

The Boozt logo is centered at the top of the page. It features the word "Boozt" in a bold, black, serif font. The background of the entire page is a repeating geometric pattern of interlocking cubes in two shades of beige. The top half of the page is covered by this pattern, while the bottom half is a solid light beige color.

Boozt

ANNUAL REPORT

2020



LEADING
CUSTOMER
SATISFACTION

Boozt

▲ Boozt Fulfillment Centre

Our central and automated warehouse located in Ångelholm

▲ Boozt Headquarter

Our headquarter located in Malmö

OUR MISSION

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

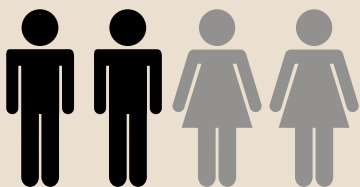
OUR VISION

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

A Nordic technology company selling fashion, kids, home, sport and beauty online. We offer our customers a curated and contemporary selection of brands, relevant to a variety of lifestyles through our multi-brand webstores Boozt.com and Booztlet.com.

THE BOOZT SNAPSHOT

- Boozt.com launched 2011
- Booztlet.com launched in 2015
- Head office in Malmö, Sweden
- Boozt AB is listed on Nasdaq Stockholm & Nasdaq Copenhagen
- 2 online shops, Boozt.com and Booztlet.com
- SEK 4.4 billion turnover in 2020



436

FULL TIME
EMPLOYEES

34

AVERAGE AGE

33

NUMBER OF
NATIONALITIES

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UNIQUE POSITIONING OFFERS ATTRACTIVE GROWTH AND PROFITABILITY OPPORTUNITIES



Key success factors in Nordic
online fashion



Boozt.com

Loyal Nordic customer base with attractive features in a market with strong growth potential

- Convenience is key
- Fashion followers

25-54

target customer age



55% have kids

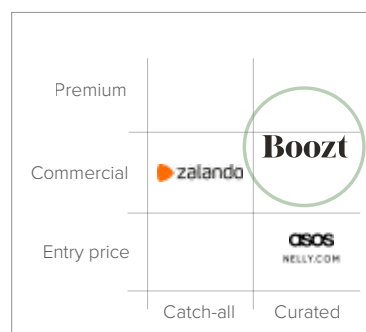


85% have a partner

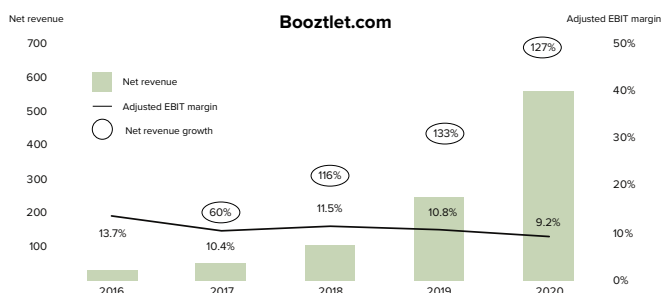
RELEVANCE

Booztlet.com

- Shopping prior season fashion from strong brands
- Price-conscious and bargain hunting



- Positioning delivers high AOV and combined with local scale a high profit per order...
- Allowing for a high marketing spend to drive market leading growth...
- While still showing a positive and increasing margin



- Hyper growth from unique online position
- Strong profit from solid gross margin, low marketing need and distribution income



High customer satisfaction

Trustpilot
4.6

Net Promoter Score
70

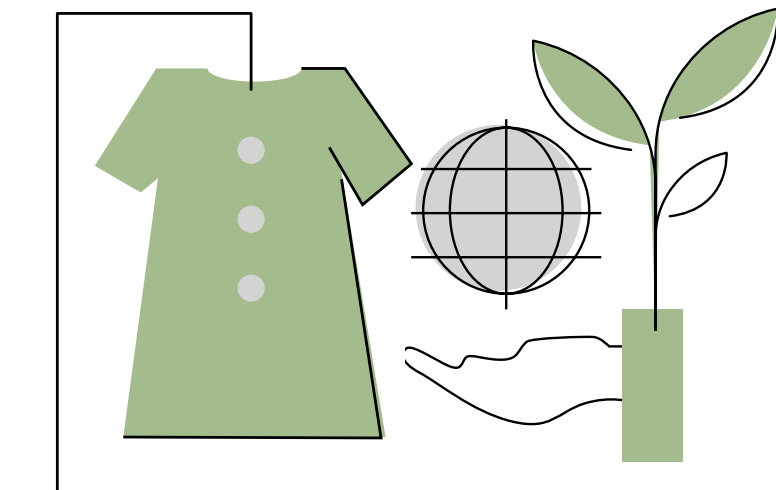
Boozt.com

2020 HIGHLIGHTS



EXPANDING INTO THE HOME CATEGORY

Our launch into the home category is a significant step towards creating the true department store experience online and the ambition is to build the strongest Home offering in the Nordics with a focus on mid- to premium priced brands. Customers can shop from a confident selection of more than 250 Nordic Home & Interior brands on Boozt.com.



CARE-FOR A RESPONSIBLE E-COMMERCE

Our Care-For strategy is our roadmap to becoming the leading responsible e-commerce company in the Nordics by 2025, using our business as a catalyst for change. Achieving this means setting actionable goals for the next five years that will keep us on track to reaching our vision, including going climate-neutral across our operations and becoming the first B Corp certified E-tailer in the Nordics.

2020 HIGHLIGHTS



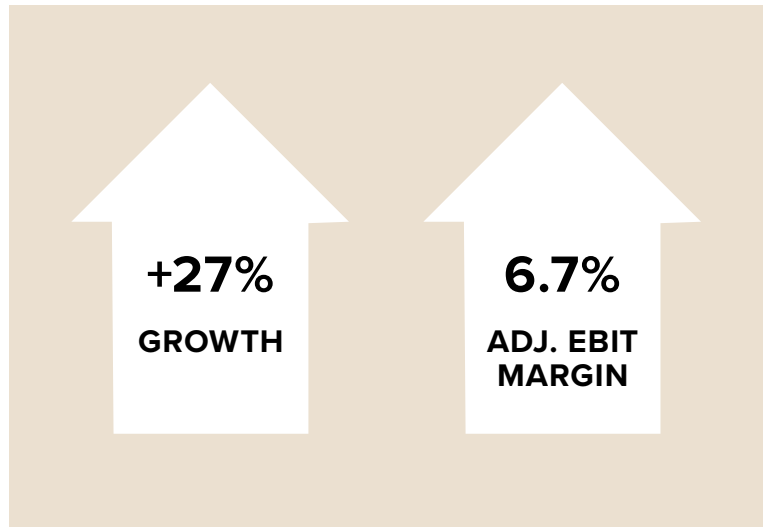
STRONG BLACK FRIDAY EXECUTION

Boozt welcomed 100,000 new customers during the Black Friday week and Cyber Monday and showed record-breaking results. The trends seen during the year continued with strong growth in the Kids, Sport, Beauty and Men's categories. The successful execution led to upward adjustment of the full year net revenue outlook.



STRENGTHENING OUR CAPACITY AT THE BOOZT FULFILMENT CENTRE

To facilitate growth for 2021 we further expanded our automation capacity at the fulfilment centre with AutoStore phase 4 completed. The new fulfilment centre building of approximately 23.000 m² was completed in 2020 and is situated next to the existing fulfilment centre in Ängelholm. The building will be taken into operation during 2021.



FROM CRISIS TO OPPORTUNITY

The outbreak of the corona pandemic entailed a shift in consumer behaviour as the migration from offline to online accelerated. Our initial safety measures allowed us to take control of the situation early on, but also to leverage this opportunity to step-change our growth and competitive position. Through hard work we have been able to strengthen our market position further. We have been able to decrease all of our operational costs ratios through operational improvements and local scale leadership, while maintaining the high average order value, leading to improved profitability.



SUCCESSFUL NEW SHARE ISSUE AND DUAL LISTING ON NASDAQ COPENHAGEN.

The dual listing of the Company's shares on Nasdaq Copenhagen and public offering in Denmark in connection with the listing serves the purpose of anchoring our position in our strongest performing market and improving our readiness to act on growth opportunities. We welcomed many new institutional and private investors. Liquidity in the shares has increased driven by the trading on Nasdaq Copenhagen, but also by much higher trading activity on Nasdaq Stockholm.

