



Boozt

Annual Report 2017

Boozt

A Nordic technology company selling fashion, apparel and beauty online.
We offer our customers a curated and contemporary selection of brands, relevant to a variety of lifestyles, mainly through our multi-brand webstore Boozt.com.

Our mission

is to deliver an outstanding online fashion shopping experience with unrivaled customer service

Our vision

is to become the leading player in Nordic fashion e-commerce



**NEXT DAY
DELIVERY**

▲ Boozt Fulfillment Centre

is our central and automated warehouse located in Ängelholm

224

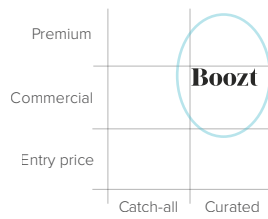
full time employees

30

different nationalities

31

average age



Attractive position in a market
where scale matters

Curated, contemporary and
relevant selection of brands

BY MALENE BIRGER totême

Filippa K CALVIN KLEIN

BAUM UND PFERDGARTEN DESIGNERS REMIX
CHARLOTTE ESKILDSEN

J.LINDBERGH DAGMAR

BOSS marimekko

TOMMY HILFINGER KENZO

25-54

average age



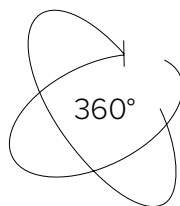
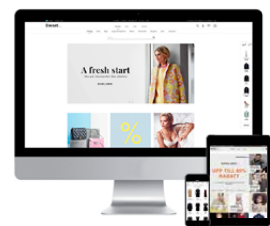
have a partner



55% have kids

Diversified customer base
with attractive features

High level technology platform, offering
a convenient shopping experience



One destination for fashion

2017 Highlights



Entering the beauty market

At the end of March, we launched our physical cosmetics store Beauty by Boozt followed by the on-line launch of our beauty and cosmetics category on Boozt.com in the beginning of June.

Listing of the company's shares

The listing on Nasdaq Stockholm was an important milestone to get the long-term ownership structure in place, so that we can continue our vision towards becoming the leading player in Nordic online fashion with an outstanding customer experience.



Black Friday Weekend

- 140 per cent revenue growth compared to 2016
- More than 25,000 new customers on Boozt.com during the Black Friday weekend
- All Black Friday orders delivered within 1-2 days, with high customer satisfaction
- Our operations and systems was tested to maximum – with satisfying results

Passing the 2 billion mark

We continued our strong revenue growth with an increase of 44.4% compared to the previous year, reaching 2.016 billion in net revenue for 2017.

2.016




BOOZTLET YOUR FASHION OUTLET

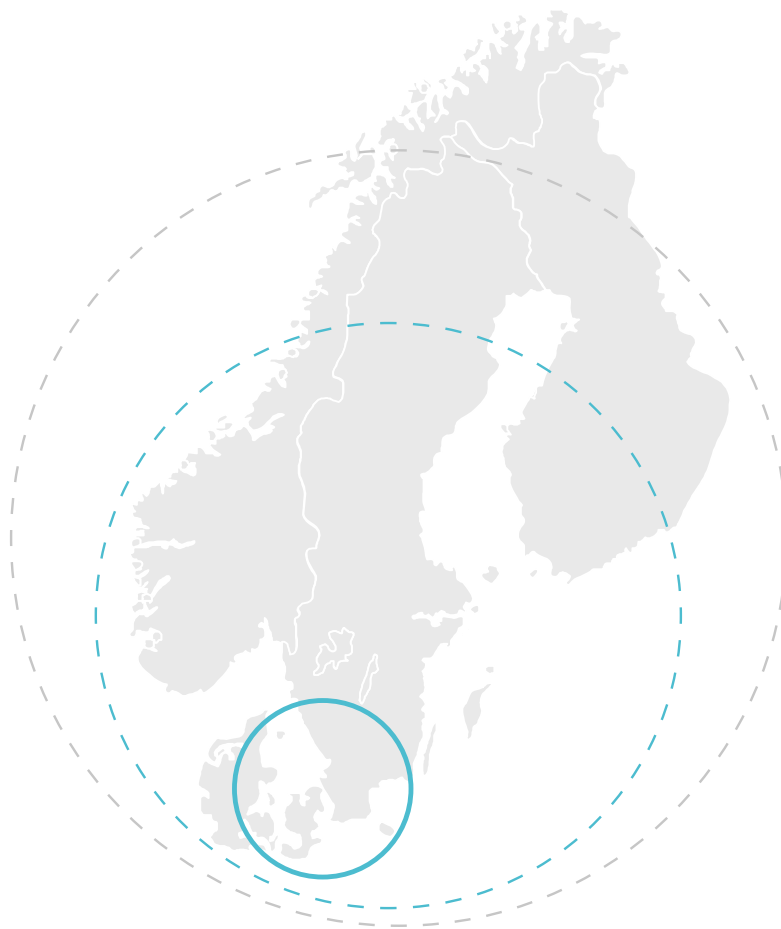
Booztlet – a segment showing great potential

Our small but important segment Booztlet grew with almost 60% compared to the year earlier, with an adjusted EBIT margin of 10.4%. Booztlet is a segment in which we see great potential for the future.

Launch of same day and home delivery

In December of 2017 we launched same-day and home deliveries to our customers at the same time as we improved our delivery proposition, now serving 90% of the Nordic region with 100% of the assortment within the same or next day.

-  Same day
-  Next day
-  1-2 days



Our new Boozt Fulfilment Centre

We're more than proud of our innovative and highly automated Boozt Fulfilment Centre (BFC), which we moved into during the first quarter of 2017. The BFC supports and strengthens our operational efficiency, at the same time as it has a clear environmental profile.

Returns being
refunded within

24
HOURS

>2,500

orders per hour in
handling capacity

4

DAYS

from product arrival
to in webstore

+450,000

SKU locations

Capacity of

3

MILLION+
items



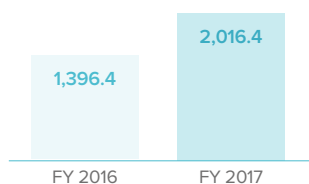
Expanding warehouse capacity

In October 2017, the second phase of our warehouse automation solution AutoStore went operational, without any ramp-up time or additional costs. The expanded capacity supports our future growth together with the efficiency improvements achieved during the year.

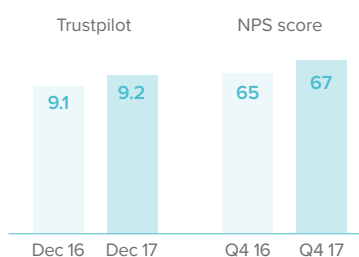
KPI Highlights

Net Revenue Group

+44.4%

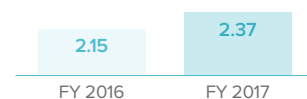


Customer Satisfaction



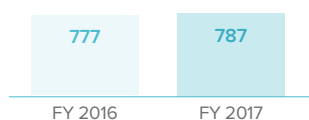
Order Frequency

+10.3%



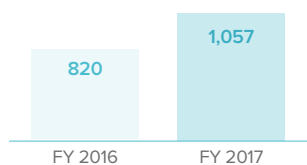
Average Order Value (SEK)

+1.4%



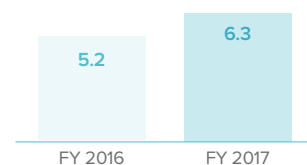
Active Customers (000)

+28.9%



True Frequency

+21.1%



SEK million unless otherwise indicated

	01-01-2017 31-12-2017	01-01-2016 31-12-2016	Change
Net revenue	2,016.4	1,396.4	44.4%
Gross margin	861.0	629.8	36.7%
Gross margin (%)	42.7%	45.1%	-2.2 pp
Adjusted EBIT	48.2	29.5	63.3%
Adjusted EBIT margin (%)	2.4%	2.1%	0.2 pp
Operating profit/loss (EBIT)	-69.8	21.0	-90.8
Earnings for the year	-12.6	12.9	-25.5
Cash flow from operating activities	-137.8	40.8	-178.6
Earnings per share (SEK)	-0.24	0.29	-0.53
Earnings per share after dilution (SEK)	-0.24	0.29	-0.53

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You need to master all the aspects of creating an excellent customer experience, and a prerequisite for that is intelligent gathering and use of data"



Hermann Haraldsson, CEO

"Our customers are more demanding than ever with constantly increasing expectations."

Hermann, what is THE single thing that has made it possible to grow so fast?

That is probably the question I have been asked most frequently during the last year. And my answer is always the same; There is no such thing as THE thing. There is no "silver bullet". You need to master all the aspects of creating an excellent customer experience, and a prerequisite for this is intelligent gathering and use of data, without compromising the customers privacy. You need to have the right curated selection and you need to have a fast site, where the customer finds the relevant items and it must be easy to shop. You need to deliver fast – ideally the day after – returning must be easy, and the customer needs to get her money back fast if she wants to return an item.

Looking from the outside, it is easy to see Boozt as "just" an online fashion retailer. But the core of our company is our proprietary and scalable web platform, intensive use of data that we constantly analyse to be able to offer our customers the products that appeal precisely to them, a razor-sharp data-driven marketing approach and execution and not least an efficient and innovative logistical set up with a scalable automated fulfillment center.

These are the strengths, that enable us to outgrow a market that is rapidly growing due to strong migration from offline to online fashion shopping.

High customer satisfaction is key

Our customers are more demanding than ever with constantly increasing expectations. And even though the impression from the last purchase was good, we know that we are no better than the next purchase. This is good. It keeps us on our toes.

Therefore, we are also happy to note that we exited 2017 with our highest customer satisfaction ever. It is great to see that we managed the large warehouse move and, in the process, moved 1.4 million pieces of clothes and shoes from the old manual one to our new automated one, without affecting the customer experience.

We launched our beauty category in June, entering an adjacent market with strong synergies such as larger basket sizes and more frequent dialogue with our core customers. This also included opening a physical beauty store to complement the online offering.

Worth highlighting is also the Black Friday weekend, where we experienced increased traffic with a factor 10 compared to last year with 90,000 orders and a revenue increase of 140%. We had prepared for months. On the one hand to cope with the huge traffic load and on the other hand to ensure that the warehouse would be able to handle the order volume. It was the big test of the year, and we passed. No downtime on the site and all 90,000 orders being delivered within the 1-2 days delivery window as promised, resulting in an increased customer satisfaction. I can't say if it was due to low expectations, "but we delivered".

During the year we completed our listing on Nasdaq Stockholm, and even though it was mainly management who was involved in the IPO process, large parts of the organization were involved in the preparations.

We are only just getting started

What's next? People then ask. Both for you and your co-founders. This is an easy one to answer. We have only just started.

Great milestones were achieved in 2017 with revenue of more than 2 billion SEK, more new customers than ever as well as increased number of orders from our loyal customers. But with a market share below 1% of the Nordic market for fashion, sports clothes and accessories we are only just getting started. Even our share of the online market is below 5%. And with an online market growth of 10-15% in the Nordics and a continued consolidation where the smaller players are losing share to the larger players the growth prospects are bright and we aim to take more than our "fair share of the market".

I can only say for myself, but I still have most of my wealth invested in Boozt, and I intend to keep it that way. I am here for the long run as I believe this is just the beginning of the journey for Boozt. I believe the same is true for my co-founders.

"Great milestones were achieved in 2017 with revenue of more than 2 billion SEK, more new customers than ever as well as increased number of orders from our loyal customers."



"We have only come this far because we have succeeded in gathering a team of extraordinary and skilled people."

New categories to fuel the growth

In 2017, 85% of revenue was in the Women's and Men's Fashion & Accessories categories. This number will change going forward as we are building the infrastructure to fuel the growth of other relevant categories as well.

Sports/Athleisure will be strengthened with the introduction of adidas and Reebok in the 3rd quarter of 2018. Our Beauty concept will be improved with the opening of a high street flagship store in Copenhagen as well as with the introduction of new market leading brands. The kid's category will be realigned and improved, and a confident Home category will be launched during the second part of 2018.

Finally, we will focus much more on our online outlet, Booztlet.com, as we can see both customers and partners have been welcoming an online off-price concept for inventory clearance, where goods are sold with large discounts, while protecting the brands' equity. Booztlet.com grew 60% in 2017 with accelerating growth during the year and is accretive to the EBIT margin.

We are highly motivated by building these categories stronger based on our learnings from Fashion and thereby creating an even better shopping experience for our customers and consequently a stronger loyalty.

A strong and adaptable team culture ensures success in a fast-paced environment

I have said it before, and I will say it again. We have only come this far because we have succeeded in gathering a team of extraordinary and skilled people. More



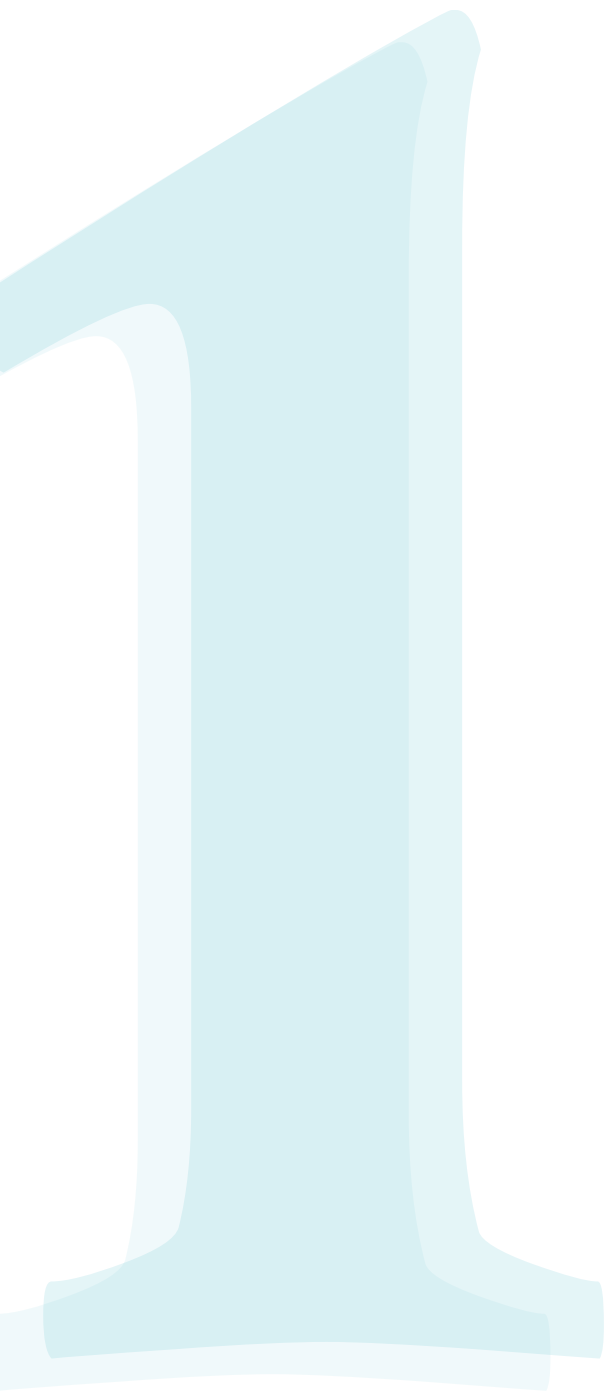
have joined during the year and more will come. One thing is sure though. We are still as picky and diligent when hiring new colleagues, we continue to emphasize giving employees the freedom to excel and we think and act like a sports team. We will maintain the mindset of a small company, where we hate bureaucracy, take fast decisions, experiment relentlessly and have a “front-line obsession”, which is the DNA of our business. Our stars execute more and talk less.

New employees from all over the world will continue to be welcomed and an increase in the number of flags from the current 30 will only be a bonus. We believe, that a company, neither Swedish nor Danish, but rooted in a strong Nordic culture with a mix of nationalities and cultures from all over the world makes a team that is “damn difficult to beat”.

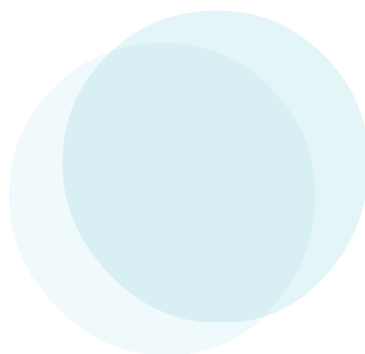
And we intend to keep on being damn difficult to beat.

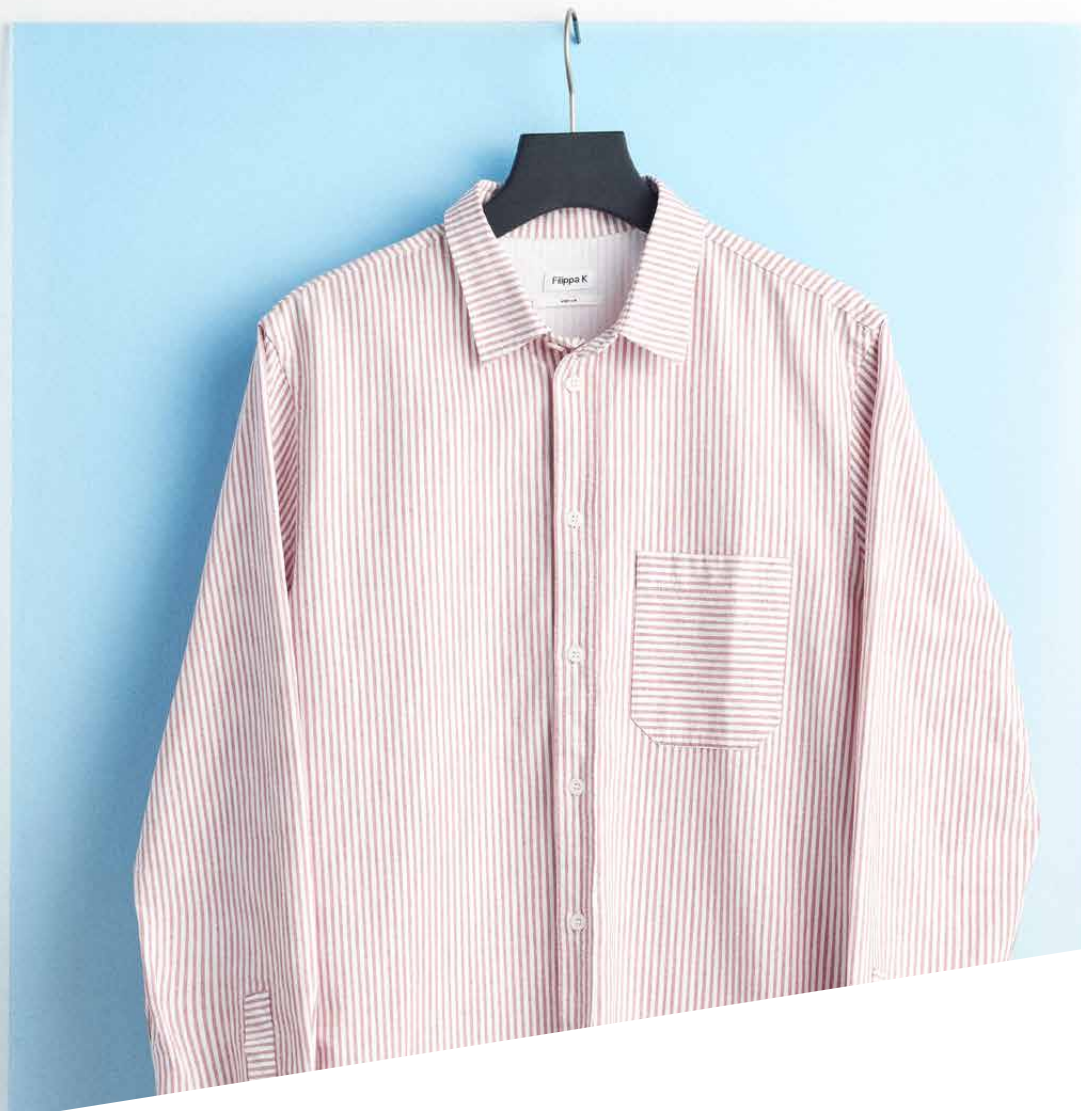
Best,
Hermann

"Our stars execute more and talk less."



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Management's report

This report is published April 6, 2018

Group KPIs

SEK million unless otherwise indicated	01-01-2017 31-12-2017	01-01-2016 31-12-2016
GROUP		
Net revenue	2,016.4	1,396.4
Net revenue growth (%)	44.4%	70.9%
Gross margin (%)	42.7%	45.1%
Fulfilment cost ratio (%)	-15.5%	-16.1%
Marketing cost ratio (%)	-13.0%	-14.7%
Admin & other cost ratio (%)	-16.2%	-11.9%
Depreciation cost ratio (%)	-1.5%	-0.9%
Adjusted fulfilment cost ratio (%)	-14.5%	-16.1%
Adjusted admin & other cost ratio (%)	-11.3%	-11.3%
EBIT	-69.8	21.0
EBIT margin (%)	-3.5%	1.5%
Adjusted EBIT	48.2	29.5
Adjusted EBIT margin (%)	2.4%	2.1%
Adjusted EBITDA	79.0	42.0
Adjusted EBITDA margin (%)	3.9%	3.0%
Cash flow from operating activities	-137.8	40.8
Net working capital	200.4	94.6
Cashflow from investments	-174.9	-33.7
Net debt / -net cash	-328.5	-209.8
Equity / asset ratio	57.1%	46.0%
Number of employees and end of period	224	192
Boozt.com		
Net revenue	1,946.2	1,303.0
EBIT	-71.0	10.0
EBIT margin (%)	-3.6%	0.8%
Adjusted EBIT	44.1	16.5
Adjusted EBIT margin (%)	2.3%	1.3%
Site visits (000)	88,506	63,054
No. of orders (000)	2 509	1 764
Conversion rate (%)	2.84%	2.80%
True frequency	6.3	5.2
Average order value (SEK)	787	777
Active customers (000)	1,057	820
No. of orders per active customer	2.37	2.15
Booztlet.com		
Net revenue	49.1	30.7
EBIT	2.1	4.1
EBIT margin (%)	4.3%	13.4%
Adjusted EBIT	5.1	4.2
Adjusted EBIT margin (%)	10.4%	13.7%
Other		
Net revenue	21.0	62.6
EBIT	-0.9	6.9
EBIT margin (%)	-4.3%	11.0%
Adjusted EBIT	-0.9	8.8
Adjusted EBIT margin (%)	-4.3%	14.1%

Rounding differences may effect the summations.

To our great satisfaction, all of our key KPI's related to customers on Boozt.com got stronger during 2017.

The number of site visits increased more than 40% compared to 2016, at the same time as the conversion rate increased slightly. The number of total orders increased with 42.2% to 2,509,000 and the number of order per active customer increased with more than 10% to 2.37.

One of our most important KPI's is the true frequency, which is defined as the order frequency for customers that have been with Boozt.com during the last 12 months, hence not impacted by orders from new customers. The 2017 increase in true frequency; 6.3 compared to 5.2 the year earlier shows us that our loyal customers, tend to increase their share of wallet with us as time goes by. Together with the fact that our base of active customers continued to increase to pass the 1 million mark (1,057,000 compared to 820,000) it is a strong testimony that our recipe is working well. The average order value increased slightly to a satisfying SEK 787. Going forward we believe that the average order value will remain at this level.

Comments to financial KPI's for the Group

Net revenue for the full year of 2017 increased with 44.4% to SEK 2,016.4 million (1,396.4). The increase in net revenue is mainly attributable to the Boozt.com and Booztlet.com segments which grew with 49.4% and 59.8% respectively. Net revenue growth was negatively affected by the Other segment, which included the commission sales agreement with ECCO that ended in March 2017.

The gross profit for the full year increased with 36.7% to SEK 861.0 million (629.8) and the gross margin decreased with -2.4 percentage points to 42.7% (45.1%). The decrease in gross margin is due to the terminated commission sales agreement with ECCO, which generated a gross margin of 100%.

The fulfilment cost ratio decreased with 0.5 percentage points in the period from 16.1% to 15.5%. The decrease is due to improved productivity and the economies of scale achieved through the investments made in the Group's fulfilment centre during 2017. The marketing cost ratio

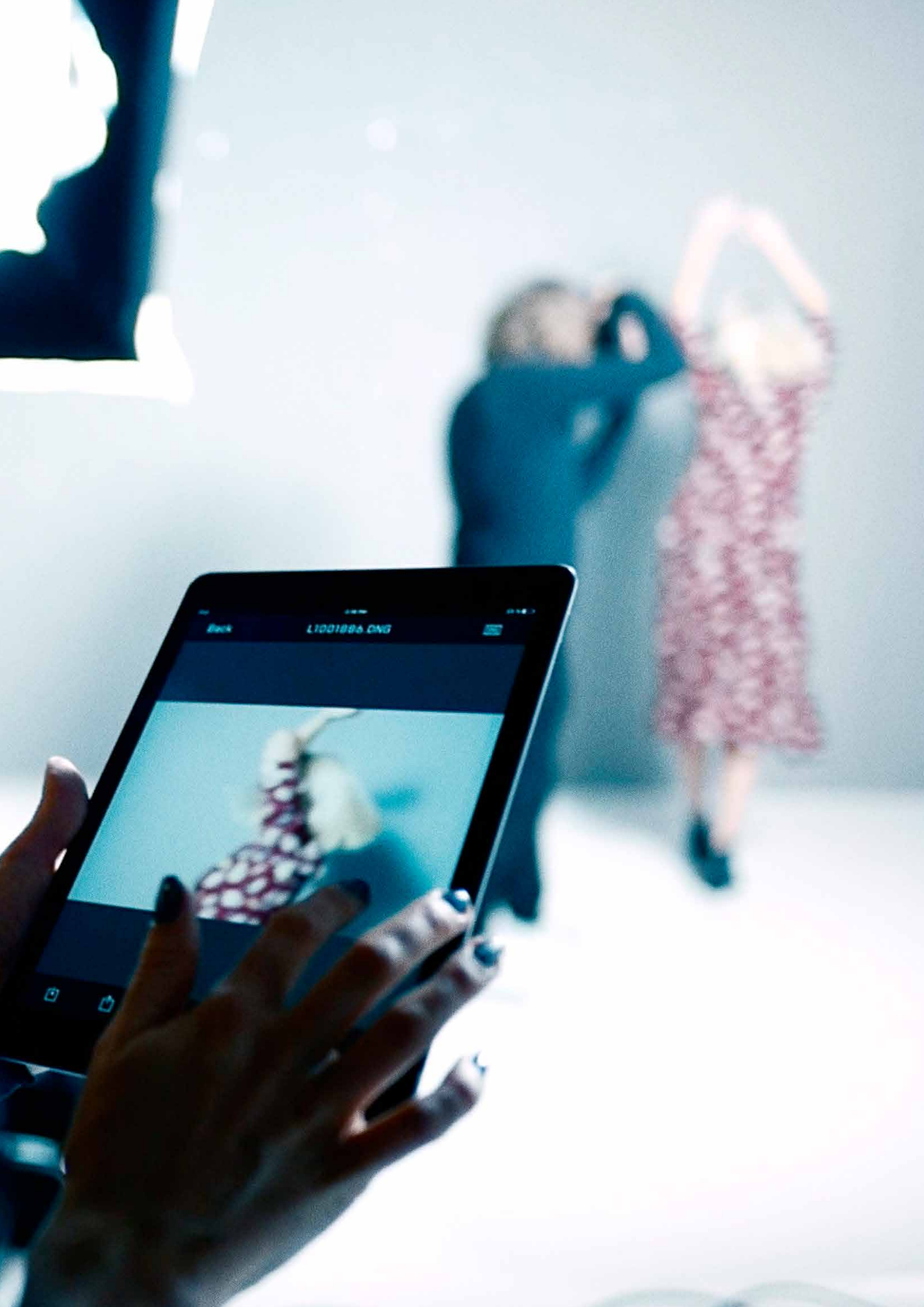
decreased with 1.7 percentage points to 13.0% (14.7%) and the admin & other cost ratio increased with 4.2 percentage points to 16.2% (11.9%) during 2017. The increase is mainly due to IPO related costs, including share-based payments (and social charges) for the warrant program 2012/2022.

EBIT amounted to SEK -69.8 million (21.0). Items affecting comparability of a total SEK -118.0 million affected EBIT during 2017 and include costs for listing of the company's shares of SEK -45.4 million, costs for share-based payments to employees of SEK -4.8 million, cost for share-based payments to employees (social charges) of SEK -47.2 million and costs for the warehouse move of SEK -20.6 million.

Adjusted EBIT amounted to SEK 48.2 million (29.5). The adjustments constitute of social charges for share-based payments of SEK -47.2 million, share based payments of SEK -4.7 million. Adjustments also include IPO related costs of SEK -45.4 million, and costs for the warehouse move of SEK -20.6 million.

Cash flow for the full year of 2017 amounted to SEK 207.7 million (121.9) whereof cash flow from operating activities amounted to SEK -137.8 million (40.8). Change in net working capital was affected by increased inventory volumes due to realised and expected growth in revenues, as well as a change in agreement structure with the ECCO and Day Birger et Mikkelsen brands from consignment to own buy. Cash flow from investing activities amounted to SEK -174.9 million (-33.7) and are mainly attributable to investments in the new fulfilment centre made during the second and fourth quarter of 2017.

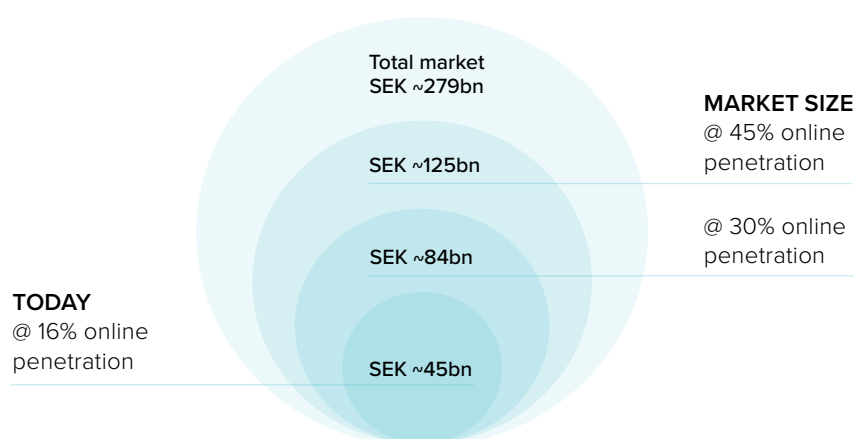
Cash flow for financing activities amounted to SEK 520.4 million (114.8) for the full year of 2017. The new share issue that was performed at the time of the listing and sale of shares in own portfolio gave a net increase of equity of SEK 431.2 million. During the period the investments made in the Group's fulfilment centre was financed through a loan of SEK 163.1 million. During the period, SEK 62.0 million of this loan was re-paid. Additionally, the Group's loan of SEK 12.0 million to ALMI, the Swedish national growth fund was re-paid in full during the period.



