



RUG

V I S T A

Interim report January – June 2022

RugVista Group AB (publ)

Continued challenging market conditions

Second quarter 2022

- Net revenue was SEK 121.2 (140.6) million representing a decrease of -13.8% (+13.2%).
- Organic net revenue growth was -15.6%.
- Gross margin decreased to 60.1% (64.1%).
- EBIT was SEK 0.4 (24.8) million and EBIT margin was 0.4% (17.6%).
- Profit for the period was SEK -0.1 (18.6) million.
- Earnings per share and per diluted share was SEK -0.01 (0.89)¹.
- The average NPS (Net Promotor Score) value was 68 (66).

January – June 2022

- Net revenue was SEK 307.2 (345.2) million representing a decrease of -11.0% (+46.9%).
- Organic net revenue growth was -14.0%.
- Gross margin decreased to 61.4% (64.6%).
- EBIT was SEK 22.0 (64.5) million and EBIT margin was 7.2% (18.7%).
- Profit for the period was SEK 16.7 (50.8) million.
- Earnings per share and per diluted share was SEK 0.80 (2.44)¹.
- Net cash position was SEK 81.8 (119.5) million.
- The average NPS (Net Promotor Score) value was 68 (66).
- Inventory as a share of last-twelve-month (LTM) net revenue was 24.8% (17.2%).

Group key performance indicators²

SEK thousand if not stated otherwise	April - June		January - June	
	2022	2021	2022	2021
Operating income	121,670	140,980	308,050	345,982
Net revenue	121,228	140,621	307,201	345,158
Net revenue growth, %	-13.8%	13.2%	-11.0%	46.9%
Net revenue growth excluding divested operations, %	-13.8%	18.4%	-11.0%	53.1%
Organic net revenue growth, %	-15.6%	23.5%	-14.0%	60.7%
Gross profit	72,869	90,110	188,728	222,842
Gross margin, %	60.1%	64.1%	61.4%	64.6%
EBIT	446	24,819	21,974	64,496
EBIT margin, %	0.4%	17.6%	7.2%	18.7%
Profit for the period	-115	18,553	16,690	50,782
Profit margin, %	-0.1%	13.2%	5.4%	14.7%
Adjusted EBIT	446	24,819	21,974	74,396
Adjusted EBIT margin, %	0.4%	17.6%	7.2%	21.6%
Inventory as a share of LTM net revenue, %	-	-	24.8%	17.2%
Net financial indebtedness	-	-	-81,769	-119,511
Earnings per share, SEK	-0.01	0.89	0.80	2.44
Earnings per share, diluted, SEK	-0.01	0.89	0.80	2.44
Number of shares outstanding	20,785,140	20,785,140	20,785,140	20,785,140
Number of diluted shares outstanding	20,785,140	20,785,140	20,785,140	20,785,140
Number of website visits, million	6.8	7.4	17.3	20.3
Number of orders, thousand	48.7	54.8	124.3	136.3
Number of new customers, thousand	33.7	39.4	87.6	98.9
Average order value, SEK	3,461	3,605	3,502	3,560
Average NPS value	68	66	68	66
Average TrustPilot value	4.8	4.8	4.8	4.8

¹ No dilution effect for neither 2022 nor 2021.

² See page 30 for definitions and explanations of key performance metrics (KPIs)



"I am convinced that we, by continuing to ensure high customer satisfaction, improve our customer proposition, develop our internal capabilities, maintain high cost efficiency, and effectively navigate the current market, will improve our possibilities for profitable growth both in the short- and long-term."

Michael Lindskog, CEO



Focus on navigating a challenging market

Dear shareholders,

The macroeconomic climate has further deteriorated during Q2 which has negatively affected the European households' confidence in the future and purchasing power. Rugvista Group has without a doubt been affected by these factors and we have, for example, during the quarter seen declining search volumes of -15% to -20% on most of our main markets compared to last year. Our organic net revenue growth for Q2 was -15.6% and was affected by lower consumer demand across most of Europe and the SEK depreciation versus the euro.

The gross margin for Q2 declined to 60.1% (64.1%) driven by higher discount rates, category mix effects, continued high costs for customer deliveries, and the USD's significant appreciation versus the SEK and the EUR.

The overall advertising intensity remained high during the quarter, but we managed to reach a slightly lower marketing spend ratio compared to Q1. Our focus on increased efficiency had effect during the second half of Q2 especially.

The EBIT margin for Q2 was 0.4% and affected by lower gross margin, higher external costs, and the reduced topline. Q2 has historically been our seasonally least profitable quarter and this year we were also affected by negative external factors.

Our average NPS value during the quarter was 68 which is still on an all-time high level and indicates that we deliver on our customer promises. Our other KPIs, related to our long-term strategy, developed negatively and were strongly affected by the overall macroeconomic climate.

The development of our new web-shop continued during the quarter with the aim to have at least 50% of our revenues generated through the new site by end of year.

If I summarize the first half of the year, it has been characterized by a changed

macroeconomic climate which has drastically affected the market conditions. In this environment we report organic net revenue growth of -14.0% and an EBIT margin of 7.2% for the period.

The macroeconomic outlook for the rest of the year remains uncertain and difficult to predict. This is a reality we need to accept and continue to navigate through. Even after the challenging year so far, and a shareholder dividend of SEK 52.0 million, we have a very strong financial position without any loans from financial institutions and a net cash of SEK 81.8 million.

Our strong financial position enables continued focus on driving our long-term strategic agenda while we at the same time have implemented and prepared initiatives to ensure healthy profitability given the current conditions. This includes selective price adjustments, further focus on improving marketing spend efficiency, and adjusted recruiting plans for the rest of the year. These initiatives have already resulted in positive effects on our gross margin and marketing costs so far during Q3. Early Q3 we also implemented a new software system for booking customer deliveries which enables us to offer localized carrier options faster and more flexibly. This initiative is also expected to result in cost savings.

This year has without a doubt been challenging so far. I am nonetheless convinced that we, by continuing to ensure high customer satisfaction, improve our customer proposition, develop our internal capabilities, maintain high cost efficiency, and effectively navigate the current market, will improve our possibilities for profitable growth both in the short- and long-term.

