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Interim report January – March 2021

RugVista Group AB (publ)

Interim report January – March 2021

Strong start to the new year

First quarter 2021 highlights

- Net revenue increased by 84.8% (4.1%) to SEK 205 (111) million.
- Net revenue growth excluding divested operations was 91.7% (3.7%).
- Gross margin increased to 64.9% (60.7%).
- Adjusted EBIT grew to SEK 50 (18) million and adjusted EBIT margin increased to 24.2% (15.9%).
- EBIT grew to SEK 40 (18) million and EBIT margin increased to 19.4% (15.9%).
- Profit for the period increased to SEK 32 (13) million.
- Inventory as a share of LTM net revenue declined to 13.4% (29.3%).
- Net Promotor Score (NPS) value was 67.
- Earnings per share was SEK 1.55 (0.65).

Group key performance indicators¹

<i>SEK thousand if not stated otherwise</i>	Jan - Mar	
	2021	2020
Total operating income	205,003	111,122
Net revenue	204,538	110,685
Net revenue growth, %	84.8%	4.1%
Net revenue, excluding divested operations	204,538	106,686
Net revenue growth excluding divested operations, %	91.7%	3.7%
Gross profit	132,732	67,175
Gross margin, %	64.9%	60.7%
EBIT	39,677	17,622
EBIT margin, %	19.4%	15.9%
Profit for the period	32,229	13,196
Profit margin, %	15.7%	11.9%
Adjusted EBIT	49,577	17,622
Adjusted EBIT margin, %	24.2%	15.9%
Inventory as a % of LTM net revenue, %	13.4%	29.3%
Net financial indebtedness	-136,764	61,304
Earnings per share	1.55	0.65
Earnings per share, diluted	1.55	0.65
Number of shares outstanding	20,785,140	20,227,060
Number of diluted shares outstanding	20,785,140	20,311,455
Number of website visits, million	12.9	7.4
Number of orders, thousand	82	37
Number of new customers, thousand	59	26
Average order value, SEK	3,529	4,033
Average NPS value	67	-
Average TrustPilot value	4.79	4.80

¹ See page 20 for definitions and explanations

COMMENTS BY THE CEO

Strong quarterly performance with cautiously optimistic outlook

Dear valued shareholders,

It is with great excitement that I am writing our first quarterly shareholder letter as a publicly traded company. Becoming listed on Nasdaq First North Premier Growth Market was an important step in our development and is evidence of the tremendous progress that we have made as an organization. Becoming listed has also enabled us to welcome both an outstanding group of high-profile strategic investors as well as more than one thousand retail investors. We are grateful for the trust and support everyone has placed in our achievements so far as well as our vision and strategic agenda that we have defined for the upcoming years.

I am even more excited to announce that we can look back at a remarkable first quarter where we have been able to deliver, among other things, an all-time high adjusted EBIT margin of 24.2%.

Beyond the exceptional adjusted EBIT margin, we also accelerated our growth trajectory and ended the first quarter with a net revenue growth of 84.8%. Our growth rate excluding divested operations was even higher at 91.7% highlighting the underlying strength in our business. Although this growth rate represents a great achievement, it should be noted that corresponding figure for Q1 2020 was a relatively modest 3.7%.

We are also progressing strongly on our strategic focus areas. For example, we successfully obtained 59,000 new customers which represents a growth of 127.0% vs Q1 last year and highlights our improving ability to attract customers with our offer. In addition, DACH was our growth engine during the quarter where

B2C net revenues grew by 120.9% proving the traction we have in our ambition to drive growth by further penetrating the large EU markets.

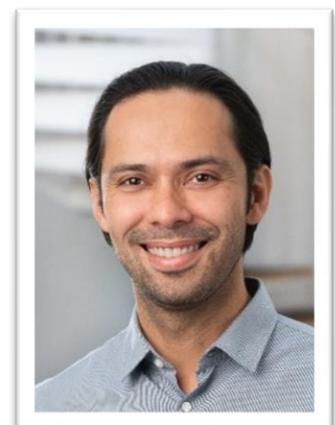
We have undoubtedly had a great start to the year, but we are humbly aware of the challenges we are facing rest-of-year. The Covid-19 pandemic is still hampering our ability to increase stock quantities to levels which would be ideal and there is uncertainty how consumer behavior will evolve once the EU societies open. Our Q1 2020 performance was rather modest and rest-of-year comparables are tougher, especially during the fourth quarter, which we believe was partly driven by the Covid-19 restrictions. However, the start to Q2 has been promising with a growth rate well in-line with our long-term targets. Also, the accelerated offline-to-online migration is something we expect will benefit us even when the Covid-19 pandemic is over.

