

RUGVISTA

Interim Report

January – September 2024

Rugvista Group AB (publ)

Challenging market and comparables

Third quarter

- Net revenue was SEK 144.8 (159.6) million, corresponding to a decrease of -9.3% (24.7%).
- Organic net revenue growth was -7.1% (14.1%).
- The gross margin amounted to 62.4% (62.7%).
- The operating profit amounted to SEK 9.0 (18.6) million, and the operating margin was 6.2% (11.7%).
- The profit for the period was SEK 7.9 (15.2) million.
- Earnings per share before and after dilution amounted to SEK 0.38 (0.73) ².
- The average NPS (Net Promoter Score) was 62 (68), and the average Trustpilot rating was 4.7 (4.8).

January – September

- Net revenue was SEK 449.0 (468.9) million, corresponding to a decrease of -4.3% (7.8%).
- Organic net revenue growth was -4.0% (0.1%).
- The gross margin amounted to 62.2% (62.9%).
- Operating profit amounted to SEK 31.4 (56.0) million, and the operating margin was 7.0% (11.9%).
- Profit for the period was SEK 27.6 (45.7) million.
- Inventory value as a percentage of net revenue (rolling twelve months) was 22.8% (23.9%).
- Net debt at the end of the period was SEK -137.2 (-112.5) million.
- Earnings per share before and after dilution amounted to SEK 1.33 (2.20) ².
- The average NPS (Net Promoter Score) was 63 (67), and the average Trustpilot value was 4.7 (4.8).

Group key performance indicators¹

<i>SEK thousand if not stated otherwise</i>	July-September		January-September	
	2024	2023	2024	2023
Operating income	144,989	160,040	449,930	469,961
Net revenue	144,759	159,593	448,971	468,918
Net revenue growth, %	-9.3%	24.7%	-4.3%	7.8%
Organic net revenue growth, %	-7.1%	14.1%	-4.0%	0.1%
Gross profit	90,277	100,003	279,371	294,874
Gross margin, %	62.4%	62.7%	62.2%	62.9%
Operating profit (EBIT)	9,044	18,610	31,376	56,033
Operating margin (EBIT margin), %	6.2%	11.7%	7.0%	11.9%
Profit for the period	7,903	15,187	27,624	45,655
Profit margin, %	5.5%	9.5%	6.2%	9.7%
Adjusted EBIT	9,044	18,610	31,376	56,033
Adjusted EBIT margin, %	6.2%	11.7%	7.0%	11.9%
Inventory as % of LTM net revenue	-	-	22.8%	23.9%
Net debt	-137,166	-112,465	-137,166	-112,465
Earnings per share, SEK	0.38	0.73	1.33	2.20
Earnings per share, diluted, SEK	0.38	0.73	1.33	2.20
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	7.7	5.8	21.2	20.2
Number of orders, thousand	67.5	71.3	208.4	194.6
Number of new customers, thousand	48.9	53.1	150.7	142.0
Average order value, SEK	2,957	3,172	2,981	3,435
Average NPS value	62	68	63	67
Average Trustpilot value	4.7	4.8	4.7	4.8
CO2e emissions per square meter sold rug	31.8	14.3	39.2	27.8



” During the third quarter, household purchasing power in Europe remained weak, although we saw early signs of improved consumer confidence towards the end of the quarter. Although it may take time for demand to recover, we are well-positioned to capture demand when it returns and capitalize on growth opportunities.”

Ebba Ljungerud, CEO

Challenging market and comparables

Dear shareholders,

During the third quarter, household purchasing power in Europe remained weak, although we saw early signs of improved consumer confidence towards the end of the quarter, particularly in the Nordics, and mainly in Sweden. This has not yet translated into increased sales, and the period was still characterized by cautious, price-sensitive consumers.

Net revenue for the quarter amounted to SEK 144.8 million, a decrease of -9.3% (24.7%) compared to the same period last year. One of the main reasons for the decline was the lower Average Order Value (AOV), primarily driven by price-sensitive customers. We see the need to balance order volume with AOV. Although an increase in orders is positive, stabilizing and growing AOV is also a priority. We are continuously working to optimize this balance, and it will remain a focus area during Q4 and beyond. Organic net revenue growth was -7.1% (14.1%) and continued to vary between regions, with the Nordics outperforming other regions. This regional strength confirms the effectiveness of our stronger brand presence in the Nordics as well as a slightly improved macroeconomic environment.

Despite a challenging market, the gross margin remained relatively stable at 62.4% compared to 62.7% last year. We also saw a positive impact from reduced marketing costs relative to net revenue, which decreased by two percentage points. This is a result of our focus on improving marketing efficiency.

Operating profit amounted to SEK 9.0 (18.6) million, corresponding to an operating margin of 6.2% (11.7%). The lower operating margin was mainly due to the lower net revenue and increased personnel costs, partly related to the costs for the departing CEO.

In terms of our strategic KPI's, the average Net Promoter Score (NPS) was 62 (68), and the average Trustpilot score was 4.7 (4.8) out of 5.0. Although these metrics remain very high, confirming our customer-centric focus, we are aware of opportunities to further enhance the customer journey. The number of orders totaled 67.5 (71.3) thousand, which corresponds to 94.7% of last year's order volume for the same period, and the number of new customers was 48.9 (53.1) thousand, corresponding to 92.1% of last year's period.

The outlook for the rest of the year remains uncertain, especially considering the unpredictable macroeconomic developments in key markets in Central and Southern Europe. We recognize that this challenging environment, marked by volatility and pressure on households, is likely to persist for

some time. Although it may take time for demand to recover, we are well-positioned to capture demand when it returns and capitalize on growth opportunities.

We are focused and prepared for the upcoming high season in Q4, with good inventory levels to ensure we can meet customer demand. Additionally, we continue to strengthen our customer journey initiatives, aiming to provide an exceptional shopping experience that fosters loyalty and repeat purchases across our various rug categories.

As CEO since October 1, I look forward to leading Rugvista forward toward delivering on our vision and goals alongside our strong and ambitious teams. We have a solid financial position with net cash of SEK 137 million at the end of the period, enabling us to execute our strategic investments. I would like to extend my warmest thanks to all employees for their dedication and hard work, and to our shareholders for your continued trust and support.

