



# Press Release

MALMÖ, SWEDEN, APRIL 16, 2020

---

## NOTICE OF ANNUAL GENERAL MEETING IN BOOZT AB

**The shareholders in Boozt AB, Reg. No. 556793-5183, are hereby invited to attend the Annual General Meeting (Sw. årsstämma) to be held at the offices of Setterwalls Advokatbyrå AB, Stortorget 23 in Malmö, Sweden, on Wednesday 27 May 2020 at 3.00 p.m.**

*The English text is an unofficial translation. In case of any discrepancies between the Swedish text and the English translation, the Swedish text shall prevail.*

### **Information regarding the coronavirus**

As a precautionary measure to reduce the risk of spreading the coronavirus, the board of directors of Boozt AB ("Boozt") has decided to keep planned speeches at the general meeting to a minimum and that no refreshments will be served. Participation at the general meeting by members of the board of directors and management as well as the number of non-shareholders present at the general meeting will be limited in an effort to keep the general meeting brief and efficient, and thereby minimizing the risk of spreading the coronavirus. For shareholders who are worried about the spread of infection due to the coronavirus, we want to emphasize the possibility of not attending in person at Boozt's general meeting and instead appoint a proxy who can vote on their behalf or utilize the possibility to vote in advance. Boozt also encourages such solution for anyone displaying symptoms of illness, who has been in an area of infection, or who is considered to be part of a risk group. See more under "Proxies etc." and "Voting in advance" below for further information on these alternatives. The CEO's presentation from the general meeting will be posted at the company website after the general meeting.

### **Right to participate in the meeting and notice of participation**

Shareholders wishing to attend the Annual General Meeting must:

- be registered in the company's share register kept by Euroclear Sweden AB (the Swedish Securities Register Center) as of Wednesday 20 May 2020; and
- no later than on Wednesday 20 May 2020, notify the company of their intention to participate in the Annual General Meeting, by mail to address Boozt AB, Attn. Martin Bo, Hyllie Boulevard 35, SE-215 37 Malmö, Sweden, by e-mail to [AGM@boozt.com](mailto:AGM@boozt.com) or by phone to +46(0)723250058. The notice should specify the complete name of the shareholder, personal identity number or company registration number, the number of shares held by the shareholder, address, telephone number during work hours and, when applicable, information on the number of advisors (two at the most).

### **Trustee-registered shares**

Shareholders, whose shares are trustee-registered, must, in order to be entitled to participate in the general meeting, temporarily register their shares in their own name in the share register kept by Euroclear Sweden AB. Such temporary re-registration of ownership must be implemented no later than as of Wednesday 20 May 2020.

### **Proxies etc.**

Boozt is a leading, fast-growing and profitable Nordic technology company selling fashion online. The Group generated net sales amounting to SEK 3.4 billion in 2019. Boozt offers its customers a curated and contemporary selection of fashion brands, relevant to a variety of lifestyles, mainly through its multi-brand webstore [Boozt.com](http://Boozt.com). The company is focused on using cutting-edge, in-house developed technology to curate the best possible customer experience. Besides [Boozt.com](http://Boozt.com), the company also runs the webstore [Booztlet.com](http://Booztlet.com) and retail stores Booztlet and Beauty by Boozt in Denmark. For more information, please visit [www.booztfashion.com/](http://www.booztfashion.com/).

A proxy representing a shareholder must bring a written, dated and by the shareholder signed power of attorney to the Annual General Meeting. The validity term of the power of attorney may be at the longest five years if this is specifically stated. In case no validity term is stated, the power of attorney is valid for at the longest one year. Should the power of attorney be issued by a legal entity, a certified copy of a registration certificate (*Sw. registreringsbevis*) or equivalent document shall be presented at the meeting. In order to facilitate the preparations before the meeting, a copy of the power of attorney and other proof of authority should be attached to the notice of participation. A template power of attorney can be found at the company website ([www.booztfashion.com](http://www.booztfashion.com)) and will be sent by mail to the shareholders who request it and state their address.

### **Voting in advance**

The board of directors of Boozt has resolved that the shareholders may exercise their voting rights at the Annual General Meeting by voting in advance, so called postal voting in accordance with section 3 of the Act (2020:198) on temporary exceptions to facilitate the execution of general meetings in companies and other associations. A special form shall be used for advance voting. The form is available on the company's website ([www.booztfashion.com](http://www.booztfashion.com)). A shareholder who is exercising its voting right through advance voting do not need to notify the company of its attendance to the general meeting. The advance voting form is considered as the notification of attendance to the general meeting. The completed voting form must be submitted to Boozt no later than on Wednesday 20 May 2020. The completed and signed form shall be sent to the address stated under "Right to participate in the meeting and notice of participation" above. A completed form may also be submitted electronically and is to be sent to [AGM@boozt.com](mailto:AGM@boozt.com). If the shareholder is a legal entity, a registration certificate or equivalent document shall be enclosed to the form. The shareholder may not provide special instructions or conditions in the voting form. If so, the vote is invalid. Further instructions and conditions are included in the form for advance voting.

