

**RUGVISTA**

Interim Report

**January – September 2023**

Rugvista Group AB (publ)

# Back to organic growth

## Third quarter

- Net revenue amounted to SEK 159.6 (127.9) million, equivalent to an increase of 24.7% (-9.3%).
- Organic net revenue growth was 14.1% (-12.7%).
- Gross margin was 62.7% (63.5%).
- Operating profit amounted to SEK 18.6 (16.6) million and the operating margin was 11.7% (13.0%).
- Profit for the period totaled SEK 15.2 (13.0) million.
- Earnings per share before and after dilution were SEK 0.73 (0.63)<sup>2</sup>.
- The average NPS (Net Promoter Score) was 68 (72) and the average Trustpilot score remained unchanged at 4.8 (4.8).

## January – September

- Net revenue amounted to SEK 468.9 (435.1) million, equivalent to an increase of 7.8% (-10.5%).
- Organic net revenue growth was 0.1% (-13.6%).
- Gross margin was 62.9% (62.0%).
- Operating profit amounted to SEK 56.0 (38.5) million, and the operating margin was 11.9% (8.9%).
- Profit for the period totaled SEK 45.7 (29.7) million.
- Inventory value as a percentage of net revenue (rolling twelve months) was 23.9% (28.5%).
- Net cash at the end of the period was SEK 112.5 (54.7) million.
- Earnings per share before and after dilution were SEK 2.20 (1.43)<sup>2</sup>.
- The average NPS (Net Promoter Score) was 67 (69) and the average Trustpilot score remained unchanged at 4.8 (4.8).

## Group key performance indicators<sup>1</sup>

<i>SEK thousand if not stated otherwise</i>	July - September		January - September	
	2023	2022	2023	2022
Operating income	160,040	128,395	469,961	436,446
Net revenue	159,593	127,937	468,918	435,138
Net revenue growth, %	24.7%	-9.3%	7.8%	-10.5%
Organic net revenue growth, %	14.1%	-12.7%	0.1%	-13.6%
Gross profit	100,003	81,241	294,874	269,969
Gross margin, %	62.7%	63.5%	62.9%	62.0%
Operating profit (EBIT)	18,610	16,570	56,033	38,544
Operating margin (EBIT margin), %	11.7%	13.0%	11.9%	8.9%
Profit for the period	15,187	13,019	45,655	29,708
Profit margin, %	9.5%	10.2%	9.7%	6.8%
Adjusted EBIT	18,610	16,570	56,033	38,544
Adjusted EBIT margin, %	11.7%	13.0%	11.9%	8.9%
Inventory as % of LTM net revenue	-	-	23.9%	28.5%
Net financial indebtedness	-112,465	-54,702	-112,465	-54,702
Earnings per share, SEK	0.73	0.63	2.20	1.43
Earnings per share, diluted, SEK	0.73	0.63	2.20	1.43
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	5.8	5.7	20.2	23.1
Number of orders, thousand	71.3	49.7	194.6	174.0
Number of new customers, thousand	53.1	34.7	142.0	122.3
Average order value, SEK	3,172	3,603	3,435	3,531
Average NPS value	68	72	67	69
Average Trustpilot value	4.8	4.8	4.8	4.8



***"I am glad that we can yet again report organic net revenue growth combined with continued good profitability."***

**Michael Lindskog, CEO**

# Back to profitable organic growth

Dear shareholders,

I am glad that we can yet again report organic net revenue growth combined with continued good profitability. That we deliver organic growth despite a challenging macroeconomic climate in the majority of Europe is evidence that we are effectively navigating the market conditions. The quarter's performance is also an effect of cost efficiency and that we are delivering on our long-term strategy to continuously improve our customer offering and ourselves as an organization.

Net revenue for the quarter was SEK 159.6 (127.9) million corresponding to an increase of 24.7% (-9.3%). The organic net revenue growth was 14.1%. The quarter's net revenue was driven by the B2C segment where the DACH and Nordic regions performed well albeit compared to relatively weak comparables from 2022.

The gross margin for the quarter was 62.7% (63.5%) and was negatively affected by a higher product expense ratio to net revenue as customers to a higher degree than historically have selected products based on a high focus on price.

Marketing cost as a share of net revenue was 32.1% (28.8%) representing a 3.4 percentage points increase compared to the previous year. Last year's figure was unusually low due to a high focus on cost efficiency. This year we have also identified additional opportunities to drive profitable sales growth.

EBIT for the quarter was SEK 18.6 (16.6) million and the EBIT margin was 11.7% (13.0%). Despite the lower EBIT margin, it remains at a good level considering the market conditions, the quarter's growth rate, and that EBIT nonetheless did increase by 12% compared to last year.

Our strategic KPI:s developed well during the quarter where the number of orders and the number of new customers grew by 43% and 53% respectively compared to last year. The average NPS value was 68 (72) and continues to be at a very high level.

We continue our work toward the vision of becoming the center of gravity for the European rug industry. During the quarter, we launched our new e-commerce platform in twelve markets and scaled our marketing activities. In addition to the continued roll out of the platform, the development of the new checkout has continued, and it was released in two markets during the month of October. The quality and volume of content we are publishing across our channels continue to take steps forward and we are convinced that this improves and strengthens our customer offering both in the short and long term.

I am happy and proud of our performance during the third quarter, but the outlook for the rest of the year is uncertain. The macroeconomic climate is overall weak and we face more challenging comparables from Q4 2022. We remain focused on effectively navigating the market and are looking forward to continuing to deliver on our strategic agenda as well as executing our commercial plan for this year's peak season.

With best wishes,



CEO Rugvista Group

# Third quarter

## Net revenue

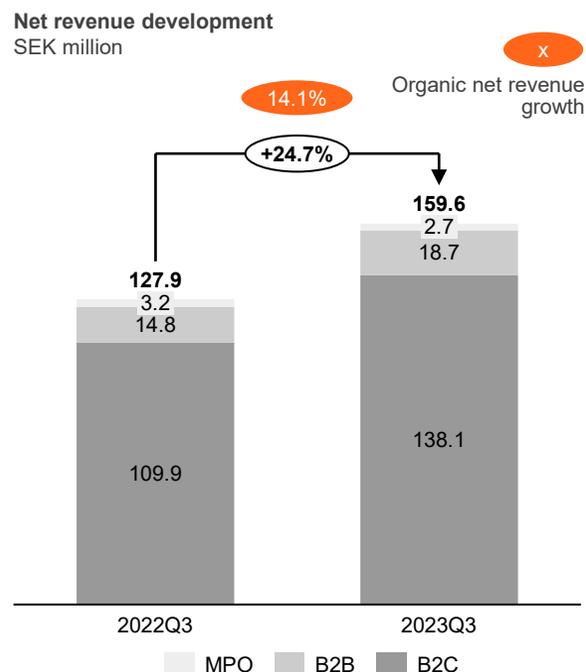
The Group's net revenue for the quarter was SEK 159.6 (127.9) million, indicating an increase of 24.7% (-9.3%). In the latter part of the second quarter, we observed an improvement in order intake that continued into the third quarter. The depreciation of the Swedish krona, particularly against the Euro, contributed to the increase in net revenue, and the organic net revenue growth was 14.1% (-12.7%).