With best wishes,

Ebba Ljungerud
CEO Rugvista Group

Third quarter

Net revenue

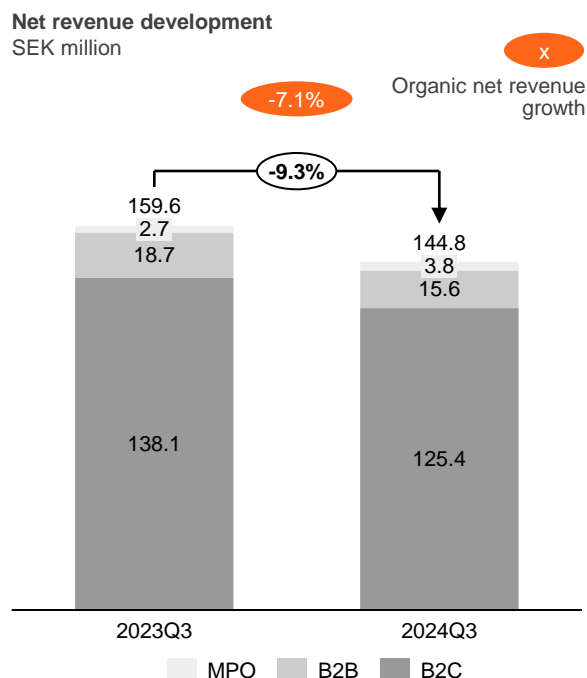
The Group's net revenue for the quarter was SEK 144.8 (159.6) million, corresponding to a decrease of -9.3% (24.7%). Last year's strong order growth (+43%) and the very weak Swedish krona in that quarter result in high comparables. The organic net revenue growth was -7.1% (14.1%).

Net revenue in the Private individuals (B2C) segment was SEK 125.4 (138.1) million, corresponding to a decrease of -9.2% (25.6%). The Nordics region increased net revenue by 0.3% (44.6%), DACH decreased by -18.3% (30.0%), and Rest of World, where most of the sales come from other parts of Europe, decreased by -10.5% (16.6%).

Net revenue in the Business-to-business (B2B) segment was SEK 15.6 (18.7) million, corresponding to a decrease of -17.0% (26.6%). Demand within the B2B segment was strong for trade partners but decreased for other smaller business customers.

Net revenue in the Marketplaces & Other (MPO) segment was SEK 3.8 (2.7) million, corresponding to an increase of 38.4% (-14.4%). The majority of sales in this segment are made through Amazon's marketplaces.

Last year, sales in the segment were negatively affected by a restructuring of the sales strategy, which this year has driven growth on Amazon's marketplaces.



Profits and margins

The gross margin decreased to 62.4% (62.7%). The cost of goods sold as a share of net revenue was negatively impacted by customers increasingly purchasing lower-priced products. The cost of customer deliveries increased as a share of net revenue, despite our improvement efforts to streamline customer deliveries having a positive effect.

Other external costs amounted to SEK -53.1 (-60.4) million and represented -36.7% (-37.9%) of net revenue. The improvement is primarily attributable to a strong focus on cost efficiency in marketing. Marketing expenses decreased by -2.0 percentage points.

Personnel costs amounted to SEK -24.1 (-16.1) million and represented -16.7% (-10.1%) of net revenue. In the quarter, we incurred costs of SEK -4.8 million related to severance payments for the outgoing CEO. Other increases in personnel costs are due to a higher number of employees (9), general salary increases, and the fact that staff at the Berlin office were employed by our subsidiary this year but were externally contracted last year.

Other operating costs amounted to SEK 0.7 (-1.9) million. This item consists of the impact of currency fluctuations on transactions and the revaluation of balance sheet items in foreign currency at the quarter-end exchange rate.

Depreciation and amortization amounted to SEK -4.7 (-3.0) million, mainly consisting of depreciation and amortization related to right-of-use assets and intangible assets, i.e., our web platform. The increase is attributable to the start of amortization on our intangible asset at the end of the second quarter this year, as well as rent increases for the company's leased premises, classified as right-of-use assets.

Operating profit (EBIT) decreased to SEK 9.0 (18.6) million, and the operating margin was 6.2% (11.7%). The decline in operating margin was mainly driven by higher personnel costs and a decrease in net revenue.

Net financial items amounted to SEK 0.9 (0.7) million. The Group had solid net cash during the quarter, generating interest income. Our interest expenses were attributable to the company's leased premises, classified as right-of-use assets.

Taxes for the period were SEK -2.1 (-4.2) million.

Profit for the period was SEK 7.9 (15.2) million, and the margin for the period was 5.5% (9.5%).

Third quarter

Cash flow

Cash flow from operating activities during the quarter was SEK 4.0 (39.9) million. The decrease was mainly driven by the negative change in working capital, as we increased our inventory in preparation for the high season, whereas inventory decreased in the previous year. The reduction in cash flow from operating activities was also driven by the lower operating profit.

Cash flow from investing activities during the quarter amounted to SEK -3.5 (-3.6) million, attributable to investments in fixed assets.

Cash flow from financing activities during the quarter amounted to SEK -3.2 (-2.7) million.

Other KPIs

The NPS score was 62 (68), and the Trustpilot rating was 4.7 (4.8). The sustained high levels are evidence of our strong focus on ensuring a world-class customer experience. We monitor the progress of our service metrics on a weekly basis and place great value on exceeding our customers' expectations.

The number of website visits was 7.7 (5.8) million, corresponding to an increase of 32.5% (1.5%). The increase was partly attributable to a change in the traffic mix.

The number of orders was 67.5 (71.3) thousand, representing a decrease of -5.3% (43.3%).

The number of new customers acquired was 48.9 (53.1) thousand, corresponding to a decrease of -7.9% (53.1%).

The average order value was SEK 2,957 (3,172), representing a decrease of -6.8% (-12.0%). The order value was negatively affected by customers increasingly choosing products with a strong price focus.

Financial position and liquidity

The inventory value at the end of the period was SEK 155.7 (160.8) million, and the inventory value as a share of net revenue (rolling twelve months) was 22.8% (23.9%). Our goal is to have an inventory value as a share of net revenue (rolling 12 months) within the range of 17.5% - 22.5%. During the quarter, we continued to increase inventory in preparation for the high season in the fourth quarter. The nature of our products means that inventory risk is low, which is also reflected in the company's historically low need for write-downs.

Net debt at the end of the period was SEK -137.2 (-112.5) million, and cash and cash equivalents amounted to SEK 151.2 (135.7) million.





January - September

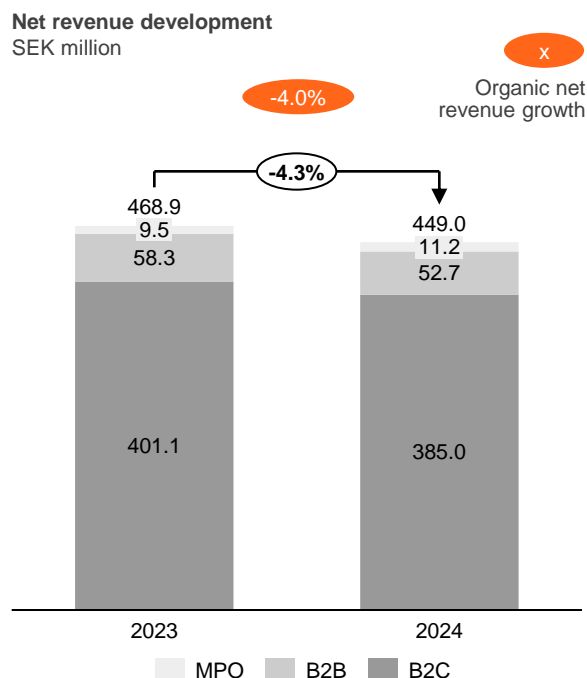
Net revenue

The Group's net revenue for the period amounted to SEK 449.0 (468.9) million, corresponding to a decrease of -4.3% (7.8%). During the period, the number of orders increased by 7.1%, and the average order value decreased as customers increasingly chose lower-priced products. Organic net revenue growth, which is excluding currency effects, was -4.0% (0.1%).