### **Proposed agenda**

0. Opening of the meeting.
1. Election of Chairman of the meeting.
2. Preparation and approval of the voting list.
3. Approval of the agenda.
4. Election of one or two persons who shall approve the minutes of the meeting.
5. Determination of whether the meeting was duly convened.
6. Speech by the CEO.
7. Submission of the annual report and the audit report and the consolidated annual report and consolidated audit report.
8. Resolutions regarding:
  - a. adoption of the income statement and the balance sheet and the consolidated income statement and the consolidated balance sheet;
  - b. allocation of the company's profit in accordance with the adopted balance sheet; and
  - c. discharge of the members of the board of directors and the CEO from liability.
9. Determination of the number of members and deputy members of the board of directors and the number of auditors and deputy auditors.
10. Determination of remuneration for the members of the board of directors and auditors.
11. Election of members of the board of directors and Chairman of the board of directors.
12. Election of auditors and deputy auditors.
13. Resolution on instruction for the Nomination Committee.
14. Resolution on guidelines for remuneration to senior executives.
15. Resolution on amendment of the Articles of Association.
16. Resolution on authorization for the board of directors regarding new share issues.
17. Resolution on implementation of a long-term incentive program by way of (A) implementation of a performance-based share program; (B) authorization on directed issues of series C shares; (C) authorization on repurchase of series C shares; and (D) resolution on transfer of own ordinary shares.
18. Closing of the meeting.

### **Proposed resolutions**

*Item 1: Election of Chairman of the meeting*

The Nomination Committee, consisting of Claus Wiinblad (Chairman of the Nomination Committee), representing Arbejdsmarkedets Tillægspension (ATP), Daniel Ahlstrand, representing Verdane Capital VII K/S, Johannes Wingborg, representing Länsförsäkringar Fondförvaltning, and the Chairman of the board, Henrik Theilbjørn, proposes that lawyer Ola Grahn is elected as Chairman of the meeting.

*Item 8 b: Resolution regarding allocation of the company's profit in accordance with the adopted balance sheet*

The board of directors proposes that no dividends are paid to the shareholders and that the available funds of SEK 765,216,145 are carried forward.

*Item 9: Determination of the number of members and deputy members of the board of directors and the number of auditors and deputy auditors*

The Nomination Committee proposes that the board of directors shall be composed of six ordinary board members until the end of the next Annual General Meeting and, in accordance with the recommendation from the Audit Committee, that one registered accounting firm without deputy is appointed as auditor until the end of the next Annual General Meeting.

*Item 10: Determination of remuneration for the members of the board of directors and auditors*

The Nomination Committee proposes that board remuneration shall be paid with SEK 600,000 to the Chairman of the board of directors (unchanged since previous year) and with SEK 300,000 to each of the other board members who are not employed by the company (unchanged since previous year). Furthermore, remuneration is proposed to be paid for committee work with SEK 150,000 to the Chairman of the Audit Committee (unchanged since previous year), SEK 100,000 to each of the other members in the Audit Committee (unchanged since previous year), SEK 75,000 to the Chairman of the Remuneration Committee (unchanged since previous year) and SEK 40,000 to each of the other members in the Remuneration Committee (unchanged since previous year).

Remuneration for the auditor is, in accordance with the recommendation from the Audit Committee, proposed to be paid in accordance with customary norms and approved invoice.

*Item 11: Election of members of the board of directors and Chairman of the board of directors*

The Nomination Committee proposes that Henrik Theilbjørn, Jón Björnsson, Kent Stevens Larsen, Bjørn Folmer Kroghsbo, Cecilia Lannebo and Luca Martines are re-elected as ordinary board members, and that Henrik Theilbjørn is re-elected as Chairman of the board of directors.

Information on the board members proposed for re-election can be found in the annual report and at the company's website ([www.booztfashion.com](http://www.booztfashion.com)).

*Item 12: Election of auditors and deputy auditors*

The Nomination Committee proposes, in accordance with the recommendation from the Audit Committee, that Deloitte AB is re-elected as auditor. Deloitte AB has informed that Didrik Roos will continue to be appointed as the responsible auditor.

*Item 13: Resolution on instruction for the Nomination Committee*

The Nomination Committee proposes that a Nomination Committee shall be appointed before coming elections and remuneration, and that the following instruction for the Nomination Committee is adopted.

The Nomination Committee shall consist of four members, representing the three largest shareholders as per the end of August, together with the chairman of the Board of Directors. The "three largest shareholders" refer to the ownership grouped registered or in any other way known shareholders registered in the share registry held by Euroclear Sweden as per the end of August 2020.

The chairman of the Board of Directors shall as soon as possible when the information regarding the three shareholders as per the end of August is known, contact the three largest shareholders to find out whether they wish to appoint a representative to the Nomination Committee. In case one of the three largest shareholders refrain from appointing a representative, or such representative resign prior to completion of the assignment and

without the shareholder who has appointed the representative appointing a new member, the chairman of the Board of Directors shall encourage the next owner in size (i.e. in the first place the fourth largest shareholder) to appoint a representative. The procedure shall go on until the Nomination Committee is composed of four members including the chairman of the Board of Directors.

