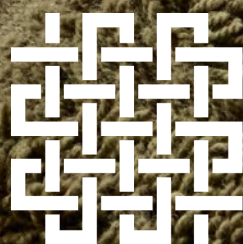


Rugvista Group AB (publ)

Annual Report and Sustainability Report 2024



RUGVISTA

A world-class customer experience

Rugvista sells rugs online and is one of Europe's leading direct-to-consumer (D2C) e-commerce retailers. Since its founding in 2005, the company has focused on delivering a world-class digital shopping experience and high customer satisfaction.

Rugvista offers a broad and relevant assortment of high-quality, affordably priced designer and traditional rugs. The majority of the assortment consists of proprietary or carefully curated products that are exclusively available for purchase through Rugvista.



Business

To be the center of gravity for the European rug industry



People

To attract, motivate and retain extraordinary people.



Sustainability

To lead the rug industry towards a socially and environmentally sustainable future

OUR VALUES



Focus on impact



Stay true



Be entrepreneurs

20+

Localized online stores with a focus on the European markets

OUR SUSTAINABILITY GOALS

By 2030, Rugvista aims to:

- Increase the share of recycled, reused, recyclable, or certified materials to 50%.
- Reduce scope 3 emissions by 50% per square meter of purchased rug (baseline year 2021).
- In addition to our tier 1 suppliers, include at least 50% of tier 2 suppliers in our social auditing efforts to improve working conditions.
- 100% of our tier 2 suppliers must be fully mapped.

STRATEGIC INITIATIVES



Win the key
European markets



Showcase our
assortment



Be world-class in
everything we do



Capture selected
market opportunities

OUR FINANCIAL GOALS

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

- Achieve organic net revenue growth of approximately 20 percent per year.
- Maintain an EBIT margin of at least 15 percent.
- We focus our resources on growth and business development. In addition, Rugvista Group aims to distribute up to 50 percent of the annual profit to shareholders.

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The year in numbers

"In 2024, despite a challenging start, Rugvista achieved several key milestones: new record highs in the number of orders, more targeted marketing higher up in the funnel, and active assortment optimization."

Ebba Ljungerud, Interim CEO

695 million

Net revenue for 2024

61 million

EBIT for 2024

191 million

Net cash

35 million

Website visits

62

Average NPS score

238 thousand

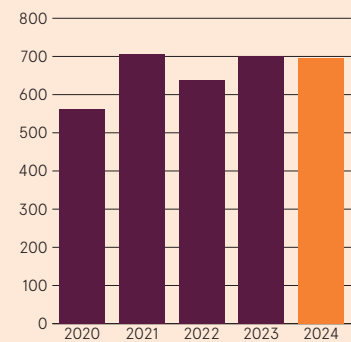
New customers

Selected KPIs

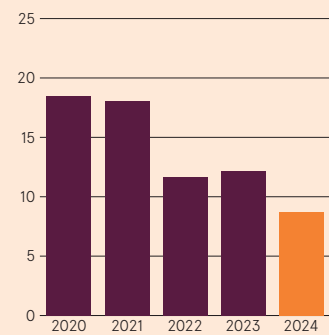
(See page 106 for definitions and justifications for KPIs)

SEK thousand if not stated otherwise	January - December	
	2024	2023
Net revenue	694 847	702 203
Net revenue growth	-1,0%	9,8%
Organic net revenue growth	-1,0%	2,8%
Gross profit	432 022	435 571
Gross margin	62,2%	62,0%
EBIT	60 705	85 403
EBIT-margin	8,7%	12,2%
Profit for the period	51 771	69 962
Margin for the period	7,5%	10,0%
Earnings per share before dilution, SEK	2,49	3,37
Number of website visits, million	34,7	28,9
Number of orders, thousand	327	296
Average order value (AOV), SEK	2 940	3 335
Average return rate	14,3%	14,9%

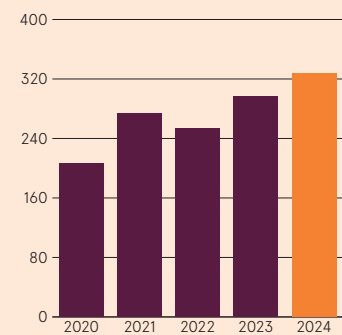
Net revenue
SEK, million



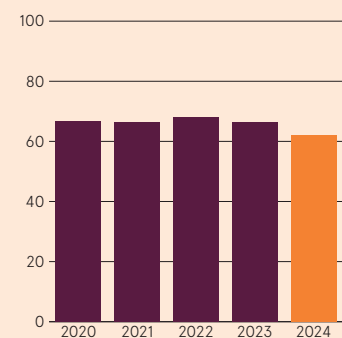
Operating profit
Percent



Number of orders
Thousand



Customer satisfaction index
Average NPS-value



Positive Signals in a Continued Challenging Market

Dear Shareholders,

Although 2024 began with headwinds, including low purchasing power in several of our key European markets, the year overall proved to be a stable one for Rugvista. We saw several all-time highs in the number of orders, new customers, and net revenue during the final quarter of the year, thereby continuing to strengthen our customer base. Our net revenue amounted to SEK 694.8 (702.2) million and operating profit to SEK 60.7 (85.4) million, demonstrating our resilience despite generally challenging market conditions.

More Targeted Marketing – Earlier in the Purchase Journey

One of the major changes this year concerned how we allocate our marketing efforts. We moved higher up the sales funnel and focused on increasing visibility earlier in the customer purchase process. At the same time, we placed greater emphasis on markets where we already have strong traction, particularly through search engine optimization on Google. Facebook and Instagram became increasingly important channels during the year, where our visually appealing campaigns both attracted new customers and strengthened our brand. Throughout the year, we also continued to optimize our country mix to balance marketing risks and opportunities across different regions.

Orders and Order Value – Two Parallel Goals

Encouragingly, both the number of orders and new customers increased significantly, which is a testament to the effectiveness of our marketing strategy. However, it is evident that an increased number of orders alone cannot fully compensate for the declining average order value (AOV) we have seen over a longer period. Therefore, in the latter part of the year, we began reviewing what we market in which channels, as well as how we can adjust pricing strategy and product presentation. The goal is to stabilize AOV over time, so that we not only grow in terms of customer count but also in average revenue per purchase.

Product Assortment – A Focus on Our Designs

Another important lesson from 2024 is that an overly broad product assortment can hinder both the clarity of our product offering and the visibility of the assortment in our marketing and online stores. At the end of the year, we therefore initiated a project to review the assortment with the aim of narrowing the number of designs and investing resources in developing and promoting each individual product line. We have also become more cautious about expanding the Essentials assortment, in order to maintain a clear design profile and ensure that we strengthen our brand across all customer segments. At the same time, we are continuing to expand our existing collections – for example, in the outdoor rug category – which gives us a broader target audience and strengthens our position going into 2025.

Customer-Centric – A Clearer Product Company

We increasingly see ourselves as a product-focused company, where our rugs—and thus visual appeal—play a crucial role, regardless of whether customers discover us through social media, search engines, or directly on our website. By creating clear guides and inspiring content, we help customers make the right choices—while also enhancing their experience of visiting our site and shopping with us. Looking ahead, we see great opportunities to improve the on-site journey, making it easier for customers to find the type of rug they are looking for.

Our Largest Move Ever

One of the most transformative projects for Rugvista in 2024 was the planning of our largest move to date. The new office and warehouse, which we are preparing to move into during the summer of 2025, will not only provide us with more modern and purpose-built facilities—we are also automating a number of key processes. The result will be more efficient logistics, increased capacity for expansion, and a work environment that inspires continued innovation and collaboration.

Strengthened Sustainability Efforts Across the Value Chain


During 2024, Rugvista continued to strengthen its sustainability efforts through stricter requirements for responsible production, reduced climate impact, and improved working conditions across the value chain. Our focus has included sustainable material choices, more efficient logistics solutions, and close cooperation with suppliers to ensure ethical and transparent processes. At the same time, we have initiated work on CSRD through a double materiality assessment and are increasing awareness both internally and externally through education and open communication. These collective efforts not only contribute to the company's long-term growth and competitiveness, but also position us as a positive force within the industry.

We now look ahead to 2025 with continued optimism. Declining interest rates may gradually strengthen household purchasing power, and our investment in new facilities will provide the foundation for long-term profitable growth. With a growing brand, a more focused product range, and a customer experience centered around the customer journey, we are well prepared for the challenges and opportunities ahead.

Finally, I would like to extend a warm thank you to all our employees, shareholders, and customers for your commitment and trust. Together, we will continue to develop Rugvista and create value for all stakeholders.

Ebba Ljungerud

Interim CEO, Rugvista Group



"We saw several all-time highs in the number of orders, new customers, and net revenue during the final quarter of the year, thereby continuing to strengthen our customer base."

Rugvista's Operations

Introduction to Rugvista Group

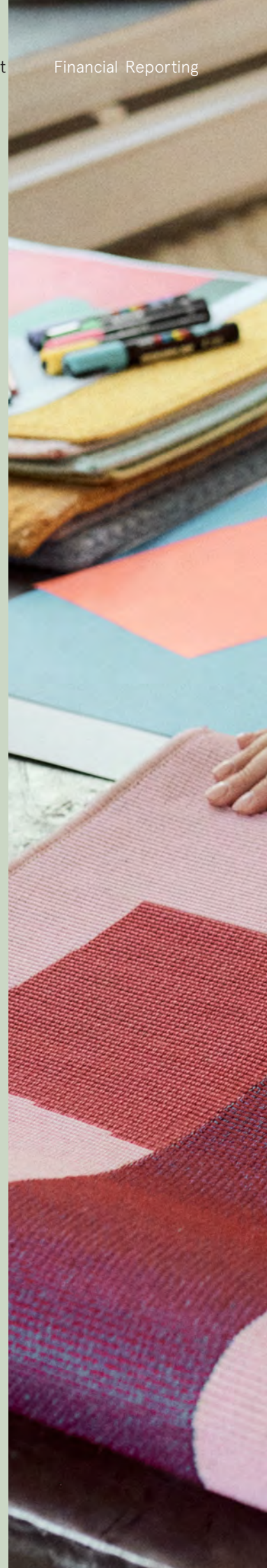
Rugvista Group sells rugs online under the brands Rugvista and Carpetvista and is one of Europe's leading direct-to-consumer (D2C) e-commerce retailers. The company was founded in 2005 and has, since its inception, aimed to deliver a world-class digital shopping experience and high customer satisfaction. Rugvista offers a broad and relevant range of high-quality, affordably priced designer and traditional rugs. The majority of the assortment consists of proprietary or carefully curated products that are exclusively available from and can only be purchased through us.

The business is divided into three segments: Private individuals (B2C), Business-to-business segment (B2B), and Marketplaces & Other (MPO). The B2C segment represents the consumer market and is Rugvista's core segment.

Within the B2C segment, Rugvista offers high-quality rugs tailored to a variety of customer groups. In the B2B segment, the company focuses on small and medium-sized enterprises, particularly targeting interior designers and hotels. The MPO segment focuses on selling Rugvista's assortment through fast-growing, large third-party marketplaces. In recent years, this segment has primarily focused on Amazon's European platforms, where Rugvista works to develop and grow sales. Since the end of 2022, Rugvista also offers circular rug trade through the concept RUGVISTA RE.USE, which is included in the MPO segment.

In 2024, Rugvista Group had an average of 99 full-time employees. All internal functions—such as technology, customer service, warehouse operations, and other corporate functions—are focused daily on ensuring and further developing a world-class customer experience and achieving high customer satisfaction.

Rugvista Group is headquartered in Malmö and operates three warehouse facilities in the Malmö area. The company's share is traded on Nasdaq First North Premier Growth Market under the symbol "RUG." More information about Rugvista can be found on the company's website: www.rugvistagroup.com.





Rugvista's Business Model

"Our Direct-to-Consumer business model is a strategic advantage."

Our business model is classified as a Direct-to-Consumer (D2C) model, which simply means eliminating intermediaries in the value chain. For us, the D2C model means that we manage in-house design and product development and then collaborate directly with various producers to manufacture our proprietary assortment. We sell our products directly to the end customer through our online stores.

This business model enables us to offer high-quality rugs at competitive prices while maintaining strong gross margins. Our ambition is for our online stores to deliver a world-class customer experience—one that is continuously improved to meet our customers' evolving needs and expectations.

Internal processes, systems, and infrastructure are continuously adapted and optimized based on our business needs to ensure operational efficiency—and, most importantly, to deliver the best possible customer experience. Another advantage of the D2C model is that it is scalable, flexible, and requires only moderate investment in production facilities and staffing.

Instead of owning and operating our own production facilities, we partner with leading producers—primarily in India, Egypt, and Turkey. We can adjust both the number of and which producers we work with as our needs evolve. Combined with being one of Europe's leading online rug retailers, our business model also provides scale advantages such as favorable purcha-

sing terms, more efficient marketing investments, operational efficiencies, and leverage on fixed costs.

STRENGTHS AND COMPETITIVE ADVANTAGES

We have a strong track record of profitable growth since our founding in 2005. Some years have been more successful than others. Like 2023, the year 2024 was marked by geopolitical and macroeconomic challenges that left European households facing considerable uncertainty, high inflation, and high interest rates.

One explanation for our history of profitable growth lies in our strengths and competitive advantages, which also form the foundation for our long-term vision and strategic goals. Our most important strengths and competitive advantages are outlined below:

Customer Offering

Our largest segment and overall focus is the consumer market (B2C). We continuously develop our customer offering based on data and evolving customer needs. Some of the key elements of our current customer offering include:

- **A broad selection** of designer and traditional rugs across a wide range of categories, styles, colors, and sizes
- **High-quality**, affordable products in all price ranges
- **Convenient and seamless** digital shopping experience focused on user-friendliness
- **Free shipping** and free returns with locally tailored delivery options
- **Free and accessible** customer service in over 20 languages
- **High trust** factor thanks to excellent customer reviews
- **Collaboration** with well-established, reputable suppliers
- **Locally relevant** and secure payment options

Rugvistas D2C – modell



Self-developed assortment

- Solid and deep product and design expertise
- Internal design and product development and purchasing
- Broad and carefully composed product range of affordable and high-quality products



Customized infrastructure

- Dedicated and customized warehouse and order processing
- Self-developed e-commerce platform and scalable technical infrastructure with "best-in-breed" components
- World-class customer-focused digital shopping experience optimized for the carpet product category



Strong customer focus

- Locally tailored marketing strategy and communication
- Customer service with product expertise available in approximately 20 languages
- Generous customer terms such as free shipping and returns

Extensive Product and Assortment Expertise

We have many years of experience and expertise in the rug product category. This enables us to develop and offer a broad and relevant range of high-quality, affordably priced designer and traditional rugs. The purchasing power that comes with our scale allows us to source products at favorable prices and terms. These savings can then be passed on to our customers and are one of the reasons why our products offer such strong value.

Our assortment is developed for and tailored to the needs, expectations, and current trends of our target customer groups in the home décor category. Customer surveys and sales data, combined with trend forecasts, are used to continually refine and adapt the assortment as preferences, trends, and needs evolve.

World-Class Customer Satisfaction and a Growing Customer Base

After each completed purchase, we ask customers for feedback through a survey covering the full customer experience. The survey includes the Net Promoter Score (NPS) question, which is our primary KPI for measuring customer satisfaction. We also track the average rating of our Trustpilot reviews as a complementary satisfaction metric.

The average satisfaction score from our customers is unmatched in our category and on par with leading global brands.

Ensuring that customers are satisfied with the overall experience of shopping with us is our highest priority—and we believe that satisfied customers are a fundamental requirement for our long-term, profitable growth.

In 2024, our customer base grew by approximately 238,000 individuals, and we have attracted over 1 million new customers since 2018. Since the vast majority of our customers are highly satisfied after making a purchase, we view our growing customer base as a key asset for future growth.

Leading Position in a Market Where Scale Matters

We are one of the leading players in the European online rug retail market. Our scale and digital business model provide

us with significant advantages over physical rug stores and smaller online competitors. These scale advantages include the ability to negotiate better prices and terms for products and services, more efficient marketing, the capacity to offer a broader and more complete assortment, and the ability to attract top talent.

Track Record of Profitable Growth and Strong Cash Generation

We have a strong track record of profitable growth, and between 2020 and 2024, our net revenue grew at an average annual rate of 5.5%. During the same period, our average operating margin was 13.7%, and the operating business generated SEK 483 million in positive cash flow.

Our ability to generate strong cash flow allows us to continue investing in an improved customer offering and business development—aimed at further strengthening our long-term outlook.

Tailored Technology Platform and Data-Driven Operational Model

Our overall technology platform primarily consists of proprietary software combined with third-party components. This strategy has allowed us to build a tech platform that is tailored to our needs and processes. The platform is based on open-source technology and runs in the Amazon Web Services environment. This architecture makes our platform scalable, reliable, and future-proof.

We view technology and data as key enablers that drive continuous improvement and efficiency across both operational and commercial processes. We use data to better understand customer needs and trends, and to identify opportunities to improve our offering and other commercial operations. Functionality and algorithms have also been developed to automate, optimize, or support recurring internal processes—leading to both efficiency gains and quality improvements across several of the company's functions.

The Rug Market

SIZE AND FORECAST

Rugs are part of the broader megacategory of home décor products. The last time we conducted an in-depth study¹ to quantify the market value, the European home décor market was valued at SEK 2,170 billion for the year 2019. The average annual growth rate between 2015 and 2019 was 12.3%. In that study, the rug category was estimated to be worth SEK 193 billion annually, or approximately 9% of the home décor megacategory.

The same study estimated that e-commerce accounted for 16 percent of rug category sales. Our estimate is that this share increased to approximately 18–20% during the pandemic years 2020 and 2021. After the pandemic, we estimated a slight decline in the e-commerce share within the category. However, we now believe that the e-commerce share of rug sales has begun to normalize in line with the pre-pandemic forecast, which puts the current e-commerce share at approximately 21–22%.

The year 2024 was another challenging one for the global economy, marked by continued geopolitical uncertainty, high cost inflation, and policy interest rates remaining at elevated levels compared to historical norms. These macroeconomic factors continued to negatively affect consumer confidence and purchasing power in most European households. Our assessment is that these conditions had a negative impact on the rug market for the majority of 2024. As a result, we estimate that the overall market value for rugs remained relatively unchanged compared to 2023.

Looking ahead, the outlook for 2025 remains uncertain despite positive macroeconomic signals regarding inflation and interest rates. That said, we remain confident that the low e-commerce penetration within the rug market², combined with overarching market trends in the home décor category and structural shifts in the European rug market, present solid medium- to long-term growth opportunities.

¹ The study was conducted by Technavio, 2020, on behalf of Rugvista.

² More mature e-commerce categories such as fashion have an estimated e-commerce share of around 30%.





MARKET TRENDS

The rug market is largely inspired by—and driven by—the same trends and factors influencing the broader home décor market. These include, among other things, the desire for one's home and interior design to reflect personal identity. This is a megatrend that we believe has been ongoing in Europe for the past 10–15 years, and we expect it to continue for the foreseeable future.

STRUCTURAL TRENDS IN THE EUROPEAN RUG MARKET

We are confident that several structural macro trends will continue to drive the transition from physical to digital rug sales in Europe. These trends are described in more detail below.

Accessibility and Convenience

For many customers, online shopping provides a more accessible and convenient experience compared to visiting a physical store.

Factors contributing to increased accessibility in digital commerce include the ability to purchase products and services at any time of day, from anywhere, and from various digital devices (such as smartphones and laptops).

Convenience factors include the ability to organize and visualize a large assortment more easily online, allowing customers to quickly search for products or services that meet their needs; access to fast and often free deliveries; secure payment methods; and smooth return procedures—often at no extra cost to the customer.

E-commerce also allows the customer to shop without the need to physically visit a store or handle the product in person. This is especially valuable for relatively bulky and heavy items such as rugs. Rugs are also a product that is rarely damaged during shipping, making it possible to deliver them in good condition directly to the customer's home.

Selection

By visiting an online store, visitors can quickly access a broad and relevant selection of rugs. In general, online stores can offer a significantly wider assortment compared to physical stores, where floor space is often limited.

One advantage of the rug product category compared to many other categories is that rugs do not deteriorate when stored for longer periods, and trend sensitivity is lower than, for example, in fashion. As a result, online rug retailers can maintain a broad inventory without incurring high inventory risk.

Additionally, online retailers can more quickly optimize their assortment based on customer demand and preferences by leveraging data to identify consumer behaviors and offer a more relevant product selection—something that is more difficult to achieve in traditional retail.

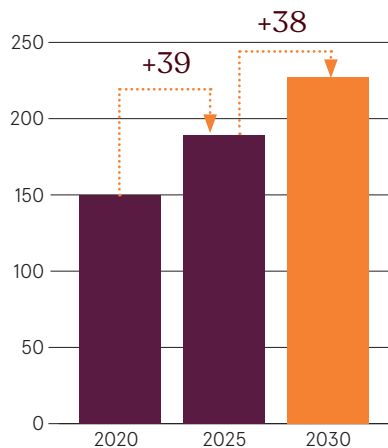
Demographic Factors

We believe that younger consumers (Millennials and later generations—see fact box) generally have a higher tendency to shop online compared to older generations. This customer group is likely to drive further growth in e-commerce's share of the total market as they enter the workforce, increase their disposable income, and begin moving into their own homes. Our view is that a larger portion of rugs in the future will be purchased from online stores, thanks to a growing share of the market having an established habit of buying products and services digitally.

We are also seeing that middle-aged and older consumers are becoming increasingly willing and accustomed to shopping online. The growing comfort of older consumers with digital shopping is expected to result in a broader target audience for online retailers overall.

Number of people in Europe 25 years or older, millennials and later generations

Million



Source: European population statistics. The millennial generation refers to individuals born in 1980 or later.

COMPETITION

Rug sales in Europe—across both physical and digital channels—are highly fragmented. We categorize the various types of rug retailers in the European market into four main categories.

Traditional Retailers

Traditional rug retailers primarily focus on sales through physical stores and can be divided into two subtypes:

Subtype One consists of small, local rug shops that offer a limited selection of rugs within a specific category. Many of these stores specialize in traditional hand-knotted rugs,

while others focus on designer rugs produced in multiple units per design, as well as wall-to-wall carpeting. Stores offering carpeting often also provide custom-cut rugs and other flooring options.

Subtype Two includes local physical furniture or home décor stores. These retailers often offer a variety of furniture such as sofas, beds, tables, and home décor products including rugs. However, the rug selection is typically limited.

Large and Mid-Sized Home Décor Chains

Large and mid-sized home décor chains are retailers that offer a wide assortment of home-related products. Some focus on home improvement items, others on furniture, and some on home textiles. A number of these retailers offer selections from across all these categories.

Historically, these chains have focused on physical retail, but in recent years many have also developed online stores. The COVID-19 pandemic accelerated this development in many cases.

Online Marketplaces

Online marketplaces are retailers operating e-commerce platforms that cover a wide range of product categories. Within this group, we identify two subtypes:

Subtype One includes players offering an extensive range of products across multiple megacategories, such as books, clothing, sporting goods, furniture, and home textiles—including rugs.

Subtype Two includes players offering a wide assortment of products specifically within the home décor megacategory.

Online Rug Specialists

Online rug specialists focus on selling rugs and related products through webshops. There are many online rug stores across Europe, but only a few are large and offer their assortment to a broader share of European countries.

The larger players typically benefit from being able to offer a wide range of rug types at competitive prices. Most of them also operate with a business model that is highly specialized for digital commerce.

RUGVISTA'S TARGET CUSTOMER GROUPS

Within the Private Individuals (B2C) and Business-to-Business (B2B) segments, we operate based on clearly defined target customer groups. For B2B, our focus is primarily on three customer segments: Interior designers, Hotel chains, Boutique hotels. For B2C, our goal is to be a relevant and obvious choice for consumers across all identified customer types. We have defined five key customer profiles within the B2C segment: The Premium Customer, The Visual Customer, The Situation-Driven Customer, The Cautious Customer, The Price Conscious Customer.



Purpose, Vision, and Values

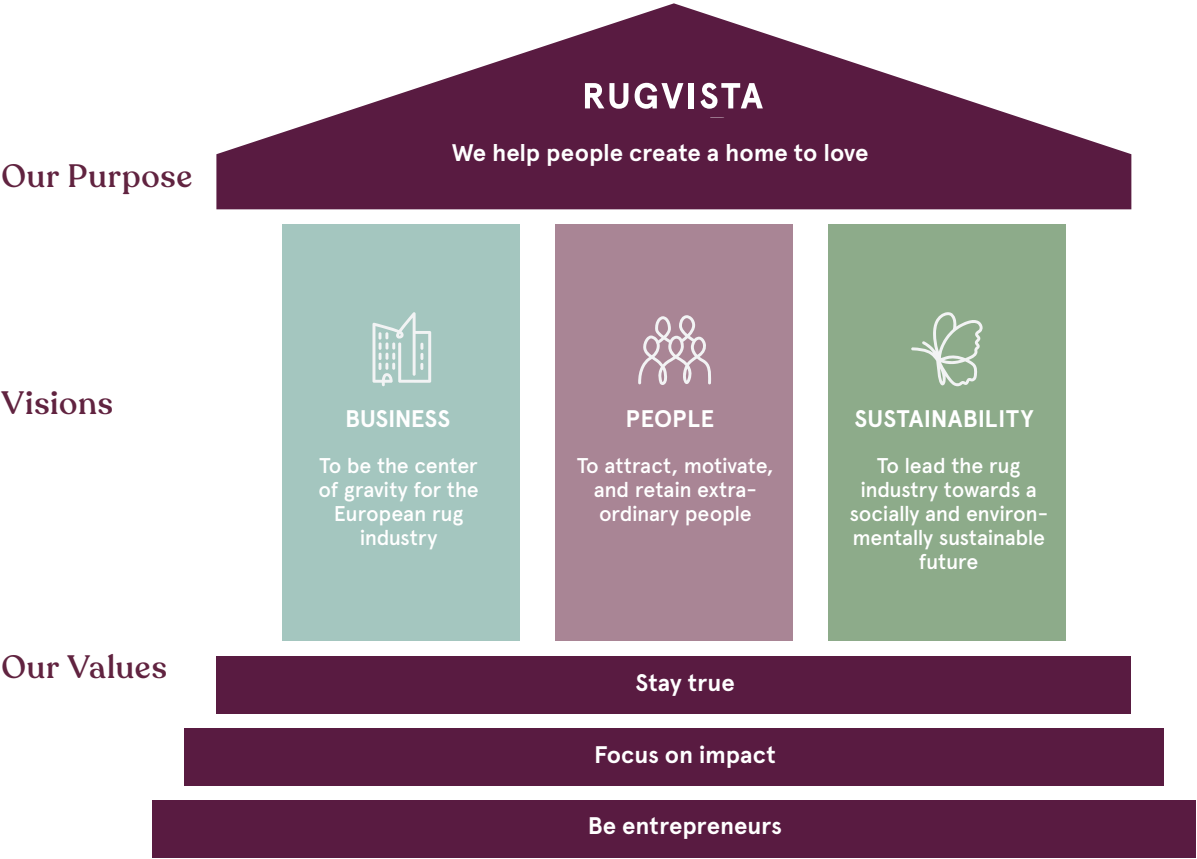
Rugvista was founded in 2005 and has, since the beginning, focused on achieving high customer satisfaction. Delivering a customer experience that goes above and beyond remains our most important mission.

As part of further developing the organization and defining our long-term ambitions, we have established Rugvista's purpose, visions, and values. These guide and permeate our daily work. The company's strategic initiatives, decisions, and priorities are always aligned with the realization of our purpose and visions.



”Delivering a customer experience that goes above and beyond is our most important mission. Through our products, we help our customers create a home to love.”

Ebba Ljungerud
Interim CEO, Rugvista Group



Our Purpose

“We help people create a home to love” is our purpose and the foundation of everything we do.

“We help people” – Helping is part of our DNA, and our ambition is to offer a relevant assortment of rugs to anyone looking to buy one, and to support visitors in our online stores throughout every step of their journey. We want to help customers find the right rug and make the best possible choice. This may involve providing inspiration for selecting a rug that fits a certain interior style or room, or offering product recommendations for example, for outdoor use or when a washable rug is needed.

We also aim to share not only the craftsmanship behind a traditional rug but also the history and origins of certain patterns and colors in our traditional assortment. And of course, we’re here to assist our customers if something goes wrong with a delivery or if they need to make a return.

“Create a home to love” – reflects our belief that the rug is the stage where life happens. A rug can make a huge difference and transform how a room feels. Through our products, we have the privilege of helping our customers furnish their spaces in ways that reflect their personalities and needs.

Our Visions

We have defined three distinct visions—each with a clear purpose and level of ambition.

These visions cover Business, Sustainability, and People, each focusing on one of our key stakeholder groups. We consider all three areas equally vital to Rugvista’s long-term success. Each vision sets clear goals and priorities, and together they shape the foundation of our long-term ambitions.

- **Business Vision** – Defines our role within the rug industry, primarily addressing our shareholders and business partners.
- **Sustainability Vision** – Reflects our responsibility toward society and our commitment to being part of the solution to today’s environmental and social challenges.
- **People Vision** – Describes our role as an employer, both for current team members and future talent.

Our Values

We are guided by three core values that influence how we prioritize, act, and lead the business:

- **Stay True** – Act with integrity, authenticity, and transparency.
- **Focus on Impact** – Prioritize what truly makes a difference for our customers, company, and community.
- **Be Entrepreneurs** – Take initiative, embrace change, and drive innovation.

Business vision

To be the center of gravity for the European rug industry



Win the key
European markets



Showcase our
assortment



Be world-class in
everything we do



Capture selected
market opportunities

The vision reflects the ambition we are working towards, to be the obvious choice for all customers who want to buy a carpet in the future. The vision also means that we want to be the obvious partner for the best carpet manufacturers and other third-party suppliers. To achieve our vision, we have identified the four strategic initiatives above. Taking advantage of data and technology and continuing to ensure high customer satisfaction are seen as key factors in all initiatives.

STRATEGIC INITIATIVES

Win the Key European Markets

To become the hub of the European rug industry, we must succeed in the major European markets such as Germany, France, and the United Kingdom. Our home market, Sweden, also remains an important priority. We believe that by gaining an even stronger foothold in these key European markets, we will be better positioned to succeed in smaller surrounding markets across Europe.

