

Rugvista Group AB (publ)

Remuneration Report 2023



RUGVISTA

Background

This report describes how the guidelines for remuneration of senior executives of Rugvista Group were applied during 2023. The latest version of the remuneration guidelines were adopted by the annual general meeting 2023. "Rugvista Group", or the "Company" refers 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 of the Swedish Accounting Act is available in Note 7 "Salaries and remuneration to employees" in the Company's annual report 2023. The Board in its entirety has fulfilled the tasks of a remuneration committee. Information on the Board's work in respect of remuneration matters 2023 is available in the corporate governance report on page 58 in the Company's annual report 2023.

Remuneration of Board of Directors and consultancy fees

Remuneration to the Board of Directors is not covered by this report. Such remuneration is resolved on annually by the annual general meeting and is disclosed in Note 7 "Salaries and remuneration to employees" in the Company's annual report 2023.

In the event a member of the Board of Directors performs services for the Company in addition to the Board assignment, specific remuneration may be paid for this (consultancy fee) provided that such services contribute to the implementation of the Company's business strategy and safeguarding of the Company's long-term interests, including its sustainability.

Pursuant to the remuneration guidelines an annual consulting fee must be on market terms and correspond to the benefit it brings to the Company, and it may never exceed three times the applicable Board remuneration for each member of the Board of Directors.

During 2023 no member of the Board of Directors provided services to the Company in addition to the Board assignment.

Key developments 2023

The CEO summarizes the Company's overall performance 2023 in his statement on page 8 in the Company's annual report 2023.

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 become the center of gravity for the European rug industry.

Successful implementation of Rugvista Group's business strategy and safeguarding of its long-term interests, including sustainability, is dependent on the Company's ability to recruit and retain qualified coworkers. The Company's people vision is to attract, motivate and retain extraordinary people, and it constitutes the basis of ensuring that the Company's most important asset, its co-workers, remain motivated and happy to be part of Rugvista. This requires that the Company can offer a competitive 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 revised guidelines adopted on the annual general meeting 2023 included the addition that remuneration to senior executives may also consist of variable remuneration. The guidelines are available in Note 7 "Salaries and remuneration to employees" in the Company's annual report 2023 and on the Company's website www.rugvistagroup.com/en/governance/arvoden-och-ersattningar/.

During 2023 the Company has followed and applied the applicable remuneration guidelines. No deviations from the guidelines, 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 2023 (KSEK)

Name of director (role)	Fixed remuneration		Variable remuneration		Extraordinary items	Pension-expenses ⁴	Total-remuneration	Proportion fixed and variable remuneration(%)
	Base salary ¹	Other benefits ²	One-year-variable	Multi-year-variable ³				
Michael Lindskog (CEO)	2,151	106	N/A	N/A	10	545	2,812	100 / 0

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

² Health insurance, car benefit, and paid trips to home outside of Sweden.

³ Outcome pursuant to warrant plans 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 2023 Rugvista Group had two (2) active incentive plans in form of warrant plans: TO 2021/2024 and TO 2022/2025. On the annual general meeting May 25, 2023, a resolution was passed to implement an additional incentive plan in form of a warrant plan: TO 2023/2026.

LTIP 2021/2024

Each warrant entitles to subscription of 1.07 shares in the Company during the exercise period at SEK 152.20 (after re-calculations following dividend resolutions by the annual general meetings 2022 and 2023). Original subscription price corresponded to 130 percent of the introductory price of the share.

The warrants can be exercised during the period April 15 – June 15, 2024.

The Annual General Meeting on May 20, 2022, was the last day of sale of warrants under LTIP 2021. Of the total of 860,000 warrants issued, 423,019 warrants remained unsold, which were thereby forfeited.