Finally, I want to take this opportunity to commend and thank all of our dedicated co-workers who make our success possible. The energy and commitment our teams have shown during these challenging times is nothing but remarkable.

With best wishes,

Michael Lindskog

CEO RugVista Group AB (publ)



Group development

First quarter

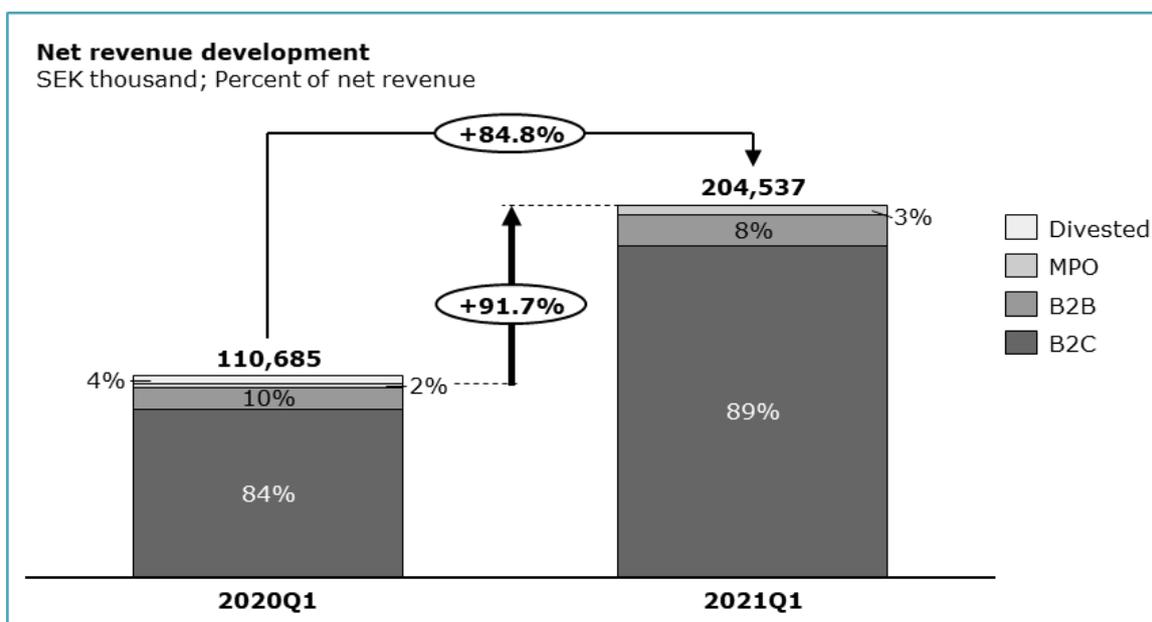
Net revenue

Group net revenue during the period was SEK 205 (111) million representing an increase by 84.8% (4.1%).

Net revenue within the B2C segment, the Group's largest, was SEK 182 (93) million representing an increase by 96.4% (1.5%). Net revenue within the segment was primarily driven by the DACH region with a growth rate of 120.9% (10.0%).

Net revenue within the B2B segment was SEK 16 (12) million representing an increase by 41.6% (12.6%). Demand within the B2B segment continues to be depressed by the ongoing Covid-19 pandemic. However, the first quarter numbers indicate that the outlook for the segment's underlying demand may be improving but will be contingent upon how the Covid-19 pandemic evolves throughout the year.

Net revenue within the Marketplace & Other (MPO) segment was SEK 6 (2) million representing an increase by 155.0% (108.9%). The implemented initiatives to drive growth on the Amazon marketplace continues to be effective.



Profits and margins

Gross margin was 64.9% (60.7%). The gross margin increase was driven by category mix effects and a lower average discount rate.

Other external expenses as a share of net revenue was 37.1% (35.1%). The increase was driven by non-recurring items related to the listing on Nasdaq First North Premier Growth Market.

Personnel expenses as a share of net revenue was 8.0% (9.8%). The ratio decrease was primarily driven by scale efficiencies resulting from the net revenue growth.

Other operating expenses was SEK 0.1 (2.0) million. The line-item includes the net from FX effects on transactions during the period.

Depreciation and amortization was SEK 2 (2) million and mainly consists of amortization of right-of-use assets.

EBIT was SEK 40 (18) million representing an EBIT margin of 19.4% (15.9%).

Adjusted EBIT was SEK 50 (18) million representing an adjusted EBIT margin of 24.2% (15.9%). Non-recurring items of SEK 10 (0) million were all related to the IPO process.

Net financial expenses was SEK 0.2 (1.0) million with the decrease driven by the Group no longer carrying any loans from credit institutions.

Taxes during the period was SEK 7 (3) million.