With best wishes,

Michael Lindskog
CEO RugVista Group

Group development

Second quarter

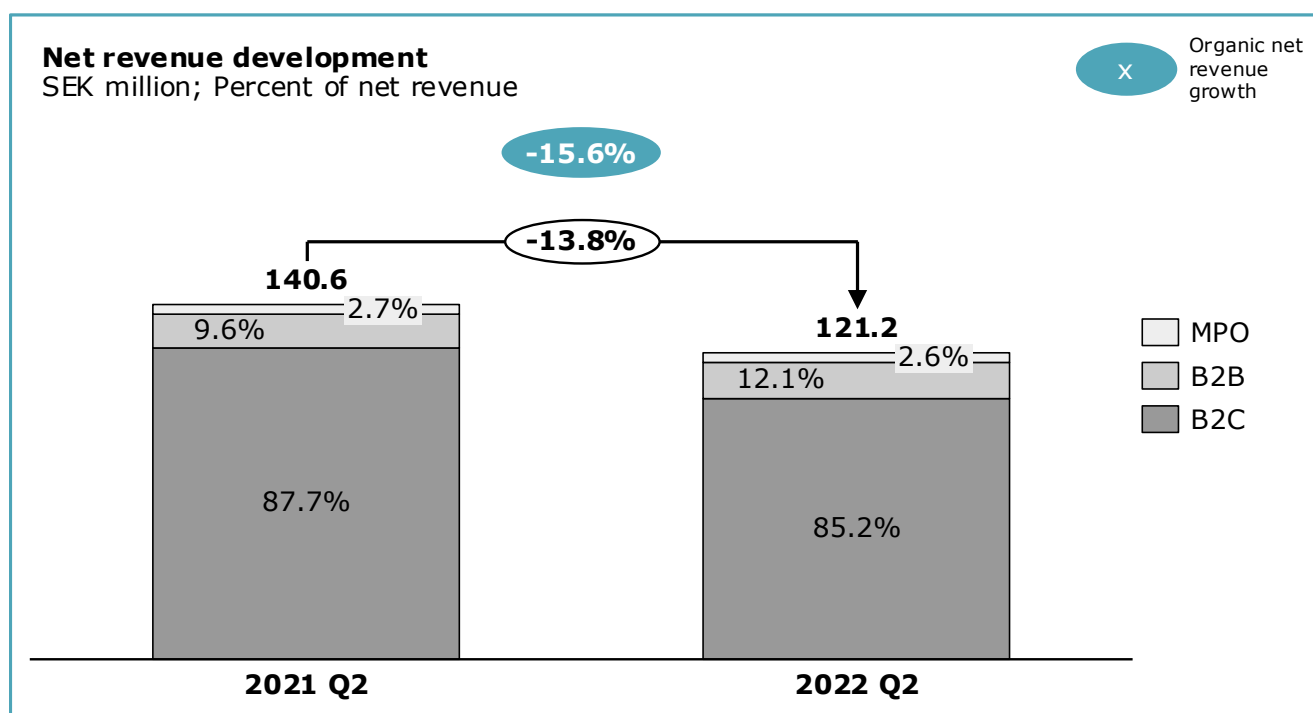
Net revenue

Group net revenue during the quarter was SEK 121.2 (140.6) million representing a decrease of -13.8% (13.2%) while organic net revenue growth was -15.6%. The turbulent macroeconomic climate with reduced purchasing power because of the increasing inflation, geopolitical unrest, and lower consumer confidence continued to negatively impact consumer demand across Europe during the quarter.

Net revenue within the B2C segment, the Group's largest, was SEK 103.3 (123.3) million representing a decrease of -16.2% (16.5%). The decrease in net revenue within the segment was primarily driven by the DACH and Nordics regions with growth rates of -24.5% (23.1%) and -27.6% (9.4%) respectively.

Net revenue within the B2B segment was SEK 14.7 (13.5) million representing an increase of 8.7% (28.8%). Demand within the B2B-segment continues to be more robust compared to the B2C-segment. The customer group interior designers continue to drive demand.

Net revenue within the Marketplace & Other (MPO) segment was SEK 3.2 (3.8) million representing a decrease of -16.0% (54.4%). Similar to the B2C-segment, demand within the MPO-segment was negatively affected by the macroeconomic climate during the quarter as the bulk of revenue is derived from sales to private consumers via Amazon's European marketplaces.



Profits and margins

The gross margin was 60.1% (64.1%). The decrease was driven by higher product expense ratio and higher costs for customer deliveries. The product expense ratio increase was driven by higher discount rates, category mix effects, and increased product sourcing cost due to the appreciation of the USD versus the SEK and EUR. The higher costs for customer deliveries were driven by investments in carrier selection to ensure high customer satisfaction as well as fuel surcharges from the carriers.

Other external expenses as a share of net revenue was 40.2% (33.8%). The increase was primarily driven by increased marketing investments within all segments although more pronounced within the B2C- and MPO-segments. The high marketing investment was driven by the continued intense activity from most of the market participants despite the lower consumer demand in addition to pilots of new marketing activities. However, the marketing cost ratio decreased slightly compared to the previous quarter. Costs associated with recruiting and preparations of the company's first public annual general meeting (AGM) also contributed to the increase in other external expense as a share of net revenue compared to last year.

Personnel expenses as a share of net revenue was 16.5% (11.0%). The increase was driven by the higher number of FTEs compared to last year, negative scale effects resulting from the lower net revenue compared to last year, and costs related to the CFO change.

Other operating expenses were SEK -0.8 (-0.4) million. The line-item specifies the net of FX effects on transactions and cash balances during the period. The increase was driven by exchange rate effects on accounts payable primarily due to the SEK's depreciation compared to multiple currencies.

Depreciation and amortization were SEK -2.8 (-1.9) million and mainly consists of amortization of right-of-use assets. The increase compared to last year was driven by investments in additional right-of-use assets for the warehouses as well as a refurbishment of the office building during the second half of 2021.

EBIT was SEK 0.4 (24.8) million representing an EBIT margin of 0.4% (17.6%). The EBIT margin decrease was driven by the lower gross margin, higher other external expenses, and the negative scale effect associated with the lower net revenue.

Net financial expenses were SEK -0.4 (-0.2) million.

Taxes for the period were SEK -0.1 (-6.0) million.

Profit for the period was SEK -0.1 (18.6) million representing a profit margin of -0.1% (13.2%).

Cash flows

Cash flow from operating activities was SEK -27.5 (-17.0) million during the quarter. The decrease is primarily related to the lower operating profitability.

Cash flow from investing activities was SEK -2.8 (-0.3) million during the period and the increase is related to development cost capitalization.

Cash flow from financing activities was SEK -54.4 (-1.8) million during the period. The cash outflow is primarily driven by the shareholder dividend of SEK 52.0 (0.0) million during the quarter.

