

RUGVISTA

Interim Report

January – June 2023

Rugvista Group AB (publ)

Significantly improved profitability

Second quarter

- The net revenue amounted to SEK 129.1 (121.2) million, representing an increase of 6.5% (-13.8%).
- The organic net revenue growth was -1.5% (-15.6%) after adjusting for currency effects.
- The gross margin increased to 63.6% (60.1%).
- The operating profit significantly improved to SEK 11.8 (0.4) million, which consequently led to an increased operating margin, which improved to 9.1% (0.4%).
- The period's result increased to SEK 10.2 (-0.1) million.
- The inventory value as a percentage of net revenue (rolling twelve months) reached 26.7% (24.8%).
- The net cash position at the end of the period was SEK 81.6 (81.8) million.
- Earnings per share before and after dilution amounted to SEK 0.49 (-0.01)²⁾.
- The average Net Promoter Score (NPS) was 65 (68) and the average Trustpilot score remained stable at 4.8 (4.8).

January – June

- The net revenue amounted to SEK 309.3 (307.2) million, corresponding to an increase of 0.7% (-11.0%).
- The organic net revenue growth was -5.8% (-14.0%).
- The gross margin increased to 63.0% (61.4%).
- The operating profit improved to SEK 37.4 (22.0) million, and the operating margin also improved to 12.1% (7.2%).
- The period's result increased to SEK 30.5 (16.7) million.
- The inventory value as a percentage of net revenue (rolling twelve months) reached 26.7% (24.8%).
- The net cash position at the end of the period was SEK 81.6 (81.8) million.
- Earnings per share before and after dilution amounted to SEK 1.47 (0.80)²⁾.
- The average Net Promoter Score (NPS) was 67 (68) and the average Trustpilot score remained stable over the period at 4.8 (4.8).

Group key performance indicators¹

<i>SEK thousand if not stated otherwise</i>	April - June		January - June	
	2023	2022	2023	2022
Operating income	129,311	121,670	309,921	308,050
Net revenue	129,063	121,228	309,326	307,201
Net revenue growth, %	6.5%	-13.8%	0.7%	-11.0%
Organic net revenue growth, %	-1.5%	-15.6%	-5.8%	-14.0%
Gross profit	82,106	72,869	194,870	188,728
Gross margin, %	63.6%	60.1%	63.0%	61.4%
Operating profit (EBIT)	11,757	446	37,422	21,974
Operating margin (EBIT margin), %	9.1%	0.4%	12.1%	7.2%
Profit for the period	10,159	-115	30,468	16,690
Profit margin, %	7.9%	-0.1%	9.8%	5.4%
Adjusted EBIT	11,757	446	37,422	21,974
Adjusted EBIT margin, %	9.1%	0.4%	12.1%	7.2%
Inventory as % of LTM net revenue	26.7%	24.8%	26.7%	24.8%
Net financial indebtedness	-81,635	-81,769	-81,635	-81,769
Earnings per share, SEK	0.49	-0.01	1.47	0.80
Earnings per share, diluted, SEK	0.49	-0.01	1.47	0.80
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	5.5	6.8	14.4	17.3
Number of orders, thousand	51.6	48.7	123.3	124.3
Number of new customers, thousand	36.7	33.7	88.8	87.6
Average order value, SEK	3,568	3,461	3,588	3,528
Average NPS value	65	68	67	68
Average Trustpilot value	4.8	4.8	4.8	4.8



“We continue to deliver good profitability thanks to our focus on cost efficiency. During the quarter, we have seen signs of increased consumer demand on several markets which has contributed to the net revenue increase during the quarter.”

Michael Lindskog, CEO

Continued good profitability and signs of increased demand

Dear shareholders,

We continue to deliver good profitability thanks to our focus on cost efficiency. During the quarter, we have seen signs of increased consumer demand on several markets which, in combination with exchange rate effects and that we deliver on our strategic initiatives, has contributed to the net revenue increase during the quarter.

Net revenue for the quarter was SEK 129.1 (121.2) million corresponding to an increase of 6.5% (-13.8%) and the organic net revenue growth was -1.5%. Net revenue was positively affected by the SEK's depreciation versus especially the euro but was negatively impacted by the continued challenging market in general.

The gross margin for the quarter was 63.6% (60.1%) representing a 3.5 percentage points increase compared to last year and attributable to improved product margin. The improved product margin is driven by the price adjustments implemented last year and category mix effects.

Marketing cost as a share of net revenue was 31.2% (33.4%) for the quarter representing a 2.3 percentage points decrease compared to last year. The development is driven by our continued focus on cost efficiency and the fact that the overall advertising climate was marginally less intense compared to last year even though we note significant differences between markets.

EBIT for the quarter was SEK 11.8 (0.4) million and the EBIT margin was 9.1% (0.4%). The EBIT margin increased by 8.7 percentage points compared to last year and is at a healthy level considering the market conditions and that the second quarter from a seasonality perspective typically is our least profitable.

The number of orders and new customers increased during the quarter for the first time in five quarters which is pleasing. Our average NPS value for the quarter decreased to 65 (68) but is still at a very high level.

The dividend of SEK 1.50 per share corresponding to SEK 31.2 million, as decided by the annual general meeting, was paid out during the quarter. Our financial position is strong with a net cash position of SEK 82 million which is a strength considering the uncertain macroeconomic and geopolitical climate.

We continue our work toward the vision of becoming the center of gravity for the European rug industry. I am very pleased that we during the quarter launched the first version of our new e-commerce platform in seven markets which also represents a significant share of our net revenue. Introducing a completely new e-commerce platform has of course entailed various challenges, but initial KPIs are promising and we look forward to launching the remaining Rugvista domains during the third quarter. The investment into an expanded and improved outdoor rugs selection has been successful and contributed to the quarter's net revenue increase. We have already seen good potential with our new bathmat products and plan to further develop the assortment moving forward.

The rest of year outlook remains uncertain even though we during the second quarter noticed a slight recovery in customer demand. For the month of July, after our current reporting period, we saw continued net revenue increase as well as organic growth. I look forward toward the rest of the year where we will continue to focus on effectively navigating the market, continuing the work on our strategic initiatives, and ensuring a successful start to this year's peak season.