The member who represents the largest shareholder shall be appointed Chairman of the Nomination Committee unless the Nomination Committee unanimously choose someone else. The chairman of the Board of Directors or another member of the Board of Directors should not be appointed as Chairman of the Nomination Committee.

The members of the Nomination Committee shall be announced no later than six months before the Annual General Meeting. If earlier than three months prior to the Annual General Meeting, one or more of the shareholders having appointed representatives to the Nomination Committee no longer are among the three largest shareholders, representatives appointed by these shareholders shall resign and the shareholders who then are among the three largest shareholders may appoint their representatives. Should a member resign from the Nomination Committee before its work is completed and the Nomination Committee considers it necessary to replace him or her, such substitute member is to represent the same shareholder, or, if the shareholder is no longer one of the largest shareholders, the largest shareholder in turn. Shareholders who have appointed a representative to be a member of the Nomination Committee shall have the right to dismiss such member and appoint a new representative of the Nomination Committee. Changes to the composition of the Nomination Committee must be announced immediately.

The Nomination Committee's term shall run until such time as a new Nomination Committee has been elected.

No remuneration shall be paid to the members of the Nomination Committee.

The Nomination Committee shall prepare and propose the following to the coming Annual General Meeting:

- (a) election of chairman at the general meeting;
- (b) election of chairman of the Board of Directors and other members of the board of directors;
- (c) remuneration to the Board of Directors, divided between the chairman and other members, and remuneration for committee work;
- (d) election of auditor and remuneration to the auditor; and
- (e) principles for appointment of the Nomination Committee.

On request by the Nomination Committee, the company shall provide the Nomination Committee with human resources such as a secretary function in order to facilitate the Nomination Committee's work. The Nomination Committee shall also have the right to, as far as necessary in connection with the future election of a board member, obtain material from external consultants on knowledge, experience and profile in reference to suitable candidates, and with the right for the Nomination Committee to charge the company with reasonable costs for the production of such material.

#### *Item 14: Resolution on guidelines for remuneration to senior executives*

The board of directors proposes that the Annual General Meeting resolves to adopt the following guidelines for remuneration to senior executives.

#### **Scope and applicability of the guidelines**

These guidelines comprise the persons who are part of Boozt's group management, currently the CEO, CFO, CCO/CMO, CTO, CPO, CHRO and Head of IR & Corporate Communication. The guidelines also encompass any remuneration to members of the board of directors, in addition to board remuneration.

These guidelines are applicable to remuneration agreed, and amendments to remuneration already agreed, after adoption of the guidelines by the Annual General Meeting 2020. These guidelines do not apply to any remuneration resolved by the general meeting, such as e.g. board remuneration and share-based incentive programs.

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

Boozt is a Nordic technology company selling fashion and beauty online. This includes fashion for women and men, kids, sports/athleisure and beauty. In brief, Boozt's business strategy is to offer a convenient shopping experience with high service levels, consistent user experiences across both mobile devices and desktop, quick deliveries and easy returns. For more information about Boozt's business strategy, see Boozt's latest annual report.

A successful implementation of Boozt's business strategy and safeguarding of Boozt's long-term interests, including its sustainability, require that the company is able to recruit and retain highly competent senior executives with a capacity to achieve set goals. In order to achieve this, Boozt must offer a competitive total remuneration on market terms, which these guidelines enable.

Long-term share-based incentive programs have been implemented in Boozt. For further information about these programs, see Boozt's latest annual report. The share-based incentive programs have been approved by the general meeting and are therefore not covered by these guidelines.

### **Types of remuneration, etc.**

The total remuneration shall be based on market terms, be competitive and well balanced and contribute to good ethics and company culture. The remuneration may consist of the following components: fixed salary, variable cash remuneration, pension benefits and other benefits. For the individual senior executive, the level of remuneration shall be based on factors such as competence and area of responsibility. Additionally, the general meeting may – irrespective of these guidelines – resolve on e.g. share and share price-related remuneration.

For employments governed by rules other than Swedish, pension benefits and other benefits may be duly adjusted for compliance with mandatory rules or established local practice, taking into account, to the extent possible, the overall purpose of these guidelines.

#### *Fixed salary*

The CEO and other senior executives shall be offered a fixed annual cash salary, set at a level aimed at attracting and retaining senior executives with professional and personal competences required to drive Boozt's performance. The fixed salary shall as a starting point be determined per calendar year and shall normally be reviewed every year.

#### *Variable cash remuneration*

In addition to fixed salary, the CEO and other senior executives may, according to separate agreements, receive variable cash remuneration. Variable cash remuneration covered by these guidelines is intended to promote Boozt's business strategy and long-term interests, including its sustainability.

