December 2021**

RugVista Group AB (publ)

Outstanding full-year financial performance

Fourth quarter 2021 highlights

- Net revenue was SEK 218.8 (210.5) million representing a growth of 4.0% (55.3%).
- Organic net revenue growth was 7.0%.
- Gross margin increased to 64.9% (61.2%).
- EBIT was SEK 40.3 (39.1) million and EBIT margin was 18.4% (18.6%).
- Profit for the period was SEK 31.2 (30.4) million.
- Earnings per share and per diluted share was SEK 1.50 (1.50) and 1.50 (1.46), respectively.
- The average NPS (Net Promotor Score) value was 67 (66).

January – December 2021 highlights

- Net revenue was SEK 705.0 (561.9) million representing a growth of 25.5% (33.0%).
- Organic net revenue growth was 36.4%.
- Gross margin increased to 64.6% (61.7%).
- EBIT was SEK 127.7 (104.2) million and EBIT margin was 18.1% (18.5%).
- Adjusted EBIT was SEK 137.6 (109.2) million and adjusted EBIT margin was 19.5% (19.4%).
- Profit for the period was SEK 99.9 (80.0) million.
- Earnings per share and per diluted share was SEK 4.80 (3.94) and 4.80 (3.84), respectively.
- Inventory as a share of LTM net revenue was 20.8% (16.2%).
- Average return rate was 16.0% (15.8%)
- The Board of Directors proposes a dividend of SEK 2.50 (0.00) per share.

Group key performance indicators¹

<i>SEK thousand if not stated otherwise</i>	October - December		January - December	
	2021	2020	2021	2020
Operating income	219,155	211,063	706,527	564,045
Net revenue	218,801	210,477	704,984	561,883
Net revenue growth, %	4.0%	55.3%	25.5%	33.0%
Net revenue growth excluding divested operations, %	6.2%	57.0%	30.1%	33.0%
Organic net revenue growth, %	7.0%	-	36.4%	-
Gross profit	141,972	128,893	455,698	346,950
Gross margin, %	64.9%	61.2%	64.6%	61.7%
EBIT	40,287	39,091	127,658	104,153
EBIT margin, %	18.4%	18.6%	18.1%	18.5%
Profit for the period	31,189	30,446	99,851	79,983
Profit margin, %	14.3%	14.5%	14.2%	14.2%
Adjusted EBIT	40,287	44,134	137,558	109,196
Adjusted EBIT margin, %	18.4%	21.0%	19.5%	19.4%
Inventory as a share of LTM net revenue, %	-	-	20.8%	16.2%
Net financial indebtedness	-	-	-189,627	-109,626
Earnings per share	1.50	1.50	4.80	3.94
Earnings per share, diluted	1.50	1.46	4.80	3.84
Number of shares outstanding	20,785,140	20,280,560	20,785,140	20,280,560
Number of diluted shares outstanding	20,785,140	20,837,336	20,785,140	20,837,336
Number of website visits, million	11.6	11.6	39.8	33.4
Number of orders, thousand	82.2	82.1	273.0	206.1
Number of new customers, thousand	59.0	60.9	197.2	149.3
Average order value, SEK	3,754	3,612	3,636	3,755
Average NPS value	67	66	67	67
Average TrustPilot value	4.8	4.8	4.8	4.8
Average return rate, %	-	-	16.0%	15.8%

¹ See page 27 for definitions and explanations

Solid finish to an exceptional year

Dear shareholders,

2021 was an outstanding year for RugVista Group. We grew organically by 36% to reach SEK 705 million in net revenues. Our adjusted EBIT was SEK 138 million representing a 19.5% margin. Our Board of Directors are also proposing a dividend payout of SEK 2.50 per share (SEK 51.9 million in total).

I am also pleased to announce that we achieved an organic net revenue growth of 7% coupled with an EBIT margin of 18.4% during Q4. It is especially pleasing that we grew during the quarter considering the strong comparable from last year. The market conditions remained tough during Q4 as the high advertising intensity continued and even intensified during certain periods. Consumer demand also stayed unpredictable and volatile during the quarter. However, our ability to manage and adapt to these external factors in an increasingly efficient and impactful manner makes me especially satisfied.

Q4 marks the end to an eventful year where we not only reached milestones across several strategic priority areas, but also had to continuously adapt to the dynamic external conditions during the pandemic's second year.

First, we undoubtedly delivered exceptional financial performance. Net revenue was SEK 705 million allowing us to reach the 700+ million threshold. Our gross margin improved almost 3 percentage points to 64.6%. Adjusted EBIT was SEK 138 million representing an adjusted EBIT margin of 19.5%. All figures represent all-time highs.

Second, we took significant steps forward on our strategic initiatives. For instance, we acquired almost 200,000 new customers during the year and hosted close to 40 million visits to our web-shops. Focusing on DACH proved successful with the region delivering a leading 43% growth rate. We are especially pleased that we, while growing, managed to maintain our high customer satisfaction levels ending the year with an NPS rating of 67.2.

Additional strategic initiatives also started to materialize during the last part of the year. We introduced *RugVista Essentials* which is a collection of rugs we developed especially for those decorating their first home. This also addressed a white spot in our assortment. In addition, we released the first version of our new RugVista web-shop in Croatia. The new web-shop will greatly improve our ability to offer an even better shopping experience for more user needs and enable us to be more agile in our commercial execution.

Third, we continue to make progress on our sustainability vision. During the year we managed, with the help of our independent auditor partners, to perform 350 audits of our supplier base for rugs. We also committed to the Science Based Targets framework to reduce our greenhouse gas emissions by the year 2030.

Finally, we took significant strides forward on our "good-to-great" journey by increasing productivity in both the warehouse and customer service operations while also becoming more sophisticated in our office functions. During 2021, we also welcomed a record number of new employees to RugVista which has strengthened our organization. I also want to take this opportunity to thank everyone for their dedicated and successful work during the year. Without each and everyone's contribution nothing of what we have achieved would have been possible.

Moving into 2022, we start off facing another quarter with challenging comparables (92% growth). I am nonetheless looking forward to everything that we can achieve in the upcoming year and continue to feel confident that we are working on the right initiatives to deliver on our financial growth and profitability targets.

