



## **Interim report January – June 2021**

RugVista Group AB (publ)

## Growth in-line with long-term target

### Second quarter 2021 highlights

- Net revenue was SEK 140.6 (124.3) million representing a growth of 13.2% (47.8%).
- Net revenue growth excluding divested operations was 18.4% (48.1%).
- Organic net revenue growth was 22.6%.
- Gross margin increased to 64.1% (62.2%).
- EBIT grew to SEK 24.8 (23.0) million and EBIT margin was 17.6% (18.5%).
- Profit for the period was SEK 18.6 (17.5) million.
- Earnings per share was SEK 0.89 (0.87).
- Net Promotor Score (NPS) value was 66 (-).

### January – June 2021 highlights

- Net revenue was SEK 345.2 (235.0) million representing a growth of 46.9% (23.4%).
- Net revenue growth excluding divested operations was 53.1% (23.2%).
- Organic net revenue growth was 57.8%.
- Gross margin increased to 64.6% (61.5%).
- Adjusted EBIT grew to SEK 74.4 (40.6) million and adjusted EBIT margin was 21.6% (17.3%).
- Profit for the period was SEK 50.8 (30.7) million.
- Earnings per share was SEK 2.44 (1.52).
- Inventory as a share of LTM net revenue was 17.2% (24.1%).

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

SEK thousand if not stated otherwise	April - June		January - June	
	2021	2020	2021	2020
Operating income	140,980	124,835	345,982	235,957
Net revenue	140,621	124,276	345,158	234,960
Net revenue growth, %	13.2%	47.8%	46.9%	23.4%
Net revenue growth excluding divested operations, %	18.4%	48.1%	53.1%	23.2%
Organic net revenue growth, %	22.6%	-	57.8%	-
Gross profit	90,110	77,282	222,842	144,456
Gross margin, %	64.1%	62.2%	64.6%	61.5%
EBIT	24,819	23,013	64,496	40,634
EBIT margin, %	17.6%	18.5%	18.7%	17.3%
Profit for the period	18,553	17,530	50,782	30,726
Profit margin, %	13.2%	14.0%	14.7%	13.0%
Adjusted EBIT	24,819	23,013	74,396	40,634
Adjusted EBIT margin, %	17.6%	18.5%	21.6%	17.3%
Inventory as a share of LTM net revenue, %	-	-	17.2%	24.1%
Net financial indebtedness	-	-	-119,511	19,211
Earnings per share	0.89	0.87	2.44	1.52
Earnings per share, diluted	0.89	0.86	2.44	1.50
Number of shares outstanding	20,785,140	20,227,283	20,785,140	20,227,283
Number of diluted shares outstanding	20,785,140	20,463,038	20,785,140	20,463,038
Number of website visits, million	7.4	7.7	20.3	15.1
Number of orders, thousand	54.8	44.3	136.3	81.7
Number of new customers, thousand	39.4	32.0	98.9	58.2
Average order value, SEK	3,605	3,755	3,560	3,882
Average NPS value	66	-	66	-
Average TrustPilot value	4.81	4.83	4.80	4.82

<sup>1</sup> See page 24 for definitions and explanations



## Continued growth in-line with long-term financial target

### Dear valued shareholders,

Q2 was another busy but successful period for us and I am pleased to announce that we continue to deliver on our long-term growth and profitability ambitions despite a challenging Q2 2020 comparable and unfavorable market conditions.

Our Q2 organic net revenue growth of 22.6% was especially satisfying considering the strong comparable and the unusually warm weather conditions across most of Europe during the second half of the quarter.

We also continued to improve our gross margin during the quarter which was driven by category mix effects and lower discount rates. Our marketing cost as a share of net revenue increased compared to last year. This is primarily driven by two reasons. First, the comparable from Q2 2020 was tough as the overall advertising activity was low after the Covid-19 lock-downs last year. Second, we have seen an increase in the general marketing activity during 2021 which has caused our marketing investments to drive growth to increase somewhat compared to previous quarters. The outlook for the intensity during the rest of the year remains uncertain as advertisers across industries continue to adapt to the unpredictable consumer behavior.

Despite challenging market conditions, we continue to progress on our strategic focus areas. We successfully acquired close to 40 thousand new customers and the DACH region continues to drive our net revenue growth. These results further reinforces our belief in our long-term strategic agenda.

We were also able to re-stock goods during the quarter, which is evident by the SEK 27 million increase in inventory value since the end of Q1. This achievement ensures that we will be well positioned from an inventory perspective when the peak-season starts.

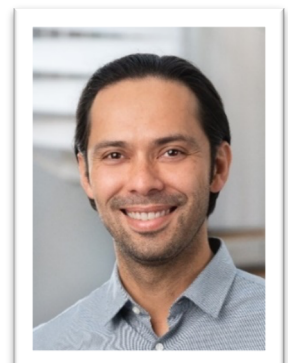
As we summarize Q2, I am also proud to reflect on our shared achievements during the first half of 2021. First, our team-members have shown tremendous commitment to our overall success despite the ongoing Covid-19 pandemic and the increased workload resulting from our growth. Second, we continue to deliver on our #1 priority, i.e., customer satisfaction. Our year-to-date NPS score of 66 serves as proof of this. Finally, our organic net revenue growth rate of 57.8% and adjusted EBIT margin of 21.6% demonstrates the effect of our efforts so far this year.

When looking forward toward the second half of the year, we will be facing tough Q4 comparables and the impact of a potential post-Covid-19 era is unknown. However, we are well prepared across all our internal functions to capitalize on the upcoming peak-season.