Within the Consumer segment (B2C), net revenue was SEK 138.1 (109.9) million, representing an increase of 25.6% (-11.5%). The Nordic region drove the growth in net revenue despite having a lower positive currency impact compared to other regions. Net revenue in the Nordics increased by 44.6% (-29.0%), DACH increased by 30.0% (-14.0%), and Rest of World, where the majority of sales come from other parts of European markets, increased by 16.6% (-0.7%).

In the Business-to-business segment (B2B), net revenue was SEK 18.7 (14.8) million, showing an increase of 26.6% (10.6%). Demand within the B2B segment continues to grow for several of our customer types.

Within the Marketplaces & Other (MPO) segment, net revenue was SEK 2.7 (3.2) million, representing a decrease of -14.4% (-6.8%). The major portion of sales in this segment is through Amazon's marketplace.

Besides the challenging market conditions, the net revenue on Amazon was negatively impacted as, similar to several previous quarters, we focused on marketing efficiency to improve profitability in this segment.



## Profits and margins

The gross margin decreased to 62.7% (63.5%). Product expenses as a share of net revenue was negatively affected by customers to a higher degree buying products focusing on price. This includes, among other things, that customers to a higher degree bought discounted products or products with lower price points. The cost for customer deliveries as a share of net revenues decreased thanks to our efforts to streamline customer deliveries.

Other external costs amounted to SEK -60.4 (-43.9) million and as a share of net revenue they were 37.9% (34.3%). The increase in the ratio is mainly attributable to higher marketing costs. Last year's marketing costs were unusually low due to a high focus on efficiency.

Personnel costs amounted to SEK -16.1 (-15.2) million and as a share of net revenue they accounted for 10.1% (11.9%). The share decreased due to economies of scale from the higher net revenue.

Other operating expenses amounted to SEK -1.9 (-2.9) million. This consists of the impact of exchange rate changes on transactions and revaluation of foreign currency balance sheet items at the quarter-end exchange rate.

Depreciation and amortization amounted to SEK -3.0 (-2.7) million and mainly consist of depreciations related to leasehold assets. The increase is attributable to rent increases for the company's leased premises classified as leasehold assets.

Operating profit (EBIT) increased to SEK 18.6 (16.6) million and the operating margin was 11.7% (13.0%). The decrease in the operating margin was mainly driven by higher marketing costs.

Net financial items amounted to SEK 0.7 (-0.2) million. As we have a good cash position and no interest-bearing liabilities apart for leasing, our net financial result improves as market interest rates rise.

Taxes for the period were SEK -4.2 (-3.3) million.

The period's profit amounted to SEK 15.2 (13.0) million and the period's profit margin was 9.5% (10.2%).

# Third quarter

## Cash flow

The cash flow from operating activities during the quarter was SEK 39.9 (-24.1) million. The increase in cash flow is driven by the positive change in working capital, where we reduced our inventory during the quarter while inventory increased during the same period last year.

Cash flow from investing activities during the quarter amounted to SEK -3.6 (-3.0) million and is largely attributable to the capitalization of costs for the development of our new e-commerce platform.

Cash flow from financing activities during the quarter was SEK -2.7 (-2.3) million.

## Other KPIs

The NPS (Net Promoter Score) value was 68 (72), and the Trustpilot score was 4.8 (4.8). The sustained high levels are evidence of our strong focus on ensuring a world-class customer experience. We monitor the weekly development of our service metrics and place significant value on delivering beyond our customers' expectations.

The number of website visits was 5.8 (5.7) million representing an increase of 1.5% (-27.6%). Starting July 1, 2023, Google Analytics 4 is used to measure visits to our web-shops. Before Google Universal Analytics was used. It is not possible to re-calculate historical comparison figures for the entire reporting period. During periods when we have had both tools available in our web-shops we have noted that Google Universal Analytics measures approximately 10 percent higher visit counts for a given period compared to Google Analytics 4. The number of orders was 71.3 (49.7) thousand, showing an increase of 43.3% (-8.8%).

The number of new customers acquired was 53.1 (34.7) thousand representing an increase of 53.1% (-11.9%).

The average order value was SEK 3,172 (3,603) representing a decrease of -12.0% (-1.2%). The order value was negatively affected as customers increasingly bought products based on a higher price focus.





# January - September

## Net revenue

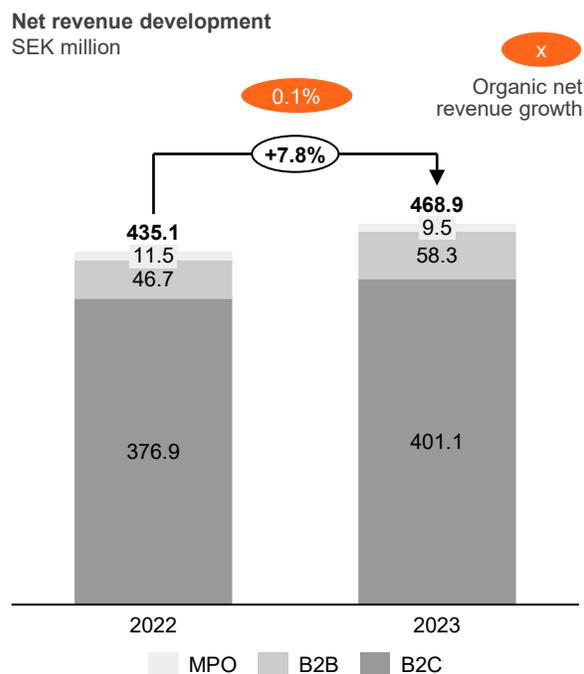
The Group's net revenue for the period amounted to SEK 468.9 (435.1) million, representing an increase of 7.8% (-10.5%). In the later part of the second quarter and the beginning of the third quarter, we observed an improvement in order intake compared to the previous year. The depreciation of the Swedish krona contributed to the increase in sales, and the organic net revenue growth was 0.1% (-13.6%).

Net revenue in the Consumer segment (B2C), the Group's largest, amounted to SEK 401.1 (376.9) million, indicating an increase of 6.4% (-12.3%). The Nordics increased by 11.9% (-26.0%), DACH increased by 4.0% (-17.5%), and Other countries increased by 5.2% (-3.1%). Thus, the Nordics experienced the most significant increase despite the positive currency effect being less in that region compared to others.

Net revenue in the Business-to-business segment (B2B) amounted to SEK 58.3 (46.7) million, showing an increase of 24.9% (7.9%). Demand within the B2B segment has been stronger during the period compared to the B2C segment. Demand within the B2B segment continues to grow for most of our customer types.