With best wishes,

Michael Lindskog
CEO RugVista Group



Group development

Fourth quarter

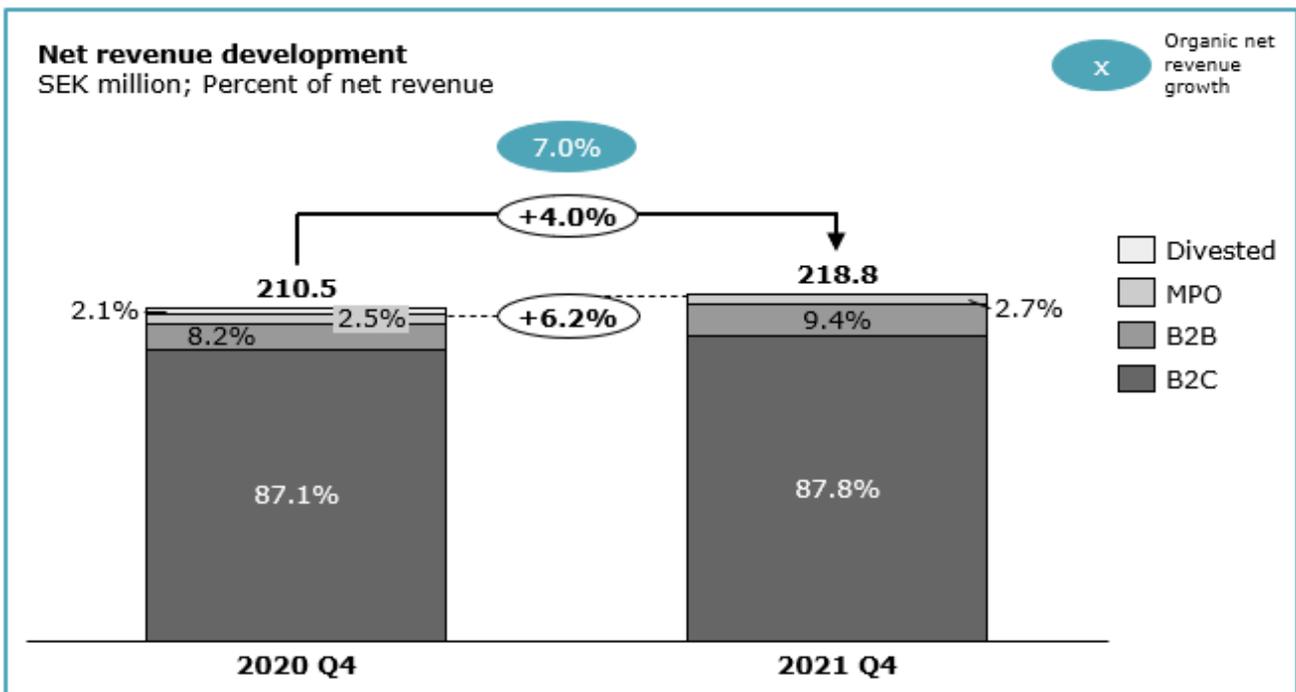
Net revenue

Group net revenue during the quarter was SEK 218.8 (210.5) million representing an increase of 4.0% (55.3%) and organic net revenue growth was 7.0%. The difference between the reported net revenue growth and the organic net revenue growth is driven by the divestment of *ArtGlass i Malmö AB* in December 2020, which contributed to 2.1% of net revenue during Q4 2020, as well as the appreciation of the SEK against primarily the EUR and currencies tied to the EUR such as the DKK.

Net revenue within the B2C segment, the Group's largest, was SEK 192.2 (183.4) million representing an increase of 4.8% (58.0%). Net revenue within the segment was primarily driven by the DACH region with a growth rate of 12.1% (49.7%).

Net revenue within the B2B segment was SEK 20.6 (17.3) million representing an increase of 19.0% (32.0%). The demand continued to be somewhat lower during the quarter this year compared to before the Covid-19 pandemic. However, the noticeable activity increase within the interior design customer segment continued during the quarter.

Net revenue within the Marketplace & Other (MPO) segment was SEK 6.0 (5.3) million representing an increase of 12.1% (160.2%). The segment continued its positive development during the quarter but faced a tough comparable from last year.



Profits and margins

Gross margin was 64.9% (61.2%). The gross margin increase was driven by category mix effects, a lower average sales discount rate compared to last year, and an accrual of SEK 6.4 million for a claim to the UK tax authorities related to import VAT paid since the January 1, 2021, Brexit. The accrual was booked in the fourth quarter when the claim's validity was confirmed.

Other external expenses as a share of net revenue were 36.3% (34.5%). The increase was primarily driven by increased marketing investments mainly in the B2C and MPO segments. The higher marketing investments were driven by intensified online ad space competition.

Personnel expenses as a share of net revenue were 8.5% (7.3%). The increase was driven by new hires joining the company during the third and fourth quarter according to plan.

Profit from divesting shares in subsidiaries was SEK 0.0 (2.4) million. In December 2020, the subsidiary *ArtGlass i Malmö AB* was divested resulting in a profit equaling 1.1% of net revenue for Q4, 2021.

Other operating expenses were SEK -1.4 (-2.3) million. The line-item specifies the net of FX effects on transactions and cash balances during the period.

Depreciation and amortization were SEK -2.3 (-2.0) million and mainly consists of amortization of right-of-use assets.

EBIT was SEK 40.3 (39.1) million representing an EBIT margin of 18.4% (18.6%). No items affecting comparability have affected the fourth quarter this year.

Net financial expenses were SEK -0.2 (-0.8) million with the decrease driven by the Group no longer carrying any loans from credit institutions.

Taxes during the period were SEK -8.9 (-7.8) million.

Profit for the period was SEK 31.2 (30.4) million representing a profit margin of 14.3% (14.5%).

Cash flows

Cash flow from operating activities was SEK 70.0 (88.8) million during the period. The decrease mainly related to build up of inventory.

Cash flow from investing activities was SEK -1.2 (1.8) million during the period. The investments this year related to refurbishment of office spaces as well as equipment for the expanded warehouse area. Last year, cash flow from the divestment of subsidiary *ArtGlass i Malmö AB* amounted to SEK 3.2 million.

Cash flow from financing activities was SEK -1.3 (-84.1) million during the period. During the period, a total of 37,681 warrants for a value of SEK 0.8 million were sold to key employees in the Group. Amortization of leasing debt amounted to SEK -2.0 million. Last year, loans totaling SEK 82.5 million to credit institutions were fully amortized.

Other KPIs

The NPS value was 67 (66) and the TrustPilot value was 4.8 (4.8). The continued strong customer satisfaction ratings (NPS and TrustPilot) were achieved despite some lead-time delays in customer deliveries during the quarter.

Web-shop visits reached 11.6 (11.6) million representing a -0.6% (47.7%) decrease.

Order count was 82.2 (82.1) thousand representing a 0.2% (79.9%) increase.

59.0 (60.9) thousand new customers acquired representing a -3.1% (86.6%) decrease.

Average order value was SEK 3,754 (3,612) representing a 3.9% (-11.9%) increase. The increase was driven by category mix effects and a lower average discount rate compared to last year.