The satisfaction of criteria for awarding variable cash remuneration shall be measured over a period of one year. Any variable cash remuneration for senior executives may amount to a maximum of 50 percent of the fixed annual cash salary. Variable cash remuneration shall not qualify for pension benefits, save as required by mandatory collective bargaining agreements.

The variable cash remuneration shall be linked to one or several predetermined and measurable criteria, which can be financial, such as revenue targets and net cash position, or non-financial, such as net promoter score. By linking the goals in a clear and measurable way to the remuneration of the senior executives to Boozt's financial and operational development, they contribute to the implementation of the company's business strategy, long-term interests and sustainability.

To which extent the criteria for awarding variable cash remuneration has been satisfied shall be evaluated and determined when the measurement period has ended. The Remuneration Committee is responsible for the evaluation. For financial objectives, the evaluation shall be based on the latest financial information made public by the company. The board of directors shall have the possibility in whole or in part to reclaim variable cash remuneration paid on incorrect grounds.

Additional variable cash remuneration may be awarded in extraordinary circumstances, provided that such extraordinary arrangements are only made on an individual basis, either for the purpose of recruiting or retaining senior executives, or as remuneration for extraordinary performances beyond the individual's ordinary tasks. Such remuneration may not exceed an amount corresponding to 50 percent of the fixed annual salary and may not be paid more than once each year per individual. Any resolution on such remuneration shall be made by the board of directors based on a proposal from the Remuneration Committee.

#### *Pension benefits*

Pension benefits, including health insurance, shall be defined contribution, insofar as the senior executive is not covered by defined benefit pension under mandatory collective bargaining agreements. Premiums for defined contribution pensions, including health insurance, may amount to a maximum of 30 percent of the fixed annual salary.

#### *Other benefits*

Other benefits may include life insurance, medical insurance, company car, parking space, bridge tolls and newspapers. Premiums and other costs relating to such benefits may amount to a maximum of 20 percent of the fixed annual salary.

### **Termination of employment and severance payment**

Senior executives shall be employed until further notice or for a specified period of time. Upon termination of an employment by Boozt, the notice period may not exceed 12 months. Fixed salary and other remuneration during the notice period and severance pay may not together exceed an amount corresponding to the fixed annual salary for 18 months. It is noted that no senior executive will be eligible for severance pay in case of termination for wilful misconduct or gross negligence. Upon termination by the senior executive, the notice period may not exceed six months, without any right to severance pay.

In addition to fixed salary during the period of notice and severance pay, additional remuneration may be paid for non-compete undertakings. Such remuneration shall compensate for loss of income and shall only be paid in so far as the previously employed senior executive is not entitled to severance pay for the period for which the non-compete undertaking applies. The remuneration shall be based on the fixed annual salary at the time of termination of employment and amount to not more than 60 percent of the fixed annual salary at the time of termination of employment, save as otherwise provided by mandatory collective bargaining agreements, and shall be paid during the time as the non-compete undertaking applies, however not for more than 24 months following termination of employment.

### **Salary and employment conditions for employees**

In the preparation of the board of directors' proposal for these remuneration guidelines, salary and employment conditions for employees of Boozt have been taken into consideration by including information on the employees' total income, the components of the remuneration and increase and growth rate over time, in the Remuneration Committee's and the board of directors' basis of decision when evaluating whether the guidelines and the limitations set out herein are reasonable.

### **Consultancy fees to the members of the board of directors**

To the extent a member of the board of directors renders services for the company, in addition to his or her assignment as a member of the board of directors, an additional consultancy fee on market terms may be paid to the member of the board of directors, or to a company controlled by such member of the board of directors, provided that such services contribute to the implementation of Boozt's business strategy and the safeguarding of Boozt's long-term interests, including its sustainability.

### **Preparation and decision-making progress**

The board of directors has established a Remuneration Committee. The Remuneration Committee's duties include i.a. preparing the board of directors' resolution to propose guidelines for remuneration to senior executives. The board of directors shall prepare a proposal for new guidelines at least every fourth year and



submit it to the general meeting. The guidelines shall be in force until new guidelines have been adopted by the general meeting. The Remuneration Committee shall also monitor and evaluate programs for variable remuneration for the senior executives as well as the current remuneration structures and compensation levels in the company. The members of the Remuneration Committee are independent in relation to the company and its senior management. The CEO and other members of the senior management do not participate in the board of directors' processing of and resolutions regarding remuneration-related matters in so far as they are affected by such matters.

### **Deviation from these guidelines**

The board of directors may temporarily resolve to deviate from these guidelines, in whole or in part, if in a specific case there is special cause for the deviation and a deviation is necessary to serve the company's long-term interests, including its sustainability, or to ensure the company's financial viability. As set out above, the Remuneration Committee's tasks include preparing the board of directors' resolutions in remuneration-related matters, which include any resolutions to deviate from these guidelines.