With best wishes,



CEO Rugvista Group

Second quarter

Net revenue

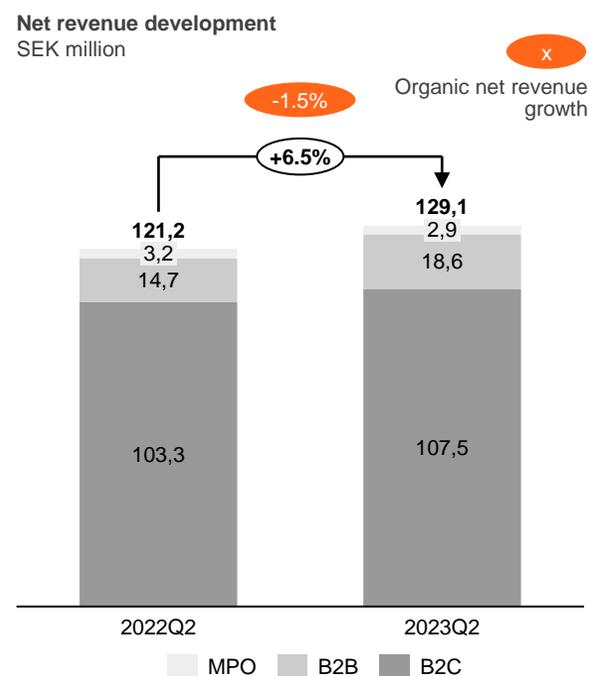
The Group's net revenue for the quarter increased to SEK 129.1 (121.2) million, representing a growth of 6.5% (-13.8%). Throughout the quarter, we noted an improvement in the order intake as the quarter progressed. The weak Swedish krona contributed to the sales increase, and the organic net revenue growth was -1.5% (-15.6%).

The net revenue within the Private Individuals (B2C) segment increased to SEK 107.5 (103.3) million, corresponding to a growth of 4.1% (-16.2%). The increased net revenue within the segment was primarily driven by the Nordic region, despite having a lower positive currency impact compared to other regions. The Nordic region increased by 6.0% (-27.6%), and DACH increased by 4.2% (-24.5%). In the Other Countries region, where a significant portion of sales comes from the rest of Europe, there was a growth of 3.3% (-7.0%).

The net revenue within the Business Customers (B2B) segment was SEK 18.6 (14.7) million, representing an increase of 26.9% (8.7%). Demand within the B2B segment continues to rise for most of our customer types.

The net revenue within the Marketplaces & Other (MPO) segment was SEK 2.9 (3.2) million, which corresponds to a decrease of -9.9% (-16.0%). Besides the challenging market

climate, the net revenue on Amazon was negatively affected by the ongoing focus on marketing efficiency, temporary operational issues, and the ongoing restructuring of the sales strategy.



Profits and margins

The gross margin increased significantly to 63.6% (60.1%). The product cost as a percentage of net revenue was positively influenced by the price adjustment in the third quarter of the previous year, lower discounts, positive category mix effects, and the depreciation of SEK, which directly affects net revenue but has a delayed impact on product cost.

Other external costs during the quarter totaled SEK -49.5 (-48.7) million and as a share of net revenue 38.4% (40.2%). This improvement is driven by the continued focus on marketing efficiency, particularly within the B2C segment.

The personnel costs amounted to SEK -18.1 (-20.0) million and as a percentage of net revenue, they accounted for 14.0% (16.5%). The costs were lower compared to the previous year, as the previous year included one-off costs related to personnel changes.

Other operating expenses were SEK 0.3 (-0.8) million, resulting in income for the quarter and expenses for the previous year. This item consists of the impact of exchange rate changes on transactions and the revaluation of foreign currency balance sheet items at the quarter's closing rate.

Depreciation and impairments amounted to SEK -3.0 (-2.8) million, primarily related to depreciations of lease assets. The increase is

attributed to rent hikes for the company's leased premises classified as lease assets.

The operating profit (EBIT) increased significantly to SEK 11.8 (0.4) million and the operating margin was 9.1% (0.4%). The rise in operating margin was mainly driven by the higher gross margin and a focus on profitability, with lower marketing costs as a percentage of net revenue compared to the previous year.

The financial result amounted to SEK 1.2 (-0.4) million. Since we don't have any interest-bearing liabilities, our financial result improves when market interest rates rise.

Taxes for the period were SEK -2.8 (-0.1) million.

The period's result amounted to SEK 10.2 (-0.1) million, and the period's profit margin reached 7.9% (-0.1%).

Second quarter

Cash flow

The cash flow from operating activities during the quarter was SEK -4.4 (-27.5) million. There's a seasonal variation in working capital that causes liabilities for VAT payments to decrease in the second quarter, given the decrease in net revenue between the quarters.

The cash flow from investing activities during the quarter amounted to SEK -2.8 (-2.8) million and is largely attributable to the capitalization of costs for the development of our e-commerce platform.

The cash flow from financing activities during the quarter was SEK -33.5 (-54.4) million. A significant portion of this relates to dividends approved by the Annual General Meeting in May and paid out on June 1st at SEK 1.50 per share (2.50), totaling SEK 31.2 (52.0) million.

Other KPIs

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

The number of website visits was 5.5 (6.8) million, representing a decrease of -19.1% (-14.5%). The decrease can be attributed to the macroeconomic climate with reduced demand in the B2C segment, as well as our emphasis on marketing efficiency. The transition from Google Universal Analytics to GA4 for measuring website visits and other key metrics was carried out during the quarter.

The number of orders was 51.6 thousand (48.7), indicating an increase of 6.0% (-8.8%).

The number of new customers acquired was 36.7 thousand (33.7), showing an increase of 8.9% (-11.4%).

The average order value was SEK 3,568 (3,461), representing an increase of 3.1% (-1.6%). The order value was positively impacted by the price increase in the previous year's third quarter and the depreciation of the Swedish Krona, while there is a negative influence from customers increasingly purchasing products at lower price points.





January - June

Net revenue

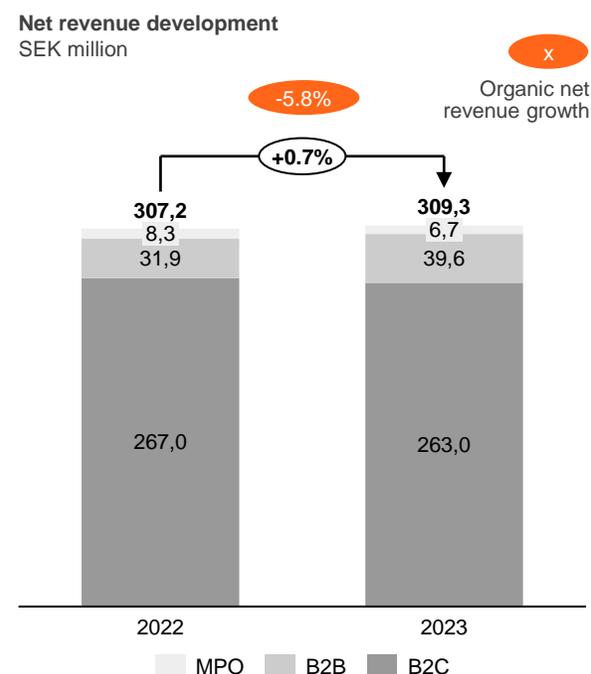
The group's net revenue for the period amounted to SEK 309.3 (307.2) million, representing an increase of 0.7% (-11.0%). During the second quarter, we observed an improvement in the order intake as the quarter progressed. The weak Swedish krona contributed to the sales increase, and the organic net revenue growth was -5.8% (-14.0%).