January – December

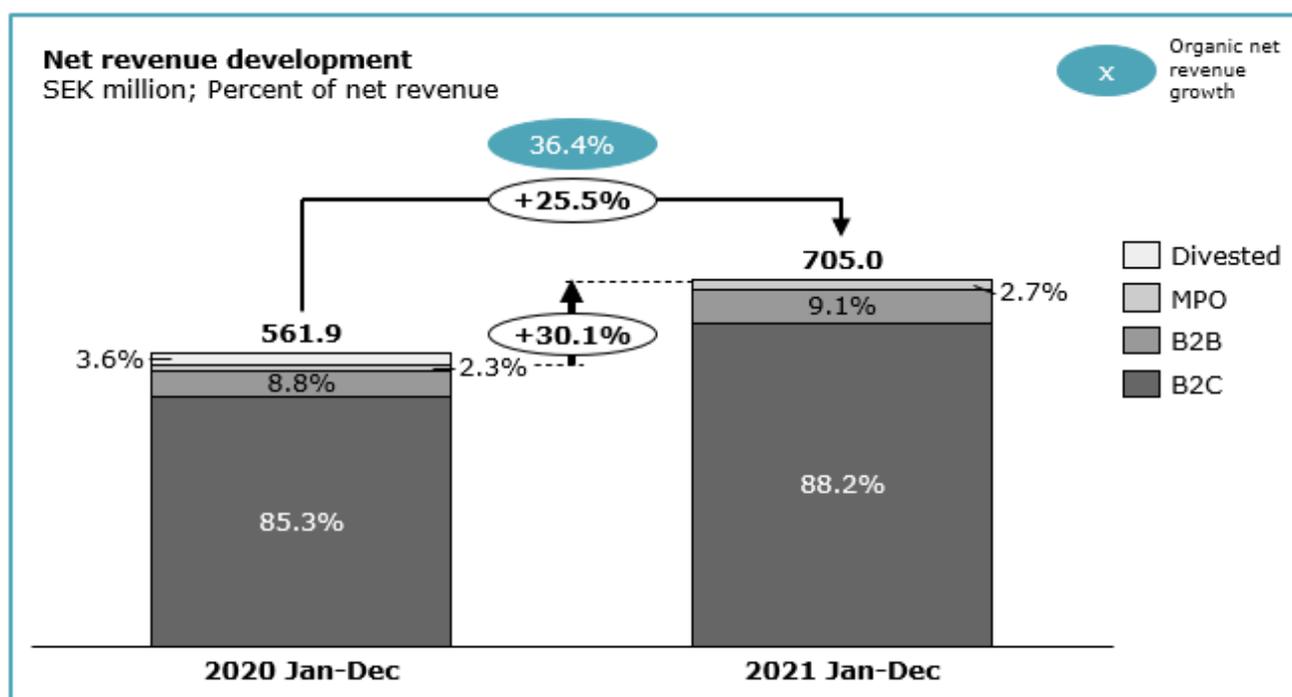
Net revenue

Group net revenue during the period was SEK 705.0 (561.9) million representing an increase of 25.5% (33.0%) and organic net revenue growth was 36.4%. The difference between the reported net revenue growth and the organic net revenue growth is driven by the divestment of *ArtGlass i Malmö AB* in December 2020, which contributed to 3.6% of net revenue during the period in 2020, as well as the appreciation of the SEK against primarily the EUR and currencies tied to the EUR such as the DKK.

Net revenue within the B2C segment, the Group's largest, was SEK 622.1 (479.2) million representing an increase of 29.8% (33.8%). Net revenue within the segment was primarily driven by the DACH region with a growth rate of 42.8% (31.3%).

Net revenue within the B2B segment was SEK 63.9 (49.7) million representing an increase of 28.6% (14.9%). The demand continues to be somewhat lower compared to before the Covid-19 pandemic, but a noticeable activity increase within the interior design customer segment has been observed during second half of the year especially.

Net revenue within the Marketplace & Other (MPO) segment was SEK 19.0 (12.8) million representing an increase of 48.1% (113.7%). The segment continued its positive development during the period driven by implemented enhancement actions.



Profits and margins

Gross margin was 64.6% (61.7%). The gross margin increase was driven by category mix effects and a lower average sales discount rate compared to last year.

Other external expenses as a share of net revenue were 35.9% (33.6%). The increase was primarily driven by the higher investments into marketing efforts to drive growth during the last three quarters of the year in addition to the costs related to the IPO process during the first quarter.

Personnel expenses as a share of net revenue were 9.0% (8.5%).

Other operating expenses were SEK -2.9 (-1.3) million. The line-item includes the net of FX effects on transactions and cash balances during the period.

Depreciation and amortization were SEK -8.4 (-7.8) million and mainly consists of amortization of right-of-use assets.

EBIT was SEK 127.7 (104.2) million representing an EBIT margin of 18.1% (18.5%).

Adjusted EBIT was SEK 137.6 (109.2) million representing an adjusted EBIT margin of 19.5% (19.4%). Adjustments of SEK 9.9 (5.0) million were all related to the IPO process during the first quarter.

Net financial expenses were SEK -0.9 (-3.6) million with the decrease driven by the Group no longer carrying any loans from credit institutions.

Taxes during the period was SEK -26.9 (-20.6) million.

Profit for the period was SEK 99.9 (80.0) million representing a profit margin of 14.2% (14.2%).

Financial position and liquidity

Inventory value at the end of the period was SEK 146.6 (91.0) million and inventory value as a share of LTM net sales was 20.8% (16.2%). The 20.8% value is in-line with the mid-term ambition to keep the ratio between 17.5% to 22.5%. Efforts within the purchasing department to secure inventory ahead of the peak-season as well as re-stocking best-selling articles were successfully executed in collaboration with our supplier base despite ongoing challenges in the supply chain related to the Covid-19 pandemic as well as the ongoing global freight challenges.

Net financial indebtedness was SEK -189.6 (-109.6) million with the SEK 80.0 million improvement primarily driven by strong cash generation from operating activities coupled with low investment need.

Cash and cash equivalents were SEK 218.1 (139.5) million.

Cash flows

Cash flow from operating activities was SEK 104.8 (185.4) million during the period. The lower cash flow from operating activities is a consequence of the efforts to rebuild the inventory position during 2021.

The decrease was driven by the large decrease in working capital last year because of the difficulties securing sufficient inbound goods during the early phase of the Covid-19 pandemic.

Cash flow from investing activities was SEK -2.4 (1.2) million during the period and relates to investments in tangible assets. Last year, cash flow from the divestment of subsidiary *ArtGlass i Malmö AB* amounted to SEK 3.2 million.

Cash flow from financing activities was SEK -23.8 (-92.6) million during the period. The cash outflow was mainly driven by the winding down of the historical long-term incentive programs (LTIP2017, LTIP2018, and LTIP2019) in conjunction with the listing on NASDAQ First North Premier Growth Market including repurchase of warrants worth SEK 38.1 million and issuance of new shares amounting to SEK 11.4 million. During the end of 2020, loans totaling SEK 88.0 million to credit institutions were fully amortized.

Other KPIs

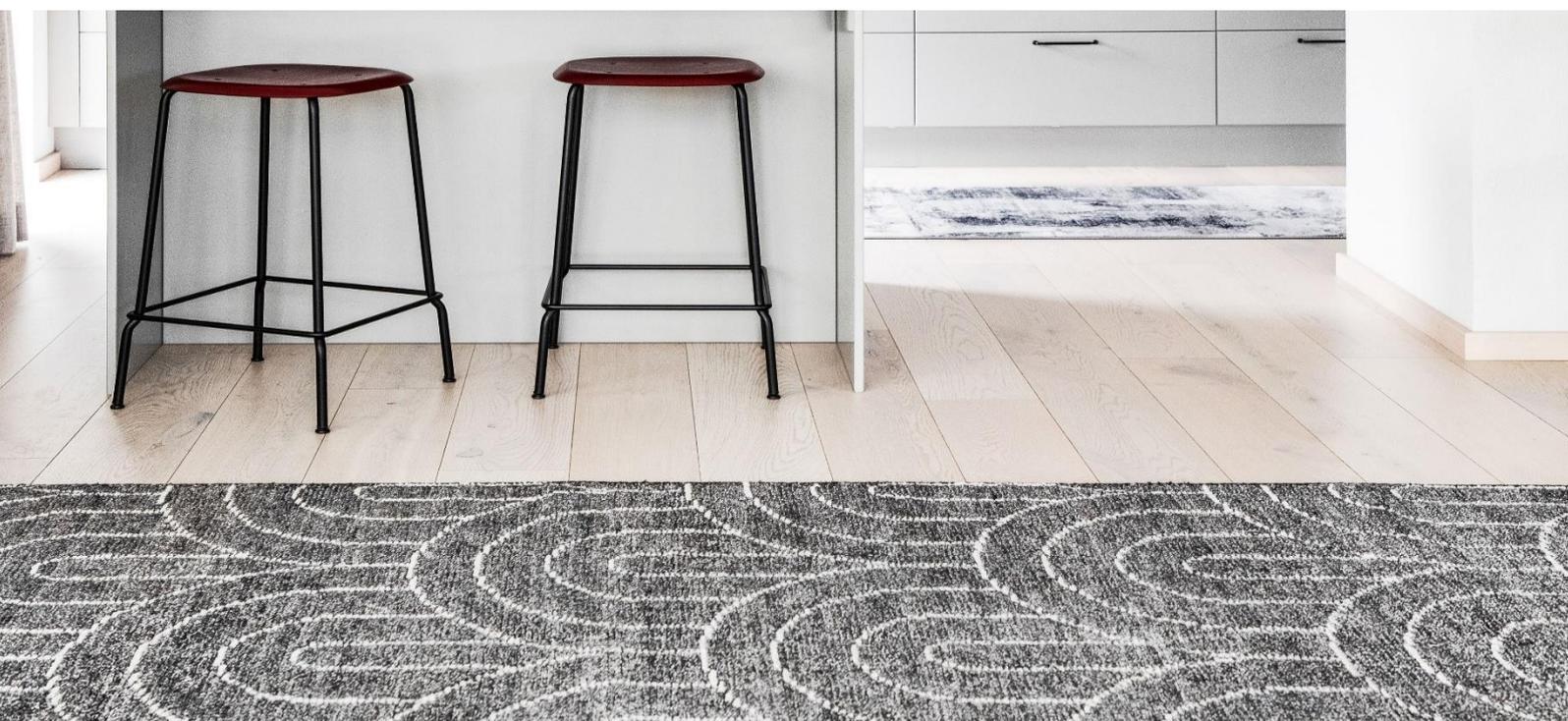
The NPS value was 67 (67) and the TrustPilot value was 4.8 (4.8). The continued strong customer satisfaction ratings (NPS and TrustPilot) were a result of overall stable operational performance during the period.