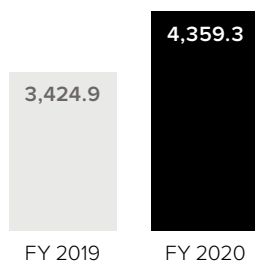


BOOZT.COM

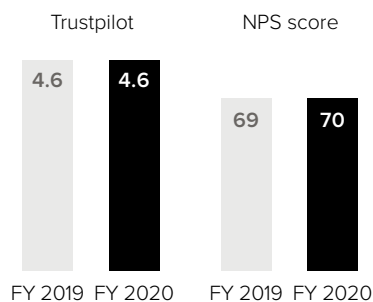
KPI HIGHLIGHTS

Net Revenue Group (SEK million)

+27.3%

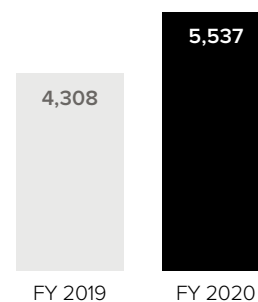


Customer Satisfaction



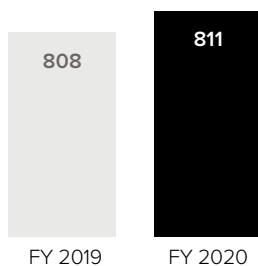
Number of Orders Group (000)

+28.5%



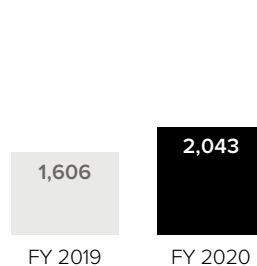
Average Order Value (SEK)

+0.3%



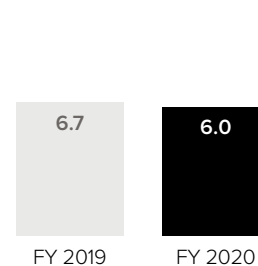
Active Customers (000)

+27.2%



True Frequency

-10.4%



Unless otherwise stated all KPIs are for Boozt.com

SEK million unless otherwise indicated	Jan 1 - Dec 31, 2020	Jan 1 - Dec 31, 2019	Change
Net revenue	4,359.3	3,424.9	27.3%
Gross Profit	1,769.4	1,361.0	30.0%
Gross margin (%)	40.6%	39.7%	0.9 pp
Operating profit/loss (EBIT)	182.3	91.8	98.7%
Adjusted EBIT*	290.3	109.0	166%
Adjusted EBIT margin (%)*	6.7%	3.2%	3.5 pp
Earning for the year	132.8	54.8	78.0
Cash flow for the year	1,375.9	-28.8	1,404.7
Earnings per share before dilution (SEK)	2.27	0.96	1.31
Earnings per share after dilution (SEK)	2.21	0.95	1.26

*The figure is an alternative performance measure, see definition on pages 182-186.



“2020 was an outstanding year thanks to all of our people and the outstanding teamwork, long nights, long weekends, tenacity and the never-give-up mentality - in short GRIT.”

Hermann
Haraldsson,
Co-founder
& CEO

Trolls and elves

Being born and raised in Iceland, I am probably as superstitious as most Icelanders. Even though we know it is superstition, we are raised with seeing trolls in the mountains, hearing about the rocks where the elves live and seeing omens in all kinds of things. So, on New Year's Eve 2019 I “jumped” into the new year saying to my wife that 2020 had a good “ring” to it. Definitely better than 2019, which was a year that I wanted to move away from rather quickly. Little did I know 2020 would end up being the most challenging year since back in the early days of the company when we were fighting just to survive.

We made some major changes to the executive management team in 2019 with our COO and our CFO leaving. We replaced them with Sandra Gadd as CFO and Lars Lindgaard as CSCO, at the same time as we embarked on a “let’s clean our house” journey. Having experienced hyper-growth for many years, it was time to “tighten the bolts”. Lars and his team went through all the processes in the Boozt Fulfilment Centre, changed the management of the warehouse and cleaned up our fulfilment operations. Sandra started by expanding her team and together they started to clean our house in Hyllie.

Most of the fourth quarter in 2019 went on doing that, and it meant that when the crisis hit in March, we were extremely well prepared. We had more visibility into our operations and cost structure than ever before, and we had set up a leaner, more efficient warehouse and supply chain operation.

So, after the initial shock from the lockdown in March had subsided we were ready to attack. And we did! Even though many of our people were working remotely, all our teams got together (virtually), stepped up to the challenge and delivered world-class performance during the rest of the year.

We battled in an environment that was totally unpredictable. At first, we put everything on hold because nobody knew how deep the crisis would be. We secured our cash position and access to cash and tried to make our costs as variable as possible. For sure, sales went down initially but then consumers went online. This was when we realized that this was not only a challenge but that it could also be a huge opportunity. So we made a step change and started to hunt growth instead. And we grew. 2020 was an outstanding year thanks to all of our people and the outstanding teamwork, long nights, long weekends, tenacity and the never-give-up mentality – in short GRIT.

Level Up

When we submitted our preparation deck for the annual strategy seminar with the board in October, it was the most extensive we had submitted so far and probably also the best.

Basically, it expressed the drive and energy that we sensed around the company. We had cleaned up our house. We felt more in control, we knew the details of our operations even better and the ambition was to demonstrate that we were well prepared for a step-change in growth.

And we are. We have welcomed more than 1 million new customers to our two shops and we want to make sure they come back. We have many new homegrown initiatives. We launched our own developed BooztPay on Booztlet beginning of November last year and will roll it out to Boozt.com early Q2 this year. We launched “The Edit” and our high-end Designers category on Boozt.com, did a major relaunch of our Home category and are in the final stages of rolling out the new and improved Partner Portal where we offer outstanding media- and marketing services to our brand partners on behalf of Boozt Media Partnership. And finally, we have been much more vocal about our sustainability initiatives as we firmly believe that online shopping done right has the lowest carbon footprint if you are buying fashion and apparel (more about that later in this report).

For the first time ever, we did not have a stock problem. On the contrary. Most companies would say that this is awesome, as you have a much lower risk for write-downs end of the season and your net working capital is low. For us, it was lost sales opportunities and a lack of control. We know that we can manage too much stock. Too little stock was new to us and it felt uncomfortable. We were depending on the brands to deliver more items into the warehouse to be able to sell more.

We don’t like not being in control. This is why we have built our own infrastructure, why we have built our own platform, why we launched BooztPay, and why we took over the staff in our fulfilment centre in Ängelholm.

Basically, our main message at the strategy session was that we want to raise the bar – take stock risk and take back control. This probably sounds crazy, but we are at our best when it is not easy. When we set ambitious growth targets, buy inventory to achieve those growth targets, and then spend the year running around working hard and thinking creatively about how to solve that stock problem. We will make some bad decisions and hopefully many more good decisions – but the main thing will be that WE call the shots. We like it when it's not easy – if it was easy, everybody would be doing it.

During the year we did a capital raise and a dual-listing of our shares on the Copenhagen Stock Exchange – Nasdaq Copenhagen. We welcomed many new shareholders, and our shareholder base increased from approx. 5.000 at the beginning of the year to more than 15.000 at the end of the year. That's good. Not only because they are shareholders but also because they are probably also good and loyal customers.

The capital raise is intended to be used for potential acquisitions. Until now we have grown organically – and we prefer to continue doing that – but we believe that we can accelerate even further if we manage to find a company in the Nordics, where we can help them grow and improve their operations at the same time as they might help us accelerate Boozt and/or Booztlet.

We were asked a lot about why we also wanted to be listed in Copenhagen. The short answer is that we are an Öresund Company. We are both Swedish and Danish (and international), we have the biggest investor base in Denmark, with around 30% of our capital owned by Danish investors. Also, we believe that by establishing our Boozt brand even stronger in Denmark, we will get closer to becoming a household brand in Denmark, further increasing loyalty from our customers.

The season is still long

Some 20 years ago a good friend of mine got a gig as a football coach for a team in Copenhagen playing in division 3 in Denmark. The team had been playing "OK'ish", with a middle-of-the-league position the last couple of seasons, but suddenly found themselves winning the first 5 matches in the new season and leading the league with my friend as the new and successful coach.

I met him and asked; "How are you? You must be doing fantastic as you are this amazing success with your team". I was a bit surprised when he looked at me with a strange look on his face, answering; "I feel awful. My team has won the first 5 matches and they think that they are world champions. With that attitude it is just a matter of time before we start losing".

He was right. They started to lose their matches....and ended the season as a mediocre team in the middle of the league.

The reason I am writing this is that whenever I feel a sense of success, I get concerned. Jeff Bezos from Amazon talks about the Day 1 mentality. Always to think and act like a start-up. Always think it is Day 1. Because when it is Day 2, you start the decline that ultimately leads to despair.

Here at Boozt we talk about the "care-why". Care about the customer, care about our fellow Boozters and care about our stakeholders. In our view, the "care-why" is the difference between the ordinary and the exceptional. It is the "care-why" that provides outstanding customer experience, and it is the "care-why" that makes the customer return.

2020 was a very good year for us. We were not only one of the fastest-growing e-commerce companies in our industry in Europe but also one of the most profitable ones. We were good at turning a corona challenge into an opportunity and managed to both think and act fast throughout the year.

Therefore, it is tempting to sit back, tap yourself on the shoulder and tell yourself that you are the best. Nordic champion...!