To win in these markets, we aim to further localize our customer offering. While parts of our customer engagement are already tailored to individual markets, we see significant opportunities to reach a larger share of customers by increasing the degree of localization across all elements of our commercial offering.

We also want to continue building a well-known and trusted brand in Europe's key markets. The first step in this process is increasing awareness of our offering among potential customers. As we already have very high customer satisfaction, we are confident that these new customers will also be pleased with our products, digital shopping experience, payment and delivery options, and customer service.

In 2024, we made further adjustments to our marketing mix in several markets and refined how we reach potential customers. We also launched multiple initiatives to increase brand awareness for Rugvista in key markets.

Showcase Our Assortment

Our broad and carefully curated assortment has always been one of our key strengths. The majority of our products are proprietary designs. We need to leverage this strength and competitive advantage even more by ensuring that visitors to our webstores clearly understand that our assortment is in-house developed and exclusively available from us. We expect that increased awareness of this uniqueness will drive stronger brand loyalty and recognition over time.

A key part of this strategic initiative involves further developing the shopping experience in our webstores by offering more ways for visitors to explore our assortment. We aim to provide tailored experiences based on the different product needs and browsing preferences of each customer segment.

Another component of this initiative is delivering a more inspiring and informative experience for our webstore visitors. We made significant progress in this area during 2024, resulting in a much richer and more engaging shopping experience. This work continues, and we aim to offer even more descriptive product texts, inspirational imagery, and, in some cases, videos.

Care guides, product category descriptions, and tips for selecting the perfect rug for a specific room are additional examples of inspiring and educational content that we are increasingly producing.

Be World-Class in Everything We Do

Our historical success is largely the result of our passion for rugs, deep product expertise, and a technology and operational platform tailored to deliver the best end-to-end experience for customers within our vertical.

Providing the best overall experience for anyone looking to purchase a rug through a digital store remains our highest priority.

We recognize that digital commerce within the rug category—just like in most product categories—is constantly evolving, and we are continuously striving to improve both the customer experience and our overall offering. We expect that the

customers of the future will have increasingly higher demands and expectations when shopping online, regardless of product category.

To meet these expectations, we must benchmark ourselves against, and draw inspiration from, the world's leading e-commerce retailers—regardless of their product focus.

In 2024, our efforts within this initiative have centered on further developing our processes for planning, executing, and managing our commercial activities.

Leverage Selected Marketplaces

Until we become the clear market leader in the European rug industry, we recognize that other digital platforms and marketplaces will continue to attract customers interested in buying rugs. Amazon is a leading global digital marketplace and holds a strong position in several of our key European markets.

To capture the demand present on Amazon, we have chosen to actively sell a curated selection of our assortment on several of Amazon's European marketplaces. The typical Amazon customer is often highly price-sensitive, which is why we have chosen to focus our Amazon offering on products that are most relevant to this customer segment.

In 2024, our efforts within this initiative focused on optimizing how our assortment is presented on Amazon's platform in order to improve our organic ranking for key search terms. In parallel, we expanded our investments in paid marketing. During the year, we also became part of Amazon's Seller Fulfilled Prime program.



Sustainability vision

To lead the rug industry towards a socially and environmentally sustainable future.

As one of the leading actors in the European rug industry, we see it as our responsibility to contribute to leading the industry towards a more sustainable future. It is based on this belief that we have defined our vision and our long-term goals and plans.

The work on our Sustainability vision is described in detail in this year's sustainability report.

People vision

To attract, motivate and retain extraordinary people

Our co-workers are Rugvista's single most important asset. Our competitiveness and ability to realize our other visions depend on the commitment, competence, and performance of our co-workers. Our People vision is defined based on this insight.

Our People vision stems from and is anchored in the company's three values. For each value, we have formulated behaviors that clarify what the values mean to us. The ambition is for our values to permeate decisions, priorities, and daily work within the company, thereby forming the basis of our corporate culture.

The work on our People vision is described in detail in this year's sustainability report.

Sustainability report

As a leading player in the online rug industry, Rugvista takes responsibility for promoting a more sustainable future.


We work systematically to reduce our impact on people and the environment, with the ambition of generating long-term value for both society and Rugvista. In 2024, we conducted a double materiality analysis in accordance with the CSRD, integrating both financial and sustainability-related aspects. The analysis forms a key foundation for this report, which has been prepared to reflect upcoming regulatory requirements and to strengthen the transparency and quality of our sustainability disclosures. The report outlines how we address our most material topics – and how our sustainability work drives long-term growth and business value.

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This report has been prepared in accordance with the Swedish Annual Accounts Act, Chapter 6, and based on the GRI Standards 2021, which are available on our website, rugvistagroup.com. The reporting period covers January 1 to December 31, 2024. This report is published annually and presented alongside our financial reporting. Our previous sustainability report was published in April 2024.



Our sustainability report highlights how we are working toward a more sustainable rug industry – from responsible sourcing and long-term supplier relationships to reducing our environmental impact. By improving working conditions, developing circular solutions, and using materials and resources more efficiently, we strive to offer quality rugs in a more sustainable way.

Ebba Ljungerud

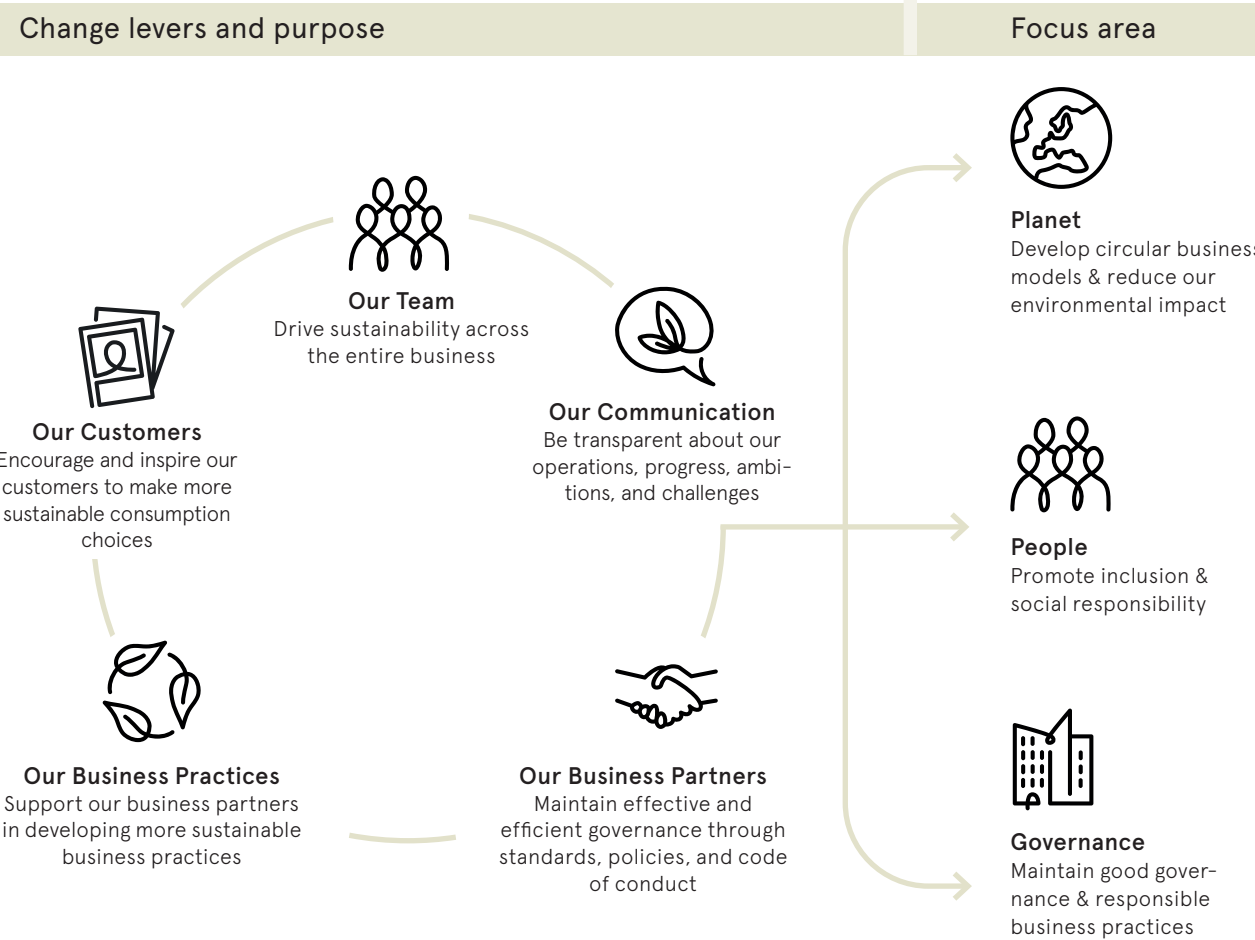
Interim CEO, Rugvista Group AB

LEAD.CHANGE

– Rugvista’s sustainability strategy

Our sustainability strategy, LEAD.CHANGE, focuses on three strategic areas: Planet, People, and Governance. These areas reflect our material sustainability topics, risks, and opportunities, and are critical for driving a sustainable transition in our industry.

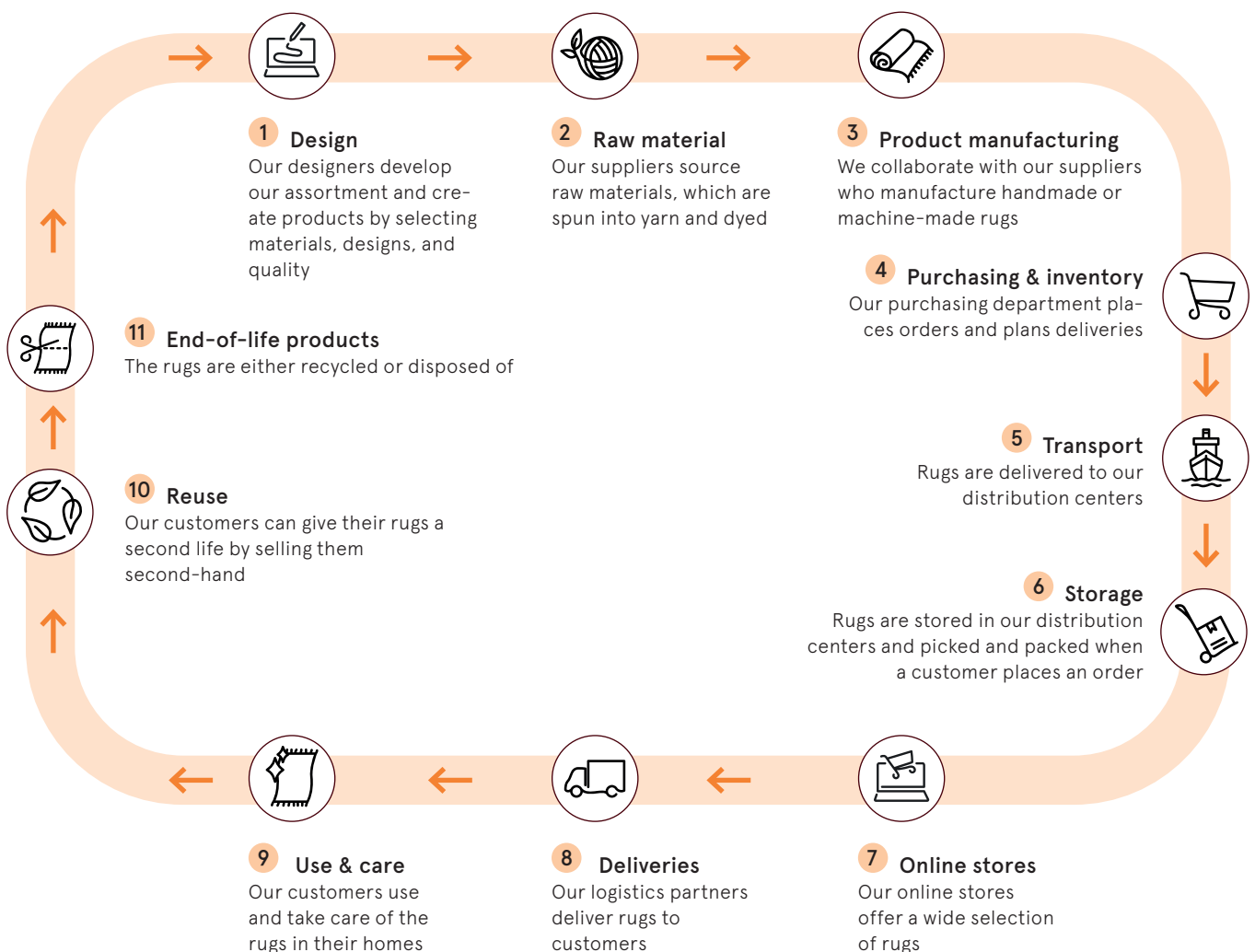
To enable meaningful change, we work through five change levers: our team, our customers, business partners, business practices, and communication. By strengthening and activating these levers, we aim to build a more sustainable and resilient business model - while contributing to positive development for both people and the planet.



Rugvista's value chain

Our value chain covers the entire life cycle of our rugs – from design and material selection to production, distribution, and reuse. We actively work to develop circular solutions and implement more sustainable processes at every step. Through responsible material choices and initiatives that promote reuse and recycling, we aim to reduce our environmental impact and extend the lifespan of our rugs.

For more information, see the section on Resource use and circular economy, page 34.



The UN Sustainable Development Goals

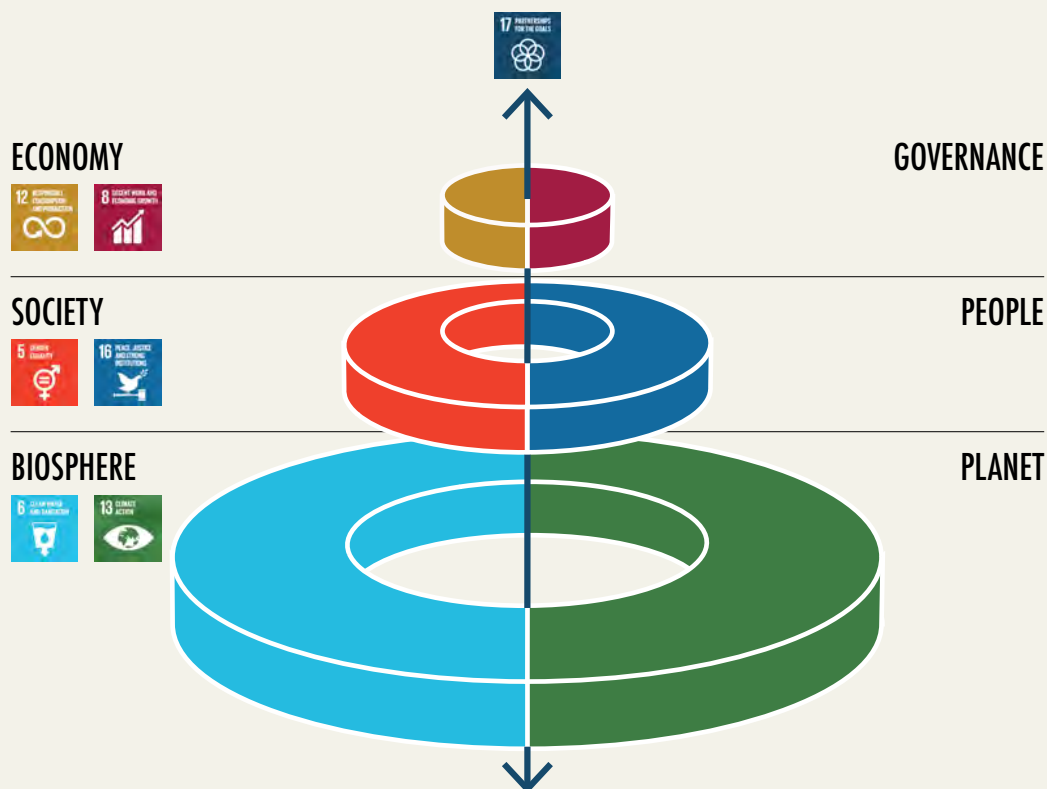
The UN Sustainable Development Goals are a central part of Rugvista's sustainability strategy and long-term ambitions. We focus on seven goals where we have the greatest potential to make an impact and drive positive change. These goals form the foundation of our three focus areas – Planet, People, and Governance – and guide our efforts toward a more sustainable and responsible business throughout the value chain.

The UN Sustainable Development Goals are also a key element of the 2030 Agenda for Sustainable Development. We use the "Wedding Cake" model, developed by the Stockholm Resilience Centre, to illustrate how economic development relies on social and environmental systems.

The model shows how the biosphere (Planet) forms the foundation, as a healthy planet is a prerequisite for all life and economic activity. Society (People) is built on this foundation and reflects how we interact with people across the entire value chain – from employees and suppliers to customers and local communities.

The economy (Governance) sits at the top and represents how our business must evolve sustainably through responsible governance, transparency, and stakeholder collaboration.

Rugvista focuses on goals 5, 6, 8, 12, 13, 16, and 17, where we have the greatest opportunity to make a difference. By integrating this model into our strategy, we ensure that our sustainability work is cohesive and drives positive change across multiple levels.



Sustainability management

Rugvista drives its sustainability efforts through clear policies, guidelines, and measurable goals that guide both employees and suppliers. By integrating sustainability requirements into our processes and collaborations, we ensure responsible business practices and continuous improvement.

The board delegates operational responsibility for sustainability efforts to the CEO and the management team, who are accountable for integrating sustainability into strategy, operations, and risk management. The Chief Organization & Sustainability Officer (COSO) leads our sustainability work, ensures implementation across the business, and reports directly to the CEO. The Sustainability Manager, reporting to the COSO, is responsible for operational execution and works cross-functionally to drive sustainability initiatives throughout the organization.

COSO presents the company's sustainability performance to the Board annually - including progress toward sustainabi-

lity targets, material topics, and compliance with regulatory requirements. Sustainability-related risks and opportunities are continuously discussed within the management team and reported to the board when relevant.

Rugvista ensures compliance through independent third-party audits of the supply chain via amfori BSCI and Label STEP. All employees receive sustainability training as part of their onboarding and participate regularly in efforts through daily work, meetings, and workshops.

Membership, frameworks, and certifications

To ensure responsible operations, Rugvista is affiliated with several international initiatives and certification programs. These partnerships support our work in sustainability, supplier responsibility, and material selection. A summary of our partnerships is provided below.

Amfori BEPI is an initiative aimed at improving environmental performance in the supply chain, focusing on sustainable resource use and reducing environmental impact during production.

Amfori BSCI works to improve working conditions in global supply chains through third-party audits on behalf of its members. The initiative monitors suppliers' compliance with social standards and brings together over 2,400 companies around a common code of conduct to support sustainable business relationships.

Care & Fair is a non-profit initiative within the rug industry that promotes education for rug knotters' children, provides adult education for women, and offers free healthcare in vulnerable regions.

Good Wool Collective is a Swedish initiative that promotes sustainable wool production.

GRS (Global Recycled Standard) and RCS (Recycled Claim Standard) ensure that recycled materials are traceable and meet social, environmental, and chemical requirements for more sustainable production.

Label STEP is a non-profit organization that promotes improve living conditions for rug weavers. Through third-party audits of production sites and home weavers, along with training in health, finance, and social issues, they contribute to a fairer industry.

OEKO-TEX® Standard 100 guarantees that products meet strict ecological requirements and are free from harmful chemicals at levels that could pose a risk to human health.

RISE Chemical group - Through our membership, we receive guidance on chemical management and environmental legislation. Our suppliers follow the group's restricted substances list in line with EU legislation.

Science Based Targets initiative (SBTi): Since 2021, our climate goals have been approved by the initiative, ensuring our greenhouse gas reduction efforts align with the Paris Agreement.

Swedish Trade is the employer organization for retail companies and works to improve conditions within the industry.

Textile Exchange is a global organization driving sustainable development in textile fibers, materials, and supply chains.

UN Global Compact - Since 2020, we have participated in this global initiative, which promotes sustainable business practices and social responsibility.

Read more about our partnerships at <https://www.rugvistagroup.com/sustainability/collaborations-and-memberships/>

Materiality analysis

Our operations impact people, the environment, and the economy across the entire value chain. Creating long-term value requires a balanced and effective interaction between these factors. Our sustainability efforts are extensive, which is why we focus on the areas where we have the greatest opportunity to drive positive change.

Corporate Sustainability Reporting Directive

The CSRD is the EU's framework for standardizing and strengthening corporate sustainability reporting. Our work to prepare for the CSRD has been central to optimizing our business processes and deepening our understanding of the factors that are critical to Rugvista's success in the short, medium, and long term.

In 2024, we refined our materiality analysis in line with the European Sustainability Reporting Standards (ESRS). Building on previous assessments, we expanded the impact perspective and integrated financial materiality, providing deeper insights into where we can make the greatest difference.

Double materiality analysis and material topics

This work has provided a clearer picture of the most critical risks and opportunities for both Rugvista and our stakeholders. To enable a more focused strategy, we have reduced the number of material topics to five key areas, allowing for more targeted action where it has the greatest impact.

The analysis is based on a systematic mapping of actual and potential impacts, as well as an assessment of risks, opportunities, and possibilities across the entire value chain, with stakeholder dialogue playing a central role.

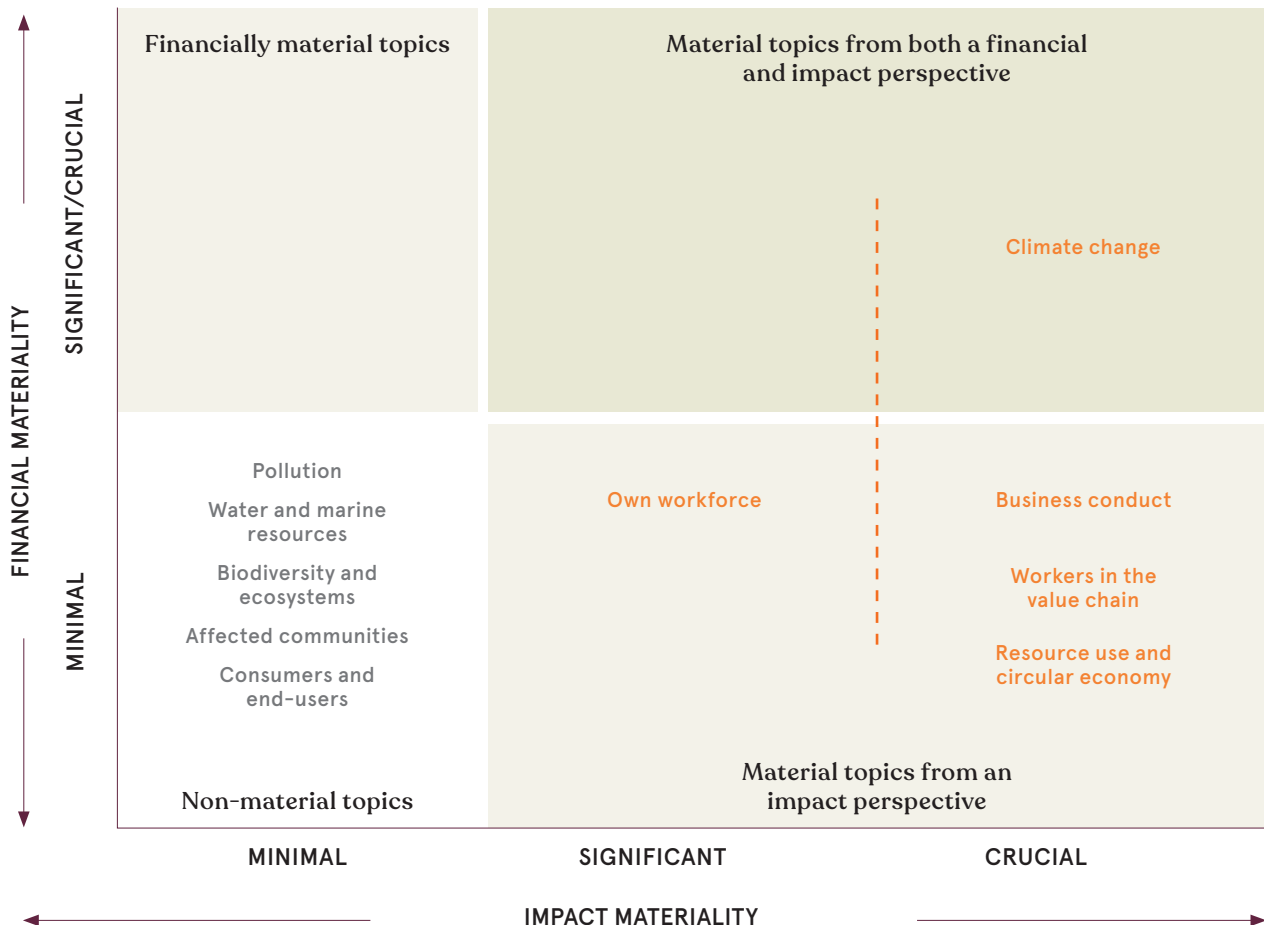
This year's report presents the topics identified as material from both a financial and impact perspective, reflecting our commitment to transparency and regulatory compliance.

Overview of Rugvista's Double Materiality Analysis (DMA)

<div>01</div> <div>Review of the 2023 materiality analysis</div> <div>In 2024, we reviewed the 2023 materiality analysis to identify the most relevant sustainability topics. By mapping our value chain and business model, and engaging in stakeholder dialogue – including expert interviews, workshops, and customer surveys – we gained deeper insights into both our business and the rug industry. Nature was identified as a key stakeholder.</div>	<div>02</div> <div>Identification of impact, risks, and opportunities</div> <div>Actual and potential sustainability impacts, risks, and opportunities were identified through industry and business analysis, a review of the value chain, and insights from stakeholder dialogues. To ensure a consistent assessment and incorporate the financial perspective, we introduced a structured scoring system with clearly defined thresholds.</div>	<div>03</div> <div>Assessment of significant impact</div> <div>The collected data was analyzed to identify the most significant sustainability topics. All topics and subcategories were evaluated using the established scoring system. Impacts, risks, and opportunities were assessed based on their severity, likelihood, and financial impact, resulting in a prioritization of the most material topics.</div>
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Below are Rugvista's material topics as identified in the 2024 double materiality analysis (DMA). The diagram illustrates which sustainability issues are considered material for Rugvista, based on both financial significance and sustainability impact. Topics in the upper right quadrant are material from both perspectives, while those in the lower right or upper left quadrants are material from either a financial or an impact perspective. Topics that were not assessed as material are located in the bottom left quadrant.





Planet



A sustainable rug industry requires reducing resource consumption and environmental impact across the entire value chain – from design and material selection to production and circular end-of-life handling. Our greatest climate impact occurs during raw material extraction and manufacturing, while emissions, water use, and land use also affect the environment. Through innovation, efficient resource management, and circular solutions, we aim to reduce our environmental footprint and support a more sustainable future.

FOCUS AREA

Climate change

Climate change is one of the greatest challenges of our time and has a direct impact on both society and our business. Through our materiality analysis, we have identified climate change as one of the most business-critical and environmentally significant topics for Rugvista. We have a clear responsibility to drive progress toward a more sustainable textile industry and reduce our climate impact through strategic material choices and close collaboration with our suppliers.

Key impact areas	Goal 2030
Scope 1 & 2 (company vehicles, electricity, district heating)	Halve absolute CO2e emissions (baseline 2019)
Scope 3 (business travel, commuting)	Halve CO2e emissions per employee (baseline 2019)
Scope 3 (purchased goods, supplier energy use, upstream transport)	Halve CO2e emissions per square meter of purchased rug (baseline 2021)

Reducing our climate impact is a strategic priority and is driven by three main factors. First, reducing our environmental impact and contributing to global climate goals is essential. Second, it strengthens our long-term competitiveness and resilience by future-proofing the business against increasing climate-related risks. Third, it involves meeting growing demands from customers, investors, and regulators – a prerequisite for maintaining a strong market position and long-term competitiveness. Against this backdrop, we have set emission reduction targets in line with the Science Based Targets initiative (SBTi). Our goal is to reduce our greenhouse gas emissions in Scope 1 and 2 by 46% by 2030, using 2019 as the baseline year. We have also committed to identifying and reducing our emissions within Scope 3, with a particular focus on lowering the climate impact from materials and production.

Calculation methodology & transparency

Rugvista’s carbon emissions calculations are based on the Greenhouse Gas Protocol (GHG Protocol) using documented emission factors from established sources such as UK DEFRA and Ecoinvent. We are committed to transparency in our calculation methods and continuously work to improve our methodology in line with developments in the field. All data is externally reviewed for reliability. A summary of our total climate impact by reporting category is available on page 33.

Scope 1 & 2

Rugvista’s CO2e emissions within Scope 1 and 2 include emissions from our own vehicles, as well as electricity and heating consumption at our facilities in Malmö, where both our office and warehouse are located. Since the LED lighting replacement in our warehouses in 2021, energy consumption has remained stable with no major changes. In 2024, emissions within Scope 1 increased slightly due to an investment in a new truck. Electricity consumption and heating remained at similar levels compared to the previous year, with the exception of a newly leased warehouse, which contributed to a slight increase in overall energy usage. Since 2019, we have reduced our CO2 emissions by 60.3%, meaning we have already met our SBTi target in this category. In 2025, we will further refine our targets to drive continued improvements.

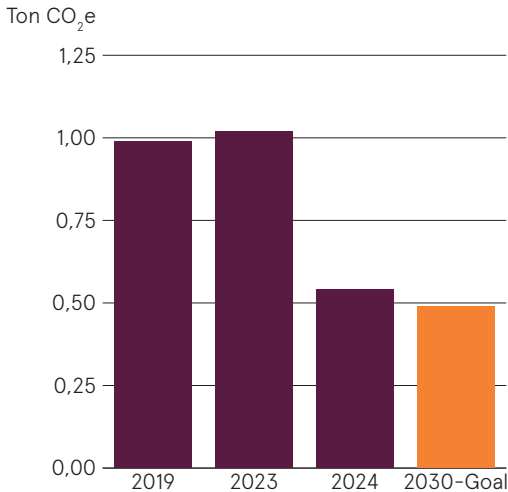
Scope 3

Scope 3 includes the indirect greenhouse gas emissions occurring in Rugvista’s value chain and represents a significant part of our total climate impact. These emissions include those from purchased materials and services, fuel and energy-related activities, as well as upstream and downstream transportation. In addition, emissions from business travel and employee commuting are included.

