



RUGVISTA

Proposal by the Board of Directors on (A) a directed issue of warrants of series 2023/2026 and (B) transfer of warrants to current and potential future senior executives and other key employees within the Rugvista group (LTIP 2023)

Background and motive

The Board of Directors of RugVista Group AB (publ) (the “Company”) proposes that the Annual General Meeting on May 25, 2023 resolve to implement a new long-term share based incentive program (“**LTIP 2023**”) for current and potential future senior executives and other key employees within the Rugvista Group (the “**Participants**”), including the issue and subsequent transfer of a maximum of 595,000 warrants.

The overall purpose of LTIP 2023 is to, in a simple way, offer the Participants the opportunity to receive remuneration that is related to and dependent on the long-term value growth for Rugvista Group’s shareholders that the Participants help to create. The Board of Directors believes that it is to the benefit of the Company and its shareholders that the Participants, in this way, are given a personal ownership interest in the Company. The structure of the program with a three-year term for the warrants is considered to contribute to the achievement of the Company’s long-term business plan, strategy and financial targets.

The Board of Directors’ proposal for LTIP 2023

The warrants in LTIP 2023 are proposed to be issued in one series, 2023/2026. The warrants are proposed to be issued to the Company’s wholly owned subsidiary Rugvista AB (the “**Subsidiary**”), with subsequent transfer on regular market terms to the Participants. Each warrant entitles the holder to subscribe for one (1) share in the Company.

The Participants are proposed to be divided into categories based on their current or future role within the Group, whereby each Participant may acquire a certain minimum and maximum number of warrants depending on the category to which the Participants belongs or will belong.

Allotment is expected to take place during June 2023, or as soon as administratively and legally possible. The Board of Directors may however decide to postpone the date of allotment.

The transfer price of the warrants shall be determined by PricewaterhouseCoopers on the basis of the calculated market value of the warrants at the time of the transfer, by application of the Black & Scholes valuation method.

In order to implement LTIP 2023, the Board of Directors proposes that the General Meeting resolve on (A) a directed issue of warrants of series 2023/2026, and (B) transfer of warrants of series 2023/2026 to current and potential future senior executives and other key employees within the Group, in accordance with the below.

A. Directed issue of warrants of 2023/2026

In order to implement LTIP 2023, the Board of Directors proposes that the General Meeting resolve on a directed issue of warrants with deviation from the shareholders’ preferential rights, as follows.

1. The number of warrants amounts to a maximum of 595,000.
2. The Subsidiary shall be entitled to subscribe for the warrants, with deviation from the shareholders’ preferential rights, and with the right and obligation of the Subsidiary to transfer the warrants to current and potential future senior executives and other key employees within the Rugvista Group. The Subsidiary shall not have the right to dispose of the warrants otherwise than



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as described under “*B. Transfer of warrants to current and potential future senior executives and other key employees within the Rugvista Group*” below.

3. The warrants are issued at a price equal to the warrants' market value, calculated in accordance with the Black & Scholes valuation method in accordance with the principles set out in clause B.8 below and based on the volume weighted average share price according to Nasdaq First North Premier Growth Market's official price list for the Company's share on June 7, 2023.
4. Subscription of the warrants shall be made on a separate subscription list during the period from and including June 12, 2023 up to and including June 30, 2023, with the right for the Board of Directors to extend the period for subscription. There may be no over-subscription.
5. Payment for subscribed warrants shall be made no later than June 30, 2023, with the right for the Board of Directors to extend the period for payment.
6. Each warrant entitles to subscription for one (1) share in the Company.
7. The subscription price per share shall, at the time of subscription, correspond to 120 percent of the volume weighted average share price according to Nasdaq First North Premier Growth Market's official price list for the Company's share during the period from and including May 31, 2023, up to and including June 7, 2023, however, not less than the quotient value of the share.
8. Subscription for shares by exercise of the warrants can be made during the period June 1, 2026 – September 1, 2026.
9. In case all warrants are subscribed for and exercised for the subscription of shares, the share capital may increase by a maximum of SEK 29,750.
10. The issued shares shall entitle to dividend from the first record date for dividend occurring after the shares have been registered with the Swedish Companies Registration Office.
11. If the subscription price at the time of subscription exceeds the quotient value of the previous shares, the excess amount shall be allocated to the unrestricted share premium reserve.
12. The warrants may be subject to re-calculations in accordance with customary re-calculation principles due to, inter alia, bonus issue, split or reverse split of shares, a rights issue or similar events. Furthermore, re-calculation shall also take place when subscribing for shares through a so-called net strike formula.

