



**Interim report
January – September 2021**

RugVista Group AB (publ)

Strong growth and solid profitability

Third quarter 2021 highlights

- Net revenue was SEK 141.0 (116.4) million representing a growth of 21.1% (20.7%).
- Organic net revenue growth was 29.6%.
- Gross margin increased to 64.4% (63.2%).
- EBIT was SEK 22.9 (24.4) million and EBIT margin was 16.2% (21.0%).
- Profit for the period was SEK 17.9 (18.8) million.
- Earnings per share was SEK 0.86 (0.93).
- The average NPS (Net Promotor Score) value was 66 (67).

January – September 2021 highlights

- Net revenue was SEK 486.2 (351.4) million representing a growth of 38.4% (22.5%).
- Organic net revenue growth was 50.2%.
- Gross margin increased to 64.5% (62.1%).
- EBIT was SEK 87.4 (65.1) million and EBIT margin was 18.0% (18.5%).
- Adjusted EBIT was SEK 97.3 (65.1) million and adjusted EBIT margin was 20.0% (18.5%).
- Profit for the period was SEK 68.7 (49.5) million.
- Earnings per share was SEK 3.30 (2.45).
- Inventory as a share of LTM net revenue was 18.8% (22.0%).

Group key performance indicators¹

SEK thousand if not stated otherwise	July - September		January - September	
	2021	2020	2021	2020
Operating income	141,390	117,025	487,372	352,982
Net revenue	141,025	116,446	486,183	351,406
Net revenue growth, %	21.1%	20.7%	38.4%	22.5%
Organic net revenue growth, %	29.6%	-	50.2%	-
Gross profit	90,884	73,601	313,726	218,057
Gross margin, %	64.4%	63.2%	64.5%	62.1%
EBIT	22,875	24,428	87,371	65,062
EBIT margin, %	16.2%	21.0%	18.0%	18.5%
Profit for the period	17,880	18,811	68,662	49,537
Profit margin, %	12.6%	16.1%	14.1%	14.0%
Adjusted EBIT	22,875	24,428	97,271	65,062
Adjusted EBIT margin, %	16.2%	21.0%	20.0%	18.5%
Inventory as a share of LTM net revenue, %	-	-	18.8%	22.0%
Net financial indebtedness	-	-	-120,379	-18,984
Earnings per share	0.86	0.93	3.30	2.45
Earnings per share, diluted	0.86	0.91	3.30	2.39
Number of shares outstanding	20,785,140	20,247,120	20,785,140	20,247,120
Number of diluted shares outstanding	20,785,140	20,727,537	20,785,140	20,727,537
Number of website visits, million	7.9	6.6	28.2	21.8
Number of orders, thousand	54.5	42.3	190.8	124.0
Number of new customers, thousand	39.4	30.2	138.2	88.4
Average order value, SEK	3,648	3,785	3,585	3,849
Average NPS value	66	67	66	68
Average TrustPilot value	4.8	4.8	4.8	4.8

¹ See page 26 for definitions and explanations

Continued strong profitable growth

Dear shareholders,

Our third quarter can be described as another period where we achieve a growth rate and profitability level in-line with or slightly above our financial targets.

Our organic growth reached a satisfactory level of 30% during the quarter and the fact that we succeeded in accelerating our growth rate compared to Q2 was especially encouraging.

Our EBIT margin for the quarter was 16.2% which is a decline by approximately 5 percentage points compared to last year. The margin decline is approximately equally attributed to our continued investments in growth and that we last year had an unusually large positive impact from exchange rate fluctuations.

We decided to continue to invest in growth during the quarter even though the cost to drive traffic to our web-shops increased as a result of the high advertising intensity in the market.

We also continue to deliver on our strategic initiatives. The DACH-region remains the growth engine and we had another quarter where we succeeded in attracting almost 40,000 new customers. In addition, we continue to receive excellent feedback from our customers which our NPS value of 66 demonstrates.

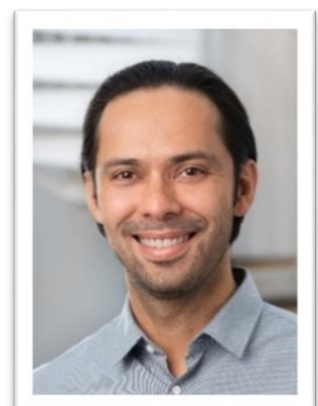
Our stock situation improved during the quarter and our inventory value increased by approximately SEK 15 million. This ensures that we continue to be well prepared ahead of the important peak-season. Even though we managed to increase our stock position during the quarter, the continued disruptions in India due to the Covid-19 pandemic and the global freight-challenges did affect our ability to re-stock inventory fully according to our ambitions.

The third quarter was a period where the Covid-19 restrictions were reduced, or removed completely, in most countries across Europe. After the re-opening, we have observed rather large differences in the customer behavior between the countries. Some markets continue to exhibit strong growth while the growth rate has declined in others. However, it is too early to determine how the customer behavior related to offline versus online commerce will develop on a more long-term basis. We continue to be convinced that the online purchase, for our product category in particular, offers the customer a superior selection, a better shopping experience, as well as a more convenient delivery process. We expect that these factors also in the future will result in more customers choosing to make their purchases of rugs and carpets from online stores instead of offline ones.