Business travel & employee commuting

In 2024, emissions from both commuting and business travel decreased, with the largest reduction in car travel. This reduction was primarily driven by more employees choosing sustainable alternatives, such as public transportation and electric vehicles. To meet our goal of halving emissions per employee, we will need to continue developing and implementing effective measures.

Tonnes of CO₂e emissions from business travel and commuting (per employee)



Supply chain and upstream transport

In addition to the SBTi targets, Rugvista has set a goal to halve CO2e emissions from purchased materials per square meter of rug by 2030, using 2021 as the baseline year. The calculations include emissions from purchased goods, fuel and energy-related activities with suppliers, as well as upstream transportation and distribution. Materials continue to account for the largest share of our Scope 3 emissions, followed by emissions related to the manufacturing process with suppliers. For more information on our efforts to reduce the impact of materials, see page 35.

We annually collect and analyze energy use and emissions from our suppliers. The calculations are based on actual emission values or the share of the supplier's production attributable to Rugvista. Data is collected through questionnaires and externally verified. In addition to materials, the calculations also include emissions from packaging and secondary materials, such as latex.

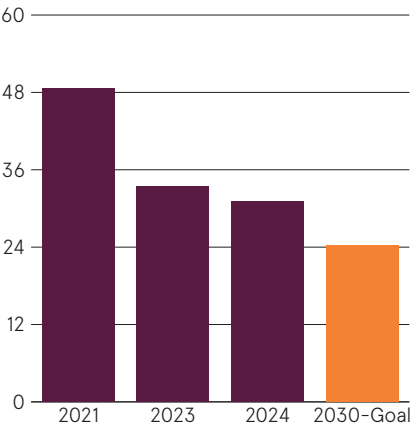
To ensure more relevant and accurate follow-up, we adjusted our target in 2024 to cover only CO2e emissions per square meter of purchased material. Previous calculations were based on purchased rugs per square meter sold, but since sales volume does not directly influence actual emissions during production, we have adapted the measurement method to better reflect our true climate impact.

Inbound and outbound deliveries

All transportation, both inbound and outbound, is carried out through our logistics partners. We work closely with them to support efforts to minimize the environmental impact of transportation. Through ongoing dialogue and follow-up, we ensure that sustainability aspects are integrated into logistics solutions. To effectively measure and track progress, we compare emissions from different freight providers and analyze our impact over time. This monitoring allows us to identify areas for improvement and move toward more resource-efficient and climate-smart transportation solutions.

- Inbound transport: CO₂e emissions per square meter of purchased rug: 0.61 kg
- Outbound transport: CO₂e emissions per square meter of sold rug: 1.15 kg

CO2e-emissions per rug purchases (per sqm)



Returns

Returns are included in the calculation for upstream transportation and are part of our efforts to improve the customer experience and reduce environmental impact. By optimizing product information, we help customers make more informed purchasing decisions, thereby reducing the need for returns. All returns are recorded and analyzed to identify recurring causes, such as production deviations. Quality checks are conducted both by suppliers and at our warehouse to detect and address deficiencies at an early stage. In 2024, the return rate was 14.3%, an improvement of 0.6 percentage points compared to the previous year.



Rugvistas climate impact by reporting category

Emission source according to GHG protocol's reporting categories	Data source	Emissions factor	Ton CO ₂ e 2024	Ton CO ₂ e 2023	Ton CO ₂ e 2021 (base year scope 3)	Ton CO ₂ e 2019 (base year scope 1&2)	Percentage of share 2024
Scope 1							
Company cars	Odometer readings	UK government's greenhouse gas conversion factors	2,65	0,23	8,00	9,70	0,01%
Scope 2							
Disting heating	Invoices	Beis, 2021	100,34	82,20	46,00	219 (Accounted in total)	0,22%
Electricity (location-based)	Invoices	UN 2022, IPCC 2006	7,33	4,82	100,00		
Electricity (market-based)	Invoices	UN 2022, IPCC 2006	42,30	0,20	Accounted together with location-based		0,09%
Scope 3							
3.1 Purchased material and energy related activities	Supplier questionnaire and invoices	Ecoinvent, 2022	40 893	36 171	60 055	N/A	89,84%
3.1 Fuel and energy-related activities	Supplier questionnaire	UN 2022, IPCC 2006	2 041	2 405	7	N/A	4,48%
3.3 Fuel and energy-related activities not included in scope 1 or scope 2	Supplier questionnaire	UK DEFRA	11,15	11,28	N/A	N/A	0,02%
3.4 Upstream transport and distribution	Supplier questionnaire	UK DEFRA	865	713	3 037	N/A	1,90%
3.5 Waste	Invoices	Avfall Sverige	23,19				0,05%
3.6 Business travel	Employee questionnaire	UK DEFRA	21,56	23	4	67 - Accounted together with 3.7	0,05%
3.7 Commuting	Employee questionnaire	UK DEFRA	41,64	76	17		0,09%
3.9 Downstream transport and distribution	Supplier questionnaire	UK DEFRA	1 476	1 660	Accounted together with 3.4	N/A	3,24%
Total (Market Based)			45 517	41 142	63 274		

FOCUS AREA

Resource use and circular economy

In a circular economy, products are designed to minimize environmental and climate impact, extend their lifespan, and allow for repair when needed. When a product reaches the end-of-life, it should be designed to allow for easy recycling. To support this, we focus on three critical phases: design, use, and recycling. These phases span the entire value chain, with the most impactful decisions made at the design stage.

Key impact areas	Goal 2030
Purchased rugs made from more sustainable materials Certified, reused, recycled, or recyclable materials	50% of the total purchased weight
Packaging Material	100% should consist of recycled or bio-based material

1. Design phase – the foundation for a more sustainable rug

Up to 80% of a rug’s total environmental and climate impact occurs during the production phase, making the design phase critical for reducing impact and enabling circular systems. The choice of raw materials, fiber composition, and production methods directly affects the product’s environmental performance, quality, and recyclability. The use of chemicals also plays a key role, as certain treatments can hinder recycling and negatively affect both the environment and human health. By making conscious choices during the design stage, we lay the foundation for a more sustainable product with a longer lifespan. Learn more about our material choices on pages 35–36.

2. Usage phase – extended lifespan through proper care and circular business models

Extending a product’s lifespan is a key factor in reducing the environmental and climate impact of the textile industry, as emphasized in the EU Strategy for Sustainable and Circular Textiles. We help our customers extend the life of their rugs by providing clear care instructions. In 2025, we will evaluate

the possibility of providing estimated lifespans for our rugs, further supporting customers in making informed and sustainable purchasing decisions. On our website, customers can explore a carefully curated selection of older, unique rugs that have been sourced from around the world and restored with care. Read more about these below.

As part of our circular efforts, we also offer our customers the opportunity to resell their Rugvista rugs free of charge via Tradera RE:USE. This helps extend the rugs’ lifecycle and reducing the environmental impact of the textile industry.

3. Recycling phase – a new beginning for textile resources

When a rug reaches the end of its lifecycle, it should ideally be recycled into new textiles, a process known as fiber-to-fiber recycling, where the fibers are used to create thread, yarn, fabric, and other textile products.

The recyclability of a rug depends on several factors, with one of the biggest challenges being material blends, which can complicate the process. Local recycling infrastructure also play a crucial role. In 2025, we will focus on deepening our understanding of material recyclability.



The waste hierarchy – a guide to circular resource efficiency

Today, a large share of textiles goes directly to energy recovery, meaning they are incinerated or disposed of instead of being reused or recycled. The waste hierarchy serves as a guide for waste management and clarifies how priorities should be set to minimize environmental impact and support circular resource flows. The primary focus is on waste prevention, followed by reuse, material recycling, energy recovery, and, as a last resort, disposal.

Older rugs are restored and given new life

Rugvista’s older rugs* carry a rich history and have been part of the rug industry’s tradition long before circularity became an established concept. Through careful restoration and traditional craftsmanship techniques, these unique wool rugs are preserved and given new life as valued pieces in new homes.

To highlight each rug’s unique character, several proven techniques are applied. Colored Vintage rugs undergo a meticulous

cleaning process and are dyed to create a more contemporary look. Patina rugs are gently trimmed and shaded to accentuate a naturally aged aesthetic. Patchwork rugs are created by combining sections of older rugs into new patterns and sizes, resulting in a unique and characterful appearance.

We also offer restored, unique rugs that are up to 100 years old. These rugs go through a thorough cleaning process and are then naturally dried in sunlight – a traditional method used for generations to preserve the fibers’ quality and structure.

* Older rugs are defined as rugs that are 20 years or older

Strategic material choices to reduce environmental impact

Textile materials have a significant environmental impact that extends far beyond carbon emissions, affecting biodiversity, land use, animal welfare, and other factors. Making well-informed material choices requires a holistic view of environmental impact factors throughout the entire value chain — fiber by fiber. Through close collaboration with our suppliers, we have both the opportunity and responsibility to drive progress toward a more sustainable and resource-efficient textile industry.

Rugvista's material matrix

Our material matrix was developed in 2023 and is based on the Higg Materials Sustainability Index (MSI) and Textile Exchange's Preferred Material Matrix (PFMM). It serves as a strategic tool for our designers and buyers, guiding them in selecting fibers with documented lower environmental impact.

In 2024, we intensified our collaboration with suppliers to explore opportunities for replacing conventional materials with certified alternatives in line with our matrix. At the same time, we have deepened our knowledge through engagement with industry organizations, giving us a clearer understanding of both the opportunities and challenges associated with different textile fibers.

The transition from conventional to certified materials is a complex process that encompasses everything from material sourcing and certification requirements to production and labeling, while ensuring alignment with business strategy decisions.

By prioritizing the highest environmental impact and collaborating with suppliers who are actively working toward more sustainable production, our goal is to gradually replace conventional materials with certified alternatives. This helps create

a more transparent value chain and reduces our climate and environmental impact where we can make the most difference.

THE MATERIALS IN OUR RUGS

Wool

Wool is a durable, biodegradable fiber with a long lifespan. However, its production is resource-intensive and associated with sustainability challenges such as high methane emissions, animal welfare concerns, and land use.

Since recycled wool is currently not a viable option for rug manufacturing due to the fibers being too short, we see RWS-certified wool as the best choice to ensure traceability and high environmental standards. During the year, we joined the Good Wool Collective, an initiative where industry stakeholders collaborate to identify proven methods for reducing the environmental impact of wool. We have mapped suitable suppliers and plan to begin sourcing certified wool in 2025.

Cotton

Cotton is a natural and biodegradable fiber, but its cultivation requires large amounts of water and chemicals, resulting in significant environmental impact. To reduce resource use, we prioritize recycled cotton where possible. Recycled cotton has proven to be both available and well-suited for rug manufacturing.

Jute

Jute is a natural, biodegradable plant fiber that is durable and has a long lifespan. As no certified jute with documented lower environmental impact is currently available, we continue to monitor developments together with suppliers and industry organizations.



Polyester

Polyester is a durable, low-maintenance fiber that is well-suited for rugs. As it is derived from crude oil, we prioritize recycled polyester to reduce the use of virgin fossil-based materials. Most of our suppliers have demonstrated the ability to weave rugs using recycled polyester, and in 2025, we will intensify efforts to accelerate this transition.

Polypropylene

Polypropylene is commonly used in our machine-woven rugs and is valued for its color fastness, stain resistance, and luster. Like polyester, polypropylene is made from fossil-based raw materials, and unfortunately, the availability of recycled polypropylene for rug manufacturing remains limited. In 2025, we will continue working with suppliers and industry organizations to explore opportunities for recycled or bio-based alternatives.

Viscose

Viscose, also known as rayon, is a semi-synthetic fiber derived from cellulose. The manufacturing process involves multiple chemical steps, but the end product combines properties of both natural and synthetic fibers. As viscose rugs make up a small share of our assortment, we have not yet initiated discussions with suppliers regarding more sustainable alternatives.



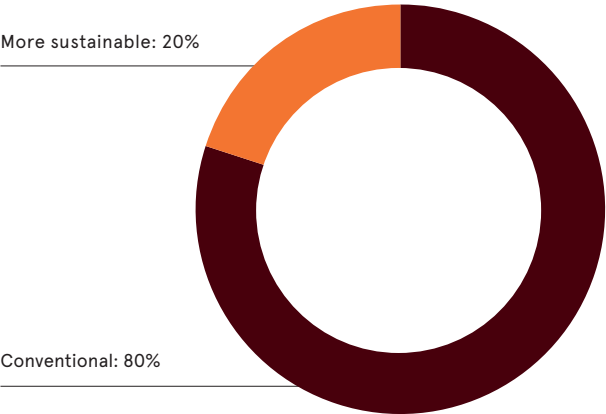
PVC

PVC is a durable and low-maintenance synthetic material used in rugs for both indoor and outdoor environments. It is water-resistant, easy to clean, and slip-resistant, making it suitable for high-traffic areas. As PVC is made from fossil-based raw materials, we are closely following the development of more sustainable and recycled alternatives.

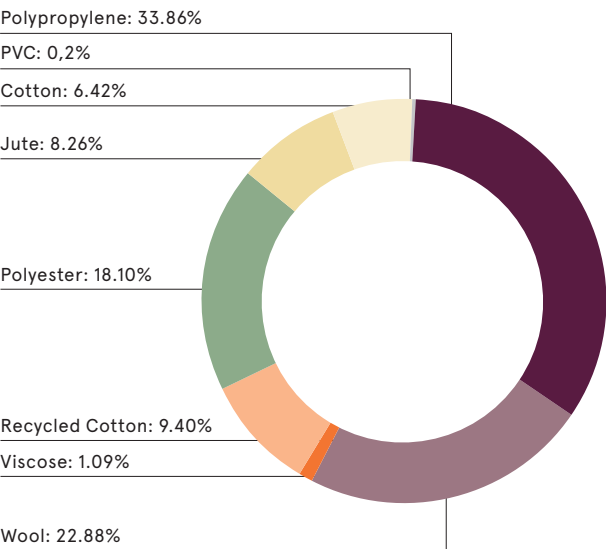
Goals and strategic insights

Rugvista has set a target for 50% of the total purchased volume to consist of more sustainable materials by 2030. We recognize that this transition is a long-term process and that we have an important journey ahead. To drive meaningful change, we must focus our efforts where they have the greatest impact – by carefully selecting materials, deepening supplier collaboration, and strengthening sustainability knowledge within the rug industry. With a clear strategy and long-term actions, we are creating the right conditions to achieve our targets and promote more sustainable material use across the entire value chain.

Purchase of more sustainable material (% of weight)



Purchasing by material category (% of weight)



A holistic approach to environmental impact

Value chain

All newly produced rugs are manufactured by independent suppliers, primarily in Asia and Europe, who have signed our Code of Conduct and Animal Welfare Policy, and committed to complying with the chemical restrictions outlined in the REACH regulation. OEKO-TEX certification serves as verification of this compliance through external testing. In 2024, 87% of the purchased volume was certified, based on the share of newly produced rugs. For the remaining products, testing is conducted in independent laboratories.

Suppliers undergo external audits that review aspects such as environmental permits, waste management, water management, and the use of natural resources. In 2024, no serious environmental incidents were reported.

We collect data and measure the waste generated by our suppliers during production, as well as the types of packaging used for our rugs. In 2024, 30% of our suppliers used packaging that contained at least 20% recycled plastic. We continue to encourage and support our suppliers in reducing their environmental impact and transitioning toward more circular solutions. Through regular follow-ups, we help our suppliers develop more resource-efficient and sustainable processes.

Although biodiversity, water management, and emissions to water, soil, and air are no longer listed as separate material topics, they remain an integral part of our work on resource management and circular economy. By gradually introducing materials with lower environmental impact, in line with our material matrix, and by strengthening our suppliers' ability to manage resources more responsibly, we contribute as effectively as possible to minimizing impacts in these areas.

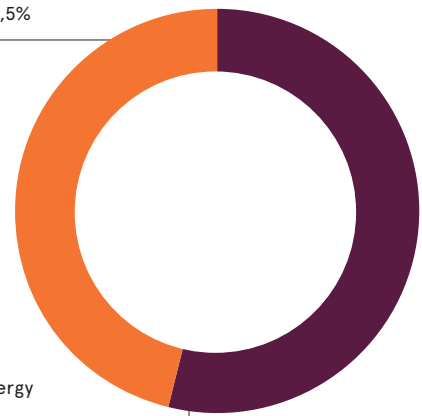
Our own operations

Waste from our own operations accounts for only a small share of the total environmental impact compared to that generated by our suppliers. However, since we have direct control over our waste management, we expanded our measurements this year to gain a better understanding. Our data shows that most of the waste consists of soft plastic, hard plastic, and corrugated cardboard, the majority of which is material recycled through our waste management partner. In connection with the establishment of our new warehouse in 2025, we will explore opportunities to further increase the share of material recycling and optimize waste management.

Distribution between waste sent for incineration with energy recovery and material recycling

Material recycling: 65,5%

Incineration with energy recovery: 34,5%



Our packaging primarily consists of plastic and corrugated cardboard, designed to protect rugs during transport and to streamline handling across the supply chain.

During the year, we conducted tests to increase the proportion of recycled material in our plastic packaging, with a focus on maintaining durability and functionality. Special emphasis was placed on ensuring that the packaging performs optimally in our shrink-wrapping machines, which are used to minimize plastic use and optimize deliveries to customers.

In 2024, 30% of our plastic packaging consisted of recycled material. Test results show that this share can be increased to 47% by 2025. Through continuous testing and follow-up, we are working to balance resource efficiency and product protection, while reducing environmental impact — with the goal of achieving 100% fossil-free packaging by 2030.



People



People in our value chain are at the core of our business. We actively promote social responsibility, diversity, and inclusion – both within our own organization and across our supply chain. This includes supporting sustainable development in the regions where we and our suppliers operate, as well as strengthening skills development and inclusion within our own organization. Social responsibility and human rights are integrated into our business model and are embedded throughout our operations – from our internal organization to the supply chain and the communities in which we are present.

FOCUS AREA

Own Workforce

We strive to create a safe and inclusive workplace where employees can thrive and grow. As part of our sustainability efforts, we have identified social dialogue, health and safety, education and skills development, working hours, diversity, and the prevention of abusive treatment as the most critical areas – given their significant impact on our employees and operations.

Key impact areas	Goal 2030
Good working conditions and well-being	Achieve an Employee Net Promoter Score (eNPS) of 60 by 2030
Education and skills development	Ensure at least one employee development meeting per year for each employee
Equal treatment and opportunities for all	Achieve gender equality in company management – target share of women: 40–60%

Employee engagement

We value employees' insights and encourage open dialogue between teams and management. Through surveys, workplace meetings, and meetings with the safety committee and employee representatives, we gather feedback that informs decisions and initiatives to address both actual and potential impacts.

Our monthly eNPS surveys provide a comprehensive view of employee sentiment by identifying strengths and areas for improvement. The result for December 2024 was -14 (previous year: 31), reflecting a decline compared to 2023. We have identified the underlying causes and will implement improvement measures in 2025.

We apply the Top 2 Box Score model, which tracks the percentage of responses in the top two rating levels in a survey. This enables us to regularly monitor performance in the four pillars of our employee development and work environment framework.

Our annual OSA (organizational and social work environment) survey provides deeper insights into the work environment and helps us identify improvement areas that enhance inclusion and support a positive company culture. The results form the basis for targeted initiatives and functional-level action plans, ensuring continuous improvement of our workplace environment.

Grievance mechanism

We provide an external, independent whistleblowing system via 2Secure, enabling employees to anonymously report serious or suspected violations. The channel is accessible through the intranet and is outlined in our whistleblower policy. Reported cases are handled by People & Organization, with the CLO, CEO, or the Board involved when necessary. Clear protective measures are in place to safeguard confidentiality and prevent retaliation.



Our Framework for Employee Development and Work Environment

The framework supports leaders in recruitment, organizational development, and employee growth, and is built around four dimensions of our employer value proposition: skills development, training & feedback; work environment, health & safety; culture, colleagues & inclusion; and compensation & benefits. Through systematic follow-ups, we ensure that our efforts lead to long-term improvements. Below, we present the key results for each dimension of the framework.

Skills development, training, and feedback

We have structured evaluation and development processes that link individual performance and development opportunities to Rugvista's overall goals. Regular feedback, calibrated performance evaluations, transparent salary criteria, and individual development plans help create a motivating and transparent work environment.

During the year, performance and development discussions were held for 81% of employees. Discussions with warehouse staff were postponed until spring 2025 to avoid the company's peak season in autumn 2024. On average, 13 (11) hours of training were conducted per employee – an increase of 2 hours per FTE.

Top 2 Box Score:

Goal: >85% are satisfied with their personal feedback and development plan
Result: 87% (86%)

Work environment, Health, and Safety

Our goal is to provide a safe and healthy workplace with zero workplace accidents. We identify and mitigate risks, analyze incidents, and take preventive action. In 2024, three workplace accidents with minor injuries and two near misses were reported (6 previous year). This positive development reflects the impact of our structured work environment efforts. However, we continue to work purposefully toward our zero-accident vision. Sick leave decreased to 4.3% (6.5%)

in our warehouses and 2.4% (2.9%) among office employees – a result we attribute to our work environment initiatives and health-promoting activities such as massage, yoga, and a generous wellness allowance.

Top 2 Box Score:

Goal: >85% are satisfied with work environment and equipment.
Result: 86 % (91 %)

Culture, colleagues, and inclusion:

We strive to foster an inclusive and safe workplace where everyone feels respected and engaged. Openness, diversity, and social dialogue are key to our success. We have a zero-tolerance policy for violence and harassment, and no incidents were reported in 2024. During the year, we strengthened our efforts by establishing an Inclusion Committee and joining the global initiative Diversity Charter. Our team consists of approximately 100 employees from over 30 countries, contributing to an inclusive workplace enriched by diverse perspectives and experiences.

Top 2 Box Score:

Goal: >85% understand our culture and values.
Result: 79% (87%)

Compensation and benefits:

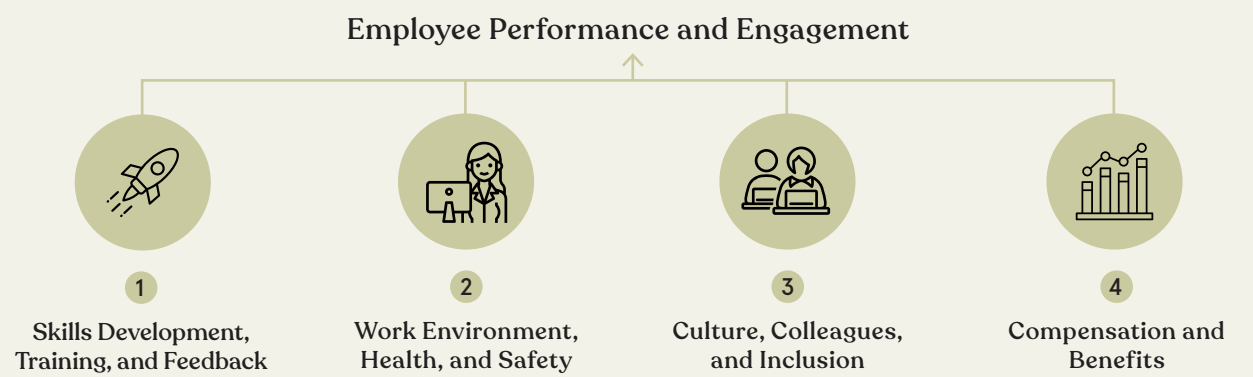
All Rugvista employees are covered by collective agreements. Office employees are compensated according to our internal employee framework, while blue-collar employees are compensated in accordance with the collective agreement. We offer wellness allowances, benefits that support a sustainable lifestyle, and subsidized public transportation. Rugvista is a member of Svensk Handel and has collective agreements with Handelsanställdas Förbund and Unionen.

Top 2 Box Score:

Goal: >75 % are satisfied with compensation and benefits.
Result: 78 % (81 %)

Our framework for employee development and work environment

The framework supports leaders in recruitment, organizational development and employee growth, and encompasses four key dimensions of our employer offering:

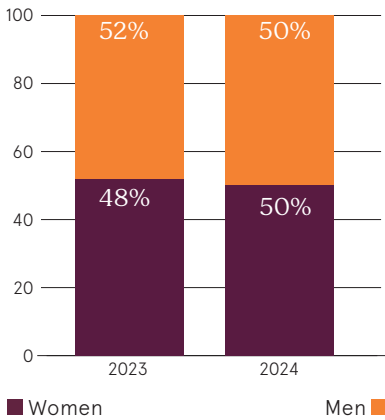


The framework guides our positioning toward future employees, the development of our employer offering, and the expectations we set for both employees and leaders. The goal is to foster engagement, meaningful work, and clear incentives for strong performance.

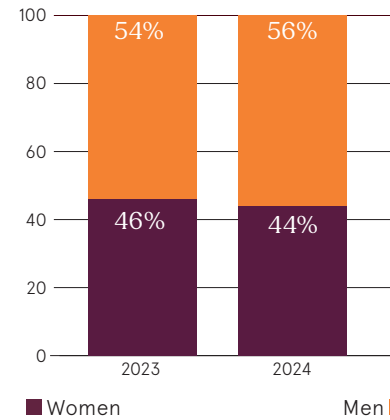
GENDER DISTRIBUTION

The average number of full-time employees during the period from January to December was 98.6 (90.2), with women representing 49.8% (47.6%) of the total workforce.

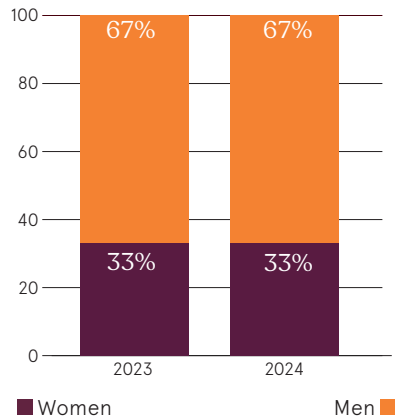
Employees



Management Team



Board of Directors



Employee age distribution (%)

	2024
<30	17%
>30 - <50	67%
>50	16%
Total	100%

Key figures - own organization

KPI	Goal 2030	Result 2024	Result 2023
Training hours per employee	16	13	11
Sick leave, warehouse employees	3%	4,3%	6,6%
Sick leave, office employees	3%	2,4%	2,9%
Employee turnover (%)	10-20%	11,5%	10,6%
Accidents / Near-misses	0	5	6

FOCUS AREA

Workers in the value chain

Our operations affect not only our own employees but also the many workers across our supply chain. Ensuring fair and ethical working conditions is a business-critical issue that reflects our social responsibility and has a direct impact on our credibility and our supplier relationships.

We have identified the following areas as material for workers in our value chain: secure employment, social dialogue, working hours, fair wages, collective bargaining, measures against violence and harassment, gender equality and equal pay, health and safety, as well as education and skills development.

These factors have a significant impact on worker well-being and working conditions in the countries where our suppliers operate. We work actively to ensure that our suppliers comply with international labor standards and conduct regular audits to identify and address risks such as unsafe working conditions, forced and child labor, and limitations on trade union rights. In collaboration with organizations such as amfori BSCI and Label STEP, we promote better working conditions and fairer wages while supporting initiatives that enhance transparency and responsible production.

Our ambition is to strengthen working conditions throughout the supply chain by creating better conditions for the people who contribute to our business through dialogue, training initiatives, and regular audits.

Supplier assessment of social conditions

Rugvista's supplier assessment is a key part of our efforts to safeguard human rights and ensure good working conditions in the supply chain. Through a structured process, we identify and manage risks that may affect workers' rights. Our assessment is based on guidelines of amfori BSCI and Label STEP, as well as our own internal processes. All suppliers undergo regular third-party audits within the framework of these initiatives.

LabelSTEP

LabelSTEP is a non-profit organization and our long-term partner in fair trade for handmade rugs. They conduct regular audits of both small production facilities and home-based weavers within our supply chain to ensure fair working conditions and promote the well-being of weavers. This work has increased transparency and improved understanding of working conditions.

In 2024, we intensified our efforts to encourage suppliers to open their supply chains for review by Label STEP, leading to improved compliance with social standards.

Despite progress, challenges remain in some parts of the region, particularly regarding living conditions and working conditions for women. Through Rugvista's continued purchasing and support efforts via Label STEP, important social programs have been implemented, including initiatives focused on workplace environment, health, and safety.

With wages above the industry average. In 2025, this work will continue with further audits and a deeper dialogue with

suppliers to ensure continued improvement and responsible production.

amfori BSCI

In 2024, amfori BSCI audits were conducted at 22 of our suppliers in Turkey, Egypt, and India. The results show a clear improvement, with 78% of the audits receiving an A or B rating, compared to 63% the previous year. We have seen an increased understanding of social and environmental requirements, and more suppliers are actively engaging in improvement efforts.

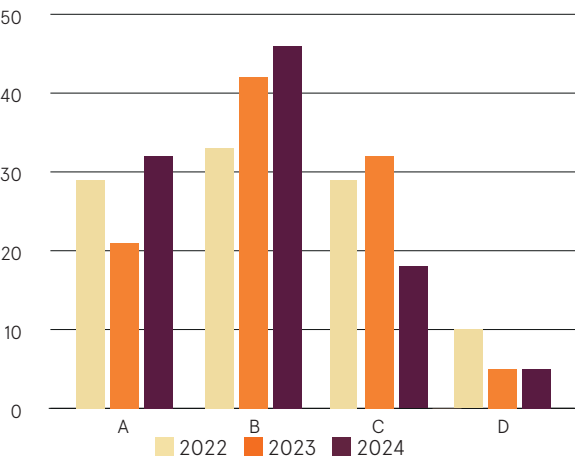
At the same time, challenges remain. In Turkey, low minimum wages contribute to long working hours, and some suppliers attempt to circumvent accurate recording of actual working hours. Together with amfori, we continue to push for improvements — although the change process is slow and requires ongoing follow-up.