Net revenue in the Private individuals (B2C) segment, the Group's largest, amounted to SEK 385.0 (401.1) million, corresponding to a decrease of -4.0% (6.4%). The Nordics region increased by 6.9% (11.9%), DACH decreased by -8.4% (4.0%), and Rest of World decreased by -7.0% (5.2%). The number of orders increased in all regions, while the average order value decreased.

Net revenue in the Business-to-business (B2B) segment amounted to SEK 52.7 (58.3) million, corresponding to a decrease of -9.6% (24.9%). The decrease in net revenue was driven by weak sales in the smaller business customer group.

Net revenue in the Marketplaces & Other (MPO) segment amounted to SEK 11.2 (9.5) million, representing an increase of 18.8% (-18.0%). In the previous year, sales in this segment were negatively impacted by a restructuring of the sales strategy, which in the last two quarters has turned into growth on Amazon's marketplaces.



Profits and margins

The gross margin was 62.2% (62.9%). The cost of goods sold as a share of net revenue was negatively impacted by customers increasingly purchasing lower-priced products with higher discounts. As a result of a lower average order value, the cost of customer deliveries increased relative to net revenue; however, our efforts to streamline customer deliveries have mitigated this cost increase.

Other external costs amounted to SEK -165.6 (-174.6) million, with the decrease mainly driven by lower marketing expenses. The decrease was due to both a lower variable marketing cost as a share of net revenue and the lower sales volume. The decrease in marketing expenses was greater than the overall reduction in other external costs, indicating some cost increases. During the period, we incurred costs for preparations to move to a new warehouse and office in 2025, as well as increased IT expenses. Other external costs as a share of net revenue were -36.9% (-37.2%).

Personnel costs amounted to SEK -69.5 (-52.0) million and represented -15.5% (-11.1%) of net revenue. Organizational changes led to costs of SEK -7.3 million. The remaining increases in personnel costs were driven by an increase in the number of employees, general salary increases, and the transition of the Berlin office staff from external contractors to employees.

Other operating costs amounted to SEK -0.7 (-3.1) million. This item includes the impact of exchange rate fluctuations on transactions and the revaluation of assets and liabilities in foreign currencies.

Depreciation and amortization amounted to SEK -12.2 (-9.1) million, mainly consisting of depreciation and amortization related to right-of-use assets and intangible assets, such as our web platform. The increase is attributable to the start of amortization on our intangible asset at the end of the second quarter this year, as well as rent increases for the company's leased premises, classified as right-of-use assets.

Operating profit (EBIT) amounted to SEK 31.4 (56.0) million, and the operating margin was 7.0% (11.9%). The decrease in operating profit was driven by higher personnel costs, some of which were non-recurring, as well as the lower net revenue.

Net financial items increased to SEK 3.5 (1.8) million.

Taxes for the period amounted to SEK -7.2 (-12.2) million.

Profit for the period was SEK 27.6 (45.7) million, and the margin for the period was 6.2% (9.7%).

January – September

Financial position and liquidity

The inventory value at the end of the period was SEK 155.7 (160.8) million, and the inventory value as a share of net revenue (rolling twelve months) was 22.8% (23.9%). Our goal is to have an inventory value as a share of net revenue (rolling 12 months) within the range of 17.5% - 22.5%. During the quarter, we continued to increase inventory in preparation for the high season in the fourth quarter. The nature of our products results in low inventory risk, which is also reflected in the company's historically low need for write-downs.

Net debt at the end of the period was SEK -137.2 (-112.5) million, and cash and cash equivalents amounted to SEK 151.2 (135.7) million.

Other KPIs

The NPS score was 63 (67), and the Trustpilot rating was 4.7 (4.8), demonstrating that our continued strong focus on ensuring a world-class customer experience has been successful.

The number of website visits was 21.2 (20.2) million, representing an increase of 4.8% (-12.6%). See the comment for the third quarter on page 6. Starting July 1, 2023, Google Analytics 4 is used to measure website visits to our stores. Previously, Google Universal Analytics was used. It is not possible to recalculate historical comparables for the entire reporting period. During periods when both tools have been available in our online stores, we observed that Google Universal Analytics measures approximately 10% higher visitor numbers for a given time interval compared to Google Analytics 4.

The number of orders was 208.4 (194.6) thousand, representing an increase of 7.1% (11.9%).

The number of new customers acquired was 150.7 (142.0) thousand, corresponding to an increase of 6.1% (16.1%).

The average order value was SEK 2,981 (3,435), representing a decrease of -13.2% (-2.7%).

Cash flow

Cash flow from operating activities for the period amounted to SEK -4.8 (42.2) million. The decrease was driven by the change in working capital, which was influenced by a planned, larger change in inventory during the period.

Cash flow from investing activities for the period amounted to SEK -8.4 (-8.6) million, attributable to investments in fixed assets and, during the first two quarters of this year, to investments in our intangible asset (our web platform).

Cash flow from financing activities for the period amounted to SEK -47.1 (-38.9) million. During the year, dividends to shareholders were paid, amounting to SEK -37.4 (-31.2) million.



B2C

Third quarter

<i>SEK thousand if not stated otherwise</i>	July-September		
	2024	2023	Δ
Net revenue	125,429	138,116	-9.2%
<i>Net revenue, DACH</i>	22,631	27,688	-18.3%
<i>Net revenue, Nordics</i>	36,651	36,557	0.3%
<i>Net revenue, Rest of World</i>	66,146	73,871	-10.5%
Gross profit	78,112	85,869	-9.0%
Gross margin, %	62.3%	62.2%	0.1pp
Marketing cost as a share of net revenue, %	32.4%	34.8%	-2.4pp
Segment earnings	37,523	37,814	-0.8%
Segment margin, %	29.9%	27.4%	2.5pp

Net revenue for the B2C segment during the quarter was SEK 125.4 (138.1) million, representing a decrease of -9.2% (25.6%). The decrease in net revenue within the segment was driven by DACH and Rest of World, while Nordics showed slight growth. Nordics increased by 0.3% (44.6%), DACH decreased by -18.3% (30.0%), and Rest of World, where the majority of sales come from other parts of Europe, decreased by -10.5% (16.6%).

The gross profit amounted to SEK 78.1 (85.9) million, representing a decrease of -9.0% (24.4%), and the gross margin was 62.3% (62.2%). Customers have increasingly chosen products based on a strong price focus compared to the same quarter last year, which negatively impacts the gross margin.