Web-shop visits reached 39.8 (33.4) million representing a 19.1% (25.2%) increase.

Order count was 273.0 (206.1) thousand representing a 32.5% (35.2%) increase.

197.2 (149.3) thousand new customers acquired representing a 32.1% (39.4%) increase.

Average order value was SEK 3,636 (3,755) representing a -3.2% (0.7%) decrease. The decrease was driven by category mix effects.



Segment development

B2C

<i>SEK thousand if not stated otherwise</i>	October - December			January - December		
	2021	2020	Δ	2021	2020	Δ
Net revenue	192,209	183,413	4.8%	622,109	479,199	29.8%
<i>Net revenue, DACH</i>	40,288	35,929	12.1%	135,968	95,247	42.8%
<i>Net revenue, Nordics</i>	41,658	43,905	-5.1%	154,964	130,473	18.8%
<i>Net revenue, Rest of World</i>	110,263	103,579	6.5%	331,176	253,478	30.7%
Gross profit	124,150	112,506	10.3%	399,058	297,819	34.0%
Gross margin, %	64.6%	61.3%	3.3pp	64.1%	62.1%	2.0pp
Marketing cost as a share of net revenue, %	33.3%	28.9%	4.5pp	32.0%	29.3%	2.6pp
Segment earnings	60,070	59,562	0.9%	200,224	157,198	27.4%
Segment margin, %	31.3%	32.5%	-1.2pp	32.2%	32.8%	-0.6pp

Fourth quarter

B2C net revenue during the quarter was SEK 192.2 (183.4) million representing an increase of 4.8% (58.0%). Net revenue within the segment was primarily driven by the DACH region which grew by 12.1% (49.7%).

Gross profit was SEK 124.2 (112.5) million representing an increase of 10.3% (60.3%) and the gross margin was 64.6% (61.3%). The gross margin increase was driven by category mix effects, decreased discount rates, and the cost reduction associated with the incorrectly charged import VAT in the UK.

Marketing cost as a share of net revenue was 33.3% (28.9%). The increase compared to last year was primarily a result of investments in marketing to drive growth as well as the general media space price increases.

Segment earnings were SEK 60.1 (59.6) million representing an increase of 0.9% (81.1%) and the segment margin was 31.3% (32.5%) with the decrease driven by the increased marketing cost ratio.

January – December

B2C net revenue during the period was SEK 622.1 (479.2) million representing an increase of 29.8% (33.8%). Net revenue within the segment was primarily driven by the DACH region which grew by 42.8% (31.3%).

Gross profit was SEK 399.1 (297.8) million representing an increase of 34.0% (39.1%) and the gross margin was 64.1% (62.1%). The gross margin increase was driven by category mix effects and decreased discount rates.

Marketing cost as a share of net revenue was 32.0% (29.3%). The marketing cost ratio increase was driven by the increased cost for marketing activities during the last three quarters of the year.

Segment earnings were SEK 200.2 (157.2) million representing an increase of 27.4% (56.4%) and the segment margin was 32.2% (32.8%).

B2B

<i>SEK thousand if not stated otherwise</i>	October - December			January - December		
	2021	2020	Δ	2021	2020	Δ
Net revenue	20,610	17,315	19.0%	63,877	49,683	28.6%
Gross profit	13,489	11,140	21.1%	42,408	32,034	32.4%
Gross margin, %	65.4%	64.3%	1.1pp	66.4%	64.5%	1.9pp
Marketing cost as a share of net revenue, %	14.8%	13.8%	1.1pp	13.4%	13.7%	-0.3pp
Segment earnings	10,434	8,759	19.1%	33,821	25,208	34.2%
Segment margin, %	50.6%	50.6%	0.0pp	52.9%	50.7%	2.2pp

Fourth quarter

B2B net revenue during the quarter was SEK 20.6 (17.3) million representing an increase of 19.0% (32.0%). The demand continued to be somewhat lower during the quarter this year compared to before the Covid-19 pandemic. However, a continued activity increase within the interior design customer segment especially has been observed.

Gross profit was SEK 13.5 (11.1) million representing an increase of 21.1% (31.8%) and the gross margin was 65.4% (64.3%). The gross margin increase was driven by category mix effects.

Marketing cost as a share of net revenue was 14.8% (13.8%).

Segment earnings were SEK 10.4 (8.8) million representing an increase of 19.1% (31.7%) and the segment margin was 50.6% (50.6%) with the increase in gross margin being offset by the increase in marketing costs.

January – December

B2B net revenue during the period was SEK 63.9 (49.7) million representing an increase of 28.6% (14.9%). The demand continues to be somewhat lower compared to before the Covid-19 pandemic, but a noticeable activity increase within the interior design customer segment has been observed during the second half of the year especially.

Gross profit was SEK 42.4 (32.0) million representing an increase of 32.4% (15.5%) and the gross margin was 66.4% (64.5%). The gross margin increase was driven by category mix effects and decreased discount rates.

Marketing cost as a share of net revenue was 13.4% (13.7%).

Segment earnings were SEK 33.8 (25.2) million representing an increase of 34.2% (15.7%) and the segment margin was 52.9% (50.7%) with the increase driven by the improved gross margin and reduced marketing cost ratio.

MPO

<i>SEK thousand if not stated otherwise</i>	October - December			January - December		
	2021	2020	Δ	2021	2020	Δ
Net revenue	5,981	5,334	12.1%	18,998	12,830	48.1%
Gross profit	3,980	3,409	16.7%	12,689	8,312	52.7%
Gross margin, %	66.5%	63.9%	2.6pp	66.8%	64.8%	2.0pp
Marketing cost as a share of net revenue, %	31.6%	24.3%	7.3pp	27.6%	23.3%	4.4pp
Segment earnings	2,090	2,113	-1.1%	7,440	5,327	39.7%
Segment margin, %	34.9%	39.6%	-4.7pp	39.2%	41.5%	-2.4pp

Fourth quarter

MPO net revenue during the quarter was SEK 6.0 (5.3) million representing an increase of 12.1% (160.2%). The segment continued its positive development during the quarter but faced a tough comparable from last year

Gross profit was SEK 4.0 (3.4) million representing an increase of 16.7% (162.9%) and the gross margin was 66.5% (63.9%). The gross margin increase was driven by category mix effects.

Marketing cost as a share of net revenue was 31.6% (24.3%). The marketing cost ratio increase was driven by intensified marketing efforts on the Amazon platform to drive growth.