Some suppliers have yet to ensure that their subcontractors have received and implemented our Code of Conduct, despite their commitment to passing it on. This is a key part of the code and a prerequisite for long-term improvements in working conditions and compliance throughout the value chain.

Thanks to our assessment framework and amfori's whistleblower system, Speak for Change, we were able to identify serious transparency deficiencies in a potential supplier and, as a result, chose not to initiate a collaboration.

We continue to work systematically to strengthen compliance, increase transparency, and ensure improvements through clear action plans and continuous follow-up.

Rating distribution for all suppliers affiliated with amfori BSCI (%)







Governance



Responsible business conduct is a fundamental part of our operations and critical to long-term success. We promote transparency, ethical business practices, and regulatory compliance through clear policies, codes of conduct, and regular audits.

FOCUS AREA

Responsible business

By building long-term relationships with suppliers, we promote both economic stability and sustainable working conditions within the supply chain. Our procurement practices aim to ensure fair working conditions and a safe work environment. We strive to foster a strong culture of integrity and responsibility throughout the organization and among our business partners, strengthening both our sustainability efforts and our business ethics.

Key impact areas	Goal 2030
Responsible business and compliance	100% of all suppliers must have signed the Code of Conduct
Transparency	100% of all Tier 2 subcontractors must be mapped.
Corruption and bribery	Identify all incidents of corruption.

CODE OF CONDUCT AND OTHER POLICIES

Our codes of conduct, policy documents, and internal guidelines form the foundation of our sustainability work and risk management. All policies and guidelines are reviewed annually.

Our sustainability-related policy documents include:

- Rugvista’s Code of Conduct for employees
- Rugvista’s Code of Conduct for suppliers
- Rugvista’s Anti-Corruption Policy
- Rugvista’s Whistleblower Policy
- UK Modern Slavery Act Policy

Compliance with rules and regulations

We set clear expectations for the Board, management, and employees to follow our ethical guidelines, corporate principles, and applicable legislation. Upon employment, all employees are required to sign our Code of Conduct, and for suppliers, approval of the Code of Conduct for Business Partners is mandatory. In 2024, Rugvista reported no material instances of non-compliance with applicable laws or regulations. There were also no fines or sanctions related to regulatory violations. We assess significant deviations based on their impact on our business, financial performance, stakeholders, and any legal consequences.

Prevention of corruption

Corruption risk remains a challenge in some of our supplier regions. Rugvista has a zero-tolerance policy for corruption, and our work is guided by clear codes of conduct and internal guidelines that define expectations for both employees and business partners. To ensure compliance, we provide continuous training in ethical business practices for relevant roles across the organization. In 2024, no confirmed cases of corruption were reported. No employees were dismissed or disciplined due to corruption, and no business relationships were terminated or not renewed due to corruption-related violations. Furthermore, no legal proceedings related to corruption were initiated against Rugvista or any of our employees.

Transparency in the supply chain

To ensure responsible business practices and long-term sustainable partnerships, a thorough understanding of our suppliers and their working conditions is essential. Rugvista collaborates with approximately 20 suppliers, primarily in Asia and Europe,

where we prioritize partnerships that support long-term development and compliance with sustainability requirements. All production facilities are subject to regular third-party audits through amfori BSCI or Label STEP. Before initiating new partnerships, we conduct a thorough risk assessment, with a particular focus on working conditions and environmental impact. Suppliers are also expected to ensure transparency regarding their production facilities and subcontractors.

We actively work to map our Tier 2 suppliers to increase transparency in the supply chain. In 2024, we mapped 88% of our Tier 2 suppliers (up from 79%), excluding non-rug suppliers.

In the long term, our goal is to achieve full supply chain transparency beyond Tier 1 and Tier 2. Through structured follow-ups and close collaboration, we continuously work to improve social and environmental standards across the supply chain.

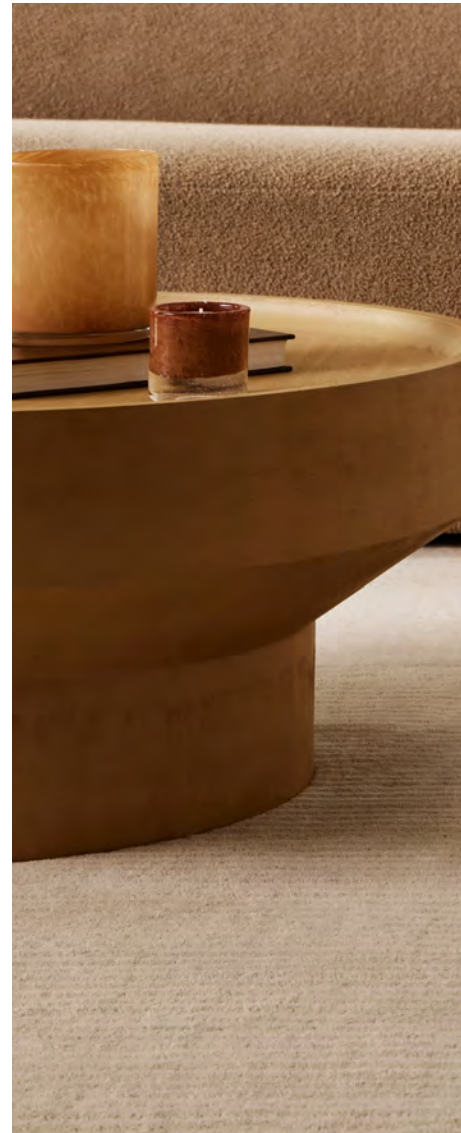
External whistleblower function

To strengthen transparency and accountability in the supply chain, we offer an external whistleblower system through 2Secure. The system is available to workers at our suppliers and enables anonymous reporting of suspected irregularities or violations of the Code of Conduct. All cases are handled confidentially and assessed in accordance with our whistleblower policy. In 2024, no reports were received through the whistleblower channel.



Sustainability Risks

Sustainability risks can arise across the business and include environmental, social, and business ethics-related risks. We categorize these risks under our three focus areas: Planet, People, and Governance.



Through a structured sustainability approach, we strengthen our ability to identify and manage sustainability risks on an ongoing basis. Some risks can be addressed through internal procedures and controls, while others — such as political or cultural factors — require broader, industry-wide efforts.

Long-term partnerships and continuous dialogue with suppliers are crucial for mitigating risks and strengthening our impact. The most significant sustainability risks for Rugvista are outlined below, with more detailed information provided under each focus area in this report.

FOCUS AREA PLANET:

Resource scarcity

Rugvista's operations depend on natural resources such as silk, cotton, wool, and water. The depletion of these resources can lead to limited availability, rising prices, and production disruptions. A linear business model further increases this vulnerability.

Risk mitigation: Rugvista actively works to reduce its climate impact by increasing the use of recycled, reused, and certified materials. At the same time, we are pursuing initiatives to implement more circular processes across the value chain.

Emissions to water, air, and soil

Textile production affects the environment through water and chemical use, as well as emissions generated during manufacturing and transportation. Deficiencies in suppliers' handling of raw materials and waste can also pose compliance risks and affect Rugvista's reputation.

Risk Mitigation: Rugvista works to increase transparency in the supply chain through regular audits that cover emissions and chemical management. In parallel, we are evaluating opportunities to increase the share of certified materials.

Climate change caused by greenhouse gas emissions

The textile industry contributes to greenhouse gas emissions, for example through methane from wool production. Climate change affects supply chains and may negatively impact business stability and profitability.

Risk mitigation: Climate targets have been set in line with the SBTi, and Rugvista is working to identify materials and products with proven lower climate impact.

FOCUS AREA PEOPLE:

Labor rights and social risks in the supply chain

Rugvista's supply chain extends to low-cost countries where



the risk of deficiencies in labor rights includes challenges such as lack of freedom of association, low wages, unsafe working conditions, and excessive overtime.

If not addressed responsibly, these issues can affect the company's reputation, stakeholder relationships, and ultimately business operations.

Risk mitigation: Rugvista works to ensure that suppliers comply with the company's Code of Conduct, which includes requirements for working conditions, a ban on child and forced labor, and the right to fair compensation. Compliance is monitored through third-party audits, regular dialogue, and training initiatives.

When deficiencies are identified, action plans are developed together with suppliers, with a focus on improvement rather than immediate termination of the partnership. However, in cases of serious violations where the supplier shows no willingness to address the issues, the collaboration is discontinued.

FOCUS AREA GOVERNANCE:

Product Safety

Customer expectations regarding product safety are high. Rugvista's rugs comply with the REACH regulation, but any

violations may lead to sales bans and sanctions.

Risk mitigation: Rugvista works through long-term supplier partnerships and conducts regular checks of chemical content, both through supplier documentation and random sample testing.

Corruption and unethical business conduct

Production in low-cost countries involves risks of bribery and corruption, which can affect both regulatory compliance and the company's reputation.

Risk mitigation: Rugvista has a zero-tolerance policy for corruption and continuously works to strengthen the Code of Conduct, conduct regular follow-ups, and ensure that a global whistleblower channel is available.

Political and social risks

Geopolitical events, trade restrictions, and conflicts can impact the supply chain and production stability.

Risk mitigation: Rugvista works to diversify its supplier base, conduct risk analyses, and strengthen collaborations with amfori and Label STEP to ensure long-term stability in the supply chain.

The auditor's statement regarding the statutory sustainability report

To the general meeting of shareholders in Rugvista Group AB (publ), org.nr 5590377882

Assignment and division of responsibility

The Board of Directors is responsible for the sustainability report for the financial year 2024 on pages 22–47 and for ensuring that it has been prepared in accordance with the Swedish Annual Accounts Act.

Focus and scope of the review

Our review has been conducted in accordance with FAR's recommendation RevR 12, The Auditor's Opinion on the Statutory Sustainability Report.

This means that our review of the sustainability report has a different focus and is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that this review provides us with a sufficient basis for our opinion.

Statement

A sustainability report has been prepared.

Malmö 14 April 2025

Ernst & Young AB

Hanna Fehland

Auktoriserad revisor



Corporate governance report

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Corporate governance report

Rugvista's corporate governance

Rugvista Group AB (publ) is a Swedish public limited liability company listed on Nasdaq First North Premier Growth Market since March 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. The purpose of corporate governance in Rugvista Group is to create good conditions for active and responsible ownership, clear division of responsibilities between the corporate bodies, and to prevent conflicts of interest. Proper corporate governance practices are fundamental to maintaining the market's confidence in the Company and creating added value for the Company's stakeholders. The Company's corporate governance model applies to all companies in the group, currently consisting of the Company and its wholly owned subsidiaries Rugvista AB (registration number 556458-9207) and Rugvista GmbH (registration number HRB 256883 B). This corporate governance report has been prepared in accordance with the Swedish Annual Accounts Act and the Swedish corporate governance code (the "Code") and have been reviewed by the Company's auditor.

Corporate governance model

The Company's corporate governance model is primarily based on the rules of the Swedish Companies Act (2005:551), the Swedish Annual Accounts Act (1995:1554), the Company's articles of association, code of conduct and other internal steering documents. In addition to the above the Company also applies the Nasdaq First North Premiers Rulebook for Issuers, the Code and other applicable laws and regulations. Furthermore, the culture, work practices and values of the Company also constitute a fundamental part of the Company's corporate governance. Information regarding Rugvista Group's corporate governance model can also be found on the Company's website www.rugvistagroup.com.

SWEDISH CORPORATE GOVERNANCE CODE

The Code is part of the self-regulation of the corporate sector and provides norms for good corporate governance practices. Companies whose shares are listed on a regulated market in Sweden shall apply the Code. The Code shall also be applied by companies whose shares are listed on Nasdaq First North Premier Growth Market. The, at each given time, applicable Code is available on the website of the Swedish Corporate Governance Board www.bolagsstyrning.se. The Code is based on the "comply or explain principle" meaning that a company applying the Code may deviate from rules in specific cases if other solutions are deemed better suited considering the company's circumstances in a particular case. Deviations from the Code is subject to disclosure in the Corporate Governance Report. Such disclosure shall include an explanation describing the reasons for the deviation and the alternative solution chosen. The instances where the Company deviates from the Code are presented below.

Code rule	Deviation and explanation/comment
7.1 regarding board committees in general.	The Board of Directors have resolved to not establish special committees. The entire Board of Directors perform the tasks of such committees. For a further description of the option chosen by the Company please see the section regarding board committees.
7.2 regarding audit committee.	The Board of Directors have resolved to not establish an audit committee. The entire Board of Directors performs the tasks of such a committee. For a further description of the option chosen by the Company please see the section regarding board committees.
7.3-7.5 regarding remuneration committee.	The Board of Directors have resolved to not establish a remuneration committee. The entire Board of Directors performs the tasks of such a committee. For a further description of the option chosen by the Company please see the section regarding board committees.
8.1 para 3 regarding separate internal audit function.	The Board of Directors have resolved to not establish a separate internal audit function. The Board of Directors evaluates the need for such a function annually. For a further description of the option chosen by the Company please see the section regarding internal audit and the description of Rugvista's framework for internal control and risk management.

The share and largest shareholders

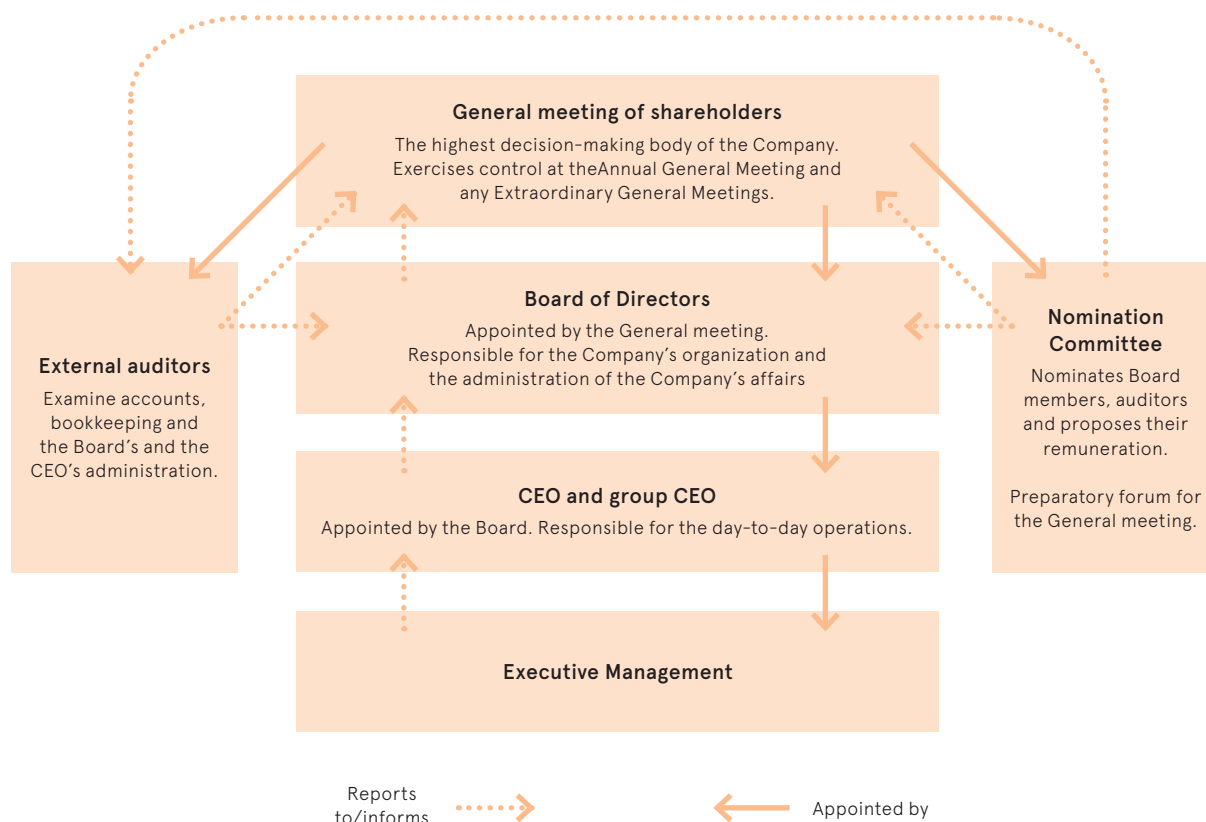
The first trading day for the Rugvista Group AB (publ) share on Nasdaq First North Premier Growth Market was March 18, 2021. The ISIN code of the share: SE0015659834. The Company's share register is maintained by Euroclear Sweden AB.

On December 31, 2024, the Company had a total of 20 785 140 shares and each share represents one (1) vote. The 10 largest shareholders as of December 30, 2024 are listed in the table below.

Owner	Number of shares	Share of capital	Share of votes
Madhat AB	2 505 874	12,1%	12,1%
Alcur Fonder AB	2 169 213	10,4%	10,4%
Futur Pension Försäkringsaktiebolag	1 807 892	8,7%	8,7%
Indexon AB	1 490 204	7,2%	7,2%
Nordnet Pensionsförsäkring AB	1 485 457	7,1%	7,1%
SIX SIS AG	1 284 427	6,2%	6,2%
Movestic Livförsäkring AB	1 069 993	5,1%	5,1%
BANK JULIUS BAER & CO LTD	1 037 178	5,0%	5,0%
CBLB / UCITS	918 411	4,4%	4,4%
Försäkringsaktiebolaget Avanza Pension	796 166	3,8%	3,8%
Total for the ten largest shareholders	14 564 815	70,1%	70,1%
Total number of outstanding shares	20 785 140	100,0%	100,0%

Source : Euroclear extract per December 30, 2024.

Corporate governance structure



General meeting

The general meeting of shareholders is the Company's highest decision-making body and the forum where the shareholders exercise control and voting rights. The annual general meeting ("AGM") of Rugvista Group is held annually within six (6) months from the end of the financial year. In addition to the AGM, extraordinary general meetings may be convened if needed. Notice convening a general meeting shall, according to the Company's articles of association, be issued through announcement in the Swedish Official Gazette as well as on the Company's website. Announcement to the effect that notice convening a general meeting has been issued shall also be made in Dagens Industri. Before a general meeting the Company publishes a press release with the full notice. General meetings are, pursuant to the Company's Articles of Association, held in Malmö municipality where the Company has its registered head office, or in Stockholm.

At the AGM the shareholders resolve on matters such as, the adoption of income statements and balance sheets, allocation of the Company's results, discharging the Board and CEO from liability, the composition of the Nomination Committee, election of Board members (including the Chairperson) and auditor, remuneration to the Board members and auditor, guidelines for remuneration to the CEO and other senior executives. The general meeting of shareholders may also resolve on other matters of importance to the Company, for example any changes to the Articles of Association.

Any shareholder of the Company who wishes to have a matter dealt with at a general meeting must submit a written request to the Board of Directors to that effect. Such request must normally have been received by the Board no later than seven weeks prior to the general meeting. The Company's articles of association do not include any specific stipulations concerning the election or dismissal of Board members, limitations to sales of shares or amendments to the articles of association. The articles of association are available on the Company's website www.rugvistagroup.com. Guidelines regarding remuneration to senior executives are established at least every fourth year. To this date there is no authorisation to the Board from the general meeting to resolve on an issue of new shares.

Annual general meeting 2024 (AGM)

The AGM was held on May 23, 2024. Resolutions passed included:

- Adoption of income statement and balance sheet, and consolidated income statement and consolidated balance sheet
- Approval of the Board of Directors' report regarding remuneration pursuant to Chapter 8, Section 53 a of the Swedish Companies Act
- Resolution on the allocation of the Company's profit, entailing dividend resolution of SEK 1.80 per share, with the record date May 27, 2024
- Resolution on discharge from liability for the Board of Directors and the CEO
- Determination of fees for the Board of Directors and auditor
- Re-election of Martin Benckert, Magnus Dimert, Ludvig Friberger, Hanna Graflund Sleyman, Patrik Berntson and Ebba Ljungerud as Board members for the period until the end of the next AGM. Martin Benckert was re-elected as Chairperson of the Board
- Election of auditor
- Resolution on a revised instruction for the Nomination Committee, entailing changes to the composition of the Nomination Committee.

The Company's next AGM will be held on May 21, 2025. The AGM will be conducted with the possibility of postal voting. For further information regarding 2025 AGM, please see the Company's website www.rugvistagroup.com.

Extraordinary general meetings 2024

No extraordinary general meetings were held during 2024.

Right to attend general meetings

All shareholders who, on the record date six banking days ahead of the general meeting, are directly recorded in the Company's share register maintained by Euroclear Sweden and have notified the Company of their intention to attend the general meeting no later than the date specified in the convening notice, have the right to participate in the general meeting and vote for the shares they hold. The articles of associations of the Company contains no limitations in respect of the number of votes that a shareholder can cast at a general meeting.

Shareholders whose shares are nominee registered through a bank or other nominee must, in addition to giving notice of participation, request that their shares be temporarily registered in their own name in the share register kept by Euroclear Sweden (so called voting right registration) in order to be entitled to participate at the general meeting. For more information, please see the Company's website.

Nomination Committee

The work of the Nomination Committee

The Nomination Committee represents the shareholders of the Company and has the task to prepare and present proposals for resolutions regarding i.a., number of Board members, election of Board members, Chairperson, and remuneration to Board members. The Nomination Committee also prepares proposal for resolution regarding election of auditor, remuneration to the auditor and, if deemed necessary, proposal for changes to the instructions for the Nomination Committee. Shareholders may submit proposals to the Nomination Committee in accordance with the instructions provided on the Company's website. The Nomination Committee is provided with the annual evaluation of the Board's work conducted by the Board. In addition thereto the Nomination Committee resolves on other potential activities in preparation of its proposal of Board members such activities may e.g., include additional surveys, deep-interviews and similar.

Composition of the Nomination Committee

The Nomination Committee shall consist of the chairperson of the Board of Directors and one representative of each of the three largest shareholders in Rugvista Group AB (publ) in terms of votes based on the share register kept by Euroclear Sweden as of the last banking day in September each year or other reliable ownership information at such time.

The chairperson of the Nomination Committee shall be the member who has been appointed by the largest shareholder in terms of votes, unless the Nomination Committee unanimously appoints another member. The composition of the Nomination Committee, stating which shareholder has appointed each member, shall be announced on the Company's website no later than six months before the AGM. The term of office for the Nomination Committee shall be the period until a new Nomination Committee has been appointed. In the event of changes to the composition of the Nomination Committee that has been presented, such changes will be immediately disclosed. For further information about the Nomination Committee please see the Company's website.

Nomination Committee for the 2025 AGM

The Nomination Committee for the 2025 AGM has been formed in accordance with the Company's instructions for the Nomination Committee, as described above and has consisted of Gunnar Mattsson appointed by the Company's largest shareholder madHat AB, and thereby also chairperson of the Nomination Committee, Niclas Röken appointed by Alcur Fonder, Carl Armfelt appointed by TIN Fonder, and Martin Benckert Chairperson of the Board of Directors of the Company.

The Company applies item 4.1 of the Code as its diversity policy. The Nomination Committee shall apply this and strive for a composition of competencies and experiences that correspond to the requirements for the Board of Directors of the Company as a whole.

The Nomination Committee attaches great importance to the matter of diversity and actively works to seek an even gender distribution. The Nomination Committee's proposals to the AGM are published in the notice and available on the Company's website.

Board of Directors

Following the General Meeting of shareholders, the Board, is the highest decision-making body of the Company and its highest executive body. The tasks of the Board are primarily governed by the Swedish Companies Act, the articles of association of the Company and the Code. In addition to the above the work of the Board is also governed by the rules of procedure established annually by the Board. The rules of procedure govern matters such as delegation of tasks and responsibilities between the Board members, Chairperson and the CEO and includes the process for financial reporting from the CEO. Currently applicable rules of procedure were adopted on May 23, 2024.

The Board is responsible for Rugvista Group's organization and the management of the Company's affairs. The Board's tasks include establishing strategies, targets, business plans, budget, interim reports, financial statements, and adoption of steering documents. The Board is responsible for ensuring that sustainability is integrated in the business and its strategies. This includes that the Board shall establish sustainability targets, supervise the sustainability efforts, assess and manage sustainability risks e.g., climate impact and social impact topics, and ensure that the company communicates around sustainability in a transparent manner. The Board also monitors the financial performance of the Company and ensures that the Company has good internal control and routines to ensure that controls in respect of the financial reporting are followed and that the financial reporting and sustainability reporting is prepared in accordance with law and applicable accounting standards and requirements. In addition, the Board shall ensure sufficient control of the Company's compliance with laws and regulations applicable to its operations and the Company's internal steering documents. The Board evaluates the business and performance based on targets set by the Board. Identifying the sustainability impact on risks and possibilities of the Company is also part of the task of the Board, including to establish appropriate guidelines for the Company's conduct in society to ensure long term value creation by the Company. The Board is also responsible for continuously evaluating the work of the CEO. In addition, the Board decides on major investments and organizational and operational changes of the group.

The chairperson of the Board leads and structures the work of the Board to monitor that the Board fulfils its tasks and that the decisions of the Board are executed. The Chairperson is responsible for en-

suring that the Board annually evaluates its work. During the year the evaluation has been facilitated by an external party and made by way of a questionnaire. The results from the questionnaire, strengths and areas with improvement potential, have been discussed by the Board with the purpose of improving the board's work. The results of the evaluation also constitutes the basis for the Nomination Committee in its work of assessing the composition of the Board.

Board Committees

The Board's overall responsibility for matters that can be prepared by Board committees can never be delegated. The Board has decided to not establish an audit committee or a remuneration committee but to have the Board in its entirety conduct the tasks of such committees. It is thereby also the Board as a whole that monitors the sustainability reporting, internal control and risk management with reference to sustainability reporting and audit of such reporting. The Board believes that this works well and that it results in the full Board taking active part and having full insight in these important areas.

Consequently, it is the Board that during 2024 has assessed the routines for internal controls regarding financial reporting. The Board continuously monitors the Company's accounting and financial reporting and have evaluated the Company's accounting and financial reporting routines. The Board has also monitored and evaluated the work and independence of the external auditor.

The Board monitors and evaluates the application of the Company's guidelines for remuneration to senior executives and remuneration structures and levels in the Company. CEO and senior executives are not present when the Board manages and resolves on remuneration related matters to the extent they are affected.

Board Composition

The Company applies Code item 4.1 as its diversity policy. This entails that the Board's composition shall be appropriate to the Company's operations, phase of development, other relevant circumstances, and shall consist of members with different background, competencies and experiences, and that gender balance shall be sought. According to the Company's articles of association the Board shall consist of no less than three (3) and no more than ten (10) members. Currently the Board consists of six (6) members of which two women (33,3%).

The table below sets out overall Board composition, including attendance on Board meetings. For a more detailed presentation of the Board members please see page 58–59 and the Company's website www.rugvistagroup.com. For information regarding remuneration to Board members please see Note 7 "Salaries and remuneration to employees."

TABLE 1A. BOARD COMPOSITION - INDEPENDENCE, ATTENDANCE AND HOLDINGS

Name Year of birth	Assignment	Elected	Independent (company and management)	Independent (major share- holders)	Attendance/ board meetings	Holdings shares (own and closely related parties)	Holdings subscription warrants (own and closely related parties)
Martin Benckert (1977)	Chairperson	2023	Yes	No	15 av 15	2 505 874 (madHat AB)	-
Ludvig Friberger (1979)	Member	2016	No	Yes	14 av 15	947 977	20 000 (LTIP 2021/2024). Lapsed during the year without being exercised
Magnus Dimert (1970)	Member	2018	Yes	Yes	15 av 15	162 060	-
Hanna Graflund Sleyman (1978)	Member	2022	Yes	Yes	13 av 15	-	-
Patrik Berntsson (1977)	Member	2023	Yes	Yes	14 av 15	3 600	-
Ebba Ljungerud (1972)	Member	2023	No	Yes	15 av 15	6 000	-

The Board's work in 2024

During the financial year 2024 the Board held 15 meetings, including inaugural, regular, extraordinary and per capsulam meetings. Regular meetings were held according to a pre-determined annual Board calendar and in accordance with the rules and procedures. In addition to the Board meetings the Chairperson of the Board and the CEO has a close continuous dialogue regarding the business and management of the company's affairs.

Main items for the Board during the financial year 2024 have included customer journey onsite, continued development of assortment- and collections strategy, the project regarding a new office and logistics building, change of CEO, continuous monitoring of the Company's earnings, financial condition and reporting, and strategy, business plans, budget, and organization/governance matters.

Auditors

Ernst & Young AB (Box 4279 Nordenskiöldsgatan 24, 203 14, Malmö, Sweden) has served as external auditor of the Company since 2015. Hanna Fehland, authorized public accountant and a member of FAR (the institute for the accountancy profession in Sweden) is the Company's auditor in charge since the financial year 2023.

For the financial year 2024 the Company's auditor has made an overview review of the Q3 report and audited the annual report and the group reporting. The Company's auditor further issues statements regarding the corporate governance report and whether a sustainability report has been prepared and issues a specific statement whether the Company has adhered to the guidelines for remunera-

tion to senior executives. The Company's auditor reports its observations to the shareholders by way of the auditor's reports presented at the AGM. The auditor has participated on one board meeting during 2024 during which the annual report for 2023 was presented.

For the financial year 2024 Ernst & Young has not conducted any non-audit services to the Company. The Board monitors the independence of the auditor and evaluates the work of the auditors at least annually.

CEO and executive management

The CEO is appointed by and subordinate to the Board of Directors. The CEO is responsible for the Company's operational management and shall perform the CEO tasks in accordance with applicable law, the Articles of Association, the Board's rules of procedures, the CEO instruction and any other instructions or directives from the Board of Directors. The CEO is responsible for compiling and collating information from the management before Board meetings and reports to the Board on the Board meetings. The CEO shall ensure that the Board has access to sufficient information to assess the financial condition of the group. The CEO appoints the other members of the executive management.

The Company's Board member Ebba Ljungerud (born 1972) is acting CEO for the Company since October 1, 2024. By the end of the financial year 2024 the Company's executive management team consisted of seven people in addition to the CEO. For a more detailed presentation of the CEO and the current executive management team please see page 60–61 and the Company's website.