The CEO, or any person appointed by him, is authorized to make such minor adjustments which may prove necessary in connection with registrations with the Swedish Companies Registration Office and Euroclear Sweden.

The full terms and conditions for the warrants are set out in “*Terms and conditions for subscription warrants series 2023/2026 regarding subscription for shares in RugVista Group AB (publ)*”, [Appendix 1](#). As per the full terms the subscription price, as well as the number of shares that each warrant entitles to subscription for, may be recalculated in the event of bonus issue, split or reverse split of shares, a rights issue or similar events. Furthermore, re-calculation shall take place in connection with subscription for shares through a so-called net strike formula.

B. Transfer of warrants to current and potential future senior executives and other key employees within the Rugvista Group

In order to implement LTIP 2023, the Board of Directors proposes that the General Meeting resolve to approve transfer of warrants from the Subsidiary to the Participants on the following terms and conditions.



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1. A maximum of, in total, 595,000 warrants of series 2023/2026 may be transferred.
2. The Participants shall be entitled to acquire warrants, with deviation from the shareholders' preferential rights, in accordance with the guidelines set out in clause B.3 – B.7 below.
3. Of the total number of warrants, a maximum of 275,000 warrants ("**Warrant Group 1**"), shall be allotted to the members of the executive management at the time of implementation of LTIP 2023, where allotment shall be made in accordance with submitted registration form, and in batches of 5,000. For the CFO and the Director of Performance Marketing allotment shall be made with a minimum of 5,000, and a maximum of 50,000 warrants per person. For the other members of the executive management at the time of implementation of LTIP 2023 allotment shall be made with a minimum of 5,000, and a maximum of 25,000 warrants per person.
4. Of the total number of warrants, a maximum of 200,000 warrants ("**Warrant Group 2**"), shall be allotted to employees in the Rugvista Group that are participants under LTIP 2021/2024 and that are not members of the executive management at the time of implementation of LTIP 2023 (ten persons). Allotment shall be made in accordance with submitted registration form, and in batches of 5,000, with a minimum of 5,000, and a maximum of 20,000 warrants per person.
5. Of the total number of warrants, a maximum of 70,000 warrants ("**Warrant Group 3**"), shall be reserved for allotment and transfer (at market value at the time) to other current and future key employees that are not members of the executive management at the time of implementation of LTIP 2023 and that are not included in Warrant Group 2 (seven persons). Allotment shall be made in accordance with submitted registration form, and in batches of 5,000, with a minimum of 5,000, and a maximum of 10,000 warrants per person.
6. In light of the Company's anticipated expansion in the coming year, at least 50,000 warrant, or such higher number of warrants as may remain after the allotment of the warrants within Warrant Group 1, Warrant Group 2 and Warrant Group 3 in accordance with clauses B.3-B.5 above ("**Warrant Group 4**"), shall be reserved for allotment and transfer to potential future executive management members (or employees promoted to such role), at market value at the time. Allotment to potential future members of the executive management shall be made in accordance with submitted registration form, and in batches of 5,000, with a minimum of 5,000, and a maximum of 50,000 warrants per person.
7. If the number of warrants that Participants in Warrant Group 4 wish to acquire exceeds the maximum number of warrants in Warrant Group 4, allotment shall be made in order based on date of employment, and if any Participants have been employed on the same date, such Participants' allotment shall be reduced proportionally in relation to the maximum allotment for the category.
8. Transfer of warrants shall be made against consideration corresponding to the market value of the warrants at the time of transfer, which shall be determined by PricewaterhouseCoopers by application of the Black & Scholes valuation method. The calculation of the market value of the warrants is based on a risk-free interest rate that is determined at the time of subscription, a preliminary estimated volatility of 35 percent, the term of the warrants, current share price and the strike price for the shares upon exercise of the warrants.
9. Transfer of warrants to the Participants who, at the time of the implementation of LTIP are employed by or on assignment for Rugvista Group is expected to take place during June 2023, or as soon as administratively and legally possible. Transfer to any future Participants may however take place up until and including the Annual General Meeting 2024, in order to enable participation in LTIP 2023 for such future Participants. The reason why potential future employees or employees who have been promoted may receive warrants at such date that the time between the allotment and the subscription period for shares may be less than three years, is that the Board of Directors considers that such employees, for the same reasons that apply to LTIP 2023