Fashion e-commerce in the Nordics

We estimate the total Nordic market for apparel, shoes, beauty and personal care to approximately 279 billion SEK and the online penetration to 16%. We believe that the Nordic online apparel market will continue to grow in the coming years.

Apparel is a category well suited for online sales, due to the high frequency of shopping and the attractive unit economics of scale this category can offer. Online penetration in the Nordic apparel market has increased steadily over the past five years but remains below penetration levels achieved in markets like the United Kingdom and the US, leaving potential for future growth.



Online penetration in the Nordics

The growth of the online apparel market is positively influenced by the ongoing general shift from traditional offline to online shopping. Online penetration in the Nordic market for apparel, shoes and beauty products remains low compared to other consumer categories, such as books, consumer electronics and consumer appliances.

The development of the online market depends on the number of people with Internet access and the rates at which consumers move from offline to online shopping. We expect the online market growth to continue, with more and more customers migrating from offline to online shopping. We believe scale is a key element for profitability in online fashion and we intend to continue investing in order to claim considerably more than our fair share of the market growth.

Drivers of online migration

The rapid growth of the online apparel market can be attributed to several factors including availability, selection and convenience.

Availability: Consumers have increased time spent online in recent years. The online environment provides a convenient shopping experience available at any time, without regard to location of the customer and across devices (including mobile, desktops and other mobile devices).

Selection: By browsing online shops, consumers are able to access a relevant selection in a matter of seconds, providing online retailers an advantage over offline retailers. Online retailers can optimise their selection based on customer preferences by utilising big data and algorithms to pinpoint consumer behaviour, providing customers with a focused and relevant offering. At the same time, brands are able to make their entire selections available in webstores, which in turn increases the probability the customer will find their desired product.

Convenience: The ability to order merchandise at any time and location, with a relevant selection of products

offered and services provided, results in high levels of convenience for online shoppers. This is further enhanced by fast deliveries, easy returns and secure payment solutions.

The importance of scale

E-commerce, and particularly fashion e-commerce, is a scale business. While attractive gross margins in the online apparel retail market provide incentives for new entrants, the market rewards scale giving significant barriers to entry. Successful online apparel retailers must achieve sufficient scale with their platforms to create efficient operations. However, to achieve such scale, sufficient order volume is required. With sufficient scale, supported by customers' purchase frequency, attractive unit economics can be achieved for returning customers.

Boozt aims to be the leader in the online apparel industry in the Nordics. To achieve this goal, we plan to leverage scale which generates a strong network effect which in turn improves our brand recognition and relevance for both customers and business partners. In addition, we will profit from attractive unit economics mainly due to a high, above industry average order value, while handling and fulfilment costs per order are relatively fixed in absolute terms, regardless of order value.

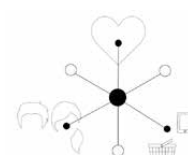
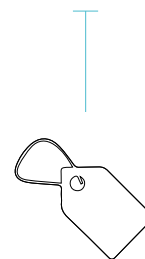
Areas that are affected by scale:

Brand partnerships: The most in-demand brands within each corresponding segment are able to attract customers and strengthen the retailers' attractiveness. Brands, in turn, generally put high demands on their suppliers and may be reluctant to take risks that can harm their brand equity, for instance through associations with unproven or sub-scale online retailers.

Fulfilment and distribution: Fulfilment and distribution costs are one of the largest cost items for online retailers, in addition to costs of goods sold. These costs are generally improved by scale, providing lower fulfilment cost per order and better terms with distribution partners. One of the key challenges for online apparel retailers is effectively handling the volume of products resulting from customer returns. Simultaneously, an easy return process is valuable to sustain customer satisfaction and to reduce perceived purchase risk, making return management a substantial entry barrier for new potential entrants.

Marketing and customer insight: Efficiency in acquiring new customers is affected by scale, for example, the ability to reach attractive agreements with media providers. Scale also allows for investments in resources to systematically use, analyse and monitor customer data for allocation of resources to those channels that show favourable return on investment.

Technology platform and efficiency of operations: As consumers place emphasis on the overall shopping experience, scale further enables online retailers to invest in new features to drive traffic and increase the time consumers spend in their webstores. The swiftness and efficiency of a webstore displaying relevant content and proper utilisation of customer data can positively impact the number of orders, the average order value and customer engagement. Strong operational infrastructure and execution, supported by the wide usage of technology in various business processes, enable efficient operations and increase the ability to offer a competitive customer experience.



Our growth strategy

Keeping a distinct market position

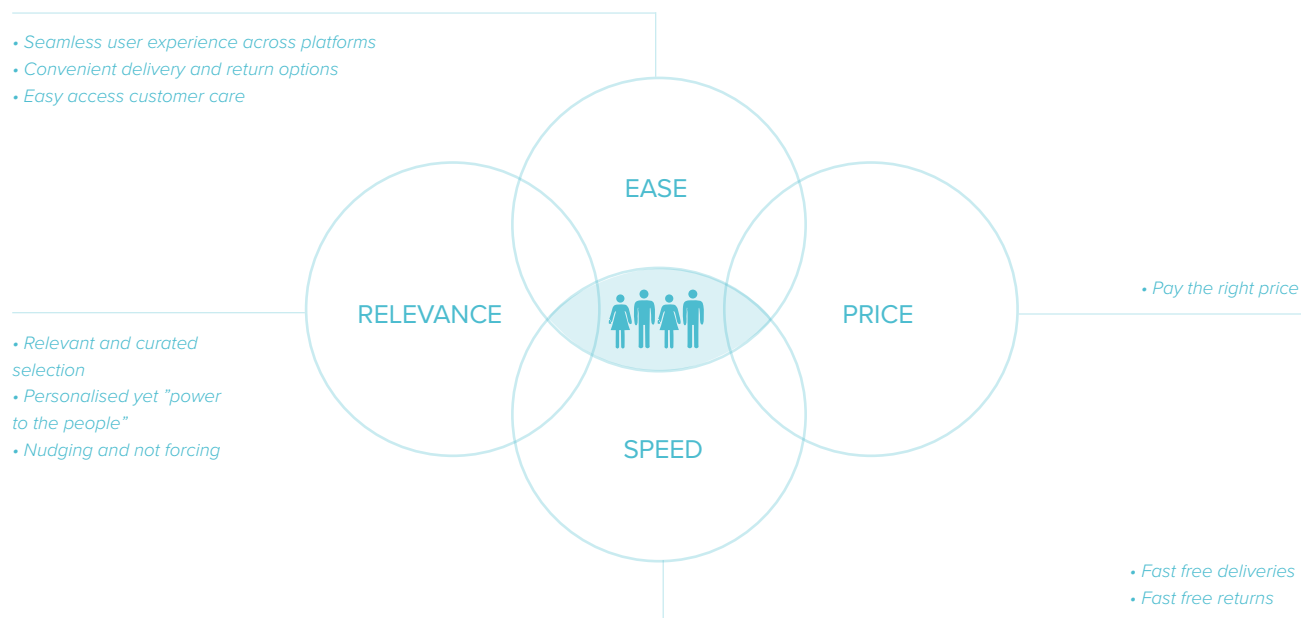
We strive to offer Nordic consumers the best online shopping experience, with a carefully curated selection of over 500 mid- to premium brands and one of the fastest delivery times in the market. Our customer focus has resulted in one of the highest Net Promoter Scores in the industry – 65% for Boozt.com.

We offer a wide assortment of apparel categories including shoes, clothing, accessories, sportswear, soft home and cosmetics. Instead of searching for specific brands, most of our customers prefer to browse and mix and match different garments and products. Resulting from strong relationships with the brands, Boozt offers a combination of international and local brands, existing and new, that are relevant for Nordic customers.

We categorise our brand partners into three categories: mid-market brands, premium brands and entry brands, where we mainly focus on mid-market and premium brands, as these categories carry a higher average item price and hence contribute to a higher average order value. Entry brands also have considerably shorter sales periods and significantly shorter order lead times than those of mid-market and premium suppliers. Our brand portfolio includes:

Entry brands	Mid-market brands	Premium brands
ESPRIT ICHI®	nué notes SAMSØE & SAMSØE	BY MALENE BIRGER totême
fransa MANGO	marimekko MADS NØRGAARD COPENHAGEN	Filippa K CALVIN KLEIN
VILA CLOTHES SELECTED HOMME	PeakPerformance®	BAUM UND PFERDGARTEN Barbour
BLEND VERO MODA®	GANT BY MALINA	J.LINDBERG DAGMAR
SELECTED FEMME SOAKED	MORRIS UNDER ARMOUR KARSS EN	BOSS HUGO BOSS DESIGNERS REMIX CHARLOTTE ESKILDSEN
Brandtex b.young®	SECOND FEMALE ZOE KARSSEN	TOMMY HILFINGER K&IZO

Key success factors in Nordic online fashion:



Staying relevant to our customers

Since the start, we have believed in building a strong Nordic brand. Our core customer group is women and men between 25 and 50 years old. They are in a relationship, typically have kids, are well-educated and tend to have an above-average income. In 2017, our aided brand awareness within this segment was 75% across the Nordics.

Rather than expanding our geographical market, we believe in expanding within our existing market position in the Nordic region. This also enables us to capitalise on the growing Nordic online fashion market by maintaining our distinct market position based on a curated fashion selection geared towards Nordic tastes, with a focus on mid-market and premium brands. We believe this strong position which will enable us to take advantage of a significant market opportunity for online apparel retail.

We will continue to increase our awareness in the part of the Nordics where there is lower awareness, so as to also fulfil our goal for Boozt to become a household name in each of the Nordic markets. Thus, we will continue investing in both online- and offline campaigns to increase brand

awareness and familiarity with focusing specifically on the underrepresented regions and customer groups.

It is crucial to stay relevant. By continuing to provide a curated selection in the mid- to premium segment, we believe we can maintain relevance with our Nordic audience. More than half of our sales are generated through local Nordic brands and we continuously develop our brand mix to ensure we offer the brands our customers desire.

Personalisation is important, but we want the customer to be in control of the personalisation. In other words, we provide options for the customer on how to personalise, but it is the customer who decides where and when to use it. We are constantly improving the personalisation options on our websites, developing search, sorting and filtering options as well as size descriptions and the inspirational journey.

In the e-commerce business, ease and speed is of absolute importance. The customer experience should be fast, seamless and platform agnostic enabling the customer to start a shopping session by browsing on a mobile and

then, if they wish, continue with the actual purchase on a desktop. If the customer needs assistance from our customer service, it is essential that the customer service be both fast and accurate. We are constantly working with improvements to our customer service. In 2017, we launched an intense training program for our customer service agents. The daily training emphasises discussing and practicing various scenarios. As a testament of our efforts, customer satisfaction, which we measure on a daily basis through NPS and Trustpilot, was at an all-time high throughout the year.

Convenience, fast delivery and return options are key. With a standard delivery time of 1-2 days, offered to approximately 99% of our customers, prepared us to take the next step in our delivery proposition. At the end of 2017, we launched same-day deliveries, with the ability to reach 3.5 million people in the south of Sweden (including Gothenburg area) and Denmark. Investments were also made towards increasing the next day delivery reach even further.



Returns must be convenient in order to satisfy our customers. Many of our customers reuse the bags that the goods were arrived in as packaging for returns, which we encourage since it is resource efficient. A return label and return form is automatically included with each order. Requiring no further additional action, the return process is very convenient for the customer who normally receives their return payment within days of sending the item(s) back.

Being a strong partner for our brands

By choosing to work with Boozt, brand partners gain access to a highly attractive customer segment on the Nordic market via a single, reputable partner who will not compete with brands partners through a private label or own production. With the purpose to improve efficiency when interacting with partners, we introduced the Partner Portal in 2016, which we developed further during 2017. With more than 800 registered external users, the majority of our brand partners are now using the portal as the primary tool to exchange information with Boozt.

Consumer behaviour is changing at a rapid pace and relevance is key. Knowing your target group's needs and demands is essential but complex. For apparel brands, this proves especially difficult as these companies often lack resources and skills to succeed in the online world. As a true online-first player, Boozt has in-depth knowledge from analysing and predicting consumer behaviour. Our brand partners benefit from this knowledge as we use it to deliver successful campaigns and product launches with our partners.

Benefiting from efficient operations and logistics

In 2017, we took a major step in operational efficiency. The year began with a move to the custom built Boozt Fulfilment Centre (BFC), handed over to Boozt in February. The custom built BFC is an investment that will facilitate our long-term expansion as it operationally supports our future growth.

During March, the operations within the old warehouse were moved to the new fulfilment centre. The moving process went according to plan and the Group succeeded



in continuing business without any significant delays or other inconveniences for the customers. As a central part of the BFC, Element Logic delivered an automated storage and retrieval system called AutoStore. With AutoStore, we have been able to create a more efficient picking process while reducing costs.

Already by the second quarter, the Group experienced considerable efficiencies with a gradual decrease in the cost per order, including depreciation and costs for overcapacity in the warehouse. As a result, the Group felt it necessary and was ready to enter into a new agreement to expand the first AutoStore-module, which was performed during the fourth quarter of 2017. This agreement included planned purchases of additional bins and picking robots in 2018 supporting the increasing volume in the BFC. The expansion of AutoStore modules gives us good flexibility and enables expanding capacity in-line with increased order volumes.

Since the implementation, the fulfilment cost per order gradually decreased to the point where the cost was lower

than the fulfilment cost per order in the previous warehouse. The ramp-up period for the new warehouse ended in the third quarter of 2017, with continuing benefits obtained throughout the last quarter of the year.

Returns being
refunded within

24
HOURS

>2,500

orders per hour in
handling capacity

Capacity of

3
MILLION+

items and 450,000+
SKU locations

4

DAYS

from product arrival
to live in webstore

What we do

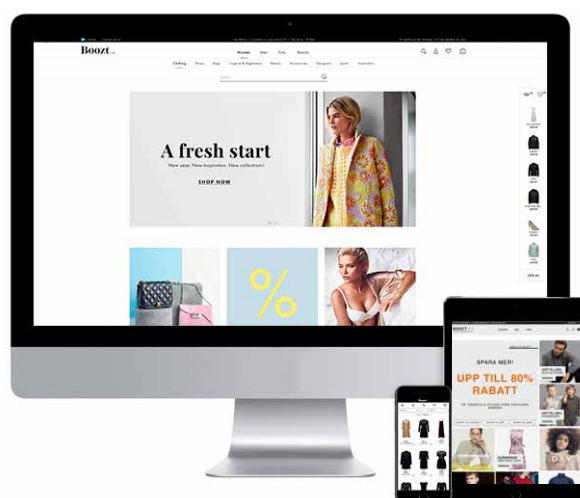
We are a Nordic technology company selling fashion and beauty online. We offer our customers a curated and contemporary selection of brands, relevant to a variety of lifestyles, mainly through our multi-brand webstore Boozt.com.

We strive to offer a convenient shopping experience with high service levels, consistent user experiences across both mobile devices and desktop, quick deliveries and easy returns.

The Boozt brand is becoming a recognised name for fashion in the Nordics through high customer satisfaction. This is consistently proven by an NPS of 65, a Trustpilot score of 9.2 (December 2017), and a growing base of returning customers.

Boozt has grown rapidly over the last few years to reach SEK 2.0 billion in 2017 and build a base of over 1,057,000 active customers on Boozt.com.

Boozt was founded in 2007 to conduct outsourced, online, mono-brand operations for fashion brands. The current management team joined Boozt in 2010-2011 to assist in the 2011 relaunch and change of business model. This was followed by the termination of the largest customer contract, thereby establishing Boozt.com. In the following years, significant investments were made to support growth and increase the number of customers.



*3 optimized platforms,
3 different segments*

Our segments

The Boozt.com segment consists of the operational activities related to the multi-brand webstore Boozt.com. Boozt.com primarily operates in the Nordic region (with Nordic countries representing over 95 per cent of visits), but is available in ten geographic areas (Sweden, Denmark, Norway, Finland, Germany, United Kingdom, France, the Netherlands, Poland and other European areas) and in nine languages based on a shared platform and common backend. Boozt.com is an online destination for fashion tailored to deliver convenience and a curated selection from the Group's over 500 brand partners. Boozt.com presents fashion products split into the main categories women, men, kids and sports & activewear, beauty/cosmetics and home.

To support the convenient online shopping experience, Boozt.com offers free and fast deliveries, free and easy returns, customer support and an exclusive selection catered to modern Nordic fashion followers, with limited minimum order sizes.

The Boozt.com segment generated net revenue of SEK 1,946.2 million (1,303.0) and an adjusted EBIT margin of 2.2% in 2017 (1.3%). Boozt.com had over 1,057,000 active customers as of December 31, 2017.

The Booztlet.com segment consists of the operational activities related to Booztlet.com. The Booztlet.com segment primarily operates as the Group's channel for inventory clearance, retailing items that do not sell within an allotted timeframe in the webstores. Customers shopping

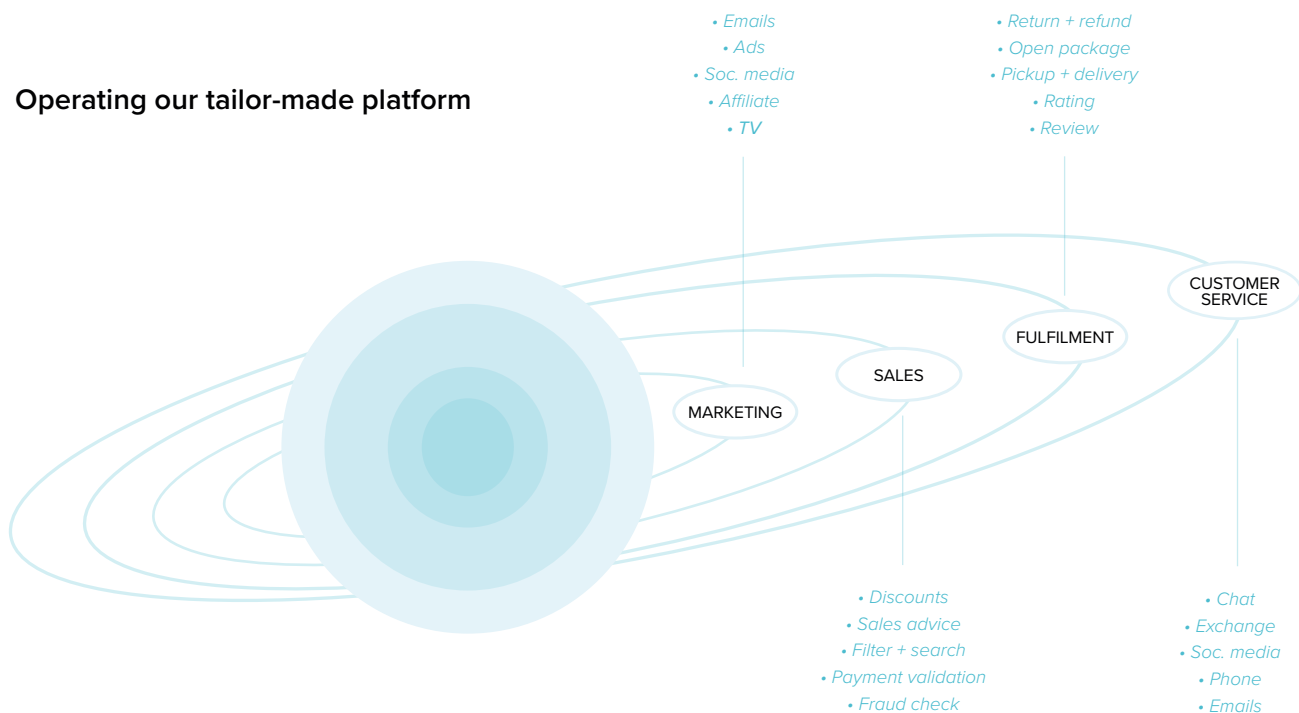
at Booztlet.com are charged for deliveries and returns. We see potential in our outlet segment and going forward we will increase our focus on this segment.

The Booztlet.com segment generated net revenue of SEK 49.1 million (30.7), and an adjusted EBIT margin of 10.4% (13.7%) in 2017. The decrease in adjusted EBIT margin is related to intentional increased marketing costs to support new customer growth.

The Other segment consists of the operational activities related to the mono-brand business and other activities in the Group. The mono brand business is where Boozt managed online sales in Europe on behalf of a specific brand. As of the first quarter of 2017, when the Boozt's last mono-brand agreement with ECCO was terminated, the Group anticipated no further mono-brand revenue following a deliberate decision to focus on Boozt's own stores. The other segment also includes the Group's two physical retail stores in Denmark: The Booztlet outlet store in Taastrup, which opened during the fourth quarter 2016, and the Beauty by Boozt flagship store in cosmetics in Roskilde, which opened at the end of the first quarter 2017.

The Other segment generated net revenue of SEK 21.0 million (62.6) and an adjusted EBIT margin of -4.3% (14.1%) per cent in 2017. The decrease in net revenue and adjusted EBIT margin for the Other segment was expected as a result of the changing operational activities in the segment.

Operating our tailor-made platform



Boozt operates a purpose-built infrastructure built using cutting-edge web technologies and infrastructure components to ensure world class performance, scalability and security. The infrastructure enables control over the customer experience as we strive to use technology as a tool to create a better fashion experience and more efficient operations. This approach (internally referred to as the “Halo”) is central for our organisational activities, which are built on the Boozt integrated technology platform (the “Solar System”).

Key business functions (including for example buying, merchandising, marketing, customer service, IT and finance) for all geographical areas are provided in-house on a centralised basis. As a result, a large number of Boozt’s personnel operate out of the Company’s headquarters, which we see as an advantage in running a cost efficient organisational structure. Our e-commerce platform enables us to:

- Ensure full control of performance and stability
- Align the development roadmap with business priorities

- Be less dependent on external factors
- Keep us one step ahead of competition on business-critical processes

Our proprietary systems support our web store management with a high degree of flexibility and scalability which is key for our continued growth.



Propilot support our web store content such as campaigns, brand- and product information and discount management while Podium supports our front end. Podium creates an optimised user-experience for mobile devices & delivers data for our mobile apps.

Our logistics- and distribution system Fastlane run processes, including images and goods in out of the warehouse. Fastlane integrates with our distribution partners and provides complex logistic services.

CS Eye was developed to give our CS agents a cutting edge, 360-degree overview of our customers. Within the system, we have the possibility to gain full insight into our customer engagement and deliver top range service on a one-page interface.

Efficient communication channel between Boozt and our vendors are supported by our Partner Portal. The Partner Portal shares product-, order- and sales information and is also the main interface for the Boozt Media Partnership to exchange campaign planning and media content.

Our in-house systems are complemented by using best-in-class services for certain parts of the process, such as Qlik Sense (Business Intelligence) and Salesforce (Email and CRM).

Our infrastructure

Boozt's logistics processes include fulfilment activities (inbound logistics, storage, outbound logistics and return handling) and distribution activities (transportation and shipping services). The logistics process also include handling of dangerous goods (UN marked cosmetic products). The logistics process also include handling of dangerous goods (UN marked cosmetic products).

The automated fulfilment centre also has a photo studio with four automated photo ramps for photographing merchandise and six stations for taking detailed photos of e.g. shoes and jewellery.

The automated fulfilment centre is primarily staffed by an external provider and facilities are leased by Boozt under a multiannual lease contract.

Distribution

Boozt uses a combination of well-reputed, third-party distribution partners that vary by country to enable fast delivery to customers. We have a flexible process to use different distribution partners and can easily integrate additional partners. Orders are picked up several times per day at the fulfilment centre to ensure fast deliveries.

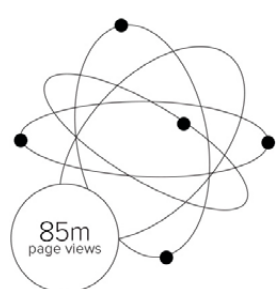
In order to efficiently serve our customers in each geographical market, Boozt partners with local distribution partners. Our current partners are PostNord, GLS, Bring, DHL, Best and UPS.

Clearance strategy

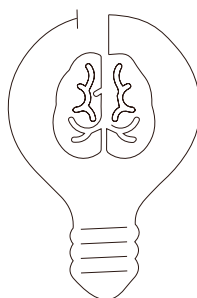
Our online Booztlet.com and the physical Booztlet store in Copenhagen support the journey towards minimising inventory risk, in addition to fostering a strong Boozt.com profile.

Customers shopping on Booztlet.com can buy items at a high discount and in exchange pay for shipping and returns, thus covering the associated operational costs.

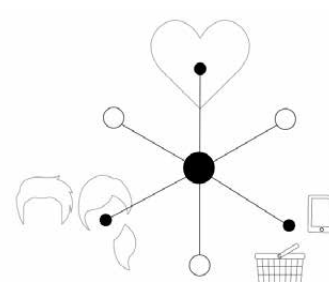




360 Degree Customer Data



Business intelligence



Audience insights

Boozt Media Partnership

Boozt Media Partnership (BMP) enables our brand partners to benefit from our extensive anonymized customer data, creating targeted campaigns that reach, engage and convert audiences. By making big data actionable, we offer advanced advertising solutions for our brands – all with one goal; to help our partners reach, engage and convert both existing customers and new target groups.

During 2018 more than 80% of our brands will be working with BMP – and the next level initiatives is highly driven on data insights towards the top 10-15 strategic brands. Once machine learning and more AI trigger-based communication can be applied, the ambition is to help more brands build their brand and revenue – a win-win opportunity to drive personalized sales and marketing as an online retailer.

For the selected strategic partners Boozt started take the BMP to the next level in 2017. For the strategic brands the BMP offers an in-depth understand of their brand and the customers buying their brand. How loyal are they? How often do they re-order from the brand? How big a share is full price customers? Where in the customer lifecycle does

the customer buy the brand? Which brand create a positive synergy? The BMP gives answers to these questions and more with the purpose to create tailor made programs that benefit both the brand and Boozt with focus on both creating new customers to the brands but also increase the buying frequency among existing customers.

Another new initiative is channel integration. A seamless media channel-mix is build into the marketing operation enabling us to connect the right customers at the right time between email, sms, onsite banners and reach out through paid media via our Demand Site Platform. This is the next step in creating more personalised and relevant content to the benefit of our brand partners and customers.



Boozt customer Maria

Maria Ullmark, 35 years

Married, two children (2 & 5 years old)

Lives in a house in southern Sweden

Engineer, Business Development

"If I miss a product that is cheaper elsewhere, that's ok, because I get so much more at Boozt."

Why do you shop online?

I have freed a lot of time for myself and my family by online shopping. Instead of walking around the town on the weekend or after work, when I actually want to do something else, I can shop in peace and quiet from my sofa in the evening after we have put the children to bed. It's a big advantage that I can shop whenever I want and can. This also applies when I want to return something, if the size does not fit for example. Instead of running around to change the goods, I can easily put them in the return package, send them back and get the money back. I make at least half of my purchases of clothes, shoes and beauty products online. We also buy food online, so in total it is certainly 75 percent.

To whom do you shop online?

To myself and the children. The last thing I bought was shoes for the kids. It happens that I buy something for my husband too, either as a gift or I just show him some inspiration so that he may decide if he wants it.

How do you shop online?

Either on my laptop or my mobile, usually on the mobile actually. But you get a better overview of the offer in your computer with a larger screen so it's possible that I first look at what's on my computer and maybe post favorites to think about it, then it's very easy to get the favorites on my phone and make the final purchase there.

What makes you choose Boozt?

The range, partly because it is large and also because I feel that the assortment is selected for me as a target group. To me, Boozt is a one stop shop. I find many brands that I like at Boozt and with the wide range I find the most for my own wardrobe and for the kids too. It makes it very easy for me to make all purchases in the same place. Boozt may not be the cheapest, but affordable. Obviously, if I find a product that is cheaper elsewhere then I would buy it there, but if you weigh their range offer against only price, then I will choose the offer. If I miss a product that is cheaper elsewhere, that's ok, because I get so much more at Boozt.

What do you think Boozt is doing well?

They make the whole chain good, which gives me a good overall experience. They present the goods clearly on the site and you get a lot of guidance and help. They have good search filters and I get inspiration through the emails they make. Delivery is fast and you get the money back on returns.

What do you think Boozt could improve?

They should introduce a loyalty program for loyal customers. Some kind of premium treatment such as discounts, special offers or perhaps exclusivity on new releases. That would make me even less keen to search for cheaper alternatives.



Boozt customer Dan

Dan Madsen Mikkelsen, 36 years
Married to Anne-Lene, 4 children
(2, 5, 7 and 10 years)
Living in a house in southern Norway
Fisherman

"It's only when something does not work, you realize that something can be done better. But I have never experienced that with Boozt."

Why do you shop online?

We live quite rural so the nearest shops are quite far away from here. In that way, it's easy and convenient to shop online and get the goods delivered by mail. In my job as a fisherman, I am out on the boat for long periods of time, it's two-week trips in the summer and in the winter I'm away for a whole month at a time when we fish in Lofoten in northern Norway. When I'm home, I like to shop at home. I shop to myself for the most part. There will be some presents from time to time as well. I probably make about half of all my clothing purchases online.

Does it happen that you shop when you're out on the boat?

Haha, we have internet on the boat, but no, I'll do my shopping when I get home.

How do you shop online?

I'm shopping on my computer. I think the images are too small on the phone. On the other hand, I may not be the typical man in this context, who usually buy clothes and know exactly what you might need. I like to do some window shopping online too. It's a relaxation when I'm home. So it often happens that I visit a webstore and check what's available without making an order.

What makes you choose Boozt?

I don't shop only at Boozt. But I like Boozt's website. Once you've made a purchase in a webshop, and you were

pleased to get what you ordered and the delivery was pretty fast, you'll come back. Boozt also has a wide range of apparel and they have the clothes I like. For example, I'm fond of Ralph Lauren shirts. Boozt is affordable in their segment. I think they have premium products at a good price.

Are you actively looking for the lowest price of many e-retailers when you know what you want?

No, I should get better at that. But I'm not so good at orienting in that way. If I find a product that I want online, I buy the one where I find it. That's why it's easy to stay on Boozt's site because they have so much.

What do you think Boozt is doing well?