Profit for the period was SEK 32 (13) million representing a profit margin of 15.7% (11.9%).

Financial position and liquidity

Inventory value at the end of the period was SEK 88 (125) million and inventory value as a share of LTM net sales was 13.4% (29.3%). The 13.4% level is significantly below our target level of approximately 17.5% to 22.5%. Maintaining and increasing inventory levels continues to be challenging due to the strong demand and supply disruptions resulting from the Covid-19 pandemic in India primarily. The well documented global container shipping disruptions have also negatively affected our lead-times to a certain degree.

Net financial indebtedness was SEK -137 (61) million with the SEK 198 million improvement driven by the Group's strong cash generation during the past 3-4 quarters.

Cash and cash equivalents was SEK 165 (61) million with the increase driven by the Group's strong performance during the past 3-4 quarters. The increase in cash and cash equivalents was also achieved even though SEK 88 million of debt to financial institutions was amortized.

Cash flow

Cash flow from operating activities was SEK 46 (18) million during the period. The increase was primarily driven by improved cash flow from operating activities before changes in working capital which represented SEK 36 (17) million of the total cash flow from operating activities.

Cash flow from investing activities was SEK -0.1 (-0.3) million during the period.

Cash flow from financing activities was SEK -20 (-2) million during the period. The cash outflow was driven by the winding-down of the historical long-term incentive programs (LTIP2017, LTIP2018, and LTIP2019) in conjunction with the listing on NASDAQ First North Premier Growth Market and establishing a new long-term incentive program (LTIP2021) for key personnel within the Group.

Other KPIs

Continued strong customer satisfaction ratings (NPS and TrustPilot) despite disruptions with customer deliveries during the early part of the quarter due to the Covid-19 pandemic and credit card processing issues due to the PSD2 implementation across the EU markets starting January 1, 2021.

All-time high web-shop visit count of 12.9 (7.4) million representing a 73.9% (-8.4%) growth rate. Increase driven by ongoing optimization of marketing activities.

Order count was 82 (37) thousand representing a 118.0% (-8.1%) growth rate.

59 (26) thousand new customers obtained representing a 127.0% (-7.0%) growth rate.

Average order value was SEK 3,529 (4,033) representing a decrease of 12.5% (18.8%). Decline partly driven by category mix effects, but Q1 2020 comparable also a historical outlier.



Segment development

B2C

<i>SEK thousand if not stated otherwise</i>	Jan - Mar		Δ
	2021	2020	
Net revenue	182,380	92,853	96.4%
<i>Net revenue, DACH</i>	43,922	19,886	120.9%
<i>Net revenue, Nordics</i>	45,535	26,301	73.1%
<i>Net revenue, Rest of World</i>	92,922	46,666	99.1%
Gross profit	117,456	56,847	106.6%
Gross margin, %	64.4%	61.2%	3.2%pts
Marketing cost as a share of net revenue, %	29.5%	31.4%	-1.9%pts
Segment earnings	63,625	27,668	130.0%
Segment margin, %	34.9%	29.8%	5.1%pts

First quarter

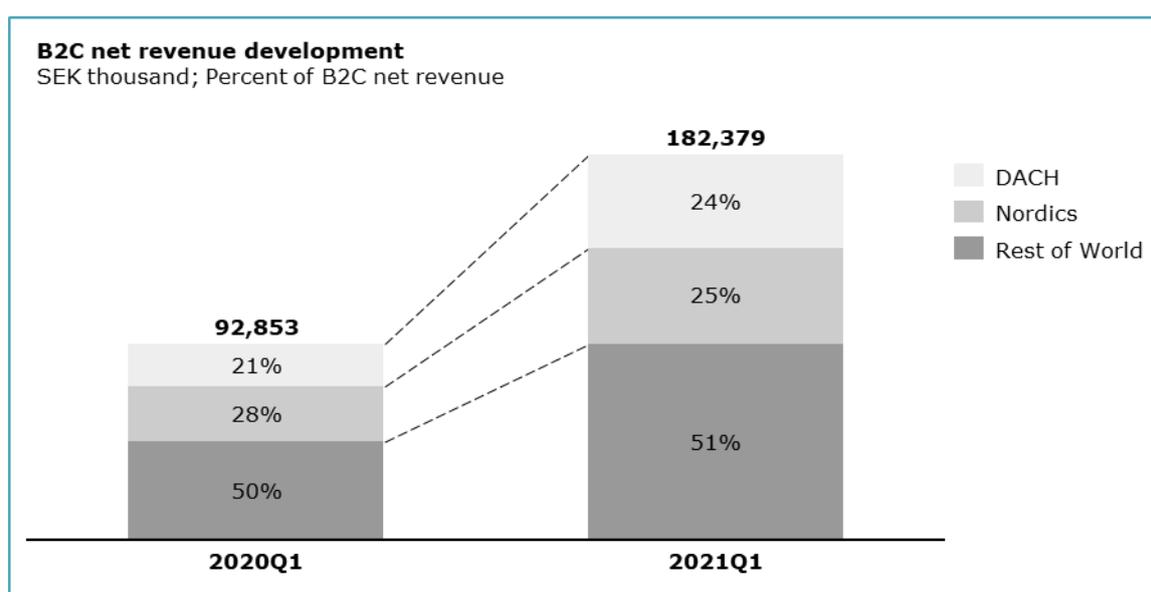
B2C net revenue during the period was SEK 182 (93) million representing an increase by 96.4% (1.5%).