Net revenue in the Marketplaces & Other (MPO) segment amounted to SEK 9.5 (11.5) million,

reflecting a decrease of -18.0% (-11.4%). Similar to the B2C segment, demand within the MPO segment was negatively affected by the macroeconomic climate and our focus on profitability.



## Profits and margins

The gross margin was 62.9% (62.0%). The cost of goods as a proportion of net revenue was positively affected by the price adjustments in the third quarter of the previous year and category mix effects. The cost of customer deliveries as a share of net revenue was higher compared to the previous period, driven by extra fees from shipping companies at the beginning of the year and geographical mix effects.

Other external costs amounted to SEK -174.6 (-165.6) million, and the increase is primarily driven by the rise in marketing costs due to the higher sales. As a share of net revenue, other external costs accounted for 37.2% (38.1%), and the decrease is attributable to the high focus on marketing efficiency during most of the period.

Personnel costs amounted to SEK -52.0 (-52.2) million and as a share of net revenue, they accounted for -11.1% (-12.0%).

Other operating expenses amounted to SEK -3.1 (-5.3) million. This entry consists of the impact of exchange rate changes on transactions and the revaluation of assets and liabilities in foreign currency.

Depreciation and amortization amounted to SEK -9.1 (-8.3) million and mainly consists of depreciations related to leasehold assets. The increase is due to rent hikes for the company's leased premises classified as leasehold assets.

Operating profit (EBIT) amounted to SEK 56.0 (38.5) million and the operating margin was 11.9% (8.9%). The increase in the operating margin was driven by the higher gross margin, improved marketing cost efficiency, and scale effects from higher sales.

Net financial items increased to SEK 1.8 (-0.9) million. As we have a good cash position and no interest-bearing liabilities apart for leasing, our net financial result improves as market interest rates rise.

Taxes for the period amounted to SEK -12.2 (-7.9) million.

The period's profit amounted to SEK 45.7 (29.7) million and the period's profit margin was 9.7% (6.8%).

# January – September

## Financial position and liquidity

The value of inventory at the end of the period amounted to SEK 160.8 (186.1) million, and the inventory value as a proportion of net revenue over the last twelve months (LTM) was 23.9% (28.5%). During the period, we focused on reducing our inventory position, which was successful despite the implementation of an "always in stock" program for our best-selling items, which slightly increased the inventory value. The nature of the products results in low inventory risk, which is also reflected in the company's historical impairment needs.

Net debt amounted to SEK -112.5 (-54.7) million.

Cash and cash equivalents amounted to SEK 135.7 (81.6) million. The proposed dividend by the Board, resolved at the Annual General Meeting in May 2023, at 1.50 (2.50) SEK per share, totaled SEK 31.2 (52.0) million and was paid to the shareholders on June 1, 2023.

## Cash flow

The cash flow from operating activities during the period amounted to SEK 42.2 (-70.2) million. The improvement is due to the change in working capital being significantly better than the previous year.

Cash flow from investing activities during the period amounted to SEK -8.6 (-7.4) million, with the main portion representing investments in our new e-commerce platform.

Cash flow from financing activities during the period amounted to SEK -38.9 (-58.9) million. The dividend to shareholders, paid in the second quarter, was lower than the previous year.

## Other KPIs

The NPS (Net Promoter Score) value was 67 (69), and the TrustPilot score was 4.8 (4.8), which is evidence that our continued high focus on ensuring a world-class customer experience has been successful.

The number of website visits was 20.2 (23.1) million representing a decrease of -12.6% (-18.2%). Please refer to the comment for the third quarter on page 6.

The number of orders was 194.6 (174.0) thousand representing an increase of 11.9% (-8.8%).

The number of new customers acquired was 142.0 (122.3) thousand representing an increase of 16.1% (-11.5%).

The average order value was SEK 3,435 (3,531) representing a decrease of -2.7% (-1.5%).



## B2C

## Third quarter

<i>SEK thousand if not stated otherwise</i>	July-September		
	2023	2022	Δ
Net revenue	138,116	109,937	25.6%
<i>Net revenue, DACH</i>	27,688	21,294	30.0%
<i>Net revenue, Nordics</i>	36,557	25,289	44.6%
<i>Net revenue, Rest of World</i>	73,871	63,354	16.6%
Gross profit	85,869	69,026	24.4%
Gross margin, %	62.2%	62.8%	-0.6pp
Marketing cost as a share of net revenue, %	34.8%	30.8%	4.0pp
Segment earnings	37,814	35,125	7.7%
Segment margin, %	27.4%	31.9%	-4.6pp

The net revenue for the Consumer segment during the quarter was SEK 138.1 (109.9) million, representing an increase of 25.6% (-11.5%). The increased net revenue in the segment was driven by the Nordics despite having a lower positive currency impact than other regions. The Nordics increased by 44.6% (-29.0%), DACH increased by 30.0% (-14.0%), and Rest of World, where the major part of sales comes from other European markets, increased by 16.6% (-0.7%).

The gross profit amounted to SEK 85.9 (69.0) million, marking an increase of 24.4% (-12.9%), and the gross margin was 62.2% (62.8%). Customers, more than in the same quarter of the previous year, have shown a higher inclination to purchase products based on a high price focus.

Marketing expenses as a share of net revenue was 34.8% (30.8%). Last year's marketing costs were unusually low due to a high focus on cost efficiency.

Segment profit amounted to SEK 37.8 (35.1) million representing an increase of 7.7% (-6.0%) and the segment margin was 27.4% (31.9%), where the main decline in margin is attributed to the increase in marketing costs as a share of net revenue.

## January - September

<i>SEK thousand if not stated otherwise</i>	January-September		
	2023	2022	Δ
Net revenue	401,130	376,911	6.4%
<i>Net revenue, DACH</i>	82,094	78,948	4.0%
<i>Net revenue, Nordics</i>	93,810	83,842	11.9%
<i>Net revenue, Rest of World</i>	225,227	214,121	5.2%
Gross profit	250,835	231,396	8.4%
Gross margin, %	62.5%	61.4%	1.1pp
Marketing cost as a share of net revenue, %	34.4%	34.9%	-0.5pp
Segment earnings	113,027	100,040	13.0%
Segment margin, %	28.2%	26.5%	1.6pp

The net revenue for the Consumer segment during the period was SEK 401.1 (376.9) million, representing an increase of 6.4% (-12.3%). Demand was negatively affected by the general economic conditions in Europe during the first half of the year. However, by the end of the second quarter, demand began to rise, continuing into the third quarter. Growth in the Nordics was 11.9% (-26.0%), for DACH it was 4.0% (-17.5%), and Rest of World, primarily composed of other European markets, increased by 5.2% (-3.1%).

The gross profit amounted to SEK 250.8 (231.4) million, marking an increase of 8.4% (-15.8%), and the gross margin was 62.5% (61.4%). The increase in gross margin was mainly driven by the price adjustment in the third quarter of the previous year and category mix effects.

Marketing expenses as a proportion of net revenue amounted to 34.4% (34.9%), and the decrease is a result of a focus on marketing efficiency during the first half of the year.