We are now facing the year's most important period during which we expect naturally high demand, but also a period where we are facing tough comparables from Q4 2020. We are however well prepared and ready to execute according to our commercial plan in order to finish the year strong while continuing to maintain a world-class buying experience.

With best wishes,

Michael Lindskog
CEO RugVista Group



Group development

Third quarter

Net revenue

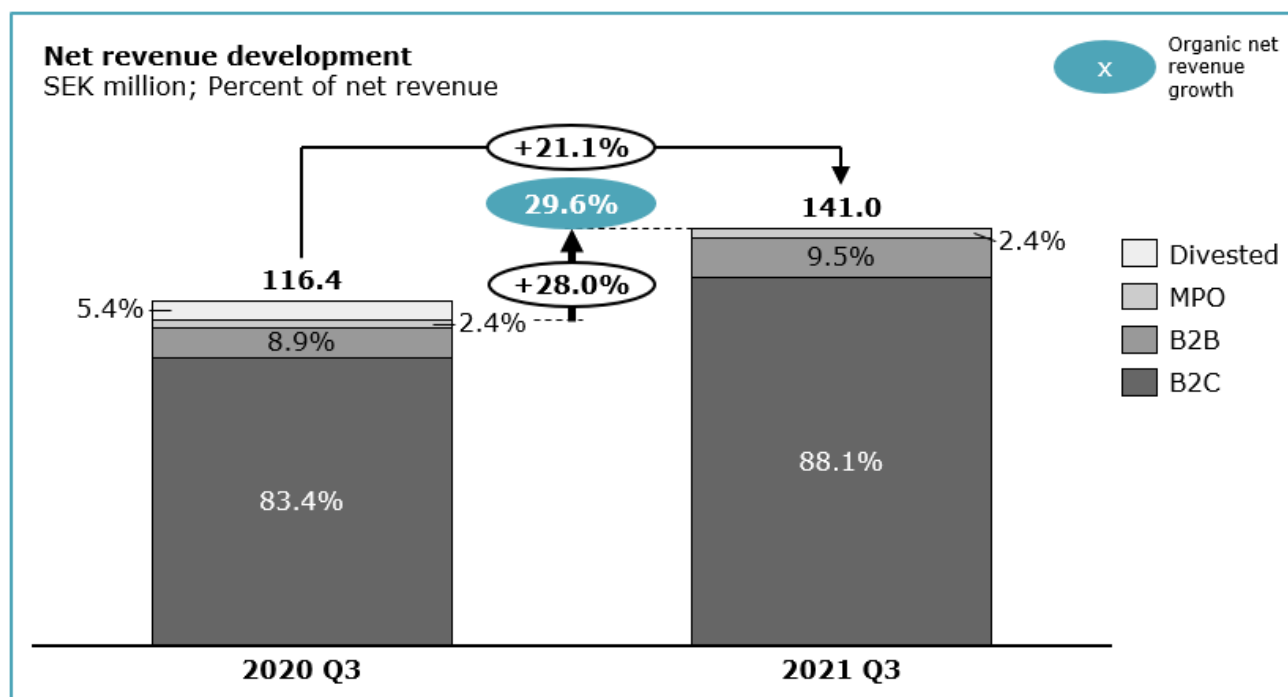
Group net revenue during the quarter was SEK 141.0 (116.4) million representing an increase of 21.1% (20.7%) and organic net revenue growth was 29.6%. The difference between the reported net revenue growth and the organic net revenue growth is driven by the divestment of *ArtGlass i Malmö AB* in December 2020 which contributed to 5.4% of net revenue during Q3 2020 as well as the appreciation of the SEK compared to last year.

Net revenue within the B2C segment, the Group's largest, was SEK 124.2 (97.1) million representing an increase of 27.9% (20.0%). Net revenue within the segment was primarily driven by the DACH region with a growth rate of 41.5% (12.8%).

Net revenue within the B2B segment was SEK 13.4 (10.3) million representing an increase of 29.8% (-0.8%). The demand continues to be lower compared to before the Covid-19 pandemic, but a noticeable activity increase within the interior design customer segment was observed during the quarter.

Although demand within the segment continues to be depressed across most customer segments due to the Covid-19 pandemic, there continued to be a noticeable activity increase within the interior design customer segment.

Net revenue within the Marketplace & Other (MPO) segment was SEK 3.4 (2.8) million representing an increase of 24.0% (68.5%). The segment continued its positive development during the quarter but faced a tough comparable from last year.



Profits and margins

Gross margin was 64.4% (63.2%). The gross margin increase was driven by category mix effects and a lower average discount rate compared to last year.

Other external expenses as a share of net revenue were 36.5% (32.8%). The increase was primarily driven by increased marketing investments within the B2C segment.

Personnel expenses as a share of net revenue were 9.3% (8.9%). The marginal increase was driven new hires joining the company during the quarter according to plan.

Other operating expenses were SEK -1.3 (1.3) million. The line-item specifies the net of FX effects on transactions during the period. Last year's net effect was a positive SEK 1.3 million amount.

Depreciation and amortization were SEK -2.2 (-1.9) million and mainly consists of amortization of right-of-use assets.

EBIT was SEK 22.9 (24.4) million representing an EBIT margin of 16.2% (21.0%). The EBIT margin decrease was primarily driven by the increase in marketing costs as a share of net revenue as well as the positive impact of FX effects on last year's result. No items affecting comparability has affected the third quarter.

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 -4.8 (-4.9) million.