But we don't. It is still "Day 1" in Hyllie, in Ängelholm, in Copenhagen, in Århus and in Vilnius. The pressure on us in 2020 was through an external agent (COVID-19). In 2021 the pressure will be self-inflicted. We have a lot of exciting things going on. We have launched the Home category with high expectations, we are going for aggressive growth in Kids and Sports, we want the men to continue buying with us, and we want the women to get back to buying occasion wear! And finally, we want to continue the rocket growth on Booztlet.

We will work as hard as ever before, and we have set high goals. It will probably be a bit more fun when societies reopen and we can celebrate and party, but we are as committed to our ambitious targets as ever before.

Because we care why.

Best

Hermann Haraldsson, Co-founder & CEO

Picture of current
Group Management.



A person wearing a blue and white checkered blazer and a long orange scarf with fringes is holding a brown cardboard shoe box. The person is also wearing a white ribbed sock on their right foot. The background is a blurred outdoor setting with pebbles.

Boozt
FASHION KIDS SPORT B



STORY OF BOOZT

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WHAT WE DO

We are a Nordic technology company selling fashion and lifestyle. This includes fashion for women, men, kids, sports, beauty and home. We offer our customers a curated and contemporary selection of brands, relevant to a variety of lifestyles for the Nordic customer, mainly through our multi-brand webstore Boozt.com. The technological infrastructure of the company is own-developed and built, allowing for full control of the customer experience, which is key to our ability to achieve industry-leading customer satisfaction. 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 a leading name for fashion in the Nordics through high customer satisfaction. This is consistently proven by a Net Promoter Score* (NPS) of 70 (69), a Trustpilot score of 4.6 (4.6), and a growing base of loyal returning customers.

Boozt has grown rapidly over the last few years to reach SEK 4.4 billion in revenue in 2020 and building a base of 2,043,000 active customers on Boozt.com.

BZT Fashion (the original name) was founded in 2007 to conduct outsourced, online, mono-brand operations for fashion brands. That business model failed, and the company was relaunched in 2011 by the five co-founders, who joined during 2010 and 2011. Boozt.com was launched in August 2011 as a multi-brand webstore on an in-house purpose-built platform. In the following years, significant investments were made to support growth and increase the number of customers.

**Net Promoter Score (NPS) is a tool to gauge the loyalty of a firm's customer relationships. The metric was developed by and is a registered trademark of Fred Reichheld, Bain & Company and Satmetrix*

Our segments

Boozt.com

The Boozt.com segment consists of the operational activities related to the multi-brand webstore Boozt.com. Boozt.com is focused on the Nordic region (with Nordic countries representing around 95 percent of visits). However, we serve ten geographic areas (Sweden, Denmark, Norway, Finland, Germany, United Kingdom, France, the Netherlands, Poland, and other European countries) and in nine languages based on a shared platform and common backend. Boozt.com is an online destination for fashion and lifestyle, tailored to deliver convenience and a curated selection from the Group's over 1000 brand partners. Boozt.com presents fashion products split into the main categories; Women, Men, Kids, Sports, Beauty and Home.

To support the convenient online shopping experience, Boozt.com offers free and fast deliveries, free and easy returns, customer support and a tailor-made selection catered to modern Nordic fashion followers, with limited minimum order value.

Booztlet.com

The Booztlet.com segment consists of the operational activities related to Booztlet.com. The Booztlet.com segment was launched in 2015 and started as the Group's channel for inventory clearance, retailing items that did not sell within an allotted time frame. Following strong customer activity with limited marketing, the scope of Booztlet.com has now expanded to include its own inventory and we are pursuing a more dedicated strategy to become the leading online off-price player in the Nordics. Customers shopping at Booztlet.com are charged for deliveries and returns in exchange for attractive discounts. We see great potential in our outlet segment and going forward we will increase our focus further on this segment.

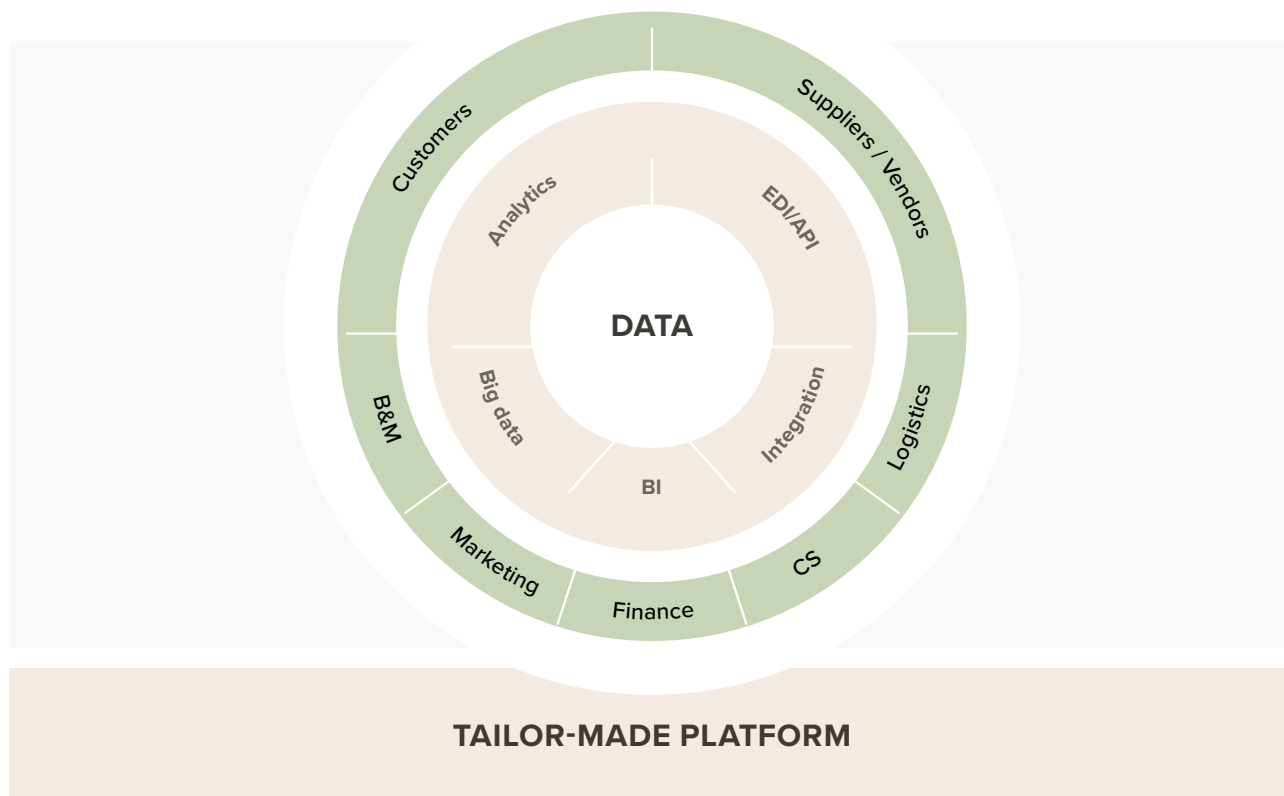


Other

The Other segment consists of the operational activities related to the Group's two physical Booztlet retail outlets and the retail store Beauty by Boozt. The Beauty by Boozt store serves the purpose of strengthening the relationship with the beauty brands helping build a strong offering online on Boozt.com. After evaluating the Beauty by Boozt physical retail operation, a decision to cease the current business in Copenhagen was made. An exit clause in the lease contract of the Copenhagen store has been exercised in April 2021. In the remaining lease period a Booztlet store, which was opened during 2020, will be run out of the location as an addition to the already existing Booztlet outlet store in Taastrup. As part of our commitment to the Beauty category a new Beauty by Boozt physical retail operation was opened in Malmö, Sweden, during 2020.

From 1 January 2021, Boozt is changing its segment reporting to agree with the internal reporting. The Other segment containing the Group's physical stores is being split between the two current main segments Boozt.com and Booztlet.com, where Beauty by Boozt will be a part of Boozt.com and the Booztlet outlet stores will be a part of Booztlet.com.