Segment profit amounted to SEK 113.0 (100.0) million, indicating an increase of 13.0% (-28.6%), and the segment margin was 28.2% (26.5%), where the main increase is attributed to increased gross margin and improved marketing efficiency.

## B2B

## Third quarter

<i>SEK thousand if not stated otherwise</i>	July- September		
	2023	2022	Δ
Net revenue	18,746	14,809	26.6%
Gross profit	11,989	9,744	23.0%
Gross margin, %	64.0%	65.8%	-1.8pp
Marketing cost as a share of net revenue, %	12.1%	11.4%	0.7pp
Segment earnings	9,720	8,053	20.7%
Segment margin, %	51.9%	54.4%	-2.5pp

The net revenue for the Business customer segment during the quarter was SEK 18.7 (14.8) million, reflecting an increase of 26.6% (10.6%). Demand within the B2B segment continues to grow, primarily driven by customer groups such as small businesses and interior designers.

The gross profit amounted to SEK 12.0 (9.7) million, indicating an increase of 23.0% (7.8%), and the gross margin was 64.0% (65.8%). The decrease in gross margin was driven by the same factors as in the B2C segment.

Marketing expenses as a proportion of net revenue amounted to 12.1% (11.4%), with the increase driven by the same factors as in the B2C segment.

Segment profit was SEK 9.7 (8.1) million, indicating an increase of 20.7% (11.9%), and the segment margin was 51.9% (54.4%), where the decrease in margin was driven by the lower gross margin and higher marketing expenses as a proportion of net revenue.

## January - September

<i>SEK thousand if not stated otherwise</i>	January- September		
	2023	2022	Δ
Net revenue	58,333	46,696	24.9%
Gross profit	37,333	30,158	23.8%
Gross margin, %	64.0%	64.6%	-0.6pp
Marketing cost as a share of net revenue, %	13.1%	14.4%	-1.3pp
Segment earnings	29,691	23,450	26.6%
Segment margin, %	50.9%	50.2%	0.7pp

The net revenue for the Business customer segment during the period was SEK 58.3 (46.7) million, representing an increase of 24.9% (7.9%). Demand within the B2B segment continues to rise, primarily driven by customer groups such as small businesses and interior designers.

The gross profit amounted to SEK 37.3 (30.2) million, indicating an increase of 23.8% (4.3%), and the gross margin was 64.0% (64.6%).

Marketing expenses as a proportion of net revenue amounted to 13.1% (14.4%), where the decrease was driven by the same factors as in the B2C segment.

Segment profit was SEK 29.7 (23.5) million, showing an increase of 26.6% (0.3%), and the segment margin was 50.9% (50.2%), where the increase was driven by the lower marketing expenses as a proportion of net revenue.

# Marketplaces & Others (MPO)

## Third quarter

<i>SEK thousand if not stated otherwise</i>	July-September		
	2023	2022	Δ
Net revenue	2,730	3,190	-14.4%
Gross profit	1,697	2,012	-15.6%
Gross margin, %	62.2%	63.1%	-0.9pp
Marketing cost as a share of net revenue, %	35.8%	39.0%	-3.2pp
Segment earnings	721	768	-6.1%
Segment margin, %	26.4%	24.1%	2.3pp

The net revenue for the Marketplaces & Others (MPO) segment during the quarter amounted to SEK 2.7 (3.2) million, reflecting a decrease of -14.4% (-6.8%). Beyond the challenging market environment, the net revenue on Amazon was negatively affected by the continued focus on marketing efficiency and the ongoing restructuring of the sales strategy.

The gross profit was SEK 1.7 (2.0) million, indicating a decrease of -15.6% (-8.9%), and the gross margin was 62.2% (63.1%).

Marketing expenses as a proportion of net revenue stood at 35.8% (39.0%), where the decrease was driven by the emphasis on marketing efficiency.

The segment profit amounted to SEK 0.7 (0.8) million, thereby reflecting a result consistent with the previous year. The segment margin was 26.4% (24.1%), where the increase was driven by the lower marketing expenses as a proportion of net revenue.

## January - September

<i>SEK thousand if not stated otherwise</i>	January-September		
	2023	2022	Δ
Net revenue	9,455	11,531	-18.0%
Gross profit	5,662	7,107	-20.3%
Gross margin, %	59.9%	61.6%	-1.8pp
Marketing cost as a share of net revenue, %	32.8%	37.6%	-4.8pp
Segment earnings	2,559	2,767	-7.5%
Segment margin, %	27.1%	24.0%	3.1pp

The net revenue for the Marketplaces & Others (MPO) segment during the period amounted to SEK 9.5 (11.5) million, representing a decrease of -18.0% (-11.4%). The challenging market environment has had a more significant negative impact on our Amazon sales compared to our own web stores. Our focus on marketing efficiency and the ongoing restructuring of the sales strategy has also adversely affected growth.

The gross profit was SEK 5.7 (7.1) million, indicating a decrease of -20.3% (-18.4%), and the gross margin was 59.9% (61.6%). Higher costs for customer deliveries negatively affected the gross margin, and the geographic sales mix partially influenced the trend.

Marketing expenses as a proportion of net revenue were 32.8% (37.6%), where the decrease was driven by the emphasis on marketing efficiency.

The segment profit amounted to SEK 2.6 (2.8) million, reflecting a decrease of -7.5% (-48.3%). The segment margin was 27.1% (24.0%), where the increase was driven by the lower proportion of marketing expenses.



# Other information

## Material events during the quarter

- On September 28, Rugvista signed an agreement for the extension of the lease term and notice of termination regarding the facility at Ringugnsgratan 11 in Limhamn. The date of termination is September 30, 2025. The intention is to enter into a new lease agreement during the fourth quarter 2023 or first quarter 2024.
- On September 28, Rugvista GmbH, a wholly-owned subsidiary of Rugvista AB, was registered with business address in Berlin, Germany.
- The new e-commerce platform was launched in 10 existing markets, as well as in two markets that previously had no dedicated domains.

## Material events after the quarter

No significant events occurred after the quarter.

## Seasonality

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

## Significant risks and uncertainties

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 invaded Ukraine in the beginning of 2022. 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. The same applies in respect of the recent events in the Middle East, primarily Israel and Gaza. The Group has no direct exposure to Israel or Gaza, but the events may indirectly impact consumer sentiment, inflation, GDP growth etc.

## Co-workers

The number of full-time employees during the period July-September was 89.3 (92.1), and the proportion of women was 47.3% (42.1%).

The number of full-time employees during the period January-September was 88.7 (92.8), and the proportion of women was 46.6% (42.4%).

## The share

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

The market value on the final trading day of the third quarter of 2023 (September 29) was SEK 1,181 million, based on the closing price of SEK 56.80 per share.

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

In 2021, the company issued 860,000 subscription options. Out of these, 435,981 have been sold and remain outstanding with key individuals within the group.