Segment earnings was SEK 2.1 (2.1) million representing a decrease of -1.1% (141.3%) and the segment margin was 34.9% (39.6%) with the decrease driven by the higher marketing cost ratio.

January – December

MPO net revenue during the period was SEK 19.0 (12.8) million representing an increase of 48.1% (113.7%). The implemented initiatives to drive growth on the Amazon marketplace continue to be effective.

Gross profit was SEK 12.7 (8.3) million representing an increase of 52.7% (122.4%) and the gross margin was 66.8% (64.8%). The gross margin increase was driven by category mix effects and decreased discount rates.

Marketing cost as a share of net revenue was 27.6% (23.3%). The marketing cost ratio increase was driven by intensified marketing efforts on the Amazon platform to drive sales.

Segment earnings were SEK 7.4 (5.3) million representing an increase of 39.7% (126.8%) and the segment margin was 39.2% (41.5%) with the decrease driven by higher marketing investments.

Other information

Material events during the quarter

- The Group has sold 37,681 warrants of the series LTIP2021 to key employees joining the organization during the fourth quarter.
- The Nomination Committee of RugVista Group AB (publ) ("RugVista") has been formed in accordance with the company's "Instruction for appointing the Nomination Committee" as adopted by the extraordinary shareholder's meeting on Feb 11, 2021. The Nomination Committee appointed for RugVista's 2022 Annual General Meeting has the following composition:
 - Andreas Nyberg (representative of Litorina IV L.P)
 - Klara Tersman (representative of TIN Fonder)
 - Erik Lindgren (chairperson of the RugVista Board and the Nomination Committee)

Material events after the quarter

- None

Co-workers

The average number of FTEs during January – December was 81.7 (59.5) and the share of women was 44.5% (42.2%).

The average number of FTEs during October – December was 85.6 (64.6) and the share of women was 44.3% (42.6%).

Seasonality

The Group's sales typically fluctuate through the seasons where the first and fourth quarters tend to be the strongest.

The share

The RugVista Group AB (publ) share is listed on Nasdaq First North Premier Growth under the ticker code RUG and ISIN-code SE0015659834. The market capitalization of RugVista Group AB (publ) at the last day of trading in 2021 (December 30) was SEK 2.6 billion with a closing price of SEK 126.20 per share.

At the end of the reporting period, the number of shares issued was 22,785,140, all of which were ordinary shares. During the period, 860,000 warrants were issued by the Group. Of these, 496,981 have been sold to key employees in the Group.

See note 6 for an overview of the ten largest shareholders.

LTIP2021

The Group has issued warrants as part of a long-term incentive program for key employees within the Group ("LTIP 2021/2024"). Each warrant entitles the holder to subscribe for one (1) share in the company during the exercise period at SEK 162.50, which corresponds to 130 percent of the introductory price of the share. The warrants can be exercised during the period April 15–June 15, 2024. The price of the warrants when sold to participants will be set by PricewaterhouseCoopers in accordance with the Black & Scholes valuation method at the time of transfer.

January – December

During the period, 860,000 warrants were issued by the Group. Of these, 496,981 have been sold to key employees in the Group.

October – December

During the quarter, 37,681 warrants were sold to key employees in the Group.

Transactions with closely related parties

October – December

No material transactions with closely related parties were conducted during the fourth quarter besides what is reported in the section LTIP2021.

January - December

- The Group repurchased warrants from closely related companies and individuals in the management team in relation to the series LTIP2017, LTIP2018, and LTIP2019. The transaction is described in more detail in the Group's prospectus, which is available via www.rugvistagroup.com.
- SEK 213 thousand was paid to Womack Investor Relations as compensation for advisory related to investor relations and communications during the IPO process. The business relationship was conducted on regular market terms and at an "arm's length" principle.

No other material transactions with closely related parties were conducted during the period (not including warrants).

Audit

This report has been subject to a limited review by the Group's auditor.

Parent company

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

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

Net revenue of the parent company amounted to SEK 3.4 (2.7) million during the quarter and SEK 12.1 (8.5) million for the year. The parent company has invoiced fees for management services, in accordance with the Group's intra company agreements, to other Group companies during the period. Costs for the period are mainly related to salaries to some members of the management team and remuneration to the Board of Directors. Group contribution of SEK 61.7 (103.0) million has been received from group companies.

The result for the quarter totaled SEK 71.0 (28.7) million and SEK 62.1 (28.1) million for the year. The parent company has an internal group receivable on the subsidiary, which together with shares in the subsidiary RugVista AB and equity constitutes the majority of financial assets of the parent company.

Annual General Meeting

The Annual General Meeting will be held in Malmö, Sweden on May 20, 2022. The notice to convene the Annual General Meeting will be made in the prescribed manner.

The Board of Directors proposes a cash dividend of SEK 2.50 (0.00) per share equivalent to SEK 51.9 (0.0) million. The proposed record date to receive the right to dividends is May 24, 2022. Assuming the general meeting accepts the dividend proposal, the tentative date to receive dividends is May 30, 2022.

Financial calendar

Event	Date
Annual report January – December 2021	April 8, 2022
Interim report January – March 2022	May 12, 2022
Annual General Meeting 2022 (Malmö, Sweden)	May 20, 2022
Capital Markets Day	June 2, 2022 ¹
Interim report April – June 2022	August 18, 2022
Interim report July – September 2022	November 10, 2022
Interim report October – December 2022	February 9, 2023

¹ Due to Covid-19, the timing of the Capital Markets Day has been rescheduled from March 11, 2022, to June 2, 2022. More information on timing and location will be published on the Group's corporate website.

In connection with the publication of the interim report for January – December 2021, Michael Lindskog (CEO) and Henrik Bo Joergensen (CFO) will hold a conference call at 10:00 a.m. CET on February 17, 2022. The call will be held in English. To participate, please call +46 8 50 55 83 52 and use the PIN: 19552418# or visit <https://tv.streamfabriken.com/rugvista-group-q4-2021>.

The interim report and the presentation are available at RugVista Group's website: <https://www.rugvistagroup.com/en/investors/reports-and-presentations/>.

The conference call can also be joined through the Group's website: <https://www.rugvistagroup.com/en/investors/q421/>.

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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 7:30 a.m. CET on February 17, 2022.

Group

All reports are reported in thousands of kronor (KSEK) unless otherwise stated.

Consolidated Statement of Income

<i>SEK thousand if not stated otherwise</i>	October - December			January - December		
	2021	2020	Δ	2021	2020	Δ
Net revenue	218,801	210,477	4.0%	704,984	561,883	25.5%
Other income	354	585	-39.6%	1,543	2,161	-28.6%
Total operating income	219,155	211,063	3.8%	706,527	564,045	25.3%
Goods for resale	-77,182	-82,170		-250,829	-217,094	
Other external expenses	-79,372	-72,609		-253,178	-188,538	
Personnel expenses	-18,683	-15,330		-63,566	-47,602	
Profit from divesting share in subsidiaries	0	2,402		0	2,402	
Other operating expenses	-1,359	-2,293		-2,936	-1,251	
Amortization & depreciation	-2,272	-1,973		-8,360	-7,809	
Operating profit (EBIT)	40,287	39,091	3.1%	127,658	104,153	22.6%
Financial expenses	-221	-806		-910	-3,557	
Profit before taxes (EBT)	40,066	38,284	4.7%	126,749	100,595	26.0%
Taxes	-8,877	-7,838		-26,898	-20,612	
Profit for the period	31,189	30,446	2.4%	99,851	79,983	24.8%
Earnings per share:						
Earnings per share	1.50	1.50		4.80	3.94	
Earnings per share, diluted	1.50	1.46		4.80	3.84	