BOOZT “SOLAR SYSTEM”



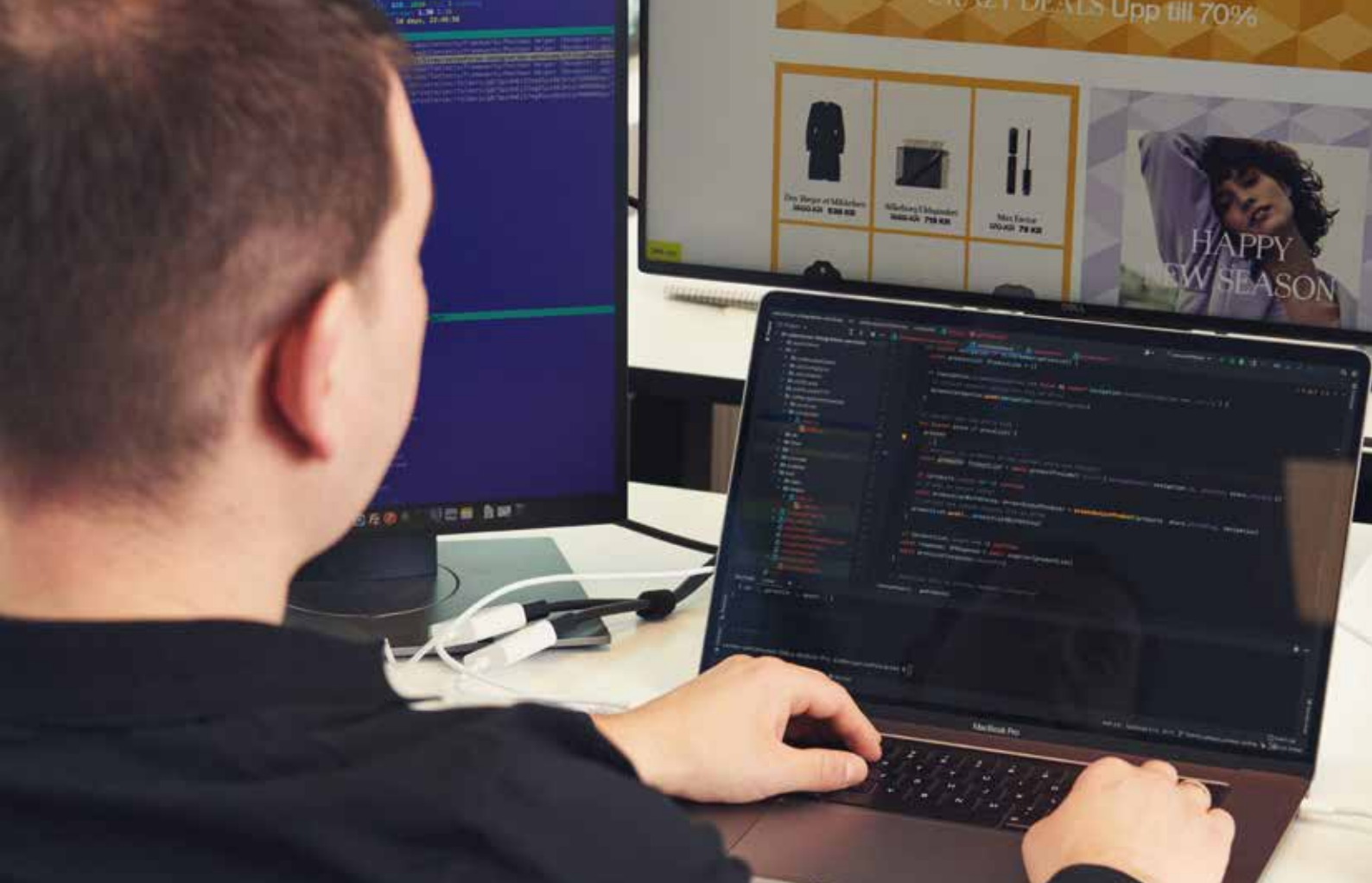
A tailor-made infrastructure

At the core of what we do as a business is our technology. We have built one of the most advanced e-commerce platforms in the Nordics using cutting-edge web technologies and infrastructure components. This purpose-built infrastructure enables full control over the customer experience and ensures world-class performance, scalability, and security. We strive to use technology as a tool to create a better customer experience and more efficient operations. Our operations are built on the Boozt integrated technology platform (the “Solar System”) and is used by all of our business functions. Internally we refer to this approach as the “Halo” as our technology is central for all our organisational activities.

The success of our technology ecosystem has been made possible by our community of more than 100 developers. Our teams are spread across five tech hubs in different geographical locations around Sweden, Denmark, Poland, and Lithuania, and work with a non-hierarchical,

dynamic and international setup. A large number of Boozt developers operate out of the company’s headquarters, which we see as an advantage in running a cost-efficient and scalable organisational structure.

Established processes and practices enable our developers to work efficiently and flexibly, adapting to the changing needs of the business. Key business functions (such as buying, merchandising, marketing, customer service, IT and finance) for all geographical areas are provided in-house on a centralised basis. To ensure that new functionalities and improvements to the systems are aligned with existing processes, developers work in small cross-functional teams in direct relation to a business function or unit. Projects are managed directly between the developers and the business specialists, without the need for project managers. We trust in our people and this approach allows for speed and flexibility, with a proven lower overhead.



Strategically positioning our technology projects close to the business units has enabled us to develop a unique combination of systems ranging from the webshop, content and product management, warehouse management, customer service, financial services, apps and more. 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). In 2020, as an evolution of our strong partnership with Google, we have also moved all sites and services to Google Cloud infrastructure. This ensures flexibility and increased security, even when working remotely.

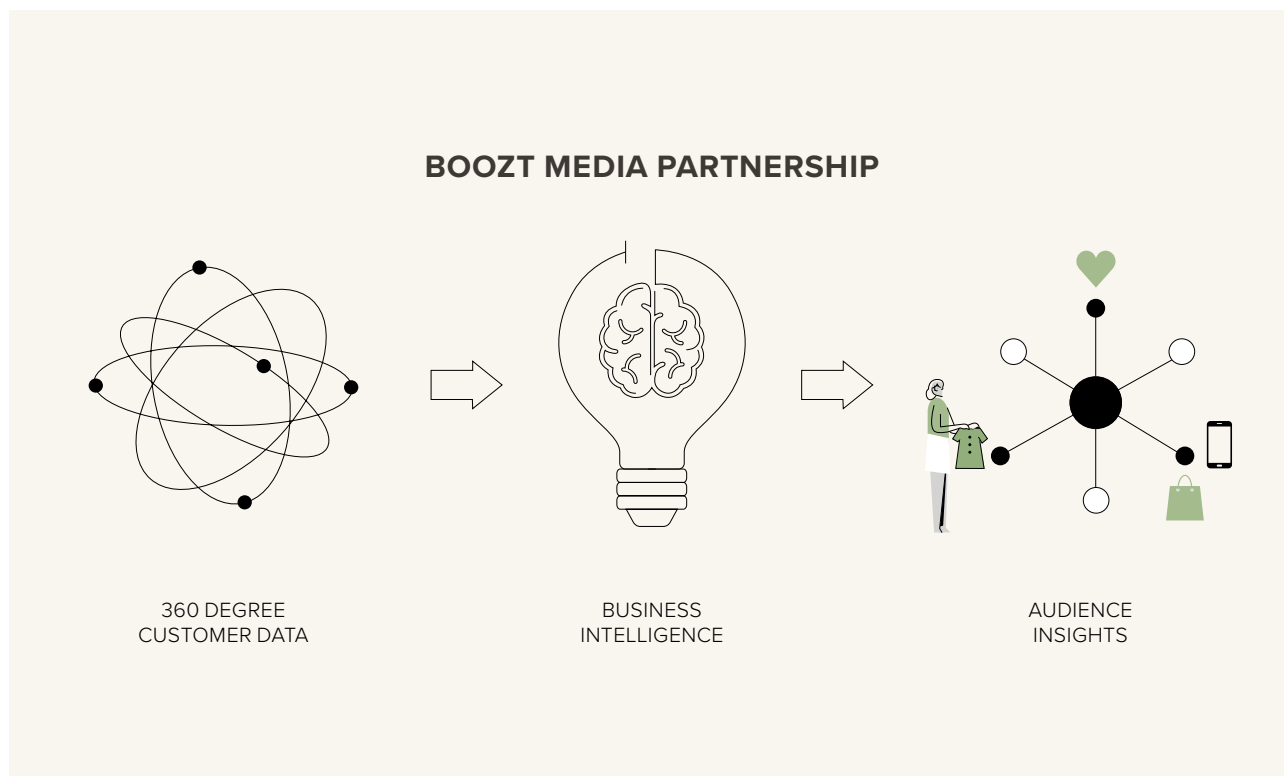
Fostering innovation

We continued to invest in innovations and development that will help us stay at the forefront of the online shopping experience. Boozt Innovation Lab was created in 2019, with a focus on strengthening our competences within the app and mobile web development. The team works in collaboration with the business, but more autonomous than the other tech hubs, to ensure more progressive thinking and enabling us to fast-track new technology projects. In 2020, we also formed an internal Tech Council with the purpose of focusing on cross-system technology advancements. The members of the council evaluate

and provide guidance in regards to new technologies, ensuring that we continue to push the boundaries of our existing set-up and align the development roadmap with business priorities. With our position as one of the largest technology companies in the Nordics, we also want to make our knowledge available to the rest of the tech community. Our Boozt Tech Blog is a collective effort from our Platform team, driven and directed by our writers, to share insights and best practices with the community and peers.