During the second quarter of 2022, the company issued 300,000 subscription options. Of these, 40,000 were sold to senior executives within the group.

In the second quarter of 2023, the company issued 595,000 subscription options. Out of these, 35,000 were sold to senior executives and other key individuals within the group.

For more detailed information on incentive programs, refer to "LTIP2021," "LTIP2022," and "LTIP2023" on page 15, as well as the company's website at [www.rugvistagroup.com](http://www.rugvistagroup.com).

Refer to Note 5 for an overview of the ten largest 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.

### July – September 2023

During the third quarter, no warrants under the LTIP2023 program were sold.

### January – September 2023

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

## Transaction with closely related parties

### July – September

Throughout the period, design services worth KSEK 145 have been provided by Love Terins, the daughter of Carin Terins, the Chief Design and Purchasing Officer.

### Januari – September

During this period, there have been no transactions with related parties, except those mentioned above for the quarter.

## Audit

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

## Parent company

Rugvista Group AB (publ), with registration number 559037-7882, is the parent company of the Group. The Group includes Rugvista AB and Rugvista GmbH. 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 revenue for the quarter was MSEK 3.1 (3.6) and for the September period, it was MSEK 11.5 (12.8). The parent company's revenue comprises invoiced fees for management services to its subsidiaries, in accordance with an intra-group agreement.

The costs of the parent company primarily include salaries for certain management members, compensations for the board, and expenses related to the company's listing on Nasdaq. The result for the quarter amounted to MSEK 0.1 (-0.1), and for the January-September period, it was MSEK -0.1 (-0.3).

The parent company holds an intra-group receivable from its 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
Year-end report 2023	February 8, 2024	09:00-10:00 CET
Annual report 2023	April 18, 2024	
Interim report January – March 2024	May 8, 2024	09:00-10:00 CEST
AGM 2024	May 23, 2024	
Interim report January – June 2024	August 15, 2024	09:00-10:00 CEST
Interim report January - September 2024	November 7, 2024	09:00-10:00 CET
Year-end report 2024	February 8, 2025	09:00-10:00 CET

In connection with the publication of the Interim report for January – September, Michael Lindskog (CEO) and Joakim Tuvner (CFO) will host a conference call and a webcast on November 9th, 2023, at 09:00 CET. The presentation will be held in English.

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

Register via: <https://conference.financialhearings.com/teleconference/?id=5001288> After registration you will be provided phone numbers and a conference ID to access the conference. It is also possible to participate in the telephone conference via the Group's website.

<https://www.rugvistagroup.com/en/report/Q3-2023/>

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

Please join via: <https://ir.financialhearings.com/rugvista-group-q3-2023>

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. CET on November 9, 2023.*



## Group

## Consolidated Statement of Income

<i>SEK thousand if not stated otherwise</i>	July - September			January - September		
	2023	2022	Δ	2023	2022	Δ
Net revenue	159,593	127,937	24.7%	468,918	435,138	7.8%
Other income	447	458	-2.4%	1,043	1,308	-20.2%
<b>Total operating income</b>	<b>160,040</b>	<b>128,395</b>	<b>24.6%</b>	<b>469,961</b>	<b>436,446</b>	<b>7.7%</b>
Goods for resale	-60,037	-47,154		-175,088	-166,477	
Other external expenses	-60,435	-43,923		-174,649	-165,573	
Personnel expenses	-16,063	-15,190		-52,001	-52,191	
Other operating expenses	-1,870	-2,906		-3,138	-5,329	
Amortization & depreciation	-3,026	-2,652		-9,052	-8,332	
<b>Operating profit (EBIT)</b>	<b>18,610</b>	<b>16,570</b>	<b>12.3%</b>	<b>56,033</b>	<b>38,544</b>	<b>45.4%</b>
Financial income	1,066	29		2,788	49	
Financial expenses	-323	-238		-973	-941	
<b>Profit before taxes (EBT)</b>	<b>19,353</b>	<b>16,361</b>	<b>18.3%</b>	<b>57,847</b>	<b>37,652</b>	<b>53.6%</b>
Taxes	-4,166	-3,343		-12,192	-7,944	
<b>Profit for the period</b>	<b>15,187</b>	<b>13,019</b>	<b>16.7%</b>	<b>45,655</b>	<b>29,708</b>	<b>53.7%</b>
<b>Attributable to:</b>						
Parent company's shareholders	15,187	13,019		45,655	29,708	
Earnings per share	0.73	0.63		2.20	1.43	
Earnings per share, diluted	0.73	0.63		2.20	1.43	

# Group

## Consolidated Statement of Comprehensive Income

<i>SEK thousand if not stated otherwise</i>	July - September			January - September		
	2023	2022	Δ	2023	2022	Δ
<b>Profit for the period</b>	<b>15,187</b>	<b>13,019</b>	<b>16.7%</b>	<b>45,655</b>	<b>29,708</b>	<b>53.7%</b>
<i>Items that can later be reclassified to the income statement</i>						
Translation differences	-11	-		-11	-	
<b>Other comprehensive income</b>	<b>-11</b>	<b>-</b>	<b>-</b>	<b>-11</b>	<b>-</b>	<b>-</b>
<b>Comprehensive profit for the period attributable the parent company's shareholders</b>	<b>15,176</b>	<b>13,019</b>	<b>16.6%</b>	<b>45,644</b>	<b>29,708</b>	<b>53.6%</b>

## Group

## Consolidated Statement of Financial position

SEK thousand if not stated otherwise

ASSETS	September 30, 2023	September 30, 2022	December 31, 2022	EQUITY AND LIABILITIES	September 30, 2023	September 30, 2022	December 31, 2022
<u>NON-CURRENT ASSETS</u>				<u>EQUITY</u>			
Goodwill	299,949	299,949	299,949	Share capital	1,039	1,039	1,039
Intangible assets	17,071	6,755	9,064	Other contributed capital	228,052	227,627	227,627
Tangible assets	2,923	3,695	3,540	Retained earnings	243,797	216,113	216,114
Right-of-use assets	22,212	25,495	26,828	Profit for the period	45,655	29,708	58,872
Deferred tax assets	311	236	311	<b>Total equity attributable to the parent company's shareholders</b>	<b>518,543</b>	<b>474,487</b>	<b>503,651</b>
<b>Total non-current assets</b>	<b>342,466</b>	<b>336,131</b>	<b>339,693</b>				
<u>CURRENT ASSETS</u>				<u>NON-CURRENT LIABILITIES</u>			
Inventory	160,830	186,124	174,259	Deferred tax liability	90	107	90
Other receivables	21,146	45,897	51,581	Leasing debt	12,265	17,354	17,249
Prepaid expenses	4,962	3,962	1,465	<b>Total non-current liabilities</b>	<b>12,354</b>	<b>17,462</b>	<b>17,338</b>
Cash and cash equivalents	135,723	81,610	139,978				
<b>Total current assets</b>	<b>322,661</b>	<b>317,593</b>	<b>367,283</b>	<u>CURRENT LIABILITIES</u>			
<b>TOTAL ASSETS</b>	<b>665,127</b>	<b>653,724</b>	<b>706,975</b>	Accounts payable	55,816	82,271	76,963
				Current tax liabilities	14,279	35,681	41,556
				Other current liabilities	38,892	22,993	44,429
				Current leasing debt	10,994	9,554	10,919
				Prepaid income and accrued expenses	14,250	11,277	12,118
				<b>Total current liabilities</b>	<b>134,230</b>	<b>161,775</b>	<b>185,986</b>
				<b>TOTAL EQUITY AND LIABILITIES</b>	<b>665,127</b>	<b>653,724</b>	<b>706,975</b>