Other KPIs

The NPS value was 68 (66) and the TrustPilot value was 4.8 (4.8), which is an indication that our continued high focus on ensuring a world-class customer experience has been successful.

The number of web-shop visits was 6.8 (7.4) million representing a decrease of -8.1% (-4.4%). The decrease is driven by the macroeconomic environment with reduced demand within the B2C-segment especially.

The order count was 48.7 (54.8) thousand representing a decrease of -11.0% (23.7%).

The number of new customers acquired was 33.7 (39.4) thousand representing a decrease of -14.5% (23.0%).

The average order value was SEK 3,461 (3,605) representing a decrease of -4.0% (-4.0%) and driven by changes in buying patterns within the design product category and higher discount rates.

January - June

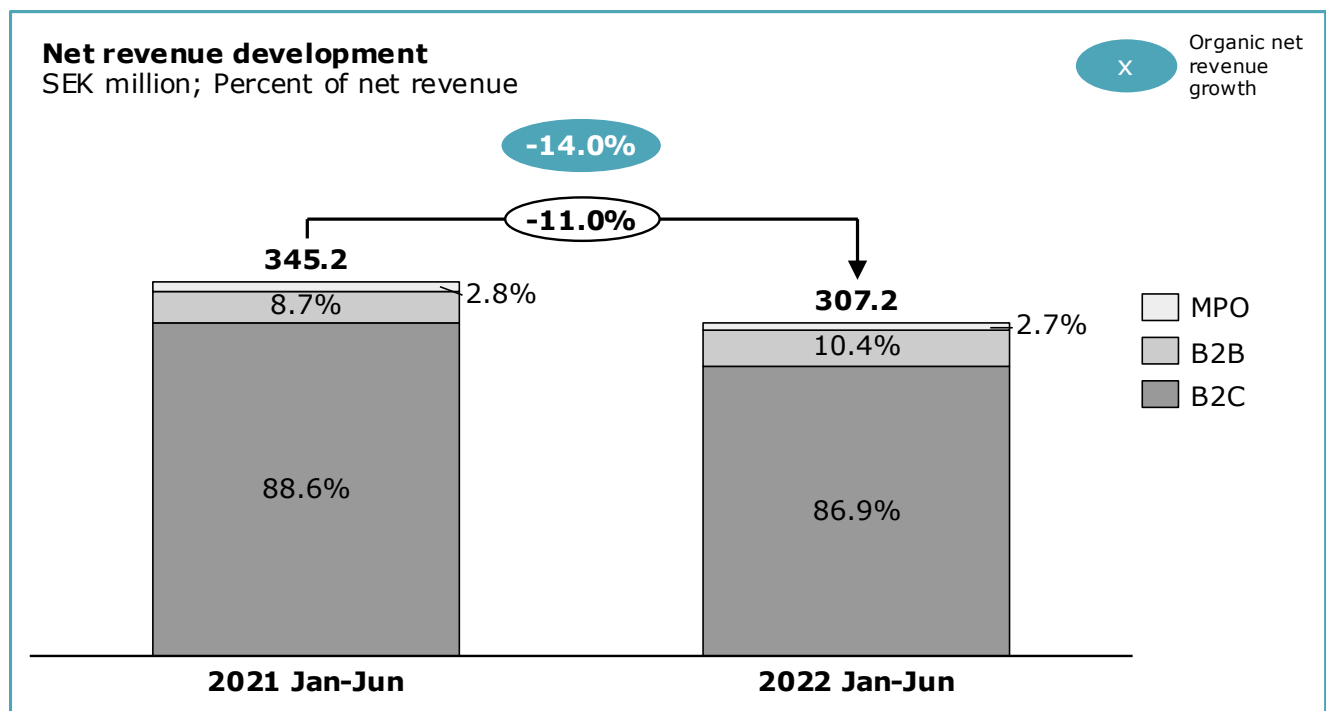
Net revenue

Group net revenue during the period was SEK 307.2 (345.2) million representing a decrease of -11.0% (46.9%) and the organic net revenue growth was -14.0%. The turbulent macroeconomic environment with reduced purchasing power because of the increased inflation, geopolitical unrest, and lower consumer confidence negatively impacted consumer demand in markets across Europe during most of the period.

Net revenue within the B2C segment, the Group's largest, was SEK 267.0 (305.7) million representing a decrease of -12.7% (53.8%). The decrease in net revenue within the segment was primarily driven by the DACH and Nordics regions with growth rates of -18.7 (69.6%) and -24.6% (39.5%) respectively.

Net revenue within the B2B segment was SEK 31.9 (29.9) million representing an increase of 6.7% (35.5%). Demand within the B2B-segment continues to be more robust compared to the B2C-segment. The customer group interior designers continue to drive demand.

Net revenue within the Marketplace & Other (MPO) segment was SEK 8.3 (9.6) million representing a decrease of -13.1% (102.6%). Similar to the B2C-segment, demand within the MPO-segment was negatively affected by the macroeconomic climate during the period as the bulk of revenue is derived from sales to private consumers via Amazon's European marketplaces.



Profits and margins

The gross margin was 61.4% (64.6%). The decrease was driven by higher product expense ratio and costs for customer deliveries. The product expense ratio increase was driven by higher discount rates, category mix effects, and increased product sourcing cost due to the appreciation of the USD versus the SEK and EUR. The higher costs for customer deliveries were driven by investments in carrier selection to ensure high customer satisfaction as well as fuel surcharges from the carriers.

Other external expenses as a share of net revenue was 39.6% (35.5%). The increase was primarily driven by increased marketing investments within all segments although more pronounced within the B2C- and MPO-segments. The high marketing investment was driven by the intense activity from most of the market participants despite the lower consumer demand. Costs associated with recruiting and preparations of the company's first public annual general meeting (AGM) also contributed to the increase in other external expense as a share of net revenue compared to last year.

Personnel expenses as a share of net revenue was 12.0% (9.2%). The increase was driven by the higher number of FTEs compared to last year, negative scale effects resulting from the lower net revenue, and costs related to the CFO change.

Other operating expenses was SEK -2.4 (-0.3) million. The line-item specifies the net of FX effects on transactions and cash balances during the period. The increase was driven by exchange rate effects on accounts payables primarily due to the SEK's depreciation compared to multiple currencies.

Depreciation and amortization were SEK -5.7 (-3.9) million and mainly consists of amortization of right-of-use assets. The increase compared to last year was driven by investments in additional right-of-use assets for the warehouses as well as a refurbishment of the office building during the second half of 2021.