Net revenue within the segment was primarily driven by the DACH region which grew by 120.9% (10.0%).

Gross profit was SEK 117 (57) million representing an increase by 106.6% (6.5%) and the gross margin was 64.4% (61.2%). The gross margin increase was driven by category mix effects and decreased discount rates.

Marketing cost as a share of net revenue was 29.5% (31.4%). The marketing cost ratio decrease was driven by ongoing marketing spend optimization initiatives.

Segment earnings was SEK 64 (28) million representing an increase by 130.0% (10.7%) and the segment margin was 34.9% (29.8%) with the increase driven by the both the improved gross margin and reduced marketing spend ratio.



B2B

<i>SEK thousand if not stated otherwise</i>	Jan - Mar		
	2021	2020	Δ
Net revenue	16,375	11,565	41.6%
Gross profit	10,909	7,171	52.1%
Gross margin, %	66.6%	62.0%	4.6%pts
Marketing cost as a share of net revenue, %	12.4%	13.7%	-1.3%pts
Segment earnings	8,876	5,583	59.0%
Segment margin, %	54.2%	48.3%	5.9%pts

First quarter

B2B Net revenue during the period was SEK 16 (12) million representing an increase by 41.6% (12.6%). Demand within the B2B segment continues to be depressed by the ongoing Covid-19 pandemic. However, the first quarter does indicate that the outlook for the segment's underlying demand may be improving.

Gross profit was SEK 11 (7) million representing an increase by 52.1% (11.1%) and the gross margin was 66.6% (62.0%). The gross margin increase was driven by category mix effects and decreased discount rates.

Marketing cost as a share of net revenue was 12.4% (13.7%). The marketing cost ratio decrease was driven by ongoing marketing spend optimization efforts.

Segment earnings was SEK 9 (6) million representing an increase by 59.0% (10.7%) and the segment margin was 52.2% (48.3%) with the increase driven by the both the improved gross margin and reduced marketing spend ratio.

MPO

<i>SEK thousand if not stated otherwise</i>	Jan - Mar		
	2021	2020	Δ
Net revenue	5,783	2,268	155.0%
Gross profit	3,902	1,453	168.6%
Gross margin, %	67.5%	64.1%	3.4%pts
Marketing cost as a share of net revenue, %	24.5%	19.9%	4.6%pts
Segment earnings	2,487	1,001	148.4%
Segment margin, %	43.0%	44.1%	-1.1%pts

First quarter

Net revenue within the MPO segment was SEK 6 (2) million representing an increase by 155.0% (108.9%). The implemented initiatives to drive growth on the Amazon marketplace continues to be effective.

Gross profit was SEK 4 (1) million representing an increase by 168.6% (117.1%) and the gross margin was 67.5% (64.1%). The gross margin increase was driven by category mix effects and decreased discount rates.

Marketing cost as a share of net revenue was 24.5% (19.9%). The marketing cost ratio increase was driven by intensified marketing efforts on the Amazon platform to drive sales.

Segment earnings was SEK 2 (1) million representing an increase by 148.4% (136.9%) and the segment margin was 43.0% (44.1%) with the decrease driven by the intensified marketing efforts.

Other information

Material events during the Period

- On February 11, an extra shareholder meeting was held where Eva Boding was elected as a new board member and Magnus Ressel declined re-election and thereby left the board, new Articles of association adopted, and a share-split approved.
- On February 17, an extra shareholder meeting was held where it was decided to change the Articles of association which included to change the company's type from private to public, remove the consent requirement, and to register the Group's shares with Euroclear AB (per Swedish law 1998:1479) from February 26.
- On February 24, the company published its intent to list its shares on NASDAQ First North Premier Growth Market.
- On March 3, the Annual General Meeting of the shareholders was held.
- On March 9, the company published an offer to the public to purchase shares in RugVista Group AB (publ).
- On March 18, an extra shareholder's meeting was held where it was decided to establish a new long-term incentive program (LTIP2021) which included issuing 860,000 warrants to RugVista AB (subsidiary) which can be sold to selected current and future key members of the Group.
- On March 18, the board decided to repurchase a total of 18 859 outstanding warrants from series LTIP2017, LTIP2018, and LTIP2019. The Board assessed that the repurchase offering was compatible with the requirements per law (2005:551) 17th chapter and paragraphs 3 and 4.