The net revenue within the Private Individuals (B2C) segment, the largest segment of the Group, was SEK 263.0 (267.0) million, which corresponds to a decrease of -1.5% (-12.7%). Other countries had the highest increase at 0.4% (-7.0%), DACH decreased by -5.6% (-18.7%) while the Nordic region decreased by -2.2% (-24.6%), though the latter had less positive effect from the depreciation of the Swedish krona.

The net revenue within the Business Customers (B2B) segment was SEK 39.6 (31.9) million, indicating an increase of 24.2% (6.7%). Demand within the B2B segment has been stronger during the period compared to the B2C segment. Demand within the B2B segment continues to rise for most of our customer types.

The net revenue within the Marketplaces & Other (MPO) segment amounted to SEK 6.7 (8.3) million, corresponding to a decrease of -19.4% (-13.1%). Similar to the B2C segment, demand

within the MPO segment was negatively affected by the macroeconomic climate and our own focus on profitability.



Profits and margins

The gross margin amounted to 63.0% (61.4%). The product cost as a percentage of net revenue was positively influenced by the price adjustment in the third quarter of the previous year and the depreciation of the Swedish krona, which directly impacts net revenue but has a delayed effect on the product cost. The cost of customer deliveries as a percentage of net revenue was higher during the first quarter but was in line with the previous year during the second quarter.

Other external costs throughout the year totaled SEK -114.2 (-121.7) million, representing 37.0% (35.9%) of net revenue. Costs have decreased due to our profitability focus, which lowered marketing expenses.

Personnel costs amounted to SEK -35.9 (-37.0) million, accounting for -11.6% (-12.0%) of net revenue. An explanation for the decrease in costs is that during the previous year, expenses related to personnel changes that were carried out in the second quarter were accounted for.

Other operating expenses totaled SEK -1.3 (-2.4) million. This item consists of the impact of exchange rate changes on transactions and the revaluation of assets and liabilities in foreign currency.

Depreciation and impairments amounted to SEK -6.0 (-5.7) million, primarily related to depreciations of lease assets. The increase is

attributed to rent hikes for the company's leased premises classified as lease assets.

The operating profit (EBIT) reached SEK 37.4 (22.0) million, corresponding to an operating margin of 12.1% (7.2%). The increase in operating margin was mainly driven by the higher gross margin and a focus on profitability, resulting in lower marketing costs as a percentage of net revenue compared to the previous year.

The financial result has increased to SEK 1.1 (-0.7) million. Since we don't have any interest-bearing liabilities, our financial result improves when market interest rates rise.

Taxes for the period amounted to SEK -8.0 (-4.6) million.

The period's result was SEK 30.5 (16.7) million, and the period's margin reached 9.8% (5.4%).

January - June

Financial position and liquidity

The inventory value at the end of the period amounted to SEK 171.0 (165.7) million, and the inventory value as a percentage of net revenue for the last twelve months (LTM) reached 26.7% (24.8%). During the period, we have implemented a program to ensure that our top-selling products are always in stock, which has led to an increase in inventory. The nature of the products results in low inventory risk, which is also reflected in the company's historical write-down requirements.

The net debt position was SEK -81.6 (-81.8) million. Further details regarding changes in the net debt position can be found on page 22.

Cash and cash equivalents totaled SEK 104.4 (111.0) million. The proposed dividend by the Board of Directors, approved at the Annual General Meeting in May 2023 at SEK 1.50 per share (2.50), amounting to SEK 31.2 (52.0) million, was paid on June 1st.

Other KPIs

The NPS score was 67 (68), and the TrustPilot score was 4.8 (4.8), which is evidence that our continued strong focus on ensuring a world-class customer experience has been successful.

The number of website visits was 14.4 (17.3) million, representing a decrease of -16.8% (-14.5%). This decrease is attributed to the macroeconomic climate with reduced demand, particularly within the B2C segment, and our emphasis on profitability.

The number of orders was 123.3 (124.3) thousand, indicating a decrease of -0.8% (-8.8%).

The number of new customers acquired was 88.8 (87.6) thousand, reflecting an increase of 1.4% (-11.4%).

The average order value was SEK 3,588 (3,528), corresponding to a growth of 1.7% (-1.6%). The order value was positively impacted by the price increase in the third quarter of the previous year and the depreciation of the Swedish krona, while there is a negative impact from customers increasingly purchasing products at lower price points.

Cash flow

Cash flow from operating activities during the period amounted to SEK 2.3 (-46.1) million. The improvement is mainly attributed to higher profitability and reduced negative changes in working capital compared to the previous year.

The cash flow from Investing activities during the period amounted to SEK -5.0 (-4.4) million, with the main portion representing investment in our new e-commerce platform.

The cash flow from financing activities during the period amounted to SEK -36.2 (-56.6) million. The dividend to shareholders, paid in the second quarter, was lower than the previous year.



B2C

Second quarter

<i>SEK thousand if not stated otherwise</i>	April-June		
	2023	2022	Δ
Net revenue	107 543	103 338	4,1%
<i>Net revenue, DACH</i>	21 232	20 381	4,2%
<i>Net revenue, Nordics</i>	24 694	23 288	6,0%
<i>Net revenue, Rest of World</i>	61 618	59 669	3,3%
Gross profit	68 005	61 342	10,9%
Gross margin, %	63,2%	59,4%	3,9pp
Marketing cost as a share of net revenue, %	34,4%	36,0%	-1,6pp
Segment earnings	30 974	24 158	28,2%
Segment margin, %	28,8%	23,4%	5,4pp

The net revenue for the Private Individuals segment during the quarter was SEK 107.5 (103.3) million, representing an increase of 4.1% (-16.2%). The increased net revenue within the segment was driven primarily by the Nordic region, which had a lower positive currency impact compared to other regions. The Nordic region increased by 6.0% (-27.6%), and DACH increased by 4.2% (-24.5%). In the "Other Countries" region, where a significant portion of sales comes from other parts of Europe, there was an increase of 3.3% (-7.0%). The growth has been negatively impacted by our focus on profitability and the continued intense marketing climate in certain markets.