Profit for the period was SEK 17.9 (18.8) million representing a profit margin of 12.6% (16.1%).

Cash flow

Cash flow from operating activities was SEK 5.8 (36.7) million during the period.

Cash flow from investing activities was SEK -0.8 (-0.1) million during the period. The investments related to refurbishment of office spaces as well as equipment for an expanded warehouse area.

Cash flow from financing activities was SEK -0.6 (0.0) million during the period. During the period, a total of 52,500 warrants for a value of SEK 1.5 million was sold to key employees in the Group. Amortization of leasing debt amounted to SEK -2.0 million.

Other KPIs

Continued strong customer satisfaction ratings (NPS and TrustPilot) despite some disruptions in customer deliveries during the quarter. The NPS value was 66 (67) and the TrustPilot value was 4.8 (4.8).

Web-shop visits reached 7.9 (6.6) million representing a 19.5% (17.9%) increase. The increase was driven by the higher investments in marketing.

Order count was 54.5 (42.3) thousand representing a 28.8% (19.9%) growth rate.

39.4 (30.2) thousand new customers acquired representing a 30.5% (21.1%) growth rate.

Average order value was SEK 3,648 (3,785) representing a -3.6% (2.2%) decrease. The decline was driven by category mix effects.

January – September

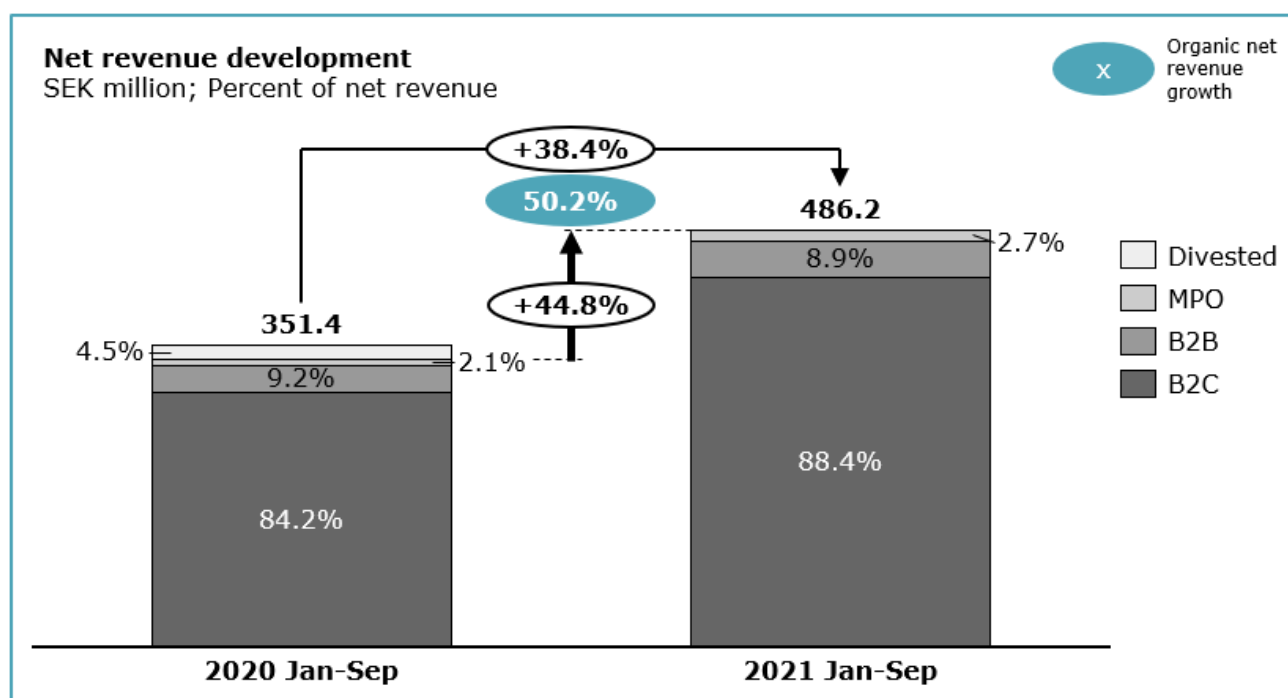
Net revenue

Group net revenue during the period was SEK 486.2 (351.4) million representing an increase of 38.4% (22.5%) and organic net revenue growth was 50.2%. 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 4.5% of net revenue during the period 2020 as well as the appreciation of the SEK compared to last year.

Net revenue within the B2C segment, the Group's largest, was SEK 429.9 (295.8) million representing an increase of 45.3% (22.3%). Net revenue within the segment was primarily driven by the DACH region with a growth rate of 61.3% (22.1%).

Net revenue within the B2B segment was SEK 43.3 (32.4) million representing an increase of 33.7% (7.4%). The demand continues to be lower compared to before the Covid-19 pandemic, but a noticeable activity increase within the interior design customer segment has been observed during the past two quarters.

Net revenue within the Marketplace & Other (MPO) segment was SEK 13.0 (7.5) million representing an increase of 73.7% (89.6%). The segment continued its positive development during the period driven by implemented enhancement actions.



Profits and margins

Gross margin was 64.5% (62.1%). The gross margin increase was driven by category mix effects and a lower average discount rate compared to last year.

Other external expenses as a share of net revenue were 35.7% (33.0%). The increase was driven by the marketing cost increase in the past two quarters as well as costs related to the IPO process during the first quarter.