Marketing costs as a share of net revenue were 32.4% (34.8%). The reduction in the share is primarily attributable to a strong focus on cost efficiency in marketing.

The segment result amounted to SEK 37.5 (37.8) million, representing a decrease of -0.8% (7.7%), and the segment margin was 29.9% (27.4%). The increase in segment margin is mainly attributable to higher marketing efficiency.

January - September

<i>SEK thousand if not stated otherwise</i>	January-September		
	2024	2023	Δ
Net revenue	385,012	401,130	-4.0%
<i>Net revenue, DACH</i>	75,232	82,094	-8.4%
<i>Net revenue, Nordics</i>	100,298	93,810	6.9%
<i>Net revenue, Rest of World</i>	209,482	225,227	-7.0%
Gross profit	238,521	250,835	-4.9%
Gross margin, %	62.0%	62.5%	-0.6pp
Marketing cost as a share of net revenue, %	32.7%	34.4%	-1.7pp
Segment earnings	112,797	113,027	-0.2%
Segment margin, %	29.3%	28.2%	1.1pp

Net revenue for the B2C segment during the period was SEK 385.0 (401.1) million, representing a decrease of -4.0% (6.4%). During the period, order intake increased, but the average order value decreased by more than the increase in the number of orders, as customers increasingly chose lower-priced products. Growth in Nordics was 6.9% (11.9%), in DACH -8.4% (4.0%), and in Rest of World, which mainly comprises other European markets, -7.0% (5.2%).

The gross profit amounted to SEK 238.5 (250.8) million, representing a decrease of -4.9% (8.4%), and the gross margin was 62.0% (62.5%). Customers have increasingly chosen products based on a strong price focus compared to the same quarter last year, which negatively impacts the gross margin.

Marketing costs as a share of net revenue were 32.7% (34.4%), with the reduction resulting from a focus on marketing efficiency during the period.

The segment result amounted to SEK 112.8 (113.0) million, representing a decrease of -0.2% (13.0%), and the segment margin was 29.3% (28.2%). The increase is mainly attributable to improved marketing efficiency.

B2B

Third quarter

<i>SEK thousand if not stated otherwise</i>	July-September		
	2024	2023	Δ
Net revenue	15,552	18,746	-17.0%
Gross profit	9,832	11,989	-18.0%
Gross margin, %	63.2%	64.0%	-0.7pp
Marketing cost as a share of net revenue, %	10.9%	12.1%	-1.2pp
Segment earnings	8,132	9,720	-16.3%
Segment margin, %	52.3%	51.9%	0.4pp

Net revenue for the B2B segment during the quarter was SEK 15.6 (18.7) million, representing a decrease of -17.0% (26.6%). Demand within the B2B segment was strong for trade partners but decreased for other smaller business customers.

The gross profit amounted to SEK 9.8 (12.0) million, representing a decrease of -18.0% (23.0%), and the gross margin was 63.2% (64.0%). The decrease in gross margin was driven by the same factors as in the B2C segment.

Marketing costs as a share of net revenue were 10.9% (12.1%), with the decrease driven by the same factors as in the B2C segment.

The segment result amounted to SEK 8.1 (9.7) million, representing a decrease of -16.3% (20.7%), and the segment margin was 52.3% (51.9%). The increase in margin was driven by lower marketing costs as a share of net revenue.

January - September

<i>SEK thousand if not stated otherwise</i>	January-September		
	2024	2023	Δ
Net revenue	52,724	58,333	-9.6%
Gross profit	33,456	37,333	-10.4%
Gross margin, %	63.5%	64.0%	-0.5pp
Marketing cost as a share of net revenue, %	11.1%	13.1%	-2.0pp
Segment earnings	27,598	29,691	-7.0%
Segment margin, %	52.3%	50.9%	1.4pp

Net revenue for the Business-to-business (B2B) segment during the period was SEK 52.7 (58.3) million, representing a decrease of -9.6% (24.9%). Demand within the B2B segment was strong for trade partners but decreased for other smaller business customers.

The gross profit amounted to SEK 33.5 (37.3) million, representing a decrease of -10.4% (23.8%), and the gross margin was 63.5% (64.0%).

Marketing costs as a share of net revenue were 11.1% (13.1%), with the decrease driven by the same factors as in the B2C segment.

The segment result amounted to SEK 27.6 (29.7) million, representing a decrease of -7.0% (26.6%), and the segment margin was 52.3% (50.9%). The increase in segment margin was driven by lower marketing costs as a share of net revenue.

Marketplaces & Others (MPO)

Third quarter

<i>SEK thousand if not stated otherwise</i>	July-September		
	2024	2023	Δ
Net revenue	3,778	2,730	38.4%
Gross profit	2,104	1,697	24.0%
Gross margin, %	55.7%	62.2%	-6.5pp
Marketing cost as a share of net revenue, %	34.0%	35.8%	-1.7pp
Segment earnings	818	721	13.4%
Segment margin, %	21.6%	26.4%	-4.8pp

Net revenue for the Marketplaces & Other (MPO) segment during the quarter amounted to SEK 3.8 (2.7) million, representing an increase of 38.4% (-14.4%). Sales in this segment are primarily made on Amazon's marketplaces, and the increase in the quarter was driven by new campaigns we conducted on these marketplaces.

The gross profit amounted to SEK 2.1 (1.7) million, representing an increase of 24.0% (-15.6%), and the gross margin was 55.7% (62.2%). The decrease in gross margin was mainly attributable to higher campaign activity on Amazon's marketplaces.

Marketing costs as a share of net revenue were 34.0% (35.8%).

The segment result amounted to SEK 0.8 (0.7) million. The segment margin was 21.6% (26.4%), with the increase in segment result primarily driven by higher net revenue and the lower segment margin due to higher campaign activity on Amazon's marketplaces.

January - September

<i>SEK thousand if not stated otherwise</i>	January-September		
	2024	2023	Δ
Net revenue	11,236	9,455	18.8%
Gross profit	6,436	5,662	13.7%
Gross margin, %	57.3%	59.9%	-2.6pp
Marketing cost as a share of net revenue, %	34.6%	32.8%	1.8pp
Segment earnings	2,545	2,559	-0.5%
Segment margin, %	22.7%	27.1%	-4.4pp

Net revenue for the Marketplaces & Other (MPO) segment during the period amounted to SEK 11.2 (9.5) million, representing an increase of 18.8% (-18.0%).

The gross profit amounted to SEK 6.4 (5.7) million, representing an increase of 13.7% (-20.3%), and the gross margin was 57.3% (59.9%). The decrease in gross margin is partly attributable to higher campaign activity on Amazon's marketplaces.

Marketing costs as a share of net revenue were 34.6% (32.8%), with the reduction driven by a focus on marketing efficiency.

The segment result amounted to SEK 2.5 (2.6) million. The segment margin was 22.7% (27.1%), with the decrease mainly driven by the lower gross margin and higher marketing costs.