With best wishes,

**Michael Lindskog**

CEO RugVista Group AB (publ)



# Group development

## Second quarter

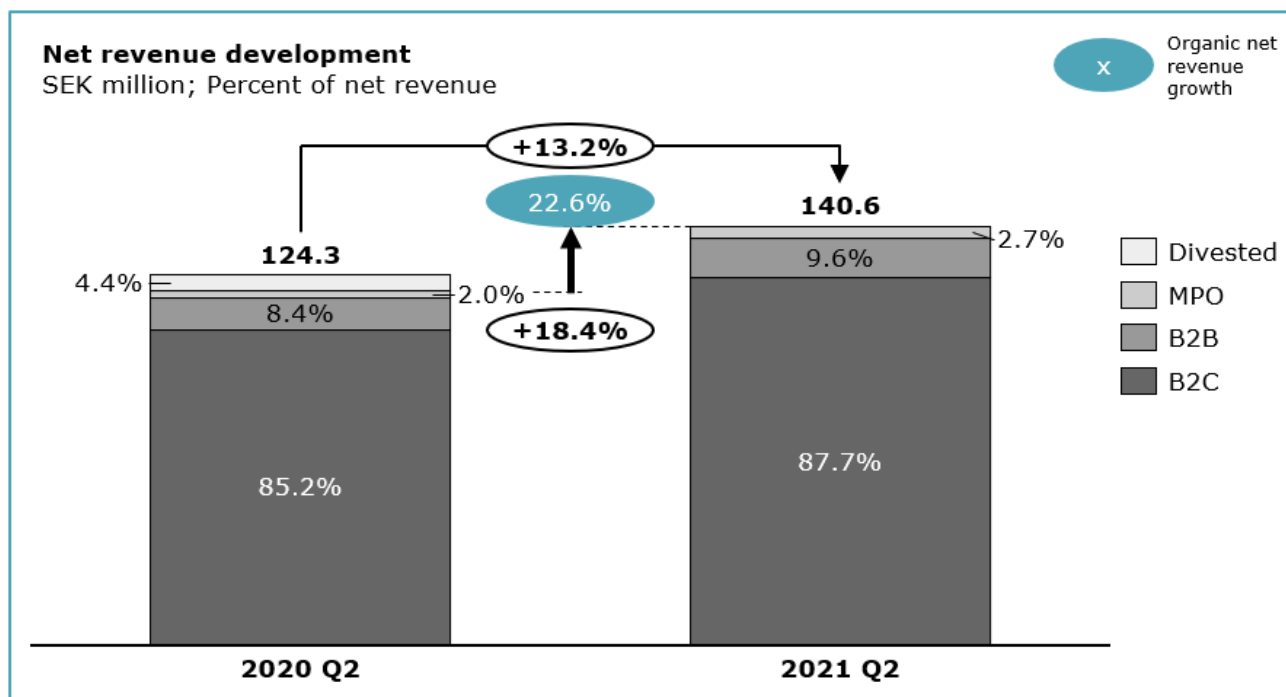
### Net revenue

Group net revenue during the period was SEK 140.6 (124.3) million representing an increase of 13.2% (47.8%). Net revenue growth excluding divested operations was 18.4% (48.1%) and organic net revenue growth was 22.6%. The strong development of the SEK compared to last year has impacted net revenues negatively.

Net revenue within the B2C segment, the Group's largest, was SEK 123.3 (105.8) million representing an increase of 16.5% (52.2%). Net revenue within the segment was primarily driven by the DACH region with a growth rate of 23.1% (46.5%).

Net revenue within the B2B segment was SEK 13.5 (10.5) million representing an increase of 28.8% (10.8%). Although demand within the segment continues to be depressed across most customer segments due to the Covid-19 pandemic, there was a noticeable activity increase within the interior design customer-segment.

Net revenue within the Marketplace & Other (MPO) segment was SEK 3.8 (2.5) million representing an increase of 54.4% (100.8%). The segment continued its positive development during the quarter but faced a tough comparable from last year.



Note: Rounding may result in totals not matching.



## Profits and margins

Gross margin was 64.1% (62.2%). The gross margin increase was driven by category mix effects and a lower average discount rate compared to last year.

Other external expenses as a share of net revenue were 33.8% (31.3%). The increase was primarily driven by increased marketing investments within the B2C segment.

Personnel expenses as a share of net revenue were 11.0% (9.0%). The increase was driven by reduced scale effects during the low-season, that the annual salary increase was implemented during the period, and the according to plan higher number of FTEs compared to last year.

Other operating expenses were SEK 0.4 (2.3) million. The line-item specifies the net of FX effects on transactions during the period.

Depreciation and amortization were SEK 1.9 (2.0) million and mainly consists of amortization of right-of-use assets.

EBIT was SEK 24.8 (23.0) million representing an EBIT margin of 17.6% (18.5%). The EBIT margin decrease was primarily driven by the increase in marketing cost as a share of net revenue.

Net financial expenses were 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 were SEK 6.0 (4.5) million.

Profit for the period was SEK 18.6 (17.5) million representing a profit margin of 13.2% (14.0%).

## Cash flow

Cash flow from operating activities was SEK -17.0 (42.1) million during the period. The cash outflow was driven by working capital changes of SEK -41.5 (19.9) million and was primarily a consequence of the inventory build-up ahead of the peak-season.

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

Cash flow from financing activities was SEK -1.8 (-7.1) million during the period. The cash outflow during the period primarily represents amortization of leasing debt. Last year's cash outflow also included amortization of loans to financial institutions.

## Other KPIs

Continued strong customer satisfaction ratings (NPS and TrustPilot) resulting from stable operational performance during the quarter. The NPS value was 66 (-) and the TrustPilot value was 4.81 (4.83).

Web-shop visits reached 7.4 (7.7) million representing a -4.4% (+52.4%) decrease. The decrease was driven by the higher advertising activity across multiple industry segments compared to last year, i.e., increased overall competition for consumers' attention.

Order count was 54.8 (44.3) thousand representing a 23.7% (43.5%) growth rate.

39.4 (32.0) thousand new customers acquired representing a 23.0% (50.0%) growth rate.

Average order value was SEK 3,605 (3,755) representing a -4.0% (3.3%) decrease. The decline was driven by category mix effects.