Personnel expenses as a share of net revenue were 9.2% (9.2%).

Other operating expenses were SEK -1.6 (1.0) million. The line-item includes the net of FX effects on transactions during the period. Last year's net effect was a positive SEK 1.0 million amount.

Depreciation and amortization were SEK -6.1 (-5.8) million and mainly consists of amortization of right-of-use assets.

EBIT was SEK 87.4 (65.1) million representing an EBIT margin of 18.0% (18.5%).

Adjusted EBIT was SEK 97.3 (65.1) million representing an adjusted EBIT margin of 20.0% (18.5%). Adjustments of SEK 9.9 (0.0) million were all related to the IPO process during the first quarter.

Net financial expenses were SEK -0.7 (-2.8) million with the decrease driven by the Group no longer carrying any loans from credit institutions.

Taxes during the period was SEK -18.0 (-12.8) million.

Profit for the period was SEK 68.7 (49.5) million representing a profit margin of 14.1% (14.0%).

Financial position and liquidity

Inventory value at the end of the period was SEK 130.9 (107.1) million and inventory value as a share of LTM net sales was 18.8% (22.0%). The 18.8% 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 upcoming 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 -120.4 (-19.0) million with the SEK 101.4 million improvement primarily driven by strong cash generation from operating activities coupled with low investment need.

Cash and cash equivalents were SEK 150.5 (133.0) million.

Cash flow

Cash flow from operating activities was SEK 34.8 (96.6) million during the period. The increase was driven by the Group's improved operating profit compared to last year.

Cash flow from investing activities was SEK -1.2 (-0.7) million during the period and relates to investments in tangible assets.

Cash flow from financing activities was SEK -22.6 (-8.5) million during the period. The cash outflow was 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.

Other KPIs

Continued strong customer satisfaction ratings (NPS and TrustPilot) resulting from in general stable operational performance during the period. The NPS value was 66 (68) and the TrustPilot value was 4.8 (4.8).

Web-shop visits reached 28.2 (21.8) million representing a 29.6% (15.8%) increase compared to last year.

Order count was 190.8 (124.0) thousand representing a 53.9% (16.1%) growth rate.

138.2 (88.4) thousand new customers acquired representing a 56.4% (18.7%) growth rate.

Average order value was SEK 3,585 (3,849) representing a -6.9% (7.9%) decrease. The decrease was driven by category mix effects.



Segment development

B2C

<i>SEK thousand if not stated otherwise</i>	July - September			January - September		
	2021	2020	Δ	2021	2020	Δ
Net revenue	124,217	97,085	27.9%	429,899	295,786	45.3%
Net revenue, DACH	24,767	17,502	41.5%	95,680	59,319	61.3%
Net revenue, Nordics	35,625	30,885	15.3%	113,306	86,568	30.9%
Net revenue, Rest of World	63,825	48,698	31.1%	220,913	149,899	47.4%
Gross profit	79,270	62,019	27.8%	274,909	185,313	48.3%
Gross margin, %	63.8%	63.9%	-0.1pp	63.9%	62.7%	1.3pp
Marketing cost as a share of net revenue, %	33.7%	29.9%	3.8pp	31.3%	29.6%	1.7pp
Segment earnings	37,386	33,001	13.3%	140,154	97,635	43.5%
Segment margin, %	30.1%	34.0%	-3.9pp	32.6%	33.0%	-0.4pp

Third quarter

B2C net revenue during the quarter was SEK 124.2 (97.1) million representing an increase of 27.9% (20.0%). Net revenue within the segment was primarily driven by the DACH region which grew by 41.5% (12.8%).

Gross profit was SEK 79.3 (62.0) million representing an increase of 27.8% (27.0%) and the gross margin was 63.8% (63.9%).

Marketing cost as a share of net revenue was 33.7% (29.9%). The increase compared to last year was primarily a result of continued investments in marketing to drive growth as well as the general media space price increases.

Segment earnings was SEK 37.4 (33.0) million representing an increase of 13.3% (40.9%) and the segment margin was 30.1% (34.0%) with the decrease driven by the increased marketing cost ratio.

January – September

B2C net revenue during the period was SEK 429.9 (295.8) million representing an increase of 45.3% (22.3%). Net revenue within the segment was primarily driven by the DACH region which grew by 61.3% (22.1%).

Gross profit was SEK 274.9 (185.3) million representing an increase of 48.3% (28.8%) and the gross margin was 63.9% (62.7%). The gross margin increase was driven by category mix effects and decreased discount rates.

Marketing cost as a share of net revenue was 31.3% (29.6%). The marketing cost ratio increase was driven by the increased cost for marketing activities during the second and third quarter.

Segment earnings was SEK 140.2 (97.6) million representing an increase of 43.5% (44.4%) and the segment margin was 32.6% (33.0%).

B2B

<i>SEK thousand if not stated otherwise</i>	July - September			January - September		
	2021	2020	Δ	2021	2020	Δ
Net revenue	13,384	10,312	29.8%	43,267	32,368	33.7%
Gross profit	9,039	6,869	31.6%	28,919	20,893	38.4%
Gross margin, %	67.5%	66.6%	0.9pp	66.8%	64.5%	2.3pp
Marketing cost as a share of net revenue, %	13.8%	13.7%	0.0pp	12.8%	13.7%	-0.9pp
Segment earnings	7,196	5,453	32.0%	23,387	16,449	42.2%
Segment margin, %	53.8%	52.9%	0.9pp	54.1%	50.8%	3.2pp

Third quarter

B2B net revenue during the quarter was SEK 13.4 (10.3) million representing an increase of 29.8% (-0.8%). The demand continues to be lower compared to before the Covid-19 pandemic, but a noticeable activity increase within the interior design customer segment was observed during the quarter.