- On March 18, a new share emission was completed which added SEK 11.4 million of capital to the Group.
- On March 18, the Group's shares became listed on NASDAQ First North Premier Growth Market.

Risks and factors of uncertainty

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

The Group's annual report which is available through www.rugvistagroup.com includes descriptions of additional risks and factors of uncertainty.

Material events after the quarter

On May 3, the Group's new Chief Financial Officer (CFO) Henrik Bo Joergensen commenced his tenure.

Co-workers

The number of FTEs during the quarter was 79.3 (65.9) and the share of women was 47.2% (42.8%).

Transactions with closely related parties

- The Group repurchased warrants from Series LTIP2017, LTIP2018, LTIP2019 from closely related companies and members from the executive management team. The transaction is described in more detail in the Group's Prospectus which can be found on www.rugvistagroup.com.

- The Group sold warrants from Series LTIP2021 to members in the executive management team and other key individuals within the Group. The transaction is described in more detail in the Group's Prospectus which can be found on www.rugvistagroup.com.
- SEK 213 thousand was paid during the period to Womack Investor Relations AB for investor relations communications advisory support. The business relation is conducted based on fair market terms and requirements of "at arm's length".

Seasonality

The Group's sales usually fluctuate in accordance with the annual weather seasons where the fourth and first quarters typically are the strongest.

Accounting principles

The accounting principles used to prepare this interim report correspond to the ones used in the Group's 2020 annual report. For additional information regarding RugVista Group's accounting principles, please refer to the 2020 Annual report published on www.rugvistagroup.com.



Board of Directors and Chief Executive Officer assurance

The Board of Directors and the Chief Executive Officer (CEO) assures that the interim report provides a true development overview of the Group's and parent company's (RugVista Group AB) operations, financial position, and financial performance as well as accurately describes the material risks and uncertainties facing the parent company and the companies part of the Group.

Stockholm, May 12, 2021

Erik Lindgren

Chairperson of the Board

Magnus Dimert

Board Member

Paul Steene

Board Member

Eva Boding

Board Member

Ludvig Friberger

Board Member

John Womack

Board Member

Michael Lindskog

CEO

This interim report has not been reviewed by the Group's auditor.

Financial calendar

Event	Date
Interim report April – June 2021	August 26, 2021
Interim report July – September 2021	November 11, 2021
Interim report October – December 2021	February 17, 2022

Michael Lindskog, CEO, will hold a conference call at 9:00am CEST on Wednesday May 12, 2021 in connection with the publication of the interim report.

The call will be held in English. To participate, please call +46 8 50 55 83 56 or visit <https://tv.streamfabriken.com/rugvista-group-q1-2021>.

The presentation is available at RugVista Group's website, <https://www.rugvistagroup.com/en/investors/rapporter-och-presentationer/>.

The conference call can also be joined through the Group's website, <https://www.rugvistagroup.com/q121/>.

Contact information

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SE-216 16 Limhamn

Sweden



Consolidated Statement of Income

<i>SEK thousand if not stated otherwise</i>	Jan - Mar		
	2021	2020	Δ
Net revenue	204,538	110,685	84.8%
Other income	465	437	6.3%
Total operating income	205,003	111,122	84.5%
Goods for resale	-72,271	-43,948	
Other external expenses	-74,869	-38,825	
Personnel expenses	-16,279	-10,800	
Other operating expenses	74	2,012	
Amortization & depreciation	-1,981	-1,939	
Operating profit (EBIT)	39,677	17,622	125.2%
Financial income	0	0	
Financial expenses	-226	-1,023	
Profit before taxes (EBT)	39,450	16,599	137.7%
Taxes	-7,221	-3,403	
Profit for the period	32,229	13,196	144.2%

Consolidated Statement of Comprehensive Income

<i>SEK thousand if not stated otherwise</i>	Jan - Mar	
	2021	2020
Profit for the period	32,229	13,196
Translation differences	0	-182
Other comprehensive income	0	-182
Comprehensive profit for the period attributable to the parent company's shareholders	32,229	13,014