## January – June

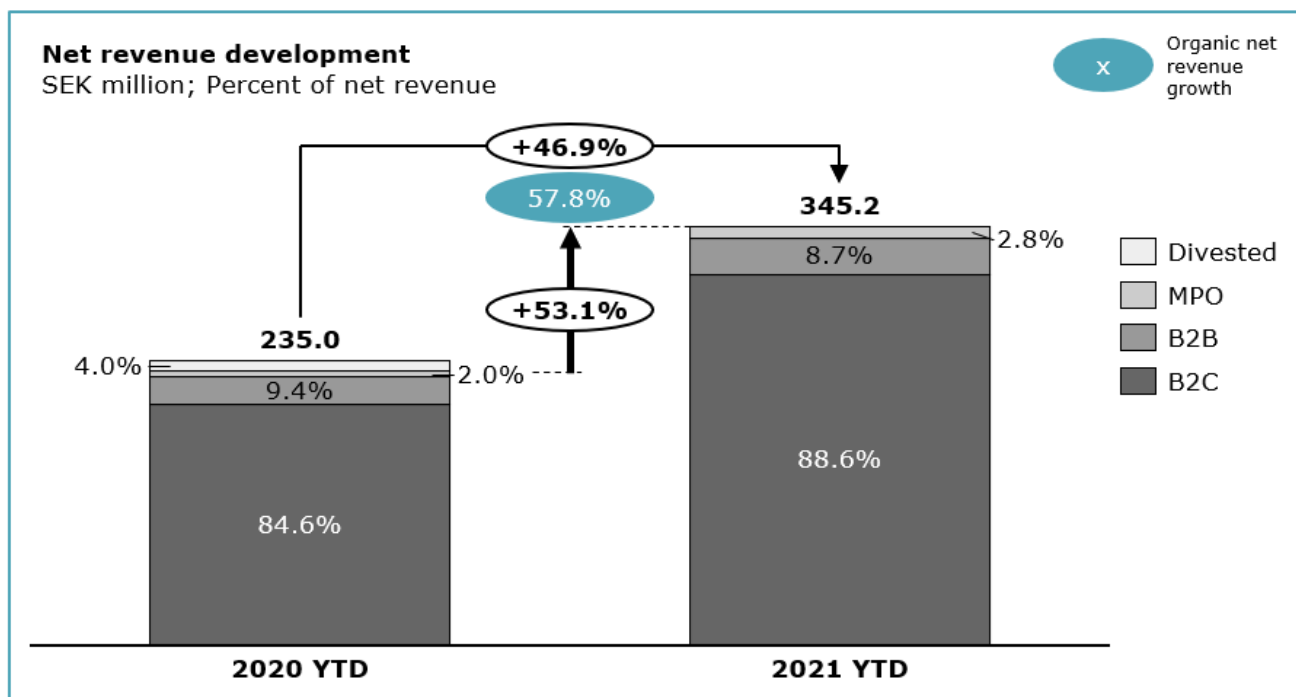
### Net revenue

Group net revenue during the period was SEK 345.2 (235.0) million representing an increase of 46.9% (23.4%). Net revenue growth excluding divested operations was 53.1% (23.2%) and organic net revenue growth was 57.8%. The strong development of the SEK compared to last year has impacted net revenues negatively.

Net revenue within the B2C segment, the Group's largest, was SEK 305.7 (198.7) million representing an increase of 53.8% (23.4%). Net revenue within the segment was primarily driven by the DACH region with a growth rate of 69.6% (26.5%).

Net revenue within the B2B segment was SEK 29.9 (22.1) million representing an increase of 35.5% (11.7%). Although demand within the segment continues to be depressed across most customer segments, there was a noticeable activity increase within the interior design customer-segment during the second half of the period.

Net revenue within the Marketplace & Other (MPO) segment was SEK 9.6 (4.7) million representing an increase of 102.6% (104.6%). The segment continued its positive development during the period driven by implemented enhancement actions.



Note: Rounding may result in totals not matching.

## Profits and margins

Gross margin was 64.6% (61.5%). The gross margin increase was driven by category mix effects and a lower average discount rate compared to last year.

Other external expenses as a share of net revenue were 35.5% (33.1%). The increase was driven by the Q2 marketing cost increase and costs related to the IPO process during the first quarter.

Personnel expenses as a share of net revenue were 9.2% (9.3%).

Other operating expenses were SEK 0.3 (0.3) million. The line-item includes the net of FX effects on transactions during the period.

Depreciation and amortization were SEK 3.9 (3.9) million and mainly consists of amortization of right-of-use assets.

EBIT was SEK 64.5 (40.6) million representing an EBIT margin of 18.7% (17.3%).

Adjusted EBIT was SEK 74.4 (40.6) million representing an adjusted EBIT margin of 21.6% (17.3%). Adjustments of SEK 9.9 (0) million were all related to the IPO process.

Net financial expenses were SEK -0.5 (-2.0) million with the decrease driven by the Group no longer carrying any loans from credit institutions.

Taxes during the period was SEK 13.2 (7.9) million.

Profit for the period was SEK 50.8 (30.7) million representing a profit margin of 14.7% (13.0%).

## Financial position and liquidity

Inventory value at the end of the period was SEK 115.6 (112.7) million and inventory value as a share of LTM net sales was 17.2% (24.1%). The 17.2% value is in-line with the mid-term ambition to keep the ratio between 17.5% to 22.5%. Efforts within the purchasing department to secure inventory ahead of the upcoming peak-season as well as re-stocking best-selling articles were successfully executed in collaboration with our supplier base despite ongoing challenges in the supply chain primarily related to the Covid-19 pandemic.

Net financial indebtedness was SEK -119.5 (19.2) million with the SEK 138.7 million improvement primarily driven by strong cash generation from operating activities coupled with low investment need.

Cash and cash equivalents were SEK 146.0 (96.3) million.

## Cash flow

Cash flow from operating activities was SEK 29.0 (59.7) million during the period. The increase was driven by positive cash flow from operating activities of SEK 60.5 (38.9) million.

Cash flow from investing activities was SEK -0.4 (-0.6) million during the period.

Cash flow from financing activities was SEK -22.0 (-8.6) 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) resulting from stable operational performance during the period. The NPS value was 66 (-) and the TrustPilot value was 4.80 (4.82).

Web-shop visits reached 20.3 (15.1) million representing a 34.0% (14.9%) increase compared to last year and primarily driven by the strong performance during the first half of the period.

Order count was 136.3 (81.7) thousand representing a 66.9% (14.2%) growth rate.

98.9 (58.2) thousand new customers acquired representing a 69.8% (17.6%) growth rate.

Average order value was SEK 3,560 (3,882) representing an -8.3% (+11.0%) decrease. The decrease was driven by category mix effects.