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 the competition on business-critical processes



Data-driven customer journey optimisation

Customer satisfaction is built through each touchpoint with the customer. Ranging from when the customer enters the site for the first time to when they receive their order and all touchpoints in between such as navigation, filtering, check-out, and customer service. We use customer-generated data to constantly evaluate all these touchpoints as well as to improve the customer journey with innovative additions

In-house media expertise drives marketing efficiencies

Acquiring new customers is key in order to outgrow the market. To ensure the highest possible return on our marketing investment we have a channel-agnostic media strategy. We measure the efficiency of all channels – both offline and online media – on an ongoing basis and direct the investment towards the most efficient channels. All media is produced and purchased in-house ensuring full control and the highest possible reach for the investments made.

Boozt Media Partnership

Boozt Media Partnership (BMP) enables our brand partners to benefit from our extensive anonymised customer data, creating targeted campaigns that reach, engage and convert audiences. All with the protection of customer privacy and in compliance with GDPR. The BMP offers an in-depth understanding 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 brands create a positive synergy? The BMP gives answers to these questions. 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. The BMP is an area of increased internal focus with a great potential to strengthen brand relationships as well as monetise our extensive data on the Nordic fashion customer.

Leading fulfilment and distribution setup

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 includes the handling of dangerous goods (UN marked cosmetic products).

The Boozt Fulfilment Centre (BFC) is located in Ängelholm, an hour's drive north of the Headquarter in Malmö. A central location in the Nordics with fast access to the entire region. The BFC is custom-built to optimise the use of the automation system, AutoStore, and can be expanded in a modular way when more capacity is needed. The automated BFC also has a photo studio with automated photo ramps for photographing merchandise and stations for taking detailed photos of e.g. shoes and jewellery.

Our AutoStore installation is the largest in the world and was further expanded during 2020 with the completion of the fourth phase of our planned automation expansion. This secures our capacity for our high growth ambitions for 2021. During the coming year we will make room for a phase five and six in the current warehouse. This means that we will move some of the processes surrounding the AutoStore setup into the new adjacent warehouse building that was taken into operation at the end of 2020. The BFC facilities are leased by Boozt under a multiyear lease contract.

The decision was made to insource the staff at our fulfilment centre with clear benefits on both performance and costs. The contract with the external staff provider was terminated in December 2019 and an agreement was reached with the current staff provider to take over all the current staff as of January 1, 2021. This step along with the existing fulfilment management team secured a smooth handover process.

Boozt uses a combination of well-reputed, third-party distribution partners that vary by country to enable a fast delivery to customers. We have a flexible process

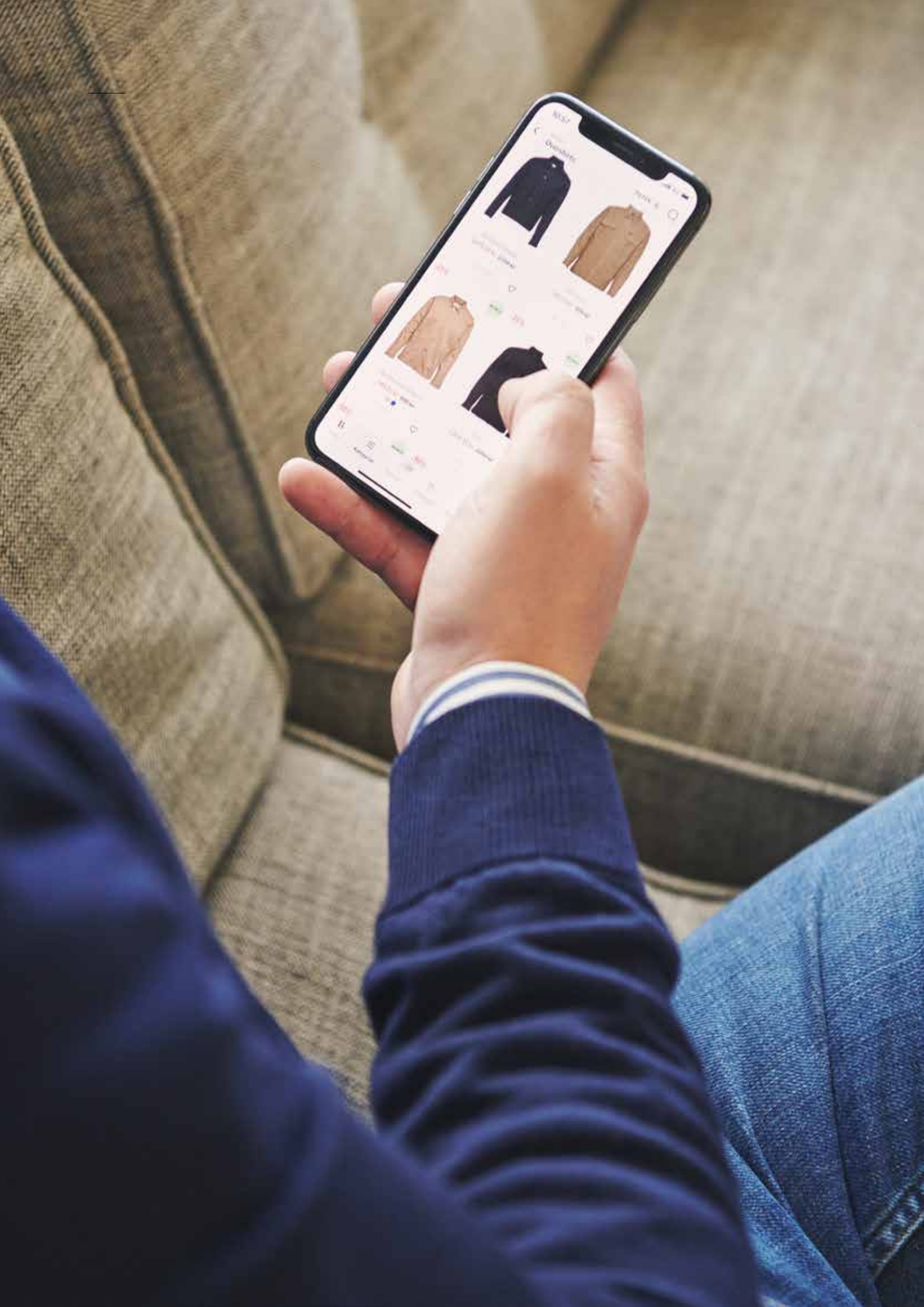
to use different distribution partners and continue to integrate additional partners. Orders are picked up multiple times throughout the day at the BFC to ensure fast deliveries. In order to efficiently serve our customers in each geographical market, Boozt partners with local distribution partners. We have a strategy of having at least two distribution partners in each country in the Nordics.

Integrated customer service

Customer satisfaction is our most important key performance indicator and if our customers need to get in contact, we strive to deliver a best-in-class customer service. Our customer service agents are therefore an essential part of the organisation and we continue to set higher standards for response times and quality on all communication channels. This includes phone, email, and social media.

Responsible clearance strategy

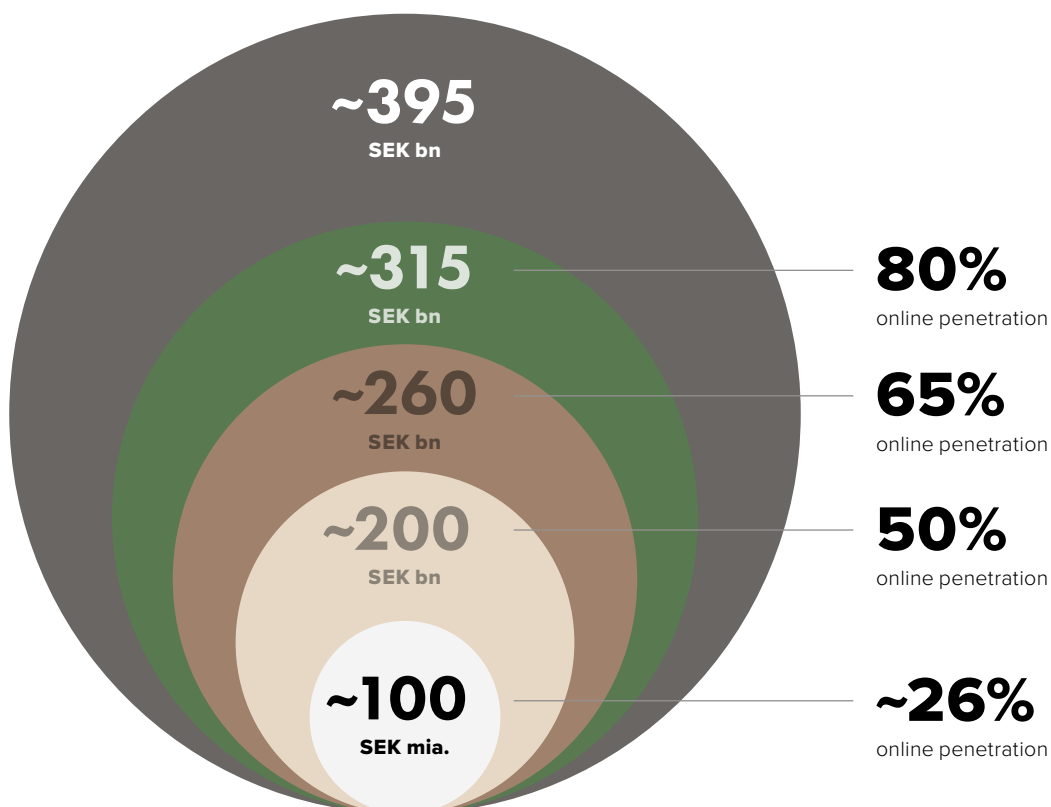
Our online webshop Booztlet.com and the physical Booztlet store in Copenhagen support the journey towards minimising inventory risk, as well as ensuring a responsible handling of unsold items from Boozt.com. Customers shopping on Booztlet.com can buy items at a high discount. In exchange, customers pay for shipping and returns, thus covering the associated operational costs. The physical Booztlet store is the last resort and ensures that all items end up with a customer.