Consolidated Statement of Comprehensive Income

<i>SEK thousand if not stated otherwise</i>	October - December			January - December		
	2021	2020	Δ	2021	2020	Δ
Profit for the period	31,189	30,446	2.4%	99,851	79,983	24.8%
<i>Items that can later be reclassified to the income statement</i>						
Translation differences	0	20		0	20	
Other comprehensive income	0	20	-100.0%	0	20	-100.0%
Comprehensive profit for the period attributable the parent company's shareholders	31,189	30,466	2.4%	99,851	80,003	24.8%

Consolidated Statement of Financial Position

ASSETS	Dec 31, 2021	Dec 31, 2020
<u>NON-CURRENT ASSETS</u>		
Goodwill	299,949	299,949
Tangible assets	4,150	2,773
Right-of-use assets	27,533	28,884
Deferred tax claim	236	176
Total non-current assets	331,868	331,782
<u>CURRENT ASSETS</u>		
Inventory	146,559	90,997
Other receivables	19,920	28,803
Prepaid expenses	921	1,598
Cash and cash equivalents	218,116	139,508
Total current assets	385,516	260,906
TOTAL ASSETS	717,384	592,688
EQUITY AND LIABILITIES	Dec 31, 2021	Dec 31, 2020
<u>EQUITY</u>		
Share capital	1,039	1,014
Other contributed capital	227,784	244,229
Retained earnings	168,225	88,241
Profit for the period	99,851	79,983
Total equity attributable to the parent company's shareholders	496,899	413,468
<u>NON-CURRENT LIABILITIES</u>		
Deferred tax liability	107	13,722
Leasing debt	20,070	23,231
Total non-current liabilities	20,177	36,953
<u>CURRENT LIABILITIES</u>		
Accounts payable	95,334	70,646
Current tax liabilities	48,126	16,320
Other current liabilities	26,290	28,570
Current leasing debt	8,419	6,651
Prepaid income and accrued expenses	22,139	20,081
Total current liabilities	200,308	142,268
TOTAL EQUITY AND LIABILITIES	717,384	592,688

Consolidated Statement of Changes in Equity

2020

	Share capital	Other contributed capital	Retained earnings including profit for the period	Total equity
Opening balance 2020-01-01	1,011	242,632	88,221	331,865
Profit for the period			79,983	79,983
Other comprehensive income			20	20
Total comprehensive profit for the period	1,011	242,632	168,225	411,868
<i>Transactions with shareholders:</i>				
Warrants				0
New share issue	3	1,597		1,600
Closing balance 2020-12-31	1,014	244,229	168,225	413,468

2021

SEK thousand if not stated otherwise

	Share capital	Other contributed capital	Retained earnings including profit for the period	Total equity
Opening balance 2021-01-01	1,014	244,229	168,225	413,468
Profit for the period			68,662	68,662
Other comprehensive income			0	0
Total comprehensive profit for the period	1,014	244,229	236,886	482,129
<i>Transactions with shareholders:</i>				
Warrants, issue		9,418		9,418
Warrants, repurchase		-38,069		-38,069
New share issue	25	11,423		11,449
Closing balance 2021-09-30	1,039	227,001	236,886	464,927

SEK thousand if not stated otherwise

	Share capital	Other contributed capital	Retained earnings including profit for the period	Total equity
Opening balance 2021-10-01	1,039	227,001	236,886	464,927
Profit for the period			31,189	31,189
Other comprehensive income			0	0
Total comprehensive profit for the period	1,039	227,001	268,076	496,116
<i>Transactions with shareholders:</i>				
Warrants, issue		783		783
Warrants, repurchase		0		0
New share issue	0	0		0
Closing balance 2021-12-31	1,039	227,784	268,076	496,899

Consolidated Statement of Cash Flow

	Oct 1 - Dec 31		Jan 1 - Dec 31	
	2021	2020	2021	2020
OPERATING ACTIVITIES				
<i>Operating activities before changes in working capital</i>				
EBIT	40 287	39 091	127 658	104 153
Depreciation and amortization	2 272	1 973	8 360	7 809
Profit from divesting shares in subsidiary	0	-2 402	0	-2 402
Interest paid	-221	-806	-910	-3 557
Income tax paid	871	-195	-8 767	-4 724
Cash flow from operating activities before changes in working capital	43 209	37 660	126 342	101 278
<i>Changes in working capital</i>				
Change in inventory	-15 706	13 538	-55 562	44 978
Change in operating receivables	3 442	-15 056	9 560	-20 837
Change in operating liabilities	39 092	52 631	24 467	59 935
Cash flow from changes in working capital	26 828	51 112	-21 536	84 077
Cash flow from operating activities	70 037	88 772	104 806	185 356
INVESTING ACTIVITIES				
Divesting of shares in subsidiaries	0	3 195	0	3 195
Acquisition of tangible assets	-1 174	-1 345	-2 358	-2 061
Sales of tangible assets	0	0	0	22
Cash flow from investing activities	-1 174	1 850	-2 358	1 156
FINANCING ACTIVITIES				
New shares issue	0	0	11 449	1 600
Warrants, issue	783	0	10 201	0
Warrants, repurchase	0	0	-38 069	0
Amortization of leasing debt	-2 045	-1 601	-7 422	-6 205
Amortization of loans	0	-82 500	0	-88 000
Cash flow from financing activities	-1 263	-84 101	-23 841	-92 605
TOTAL CASH FLOW DURING THE PERIOD	67 601	6 521	78 608	93 907
Liquidity at the start of the period	150 515	132 967	139 508	45 582
Translation differences in liquidity	0	20	0	20
Liquidity at the end of the period	218 116	139 508	218 116	139 508

Notes

Note 1 - Accounting principles

This interim report has been prepared according to IAS 34 *Delårsrapportering and Årsredovisningslagen*. 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 1 "Supplementary accounting rules for Group's". For additional information about RugVista Group's accounting principles, we refer to the 2020 Annual report (page 9) published on www.rugvistagroup.com.

New and changed standards

None of the new and changed standards and interpretations applicable commencing January 1, 2021, are considered to have 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. No 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 2020.

No change 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

The ongoing Covid-19 pandemic has affected and is expected to continue to affect the general economic development both globally and regionally with risk of increased unemployment levels and consequently decreased disposable incomes for consumers. As a direct consequence of the restrictions resulting from the Covid-19 pandemic, the travel and retail industries have experienced declined demand, which has reduced the demand among the company's B2B customers. The Group considers itself well equipped to face the market uncertainty connected to the Covid-19 pandemic both from a risk and financial perspective thanks to strong liquidity and no outstanding loans to credit institutions.

The uncertainty in the macroeconomic outlook as a result of the current energy crisis in Europe, increasing core inflation, and expected interest rates hikes by central banks in the United States and Europe as well as the geopolitical unrest in regard to the Ukraine-Russia situation could lead to lower consumer confidence and thus spend in the shorter term.

The Taliban's rise to power in Afghanistan could come to affect some of our wholesalers' ability to produce new traditional rugs in the country. The unrest in the region could also affect other nearby countries, which some of our wholesalers use for production. The Group is monitoring the situation on an ongoing basis through discussions with wholesalers and other parties such as NGOs operating in the region. Rugs produced in Afghanistan account for approximately 5% of the Group's net revenue and inventory value.

The continued global freight disruptions have impacted and is expected for the time being to continue to impact some of the Group's ability to effectively maintain appropriate inventory levels of products for sale as the reliability of planned delivery dates is lower than normal. The Group has an ongoing dialogue with its producers to ensure delivery dates and production rates.

For a more comprehensive description of the risks and factors of uncertainty which may affect the Group refer to the annual report available through www.rugvistagroup.com.