Other information

Material events during the quarter

- On September 30th, the board reached an agreement with Michael Lindskog for him to step down from his role as CEO of Rugvista Group. Ebba Ljungerud, a board member of the company, was appointed interim CEO on the same day.

Material events after the quarter

- The board has started the recruitment process for a new CEO for Rugvista Group.

Significant risks and uncertainties

The Group's key risk and uncertainty factors include financial risks such as currency risk, liquidity, and financing risks, as well as operational and business risks. For more information on risks and risk management, please refer to Rugvista's Annual Report for 2023.

Russia invaded Ukraine at the beginning of 2022. The Group has no direct exposure to Russia, Ukraine, or Belarus through its business operations. However, it is challenging to assess the indirect impact of the ongoing war on GDP growth, inflation, global supply chains, and consumer confidence in demand for the Group's products. The same applies to the events in the Middle East, primarily the conflict between Israel and Hamas, Israel and Hezbollah, and the risk of a broader conflict in the region. The Group has no direct exposure in Israel, Gaza, or Lebanon, but the events may have indirect effects on consumer confidence, inflation, GDP growth, etc. The unrest in the Red Sea has had some impact on our supply chain for products from India through longer delivery times and higher freight costs. The impact on Rugvista's results is expected to be marginal, but company management is monitoring the situation.

Seasonality

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

Co-workers

The number of full-time employees during the period July–September was 98.0 (89.3), and the percentage of women was 48.2% (47.3%).

The number of full-time employees during the period January–September was 98.1 (88.7), and the percentage of women was 48.9% (46.6%).

The share

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

The market value on the last trading day of the third quarter of 2024 (September 30th) was SEK 888 million, based on the closing price of SEK 42.70 per share.

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

In 2021, the Group issued 860,000 warrants. Of these, 435,981 were sold to key individuals within the Group. All outstanding warrants under LTIP2021 expired without being exercised during the year because the subscription price exceeded the share price throughout the subscription period.

In 2022, the Group issued 300,000 warrants. Of these, 40,000 were sold to senior executives within the Group.

In 2023, the Group issued 595,000 warrants. Of these, 35,000 were sold to senior executives and other key individuals within the Group.

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

See 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 entitled, after adjustment due to dividends resolved by the Annual General Meeting in 2022 and 2023, the holder to subscribe for 1.07 shares in the company during the exercise period at SEK 152.20. The original subscription price corresponded to 130 percent of the share's introductory price. The warrants could be exercised during the period from April 15 to June 15, 2024. All outstanding warrants under LTIP 2021 expired without being exercised during the year because the subscription price exceeded the share price throughout the exercise period.

LTIP 2022

The Group has issued warrants as part of an incentive program ("LTIP 2022/2025"). Each warrant entitles, after adjustment due to the dividend resolved by the Annual General Meeting in 2023, the holder to subscribe for 1.06 shares in the company during the exercise period at SEK 84.60. The original subscription price corresponded to 130 percent of the average share price during the valuation period. The warrants can be exercised from June 1 to September 1, 2025. The Annual General Meeting on May 25, 2023, was the last day for the transfer of warrants in LTIP 2022. Of the total 300,000 issued warrants, 260,000 remained unsold and were thus forfeited. Carin Terin's 5,000 warrants of series LTIP 2022/2025 were repurchased during the second quarter in connection with her departure from the company.

LTIP 2023

The Group has issued warrants as part of an incentive program ("LTIP 2023/2026"). Each warrant entitles, after adjustment due to the dividend resolved by the Annual General Meeting in 2023, the holder to subscribe for 1.03 shares in the company during the exercise period at SEK 60.80, which corresponds to 120 percent of the average share price during the valuation period. The Annual General Meeting on May 23, 2024, was the last day for the transfer of warrants in LTIP 2023. Of the total 595,000 issued warrants, 560,000 remained unsold and were thus forfeited. The warrants can be exercised from June 1 to September 1, 2026. Carin Terin's 5,000 warrants of series LTIP 2023/2026 were repurchased during the second quarter in connection with her departure from the company.

Transactions with closely related parties

July - September

No transactions with closely related parties have occurred during the quarter.

January – September

No transactions with closely related parties have occurred during the period.

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 incorporated and registered in Sweden.

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

The parent company's net revenue for the quarter amounted to SEK 8.3 (3.1) million. For the period January–September, the parent company's net revenue amounted to SEK 15.9 (11.5) million. The parent company's revenue consists of invoiced fees for management services to subsidiaries, in accordance with an internal group agreement.

The parent company's costs mainly consist of salaries for parts of the management, fees to the board, and costs related to the listing of the company's shares on Nasdaq. The result for the quarter amounted to SEK 0.3 (0.1) million. For the period January–September, the result was SEK 0.3 (-0.1) million.

The parent company has an internal group receivable from the Swedish subsidiary, which, together 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 2024	6 February 2025	09:00-10:00 CET
Annual report 2024	14 April 2025	
Interim report January – March 2025	8 May 2025	09:00-10:00 CEST
AGM 2025	21 May 2025	
Interim report January – June 2025	14 August 2025	09:00-10:00 CEST
Interim report January – September 2025	6 November 2025	09:00-10:00 CET
Year-end report 2025	5 February 2026	09:00-10:00 CET

In connection with the publication of this Interim Report, Ebba Ljungerud (CEO) and Joakim Tuvner (CFO) will host a conference call and a webcast on November 7th, 2024, 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=50049715>

After registration you will be provided with 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/Q3-2024/>

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

Please join via: <https://ir.financialhearings.com/rugvista-group-q3-report-2024>

The Interim Report and the presentation are available on Rugvista Group's website:

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

Contact information

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Sweden

Certified advisor

FNCA Sweden AB

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 7th, 2024.



Group

Consolidated Statement of Income

<i>SEK thousand if not stated otherwise</i>	July - September			January - September		
	2024	2023	Δ	2024	2023	Δ
Net revenue	144,759	159,593	-9.3%	448,971	468,918	-4.3%
Other income	229	447	-48.8%	958	1,043	-8.1%
Total operating income	144,989	160,040	-9.4%	449,930	469,961	-4.3%
Goods for resale	-54,711	-60,037		-170,559	-175,088	
Other external expenses	-53,067	-60,435		-165,572	-174,649	
Personnel expenses	-24,141	-16,063		-69,524	-52,001	
Other operating expenses	681	-1,870		-683	-3,138	
Amortization & depreciation	-4,708	-3,026		-12,216	-9,052	
Operating profit (EBIT)	9,044	18,610	-51.4%	31,376	56,033	-44.0%
Financial income	1,062	910		4,172	2,522	
Financial expenses	-133	-168		-690	-707	
Profit before taxes (EBT)	9,972	19,353	-48.5%	34,858	57,847	-39.7%
Taxes	-2,069	-4,166		-7,233	-12,192	
Profit for the period	7,903	15,187	-48.0%	27,624	45,655	-39.5%
Attributable to:						
Parent company's shareholders	7,903	15,187		27,624	45,655	
Earnings per share	0.38	0.73		1.33	2.20	
Earnings per share, diluted	0.38	0.73		1.33	2.20	