THE MARKET

During 2020, the overall market environment experienced a high degree of unpredictability and volatility, making the exact online penetration of the Nordic market hard to pinpoint. A significant shift in consumer behavior from offline to online was accelerated by the corona pandemic. We estimate the total Nordic market for Apparel, Shoes, Beauty and Home to approximately 395 billion SEK and the online penetration to 26%. The Apparel and Beauty market has a higher online penetration at around 30% while the Sport and Home market are estimated to be below 20%.

We observed a strong increase in demand for our Sports, Kids and Beauty categories as consumers adapted to local restrictions. The demand for home interior products also increased during the year. As the online penetration still remains relatively low for this category there is potential for development of the underlying market to facilitate growth. We predict that the fashion apparel market will recover from the effects of the pandemic in the coming year and that the online share will continue to increase from the 2020 level.



Source: Company estimates, Statista, Postnord E-barometer.

Online penetration in the Nordics

The growth of the online fashion and lifestyle market is positively influenced by the ongoing general shift from traditional offline to online shopping and was fuelled further in 2020 by the corona pandemic. We predict a continued high online penetration as well as a strengthening of the underlying fashion and lifestyle market once societies reopen. Fashion is still 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.

We expect the online market growth to continue, with more and more customers migrating from offline to online shopping. The corona pandemic is also more permanently shifting the consumers towards online shopping which is accelerating the structural growth towards online in the Nordics. Local scale is a key element for profitability in online fashion and we intend to continue investing in an even stronger customer experience over the coming years to drive further market share gains and best-in-class growth rates, maximizing the value of the company when online growth slows.

Drivers of online migration

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

Availability: Consumers have increased the time spent online in recent years. The online environment provides a convenient shopping experience available at any time, without regard to the location of the customer or 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 which provides customers with a focused and relevant offering.

At the same time, brands are able to make their entire selections available in web stores, which in turn increases the probability the customer will find their desired product.

Transparency: Online retailers can deliver the value chain at a lower cost than offline retailers and these savings, we believe, will ultimately go back to the consumers. Customers do not want to pay more than needed and with easy price comparisons, they know what the market price is.

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 local scale

E-commerce, and particularly fashion e-commerce, is a scale business. Local-scale that is. By being strong in the individual market, you can harvest the local scale advantages in areas such as distribution, fulfilment, marketing and media, and payment solutions.

The market rewards local scale giving significant barriers to entry. Successful online fashion and lifestyle 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 fashion and lifestyle industry in the Nordics. To achieve this goal, we plan to leverage our local 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. This allows for a high absolute profit per order as fulfilment and distribution costs are relatively fixed on a per order basis, regardless of order value.

Areas that are affected by local scale:

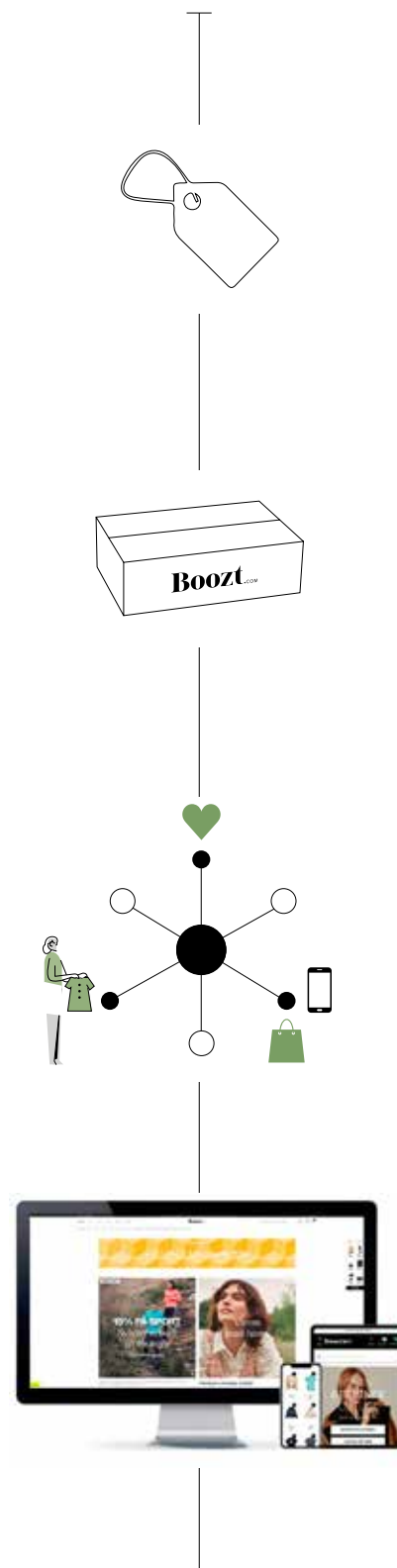
Brand partnerships: The most in-demand brands within each corresponding segment are able to attract customers and strengthen the retailers' attractiveness. Brands, in turn, generally put high demands on their suppliers and may be reluctant to take risks that can harm their brand equity, for instance 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 the costs of goods sold. These costs are generally improved by local scale, providing lower fulfilment cost per order and better terms with distribution partners. One of the key challenges for online fashion and lifestyle 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. The 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.

The 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.



GROWTH STRATEGY

Nordic online leadership through best-in-class customer satisfaction

We strive to offer Nordic consumers the best online shopping experience, with a carefully curated selection of almost 700 mid-to premium Fashion/Apparel brands, 260 Beauty brands, 250 Home brands and industry-leading delivery times. Our customer focus has resulted in a strong Net Promoter Score of 70 on Boozt.com.

We offer a complementary assortment of fashion and lifestyle categories including clothing, shoes, accessories, sports, beauty, and home. 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 local and international brands, existing and new, that are relevant for Nordic customers.

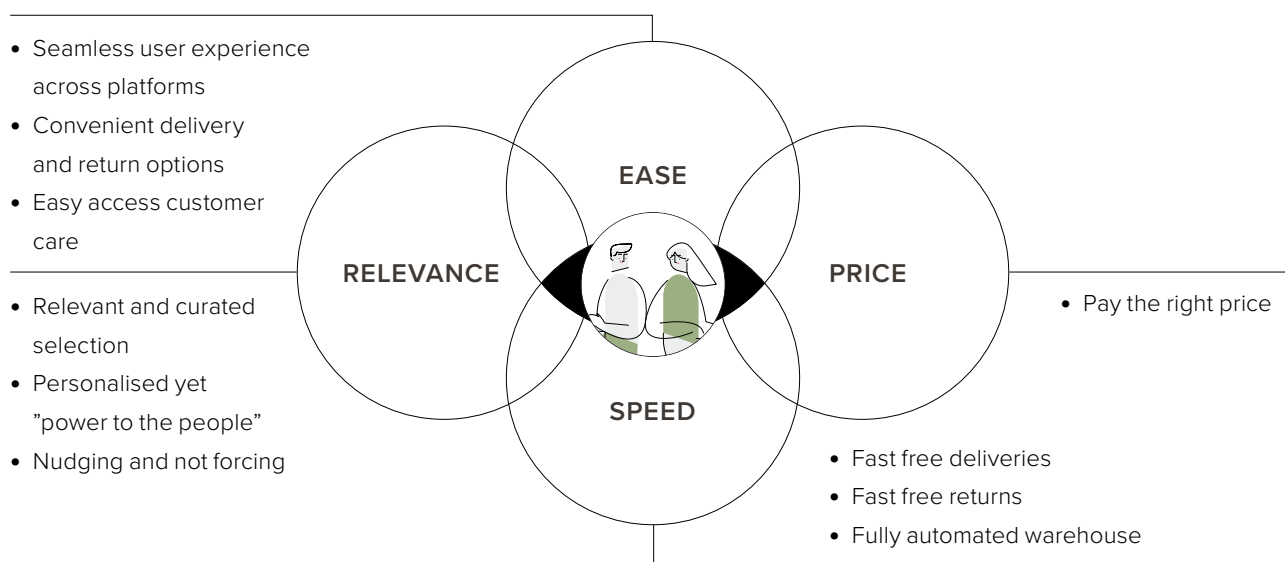
Boozt.com targets the mid-to-premium segment of the Nordic market, while Booztlet.com is focusing on the price-conscious consumers shopping at lower price points as well as the bargain hunting segment. With the accelerating focus and momentum on Booztlet.com we increasingly have a relevant offering to most of the Nordic market. This strategy of having two distinct brands also serves as a hedge in periods of economic uncertainty where customers on average trade down, allowing us to capture the growth at risk on Boozt.com and Booztlet.com.