I have not reflected on it so much and that may be a good thing in itself. Maybe it's all good as long as you're not dissatisfied. It's only when something does not work, you realize that something can be done better. But I have never experienced that with Boozt.

How much do you send in return?

Almost nothing. I often stick to brands that I know of in size and fit, so it will usually be correct. But last time, I bought a Polo Shirt, Ralph Lauren, of medium size and it was too small. But then I realized I should not change it because I understood what happened to me. I've gotten bigger. So now the sweater is in the closet, waiting for me to fit in it.



Sustainability and corporate responsibility at Boozt

Boozt's sustainability approach – our challenges and opportunities

Boozt is committed to sustainability and to work with others to advance solutions to environmental, social and economic problems. As we market third-party products and do not own or operate any production facility, our most significant opportunity to contribute to sustainability lies in engaging with partners in our supply chain. We see current and future dialogue with our partners and suppliers, such as brands, logistical partners and other important stakeholders as a central point of our sustainability work.

This does not mean that we do not take responsibility for the direct impacts our activities cause on society and on the environment. On the contrary, the Group is committed to conduct business ethically and drive its own operations with the highest possible standards of responsibility, openness and honesty. As an example we've invested in energy efficient systems for our new Boozt Fulfilment Centre, driven by renewable energy sources and making sure that waste is sorted to be re-used.

Therefore, we will continue to support and encourage our partners to work with challenges and opportunities that support a more sustainable development, as well as focus internally on creating the conditions for a modern, efficient and healthy workplace.



SUSTAINABLE FASHION

Sustainability in our supply chain: Boozt's brands and merchants

Our over 500 third-party brands and merchants are important partners to us. Brands are Boozt's immediate product suppliers and rely in turn on their own material and product suppliers, which are often parts of complex and long supply chains, posing a challenge for Boozt to understand and have an impact on those supply chains. Nevertheless, as the apparel manufacturing industry faced and continues to face important challenges regarding environmental performance, labour rights and human rights, it is essential for us to understand not only our brands' policies and sustainability performance but also how they manage sustainability issues and risks in their own supply chains.

As a retailer, our first and foremost priority is that we make sure that we don't sell products that uses child or forced labour in their production, or products that have dangerous impact on the environment, nor support poor working conditions. We expect brands to comply with local regulations and national laws governing minimum wage,

work hours, overtime compensation and environmental standards.

We know, through the discussions we have with our brand partners that many of them have a genuine and profound interest in product lifecycle related issues such as the impact of raw material choices, product afterlife and recycling of materials as well as anti-corruption and child labor in the manufacturing process. Many brands are engaged in both internal initiatives as well as initiatives promoted by different organisations representing the apparel industry. We have mapped and review the initiatives that our brands are supporting, with the aim to encourage the least proactive of our brands to also take step to join and support sustainability initiatives in the fashion and apparel industry.

More than half of the Group's revenue originates from Nordic brands, to whom we are one of the biggest retailers. We know that many Nordic brands have a clear focus on sustainability why we believe that our positioning creates favourable conditions to impact and discuss how we



GOTS, Global Organic Textile Standard



OEKO-TEX certification



Organic cotton - no toxins

can help each other in strengthening our sustainability performance.

We believe that Boozt, with the positioning we hold as a mid-to premium player focused on the Nordic market has a good position to support our brand partners to contribute to a more sustainable development. At the same time, we understand that this endeavour has a long-term perspective, and we think it is important to let this process unfold over time as relations with our brands evolves. During 2017 we had various discussions with stakeholders, internally and externally, and with that as a starting point we aim to continue with our strategic work in 2018.

Conscious products: Fashion for conscious customers

We want to make conscious fashion choices easy. Therefore, customers who want to buy more sustainable products can use a tag feature in our shop which helps identify more sustainable product choices. Product labelled under this category are either certified by the international certifications or meet our own defined standard.



Fur-free retailing

Boozt is a fur-free retailer. Our webstores do not display any items containing real fur, and we are officially listed as a fur free retailer with the Swedish and Danish animal rights organisations, Djurens Rätt and Anima. In addition, as part of our corporate core values as stated in our Code of Conduct, we support the human treatment of all animals, and we do not support the sale of leather from any threatened species or exotic animals.



Resource management

Packaging – reuse and recycle

Increasing resource and material efficiency in packaging has been one of our priorities in 2017. Smaller and lighter packaging has environmental benefits as it leads to less transport weight and volume. Our shipping bag has a re-sealable closure, which are both user-friendly and environmentally efficient, since it can be used as packaging for returns.

In addition to decreasing the size and weight of the packing, we aim to provide our customers with more sustainable packaging material. During 2017, the composition of the material used in plastic bags was improved from 50% recyclable to 80% recyclable, without any additional cost implications. The plastic bags constitute approximately 90% of all outbound packaging material.

Our goal is to launch a bag made of 100% biodegradable material in 2018. Our efforts currently focus on maintain

the required quality standards in the new decomposable packaging, in order to guarantee that our products are not damaged during shipping and handling.

Waste

During 2017 we made significant improvements in the process to recycle materials in the fulfilment centre. Investments were made in efficient equipment which enables us to recycle a larger portion of all waste in a quick and efficient way and with positive financial impact.

Of the inbound packaging materials and other waste in the fulfilment centre 82.1% is recycled. The recycled material is mainly constituted by raw wood and corrugated paper. During 2018 we aim to improve this ratio to 85%.

In our head office in Malmö, all waste is sorted.

Shipping & transport

With the increase of e-commerce there is increased attention to the environmental and climate impacts of shipping and transportation activities. This is an area where Boozt intends to improve its performance through a careful design of its distribution system and via cooperation with its logistic partners. For this reason we have positioned our fulfilment centre in Ängelholm, Sweden, whose location is optimal for distribution to the entire Nordic market. In the fulfilment centre we also handle all returns. Reduction of fuel and CO₂ is at the forefront of our shipping suppliers and we have continuous discussions with the distributors regarding energy efficient shipping and how this is reviewed and reported.

Fulfilment centre

Our fulfilment centre in Ängelholm has been operational since the second quarter of 2017. Energy efficiency in buildings is a challenge which requires the cooperation of several actors along the building value chain, and as such represent for Boozt an opportunity to advance its environmental performance while establishing long-term relationships with its suppliers. When commissioning our new facility in Ängelholm we built on our strong relation with Catena and work together to ensure that sustainability criteria were included in the project since its start. Catena has a long experience in managing environmental friendly and energy efficient buildings and was able to accommodate and implement environmental requirements as well as requirements concerning occupational health. This resulted in our facility was certified as a GreenBuilding by Sweden Green Building Council.

The actual consumption of energy within the fulfilment centre was significantly lower than in the regulations set by the Swedish National Board of Housing. Currently the fulfilment centre is driven by wind energy purchased through our energy provider. In addition we run a project to install photovoltaic panels on the roof to produce solar energy for the fulfilment centre combined with a battery storage system. Besides the obvious advantage for the climate, this would make the centre less dependent on external providers of electricity in case of any disruptions or power outage.

How our facilities impact our employees is extremely important for us. Our fulfilment centre encompasses the modern standards for excellent air quality, safety and cleanliness. We frequently evaluate the safety of our facilities to ensure and protect against the occurrence of any accidents.



CASE

Award winning logistics

As a proof of our commitment to quality and environmental efficiency, during 2017 our fulfilment centre has been awarded “Best logistics establishment in Sweden in 2017” by the trade magazine “Intelligent Logistik” as well as the “PostNord Logistics Award” by PostNord in Sweden.

The jury of Intelligent Logistic motivation was: “Boozt and E-city Engelholm is an establishment that stands out with its innovative thinking and is unique in its ability to create flexibility that suits both big and small e-retailers. The properties have a clear environmental thinking with high energy efficiency and the establishment enables increased automation in an industry that otherwise had difficulty finding funding models to make greater investments in more effective logistic solutions. The whole establishment feels innovative and forward looking - all the way from concept to user.”

PostNords motivation was that “E-commerce player Boozt has been offensive in investing on a large robotized warehouse and proprietary IT solutions. Investments have created the conditions for continued strong growth, increased productivity, cost-efficiency quality, and meeting growing consumer demands for fast delivery and efficient return management.”

AutoStore, the automated storage and retrieval system used in the new BFC made it possible to compress warehouse space down to one third of the space required before, with the system of bins stacked on top of each other. At the same time, by re-using robot braking power and seamless driving patterns on the grid, the power consumption used for a whole plant under normal operations is comparable to a conventional electric heater. Intelligent software ensures that robots are always going the optimal route and recharging its batteries when not in use.

A state-of-the-art Head Office in Hyllie

In 2016, we made a strategic decision to move to Hyllie in Malmö. This was mainly due to its strategic location close to both Malmö and Copenhagen and with a train station nearby which enables our employees, who live both on the Swedish and Danish part of the Öresund region, to travel to work in an environmentally friendly way. As a fast-growing company, we have outgrown our head offices on multiple occasions, and in 2017 we realized that we needed more square meters to continue to grow according to our plan. When evaluating new facilities, we found value in staying in Hyllie, and thus being part of the innovative up-and-coming building community in this part of Malmö.

Our current head office is located in a building called eXlent Hyllie, which is certified in accordance with BREEAM. BREEAM is the world's strictest environmental certification system, where the building is evaluated with respect to several established benchmark values including energy and water consumption, indoor climate, pollution, transport, building materials, waste management and property management processes.

When choosing a new location, we wanted to be part of a project that goes even further. For this reason, we entered an agreement for office space in an ongoing building project called Eminent. Eminent is certified as "Near Zero Energy Building" and in addition also the first office building in the Nordics that will be certified in accordance with "Well", an international building standard, that includes people's wellbeing in their working life, and has specific requirements with respect to ventilation, warmth, light and sound in the building. Art and design will stimulate daily exercise in the stairwells.

Boozt as an employer

To support our growth, we work hard to stay attractive as an employer and make sure we get the absolute best applicants for each position we are looking for. 2017 has been a busy year with respect to recruitments. At the end of the year we were 224 full time employees compared to 192 the year before. Our employees are well-skilled



and represent multiple backgrounds, making us more innovative and at the same time making local communities stronger.

As a testament to our efforts of providing job-possibilities in Malmö, we were awarded "Job comet of the year" by the municipality of Malmö, which is given to a growing company that has been especially successful in creating new jobs, counteract exclusion and contributes to a better Malmö.

Diversity and equality at Boozt

Boozt has a fundamental objective to actively promote women and men equal rights in terms of work, employment and working conditions and professional development. The goal is that no differences should be possible to find in terms of professional roles, recruitment, training, and remuneration levels which can be explained by gender. However, our business is exposed to gender differences in various departments. As an example, applicants to our Platform team are traditionally male, and the Group acknowledge that female candidates have been hard to attract. We encourage females to apply for positions in our Platform team as well as in other teams where gender differences are present. The development of the gender

balance is being monitored by management on a regular basis. The Group also maps gender gaps in terms of salary levels to ensure that there are no differences. Considering the Group's resources and activities should endeavour to offer working conditions that do not restrict the fundamental objective of gender equality.

We also reject all discrimination in the working life because of gender identity or expression, ethnicity, religion or other faiths, disability, sexual orientation or age, and are committed to recruit the most qualified people independent of background or personal preferences. We believe that our organization benefits from having employees with different cultural background, and we would like to continue to be an example of how this feature strengthens our company.

Employee's well-being and development / A stronger employer brand

As a fast growing company we have also grown in terms of number of employees. This has meant that we in 2017 have put more emphasis on strengthening our human resource management. We have recruited a talent manager. In 2018 our efforts will be directed towards establishing processes and initiating activities that ensure that we can retain the talent what we have so far been able to attract. And that our employer brand grows stronger and stronger.

We have always encouraged our employees to search for new positions within the Group. We believe that both the company and the employee benefit from having experience from more than one role or department within our organization. We also encourage our employees to develop new skills or to deepen their knowledge within a certain area.

We also favour a sound life-work balance. We encourage parental leaves for both men and women and support combining part-time parental leave with part-time work. As fathers and mothers can spend time with their kids they are able to strike a better balance between the demands of their jobs and families.

CASE: The launch of Boozt Coding Academy

Given that Boozt is a technology company, we find it essential to give our non-IT/technology staff the opportunity to gain a better understanding of what the core of our business entails. By launching Boozt Coding Academy, we give our employees the chance to gain insight into the basics of HTML, JavaScript, and CSS during a 3-month course that is offered weekly. Additionally, those who take advantage of taking this course, will learn how to build and publish a small website online. We believe that it's important to invest in our employees, and by offering this coding course, we feel that we are contributing to our employees' growth and development. As much as this is an investment from the employer's side, it is also an investment from our employees, one which we hope will give them added skills, knowledge, and a deeper understanding of the core of what this company is built upon.

Giving back to society

We firmly believe that companies serve a social purpose, and want our contributions to benefit as many as possible. Hence, we engage in matters that affect a lot of people and that are closely felt by most people. A disease unfortunately affecting many is cancer - almost everyone knows someone who has or has had cancer. That is why cancer-related initiatives are something we strive to be engaged in.

Being one of the leading online retailers in the Nordics, we use our reach and size to support a number of charities and good causes within this field. For four years Boozt have been the only official partner of the Danish TV2 and Knæk Cancer, the Danish cancer association. In 2016, we were able to raise over DKK 700,000 for cancer research, selling a special t-shirt designed for the occasion where 100 SEK

out of the retail price of 249 SEK were donated to the Knæk Cancer. We are also supporting Movember, an international movement against prostate cancer.

In 2017 Boozt.com joined forces with and Mini A Ture children's wear to support Red Cross and their charity work around the globe. Four rainwear sets were designed and produced by Mini A Ture exclusively for Boozt.com. Boozt.com has since spring promoted these sets in various online channels and donated 100 SEK for each sold set.

Business ethics

The listing on the Nasdaq Stockholm stock exchange in 2017 was an exciting moment in Boozt's history and brought new possibilities for the Group as well as new responsibilities. In particular we have worked to enact efficient, transparent and accountable policies for ethically sound decision-making to ensure, and go beyond, legal compliance. As a listed company we ensure strict policies related to the use of sensitive information and have a specific insider policy. In February 2017 Boozt adopted an internal Code of Conduct and a set of policies to continue to guarantee that business is conducted ethically. These include an Anti-Corruption policy, an Insider policy and Procurement policy. The Group has also as of 2017 implemented a whistleblowing channel, to be used for reporting of suspected incidences of fraudulent conduct, corruption or other suspected malpractices.

Our policies contain clear definitions of what constitutes a breach of Group's business ethics, including the circumstances in which deviations from the main principle is contemplated or permissible and the practices which are never acceptable. The goal with the policies is to prevent corruption and promote sound procurement practices in accordance and beyond the legal requirements in the markets where we operate. Amongst the never accepted practices is the strict prohibition to accepting or offering purchase discounts, commissions, bonuses or kickbacks from our brands on a personal behalf. The policies also detailed specific restrictions regarding private purchases by employees from our suppliers/brands for private use

or consumption, at prices below market prices. Likewise, our Anti-Corruption policy establishes that our employees must not accept gifts or any other compensation there is a possibility that these may be perceived to improperly influence business decisions and lays out typical situations in which gifts from suppliers can be considered to be a mean to influence business decisions.

Our customers' trust is the most important asset we have. We value the protection and proper use of our customers' personal information and are dedicated to protecting any personal information in our possession. We comply with all legal regulations for consumer protection and do not sell our customers' information to any third parties.

During the last year our team has prepared for the GDPR regulation by reviewing and adjusting current processes to ensure compliance with the regulation, that is effective as from May 25, 2018. All data has been classified and documented, all internal and external data processes have been identified and a process to manage inquiries from customers and employees has been stated.



Management team



Hermann Haraldsson, Group CEO

The CEO is responsible for the daily management of the company as instructed by the Board of Directors. This means that, among other things, the CEO focuses on sales and profitability, the customer offering, expansion and business development. The CEO reports to the Board of Directors on Boozt's development and makes the necessary preparations for taking decisions on investments, expansion and other strategic matters. As CEO, Hermann is the primary contact for communicating with external stakeholders. Before joining Boozt, Hermann was CEO of Brøndbyernes IF Fodbold A/S, a company listed on Nasdaq Copenhagen. Previous positions include CEO of Omnicom Media Group Nordic.

Shareholding in Boozt AB

- 364,880 directly
- 109,671 indirectly



Allan Junge-Jensen, Group CFO

As CFO, Allan's responsibilities including financial business planning such as budgets and forecasts, liquidity and financing. Further, the Finance Team (responsible for accounting, tax and financial reporting as well as management of internal controls), the Corporate Services team (responsible for HR, legal issues, monitoring intellectual property, facility management, compliance and governance) and the Order Management team within the Group are also under Allan's purview. Before joining Boozt, Allan was CFO for CBB Mobil A/S in Denmark, a part of the Telenor Group, listed on Oslo Stock Exchange.

Shareholding in Boozt AB

- 195,004 directly





Niels Hemmingsen, Group COO

Niels' responsibilities encompass warehouse operations, logistics, fulfilment, distribution, photo studio, product management, and customer service. Before joining Boozt, Niels was VP/COO of SAS Scandinavian Airlines in Denmark overseeing more than 2,500 staff members in the Cabin- and Flight Deck Operations.

Shareholding in Boozt AB

- 256,236 directly



Peter G. Jørgensen, Group CMO

Peter is responsible for the teams that drive sales, on- and offline marketing, CRM, design, usability and Business Intelligence. Before joining Boozt, Peter was CMO at Telenor Denmark, Consumer Market, a part of the Telenor Group, listed on Oslo Stock Exchange.

Shareholding in Boozt AB

- 229,064 directly



Jesper Brøndum, Group CTO

Jesper is responsible for Boozt's technical infrastructure, research & development, and maintenance of the e-commerce platform: webstores & apps, as well as all internal business systems and proprietary software. Before joining Boozt, Jesper was the Principal at Netcompany A/S.

Shareholding in Boozt AB

- 214,116 directly





Mads Bruun Famme, Group CPO

As CPO (Chief Purchasing Officer), Mads oversees buying and merchandising. He focuses on using a data-driven approach combined with soft fashion buying skills. Mads is responsible for deciding the product and brand mix for Boozt, identifying the market wants and trends, and handling the stock mix and pricing strategies. Prior to Boozt, Mads was Head of

Merchandising at Magasin du Nord in Denmark.

Shareholding in Boozt AB

- 62,387 directly



Anders Enevoldsen, Head of IR & Corporate Communication

Anders handles the day-to-day management of Investor Relations and corporate communication activities. Anders focuses on developing the corporate storyline, communication strategies, and other issues for management preparation. Prior to Boozt, Anders was Senior Investor Relations Officer

at Chr. Hansen Holding A/S.

Shareholding in Boozt AB

-



Board of Directors



Henrik Theilbjørn

Born: 1961. **Chairman of the board since** 2009.

Education: Master of Science in Economics and Management, Aarhus University.

Other current assignments: Chairman of the board of directors of Bygghemma Group First AB (publ), PWT Holding A/S, PWT Group A/S, Wagner China ApS, Wagner (Yantai) Co. Ltd, ELKA Rainwear A/S, Kelly Invest A/S, Baum und Pferdgarten A/S, Scandinavian Designers A/S, Performance Group Scandinavia A/S, HTM Group ApS and Carl Ras A/S. Board member of Sahva A/S, SIGNAL A/S, Signal Ejendomme ApS, Traede ApS and November 2009 Option Holding AB. CEO, founder and board member of EMMADS Invest A/S.

Previous assignments (last five years): Chairman of the board of Languagewire A/S, director of A-Tex Holding A/S, A-Tex A/S, 11/11 INVEST ApS, Onstage ApS, BORCH TEXTILE HOLDING ApS, BORCH TEXTILE GROUP A/S, modevirksomheden 8.3-16, BIRGER CHRISTENSEN CHINA HOLDING A/S, BIRGER CHRISTENSEN A/S, SAINT TROPEZ AF 1993 A/S, MUNTHE A/S and Bruuns Bazar A/S. Board member of BIRGER CHRISTENSEN GENERAL TRADING COMPANY A/S, JAMIST Holding A/S, JAMIST A/S, JAMIST Support A/S, JAMIST Invest A/S, Langulize A/S, Bloomingville A/S, BV Holding Company ApS and HB Textil A/S.

Shareholding in Boozt AB: Henrik holds 241 527 shares in the Company indirectly through a company.





Jimmy Fussing Nielsen

Born: 1970. **Board member since:** 2014.

Education: Master of Science in Finance and Accounting, Copenhagen Business School.

Other current assignments: CEO of White Pines ApS. CEO and board member of Sunstone TV Management A/S, Co-CEO

and board member of Sunstone Capital A/S. Board member of Grad ApS, CapitalAid DK ApS, Sourced Technologies S.L., Oaxaca Group ApS, RFRSH Entertainment ApS, Zolar GmbH, Seriously Inc, and member of the advisory board of Exporo AG.

Previous assignments (last five years): Board member of Asetek Holding Inc, IPtronics A/S, Layer B.V., Epista Software A/S, Game Analytics ApS and Mofibo Books ApS.

Shareholding in Boozt AB: Jimmy holds no shares in the Company.



Staffan Mörndal

Born: 1977. **Board member since:** 2012.

Education: Master of Science in Business Administration, University of Linköping and PLD program, Harvard Business School.

Other current assignments: Chairman of the board of directors of Hemmalivs Sverige AB. CEO and board member of Mörndal Holding AB. Board member of Nordic Functional Group AB, VCA IX Hold Co II AB, VCA IX Hold-Co I AB, VC IX Invest AB, Verdane Capital IX (D) AB, Verdane Capital IX (E) AB, Verdane Capital Advisors IX AB, Verdane Capital Advisors Future AB, Verdane Capital Advisors AS, Verdane Capital Advisors VIII AS, Verdane Fund V-VIII Holding AS, Verdane Capital Advisors Holding AS, MMSports AB, Chris Hollywood Konfektions AB, Californian roots AB, Outnorth AB and MatHem i Sverige AB. Deputy board member of andmotion AB and Animail AB.

Previous assignments (last five years): Board member of LensOn AB, NBIS Kalmar AB, Liaison Technologies NA, EasyArt NA, KSD Software AS, Ikivo AB and Prenax Global AB. Deputy board member of Åkerströms Björbo AB, Åkerströms Intressenter AB, eleven AB, eleven Holding AB, WRAP International AB and Wazoo Holding AB.

Shareholding in Boozt AB: Staffan holds no shares in the Company.





Jón Björnsson

Born: 1968. **Board member since:** 2012.

Education: Bachelor of Science in Business Administration, Rider University.

Other current assignments: CEO of Festi hf. Chairman of the board of directors of Elko (part of Festi), Intersport Iceland (part of Festi), Kronan (part of Festi) and Noatun (part of Festi). Board member of Åhlens AB, Copenhagen Chocolate Factory ApS, Festi fasteignir (part of Festi), Hofdaeygnir (part of Festi), IC Group A/S and Joe and the Juice Iceland.

Previous assignments (last five years): CEO of Magasin du Nord (DK). Chairman of the board of directors of Jysk (franchise for Iceland, Baltics and Canada). Board member of Vordur Insurance.

Shareholding in Boozt AB: Jón holds 28,569 shares in the Company.



Gerd Rahbek-Clemmensen

Born: 1950. **Board member since:** 2013.

Education: Master of Law, Copenhagen University.

Other current assignments: Chairman of the board of directors of KRM (Sweden) AB, KRM (Great Britain) Limited, KRM (Danmark) A/S, KRM (Deutschland) GmbH, KRM Kenka Oy, KRM (Poland) Sp. z.o.o., KRM Retail (Slovakia) s.r.o., KRM (Czech Republic) s.r.o., KRM (Austria) GmbH, KRM (Portugal) LDA, Kasprzak Retail Management (Spain), S.L., KRM (Hungary) kft., KRM Obutev SL d.o.o., KRM Footwear Romania s.r.l., KRM Adriatic d.o.o., KRM Baltic SIA, KRM Footwear d.o.o. Beograd, KRM (Norway) AS, KRM (Belgium) SPRL and KRM Switzerland AG u.e. Board member of KRM AG.

Previous assignments (last five years): CEO of ECCO Holding A/S. Board member of ECCO (Shanghai) Co. Ltd., ECCO Slovakia a.s., ECCO Shoe Production Pte. Ltd., ECCO Tannery Holding (Singapore) Pte. Ltd., ECCO China Wholesale Holding (Singapore) Pte. Ltd., ECCO (Xiamen) Co. Ltd., ECCO Business Management (Shanghai) Co. Ltd., ECCO Tannery (Xiamen) Co. Ltd., ECCO (Thailand) Co., Ltd., PT. ECCO Indonesia and ECCO Vietnam. Board member of ECCO Sko A/S, HADA Holding A/S and Toosbuys Foundation.

Shareholding in Boozt AB: Gerd holds no shares in the Company.





Kent Stevens Larsen

Born: 1964. **Board member since:** 2009.

Education: Master of Science in Engineering, Technical University of Denmark and MBA, INSEAD.

Other current assignments: CEO of Phoenix Capital ApS, Phoenix Advisors ApS and UM Properties ApS. Chairman of the board of directors of Hørsholm City Aps. Board member of Sportamore AB (publ), Dansk Vækstkapital II Komplementar ApS and Dansk Vækstkapital II K/S.

Previous assignments (last five years): -

Shareholding in Boozt AB: Kent holds 1,050,000 shares in the Company.



Lotta Lunden

Born: 1957. **Board member since:** 2016.

Education: Master of Science in Business Administration, University of Linköping.

Other current assignments: Board member of FM Mattsson Mora Group AB, Twilfit AB and Karl-Adam Bonnier Foundation. Deputy board member of Lunden & Partner AB.

Previous assignments (last five years): Board member of Swedol AB (publ), JB Education AB, Bjorn Emil Madeleine Zoe (B.E.M.Z.) Design AB, Lammhults Design Group AB, LGT LOGISTICS HOLDING AB, Frontit AB, MultiQ International AB, Bergendahl Fashion AB, Bergendahl & Son AB, Bergendahl Food Holding AB, Bergendahl Food AB, Mandelgren Magazine AB and Statoil Fuel and Retail ASA.

Shareholding in Boozt AB: Lotta holds no shares in the Company.





Charlotte Svensson

Born: 1967. **Board member since:** August 2017.

Education: Mathematics, Data Science, System Engineering, Finance and Marketing, Chalmers University of Technology, Gothenburg University and Karlstad University.

Other current assignments: Board member of eBoks A/S, deputy board member of Tranholmen Invest AB. Owner of Tranholmen båtcharter HB.

Previous assignments (last five years): CEO and board member of MWM Group AB. Board member of MWM System AB. Deputy board member of MWM Media Workflow Management Consulting AB and ITK Affärssystem AB. CIO of AB Dagens Nyheter. CIO, CDO and CMO of Bonnier News. CTO of Bonnier AB.

Shareholding in Boozt AB: Charlotte holds no shares in the Company.



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Corporate governance report

This report is published April 6, 2018

Boozt AB (publ) is a Swedish public limited liability company listed on Nasdaq OMX Stockholm (mid cap). Corporate governance refers to the system through which shareholders directly or indirectly govern the company. The company's governance is based on Swedish law, the company's Articles of Associations, Nasdaq Stockholm's Rule Book for Issuers and internal rules and instructions. The company also applies the Swedish Corporate Governance Code (the "Code"). The Code applies to all Swedish companies with shares listed on a regulated market in Sweden.

The company is not obliged to comply with all rules in the Code since the Code provides for the possibility to deviate from the rules, provided that any such deviations and the chosen alternative solutions are described and that the reasons for the deviation are explained in the corporate governance report (according to the "comply or explain principle").

During 2017 Boozt deviated from the Code in the following matters:

The Code stipulates a vesting period of at least three years for warrant programs. The Group issued a warrant program in 2015, before the Company was listed with validity date starting with the possible listing of the Company's shares. The issued program has a shorter vesting period than three years for the first 33% of the total program from the date of issuing the program.

Shares and shareholders

The Boozt share has been traded on Nasdaq OMX Stockholm (mid cap) since May 31, 2017. At the end of 2017, the total number of shares and votes was 56,338,433, distributed among approximately 3,900 shareholders. The share capital consists of one share type: ordinary shares. There are no restrictions on the number of votes each shareholder can cast at the AGM.

The ten largest shareholders accounted for 54.73% of the shares outstanding. At December 31, 2017, there were no

shareholders with holdings that separately represented 10% or more of the number of shares and votes in the company.

10 largest shareholders as per December 31, 2017:

Name	Ownership (%)
SAMPENSION	9.87
VERDANE CAPITAL	8.23
SUNSTONE TECHNOLOGY VENTURES	6.58
ATP	5.84
FRIHEDEN INVEST A/S	4.92
CATELLA	3.81
CBNY-OFI GLOBAL OPP FUND	3.55
BPSS PAR/FCP ECHIQUIER	2.72
FIDELITY FD EUROPE	2.26
LARSEN, KENT STEVENS	1.86
TOTAL 10 LARGEST SHAREHOLDERS	49.64

General Meeting

The general meeting is the Company's highest decision-making forum, where the shareholders exercise their right to decide on the Company's affairs.

The Annual General Meeting is held once a year, within six months from the end of the financial year. Notice of general meetings shall be published in the Swedish Official Gazette and be kept available on the company's website. At the time of the notice, an announcement with information that the notice has been issued shall be published in Svenska Dagbladet.

Registered shareholders who have given notice of their attendance on time are entitled to participate in the meeting and vote for the total number of shares they hold.

Shareholders who wish to participate in a general meeting must be included in the shareholders' register maintained by Euroclear Sweden on the day falling five workdays prior

to the meeting and notify the Company of their participation no later than on the date stipulated in the notice convening the meeting. Shareholders may attend the general meetings in person or by proxy and may be accompanied by a maximum of two advisors. Typically, it is possible for a shareholder to register for the general meeting in several different ways as indicated in the notice of the meeting. A shareholder may vote for all shares owned or represented by the shareholder. Extraordinary general meetings can also be held when needed.

Among other things, the general meeting makes decisions concerning:

- Adoption of the income statement and balance sheet
- Adoption on consolidated income statement and statement of financial position
- Appropriation of the earnings according to the adopted balance sheet
- Discharge of the members of the Board of Directors and the CEO from liability
- Election of board members and the Chairman of the Board
- Remunerations to the Board of Directors
- Amendments to the Articles of Association
- Election of auditor
- Establishment of principles for the nomination committee

2018 Annual General Meeting (the “AGM”)

The Annual General Meeting 2018 will be held Friday, 27 April 2018, 15:00 CET, at Malmömässan, Mässgatan 6, 215 32 Malmö, Sweden. Notice to attend the AGM along with proposals from the Nomination Committee will be published on the company's website no later than 27 March 2018.