Gross profit was SEK 9.0 (6.9) million representing an increase of 31.6% (0.5%) and the gross margin was 67.5% (66.6%). The gross margin increase was driven by category mix effects and decreased discount rates.

Marketing cost as a share of net revenue was 13.8% (13.7%).

Segment earnings was SEK 7.2 (5.5) million representing an increase of 32.0% (0.8%) and the segment margin was 53.8% (52.9%) with the increase driven by the improved gross margin.

January – September

B2B net revenue during the period was SEK 43.3 (32.4) million representing an increase of 33.7% (7.4%). The demand continues to be lower compared to before the Covid-19 pandemic, but a noticeable activity increase within the interior design customer segment has been observed during the past two quarters.

Gross profit was SEK 28.9 (20.9) million representing an increase of 38.4% (8.4%) and the gross margin was 66.8% (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 12.8% (13.7%). The marketing cost ratio decrease was primarily driven by a favourable year-on-year effect, i.e., B2B negatively impacted by the Covid-19 outbreak last year.

Segment earnings was SEK 23.4 (16.4) million representing an increase of 42.2% (8.6%) and the segment margin was 54.1% (50.8%) with the increase driven by the improved gross margin and reduced marketing cost ratio.

MPO

<i>SEK thousand if not stated otherwise</i>	July - September			January - September		
	2021	2020	Δ	2021	2020	Δ
Net revenue	3,424	2,760	24.0%	13,016	7,495	73.7%
Gross profit	2,210	1,858	18.9%	8,709	4,903	77.6%
Gross margin, %	64.5%	67.3%	-2.8pp	66.9%	65.4%	1.5pp
Marketing cost as a share of net revenue, %	29.3%	23.0%	6.4pp	25.8%	22.5%	3.3pp
Segment earnings	1,206	1,224	-1.5%	5,349	3,215	66.4%
Segment margin, %	35.2%	44.3%	-9.1pp	41.1%	42.9%	-1.8pp

Third quarter

MPO net revenue during the quarter was SEK 3.4 (2.8) million representing an increase of 24.0% (68.5%). The segment continued its positive development during the quarter but faced challenging comparables from the previous year.

Gross profit was SEK 2.2 (1.9) million representing an increase of 18.9% (86.0%) and the gross margin was 64.5% (67.3%). The gross margin decrease was driven by temporary carrier mix effects for deliveries of Amazon orders from own warehouses.

Marketing cost as a share of net revenue was 29.3% (23.0%). The marketing cost ratio increase was driven by intensified marketing efforts on the Amazon platform to drive sales.

Segment earnings was SEK 1.2 (1.2) million representing a decrease of -1.5% (84.4%) and the segment margin was 35.2% (44.3%) with the decrease driven by lower gross margin and higher marketing cost ratio.

January – September

MPO net revenue during the period was SEK 13.0 (7.5) million representing an increase of 73.7% (89.6%). The implemented initiatives to drive growth on the Amazon marketplace continue to be effective.

Gross profit was SEK 8.7 (4.9) million representing an increase of 77.6% (100.9%) and the gross margin was 66.9% (65.4%). The gross margin increase was driven by category mix effects and decreased discount rates.

Marketing cost as a share of net revenue was 25.8% (22.5%). The marketing cost ratio increase was driven by intensified marketing efforts on the Amazon platform to drive sales.

Segment earnings was SEK 5.3 (3.2) million representing an increase of 66.4% (118.2%) and the segment margin was 41.1% (42.9%) with the decrease driven by higher marketing investments.

Other information

Material events during the Period

- On July 1st, warehouse space of approximately 1,400 sqm was added to existing capacity.
- The Group has sold 52,500 warrants of the series LTIP2021 to three key employees joining the organisation during the third quarter.

Material events after the Period

- The Group has sold a total of 30 000 warrants of series LTIP2021 to key employees who has started their employment within the group.

Co-workers

The average number of FTEs during January – September was 75.0 (57.8) and the share of women was 45.5% (42.0%).

The average number of FTEs during July – September was 66.3 (46.5) and the share of women was 46.2% (39.6%). Last year's FTE count during the quarter influenced by concentrated vacation period.

Seasonality

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

LTIP2021

The Group has issued warrants as a part of the implementation of an incentive program ("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 for 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 – September

During the period, 860,000 warrants were issued by the Group. Of these, 459,300 have been sold to key employees in the Group.

July – September

During the quarter, 52,500 warrants were sold to key employees in the Group.

Transactions with closely related parties

July – September

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

January - September

- 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 IPO process. The business relationship is done 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.

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, November 11, 2021

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

Review Report

RugVista Group AB (publ), corporate identity number 559037-7882

To the Board of Directors of RugVista Group AB (publ)

Introduction

We have reviewed the condensed interim report for RugVista Group AB (publ) as at September 30, 2021 and for the nine months period then ended. The Board of Directors and the Managing Director are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements, ISRE 2410 *Review of Interim Financial Statements Performed by the Independent Auditor of the Entity*. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material aspects, in accordance with IAS 34 and the Swedish Annual Accounts Act regarding the Group, and in accordance with the Swedish Annual Accounts Act regarding the Parent Company.