EBIT was SEK 22.0 (64.5) million representing an EBIT margin of 7.2% (18.7%). The EBIT margin decrease was driven by the lower gross margin, higher other external expenses, and a reduced scale effect associated with the lower net revenue.

Net financial expenses were SEK -0.7 (-0.5) million.

Taxes during the period were SEK -4.6 (-13.3) million.

Profit for the period was SEK 16.7 (50.8) million representing a profit margin of 5.4% (14.7%).

Financial position and liquidity

Inventory value at the end of the period was SEK 165.7 (115.6) million and inventory value as a share of LTM net sales was 24.8% (17.2%). The 24.8% value is slightly above the target to maintain the ratio between 17.5% to 22.5%. The lower net revenue is the primary driver for the inventory ratio being above the target range. However, the inventory position means we are well prepared ahead of the peak-season which typically starts toward the end of Q3.

Net financial indebtedness was SEK -82.8 (-119.5) million with the decline of SEK 37.7 million was driven by the SEK 52.0 million shareholder dividend payout and changes in working capital.

Cash and cash equivalents were SEK 111.0 (146.0) million.

Cash flows

Cash flow from operating activities was SEK -46.1 (29.0) million during the period. The decrease is primarily related to the lower operating profitability and changes in working capital.

Cash flow from investing activities was SEK -4.4 (-0.4) million during the period and the increase is related to development cost capitalization.

Cash flow from financing activities was SEK -56.6 (-22.0) million during the period. The cash outflow is primarily driven by the shareholder dividend of SEK 52.0 (0.0) million during the second quarter.

Other KPIs

The NPS value was 68 (66) and the TrustPilot value was 4.8 (4.8), which is an indication that our continued high focus on ensuring a world-class customer experience has been successful.

The number of web-shop visits was 17.3 (20.3) million representing a decrease of -14.5 (34.0%). The decrease is related to the macroeconomic environment with reduced demand within the B2C-segment especially.

The order count was 124.3 (136.3) thousand representing a decrease of -8.8% (66.9%).

The number of new customers acquired was 87.6 (98.9) thousand representing a decrease of -11.4% (69.8%).

The average order value was SEK 3,502 (3,560) representing a decrease of -1.6% (-8.3%) and driven by changes in buying patterns within the design product category during the second half of the period especially and higher discount rates.



Segment development

B2C

<i>SEK thousand if not stated otherwise</i>	April - June			January - June		
	2022	2021	Δ	2022	2021	Δ
Net revenue	103,338	123,303	-16.2%	266,973	305,682	-12.7%
Net revenue, DACH	20,381	26,991	-24.5%	57,654	70,913	-18.7%
Net revenue, Nordics	23,288	32,146	-27.6%	58,552	77,681	-24.6%
Net revenue, Rest of World	59,669	64,166	-7.0%	150,767	157,088	-4.0%
Gross profit	61,342	78,182	-21.5%	162,370	195,638	-17.0%
Gross margin, %	59.4%	63.4%	-4.0pp	60.8%	64.0%	-3.2pp
Marketing cost as a share of net revenue, %	36.0%	31.7%	4.3pp	36.5%	30.4%	6.1pp
Segment earnings	24,158	39,144	-38.3%	64,915	102,769	-36.8%
Segment margin, %	23.4%	31.7%	-8.4pp	24.3%	33.6%	-9.3pp

Second quarter

Net revenue for the B2C-segment during the quarter was SEK 103.3 (123.3) million representing a decrease of -16.2% (16.5%). The decrease in net revenue within the segment was primarily driven by the DACH and Nordics regions with growth rates of -24.5% (23.1%) and -27.6% (9.4%) respectively.

Gross profit was SEK 61.3 (78.2) million representing a decrease of -21.5% (17.7%) and the gross margin was 59.4% (63.4%). The gross margin decrease was driven by higher product expense ratio and higher costs for customer deliveries.

Marketing cost as a share of net revenue was 36.0% (31.7%). The increase compared to last year was driven by continued intense advertising activity from most market participants despite the lower consumer demand and pilots of new marketing activities.

Segment earnings were SEK 24.2 (39.1) million representing a decrease of -38.3% (5.9%) and the segment margin was 23.4% (31.7%) with the decrease driven by both the decreased gross margin as well as the increased marketing cost ratio.

January - June

Net revenue for the B2C-segment during the period was SEK 267.0 (305.7) million representing a decrease of -12.7% (53.8%). The decrease in net revenue within the segment was primarily driven by the DACH and Nordics regions with growth rates of -18.7% (69.6%) and -24.6% (39.5%) respectively. The challenging macroeconomic climate, which negatively impacted consumer demand, drove the revenue decline during the bulk of the period.

Gross profit was SEK 162.4 (195.6) million representing a decrease of -17.0% (58.7%) and the gross margin was 60.8% (64.0%). The gross margin decrease was driven by higher product expense ratio and higher costs for customer deliveries.

Marketing cost as a share of net revenue was 36.5% (30.4%). The increase compared to last year was driven by continued intense advertising activity from most market participants despite the lower consumer demand.

Segment earnings were SEK 64.9 (102.8) million representing a decrease of -36.8% (58.7%) and the segment margin was 24.3% (33.6%) with the decrease driven by both the decreased gross margin as well as the increased marketing cost ratio.

B2B

SEK thousand if not stated otherwise	April - June			January - June		
	2022	2021	Δ	2022	2021	Δ
Net revenue	14,687	13,508	8.7%	31,887	29,883	6.7%
Gross profit	9,201	8,972	2.6%	20,414	19,880	2.7%
Gross margin, %	62.6%	66.4%	-3.8pp	64.0%	66.5%	-2.5pp
Marketing cost as a share of net revenue, %	14.9%	12.3%	2.6pp	15.7%	12.3%	3.4pp
Segment earnings	7,012	7,315	-4.1%	15,397	16,191	-4.9%
Segment margin, %	47.7%	54.2%	-6.4pp	48.3%	54.2%	-5.9pp

Second quarter

Net revenue for the B2B-segment during the quarter was SEK 14.7 (13.5) million representing an increase of 8.7% (28.8%). Demand within the B2B-segment continues to be more robust compared to the B2C-segment. The customer group interior designers continue to drive demand.

Gross profit was SEK 9.2 (9.0) million representing an increase of 2.6% (30.9%) and the gross margin was 62.6% (66.4%). The gross margin decrease was driven by higher product expense ratio and higher costs for customer deliveries.

Marketing cost as a share of net revenue was 14.9% (12.3%) with the increase driven by the same factors impacting marketing costs as in the B2C-segment.