The gross profit amounted to SEK 68.0 (61.3) million, reflecting an increase of 10.9% (-21.5%), and the gross margin reached 63.2% (59.4%). The increase in gross margin was driven by the price adjustment in the third quarter of the previous year and the depreciation of the Swedish krona.

Marketing expenses as a percentage of net revenue were 34.4% (36.0%), and the decrease is a result of our focus on marketing efficiency.

The segment's operating profit was SEK 31.0 (24.2) million, representing an increase of 28.2% (-38.3%), and the segment margin reached 28.8% (23.4%). The increase is attributed to the higher gross margin and improved marketing efficiency.

January - June

<i>SEK thousand if not stated otherwise</i>	January-June		
	2023	2022	Δ
Net revenue	263 014	266 973	-1,5%
<i>Net revenue, DACH</i>	54 406	57 654	-5,6%
<i>Net revenue, Nordics</i>	57 252	58 552	-2,2%
<i>Net revenue, Rest of World</i>	151 355	150 767	0,4%
Gross profit	164 966	162 370	1,6%
Gross margin, %	62,7%	60,8%	1,9pp
Marketing cost as a share of net revenue, %	34,1%	36,5%	-2,4pp
Segment earnings	75 213	64 915	15,9%
Segment margin, %	28,6%	24,3%	4,3pp

The net revenue for the Private Individuals segment during the quarter was SEK 263.0 (267.0) million, reflecting a decrease of -1.5% (-12.7%). At the beginning of the year, demand was negatively impacted by increasing inflation, geopolitical uncertainty, and lower consumer confidence. Towards the end of the second quarter, demand increased in volume, and consumers increasingly opted for products with lower price points. RoW (Rest of World), mainly comprising other European markets, increased by 0.4% (-4.0%). Growth for the Nordics was -2.2% (-24.6%) and DACH was -5.6% (-18.7%), both influenced by the focus on profitability as marketing intensity was high, especially in the beginning of the period.

The gross profit amounted to SEK 165.0 (162.4) million, showing an increase of 1.6% (-17.0%), with a gross margin of 62.7% (60.8%). The increase in gross margin was primarily driven by the price adjustment in the third quarter of the previous year and the weak Swedish krona, but was also negatively affected by increased costs for customer deliveries at the beginning of the period.

Marketing expenses as a percentage of net revenue were 34.1% (36.5%), with the decrease resulting from a focus on marketing efficiency.

The segment's operating profit was SEK 75.2 (64.9) million, reflecting an increase of 15.9% (-36.8%), and the segment margin reached 28.6% (24.3%). The increase was mainly attributed to an improved gross margin and enhanced marketing efficiency.

B2B

Second quarter

<i>SEK thousand if not stated otherwise</i>	April-June		
	2023	2022	Δ
Net revenue	18 635	14 687	26,9%
Gross profit	12 150	9 201	32,1%
Gross margin, %	65,2%	62,6%	2,6pp
Marketing cost as a share of net revenue, %	12,1%	14,9%	-2,8pp
Segment earnings	9 897	7 012	41,1%
Segment margin, %	53,1%	47,7%	5,4pp

The net revenue for the B2B segment during the quarter was SEK 18.6 (14.7) million, indicating an increase of 26.9% (8.7%). The demand within the B2B segment continues to grow, primarily driven by customer groups such as interior designers and small businesses.

The gross profit amounted to SEK 12.2 (9.2) million, showing an increase of 32.1% (2.6%), with a gross margin of 65.2% (62.6%).

Marketing expenses as a percentage of net revenue were 12.1% (14.9%), with the decrease resulting from the same factors as observed in the B2C segment.

The segment's operating profit was SEK 9.9 (7.0) million, reflecting an increase of 41.1% (-4.1%), and the segment margin reached 53.1% (47.7%). The increase was driven by the higher gross margin and lower marketing expenses as a percentage of net revenue.

January - June

<i>SEK thousand if not stated otherwise</i>	January-June		
	2023	2022	Δ
Net revenue	39 588	31 887	24,2%
Gross profit	25 344	20 414	24,2%
Gross margin, %	64,0%	64,0%	0,0pp
Marketing cost as a share of net revenue, %	13,6%	15,7%	-2,2pp
Segment earnings	19 971	15 397	29,7%
Segment margin, %	50,4%	48,3%	2,2pp

The net revenue for the B2B segment during the quarter was SEK 39.6 (31.9) million, reflecting an increase of 24.2% (6.7%). The demand within the B2B segment continues to grow, primarily driven by customer groups such as interior designers and small businesses.

The gross profit amounted to SEK 25.3 (20.4) million, showing an increase of 24.2% (2.7%), with a consistent gross margin of 64.0% (64.0%).

Marketing expenses as a percentage of net revenue were 13.6% (15.7%), with the decrease resulting from the same factors observed in the B2C segment.

The segment's operating profit was SEK 20.0 (15.4) million, reflecting an increase of 29.7% (-4.9%), and the segment margin reached 50.4% (48.3%). The increase was driven by the lower marketing expenses as a percentage of net revenue.

MPO

Second quarter

<i>SEK thousand if not stated otherwise</i>	April - June		
	2023	2022	Δ
Net revenue	2,885	3,202	-9.9%
Gross profit	1,703	1,884	-9.6%
Gross margin, %	59.0%	58.8%	0.2pp
Marketing cost as a share of net revenue, %	33.2%	36.1%	-2.9pp
Segment earnings	745	728	2.4%
Segment margin, %	25.8%	22.7%	3.1pp

The net revenue within the Marketplaces & Other (MPO) segment amounted to SEK 2.9 (3.2) million, corresponding to a decrease of -9.9% (-16.0%). Apart from the challenging market conditions, the net revenue on Amazon was negatively affected by the continued focus on marketing efficiency, temporary operational issues, and the ongoing restructuring of the sales strategy.

The gross profit amounted to SEK 1.7 (1.9) million, representing a decrease of -9.6% (-27.5%), and the gross margin stood at 59.0% (58.8%).

Marketing expenses as a percentage of net revenue reached 33.2% (36.1%), with the decrease driven by the emphasis on marketing efficiency.