Group

Consolidated Statement of Comprehensive Income

<i>SEK thousand if not stated otherwise</i>	July - September			January - September		
	2024	2023	Δ	2024	2023	Δ
Profit for the period	7,903	15,187	-48.0%	27,624	45,655	-39.5%
<i>Items that can later be reclassified to the income statement</i>						
Translation differences	-2	-11		2	-11	
Other comprehensive income	-2	-11	-79.1%	2	-11	-122.2%
Comprehensive profit for the period attributable the parent company's shareholders	7,900	15,176	-47.9%	27,627	45,644	-39.5%

Group

Consolidated Statement of Financial position

SEK thousand if not stated otherwise

ASSETS	September 30, 2024	September 30, 2023	December 31, 2023	EQUITY AND LIABILITIES	September 30, 2024	September 30, 2023	December 31, 2023
<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	22,276	17,071	19,754	Other contributed capital	227,933	228,052	228,052
Tangible assets	6,876	2,923	3,903	Retained earnings	276,340	243,797	243,789
Right-of-use assets	13,313	22,212	22,126	Profit for the period	27,624	45,655	69,962
Deferred tax assets	242	311	242	Total equity attributable to the parent company's shareholders	532,937	518,543	542,842
Total non-current assets	342,657	342,466	345,974				
<u>CURRENT ASSETS</u>				<u>NON-CURRENT LIABILITIES</u>			
Inventory	155,720	160,830	125,656	Deferred tax liability	22	90	22
Other receivables	29,011	21,146	22,351	Leasing debt	1,804	12,265	10,545
Prepaid expenses	5,839	4,962	2,698	Provisions	2,697	-	-
Cash and cash equivalents	151,201	135,723	208,936	Total non-current liabilities	4,522	12,354	10,566
Total current assets	341,771	322,661	359,642	<u>CURRENT LIABILITIES</u>			
TOTAL ASSETS	684,428	665,127	705,615	Accounts payable	69,832	55,816	55,449
				Current tax liabilities	5,152	14,279	19,155
				Other current liabilities	35,154	38,892	50,501
				Current leasing debt	12,231	10,994	12,576
				Prepaid income and accrued expenses	24,600	14,250	14,527
				Total current liabilities	146,970	134,230	152,208
				TOTAL EQUITY AND LIABILITIES	684,428	665,127	705,615

Group

Consolidated Statement of Changes in Equity

July - September

	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
2024					2023				
Opening balance 2024-07-01	1,039	227,933	296,065	525,036	Opening balance 2023-07-01	1,039	228,052	274,275	503,366
Profit for the period			7,903	7,903	Profit for the period			15,187	15,187
Other comprehensive income			-2	-2	Other comprehensive income			-11	-11
Total comprehensive profit	1,039	227,933	303,965	532,937	Total comprehensive profit	1,039	228,052	289,451	518,543
<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				-
Closing balance 2024-09-30	1,039	227,933	303,965	532,937	Closing balance 2023-09-30	1,039	228,052	289,451	518,543

Consolidated Statement of Changes in Equity

January - September

	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
2024					2023				
Opening balance 2024-01-01	1,039	228,052	313,751	542,842	Opening balance 2023-01-01	1,039	227,627	274,986	503,651
Profit for the period			27,624	27,624	Profit for the period			45,655	45,655
Other comprehensive income			2	2	Other comprehensive income			-11	-11
Total comprehensive profit	1,039	228,052	341,378	570,469	Total comprehensive profit	1,039	227,627	320,630	549,296
<i>Transactions with shareholders:</i>					<i>Transactions with shareholders:</i>				
Dividend per AGM decision			-37,413	-37,413	Dividend per AGM decision			-31,178	-31,178
Warrants, issue				-	Warrants, issue		425		425
Warrants, repurchase		-119		-119	Warrants, repurchase				-
New share issue				-	New share issue				-
Closing balance 2024-09-30	1,039	227,933	303,965	532,937	Closing balance 2023-09-30	1,039	228,052	289,451	518,543

Group

Consolidated Statement of Cash flow

KSEK if not stated otherwise

	July - September		January - September	
	2024	2023	2024	2023
<i>Operating activities before changes in working capital</i>				
EBIT	9,044	18,610	31,376	56,033
<i>Adjustments for non-cash items</i>				
Depreciation and amortization	4,708	3,026	12,216	9,052
Unrealized exchange rate difference	-651	1,646	-3,742	-1,622
Interest received	1,062	910	4,172	2,522
Interest paid	-133	-168	-690	-707
Income tax paid	-3,958	-2,455	-21,236	-39,469
Cash flow from operating activities before changes in working capital	10,071	21,570	22,096	25,808
<i>Changes in working capital</i>				
Change in inventory	-9,661	10,137	-30,063	13,428
Change in operating receivables	-3,269	1,603	-9,735	27,004
Change in operating liabilities	6,851	6,600	12,942	-24,050
Cash flow from changes in working capital	-6,079	18,339	-26,856	16,382
Cash flow from operating activities	3,992	39,910	-4,761	42,191
Investment in intangible assets	-	-3,610	-4,114	-8,007
Acquisition of tangible assets	-3,541	-10	-4,677	-585
Sales of tangible assets	-	-	407	-
Cash flow from investing activities	-3,541	-3,620	-8,384	-8,592
New shares issue	-	-	-	-
Warrants	-	-	-	425
Warrants, repurchase	-	-	-119	-
Amortization of leasing debt	-3,214	-2,734	-9,600	-8,144
Dividend payout	-	-	-37,413	-31,178
Cash flow from financing activities	-3,214	-2,734	-47,132	-38,896
TOTAL CASH FLOW DURING THE PERIOD	-2,763	33,556	-60,277	-5,297
Liquidity at the start of the period	154,517	104,393	208,936	139,978
Exchange rate differences in liquidity	-554	-2,226	2,542	1,043
Liquidity at the end of the period	151,201	135,723	151,201	135,723



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 2023 Annual Report published on www.rugvistagroup.com

New and changed standards

None of the new and changed standards and interpretations applicable commencing January 1st, 2024, 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 2023.

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 2023 Annual Report.

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.