# Group

## Consolidated Statement of Changes in Equity

July - September

	2023					2022			
	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
<b>Opening balance 2023-07-01</b>	<b>1,039</b>	<b>228,052</b>	<b>274,275</b>	<b>503,366</b>	<b>Opening balance 2022-07-01</b>	<b>1,039</b>	<b>227,627</b>	<b>232,802</b>	<b>461,469</b>
Profit for the period			15,187	15,187	Profit for the period			13,019	13,019
Other comprehensive income			-11	-11	Other comprehensive income			-	-
<b>Total comprehensive profit</b>	<b>1,039</b>	<b>228,052</b>	<b>289,451</b>	<b>518,543</b>	<b>Total comprehensive profit</b>	<b>1,039</b>	<b>227,627</b>	<b>245,821</b>	<b>474,487</b>
<i>Transactions with shareholders:</i>					<i>Transactions with shareholders:</i>				
Dividend per AGM decision				-	Dividend per AGM decision				-
Warrants, issue				-	Warrants, issue				-
Warrants, repurchase				-	Warrants, repurchase				-
New share issue				-	New share issue				-
<b>Closing balance 2023-09-30</b>	<b>1,039</b>	<b>228,052</b>	<b>289,451</b>	<b>518,543</b>	<b>Closing balance 2022-09-30</b>	<b>1,039</b>	<b>227,627</b>	<b>245,821</b>	<b>474,487</b>

## Consolidated Statement of Changes in Equity

January - September

	2023					2022			
	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
<b>Opening balance 2023-01-01</b>	<b>1,039</b>	<b>227,627</b>	<b>274,986</b>	<b>503,651</b>	<b>Opening balance 2022-01-01</b>	<b>1,039</b>	<b>227,784</b>	<b>268,075</b>	<b>496,899</b>
Profit for the period			45,655	45,655	Profit for the period			29,708	29,708
Other comprehensive income			-11	-11	Other comprehensive income			-	-
<b>Total comprehensive profit</b>	<b>1,039</b>	<b>227,627</b>	<b>320,630</b>	<b>549,296</b>	<b>Total comprehensive profit</b>	<b>1,039</b>	<b>227,784</b>	<b>297,784</b>	<b>526,607</b>
<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				-
<b>Closing balance 2023-09-30</b>	<b>1,039</b>	<b>228,052</b>	<b>289,451</b>	<b>518,543</b>	<b>Closing balance 2022-09-30</b>	<b>1,039</b>	<b>227,627</b>	<b>245,821</b>	<b>474,487</b>

## Group

## Consolidated Statement of Cash flow

KSEK if not stated otherwise

	July - September		January - September	
	2023	2022	2023	2022
<i>Operating activities before changes in working capital</i>				
EBIT	18,610	16,570	56,033	38,544
<i>Adjustments for non-cash items</i>				
Depreciation and amortization	3,026	2,652	9,052	8,332
Unrealized exchange rate difference	1,646	-	-1,622	-
Interest received	1,066	29	2,788	49
Interest	-323	-238	-973	-941
Income tax paid	-2,455	-1,747	-39,469	-20,388
<b>Cash flow from operating activities before changes in working capital</b>	<b>21,570</b>	<b>17,266</b>	<b>25,808</b>	<b>25,596</b>
<i>Changes in working capital</i>				
Change in inventory	10,137	-20,385	13,428	-39,565
Change in operating receivables	1,603	-33,136	27,004	-29,019
Change in operating liabilities	6,600	12,187	-24,050	-27,223
<b>Cash flow from changes in working capital</b>	<b>18,339</b>	<b>-41,335</b>	<b>16,382</b>	<b>-95,806</b>
<b>Cash flow from operating activities</b>	<b>39,910</b>	<b>-24,069</b>	<b>42,191</b>	<b>-70,210</b>
Investment in intangible assets	-3,610	-2,791	-8,007	-6,755
Acquisition of tangible assets	-10	-208	-585	-796
Sales of tangible assets	-	-	-	136
<b>Cash flow from investing activities</b>	<b>-3,620</b>	<b>-2,999</b>	<b>-8,592</b>	<b>-7,416</b>
New shares issue	-	-	-	-
Warrants	-	-	425	469
Warrants, repurchase	-	-	-	-626
Amortization of leasing debt	-2,734	-2,273	-8,144	-6,760
Dividend payout	-	-	-31,178	-51,963
<b>Cash flow from financing activities</b>	<b>-2,734</b>	<b>-2,273</b>	<b>-38,896</b>	<b>-58,880</b>
<b>TOTAL CASH FLOW DURING THE PERIOD</b>	<b>33,556</b>	<b>-29,341</b>	<b>-5,297</b>	<b>-136,506</b>
<b>Liquidity at the start of the period</b>	<b>104,393</b>	<b>110,951</b>	<b>139,978</b>	<b>218,116</b>
Exchange rate differences in liquidity	-2,226	-	1,043	-
<b>Liquidity at the end of the period</b>	<b>135,723</b>	<b>81,610</b>	<b>135,723</b>	<b>81,610</b>



# 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](http://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 three quarters 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.