Consolidated Statement of Financial Position

SEK thousand if not stated otherwise

ASSETS	Mar 31, 2021	Mar 31, 2020	Dec 31, 2020
NON-CURRENT ASSETS			
Goodwill	299,949	299,950	299,949
Intangible assets	0	430	0
Tangible assets	2,612	1,955	2,773
Right-of-use assets	27,172	33,866	28,884
Deferred tax claim	176	0	176
Total non-current assets	329,909	336,201	331,782
CURRENT ASSETS			
Inventory	88,177	125,013	90,997
Other receivables	39,693	11,389	28,803
Prepaid expenses	3,507	4,166	1,598
Cash and cash equivalents	165,044	61,075	139,508
Total current assets	296,421	201,643	260,906
TOTAL ASSETS	626,330	537,844	592,688
EQUITY AND LIABILITIES			
EQUITY			
Share capital	1,039	1,011	1,014
Other contributed capital	225,528	242,632	244,229
Retained earnings	168,248	88,039	88,241
Profit for the period	32,229	13,196	79,983
Total equity attributable to the parent company's shareholders	427,044	344,879	413,468
NON-CURRENT LIABILITIES			
Deferred tax liability	13,693	10,610	13,722
Liabilities to credit institutions	0	77,000	0
Leasing debt	21,590	28,080	23,231
Other liabilities	0	186	0
Total non-current liabilities	35,283	115,876	36,953
CURRENT LIABILITIES			
Current portion of liabilities to credit institutions	0	11,000	0
Accounts payable	87,125	29,936	70,646
Current tax liabilities	18,044	4,849	16,320
Other current liabilities	25,638	11,269	28,570
Current leasing debt	6,691	6,299	6,651
Prepaid income and accrued expenses	26,505	13,736	20,081
Total current liabilities	164,003	77,089	142,268
TOTAL EQUITY AND LIABILITIES	626,330	537,844	592,688

Consolidated Statement of Changes in Equity

SEK thousand if not stated otherwise

	Share capital	Other contributed capital	Retained earnings including profit for the period	Total equity
Opening balance 2021-01-01	1,014	244,229	168,248	413,491
Profit for the period			32,229	32,229
Other comprehensive income				0
Total comprehensive profit for the period	1,014	244,229	200,477	445,720
<i>Transactions with shareholders:</i>				
Warrants, issue		7,945		7,945
Warrants, repurchase		-38,069		-38,069
New share issue	25	11,423		11,449
Closing balance 2021-03-31	1,039	225,528	200,477	427,044

	Share capital	Other contributed capital	Retained earnings including profit for the period	Total equity
Opening balance 2020-01-01	1,011	242,632	88,221	331,865
Profit for the period			13,196	13,196
Other comprehensive income			-182	-182
Total comprehensive profit for the period	1,011	242,632	101,235	344,879
<i>Transactions with shareholders:</i>				
Warrants				0
New share issue				0
Closing balance 2020-03-31	1,011	242,632	101,235	344,879

Consolidated Statement of Cash Flow

KSEK if not stated otherwise

	Jan 1	- Mar 31
	2021	2020
OPERATING ACTIVITIES		
<i>Operating activities before changes in working capital</i>		
EBIT	39,677	17,622
Depreciation and amortization	1,981	1,939
Interest paid	-226	-1,023
Income tax paid	-5,527	-1,922
Cash flow from operating activities before changes in working capital	35,904	16,616
<i>Changes in working capital</i>		
Change in inventory	2,820	13,546
Change in operating receivables	-12,785	-4,176
Change in operating liabilities	19,972	-8,432
Cash flow from changes in working capital	10,007	938
Cash flow from operating activities	45,913	17,554
INVESTING ACTIVITIES		
Acquisition of tangible assets	-108	-331
Cash flow from investing activities	-108	-331
FINANCING ACTIVITIES		
New shares issue	11,449	0
Warrants, issue	7,945	0
Warrants, repurchase	-38,069	0
Amortization of leasing debt	-1,592	-1,548
Cash flow from financing activities	-20,268	-1,548
TOTAL CASH FLOW DURING THE PERIOD	25,537	15,675
Liquidity at the start of the period	139,508	45,582
Translation differences in liquidity	0	-182
Liquidity at the end of the period	165,044	61,075

Consolidated Statement of Financial Indebtedness

SEK thousand if not stated otherwise

	Mar 31, 2021	Mar 31, 2020	Dec 31, 2020
Cash	165,044	61,075	139,508
Cash equivalents	0	0	0
Trading securities	0	0	0
Total liquidity	165,044	61,075	139,508
Current financial receivables	0	0	0
Current debt financial institutions	0	11,000	0
Current portion of non-current debt	6,691	6,299	6,651
Other current financial debt	0	0	0
Total current financial debt	6,691	17,299	6,651
Net current financial indebtedness	-158,354	-43,776	-132,857
Non-current debt financial institutions	0	77,000	0
Issued bonds	0	0	0
Other non-current loans	21,590	28,080	23,231
Total non-current financial indebtedness	21,590	105,080	23,231
Net financial indebtedness	-136,764	61,304	-109,626