# Segment development

## B2C

SEK thousand if not stated otherwise	April - June			January - June		
	2021	2020	Δ	2021	2020	Δ
Net revenue	123,303	105,848	16.5%	305,682	198,701	53.8%
Net revenue, DACH	26,991	21,931	23.1%	70,913	41,817	69.6%
Net revenue, Nordics	32,146	29,382	9.4%	77,681	55,683	39.5%
Net revenue, Rest of World	64,166	54,535	17.7%	157,088	101,201	55.2%
Gross profit	78,182	66,447	17.7%	195,638	123,294	58.7%
Gross margin, %	63.4%	62.8%	0.6pp	64.0%	62.1%	2.0pp
Marketing cost as a share of net revenue, %	31.7%	27.9%	3.8pp	30.4%	29.5%	0.9pp
Segment earnings	39,144	36,966	5.9%	102,769	64,634	59.0%
Segment margin, %	31.7%	34.9%	-3.2pp	33.6%	32.5%	1.1pp

## Second quarter

B2C net revenue during the period was SEK 123.3 (105.8) million representing an increase of 16.5% (52.2%). Net revenue within the segment was primarily driven by the DACH region which grew by 23.1% (46.5%).

Gross profit was SEK 78.2 (66.4) million representing an increase of 17.7% (59.4%) and the gross margin was 63.4% (62.8%). The gross margin increase was driven by category mix effects and decreased discount rates.

Marketing cost as a share of net revenue was 31.7% (27.9%). The increase compared to last year was primarily a consequence of several industries reducing or stopping their marketing investments after the Covid-19 lock-downs last year which made it possible to attract incremental web-shop traffic at low costs.

Segment earnings was SEK 39.1 (37.0) million representing an increase of 5.9% (92.4%) and the segment margin was 31.7% (34.9%) with the decrease driven by the increased marketing cost ratio.

## January – June

B2C net revenue during the period was SEK 305.7 (198.7) million representing an increase of 53.8% (23.4%). Net revenue within the segment was primarily driven by the DACH region which grew by 69.6% (26.5%).

Gross profit was SEK 195.6 (123.3) million representing an increase of 58.7% (29.7%) and the gross margin was 64.0% (62.1%). The gross margin increase was driven by category mix effects and decreased discount rates.

Marketing cost as a share of net revenue was 30.4% (29.5%). The marketing cost ratio increase for the period was driven by the challenging market conditions experienced during the second quarter.

Segment earnings was SEK 102.8 (64.6) million representing an increase of 59.0% (46.3%) and the segment margin was 33.6% (32.5%) with the increase driven by the improved gross margin but partly neutralized by the increased marketing cost ratio.

## B2B

SEK thousand if not stated otherwise	April - June			January - June		
	2021	2020	Δ	2021	2020	Δ
Net revenue	13,508	10,491	28.8%	29,883	22,056	35.5%
Gross profit	8,972	6,854	30.9%	19,880	14,024	41.8%
Gross margin, %	66.4%	65.3%	1.1pp	66.5%	63.6%	2.9pp
Marketing cost as a share of net revenue, %	12.3%	13.7%	-1.5pp	12.3%	13.7%	-1.4pp
Segment earnings	7,315	5,414	35.1%	16,191	10,996	47.2%
Segment margin, %	54.2%	51.6%	2.6pp	54.2%	49.9%	4.3pp

### Second quarter

B2B net revenue during the period was SEK 13.5 (10.5) million representing an increase of 28.8% (10.8%). Although demand within the segment continues to be depressed across most customer segments due to the ongoing Covid-19 pandemic, there was a noticeable activity increase within the interior design customer-segment.

Gross profit was SEK 9.0 (6.9) million representing an increase of 30.9% (14.3%) and the gross margin was 66.4% (65.3%). The gross margin increase was driven by category mix effects and decreased discount rates.

Marketing cost as a share of net revenue was 12.3% (13.7%). The marketing cost ratio decrease was driven by a favorable year-on-year effect, i.e., B2B negatively impacted by the start of the Covid-19 outbreak during Q2 2020.

Segment earnings was SEK 7.3 (5.4) million representing an increase of 35.1% (15.3%) and the segment margin was 54.2% (51.6%) with the increase driven by both the improved gross margin and reduced marketing cost ratio.

### January – June

B2B net revenue during the period was SEK 29.9 (22.1) million representing an increase of 35.5% (11.7%). Although demand within the segment continues to be depressed across most customer segments due to the ongoing Covid-19 pandemic, there was a noticeable activity increase within the interior design customer-segment especially during the second half of the period.

Gross profit was SEK 19.9 (14.0) million representing an increase of 41.8% (12.7%) and the gross margin was 66.5% (63.6%). The gross margin increase was driven by category mix effects and decreased discount rates.

Marketing cost as a share of net revenue was 12.3% (13.7%). The marketing cost ratio decrease was primarily driven by a favorable year-on-year effect, i.e., B2B negatively impacted by the start of the Covid-19 outbreak during Q2 2020.

Segment earnings was SEK 16.2 (11.0) million representing an increase of 47.2% (12.9%) and the segment margin was 54.2% (49.9%) with the increase driven by the improved gross margin and reduced marketing cost ratio.



## MPO

<i>SEK thousand if not stated otherwise</i>	April - June			January - June		
	2021	2020	Δ	2021	2020	Δ
Net revenue	3,810	2,467	54.4%	9,593	4,735	102.6%
Gross profit	2,597	1,592	63.1%	6,499	3,045	113.4%
Gross margin, %	68.2%	64.5%	3.6pp	67.8%	64.3%	3.4pp
Marketing cost as a share of net revenue, %	24.7%	24.4%	.2pp	24.6%	22.3%	2.3pp
Segment earnings	1,657	989	67.5%	4,144	1,991	108.2%
Segment margin, %	43.5%	40.1%	3.4pp	43.2%	42.0%	1.2pp

### Second quarter

Net revenue within the MPO segment was SEK 3.8 (2.5) million representing an increase of 54.4% (100.8%). The implemented initiatives to drive growth on the Amazon marketplace continue to be effective.