A shareholder who wishes to have a matter considered by the Annual General Meeting must submit a written request

- via email to: legal@boozt.com or
- by letter to: Boozt AB (publ), Att: Legal/AGM, Hyllie Boulevard 10 B, 215 32 Malmö, Sweden.

Proposals for the Agenda shall be submitted no later than

seven weeks prior to the Annual General Meeting, or in any case, if required, in time for the matter to be included in the notice convening the Annual General Meeting.

Summary of the Annual General Meeting and Extraordinary General Meeting 2017

An Extraordinary General Meeting was held in Malmö on May 10, 2017, and included the following matters:

- Change in the Articles of Associations as the Company became a public limited company
- Decision of share split 1/12

The Annual General Meeting was held in Malmö on May 15, 2017, and included the following matters:

- Adoption of the Company's and Group's income statements and balance sheets as well as granting discharge of liability for the Board members and the Group CEO for the fiscal year of 2016
- Re-election of the Chairman of the Board Henrik Theilbjørn and board members Gerd Rahbek-Clemmensen, Staffan Mörndal, Jimmy Fussing Nielsen, Jón Björnsson, Kent Stevens Larsen and Lotta Lundén
- Board member Bjørn Folmer Kroghsbo was re-elected for the time up until July 31, 2017, when he was to be replaced by Charlotte Svensson. Charlotte Svensson was elected as board member for the period August 1, 2017, up until the Annual General Meeting in 2018
- Ernst & Young AB with responsible auditor Thomas Swenson was elected auditor up until the Annual General Meeting in 2018

Nomination Committee

Companies complying with the Code shall have a nomination committee. According to the Code, the General Meeting shall appoint the members of the nomination committee or resolve on procedures for appointing the members. The Nomination Committee shall, pursuant to the Code, consist of at least three members of which a majority shall be independent in relation to the Company and the Group Management. In addition, at least one member of

the nomination committee shall be independent in relation to the largest shareholder in terms of voting rights or Group of shareholders who cooperates in terms of the Company's management. At the Annual General Meeting held on May 15, 2017 it was resolved that the Nomination Committee should consist of representatives of the three largest shareholders listed in the shareholders' register maintained by Euroclear Sweden as of August 31, 2017 and the Chairman of the Board. The member representing the largest shareholder shall be appointed chairman of the nomination committee, unless the Nomination Committee unanimously appoints someone else.

The largest shareholders as per August 31, 2017 were Sampension KP Livsforsikring A/S (9.87%), Sunstone Technology Ventures II K/S (9.87%) and Verdane Capital VII K/S (8.23%). They are represented by Bjørn Folmer Kroghsbo, Christian Lindegaard Jepsen and Staffan Mörndal and together with the Chairman of the Board of Directors Henrik Theilbjørn constitute the nomination committee. Bjørn Folmer Kroghsbo is appointed chairman of the Nomination Committee as representative for the largest shareholder as per August 31, 2017.

The nomination Committee's complete proposals to the 2018 AGM will be presented in the official notification of the AGM.

Assessing the performed work by the board as well as the composition of the board, is reviewed continuously over the year. The Nomination Committee held meetings in the beginning of 2018.

Board of Directors

The Board of Directors is the second-highest decision-making body of the Company after the Annual General Meeting. Members of the Board of Directors are normally appointed by the Annual General Meeting for the period until the end of the next Annual General Meeting. According to the Company's articles of association, the members of the Board of Directors elected by the general meeting shall be not less than three and not more than ten members with no deputy members. At the 2017 AGM, 8 board members

were elected, without deputy members.

Responsibilities of the Board of Directors and composition

According to the Swedish Companies Act, the Board of Directors is responsible for the organisation of the Company and the management of the Company's affairs, which means that the Board of Directors is responsible for, among other things, setting targets and strategies, securing processes and systems for evaluation of targets, continuously assessing the financial condition and profits as well as ensuring an appropriate organisation, management, guidelines and internal control. The Board of Directors is also responsible for ensuring that annual reports and interim reports are prepared in a timely manner. Moreover, the Board of Directors appoints the Group CEO. According to the Code, the Chairman of the Board of Directors is to be elected by the General Meeting and is responsible for managing the work of the Board of Directors and to ensure that the work of the Board of Directors is efficiently organised. The Board of Directors applies written rules of procedures, which are revised annually and adopted by the inaugural board meeting every year. Among other things, the rules of procedure govern the practice of the Board of Directors and the division of work between the members of the Board of Directors and the Group CEO.

In 2017, the Board of Directors held 17 meetings.

The members' attendance is presented in the table below.

Board of directors 2017			Independent in relation to		Attendance			Directors' fees - SEK (000)
Name	Position	Member since	The Company and executive management	Major shareholders	Board meetings	Audit Committee meetings	Remuneration Committee meetings	
Henrik Theilbjørn	Chairman of the Board	2009	Yes	Yes	17/17	3/4	0/1	550
Gerd Rahbek-Clemmensen	Board member	2013	Yes	No	17/17	-		250
Staffan Mörndal	Board member	2012	Yes	No	16/17	4/4		300
Jimmy Fussing Nielsen	Board member	2014	Yes	No	17/17	-	1/1	250
Jón Björnsson	Board member	2012	Yes	Yes	15/17	-	1/1	250
Kent Stevens Larsen	Board member	2009	Yes	Yes	17/17	4/4		350
Bjørn Folmer Kroghsbo	Board member	2015-2017 (aug)	Yes	No	10/11	-		0
Lotta Lundén	Board member	2016	Yes	Yes	14/17	-	1/1	250
Charlotte Svensson	Board member	2017 (aug)	Yes	Yes	6/6	-		250

Directors' fees cover the period from AGM 2017 to AGM 2018.

Work performed in 2017

During the fiscal year, the Board of Directors held 17 meetings, including statutory, extraordinary and per capsulam. Ordinary meetings are held in accordance with a yearly adopted calendar. In addition to these meetings, additional board meetings can be convened to handle issues, which cannot be postponed until the next ordinary board meeting. In addition to the board meetings, the Chairman of the Board of Directors and the Group CEO continuously discuss the management of the Company.

During the year the Board regularly reviewed Boozt Group's consolidated earnings, financial position, organisation and administration. During its meetings, the Board has dealt with matters involving Boozt Group's strategy, including budget and other financial forecasting, capital structure and financing, investments in equipment, the establishment of new operations and continued streamlining of internal procedures and control processes.

The Company's Group CEO and other members of Group Management are present at all ordinary board meetings, but they do not participate when the Board evaluates the Group CEO or makes decisions regarding remunerations to Group Management or meets with the Company's auditors to evaluate Group Management.

At the inaugural board meeting, the Board of Directors adopts Rules of Procedure for the Board of Directors, written instructions to the Group CEO, including instructions for financial reporting.

Audit committee

The Company's Audit Committee consisting of three members: Kent Stevens Larsen (chairman), Staffan Mörndal and Henrik Theilbjørn. The Audit Committee shall, without it affecting the responsibilities and tasks of the Board of Directors, monitor the Company's financial reporting, monitor

the efficiency of the Company's internal controls, internal auditing and risk management, keep itself informed of the auditing of the annual report and the consolidated accounts, review and monitor the impartiality and independence of the auditors and pay close attention to whether the auditors are providing other services besides audit services for the Company, and assist in the preparation of proposals for the general meeting's decision on election of auditors.

The Audit Committee held 4 meetings during 2017. The work of the Committee has mainly focused on review and improvement of the financial reporting and financial processes, examination of company risks and evaluation of the internal control environment, and follow-up and review of the work of the external auditor.

During the financial year, the Committee has also conducted an audit tender process. Four audit firm candidates were asked to submit proposals and were evaluated on a number of dimensions in addition to fee level. The Audit Committee has proposed to the Nomination Committee to recommend the audit firm Deloitte and Didrik Roos as auditor in charge to the AGM.

Remuneration committee

Boozt has a remuneration committee consisting of four members: Jón Björnsson (chairman), Lotta Lundén, Jimmy Fussing Nielsen and Henrik Theilbjørn. The remuneration committee shall prepare matters concerning remuneration principles, remuneration and other employment terms for the Group CEO and the Group Management.

The remuneration committee held 1 meeting during 2017.

Diversity in the Board

In 2017 the Board of Directors adopted the "Group Policy – Diversity in the BoD" in compliance with the directives in the Swedish Corporate Governance Code stating that the Board of Directors should be constituted of members with diverse competences, experiences, and backgrounds.

The adopted policy states that members should possess

the competence and experience appropriate for the responsibilities and work carried out for the Group. Additionally, it should be considered if the individual members are appropriate considering the aim for diverse competences, experiences, and backgrounds within the Board of Directors with respect to gender, age, geographical origin and educational background.

It is the responsibility of the Nomination Committee of the Board of Directors to consider the requirements stated in the policy.

During 2017 Charlotte Svensson replaced Bjørn Folmer Kroghsbo as a member of the Board of Directors. When electing Charlotte Svensson, the diversity in the Board of Directors with respect to gender, age, competence including educational background was improved.

With respect to gender 3 out of total 8 members (37.5%) in the Board of Directors are women.

Group CEO and Group Management

Group CEO

The Group CEO is responsible for the daily operation of the Group in accordance guidelines and instructions from the Board of Directors. The division of work between the Board of Directors and the Group CEO is set out in the rules of procedure for the Board of Directors and the written instructions to the Group CEO. The Group CEO is also responsible for the preparation of reports and compiling information for the board meetings and for presenting such materials at the board meetings. According to the instructions for the financial reporting, the Group CEO is responsible for the financial reporting in the Company and consequently must ensure that the Board of Directors receives adequate information for the Board of Directors to be able to assess the Company's financial condition.

Among other things, the Group CEO must focus on recruitment of senior executives, buying and logistics matters, the customer offering, pricing strategy, sales and

profitability, sustainability matters, marketing, business development and IT development. The Group CEO reports to the Board of Directors and makes the necessary preparations for taking decisions on investments, expansion, etc. The role of Group CEO includes contact with the financial market, media and legal authorities.

Group Management

The Group CEO leads the Group Management team which consists of the Chief Financial Officer (CFO), Chief Operations Officer (COO), Chief Marketing Officer (CMO), Chief Technical Officer (CTO), Chief Purchasing Officer (CPO) and Head of Investor Relations and Corporate Communication (IRM). The Group CEO lead the work of Group Management. Group Management meetings are held weekly and focus primarily on monitoring of performance and strategic and operative monitoring and development. A presentation of Group Management is available in the section "Group Management" on page 45.

Ownership by Board of Directors and Group Management

December 31, 2017	Number of shares		
Name	Directly owned	Indirectly owned	%
Hermann Haraldsson (Group CEO)	364,880	109,671	0.84%
Allan Junge-Jensen (Group CFO)	195,004	-	0.35%
Niels Hemmingsen (Group COO)	256,236	-	0.45%
Peter G. Jørgensen (Group CMO)	229,064	-	0.41%
Jesper Brøndum (Group CTO)	214,116	-	0.38%
Mads Bruun Famme (Group CPO)	62,387	-	0.11%
Management total	1,321,687	109,671	2.54%
Henrik Theilbjørn (Chairman)	-	241,527	0.43%
Staffan Mörndal	-	-	0.00%
Jimmy Fussing Nielsen	-	-	0.00%
Gerd Rahbek-Clemmensen	-	-	0.00%
Bjørn Folmer Kroghsbo	-	-	0.00%
Jón Björnsson	28,569	-	0.05%
Lotta Lundén	-	-	0.00%
Kent Stevens Larsen	1,050,000	-	1.86%
Charlotte Svensson	-	-	0.00%
Board total	1,078,569	241 527	2.34%
Management and Board Total	2,400,256	351,198	4.88%

Auditors

Boozt AB's auditor Ernst & Young AB (EY) was elected by the 2017 AGM for a period of one year. Thomas Swenson, certified public accountant, has been responsible for the audit of the company on behalf of EY. A new auditor election will take place at the 2018 AGM.

The auditor reports its findings to the shareholders by means of the auditors' report, which is presented to the AGM. In addition, the auditor reports detailed findings to the Audit Committee and to the full Board at least once a year, and annually provide assurance of their impartiality and independence to the Audit Committee.

EY also provided certain additional services in 2016 and 2017 primarily related to the listing of the Company's shares and to some extension consultation on other audit-related engagements.

Audit engagements involve examination of the annual report and financial accounting, administration by the Board and Group CEO, other tasks related to the duties of a company auditor and consultations or other services that may result from observations noted during such examination or implementation of such other engagements. For more detailed information on auditing fees for the year, see Note 7 in this annual report.

Remunerations to Group Management

Remunerations to the Group CEO and other members of Group Management are decided by the Board of Directors, whom are authorised to make decisions in accordance with guidelines for remunerations as set by the AGM. The Remuneration Committee presents recommendations to the Board of Directors.

Guidelines for remuneration

The AGM held on May 15, 2017 adopted guidelines for remuneration applied for Group CEO and Group Management. The guidelines reflect the Company's objectives for good corporate governance as well as sustained long-term value creation for shareholders.

Remunerations of the CEO and Group Management

The remuneration of Boozt's Group Management is proposed by the Remuneration Committee and subsequently approved by the Board of Directors. The total remuneration shall be based on market terms, be competitive, well balanced, and not wage leading as well as contribute to good ethics and company culture. The fixed salary shall be based on the Group Management's competence and area of responsibility, be individual and shall normally be reviewed every year.

Long-term incentive programs

The Company's long-term incentive programs shall have the objective of aligning interests of the Group Management and selected key employees with the long-term goals of the Company and its shareholders. The vesting period for long term incentive programs shall be at least three years. Long term incentive programs shall always be based on shares or share linked instruments. Long term incentive programs shall ensure a long-term commitment to the development of the Company. Any share based long term incentive programs will be subject to shareholder approval before being launched.

The board's report on internal control

To ensure that Boozt complies with applicable laws and regulations and to ensure that the Group's values are incorporated throughout the organisation the Group has adopted a Code of Conduct with mandatory principles regarding behaviour for management and employees. Additionally, several Group-wide policies have been adopted and a process for managing governing documents such as policies and procedures has been implemented.

In addition to the overall risk management system, a level of expected governance and key controls has been stipulated for identified key processes of the operations and supporting financial processes. The expected governance and key controls should be in place at all times with the purpose to enhance and ensure a sufficient level of internal controls.

Processes relating to financial closing and reporting are specifically considered in the internal control system. It appoints ownership of sub-processes and accountability to ensure compliance with applicable laws, regulations and internal policies and procedures. Processes managing the business and delivering value shall be defined within the business management system. Further descriptions (procedures, instructions) within the Group shall be aligned with these processes. Group CEO is responsible for the process structure within the Group.

Information and communication

The Group's policies and procedures are updated on an ongoing basis by the appointed policy owner. The Board of Directors assesses the need to add/update or delete policies continuously. Policies are shared with all employees via a shared online portal. The policy owner is responsible to ensure that all employees to whom the policy is of importance are informed and aware of policies that should be applied.

A self-assessment of minimum requirements of defined controls mitigating identified risks for each business process shall annually be performed and reported to the Audit Committee and the Board of Directors. Group CFO is responsible for the self-assessment process, which is facilitated by the Internal Controls Function. In addition, the Internal Controls Function performs reviews of the Risk and Internal Controls system according to the plan agreed with the Board of Directors and Group Management.

Monitoring

Boozt Group shall comply with applicable laws and the Governing documents are a support for this. Management and employees have the responsibility for compliance within the working areas that they are responsible for. Within the Governing documents each policy has an appointed owner that is responsible for following up on the policy within the Group. Group CFO is responsible for reporting to the Audit Committee and Board of Directors on policy compliance as a whole for the Group once a year.

The Group CEO shall address any request for exception in writing to the Board of Directors. The Board of Directors shall assess and decide on each request individually. The assessment shall take both local and group-wide risks into consideration.

Internal audit

With respect to the Company's current size and operations, the Board of Directors has decided not to have a separate internal audit function, but it annually assesses the need of such a function. The Board has assessed that the

most effective method for the monitoring and follow-up of internal control in the Group is through an internal control function, which is integrated in the Group's finance function. This internal control function monitors all subsidiaries of the Group. The function regularly reports to the Group CFO, who in turn reports back to the Audit Committee. In addition, the company's external auditor review and assess the company's internal control environment and reports its observations and evaluation to the Audit Committee.

Auditor's report on the corporate governance statement

To the general meeting of the shareholders of Boozt AB, corporate identity number 556793-5183

Engagement and responsibility

It is the Board of Directors who is responsible for the corporate governance statement for the year 2017 on pages 55-65 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 auditing standard RevU 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 April 5th 2018
Ernst & Young AB

Thomas Swenson

Authorized Public Accountant



Directors' report

This report is published April 6, 2018

Operations in the parent company are exercised by owning and managing its wholly-owned subsidiary Boozt Fashion AB and its subsidiaries. During 2017, main activities of the Group were conducted in Boozt Fashion AB who runs Boozt.com which is one of the leading players in the Nordic e-commerce market for fashion clothing, shoes and accessories.

The Board of Directors and the Group CEO of Boozt AB (publ), Corporate ID no. 556793-5183, registered in Sweden and with its head office in Malmö, hereby present their Annual Report for the financial year of 2017.

Further information on the business

Boozt is a Nordic technology company selling fashion online. The Group offers its customers a curated and contemporary selection of fashion brands, relevant to a variety of lifestyles through the multi-brand webstore Boozt.com. Boozt.com have more than 1,057,000 active customers as per Dec 31, 2017 (820,000) because of a convenient shopping experience with high service levels across both mobile devices and desktop, quick deliveries, and easy returns. Boozt targets Nordic fashion followers, primarily consumers aged 25-54, that value convenience and a relevant offer in their customer experience and which tend to generate a high average order value.

Boozt operates a tailor-made, integrated technology platform that enables the Group to manage the customer experience and to accommodate further growth. Fulfilment is executed through the automated fulfilment centre, strategically located in Ängelholm, with 43,500 m² (77,000 m² at maximum build-out), 180 picking robots and capacity exceeding 450,000 stock keeping unit ("SKU"), that enables next-day delivery to 90% of the Nordic region. As from December 2017 Boozt also have capacity of same-day delivery to 3.5 million inhabitants in the south of Sweden and Denmark.

Boozt has a strong track-record of growth, mainly driven by the fast evolution of Boozt.com. The fast growth is primarily attributable to Boozt's strong online market position and its

competitive customer offering, which has enabled Boozt to attract new customers and increase the number of orders from returning customers.

Boozt was founded in 2007 to conduct outsourced online mono-brand operations for fashion brands. The current management team joined Boozt in 2010-2011 to assist the Group in the 2011 relaunch, following the termination of the largest customer contract, and Boozt.com was established. In the following years, significant investments have been made to support growth and increase the number of customers. The Group has continuously grown net revenue in the last years, with gradually improved profitability.

On May 31, 2017, the shares of Boozt AB (publ) was listed on Nasdaq OMX Stockholm (mid cap). The listing of the Company's shares has given the Group access to the capital markets and has enabled the establishment of a diversified base of Nordic and international shareholders. The listing was an important milestone for the Group in the journey of becoming the primary e-commerce fashion retailer in the Nordic region.

Operations in the Group are divided into three operating segments, Boozt.com, Booztlet.com and Other. The Boozt.com segment includes operations related to the Boozt.com site and the parent company Boozt AB. Segment Booztlet.com includes operations on the Booztlet.com site, which is the Group's online outlet. The segment Other included the ECCO's online store for the European market that was operated by the Group up until March 31, 2017. The Group's physical retail outlet; Booztlet was included in the segment for the full year, and the retail store Beauty by Boozt.com was included as from its opening day on March 31, 2017. Operations by other subsidiaries in the Group are also included in the segment Other.

Boozt AB's accounts are reported in Swedish kronor as Swedish kronor is the company's functional currency.

The report has been prepared in SEK million, why there may be rounding differences in the totals.



Financial year of 2017

A strong year – continued high growth

The Group managed to deliver a full year net revenue growth of 44.4% for the Group, mainly attributed to the Boozt.com and Booztlet.com segments with a growth of 49.4% and 59.8% respectively. Generally, the apparel industry over the last few years seen a change where sales is more driven by market events, such as the Black Friday. For the Group, the Black Friday weekend was very successful, with a growth of 140% compared to the same weekend previous year with 25,000 new customers trying out Boozt.com for the first time. During this weekend the Group got to test its full capacity, why it was very satisfying that all orders from the Black Friday weekend was managed and shipped to the customer within one business day.

The Group's gross margin slightly decreased due to the termination of the commission sales agreement with ECCO as per March 31, 2017. The ECCO agreement generated a gross margin of 100%, why a decrease in the gross

margin was in accordance with the Group's expectations. The terminated commission sales agreement affects the segment Other, which had a decrease in net revenue that amounted to -66.4%.

EBIT for the Group amounted to -3.5% (1.5%). EBIT was affected by the one-time costs of SEK 118.0 million related to the listing of the Company's shares in May 2017 and the warehouse move performed in the first quarter of 2017. The costs related to the listing of the Company's shares included social charges related to share-based payments to employees (SEK 47.2 million), share based payments related to employees (SEK 4.8 million), and IPO preparation costs (SEK 45.4 million). Costs related to the warehouse move amounted to SEK 20.6 million.

The Group's cashflow amounted to SEK 207.7 million (121.9), whereof cash flow from operating activities amounted to

SEK -137.8 million (40.8). Change in net working capital was affected by increased inventory volumes due to realised and expected growth in revenues, as well as a change in the agreement structure with the ECCO and DAY Birger et Mikkelsen brands from consignment (commission) to own buy.

Cash flow from investing activities amounted to SEK -174.9 million (-33.7) and are mainly attributable to investments in the automation of the new fulfilment centre.

Cash flow for financing activities amounted to SEK 520.4 million (114.8). The new share issues that was performed at the time of the listing and sale of shares in own portfolio gave a net increase of equity of SEK 431.2 million. Investments in the fulfilment centre have been financed through a loan of SEK 163.1 million. Additionally, a loan of SEK 12.0 million from ALMI, the Swedish national growth fund was re-paid in full during the financial year of 2017.

Comments on the financial position

The Group's increased fixed assets relates to investments made in the Group's fulfilment centre during the second and fourth quarter. The investments have been financed via a loan with Danske Bank that will be re-paid during a 5-year period. Consequently, the debt also increased compared to last year.

The Group's increased inventory volumes is related to expected revenue growth but also a change in the agreement structure with ECCO and DAY brands, which at the end of the financial year of 2017 constitutes approximately SEK 36.3 million (SEK 0.0 million) of the SEK 571.6 million.

Deferred tax assets increased compared to last year due to the deferred tax assets related to tax losses carried forward from earlier years that was capitalized during the fourth quarter of 2017.

The equity and liquidity of the Group was strengthened by the new share issue and from selling shares in own portfolio, which was performed at the time of the listing in the second quarter of 2017.

Significant events during the financial year 2017

Boozt Fulfilment Centre

On February 24, 2017, the new Boozt Fulfilment Centre (BFC) was handed over to Boozt. The custom built BFC is an investment that will facilitate the Group's long-term expansion as it operationally supports future growth. During March 2017, the operations within the old warehouse was moved to the new fulfilment centre. The moving process went according to plan, and the Group was able to keep continuous business without any significant delays or other inconveniences for the customers. A consequence was however that the Group failed to have all new styles live as fast as expected. This in turn affected the sell through negatively for the first half of 2017 but was recovered in the second half of 2017.

The automated storage and retrieval system AutoStore is a central part of the BFC that will enable the Group to create a more efficient picking process thereby cutting costs significantly. During the second quarter of 2017, the Group saw significant efficiency improvements due to the first phase of the AutoStore installment, why the Group entered into a new agreement to expand the first AutoStore-module. The expansion includes a packing tunnel with 13 new packing stations, and was implemented during the fourth quarter of 2017, with additional purchases of bins and picking robots in 2018 as volume increases in the BFC. These investments are expected to amount to SEK approximately 45 million. As the fulfilment cost per order (including depreciation and costs for overcapacity in the warehouse) gradually decreased during the second and third quarter of 2017 to the point where the cost was lower than the fulfilment cost per order in the old warehouse, the ramp-up period for the new warehouse ended in the third quarter of 2017. Total Investments in the BFC amounted to SEK 155.6 million during 2017.

Beauty by Boozt.com

On March 31, 2017, Boozt opened its first Beauty by Boozt.com physical retail store in Roskilde, Denmark and on June 8, 2017 the beauty- and cosmetics category was launched on

Boozt.com. Since the launch, the Group has experimented and grown in addition to receiving a lot of useful feedback from both customers and partners. Additionally, the Group made a decision in December 2017 to launch a 500m² cosmetic flagship store in the centre of Copenhagen in 2018. The cosmetic category is a strong, strategic fit with a natural link to fashion. The Group's customers shopping for clothes on Boozt.com often complete their looks with complementary beauty products. With the concept store, we have utilised our understanding and data knowledge from the online store to fully optimise the offline experience.

New head office rent agreement

In April 2017, the Group signed an agreement with Castellum regarding rent of office space for the Group's headquarter. The agreement covers 5 years and is effective as per January 1, 2019. The contractual agreement totals SEK 64.0 million for the 5-year contractual period. At the effective date, the company is released from contractual obligations related to the existing rental agreement with Castellum. The new office space is in Hyllie, near the existing headquarter. The new office space is a strategic location for our employees with great access from both sides of Öresund, where the employees have a possibility to commute with environmental friendly trains, as the Hyllie station is situated nearby.

Changes in Group Management and in the Board of

Directors in Boozt AB (publ)

On July 1, 2017, Mads Bruun Famme assumed the position as Chief Purchasing Officer (CPO) of the Group and became a member of Boozt's Group Management.

On November 2, 2017, Johan Holmqvist decided to step down as Head of Investor Relations and Corporate Communications at Boozt. Karsten Anker Petersen, has taken over the responsibility of Investor Relations and Corporate Communications at Boozt on an interim basis.

As described in the listing prospectus, Charlotte Svensson assumed her board position in Boozt AB (publ) on August 1, 2017. Charlotte Svensson is elected up until the end of the Annual General Meeting 2018.

Charlotte Svensson replaced Bjørn Folmer Kroghsbo, who was elected for the period up until July 31, 2017.

Appointment of Nomination Committee

As per September 20, 2017 Boozt AB's (publ) Nomination Committee was appointed in accordance with the resolution by the Annual General Meeting on May 15, 2017 stating that the Nomination Committee shall consist of representatives of the three, per August 31, 2017, by votes, largest shareholders according to the shareholders' register held by Euroclear Sweden, and the Chairman of the Board.

The Nomination Committee has been formed in accordance with the principles adopted by the Annual General Meeting and has the following composition:

- Bjørn Folmer Kroghsbo (representing Sampension KP Livsforsikring A/S), Chairman of the Nomination Committee
- Christian Lindegaard Jepsen (representing Sunstone Technology Ventures II K/S)
- Staffan Mörndal (representing Verdane Capital VII K/S)
- Henrik Theilbjørn, Chairman of the Board of Boozt AB (publ)

The Nomination Committee submits proposals to the AGM regarding the composition of the Board, remuneration of the Board, election of auditors and auditor fees.

Building permit and award for best logistics establishment of the year

The building permit for a minor part of the premises, where the Group leases its new fulfilment centre, located in the municipality of Ängelholm, Sweden, was appealed and revoked during the first quarter of 2017 according to the, at that time, existing development plan. The municipality in Ängelholm communicated its support for the project and filed for a new development plan. The new development plan was adopted on October 12, 2017 and the building permit for where the Group has its fulfilment centre has therefore gained legal force. This means that there are no longer any issues for Group's current and future growth plans on the premises including the existing buildings and the maximum build-out space of 77,000 sqm.

Boozt Technology A/S

In October 2017, the subsidiary Boozt Technology A/S (Denmark) was established. As per January 1, 2018, current employees of the subsidiary Boozt Fashion ApS will be employed by the newly established company instead.

Events after the reporting date

After the reporting date, the Group's business continued to develop in accordance with expectations, without any external or internal events with considerable effects on the daily operations.

On January 31, 2018 the Group assigned the permanent position as Head of Investor Relations & Corporate Communications to Anders Enevoldsen. Anders commenced his position at Boozt on March 12, 2018.

In February 2018 the Group entered an agreement with adidas and Reebok to sell their products on Boozt.com as from AW 2018 season, which significantly will strengthen the selection of the athleisure and sports category on Boozt.com.

Multi-year summary

SEK million	2017	2016	2015
Net revenue	2,016.4	1,396.4	817.2
Profit after financial items	-68.2	20.5	-13.2
Operating margin	neg	1.5%	neg
Return on equity	neg	3.5%	neg
Total assets	1,384.0	799.3	445.4
Solidity	57%	46.0%	48.1%
Average number of full time employees	190	149	113

Financing and liquidity

The equity and liquidity of the Group was strengthened with SEK 384.4 million by the new share issue and with SEK 46.9 million from selling of shares in own portfolio, which was performed at the time of the listing of the Company on May 31, 2017. For more information on the listing of the Company, see section *Listing of the share and information on the Company's share* below.

During the second quarter of 2017, the Group signed

an agreement on a revolving credit facility with Danske Bank. The facility amounted to SEK 140.0 million, whereof SEK 60.0 million is accessible to the Group at all times (overdraft facility). To access the remaining SEK 80.0 million the Group must notify the bank. The revolving credit facility is contracted for 2 years as from the date of the listing of Boozt AB (publ), meaning until May 31, 2019. The revolving credit facility has not been used during the financial year of 2017.

During the second quarter, the Group signed a hire-purchase agreement with Danske Bank for the automated storage and retrieval system AutoStore and a conveyer belt for the fulfilment centre. 30% of the assets' value was paid at the transfer of the assets, and the remaining 70% will be re-paid during a 5-year period.

During the third quarter the Group re-paid SEK -51.7 million attributable to down-payment and repayments according to plan on the investments made in the Group's fulfilment centre and VAT for the acquired assets. At the end of period the outstanding debt amounted to SEK 66.9 million. Interest for the period amounted to SEK -0.8 million.

As the Group acquired an additional module for the AutoStore in the fourth quarter of 2017, which was financed on the same contractual terms as the first module, the interest-bearing liabilities increased with SEK 38.9 million in the fourth quarter of 2017.

Additionally, a loan of SEK 12.0 million from ALMI, the Swedish national growth fund was re-paid in full during the financial year of 2017.