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in general, shall be given the opportunity to participate in value growth of the Company's share at the start of the employment or assignment.

10. Upon acquisition of warrants, the Participant shall enter into a warrant agreement with the Subsidiary on general terms and conditions set out by the Board of Directors, including provisions on pre-emptive rights for the Subsidiary.

Reason for deviation from the shareholders' preferential rights

The reason for the deviation from the shareholders' preferential rights is that the Board of Directors wishes to create an incentive program for current and potential future senior executives and other key employees within the Group, whereby they may be offered the opportunity to participate in the value growth of the Company's share. The basis for the subscription price is the market value of the warrant at the time of subscription.

Dilution and effect on key figures

Assuming that all 595,000 warrants in LTIP 2023 are exercised for subscription of new shares, the Company's share capital will increase by a maximum of SEK 29,750, resulting in a maximum dilution effect equivalent to approximately 2.78 percent. The Company has two ongoing incentive programs: LTIP 2021 and LTIP 2022. Under LTIP 2021, a total of 496,981 warrants have been allotted and transferred to participants, where each warrant entitles to subscription of 1.04 shares¹, corresponding to a dilution effect of approximately 2.43 percent. LTIP 2022 comprised a maximum of 300,000 new shares in the Company, corresponding to an total dilution effect of approximately 1.42 percent. Under LTIP 2022 a total of 40,000 warrants have been allotted and transferred to participants², corresponding to a dilution effect of approximately 0.19 percent. In total LTIP 2021, LTIP 2022 and LTIP 2023 have a maximum aggregated dilution effect of approximately 4.98 percent, considering the in total 475,981³ allotted, transferred and outstanding warrants under LTIP 2021 and LTIP 2022.

The above is subject to re-calculations of the warrants in accordance with the customary re-calculation terms stated in the full terms and conditions. All dilution effects have been calculated as the number of additional shares in each program in relation to the number of existing and additional shares in each program.

The impact on key figures and earnings per share is marginal.

Costs

As the warrants are transferred at market value, the Company estimates that any social costs that will be incurred as a result of the program will be limited, also in respect of participants in other countries. The costs related to the program will mainly consist of limited costs for the implementation and administration of the program.

Preparation of the proposal

The proposed program has been prepared and resolved by the Board of Directors, with assistance of external advisors.

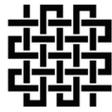
Majority requirements

The resolution of the Annual General Meeting in accordance with the Board of Directors' proposals under clauses A-B above, is proposed to be adopted as one joint resolution. A valid resolution

¹ The terms for subscription for new shares pursuant to LTIP 2021 have been re-calculated due to the dividend resolved upon by the Annual General Meeting 2022.

² Based on the number of allotted and transferred warrants under LTIP 2022 as of April 18, 2023. Additional allotment and transfers of warrants under LTIP 2022 may occur up until the 2023 Annual General Meeting.

³ Based on outstanding warrants under LTIP 2021 and LTIP 2022 following repurchase of 61,000 warrants.



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requires that shareholders representing at least nine tenths (9/10) of the votes cast and shares represented at the Annual General Meeting support the resolution.

Malmö in April 2023

The Board of Directors

RugVista Group AB (publ)