<b>July – September 2023</b>	<b>B2C</b>	<b>B2B</b>	<b>MPO</b>	<b>Segment total</b>
Net revenue	138,116	18,746	2,730	<b>159,593</b>
Goods for resale	-52,247	-6,756	-1,033	<b>-60,037</b>
<b>Gross profit</b>	<b>85,869</b>	<b>11,989</b>	<b>1,697</b>	<b>99,556</b>
Marketing costs	-48,055	-2,269	-976	<b>-51,301</b>
<b>Segment earnings</b>	<b>37,814</b>	<b>9,720</b>	<b>721</b>	<b>48,255</b>
<b>July – September 2022</b>	<b>B2C</b>	<b>B2B</b>	<b>MPO</b>	<b>Segment total</b>
Net revenue	109,937	14,809	3,190	<b>127,937</b>
Goods for resale	-40,911	-5,065	-1,178	<b>-47,154</b>
<b>Gross profit</b>	<b>69,026</b>	<b>9,744</b>	<b>2,012</b>	<b>80,783</b>
Marketing costs	-33,901	-1,691	-1,244	<b>-36,837</b>
<b>Segment earnings</b>	<b>35,125</b>	<b>8,053</b>	<b>768</b>	<b>43,946</b>
<b>January – September 2023</b>	<b>B2C</b>	<b>B2B</b>	<b>MPO</b>	<b>Segment total</b>
Net revenue	401,130	58,333	9,455	<b>468,918</b>
Goods for resale	-150,295	-21,000	-3,793	<b>-175,088</b>
<b>Gross profit</b>	<b>250,835</b>	<b>37,333</b>	<b>5,662</b>	<b>293,830</b>
Marketing costs	-137,808	-7,643	-3,103	<b>-148,554</b>
<b>Segment earnings</b>	<b>113,027</b>	<b>29,691</b>	<b>2,559</b>	<b>145,277</b>
<b>January – September 2022</b>	<b>B2C</b>	<b>B2B</b>	<b>MPO</b>	<b>Segment total</b>
Net revenue	376,911	46,696	11,531	<b>435,138</b>
Goods for resale	-145,515	-16,538	-4,424	<b>-166,477</b>
<b>Gross profit</b>	<b>231,396</b>	<b>30,158</b>	<b>7,107</b>	<b>268,661</b>
Marketing costs	-131,356	-6,708	-4,341	<b>-142,405</b>
<b>Segment earnings</b>	<b>100,040</b>	<b>23,450</b>	<b>2,767</b>	<b>126,256</b>

## 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.

<b>Reconciliation of income</b>	<b>July - September</b>		<b>January - September</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
<b>Segment earnings</b>	<b>48,255</b>	<b>43,946</b>	<b>145,277</b>	<b>126,256</b>
Other income	447	458	1,043	1,308
Other external expenses (excl. Marketing costs)	-9,134	-7,086	-26,095	-23,169
Personnel expenses	-16,063	-15,190	-52,001	-52,191
Other operating expenses	-1,870	-2,906	-3,138	-5,329
Amortization & depreciation	-3,026	-2,652	-9,052	-8,332
Financial income and expenses	742	-209	1,814	-892
<b>Profit before taxes (EBT)</b>	<b>19,353</b>	<b>16,361</b>	<b>57,847</b>	<b>37,652</b>

# Notes

## Note 4 – Financial assets

<b>Financial assets valued at accrued acquisition value</b>	<b>2023-09-30</b>	<b>2022-09-30</b>
<i>Financial assets in the balance sheet</i>		
Other receivables	5,169	4,623
Cash and cash equivalents	135,723	81,610
<b>Total</b>	<b>140,892</b>	<b>86,233</b>

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.

<b>Other financial liabilities valued at accrued acquisition value</b>	<b>2023-09-30</b>	<b>2022-09-30</b>
<i>Financial liabilities in the balance sheet</i>		
Accounts payable	55,816	82,271
Other liabilities	8,129	7,461
Accrued expenses	12,476	9,654
Leasing debt	23,258	26,908
<b>Total</b>	<b>99,679</b>	<b>126,295</b>

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 September 29th, 2023. A group of shareholders is considered to constitute one owner if they have been grouped together in Euroclear.

<b>Owner</b>	<b>Number of shares</b>	<b>Share of capital</b>	<b>Share of votes</b>
Madhat AB	2,505,874	12.1%	12.1%
Bank Julius Baer & Co LTD	2,321,605	11.2%	11.2%
Futur Pension Försäkringsaktiebolag	1,816,556	8.7%	8.7%
TIN Fonder	1,671,250	8.0%	8.0%
Alcur Fonder AB	1,524,756	7.3%	7.3%
Indexon AB	1,490,204	7.2%	7.2%
Movestic Livförsäkring AB	1,074,323	5.2%	5.2%
Mediuminvest AS	1,039,256	5.0%	5.0%
RBC Asset management	965,341	4.6%	4.6%
SEB Life International Assurance	878,201	4.2%	4.2%
<i>Total the ten largest shareholders</i>	<i>15,287,366</i>	<i>73.5%</i>	<i>73.5%</i>
<b>Total number of outstanding shares</b>	<b>20,785,140</b>	<b>100.0%</b>	<b>100.0%</b>

Source: Euroclear extract per September 29th, 2023

# Parent company

## Parent company's Statement of Income

<i>SEK thousand if not stated otherwise</i>	July - September			January - September		
	2023	2022	Δ	2023	2022	Δ
Net revenue	3,118	3,622	-13.9%	11,538	12,799	-9.9%
<b>Total operating income</b>	<b>3,118</b>	<b>3,622</b>	<b>-13.9%</b>	<b>11,538</b>	<b>12,799</b>	<b>-9.9%</b>
Other external expenses	-1,245	-1,268		-5,275	-4,490	
Personnel expenses	-2,019	-2,440		-6,624	-8,380	
Other operating expenses	-	-15		-	-20	
<b>Operating profit (EBIT)</b>	<b>-147</b>	<b>-101</b>	<b>45%</b>	<b>-361</b>	<b>-91</b>	<b>295%</b>
Financial income	202	-		326	-	
Financial expenses	-	-		-73	-201	
<b>Profit before taxes (EBT)</b>	<b>55</b>	<b>-101</b>	<b>-154.2%</b>	<b>-107</b>	<b>-292</b>	<b>-63.4%</b>
Taxes	-	-		-	-	
<b>Profit for the period <sup>1)</sup></b>	<b>55</b>	<b>-73</b>	<b>-175.4%</b>	<b>-107</b>	<b>-257</b>	<b>-58.4%</b>

# Parent company

## Parent company's Statement of Financial position

SEK thousand if not stated otherwise

ASSETS	September 30, 2023	September 30, 2022	December 31, 2022	EQUITY AND LIABILITIES	September 30, 2023	September 30, 2022	December 31, 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	321,271	Share capital	1,039	1,039	1,039
Long-term receivables from subsidiaries	11,080	3,554	3,591	<b>Sub-total, restricted equity</b>	<b>1,039</b>	<b>1,039</b>	<b>1,039</b>
<b>Total non-current assets</b>	<b>332,351</b>	<b>324,825</b>	<b>324,862</b>	<i>Unrestricted equity</i>			
<u>CURRENT ASSETS</u>				<i>Retained earnings</i>			
Other receivables	11,022	16,538	47,498	Retained earnings	331,607	318,965	318,965
Prepaid expenses	326	367	156	Profit for the period	-107	-257	36,596
Cash and cash equivalents	10,341	10,493	10,983	<b>Sub-total, unrestricted equity</b>	<b>331,500</b>	<b>318,707</b>	<b>355,561</b>
<b>Total current assets</b>	<b>21,689</b>	<b>27,398</b>	<b>58,637</b>	<b>Total equity</b>	<b>332,539</b>	<b>319,747</b>	<b>356,600</b>
<b>TOTAL ASSETS</b>	<b>354,040</b>	<b>352,223</b>	<b>383,499</b>	<u>CURRENT LIABILITIES</u>			
				Accounts payable	320	242	251
				Current tax liabilities	9,433	15,137	24,654
				Other current liabilities	10,594	15,764	383
				Prepaid income and accrued expenses	1,154	1,334	1,611
				<b>Total current liabilities</b>	<b>21,501</b>	<b>32,477</b>	<b>26,898</b>
				<b>TOTAL EQUITY AND LIABILITIES</b>	<b>354,040</b>	<b>352,223</b>	<b>383,499</b>

