

REMUNERATION REPORT
2021

RUGVISTA GROUP AB (PUBL)
Reg. nr. 559037-7882

BACKGROUND

This report describes how the guidelines for remuneration of senior executives of RugVista Group, adopted by the extraordinary general meeting of shareholders on February 11, 2021, were applied during 2021. "RugVista Group", or the "Company" refer to, depending on the context, RugVista Group AB (publ) (registration number 559037-7882), or the group of companies in which RugVista Group AB (publ) is the parent company. This report also provides information on remuneration to the CEO, fees to board members in addition to the board remuneration resolved on by the general meeting of shareholders, and a summary of the Company's outstanding share-related and share price-related incentive plans. This report has been prepared in accordance with the Swedish Companies Act and the *Remuneration Rules* issued by the Swedish Corporate Governance Board.

Information in accordance with Chapter 5, §§ 40-44 the Swedish Accounting Act is available in Note 7 "Salaries and remuneration to employees" in the Company's annual report 2021. The Board in its entirety has fulfilled the tasks of a remuneration committee. Information on the Board's work in respect of remuneration matters 2021 is available in the corporate governance report on page 74 in the Company's annual report 2021.

REMUNERATION OF BOARD OF DIRECTORS AND CONSULTANCY FEE

Remuneration of the Board of Directors is not covered by this report. Such remuneration is resolved annually by the annual general meeting and disclosed in Note 7 "Salaries and remuneration to employees" in the Company's annual report 2021.

In the event a member of the Board of Directors performs services for the company in addition to the Board assignment, a special remuneration may be paid for this (consultancy fee) provided that such services contribute to the implementation of the Company's business strategy and the safeguarding of the company's long-term interests, including its sustainability. Pursuant to the remuneration guidelines the annual consulting fee must be on market terms and be put in relation to the benefit it brings to the Company and may never exceed three times the applicable Board remuneration for each member of the Board of Directors.

During 2021 Womack Investor Relations AB, a company owned by Board member John Womack, has conducted consultancy services for the Company, and received consultancy fees in total of KSEK 213 for such services. The fee paid is less than three times the applicable board remuneration. The consultancy assignment has consisted of advice related to investor relations communication. It has been assessed important and beneficial for the Company to procure such

services and the services have been procured to a fee on market terms and were resolved on without the involvement of John Womack.

KEY DEVELOPMENTS 2021

The CEO summarizes the Company's overall performance in his statement on page 8 in the Company's annual report 2021.

THE COMPANY'S REMUNERATION GUIDELINES, SCOPE, PURPOSE, AND DEVIATIONS

RugVista Group offers online sale of rugs through its online stores, available in 20 different languages using the RugVista and CarpetVista brands. The Company's business vision is to be the "center of gravity for the European rug industry", which the Company intends to achieve by offering Europe's best online customer experience to potential customers of rugs and closely related products.

A prerequisite for the successful implementation of RugVista Group's business strategy and safeguarding of its long-term interests, including sustainability, is that the Company can recruit and retain qualified personnel. The Company's organizational vision is to "attract, motivate and retain extraordinary people" and constitutes the basis to ensure that the Company's most important asset, its co-workers, remain motivated and happy to be part of the organization. To this end, the Company must offer competitive total remuneration. The Company's remuneration guidelines enables the Company to offer senior executives competitive total remuneration. Further to the remuneration guidelines remuneration to senior executives shall be on market terms and may consist of the following components: fixed cash salary, pension benefits and other benefits. The guidelines are available in Note 7 "Salaries and remuneration to employees" in the Company's annual report 2021 and on the Company's website www.rugvista-group.com/en/governance/arvoden-och-ersattningar/.

During 2021 the Company has followed and applied the remuneration guidelines, adopted by the general meeting of shareholders. No deviations from the guidelines have been decided and no derogations from the procedure for implementation of the guidelines have been made. The auditor's report regarding the Company's compliance with the guidelines is available on www.rugvistagroup.com/en/governance/arvoden-och-ersattningar/. No remuneration has been reclaimed. In addition to remuneration covered by the remuneration guidelines, the general meetings of the Company have resolved to implement long-term share-related incentive plans.

TABLE 1. TOTAL REMUNERATION TO CEO 2021 (KSEK)

Name of director (position)	Fixed remuneration		Variable remuneration		Extra ordinary items	Pension-expense ⁴	Total remuneration	Proportion fixed and variable remuneration (%)
	Base salary ¹	Other benefits ²	One-year variable	Multi-year variable ³				
Michael Lindskog (CEO)	2 049	134	Not applicable	Not applicable	0	533	2 716	100 / 0

1. Amount refers to base salary and holiday pay, excluding pension.

2. Amount refers to health insurance, car benefit, housing benefit and paid trips home.

3. Outcome according to LTIP warrant plan described in table 2 does not, in the Company's opinion, constitute variable remuneration to be reported here.