Segment earnings were SEK 7.0 (7.3) million representing a decrease of -4.1% (35.1%) and the segment margin was 47.7% (54.2%) with the decrease driven by the lower gross margin and increased marketing costs.

January - June

Net revenue for the B2B-segment during the period was SEK 31.9 (29.9) million representing an increase of 6.7% (35.5%). Demand within the B2B-segment has been more robust compared to the B2C-segment. The customer group interior designers drives the demand.

Gross profit was SEK 20.4 (19.9) million representing an increase of 2.7% (41.8%) and the gross margin was 64.0% (66.5%). The gross margin decrease was driven by higher product expense ratio and higher costs for customer deliveries.

Marketing cost as a share of net revenue was 15.7% (12.3%) with the increase driven by the same factors impacting marketing costs as in the B2C-segment.

Segment earnings were SEK 15.4 (16.2) million representing a decrease of -4.9% (47.2%) and the segment margin was 48.3% (54.2%) with the decrease driven by the lower gross margin and increased marketing costs.

MPO

SEK thousand if not stated otherwise	April - June			January - June		
	2022	2021	Δ	2022	2021	Δ
Net revenue	3,202	3,810	-16.0%	8,341	9,593	-13.1%
Gross profit	1,884	2,597	-27.5%	5,095	6,499	-21.6%
Gross margin, %	58.8%	68.2%	-9.3pp	61.1%	67.8%	-6.7pp
Marketing cost as a share of net revenue, %	36.1%	24.7%	11.4pp	37.1%	24.6%	12.6pp
Segment earnings	728	1,657	-56.1%	1,999	4,144	-51.8%
Segment margin, %	22.7%	43.5%	-20.8pp	24.0%	43.2%	-19.2pp

Second quarter

Net revenue for the MPO-segment during the quarter was SEK 3.2 (3.8) million representing a decrease of -16.0% (54.4%).

Gross profit was SEK 1.9 (2.6) million representing a decrease of -27.5% (63.1%) and the gross margin was 58.8% (68.2%).

Marketing cost as a share of net revenue was 36.1% (24.7%). The marketing cost ratio increase was driven by similar factors as within the B2C-segment.

Segment earnings were SEK 0.7 (1.7) million representing a decrease of -56.1% (67.5%) and the segment margin was 22.7% (43.5%) with the decrease driven by the decrease in gross margin and higher marketing cost ratio.

January - June

Net revenue for the MPO-segment during the period was SEK 8.3 (9.6) million representing a decrease of -13.1% (102.6%). Similar to the B2C-segment, demand within the MPO-segment was negatively affected by the macroeconomic climate during the period as the bulk of revenue is derived from sales to private consumers via Amazon's European marketplaces.

Gross profit was SEK 5.1 (6.5) million representing a decrease of -21.6% (113.4%) and the gross margin was 61.1% (67.8%). The gross margin decrease was driven by higher product expense ratio and higher costs for customer deliveries. The increased costs for customer deliveries affected the MPO-segment especially negatively due to the geographic sales mix.

Marketing cost as a share of net revenue was 37.1% (24.6%). The marketing cost ratio increase was driven by similar factors as within the B2C-segment.

Segment earnings were SEK 2.0 (4.1) million representing a decrease of -51.8% (108.2%) and the segment margin was 24.0% (43.2%) with the decrease driven by the decrease in gross margin and the higher marketing cost ratio.



Other information

Material events during the quarter

- On May 20, 2022, Rugvista Group AB (publ) held the Annual General Meeting. Agenda, decision documents, minutes and other documentation are available for download on the company's website www.rugvistagroup.com.
- The Annual General Meeting on May 20, 2022, approved the board's proposal for a shareholder dividend of SEK 2.50 per share. The company carried out the dividend payout and a total of MSEK 52.0 was distributed.
- The Annual General Meeting on May 20, 2022, approved the nomination committee's proposal for re-election of board members Erik Lindgren, Eva Boding, Magnus Dimert, Ludvig Friberger and Paul Steene. Hanna Graflund Sleyman was elected as a new board member. Erik Lindgren was re-elected chairperson of the board.
- The Annual General Meeting on May 20, 2022, approved the board's proposal to establish an incentive program for senior executives and other key employees within the Group (LTIP2022/2025).
- Henrik Bo Jørgensen, CFO, announced the decision to leave the company.

Material events after the quarter

- No significant events have occurred after the end of the reporting period.

Co-workers

The average number of FTEs during April – June was 93.2 (78.9) and the share of women was 42.1% (44.0%).

The average number of FTEs during January – June was 93.1 (79.1) and the share of women was 42.5% (44.8%).

Seasonality

The Group's sales typically fluctuate between 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 Market under the ticker code RUG and ISIN-code SE0015659834. The market capitalization of RugVista Group AB (publ) at the last day of trading in Q2 2022 (June 30) was SEK 953 million with a closing price of SEK 45.90 per share.

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

In 2021, 860,000 warrants were issued by the Group. Of these, 436,981 have been sold to key employees within the Group.

During the second quarter of 2022, 300,000 warrants were issued by the Group. Out of these, 40,000 have been sold to senior executives within the Group.

For more detailed information on incentive programs, see "LTIP2021" and "LTIP2022" below and the company's website www.rugvistagroup.com.

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

Russia's invasion of Ukraine

Through its business operations, the Group has no direct exposure to Russia, Ukraine, or Belarus. However, in the current situation, it is difficult to assess the indirect impact of the war on GDP growth, inflation, global supply chains, consumers' faith in the future, and demand for the Group's products.

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.

April – June

During the period, no warrants of the series LTIP2021 have been sold to key persons in the group. With Henrik Bo Jørgensen announcing that he is leaving the company, 60,000 warrants of series LTIP2021 were repurchased.

The Annual General meeting on May 20, 2022, was the last day of sale of warrants in LTIP 2021. Of the total of 860,000 warrants issued, 423,019 warrants remained in the program, which were thereby forfeited.

LTIP2022

The Group has issued warrants as part a long-term incentive program for key employees within the Group ("LTIP 2022/2025"). Each warrant entitles the holder to subscribe for one (1) share in the company during the exercise period at SEK 89.61, which corresponds to 130 percent of the average share price during the valuation period. The warrants can be exercised during the period June 1 – September 1, 2025.

April – June

During the period, 40,000 warrants from series LTIP2022 have been sold to key employees within the Group.