Name	Role Executive Management since	Holdings shares (own and closely related parties)	Holdings subscription warrants (own and closely related parties)
Ebba Ljungerud ¹	Acting CEO 2024	6 000	-
Michael Lindskog ²	CEO 2019		
Joakim Tuvner	CFO 2023	10 000	15 000 (LTIP 2023/2026)
Ulrika Klinkert	CMO 2017	75 900	5 000 (LTIP 2022/2025)
Carin Terins ³	CDPO 2018		
Patricia Rajkovic Widgren	COSO 2020	25 120	25 000 (LTIP 2021/2024). Lapsed during the year without being exercised. 5 000 (2022/2025)
Anders Matthiesen	COO 2021	-	30 000 (LTIP 2021/2024). Lapsed during the year without being exercised.
Peter Rosenfors	CTO 2021	7 730	30 000 (LTIP 2021/2024). Lapsed during the year without being exercised.
Abdullatef Almalouhi	Director of Performance Marketing 2023	-	-
Maria Tholin	CLO 2021	6 008	7 500 (LTIP 2021/2024). Lapsed during the year without being exercised. 10 000 (LTIP 2022/2025)

¹ Board member Ebba Ljungerud took office as acting CEO October 1, 2024.

² Michael Lindskog left as CEO of the company September 30, 2024 and was not part of the Executive Management as per December 31, 2024, holdings are therefore not reported.

³ Carin Terins was not part of the Executive Management as per December 31, 2024, holdings are therefore not reported.

Remuneration to senior executives

The annual general meeting 2023 adopted the Company's guidelines for remuneration to senior executives. The guidelines are available on the Company's website. The guidelines are designed to promote the Company's business strategy, long term interests and sustainability. In the event that the Board resolves on variable remuneration in accordance with the guidelines criteria for such remuneration must be designed to promote inter alia sustainability. Senior executives of Rugvista Group consist of individuals who from time to time are part of the Company's executive management. To the extent that a member of the Board of Directors performs work for the Company in addition to the Board assignment, these guidelines shall also apply and any remuneration and other terms for such work shall be resolved on by the Board of Directors. The guidelines do not apply to any remuneration decided or approved by the General Meeting. The Board of Directors are not proposing any changes to the guidelines for remuneration to senior executives for the 2025 AGM.

During 2024 the Board resolved on one deviation from the guidelines in respect of the 18 months non-compete undertaking to the leaving CEO compared to the guidelines' 12 months. The extended non-compete obligation was deemed justified based on the former CEO's deep knowledge and experience of the Company's strategies and business including supplier contacts. The deviation was thereby deemed necessary in accordance with what the guidelines prescribes. The deviation was made in accordance with what the guidelines sets out regarding deviations. Other details regarding remuneration that the Company provides are presented in Note 7 "Salaries and remuneration to employees" and in the Company's Remuneration Report available on the Company's website.

Rugvista's framework for internal control and risk management

The work with internal control is an important part of the Company's ongoing work with corporate governance matters. The Company continuously works with establishing a, for the Company appropriate and effective, framework for internal control including management of risks that arises in the business. A clear division of work and responsibilities both between the Board and the CEO, and within the organization is an important part of internal control within the Company. Responsibility for internal control in the business is delegated to appointed co-workers with functional responsibility for each area. Key elements of the Company's risk management are identification, evaluation, planning of risk response and monitoring. Documentation of incidents, risks that have materialised, is also a part of the Company's framework for internal control and risk management as they point out where internal controls may be lacking or are insufficient. Incidents thereby help to prevent recurring incidents. The CEO continuously reports on material risks and incidents to the Board. The Board's monitoring of risks also includes potential observations from the Company's auditors.

The Board has established a number of policies that together with applicable external regulations form the overarching framework for the governance and control of the business. In addition to policies the Company's internal framework also consist of additional guidelines and process descriptions/instructions.

Furthermore, the Company considers its corporate culture and values to be a central part of shaping a responsible business. The starting point is that operational controls and guidelines for risk management shall be anchored in the targets and requirements of the Company's values (Focus on Impact, Stay True, Be Entrepreneurs), and its code of conduct.

Internal control regarding financial reporting

The key elements of the Company's process to ensure quality in its financial reporting are described below:

FRAMEWORK FOR INTERNAL CONTROL

The Company's overarching framework for internal control with a clear division of work and responsibility both between the Board and the CEO and within the organization is an important part of internal control within the Company. The need for policies and guidelines is continuously evaluated by management and the Board. Steering documents together with process descriptions for the financial reporting are available to and known by relevant co-workers.

RISK ASSESSMENT AND INTERNAL CONTROLS

Risk assessment includes identification and analysis of material risks that affect internal control regarding the financial reporting. Controls are both of a preventive nature, meaning that they are measures intended to prevent losses or misstatements in the reporting, and of a detective nature. Furthermore, the controls shall ensure that any misstatements are corrected. The Finance function, which compiles the reports, works in accordance with carefully prepared accounts and standardized working procedures with controls to ensure that the financial reporting is in accordance with law, applicable accounting standards and other applicable requirements. The Company's control measures include the involvement of the Board, management, and other co-workers. The Board receives information regarding the Company's financial condition prior to each regular Board meeting.

INFORMATION AND COMMUNICATION

Information to and involvement of executive management is ensured inter alia in connection with regular management meetings. The Board is regularly updated with reports regarding financial outcome with CEO and managements comments to the business. Findings and observations from the auditors are also shared with the Board through audit reports. In addition to the reports the Company's auditors participates on at least one Board meeting per year where the Board has the opportunity to ask questions to the auditors.

REVIEW AND FOLLOW-UP

The Company continuously evaluates its internal control regarding financial reporting and effective reporting to the Board. The Board annually review significant risk areas and evaluates the internal control.

Internal Audit

The Company has a non-complex legal and operational structure. CEO and co-workers with functional responsibilities are responsible for internal control for their respective areas. The Board follows up on and evaluates the Company's assessment of internal control inter alia by the Company's reporting of significant risks and via observations and reports from the Company's auditors. The Board has chosen to not establish a separate internal audit function. The need for such a function is evaluated annually.

Board of Directors



Martin Benckert

CHAIRPERSON

Education, previous assignments and experience: M.Sc. in Industrial Engineering and Management from the Royal Institute of Technology (KTH) and a B.Sc. in Economics from Stockholm University. Previous assignments and experience include executive roles within e-commerce companies such as inkClub, Naty AB, and Bob and Lush Ltd. **Other current material assignments:** CEO and part owner of madHat AB and board member in iPiccolo AB and a number of other companies within the madHat group.



Magnus Dimert

DIRECTOR

Education, previous assignments and experience: B.Sc. Gothenburg University School of Business. Previous assignments and experience include operational roles within online sales and as co-founder within the sector. Previously CEO and co-founder of Adlibris and Evidensa utveckling AB and co-founder of Addnature and Eero Aarnio Originals. Board member Pierce Holding AB, LGT Group AB, ArtGlass i Malmö AB, Sofaco Holding ApS and RVRC Holding AB. **Other current material assignments:** Board member Best Transport Holding AB, Evidensa utveckling AB and NOD Group AB.



Ludvig Friberger

DIRECTOR

Education, previous assignments and experience: Professional experience within programming, software development, web design and IT architecture. Previous assignments and experience include chairperson and CEO of SolNord AB, board member Solelgros-sisten Sverige AB and co-founder, CEO and CTO at Rugvista. **Other current material assignments:** Board assignments in ArtGlass i Malmö AB, Aqvify AB, Transistormedia AB, Ekolution Holding AB, RECOMA AB, Care of Carl Holding AB, IFSEK – Institutet för solenergi-kvalitet AB, OMG Plantbased Food AB, Local taste convenience AB and CEO and board assignments in Cutting Edge Construction AB and ESS – Energy Storage Solutions AB.



Hanna Graflund Sleyman

DIRECTOR

Education, previous assignments and experience: M.Sc. Economics and Business administration, Stockholm School of Economics, Industrial management studies, Royal Institute of Technology Stockholm (KTH). Previous assignments and experience include board member Atrium Ljungberg AB and Embellence Group AB (publ). Commercial manager/Head of Vendor Management Amazon Sweden, Executive Director APAC at Daniel Wellington, CEO Departments & Stores AB, and CEO Kicks Group.

Other current material assignments: Board member Dustin Group AB, Executive Vice President Emerging Technologies, Axel Johnson group.



Patrik Berntsson

DIRECTOR

Education, previous assignments and experience: Master of Managerial Economics from the School of Business, Economics and Law in Gothenburg. Previous assignments and experience include executive roles within logistics, merchandising and controlling within the H&M group.

Other current material assignments: CFO at Portfolio Brands H&M Group.



Ebba Ljungerud

DIRECTOR

Education, previous assignments and experience: Degree in Economics from Lund University. Previous assignments and experience include CEO at Paradox Interactive, several executive roles at Kindred Group PLC and Betsson as well as board member Paradox interactive and Bingo.com Ltd.

Other current material assignments: Acting CEO Rugvista AB and group CEO, board member in Goals AB, Enad Global 7 AB (publ) and chairperson in Canucci AB and Nelly Group AB (publ).

Executive Management



Ebba Ljungerud

CEO (Acting)

Education: Degree in economics from Lund University.

Previous assignments and experience: CEO at Paradox Interactive, several executive roles at Kindred Group PLC and Betsson as well as board member Paradox interactive and Bingo.com Ltd. vd för Paradox Interactive, several executive roles at Kindred Group PLC and Betsson and board member Paradox interactive and Bingo.com Ltd.

Other current material assignments: Board member Goals AB, Enad Global 7 AB (publ) and chairperson Canucci AB and Nelly Group AB (publ).



Joakim Tuvner

CFO

Education: B.Sc. Business Administration, Lund University.

Previous assignments and experience: Head of Finance Latin America / Asia Oriflame, CFO and deputy CEO Pågen, CFO Bona, VP Finance EMEA Oatly.

Other current material assignments: -



Ulrika Klinkert

CMO

Education: M.Sc. in Engineering, marketing and Economics studies, Lund University, Karlsruhe Institute of Technology, and Australian National University.

Previous assignments and experience: Marketing Director Hilding Anders International AB, Head of Marketing Betsson Group AB, and Market Manager Kjell & Company.

Other current material assignments: -



Patricia Rajkovic Widgren

COSO

Education: Market economist, IHM Business School Stockholm.

Previous assignments and experience: Recruitment and headhunting consultant Prawia AB and Appointed Sverige AB, CEO Bilema Sweden AB and Century Europe AB.

Other current material assignments: Board member Amfori BSCII.



Anders Matthiesen

COO

Education: Economics and Business Administration and Supply Chain Management, Copenhagen Business School.

Previous assignments and experience: Management consultant Implement Consulting Group, Director POSM Pandora.

Other current material assignments: -



Peter Rosenfors

CTO

Education: M.Sc. in Engineering, Luleå University.

Previous assignments and experience: CTO CDON AB, Engineering Manager Axis Communications, Head of R&D Palette Software, Head of Development Fordons-Data Nordic AB.

Other current material assignments: -



Abdullatef Almalouhi

**DIRECTOR OF PERFORMANCE
MARKETING**

Education: Master of Business Administration, Northampton University, Bachelor of Arts English Literature Albaath University.

Previous assignments and experience: Head of Digital Marketing Pets Deli, Head of SEA Rakuten, performance marketing roles at Watchmaster, and Peak Ace, also Account Director at Nithar Creative Agency.

Other current material assignments: –



Maria Tholin

CLO

Education: Master of Laws LL.M, Lund University.

Previous assignments and experience: Legal Counsel Ikano Bank och Senior Associate Mannheimer Swartling law firm.

Other current material assignments: –

Auditor's report on the corporate governance statement

To the general meeting of the shareholders of Rugvista Group AB (publ), corporate identity number 559037-7882.

Engagement and responsibility

It is the Board of Directors who is responsible for the corporate governance statement for the year 2024 on pages 50-61 and that it has been prepared in accordance with the Annual Accounts Act.

The scope of the audit

Our examination has been conducted in accordance with FAR's standard RevR 16 The auditor's examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

Opinions

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2-6 the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the annual accounts and the consolidated accounts and are in accordance with the Annual Accounts Act.

Malmö 14 April 2025

Ernst & Young AB

HANNA FEHLAND

Authorized Public Accountant



Director's Report

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Director's Report

The Board and the CEO hereby submit the Director's Report for the year 2024.

Information about the business

Rugvista Group, operating through its subsidiary Rugvista AB, sells rugs online under the brand Rugvista and is one of Europe's leading direct-to-consumer (D2C) retailers in the rug category. Founded in 2005, the company offers a wide and relevant range of high-quality design and traditional rugs. The majority of the assortment consists of self-developed or carefully selected products that can only be purchased from the company. Rugvista Group offers free shipping and returns to customers within the EU. Rugvista Group has divided its operations into three business segments: Private individuals (B2C), Business-to-business (B2B), and Marketplaces & Other (MPO). Private individuals represent the consumer market and are Rugvista Group's main segment. Rugvista Group AB (publ) has been listed on Nasdaq First North Premier Growth since March 18, 2021.

Employees

At the end of 2024, the company had 101 employees (97). The number of full-time employees during the period January – December amounted to 98.6 (90.2), with the proportion of women reaching 49.8% (47.6%).

Business development for the Group as a whole

Net revenue

The Group's net revenue for the period amounted to SEK 694.9 million (702.2), representing a decrease of -1.0% (9.8%). Excluding currency effects, organic net revenue growth for the year was -1.0% (2.8%). We have seen a good increase in the number of orders during the year, while the average order value has dropped as customers have purchased lower-priced products to a greater extent than before.

Net revenue within the Private individuals (B2C) segment, the Group's largest, amounted to SEK 601.6 million (606.5), representing a decrease of -0.8% (9.3%). The Nordics increased by 9.8% (19.0%), DACH decreased by -4.5% (8.2%), and Rest of World decreased by -3.8% (6.1%).

Net revenue within the Business-to-business (B2B) segment amounted to SEK 75.4 million (81.7), representing a decrease of -7.7% (18.4%). During the year, we saw good growth in the contract customer group and weaker performance from non-contract customers.

Net revenue within the Marketplaces & Other (MPO) segment amounted to SEK 17.8 million (14.0), representing an increase of 27.3% (9.6%). Sales in this segment were negatively impacted during the previous year by the restructuring of the sales strategy, which this year has driven growth primarily in Amazon's marketplaces.

Profits and margins

The gross margin amounted to 62.2% (62.0%). The cost of goods sold as a percentage of net revenue varied between quarters, but for the year as a whole was in line with the previous year. The cost of customer deliveries as a percentage of net revenue is negatively affected overall by a decreasing average order value. Despite this, our efforts to streamline customer deliveries have led to an overall reduction in freight costs as a percentage of net revenue.

Other external costs amounted to SEK -257.3 million (-259.5), and as a percentage of net revenue, they amounted to -37.0% (-37.0%).

Personnel costs amounted to SEK -94.5 million (-72.8), and as a percentage of net revenue, they amounted to -13.6% (-10.4%). The increase in percentage was mainly the result of redundancy pay (SEK -7.8 million), the fact that the staff of our Berlin office this year were employed by our subsidiary but last year were externally hired, general salary rises and an increase in the number of employees.

Other operating expenses amounted to SEK -2.6 (-5.7) million and relate to currency exchange rate fluctuations.

Depreciation and amortization amounted to SEK -16.9 million (-12.1) and mainly consist of depreciation related to right-of-use assets and amortization of intangible assets, i.e. our web platform. This increase is attributable to amortization starting to apply to our web platform at the end of the second quarter of this year, as well as rent hikes for the company's leased premises classified as right-of-use assets.

Operating profit (EBIT) amounted to SEK 60.7 million (85.4), and the operating margin was 8.7% (12.2%). The decrease in operating margin was driven by the increased personnel costs and the depreciation and amortization of right-of-use assets and intangible assets.

The net financial income increased to SEK 4.7 million (3.2).

Taxes for the period amounted to SEK -13.6 million (-18.7).

The profit for the period amounted to SEK 51.8 million (70.0), and the period's margin was 7.5% (10.0%).

Cash flow

Cash flow from operating activities during the period amounted to SEK 76.8 million (128.1). The decrease is due to the fact that in the previous year we were able to free up working capital by reducing inventory levels. The previous year began with an inventory level higher than our target range. Inventory value increased by SEK 7.6 million (-48.6) during the period.

Cash flow from investing activities during the period amounted to SEK -19.0 (-12.7) million with the majority being the investment in non-current assets for our new office and logistics facility, which we will be moving to in the summer of 2025.

Cash flow from financing activities during the period amounted to SEK -50.7 million (-41.6), the majority of which is dividends to shareholders.

MULTI-YEAR OVERVIEW

SEK thousand if not stated otherwise	2024	2023	2022	2021	2020	2020–2024 CAGR
Total revenue	696,102	704,718	640,958	706,527	564,045	5.4%
Net revenue	694,847	702,203	639,273	704,984	561,883	5.5%
Net revenue, excluding divested operations	694,847	702,203	639,273	704,984	541,712	6.4%
Gross profit	432,022	435,571	396,145	455,698	346,950	5.6%
Gross margin %	62.2%	62.0%	62.0%	64.6%	61.7%	
Operating profit (EBIT)	60,705	85,403	74,919	127,658	104,153	-12.6%
EBIT margin %	8.7%	12.2%	11.7%	18.1%	18.5%	
Adjusted EBIT margin % 1)	8.7%	12.2%	11.7%	19.5%	19.4%	
Profit for the period	51,771	69,962	58,872	99,851	79,983	-10.3%
Profit margin %	7.5%	10.0%	9.2%	14.1%	14.2%	
Earnings per share before dilution, SEK	2.49	3.37	2.83	4.80	3.94	-10.8%
Earnings per share after dilution, SEK	2.49	3.37	2.83	4.80	3.84	-10.3%
Solvency, % 1)	73.9%	76.9%	71.2%	69.3%	69.8%	
Return on equity, % 1)	11.7%	16.3%	14.8%	25.5%	24.3%	
Cash flow from operating activities	76,834	128,072	-11,744	104,806	185,356	
Cash and cash equivalents	219,463	208,936	139,978	218,116	139,508	
Average FTEs	99	90	92	82	69	

¹⁾ See page 106 for definitions and explanations of key performance indicators.

Other Key Performance Indicators (KPIs)	2024	2023	Change
Number of website visits, million	34.7	28.9	19.9%
Number of orders, thousand	327.0	296.0	10.5%
Number of new customers, thousand	238.0	216.0	10.2%
Average order value, SEK	2,940	3,355	-12.4%
Average NPS value	62	66	-6.5%
Average TrustPilot Value	4.7	4.8	-1.8%
Average return rate	14.3%	14.9%	-0.6 pp

Financial position and liquidity

The inventory value at the end of the period amounted to SEK 133.2 million (125.7), and the inventory value as a percentage of net revenue (rolling twelve months) amounted to 19.2% (17.9%). Our target is to have an inventory value as a percentage of net revenue (rolling twelve months) in the range of 17.5–22.5% and we therefore ended the quarter with an inventory level at the lower end of this range. The nature of our products results in low inventory risk, which is also reflected in the company's historically low impairment needs.

Net debt at the end of the period was SEK -191.3 million (-185.8) and cash and cash equivalents amounted to SEK 219.5 million (208.9).

The Board's proposed dividend, decided at the Annual General Meeting in May 2024, of SEK 1.80 per share (1.50), amounted to a total of SEK 37.4 million (31.2) and was paid out to shareholders on May 30, 2024.

Other Key Performance Indicators (KPIs)

The NPS value was 62 (66), and the TrustPilot score was 4.7 (4.8), which is evidence that our continued high focus on ensuring a world-class customer experience has been successful.

The number of website visits was 34.7 million (28.9), corresponding to an increase of 19.9% (-9.2%).

The number of orders was 327.0 thousand (296.0), representing an increase of 10.5% (17.0%).

The number of new customers acquired was 238.0 thousand (216.0), representing an increase of 10.2% (20.1%).

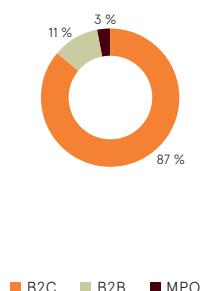
The average order value was SEK 2,940 (3,355), corresponding to a decrease of -12.4% (-6.0%).

Segment reporting

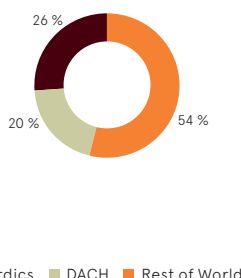
NET REVENUE BY SEGMENT

Rugvista's operations are divided into three segments: Private individuals (B2C), Business-to-business (B2B), and Marketplaces & Other (MPO). Private individuals represent the consumer market and are Rugvista's primary segment, accounting for 87% of net revenue in 2024. Net revenue per region is tracked only for Private individuals (B2C), which is the largest segment.

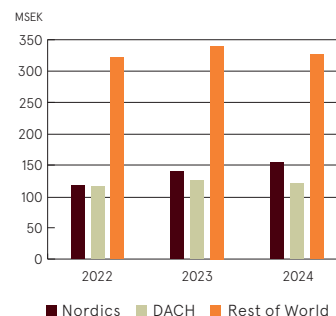
NET REVENUE PER SEGMENT



NET REVENUE PER REGION (B2C)



NET REVENUE PER REGION (B2C)



Private individuals (B2C)

The net revenue for the Private individuals segment during the period was SEK 601.6 million (606.5), representing a decrease of -0.8% (9.3%). We have seen a good increase in the number of orders during the year, while the average order value has dropped as customers have purchased lower-priced products to a greater extent than before.

Growth for the Nordics was 9.8% (19.0%), for DACH -4.5% (-14.6%), and Rest of World, mostly consisting of other European markets, decreased by -3.8% (6.1%).

The gross profit amounted to SEK 372.7 million (373.1), representing a decrease of -0.1% (9.6%), and the gross margin was 61.9% (61.5%).

Marketing expenses as a percentage of net revenue amounted to 33.4% (33.9%). The decrease is a result of the focus on marketing efficiency, despite an anomalous fourth quarter with higher costs.

Segment profit amounted to SEK 171.5 million (167.8), representing an increase of 2.2% (11.6%), and the segment margin was 28.5% (27.7%), with the increase attributed to a slightly higher gross margin and slightly lower marketing expenses as a percentage of net revenue.

Business-to-business (B2B)

The net revenue for the Business-to-business segment during the period was SEK 75.4 million (81.7), representing a decrease of -7.7% (18.4%).

The gross profit amounted to SEK 47.7 million (51.5), representing a decrease of -7.3% (15.7%), and the gross margin was 63.3% (63.1%).

Marketing expenses as a percentage of net revenue amounted to 12.0% (13.0%), with the decrease driven by the same factors as in the B2C segment.

Segment profit amounted to SEK 38.7 million (40.9), representing a decrease of -5.5% (17.5%), and the segment margin was 51.3% (50.1%), with the increase driven primarily by the lower marketing expenses as a percentage of net revenue.

Marketplaces & Other (MPO)

The net revenue for the Marketplaces & Other (MPO) segment during the period was SEK 17.8 million (14.0), representing an increase of 27.3% (9.6%). Sales in this segment were negatively impacted during the previous year by the restructuring of the sales strategy, which this year has driven growth in the marketplaces.

The gross profit amounted to SEK 10.4 million (8.4), representing an increase of 23.5% (-12.5%), and the gross margin was 58.1% (59.9%).

Marketing expenses as a percentage of net revenue amounted to 34.1% (33.8%).

Segment profit amounted to SEK 4.3 million (3.7), representing an increase of 16.7% (-9.7%). The segment margin was 24.0% (26.2%).

Significant events during the financial year 2024

Dividend 2024

At the Annual General Meeting on May 23, 2024, in accordance with the Board's proposal, a dividend of SEK 1.80 per share (SEK 37.4 million) was decided, corresponding to 53% of the Group's profit for 2023.

Changes in the Board of Directors

At the Annual General Meeting on May 23, 2024, in accordance with the Nomination Committee's proposal, the re-election of all board members, Magnus Dimert, Ludvig Friberger, Hanna Graflund Sleyman, Martin Benckert, Ebba Ljungerud, and Patrik Berntsson, was decided. Martin Benckert was elected as the Chairman of the Board.

Changes in the Management Team

On September 30, the Board of Directors agreed with Michael Lindskog that he would leave his position as CEO of Rugvista Group. On October 1, Ebba Ljungerud, a member of the company's Board of Directors, was appointed Acting CEO.

Rugvista's Nomination Committee Appointed November 2024

The Nomination Committee at Rugvista has been constituted in accordance with the company's Nomination Committee's instructions as established by the Annual General Meeting. The Nomination Committee appointed for Rugvista's Annual General Meeting 2025 has the following composition:

- Gunnar Mattsson (representative for madHat AB and Chairman in the Nomination Committee)
- Niclas Röken (representative for Alcur Fonder)
- Carl Armfelt (representative for TIN Fonder)
- Martin Benckert (Chairman of the Board of Directors for Rugvista Group)

Incentive Program ("LTIP")

In 2021, the Group issued warrants as part of an incentive program ("LTIP 2021/2024"). The warrants could be exercised during the period April 15 through June 15, 2024. The program and all outstanding warrants under LTIP 2021 expired unexercised during the year as the exercise price exceeded the share price throughout the exercise period.

Rugvista prepares to relocate

In December 2023, Rugvista signed a nine-year lease with Catena for a new office and logistics facility with an area of 13,700 m² in the Malmö Mellersta port area. Occupancy is expected to take place in summer 2025. During the year, Rugvista carried out procurements and signed contracts for investments in warehouse and automation equipment and a new warehouse management system (WMS).

Rugvista's E-commerce Platform

Rugvista had two e-commerce platforms under the Rugvista and Carpetvista brands during the year. At the end of the year, the older Carpetvista platform was shut down and all of the company's sales via its own web-shop are made using the new e-commerce platform. The new platform's capacity, customer journey and ability to attract organic traffic are significantly better than the older platform.

The company also implemented a new CRM system during the year to provide a more efficient, clearer and more tailored offering to subscribers and existing customers.

Rugvista launched inspiration hub

We launched a visual inspiration hub for our customers to facilitate, inform and inspire their choice of rug. During the year, we launched a number of collections for customers who know what style they prefer but need help finding rugs in their style. <https://www.rugvista.se/inspiration>.

Subsidiary in Germany operational

In September 2023, Rugvista GmbH, a wholly owned subsidiary of Rugvista AB, was registered with its headquarters in Berlin, Germany. The company hired staff in 2024 and had 8 (0) employees at the end of the year.

Geopolitical uncertainty

Russia invaded Ukraine in early 2022. The Group, through its business operations, has no direct exposure to Russia, Ukraine, or Belarus. However, it is challenging to assess the ongoing war's indirect impact on GDP growth, inflation, global supply chains, as well as consumer confidence and demand for the Group's products. The same applies to events in the Middle East, principally the war between Israel and Hamas, and Israel and Hezbollah, as well as the risk of widening conflict in the region. The Group has no direct exposure in Israel, Gaza or Lebanon, but the events may have an indirect impact through 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 shipping costs. The impact on Rugvista's results has been, and is expected to continue to be, marginal, but management is monitoring the situation.

Significant events after the end of the reporting period

No significant events occurred after the end of the reporting period.

Parent company

Rugvista Group AB (publ), with registration number 559037-7882, is the parent company of the Group, which includes Rugvista AB and Rugvista GmbH. Rugvista Group AB (publ) is formed and registered in Sweden.

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

The parent company's net revenue for the quarter amounted to SEK 4.4 million (3.9). During the period January–December, the parent company's net revenue amounted to SEK 20.2 million (15.4). The parent company's revenues consist of invoiced fees for management services to subsidiaries, in accordance with an intra-group agreement.

The parent company's costs mainly include salaries for parts of the management, remuneration to the Board, and costs related to the company's shares being listed on Nasdaq. The result for the quarter amounted to SEK 38.0 million (51.8). For the period January–December, the result amounted to 38.3 (51.7).

The parent company's primary assets consist of shares in the subsidiary Rugvista AB and the company's cash holdings. The parent company established a cash pool during the year, where the parent company is the sole account holder for the Group's Swedish bank accounts and the parent company has an intra-group liability to its subsidiary Rugvista AB.

Risk factors

Rugvista Group is exposed to a number of risks related to its operations and associated with the implementation of its strategy. The risk factors currently considered most significant for Rugvista Group are described below without any specific ranking. The significance of these risk factors has been assessed based on the likelihood of their occurrence and the expected extent of their negative impact.

Macroeconomic and Geopolitical Risks

Demand for the products offered by the company depends on various factors influenced by the macroeconomic climate and consumers' disposable incomes and purchasing power, such as market interest rates, unemployment or risk of unemployment, tax levels, employment rates, and other macroeconomic factors. Rugs and carpets, being non-essential items, are examples of products that consumers may opt to forego during an economic downturn that leads to actual or perceived declines in disposable incomes and purchasing power. A recession or general decline in economic activity in one or more of Rugvista's markets may thus have a significant negative impact on the demand for the products Rugvista offers, as well as on the ability to maintain profitable pricing.

The global economy is also adversely affected by tariffs and other trade-restrictive measures introduced by the USA, EU, and China. A large proportion of the rugs and carpets in Rugvista's range originate from countries with heightened geopolitical risk such as Turkey, Iran, and Afghanistan. This means that Rugvista Group is subject to risks related to geopolitical uncertainty in the Middle East. The Group has no direct exposure in Israel or Gaza, but the events may have an indirect impact through 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 shipping costs. The impact on Rugvista's results has been, and is

expected to continue to be, marginal, but management is monitoring the situation. Uncertainty related to geopolitical risk, for example, may entail risks related to Rugvista Group's access to carpets if the supply from wholesalers the company purchases carpets from were to decrease or cease, if the factories where Rugvista Group's carpets are manufactured were to experience production disruptions, or if trade sanctions were imposed on any jurisdiction. Thus, a negative geopolitical development can have a significant negative impact on Rugvista Group's business and operating results. The uncertainty in the macroeconomic outlook has led to lower consumer confidence in recent years, resulting in reduced consumption. Depending on how long the uncertainties in the international economy persist and how they develop, it may lead to further deterioration in household purchasing power and thus have a negative impact on Rugvista Group's business and operating results. A macroeconomic outlook with potentially more protectionist countries, high inflation and interest rate hikes can also lead to higher commodity and product prices.