# 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 9th of November 2023

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**Martin Benckert**

Styrelseordförande

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**Hanna Graflund Sleyman**

Styrelsemedlem

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**Ebba Ljungerud**

Styrelsemedlem

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**Patrik Berntsson**

Styrelsemedlem

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**Ludvig Friberger**

Styrelsemedlem

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**Magnus Dimert**

Styrelsemedlem

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**Michael Lindskog**

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# Review report

THIS IS A TRANSLATION FROM THE SWEDISH ORIGINAL

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 (the interim report) for Rugvista Group AB (publ) as at September 30, 2023 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

**Hanna Fehland**

Authorized Public Accountant

# 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>	July-September		January-September	
	2023	2022	2023	2022
Total operating income (A)	160,040	128,395	469,961	436,446
Goods for resale (B)	-60,037	-47,154	-175,088	-166,477
<b>Gross profit (A) + (B)</b>	<b>100,003</b>	<b>81,241</b>	<b>294,874</b>	<b>269,969</b>
Net revenue (C)	159,593	127,937	468,918	435,138
<b>Gross margin, % ((A) + (B)) / (C)</b>	<b>62.7%</b>	<b>63.5%</b>	<b>62.9%</b>	<b>62.0%</b>

## Adjusted EBIT margin

<i>SEK thousand if not stated otherwise</i>	July-September		January-September	
	2023	2022	2023	2022
Operating profit (EBIT) (A)	18,610	16,570	56,033	38,544
Items affecting comparability (B)	-	-	-	-
<b>Adjusted EBIT (A) + (B)</b>	<b>18,610</b>	<b>16,570</b>	<b>56,033</b>	<b>38,544</b>
Net revenue (C)	159,593	127,937	468,918	435,138
<b>Adjusted EBIT margin, % ((A) + (B)) / (C)</b>	<b>11.7%</b>	<b>13.0%</b>	<b>11.9%</b>	<b>8.9%</b>

## Inventory as % of LTM net revenue

<i>SEK thousand if not stated otherwise</i>	July-September		January-September	
	2023	2022	2023	2022
Inventory (A)	160,830	186,124	160,830	186,124
Net revenue, last twelve months (LTM) (B)	673,053	653,939	673,053	653,939
<b>Inventory as % of LTM net revenue (A) / (B)</b>	<b>23.9%</b>	<b>28.5%</b>	<b>23.9%</b>	<b>28.5%</b>

## Net debt

<i>SEK thousand if not stated otherwise</i>	July-September		January-September	
	2023	2022	2023	2022
Cash and cash equivalents (A)	-135,723	-81,610	-135,723	-81,610
Interest bearing liabilities (current and non-current) (B)	-	-	-	-
Interest bearing lease liabilities (current and non-current) (C)	23,258	26,908	23,258	26,908
<b>Net financial indebtedness (+) / net cash (-) (A)+(B)+(C)</b>	<b>-112,465</b>	<b>-54,702</b>	<b>-112,465</b>	<b>-54,702</b>

## Organic net revenue growth

<i>SEK thousand if not stated otherwise</i>	July - September		January - September	
	2023	2022	2023	2022
Last year's net revenue (A)	127,937	141,025	435,138	486,183
Net revenue divested operations (B)	-	-	-	-
<b>Last year's net revenue, excluding divested operations (A)-(B)=(C)</b>	<b>127,937</b>	<b>141,025</b>	<b>435,138</b>	<b>486,183</b>
Net revenue (D)	159,593	127,937	468,918	435,138
Net revenue divested operations (E)	-	-	-	-
<b>Net revenue, excluding divested operations (D)-(E)=(F)</b>	<b>159,593</b>	<b>127,937</b>	<b>468,918</b>	<b>435,138</b>
FX impact on this year's net revenue (G)	13,678	4,890	33,411	14,969
<b>Net revenue, excluding divested operations and FX impact (F)-(G)=(H)</b>	<b>145,915</b>	<b>123,047</b>	<b>435,507</b>	<b>420,168</b>
<b>Organic net revenue growth % (H)/(C)-1</b>	<b>14.1%</b>	<b>-12.7%</b>	<b>0.1%</b>	<b>-13.6%</b>

# 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	
<b>Expense item</b>	<b>SEK K</b>	<b>%<sup>1</sup></b>							
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	
<b>Expense item</b>	<b>SEK K</b>	<b>%<sup>1</sup></b>							
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	
<b>Expense item</b>	<b>SEK K</b>	<b>%<sup>1</sup></b>							
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 - June 2023		Jul - Sep 2023			
<b>Expense item</b>	<b>SEK K</b>	<b>%<sup>1</sup></b>	<b>KSEK</b>	<b>%<sup>1</sup></b>	<b>KSEK</b>	<b>%<sup>1</sup></b>	<b>KSEK</b>	<b>%<sup>1</sup></b>	
Net revenue	180,262	100.0%	129,063	100.0%	159,593	100.0%			
Product expenses	-41,557	-23.1%	-29,588	-22.9%	-38,414	-24.1%			
Shipping and other selling expenses	-26,289	-14.6%	-17,617	-13.7%	-21,623	-13.5%			
Marketing costs	-57,011	-31.6%	-40,242	-31.2%	-51,301	-32.1%			

# 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

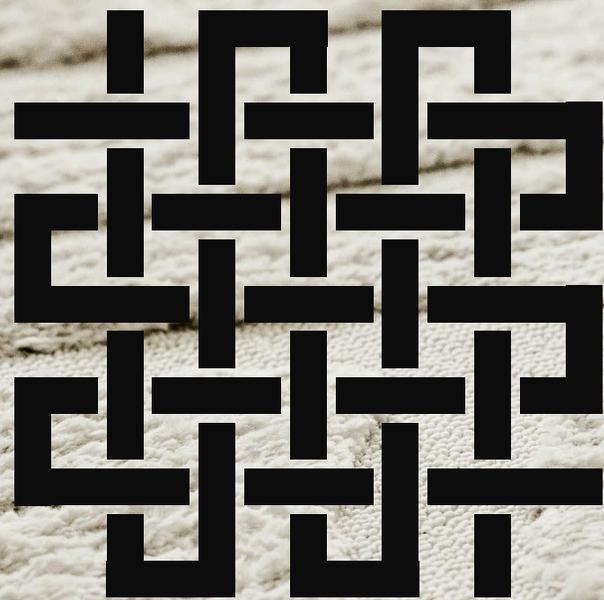
Rugvista Group considers itself having several strengths and competitive advantages which contributes to the Group's ability to realize strategic objectives and reaching financial targets.

- 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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