Gross profit was SEK 2.6 (1.6) million representing an increase of 63.1% (106.1%) and the gross margin was 68.2% (64.5%). The gross margin increase was driven by category mix effects and decreased discount rates.

Marketing cost as a share of net revenue was 24.7% (24.4%). The marketing cost ratio increase was driven by intensified marketing efforts on the Amazon platform to drive sales.

Segment earnings was SEK 1.7 (1.0) million representing an increase of 67.5% (155.9%) and the segment margin was 43.5% (40.1%) with the increase driven by improved gross margin.

### January – June

Net revenue within the MPO segment was SEK 9.6 (4.7) million representing an increase of 102.6% (104.6%). The implemented initiatives to drive growth on the Amazon marketplace continue to be effective.

Gross profit was SEK 6.5 (3.0) million representing an increase of 113.4% (111.2%) and the gross margin was 67.8% (64.3%). The gross margin increase was driven by category mix effects and decreased discount rates.

Marketing cost as a share of net revenue was 24.6% (22.3%). The marketing cost ratio increase was driven by intensified marketing efforts on the Amazon platform to drive sales.

Segment earnings was SEK 4.2 (2.0) million representing an increase of 108.2% (146.0%) and the segment margin was 43.2% (42.0%) with the increase driven by improved gross margin.

## Other information

### Material events during the Period

- On May 3<sup>rd</sup>, 2021, Henrik Bo Joergensen started as the Group's new Chief Financial Officer (CFO).
- On May 12<sup>th</sup>, 2021, the first interim financial report as a listed company was published.

### Material events after the Period

- The Group has sold a total of 52 500 warrants to three key individuals who start their employment within the group during the third quarter.

### Co-workers

The average number of FTEs during January – June was 79.4 (63.4) and the share of women was 45.2% (42.9%).

The average number of FTEs during April – June was 79.3 (64.2) and the share of women was 44.3% (44.2%)

### Transactions with closely related parties

No transactions with closely related parties were conducted during the second quarter.

### Seasonality

The Group's sales typically fluctuate through the seasons where the first and fourth quarters tend to be the strongest. The Group's peak-season (high-season) has historically seen a connection to the temperature, i.e., demand is higher during colder seasons.

### 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 Taliban's rise to power in Afghanistan could come to affect some of our wholesalers' ability to produce new traditional rugs in the country. The unrest in the region could also affect other nearby countries which some of our wholesalers use for production.

The Group's annual report which is available through [www.rugvistagroup.com](http://www.rugvistagroup.com) includes descriptions of additional risks and factors of uncertainty.

### Accounting principles

This interim report has been prepared according to IFRS as they have been determined by the EU. In addition, *Årsredovisningslagen* and *RFR 1 "Kompletterande redovisningsregler för koncerner"* have been applied. For additional information about RugVista Group's accounting principles, we refer to the 2020 Annual report (page 9) published on [www.rugvistagroup.com](http://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 (publ)) operations, financial position, and financial performance as well as describes the material risks and uncertainties facing the parent company and the companies part of the Group.

Limhamn, August 26, 2021

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**Erik Lindgren**

Chairperson of the Board

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**Magnus Dimert**

Board Member

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**Paul Steene**

Board Member

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**Eva Boding**

Board Member

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**Ludvig Friberger**

Board Member

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**John Womack**

Board Member

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**Michael Lindskog**

CEO

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



## Financial calendar

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

In connection with the publication of the interim report for January – June, 2021, Michael Lindskog (CEO) and Henrik Bo Joergensen (CFO) will hold a conference call at 9:00am CEST on Thursday August 26, 2021. The call will be held in English. To participate, please call +46 8 50 55 83 50 or visit <https://tv.streamfabriken.com/rugvista-group-q2-2021>.

The interim report and 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/q221/>.

## Contact information

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*This report is information that RugVista Group AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation and "Lagen om Värdepappersmarknaden". The information was submitted for publication, through the agency of the contact persons set out above, at 7:30 a.m. CEST on August 26, 2021.*

## Consolidated Statement of Income

SEK thousand if not stated otherwise	April - June			January - June		
	2021	2020	Δ	2021	2020	Δ
Net revenue	140,621	124,276	13.2%	345,158	234,960	46.9%
Other income	359	560	-35.9%	824	997	-17.4%
<b>Total operating income</b>	<b>140,980</b>	<b>124,835</b>	<b>12.9%</b>	<b>345,982</b>	<b>235,957</b>	<b>46.6%</b>
Goods for resale	-50,869	-47,553		-123,140	-91,501	
Other external expenses	-47,525	-38,876		-122,394	-77,701	
Personnel expenses	-15,443	-11,156		-31,722	-21,956	
Other operating expenses	-374	-2,288		-300	-277	
Amortization & depreciation	-1,949	-1,950		-3,930	-3,889	
<b>Operating profit (EBIT)</b>	<b>24,819</b>	<b>23,013</b>	<b>7.8%</b>	<b>64,496</b>	<b>40,634</b>	<b>58.7%</b>
Financial expenses	-230	-963		-456	-1,985	
<b>Profit before taxes (EBT)</b>	<b>24,589</b>	<b>22,050</b>	<b>11.5%</b>	<b>64,040</b>	<b>38,649</b>	<b>65.7%</b>
Taxes	-6,037	-4,520		-13,258	-7,923	
<b>Profit for the period</b>	<b>18,553</b>	<b>17,530</b>	<b>5.8%</b>	<b>50,782</b>	<b>30,726</b>	<b>65.3%</b>

## Consolidated Statement of Comprehensive Income

SEK thousand if not stated otherwise	April - June			January - June		
	2021	2020	Δ	2021	2020	Δ
<b>Profit for the period</b>	<b>18,553</b>	<b>17,530</b>	<b>5.8%</b>	<b>50,782</b>	<b>30,726</b>	<b>65.3%</b>
Translation differences	0	5		0	79	
<b>Other comprehensive income</b>	<b>0</b>	<b>5</b>	<b>-100.0%</b>	<b>0</b>	<b>79</b>	<b>-100.0%</b>
<b>Comprehensive profit for the period attributable the parent company's shareholders</b>	<b>18,553</b>	<b>17,535</b>	<b>5.8%</b>	<b>50,782</b>	<b>30,805</b>	<b>64.8%</b>

Note: Rounding may result in totals not matching.