We categorise our brand partners into three categories: premium brands, mid-market brands, and entry brands, where we mainly focus on mid-market and premium brands representing more than 90% of our selection. Premium and mid-market brands carry a higher average item price and hence contribute to a higher average order value. Entry brands also have considerably shorter sales



periods compared to premium brands. We have a strong focus on building the premium brand equity of Boozt.com to offer our brands a platform where they can build brand equity towards the Nordic consumer. The Designer Shop was launched in 2020 on Boozt.com, creating a unique premium shop-in-shop experience tailored to the Nordic customer. The design of the new shop caters to customers that want to buy premium brands in an online environment with a premium boutique feel, supported by a best-in-class customer experience.

CURATION AND CONVENIENCE ARE 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 54 years old. They are typically in a relationship, have kids, well-educated and tend to have an above-average income. In 2020, our qualified brand awareness within this segment was 44% 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 and lifestyle selection geared towards Nordic tastes. For Boozt.com with a focus on mid-market and premium brands and on Booztlet.com with a focus on lower price points and the off-price market. We leverage our strong relationships with the brands to purchase excess inventory for Booztlet.com at high discounts that we can then transfer to the customers. We believe this strong position will enable us to take advantage of a significant market opportunity for online fashion and lifestyle retail.

We will continue to increase our awareness in the part of the Nordics where there is lower awareness, so as to further fulfil our ambition 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 while 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 on Boozt.com, 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. In 2020, we launched the Home category on Boozt.com with the ambition to offer our customers the full range of the best and most relevant Home brands, covering all rooms in the house. The focus is on Nordic mid- to premium priced Home & Interior brands, with more than 250 brands already signed. The expansion into Home is a significant step towards creating the department store experience online.

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 webstores, developing search, sorting and filtering options as well as improving descriptions and the inspirational journey where relevant. An example is our size recommendation algorithm where the use of big data and machine learning which enables the customer to get a size recommendation in categories with no prior purchase history. By looking at the customers previous purchases in other categories, you can find similar customers who have also purchased in the new category to produce a size recommendation.

In the e-commerce business, ease and speed are 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. If they then wish, they can continue with the actual purchase on a desktop. Should the customer need 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. As a testament of our efforts, customer satisfaction, which we measure on a daily basis through Net Promoter Score and Trustpilot, continues to be at industry-leading levels.

Convenience, fast delivery and return options are key. We aim for a standard delivery time of 1-2 days, offered to approximately 99% of our customers, ensuring a leading delivery proposition. We continue to focus on increasing the number of customers who receive their order the next day.

Returns must be convenient in order to satisfy our customers. Most of our customers reuse the bags that the goods 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.

Local anchoring is key to minimise the footprint of an e-commerce business. This goes especially for fashion with the high return rates. Having a fulfilment centre located close to the customer and ideally in only one location to avoid intra-company shipments is instrumental for a low environmental impact.

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. With the purpose to improve efficiency when interacting with partners, we introduced the Partner Portal in 2016, which we have since developed further. The majority of our brand partners are 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 are essential and also complex. For fashion and lifestyle 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. Due to our size within the Nordic mid-to-premium market, we have second-to-none data in this segment allowing us to create unique insights for our brand partners. They benefit from this knowledge as we use it to deliver successful campaigns and product launches through Boozt Media Partnership strengthening our brand partners position in the market. This is an area of increasing focus and we are developing new tools to further increase our relevance to our brands.

Benefiting from efficient operations and logistics

Our custom-built Boozt Fulfilment Centre (BFC) is an investment that will facilitate our long-term expansion as it operationally supports our future growth. The BFC operates with an automated storage and retrieval system called AutoStore and the first module was installed from the beginning. With AutoStore, we have been able to create a more efficient picking process while reducing costs. The AutoStore system allows for a modular expansion which yields good flexibility and enables expanding capacity in-line with increased order volumes.

We have planned for six-module expansions, with the fourth expansion having been completed in 2020. To make space for the remaining modules that are planned for the coming year, some of the BFC processes will move into the new adjacent warehouse building that was completed in the end of 2020 and will be taken into operation in 2021. To further yield benefits on both performance and costs the staffing of the BFC was insourced starting January 1, 2021.

LARGEST AUTOSTORE WORLDWIDE

**510,000
BINS
+
490
ROBOTS**

**4,000
ORDERS
PER HOUR**
in handling capacity

Capacity of
**6
MILLION**
items and >1,500,000
SKU locations

**OWN DEVELOPED
WAREHOUSE
AND ROBOT
MANAGEMENT
SYSTEM**



BUSINESS PERFORMANCE

Key performance indicators

Looking at the key performance indicators related to customers on Boozt.com, we have had another strong year with solid progress.

Our most important KPI, customer satisfaction, maintained a high level during 2020. We ended the year with a 4.6 (4.6) score on Trustpilot and a Net Promoter Score of 70 (69), which is a highly satisfying level. Our analysis shows that customer satisfaction correlates well with frequency meaning that high customer satisfaction is a prerequisite for our customers to keep coming back.

The number of site visits in Boozt.com numbers increased 16% compared to 2019, while the conversion rate increased to 2.99%. This led to a 19.9% increase in the number of orders totalling 4,696,000 for the year. Active customers, which are defined as customers who at least shopped once during 2020, increased 18% to 1,606,000 and the number of orders per active customer decreased to 2.30.

Another very important KPI is the true frequency, which is defined as the order frequency for customers that have been with Boozt.com during the last 12 months. It measures the order frequency in 2020 for the customer cohort who shopped on Boozt.com during Q4 2019. The idea is to measure the order frequency without an impact from new customers as they would not have had the opportunity to order throughout the 12 months of 2020, hence dragging down the order frequency. True frequency in 2020 ended at 6.0 compared to 6.7 the year earlier. The decrease can be explained by the implementation of the "fair use" policy in November 2019, prohibiting a group of high-frequency shoppers, with an abnormal return behavior, from ordering with us. Excluding the "fair use" customers, who had a very high frequency, the true frequency was unchanged compared to last year. This high level of true frequency shows us that we have a relevant offering for our loyal customers. The all-important average order

value was unchanged at SEK 811 (808). A change in sales mix towards Kids, Sports and Beauty which has a lower average price compared to occasion wear categories such as women's dresses affected the gross average order value negatively but was offset by a lower return rate. Currency effects also impacted the average order value negatively with approximately 3 percentage points. Going forward we believe that the average order value will remain at the SEK 800 level.

Financials

Net sales

Net revenue increased with 27.3% to SEK 4,359.3 million (3,424.9). Currency had a negative impact on net revenue growth of around 2.5 percentage points and relates mainly to the weakening of NOK compared to SEK. Excluding the change to a consignment-like agreement with a large brand partner effective from October 1, 2019 and the introduction of a 'fair use' policy in November 2019, combined with the impact from currency the net revenue growth would have been around 4.5 percentage points higher.

The increase in net revenue is attributed to the Boozt.com and Booztlet.com segments with a growth of 19.8% (18.5%) and 127% (133%) respectively. From the spring and throughout the year, the Group experienced a tailwind from the acceleration in online shopping, fuelled by the corona pandemic. Prerequisite measures taken in the beginning of the corona pandemic outbreak allowed the Group to focus solely on the in-season goods on Boozt.com reaching a very strong sell-through and thus freeing up capacity and enabling the extensive buying of excess inventory from the Group's brand partners.

The strong sell-through during the spring and summer months led to a limited stock availability of some high performing styles caused by COVID-19 related delays in the supply-chain, which was partly compensated by an unusual high share of campaign goods throughout the second half of the year.



Other net revenue increased to SEK 61.7 million (45.9) in 2020 driven by higher marketing income from the Boozt Media Partnership.

Net revenue in the Nordics increased by 28.2 % driven by Sweden and Denmark. Growth in Norway was negatively impacted by the depreciation of the NOK. The increase in rest of Europe was 16.6%, driven by Booztlet's expansion into new markets.

Gross-profit

For the full-year gross profit increased with 30.0% to SEK 1,769.4 million (1,361.0). The gross margin increased 0.9 percentage point to 40.6% (39.7%). The increased gross margin was mainly driven by a higher share of campaign goods, which are items bought in-season at lower prices, following the unusually high sell-through seen throughout the year fuelled by consumer spending changing towards online driven by the corona pandemic. This was partly offset by a decreased income from risk sharing agreement with brand partners due to a change in the agreement structure. During 2020 this income has been recognized in the end-of-season sales, meaning it will to a higher degree impact the first quarter 2021 positively.