Risks related to Brand, Reputation and Competition

The company's reputation and brand are crucial for its ability to attract new and retain existing customers, employees, and partners. Therefore, customer satisfaction is the company's top priority and something that is continuously measured and monitored. Interaction and customer service are critical to maintaining the company's reputation. Negative customer reviews spread to existing and potential customers could cause significant damage to the company's reputation, demand for its rugs, and ultimately its market position and competitiveness. Rugvista Group's competitors primarily consist of traditional retailers, multi-channel home décor retailers, online-based rug retailers, and online-based department stores. Key competitive factors in online rug sales include price and product quality, the ability to attract current customer and market preferences with design and material choices, delivery and payment terms (including return conditions), and website usability. Companies currently focusing, to a greater or lesser extent, on other types of products, services, customer segments, or geographical markets, or traditional physical rug retailers, may increase or begin online rug sales to Rugvista Group's target groups. Additionally, wholesalers, from whom Rugvista Group purchases rugs, may start selling rugs directly to end customers themselves. Thus, there is a risk that Rugvista Group will face new competitors who may have greater financial resources and can leverage economies of scale to a greater extent than the company. There is therefore a risk that such players succeed in meeting customer preferences to a greater extent than the company. Increased competition can lead to Rugvista Group losing market share, resulting in decreased net revenues, higher costs, and lower margins. To meet increased competition, Rugvista Group may, for example, be forced to lower product prices and/or increase investments in marketing activities, which could result in lower margins and/or increased costs for the company.

Risks related to Sustainability and Environment

Risks related to sustainability continue to grow in importance as regulations tighten and reporting requirements increase. These risks include, among others, resource scarcity, climate change, and biodiversity. Environmental risks affect most traditional risks such as macroeconomic risks and can contribute to, among other things, reducing consumers' real purchasing power and be cost-driving in Rugvista's value chain.

Rugvista Group strives to have a leading role in sustainability, and Rugvista Group's ability to conduct long-term profitable operations is largely dependent on our success in handling the sustainability-related risks to which the company is exposed through its activities. For a detailed description of risks related to sustainability factors such as human rights, working conditions, environment, bribery, and corruption, please see the risk section in the sustainability report on pages 22–47.

Risks related to Suppliers and Business Partners

Rugvista Group relies on purchases from wholesalers within the EU (primarily for traditional carpets) or suppliers mainly in India and Turkey for the manufacturing and delivery of carpets. Consequently, Rugvista Group is subject to risks associated with, among other things, changes in production prices, increased transportation costs, inadequate production/delivery capacity, and production quality.

The company also collaborates with payment service providers, staffing agencies, transport and logistics companies for the transportation of products to and from customers, as well as other external parties within the framework of its operations. The company depends on external parties fulfilling their contractual obligations regarding quality and delivery time and adhering to Rugvista's guidelines and other industry standards regarding the environment, occupational health and safety, anti-corruption, human rights, and business ethics. There is a risk that such parties, affected by financial difficulties, may not deliver on time or in accordance with the cost structure or quality they have committed to, or that they do not comply with applicable guidelines and industry standards. The ability of suppliers to fulfill their obligations may also be affected by external circumstances such as natural disasters and epidemics. For risks related to suppliers and partners, see also the risk section in the sustainability report on pages 22–47.

Risks related to the Company's Handling Centers

Rugvista Group operates a small warehouse and two slightly larger handling centers in Malmö that store and manage the company's carpets. The company's operations rely on efficient handling of purchased products, packaging, outgoing shipping and receipt handling, control and management of returns, as well as high functionality in the company's handling system. Events such as sabotage, fire, and natural disasters could cause damage to the handling centers and the products in Rugvista Group's inventory. Even though such damages would be covered by insurance, extensive damages to the company's handling centers and inventory would risk causing a re-procurement time for the affected products, potentially resulting in the company failing to fulfill its obligations to its customers in a timely manner and ultimately not having enough products for the company's offerings to customers.

IT and Cybersecurity

Rugvista Group's sales are primarily online-based and almost exclusively occur through Rugvista Group's web-shops. Rugvista Group's ability to continue its operations and maintain and increase its customer base and sales volumes to a large extent depends on the continuous development, smooth functioning, and high availability of the company's technology platform. There is a risk that the company's technology platform and IT systems may prove to be undersized or malfunction, especially if the traffic on the company's websites were to increase faster than anticipated. Rugvista Group primarily relies on high availability of systems that ensure uninterrupted access to the web-shops for potential customers. Consequently, Rugvista Group is subject to risks related to interruptions and disruptions in its technical infrastructure, which may be caused by data viruses, power outages, sabotage, as well as human or technical errors. IT attacks, faults, and damages to IT systems, operational disruptions, and erroneous or inadequate delivery of IT services from IT providers can lead to extensive interruptions or disruptions in the company's web-shops and other IT systems, which in turn can negatively affect Rugvista Group's operations, profitability, and financial position. Cybersecurity risks within Rugvista Group's operations primarily arise in relation to critical and sensitive information that the company possesses, such as product information, customer registries, data used to generate demand forecasts, marketing and customer engagement, as well as data used to understand how Rugvista Group's customers use the company's web-shops and to analyze customer behavior.

Financial Risks

The following financial risks have been identified and are further described in note 16 of the financial reporting:

- Liquidity and financing risks
- Currency risks
- Goodwill impairment risk
- Interest rate risks

Variations in seasonality

The Group's sales typically vary over the seasons, with the fourth and first quarters tending to be the strongest.

The share

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

SE0015659834. The market value on the last trading day of the fourth quarter 2024 (December 30) was SEK 935 million valued at the closing price of SEK 45.00 per share. At the end of the reporting period, the number of shares issued amounted to 20,785,140, all of which were ordinary shares.

In 2021, 860,000 warrants were issued by the Group. Of these, 435,981 have been sold to key persons within the Group. All outstanding warrants under LTIP 2021 expired unexercised during the year as the exercise price exceeded the share price throughout the exercise period.

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

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

For more detailed information on incentive programs, see "LTIP 2021", "LTIP 2022" and "LTIP 2023", Note 22 and the company's website: www.rugvistagroup.com.

THE TEN LARGEST SHAREHOLDERS DECEMBER 30TH, 2024

Owner	Number of shares	Share of capital	Share of votes
Madhat AB	2,505,874	12.1%	12.1%
Alcur Fonder AB	2,169,213	10.4%	10.4%
Futur Pension Försäkringsaktiebolag	1,807,892	8.7%	8.7%
Indexon AB	1,490,204	7.2%	7.2%
Nordnet Pensionsförsäkring AB	1,485,457	7.1%	7.1%
SIX SIS AG	1,284,427	6.2%	6.2%
Movestic Livförsäkring AB	1,069,993	5.1%	5.1%
Bank Julius Baer & Co Ltd	1,037,178	5.0%	5.0%
CBLB/UCITS	918,411	4.4%	4.4%
Försäkringsaktiebolaget Avanza Pension	796,166	3.8%	3.8%
Total for the ten largest shareholders	14,564,815	70.1%	70.1%
Total number of outstanding shares	20,785,140	100.0%	100.0%

Source: Euroclear extract per December 30th, 2024.

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

Guidelines for remuneration to senior executives

A General Meeting held on May 25, 2023, resolved to adopt the following guidelines for remuneration to senior executives in Rugvista Group.

Senior executives of Rugvista Group, which consists of individuals who from time to time are part of the company's executive management, fall within the provisions of these guidelines. The guidelines are applicable to remuneration agreed, and amendments to remuneration already agreed, after the guidelines have become effective in accordance with the General Meeting's resolution. These guidelines do not apply to any remuneration decided by the General Meeting.

Employment conditions of a member of the executive management subject to rules other than the Swedish rules, may be duly adjusted for compliance with mandatory rules or established local practice, taking into account, to the extent possible, the overall purpose of these guidelines.

To the extent that a member of the Board of Directors performs work for the company in addition to the Board assignment, these guidelines shall also apply to any remuneration (e.g. consultancy fees) for such work.

The guidelines' promotion of the company's business strategy, long-term interests, and sustainability

The company's business vision is to become the hub of the European carpet industry. A prerequisite for a successful implementation of the company's business strategy and safeguarding of its long-term

interests, including its sustainability work, is that the company can recruit and retain qualified personnel. The company's people vision is to attract, motivate, and retain extraordinary people which also constitutes the basis for ensuring that the company's most important asset, its employees, are motivated and happy to be a part of the organization. To this end, it is necessary that the company offers competitive remuneration. These guidelines enable the company to offer the executive management a competitive total remuneration.

Share-related incentive programs based on warrants have previously been implemented in the company. Such programs have been resolved by the General Meeting and are therefore excluded from these guidelines. The programs include Rugvista Group's executive management and other key employees within Rugvista Group. The purpose of the programs is to offer the participants the opportunity to receive a share of the long-term value growth for the company's shareholders that the participants help to create. The outcome of the programs is linked to the development of the company's share price on Nasdaq First North Premier Growth Market and participation in the plans requires a personal investment and a holding period of several years. For further information about the programs, see Rugvista Group's website, <https://www.rugvistagroup.com/en/>. Any future share-related incentive programs will be resolved by the General Meeting.

Variable cash remuneration that is subject to these guidelines shall promote the company's business strategy and long-term interests, including its sustainability.

Types of remuneration, etc.

The remuneration shall be on market terms and may consist of the following components: fixed cash remuneration, variable cash remuneration (bonus), pension benefits and other benefits. Additionally, and irrespective of these guidelines, the General Meeting may resolve on, amongst other things, share-related or share-price-related remuneration.

FIXED CASH REMUNERATION

Fixed cash remuneration shall be on market terms and determined based on the responsibility, mandate, competence and experience of each member of the executive management.

VARIABLE CASH REMUNERATION

In addition to fixed cash remuneration, variable cash remuneration may form part of the remuneration to senior executives. Decisions regarding variable remuneration as a part of total remuneration shall be made by the Board of Directors.

Variable cash remuneration under these guidelines shall be linked to one or more predetermined and measurable criteria designed to promote the company's strategy and long-term interests, including sustainability, or the senior executive's long-term development. The criteria can be financial, non-financial, individual and/or joint, qualitative and/or quantitative. Variable cash remuneration may amount to a maximum of 50 percent of the yearly fixed cash remuneration.

Fulfillment of the criteria for awarding variable cash remuneration shall be measurable for a measurement period of one year. When the measurement period for fulfillment of the criteria for payment of variable cash remuneration has come to an end, the Board of Directors shall evaluate the extent to which the criteria have been fulfilled.

Variable cash remuneration can be paid after the measurement period has ended or be subject to deferred payment.

EXTRAORDINARY REMUNERATION

Additional cash remuneration may be awarded in extraordinary circumstances, provided that such extraordinary arrangements are limited in time and only made on an individual basis, either for the purpose of recruiting or retaining executives, or as remuneration for extraordinary performance beyond the individual's ordinary tasks. Such remuneration may not exceed an amount corresponding to 50 percent of the fixed annual cash salary and may not be paid more than once each year per individual. Decisions on such remuneration shall be made by the Board of Directors.

PENSION BENEFITS

Pension benefits, including health insurance, for the CEO shall be defined contribution and the pension contributions shall amount to a maximum of 30 percent of the CEO's fixed annual cash salary. Other senior executives shall be covered by ITP1 in accordance with the applicable collective agreement, or similar pension benefit. For executives covered by ITP1, the insurance premium shall be based on each member's fixed annual basic cash salary and other pensionable income in accordance with ITP1. ITP1 means that the company pays a premium of 4.5 percent of the executive's pensionable income up to 7.5 x the income base amount and 30 percent of the pensionable income over 7.5 x the income base amount. In addition, other senior executives may receive an additional defined contribution pension provision in the form of a fixed monthly sum, which can amount to a maximum of 6 percent of the current fixed monthly cash salary when determining such pension provision.

OTHER BENEFITS

Other benefits may include, for example, life insurance, medical insurance, and company cars. Such benefits may not in total exceed more than 15 percent of the fixed annual cash salary.

REMUNERATION TO MEMBERS OF THE BOARD OF DIRECTORS

In the event a member of the Board of Directors performs services for the company in addition to the Board assignment, separate remuneration (e.g. consultancy fees) can be awarded for such services provided that these services contribute to the implementation of the company's business strategy and the safeguarding of the company's long-term interests, including its sustainability. The annual consultancy fee must be on market terms and be set in relation to the benefit it brings to the company, and may never exceed three times the applicable Board fee for each member of the Board. Remuneration to a member of the Board of Directors, as well as other conditions, is decided by the Board of Directors.

Termination of employment

Upon termination of employment, the notice period may not exceed six months, unless otherwise provided by mandatory law or collective agreement. Fixed cash salary during the period of notice and severance pay may together not exceed an amount equivalent to the fixed cash salary for fifteen months. When termination is made by the executive, the period of notice may not exceed six months, without any right to severance pay.

Additionally, remuneration may be paid for non-compete undertakings. Such remuneration shall compensate for loss of income and shall only be paid in so far as the previously employed executive is not entitled to severance pay. The compensation shall amount to a maximum of 60 percent of the fixed cash salary at the time of termination of employment, unless otherwise specified by mandatory collective agreement provisions, and shall be paid for the duration of the non-compete obligation, which shall not exceed twelve months.

Salary and employment terms for employees

In the preparation of the Board of Directors' proposal for these remuneration guidelines, salary and employment terms for employees of Rugvista Group have been taken into account by including information on the employees' total income, the components of the remuneration and increase and growth rate over time in the Board of Directors' basis for decision-making when evaluating whether the guidelines and the limitations set out herein are reasonable.

The decision-making process to determine, review and implement the guidelines

The Board of Directors shall prepare a proposal for new guidelines at least every four years and submit it to the General Meeting. The guidelines shall be in force until new guidelines are adopted by the General Meeting. The Board of Directors shall also monitor and evaluate programs for variable remuneration for the executive management, the application of the guidelines for executive remuneration as well as the current remuneration structures and compensation levels in the company. The CEO and other senior executives are not present when the Board of Directors examines and decides on remuneration-related matters in so far as they are affected by such matters.

Derogation from the guidelines

The Board of Directors may resolve to derogate temporarily from the guidelines, in whole or in part, if in a specific case there is special cause for the derogation and a derogation is necessary to serve the company's long-term interests, including its sustainability, or to ensure the company's financial viability.

The Board of Directors decided in 2024 on derogation from the guidelines. The derogation was due to a non-compete obligation for the outgoing CEO of 18 months, compared with the 12 months specified in the guidelines. The outgoing CEO's in-depth knowledge and experience of the company's strategies and operations, including supplier contacts, was considered justification for extending the non-compete obligation and the derogation was deemed necessary in accordance with the provisions of the guidelines.

Sustainability report

See separate sustainability report on pages 22–47.

Corporate governance report

See separate corporate governance report on pages 50–61.

Dividend

Rugvista Group aims to distribute up to 50% of the annual profit to the shareholders. The Board of Directors proposes a cash dividend of SEK 1.25 (1.80) per share, equivalent to SEK 26.0 million (37.4). The proposed date for the right to receive the dividend is May 23, 2025. Assuming the shareholders' meeting approves the dividend proposal, the expected payment date for the dividend is May 28, 2025. See the Board's proposed appropriation of profits.

The parent company's and the Group's income statements and balance sheets will be subject to approval at the Annual General Meeting on May 21, 2025.

Proposed appropriation of profits

The Board proposes that the profits at the disposal of the Annual General Meeting:

Retained earnings	345,852,565
Profit for the year	38,285,271
Total (SEK)	384,137,837

be appropriated as follows:

Dividend SEK 1.25 per share to the shareholders	25,981,425
Carried forward	358,156,412
Total (SEK)	383,265,817

The parent company's and the Group's income statements and balance sheets for 2024 will be subject to approval at the Annual General Meeting on May 21, 2025.

Financial Reporting

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Consolidated Income statement

KSEK	Note	Jan 1, 2024 Dec 31, 2024	Jan 1, 2023 Dec 31, 2023
Net revenue	3, 4	694,847	702,203
Other operating income	5	1,255	2,516
Total operating income		696,102	704,718
Goods for resale	3, 4, 15	-264,080	-269,147
Other external expenses	6	-257,265	-259,538
Personnel expenses	7	-94,509	-72,788
Amortization & depreciation	11, 13, 14	-16,948	-12,139
Other operating expenses	5	-2,594	-5,703
Total operating expenses		-635,397	-619,315
Operating profit (EBIT)		60,705	85,403
Financial income and expenses			
Financial income	8	5,469	4,147
Financial expenses	8	-806	-920
Net financial items		4,663	3,227
Profit/loss after financial items		65,368	88,630
Income tax	9	-13,598	-18,669
Profit for the year		51,771	69,962
Attributable to			
Parent company's shareholders		51,771	69,962
Earnings per share before dilution, SEK	10	2.49	3.37
Earnings per share after dilution, SEK	10	2.49	3.37

Consolidated Statement of other comprehensive income

KSEK	Note	Jan 1, 2024 Dec 31, 2024	Jan 1, 2023 Dec 31, 2023
Profit for the year		51,771	69,962
Items that can later be reclassified to the income statement			
Translation differences		10	-19
Other comprehensive income		10	-19
Comprehensive income for the year		51,781	69,943
Attributable to			
Parent company's shareholders		51,781	69,943

Consolidated Statement of financial position

KSEK	Note	Dec 31, 2024	Dec 31, 2023
ASSETS			
<i>Non-current assets</i>			
Goodwill	12	299,949	299,949
Intangible assets	11	21,083	19,754
Tangible assets	13	16,743	3,903
Right-of-use assets	14	27,522	22,126
Deferred tax assets	9	125	242
Total non-current assets		365,423	345,974
<i>Current assets</i>			
Inventory	15	133,228	125,656
Accounts receivable		18	48
Other receivables	16	32,436	22,303
Prepaid expenses	18	2,812	2,698
Cash and cash equivalents	17	219,463	208,936
Total current assets		387,957	359,642
TOTAL ASSETS		753,380	705,615
EQUITY AND LIABILITIES			
<i>Equity</i>			
	21		
Share capital		1,039	1,039
Other contributed capital		227,696	228,052
Retained earnings, including profit for the year		328,118	313,751
Equity attributable to the parent company's shareholders		556,853	542,842
<i>Non-current liabilities</i>			
Deferred tax liabilities	9	22	22
Lease liabilities	14	17,031	10,545
Provisions	7	3,030	-
Total non-current liabilities		20,082	10,566
<i>Current liabilities</i>			
Accounts payable	16	76,592	55,449
Current tax liabilities	9	12,018	19,155
Other current liabilities		55,452	50,501
Lease liabilities	14	11,101	12,576
Prepaid income and accrued expenses	20	21,282	14,527
Total current liabilities		176,444	152,208
TOTAL EQUITY AND LIABILITIES		753,380	705,615

Consolidated Statement of changes in equity

KSEK	Note	Share capital	Other contribut- ed capital	Retained earnings, including profit for the year	Total equity
Opening balance, Jan 1, 2023		1,039	227,627	274,985	503,651
Profit for the year				69,962	69,962
Other comprehensive income				-19	-19
Total comprehensive income		-	-	69,943	69,943
Transactions with shareholders					
Dividend paid				-31,178	-31,178
Warrants			425		425
Warrants, repurchase			-		-
Closing balance, Dec 31, 2023	21.22	1,039	228,052	313,751	542,842
Profit for the year				51,771	51,771
Other comprehensive income				10	10
Total comprehensive income		-	-	51,781	51,781
Transactions with shareholders					
Dividend paid				-37,413	-37,413
Warrants					-
Warrants, repurchase			-356		-356
Closing balance, Dec 31, 2024	21.22	1,039	227,696	328,118	556,853

Consolidated Statement of cash flows

KSEK	Note	Jan 1, 2024 Dec 31, 2024	Jan 1, 2023 Dec 31, 2023
Operating activities			
Operating profit (EBIT)		60,705	85,403
Adjustments for items not included in cash flow			
Unrealized exchange rate difference		-3,044	2,529
Amortization and depreciation	11, 13, 14	16,948	12,139
Change in provision		3,030	-
Adjustment for gains or losses on the sale or disposal of assets	5	407	-
Interest received	8	5,469	4,147
Interest paid	8	-806	-920
Income tax paid		-20,618	-41,069
Cash flow from operating activities before changes in working capital		62,091	62,229
Changes in working capital			
Change in inventory		-7,572	48,602
Change in operating receivables		-10,075	28,057
Change in operating liabilities		32,390	-10,816
Cash flow from operating activities		76,834	128,072
Investing activities			
Investment in intangible assets	11	-4,114	-10,690
Acquisition of tangible assets	13	-14,890	-1,974
Sales of tangible assets	13	-	-
Cash flow from investing activities		-19,004	-12,664
Financing activities			
Warrants	22	-	425
Warrants, repurchase	22	-356	-
Amortization of lease liabilities	16	-12,905	-10,873
Dividend paid	21	-37,413	-31,178
Cash flow from financing activities		-50,675	-41,626
Cash flow for the year		7,156	73,783
Cash and cash equivalents at start of year	17	208,936	139,978
Exchange rate differences in liquidity		3,371	-4,825
Cash and cash equivalents at year-end	17	219,463	208,936

Group Notes

Note 1

Company information

Rugvista Group AB is a limited liability company with its registered office in Malmö. The company is the parent company of a Group that includes 100% of Rugvista AB, 556458-9207 (Malmö) and 100% of Rugvista GmbH, HRB 256883 B (Berlin). The Group sells rugs and carpets through the Rugvista and Carpetvista websites.

The Group's company address is: Rugvista Group AB, Ringugns-gatan 11, 216 16 Limhamn, Sweden.

Note 2

Basic accounting principles

Regulations applied

The consolidated financial statements of Rugvista Group AB have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (EU). The Swedish Annual Accounts Act and RFR 1 'Supplementary accounting rules for Groups' have also been applied.

Basis of preparation of the consolidated financial statements

The consolidated financial statements have been prepared in accordance with the purchase method for subsidiaries.

Preparing financial statements in compliance with IFRS requires that management make some estimates for accounting purposes. The areas that involve a high level of assessment, that are complex or where the assumptions and estimates are of material importance to the consolidated financial statements are indicated under the summary of significant accounting policies. These estimates and assumptions are based on historical experience and other factors deemed reasonable under the circumstances. Actual outcomes may differ from estimates made if estimates made change or other conditions exist.

Gross accounting is consistently applied to the recognition of assets and liabilities except where both a receivable and a liability exist for the same counterparty and they can be legally offset, and the intention is to do so. Gross accounting is also applied to income and expenses unless stated otherwise.

Classification of assets and liabilities

Non-current assets, non-current liabilities and provisions are expected to be recovered or be due for payment later than twelve months after the balance sheet date. Current assets and current liabilities are expected to be recovered or be due for payment within less than twelve months after the balance sheet date.

Summary of significant accounting policies

CONSOLIDATED FINANCIAL STATEMENTS

Subsidiaries

Subsidiaries are companies in which the Group is entitled to a variable return on its holding and has the opportunity to influence the return. Rugvista Group AB owns 100% of the shares in the Group's subsidiaries.

Acquisition of subsidiaries/business combinations

Business combinations are recognized in accordance with the purchase method.

Translation of foreign currency

FUNCTIONAL AND REPORTING CURRENCIES

The financial statements of the individual entities in the Group are measured using the currency that is predominantly used in the economic area in which the entity operates (functional currency). Foreign currency is a currency other than the functional currency of the entity concerned. The consolidated financial statements are prepared in SEK, which is both the functional currency and the presentation currency of the parent company. The Group's subsidiaries have SEK and EUR as their functional currency.

TRANSACTIONS AND BALANCE SHEET ITEMS

Transactions in foreign currency are translated to the functional currency at the rate on the transaction date. Foreign exchange gains or losses resulting from the translation of monetary items denominated in foreign currency at the closing day rate are recognized in other operating expenses or other operating income.

Tangible assets

Tangible assets are recognized at cost less accumulated depreciation and any impairment. Tangible assets are measured at cost and depreciated on a straight-line basis over their estimated useful lives.

Gains or losses are recognized in the income statement in the accounting period in which the asset is disposed of as other expenses or other income.

Depreciation is calculated as follows:	Number of years
Equipment, tools, fixtures and fittings	3–10 years

Intangible assets

GOODWILL

Goodwill is measured at cost less any accumulated impairment losses. The factors that make up the goodwill recognized are mainly various forms of synergies, employees, know-how, customer contacts of strategic importance and market leadership positions in selected markets.

CAPITALIZED DEVELOPMENT EXPENSES

The carrying amount includes direct costs and – when applicable – salary costs and share of indirect costs. Other development-related expenses are recognized in profit or loss as other external expenses

when they arise. In the statement of financial position, capitalized development expenses are recognized at cost less accumulated amortization and any impairment losses. Capitalized development expenses are mainly related to software platforms.

AMORTIZATION PRINCIPLES

Amortization is recognized in the profit for the year on a straight-line basis over the estimated useful lives of amortizable intangible assets. Goodwill has an indeterminable useful life and is tested for impairment annually or as soon as there are indications that the asset in question has declined in value. Intangible assets with determinable useful lives are amortized from the date on which they are available for use. Amortization begins when the asset can be used in the way that management intends.

Amortization is calculated as follows:	Number of years
Capitalized development expenses	5 years

Inventory

Inventory is measured at the lower of cost and net realizable value with cost being calculated in accordance with the FIFO (first-in, first-out) principle.

An obsolescence assessment is carried out monthly, broken down into the categories of designer carpets and unique carpets.

Products that are subject to a return reservation are recognized as a right of return asset based on the right to recover the product from the customer.

Financial instruments

A financial asset or a financial liability is recognized on the balance sheet when Rugvista becomes a party to a contract. Receivables are recognized on the balance sheet when a customer has chosen to use a payment intermediary and the company's right to payment is unconditional. See also the section on revenue recognition principles. A liability is recognized when the counterparty has completed its undertaking and a contractual obligation to pay exists, even if no invoice has yet been received. Accounts payable are recognized when the invoice has been received.

Financial assets

Financial assets consist of accounts receivable, other receivables and cash and cash equivalents. These assets are recognized at accrued cost and at the net of gross value and provisions for bad debts. Changes in the provisions for bad debts are recognized in profit or loss.

Financial assets classified at accrued cost are initially measured at fair value plus transaction costs. Other receivables are initially recognized at invoiced value. After initial recognition, the assets are measured according to the effective interest method.

The Group does not hold any financial assets that are measured at fair value.

IMPAIRMENT OF FINANCIAL ASSETS

The Group's financial assets are subject to impairment for expected credit losses. Impairment for credit losses in accordance with IFRS 9 is forward-looking, and a provision for bad debts is made when there is exposure to credit risk. Expected credit losses reflects the present value of all deficits in cash flows attributable to default either for the next 12 months or for the expected remaining term of the financial instrument, depending on the asset type and on credit deterioration since initial recognition. See also Note 16.

Financial liabilities

Financial liabilities are recognized at accrued cost. Financial liabilities recognized at accrued cost are initially measured at fair value, including transaction costs. After initial recognition, they are meas-

ured at accrued cost according to the effective interest method. The Group has accounts payable, other current liabilities and accrued expenses which are recognized at accrued cost.

Employee benefits

PENSIONS

Employee benefits consist of salaries, pensions and other benefits. With regard to pensions, the Group has defined contribution pension plans. The Group's costs for defined contribution pension plans are charged to the income statement in the year to which they relate and are recognized as personnel expenses.

Leases

RELIEF RULES

The Group has chosen not to apply the relief rules for short-term leases and low-value leases and not to separate non-lease components.

The Group as lessee

When entering into a contract, the Group establishes whether it is or contains a lease, based on the substance of the contract. A contract is or contains a lease if it transfers a right, during a specific term, to determine the use of an identified asset in exchange for payment.

Right-of-use assets

The Group recognizes right-of-use assets in the statement of financial position at the date of commencement of the lease (i.e. the date on which the underlying asset is available for use). Right-of-use assets are measured at cost less accumulated depreciation and any impairment and adjusted for remeasurement of the lease liability. The cost of right-of-use assets includes the initial value that is recognized for the attributable lease liability, initial direct expenses and any advance payments made at or before the date of commencement of the lease, less any discounts, etc. received in connection with signing the lease. Provided that the Group is not reasonably certain that it will assume the title to the underlying asset at the end of the lease term, the right-of-use asset is amortized on a straight-line basis over the lease term. The Group's lease portfolio consists of premises, trucks and other cars. Premises are depreciated in accordance with the current lease over 3–6 years. Cars and trucks are depreciated in accordance with the current lease over 3–5 years.

Lease liabilities

At the date of commencement of a lease, the Group recognizes a lease liability equivalent to the present value of the lease payments to be made during the lease term. The lease term is defined as the non-terminable period plus periods for renewing or terminating the lease if the Group is reasonably certain to exercise the options. The lease payments include fixed payments (less any discounts, etc. to be received in connection with signing the lease), variable lease payments based on an index or a price and amounts that are expected to be paid under residual value guarantees. Variable lease payments that are not based on an index or a price are recognized as other external expenses in the period to which they are attributable.

To calculate the present value of lease payments, the Group uses the implicit interest rate in the lease if it can easily be determined, and the Group's marginal borrowing rate at the date of commencement of the lease is used in other cases.

Note 2 Basic accounting principles (cont.)

Revenue

The Group sells goods via websites to both consumers and businesses. The terms of the contracts are similar, whether the end customer is a consumer or a business. Revenue from contracts with customers is recognized when control over the product has been transferred to the customer in an amount that reflects the payment to which the Group expects to be entitled in exchange for the goods. Payment is made when ordering goods via the website. Payment is made directly via card payment or bank transfer, or the customer uses the option to pay via payment intermediaries who also offer financing. The receivables arising are therefore from the payment intermediaries with which the Group works. The average maturity of receivables from payment intermediaries is 3–5 days. Incoming payments from payment intermediaries are reduced by the payment provider's fees, which are recognized as part of the selling expenses.

The Group identifies a performance obligation in its contracts with customers, which consists of the sale of goods. Income is recognized when control of the goods has been transferred to the customer, which normally occurs when the goods are released from the company's inventory.