Note 3 - Reconciliation of segment information

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.

October - December 2021	B2C	B2B	MPO	Divested operations	Segment total
Net revenue	192,209	20,610	5,981	0	218,801
Goods for resale	-68,060	-7,121	-2,002	0	-77,182
Gross profit	124,150	13,489	3,980	0	141,619
Marketing costs	-64,080	-3,055	-1,890	0	-69,025
Segment earnings	60,070	10,434	2,090	0	72,594

October - December 2020	B2C	B2B	MPO	Divested operations¹	Segment total
Net revenue	183,413	17,315	5,334	4,415	210,477
Goods for resale	-70,907	-6,175	-1,925	-3,163	-82,170
Gross profit	112,506	11,140	3,409	1,252	128,308
Marketing costs	-52,943	-2,382	-1,297	-743	-57,365
Segment earnings	59,562	8,759	2,113	509	70,942

January - December 2021	B2C	B2B	MPO	Divested operations	Segment total
Net revenue	622,109	63,877	18,998	0	704,984
Goods for resale	-223,050	-21,469	-6,309	0	-250,829
Gross profit	399,058	42,408	12,689	0	454,155
Marketing costs	-198,834	-8,588	-5,249	0	-212,671
Segment earnings	200,224	33,821	7,440	0	241,484

January - December 2020	B2C	B2B	MPO	Divested operations¹	Segment total
Net revenue	479,199	49,683	12,830	20,172	561,883
Goods for resale	-181,380	-17,649	-4,518	-13,548	-217,094
Gross profit	297,819	32,034	8,312	6,624	344,789
Marketing costs	-140,622	-6,825	-2,985	-3,503	-153,935
Segment earnings	157,198	25,208	5,327	3,121	190,854

Note 1: Subsidiary ArtGlass i Malmö AB divested in December 2020.

Note 3 - Reconciliation of segment information, continued

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.

Reconciliation of income	October - December		January - December	
	2021	2020	2021	2020
Segment earnings	72,594	70,942	241,484	190,854
Other income	354	585	1,543	2,161
Other external expenses (excl. Marketing costs)	-10,347	-15,244	-40,506	-34,603
Personnel expenses	-18,683	-15,330	-63,566	-47,602
Profit from divestment of subsidiaries	0	2,402	0	2,402
Other operating expenses	-1,359	-2,293	-2,936	-1,251
Amortization & depreciation	-2,272	-1,973	-8,360	-7,809
Financial expenses	-221	-806	-910	-3,557
Profit before taxes (EBT)	40,066	38,284	126,749	100,595

Note 4 – Financial instruments

Financial assets valued at accrued acquisition value	2021-12-31	2020-12-31
<i>Financial assets in the balance sheet</i>		
Other receivables	5,057	7,926
Cash and cash equivalents	218,116	139,508
Total	223,172	147,434

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	2021-12-31	2020-12-31
<i>Financial liabilities in the balance sheet</i>		
Accounts payable	95,334	70,646
Other liabilities	2,823	2,874
Accrued expenses	20,508	18,765
Leasing debt	28,489	29,882
Total	147,154	122,167

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

Note 5 - Items affecting comparability

Costs associated with the listing process on Nasdaq First North Premier Growth Market.

Items affecting comparability	October - December		January - December	
	2021	2020	2021	2020
Other external expenses	0	5,044	8,971	5,044
Personnel expenses	0	0	929	0
Total	0	5,044	9,900	5,044

Note 6 - Parent company ownership overview

The ten largest shareholders as of December 30, 2021.

Owner	Number of shares	Share of capital	Share of votes
Litorina IV L.P.	2,813,587	13.5%	13.5%
Futur Pension	1,931,544	9.3%	9.3%
TIN Fonder	1,831,250	8.8%	8.8%
RBC	1,826,764	8.8%	8.8%
Indexon AB	1,485,702	7.1%	7.1%
RoosGruppen AB	1,040,000	5.0%	5.0%
SEB Life International	911,490	4.4%	4.4%
Enter Fonder	847,993	4.1%	4.1%
Goldman Sachs International Ltd	673,183	3.2%	3.2%
Spiltan Fonder	667,397	3.2%	3.2%
<i>Total the ten largest shareholders</i>	<i>14,028,910</i>	<i>67.5%</i>	<i>67.5%</i>
Total number of outstanding shares	20,785,140	100.0%	100.0%

Source: Euroclear extract per December 30, 2021

Parent company

All reports are reported in thousands of kronor (KSEK) unless otherwise stated.

Parent company's Statement of Income

<i>SEK thousand if not stated otherwise</i>	October - December			January - December		
	2021	2020	Δ	2021	2020	Δ
Net revenue	3 415	2 748	24,3%	12 088	8 463	42,8%
Other income	0	30	-100,0%	0	30	-100,0%
Total operating income	3 415	2 778	22,9%	12 088	8 493	42,3%
Other external expenses	-1 403	-7 439		-12 848	-9 259	
Personnel expenses	-1 999	-1 990		-8 073	-5 611	
Other operating expenses	0	0		-8	-1	
Operating profit (EBIT)	13	-6 651	-100%	-8 841	-6 378	39%
Profit from participations in Group companies	0	-27 264		0	-27 264	
Financial expenses	0	-1 570		-15	-2 484	
Profit before taxes (EBT)	13	-35 484	-100,0%	-8 856	-36 125	-75,5%
<i>Year-end appropriations</i>						
Group contribution	61 700	103 000		61 700	103 000	
Tax allocation reserve	25 687	-23 500		25 687	-23 500	
Taxes	-16 426	-15 310		-16 426	-15 310	
Profit for the period ¹⁾	70 973	28 705	147,2%	62 105	28 065	121,3%

1) Same as comprehensive income.

Parent company's Statement of Financial Position

ASSETS	Dec 31, 2021	Dec 31, 2020
<u>NON-CURRENT ASSETS</u>		
<i>Financial non-current assets</i>		
Shares in group companies	321 271	321 271
Total non-current assets	321 271	321 271
<u>CURRENT ASSETS</u>		
Other receivables	63 250	2 137
Prepaid expenses	98	68
Cash and cash equivalents	17 437	4 674
Total current assets	80 785	6 880
TOTAL ASSETS	402 056	328 151
EQUITY AND LIABILITIES	Dec 31, 2021	Dec 31, 2020
<u>EQUITY</u>		
<i>Restricted equity</i>		
Share capital	1 039	1 014
Sub-total, restricted equity	1 039	1 014
<i>Unrestricted equity</i>		
Retained earnings	305 303	249 019
Profit for the period	62 105	28 065
Sub-total, unrestricted equity	367 408	277 084
Total equity	368 448	278 098
<u>UNTAXED RESERVES</u>		
Untaxed reserved	0	25 687
<u>NON-CURRENT LIABILITIES</u>		
Total non-current liabilities	0	0
<u>CURRENT LIABILITIES</u>		
Accounts payable	614	5 315
Current tax liabilities	30 364	16 320
Other current liabilities	502	140
Prepaid income and accrued expenses	2 128	2 590
Total current liabilities	33 608	24 366
TOTAL EQUITY AND LIABILITIES	402 056	328 151

Board of Directors and Chief Executive Officer assurance

The Board of Directors and the Chief Executive Officer (CEO) assures 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 part of the Group.