Transactions with closely related parties

April – June

During the quarter, Cutting Edge Construction AB, owned by Board member Ludvig Friberger, invoiced the company SEK 72,000 for development work related to the IT platform.

January - June

No significant transactions with related parties, in addition to what was stated during the quarter, have taken place during the period.

Audit

This report has not been subject to 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.

The parent company's net sales amounted to MSEK 6.1 (3.7) during the quarter and for the period January – June MSEK 9.2 (6.1). The parent company's revenue consists of invoiced fees for management services to subsidiaries, in accordance with an intra-group agreement.

The parent company's costs mainly consist of salaries to 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 -0.2 (0.3) and for the period January - June MSEK -0.2 (-8.9).

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.

Financial calendar

Event	Date
Interim report July – September 2022	November 10, 2022
Capital Markets Day	December 8, 2022
Year-end report 2022	February 9, 2023

In connection with the publication of the interim report for January – June 2022, Michael Lindskog (CEO) will hold a conference call at 9:00 a.m. CEST on August 18, 2022. The call will be held in English. To participate, please call +46 8 505 163 86 and use the PIN: 2474364# or visit <https://tv.streamfabriken.com/Rugvista-group-q2-2022>. Additional information regarding the conference call can be found on <https://financialhearings.com/event/43998>.

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/se/investors/q222/>

Contact information

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CEO

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Corporate & Investor information

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Sweden

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. CEST on August 18, 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>	April - June			January - June		
	2022	2021	Δ	2022	2021	Δ
Net revenue	121,228	140,621	-13.8%	307,201	345,158	-11.0%
Other income	443	359	23.3%	850	824	3.1%
Total operating income	121,670	140,980	-13.7%	308,050	345,982	-11.0%
Goods for resale	-48,801	-50,869		-119,322	-123,140	
Other external expenses	-48,737	-47,525		-121,650	-122,394	
Personnel expenses	-20,035	-15,443		-37,001	-31,722	
Other operating expenses	-830	-374		-2,423	-300	
Amortization & depreciation	-2,821	-1,949		-5,680	-3,930	
Operating profit (EBIT)	446	24,819	-98.2%	21,974	64,496	-65.9%
Financial expenses	-426	-230		-683	-456	
Profit before taxes (EBT)	20	24,589	-99.9%	21,291	64,040	-66.8%
Taxes	-135	-6,037		-4,601	-13,258	
Profit for the period	-115	18,553	-100.6%	16,690	50,782	-67.1%
Attributable to:						
Parent company's shareholders	-115	18,553		16,690	50,782	
Earnings per share	-0.01	0.89		0.80	2.44	
Earnings per share, diluted	-0.01	0.89		0.80	2.44	

Consolidated Statement of Comprehensive Income

<i>SEK thousand if not stated otherwise</i>	April - June			January - June		
	2022	2021	Δ	2022	2021	Δ
Profit for the period	-115	18,553	-100.6%	16,690	50,782	-67.1%
<i>Items that can later be reclassified to the income statement</i>						
Translation differences	-	-		-	-	
Other comprehensive income	-	-	-	-	-	-
Comprehensive profit for the period attributable the parent company's shareholders	-115	18,553	-100.6%	16,690	50,782	-67.1%

Consolidated Statement of Financial Position

ASSETS	June 30, 2022	June 30, 2021	December 31, 2021
NON-CURRENT ASSETS			
Goodwill	299,949	299,949	299,949
Intangible assets	3,964	-	-
Tangible assets	3,846	2,655	4,150
Right-of-use assets	27,789	25,466	27,533
Deferred tax assets	236	176	236
Total non-current assets	335,784	328,247	331,868
CURRENT ASSETS			
Inventory	165,739	115,606	146,559
Other receivables	11,697	16,037	19,920
Prepaid expenses	5,026	4,032	921
Cash and cash equivalents	110,951	146,047	218,116
Total current assets	293,412	281,723	385,516
TOTAL ASSETS	629,197	609,969	717,384
EQUITY AND LIABILITIES			
EQUITY			
Share capital	1,039	1,039	1,039
Other contributed capital	227,627	225,528	227,784
Retained earnings	216,113	168,225	168,225
Profit for the period	16,690	50,782	99,851
Total equity attributable to the parent company's shareholders	461,469	445,573	496,899
NON-CURRENT LIABILITIES			
Deferred tax liability	107	13,693	107
Leasing debt	19,756	19,937	20,070
Total non-current liabilities	19,863	33,630	20,177
CURRENT LIABILITIES			
Accounts payable	71,533	68,559	95,334
Current tax liabilities	34,086	22,090	48,126
Other current liabilities	20,075	15,830	26,290
Current leasing debt	9,425	6,599	8,419
Prepaid income and accrued expenses	12,745	17,688	22,139
Total current liabilities	147,864	130,766	200,308
TOTAL EQUITY AND LIABILITIES	629,197	609,969	717,384

Consolidated Statement of Changes in Equity

April – June

2022

	Share capital	Other contributed capital	Retained earnings including profit for the period	Total equity
Opening balance 2022-04-01	1,039	227,784	284,881	513,704
Profit for the period			-115	-115
Other comprehensive income			-	-
Total comprehensive profit for the period	1,039	227,784	284,766	513,589
<i>Transactions with shareholders:</i>				
Dividend per AGM decision			-51,963	-51,963
Warrants, issue		-157		-157
Warrants, repurchase				-
New share issue				-
Closing balance 2022-06-30	1,039	227,627	232,803	461,469

2021

	Share capital	Other contributed capital	Retained earnings including profit for the period	Total equity
Opening balance 2021-04-01	1,039	225,528	200,454	427,021
Profit for the period			18,553	18,553
Other comprehensive income			-	-
Total comprehensive profit for the period	1,039	225,528	219,006	445,573
<i>Transactions with shareholders:</i>				
Dividend per AGM decision				-
Warrants, issue				-
Warrants, repurchase				-
New share issue				-
Closing balance 2021-06-30	1,039	225,528	219,006	445,573

Consolidated Statement of Changes in Equity

January – June

2022

	Share capital	Other contributed capital	Retained earnings including profit for the period	Total equity
Opening balance 2022-01-01	1,039	227,784	268,076	496,899
Profit for the period			16,690	16,690
Other comprehensive income			-	-
Total comprehensive profit for the period	1,039	227,784	284,766	513,589
<i>Transactions with shareholders:</i>				
Dividend per AGM decision			-51,963	-51,963
Warrants, issue		-157		-157
Warrants, repurchase				-
New share issue				-
Closing balance 2022-06-30	1,039	227,627	232,803	461,469