# Consolidated Statement of Financial Position

SEK thousand if not stated otherwise

<b>ASSETS</b>	<b>Jun 30, 2021</b>	<b>Jun 30, 2020</b>	<b>Dec 31, 2020</b>
<b>NON-CURRENT ASSETS</b>			
Goodwill	299,949	299,949	299,949
Intangible assets	0	430	0
Tangible assets	2,655	1,962	2,773
Right-of-use assets	25,466	32,183	28,884
Deferred tax claim	176	0	176
<b>Total non-current assets</b>	<b>328,247</b>	<b>334,524</b>	<b>331,782</b>
<b>CURRENT ASSETS</b>			
Inventory	115,606	112,675	90,997
Other receivables	16,037	9,677	28,803
Prepaid expenses	4,032	3,637	1,598
Cash and cash equivalents	146,047	96,355	139,508
<b>Total current assets</b>	<b>281,723</b>	<b>222,344</b>	<b>260,906</b>
<b>TOTAL ASSETS</b>	<b>609,969</b>	<b>556,868</b>	<b>592,688</b>
<b>EQUITY AND LIABILITIES</b>	<b>Jun 30, 2021</b>	<b>Jun 30, 2020</b>	<b>Dec 31, 2020</b>
<b>EQUITY</b>			
Share capital	1,039	1,011	1,014
Other contributed capital	225,528	242,632	244,229
Retained earnings	168,225	88,227	88,241
Profit for the period	50,782	30,726	79,983
<b>Total equity attributable to the parent company's shareholders</b>	<b>445,573</b>	<b>362,596</b>	<b>413,468</b>
<b>NON-CURRENT LIABILITIES</b>			
Deferred tax liability	13,693	9,979	13,722
Liabilities to credit institutions	0	71,500	0
Leasing debt	19,937	26,532	23,231
<b>Total non-current liabilities</b>	<b>33,630</b>	<b>108,011</b>	<b>36,953</b>
<b>CURRENT LIABILITIES</b>			
Current portion of liabilities to credit institutions	0	11,000	0
Accounts payable	68,559	30,884	70,646
Current tax liabilities	22,090	8,488	16,320
Other current liabilities	15,830	15,674	28,570
Current leasing debt	6,599	6,534	6,651
Prepaid income and accrued expenses	17,688	13,682	20,081
<b>Total current liabilities</b>	<b>130,766</b>	<b>86,262</b>	<b>142,268</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>609,969</b>	<b>556,868</b>	<b>592,688</b>

Note: Rounding may result in totals not matching.



# 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
<b>Opening balance 2021-01-01</b>	<b>1,014</b>	<b>244,229</b>	<b>168,225</b>	<b>413,468</b>
Profit for the period			50,782	50,782
Other comprehensive income				0
<b>Total comprehensive profit for the period</b>	<b>1,014</b>	<b>244,229</b>	<b>219,006</b>	<b>464,249</b>
<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
<b>Closing balance 2021-06-30</b>	<b>1,039</b>	<b>225,528</b>	<b>219,006</b>	<b>445,573</b>

	Share capital	Other contributed capital	Retained earnings including profit for the period	Total equity
<b>Opening balance 2020-01-01</b>	<b>1,011</b>	<b>242,632</b>	<b>88,221</b>	<b>331,865</b>
Profit for the period			30,726	30,726
Other comprehensive income			5	5
<b>Total comprehensive profit for the period</b>	<b>1,011</b>	<b>242,632</b>	<b>118,952</b>	<b>362,596</b>
<i>Transactions with shareholders:</i>				
Warrants				0
New share issue				0
<b>Closing balance 2020-06-30</b>	<b>1,011</b>	<b>242,632</b>	<b>118,952</b>	<b>362,596</b>

Note: Rounding may result in totals not matching.

# Consolidated Statement of Cash Flow

KSEK if not stated otherwise

	Apr 1 - Jun 30		Jan 1 - Jun 30	
	2021	2020	2021	2020
<b>OPERATING ACTIVITIES</b>				
<i>Operating activities before changes in working capital</i>				
EBIT	24,819	23,013	64,496	40,634
Depreciation and amortization	1,949	1,950	3,930	3,889
Interest paid	-230	-963	-456	-1,985
Income tax paid	-1,991	-1,723	-7,518	-3,645
<b>Cash flow from operating activities before changes in working capital</b>	<b>24,548</b>	<b>22,277</b>	<b>60,452</b>	<b>38,893</b>
<i>Changes in working capital</i>				
Change in inventory	-27,430	12,338	-24,609	25,883
Change in operating receivables	23,117	2,238	10,331	-1,938
Change in operating liabilities	-37,191	5,300	-17,219	-3,132
<b>Cash flow from changes in working capital</b>	<b>-41,503</b>	<b>19,875</b>	<b>-31,497</b>	<b>20,813</b>
<b>Cash flow from operating activities</b>	<b>-16,955</b>	<b>42,151</b>	<b>28,955</b>	<b>59,706</b>
<b>INVESTING ACTIVITIES</b>				
Acquisition of tangible assets	-287	-279	-394	-610
<b>Cash flow from investing activities</b>	<b>-287</b>	<b>-279</b>	<b>-394</b>	<b>-610</b>
<b>FINANCING ACTIVITIES</b>				
New shares issue	0	0	11,449	0
Warrants, issue	0	0	7,945	0
Warrants, repurchase	0	0	-38,070	0
Amortization of leasing debt	-1,755	-1,554	-3,346	-3,102
Amortization of loans	0	-5,500	0	-5,500
<b>Cash flow from financing activities</b>	<b>-1,755</b>	<b>-7,054</b>	<b>-22,023</b>	<b>-8,602</b>
<b>TOTAL CASH FLOW DURING THE PERIOD</b>	<b>-18,996</b>	<b>34,818</b>	<b>6,539</b>	<b>50,494</b>
<b>Liquidity at the start of the period</b>	<b>165,044</b>	<b>61,075</b>	<b>139,508</b>	<b>45,582</b>
Translation differences in liquidity	0	461	0	279
<b>Liquidity at the end of the period</b>	<b>146,048</b>	<b>96,354</b>	<b>146,047</b>	<b>96,355</b>

Note: Rounding may result in totals not matching.