The segment profit amounted to SEK 0.7 (0.7) million, thus achieving a result in line with the previous year. The segment margin reached 25.8% (22.7%), with the increase attributed to the lower proportion of marketing expenses.

January - June

<i>SEK thousand if not stated otherwise</i>	January - June		
	2023	2022	Δ
Net revenue	6,724	8,341	-19.4%
Gross profit	3,964	5,095	-22.2%
Gross margin, %	59.0%	61.1%	-2.1pp
Marketing cost as a share of net revenue, %	31.6%	37.1%	-5.5pp
Segment earnings	1,838	1,999	-8.0%
Segment margin, %	27.3%	24.0%	3.4pp

The net revenue within the Marketplaces & Other (MPO) segment amounted to SEK 6.7 (8.3) million, corresponding to a decrease of -19.4% (-13.1%). The challenging market conditions have had a greater negative impact on our Amazon revenue compared to our own web stores. Our focus on marketing efficiency and the ongoing restructuring of the sales strategy have also adversely affected growth.

The gross profit amounted to SEK 4.0 (5.1) million, representing a decrease of -22.2% (-21.6%), and the gross margin stood at 59.0% (61.1%). Higher costs for customer deliveries negatively impacted the gross margin, with the geographic sales mix partially driving the trend.

Marketing expenses as a percentage of net revenue reached 31.6% (37.1%), with the decrease driven by the emphasis on marketing efficiency.

The segment profit amounted to SEK 1.8 (2.0) million, corresponding to a decrease of -8.0% (-51.8%). The segment margin reached 27.3% (24.0%), with the increase driven by significantly lower marketing expenses as a proportion of net revenue.



Other information

Material events during the quarter

- On May 25, 2023, Rugvista Group AB (publ) held its Annual General Meeting. The agenda, minutes, and other documentation are available on the company's website www.rugvistagroup.com.
- The Annual General Meeting resolved to approve the Board's proposal for a dividend of SEK 1.50 per share. The dividend, totaling MSEK 31.2, was paid to shareholders on June 1, 2023.
- The Annual General Meeting approved the Nomination Committee's proposal for re-election of the board members Ludvig Friberger, Magnus Dimert, and Hanna Graflund Sleyman. Martin Benckert, Ebba Ljungerud, and Patrik Berntsson were elected as new members. Martin Benckert was elected as Chairperson.
- The Annual General Meeting approved the Board's proposal to establish an incentive program for senior executives and other key individuals within the group.
- In connection with the Annual General Meeting, the company held a Capital Markets Day. Recordings and materials are available on the company's website. <https://www.rugvistagroup.com/en/report/rugvista-capital-markets-day-2023/>
- Rugvista launched the first version of a new e-commerce platform in seven markets.
- Abdullatef Almalouhi joined as Director of Performance Marketing on April 3.

Material events after the quarter

No significant events occurred after the quarter.

Significant risk and uncertainty factors

The Group's significant risk and uncertainty factors include financial risks such as currency risk, liquidity and financing risks, risk of impairment of goodwill, as well as operational and business risks. For more information about risks and risk management, please refer to Rugvista's annual report for 2022.

Russia's invasion of Ukraine

Through its business operations, the Group has no direct exposure to Russia, Ukraine, or Belarus. It is difficult to assess the war's indirect impact on GDP growth, inflation, global supply chains, as well as consumer sentiment and demand for the Group's products.

Co-workers

The number of full-time employees during the period April-June was 88.4 (93.2), with the proportion of women amounting to 47.9% (42.1%).

Seasonality

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

The share

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

The market capitalization on the last trading day of the second quarter of 2023 (June 30) was SEK 1031 million, valued at the closing price of SEK 49.60 per share.

At the end of the reporting period, the total number of issued shares was 20,785,140, all of which are common shares.

In 2021, the Group issued 860,000 warrants. Out of these, 435,981 have been sold and are outstanding among key personnel within the Group.

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

In the second quarter of 2023, the Group issued 595,000 warrants. Out of these, 35,000 have been sold to senior executives and other key individuals.

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

Refer to note 5 for an overview of the top ten shareholders.

Other information

LTIP 2021

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

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

LTIP 2022

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

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

LTIP 2023

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

April – June 2023

During the second quarter, 35,000 warrants under the LTIP2023 program were sold.

Transaction with closely related parties

January – June

During the period, there were no related-party transactions.

Audit

This interim report has not been reviewed by the company'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 established and registered in Sweden.

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

The parent company's net turnover amounted to SEK 4.4 (6.1) million during the quarter and for the period January-June SEK 8.4 (9.2) million. The parent company's revenues consist of invoiced fees for management services provided to subsidiaries, in accordance with an intra-group agreement.

The parent company's costs mainly include salaries for parts of the management, remuneration to the board of directors, and expenses related to the company's shares being listed on Nasdaq. The result for the quarter amounted to SEK -0.2 (-0.2) million and for the period January-June SEK -0.2 (-0.2) million.

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

Other information

Financial calendar

Activity	Date	Conference call
Interim report January – September 2023	9 November 2023	09:00-10:00 CET
Year-end report 2023	8 February 2024	09:00-10:00 CET

In connection with the publication of the Interim report for January – June, Michael Lindskog (CEO) and Joakim Tuvner (CFO) will host a conference call and a webcast on August 17, 2023, at 09:00 CEST. The presentation will be held in English.

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

Please register via: <https://conference.financialhearings.com/teleconference/?id=200913>. After registration you will receive a phone number and a conference-ID to log in to the call. It is also possible to participate in the telephone conference via the Group's website.

<https://www.rugvistagroup.com/en/report/Q2-2023/>

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

Please join via: <https://ir.financialhearings.com/rugvista-group-q2-2023>

The interim report and the presentation are available on Rugvista Group's website:

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

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This report contains information that Rugvista Group AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at 07.30 a.m. CEST on August 17, 2023.