4. Amount refers to pension premium expenses paid during the financial year.

SHARE-BASED REMUNERATION

OUTSTANDING SHARE-RELATED AND SHARE PRICE-RELATED INCENTIVE PLANS

Entering into 2021 RugVista Group had three active LTIP warrant plans: TO 2017/2022 (including 13 140 warrants), TO 2018/2023 (including 14 580 warrants), and TO 2019/2024 (including 16 368 warrants). On the first trading day for the Company's share on Nasdaq First North Premier Growth Market the subscription period for each of TO 2017/2022, TO 2018/2023, and TO 2019/2024 was ended. All warrants under TO 2017/2022 were repurchased by the Company in connection with the IPO. In total 11 559 warrants were exercised (which after a split of shares 20:1 entailed a right to subscribe for 231 180 shares) at a subscription price of 25,16 SEK in the LTIP plan TO 2018/2023, and 13 670 warrants (which after a split of shares 20:1 entailed a right to subscribe for 273 400 shares) to a subscription price of SEK 20,60 per share in the plan TO 2019/2024.

On the extraordinary general meeting on March 18, 2021 a resolution was passed to implement an additional LTIP warrant plan TO 2021/2024 (including no more than 860 000

warrants), conditioned by the Company being listed on Nasdaq First North Premier Growth Market.

Relevant co-workers were offered to acquire warrants at market price at the time of the transfer, entailing that the participants make a personal investment where each warrant entitles to subscription of a share in RugVista at a pre-determined subscription price. The purpose of the Company's LTIP warrant plan is to offer participants the possibility to obtain a remuneration related to, and dependent on, the long-term value growth for RugVista Group's shareholders that the participants are part of creating. The Board believes that it is beneficial to the Company, and the shareholders, that the participants in this way are provided with a personal owner commitment in the Company. The structure of the new plan with a three-year term for the warrants is assessed to contribute to fulfilment of the Company's long-term business plan, strategy, and financial targets.

In 2021 the CEO exercised warrants in the TO 2019/2024 plan. The CEO was also awarded 240 000 warrants in the TO 2021/2021 plan. For further information please see the table below:

TABLE 2. - LTIP WARRANT PLANS(CEO)

2 (A). MAIN TERMS OF THE LTIP PLANS

Name of director (position)	Name of plan	Performance period ²	Award date ³	Vesting date ⁴	End of retention period	Exercise period ⁵	Exercise price (SEK) and date ⁶
Michael Lindskog (CEO)	TO 2019/2024 ¹	2019-2024	2019-10-22	2021-02-26	Not applicable	2021-02-26 - 2021-03-18	SEK 20,60 2021-03-18
	TO 2021/2024	2021-2024	2021-03-18	2024-04-15	Not applicable	2024-04-15 - 2024-06-15	SEK 162,50

1. In 2021 the plan TO 2019/2024, in which the CEO held 16 368 warrants, was terminated. Following a split of shares 20:1, resolved by the extraordinary general meeting on February 11, 2021, the Board of Directors resolved to perform a recalculation of the exercise price and the number of shares that each warrant gave the right to subscribe to, in accordance with the terms and conditions of the warrants. The recalculation entailed that each warrant gave the right to subscribe for twenty (20) shares in the Company at an exercise price of SEK 20,60 per share. In 2021 the CEO exercised in total 13 670 warrants and subscribed for 273 400 shares at a total exercise price of 5 632 040 SEK, and RugVista Group repurchased remaining 2 698 warrants at market value.

2. Performance period refers to the duration of the plan.

3. Award date refers to the date when the warrants were originally awarded.

4. Vesting date refers to the first date when the participant is entitled to exercise the warrants.

5. Exercise period refers to the period during which the participant is entitled to exercise the warrants.

6. Date refers to the date when warrants were exercised.

2 (B). INFORMATION FOR THE REPORTED FINANCIAL YEAR						
Michael Lindskog (CEO)	Opening balance -warrants held at the beginning of the year ¹	During the year - warrants awarded ²	During the year - Warrants vested ³	Closing balance - warrants subject to performance condition	Closing balance - warrants awarded and unvested ⁴	Closing balance - warrants subject to a retention period
TO 2019/2024	16 368	0	16 368	Not applicable	0	Not applicable
TO 2021/2024	0	240 000	0	Not applicable	240 000	Not applicable
Total	16 368	240 000	16 368	0	240 000	0

1. Warrants held at the beginning of the year refers to the number of warrants held by the participant per the beginning of the year.
2. Market value in SEK of the underlying shares at the time of awarding the warrants was SEK 30 000 000, and the total exercise price for such shares is SEK 39 000 000.
3. Market value in SEK of the underlying shares at vesting of the warrants was SEK 40 920 000, and the total exercise price for such shares was SEK 6 743 616.
4. Warrants awarded but not vested refers to warrants awarded and held by the participant but that has not been vested.

APPLICATION OF PERFORMANCE CRITERIA

Currently the CEO has no variable remuneration tied to performance criteria.

COMPARATIVE INFORMATION ON THE CHANGE OF REMUNERATION AND COMPANY PERFORMANCE

TABLE 3. CHANGE OF REMUNERATION AND COMPANY PERFORMANCE (KSEK). AS THE COMPANY'S SHARES WERE LISTED ON NASDAQ FIRST NORTH PREMIER GROWTH MARKET DURING 2021, ONLY INFORMATION FOR REPORTED FINANCIAL YEAR (RFY) 2021 IS PRESENTED

	RFY 2021
CEO remuneration	2 716
Group operating profit	127 658
Average remuneration on a full-time equivalent basis of employees* of the group	457

* Excluding members of executive management



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