### **Information regarding resolved remunerations that have not yet fallen due**

Apart from the commitments to pay ongoing remuneration such as salary, pension and other benefits, there are no previously resolved remuneration to any senior executives that have not yet fallen due. For further information on remuneration to senior executives, please see note 9 in Boozt's annual report.

#### *Item 15: Resolution on amendment of the Articles of Association*

The board of directors proposes that the Annual General Meeting resolves to amend the company's Articles of Association in accordance with the following:

#### **1 § Name (proposed wording "Company name")**

##### *Current wording*

The company's name is Boozt AB. The company is a public limited liability company (publ).

##### *Proposed wording*

The company name is Boozt AB. The company is a public limited liability company (publ).

#### **4 § Share capital and shares**

##### *Current wording*

The share capital shall be not less than SEK 3,300,000 and not more than SEK 13,200,000. The number of shares shall be not less than 20,000,000 and not more than 80,000,000.

##### *Proposed wording*

The share capital shall be not less than SEK 4,580,000 and not more than SEK 18,320,000. The number of shares shall be not less than 55,000,000 and not more than 220,000,000.

#### **10 § Participation in general meetings**

##### *Current wording*

Shareholders who wish to participate in a general meeting shall be registered as shareholders on a transcript of the entire share register as stipulated in Chapter 7, Section 28, third paragraph of the Swedish Companies Act (2005:551) that relates to the conditions prevailing five workdays prior to the meeting and shall also provide notification of their intention to attend the meeting no later than on the date stipulated in the notice convening the general meeting. The latter mentioned day must not be a Sunday, any other public holiday, Saturday, Midsummer's Eve, Christmas Eve or New Year's Eve and must not be more than the fifth weekday prior to the meeting. If a shareholder wishes to be joined by proxy (not more than two proxies) at the general meeting, the number of proxies must be stated in the notice of participation.

### *Proposed wording*

Shareholders who wish to participate in a general meeting shall provide notification of their intention to attend the meeting no later than on the date stipulated in the notice convening the general meeting. This day must not be a Sunday, any other public holiday, Saturday, Midsummer's Eve, Christmas Eve or New Year's Eve and must not be more than the fifth weekday prior to the meeting. If a shareholder wishes to be joined by advisor (not more than two advisors) at the general meeting, the number of advisors must be stated in the notice of participation.

The CEO shall be authorized to make minor formal adjustments of the resolution which may be required for registration with the Swedish Companies Registration Office (*Sw. Bolagsverket*).

### *Item 16: Resolution on authorization for the board of directors regarding new share issues*

The board of directors proposes that the Annual General Meeting resolves to authorize the board of directors to, at one or several occasions, during the time up until the next Annual General Meeting, with or without deviation from the shareholders' preferential rights, resolve to issue shares. A new issue should be able to be made with or without provisions regarding contribution in kind, set-off or other conditions. The total number of shares issuable pursuant to the authorization shall not exceed 20 percent of the total number of existing shares in the company at the time of the Annual General Meeting. In case the authorization is used for a new issue with deviation from the shareholders' preferential rights, the subscription price shall be on market terms (subject to customary new issue discount, as applicable). The purpose of the authorization is to be able to execute and finance acquisitions of companies and assets.

The CEO shall be authorized to make minor formal adjustments of the resolution which may be required for registration with the Swedish Companies Registration Office (*Sw. Bolagsverket*).

### *Item 17: Resolution on implementation of a long-term incentive program by way of (A) implementation of a performance-based share program; (B) authorization on directed issues of series C shares; (C) authorization on repurchase of series C shares; and (D) resolution on transfer of own ordinary shares*

The board of directors proposes that the Annual General Meeting resolves to implement a long-term incentive program in the form of a performance-based share program (the "**LTI 2020**") for the company's CEO, Group Management and key employees in accordance with A below. The resolution is conditional upon that the annual general meeting also resolves on hedging measures in accordance with B – D below.

#### **A. Implementation of a performance-based share program**

##### *Background*

At the Extraordinary General Meeting held on 24 June 2019 it was resolved to implement a long-term incentive program (LTI 2019). As noted in connection with the proposal for LTI 2019, the long-term incentive program was intended to be annual after evaluation of the board of directors. The board of directors has now evaluated LTI 2019 and found that it has worked well and has hence resolved to propose a similar program this year. The overall purpose with LTI 2020 is to align the interests of the company's senior executives and key employees with those of the shareholders and thus ensure a maximum long-term value adding commitment. LTI 2020 is also considered to create a long-term focus on increase in earnings and growth among the participants. LTI 2020 is further considered to facilitate for the company to recruit and retain senior executives and key employees.

##### *Terms and conditions for LTI 2020*

1. In total, LTI 2020 is proposed to comprise approximately 35 participants composed of senior executives and key employees, divided into three categories. Provided that the performance targets mentioned below are met or exceeded, participants in LTI 2020 shall be given the opportunity to receive ordinary shares in the company free-of-charge ("**Performance Shares**").
2. The total number of Performance Shares shall not exceed 1,800,000.
3. The maximum number of Performance Shares that can be allotted to the participants in the respective category shall not exceed the numbers set out in the table below:



Category	Maximum number of Performance Shares per participant
CEO	200,000
Other Group Management (6 persons)	750,000 Performance Shares may in the aggregate be allotted to this category but no participant may be allotted more than 130,000 Performance Shares.
Key employees (approximately 28 persons)	850,000 Performance Shares may in the aggregate be allotted to this category but no participant may be allotted more than 100,000 Performance Shares.