Group

Consolidated Statement of Income

<i>SEK thousand if not stated otherwise</i>	April - June			January - June		
	2023	2022	Δ	2023	2022	Δ
Net revenue	129,063	121,228	6.5%	309,326	307,201	0.7%
Other income	248	443	-44.0%	596	850	-29.9%
Total operating income	129,311	121,670	6.3%	309,921	308,050	0.6%
Goods for resale	-47,205	-48,801		-115,051	-119,322	
Other external expenses	-49,528	-48,737		-114,214	-121,650	
Personnel expenses	-18,133	-20,035		-35,939	-37,001	
Other operating expenses	335	-830		-1,268	-2,423	
Amortization & depreciation	-3,023	-2,821		-6,027	-5,680	
Operating profit (EBIT)	11,757	446	2536.6%	37,422	21,974	70.3%
Financial expenses	1,156	-426		1,072	-683	
Profit before taxes (EBT)	12,913	20	64595.6%	38,494	21,291	80.8%
Taxes	-2,754	-135		-8,026	-4,601	
Profit for the period	10,159	-115	-8911.3%	30,468	16,690	82.6%
Attributable to:						
Parent company's shareholders	10,159	-115		30,468	16,690	
Earnings per share	0.49	-0.01		1.47	0.80	
Earnings per share, diluted	0.49	-0.01		1.47	0.80	

Group

Consolidated Statement of Comprehensive Income

<i>SEK thousand if not stated otherwise</i>	April - June			January - June		
	2023	2022	Δ	2023	2022	Δ
Profit for the period	10,159	-115	-8911.3%	30,468	16,690	82.6%
<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	10,159	-115	-8911.3%	30,468	16,690	82.6%

Group

Consolidated Statement of Financial position

SEK thousand if not stated otherwise

ASSETS	June 30, 2023	June 30, 2022	EQUITY AND LIABILITIES	June 30, 2023	June 30, 2022
<u>NON-CURRENT ASSETS</u>			<u>EQUITY</u>		
Goodwill	299,949	299,949	Share capital	1,039	1,039
Intangible assets	13,461	3,964	Other contributed capital	228,052	227,627
Tangible assets	3,323	3,846	Retained earnings	243,807	216,113
Right-of-use assets	21,594	27,789	Profit for the period	30,468	16,690
Deferred tax assets	311	236	Total equity attributable to the parent company's shareholders	503,366	461,469
Total non-current assets	338,638	335,784			
<u>CURRENT ASSETS</u>			<u>NON-CURRENT LIABILITIES</u>		
Inventory	170,967	165,739	Deferred tax liability	90	107
Other receivables	21,898	11,697	Leasing debt	11,700	19,756
Prepaid expenses	5,747	5,026	Total non-current liabilities	11,790	19,863
Cash and cash equivalents	104,393	110,951			
Total current assets	303,005	293,412	<u>CURRENT LIABILITIES</u>		
			Accounts payable	59,294	71,533
TOTAL ASSETS	641,643	629,197	Current tax liabilities	12,569	34,086
			Other current liabilities	29,470	20,075
			Current leasing debt	11,058	9,425
			Prepaid income and accrued expenses	14,097	12,745
			Total current liabilities	126,487	147,864
			TOTAL EQUITY AND LIABILITIES	641,643	629,197

Group

Consolidated Statement of Changes in Equity

April - June

	Share capital	Other contributed capital	Retained earnings including profit for the period	Total equity		Share capital	Other contributed capital	Retained earnings including profit for the period	Total equity
2023					2022				
Opening balance 2023-04-01	1,039	227,627	295,294	523,960	Opening balance 2022-04-01	1,039	227,784	284,881	513,704
Profit for the period			10,159	10,159	Profit for the period			-115	-115
Other comprehensive income			-	-	Other comprehensive income			-	-
Total comprehensive profit	1,039	227,627	305,453	534,119	Total comprehensive profit	1,039	227,784	284,765	513,589
<i>Transactions with shareholders:</i>					<i>Transactions with shareholders:</i>				
Dividend per AGM decision			-31,178	-31,178	Dividend per AGM decision			-51,963	-51,963
Warrants, issue		425		425	Warrants, issue		469		469
Warrants, repurchase				-	Warrants, repurchase		-626		-626
New share issue				-	New share issue				-
Closing balance 2023-06-30	1,039	228,052	274,275	503,366	Closing balance 2022-06-30	1,039	227,627	232,802	461,469

Consolidated Statement of Changes in Equity

January - June

	Share capital	Other contributed capital	Retained earnings including profit for the period	Total equity		Share capital	Other contributed capital	Retained earnings including profit for the period	Total equity
2023					2022				
Opening balance 2023-01-01	1,039	227,627	274,986	503,651	Opening balance 2022-01-01	1,039	227,784	268,075	496,899
Profit for the period			30,468	30,468	Profit for the period			16,690	16,690
Other comprehensive income			-	-	Other comprehensive income			-	-
Total comprehensive profit	1,039	227,627	305,453	534,119	Total comprehensive profit	1,039	227,784	284,765	513,589
<i>Transactions with shareholders:</i>					<i>Transactions with shareholders:</i>				
Dividend per AGM decision			-31,178	-31,178	Dividend per AGM decision			-51,963	-51,963
Warrants, issue		425		425	Warrants, issue		469		469
Warrants, repurchase				-	Warrants, repurchase		-626		-626
New share issue				-	New share issue				-
Closing balance 2023-06-30	1,039	228,052	274,275	503,366	Closing balance 2022-06-30	1,039	227,627	232,802	461,469

Group

Consolidated Statement of Cash flow

KSEK if not stated otherwise

	April - June		January - June	
	2023	2022	2023	2022
<i>Operating activities before changes in working capital</i>				
EBIT	11,757	446	37,422	21,974
<i>Adjustments for non-cash items</i>				
Depreciation and amortization	3,023	2,821	6,027	5,680
Unrealized exchange rate difference	-1,407	-	-1,175	-
Interest	1,156	-426	1,072	-683
Income tax paid	-2,483	-1,759	-37,014	-18,641
Cash flow from operating activities before changes in working capital	12,047	1,082	6,331	8,330
<i>Changes in working capital</i>				
Change in inventory	-6,083	-17,468	3,292	-19,179
Change in operating receivables	7,576	7,216	25,722	4,118
Change in operating liabilities	-17,952	-18,335	-33,064	-39,410
Cash flow from changes in working capital	-16,459	-28,588	-4,050	-54,471
Cash flow from operating activities	-4,412	-27,506	2,281	-46,141
Investment in intangible assets	-2,500	-2,540	-4,396	-3,964
Acquisition of tangible assets	-271	-334	-576	-589
Sales of tangible assets	-	70	-	136
Cash flow from investing activities	-2,771	-2,804	-4,972	-4,417
New shares issue	-	-	-	-
Warrants	425	469	425	469
Warrants, repurchase	-	-626	-	-626
Amortization of leasing debt	-2,714	-2,256	-5,410	-4,487
Dividend payout	-31,178	-51,963	-31,178	-51,963
Cash flow from financing activities	-33,467	-54,376	-36,162	-56,607
TOTAL CASH FLOW DURING THE PERIOD	-40,650	-84,686	-38,853	-107,165
Liquidity at the start of the period	141,543	195,636	139,978	218,116
Exchange rate differences in liquidity	3,500	-	3,268	-
Liquidity at the end of the period	104,393	110,951	104,393	110,951



Notes

Note 1 – Accounting principles

This interim report has been prepared according to IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act. Statements and disclosures in accordance with IAS 34 p. 16A appear not only in the financial statements and their accompanying notes but also in other parts of the interim report. The parent company applies the Swedish Annual Accounts Act and RFR 2 Accounting for legal entities. For additional information about Rugvista Group's accounting principles, we refer to note 2 in the 2022 Annual Report published on www.rugvistagroup.com

New and changed standards

None of the new and changed standards and interpretations applicable commencing January 1, 2023, have had any material impact on the financial statements of the Group or the parent company.