Revenue is recognized at the fair value of what was received or will be received. The Group's policy is to sell goods to end customers with a right of return. The right of return applies for 100 days. The right of return is calculated when the transaction price is established, and revenue is reduced by the sales price of the products expected to be returned and recognized as a refund liability. A right of return asset is recognized corresponding to the right to recover the product from the customer. Historical data is used to assess the risk of returns at the time of sale. The return risk reserve is calculated so that there is no material risk of reversal of the revenue recognized in the subsequent accounting period, based on an average of actual returns during the 12 months prior to the current accounting period.

Dividend

Dividends paid to the company's shareholders are classified as a liability from the date on which the dividend is adopted at the Annual General Meeting.

New and future standards

NEW AND AMENDED STANDARDS

For the 2024 financial year, none of the new IFRS standards to be applied from January 1, 2024 have had any material impact on the Group's or parent company's financial statements. Neither have any amendments to existing standards.

No new or amended IFRS were applied prematurely.

FUTURE STANDARDS

A number of new and amended IFRS have not yet entered into force and were not applied prematurely in the preparation of the Group's and parent company's financial statements.

We expect that IFRS 18 – Presentation and Disclosure in Financial Statements, which has not yet been adopted by the EU, will have an impact on the financial statements. The Group has begun working to ensure that all relevant changes are identified and adjustments are made in good time before this standard comes into force. Rugvista will apply the new standard from its mandatory effective date of January 1, 2027.

Significant estimates and assumptions

The preparation of financial statements in conformity with accounting policies requires the Board of Directors and the CEO to make certain estimates and assumptions that affect the carrying amount of assets, liabilities, income and expenses. The areas in which estimates and assumptions are highly significant to the Group and may affect the income statement and balance sheet, if changed, are described below:

IMPAIRMENT TESTING OF GOODWILL

When testing goodwill for impairment, a number of key assumptions and assessments need to be considered to calculate the value in use of the cash-generating unit. These assumptions and assessments relate to expected future discounted cash flows. Forecasts of future cash flows are based on best possible assessments of future income and operating expenses based on historical performance, general market conditions, industry trends and forecasts, and other available information. The assumptions are made by management and reviewed by the Board of Directors. For more information on the impairment testing of goodwill, see note 12 Goodwill.

MEASUREMENT OF INVENTORY

Inventory is measured at the lower of cost and net realizable value with cost being calculated in accordance with the FIFO (first-in, first-out) principle. The net realizable value is defined as the sales price less selling expenses. Adjustment to net realizable value includes assessments of obsolescence.

PROVISIONS FOR RETURNS

A right of return asset is recognized corresponding to the right to recover the product from the customer. Historical data is used to assess the risk of returns at the time of sale. The return risk reserve is calculated so that there is no material risk of reversal of the revenue recognized in the subsequent accounting period, based on an average of actual returns during the 12 months prior to the current accounting period.

Note 3

Net revenue

Private individuals (B2C) segment	2024	2023
Geographic area		
Nordics	154,166	140,362
<i>of which Sweden</i>	53,334	46,886
DACH (Germany, Austria, Switzerland)	120,052	125,679
<i>of which Germany</i>	72,679	78,834
Rest of World	327,416	340,492
<i>of which United Kingdom</i>	59,698	57,016
Total revenue from contracts with customers	601,635	606,533
Business-to-business (B2B) segment		
Revenue from contracts with customers	75,375	81,662
Marketplaces and Other (MPO) segment		
Revenue from contracts with customers	17,836	14,008
Total net revenue	694,846	702,203

Note 4

Segment information

The Group reports parts of the income statement in three segments. The segmentation is driven by each segment having a different business model and generating related revenue and expenses largely independently of each other. The Group also manages and monitors the performance of these three segments.

Segment: Private individuals (B2C)

The B2C segment includes all revenue and expenses for goods for resale and marketing where the end customer is a physical individual. All sales take place through the Group's own web-shops.

Segment: Business-to-business (B2B)

The B2B segment includes all revenue and expenses for goods for resale and marketing where the end customer has identified itself as a legal entity. These sales take place primarily through the Group's own web-shops, but some also take place through direct contact with customers.

Segment: Marketplaces & Other

The MPO segment includes all revenue and expenses for goods for resale and marketing where the Group's goods are sold through a third-party sales channel or web-shop. The segment also includes sales and related expenses through other sales channels.

Reporting of operating segments follows the measure reported by the Group to the chief operating decision maker. The chief operating decision maker is the CEO. Segment performance is evaluated based on segment earnings, which follow the same accounting policies as the corresponding earnings recognized in the income statement. Centrally incurred expenses are not allocated to the segments as these expenses are monitored at a Group level. The same applies to financing expenses and income tax.

There are no transactions between the segments.

2024	Business-to-business	Private individuals	Marketplaces & Other	Segment total
Revenue				
Net revenue	75,375	601,635	17,836	694,847
Net revenue growth, %	-7.7%	-0.8%	27.3%	-1.0%
Expenses				
Goods for resale	-27,636	-228,975	-7,469	-264,080
Gross profit	47,739	372,661	10,367	430,767
Marketing costs	-9,075	-201,114	-6,089	-216,278
Segment earnings	38,665	171,546	4,278	214,489

2023	Business-to-business	Private individuals	Marketplaces & Other	Segment total
Revenue				
Net revenue	81,662	606,533	14,008	702,203
Net revenue growth, %	18.4%	9.3%	-9.6%	9.8%
Expenses				
Goods for resale	-30,142	-233,394	-5,611	-269,147
Gross profit	51,520	373,139	8,397	433,056
Marketing costs	-10,593	-205,366	-4,730	-220,689
Segment earnings	40,928	167,773	3,666	212,366

Other information

ADJUSTMENT AND ELIMINATION

Only net revenue, goods for resale and marketing costs are allocated to the respective segments. Other income and expenses are not allocated at segment level as these items relate to Group operations.

Reconciliation of earnings	2024	2023
Segment earnings	214,489	212,366
Other operating income	1,255	2,516
Other external expenses, excluding marketing expenses	-40,988	-38,849
Personnel expenses	-94,509	-72,788
Other operating expenses	-2,594	-5,703
Amortization & depreciation	-16,948	-12,139
Net financial items	4,663	3,227
Profit/loss after financial items	65,368	88,630

Note 5

Other operating income and operating expenses

	2024	2023
Other operating income		
Employment contribution	791	900
Settlement compensation	-	1,200
Other income	464	416
Total	1,255	2,516
Other operating expenses		
Exchange rate fluctuations – net	-2,187	-5,703
Loss on disposal of equipment	-407	-
Total	-2,594	-5,703

Note 6

Remuneration to auditors

	2024	2023
Ernst & Young AB		
Audit engagement*	788	745
Audit activities other than audit engagement	67	50
Other services	34	55
Total	889	850

* Audit engagement refers to the audit of the annual accounts and bookkeeping as well as the administration of the Board of Directors and other audit tasks that are the responsibility of Rugvista Group AB (publ)'s auditor.

Note 7

Salaries and remuneration to employees

	2024	2023
Salaries and other benefits*	65,528	53,774
Pension expense, defined contribution plans	6,643	5,201
Other social security expenses	21,914	19,144
Total	94,084	78,119

* Includes agreed compensation for non-compete obligations. A provision of SEK 3,030,000 (SEK 0) has been made for this. The agreement relates to the outgoing CEO.

Average FTEs during the year	2024	2023
Sweden	94	90
Of whom men, %	49%	52%
Germany	4	-
Of whom men, %	68%	-
Total	99	90

The company hires external staff; these costs are recognized as consultancy expenses under other external expenses.

Board members and senior executives	2024	2023
Number of Board members at the balance sheet date	6	6
Of whom men, %	67%	67%
CEO and other senior executives at balance sheet date	8	9
Of whom men, %	50%	56%
Total	14	15

	2024		2023	
Salaries and other remuneration to the Board of Directors and other employees	Salaries and other benefits (of which bonuses)	Social security contributions (of which pension expenses)	Salaries and other benefits (of which bonuses)	Social security contributions (of which pension expenses)
Board of Directors, CEO and other senior executives	18,261	9,641	13,275	7,391
	(-)	(3,153)	(-)	(2,440)
Other employees	48,754	19,383	40,499	16,953
	(-)	(3,490)	(-)	(2,761)
Group	67,015	29,024	53,774	24,345
	(-)	(6,643)	(-)	(5,201)

Salaries and other remuneration to Board of Directors, CEO and other senior executives

2024	Basic salary/ Board fee	Variable remuneration	Other benefits	Extraordinary remuneration	Pension expense	Total
Board of Directors						
Martin Benckert (Chair)	415					415
Magnus Dimert	215					215
Ebba Ljungerud	215					215
Patrik Berntsson	215					215
Ludvig Friberger	215					215
Hanna Graflund Sleyman	215					215
CEO and other senior executives						
Michael Lindskog (CEO) Jan–Sep 2024	2,377	-	90	2,692	1,009	6,167
Ebba Ljungerud (Acting CEO) Oct–Dec 2024	660	-	-	-	150	810
Other senior executives	10,583	462	548	-	1,994	13,587
Total	15,107	462	638	2,692	3,153	22,052

2023	Basic salary/ Board fee	Variable remuneration	Other benefits	Extraordinary remuneration	Pension expense	Total
Board of Directors						
Martin Benckert (Chair)	400					400
Magnus Dimert	200					200
Ebba Ljungerud	200					200
Patrik Berntsson	200					200
Ludvig Friberger	200					200
Hanna Graflund Sleyman	200					200
CEO and other senior executives						
Michael Lindskog (CEO)	2,151	10	106	-	545	2,812
Other senior executives	9,273	70	495	-	1,895	11,732
Total	12,824	80	601	-	2,440	15,944

Remuneration to senior executives

PRINCIPLES

The Annual General Meeting decides on fees payable to the Chair and members of the Board of Directors.

BOARD OF DIRECTORS AND CEO

At the Annual General Meeting on May 23, 2024, it was resolved that a fee of SEK 1,550,000 would be paid to the Board of Directors for the period until the Annual General Meeting in 2025. There are no pension expenses or pension commitments for the Board of Directors. The Board of Directors decides on the principles for remuneration of senior executives in terms of both fixed and variable remuneration in the company.

CEO Michael Lindskog left the company on September 30. As of October 1, Michael is on garden leave during the notice period which runs until March 31, 2025. Salary and pension are payable unchanged throughout the notice period. In addition, agreement has been reached on compensation for non-compete obligations. Provision has been made for this based on the maximum amount of compensation under the agreement. Total salary and benefits amounts to SEK 5,068,000 (2,161,000).

Ebba Ljungerud, a member of the Board of Directors since May 2023, became Acting CEO on Michael Lindskog's departure from the company. Salary and benefits have been paid in the amount of SEK 660,000 in addition to the Board fee adopted by the General Meeting.

Remuneration to other senior executives consists of basic salary.

Guidelines for remuneration to senior executives

A General Meeting held on May 25, 2023, resolved to adopt the following guidelines for remuneration to senior executives in Rugvista Group.

Senior executives of Rugvista Group, which consists of individuals who from time to time are part of the company's executive management, fall within the provisions of these guidelines. The guidelines are applicable to remuneration agreed, and amendments to remuneration already agreed, after the guidelines have become effective in accordance with the General Meeting's resolution. These guidelines do not apply to any remuneration decided by the General Meeting.

Employment conditions of a member of the executive management subject to rules other than the Swedish rules, may be duly adjusted for compliance with mandatory rules or established local practice, taking into account, to the extent possible, the overall purpose of these guidelines.

To the extent that a member of the Board of Directors performs work for the company in addition to the Board assignment, these guidelines shall also apply to any remuneration (e.g. consultancy fees) for such work.

The guidelines' promotion of the company's business strategy, long-term interests, and sustainability

The company's business vision is to become the hub of the European carpet industry. A prerequisite for a successful implementation of

the company's business strategy and safeguarding of its long-term interests, including its sustainability work, is that the company can recruit and retain qualified personnel. The company's people vision is to attract, motivate, and retain extraordinary people which also constitutes the basis for ensuring that the company's most important asset, its employees, are motivated and happy to be a part of the organization. To this end, it is necessary that the company offers competitive remuneration. These guidelines enable the company to offer the executive management a competitive total remuneration.

Share-related incentive programs based on warrants have previously been implemented in the company. Such programs have been resolved by the General Meeting and are therefore excluded from these guidelines. For the same reason, the long-term incentive program based on warrants proposed by the Board of Directors and submitted to the 2023 Annual General Meeting for approval will be excluded from the guidelines. The programs include Rugvista Group's executive management and other key employees within Rugvista Group. The purpose of the programs is to offer the participants the opportunity to receive a share of the long-term value growth for the company's shareholders that the participants help to create. The outcome of the programs is linked to the development of the company's share price on Nasdaq First North Premier Growth Market and participation in the plans requires a personal investment and a holding period of several years. For further information about the programs, see Rugvista Group's website, <https://www.rugvistagroup.com/en/>. Any future share-related incentive programs will be resolved by the General Meeting.

Variable cash remuneration that is subject to these guidelines shall promote the company's business strategy and long-term interests, including its sustainability.

Types of remuneration, etc.

The remuneration shall be on market terms and may consist of the following components: fixed cash remuneration, variable cash remuneration (bonus), pension benefits and other benefits. Additionally, and irrespective of these guidelines, the General Meeting may resolve on, amongst other things, share-related or share-price-related remuneration.

FIXED CASH REMUNERATION

Fixed cash remuneration shall be on market terms and determined based on the responsibility, mandate, competence and experience of each member of the executive management.

VARIABLE CASH REMUNERATION

In addition to fixed cash remuneration, variable cash remuneration may form part of the remuneration to senior executives. Decisions regarding variable remuneration as a part of total remuneration shall be made by the Board of Directors.

Variable cash remuneration under these guidelines shall be linked to one or more predetermined and measurable criteria designed to

Note 7 Salaries and remuneration to employees (cont.)

promote the company's strategy and long-term interests, including sustainability, or the senior executive's long-term development. The criteria can be financial, non-financial, individual and/or joint, qualitative and/or quantitative. Variable cash remuneration may amount to a maximum of 50 percent of the yearly fixed cash remuneration.

Fulfillment of the criteria for awarding variable cash remuneration shall be measurable for a measurement period of one year. When the measurement period for fulfillment of the criteria for payment of variable cash remuneration has come to an end, the Board of Directors shall evaluate the extent to which the criteria have been fulfilled.

Variable cash remuneration can be paid after the measurement period has ended or be subject to deferred payment.

EXTRAORDINARY REMUNERATION

Additional cash remuneration may be awarded in extraordinary circumstances, provided that such extraordinary arrangements are limited in time and only made on an individual basis, either for the purpose of recruiting or retaining executives, or as remuneration for extraordinary performance beyond the individual's ordinary tasks. Such remuneration may not exceed an amount corresponding to 50 percent of the fixed annual cash salary and may not be paid more than once each year per individual. Decisions on such remuneration shall be made by the Board of Directors.

PENSION BENEFITS

Pension benefits, including health insurance, for the CEO shall be defined contribution and the pension contributions shall amount to a maximum of 30 percent of the CEO's fixed annual cash salary. Other senior executives shall be covered by ITP1 in accordance with the applicable collective agreement, or similar pension benefit. For executives covered by ITP1, the insurance premium shall be based on each member's fixed annual basic cash salary and other pensionable income in accordance with ITP1. ITP1 means that the company pays a premium of 4.5 percent of the executive's pensionable income up to 7.5 x the income base amount and 30 percent of the pensionable income over 7.5 x the income base amount. In addition, other senior executives may receive an additional defined contribution pension provision in the form of a fixed monthly sum, which can amount to a maximum of 6 percent of the current fixed monthly cash salary when determining such pension provision.

OTHER BENEFITS

Other benefits may include, for example, life insurance, medical insurance, and company cars. Such benefits may not in total exceed more than 15 percent of the fixed annual cash salary.

REMUNERATION TO MEMBERS OF THE BOARD OF DIRECTORS

In the event a member of the Board of Directors performs services for the company in addition to the Board assignment, separate remuneration (e.g. consultancy fees) can be awarded for such services provided that these services contribute to the implementation of the company's business strategy and the safeguarding of the company's long-term interests, including its sustainability. The annual consultancy fee must be on market terms and be set in relation to the benefit it brings to the company, and may never exceed three times the applicable Board fee for each member of the Board. Remuneration to a member of the Board of Directors, as well as other conditions, is decided by the Board of Directors.

Termination of employment

Upon termination of employment, the notice period may not exceed six months, unless otherwise provided by mandatory law or collective agreement. Fixed cash salary during the period of notice and severance pay may together not exceed an amount equivalent to the

fixed cash salary for fifteen months. When termination is made by the executive, the period of notice may not exceed six months, without any right to severance pay.

Additionally, remuneration may be paid for non-compete undertakings. Such remuneration shall compensate for loss of income and shall only be paid in so far as the previously employed executive is not entitled to severance pay. The compensation shall amount to a maximum of 60 percent of the fixed cash salary at the time of termination of employment, unless otherwise specified by mandatory collective agreement provisions, and shall be paid for the duration of the non-compete obligation, which shall not exceed twelve months.

Salary and employment terms for employees

In the preparation of the Board of Directors' proposal for these remuneration guidelines, salary and employment terms for employees of Rugvista Group have been taken into account by including information on the employees' total income, the components of the remuneration and increase and growth rate over time in the Board of Directors' basis for decision-making when evaluating whether the guidelines and the limitations set out herein are reasonable.

The decision-making process to determine, review and implement the guidelines

The Board of Directors shall prepare a proposal for new guidelines at least every four years and submit it to the General Meeting. The guidelines shall be in force until new guidelines are adopted by the General Meeting. The Board of Directors shall also monitor and evaluate programs for variable remuneration for the executive management, the application of the guidelines for executive remuneration as well as the current remuneration structures and compensation levels in the company. The CEO and other senior executives are not present when the Board of Directors examines and decides on remuneration-related matters in so far as they are affected by such matters.

Derogation from the guidelines

The Board of Directors may resolve to derogate temporarily from the guidelines, in whole or in part, if in a specific case there is special cause for the derogation and a derogation is necessary to serve the company's long-term interests, including its sustainability, or to ensure the company's financial viability.

Note 8

Financial income and expenses

Financial income	2024	2023
Interest income using the effective interest method	5,469	4,147
Total	5,469	4,147
All interest income relates to financial items measured at accrued cost.		
Financial expenses	2024	2023
Interest expenses using the effective interest method	-806	-920
Total	-806	-920

All interest expenses relate to financial items measured at accrued cost.

Note 9

Income tax

The main components of tax expenses for the financial year are as follows:

Consolidated income statement	2024	2023
Current tax	-13,481	-18,667
Change in deferred tax relating to temporary differences	-117	-1
Total tax recognized	-13,598	-18,669

Reconciliation of effective tax rate

Pre-tax profit	65,368	88,630
Tax on net profit at current rate, 20.6% (20.6%)	-13,466	-18,258
Tax effect of:		
Non-taxable income	70	31
Non-deductible expenses	-173	-427
Tax adjustments	-37	-15
Effect of different tax rates for foreign subsidiaries	8	-
Tax recognized	-13,598	-18,669
Effective tax rate	-20.8%	-21.1%

Temporary differences

Deferred income tax is attributable to:	2024	2023
Right-of-use assets	-5,670	-4,558
Tangible assets	-22	-22
Lease liabilities	5,795	4,799
Total	104	220

Recognized as follows in the Statement of Financial Position:

	Dec 31, 2024	Dec 31, 2023
Deferred tax assets	125	242
Deferred tax liabilities	-22	-22
Total	104	220

Reconciliation of deferred tax

Opening balance	220	222
Tax expense/income recognized in the income statement	-117	-1
Closing balance	104	220

Note 10

Earnings per share

Earnings per share before dilution are calculated by dividing the profit for the year attributable to the parent company's shareholders by the weighted average number of ordinary shares outstanding during the period.

For the purpose of calculating earnings per share after dilution, the potential ordinary shares to which the outstanding warrants correspond are added to the extent that they give rise to a dilutive effect. This is the case if the issuance of the shares under the terms of the program would result in an issue at a price lower than the average price of the ordinary shares outstanding during the period.

	2024	2023
Profit for the year	51,771	69,962
Adjustments	-	-
Profit for the year for calculation before and after dilution	51,771	69,962
Weighted number of ordinary shares before dilution, thousand	20,785	20,785
Dilution effect, warrants	-	-
Weighted number of ordinary shares after dilution, thousand	20,785	20,785
Earnings per share before dilution, SEK	2.49	3.37
Earnings per share after dilution, SEK	2.49	3.37

Note 11

Intangible assets

Intangible asset in progress	Dec 31, 2024	Dec 31, 2023
Accumulated cost, opening balance	19,754	9,064
Acquisitions during the year	4,114	10,690
Reclassification	-23,867	-
Closing accumulated cost	-	19,754
Website		
Accumulated cost, opening balance	-	-
Reclassification	23,867	-
Closing accumulated cost	23,867	-
Accumulated amortization, opening balance	-	-
Amortization for the year	-2,785	-
Accumulated amortization, closing balance	-2,785	-
Closing carrying amount	21,083	19,754

Capitalized development expenses

The carrying amount includes direct costs and – when applicable – salary costs and share of indirect costs. Other development-related expenses are recognized in profit or loss as other external expenses when they arise. In the statement of financial position, capitalized development expenses are recognized at cost less accumulated amortization and any impairment losses. Capitalized development expenses are mainly related to software platforms.

Amortization principles

Amortization is recognized in the profit for the year on a straight-line basis over the estimated useful lives of amortizable intangible assets. Amortization begins when the asset is put into operation and can be used in the way that management intends.

Amortization is calculated as follows:	Number of years
Capitalized development expenses	5

Note 12

Goodwill

The Group performs impairment testing of its goodwill once a year, and when there are indications of a need for impairment. As of December 31, 2024, the goodwill that was subject to annual impairment testing was as follows:

	2024	2023
Accumulated cost, opening balance	299,949	299,949
Closing accumulated cost	299,949	299,949
Closing carrying amount	299,949	299,949

Goodwill

The entire Group's goodwill of MSEK 299.9 is attributable to the wholly owned subsidiary Rugvista AB, which has been identified as a cash-generating unit within the Group. The company was acquired in 2015 and runs the Group's e-commerce operations.

The recoverable amount for the cash-generating unit has been determined based on the value in use according to the Group's valuation model. This model is based on the discounted future cash flow with a forecast period of five years. The forecast is based on the company management's best estimate for five years, and for the period after five years, annual growth is estimated at 2%.

For the present value calculation, a weighted average cost of capital (WACC) of 9.3% has been used.

In 2024, the forecast value exceeded the carrying amount and no impairment was made. Rugvista also conducted a sensitivity analysis for the key assumptions, including change in revenue, gross margin development, market costs and weighted average cost of capital. None of these scenarios would give rise to an impairment requirement.

Significant assumptions used for calculation of value in use:

Constant growth rate*	2.0% (2.0%)
Discount rate before tax**	9.3% (13.2%)

* Growth rate used to extrapolate cash flows beyond the 5-year forecast period

** Pre-tax discount rate used in present value calculation of estimated future cash flows

Note 13

Tangible assets

Equipment	2024	2023
Accumulated cost, opening balance	10,883	10,205
Acquisitions during the year	4,814	678
Reclassification	1,296	-
Sales/disposals	-1,216	-
Closing accumulated cost	15,777	10,883
Construction in progress, opening balance	1,296	-
Additions during the year	10,076	1,296
Reclassification	-1,296	-
Construction in progress, closing balance	10,076	1,296
Accumulated depreciation, opening balance	-8,276	-6,665
Sales/disposals	809	-
Depreciation for the year	-1,643	-1,611
Accumulated depreciation, closing balance	-9,111	-8,276
Closing carrying amount	16,743	3,903

Tangible assets are recognized at cost less accumulated depreciation and any impairment. Tangible assets are measured at cost and depreciated on a straight-line basis over their estimated useful lives.

Depreciation is calculated as follows:
Equipment, tools, fixtures and fittings

Number of years
3-10

Note 14

Leases

The Group's lease portfolio consists mainly of leases for premises. In addition, the company has leases for cars and trucks. Leases for premises generally have a lease term of between 3 and 6 years while leases for cars and trucks generally have a lease term of between 3 and 5 years.

Most of the Group's leases contain options for renewal or premature termination. These options are exercised by the Group to allow flexibility in the lease portfolio and to adapt to its operations. When the Group is reasonably certain of exercising an option, this is taken into account in the calculation of the lease liability and the right-of-use asset's value.

Right-of-use assets

Depreciation is calculated as follows:

	Number of years
Rights of use for premises	3-6 years
Rights of use for cars	3-5 years
Rights of use for trucks	3-5 years

Cost	Premises	Cars and trucks	Total
Jan 1, 2023	53,023	4,512	57,536
Additional leases	-	-	-
Revaluation of leases	5,825	-	5,825
Leases ended	-	-	-
Dec 31, 2023	58,849	4,512	63,361
Additional leases	974	1,068	2,042
Exchange rate difference	-12	-	-12
Revaluation of leases	15,887	-	15,887
Leases ended	-	-1,021	-1,021
Dec 31, 2024	75,698	4,559	80,257

Depreciation	Premises	Cars and trucks	Total
Jan 1, 2023	-28,883	-1,824	-30,707
Depreciation for the year	-9,332	-1,195	-10,527
Leases ended	-	-	-
Dec 31, 2023	-38,215	-3,019	-41,235
Depreciation for the year	-11,185	-1,336	-12,521
Leases ended	-	1,021	1,021
Dec 31, 2024	-49,400	-3,334	-52,734

Closing carrying amount	Premises	Cars and trucks	Total
Dec 31, 2023	20,633	1,493	22,126
Dec 31, 2024	26,298	1,225	27,522

Lease liabilities	Premises	Cars and trucks	Total
Jan 1, 2023	25,649	2,519	28,167
Additional leases	-	-	-
Revaluation of leases	5,825	-	5,825
Leases ended	-	-	-
Interest expense on leases	-685	-34	-720
Lease payments	-8,982	-1,171	-10,153
Dec 31, 2023	21,806	1,314	23,120

Lease liabilities	Premises	Cars and trucks	Total
Additional leases	974	1,068	2,042
Exchange rate difference	-12	-	-12
Revaluation of leases	15,887	-	15,887
Leases ended	-	-	-
Interest expense on leases	-549	-26	-575
Lease payments	-11,020	-1,311	-12,331
Dec 31, 2024	27,086	1,046	28,131

The table below shows the amounts recognized as lease liabilities on the consolidated balance sheet.

	Dec 31, 2024	Dec 31, 2023
Non-current lease liabilities	17,031	10,545
Current lease liabilities	11,101	12,576
Total lease liabilities	28,131	23,120

Maturity analysis of the contractual undiscounted payments of lease liabilities

	Dec 31, 2024	Dec 31, 2023
Cash flow within 1 year	11,715	13,130
Cash flow within 2–5 years	18,647	10,725
Cash flow after 5 years	-	-
Total	30,363	23,855

Recognized expenses attributable to leases

The table below shows the amounts attributable to leases recognized in the consolidated income statement during the year.

Expenses	Dec 31, 2024	Dec 31, 2023
Depreciation of right-of-use assets	12,521	10,527
Interest expense on lease liabilities	575	720
Total	13,096	11,247

The Group's total cash outflow for leases amounted to:	12,905	10,873
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In September 2023, Rugvista signed an agreement to extend the lease term and give notice to vacate the facility at Ringugnsgatan 11 in Limhamn. The date for vacation of the premises is September 30, 2025.

In November 2023, Rugvista signed a lease for additional warehouse space of 1,700 m² at Ringugnsgatan in Limhamn. The lease runs until May 2025.

In December 2023, Rugvista signed a nine-year lease with Catena for a new office and logistics facility with an area of 13,700 m² in the Malmö Mellersta port area. Occupancy is expected to take place in summer 2025. The lease is provisionally estimated at a value of SEK 108.4 million, calculated according to IFRS 16. The asset and liability will not be recognized in the company's statement of financial position until the premises are occupied.

In November 2024, Rugvista GmbH signed a new lease in Berlin, Germany.

The Group's two warehouse leases in Frihamnen, Malmö, have been extended until Q3 2028.

Note 15 Inventory

	Dec 31, 2024	Dec 31, 2023
Finished goods and goods for resale	116,505	120,331
Goods in transit	19,227	8,298
Right of return stock	977	630
Obsolescence	-3,480	-3,602
Total	133,228	125,656

Inventory is measured at the lower of cost and net realizable value with cost being calculated in accordance with the FIFO (first-in, first-out) principle. Purchased goods are measured at cost. The net realizable value is defined as the sales price less selling expenses. Adjustment to net realizable value includes assessments of obsolescence.

The right of return is calculated when the transaction price is established, and revenue is reduced by the sales price of the products expected to be returned and recognized as a refund liability. A right of return asset is recognized corresponding to the right to recover the product from the customer. Historical data is used to assess the risk of returns at the time of sale. The return risk reserve is calculated so that there is no material risk of reversal of the revenue recognized in the subsequent accounting period, based on an average of actual returns during the 12 months prior to the current accounting period.

Note 16 Financial instruments and financial risk management

Financial assets and liabilities by category

Financial assets measured at accrued cost	Dec 31, 2024	Dec 31, 2023
Financial assets on the balance sheet		
Other receivables	8,978	5,296
Cash and cash equivalents	219,463	208,936
Total	228,441	214,232

The maximum credit risk of the assets consists of the carrying amounts in the table above. The Group has not received any pledged securities in respect of the financial net assets.

Other receivables consist mainly of receivables from the payment intermediaries with whom the Group cooperates to offer payment and financing solutions to end customers and various current receivables.

The book value corresponds in all essential respects to the fair value.

Other financial liabilities measured at accrued cost	Dec 31, 2024	Dec 31, 2023
Financial liabilities on the balance sheet		
Accounts payable	76,592	55,449
Other current liabilities	10,131	8,391
Accrued expenses	8,514	5,261
Lease liabilities	28,131	23,120
Total	123,369	92,221

The fair value of financial liabilities is deemed to correspond to the carrying amount.

Financial risk management

Rugvista Group AB is exposed to a number of financial risks such as currency risk, interest rate risk, credit risk and liquidity risk. The Group's overall risk management strategy focuses on managing the uncertainty of the financial markets and aims to minimize potential unfavorable effects on the Group's financial results. The main financial risks are described below.