4. A condition for the right to receive Performance Shares is that the participant, subject to certain customary good leaver exemptions, has continued to be employed by the company until 27 May 2023.

5. The performance targets (the "**Performance Targets**") that have to be met or exceeded relate to (i) the share price development of the company's shares (the "**Share Price Target**"); (ii) the company's Net Promoter Score (the "**NPS Target**"); (iii) the company's organic revenue growth (the "**Revenue Growth Target**"); and (iv) the company's Adjusted EBIT Margin (the "**EBIT Target**"). The number of Performance Shares allocated to each participant in relation to each Performance Target shall be weighted with 25 per cent per Performance Target.

The Share Price Target relates to the development of the company's share price measured based on the volume weighted average share price during the 30 trading days immediately after the publication of the company's full year report (Q4-report) for the financial year 2022 (the "**Closing Price**"). A Closing Price below SEK 60 (minimum level) does not entitle to any vesting of any of the Performance Shares pertaining to the Share Price Target, a Closing Price of SEK 60 will entitle to vesting of 25 per cent of the Performance Shares pertaining to the Share Price Target, a Closing Price of SEK 75 (target level) will entitle to vesting of 50 per cent of the Performance Shares pertaining to the Share Price Target and a Closing Price of SEK 90 (maximum level) will entitle to vesting of 100 per cent of the Performance Shares pertaining to the Share Price Target. In the event of a Closing Price between the minimum level and the target level or between the target level and the maximum level, respectively, vesting of the Performance Shares pertaining to the Share Price Target will occur linearly between 25 per cent and 50 per cent of the Performance Shares pertaining to the Share Price Target and between 50 per cent and 100 per cent of the Performance Shares pertaining to the Share Price Target, respectively.

The NPS Target relates to the company's net promoter score in the fourth quarter of the financial year 2022 ("**NPS**"). A NPS below 61.0 (minimum level) does not entitle to any vesting of any of the Performance Shares pertaining to the NPS Target, a NPS of 61.0 will entitle to vesting of 25 per cent of the Performance Shares pertaining to the NPS Target, a NPS of 65.0 (target level) will entitle to vesting of 50 per cent of the Performance Shares pertaining to the NPS Target and a NPS of 68.0 or more (maximum level) will entitle to a vesting of all of the Performance Shares pertaining to the NPS Target. In the event of a NPS between the minimum level and the target level or between the target level and the maximum level, respectively, vesting of the Performance Shares pertaining to the NPS Target will occur linearly between 25 per cent and 50 per cent of the Performance Shares pertaining to the NPS Target and between 50 per cent and 100 per cent of the Performance Shares pertaining to the NPS Target, respectively.

The Revenue Growth Target relates to the increase of the company's organic revenue growth during the financial years 2020 – 2022 and the EBIT Target relates to the company's Adjusted EBIT margin (the profit/loss before interest and tax adjusted for share based payments related to employees and items affecting comparability / net revenue) in the financial year 2022. The Revenue Growth Target and the EBIT Target shall be determined by the board of directors before LTI 2020 is offered to the participants and shall be based on the guidance provided by the company on 21 February 2020. For each of these respective Performance Target, a minimum level, a target level and a maximum level shall be determined. If the minimum target is not

achieved, no Performance Shares are vested in relation to the relevant Performance Target, if the minimum target is achieved, 25 per cent of the Performance Shares pertaining to the relevant Performance Target are vested, if the target level is achieved, 50 per cent of the Performance Shares pertaining to the relevant Performance Target are vested and if the maximum level is achieved, all the Performance Shares pertaining to the relevant Performance Target will be vested. In the event of an outcome between the minimum level and the target level or between the target level and the maximum level, respectively, vesting of the Performance Shares pertaining to the relevant Performance Target will occur linearly between 25 per cent and 50 per cent of the Performance Shares pertaining to the relevant Performance Target and between 50 per cent and 100 per cent of the Performance Shares pertaining to the relevant Performance Target, respectively.

The board of directors intends to present the determined targets regarding the Revenue Growth Target and the EBIT Target as well as the achievement of these in connection with the expiration of LTI 2020 at the latest.

The final number of Performance Shares vested by each participant shall be rounded downwards to the nearest whole number.