As per December 31, 2017, the Group's total cash and cash equivalents amounted to SEK 429.7 million, and interest-bearing loans amounted to SEK 101.2 million.

Listing of the share and information on the Company's share

Listing of the share, May 31, 2017

On May 7, 2017, the shareholders of Boozt AB (publ) published the intention to float the Company's shares on Nasdaq OMX Stockholm's main list. Prior to listing, a public offering of Boozt AB (publ) shares was published on May 17, 2017.

The offering comprised of 51.7% of the shares in Boozt AB (publ). First day of trading was May 31, 2017. The final price was set at SEK 62.00 per share. The offering comprised a total of 29,104,729 shares. Out of the total offering, 20,881,013 existing shares were offered by Sunstone Technology Ventures Fund II K/S, Verdane Capital VII K/S, ECCO Holding A/S, Sampension KP Livsforsikring A/S and the board member Kent Stevens Larsen.

Additionally, 6,451,000 new shares were issued, which raised a gross premium of SEK 400.0 million and net premium of SEK 384.4 million.

Stabilising manager Carnegie decided to end the stabilisation period as per June 9, 2017 on behalf of the selling shareholders.

The Boozt share

The Boozt share is traded under the ticker BOOZT and with the ISIN-code SE0009888738.

Since the first day of trading on May 31, 2017, the movement in market price for the share has been positive. The lowest quoted market price during the period was SEK 61.00 per share (November 17) and the highest quoted market price during the period was SEK 86.75 (June 14). The closing price as per December 31, 2017, was SEK 73.25. The average turnover of the Boozt share was 205,879 shares per day during the period. As per December 31, 2017 the company had approximately 3,900 shareholders, whereof the largest shareholders were Sampension KP Livsforsikring A/S (9.87%), Verdane Capital VII K/S (8.23%), and Sunstone Technology Ventures Fund II K/S (6.58%).

The total number of shares amounted to 56,338,433, the quota value amounted to SEK 0.0833 and the number of outstanding warrants amounted to 267,500 at the end of the reporting period. Each warrant gives a right to purchase 12 shares, meaning a total of 3,210,000 shares.

There is one class of shares in Boozt AB (publ). There are no shares with special rights or preferences. Beyond shares, the Company has issued warrants (right to acquire shares under specific terms and conditions).

All shares in the Company are listed. The market value for the Company as per December 31, 2017 amounts to SEK 4,127 million.

Share split

In accordance with decision on an extraordinary general meeting on May 10, 2017, a split of the company's shares was conducted whereby one share was split into twelve. The total number of shares after the split amounted to 46,695,540 and the quota value amounted to SEK 0.0833.

New share issue

In accordance with the decision on the extraordinary general meeting on May 10, 2017, where the board was authorised to decide on a new share issue, and the board decision made on May 30, 2017, a new share issue was performed on May 30, 2017. The new share issue was fully subscribed and raised a gross premium of SEK 400.0 million before issuing costs that amounted to SEK 15.6 million. The number of shares after the new share issue amounted to 56,338,433 and the share capital to SEK 4,694,869. The dilution effect amounted to 12.9 percent, corresponding to 6,451,000 shares and votes.

Warrants

Warrant program 2012/2022

In conjunction with the listing of Boozt AB's (publ) shares, 2,405,361 issued and distributed warrants were converted to ordinary shares. The conversion was performed by the Company re-purchasing the warrants from the warrant holders to a price based on the final price in the listing, meaning that a debt to the former warrant holders emerged.

The debt was converted to ordinary shares in a setoff issue that was performed at the price corresponding to the final price in the listing of the Boozt AB (publ) shares. A consequence of the re-purchase of warrants is that a liability for the company to pay social charges arose. The cost for social charges related to warrant program 2012/2022 has been secured by Boozt AB (publ) issuing 786,532 warrants to a fully owned subsidiary which could be utilised for subscribing to ordinary shares in Boozt AB (publ). The subsidiary has converted the warrants to ordinary shares and subsequently sold them at the time of the listing of the Boozt AB (publ) share. The settlement has been used to pay social charges.

As per December 31, 2017, there are no outstanding warrants related to the warrant program 2012/2022.

Warrant program 2015/2025

The Group issued a warrant program for employees identified as key personnel in the Group. The Group CEO is included in this group. A total of 267,500 warrants have been issued within the program. Out of these warrants, 63,954 warrants have been issued to a fully owned subsidiary with purpose to counteract cash flow implications related to the social charges that the company will be liable to pay at the redemption date. Each warrant gives a right to purchase 12 shares.

The vesting of warrants was triggered in conjunction with the listing of the Company's shares, whereby 33% of the warrants are vested from the issuing date up until 12 months occurring after the first day of trading of the Company's shares on Nasdaq OMX Stockholm, meaning May 31, 2018. 33% of the warrants are vested on the date occurring 24 months after the first day of trading of company's shares. meaning May 31, 2019, and the remaining 34% of the warrants are vested on the date occurring 36 months after the first day of trading of the company's shares, meaning May 31, 2020.

Employees

At the end of 2017 the Group had 224 employees (192) The Group's personnel were mainly employed in Boozt Fashion AB. A few were employed in the Danish subsidiary Boozt

Fashion ApS. The average number of employees in the Group was 190 (149), whereof 59% women and 41% men (58% women and 42% men).

Related party transactions

The Group has transactions with companies owned by individuals with considerable influence on Boozt AB (publ). Transactions with related parties during the financial year of 2017 are attributable to purchase of goods from the ECCO Group.

All related party transactions are priced at market conditions. When purchases and sales are made between Group companies, the same pricing principles as transactions with outside parties are used.

Parent company

The parent company Boozt AB (publ) (registration number 556793-5183) is a Swedish public limited liability company which was founded on October 15, 2009 and registered with the Swedish Companies Registration Office on November 13, 2009. The Company's business is conducted in accordance with the Swedish Companies Act.

Since May 31, 2017, Boozt AB (publ) is listed on Nasdaq OMX Stockholm's main list.

The address to the head office is Hyllie Boulevard 10 B, 215 32 Malmö, Sweden.

The net revenue for the financial year of 2017 amounted to SEK 81.8 million (0.0) and consisted of invoiced fees for management services.

The Company's accumulated costs amounted to SEK -107.7 million (-0.2) and mainly consist of salaries to Group management, costs related to the listing of the company's shares amounting to SEK 27.1 million, costs for lock-up bonuses to Group Management amounting to SEK 15.3 million, transactional bonuses to Group Management amounting to SEK 2.3 million and costs for social charges related to the Group's warrant program amounting to SEK 35.7 million.

The net result for the financial year of 2017 amounted to SEK -12.4 million (-0.2).

The financial position of the parent company is affected by the debt to the tax authorities for income tax and social charges relating to the warrant program 2012/2022. This debt totals SEK 58.4 million whereof SEK 22.7 million has been paid in by the employees, leaving the Company with a net liability of SEK 35.7 million. Accounts payables of the company are mainly related to costs related to the listing of the company.

Outlook

The Group maintains the below medium term financial targets adopted by the Board of Directors at the time of the listing of the Group.

NET REVENUE GROWTH	<ul style="list-style-type: none"> The Group targets annual net revenue growth in the range of 25-30% in the medium term
ADJUSTED EBIT MARGIN	<ul style="list-style-type: none"> The Group targets an adjusted EBIT margin exceeding 6% in the medium term The Group expects to increase the adjusted EBIT margin annually as the cost base is further leveraged by net revenue growth

For 2018 the Group expects a net revenue growth of more than 30%. The adjusted EBIT margin is expected to slightly improve compared to 2017.

Dividend policy

When free cash flow exceeds available investments in profitable growth, the surplus will be distributed to shareholders.

Proposed appropriation of profits

SEK

Share premium reserve	1,081,810,229
Retained earnings	-330,695,313
Profit/loss for the year	-12,424,826
Total	738,690,090

The board of Directors proposes that profits/losses are distributed as follows

Profit/loss brought forward	738 690 090
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Risks and risk management

Boozt works continuously to identify, assess and evaluate risks to which the Group is currently exposed to, and risks that are probable to occur in the foreseeable future. Risks are identified, assessed and managed based on the Group's vision and goals. The Group uses the following categories to manage risks; Financial-, Strategic-, Operational- and Compliance risks.

Operational risks are continuously evaluated within the daily operations. Management related risks are continuously reviewed by management and documented by the Internal Control Function. Group Management reports monthly to the Board of Directors on potential risk issues. The Board of Directors are responsible to the shareholders for the Group's risk management and formally assess risks annually or more often when needed.

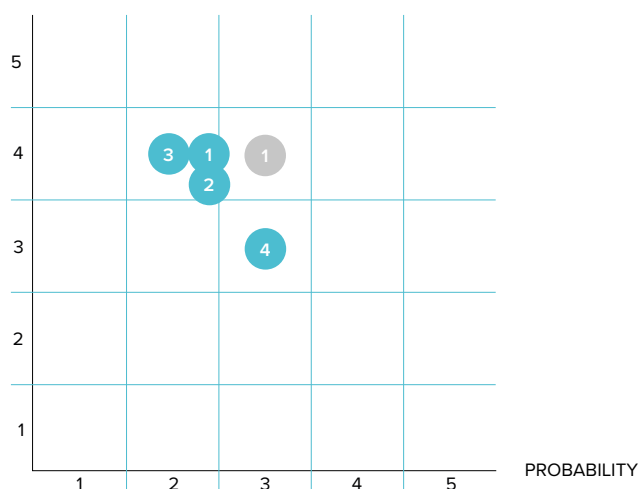
Identified risks are assessed regarding probability of occurrence and impact if occurring. The effectiveness of existing risk responses (such as safeguards, control activities etc.) are qualitatively assessed. The residual risk is illustrated and considers the effectiveness of all current existing risk responses. All identified risks are documented in a risk map and further explained in a risk register, internally called Boozt Risk Library.

Risks can be mitigated through proactive actions, such as insurances or legal agreements, and in some cases the Group can influence the likelihood of a risk-related event occurring. Other risks are not possible to eliminate, such as risks dependent on political decisions, or other macroeconomic factors. If a risk is related to events beyond the control of the Company, work is aimed at alleviating the consequences.

Overview of identified risks

In the following section, we report the identified risks which are considered to have considerable impact on the business as per December 2017. In the Boozt Risk Library we identified over a hundred risks, however several of them have a relative low risk of occurrence or low possible impact, and therefore are not included in the reported risks below. The relative possibility of occurrence and impact if occurring of the risk changes over time, meaning that the reported risks is to be seen as a snapshot of current risks.

IMPACT



1. Re-financing risks

2. Liquidity risk

3. Liquidity risk

4. Currency risk

● Risk rating 2017

● Risk rating 2016 (if changed 2017)

Financial risks

Financial risks include risks that effects the business ability to provide the business with sufficient funding and liquidity to operate and develop the business according to business plan.

Risk

1. Re-financing risks

Risk regarding ability to provide the Group with sufficient funding
With respect to growth plans and access to capital markets/bank institutions.

Rating: Lower probability

2. Liquidity risk

Risk that the Group does not have a sufficient liquidity reserve
Due to inefficient cash management planning or un-expected events with heavy cash-flow implications.

Rating: Unchanged

3. Liquidity risk

Risk that acquiring banks/institutions stop cash in-flow
Credit-rating of the Group can affect decision to release accounts receivables.

Rating: Unchanged

4. Currency risk

Currency risk - operational transactions
Due to operational cashflow in different exchange rates (selling of goods and purchase of goods)

Rating: Unchanged

Mitigation of risk

1. Re-financing risks

The risk is mitigated by adopted policies regarding target debt ratios, maturity date spreads for funding of the group and a risk diversification policy regarding financial counterparties (e.g. minimum number of banks).

2. Liquidity risk

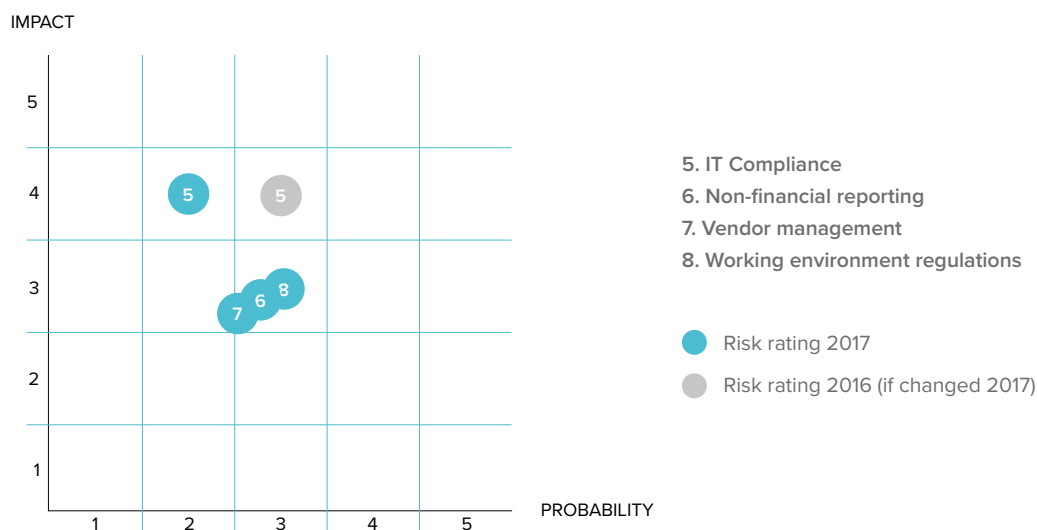
The Group faces two seasonality low points in liquidity per fiscal year. The Group shall strive to have a sufficient liquidity reserve. During low-points the Group has access to a revolving credit facility to ensure a sufficient liquidity reserve.

3. Liquidity risk

The Group's current cash position is strong, and the Group has access to a revolving credit facility. Prices for inventories are set when putting orders, but paid when received which gives sufficient time to plan cash management.

4. Currency risk

The transactional exposure is managed primarily through natural hedges, meaning that procurement is carried out in the same currency as inflow from revenue. The Group constantly evaluates if currency hedges shall be enforced. Currency hedging currently applied for exposure towards the Norwegian NOK.



Compliance risks

Compliance risks are related to the business ability to manage impact of new legalisation and regulation, as well as process to manage unforeseen disputes or other legal or contractual uncertainties.

Risk

5. IT Compliance

Risk for compliance with new EU privacy regulation/GDPR
Especially regarding third-party involvement.

Rating: Lower probability

6. Non-financial reporting

Compliance with Nasdaq regulations
As a newly listed company there's a risk that the Group is not aware/able to comply with regulations required of a listed company (including regulations set by Nasdaq, SFSA (Finansinspektionen) and other official authorities.

Rating: NEW RISK

7. Vendor management

Product quality risk
Selling goods from vendors, who's product quality we do not have control over.

Rating: Unchanged

8. Working environment regulations

Risk that operations aren't compliant with working environment regulations
The business going through major changes/transformations, risk that some part of regulations or common practice is not considered

Rating: Unchanged

Mitigation of risk

5. IT Compliance

The Group has prepared for the GDPR implementation through an internal project group with additional help from external legal experts, ensuring full compliance with the regulation. Training programs for employees has been performed.

6. Non-financial reporting

The Group's preparations before performing the listing of the company's shares were thorough. All internal processes related to internal control was reviewed, policies were updated with respect to new regulations such as management of insider information. New policies and processes were communicated through training programs for employees. The Board of Directors and Group Management has participated in training provided by Nasdaq.

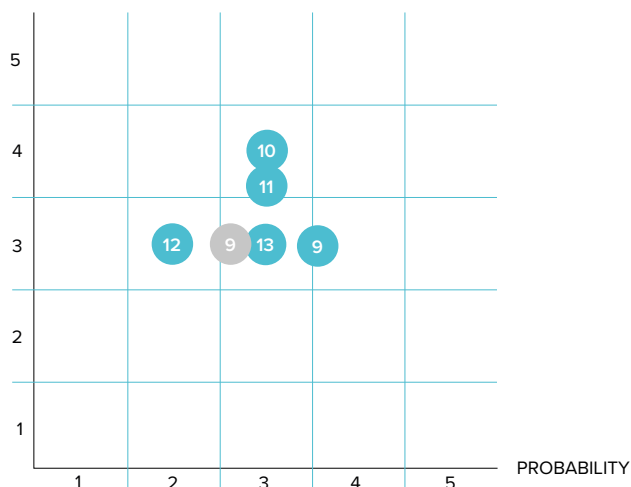
7. Vendor management

We have long-term relationships with the brands that we work with, and most often possible disputes are managed informally. To minimise risk for uncertainties that may lead to a dispute and the risk for financial exposure contractual agreements has been signed with vendors.

8. Working environment regulations

The Group has a systematic approach to manage and review its working environment. To strengthen our approach, we use external working environment specialists providing expertise and to review the work performed by the Group.

IMPACT



9. Competitiveness

10. Growth

11 & 12. Personnel

13. Overall economic risks

● Risk rating 2017

● Risk rating 2016 (if changed 2017)

Strategic risks

Strategic risks are risks relating to the businesses ability to stay competitive in the long-term. Risks included is the risk for demand shortfall, marketing- and brand risks and dependency of individuals and external partners.

Risk

9. Competitiveness

International player entering Nordic market

Risk that an international strong market player decides to enter the Nordic market and change the market conditions substantially.

Rating: Increased probability

10. Growth

Revenue growth too slow in relation to "getting big fast"

Revenue growth may be influenced negatively by external factors such as macroeconomic cycles, negative development of salary wages or other changes in other macroeconomic conditions.

Rating: NEW RISK

11 & 12. Personnel

Strategic risks related to personnel

11: Risk that the Group lack ability to keep key personnel (retention).

12: Risk that the Group lack ability to attract desired personnel.

Various reasons connected to the offer (monetary, benefits, working environment etc).

Rating: Unchanged

13. Overall economic risks

Risks due to macroeconomic external factors

Risks that are related to the overall or specific economic development in the geographical area that Boozt operates in.

Rating: Unchanged

Mitigation of risk

9. Competitiveness

With our curated offering, positioned to stay relevant to the modern Nordic fashion follower we believe that our competitive advantage is strong. We have high awareness within our target group and continue to differentiate ourselves by creating customer loyalty through analysis and data of our product mix, ease and speed of our offering to the customers.

10. Growth

We actively monitor macroeconomic trends and development within the region that we operate in, as well as the online factors and trends that may affect the sector in which we operate.

11 & 12. Personnel

The Group seeks to be an attractive employer by a competitive offering both in terms of salary and benefits, but also by creating a culture that our employees enjoy being a part of. In our Code of Conduct we state the values that we want the business to live by.

13. Overall economic risks

We actively monitor macroeconomic trends and development within the region that we operate in, as well as the online factors and trends that may affect the sector in which we operate.

Operational risks

Operational risks are related to the daily operations, and the ability to fulfil obligations to customers. Operational risks can often be managed with internal mitigation strategies.

14 & 15. Risks related to technical performance

16. Dependency on logistical partners

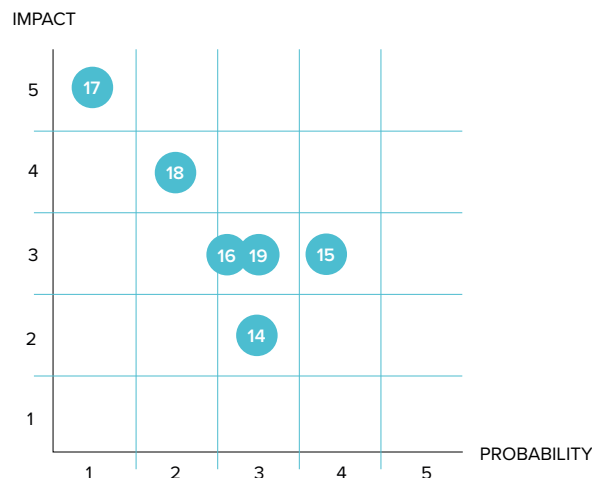
17. Incident risks

18. Efficiency and capacity warehouse

19. Suppliers and partners

● Risk rating 2017

● Risk rating 2016 (if changed 2017)



Risk

14 & 15. Risk related to technical performance

14: Risk that the technical systems are hacked/attacked. Insufficient security, or lack of ability to foresee new ways that systems are attacked or exposed to virus outbreak. 15: Risk for site breakdowns, or features directly connected to the site, such as payment systems. Can be a result of systems failure or by actual traffic on our sites that exceeds capacity levels.

Rating: Unchanged

16. Dependency on logistical partners

Risk related to dependency on distribution partners and their performance. Risk related to default of partner of significant importance and risk related to poor performance by partner with direct effect on customer experience for Boozt customers.

Rating: NEW RISK

17. Incident risks

Risk for fire accident

Primarily regarding the warehouse, where the implications would be significantly more severe than at the HQ.

Rating: Unchanged

18. Efficiency and capacity warehouse

Warehouse efficiency

The business is depending on having efficient logistic infrastructure. With increased volumes of returns, the number of hours with need of manual work increases, with less ability to increase efficiency.

Rating: Unchanged

19. Suppliers and partners

Risks arising from the setup of outsourcing stock picking/management. Third party involvement in one of the most central operational procedures, that highly effect performance in meeting customer expectations.

Rating: Unchanged

Mitigation of risk

14 & 15. Risk related to technical performance

Boozt assesses and monitors the risk for the occurrence of different scenarios that affect the function of the webstores that Boozt operates. Our IT Disaster Recovery Plan prioritises roles and responsibilities and actions to mitigate disruption events. The webstores are monitored in real time and actions can be taken in minutes to ensure website functionality.

16. Dependency on logistical partners

We are in constant dialogue with our logistical partners and implement improvements to the customer offering continuously. Through this close partnership with several of the leading logistical providers in the region we don't consider the dependency of a single partner to be critical.

17. Incident risks

Boozt assesses and evaluates different possible scenarios and has defined what actions to take if such events occur. Contingency plans are adopted and includes responsibility- and crisis management.

18. Efficiency and capacity warehouse

The growth of the business is in accordance with the strategic business plan. Strategic and tactical planning is performed to support the growth considering factors such as warehouse/logistics capacity, recruitment strategies etc. Group Management and the Board of Directors continuously review the business plan and the strategic and tactical planning continuously. Through a close partnership with our contractor in the BFC we are able to keep high financial efficiency in the return handling.

19. Suppliers and partners

We have a long term and well-functioning relationship with the contractor, who has been the contracted supplier of pick and pack services for Boozt since the business was started. Contractual terms reflect the need to ensure compliance with demands, growth plans and policies set by Boozt, including values as stated in the Group's Code of Conduct.

Sustainability report

This is the Group's report on non-financial (environmental, social and governance-related) information. The report has been prepared in accordance with the Annual Report Act's Sustainability Reporting Requirements. The Group defines sustainability in this context as the work on environmental issues, anti-corruption and bribery, employee and social matters, and human rights. For Boozt to work with sustainability means to positively contribute to society while minimizing any negative impact from the Group's own operations. It also includes communicating the Group's own expectations to fashion and cosmetics brands, whose products the Group sells on its sites, and the work done to ensure that brands and partners comply with applicable regulations and expectations from customers.

Boozt's priorities are related to risk management as well as seizing business opportunities. The risks that the Group considers to be of material importance are included in the Group's risk report on page 76. Specific risks assessed to prioritize sustainability issues, are identified and commented on below.

Reporting
requirement

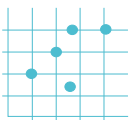
Comments



Business model

Boozt's business model consists of purchasing clothes, accessories and cosmetics from established brands and promoting and selling them to the wider public through its online and offline shops. Boozt is a main player in the mid- to premium segment in the Nordics and adds value through matching supply and demand in an innovative and consumer-friendly way.

As an online retailer, with no own production of garments, accessories, or cosmetics, many of the sustainability risks the Group's business faces are indirect and related to parts of the supply chain. While the Group has no immediate control over supply chain sustainability risks, it can take measures to assess suppliers' performance and minimize risks. Identified direct risks are mainly associated with the Group's operations in the fulfilment centre and as an employer.

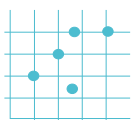


Identified risks
and risk
management

Through an analysis of its operations, the Group has identified four main risks related to sustainability: Occupational health and safety, Product quality risks, Environmental impacts of transportation and Corruption.

Risks related to working environment have been assessed and are managed through a systematic approach to occupational health and safety. Risk include physical risks, mainly in the handling of products and product returns in the fulfillment center, but also psychosocial risks, such as stress, in all parts of our business. All managers are made aware of their responsibility of preventing these risks. Fire safety is of highest priority, specifically in the fulfilment centre with respect to contingency planning. With modern techniques the Group has been able to implement comprehensive preventive safeguards to keep the risk of fires at an absolute minimum. In the automated retrieval system there's no oxygen, which decreases the risk of fires among the inventory goods kept in the system. All flammable goods, such as perfumes, are kept in a fireproof safety room designed with purpose to prevent potential fires to spread. Fire prevention is managed in a systematic way, with documented continuous safety rounds being performed.





Identified risks and risk management

The Group also identified product quality risks related to hazardous substances in products distributed by our brand partners posing a risk to the environment and human health, or not meeting ethical requirements of our customers. This risk is primarily managed through contractual agreements and requirements on the brand partners.

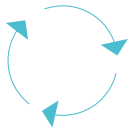
Animal welfare is really important for Boozt, and we are aware of the challenges the fashion sectors faces with regard to animal welfare and the ethical issues surrounding the well-being and treatment of animals. We have hence decided not to trade fur products and have been a fur-free retailer since 2016. Swedish and Danish animal rights organisations, Djurens Rätt and Anima list Boozt as a fur-free retailer.

A default risk associated to the e-commerce business model, and perhaps one of the biggest challenges the Group as well as other players in the market are facing from a sustainability perspective, is the challenge of addressing the environmental impact of transportation of goods. Boozt is humble to this challenge and we try to address the issues from different perspectives.

As one of the biggest e-commerce players in the Nordic market, we are an important partner for the logistic transporters. As a consequence we have an indirect possibility to impact our partners by encouraging and offering to be part of initiatives to decrease CO2 emissions, which we do while negotiating and developing services with our partners. Another perspective is the possibilities that comes with scale with respect to optimize filling capacity in the cars, which means that the trucks drive shorter distances. To limit this risk, the Group's operations work closely with transport partners to optimize internal and external flows in the supply chain, in order to minimize CO2 emissions and other local impacts.

There is an inherent risk that individuals, in our own operations or in the interaction with us, breach legal requirements and our ethical principles, related to anti-corruption and business ethics. We have risks related to the fact that we are now a listed company, and must prevent any sensitive information to be shared and used wrongfully. We also have risks related to our purchasing of goods from many different brands. We have policies and procedures in place addressing these risks in a systematic way.





Environment
Policies
Due-diligence
procedures
Results
Indicators

The Group has adopted a Group Policy regarding Environmental impact which sets the basic foundation for the Group's decision-making and procedures.

The main focus of the policy is the Group's own operations, in particular the fulfilment centre. The operations in the fulfilment centre are driven by energy efficient and modern technology which are supported by 100% renewable energy-sources, currently energy from hydropower, but with ongoing activities to partly replace external energy sources with self-produced solar energy from solar panels on the roof of the fulfilment centre. Thereby dependency on external energy will decrease, strengthening the Group's contingency planning in the case of a power/electricity outage.

Our logistic and fulfilment centre in Ängelholm, which is the largest building, with the highest energy consumption within our operations is a GreenBuilding certified facility. The certification requires that the energy consumption of the building is 25% lower than required in the regulations set by the Swedish National Board of Housing, which has been successfully managed since the fulfilment centre was taken into use. The target for energy consumption in the fulfilment centre has been set to maintain compliance with the GreenBuilding requirements.

During 2017 the Group has enacted measures to minimize the environmental impact of the packaging material used to distribute products to consumers. During 2017 the composition of the material used in the plastic bags was improved, from being 50% recyclable to 80% recyclable. Plastic bags are the preferred packaging solutions as they are significantly smaller and lighter than cardboard packaging, thus resulting in less waste and less transportation weight. Plastic bags were in 2017 approximately 80% of all outbound packaging material and the Group has set a target to introduce bags constituted of 100% decomposable material during 2018.

With respect to recycling of waste, the recycling process of all packaging material from inbound deliveries has been significantly improved due to the investments made in efficient recycling systems in the warehouse. More than 82% of all waste has been recycled since the new fulfilment centre opened. Recycled materials consist mainly of paper, wood and plastic. We aim to improve this ratio; the target ratio is set at 85% for 2018.





Employees and social matters

Policies

Due-diligence procedures

Results

Indicators

The Group has adopted policies regarding HR and diversity for the Board of Directors as well as a Code of Conduct and an equality plan.

During 2017 Boozt employed a Talent Development Manager with the purpose to improve internal systems and initiate further activities for employee development. The purpose is also to expand and improve current activities such as employee development beyond regulatory requirements. In 2018 we will introduce an employee survey, to identify areas of improvement, both related to the physical and psychosocial working environmental as well as regarding employee career and personal development. The Group believes that its organization benefits from having employees with different cultural backgrounds and would like to continue to be an example of how this feature strengthens our company. The Group set a target to continue to keep current rate of foreign born employees around 50% (the level for 2017 was 52%). Safety in the Group's fulfilment centre and offices are a necessity, and we should always aim to not have any occupational injuries. During 2017, there was one occupational injury reported in the fulfilment centre, resulting in 14 working days lost.

We favour a sound life-work balance. We encourage parental leaves for both men and women and support combining part-time parental leave with part-time work.

We are a company for the many and want our contributions to gain as many as possible. Hence, we engage in matters that effect a lot of people. A disease unfortunately affecting many is cancer - almost everyone knows someone who has or has had cancer. That is why cancer-related initiatives are something we strive to be engaged in. Being one of the leading online retailers in the Nordics, we use our reach and size to support several charities and good causes within this field. For four years Boozt have been the only official partner of Danish TV2 and Knæk Cancer, the Danish cancer association. In 2017 we were able to raise over DKK 700,000 for cancer research, selling a special t-shirt designed for the occasion where SEK 100 out of the retail price of SEK 249 were donated to the organisation. We are also supporting Movember, an international movement against prostate cancer.





For 2017 Boozt.com and Mini A Ture joint forces to support Red Cross and their charity work around the globe. 4 rainwear sets were designed and produced by Mini A Ture exclusively for Boozt.com. Boozt.com has since spring promoted these sets in various online channels and donated SEK 100 for each set sold.