Future standards

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

Significant accounting assessments, estimates, and assumptions

When the board of directors and CEO prepare financial statements in accordance with applied accounting principles, certain estimates and assumptions must be made that affect the reported value of assets, liabilities, income, and expenses. The areas where estimates and assumptions are of great importance for the Group and may affect the income statement and balance sheet are described in detail in the annual report for 2022.

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

Note 2 – Risks and factors of uncertainty

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

For a more detailed description of the risks and uncertainties faced by the Group, please refer to the Director's Report in the 2022 Annual Report.

In addition to the risks described there, the assessment is that there are no other significant risks except that a significant decline in consumer confidence has been observed in many of the Group's key markets in Europe during 2022 and the first quarter of 2023.

Notes

Note 3 – Reconciliation of segment reporting

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

	B2C	B2B	MPO	Segment total
April – June 2023				
Net revenue	107,543	18,635	2,885	129,063
Goods for resale	-39,539	-6,484	-1,182	-47,205
Gross profit	68,005	12,150	1,703	81,858
Marketing costs	-37,030	-2,254	-957	-40,242
Segment earnings	30,974	9,897	745	41,616
	B2C	B2B	MPO	Segment total
April – June 2022				
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
	B2C	B2B	MPO	Segment total
January – June 2023				
Net revenue	263,014	39,588	6,724	309,326
Goods for resale	-98,048	-14,243	-2,760	-115,051
Gross profit	164,966	25,344	3,964	194,274
Marketing costs	-89,753	-5,373	-2,126	-97,253
Segment earnings	75,213	19,971	1,838	97,021
	B2C	B2B	MPO	Segment total
January – June 2022				
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

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.

	April - June		January - June	
	2023	2022	2023	2022
Reconciliation of income				
Segment earnings	41,616	31,897	97,021	82,311
Other income	248	443	596	850
Other external expenses (excl. Marketing costs)	-9,286	-8,208	-16,961	-16,082
Personnel expenses	-18,133	-20,035	-35,939	-37,001
Other operating expenses	335	-830	-1,268	-2,423
Amortization & depreciation	-3,023	-2,821	-6,027	-5,680
Financial expenses	1,156	-426	1,072	-683
Profit before taxes (EBT)	12,913	20	38,494	21,291

Notes

Note 4 – Financial assets

Financial assets valued at accrued acquisition value	2023-06-30	2022-06-30
<i>Financial assets in the balance sheet</i>		
Other receivables	4,203	3,546
Cash and cash equivalents	104,393	110,951
Total	108,596	114,496

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	2023-06-30	2022-06-30
<i>Financial liabilities in the balance sheet</i>		
Accounts payable	59,294	71,533
Other liabilities	4,824	5,512
Accrued expenses	11,920	10,703
Leasing debt	22,758	29,182
Total	98,795	116,930

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

Note 5 – Parent company ownership overview

The ten largest shareholders as of June 30th, 2023

Owner	Number of shares	Share of capital	Share of votes
MadHat AB	2,505,874	12.1%	12.1%
Bank Julius Baer	2,321,605	11.2%	11.2%
Futur Pension	1,817,106	8.7%	8.7%
TIN Fonder	1,671,250	8.0%	8.0%
Indexon AB	1,490,204	7.2%	7.2%
Movestic Livförsäkring	1,074,323	5.2%	5.2%
RBCB Lux	1,039,482	5.0%	5.0%
MediumInvest AS	1,039,256	5.0%	5.0%
SEB Life International Assurance	878,201	4.2%	4.2%
Spiltan Fonder AB	667,397	3.2%	3.2%
<i>Total the ten largest shareholders</i>	<i>14,504,698</i>	<i>69.8%</i>	<i>69.8%</i>
Total number of outstanding shares	20,785,140	100.0%	100.0%

Source: Euroclear extract per June 30th, 2023

Parent company

Parent company's Statement of Income

<i>SEK thousand if not stated otherwise</i>	April - June			January - June		
	2023	2022	Δ	2023	2022	Δ
Net revenue	4,374	6,069	-27.9%	8,420	9,177	-8.3%
Total operating income	4,374	6,069	-27.9%	8,420	9,177	-8.3%
Other external expenses	-2,298	-2,103		-4,030	-3,222	
Personnel expenses	-2,232	-4,006		-4,604	-5,940	
Other operating expenses	-	-5		-	-5	
Operating profit (EBIT)	-156	-45	247%	-214	10	-2208%
Financial expenses	-41	-194		52	-194	
Profit before taxes (EBT)	-197	-239	-17.7%	-162	-184	-12.1%
Taxes	-	-		-	-	
Profit for the period ¹⁾	-197	-239	-17.7%	-162	-184	-12.1%

Parent company

Parent company's Statement of Financial position

SEK thousand if not stated otherwise

ASSETS	June 30, 2023	June 30, 2022	EQUITY AND LIABILITIES	June 30, 2023	June 30, 2022
<u>NON-CURRENT ASSETS</u>			<u>EQUITY</u>		
<i>Financial non-current assets</i>			<i>Restricted equity</i>		
Shares in group companies	321,271	321,271	Share capital	1,039	1,039
Long-term receivables from subsidiaries	10,924	3,526	Sub-total, restricted equity	1,039	1,039
Total non-current assets	332,195	324,796	<i>Unrestricted equity</i>		
<u>CURRENT ASSETS</u>			Retained earnings	331,607	318,965
Other receivables	11,430	4,380	Profit for the period	-162	-184
Prepaid expenses	640	615	Sub-total, unrestricted equity	331,445	318,780
Cash and cash equivalents	10,807	8,768	Total equity	332,484	319,820
Total current assets	22,878	13,763	<u>CURRENT LIABILITIES</u>		
TOTAL ASSETS	355,073	338,559	Accounts payable	762	622
			Current tax liabilities	9,440	15,148
			Other current liabilities	11,152	2,024
			Prepaid income and accrued expenses	1,235	946
			Total current liabilities	22,589	18,740
			TOTAL EQUITY AND LIABILITIES	355,073	338,559

Board of Directors and Chief Executive Officer assurance

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

Limhamn on the 17th of August 2023

Martin Benckert

Styrelseordförande

Hanna Graflund Sleyman

Styrelsemedlem

Ebba Ljungerud

Styrelsemedlem

Patrik Berntsson

Styrelsemedlem

Ludvig Friberger

Styrelsemedlem

Magnus Dimert

Styrelsemedlem

Michael Lindskog

VD

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.