6. In addition to the achievement of the Performance Targets, the allocation of Performance Shares shall be conditional upon that the weighted average quarterly ratio (calculated based on each of the four quarters in the financial year 2022) for "Net working capital - per cent of LTM net revenue" as reported in the company's full-year report for the financial year 2022 (the "**NWC Ratio**"), does not exceed certain levels to be determined by the board of directors before LTI 2020 is offered to the participants. The board of directors shall determine one threshold level and one maximum level for the NWC Ratio. If the threshold level is exceeded but the maximum level is not reached, the board of directors shall be entitled to decrease the number of Performance Shares to be allocated to the lower number of shares that the board of directors finds reasonable and if the maximum level is exceeded, no Performance Shares shall be allotted in LTI 2020. The board of directors intends to present the determined NWC Ratio in connection with the expiration of LTI 2020 at the latest.

7. Before the number of Performance Shares to be allocated is finally determined, the board of directors shall also make a general evaluation if allocation pursuant to the principles set out above is reasonable, having regard to the company's results and financial standing, to conditions on the stock market and to other circumstances in general. If the board of directors finds that it is not reasonable, then the board of directors may decrease the number of Performance Shares to be allocated to the lower number of shares that the board of directors finds reasonable.

8. The number of Performance Shares shall be subject to recalculation in consequence of a bonus issue, split, rights issue, and/or other similar company actions.

9. Allotment and transfer of Performance Shares to the participants shall take place within 30 days after 27 May 2023. To the extent applicable insider rules would prevent transfer of Performance Shares to a participant within this period, the transfer of Performance Shares shall instead be made as soon as such restrictions have ceased to apply.

10. Participation in LTI 2020 is conditional upon that the participation is legally possible and that the participation in the company's sole opinion can be made with reasonable administrative costs for the company.

11. The board of directors shall be responsible for the details and management of LTI 2020 within the framework of the main conditions as set out above, and the board of directors shall be authorized to make minor adjustments to these conditions as required by law or for administrative reasons. The board of directors shall also be authorized to adjust or deviate from the terms and conditions as required by local laws and regulations as well as existing market practices. The board of directors shall also be entitled to resolve on diverging terms for the allocation of Performance Shares in connection with cessation of employment due to death, early retirement or similar occasions or due to termination by the company that is not related to misconduct by the

participants. In these cases the board of directors may resolve that the participant will be entitled to receive a proportionate part of the Performance Shares. Furthermore, in the event of a public take-over offer, a sale of the company's business, liquidation, merger or any other such transaction affecting the company, the board of directors shall be entitled to resolve that the Performance Shares shall vest and be allotted on completion of such transaction. The board of directors will make this resolution based on the level of achievement of the Performance Targets and any other factors deemed relevant by the board of directors. Finally, the board of directors is also entitled to adjust vesting and allotment if such has been made based on information which later proves to be incorrect.

#### **B. Authorization on directed issues of series C shares**

The board of directors proposes that the Annual General Meeting resolves to authorize the board of directors, for the period up until the next Annual General Meeting, on one or several occasions, to issue a maximum of 1,800,000 series C shares. The new shares may, with deviation from the shareholders' preferential rights, only be subscribed for by a bank or a securities company at a subscription price which corresponds to the quota value. The purpose of the authorization and the reason for the deviation from the shareholders' preferential rights in connection with an issue of shares is to secure delivery of Performance Shares under LTI 2020, which shall be effected through the company repurchasing the series C shares issued pursuant to the authorization in section C below and thereafter, when the series C shares have been converted to ordinary shares, by transferring ordinary shares to the participants in LTI 2020 in accordance with section D below.

#### **C. Authorization on repurchase of series C shares**

The board of directors proposes that the Annual General Meeting resolves to authorize the board of directors, for the period up until the next Annual General Meeting, on one or several occasions, to repurchase its own series C shares. Repurchase may only be effected through a public offer directed to all holders of series C shares and shall comprise all outstanding series C shares. Repurchase may also be made of so-called interim shares, by Euroclear Sweden AB designated as a Paid Subscribed Share (*Sw.* Betald Tecknad Aktie (BTA)), regarding a series C share. Repurchase shall be made at a purchase price per share which corresponds to the quota value of the share. The purpose of the proposed repurchase authorization is to secure delivery of Performance Shares under LTI 2020.

The board of directors' statement pursuant to Chapter 19, Section 22 of the Swedish Companies Act (*Sw.* aktiebolagslagen) is presented in a separate document.

#### **D. Resolution on transfer of own ordinary shares**

In order to fulfil the company's obligations towards participants in LTI 2020, the board of directors proposes that the Annual General Meeting resolves that the company shall transfer own ordinary shares as follows:

1. The company shall have the right to transfer the number of ordinary shares that the company has a maximum obligation to allocate as Performance Shares to participants in LTI 2020, at most 1,800,000 shares.
2. The number of shares that may be transferred pursuant to LTI 2020 shall be subject to recalculation in consequence of a bonus issue, split, rights issue, and/or other similar corporate action which affects the number of shares in the company.
3. The right to acquire ordinary shares shall, with deviation from the shareholders' preferential rights, vest in participants in LTI 2020 who are entitled to be allotted Performance Shares in accordance with the terms and conditions of the program.
4. Transfer of shares to participants in LTI 2020 shall be made free of charge and be executed at the relevant time specified in the terms and conditions for LTI 2020.