Limhamn, February 17, 2022

Erik Lindgren

Chairperson of the Board

Magnus Dimert

Board Member

Paul Steene

Board Member

Eva Boding

Board Member

Ludvig Friberger

Board Member

John Womack

Board Member

Michael Lindskog

CEO

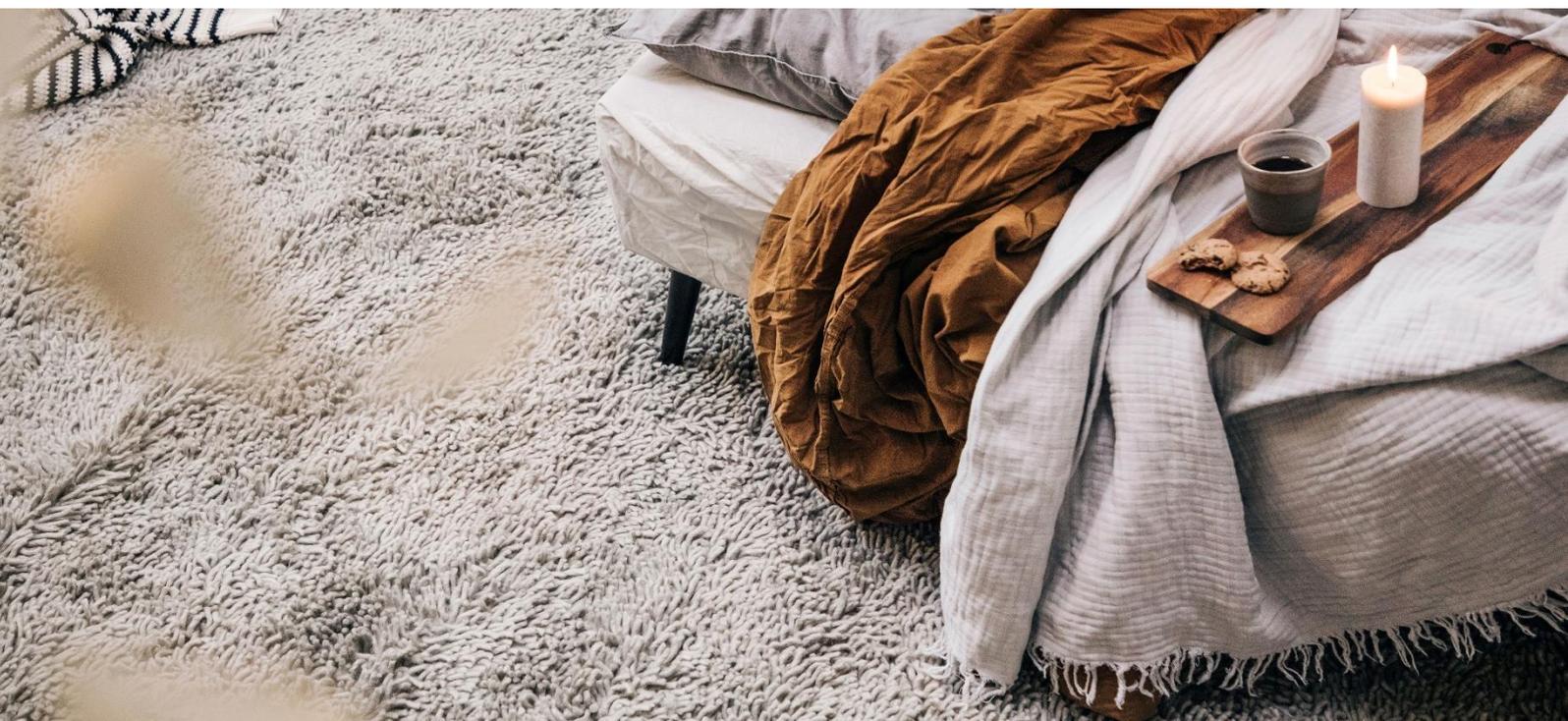
Definitions of metrics and key performance indicators

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.
Earnings per share	Comprehensive profit for the period attributable 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.
Net financial indebtedness / net cash	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, but also the smaller Nordic countries such as Island.
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

<i>SEK thousand if not stated otherwise</i>	October - December		January - December	
	2021	2020	2021	2020
Total operating income (A)	219,155	211,063	706,527	564,045
Goods for resale (B)	-77,182	-82,170	-250,829	-217,094
Gross profit (A) + (B)	141,972	128,893	455,698	346,950
Net revenue (C)	218,801	210,477	704,984	561,883
Gross margin, % ((A) + (B)) / (C)	64.9%	61.2%	64.6%	61.7%
Operating profit (EBIT) (A)	40,287	39,091	127,658	104,153
Items affecting comparability (B)	0	5,044	9,900	5,044
Adjusted EBIT (A) + (B)	40,287	44,134	137,558	109,196
Net revenue (C)	218,801	210,477	704,984	561,883
Adjusted EBIT margin, % ((A) + (B)) / (C)	18.4%	21.0%	19.5%	19.4%
Inventory (A)	146,559	90,997	146,559	90,997
Net revenue, last twelve months (LTM) (B)	704,984	561,883	704,984	561,883
Inventory as % of LTM net revenue (A) / (B)	20.8%	16.2%	20.8%	16.2%
Cash and cash equivalents	-218,116	-139,508	-218,116	-139,508
Interest bearing liabilities (current and non-current)	0	0	0	0
Interest bearing lease liabilities (current and non-current)	28,489	29,882	28,489	29,882
Net debt (+) / net cash (-)	-189,627	-109,626	-189,627	-109,626

Information by quarter for selected expenses

SEK thousand if not stated otherwise

	Jan - Mar 2019		Apr - Jun 2019		Jul - Sep 2019		Oct - Dec 2019	
Expense item	SEK K	%¹						
Net revenue	102,847	100.0%	80,223	100.0%	92,945	100.0%	131,277	100.0%
Product expenses	-31,078	-30.2%	-22,717	-28.3%	-26,293	-28.3%	-36,721	-28.0%
Shipping and other selling expenses	-11,249	-10.9%	-9,056	-11.3%	-9,988	-10.7%	-14,613	-11.1%
Marketing costs	-30,073	-29.2%	-24,159	-30.1%	-27,180	-29.2%	-39,528	-30.1%
	Jan - Mar 2020		Apr - Jun 2020		Jul - Sep 2020		Oct - Dec 2020	
Expense item	SEK K	%¹						
Net revenue	106,686	100.0%	118,807	100.0%	110,157	100.0%	206,062	100.0%
Product expenses	-30,714	-28.8%	-31,705	-26.7%	-28,319	-25.7%	-54,669	-26.5%
Shipping and other selling expenses	-10,501	-9.8%	-12,209	-10.3%	-11,092	-10.1%	-24,338	-11.8%
Marketing costs	-31,218	-29.3%	-31,524	-26.5%	-31,068	-28.2%	-56,622	-27.5%
	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%

Note 1: As a percent of net revenue

Numbers in the table above exclude divested operations.

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:

Penetrate core markets further

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.

Clearly present our assortment

This goal is to be achieved by refining how our assortment is presented to users in our web-shops. In particular, 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.

Good to great commercial and operational excellence

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:** *Be the center of gravity for the European rug industry.*
- **Sustainability:** *Lead the rug industry towards a sustainable future.*
- **People:** *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.
- Attractive position on a market in which size is important.
- Large and growing customer base in Europe.
- Product expertise and broad and attractive assortment tailored to the customer's needs.
- Data-driven operational platform.
- Financial profile combining growth and profitability.
- A well-qualified Board of Directors and management team with extensive and relevant experience.

Financial targets

The Board of Directors has adopted the following financial targets for the medium to long term:

- RugVista Group targets to organically grow net revenues by approximately 20 percent per year.
- RugVista Group targets to maintain an EBIT margin of at least 15 percent.
- RugVista Group targets to invest resources into growth and developing the business. In addition, RugVista Group aims to pay out up to 50 percent of annual net profits in dividends to shareholders.



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