CURRENCY RISK

The Group's operations are based in Sweden and the functional currency is SEK. Transaction exposure is the risk that impacts the Group's earnings and cash flows and arises when the value of foreign currency inflows and outflows changes as a result of exchange rate fluctuations. The Group does not apply currency hedging but does work actively to match incoming and outgoing payments in foreign currency as far as possible. The net flow in material foreign currencies, defined as sales minus purchases by currency, is shown below:

Note 16 Financial instruments and financial risk management (cont.)

SEK million	2024	2023
EUR	108.1	140.6
GBP	64.1	59.6
DKK	46.6	47.1
CHF	40.0	33.5
NOK	33.6	25.9
PLN	30.7	32.0
USD	-94.2	-76.2

Exposure to foreign currencies means the Group is subject to currency risk. For 2024, and with all other variables held constant, a 10% change in the exchange rate for each currency would affect profit before tax by the amounts shown below:

Sensitivity analysis SEK million	2024	2023
EUR	+/- 10.8	+/- 14.1
GBP	+/- 6.4	+/- 6
DKK	+/- 4.7	+/- 4.7
CHF	+/- 4	+/- 3.4
NOK	+/- 3.4	+/- 2.6
PLN	+/- 3.1	+/- 3.2
USD	+/- 9.4	+/- 7.6

INTEREST RATE RISK

Since the Group has repaid all its debts to credit institutions, the only interest remaining is due to IFRS 16. Consequently, the interest rate risk is low.

CREDIT RISK

Credit risk is the risk of losses as a consequence of counterparties being unable to perform their contractual obligations. The Group offers its customers payment and financing solutions via payment intermediaries, the risk of which is mainly linked to receivables from these payment intermediaries. When a customer buys on credit, the Group is therefore not exposed to any credit risk. Receivables from payment intermediaries are usually settled within 3–5 days. The Group does not recognize a provision for expected credit losses as the risk is deemed to be immaterial.

LIQUIDITY AND CASH FLOW RISK

The Group has some seasonal variation in cash flow. The Group forecasts cash flow to ensure a satisfactory margin of liquidity.

The table below shows the contractual remaining maturities (undiscounted values) of the financial liabilities.

Financial liabilities	1 year	2–5 years	After 5 years	Expected cash flow 2025
Lease liabilities	11,715	18,647	–	11,715
Accounts payable	76,592	–	–	76,592
Other current liabilities	10,131	–	–	10,131
Accrued expenses	8,514	–	–	8,514
Total	106,953	18,647	–	106,953

Financial liabilities	1 year	2–5 years	After 5 years	Expected cash flow 2024
Lease liabilities	13,130	10,725	–	13,130
Accounts payable	55,449	–	–	55,449
Other current liabilities	8,391	–	–	8,391
Accrued expenses	5,261	–	–	5,261
Total	82,231	10,725	–	82,231

Expected cash flow includes interest and repayments of principal.

RISK MANAGEMENT OF CAPITAL

The Group's capital structure must be kept at a level that ensures the ability to continue as a going concern to generate returns for shareholders and benefits for other stakeholders, while maintaining an optimum structure to reduce the cost of capital.

Change in financial liabilities

Lease liabilities	Dec 31, 2024	Dec 31, 2023
Opening liabilities	23,120	28,167
Cash flows	-12,905	-10,873
Additional lease liabilities, non-cash in nature	17,917	5,825
Closing liabilities	28,131	23,120

Note 17

Cash and cash equivalents

	Dec 31, 2024	Dec 31, 2023
Available balances	219,463	208,936
Total	219,463	208,936

Note 18

Prepaid expenses

	Dec 31, 2024	Dec 31, 2023
Prepaid rental expenses	–	105
Prepaid insurance premiums	548	162
Prepaid packaging material	410	776
Other prepaid expenses	1,854	1,655
Total	2,812	2,698

Note 19**Assets pledged for own liabilities and contingent liabilities**

Liabilities to credit institutions	Dec 31, 2024	Dec 31, 2023
Collateral charges	-	-
Total	-	-

Note 20**Prepaid income and accrued expenses**

	Dec 31, 2024	Dec 31, 2023
Accrued salaries and personnel expenses	12,878	9,266
Other accrued expenses	8,404	5,261
Total	21,282	14,527

ACTIVE INCENTIVE PROGRAMS

Date of issuance Active incentive programs	Maturity	Number of warrants issued	Subscribed for	Contributed capital
Jun 7, 2022	Sep 1, 2025	300,000	-	3,519
Jun 12, 2023	Sep 1, 2026	595,000	-	7,223
		895,000	-	10,742

See also notes 7 and 10.

At the Annual General Meeting on May 20, 2022, a decision was made to implement an incentive program, LTIP TO 2022/2025.

At the Annual General Meeting on May 25, 2023, a decision was made to implement another incentive program, LTIP TO 2023/2026.

For further information on active warrant programs, see note 22.

Note 22**Share-based remuneration****LTIP 2021/2024**

In 2021, the LTIP 2021/2024 warrant program consisting of a total of 860,000 warrants was implemented.

Each warrant entitled the holder to subscribe for 1.07 shares in the company during the exercise period at a price of SEK 152.20, after recalculation due to dividends decided by the 2022 and 2023 Annual General Meetings. The original exercise price corresponded to 130 percent of the issue price of the share. The warrants could be exercised during the period April 15 through June 15, 2024. The program and all outstanding warrants under LTIP 2021 expired unexercised during the year as the exercise price exceeded the share price throughout the exercise period.

LTIP 2023/2025

At the Annual General Meeting on May 20, 2022, a decision was made to implement a new warrant program, LTIP 2022/2025, consisting of a total of 300,000 warrants.

Each warrant entitles the holder to subscribe for 1.06 shares in the company during the exercise period at a price of SEK 84.60, after

Note 21**Equity**

Number of shares	Dec 31, 2024	Dec 31, 2023
Opening balance	20,785,140	20,785,140
New share issue	-	-
Closing balance	20,785,140	20,785,140
Quotient value in SEK	0.05	0.05

Dividend

At the Annual General Meeting on May 23, 2024, it was decided to pay a dividend to the owners of SEK 1.80 per share, corresponding to SEK 37.4 million.

Share capital

The share capital of the parent company consists solely of fully paid-up ordinary shares with a nominal value (quotient value) of SEK 0.05 per share.

The company has 20,785,140 ordinary shares.

Other contributed capital

This category includes shareholder contributions, warrant premiums and share premium reserve. All market valuations are made according to the Black-Scholes model.

recalculation due to dividends decided by the 2023 and 2024 Annual General Meetings. The original exercise price corresponded to 130 percent of the average share price during the valuation period. The warrants can be exercised during the period June 1 through September 1, 2025. The warrant transfer price was determined by PWC on the basis of an estimated market value of the warrants at the time of the transfer using the Black-Scholes valuation model.

LTIP 2023/2026

At the Annual General Meeting on May 25, 2023, a decision was made to implement a new warrant program, LTIP 2023/2026, consisting of a total of 595,000 warrants.

Each warrant entitles the holder to subscribe for 1.03 shares in the company during the exercise period at a price of SEK 60.80, after recalculation due to dividends decided by the 2023 and 2024 Annual General Meetings. The original exercise price corresponded to 120 percent of the average share price during the valuation period. The warrants can be exercised during the period June 1 through September 1, 2026. The warrant transfer price was determined by PWC on the basis of an estimated market value of the warrants at the time of the transfer using the Black-Scholes valuation model.

Changes in outstanding warrants during the year

	2024	2023		LTIP 2022/25	LTIP 2023/26
Outstanding on January 1	1,755,000	1,160,000	Average fair value of the share at the valuation date	68.69	52.33
Share split 1:20	-	-	Exercise price, SEK	84.6	60.8
Subscribed for during the year	-	-	Weighted average price at issuance	11.73	12.14
Warrants repurchased	-	-	Term, years	3.2	3.2
Options expired during the year	-860,000	-	Term, to maturity	0.67	1.67
Issued during the year	-	595,000	Expected volatility	37.5%	37.5%
Outstanding on December 31	895,000	1,755,000	Risk-free interest rate	2.3%	2.1%
Exercisable at year-end	-	-	Fair value on December, 31, SEK	0.16	4.61
			Number of warrants unallocated	260,000	570,000
			Number of warrants allocated	20,000	25,000
			Total number of outstanding warrants	280,000	595,000
			Fair value of warrants allocated, SEK million	0.0	0.1

The expected volatility is based on the assumption that the historical volatility over a period corresponding to the term of the warrants is also indicative of future trends, which will not necessarily be the outcome.

Note 23**Contingent liabilities**

	Dec 31, 2024	Dec 31, 2023
Counter-guarantee for bank guarantee to Swedish Customs	1,305	1,305
Total	1,305	1,305

Note 24**Related party transactions**

The following business relationships are conducted subject to normal market terms and requirements ("at arm's length"), and the table below lists the companies deemed to be related parties:

Related persons	Relationship	ownership in %
Senior executives	Senior executives	0.7%
Other related companies		
Transistormedia AB, Cutting Edge Construction AB	Board member, partner	4.6%
Lygna AB, Kusthavet AB	Board member, partner	0.8%
madHat AB	Chair of the Board, partner	12.1%

The following table shows the total value of the transactions entered into with related parties during the relevant financial year. All transactions were conducted on market terms.

	Related persons and other related companies			
	Senior executives/CEO		Other related companies	
	2024	2023	2024	2023
Sales to/acquisitions from related parties				
Purchases from related parties	-	-	-	-243
Warrants, repurchased	-356	-	-	-
Warrants, new	-	425	-	-
New share issue	-	-	-	-

Purchases from related parties relate to consultancy assignments.

Note 25**Significant events after the end of the financial year**

No significant events were noted after the end of the financial year.



Parent company

Income statement

KSEK	Note	Jan 1, 2024 Dec 31, 2024	Jan 1, 2023 Dec 31, 2023
Net revenue	30	20,236	15,390
Other operating income		11	1
Other external expenses	31	-5,754	-6,635
Personnel expenses	32	-14,845	-9,151
Other operating expenses		-755	-
Operating profit (EBIT)		-1,107	-395
Financial income and expenses			
Financial income	33	2,030	539
Financial expenses	33	-690	-73
		1,339	466
Profit/loss after financial items		233	71
Appropriations			
Group contribution received		48,000	65,000
Profit before tax		48,233	65,071
Tax on profits	34	-9,947	-13,412
Profit for the year		38,285	51,659

The profit for the year is in line with the comprehensive income of the parent company.

Parent company

Statement of financial position

KSEK	Note	Dec 31, 2024	Dec 31, 2023
ASSETS			
<i>Non-current assets</i>			
Financial assets			
Participations in Group companies	35	321,271	321,271
Non-current receivables from subsidiaries	38	-	11,238
Total non-current assets		321,271	332,508
<i>Current assets</i>			
Current receivables			
Receivables from Group companies	36	-	56,421
Other receivables	36	15,896	9,763
Prepaid expenses		547	172
		16,444	66,355
Cash and cash equivalents	36	190,265	10,784
Total current assets		206,708	77,139
TOTAL ASSETS		527,979	409,647
EQUITY AND LIABILITIES			
<i>Equity</i>			
<i>Restricted equity</i>			
Share capital		1,039	1,039
<i>Non-restricted equity</i>			
Retained earnings		345,853	331,607
Profit for the year	41	38,285	51,659
		385,177	384,305
<i>Non-current liabilities</i>			
Other provisions	32	3,030	-
Total non-current liabilities		3,030	-
<i>Current liabilities</i>			
Accounts payable	36	1,420	396
Liabilities to Group companies		120,399	-
Current tax liabilities	34	14,173	22,835
Other current liabilities	36	1,085	800
Accrued expenses	36.37	2,694	1,311
Total current liabilities		139,772	25,342
TOTAL EQUITY AND LIABILITIES		527,979	409,647

Parent company

Statement of changes in equity

KSEK	Restricted equity Share capital	Non-restricted equity Retained earnings	Total equity
Opening balance, Jan 1, 2023	1,039	355,561	356,600
<i>Transactions with owners:</i>			
Dividend		-31,178	-31,178
Warrants		7,223	7,223
Profit for the year		51,659	51,659
Closing balance, Dec 31, 2023	1,039	383,266	384,305
<i>Transactions with owners:</i>			
Dividend		-37,413	-37,413
Warrants		-	-
Profit for the year		38,285	38,285
Closing balance, Dec 31, 2024	1,039	384,138	385,177

Parent company

Statement of cash flows

KSEK	Note	Jan 1, 2024 Dec 31, 2024	Jan 1, 2023 Dec 31, 2023
Operating activities			
Operating profit (EBIT)		-1,107	-395
Adjustments for items not included in cash flow			-
Unrealized exchange rate difference		755	-
Change in provisions		3,030	-
Tax paid		-18,609	-15,230
Interest received	33	1,178	539
Interest paid	33	-594	-73
Cash flow from operating activities before changes in working capital		-15,346	-15,159
Changes in working capital			
Change in operating receivables		49,912	-18,701
Change in operating liabilities		123,846	262
Cash flow from operating activities		158,411	-33,598
Investing activities			
Loans to Group companies	38	11,238	-7,647
Cash flow from investing activities		11,238	-7,647
Financing activities			
Warrants		-	7,223
Dividend paid	41	-37,413	-31,178
Repayment of debt		-	-
Group contribution received		48,000	65,000
Cash flow from financing activities		10,587	41,046
Cash flow for the year		180,235	-199
Cash and cash equivalents at start of year	36	10,784	10,983
Exchange rate differences in liquidity		-755	-
Cash and cash equivalents at year-end	36	190,265	10,784

Parent company Notes

Note 26

Company information

Rugvista Group AB is the parent company of a Group that includes 100% of Rugvista AB, 556458-9207. The Group sells rugs and carpets through the Rugvista websites. The company has its registered office in Malmö.

Note 27

Basis of preparation of the annual report

Rules and regulations applied

The parent company's annual report has been prepared in accordance with the Swedish Annual Accounts Act and RFR 2 Accounting for legal entities issued by the Swedish Financial Reporting Board. This means that IFRS is applied with the exemptions and additions set out below.

Basis of preparation of the annual report

Preparing financial statements in compliance with IFRS requires that management make some estimates for accounting purposes. The areas that involve a high level of assessment, that are complex or where the assumptions and estimates are of material importance to the financial statements are indicated in Note 29. These estimates and assumptions are based on historical experience and other factors deemed reasonable under the circumstances. Actual outcomes may differ from estimates made if estimates made change or other conditions exist.

Shares in subsidiaries

Participations in subsidiaries are recognized in the parent company at cost less any impairment. If the carrying amount of the participations exceeds their fair value, the value is impaired to fair value. Impairment tests are performed when there is an indication of impairment. The impairment is recognized in the income statement. Where the impairment is no longer required, the impairment is reversed through the income statement.

Financial instruments

The parent applies the exemption not to recognize financial instruments under IFRS 9 in legal entities. Financial instruments are measured in accordance with the Swedish Annual Accounts Act on the basis of cost. In the parent company, therefore, non-current financial assets are measured at cost and current financial assets at the lower of cost and net realizable value, subject to impairment for expected credit losses according to IFRS 9 for assets that are debt instruments. For other financial assets, impairment is based on market values.

Recognition of Group contributions

Group contributions made or received are recognized as appropriations.

Note 28

Capital structure and management

Rugvista Group AB has no specific objectives related to capital management at the parent company. All capital management is at Group level; see Note 16 for the Group.

Note 29

Significant accounting judgments, estimates and assumptions

Preparing financial statements in accordance with RFR 2 requires that management make judgments, estimates and assumptions that affect the application of the accounting policies and the carrying amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Subsidiaries

Participations in subsidiaries are recognized in the parent company using the cost method. See Note 27 for a more detailed description.

Note 30

Revenue

The parent company's revenue consists of management fees, which are services provided by the parent company to Rugvista AB on an ongoing basis at a fixed margin. The performance obligations in these contracts consist of the provision of administrative services. Revenue is recognized when control over the services has been transferred to Rugvista AB at an amount that reflects the payment to which the parent company expects to be entitled in exchange for the service. Revenue from these services is recognized over time as the customer simultaneously receives and consumes the benefits provided by the company's performance in meeting its obligations.

Note 31

Remuneration to auditors

Remuneration to auditors	2024	2023
Ernst & Young AB		
Audit engagement	248	250
Audit activities other than audit engagement	67	50
Other services	34	14
Total	349	314

Note 32**Salaries and remuneration to employees and other fees**

	2024	2023
Salaries and other benefits*	8,924	7,454
Pension expense, defined contribution plans	1,849	1,153
Other social security expenses	3,289	2,680
Total	14,062	11,287

* Includes agreed compensation for non-compete obligations. A provision of SEK 3,030,000 has been made for this.

Average FTEs during the year	2024	2023
Sweden	3.0	2.9
Of whom men, %	58%	66%
Total	3.0	2.9

For information on remuneration to senior executives and gender distribution among senior executives, see Note 7 in the consolidated financials section.

Note 33**Financial income and expenses**

Financial income	2024	2023
Interest income	1,178	539
Foreign exchange gains	851	-
Total	2,030	539
Financial expenses		
Profit from participations in Group companies, divestment	-	-
Profit from participations in Group companies, dividend	-	-
Interest expenses	-594	-73
Foreign exchange losses	-97	-
Total	-690	-73

Note 36**Financial instruments**

Dec 31, 2024 Assets on the balance sheet	Financial assets measured at accrued cost	Financial assets measured at fair value through profit or loss	Total	Fair value
Receivables from Group companies	-	-	-	-
Other receivables	15,896	-	15,896	15,896
Cash and cash equivalents	190,265	-	190,265	190,265
Total	206,161	-	206,161	206,161

Dec 31, 2024 Liabilities on the balance sheet	Financial liabilities measured at accrued cost	Financial liabilities measured at fair value through profit or loss	Total	Fair value
Accounts payable	1,420	-	1,420	1,420
Liabilities to Group companies	120,399	-	120,399	120,399
Accrued expenses	209	-	209	209
Total	122,028	-	122,028	122,028

Note 34**Income tax**

The main components of tax expenses for the financial year are as follows:

	2024	2023
Current tax on profit for the year	-9,947	-13,412
Tax expenses recognized in the income statement	-9,947	-13,412
Reconciliation of effective tax rate		
Pre-tax profit	48,233	65,071
Tax on net profit at current rate, 20.6% (20.6%)	-9,936	-13,405
Tax effect of:		
Non-taxable income	50	24
Non-deductible expenses	-61	-31
Tax recognized	-9,947	-13,412
Average effective tax rate	-20.6%	-20.6%

Note 35**Participations in Group companies**

	Dec 31, 2024	Dec 31, 2023
Opening cost	321,271	321,271
Closing accumulated cost	321,271	321,271
Sales/disposals	-	-
Closing carrying amount	321,271	321,271

Subsidiaries within the Group are listed in the table below

Subsidiaries	Share of equity	Share of votes	Number of shares	Book value
Rugvista AB	100%	100%	105,000	321,271
Rugvista GmbH	100%	100%	25,000	-

Note 36 Financial instruments (cont.)

Dec 31, 2023 Assets on the balance sheet	Financial assets measured at accrued cost	Financial assets measured at fair value through profit or loss	Total	Fair value
Receivables from Group companies	56,421	-	56,421	56,421
Other receivables	9,763	-	9,763	9,763
Cash and cash equivalents	10,784	-	10,784	10,784
Total	76,967	-	76,967	76,967

Dec 31, 2023 Liabilities on the balance sheet	Financial liabilities measured at accrued cost	Financial liabilities measured at fair value through profit or loss	Total	Fair value
Accounts payable	396	-	396	396
Liabilities to Group companies	-	-	-	-
Accrued expenses	175	-	175	175
Total	571	-	571	571

Note 37

Accrued expenses

	Dec 31, 2024	Dec 31, 2023
Accrued salaries and personnel expenses	2,486	1,136
Other accrued expenses	209	175
Total	2,694	1,311

Note 38

Non-current receivables

	Dec 31, 2024	Dec 31, 2023
Loans to subsidiaries	-	11,238
Total	-	11,238

Note 39

Pledged assets and contingent liabilities

Assets pledged for liabilities to credit institutions	Dec 31, 2024	Dec 31, 2023
Participations in Group companies	-	-
Total	-	-

Contingent liabilities

There are no known contingent liabilities at the parent company.

Note 40

Significant events after the end of the financial year

No significant events were noted after the end of the financial year.

Note 41

Proposed appropriation of profit

The following funds are at the disposal of the Annual General Meeting:

	2024
Retained earnings	345,852,565
Profit for the year	38,285,271
Total	384,137,837
The Board of Directors proposes that:	
A dividend of SEK 1.25 per share be paid to share-holders	25,981,425
Carried forward	358,156,412
Total	384,137,837



The Board of Directors' reasoned statement pursuant to Chapter 18, Section 4 of the Swedish Companies Act

The Board of Directors has proposed that the 2025 Annual General Meeting resolve on an appropriation of profits under which the shareholders will receive a dividend of SEK 1.25 per share. The dividend hence corresponds to a total of SEK 25 981 425. The proposal for distribution of profits has been prepared based on the company's goal to, in addition to investing resources into growth and developing the business, pay out up to 50 percent of annual net profits in dividends to shareholders.

The Board of Directors of Rugvista Group AB (publ) hereby makes the following statement in accordance with Chapter 18, Section 4 of the Swedish Companies Act regarding why the proposed dividend is justifiable under Chapter 17, Section 3, second and third paragraph of the Swedish Companies Act.

Provided that the 2025 Annual General Meeting approves the Board of Directors' proposed allocation of profits, SEK 358 156 412 will be carried forward. The Board of Directors notes that the company's restricted equity thereby will be fully covered following the distribution of the dividend, and that the company's and the group's liquidity position will remain good following the distribution of the proposed dividend.

The company's and the group's financial condition remain strong following the proposed distribution of dividend, and it is the Board of Directors' assessment that the equity of the company and the group, after the distribution of the dividend, will be sufficient in relation to the nature, scope and risks of the business. The Board of Directors has also considered the company's and the group's financial position and the company's and the Group's prospects of fulfilling

their commitments in the short and long term, and the Board of Directors' assessment is that the equity will be sufficient to ensure the company's and the group's ability to meet their obligations as well as make possible necessary investments. In this context, the Board of Directors has considered factors such as the company's and group's historical development, budgeted development and the market- and cyclical situation. The Board of Directors further believes that the company and the group, also after the dividend, will be in a good position to meet future business risks as well as withstand possible losses, and are well prepared to respond to any changes in liquidity as well as unexpected events.

In addition to the above the Board of Directors has considered other known circumstances that may materially affect the company and the group's financial condition which includes the approaching move to a new office- and logistics location and thereto related investments. No circumstance has arisen that makes the proposed distribution appear unjustifiable.

With reference to the above, the Board of Directors is of the opinion that the proposed dividend is justifiable considering the requirements that the nature, scope and risks of the operations impose on the size of the company's and the group's equity as well as the company's and the group's consolidation requirements, liquidity and position in general.

Malmö in April 2025

The Board of Directors Rugvista Group AB (publ)

Signatures

Undersigned hereby certify that the consolidated and annual financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, and with good accounting practices, providing a true and fair view of the consolidated and company's financial position and results. Furthermore, the Director's report provides a fair view of the Group's and Parent company's operations, financial positions and results, and describes significant risks and uncertainty factors faced by the companies in the group.

Limhamn on the 14th of April 2025

Martin Benckert
Styrelseordförande

Ebba Ljungerud
Board member and CEO

Magnus Dimert
Styrelseledamot

Patrik Berntsson
Styrelseledamot

Hanna Graflund Sleyman
Styrelseledamot

Ludvig Friberger
Styrelseledamot

Out audit report was submitted on April 14, 2025.

Ernst & Young AB

Hanna Fehland
Authorized Public Accountant

Auditor's report

To the general meeting of the shareholders of Rugvista Group AB (publ), corporate identity number 559037-7882

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of Rugvista Group AB (publ) except for the corporate governance statement on pages 50–61 and the statutory sustainability report on pages 22–47 for the year 2024. The annual accounts and consolidated accounts of the company are included on pages 66–103 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 31 December 2024 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2024 and their financial performance and cash flow for the year then ended in accordance with IFRS Accounting Standards, as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the corporate governance statement on pages 58–69 and the statutory sustainability report on pages 22–47. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company, and the income statement and statement of financial position for the group.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1–21 and 106–111. The other information also includes the remuneration report and were obtained before the date of this auditor's report. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intend to liquidate the company, to cease operations, or has no realistic alternative but to do so.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors [and the Managing Director].
- Conclude on the appropriateness of the Board of Directors' [and the Managing Director's] use of the going concern basis of

accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated accounts. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

Report on other legal and regulatory requirements

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Rugvista Group AB (publ) for the year 2024 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend,

this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional skepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined the Board of Directors' reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Companies Act.

Malmö 14 April 2025
Ernst & Young AB

Hanna Fehland
Authorized Public Accountant

Definitions and explanations of key performance indicators

Measure	Definition	Explanation
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.
Return on equity	Profit after financial items as a percentage of average adjusted equity (equity and untaxed reserves less deferred tax)	A measure that shows the business's "return" during the year on the owners' invested capital and can be compared with the current bank interest rate or return from alternative investments.
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 of goods for resale.	A measure that demonstrates what is left to finance other costs after the goods for resale have been paid for.
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 relative to sales.
Average NPS value	The average value for customer responses on the NPS (Net Promoter Score) questionnaire 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.
Adjusted EBIT margin	Adjusted EBIT divided by net revenue.	A measure that demonstrates the profitability for the operations excluding effects from non-recurring items.
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.
Inventory as % of LTM net revenue	Inventory value divided by the sum of net revenue during the past 12 months (LTM)	A measure that provides an indication of whether there is sufficient inventory on hand to support demand.
Marketing costs as a share of net revenue	The costs for marketing activities carried out during the period, divided by net revenue during the period.	A measure that demonstrates how much is invested in marketing in relation to net revenue.
Net revenue growth	Percentage change in the period's net revenue compared with the previous period.	A measure that demonstrates the growth rate of net revenue.
Net debt/net cash	Interest-bearing liabilities less cash and cash equivalents.	A measure that displays the ratio of interest-bearing liabilities to interest-bearing assets and cash and cash equivalents. In other words, the ability to settle debts in the short term should this be required.
Organic net revenue growth	Percentage change in the period's net revenue excluding divested operations with adjustment made for currency effects compared with the previous period.	A measure that demonstrates the growth rate of net revenue for ongoing operations excluding currency effects.

Measure	Definition	Explanation
Profit margin	Profit for the period after taxes, divided by total income.	A measure that demonstrates the profitability after taxes.
Earnings per share	Comprehensive profit for the period attributable the parent company's shareholders divided by the average number of outstanding shares.	The aim is to distribute the company's profit to each share.
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 how satisfied the company's customers are with the products they have ordered.
Operating margin (EBIT margin)	Operating profit (EBIT) divided by net revenue.	A measure that demonstrates the profitability of operations.
Operating profit (EBIT)	Operating income less operating costs before net financial income and taxes.	A measure that demonstrates the operational profits.
Segment margin	Segment earnings divided by net revenue for the segment.	A measure that demonstrates the segment's profitability.
Segment earnings	Net revenue less the cost of goods for resale and marketing costs for the segment.	A measure that demonstrates the segment's profit contribution.
Solvency, %	Adjusted equity (equity and untaxed reserves less deferred tax) as a percentage of total assets.	A measure that shows the extent to which the Group's assets are financed by capital owned by the Group's shareholders.

Glossary

Abbreviation	Explanation
B2B	Business-to-Business, i.e. segment representing sales to other businesses.
B2C	Business-to-Consumer, i.e. segment representing sales to private individuals (consumers).
MPO	Marketplaces & Other, i.e. segment representing sales via third party platforms like Amazon.
DACH	The markets where German is the primary language, i.e. Germany, Austria, and Switzerland.
Nordics	The Nordic markets including Sweden, Denmark, Norway, Finland, but also the smaller Nordic countries such as 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

KSEK	Jan 1, 2024 Dec 31, 2024	Jan 1, 2023 Dec 31, 2023
GROSS PROFIT AND GROSS MARGIN		
Operating income (A)	696,102	704,718
Goods for resale (B)	-264,080	-269,147
Gross profit (A) + (B)	432,022	435,571
Net revenue (C)	694,847	702,203
Gross margin, % ((A) + (B)) / (A)	62.2%	62.0%
ADJUSTED OPERATING PROFIT (EBIT) AND ADJUSTED EBIT MARGIN		
Operating profit (EBIT) (A)	60,705	85,403
Items affecting comparability (B)	-	-
Adjusted EBIT (A) + (B)	60,705	85,403
Net revenue (C)	694,847	702,203
Adjusted EBIT margin, % ((A) + (B)) / (C)	8.7%	12.2%
INVENTORY AS % OF NET REVENUE (LTM)		
Inventory (A)	133,228	125,656
Net revenue, last twelve months (LTM) (B)	694,847	702,203
Inventory as % of net revenue (LTM) (A) / (B)	19.2%	17.9%
NET DEBT/NET CASH		
Cash and cash equivalents (A)	-219,463	-208,936
Interest-bearing liabilities (B)	-	-
Interest-bearing lease liabilities (C)	28,131	23,120
Net debt/(-) net cash (A) + (B) + (C)	-191,331	-185,816

ORGANIC NET REVENUE GROWTH, %

KSEK	Jan 1, 2024 Dec 31, 2024	Jan 1, 2023 Dec 31, 2023
Last year's net revenue (A)	702,203	639,273
Net revenue, divested operations (B)	-	-
Last year's net revenue, excluding divested operations (A)-(B)=(C)	702,203	639,273
Net revenue for the year (D)	694,847	702,203
Net revenue, divested operations (E)	-	-
Net revenue, excluding divested operations (D)-(E)=(F)	694,847	702,203
Currency effects on this year's net revenue (G)	-312	45,165
Net revenue, excluding divested operations and currency effects (F)-(G)=(H)	695,159	657,037
Organic net revenue growth, % (H)/(C)-1	-1.0%	2.8%









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