LTIP 2022/2025

Each warrant entitles to subscription of 1.03 shares in the Company during the exercise period at SEK 87.20 (after re-calculation following the dividend resolution by the annual general meeting 2023). Original subscription price corresponded to 130 percent of the

average share price during the valuation period. The warrants can be exercised during the period June 1 – September 1, 2025. The annual general meeting on May 25, 2023 was the last day of sale of warrants under LTIP 2022. Of the total of 300,000 warrants issued, 260,000 remained unsold, which were thereby forfeited.

LTIP 2023/2026

Each warrant entitles to subscription of one (1) share in the Company during the exercise period at SEK 62.60 which corresponds to 120 percent of the average share price during the valuation period. The warrants can be exercised during the period June 1 – September 1 2026. During 2023 CEO was awarded 5,000 warrants under TO 2023/2026

Pursuant to the LTIP plans TO 2021/2024, TO 2022/2025 and TO 2023/2026 eligible employees are offered to acquire warrants at market price at the time of the acquisition, i.e., the participants make a personal Investment.

The purpose of the Company's warrant plans 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 participants in this way get a personal owner commitment in the Company.

The structure of the plans, 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. For further Information please see the table below.

TABLE 2. WARRANT PLANS (CEO)

2 (A). Main terms of the warrant plans

Name of director (role)	Name of plan	Performance period ¹	Award date ²	Vesting date ³	End of retention period	Exercise period ⁴	Exercise price and date ⁵
Michael Lindskog (CEO)	TO 2021/2024	2021–2024	2021-03-18	2024-04-15	Not applicable	2024-04-15 –2024-06-15	SEK 152.20
	TO 2022/2025	2022–2025	2022-06-07	2025-06-01	Not applicable	2025-06-01 –2025-09-01	SEK 87.20
	TO 2023/2026	2023–2026	2023-06-12	2026-06-01	Not applicable	2026-06-01 –2026-09-01	SEK 62.60

¹ Performance period refers to the duration of the plan.

² Award date refers to the date when the warrants were originally awarded.

³ Vesting date refers to the first date when the participant is entitled to exercise the warrants.

⁴ Exercise period refers to the period during which the participant is entitled to exercise the warrants.

⁵ Exercise price refers to the exercise price as per December 31, 2023 following any re-calculation in accordance with the terms and conditions of the subscription warrant plans. Date refers to the date when warrants were exercised (if any).

2 (B). Information for the reported financial year

Michael Lindskog (CEO)	Opening balance warrants held at the beginning of the year ¹	Warrants awarded during the year ²	Warrants vested during the year	Closing balance warrants subject to performance conditions	Closing balance warrants awarded and unvested ³	Warrants subject to a retention period
TO 2021/2024	240,000	0	0	Not applicable	240,000	Not applicable
TO 2022/2025	15,000	0	0	Not applicable	15,000	Not applicable
TO 2023/2026	0	5,000	0	Not applicable	5,000	Not applicable
Total	255,000	5,000	0	0	260,000	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 261,650, and the total exercise price for such shares is SEK 313,000.

³ Warrants awarded but not vested refers to warrants awarded to and held by participants 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 in remuneration and company performance

TABLE 3. CHANGE IN REMUNERATION AND COMPANY PERFORMANCE (KSEK).

As the Company's shares were listed on Nasdaq First North Premier Growth Market during 2021 it only presents information in respect of the reported financial year (RFY) 2023 and changes compared to RFY-1 and RFY-2.

Comparative information	RR vs RR-2 2021	RR vs RR -1 2022	RR 2023
CEO-remuneration	96.0	30,0	2,811.8
<i>change %</i>	3.5%	1,1%	
Group operating profit	-42,255	10,485	85,403
<i>change %</i>	-33.1%	14.0%	
Average remuneration on a full-time equivalent basis of employees* of the Group	63.0	48.5	519.9
<i>change %</i>	13.8%	10.3%	

* Excluding members of executive management.



Rugvista Group AB (publ)

Ringugnsgatan 11 | 216 16 Limhamn | Sweden
+46 40 66 88 104 | info@rugvista.com

www.rugvistagroup.com