Malmö, the day stated on our electronic signature

Ernst & Young AB

Martin Henriksson
Authorized Public Accountant

Financial calendar

Event	Date
Interim report October – December 2021	February 17, 2022
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
Interim report April – June 2022	August 18, 2022
Interim report July – September 2022	November 10, 2022
Interim report October – December 2022	February 9, 2023

In connection with the publication of the interim report for January – September 2021, Michael Lindskog (CEO) and Henrik Bo Joergensen (CFO) will hold a conference call at 8:30am CET on November 11, 2021. The call will be held in English. To participate, please call +46 8 50 55 83 50 or visit <https://tv.streamfabriken.com/rugvista-group-q3-2021>.

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/q321/>.

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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 November 11, 2021.



Group

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

Consolidated Statement of Income

	July - September			January - September		
	2021	2020	Δ	2021	2020	Δ
Net revenue	141,025	116,446	21.1%	486,183	351,406	38.4%
Other income	365	579	-37.0%	1,189	1,576	-24.6%
Total operating income	141,390	117,025	20.8%	487,372	352,982	38.1%
Goods for resale	-50,506	-43,424		-173,646	-134,925	
Other external expenses	-51,412	-38,228		-173,806	-115,929	
Personnel expenses	-13,161	-10,316		-44,883	-32,272	
Other operating expenses	-1,278	1,318		-1,578	1,042	
Amortization & depreciation	-2,158	-1,947		-6,088	-5,837	
Operating profit (EBIT)	22,875	24,428	-6.4%	87,371	65,062	34.3%
Financial expenses	-232	-766		-689	-2,751	
Profit before taxes (EBT)	22,643	23,662	-4.3%	86,683	62,311	39.1%
Taxes	-4,763	-4,851		-18,021	-12,774	
Profit for the period	17,880	18,811	-4.9%	68,662	49,537	38.6%
Attributable to:						
Parent company's shareholders	17,880	18,811		68,662	49,537	
Earnings per share (SEK)	0.86	0.93		3.30	2.45	
Earnings per share after dilution (SEK)	0.86	0.91		3.30	2.39	

Consolidated Statement of Comprehensive Income

	July - September			January - September		
	2021	2020	Δ	2021	2020	Δ
Profit for the period	17,880	18,811	-4.9%	68,662	49,537	38.6%
Translation differences	0	0		0	0	
Other comprehensive income	0	0	-	0	0	-
Comprehensive profit for the period attributable the parent company's shareholders	17,880	18,811	-4.9%	68,662	49,537	38.6%

Consolidated Statement of Financial Position

ASSETS	Sep 30, 2021	Sep 30, 2020	Dec 31, 2020
NON-CURRENT ASSETS			
Goodwill	299,949	299,949	299,949
Intangible assets	0	408	0
Tangible assets	3,208	1,689	2,773
Right-of-use assets	29,176	30,596	28,884
Deferred tax claim	176	0	176
Total non-current assets	332,509	332,642	331,782
CURRENT ASSETS			
Inventory	130,854	107,118	90,997
Other receivables	20,748	14,096	28,803
Prepaid expenses	3,535	3,061	1,598
Cash and cash equivalents	150,515	132,967	139,508
Total current assets	305,652	257,241	260,906
TOTAL ASSETS	638,160	589,884	592,688
EQUITY AND LIABILITIES	Sep 30, 2021	Sep 30, 2020	Dec 31, 2020
EQUITY			
Share capital	1,039	1,014	1,014
Other contributed capital	227,001	244,229	244,229
Retained earnings	168,225	88,221	88,241
Profit for the period	68,662	49,537	79,983
Total equity attributable to the parent company's shareholders	464,927	383,001	413,468
NON-CURRENT LIABILITIES			
Deferred tax liability	13,693	9,955	13,722
Liabilities to credit institutions	0	71,500	0
Leasing debt	21,912	24,910	23,231
Total non-current liabilities	35,605	106,365	36,953
CURRENT LIABILITIES			
Current portion of liabilities to credit institutions	0	11,000	0
Accounts payable	68,838	41,806	70,646
Current tax liabilities	24,733	12,268	16,320
Other current liabilities	17,658	13,055	28,570
Current leasing debt	8,224	6,572	6,651
Prepaid income and accrued expenses	18,176	15,815	20,081
Total current liabilities	137,629	100,517	142,268
TOTAL EQUITY AND LIABILITIES	638,160	589,884	592,688

Consolidated Statement of Changes in Equity

	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
Total comprehensive profit for the period	1,014	244,229	236,886	482,129
<i>Transactions with shareholders:</i>				
Warrants, issue		9,419		9,419
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

	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			49,537	49,537
Other comprehensive income			0	0
Total comprehensive profit for the period	1,011	242,632	137,758	381,401
<i>Transactions with shareholders:</i>				
Warrants				0
New share issue	3	1,597		1,600
Closing balance 2020-09-30	1,014	244,229	137,758	383,001

