

Rugvista Group AB (publ)

Remuneration Report 2024



RUGVISTA

Background

This report describes how the guidelines for remuneration of senior executives of Rugvista Group were applied during 2024. The latest version of the remuneration guidelines was 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 2024. The Board in its entirety has fulfilled the tasks of a remuneration committee. Information on the Board's work in respect of remuneration matters 2024 is available in the corporate governance report on page 57 in the Company's annual report 2024.

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 2024.

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 2024 no member of the Board of Directors has invoiced fees for services to the Company in addition to the Board assignment.

Key developments 2024

The CEO summarizes the Company's overall performance 2024 in the CEO statement on page 6 in the Company's annual report 2024.

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 Carpetvita 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, variable remuneration, pension benefits and other benefits. The guidelines are available on the Company's website www.rugvista-group.com/en/governance/arvoden-och-ersattningar/.

During 2024 the Company has followed and applied the applicable remuneration guidelines. No other deviations than what is stated in this report and the corporate governance report have been made from the guidelines or to the processes described therein. The former CEO's knowledge and experience in respect of strategies and business of the company, including supplier contacts was deemed to justify an extended non-compete undertaking and it was deemed necessary in accordance with what the guidelines prescribes. The deviation resolved on by the Board was in respect of the 18 months non-compete undertaking for the leaving CEO compared to the 12 months non-compete undertaking prescribed by the guidelines. The deviation was made in accordance with the procedure for deviations prescribed by the guidelines. 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 2024 (KSEK)

Name of director (role)	Fixed remuneration		Variable remuneration				Total remuneration	Proportion fixed and variable remuneration (%)
	Base salary ¹	Other benefits ²	One-year variable remuneration	Multiple year variable remuneration ³	Extraordinary items	Pension expenses ⁴		
Ebba Ljungerud (acting CEO from and including October 1 2024)	660	Not applicable	Not applicable	Not applicable	0	150	810	100/0
Michael Lindskog (CEO until and including September 30, 2024)	2 377	90	Not applicable	Not applicable	2 692	1 009	6 167	100/0

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

² For Michael Lindskog the amount is in respect of 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 and includes, for the leaving CEO, agreed pension.

⁵ Michael Lindskog left the company on September 30, 2024 and is on garden leave during the notice period which ends on and including March 31, 2025. Salary and pension are unchanged during the notice period. In addition to the above an agreement regarding compensation for non-compete undertaking has been made. Extraordinary items include final salary and provision for agreed compensation for the non-compete undertaking.

Share based remuneration

Outstanding share related and share price related incentive plans

Entering into 2024 Rugvista Group had three (3) active incentive plans in form of warrant plans: TO 2021/2024, TO 2022/2025, and TO 2023/2026. At the end of 2024 two incentive plans remained. The warrant plan TO 2021/2024 was closed during the year following the lapse of all subscription warrants under TO 2021/2024 without being exercised as the strike price exceeded the share price throughout the entire exercise period.

LTIP 2021/2024

All subscription warrants under TO 2021/2024 expired during the year without being exercised, as the exercise price exceeded the share price throughout the entire subscription period. The warrant program was therefore concluded during the year.

LTIP 2022/2025

Each warrant entitles to subscription of 1.06 shares in the Company during the exercise period at SEK 84.60, after re-calculation following dividend resolutions by the annual general meeting 2023 and 2024. 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 1.03 shares in the Company during the exercise period at SEK 60.80, after recalculation following dividend resolution by the annual general meeting 2024. Original subscription price corresponded 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. The annual general meeting on May 23, 2024 was the last day of sale of warrants under LTIP 2023. Of the total of 595,000 warrants issued, 560,000 remained unsold, which were thereby forfeited.

LTIP programmen

The LTIP plans TO 2021/2024, TO 2022/2025 and TO 2023/2026 gave eligible employees the possibility to acquire warrants at market price at the time of the acquisition, meaning that 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 to 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.

The leaving CEO's subscription warrants under TO 2021/2024 lapsed during the year without being exercised as the exercise price exceeded the share price throughout the entire subscription period during 2024. The leaving CEO's subscription warrants under TO 2022/2025 and TO 2023/2026 were re-purchased during the last quarter 2024 in connection with the CEO leaving the company. The acting CEO currently holds no subscription warrants.

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
Ebba Ljungerud (acting CEO from and including October 1, 2024)	No subscription warrants.						
Michael Lindskog (CEO until and including September 30, 2024)	TO 2021/2024 Plan closed second quarter 2024	2021–2024	2021-03-18	2024-04-15	Not applicable	2024-04-15 –2024-06-15	Not applicable. Plan closed without being exercised.
	TO 2022/2025	2022–2025	2022-06-07	2025-06-01	Not applicable	2025-06-01 –2025-09-01	SEK 84.60
	TO 2023/2026	2023–2026	2023-06-12	2026-06-01	Not applicable	2026-06-01 –2026-09-01	SEK 60.80

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, 2024 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						
Plan closed during second quarter 2024	240 000	Not applicable	0	Not applicable	0	Not applicable
TO 2022/2025	15 000	Not applicable	0	Not applicable	0	Not applicable
TO 2023/2026	5 000	0	0	Not applicable	0	Not applicable
Total	260 000	0	0	0	0	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 Warrants awarded during the year is not applicable in respect of TO 2021/2024 as the plan was concluded during the second quarter of 2024. Warrants awarded during the year is not applicable in respect of TO 2022/2025 either as the AGM May 25, 2023 was the last day of sale of warrants under the TO2022/2025 plan.

³ The closing balance of allocated subscription warrants is zero for all programs after TO 2021/2024 was concluded in the second quarter of 2024 without the warrants being exercised, and the warrants under TO 2022/2025 and TO 2023/2026 were repurchased during the last quarter of 2024 in connection with the CEO leaving the company.

Application of performance criteria

Ebba Ljungerud
(acting CEO as of October 1, 2024) No variable remuneration tied to performance criteria during 2024

Michael Lindskog
(CEO up until September 30, 2024) No variable remuneration tied to performance criteria during 2024

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) 2024 and changes compared to RFY-1, RFY-2 and RFY-3.

Comparative information	RFY vs RFY-3 (2021)	RFY vs RFY-2 (2022)	RFY vs RFY-1 (2023)	RFY (2024)
CEO-remuneration ¹	4 261 (156.9%)	4 195 (150.8%)	4 165 (148.1%)	6 977
Group operating profit	-66 953 (-52.4%)	-14 213 (-19.0%)	-24 698 (-28.9%)	60 705
Average remuneration on a full-time equivalent basis of employees ² of the Group	148 (32.4%)	133 (28.3%)	85 (16.3%)	605

¹ Remuneration refers to remuneration earned by the individual or individuals that held the position as CEO during the respective financial year.

² Excluding members of executive management.



RUGVISTA

Rugvista Group AB (publ)

Ringugnsgatan 11 | 216 16 Limhamn | Sweden

+46 40 66 88 104 | info@rugvista.com

www.rugvistagroup.com