# Consolidated Statement of Financial Indebtedness

SEK thousand if not stated otherwise

	Jun 30, 2021	Jun 30, 2020	Dec 31, 2020
Cash	146,047	96,355	139,508
<b>Total liquidity</b>	<b>146,047</b>	<b>96,355</b>	<b>139,508</b>
<b>Current financial receivables</b>	<b>0</b>	<b>0</b>	<b>0</b>
Current debt financial institutions	0	11,000	0
Current portion of non-current debt	6,599	6,534	6,651
<b>Total current financial debt</b>	<b>6,599</b>	<b>17,534</b>	<b>6,651</b>
<b>Net current financial indebtedness</b>	<b>-139,448</b>	<b>-78,821</b>	<b>-132,857</b>
Non-current debt financial institutions	0	71,500	0
Other non-current loans	19,937	26,532	23,231
<b>Total non-current financial indebtedness</b>	<b>19,937</b>	<b>98,032</b>	<b>23,231</b>
<b>Net financial indebtedness</b>	<b>-119,511</b>	<b>19,211</b>	<b>-109,626</b>

Note: Table prepared based on ESMA guidelines for net financial indebtedness.

Note: Rounding may result in totals not matching.

# Notes and tables related to the Group

## Reconciliation of segment information

SEK thousand if not stated otherwise

<b>Apr - Jun 2021</b>	<b>B2C</b>	<b>B2B</b>	<b>MPO</b>	<b>Divested operations</b>	<b>Segment total</b>
Net revenue	123,303	13,508	3,810	0	<b>140,621</b>
Goods for resale	-45,120	-4,536	-1,213	0	-50,869
<b>Gross profit</b>	<b>78,182</b>	<b>8,972</b>	<b>2,597</b>	<b>0</b>	<b>89,751</b>
Marketing costs	-39,038	-1,657	-940	0	-41,635
<b>Segment earnings</b>	<b>39,144</b>	<b>7,315</b>	<b>1,657</b>	<b>0</b>	<b>48,117</b>

<b>Apr - Jun 2020</b>	<b>B2C</b>	<b>B2B</b>	<b>MPO</b>	<b>Divested operations</b>	<b>Segment total</b>
Net revenue	105,848	10,491	2,467	5,469	<b>124,276</b>
Goods for resale	-39,401	-3,637	-875	-3,640	-47,553
<b>Gross profit</b>	<b>66,447</b>	<b>6,854</b>	<b>1,592</b>	<b>1,829</b>	<b>76,722</b>
Marketing costs	-29,481	-1,440	-603	-837	-32,360
<b>Segment earnings</b>	<b>36,966</b>	<b>5,414</b>	<b>989</b>	<b>993</b>	<b>44,362</b>

<b>Jan - Jun 2021</b>	<b>B2C</b>	<b>B2B</b>	<b>MPO</b>	<b>Divested operations</b>	<b>Segment total</b>
Net revenue	305,682	29,883	9,593	0	<b>345,158</b>
Goods for resale	-110,044	-10,003	-3,094	0	<b>-123,140</b>
<b>Gross profit</b>	<b>195,638</b>	<b>19,880</b>	<b>6,499</b>	<b>0</b>	<b>222,018</b>
Marketing costs	-92,869	-3,690	-2,355	0	<b>-98,915</b>
<b>Segment earnings</b>	<b>102,769</b>	<b>16,191</b>	<b>4,144</b>	<b>0</b>	<b>123,103</b>

<b>Jan - Jun 2020</b>	<b>B2C</b>	<b>B2B</b>	<b>MPO</b>	<b>Divested operations</b>	<b>Segment total</b>
Net revenue	198,701	22,056	4,735	9,468	<b>234,960</b>
Goods for resale	-75,407	-8,032	-1,690	-6,372	<b>-91,501</b>
<b>Gross profit</b>	<b>123,294</b>	<b>14,024</b>	<b>3,045</b>	<b>3,096</b>	<b>143,459</b>
Marketing costs	-58,660	-3,028	-1,054	-1,805	<b>-64,547</b>
<b>Segment earnings</b>	<b>64,634</b>	<b>10,996</b>	<b>1,991</b>	<b>1,291</b>	<b>78,912</b>

Note: Rounding may result in totals not matching.

## Reconciliation of adjusted EBIT

SEK thousand if not stated otherwise

Income statement line-items	Apr - jun 2021		Jan - jun 2021	
	Before adjustments	After adjustments	Before adjustments	After adjustments <sup>1</sup>
Net revenue	140,621	140,621	345,158	345,158
Other income	359	359	824	824
Goods for resale	-50,869	-50,869	-123,140	-123,140
Other external expenses	-47,525	-47,525	-122,394	-113,423
Personnel expenses	-15,443	-15,443	-31,722	-30,793
Other operating expenses	-374	-374	-300	-300
Amortization & depreciation	-1,949	-1,949	-3,930	-3,930
<b>Total</b>	<b>24,819</b>	<b>24,819</b>	<b>64,496</b>	<b>74,396</b>

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

## Quarterly information for selected cost items

SEK thousand if not stated otherwise

Expense item	Jan - Mar 2020		Apr - Jun 2020		Jul - Sep 2020		Oct - Dec 2020		Jan - Mar 2021		Apr - Jun 2021	
	SEK K	% <sup>1</sup>	SEK K	% <sup>1</sup>	SEK K	% <sup>1</sup>	SEK K	% <sup>1</sup>	SEK K	% <sup>1</sup>	SEK K	% <sup>1</sup>
Net revenue	106,686	100%	118,807	100%	110,157	100%	206,062	100%	204,538	100%	140,621	100%
Product expenses	-30,714	-28.8%	-31,705	-26.7%	-28,319	-25.7%	-54,669	-26.5%	-48,509	-23.7%	-32,651	-23.2%
Shipping and other selling expenses	-10,501	-9.8%	-12,209	-10.3%	-11,092	-10.1%	-24,338	-11.8%	-23,762	-11.6%	-18,218	-13.0%
Marketing costs	-31,218	-29.3%	-31,524	-26.5%	-31,068	-28.2%	-56,622	-27.5%	-57,280	-28.0%	-41,635	-29.6%

1 Percent of net revenue  
Above table excludes divested operations.

Note: Rounding may result in totals not matching.