Notes and tables related to the consolidated reports

Segment information

SEK thousand if not stated otherwise

Jan - mar 2021	B2C	B2B	MPO	Divested operations	Segment total
Net revenue	182,380	16,375	5,783	0	204,538
Goods for resale	-64,924	-5,466	-1,881	0	-72,271
Gross profit	117,456	10,909	3,902	0	132,267
Marketing costs	-53,831	-2,033	-1,415	0	-57,280
Segment earnings	63,625	8,876	2,487	0	74,987

Jan - mar 2020	B2C	B2B	MPO	Divested operations	Segment total
Net revenue	92,853	11,565	2,268	3,999	110,685
Goods for resale	-36,006	-4,394	-815	-2,732	-43,948
Gross profit	56,847	7,171	1,453	1,267	66,737
Marketing costs	-29,179	-1,588	-452	-969	-32,187
Segment earnings	27,668	5,583	1,001	298	34,550

Breakdown adjusted EBIT

SEK thousand if not stated otherwise

Jan - mar 2021	Without adjustments	With adjustments¹
Net revenue	204,538	204,538
Other income	465	465
Goods for resale	-72,271	-72,271
Other external expenses	-74,869	-65,898
Personnel expenses	-16,279	-15,350
Other operating expenses	74	74
Amortization & depreciation	-1,981	-1,981
Total	39,677	49,577

¹ Related to costs associated with the listing process on Nasdaq First North Premier Growth Market

Parent company's Statement of Income

<i>SEK thousand if not stated otherwise</i>	Jan - Mar	
	2021	2020
Net revenue	2,447	1,962
Other income	0	0
Total operating income	2,447	1,962
Goods for resale	0	0
Other external expenses	-9,526	-502
Personnel expenses	-2,083	-1,361
Profit from divesting share in subsidiaries	0	0
Other operating expenses	-9	-1
Amortization & depreciation	0	0
Operating profit (EBIT)	-9,170	98
Financial income	0	0
Financial expenses	0	-365
Profit before taxes (EBT)	-9,170	-267
Taxes	0	0
Profit for the period	-9,170	-267

Parent company's Statement of Financial Position

SEK thousand if not stated otherwise

	Mar 31, 2021	Mar 31, 2020	Dec 31, 2020
ASSETS			
<u>NON-CURRENT ASSETS</u>			
<i>Financial non-current assets</i>			
Shares in group companies	321,271	356,839	321,271
Total non-current assets	321,271	356,839	321,271
<u>CURRENT ASSETS</u>			
Other receivables	7,340	1,077	2,137
Prepaid expenses	426	238	68
Cash and cash equivalents	19,464	361	4,674
Total current assets	27,231	1,676	6,880
TOTAL ASSETS	348,501	358,515	328,151
EQUITY AND LIABILITIES	Mar 31, 2021	Mar 31, 2020	Dec 31, 2020
<u>EQUITY</u>			
<i>Restricted equity</i>			
Share capital	1,039	1,011	1,014
Sub-total, restricted equity	1,039	1,011	1,014
<i>Unrestricted equity</i>			
Retained earnings	305,303	247,422	249,019
Profit for the period	-9,170	-267	28,065
Sub-total, unrestricted equity	296,134	247,155	277,084
Total equity	297,173	248,167	278,098
<u>UNTAXED RESERVES</u>			
Untaxed reserved	25,687	2,187	25,687
<u>NON-CURRENT LIABILITIES</u>			
Deferred tax liability	5,240	468	5,497
Liabilities to credit institutions	0	42,000	0
Total non-current liabilities	0	42,000	0
<u>CURRENT LIABILITIES</u>			
Current portion of liabilities to credit institutions	0	11,000	0
Accounts payable	1,967	495	5,315
Current tax liabilities	14,840	965	16,320
Other current liabilities	811	52,003	140
Prepaid income and accrued expenses	8,024	1,698	2,590
Total current liabilities	25,641	66,162	24,366
TOTAL EQUITY AND LIABILITIES	348,501	358,515	328,151

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 not all companies calculate financial measures in the same manner, these are not always comparable with measures used by other companies. These financial measures should therefore not be regarded as substitute for measures defined in accordance with IFRS. The APMs have been derived from RugVista Group’s internal accounts and have not been audited.