2021

	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			50,782	50,782
Other comprehensive income			-	-
Total comprehensive profit for the period	1,014	244,229	219,006	464,249
<i>Transactions with shareholders:</i>				
Dividend per AGM decision				-
Warrants, issue		7,945		7,945
Warrants, repurchase		-38,069		-38,069
New share issue	25	11,423		11,449
Closing balance 2021-06-30	1,039	225,528	219,006	445,573

Consolidated Statement of Cash Flow

	<u>April 1 - June 30</u>		<u>January 1 - June 30</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
<u>OPERATING ACTIVITIES</u>				
<i>Operating activities before changes in working capital</i>				
EBIT	446	24,819	21,974	64,496
Depreciation and amortization	2,821	1,949	5,680	3,930
Interest paid	-426	-230	-683	-456
Income tax paid	-1,759	-1,991	-18,641	-7,518
Cash flow from operating activities before changes in working capital	1,082	24,548	8,330	60,452
<i>Changes in working capital</i>				
Change in inventory	-17,468	-27,430	-19,179	-24,609
Change in operating receivables	7,216	23,117	4,118	10,332
Change in operating liabilities	-18,335	-37,191	-39,410	-17,219
Cash flow from changes in working capital	-28,588	-41,503	-54,471	-31,496
Cash flow from operating activities	-27,506	-16,956	-46,141	28,956
<u>INVESTING ACTIVITIES</u>				
Acquisition of intangible assets	-2,540	-	-3,964	-
Acquisition of tangible assets	-334	-288	-589	-395
Sales of tangible assets	70	-	136	-
Cash flow from investing activities	-2,804	-288	-4,417	-395
<u>FINANCING ACTIVITIES</u>				
New shares issue	-	-	-	11,449
Warrants, issue	-157	-	-157	7,945
Warrants, repurchase	-	-	-	-38,069
Amortization of leasing debt	-2,256	-1,754	-4,487	-3,347
Dividend	-51,963	-	-51,963	-
Cash flow from financing activities	-54,376	-1,754	-56,607	-22,022
TOTAL CASH FLOW DURING THE PERIOD	-84,686	-18,997	-107,165	6,539
Liquidity at the start of the period	195,636	165,044	218,116	139,508
Translation differences in liquidity	-	-	-	-
Liquidity at the end of the period	110,951	146,047	110,951	146,047

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 note 2 in the 2021 Annual Report (page 94) published on www.rugvistagroup.com.

Other intangible assets – development expenses

Expenses for development of new or for improved products and processes is recognized as an asset in the statement of financial position if the process is technically and commercially useful and the Group has sufficient resources to complete the development. The carrying amount includes direct costs and – when applicable – salary costs and share of indirect costs. Other expenses related to technology developments are recognized in profit or loss as a cost when they arise. In the statement of financial position, capitalized development expenses are recognized at cost less accumulated amortization and any impairment losses. Capitalized development expenses are mainly related to software and software platforms.

New and changed standards

None of the new and changed standards and interpretations applicable commencing January 1, 2022, 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. 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 2021.

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, financial risks, and uncertainty factors 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 page 85 in the Directors' report in the 2021 annual report.

Apart from the risks described therein, the assessment is that there are no additional material risks other than that a significant decrease in consumer sentiment has been observed in many of the Group's key markets in Europe during Q1. The consumer sentiment in Sweden in for March 2022, for example, was at the lowest level it has been since the global financial crisis in 2008.

During the period, the Covid-19 pandemic has had a diminishing impact on society as a whole and on the Group. Despite this, the future development of the Covid-19 pandemic is uncertain and its possible impact on the Group's operations. The Group's financial position is strong and thus well equipped to face potential future challenges related to the Covid-19 pandemic.

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.

April - June 2022	B2C	B2B	MPO	Segment total
Net revenue	103,338	14,687	3,202	121,228
Goods for resale	-41,996	-5,486	-1,319	-48,801
Gross profit	61,342	9,201	1,884	72,427
Marketing costs	-37,184	-2,190	-1,156	-40,529
Segment earnings	24,158	7,012	728	31,897
April - June 2021	B2C	B2B	MPO	Segment total
Net revenue	123,303	13,508	3,810	140,621
Goods for resale	-45,120	-4,536	-1,213	-50,869
Gross profit	78,182	8,972	2,597	89,751
Marketing costs	-39,038	-1,657	-940	-41,635
Segment earnings	39,144	7,315	1,657	48,117
January - June 2022	B2C	B2B	MPO	Segment total
Net revenue	266,973	31,887	8,341	307,201
Goods for resale	-104,604	-11,473	-3,246	-119,322
Gross profit	162,370	20,414	5,095	187,878
Marketing costs	-97,454	-5,017	-3,096	-105,568
Segment earnings	64,915	15,397	1,999	82,311
January - June 2021	B2C	B2B	MPO	Segment total
Net revenue	305,682	29,883	9,593	345,158
Goods for resale	-110,044	-10,003	-3,094	-123,140
Gross profit	195,638	19,880	6,499	222,018
Marketing costs	-92,869	-3,690	-2,355	-98,915
Segment earnings	102,769	16,191	4,144	123,103

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	April - June		January - June	
	2022	2021	2022	2021
Segment earnings	31,897	48,117	82,311	123,103
Other income	443	359	850	824
Other external expenses (excl. Marketing costs)	-8,208	-5,890	-16,082	-23,479
Personnel expenses	-20,035	-15,443	-37,001	-31,722
Other operating expenses	-830	-374	-2,423	-300
Amortization & depreciation	-2,821	-1,949	-5,680	-3,930
Financial expenses	-426	-230	-683	-456
Profit before taxes (EBT)	20	24,589	21,291	64,040

Note 4 – Financial instruments

Financial assets valued at accrued acquisition value	June 30, 2022	June 30, 2021
<i>Financial assets in the balance sheet</i>		
Other receivables	3,546	4,500
Cash and cash equivalents	110,951	146,047
Total	114,496	150,547

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	June 30, 2022	June 30, 2021
<i>Financial liabilities in the balance sheet</i>		
Accounts payable	71,533	87,125
Other liabilities	5,512	5,443
Accrued expenses	10,703	12,233
Leasing debt	29,182	26,536
Total	116,930	131,337

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	April - June		January - June	
	2022	2021	2022	2021
Other external expenses	-	-	-	8,971
Personnel expenses	-	-	-	929
Total	-	-	-	9,900

Note 6 - Parent company ownership overview

The ten largest shareholders as of June 30, 2022.