## Parent company ownership overview

### The ten largest shareholders as of June 30, 2021

Owner	Number of shares	Share of capital	Share of votes
Litorina IV L.P	4,313,587	20.75%	20.75%
Futur Pension	1,986,042	9.56%	9.56%
TIN Fonder	1,641,250	7.90%	7.90%
Indexon AB	1,485,702	7.15%	7.15%
RBC Investor Services Bank S.A	1,450,612	6.98%	6.98%
RoosGruppen AB	1,040,000	5.00%	5.00%
SEB Life International	953,099	4.59%	4.59%
Goldman Sachs International Ltd.	918,874	4.42%	4.42%
Alcur Fonder	587,321	2.83%	2.83%
Enter Fonder	685,493	3.30%	3.30%
<i>Total the ten largest shareholders</i>	<i>15,061,980</i>	<i>72.47%</i>	<i>72.47%</i>
<b>Total number of outstanding shares</b>	<b>20,785,140</b>	<b>100.00%</b>	<b>100.00%</b>

Source: Euroclear extract per June 30, 2021

## Parent company's Statement of Income

SEK thousand if not stated otherwise	Apr - Jun			Jan - Jun		
	2021	2020	Δ	2021	2020	Δ
Net revenue	3,677	1,855	98.2%	6,125	3,817	60.5%
<b>Total operating income</b>	<b>3,677</b>	<b>1,855</b>	<b>98.2%</b>	<b>6,125</b>	<b>3,817</b>	<b>60.5%</b>
Other external expenses	-1,096	-453		-10,622	-1,130	
Personnel expenses	-2,264	-1,316		-4,347	-2,503	
Other operating expenses	0	0		-8	-1	
<b>Operating profit (EBIT)</b>	<b>317</b>	<b>86</b>	<b>267%</b>	<b>-8,852</b>	<b>184</b>	<b>-4,908%</b>
Financial expenses	-15	-358		-15	-723	
<b>Profit before taxes (EBT)</b>	<b>303</b>	<b>-272</b>	<b>-211.5%</b>	<b>-8,867</b>	<b>-539</b>	<b>1,545.5%</b>
<b>Profit for the period</b>	<b>303</b>	<b>-272</b>	<b>-211.5%</b>	<b>-8,867</b>	<b>-539</b>	<b>1,545.5%</b>

Note: Rounding may result in totals not matching.

# Parent company's Statement of Financial Position

SEK thousand if not stated otherwise

<b>ASSETS</b>	<b>Jun 30, 2021</b>	<b>Jun 30, 2020</b>	<b>Dec 31, 2020</b>
<b>NON-CURRENT ASSETS</b>			
<i>Financial non-current assets</i>			
Shares in group companies	321,271	356,839	321,271
<b>Total non-current assets</b>	<b>321,271</b>	<b>356,839</b>	<b>321,271</b>
<b>CURRENT ASSETS</b>			
Other receivables	1,907	1,028	2,137
Prepaid expenses	509	208	68
Cash and cash equivalents	17,189	1,210	4,674
<b>Total current assets</b>	<b>19,605</b>	<b>2,447</b>	<b>6,880</b>
<b>TOTAL ASSETS</b>	<b>340,876</b>	<b>359,286</b>	<b>328,151</b>
<b>EQUITY AND LIABILITIES</b>	<b>Jun 30, 2021</b>	<b>Jun 30, 2020</b>	<b>Dec 31, 2020</b>
<b>EQUITY</b>			
<i>Restricted equity</i>			
Share capital	1,039	1,011	1,014
<b>Sub-total, restricted equity</b>	<b>1,039</b>	<b>1,011</b>	<b>1,014</b>
<i>Unrestricted equity</i>			
Retained earnings	305,303	247,422	249,019
Profit for the period	-8,867	-539	28,065
<b>Sub-total, unrestricted equity</b>	<b>296,437</b>	<b>246,884</b>	<b>277,084</b>
<b>Total equity</b>	<b>297,476</b>	<b>247,895</b>	<b>278,098</b>
<b>UNTAXED RESERVES</b>			
<b>Untaxed reserved</b>	<b>25,687</b>	<b>2,187</b>	<b>25,687</b>
<b>NON-CURRENT LIABILITIES</b>			
Liabilities to credit institutions	0	36,500	0
<b>Total non-current liabilities</b>	<b>0</b>	<b>36,500</b>	<b>0</b>
<b>CURRENT LIABILITIES</b>			
Current portion of liabilities to credit institutions	0	11,000	0
Accounts payable	623	404	5,315
Current tax liabilities	14,584	856	16,320
Other current liabilities	748	59,004	140
Prepaid income and accrued expenses	1,758	1,440	2,590
<b>Total current liabilities</b>	<b>17,713</b>	<b>72,704</b>	<b>24,366</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>340,876</b>	<b>359,286</b>	<b>328,151</b>

Note: Rounding may result in totals not matching.

## 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	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.
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.
Organic net revenue growth	Percent change in the period’s net revenue excluding divested operations with adjustment made for currency effects compared to the previous period.	A measure that demonstrates the growth rate of net revenue for ongoing operations excluding currency effects.
Profit margin	Profit for the period after taxes, divided by total income.	A measure that demonstrates the profitability after taxes.
Segment earnings	Net revenue less the cost for goods for resale and marketing costs for the segment.	A measure that demonstrates the segment’s profit contribution.
Segment margin	Segment earnings divided by net revenue for the segment.	A measure that demonstrates the segment’s profitability.

## Glossary

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



## Business vision and strategy

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

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

### ***Penetrate core markets further***

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

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

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

### ***Clearly present our assortment***

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

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

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

### ***Good to great commercial and operational excellence***

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

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

### ***Capture selected marketplace opportunities***

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



# About RugVista Group AB (publ)

## Introduction

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

## Purpose and vision

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

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

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

## Strengths and competitive advantages

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

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

## Financial targets

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

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



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V I S T A

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