Human rights

Policies

Due-diligence procedures

Results

Indicators

The Group has policies to minimize and prevent risks related to human rights in the apparel manufacturing industry. Human Rights risks in the apparel and fashion industry have been documented over the years, and there has been an increased pressure on both brands and manufacturers to improve control of their supply chain through contractual agreements, changes in processes and audits of conditions in factories. As a retailer, Boozt wants to make sure that the Group does not sell products or goods produced by child labour or by labourer in poor working conditions. To minimize these risks, the Group adopted a Group Code of Conduct with the purpose to state and communicate minimum requirements for employees, contractors, suppliers, and others to live by.

During 2017, the Group started elaborating on how we best can support brands and other partners to have high standards with respect to corporate social responsibility. We know that many of the brands we work with are truly committed, and the Group believes that the best thing we can do, is to support their work. Since we work with more than 500 brands, we need to deal with the difference in resources that small, local brands have available in comparison to international apparel giants. We therefore want to find an innovative method to support and assess brands within that whole range. This work will continue and will be further developed during 2018. To develop relevant indicators will be a part of that work.





**Counteracting
corruption and
bribery**
Policies
Due-diligence
procedures
Results
Indicators

In February 2017 Boozt adopted an internal Code of Conduct and a set of policies to continue to guarantee that business is conducted ethically. These include an Anti-Corruption policy, an Insider policy and Procurement policy. The Anti-corruption policy outlines the Groups' position on preventing and prohibiting corruption and bribery in accordance with local legislation where the Group operates as well as significant international regulatory regimes and laws with extraterritorial reach such as the UK Bribery Act and the US Foreign Corruption Practices Act. The Anti-corruption policy includes never-acceptable practices and monitoring activities to support the prevention of corruption, bribery and conflicts of interest.

Amongst the never accepted practices is the strict prohibition to accepting or offering purchase discounts, commissions, bonuses or kickbacks from our brands. The policies also detailed specific restrictions regarding private purchases by employees from our suppliers/brands for private use or consumption, at prices below market prices. Likewise, our Anti-Corruption policy establishes that our employees must not accept gifts or any other compensation there is a possibility that these may be perceived to improperly influence business decisions and lays out typical situations in which gifts from suppliers can be considered to be a mean to influence business decisions.

The Group's Whistleblower policy was adopted with the aim to encourage a transparent business environment where the Group operates profitably while maintaining good ethics. The Group is committed to deal with wrongdoing and believe that reporting wrongdoing is of great importance. A whistleblower channel supported by an external supplier is a tool to support such reporting. There haven't been any cases reported in the whistleblower channel during 2017.

During 2017 we have also conducted sample testing at our brands to verify the occurrence of gifts from brands to our buyers. There were no indications of such occurrences.



Consolidated financial statements

This report is published April 6, 2018

Consolidated income statement

SEK million unless otherwise indicated	Note	01-01-2017 31-12-2017	01-01-2016 31-12-2016
OPERATING INCOME			
Net revenue	3, 4	2 016.4	1 396.4
Other operating income	5	-	4.3
		2 016.4	1 400.7
OPERATING COSTS			
Goods for resale		-1 155.4	-766.5
External fulfilment and distribution costs	6	-312.4	-224.2
External marketing costs	6	-261.4	-205.7
Other external costs	6, 7, 8	-126.3	-73.6
Cost of personnel	9	-197.3	-97.2
Depreciation and impairment losses	10	-30.8	-12.4
Other operating costs	5	-2.6	-
Total operating costs		-2 086.2	-1 379.7
OPERATING PROFIT/LOSS (EBIT)	4	-69.8	21.0
FINANCIAL INCOME AND EXPENSES			
Financial income		9.2	-
Financial expenses		-7.6	-0.5
Net financial items	11	1.6	-0.5
PROFIT/LOSS BEFORE TAX	4	-68.2	20.5
Income tax	12	55.6	-7.7
PROFIT/LOSS FOR THE YEAR		-12.6	12.9
ATTRIBUTABLE TO:			
Parent company's shareholders		-12.6	12.9
Earnings per share (SEK)	13	-0.24	0.29
Earnings per share after dilution (SEK)	13	-0.24	0.29

Rounding differences may effect the summations.

Consolidated statement of comprehensive income

SEK million	01-01-2017 31-12-2017	01-01-2016 31-12-2016
PROFIT/LOSS FOR THE PERIOD	-12.6	12.9
Items that may be reclassified to the income statement		
Translation differences	0.1	-
Other comprehensive income	-12.5	12.9
TOTAL COMPREHENSIVE PROFIT/LOSS FOR THE PERIOD	-12.5	12.9
ATTRIBUTABLE TO		
Parent company's shareholders	-12.5	12.9

Rounding differences may effect the summations.

Consolidated statement of financial position

SEK million	Note	31-12-2017	31-12-2016
ASSETS			
Non-current assets			
Intangible assets			
Web platform	14	19.5	15.0
		19.5	15.0
Tangible assets			
Equipment	15	155.1	17.6
		155.1	17.6
Other non-current assets			
Deposits		11.8	9.8
Deferred tax asset	12	92.5	36.8
		104.3	46.6
Total non-current assets		278.9	79.2
Current assets			
Inventories	16	571.6	388.8
Accounts receivables	17	34.0	19.6
Other receivables		38.2	49.7
Current tax assets		0.5	0.4
Prepaid expenses and accrued income	18	26.9	39.7
Derivatives financial instruments	19	4.4	-
Cash and cash equivalents	20	429.7	221.8
Total current assets		1,105.1	720.1
TOTAL ASSETS		1,384.0	799.3
EQUITY AND LIABILITIES			
Equity			
Share capital		4.7	3.9
Other capital contributions		1,124.3	689.2
Reserves		0.1	-
Retained earnings including profit for the year		-338.3	-325.8
Equity attributable to parent company shareholders	21	790.8	367.3
Non-current liabilities			
Interest bearing liabilities - non-current	22	70.6	8.6
Other provisions	22	21.1	16.3
Total non-current liabilities		91.7	24.9
Current liabilities			
Interest bearing liabilities - current	22	30.6	3.4
Accounts payables		282.7	268.8
Other liabilities		62.0	34.6
Derivatives financial instruments	19	0.3	-
Accrued expenses and prepaid income	23	126.0	100.2
Total current liabilities		501.5	407.1
Total liabilities		593.2	432.0
TOTAL EQUITY AND LIABILITIES		1,384.0	799.3

Rounding differences may effect the summations.

Consolidated statement of changes in equity

SEK million	Share capital	Other capital contributions	Reserves*	Profit brought forward incl. profit/loss for the year	Total equity attributable to parent company shareholders
Opening balance 01-01-2016	3.5	549.2	-	-338.6	214.1
Profit for the year	-	-	-	12.8	12.8
Other comprehensive income	-	-	-	-	-
COMPREHENSIVE PROFIT/LOSS FOR THE YEAR	-	-	-	12.8	12.8
New share issue	0.3	103.6	-	-	104.0
Share based payments	0.1	36.3	-	-	36.4
Total transactions with owners	0.4	140.0	-	-	140.4
Equity as per 31-12-2016	3.9	689.2	-	-325.8	367.3

Rounding differences may effect the summations.

SEK million	Share capital	Other capital contributions	Reserves*	Profit brought forward incl. profit/loss for the year	Total equity attributable to parent company shareholders
Equity as per 01-01-2017	3.9	689.2	-	-325.8	367.3
Profit for the year	-	-	-	-12.6	-12.6
Other comprehensive income	-	-	0.1	-	0.1
COMPREHENSIVE PROFIT/LOSS FOR THE YEAR	-	-	0.1	-12.6	-12.5
New share issue	0.7	399.2	-	-	400.0
Costs of share issue	-	-15.6	-	-	-15.6
Sell of shares in own portfolio	0.1	46.8	-	-	46.9
Share based compensation	-	4.8	-	-	4.8
Re-classifications*	-	-0.1	-	0.1	-
Total transactions with owners	0.8	435.1	-	0.1	436.0
Equity as per 31-12-2017	4.7	1,124.3	0.1	-338.3	790.8

Rounding differences may effect the summations.

*Related to the liquidation of the second-tier subsidiary Lucky Little Me AB.

Consolidated statement of cash flow

SEK million	Note	01-01-2017 31-12-2017	01-01-2016 31-12-2016
OPERATING ACTIVITIES			
Operating profit		-69.8	21.0
Adjustments for items not included in cash flow:			
Share based compensations - social charges		4.8	8.0
Share based compensations		4.8	12.1
Depreciations	10	30.8	12.4
Other items not included in cash flow		-0.1	0.0
Interest paid		-2.5	-0.5
Paid income tax		-0.0	0.0
CASH FLOW BEFORE CHANGES IN WORKING CAPITAL		-32.0	53.2
WORKING CAPITAL			
Changes in goods inventory		-182.8	-148.9
Changes in current assets		10.0	-45.3
Changes in current liabilities		67.0	181.8
Cash flow from working capital		-105.8	-12.4
CASH FLOW FROM OPERATING ACTIVITIES		-137.8	40.8
INVESTMENTS			
Acquisition of fixed assets	15	-162.7	-23.6
Acquisition of financial assets		-2.1	0.4
Acquisition of intangible assets	14	-10.1	-10.5
CASH FLOW FROM INVESTMENTS		-174.9	-33.7
FINANCING			
New share issue	21	431.2	104.0
New loans	22	163.1	12.0
Loan repayments	22	-74.0	-1.2
CASH FLOW FROM FINANCING		520.4	114.8
Cash flow for the year		207.7	121.9
Currency exchange gains/losses in cash and cash equivalents		0.2	0.0
Cash and cash equivalents beginning of the year	20	221.8	99.9
CASH AND CASH EQUIVALENTS END OF THE YEAR	20	429.7	221.8

Rounding differences may effect the summations.

Note 1 - Significant accounting principles

These annual accounts and consolidated accounts include the Swedish parent company Boozt AB, corporate identity number 556793-5183, and its subsidiaries. The Group's main business is sale of clothes, shoes and accessories.

The parent company Boozt AB (publ) (registration number 556793-5183) is a Swedish public limited liability company registered in Sweden domiciled in Malmö. The head office address is Hyllie Boulevard 10B, 215 32 Malmö.

The Board of Directors and the CEO has on April 10, 2018 approved the annual accounts and consolidated accounts which will be submitted for adoption at the Annual General Meeting on April 27, 2018.

Applied rules and regulations

The consolidated accounts have been prepared in accordance with the Swedish Annual Accounts Act and International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as defined by the European Union (EU). In addition, the consolidated accounts follow the recommendation of the RFR 1 "Supplementary accounting rules for Groups".

New or amended accounting standards 2017

No changes and interpretations of existing standards applied by the Group as per financial year of 2017 had any significant impact on the Group's or parent company's financial reports. Changes in IAS 7 implies increased disclosure requirements regarding cash flow. Since this is not expected to have a significant impact on the Group's financial reporting for 2017, no additional information has been provided.

No early adoption of standards has been applied.

New or amended accounting standards that come into force after 2017

The following updates have been decided by the IASB:

- IFRS 9, that addresses accounting of financial assets and liabilities and replaces IAS 39 Financial Instruments. IFRS 9 is effective as from January 1, 2018. Boozt will not have any effect from the transition to IFRS 9, for further descriptions of the accounting principles, see note 2.

- IFRS 15 replaces all previously issued standards and interpretations which manage revenue with a comprehensive model for revenue recognition. Boozt will not have any material effect on the revenue accounting from the transition to IFRS 15, for further descriptions of the accounting principles, see note 2.

- IFRS 16 Leasing replaces IAS 17 as of January 1, 2019. Under the new standard, the majority of leased assets are to be reported in the balance sheet. The only exceptions are short-term and low-value leases. For the Group the implementation of IFRS 16 is expected to affect the financial statements as all leases in the Group will be capitalized, i.e. an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. This will have an effect on total balance sheet and key ratios such as solidity. The contracts that are deemed to have the greatest impact are leasing contracts relating to the premises for the fulfilment centre in Ängelholm, the headquarter and physical retail stores.

The Group has begun to analyse the effects the standard will have but it is yet to early to quantify the effects. The Groups current operating leases are found in note 8."

Valuation Basis

Assets and liabilities are based on historical acquisition costs except for certain financial assets and liabilities measured at fair value.

Currency

Functional currency is the currency of the primary economic environment in which companies operate. The parent company's functional currency is SEK, which is also the reporting currency for the parent company and the Group. This means that the financial reports are presented in SEK.

All amounts, unless otherwise indicated, are rounded to the nearest million.

Consolidation

Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group has a controlling interest of a company when it is exposed to or has the right to variable returns from its holdings in the company and has the opportunity to impact the return, through its influence in the company. Subsidiaries are consolidated from the date on which the control is transferred to the Group. They are excluded from the consolidated accounts from the date the control ceases.

Acquisitions are accounted for using the purchase method. The method implies that the acquisition of a subsidiary is considered a transaction through which the Group indirectly acquires the subsidiary's assets and assumes its liabilities. The acquisition analysis/purchase price allocation establishes the fair value at the acquisition date of the identifiable assets acquired and liabilities assumed and any non-controlling interests. Transaction costs, except for transaction costs that are attributable to the issuance of equity or debt instruments, are recognised immediately in profit/loss for the year. For acquisitions where the consideration transferred exceeds the fair value of acquired assets and assumed liabilities that are recognised separately, the difference is recognised as goodwill. When the difference is negative, known as a bargain acquisition, this is recognised directly in profit/loss for the year.

Transactions eliminated in consolidation

Group internal receivables and liabilities, revenues or costs and unrealised gains or losses relating to Group internal transactions between Group companies are eliminated when the Group's accounts are consolidated.

Classification

Fixed assets and long-term liabilities essentially consist of amounts expected to be recovered or settled after more than twelve months from the balance sheet date. Current

assets and current liabilities essentially consist of amounts expected to be recovered or paid within twelve months from the closing date.

Segment reporting

An operating segment is a component of the Group that conducts operations from which it can generate revenues and incur costs and for which independent information is available.

Operating segments are reported in a manner consistent with the internal reporting provided to the chief executive decision-maker (Board of Directors) to allocate resources to the operating segment. Boozt has identified and reports three operating segments; Boozt.com, Booztlet.com and Other.

The assumptions and key ratios for allocating resources to the operating segments have been consistent over time. For reporting by segment see note 3.

Transactions in foreign currency

Transactions in foreign currencies are translated into the functional currency at the exchange rate prevailing on the transaction date. Monetary assets and liabilities in foreign currencies are translated into the functional currency at the exchange rate prevailing at the balance sheet date. Exchange rate differences arising on translation are recognised in net profit/loss for the year. Exchange gains and losses on operating receivables and liabilities are recognised in operating profit/loss, while gains and losses on financial assets and liabilities are reported as financial items.

Translation of foreign operations

Assets and liabilities of foreign operations, including goodwill and other Group surpluses and deficits, are translated from their functional currency to the Group's reporting currency, Swedish kronor, at the exchange rate prevailing on the balance sheet date. Revenues and expenses of foreign operations are translated to Swedish kronor at an average rate that is an approximation of the exchange rates prevailing on the transaction dates. Translation differences arising on translation of foreign operations are recognised as comprehensive income and accumulated in a separate component in

equity called translation reserve. On disposal of a foreign operation, the cumulative translation differences relating to the activities are realised, whereby they are reclassified from comprehensive income to net profit/loss for the year.

Revenue

The Group recognises revenue when the amount can be measured in a reliable way, it is probable that future economic benefits will flow to the company and specific criteria have been met for each of the Group's businesses. Revenue comprises the fair value of the consideration that has been received or will be received for goods and services sold in the Group's operating activities. Revenue is recognised excluding VAT, expected returns and discounts and after eliminating inter-company sales.

Commission Sales

When the Group sells goods or services as an agent, revenue and payments to suppliers are recognised net under net revenue and represent the margin/commission earned by the Group. The Group is liable for any value added tax on the total value of items sold to end consumers. The Group recognises actual and expected returns in the same manner as for sale of goods. Whether the Group is considered as principal or agent in a transaction is based on an analysis of both the legal form and the content of the agreement between the Group and its business partner, these assessments affect the amount of recognised net sales and operating expenses, but not profit/loss for the year or cash flows.

Sale of goods

All sales are made on a 30-day return. Revenue recognised is reduced with the transactional price (excl. VAT) for the items that are expected to be returned. The reduced amount are accounted for as a provision for returns and complaints. The provision is based on sales statistics and an assessment of future complaints and returns, and occurs in the same period as the sale.

Gift Cards

Upon the sale of gift cards the entire amount is recognised

as a provision and is recognised as revenue when the gift card is used, or when its validity expires.

Sale of marketing services

For sale of marketing services a revenue is recognized from the brand partners that the Company sold marketing services to. The net revenue is recognised at the time when the services is performed. The services are normally invoiced in advance why the company recognizes an accrued income in the balance sheet.

Employee benefits

Current benefits

Current employee benefits such as salary, social security contributions, holiday pay and bonus are expensed in the period when the employees provides the services.

Pensions

Boozt AB's pension obligations are covered by defined contribution plans. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or informal obligations to pay further contributions if this legal entity does not have sufficient assets to pay all employee benefits relating to employee services in the current and prior periods. The Group has therefore no additional risk. The Group's obligations for contributions to defined contribution plans are recognised as an expense in profit or loss as they are earned by the employee performing services for the Group during a period.

Compensation on termination

An expense for remuneration in connection with termination of personnel is recognised only if the company is demonstrably committed, without realistic possibility of withdrawal, by a formal detailed plan to terminate an employment before the normal dismissal time. When remuneration is paid as an offer to encourage voluntary redundancy, a cost is recognised if it is probable that the offer will be accepted and the number of employees who will accept the offer can be reliably estimated.

Share-based payments

Key employees are invited to participate in warrant programs in Boozt AB. At the programs end, key employees, in case the conditions of the program are met, have the right to receive warrants to purchase shares for a pre-determined price. The Group recognises share-based payments for warrants which personnel in question may receive. A personnel cost is recognised, together with a corresponding increase in equity, distributed over the period in which the vesting conditions are met, which is the date on which the relevant employees become fully entitled to the compensation. The cumulative expense recognised at each reporting date shows the progress of the vesting period with an estimate of the number of warrants that will finally become fully vested. At each balance sheet date the Group revises its estimate of the number of warrants expected to be vested. Any deviations from the original assessments are reported in the income statement and the corresponding adjustments are made in equity.

Social security costs attributable to share-based payments as above are expensed in the periods in which the services are provided. The liability for social security costs arising is revalued at each reporting date based on a new calculation of the fees expected to be paid when the warrants are redeemed. This means that a new market valuation of the warrants is made at each balance sheet date which is the basis for the calculation of the liability for social security charges.

Warrant program 2012/2022

In conjunction with the listing of Boozt AB's (publ) shares, 200,447 issued and distributed warrants, each with a right to purchase 12 shares were converted to ordinary shares. The conversion was performed by the Company re-purchasing the warrants from the warrant holders to a price based on the final price in the listing, meaning that a debt to the former warrant holders emerged.

The debt was converted to ordinary shares in a setoff issue that was performed at the price corresponding to the final price in the listing of the Boozt AB (publ) shares. A consequence of the re-purchase of warrants is that a liability

for the company to pay social charges arose. The cost for social charges related to warrant program 2012/2022 has been secured by Boozt AB (publ) issuing 786,532 warrants to a fully owned subsidiary which could be utilised for subscribing to ordinary shares in Boozt AB (publ). The subsidiary has converted the warrants to ordinary shares and subsequently sold them at the time of the listing of the Boozt AB (publ) share. The settlement has been used to pay social charges.

As per December 31, 2017 there are no outstanding warrants related to the warrant program 2012/2022.

Warrant program 2015/2025

The Group issued a warrant program for employees identified as key personnel in the Group. The Group CEO is included in this group. A total of 267,500 warrants have been issued within the program. Out of these warrants, 63,954 warrants have been issued to a fully owned subsidiary with purpose to counteract cash flow implications related to the social charges that the company will be liable to pay at the redemption date. Each warrant gives a right to purchase 12 shares.

The vesting of warrants was triggered in conjunction with the listing of the Company's shares, whereby 33% of the warrants are vested from the issuing date up until 12 months occurring after the first day of trading of the Company's shares on Nasdaq Stockholm, meaning May 31, 2018. 33% of the warrants are vested on the date occurring 24 months after the first day of trading of company's shares, meaning May 31, 2019, and the remaining 34% of the warrants are vested on the date occurring 36 months after the first day of trading of the company's shares, meaning May 31, 2020.

Other share-based payments

An agreement with a supplier regarding purchase of tv-spots to be delivered during 2016-2018 was entered into in 2016. The agreement has been settled by allotment of shares. The fair value of the transaction has been established jointly by the parties on the basis of the current market for this type of services. See note 5.

Leasing

Financial lessee

The Group does not account for any financial leases during 2017.

Operating lessee

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are expensed in the income statement over the lease period. The Group's major leases refer to rental contracts for premises.

Financial costs

Financial costs comprise of interest on loans and costs for revolving credit facilities.

Income taxes

Reported tax comprises current tax and deferred tax. Income tax is recognised in profit or loss unless the underlying transaction is recognised in other comprehensive income or in equity, whereby the associated tax effect is recognised in other comprehensive income or in equity.

Current tax is tax to be paid or received for the current year, using tax rates enacted or substantially enacted at the balance sheet date. Current tax also includes adjustments of current tax attributable to previous periods. Deferred tax is recognised in full, using the balance sheet method, on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts. Temporary differences are not considered in consolidated goodwill. Nor are temporary differences attributable to participations in subsidiaries and associated companies considered that are not expected to be reversed in the foreseeable future. The valuation of deferred tax is based on how underlying assets or liabilities are expected to be realised or settled. Deferred tax is calculated by applying the tax rates and tax rules enacted or announced at the balance sheet date and are expected to apply when the related deferred income

tax asset is realised or the deferred income tax liability is settled. Deferred tax assets for deductible temporary differences and tax losses carried forward are only recognised to the extent that it is probable that they can be utilised. The value of deferred tax assets is reduced when it is no longer considered probable that they can be utilised.

Intangible assets

Web platform

Development expenditure for new or improved processes within the Group's web platform designed for e-commerce is recognised as an asset if the process is technically and commercially feasible and the Group has sufficient resources to complete the process. Capitalised expenses relate mainly to software and software platform. Resources to capitalised proprietary software consisting of amongst others Fastlane, Propilot, Partner Portal and CSEye is allocated via number of codelines produced by the developers.

Depreciation principles

Depreciation is recognised in net income on a straight-line basis over the depreciable intangible assets' estimated useful lives.

The estimated useful lives are;

- Web platform 5 years

The useful lives are reviewed at least annually.

Tangible assets

Tangible assets are recognised at acquisition cost less accumulated depreciation and any impairment losses. The cost includes the purchase price and expenses directly attributable to the asset to bring it in place and in condition to be used in accordance with the purpose of the acquisition. The carrying amount of an asset is derecognised from the balance sheet on disposal or sale or when no future economic benefits are expected from the use or disposal/sale of the asset. The gain or loss arising on the disposal or disposal of an asset is the difference between the sale price and the asset's carrying amount less direct selling

expenses. Gains and losses are recognised as other operating income/expenses.

Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that future economic benefits associated with the asset will flow to the Group and the cost can be measured in a reliable way. All other subsequent expenditure is expensed in the period they occur. Repairs are expensed continuously.

Depreciation principles

Depreciation is made on a straight-line basis over the asset's estimated useful life.

The estimated useful lives are;

- Equipment, tools, fixtures and fittings 5 years
- Computers 3 years

Depreciation methods, residual values and useful lives are reassessed at each year-end.

Impairment of non-financial assets

Assets that are depreciated are assessed for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable.

An impairment loss is the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less selling expenses and value in use. When assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). When impairment has been identified for a cash-generating unit (group of units) the impairment loss is primarily allocated to goodwill. Thereafter, a proportional impairment of other assets in the unit (group of units) is made.

The previously recognised impairment loss is reversed if the recoverable amount is estimated to exceed the carrying value.

However, reversal must only be made with an amount so

that the carrying value amounts to what it would have been if the impairment had not been recognised in previous periods.

Impairment of goodwill is never reversed.

Financial assets and liabilities

A financial asset or financial liability is recognised in the balance sheet when the Group becomes a party to the instrument's contractual terms. Accounts receivables are recognised when invoices are sent. Since the accounts receivables are transferred to the credit institution at the time of the customers' transaction, no account receivable is recognized. Instead "other receivables" holds the receivable until the credit institution makes the payment. The transactional cost for the selling of accounts receivable is recognized as an external cost. Liabilities are recognised when the counterparty has performed and there is a contractual obligation to pay, even if an invoice has not yet been received. Accounts payables are recognised when invoices are received.

A financial asset is derecognised in the balance sheet when the contractual rights are realised, expire or the Group loses control over them. The same applies to part of a financial asset. A financial liability is derecognised in the balance sheet when the obligation in the agreement is fulfilled or otherwise settled. The same applies to part of a financial liability.

Financial assets and financial liabilities are offset and the net amount is recognised in the balance sheet only when there is a legal right to offset the amounts and there is an intention to settle the items on a net basis or to realise the asset and at the same time settle the liability. Purchases and sales of financial assets are recognised on the trade date. Trade date is the day when the company commits to acquire or sell the asset.

Classification and valuation of financial instruments

Financial instruments are initially recognised at acquisition cost, corresponding to fair value of the instrument plus

transaction costs for all financial instruments except for those classified as financial assets/liabilities recognised at fair value through profit or loss which are recognised at fair value excluding transaction costs. A financial instrument is classified on initial recognition among others based on the purpose for which it was acquired. The classification determines how the financial instrument is valued after the initial recognition. The Group holds financial instruments in the following categories;

- Loan receivables and accounts receivables
- Other financial liabilities

Loan receivables and accounts receivables

Loan receivables and accounts receivables are financial assets that are not derivatives, that have fixed or determinable payments and that are not listed in an active market. These assets are valued at accrued acquisition cost. Accrued acquisition cost is determined using the effective interest rate calculated at the acquisition date. Receivables are recognised at the amount expected to be received i.e. after deductions for bad debts.

Other financial liabilities

Loans and other financial liabilities such as accounts payables are included in this category. Loans are initially recognised at fair value, net of transaction costs. Subsequently, they are recognised at accrued acquisition cost. Any difference between the amount received and the amount to be repaid is recognised as interest in the income statement over the loan period using the effective interest method.

Accounts payables are obligations to pay for goods or services acquired in the ordinary course of business from suppliers. Accounts payables are classified as current liabilities if they fall due within one year or less. If not, they are reported as long-term liabilities. Accounts payables are recognised initially at fair value and subsequently at accrued acquisition cost using the effective interest method.

Impairment of financial assets

The Group assesses at the end of each reporting period if there is objective proof that there is a need for impairment of a financial asset. If impairment is required, the asset's carrying amount is written down and the impairment loss is recognised in the consolidated income.

Inventories

Inventories are valued at the lower of cost and net realisable value. Cost is calculated under the so-called first-in first-out principle and includes expenditure incurred in acquiring the inventories and bringing them to their present location and condition. Net realisable value is defined as the selling price less selling expenses.

Inventories are exposed to obsolescence. Factors that affect the risk of obsolescence includes risk that returned goods are unsaleable and risk of redundancy.

Liquid funds

Liquid funds consist of cash deposited through banks and similar institutions. It may occur that parts are restricted. See note 20.

Contingent liabilities

A contingent liability is recognised when there is a possible obligation that arises from past events and whose existence is confirmed only by one or more uncertain future events or when there is one or several commitments that are not recognised as a liability or provision because it is not probable that an outflow of resources will be required.

Estimates and assumptions

Preparation of the financial reports in accordance with IFRS requires management to make assessments and estimates and assumptions that affect application of the accounting policies and the recognised amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and assumptions are continually evaluated. Changes in estimates are recognised in the period the

change is made if the change only affected that period or in the period the change is made and in future periods if the change affects both current and future periods.

Important assessments

An assessment item is expected returns on the sales reported for the period. The estimate is based on historical information on the return percentage on sales. Estimations are monitored and deviations are investigated.

For the Group, the deferred tax assets are fully attributable to losses carried forward. The deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the accumulated deficits can be utilised. The Group's losses carried forward are attributable to Sweden, where losses carried forward are not time limited. It is the Group's assessment that the coming years will generate taxable income to the extent that the loss carried forwards can be utilised. Deferred tax assets related to tax loss carried forwards amounted to SEK 92.5 million (36.8) at the end of 2017.

Inventories are recognised at the lower of cost and net realisable value. When calculating the net realisable value, an assumption is made of outgoing items, surplus items, damaged goods and the estimated sales value based on available information.

In connection with the listing of Boozt AB's (publ) shares which was performed on May 31, 2017, the warrant program 2012/2022 was redeemed as described on page 96 in this report.

For warrant program 2015/2025, a probability assessment of the proportion of warrant holders expected to fulfil the terms and conditions that gives them a right to exercise the issued warrants is performed at each reporting date. The assessment is thereby a factor in the calculation of the liability (social charges) for share based payments to employees for the period.

Legal proceedings

In accordance with IFRS, a liability is recognised when there is an obligation as a result of an event and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made. A regular review is made of the outstanding legal cases. An assessment is then made of the need for provisions in the financial reports. The Group companies are only involved in minor disputes that are directly attributable to the business. Appropriate provisions are made when the assessment resulted in a risk. As per balance sheet day 2017 no liabilities related to legal proceedings are accounted for.

Note 2 - Accounting standards that the Group will adopt as from January 1, 2018

IFRS 9

IFRS 9 addresses accounting of financial assets and liabilities and replaces IAS 39 Financial Instruments and is effective as from January 1, 2018. The Group will apply the new rules from 1 January 2018. Comparatives for 2017 will not be restated, as permitted by the standard.

IFRS 9 introduces categories other than those contained in IAS 39;

- fair value through profit or loss;
- fair value through other comprehensive income and
- amortised cost.

The classification depends on type of instrument and then for debt instrument the business model.

IFRS 9 also introduces a new model for the impairment of financial assets. The purpose of the new model includes that credit losses should be recognised earlier than under IAS 39. The revised principles for the provision and impairment of credit losses imply that the previous model based on incurred losses is replaced by a model that is based on expected credit losses.

Transition

To identify whether the Group's existing accounting principles are affected by the introduction of IFRS 9, an analysis was completed in 2017. Based on this the Group's accounting will not be affected by the implementation of IFRS 9. As Boozt sells the majority of its accounts receivable according to a factoring agreement with Collector and the fact that Boozt has historically low credit losses the new rules will not have any effect on the size of the credit loss reserve.