Measure	Definition	Explanation
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.
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.
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 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 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.
Gross profit	Net revenue 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.
Gross margin	Gross profit divided by the net revenue.	A measure that demonstrates profitability after costs for goods for resale.
Operating profit (EBIT)	Operating income less operating costs before net financial income and taxes.	A measure that demonstrates the operational profits.
Operating margin (EBIT margin)	Operating profit (EBIT) divided by net revenue.	A measure that demonstrates the profitability for the operations.
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.
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.
Marketing costs as a share of net revenue	The costs for marketing activities carried out during the period, divided by net revenue during the period.	A measure that demonstrates how much is invested in marketing in relation to net revenue.
Net 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.
Growth excluding divested operations	Percent change in the period’s net revenue of ongoing operations compared to the previous period.	A measure that demonstrates the growth rate of net revenue for ongoing operations.
Profit margin	Profit for the period after taxes, divided by total income.	A measure that demonstrates the profitability after taxes.
Segment earnings	Net revenue less the cost for goods for resale and marketing costs for the segment.	A measure that demonstrates the segment’s profit contribution.
Segment margin	Segment earnings divided by net revenue for the segment.	A measure that demonstrates the segment’s profitability.

Glossary

Acronym	Explanation
B2B	Business-to-Business, i.e., segment representing sales to other businesses.
B2C	Business-to-Consumer, i.e., segment representing sales to private individuals (consumers).
MPO	Marketplaces & Other, i.e., segment representing sales via third party platforms like Amazon.
DACH	The markets where German is the primary language, i.e., Germany, Austria, and Switzerland.
Nordics	The Nordic markets including Sweden, Denmark, Norway, Finland, but also the smaller Nordic countries such as Island.
Rest of World	All other markets that the Group serves which are not included in either the DACH or Nordic regions.



Business vision and strategy

RugVista's business vision is ***to become the center of gravity for the European rug industry.***

To realize the vision, a set of key strategic initiatives have been defined. The Group's current strategic initiatives are:

Penetrate core markets further

This goal is to be achieved by further localization of the end-to-end user experience in the core markets. Localization initiatives per region and/or market includes, but not limited to, actions such as optimizing delivery options, tailoring payment alternatives, and customizing marketing activities.

The Group believes that additional localization will drive increased consumer preference in the core markets and thus enable further efficient scaling in these regions.

In phase 2 of this initiative, the ambition is to start investing in building a known and liked brand which is expected to further drive consumer acquisition efforts and preference.

Clearly present our assortment

This goal is to be achieved by refining how our assortment is presented to users in our web-shops. Of particular emphasis will be to make it clear that most of the products we have on offer is either designed in-house or only available to purchase from us. More inspirational images and content will also be added to enhance the storytelling around each category, collection, and/or article.

An additional effort within this initiative is to re-design of and to add additional features to the RugVista web-shop with the purpose to make it even easier for the user to find the perfect rug just for them.

The Group believes that these efforts will not only drive increased brand preference, consumer satisfaction and loyalty, but also over time increase conversion rates.

Good to great commercial and operational excellence

This goal is to be achieved by implementing more comprehensive and sophisticated tracking tools and processes to steer and optimize our commercial and operational performance.

The Group believes that these efforts will be the foundation for continued profitable scaling and operational efficiency improvements.

Capture selected marketplace opportunities

This goal is currently focused on scaling our Amazon business as the Group has identified this as a historically largely unaddressed growth opportunity. The opportunity is to be captured by executing actions such as optimizing the assortment on offer, enhanced article presentation, securing Prime eligibility, and scaling marketing activities on the Amazon platform.

About RugVista Group AB (publ)

Introduction

RugVista Group is one of the leading European direct-to-consumer online platforms within carpet and rug sales through its online stores, available in 20 different languages, using the RugVista and CarpetVista brands. The company was founded in 2005 and offers a broad and relevant range of quality design and traditional carpets and rugs. RugVista Group offers its EU based customers free deliveries and returns free of charge. The Group's operations are divided into three segments: B2C, B2B, and Marketplaces & Other (MPO). The B2C segment represents the consumer market and is the Company's core segment.

Purpose and vision

RugVista Group's purpose is *to help people to a home they love*.

RugVista Group has defined three visions, each of which has a clear ambition.

- **Business:** *Be the center of gravity for the European rug industry.*
- **Sustainability:** *Lead the rug industry towards a sustainable future.*
- **People:** *Attract, motivate, and retain extraordinary people.*

Strengths and competitive advantages

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

- Large European rug market with strong momentum for online sales.
- Attractive position on a market in which size is important.
- Large and growing customer base in Europe.
- Product expertise and broad and attractive assortment tailored to the customer's needs.
- Data-driven operational platform.
- Financial profile combining growth and profitability.
- A well-qualified Board of Directors and management team with extensive and relevant experience.

Financial targets

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

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



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V I S T A

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