July – September 2024	B2C	B2B	MPO	Segment total
Net revenue	125,429	15,552	3,778	144,759
Goods for resale	-47,317	-5,721	-1,674	-54,711
Gross profit	78,112	9,832	2,104	90,048
Marketing costs	-40,590	-1,700	-1,286	-43,576
Segment earnings	37,523	8,132	818	46,472
July – September 2023	B2C	B2B	MPO	Segment total
Net revenue	138,116	18,746	2,730	159,593
Goods for resale	-52,247	-6,756	-1,033	-60,037
Gross profit	85,869	11,989	1,697	99,556
Marketing costs	-48,055	-2,269	-976	-51,301
Segment earnings	37,814	9,720	721	48,255
January – September 2024	B2C	B2B	MPO	Segment total
Net revenue	385,012	52,724	11,236	448,971
Goods for resale	-146,491	-19,268	-4,800	-170,559
Gross profit	238,521	33,456	6,436	278,413
Marketing costs	-125,723	-5,858	-3,891	-135,472
Segment earnings	112,797	27,598	2,545	142,941
January – September 2023	B2C	B2B	MPO	Segment total
Net revenue	401,130	58,333	9,455	468,918
Goods for resale	-150,295	-21,000	-3,793	-175,088
Gross profit	250,835	37,333	5,662	293,830
Marketing costs	-137,808	-7,643	-3,103	-148,554
Segment earnings	113,027	29,691	2,559	145,277

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.

	July - September		January - September	
Reconciliation of income	2024	2023	2024	2023
Segment earnings	46,472	48,255	142,941	145,277
Other income	229	447	958	1,043
Other external expenses (excl. Marketing costs)	-9,491	-9,134	-30,100	-26,095
Personnel expenses	-24,141	-16,063	-69,524	-52,001
Other operating expenses	681	-1,870	-683	-3,138
Amortization & depreciation	-4,708	-3,026	-12,216	-9,052
Financial income and expenses	928	742	3,482	1,814
Profit before taxes (EBT)	9,972	19,353	34,858	57,847

Notes

Note 4 – Financial assets

Financial assets valued at accrued acquisition value	9/30/2024	9/30/2023
<i>Financial assets in the balance sheet</i>		
Other receivables	10,774	5,169
Cash and cash equivalents	151,201	135,723
Total	161,975	140,892

The maximum credit risk of the assets comprises amounts reported in the table above. The Group has received no pledged securities in respect of the financial net assets.

Other receivables primarily comprise receivables from payment providers with whom the Group co-operates in order to offer payment and financing solutions to end customers as well as various current receivables.

Book value corresponds in all essential respects to fair value.

Other financial liabilities valued at accrued acquisition value	9/30/2024	9/30/2023
<i>Financial liabilities in the balance sheet</i>		
Accounts payable	69,832	55,816
Other liabilities	6,654	8,129
Accrued expenses	17,669	12,476
Leasing debt	14,035	23,258
Total	108,191	99,679

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 30th, 2024. A group of shareholders is considered to constitute one owner if they have been grouped together by Euroclear.

Owner	Number of shares	Share of capital	Share of votes
Madhat AB	2,505,874	12.1%	12.1%
BANK JULIUS BAER & CO LTD, W8IMY	2,321,605	11.2%	11.2%
Futur Pension Försäkringsaktiebolag	2,054,318	9.9%	9.9%
Alcur Fonder AB	1,777,256	8.6%	8.6%
Indexon AB	1,490,204	7.2%	7.2%
TIN Fonder	1,293,822	6.2%	6.2%
Nordnet Pensionsförsäkring AB	1,070,890	5.2%	5.2%
Movestic Livförsäkring AB	930,910	4.5%	4.5%
SEB LIFE INTERNATIONAL ASSURANCE	667,397	3.2%	3.2%
Spiltan Fonder AB	630,899	3.0%	3.0%
<i>Total the ten largest shareholders</i>	<i>14,743,175</i>	<i>70.9%</i>	<i>70.9%</i>
Total number of outstanding shares	20,785,140	100.0%	100.0%

Source: Euroclear extract per September 30th, 2024

Parent company

Parent company's Statement of Income

<i>SEK thousand if not stated otherwise</i>	July - September			January - September		
	2024	2023	Δ	2024	2023	Δ
Net revenue	8,284	3,118	165.7%	15,853	11,538	37.4%
Other income	-	-	-	-	-	-
Total operating income	8,284	3,118	165.7%	15,853	11,538	37.4%
Other external expenses	-1,364	-1,245		-4,556	-5,275	
Personnel expenses	-6,738	-2,019		-11,356	-6,624	
Other operating expenses	-	-		-	-	
Operating profit (EBIT)	182	-147	-224%	-58	-361	-84%
Financial income	201	202		623	326	
Financial expenses	-	-		-224	-73	
Profit before taxes (EBT)	383	55	596.9%	340	-107	-418.5%
Taxes	-87	-		-87	-	
Profit for the period ¹⁾	297	55	439.3%	254	-107	-337.4%

Parent company

Parent company's Statement of Financial position

SEK thousand if not stated otherwise

<u>ASSETS</u>	September 30, 2024	September 30, 2023	December 31, 2023	<u>EQUITY AND LIABILITIES</u>	September 30, 2024	September 30, 2023	December 31, 2023
<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	11,677	11,080	11,238	Sub-total, restricted equity	1,039	1,039	1,039
Total non-current assets	332,948	332,351	332,508	<i>Unrestricted equity</i>			
<u>CURRENT ASSETS</u>				Retained earnings	345,853	331,607	331,607
Other receivables	21,563	11,022	66,184	Profit for the period	254	-107	51,659
Prepaid expenses	367	326	172	Sub-total, unrestricted equity	346,106	331,500	383,266
Cash and cash equivalents	7,888	10,341	10,784	Total equity	347,146	332,539	384,305
Total current assets	29,818	21,689	77,139	<u>NON-CURRENT LIABILITIES</u>			
TOTAL ASSETS	362,766	354,040	409,647	Provisions	2,697	-	-
				Total non-current liabilities	2,697	-	-
				<u>CURRENT LIABILITIES</u>			
				Accounts payable	324	320	396
				Current tax liabilities	6,810	9,433	22,835
				Other current liabilities	1,877	10,594	800
				Prepaid income and accrued expenses	3,913	1,154	1,311
				Total current liabilities	12,924	21,501	25,342
				TOTAL EQUITY AND LIABILITIES	362,766	354,040	409,647

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 7th of November 2024

Martin Benckert

Chairman of the Board

Ebba Ljungerud

CEO and Board member

Hanna Graflund Sleyman

Board member

Patrik Berntsson

Board member

Ludvig Friberger

Board member

Magnus Dimert

Board member

Review report

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

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

Introduction

We have reviewed the condensed interim report for Rugvista Group AB (publ) as of September 30, 2024, and the nine months period that ended at this date. 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.
CO2e emissions per square meter sold rug	Emissions of carbon dioxide equivalents from purchasing rugs during the period recalculated to an intensity target per square meter of rug sold during the period.	A measure used to quantify the greenhouse gas emissions from the company’s rug purchases over the period.
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.
Marketing costs as a share of net revenue	The costs for marketing activities carried out during the period, divided by net revenue during the period.	A measure that demonstrates how much is invested in marketing in relation to net revenue.
Net financial indebtedness / Net debt	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.