The parent company is not affected by the introduction of IFRS 9.

Classification and measurement of financial instruments in accordance with IFRS 9, new accounting policies

Financial instruments are initially recognised at fair value of the instrument plus transaction costs for all financial instruments except for those classified as financial assets/liabilities recognised at fair value through profit or loss which are recognised at fair value with transaction costs recognised directly in profit or loss.

Financial assets

Debt instruments

Debt instruments are those instruments that meet the definition of a financial liability from the issuer's perspective, such as trade receivables and loan receivables.

Classification and subsequent measurement of debt instruments depend on i) the business model for managing the asset; and ii) the cash flow characteristics of the asset. Based on these factors, The Group classifies its debt instruments into one of the following three measurement categories:

- **Amortized cost.** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest ('SPPI'), and are not designated at FVPL, are measured at amortized cost. The carrying amount of these assets is adjusted by any expected credit loss allowance recognized (see impairment below). Interest income from these financial assets is included in 'Interest income' using the effective interest rate method.
- **Fair value through other comprehensive income (FVOCI):** Financial assets that are held for collection of contractual cash flows and for selling the assets, where the assets' cash flows represent solely payments of principal and interest, and that are not designated at FVPL, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses on the instrument's amortized

cost which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss.

- Fair value through profit or loss (FVTPL): Assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through profit and loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognized profit or loss.

The debt instruments in Boozt are deposits, accounts receivables, other receivables, cash and cash equivalent. The Group has two business models;

- Trade receivables with customers are classified as FVTPL. These receivables fulfill the criteria for derecognition and are therefore not recognised in the balance sheet
- Remaining receivables are classified as amortised cost as they are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest ('SPPI') are sold.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

Derecognition

Financial assets, or a portion thereof, are derecognized when the contractual rights to receive the cash flows from the assets have expired, or when they have been transferred and either (i) Boozt transfers substantially all the risks and rewards of ownership, or (ii) Boozt neither transfers nor retains substantially all the risks and rewards of ownership and the Group has not retained control.

Impairment

The impairment rules under IFRS 9 are based on a three-stage model in which the accounts should reflect changes in the credit risk. Boozt assesses on a forward-looking basis the expected credit losses associated with its debt

instruments carried at amortised cost. Depending on the credit risk in the financial instrument it will be classified as stage1, stage 2 or stage 3. Stage 1 includes a 12-month expected credit losses while instruments in stage 2 and 3 include a lifetime expected credit loss.

For short-term trade receivables, The Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Financial liabilities

Loans and other financial liabilities such as accounts payables are included in this category. Loans are initially recognised at fair value, net of transaction costs. Subsequently, they are recognised at amortised cost. Any difference between the amount received and the amount to be repaid is recognised as interest in the income statement over the loan period using the effective interest method.

Accounts payables are obligations to pay for goods or services acquired in the ordinary course of business from suppliers. Accounts payables are classified as current liabilities if they fall due within one year or less (or in the normal operating cycle, whichever is longer). If not, they are reported as long-term liabilities. Accounts payables are recognised initially at fair value and subsequently at accrued acquisition cost using the effective interest method.

Derivative financial instruments

Boozt enters into derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks. Derivative financial instruments are subsequently measured at fair value through profit or loss. Gains and losses from change in fair value are included in the Financial income and expenses lines in the statement of profit or loss.

IFRS 15

IFRS 15 replaces all previously issued standards and interpretations which manage revenue with a comprehensive model for revenue recognition. The standard is based on the principle that revenue should be recognised when a

promised product or service has been transferred to the customer, that is, when the customer has received control of it. This may occur over time or at a point in time. IFRS 15 is effective as of January 1, 2018.

The Group's current revenue streams consists to more than 99% of sale of goods with the right of return.

Transition effects

To identify whether the Group's existing revenue accounting principles, as stated above, are affected by the introduction of IFRS 15, a pre-study has been completed in the second quarter of 2017. In the pre-study, an analysis of all revenue streams in accordance with the five-step model described in IFRS 15 has been performed. Based on the pre-study, the Group's income statement will not be affected by the introduction of IFRS 15. However, a consequence of the introduction of IFRS 15 is that the Group for estimated returns will not only report a liability for the received amounts for goods sold but expected to be returned, but also an amount as inventory (with a corresponding adjustment to cost of sales as has been done under previous principles). This inventory asset represents the right to recover products from customers on settling the refund liability (provision). Previously, this amount was deducted from the recognised provision for expected returns. Thus, the Group will report a higher value of assets and a higher value for provision for expected returns after implementing IFRS 15. No effects affecting how revenue is recognised in the income statement will occur when implementing IFRS 15. The Group will apply full retroactive accounting on the transition to IFRS 15.

The effects on the balance sheet is displayed below.

SEK million	Dec 31, 2017	IFRS 15 changes	Dec 31, 2017, re-stated
CONSOLIDATED FINANCIAL POSITION			
Inventories	571.6	55.1	626.7
Accrued expenses and prepaid income	126.0	55.1	181.1

Rounding differences may effect the summations.

Revenue recognition in accordance with IFRS 15, new revenue policies

Sale of goods

The Group sells apparel, cosmetics and homegoods through its online webstores and physical stores. The Group recognises revenue when control of the products has transferred, being when the goods leave Boozt Fulfilment Centre (BFC). All sales are made on a 30-day return. Revenue recognised is reduced with the transaction price (excl. VAT) for the items that are expected to be returned. The reduction is recorded as a liability (provision). The right to returned goods is recorded as inventory and that amount reduces cost of sold goods. The provision is based on sales statistics and an assessment of future complaints and returns and occurs in the same period as the sale. For VAT the group is an agent and thus VAT is not part of the net revenue.

Commission Sales

When the Group sells goods or services as an agent, revenue and payments to suppliers are recognised net under net revenue and represent the margin/commission earned by the Group. The Group is liable for any value added tax (VAT) on the total value of items sold to end consumers. For VAT the group is an agent and thus VAT is not part of the net revenue. The Group recognises actual and expected returns in the same manner as for sale of goods. Whether the Group is considered as principal or agent in a transaction is based on an analysis of both the legal form and the content of the agreement between the Group and its business partner, these assessments affect the amount of recognised net sales and operating expenses, but not profit/loss for the year or cash flows.

Gift Cards

The cash received from the sale of a gift card is recognised as a provision up until the time it is used when the provision is dissolved and revenue is recognised. After the gift card has expired, remaining un-used balance is recognised as revenue.

Note 3 - Net revenue per region and breakdown of revenue

SEK million	2017	2016
Sweden	756.3	510.8
Rest of the Nordics	1,150.3	733.1
Rest of Europe	109.7	152.5
TOTAL	2,016.4	1,396.4

SEK million	2017	2016
Sale of goods	1,951.6	1,276.6
Commission sales	47.0	117.6
Other services	17.7	2.2
TOTAL	2,016.4	1,396.4

Note 4 - Segment reporting

SEK million	01-01-2017 31-12-2017	01-01-2016 31-12-2016	Change
NET REVENUE			
Boozt.com	1,946.2	1,303.0	643.2
Booztlet.com	49.1	30.7	18.4
Other	21.0	62.6	-41.6
TOTAL NET REVENUE	2,016.4	1,396.4	620.0
EBIT			
Boozt.com	-71.0	10.0	-81.1
Booztlet.com	2.1	4.1	-2.0
Other	-0.9	6.9	-7.8
TOTAL OPERATING PROFIT/LOSS	-69.8	21.0	-90.8
OPERATING PROFIT/LOSS BEFORE TAX			
Boozt.com	-69.4	9.5	-79.0
Booztlet.com	2.2	4.1	-1.9
Other	-0.9	6.9	-7.8
TOTAL OPERATING PROFIT/LOSS BEFORE TAX	-68.2	20.5	-88.7

The Group reports operating segments in accordance with IFRS 8. The Group's operations are divided into three segments which constitute 100% of the revenue generated. The Group reports net revenue, EBIT and operating profit/loss before tax for each of the operating segments. No information on assets and liabilities attributable to segments are reported to the highest operating decision maker.

Note 5 - Other operating income and other operating costs

Other operating income	2017	2016
Currency exchange rate differences	-	4.3
Other	-	0.0
	-	4.3

Other operating costs	2017	2016
Currency exchange rate differences	-2.6	-
Other	-	-
	-2.6	-

Note 6 - External costs

SEK million	2017	2016
EXTERNAL COSTS ARE CONSTITUTED BY:		
External fulfilment and distribution costs	-312.4	-224.2
External marketing costs	-261.4	-205.7
IPO related costs	-27.8	-
Other	-98.5	-73.6
TOTAL EXTERNAL COSTS	-700.1	-503.5

Marketing costs includes SEK -12.1 million attributable to tv-spot time for a specific contract. The agreement covers the period 2016-2018, and was settled with a share based payment. The fair value of the services was determined to be SEK 36.4 million, and shares with corresponding fair value of SEK 36.4 million at grant date was issued. During 2017, SEK -12.1 million was recorded as a marketing cost in exchange for television advertising. The remaining amount of SEK 12.2 million is recorded as a prepaid expense that will be distributed during 2018 in exchange for pre-defined tv-spot time.

Note 7 - Audit fees

SEK million	2017	2016
Ernst & Young AB		
Auditing assignments	-1.5	-0.5
Tax advice	-	-
Other services	-0.4	-0.7
TOTAL	-1.9	-1.2
Other		
Auditing assignments	-0.1	-0.0
Tax advice	-	-
Other services	-	-
TOTAL	-0.1	-0.0

Auditing assignments include auditing of the annual accounts and bookkeeping as well as administration for the Board of Directors and the CEO, other duties undertaken by the Group's accountants, and advice or other assistance arising from observations during such auditing or implementation of similar tasks. Other services include advice in accountancy related fields such as accounting, due diligence etc.

Note 8 - Leasing agreements

Operational leasing

Leasing costs for assets held through operating lease contracts, such as rented premises, machinery and office equipment, are reported in operating expenses and amount to SEK -25.8 million (-13.8), of which property rental charges amount to SEK -24.3 million (-12.6). Future payments for non-cancellable operating lease contracts amount to SEK -488.7 million (-404.6) and are broken down as follows:

SEK million	31-12-2017	31-12-2016
FUTURE MINIMUM LEASING COSTS		
Within 1 year	-39.1	-24.2
Between 1-5 years	-195.4	-112.9
More than 5 years	-254.2	-267.5
	-488.7	-404.6

Variable charges consist of variable interest rates. Existing lease contracts vary in length from 1 to 15 years. There are no material subleases, no material contingent rents, no renewal or purchase options nor any restrictions imposed by leasing agreements.

Financial lease

The Group has not accounted for any financial leasing during 2017.

Note 9 - Employees and personnel costs

Average number of employees	2017		2016	
	Average number of employees	Men	Average number of employees	Men
Sweden	176	69	146	60
Denmark	14	7	3	2
GROUP	190	76	149	62
GENDER BALANCE AMONG SENIOR EXECUTIVES				
Board members	8	5	8	6
CEO and other senior executives	7	7	6	6
GROUP	15	12	14	12

Salaries, other remuneration and social costs

SEK million	2017	2016
COSTS FOR EMPLOYEE REMUNERATION		
Salaries and remuneration	-240.3	-66.4
Social costs	-83.7	-29.0
Pension costs	-4.0	-1.2
	-328.0	-96.6
SENIOR EXECUTIVES		
Hermann Haraldsson (Group CEO):		
Salaries and remuneration	-46.0	-3.1
- hereof bonuses	-5.7	-0.9
- hereof share based payments	-36.6	-
Pension costs	-	-
	-46.0	-3.1
Other senior executives:		
Salaries and remuneration	-98.7	-7.2
- hereof bonuses	-11.8	-1.9
- hereof share based payments	-76.9	-
Pension costs	-	-
	-98.7	-7.2

Senior executives include the Board of Directors, the Group CEO, and other senior executives. The other senior executives includes the Group CFO, Group CMO, Group CTO, Group COO, Group CPO and Head of Investor Relations, whom together with the Group CEO constitutes the management team of the Group.

Decision processes for remuneration

Remuneration and terms for the Group CEO are decided by the Board of Directors. Remuneration of other senior executives is decided by the Group CEO, in some cases after consultation with the Chairman of the Board. The Chairman of the Board and members of the Board of Directors receive a fixed fee in accordance with the Annual General Meeting's decision.

Remuneration and conditions for senior executives

Remuneration to the Group CEO and other senior executives consists of basic salary, variable remuneration and other benefits such as a company car. Other senior executives include the six other C-level managers who together with the Group CEO, comprise the Group Management. Variable remunerations refers to bonus that is paid out depending on the performance according to pre-established goals.

The Group CEO has a notice period of 6 months plus 12 months severance payment if the termination is decided by the Group. If the Group CEO chooses to terminate his employment, the notice period is the same. No pension benefits are paid to the Group CEO and senior executives. As per closing day the Group CEO has been allotted 24,000 warrants for the program 2015/2025. The other senior executives have been allotted 97,008 warrants for the program 2015/2025.

Directors' fees

Remuneration to the Board is approved annually at the Annual General Meeting and relates to the period until the next Annual General Meeting. Board fees are paid by the Parent Company. No Board fees were paid to subsidiaries. The 2017 Annual General meetings approved the 2017 directors' fees according to the table below:

Name	Directors' fee (SEK)
Henrik Theilbjørn	550,000
Gerd Rahbek-Clemmensen	250,000
Staffan Mörndal	300,000
Jimmy Fussing Nielsen	250,000
Jón Björnsson	250,000
Kent Stevens Larsen	350,000
Lotta Lundén	250,000
Charlotte Svensson	250,000
Bjørn Folmer Kroghsbo	0
	2,450,000

Warrant programs in Boozt AB

Boozt AB has issued two warrant programs with individual terms and conditions (the 2012/2022 program and the 2015/2025 program). The programs are directed to key employees. The Group CEO is included. The 2012/2022 program was fully exercised in connection with the listing of Boozt AB's (publ) shares which was performed on May 31, 2017.

Warrant program 2015/2025

The 2015/2025 program issued in 2015 constitutes 267,500 warrants, whereof 203,545 are allotted to employees free of charge. The remaining 63,955 are held by the Company to cover social charges. Each warrant gives a right to purchase 12 shares.

The 2015/2025 program was triggered when the company was listed before a given point in time. The warrants are subject to a vesting period as follows; 33% will vest 1 year after the listing, 33% will vest 2 years after the listing and 34% 3 years after the listing. Once the options are vested, warrant holders may convert a warrant to a common share in the Company at a predefined price (the strike price). The strike price is calculated as 26.16833 SEK per share accruing with an interest of 8% per year effective from 30 June 2015. If a participant's employment is terminated during the vesting period, the participant will be excluded from the program with regard to those options that are not vested at such time.

Recognition of costs associated with warrant programs

The 2015/2025 program is classified as share based program in the scope of IFRS 2. The program is equity settled and will be recorded as a cost in the income statement for the services received by the employees that are part of the programs.

The corresponding amount in the income statement is booked to equity. Further disclosures regarding effects in the income statement as per reporting date are stated in the section regarding important assessments in note 1.

For the 2015/2025 program the volatility is set at 35% and the annual risk free interest rate is set at -0.5%. The exercise price is calculated as the strike price in 2015 with an interest of 8% per annum until expected exercise.

Note 10 - Depreciations and impairment losses

SEK million	2017	2016
Web platform	-5.6	-3.9
Equipment	-25.2	-8.5
	-30.8	-12.4

Note 11 - Net interest expense

SEK million	2017	2016
FINANCIAL INCOME		
Interests	0.0	-
Derivatives	9.2	-
	9.2	-
FINANCIAL EXPENSES		
Interests	-2.5	-0.5
Derivatives	-5.1	-
	-7.6	-0.5

For further information about the Group's derivatives, see note 19 and 26.

Note 12 - Taxes

SEK million	2017	2016
CURRENT TAX		
Tax on profit for the year	-	-
DEFERRED TAX		
Change in deferred tax related to tax losses carried forward	55.7	-7.7
	55.7	-7.7
RECONCILIATION OF REPORTED TAX		
Profit/loss before tax	-68.2	20.5
Tax in accordance with current tax rates for parent company (22%)	15.0	-4.5
Non-deductible expenses	-0.4	-2.9
Costs of share issue (Equity)	3.4	-
Tax asset related to losses 2016 and earlier	38.5	-
Not recognised tax asset related to tax losses carried forward	-0.9	-0.3
	55.7	-7.7

The Group has no tax items accounted in other total income or direct in equity.

During 2017 the Group has accounted for deferred tax related to taxable losses from 2011 and earlier in the second-tier subsidiary Boozt Fashion AB and deferred tax on taxable losses in the Parent company in total SEK 38.5 million.

The Group's losses carried forward amounts to SEK 432.5 million (349.1) at year end.

The following table specifies the tax effect of the temporary differences:

SEK million	31-12-2017	31-12-2016
DEFERRED TAX ASSETS		
Deferred tax related to tax losses carried forward	92.5	36.8
TOTAL	92.5	36.8

Specification of changes in deferred tax assets:

SEK million	31-12-2017	31-12-2016
Recognised deferred tax asset relating to tax losses carried forward	36.8	44.5
Deferred tax asset incurred during the year	55.7	-7.7
TOTAL DEFERRED TAX ASSET	92.5	36.8

A deferred tax asset is accounted for only if the probability that the Group will use the deferred tax asset is highly probable. Deferred tax assets for tax losses carried forward are reported to the extent that it is likely that they will be able to be used. The Group expects to utilise the deferred tax assets recognised within the coming 3 years. There is no time limitation for the deferred tax asset relating to tax losses carried forward.

Note 13 - Earnings per share

Earnings per share is calculated by dividing the profit/loss for the period with the weighted average number of shares outstanding during the period. With respect to the warrant programs issued by the company which is described in note 9, there is a potential future dilution effect of the company's issued shares given that certain criterias are met. The dilution effect per December 31 2017 is 0.0 since the Group is reporting a loss for the year. The calculation is presented below:

	2017	2016
Profit for the year	-12,630,217	12,863,229
Weighted average number of shares outstanding during the period	52,335,943	44,214,444
Earning per share before and after dilution	-0.24	0.29

*Comparative figures for 2015 have been restated as described in note 2.

Note 14 - Web platform

SEK million	31-12-2017	31-12-2016
WEB PLATFORM		
Accumulated acquisition values, opening balance	43.5	33.0
Acquisitions	10.1	10.5
ACQUISITION VALUES, CLOSING BALANCE	53.6	43.5
Accumulated amortisation according to plan, opening balance	-28.5	-24.6
Amortisation for the year	-5.6	-3.9
Accumulated amortisation according to plan, closing balance	-34.1	-28.5
NET CARRYING VALUE AT END OF YEAR	19.5	15.0

Note 15 - Tangible fixed assets

SEK million	31-12-2017	31-12-2016
EQUIPMENT, TOOLS AND INSTALLATIONS		
Accumulated acquisition values, opening balance	28.5	7.1
Acquisitions	162.7	23.6
Disposals	-	-2.3
ACQUISITION VALUES, CLOSING BALANCE	191.1	28.5
Accumulated amortisation, opening balance	-10.8	-4.6
Impairment losses	-	-2.5
Disposals	-	2.3
Amortisations for the year	-25.2	-6.0
Accumulated amortisations, closing balance	-36.0	-10.8
NET CARRYING VALUE AT END OF YEAR	155.1	17.6

Note 16 - Inventories

SEK million	31-12-2017	31-12-2016
Inventories - goods for resale	569.3	386.9
Packing materials	2.3	1.9
	571.6	388.8

During the year, inventory items were written down, with a value of SEK 14.7 million (17.4). This amount is entirely accounted for in the income statement as Goods for resale and is related to inventory items written down in accordance with principle for write-downs described in note 1. Impaired goods are not discarded immediately.

Note 17 - Accounts receivables

SEK million	31-12-2017	31-12-2016
Accounts receivables	34.6	20.2
Provision for bad debt	-0.7	-0.7
TOTAL	34.0	19.6

There is no collateral or bank guarantees for accounts receivables. Accounts receivables are not pledged. Account receivables consist of unpaid invoices from B2B sales. Since the receivable relating to a consumer customer transaction is transferred to the credit institution at the time of the customer's purchase, the Group accounts for "other receivables" instead of accounts receivable at the time of the transaction. The receivable is credited when the credit institution performs the payment. Transaction costs for the transfer are reported as external costs. For more information on accounts receivables see note 26.

Note 18 - Prepaid expenses and accrued income

SEK million	31-12-2017	31-12-2016
Prepaid inventories	2.6	5.2
Prepaid marketing expenses	13.6	25.7
Prepaid rental charges	1.7	1.4
Prepaid leasing fees	0.7	0.9
Other prepaid expenses	8.3	6.6
	26.9	39.7

For description of prepaid marketing expenses, see note 6.

Note 19 - Derivatives

SEK million	2017	2016
FINANCIAL INCOME AND EXPENSES		
Financial income - Derivatives	9.2	-
Financial expense - Derivatives	-5.1	-
NET FINANCIAL ITEMS - DERIVATIVES	4.1	-
CURRENT ASSETS		
Derivatives financial instruments	4.4	-
CURRENT LIABILITIES		
Derivatives financial instruments	-0.3	-
NET FINANCIAL ASSETS - DERIVATIVES	4.1	-

The Group's derivative contracts are of the type "FX options", where the Group has a right to purchase EUR in exchange for NOK until including March 2018 and from April until including July 2018 a right to purchase SEK in exchange for NOK. The asset and liability value of the Group's FX options are calculated by end of period using the Black Scholes model.

Note 20 - Cash and cash equivalents

SEK million	31-12-2017	31-12-2016
Cash and bank	429.7	221.8
	429.7	221.8

Restricted cash amounts to SEK 5.3 million (6.4) and is attributable to the leasing agreement for the Booxt headquarter.

Note 21 - Equity

Share capital

As of December 31, 2017 the registered share capital amounts to 4,694,869 common shares (3,891,295) with a nominal value of SEK 1. Holders of ordinary shares are entitled to a dividend determined after the event and the shareholding entitles the holder to vote with one vote per share at the Annual General Meeting. All shares have the same right to the remaining net assets. All shares are fully paid and no shares are reserved for transfer. No shares are held by the company or its subsidiaries. Specification of changes in share capital below:

Date	Event	No. of shares per new issue	Share issue	New number of shares	Share capital changes	Share capital after transaction
31-05-2016	New issue	3,467,254	322,796	3,790,050	3,790,050	3,790,050
23-09-2016	Setoff issue	3,790,050	101,245	3,891,295	3,891,295	3,891,295
12-05-2017	Share split 1:12	3,891,295	42,804,245	46,695,540	0	3,891,295
31-05-2017	Conversion of warrants into shares	46,695,540	2,405,361	49,100,901	200,447	4,091,742
02-06-2017	Sell of shares in own portfolio of shares	49,100,901	786,532	49,887,433	65,544	4,157,286
02-06-2017	New share issue	49,887,433	6,451,000	56,338,433	537,583	4,694,869
31-12-2017	Closing balance			56,338,433		4,694,869

Other capital contributions

Other capital contributions consist of equity contributed by the company's owners.

Conversion reserve

The conversion reserve includes the exchange differences arising on conversion of financial statements of foreign operations that have prepared their financial reports in a currency other than the operating currency in which the consolidated financial statements are presented. The Parent Company and the Group present their financial reports in Swedish kronor (SEK). Accumulated conversion differences are accounted in the statement of comprehensive income.

Warrants

The number of issued warrants amounted to 267,500 as per year end 2017, whereof each warrant has a right to acquire one share in Booxt AB. For more information on the warrant program see note 9.

Average number of shares:

	2017	2016
Average no. of shares issued during the year (000)	52,336	44,214
Average no. of shares issued during the year after dilution (000)	54,782	44,214

Note 22 - Liabilities and provisions

Liabilities

SEK million	2017	2016
NON-CURRENT		
Liabilities to credit institutions	70.6	8.6
TOTAL	70.6	8.6
CURRENT		
Liabilities to credit institutions	30.6	3.4
TOTAL	30.6	3.4
TOTAL BORROWING	101.2	12.0

Loans to credit institutions carry an average effective interest rate of 3.1% per annum (5.5% per annum). Total borrowing consist of a loan to Danske Bank for the automated storage and retrieval system AutoStore. The effective interest rate is negatively effected by interest payments of SEK 0.4 million to Danske bank during the installation phase of AutoStore before the asset was capitalised and the loan accounted for. The loan from ALMI of SEK 12.0 million was fully amortised in May 2017. Security for the bank loans consist of floating charges.

SEK million	2017	2016
Used overdraft facility	-	-
Available overdraft facility	140.0	29.2

The overdraft facilities consist of SEK 60.0 million ordinary overdraft facility that can be used at any time and another SEK 80.0 million revolving credit facility that can be called without new credit approval. The overdraft facilities have covenants based on cash interest cover and leverage ratio attached. The covenants have not been breached at any time during the year.

Provisions

SEK million	2017	2016
Provision for social charges related to warrant program 2015/2025	21.1	16.3
TOTAL	21.1	16.3

For more information see note 26.

Note 23 - Accrued expenses and prepaid income

SEK million	2017	2016
Accrued holiday pay	10.9	7.8
Accrued social charges relating to personnel	5.6	4.3
Accrued marketing costs	11.5	9.6
Accrued costs - inventories	11.5	4.0
Accrued costs for returns	33.8	32.6
Accrued salaries	8.2	5.6
Prepaid marketing fee	22.3	13.4
Other	22.2	22.8
	126.0	100.2

Note 24 - Pledged assets and contingent liabilities

SEK million	31-12-2017	31-12-2016
Floating charges	61.0	61.0
Restricted cash	5.3	6.4
TOTAL	66.3	67.4

Floating charges are attributable to loans and revolving credit facility from Danske Bank. Restricted cash is attributable to the leasing agreement for the Boozt headquarter.

A contingent liability exists where Danske Bank in case of a breach of contract from the Company is entitled to reclaim the Company's automated warehouse system Autostore with a book value of SEK 132.9 million.

Note 25 - Related party transactions

The Group has transactions with companies owned by individuals with considerable influence on Boozt AB (publ). Transactions with related parties are attributable to the purchase of goods and sales of consignment goods in co-operation with the ECCO group companies ECCO EMEA B.V. and KRM AG.

All related party transactions are priced at market conditions. When purchases and sales are made between Group companies, the same pricing principles as transactions with outside parties are used.

SEK million	31-12-2017	31-12-2016
PURCHASE OF GOODS		
ECCO EMEA B.V.	40.6	-
TOTAL	40.6	-
CONSIGNMENT SALES		
ECCO EMEA B.V.	-	2.2
KRM AG	13.7	104.5
TOTAL	13.7	106.7
PURCHASE OF SERVICES (+) AND RE-INVOICING OF COSTS		
Rapp Management & EMMADS Invest A/S	0.4	1.1
ECCO Holding A/S	-	-0.7
TOTAL	0.4	0.4

The liability to related parties as per year end is presented below:

SEK million	31-12-2017	31-12-2016
DEBT TO RELATED PARTIES		
ECCO EMEA B.V.	8.2	-
KRM AG	9.4	29.0
Rapp Management & EMMADS Invest A/S	-	0.1
TOTAL	17.7	29.0

Boozt AB has not provided guarantees or securities to or for the benefit of directors or other senior executives. None of the directors or other senior executives in 2017 or 2016 had any direct or indirect business transactions with the Group over and above the remuneration stated in this note and note 9.

Note 26 - Financial risks

The Group's business is exposed to various financial risks; currency risk, interest rate risk, credit risk and liquidity risk. The Group's overall risk management strategy is focused on managing uncertainty in the financial markets and strives to minimise potential adverse effects on the Group's financial results.

The Group has developed a risk management framework in order to strengthen risk management in the Group. The framework establishes how risks are identified, assessed and monitored. The Board of Directors has decided on the general principles that applies to the management of financial risks through the adopted treasury policy. The treasury policy covers the following areas; capital structure, capital raising, debt financing and liquidity management.

The key financial risks are described below.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The main exposure is derived from the Group's sales and purchases in foreign currencies. This exposure is called transactional exposure. Currency risks also exist in the translation of foreign operations' assets and liabilities into the parent company's functional currency, known as translational exposure. The translational exposure for the Group is limited.

According to the Group's treasury policy, transactional exposure is primarily managed through natural hedges, which means that the risk of major performance impact due to fluctuations in exchange rates is reduced by having available cash with the corresponding currency distribution as for future payments of current liabilities. The applied principle also implies that the Group will strive to make product purchases with the same currency distribution as budgeted revenues. In addition the Group shall evaluate any imbalances in the currency inflow and outflow and seek forward contracts to hedge those imbalances. The Group has in this respect recognised a surplus of NOK and a deficit of EUR. For this reason the Group has hedging

contracts to secure a fixed exchange rate between NOK and EUR on a monthly basis until including March 2018. From April 2018 the monthly hedges are between NOK and SEK until including July 2018. After closing date the Group has secured further hedge contracts in NOK/SEK until including September 2018. For further details about the group's hedging activities see note 19.

As shown in the table below, the Group's main transaction exposure consists of SEK, DKK, EUR and NOK. A 3% stronger SEK against the EUR and DKK would have an positive effect on profit for the year of SEK 1.1 million. A 3% stronger NOK against the SEK would have a positive effect on profit for the year of SEK 7.4 million.

Currency exposure 2017 (2016) in %

SEK million	Operating income	Operating expenditure
SEK	38% (37%)	49% (40%)
DKK	35% (31%)	29% (32%)
EUR	12% (17%)	18% (21%)
NOK	15% (13%)	3% (4%)
GBP	1% (2%)	2% (2%)
Other	0% (0%)	0% (1%)
	100% (100%)	100% (100%)

Currency exposure 2017 (2016) in %

SEK million	Short term liabilities	Cash and cash equivalents
SEK	55% (48%)	33% (29%)
DKK	26% (30%)	45% (49%)
EUR	15% (19%)	15% (14%)
NOK	4% (2%)	7% (6%)
GBP	1% (1%)	1% (1%)
Other	0% (0%)	0% (1%)
	100% (100%)	100% (100%)

Interest rate risk

The Group is exposed to interest rate risk on interest-bearing long-term and current liabilities. The Group is exposed to the impact of variable interest on liabilities. On fixed-rate loans, the Group is exposed to market risk.

If interest rates had been 3 percentage points higher/lower, with all other variables held constant, profit/loss for the year before taxes would have been approximately SEK 1.7 million lower/higher.