Consolidated Statement of Cash Flow

	Jul 1 - Sep 30		Jan 1 - Sep 30	
	2021	2020	2021	2020
OPERATING ACTIVITIES				
<i>Operating activities before changes in working capital</i>				
EBIT	22,875	24,428	87,371	65,062
Depreciation and amortization	2,158	1,947	6,088	5,837
Interest paid	-232	-766	-689	-2,751
Income tax paid	-2,120	-1,094	-9,638	-4,529
Cash flow from operating activities before changes in working capital	22,681	24,515	83,133	63,619
<i>Changes in working capital</i>				
Change in inventory	-15,247	5,557	-39,856	31,440
Change in operating receivables	-4,214	-3,843	6,118	-5,780
Change in operating liabilities	2,594	10,437	-14,625	7,304
Cash flow from changes in working capital	-16,867	12,151	-48,364	32,965
Cash flow from operating activities	5,814	36,666	34,769	96,583
INVESTING ACTIVITIES				
Acquisition of tangible assets	-789	-91	-1,183	-716
Sales of tangible assets	0	22	0	22
Cash flow from investing activities	-789	-69	-1,183	-694
FINANCING ACTIVITIES				
New shares issue	0	1,600	11,449	1,600
Warrants, issue	1,473	0	9,419	0
Warrants, repurchase	0	0	-38,069	0
Amortization of leasing debt	-2,031	-1,583	-5,377	-4,604
Amortization of loans	0	0	0	-5,500
Cash flow from financing activities	-558	16	-22,581	-8,504
TOTAL CASH FLOW DURING THE PERIOD	4,467	36,613	11,006	87,385
Liquidity at the start of the period	146,047	96,354	139,508	45,582
Translation differences in liquidity	0	0	0	0
Liquidity at the end of the period	150,515	132,967	150,515	132,967

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 1 January 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 in which 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 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.

July - September 2021	B2C	B2B	MPO	Divested operations¹	Segment total
Net revenue	124,217	13,384	3,424	0	141,025
Goods for resale	-44,947	-4,345	-1,214	0	-50,506
Gross profit	79,270	9,039	2,210	0	90,519
Marketing costs	-41,885	-1,843	-1,004	0	-44,731
Segment earnings	37,386	7,196	1,206	0	45,788
July - September 2020	B2C	B2B	MPO	Divested operations¹	Segment total
Net revenue	97,085	10,312	2,760	6,289	116,446
Goods for resale	-35,066	-3,443	-902	-4,013	-43,424
Gross profit	62,019	6,869	1,858	2,276	73,022
Marketing costs	-29,018	-1,416	-634	-955	-32,023
Segment earnings	33,001	5,453	1,224	1,321	40,999
January - September 2021	B2C	B2B	MPO	Divested operations¹	Segment total
Net revenue	429,899	43,267	13,016	0	486,183
Goods for resale	-154,991	-14,348	-4,308	0	-173,646
Gross profit	274,909	28,919	8,709	0	312,537
Marketing costs	-134,754	-5,532	-3,360	0	-143,646
Segment earnings	140,154	23,387	5,349	0	168,891
January - September 2020	B2C	B2B	MPO	Divested operations¹	Segment total
Net revenue	295,786	32,368	7,495	15,757	351,406
Goods for resale	-110,472	-11,475	-2,593	-10,385	-134,925
Gross profit	185,313	20,893	4,903	5,372	216,481
Marketing costs	-87,678	-4,444	-1,688	-2,760	-96,570
Segment earnings	97,635	16,449	3,215	2,612	119,911

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

Note 3 - Reconciliation of segment information, continued

Additional information

Adjustments and eliminations

Only Goods for resale and Marketing costs are allocated to the respective segments. Other income, Other external expenses (excluding Marketing costs) and Financial expenses/income is not allocated on a segment level as these line items relate to Group activities.

Reconciliation of income	July - September		January - September	
	2021	2020	2021	2020
Segment earnings	45,788	40,999	168,891	119,911
Other income	365	579	1 189	1 576
Other external expenses (excl. Marketing costs)	-6,680	-6,205	-30,160	-19,359
Personnel expenses	-13,161	-10,316	-44,883	-32,272
Other operating expenses	-1,278	1,318	-1,578	1,042
Amortization & depreciation	-2,158	-1,947	-6,088	-5,837
Financial expenses	-232	-766	-689	-2 751
Profit before taxes (EBT)	22,643	23,662	86,683	62,311

Note 4 – Financial instruments

Financial assets valued at accrued acquisition value	2021-09-30	2020-09-30	2020-12-31
<i>Financial assets in the balance sheet</i>			
Other receivables	5,111	8,810	7,926
Cash and cash equivalents	150,515	132,967	139,508
Total	155,626	141,777	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	2021-09-30	2020-09-30	2020-12-31
<i>Financial liabilities in the balance sheet</i>			
Liabilities to credit institutions	0	82,500	0
Accounts payable	68,838	41,806	70,646
Other liabilities	1,838	752	2,874
Accrued expenses	16,737	13,780	18,765
Leasing debt	30,136	31,483	29,882
Total	117,550	170,321	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	July - September		January - September	
	2021	2020	2021	2020
Other external expenses	0	0	8,971	0
Personnel expenses	0	0	929	0
Total	0	0	9,900	0

Note 6 - Parent company ownership overview

The ten largest shareholders as of September 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	1,930,583	9.3%	9.3%
TIN Fonder	1,831,250	8.8%	8.8%
RBC Investor Services Bank S.A	1,708,144	8.2%	8.2%
Indexon AB	1,485,702	7.1%	7.1%
RoosGruppen AB	1,040,000	5.0%	5.0%
SEB Life International	927,521	4.5%	4.5%
Enter Fonder	847,993	4.1%	4.1%
Alcur Fonder	784,274	3.8%	3.8%
Goldman Sachs International Ltd.	761,990	3.7%	3.7%
<i>Total the ten largest shareholders</i>	<i>14,131,044</i>	<i>68.0%</i>	<i>68.0%</i>
Total number of outstanding shares	20,785,140	100.0%	100.0%