Owner	Number of shares	Share of capital	Share of votes
Futur Pension	1,905,044	9.2%	9.2%
Litorina IV L.P.	1,813,587	8.7%	8.7%
RBC Investor Services	1,793,982	8.6%	8.6%
TIN Fonder	1,671,250	8.0%	8.0%
Indexon AB	1,490,204	7.2%	7.2%
MediumInvest	1,166,178	5.6%	5.6%
Movestic Livförsäkring	1,073,366	5.2%	5.2%
Nordnet Pensionförsäkring	1,031,225	5.0%	5.0%
Enter Fonder	833,072	4.0%	4.0%
Goldman Sachs	815,000	3.9%	3.9%
<i>Total the ten largest shareholders</i>	<i>13,592,908</i>	<i>65.4%</i>	<i>65.4%</i>
Total number of outstanding shares	20,785,140	100.0%	100.0%

Source: Euroclear extract per June 30, 2022

Parent company

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

Parent company's Statement of Income

	April - June			January - June		
	2022	2021	Δ	2022	2021	Δ
Net revenue	6 069	3 677	65,0%	9 177	6 125	49,8%
Other income	-	-	-	-	-	-
Total operating income	6 069	3 677	65,0%	9 177	6 125	49,8%
Other external expenses	-2 103	-1 096		-3 222	-10 622	
Personnel expenses	-4 006	-2 264		-5 940	-4 347	
Other operating expenses	-5	-		-5	-8	
Operating profit (EBIT)	-45	317	-114%	10	-8 852	-100%
Financial expenses	-194	-15		-194	-15	
Profit before taxes (EBT)	-239	303	-179,0%	-184	-8 867	-97,9%
Taxes	-	-		-	-	
Profit for the period ¹⁾	-239	303	-179,0%	-184	-8 867	-97,9%

1) Same as comprehensive income

Parent company's Statement of Financial Position

ASSETS	June 30, 2022	June 30, 2021	December 31, 2021
NON-CURRENT ASSETS			
<i>Financial non-current assets</i>			
Shares in group companies	321,271	321,271	321,271
Long-term receivables from subsidiaries	3,526	-	-
Total non-current assets	324,796	321,271	321,271
CURRENT ASSETS			
Other receivables	4,380	1,907	63,250
Prepaid expenses	615	509	98
Cash and cash equivalents	8,768	17,189	17,437
Total current assets	13,763	19,605	80,785
TOTAL ASSETS	338,559	340,876	402,056
EQUITY AND LIABILITIES	June 30, 2022	June 30, 2021	December 31, 2021
EQUITY			
<i>Restricted equity</i>			
Share capital	1,039	1,039	1,039
Sub-total, restricted equity	1,039	1,039	1,039
<i>Unrestricted equity</i>			
Retained earnings	318,965	305,303	305,303
Profit for the period	-184	-8,867	62,105
Sub-total, unrestricted equity	318,780	296,437	367,408
Total equity	319,820	297,476	368,448
UNTAXED RESERVES			
Untaxed reserved	-	25,687	-
CURRENT LIABILITIES			
Accounts payable	622	623	614
Current tax liabilities	15,148	14,584	30,364
Other current liabilities	2,024	748	502
Prepaid income and accrued expenses	946	1,758	2,128
Total current liabilities	18,740	17,713	33,608
TOTAL EQUITY AND LIABILITIES	338,559	340,876	402,056

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 comprising the Group.

Limhamn, August 18, 2022

Erik Lindgren

Chairperson of the Board

Magnus Dimert

Board Member

Paul Steene

Board Member

Eva Boding

Board Member

Ludvig Friberger

Board Member

Hanna Graflund Sleyman

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 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

SEK thousand if not stated otherwise	April - June		January - June	
	2022	2021	2022	2021
Total operating income (A)	121,670	140,980	308,050	345,982
Goods for resale (B)	-48,801	-50,869	-119,322	-123,140
Gross profit (A) + (B)	72,869	90,110	188,728	222,842
Net revenue (C)	121,228	140,621	307,201	345,158
Gross margin, % ((A) + (B)) / (C)	60.1%	64.1%	61.4%	64.6%
Operating profit (EBIT) (A)	446	24,819	21,974	64,496
Items affecting comparability (B)	-	-	-	9,900
Adjusted EBIT (A) + (B)	446	24,819	21,974	74,396
Net revenue (C)	121,228	140,621	307,201	345,158
Adjusted EBIT margin, % ((A) + (B)) / (C)	0.4%	17.6%	7.2%	21.6%
Inventory (A)	165,739	115,606	165,739	115,606
Net revenue, last twelve months (LTM) (B)	667,026	672,082	667,026	672,082
Inventory as % of LTM net revenue (A) / (B)	24.8%	17.2%	24.8%	17.2%
Cash and cash equivalents (A)	-110,951	-146,047	-110,951	-146,047
Interest bearing liabilities (current and non-current) (B)	-	-	-	-
Interest bearing lease liabilities (current and non-current) (C)	29,182	26,536	29,182	26,536
Net financial indebtedness (+) / net cash (-) (A) + (B) + (C)	-81,769	-119,511	-81,769	-119,511

Organic net revenue growth, %	April - June		January - June	
	2022	2021	2022	2021
Last year's net revenue (A)	140,621	124,276	345,158	234,960
Net revenue divested operations (B)	-	5,469	-	9,468
Last year's net revenue, excluding divested operations (A)-(B)=(C)	140,621	118,807	345,158	225,492
Net revenue (D)	121,228	140,621	307,201	345,158
Net revenue divested operations (E)	-	-	-	-
Net revenue, excluding divested operations (D)-(E)=(F)	121,228	140,621	307,201	345,158
FX impact on this year's net revenue (G)	2,563	-6,048	10,525	-17,107
Net revenue, excluding divested operations and FX impact (F)-(G)=(H)	118,665	146,669	296,676	362,265
Organic net revenue growth % (H)/(C)-1	-15.6%	23.5%	-14.0%	60.7%

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	SEK K	% ¹	SEK K	% ¹	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	SEK K	% ¹	SEK K	% ¹	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	SEK K	% ¹	SEK K	% ¹	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					
Expense item	SEK K	% ¹	SEK K	% ¹				
Net revenue	185,973	100.0%	121,228	100.0%				
Product expenses	-45,993	-24.7%	-32,284	-26.6%				
Shipping and other selling expenses	-24,529	-13.2%	-16,517	-13.6%				
Marketing costs	-65,038	-35.0%	-40,529	-33.4%				

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:

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.

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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