Measure	Definition	Explanation
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 profit and gross margin

<i>SEK thousand if not stated otherwise</i>	July-September		January-September	
	2024	2023	2024	2023
Total operating income (A)	144,989	160,040	449,930	469,961
Goods for resale (B)	-54,711	-60,037	-170,559	-175,088
Gross profit (A) + (B)	90,277	100,003	279,371	294,874
Net revenue (C)	144,759	159,593	448,971	468,918
Gross margin, % ((A) + (B)) / (C)	62.4%	62.7%	62.2%	62.9%

Adjusted EBIT and EBIT margin

<i>SEK thousand if not stated otherwise</i>	July-September		January-September	
	2024	2023	2024	2023
Operating profit (EBIT) (A)	9,044	18,610	31,376	56,033
Items affecting comparability (B)	-	-	-	-
Adjusted EBIT (A) + (B)	9,044	18,610	31,376	56,033
Net revenue (C)	144,759	159,593	448,971	468,918
Adjusted EBIT margin, % ((A) + (B)) / (C)	6.2%	11.7%	7.0%	11.9%

Inventory as % of LTM net revenue

<i>SEK thousand if not stated otherwise</i>	July-September		January-September	
	2024	2023	2024	2023
Inventory (A)	155,720	160,830	155,720	160,830
Net revenue, last twelve months (LTM) (B)	682,256	673,053	682,256	673,053
Inventory as % of LTM net revenue (A) / (B)	22.8%	23.9%	22.8%	23.9%

Net debt

<i>SEK thousand if not stated otherwise</i>	July-September		January-September	
	2024	2023	2024	2023
Cash and cash equivalents (A)	-151,201	-135,723	-151,201	-135,723
Interest bearing liabilities (current and non-current) (B)	-	-	-	-
Interest bearing lease liabilities (current and non-current) (C)	14,035	23,258	14,035	23,258
Net financial indebtedness (+) /net cash (-) (A)+(B)+(C)	-137,166	-112,465	-137,166	-112,465

Organic net revenue growth

<i>SEK thousand if not stated otherwise</i>	July - September		January - September	
	2024	2023	2024	2023
Last year's net revenue (A)	159,593	127,937	468,918	435,138
Net revenue divested operations (B)	-	-	-	-
Last year's net revenue, excluding divested operations (A)-(B)=(C)	159,593	127,937	468,918	435,138
Net revenue (D)	144,759	159,593	448,971	468,918
Net revenue divested operations (E)	-	-	-	-
Net revenue, excluding divested operations (D)-(E)=(F)	144,759	159,593	448,971	468,918
FX impact on this year's net revenue (G)	-3,464	13,678	-1,138	33,411
Net revenue, excluding divested operations and FX impact (F)-(G)=(H)	148,223	145,915	450,110	435,507
Organic net revenue growth % (H)/(C)-1	-7.1%	14.1%	-4.0%	0.1%

Information by quarter for selected expenses

<i>SEK thousand if not stated otherwise</i>		Jan - Mar 2021		Apr - Jun 2021		Jul - Sep 2021		Oct - Dec 2021	
Expense item	SEK K	%¹	SEK K	%¹	SEK K	%¹	SEK K	%¹	
Net revenue	204,538	100.0%	140,621	100.0%	141,025	100.0%	218,801	100.0%	
Product expenses	-48,509	-23.7%	-32,651	-23.2%	-33,432	-23.7%	-52,939	-24.2%	
Shipping and other selling expenses	-23,762	-11.6%	-18,218	-13.0%	-17,074	-12.1%	-24,243	-11.1%	
Marketing costs	-57,280	-28.0%	-41,635	-29.6%	-44,731	-31.7%	-69,025	-31.5%	
		Jan - Mar 2022		Apr - Jun 2022		Jul - Sep 2022		Oct - Dec 2022	
Expense item	SEK K	%¹	SEK K	%¹	SEK K	%¹	SEK K	%¹	
Net revenue	185,973	100.0%	121,228	100.0%	127,937	100.0%	204,135	100.0%	
Product expenses	-45,993	-24.7%	-32,284	-26.6%	-29,294	-22.9%	-49,878	-24.4%	
Shipping and other selling expenses	-24,529	-13.2%	-16,517	-13.6%	-17,860	-14.0%	-28,458	-13.9%	
Marketing costs	-65,038	-35.0%	-40,529	-33.4%	-36,837	-28.8%	-62,898	-30.8%	
		Jan - Mar 2023		April - June 2023		Jul - Sep 2023		Oct - Dec 2023	
Expense item	SEK K	%¹	SEK K	%¹	SEK K	%¹	SEK K	%¹	
Net revenue	180,262	100.0%	129,063	100.0%	159,593	100.0%	233,284	100.0%	
Product expenses	-41,557	-23.1%	-29,588	-22.9%	-38,414	-24.1%	-59,633	-25.6%	
Shipping and other selling expenses	-26,289	-14.6%	-17,617	-13.7%	-21,623	-13.5%	-34,427	-14.8%	
Marketing costs	-57,011	-31.6%	-40,242	-31.2%	-51,301	-32.1%	-72,135	-30.9%	
		Jan - Mar 2024		April - June 2024		July - Sep 2024			
Expense item	SEK K	%¹	SEK K	%¹	SEK K	%¹			
Net revenue	175,855	100.0%	128,357	100.0%	144,759	100.0%			
Product expenses	-42,542	-24.2%	-29,836	-23.2%	-34,565	-23.9%			
Shipping and other selling expenses	-25,306	-14.4%	-18,164	-14.2%	-20,146	-13.9%			
Marketing costs	-53,641	-30.5%	-38,255	-29.8%	-43,576	-30.1%			

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

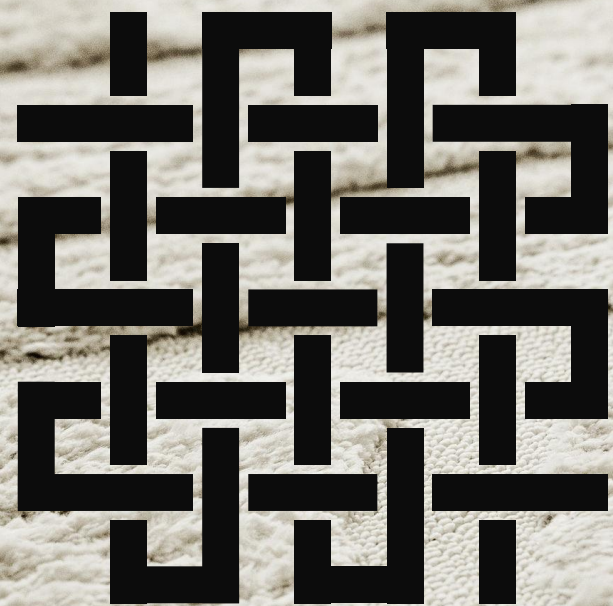
Rugvista Group's purpose is to help people to a home they love. Rugvista Group has defined three visions, each of which has a clear ambition.

- **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.



RUGVISTA

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