Source: Euroclear extract per September 30, 2021

Parent company

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

Parent company's Statement of Income

	Jul - Sep			Jan - Sep		
	2021	2020	Δ	2021	2020	Δ
Net revenue	2,548	1,897	34.3%	8,673	5,715	51.8%
Total operating income	2,548	1,897	34.3%	8,673	5,715	51.8%
Other external expenses	-823	-690		-11,444	-1,819	
Personnel expenses	-1,727	-1,118		-6,074	-3,621	
Other operating expenses	0	0		-8	-1	
Operating profit (EBIT)	-1	89	-102%	-8,854	273	-3338%
Financial expenses	0	-191		-15	-1,016	
Profit before taxes (EBT)	-1	-102	-98.5%	-8,868	-743	1093.9%
Taxes	0	0		0	0	
Profit for the period¹	-1	-102	-98.5%	-8,868	-743	1093.9%

Note 1: same as comprehensive income.

Parent company's Statement of Financial Position

ASSETS	Sep 30, 2021	Sep 30, 2020	Dec 31, 2020
NON-CURRENT ASSETS			
<i>Financial non-current assets</i>			
Shares in group companies	321,271	356,839	321,271
Total non-current assets	321,271	356,839	321,271
CURRENT ASSETS			
Other receivables	1,364	1,553	2,137
Prepaid expenses	329	121	68
Cash and cash equivalents	17,252	2,607	4,674
Total current assets	18,945	4,280	6,880
TOTAL ASSETS	340,216	361,119	328,151
EQUITY AND LIABILITIES	Sep 30, 2021	Sep 30, 2020	Dec 31, 2020
EQUITY			
<i>Restricted equity</i>			
Share capital	1,039	1,014	1,014
Sub-total, restricted equity	1,039	1,014	1,014
<i>Unrestricted equity</i>			
Retained earnings	305,303	249,019	249,019
Profit for the period	-8,868	-743	28,065
Sub-total, unrestricted equity	296,435	248,277	277,084
Total equity	297,474	249,291	278,098
UNTAXED RESERVES			
Untaxed reserved	25,687	2,187	25,687
NON-CURRENT LIABILITIES			
Liabilities to credit institutions	0	36,500	0
Total non-current liabilities	0	36,500	0
CURRENT LIABILITIES			
Current portion of liabilities to credit institutions	0	11,000	0
Accounts payable	536	749	5,315
Current tax liabilities	14,271	747	16,320
Other current liabilities	680	59,051	140
Prepaid income and accrued expenses	1,568	1,595	2,590
Total current liabilities	17,055	73,142	24,366
TOTAL EQUITY AND LIABILITIES	340,216	361,119	328,151

Definitions of metrics and key performance indicators

RugVista Group presents certain measures that are not defined under IFRS (alternative performance measures – “APMs”). Other operational measures are also used, and the Group believes that these measures in combination provide useful supplementary information to investors and the company’s management as they enable evaluation of the company’s financial development and position. Since not all companies 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 characterised 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.
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

SEK thousand if not stated otherwise	July - September		January - September	
	2021	2020	2021	2020
Total operating income (A)	141,390	117,025	487,372	352,982
Goods for resale (B)	-50,506	-43,424	-173,646	-134,925
Gross profit (A) + (B)	90,884	73,601	313,726	218,057
Net revenue (C)	141,025	116,446	486,183	351,406
Gross margin, % ((A) + (B)) / (C)	64.4%	63.2%	64.5%	62.1%
Operating profit (EBIT) (A)	22,875	24,428	87,371	65,062
Items affecting comparability (B)	0	0	9,900	0
Adjusted EBIT (A) + (B)	22,875	24,428	97,271	65,062
Net revenue (C)	141,025	116,446	486,183	351,406
Adjusted EBIT margin, % ((A) + (B)) / (C)	16.2%	21.0%	20.0%	18.5%
Inventory (A)	130,854	107,118	130,854	107,118
Net revenue, last twelve months (LTM) (B)	696,661	486,934	696,661	486,934
Inventory as % of LTM net revenue (A) / (B)	18.8%	22.0%	18.8%	22.0%
Cash and cash equivalents (A)	-150,515	-132,967	-150,515	-132,967
Interest bearing liabilities (current and non-current) (B)	0	82,500	0	82,500
Interest bearing lease liabilities (current and non-current) (C)	30,136	31,483	30,136	31,483
Net debt (+) / net cash (-) (A) + (B) + (C)	-120,379	-18,984	-120,379	-18,984

Information by quarter for selected expenses

	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%	80,223	100%	92,945	100%	131,277	100%
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%	118,807	100%	110,157	100%	206,062	100%
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%	140,621	100%	141,025	100%	-	-
Product expenses	-48,509	-23.7%	-32,651	-23.2%	-33,432	-23.7%	-	-
Shipping and other selling expenses	-23,762	-11.6%	-18,218	-13.0%	-17,074	-12.1%	-	-
Marketing costs	-57,280	-28.0%	-41,635	-29.6%	-44,731	-31.7%	-	-

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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