Credit risk

Group principles states that customers who wish to trade on credit do so through a third-party solution in which the Group takes no credit risk. To a small extent other legal entities are invoiced. The accounts receivables ledger is monitored continuously and the value of doubtful debts is not significant. With regard to credit risks arising from the Group's other financial assets, which include cash and cash equivalents, the Group's main credit risk is associated with counterparties' failure to comply with their commitments, e.g. due to the counterparty going into bankruptcy. The Group's maximum exposure consists of the carrying value of the financial instruments. There is no significant credit risk within the Group as per year-end 2017.

Liquidity risk

The liquidity risk to which the Group is exposed is attributable to seasonal variations. Purchases are cyclical, and inventories are built up before each season, based on the Group's expected sales. This means that the timing of the outflow of cash for the purchase of stock items is not consistent with the timing of inflows of cash and cash equivalents attributable to sales, resulting in a liquidity risk. Liquidity risk is managed by the principle of financial flexibility covered by the Group's treasury policy and implies that there should be available liquid funds covering expected liquidity needs during the periods when the Group has the lowest access to liquid funds. By having access to overdraft facilities, as per year-end 2017 amounts to SEK 60 million and a revolving credit facility on another SEK 80 million, that can be called without further credit approval.

Liquidity risk attributable to business growth include the need to improve, upgrade and invest in technology and infrastructure to manage increased sales volumes and complexity in operations. To manage the risk, the Board of Directors has set guidelines for liquidity reserves.

Cash flow forecasts are prepared and followed up on a weekly basis (operational activities, credits and current liquidity). Rolling forecasts are prepared to ensure availability of sufficient liquidity to meet business needs. The Group monitors that credit limits or, where applicable, other binding financial commitments (financial covenants) linked to the Group's credit facilities are not violated. Further information on maturity analysis is provided on page 120.

Capital risk management

The Group strives to secure the Group's ability to continue to operate and generate profits for shareholders by maintaining a sufficient capital structure. To maintain or adjust the capital structure, the Group can change any future dividends paid to shareholders, repay capital to shareholders, issue new shares or sell assets to reduce liabilities. The Group assesses the capital based on the debt/equity ratio. The debt/equity ratio is calculated as net debt divided by external funding. Net debt is calculated as total borrowings (including current liabilities and long-term liabilities) less cash and cash equivalents. The Group has covenant obligations. See note 22 for further information.

	Accounts receivables and loans receivables	Other financial liabilities	Financial assets and liabilities measured at fair value via in- come statement	Total carrying amount	Fair value
31-12-2017					
Assets					
Deposits	11.8			11.8	11.8
Accounts receivables	34.0			34.0	34.0
Other receivables	34.5			34.5	34.5
Derivatives			4.4	4.4	4.4
Cash and cash equivalents	429.7			429.7	429.7
TOTAL ASSETS	510.1		4.4	514.4	514.4
Liabilities					
Interest bearing liabilities		101.2		101.2	101.2
Accounts payables		282.7		282.7	282.7
Other liabilities		10.9		10.9	10.9
Derivatives financial instruments			0.3	0.3	0.3
TOTAL LIABILITIES		394.8	0.3	395.1	395.1
31-12-2016					
Assets					
Deposits	9.8			9.8	9.8
Accounts receivables	19.6			19.6	19.6
Other receivables	40.3			40.3	40.3
Cash and cash equivalents	221.8			221.8	221.8
TOTAL ASSETS	291.5			291.5	291.5
Liabilities					
Interest bearing liabilities		12.0		12.0	12.0
Accounts payables		268.8		268.8	268.8
Other liabilities		5.0		5.0	5.0
TOTAL LIABILITIES		285.8		285.8	285.8

Calculation of fair value

For the current financial year, the fair value of financial assets and liabilities is considered to approximate the fair value, whereupon the carrying amount is deemed to be the same as the fair value.

Maturity structure of outstanding accounts receivables

	31-12-2017	31-12-2016
Accounts receivables		
Payment not due	25.7	8.2
Overdue 1-30 days	2.0	11.2
Overdue > 30 days	6.9	0.9
Doubtful accounts receivables	-0.7	-0.7
TOTAL	34.0	19.6

	31-12-2017	31-12-2016
Other receivables		
Paid within 0-30 days	38.2	49.7
Paid later than 30 days	-	-
Doubtful other receivables	-	-
TOTAL	38.2	49.7

Due to the short-term nature of accounts- and other receivables, the effect of discounting is not deemed to be material and the carrying amount is considered to be consistent with the fair value. This is thus the maximum exposure. The credit quality is considered good for all outstanding not doubtful receivables. Impairment of receivables credit quality is performed on a case by case basis.

	Total borrowing	Maturity within one year	Maturity within one to two years	Maturity within three to five years	Maturity after five years
Maturity structure of borrowing 2017					
Liabilities to credit institutions	101.2	30.6	17.6	52.9	-
Accounts payables	282.7	282.7	-	-	-
Other current liabilities	62.0	62.0	-	-	-
Maturity structure of borrowing 2016					
Liabilities to credit institutions	12.0	3.4	8.6	-	-
Accounts payables	268.8	268.8	-	-	-
Other current liabilities	5.0	5.0	-	-	-

Note 27 - Significant events after year end

After the reporting date, the Group's business continued to develop in accordance with expectations, without any external or internal events with considerable effects on the daily operations.

On January 31, 2018 the Group assigned the permanent position as Head of Investor Relations & Corporate Communications to Anders Enevoldsen. Anders commenced his position at Boozt on March 12, 2018.

In February 2018 the Group entered an agreement with adidas and Reebok to sell their products on Boozt.com as from AW 2018 season, which significantly will strengthen the selection of the athleisure and sports category on Boozt.com.

Parent company income statement

SEK million	Note	01-01-2017 31-12-2017	01-01-2016 31-12-2016
OPERATING INCOME			
Net revenue		81.8	-
		81.8	-
OPERATING COSTS			
General expenses	2, 3	-29.6	-0.2
Personnel costs	4	-78.0	-
Total operating costs		-107.7	-0.2
OPERATING PROFIT		-25.9	-0.2
FINANCIAL INCOME AND EXPENSES			
Result from shares in Group companies		-	-
Interest expenses and similar items		0.0	-
Net financial items		0.0	-
PROFIT/LOSS BEFORE TAX		-25.9	-0.2
Income tax	5	13.4	-
PROFIT/LOSS FOR THE YEAR		-12.4	-0.2

Rounding differences may effect the summations.

Parent company statement of comprehensive income

SEK million	01-01-2017 31-12-2017	01-01-2016 31-12-2016
PROFIT/LOSS FOR THE YEAR	-12.4	-0.2
Other comprehensive income	-	-
COMPREHENSIVE PROFIT/LOSS FOR THE YEAR	-12.4	-0.2

Rounding differences may effect the summations.

Parent company financial position

SEK million	Note	31-12-2017	31-12-2016
ASSETS			
Fixed assets			
Financial assets			
Participation in Group companies	6	747.3	362.9
Total fixed assets		747.3	362.9
Other non-current assets			
Deferred tax asset	5	13.4	-
Total non-current assets		13.4	-
Current assets			
Short term receivables			
Other receivables		-	-
Receivables from Group companies		22.2	-
Cash and cash equivalents	7	5.2	0.0
Total current assets		27.4	0.0
TOTAL ASSETS		788.1	362.9
EQUITY AND LIABILITIES			
Equity			
Restricted equity			
Share capital		4.7	3.9
		4.7	3.9
Unrestricted equity			
Share premium reserve		1,081.8	689.2
Retained earnings		-330.7	-330.5
Net income		-12.4	-0.2
		738.7	358.5
Total equity		743.4	362.4
LIABILITIES			
Short term liabilities			
Accounts payable		0.4	0.1
Liabilities to Group companies		37.8	0.5
Other liabilities		1.5	-0.0
Accrued expenses and prepaid income	10	5.0	-
Total short term liabilities		44.7	0.5
TOTAL EQUITY AND LIABILITIES		788.1	362.9

Rounding differences may effect the summations.

Parent company changes in equity

SEK million	Share capital	Share premium reserve	Profit/loss brought forward	Total equity
Equity as per 01-01-2016	3.5	549.2	-330.5	222.2
Profit for the year	-	-	-0.2	-0.2
Other comprehensive income	-	-	-	-
TOTAL NET INCOME	-	-	-0.2	-0.2
New share issue	0.3	103.6	-	104.0
Costs of share issue	-	-	-	-
Share based payments	0.1	36.3	-	36.4
Total transactions with owners	0.4	140.0	-	140.4
Equity as per 31-12-2016	3.9	689.2	-330.7	362.4

Rounding differences may effect the summations.

SEK million	Share capital	Share premium reserve	Profit/loss brought forward	Total equity
Equity as per 01-01-2017	3.9	689.2	-330.7	362.4
Profit for the year	-	-	-12.4	-12.4
Other comprehensive income	-	-	-	-
TOTAL PROFIT FOR THE YEAR	-	-	-12.4	-12.4
New share issue	0.7	361.4	-	362.2
Costs of share issue	-	-15.6	-	-15.6
Sale of shares in own portfolio	0.1	46.8	-	46.9
Total transactions with owners	0.8	392.6	-	393.4
Equity as per 31-12-2017	4.7	1,081.8	-343.1	743.4

Rounding differences may effect the summations.

Parent company cash flow

SEK million	Note	01-01-2017 31-12-2017	01-01-2016 31-12-2016
OPERATING ACTIVITIES			
Operating profit		-25.9	-0.2
Adjustments for items not included in cash flow:			
Other items not included in cash flow		-	0.1
CASH FLOW BEFORE CHANGES IN WORKING CAPITAL		-25.9	-0.1
WORKING CAPITAL			
Changes in current assets		-22.2	-
Changes in current liabilities		44.2	0.1
Cash flow from working capital		22.0	0.1
CASH FLOW FROM OPERATING ACTIVITIES		-3.9	0.0
INVESTMENTS			
Shareholder contributions		-384.4	-104.0
CASH FLOW FROM INVESTMENTS		-384.4	-104.0
FINANCING			
New share issue		393.4	104.0
CASH FLOW FROM FINANCING		393.4	104.0
Cash flow for the year		5.2	0.0
Cash and cash equivalents beginning of period		0.0	0.0
Cash and cash equivalents end of period		5.2	0.0

Note 1 - Parent company's accounting principles

Parent company accounting principles

The parent company has prepared its annual accounts in accordance with the Swedish Annual Accounts Act and the recommendation RFR2 'Accounting for Legal Entities' issued by The Swedish Financial Reporting Council.

The differences between the Group's and the parent company's accounting principles are shown below. The below stated accounting principles of the parent company have been applied consistently to all periods presented in the financial reports, unless otherwise stated.

Subsidiaries

Participations in subsidiaries are recognised in the parent company using the acquisition cost method. This means that transaction costs are included in the carrying value of participations in subsidiaries.

Financial assets and liabilities

Due to the connection between accounting and taxation, the rules on financial instruments in accordance with IAS 39 are not applied in the parent company as a legal entity, but the parent company applies in accordance with the Swedish Annual Accounts Act, the acquisition cost method. In the parent company, thus financial fixed assets are valued at acquisition cost less any impairment loss and financial current assets at the lower of cost or market.

Shareholders' contributions

Shareholders' contributions are recognised directly against equity at the recipient and capitalised in shares and participations at the contributor to the extent impairment is not required.

Accounting of Group contributions

Paid and received Group contributions are recognised as an appropriation.

Note 2 - Audit fees

SEK million	2017	2016
Ernst & Young AB		
Auditing assignments	0.1	0.1
Tax advice	-	-
Other services	-	-
TOTAL	0.1	0.1

Note 3 - External costs

SEK million	2017	2016
IPO related costs	-27.1	-
Other external costs	-2.5	-0.2
TOTAL	-29.6	-0.2

Note 4 - Employees and personnel costs

Average number of employees	2017		2016	
	Average number of employees	Men	Average number of employees	Men
Sweden	7	7	-	-
TOTAL	7	7	-	-
GENDER BALANCE AMONG SENIOR EXECUTIVES				
Board members	8	5	8	6
CEO and other senior executives	7	7	-	-
GROUP	15	12	8	6

Salaries, other remuneration and social costs

SEK million	2017	2016
COSTS FOR EMPLOYEE REMUNERATION		
Salaries and remuneration	145.4	-
Social costs	45.9	-
Pension costs	-	-
	191.4	-
SENIOR EXECUTIVES		
Hermann Haraldsson (Group CEO):		
Salaries and remuneration	46.0	-
- hereof bonuses	5.7	-
- hereof share based payments	36.6	-
Pension costs	-	-
	46.0	-
Other senior executives:		
Salaries and remuneration	98.7	-
- hereof bonuses	11.8	-
- hereof share based payments	76.9	-
Pension costs	-	-
	98.7	-

Senior executives include the Board of Directors, the Group CEO, and other senior executives. The other senior executives includes the Group CFO, Group CMO, Group CTO, Group COO, Group CPO and Head of Investor Relations, whom together with the Group CEO constitutes the management team of the Group. For detailed information, see the Group's note 9.

Note 5 - Taxes

SEK million	2017	2016
CURRENT TAX		
Tax on profit for the year	-	-
	-	-
DEFFERED TAX		
Change in deferred tax related to tax losses carried forward	13.4	-
	13.4	-
RECONCILIATION OF REPORTED TAX		
Profit/loss before tax	-25.9	-
Tax in accordance with current tax rates for parent company (22%)	5.7	-
Non-deductible expenses	-0.1	-
Costs of share issue (Equity)	3.4	-
Tax asset related to losses 2016 and earlier	4.4	-
	13.4	-

During 2017 the Company has accounted for deferred tax related to taxable losses from 2016 and earlier, in total SEK 4.4 million.

The following table specifies the tax effect of the temporary differences:

SEK million	31-12-2017	31-12-2016
DEFFERED TAX ASSETS		
Deferred tax related to tax losses carried forward	13.4	-
TOTAL	13.4	-

Specification of changes in deferred tax assets:

SEK million	31-12-2017	31-12-2016
Opening balance deferred tax	-	-
Deferred tax asset incurred during the year	13.4	-
TOTAL DEFERRED TAX ASSET	13.4	-

A deferred tax asset is accounted for only if the probability that the Group will use the deferred tax asset is highly probable. Deferred tax assets for tax losses carried forward are reported to the extent that it is likely that they will be able to be used. The Group expects to utilise the deferred tax assets recognised within the coming 3 years. There is no time limitation for the deferred tax asset relating to tax losses carried forward.

Note 6 - Shares in Group companies

SEK million	2017	2016
OPENING BALANCE	362.9	222.5
Shareholders' contributions	384.4	140.4
Impairment losses for the year	-	-
CLOSING BALANCE	747.3	362.9

Company name	Boozt Fashion AB
Domicile/country	Malmö, Sweden
Org. no.	556710-4699
Share of ownership	100%
Business	Retail

Company name	Equity	Profit for the year	No. of shares	Accounted value 2017	Accounted value 2016
Boozt Fashion AB	762.1	4.3	288,095	747.3	362.9
				747.3	362.9

List of Group companies		Share	Org. no.	Place
Boozt Fashion ApS	second-tier subsidiary	100%	32 55 14 16	Copenhagen, Denmark
Boozt M Partnership AB	second-tier subsidiary	100%	556723-8182	Malmö, Sweden
Boozt Retail AB	second-tier subsidiary	100%	556734-1200	Malmö, Sweden
Boozt Technology AB	second-tier subsidiary	100%	556746-1222	Malmö, Sweden
November 2009 Option Holding AB	second-tier subsidiary	100%	556826-4252	Malmö, Sweden
Beauty by Boozt A/S	second-tier subsidiary	100%	38 13 88 71	Copenhagen, Denmark
Boozt Retail A/S	second-tier subsidiary	100%	37 98 21 48	Copenhagen, Denmark
Boozt Technology A/S	second-tier subsidiary	100%	39 03 27 91	Copenhagen, Denmark

Note 7 - Cash and cash equivalents

SEK million	31-12-2017	31-12-2016
Cash and cash equivalents	5.2	0.0
	5.2	0.0

Note 8 - Share capital

Share capital consists of 56,338,433 (3,891,295) common shares as per December 31, 2017. Common shares have a nominal value of SEK 0.08 (1.00). All shares holds the same voting and financial rights. Boozt AB does not hold any own shares.

Note 9 - Significant events after year end

On January 31, 2018 the Group assigned the permanent position as Head of Investor Relations & Corporate Communications to Anders Enevoldsen. Anders will commence his position at Boozt on March 12, 2018.

Note 10 - Accrued expenses and prepaid income

SEK million	31-12-2017	31-12-2016
Accrued holiday pay	2.5	-
Accrued social charges relating to personnel	1.5	-
Accrued salaries	1.0	-
	5.0	0.0

Note 11 - Proposed appropriation of profits

SEK	2017	2016
Premium fund	1,081,810,229	689,202,465
Retained earnings	-330,695,313	-330,514,843
Profit/loss for the year	-12,424,826	-180,470
Total	738,690,090	358,507,152
THE BOARD PROPOSES THAT PROFITS BE DISTRIBUTED AS FOLLOWS		
Profit/loss brought forward	738,690,090	358,507,152

Certification

The Board of Directors and the CEO certify that the consolidated financial statements have been prepared in accordance with the Swedish Annual Accounts Act and International Financial Reporting Standards (IFRS) as adopted by the EU and give a true and fair view of the Group's financial position and results.

The annual report has been prepared in accordance with generally accepted accounting principles and gives a true and fair view of the parent company's financial position and results.

The Directors' Report for the Group and the Parent Company provides a fair review of the Group's and Parent Company's operations, financial positions and results, and describes significant risks and uncertainty factors that the Parent Company and the companies included in the Group face.

The income statement and balance sheet and consolidated balance sheets will be presented to the Annual General Meeting on April 27, 2018 for adoption.

Signatures

MALMÖ, APRIL 5, 2018

HENRIK THEILBJØRN
Chairman of the Board

HERMANN HARALDSSON
CEO

JIMMY FUSSING NIELSEN

STAFFAN MÖRNDAL

GERD RAHBK-CLEMMENSEN

CHARLOTTE SVENSSON

KENT STEVENS LARSEN

JÓN BJÖRNSSON

LOTTA LUNDÉN

Our audit report was submitted on April 5, 2018
Ernst & Young AB

Thomas Swenson
Authorised Public Accountant

Auditor's report

To the general meeting of the shareholders of Boozt AB, corporate identity number 556793-5183.

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of Boozt AB (publ) except for the the statutory sustainability report on pages 81-87 for the year 2017. The annual accounts and consolidated accounts of the company are included on pages 67-133 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 2017 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 2017 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the statutory sustainability report on pages 81-87. 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 group.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

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. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

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

Key Audit Matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statement.

Revenue recognition (including return of goods)

Description	How our audit addressed this key audit matter
<p>The Group's net sales in 2017 amounted to SEK 2 016.4 million. The Group's main revenue stream consists of sales of goods with a right of return. Revenue from sales of goods is recognized upon delivery of a product to the customer, when the financial risks and benefits of ownership are transferred to the buyer, when it is likely that the economic benefits will accrue to the Group. Net sales is reduced with provision for expected return of goods. The provision for expected return of goods is calculated, based on historical data and experience. Due to the fact that net sales is reduced by significant provisions for return of goods, which is estimated on assumptions and assessments, we have identified revenue recognition as a key audit area.</p> <p>Information related to the company's accounting principles related to revenue recognition is found in note 1 (the section "Revenue recognition") and in note 3 ("Net sales per region and breakdown of revenues").</p>	<p>Our audit includes, among other things, the following audit procedures:</p> <ul style="list-style-type: none"> • Evaluation of the company's accounting principles for revenue recognition and the model for expected returns. • Review of return of goods during the first 30 day in the financial year 2018. • We have performed data analytics of the entire population of revenue transactions, through a three-way correlation. The audit procedure controls all revenue transactions are booked as receivables and that these receivables later are booked as cash. Sample based tests of accounted cash transactions have been checked against bank statements. All significant deviations from the above described three-way pattern have been analyzed. • Assessment of appropriateness of disclosures provided in the financial statement.

Valuation of stock-in-trade

Description	How our audit addressed this key audit matter
<p>As at 31 December 2017 Boozt's stock in-trade amounts to SEK 571.6 million, representing almost 41% of total assets. The stock in-trade is mainly located to the central warehouse in Ängelholm. Stock in-trade is valued at the lower of cost and net realisable value. The net realisable value is the estimated market value less calculated selling expenses. The cost is equal to actual acquisition cost including cost of freight.</p> <p>Estimating the net realisable value requires assumptions and assessments concerning future events which are subject to uncertainty. Changes in assumptions and assessments may have a material effect on the financial statements, and consequently valuation of stock in-trade is considered a key audit matter.</p> <p>Information related to the company's valuation of stock in-trade is found in note 1 (the section "Estimates, assumptions and assessments") and in note 16 ("Stock in-trade").</p>	<p>Our audit included, among other things, the following audit procedures:</p> <ul style="list-style-type: none"> • Review of the company's processes and procedures for stock accounting, including the company's procedures and assumptions used in the calculations for stock obsolescence. • Sample based test of purchase invoices against booked acquisition cost. • Performing data analytics to, among other things, identify slow-moving items. • Review of the company's assumptions and calculation for stock obsolescence. • Assessment of appropriateness of disclosures provided in the financial statements.

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 1-66 and pages 140-145. 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 intends to liquidate the company, to cease operations, or has no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the company's financial reporting process.

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.

- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated accounts. We are responsible for the direction, supervision and performance 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.

We must also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the annual accounts and consolidated accounts, including the most important assessed risks for material misstatement, and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes disclosure about the matter.

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 Boozt AB (publ) for the year 2017 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 whether the proposal is in accordance with the Companies Act.

The auditor's opinion regarding the statutory sustainability report

The Board of Directors is responsible for the statutory sustainability report on pages 81-87, and that it is prepared in accordance with the Annual Accounts Act.

Our examination has been conducted in accordance with FAR's auditing standard RevR 12. The auditor's opinion regarding the statutory sustainability report. This means that our examination of the statutory sustainability report 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 opinion.

A statutory sustainability report has been prepared.

Ernst & Young AB, Box 7850, 103 99 Stockholm, was appointed auditor of Boozt AB by the general meeting of the shareholders on the 15 May 2017. Ernst & Young AB and auditors with the audit firm have been elected since November 2009.

Malmö 5 April 2018
Ernst & Young AB

Thomas Swenson
Authorized Public Accountant



Additional information

Definitions / glossary

Active customers:	Number of customers which made at least one order during the last 12 months
Adjusted Admin & Other cost ratio:	Total operating costs less items affecting comparability, less share based compensations, less fulfilment costs, less marketing costs, less goods for resale less depreciation plus other operating income divided by net revenue
Adjusted EBIT:	Profit/loss before interest, tax, share based payments related to employees and items affecting comparability
Adjusted EBIT margin:	Adjusted EBIT divided by net revenue
Adjusted EBITDA:	Profit/loss before interest, tax, depreciation, amortisation, share based payments related to employees and items affecting comparability
Adjusted EBITDA margin:	Adjusted EBITDA divided by net revenue
Adjusted fulfilment cost ratio:	Fulfilment and distribution cost less items affecting comparability divided by net revenue
Admin & Other cost ratio:	Total operating costs less fulfilment costs, less marketing costs, less goods for resale, less depreciation plus other operating income divided by net revenue
Average order value:	Transactional net revenue divided by no. of orders
BFC:	Boozt Fulfilment Centre
Conversion rate:	Total number of orders divided by total number of site visits
Depreciation cost ratio:	Depreciation and amortizations divided by net revenue
Earnings per share:	Profit/loss for the period divided by weighted average number of shares outstanding during the period
Earnings per share after dilution:	Profit/loss for the period divided by the diluted weighted average number of shares outstanding during the period. The number of ordinary shares shall be the weighted average number of shares, used when measuring basic earnings per share, plus the weighted average number of shares that would be issued on the conversion of all the dilutive potential shares into ordinary shares. Potential ordinary shares shall be treated as dilutive when, and only when, their conversion to ordinary shares would decrease earnings per share or increase loss per share.
Equity / asset ratio:	Total equity divided by total assets
Fulfilment cost ratio:	Fulfilment and distribution cost divided by net revenue
Items affecting comparability:	Items that are not related with the operations and are the type of items that are not expected to re-occur often or regularly and that are items of significant value
Marketing cost ratio:	Marketing cost divided by net revenue
Net working capital:	Current assets, excluding cash and cash equivalents, less non-interest bearing current liabilities
Net debt / net cash:	Interest bearing liabilities less cash and cash equivalents
Net revenue:	Transactional net revenue less fees paid to consignment partners plus other revenue
No. of orders:	Number of orders placed by customers during the period, irrespective of cancellations or returns
No. of orders per active customer (order frequency):	Number of orders during the last 12 months divided by the total number of active customers end of period
Site visits:	Number of visits to a site or group of sites, irrespective of device used
Share based payments:	Costs of the Group which are settled via issuing of shares
Transactional net revenue:	Gross sales (incl. shipping and invoice income) less discounts and returns, excl. VAT
True frequency:	Order frequency for customers that have been with Boozt.com during last 12 months, hence not impacted by orders from new customers

Rationale for the use of certain Alternative Performance Measures (APM)

Adjusted EBIT:

The aim of the figure is to display the operating profit excluding non-cash items and non-recurring items. Hence share based compensation related to employees and items affecting comparability are excluded from this metric.

Adjusted EBITDA:

The aim of this figure is to display profit/loss before depreciation and amortisation excluding non-cash items and non-recurring items, hence the operating profit/loss from the day to day operation excluding effects from investments, share based compensation related to employees and items affecting comparability.

EBITDA:

The aim of this figure is to display the profit/loss before interests, depreciation, and amortisation. Hence the operating profit/loss from the day to day operation excluding effects from investments.

Net working capital:

The purpose of displaying net working capital is to display short-term financial health since the measure indicate if the company has enough short-term assets to cover its short-term debt. Net working capital can be put in relation to net revenues to understand efficiency of net working capital tied up in operations.

Transactional net revenue:

The aim of the figure is to display the total consumer value of the orders processed less returns and excluding VAT. Transactional net revenue less fee to consignment partners plus other revenue not related to consumer orders equals net revenue. The transactional net revenue can be calculated as average order value (AOV) multiplied with no. of orders.

Reconciliation of total operating income

SEK million	01-01-2017 31-12-2017	01-01-2016 31-12-2016
GROUP		
Transactional net revenue	2,071.2	1,628.4
Less consignment sales	-72.6	-234.2
Other revenue	17.7	2.2
Net revenue	2,016.4	1,396.4
Other operating income	-	4.3
Total operating income	2,016.4	1,400.7
BOOZT.COM		
Transactional net revenue	1,975.2	1,370.3
Less consignment sales	-46.7	-69.5
Other revenue	17.7	2.2
Net revenue	1,946.2	1,303.0
Other operating income	-	4.3
Total operating income	1,946.2	1,307.4
BOOZTLET.COM		
Transactional net revenue	49.8	31.1
Less consignment sales	-0.7	-0.4
Other revenue	-	-
Net revenue	49.1	30.7
Other operating income	-	-
Total operating income	49.1	30.7
OTHER		
Transactional net revenue	46.2	227.0
Less consignment sales	-25.2	-164.4
Other revenue	-	-
Net revenue	21.0	62.6
Other operating income	-	-
Total operating income	21.0	62.6

Reconciliation of adjusted EBIT

SEK million	01-01-2017 31-12-2017	01-01-2016 31-12-2016
EBIT	-69.8	21.0
Share-based payments related to employees (social charges)	47.2	8.0
Share-based payments related to employees	4.8	-
IPO preparation costs	45.4	0.5
Other items affecting comparability*	20.6	-
Adjusted EBIT	48.2	29.5

Rounding differences may effect the summations.

*Other items affecting comparability are related to the Group's warehouse move.

Reconciliation with financial statements according to IFRS

SEK million unless otherwise indicated	01-01-2017 31-12-2017	01-01-2016 31-12-2016
Cash and cash equivalents	-429.7	-221.8
Convertible loan	-	-
Interest bearing liabilities (current and non-current)	101.2	12.0
Revolving credit facilities	-	-
Net debt / -net cash	-328.5	-209.8
Total equity	790.8	367.3
Total assets	1,384.0	799.3
Equity / asset ratio	57.1%	46.0%
No. of orders (000)	2,509	1,764
Site visits (000)	88,506	63,054
Conversion rate (Boozt.com)	2.84%	2.80%
Inventory	571.6	388.8
Accounts receivables	34.0	19.6
Other receivables	38.2	49.7
Current tax assets	0.5	0.4
Pre-paid expenses and accrued income	26.9	39.7
Accounts payables	-282.7	-268.8
Current tax liabilities	-	-
Other liabilities	-62.0	-34.6
Accrued expenses and pre-paid income	-126.0	-100.2
Net working capital	200.4	94.6
Gross margin (%)	42.7%	45.1%
Fulfilment cost ratio (%)	-15.5%	-16.1%
Marketing cost ratio (%)	-13.0%	-14.7%
Admin & other cost ratio (%)	-16.2%	-11.9%
Depreciation cost ratio (%)	-1.5%	-0.9%
EBIT margin (%)	-3.5%	1.5%
Operating profit/loss (EBIT)	-69.8	21.0
Depreciation and amortisation	30.8	12.4
EBITDA	-39.0	33.5
Share-based payments related to employees (social charges)	47.2	8.0
Share-based payments	4.8	-
IPO preparation costs	45.4	0.5
Other items affecting comparability*	20.6	-
Adjusted EBITDA	79.0	42.0

Rounding differences may effect the summations. *Other items affecting comparability are related to the Group's warehouse move. Some of the key ratios such as gross margin, earnings per share and EBIT margin may be easily calculated from the financial statements. Such metrics are regarded as reconciled and are not presented above.

Financial calendar

April 27, 2018

Annual General Meeting

May 17, 2018

Interim Report January - March 2018, Q1

August 17, 2018

Interim Report January - June 2018, Q2

November 21, 2018

Interim Report January - September 2018, Q3

Financial reports

Consolidated financial statements are available at www.booztfashion.com.

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This information is information that Boozt AB (publ) is obligated to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication at 8:00 a.m CET on April 6, 2018.

This report may contain forward-looking information that is based on the present expectations of Boozt's management. No assurance may be given that these expectations will prove to be correct. Actual outcomes may deviate significantly from what is reflected in the forward-looking information due to changed conditions relating to the economy, market or competition, changes in legal requirements and other political measures, fluctuations in exchange rates and other factors outside of Boozt's control.

Boozt

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