Measure	Definition	Explanation
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 and Iceland.
Rest of World	All other markets that the Group serves which are not included in either the DACH or Nordic regions.
pp	Percentage point(s).
LTM	Last Twelve Months



Reconciliation with financial statements according to IFRS

Gross margin

<i>SEK thousand if not stated otherwise</i>	April-June		January-June	
	2023	2022	2023	2022
Total operating income (A)	129,311	121,670	309,921	308,050
Goods for resale (B)	-47,205	-48,801	-115,051	-119,322
Gross profit (A) + (B)	82,106	72,869	194,870	188,728
Net revenue (C)	129,063	121,228	309,326	307,201
Gross margin, % ((A) + (B)) / (C)	63.6%	60.1%	63.0%	61.4%

Adjusted EBIT margin

<i>SEK thousand if not stated otherwise</i>	April-June		January-June	
	2023	2022	2023	2022
Operating profit (EBIT) (A)	11,757	446	37,422	21,974
Items affecting comparability (B)	-	-	-	-
Adjusted EBIT (A) + (B)	11,757	446	37,422	21,974
Net revenue (C)	129,063	121,228	309,326	307,201
Adjusted EBIT margin, % ((A) + (B)) / (C)	9.1%	0.4%	12.1%	7.2%

Inventory as % of LTM net revenue

<i>SEK thousand if not stated otherwise</i>	April-June		January-June	
	2023	2022	2023	2022
Inventory (A)	170,967	165,739	170,967	165,739
Net revenue, last twelve months (LTM) (B)	641,397	667,026	641,397	667,026
Inventory as % of LTM net revenue (A) / (B)	26.7%	24.8%	26.7%	24.8%

Net debt

<i>SEK thousand if not stated otherwise</i>	April-June		January-June	
	2023	2022	2023	2022
Cash and cash equivalents (A)	-104,393	-110,951	-104,393	-110,951
Interest bearing liabilities (current and non-current) (B)	-	-	-	-
Interest bearing lease liabilities (current and non-current) (C)	22,758	29,182	22,758	29,182
Net financial indebtedness (+) /net cash (-) (A)+(B)+(C)	-81,635	-81,769	-81,635	-81,769

Organic net revenue growth

<i>SEK thousand if not stated otherwise</i>	April - June		January - June	
	2023	2022	2023	2022
Last year's net revenue (A)	121,228	140,621	307,201	345,158
Net revenue divested operations (B)	-	-	-	-
Last year's net revenue, excluding divested operations (A)-(B)=(C)	121,228	140,621	307,201	345,158
Net revenue (D)	129,063	121,228	309,326	307,201
Net revenue divested operations (E)	-	-	-	-
Net revenue, excluding divested operations (D)-(E)=(F)	129,063	121,228	309,326	307,201
FX impact on this year's net revenue (G)	9,689	2,563	19,790	10,525
Net revenue, excluding divested operations and FX impact (F)-(G)=(H)	119,374	118,665	289,535	296,676
Organic net revenue growth % (H)/(C)-1	-1.5%	-15.6%	-5.8%	-14.0%

Information by quarter for selected expenses

<i>SEK thousand if not stated otherwise</i>	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		Jul - Sep 2022		Oct - Dec 2022	
Expense item	SEK K	%¹	SEK K	%¹	SEK K	%¹	SEK K	%¹
Net revenue	185,973	100.0%	121,228	100.0%	127,937	100.0%	204,135	100.0%
Product expenses	-45,993	-24.7%	-32,284	-26.6%	-29,294	-22.9%	-49,878	-24.4%
Shipping and other selling expenses	-24,529	-13.2%	-16,517	-13.6%	-17,860	-14.0%	-28,458	-13.9%
Marketing costs	-65,038	-35.0%	-40,529	-33.4%	-36,837	-28.8%	-62,898	-30.8%
	Jan - Mar 2023		April - juni 2023					
Expense item	SEK K	%¹	KSEK	%¹				
Net revenue	180,262	100.0%	129,063	100.0%				
Product expenses	-41,557	-23.1%	-29,588	-22.9%				
Shipping and other selling expenses	-26,289	-14.6%	-17,617	-13.7%				
Marketing costs	-57,011	-31.6%	-40,242	-31.2%				

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

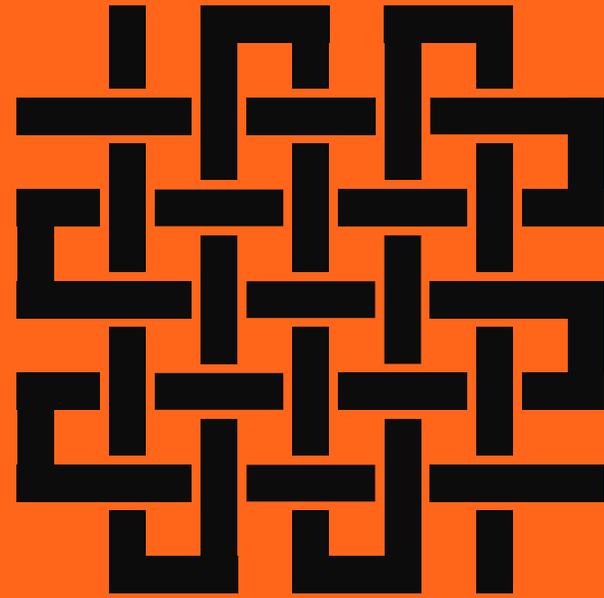
Rugvista Group considers itself having several strengths and competitive advantages which contributes to the Group's ability to realize strategic objectives and reaching financial targets.

- 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.



RUGVISTA

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