The reason for the deviation from the shareholders' preferential rights in connection with the transfers of own ordinary shares is to enable the company's delivery of Performance Shares to participants in LTI 2020.

*Costs, impact on key ratios, existing incentive programs and dilution*

LTI 2020 will be accounted for in accordance with IFRS 2 which stipulates that the right to receive Performance Shares shall be expensed as a personnel cost over the vesting period.

The board of directors has made a preliminary cost calculation for LTI 2020, which is based on the assumption of a share price of SEK 40 at the start of the program. Based on a Monte Carlo simulation, the company estimates that the IFRS 2 costs of the Performance Shares related to the Share Price Target are SEK 11.3 per Performance Share. The IFRS 2 costs for the Performance Shares related to the other Performance Targets have been estimated to SEK 40 per Performance Share. If the company estimates an employee turnover of 0 per cent until shares are received approximately three years later, and excludes future dividends of the company's share, the total costs for LTI 2020 including costs for social security contributions, are estimated to be approximately MSEK 110, provided that all the Performance Targets are met in full.

Based on the calculation of the total cost as per the above, the anticipated annual costs, including costs for social security contributions, is MSEK 36.7, which corresponds to approximately 16.3 per cent of the company's total employee costs for the financial year 2019. Based on the calculation of the annual costs and the dilution calculated as per the below, the key figure earnings per share for the full year 2019 had been changed from SEK 0.96 to SEK 0.46 had the company expensed 1/3 of the total costs for LTI 2020 in 2019.

As per the date of the notice, the number of shares in the company amounts to 57,745,439, whereof 57,370,853 ordinary shares and 374,586 are series C shares which were issued in connection with LTI 2019 and that will be converted into ordinary shares prior to delivery to participants.

The maximum number of Performance Shares that can be issued in relation to LTI 2020 amounts to 1,800,000 which corresponds to a dilution of approximately 3.04 per cent of the company's ordinary shares, calculated on the number of ordinary shares that will be added upon full issuance of Performance Shares in connection with LTI 2020.

Since previously, there are three incentive programs in the company in the form of one employee option program, one warrant program and one performance based share program (LTI 2019). The existing incentive programs can lead to that in the aggregate 3,538,625 new ordinary shares are issued. In case all outstanding incentive programs as well as the proposed LTI 2020 are exercised in full, a total of 5,338,625 new ordinary shares will be issued, which corresponds to a dilution of approximately 8.51 per cent of the company's ordinary shares, calculated on the number of ordinary shares that will be added upon full exercise of all outstanding incentive programs as well as the proposed LTI 2020.

The above calculations regarding dilution and impact on key ratios are subject to re-calculation of the warrants in accordance with the customary recalculation terms included in the complete applicable warrant terms.

#### *Preparation of the proposal*

The proposal for LTI 2020 has been prepared by the Remuneration Committee together with external consultants. The final proposal has been resolved upon by the board of directors.

#### **Information at the Annual General Meeting**

The board and the CEO shall at the Annual General Meeting, if any shareholder so requests and the board believes that it can be done without significant harm to the company, provide information regarding circumstances that may affect the assessment of items on the agenda, circumstances that can affect the assessment of the company's or its subsidiaries financial position and the company's relation to other companies within the group.

#### **Financial statements and complete proposals**

Financial statements, the audit report, the statement by the auditor on the compliance of the applicable guidelines for remuneration to senior executives and the complete proposals for resolutions will be available for the shareholders at the company's office at Hyllie Boulevard 35, SE-215 37 Malmö, Sweden, and at the company's website ([www.booztfashion.com](http://www.booztfashion.com)) as from no later than three weeks prior to the Annual General Meeting. Copies of the documents will be sent to the shareholders upon their request to the company, provided that such shareholders state their address, and will also be made available at the Annual General Meeting.

#### **Number of shares and votes in the company**

The total number of shares in the company amounts to 57,745,439 shares, of which 57,370,853 are ordinary shares with one vote per share and 374,586 are series C shares with one-tenth of a vote per share. The number of votes in the company amounts to 57,408,311.6 votes. The company holds all 374,586 outstanding series C shares, corresponding to 37,458.6 votes, which cannot be represented at the annual general meeting.

### **Processing of personal data**

For information on how your personal data is processed, see <https://www.euroclear.com/dam/ESw/Legal/Privacy-notice-bolagsstammor-engelska.pdf>.

---

Malmö in April 2020

Boozt AB (publ)

The Board of Directors

*The information was submitted for publication through the agency of the contact person at 17:30 CET on 16 April 2020*

### **For additional information, please contact:**

Hermann Haraldsson / Group CEO / Phone: +45 20 94 03 95 / Email: [heha@boozt.com](mailto:heha@boozt.com)

Anders Enevoldsen / Head of IR & Corporate Communications / Phone: +45 53 50 14 53 / Email: [anen@boozt.com](mailto:anen@boozt.com)