Adjusted EBIT

Adjusted EBIT amounted to SEK 290.3 million (109.0) for the year. The adjusted EBIT margin increased with 3.5 percentage points to 6.7% (3.2%) driven by higher gross margin from the expected temporary effects from the unusual high share of campaign goods, as well as the improvement in all the operating cost ratios, especially the fulfilment cost ratio. During Q4 the Group made a write-down of a part of the Norwegian customs receivable. The write-down is caused by a change in the process for claiming refund of customs for returns from Norway at the Norwegian Tax authority. For precautionary reasons, a write-down of approximately SEK 12 million has been made for a part of the customs receivable belonging to 2019. The Company still insists on its right to the claims towards the Norwegian tax authority for this customs receivable. The Group also issued an extraordinary staff bonus of SEK 10 million (SEK 20,000 to all employees).

EBIT

The adjustments for the year amounts to SEK 108 million (17.2). The adjustments consist of one-off costs of SEK 36.6 million from the closing of the loss-making Beauty by Boozt store in Copenhagen. The one-off costs from the closing consist of a write-down of the lease asset of SEK 25.7 million and other costs of SEK 10.9 million related to write-down of fixtures and inventory as well as terminated staff. The adjustment also consists of share-based payments related to the Group's long-term incentive programs of SEK 64.0 million (12.4) and listing costs of SEK 7.5 million due to a dual listing of the parent company's share on Nasdaq Copenhagen.

EBIT increased to SEK 182.3 million (91.8) for the full year, while the EBIT margin increased 1.5 percentage points to 4.2% (2.7%).

Net working capital

The Group realised a net working capital of SEK 73.8 million (435.3) equivalent to 1.7% (12.7%) of the net revenue for the last twelve months. The decrease to 1.7% was primarily driven by a higher increase of accounts payable compared to inventory, which is a consequence of a higher sell-through of the Autumn/Winter 2020 items compared to last year and a higher share of campaign stock to keep up the stock level. As campaign stock are bought at a high discount during the season, they have a positive impact on both inventory and accounts payables, due to the faster turnover for campaign stock. A lower return rate also has a positive impact as it decreases the inventory. Compared to last year the prepaid expenses and accounts receivable has decreased since the invoicing of Boozt Media Partnership has been made earlier this year compared to last year and the reversed Norwegian customs receivable has decreased to approximately SEK 19 million at year-end (54).

Cash-flow

Cash flow for the full year amounted to SEK 1,375.9 million (-28.8). The improved cash flow was driven by improved cash flow from operating activities after changes in net working capital of SEK 747.3 million (76.5) and the new share issue in connection with the dual listing on Nasdaq Copenhagen, where the Group obtained SEK 825.6

million before deduction of issue costs of SEK -30.7 million. The cash flow was negatively impacted by cash flow from investing activities of SEK -150.8 million (-171.3), driven by expansion of warehouse automation and capitalized development costs attributable to the Group's web platforms.

Segments

Boozt.com

Net revenue increased with 19.8% to SEK 3,773.9 million (3,150.7) for the year. Positively affecting net revenue growth was lower returns due to a different sales mix with relatively stronger growth in Men, Kids, Sport and Beauty, which all have a lower return rate than Women's fashion. The net revenue growth was negatively impacted by currency effects from the depreciation of NOK and DKK compared to SEK. Despite an overall declining demand for fashion and apparel net revenue grew strongly driven by relevant offers to the customers, a continued high investment in new customers as well as higher online penetration fuelled by the corona pandemic. The corona pandemic is also more permanently shifting the consumers towards online shopping which is accelerating the structural growth towards online in the Nordics. The growth in Nordic countries increased with 20.5 % to SEK 3,498.7 million (2,903.8) and rest of Europe increased with 11.5 % to SEK 275.2 million (246.9).

For the year adjusted EBIT increased to SEK 246.9 million (98.0), while the adjusted EBIT margin increased to 6.5% (3.1%). The adjustment relates to a negative impact of SEK 56.2 million (11.4) from share-based payments for the Group's long-term incentive programs and listing costs related to the dual listing of the Company's share on Nasdaq Copenhagen of SEK 6.7 million.

For the full year EBIT increased to SEK 184.0 million (86.6), while the EBIT margin increased to 4.9% (2.7%).

Booztlet.com

Net revenue increased with 127% to SEK 560.2 million (246.5). The acceleration in growth was driven by higher awareness of Booztlet.com due to increased exposure both online and offline. A continuously improving and increasing stock composition supported the strong growth trajectory as well as expansion of markets. All the

Nordic countries had a strong growth contributing to the Nordic growth of 131% to SEK 525 million (227.2). Rest of Europe experienced a growth of 82.5% to SEK 35.2 million (19.3) as Booztlet expanded into new markets.

Adjusted EBIT increased to SEK 51.5 million (26.6), while the adjusted EBIT margin decreased to 9.2% (10.8%). The decrease in the adjusted EBIT margin was driven by the extraordinary stock write-down made in the first quarter. The write-down of SEK 17 million was only partly recouped during the year. A higher marketing cost ratio also contributed to a decreased adjusted EBIT. The adjustment relates to a negative impact of SEK 7.7 million (1.0) from share-based payments related to the Group's long-term incentive programs and listing costs of SEK 0.8 million related to the dual listing of the Company's share on Nasdaq Copenhagen allocated to Booztlet.

For the full year EBIT increased to SEK 43.0 million (25.6), while the EBIT margin decreased to 7.7% (10.4%).

Other

Net revenue decreased with -9.1% to SEK 25.2 million (27.7). The decrease was driven by the Danish stores being closed during the spring and in the end of the year due to COVID-19 restrictions which was partly offset by the opening of a new Beauty by Boozt store in Malmö. Adjusted EBIT was improved to SEK -8.1 million (-15.6) which was driven by a positive development in the stores as well as closing of the loss-making Beauty by Boozt store in Copenhagen. Negatively impacting adjusted EBIT is the revaluation of the lease contract for the Beauty by Boozt store in Copenhagen to include an 18-months penalty fee for using the exit-clause, which was done in the first quarter. The adjustment consists of one-off costs of SEK 36.6 million related to the termination of the Beauty by Boozt store in Copenhagen. The one-off cost for the closure consists of a write-down of SEK 25.7 million on the lease asset, which relates to future leasing costs for the outstanding lease period ending in April 2022, after using the exit clause in April 2021. The other part relates to one-off costs associated with the closure such as writedown of fixtures and inventory as well as terminated staff. EBIT for the year decreased to SEK -44.7 million (-20.5).

BUSINESS PERFORMANCE

SEK million unless otherwise indicated	Jan 1 - Dec 31, 2020	Jan 1 - Dec 31, 2019	Change YTD
GROUP			
Net revenue	4,359.3	3,424.9	27.3%
Net revenue growth (%)	27.3%	23.0%	4.3pp
Gross margin (%)	40.6%	39.7%	0.9pp
Fulfilment cost ratio (%)*	-11.6%	-13.7%	2.1pp
Marketing cost ratio (%)*	-9.9%	-10.0%	0.1pp
Admin & other cost ratio (%)*	-11.2%	-10.3%	-1.0pp
Depreciation cost ratio (%)*	-3.7%	-3.1%	-0.6pp
Adjusted admin & other cost ratio (%)*	-9.6%	-9.9%	0.3pp
Adjusted depreciation cost ratio (%)*	-2.9%	-3.0%	0.1pp
EBIT	182.3	91.8	98.7%
EBIT margin (%)	4.2%	2.7%	1.5pp
Adjusted EBIT*	290.3	109.0	166%
Adjusted EBIT margin (%)*	6.7%	3.2%	3.5pp
Earnings for the period	132.8	54.8	78.0
Earnings per share before dilution (SEK)	2.27	0.96	1.31
Earnings per share (SEK) after dilution	2.21	0.95	1.26
Cash flow from operations	747.3	76.5	670.8
Cash flow from investments	-150.8	-171.3	20.5
Free cash flow*	596.5	-94.9	691.4
Net working capital*	73.8	435.3	-361.4
Net working capital - percent of LTM net revenue*	1.7%	12.7%	-11.0pp
Net debt / -net cash*	-1,006.2	295.6	-1,301.8
Equity / asset ratio*	47.3%	37.9%	9.4pp
Number of employees end of period	436	371	68
BOOZT.COM			
Net revenue	3,773.9	3,150.7	19.8%
EBIT	184.0	86.6	112%
EBIT margin (%)	4.9%	2.7%	2.1pp
Adjusted EBIT*	246.9	98.0	152%
Adjusted EBIT margin (%)*	6.5%	3.1%	3.4pp
Site visits (000)*	156,996	135,318	16.0%
No. of orders (000)*	4,696	3,917	19.9%
Conversion rate*	2.99%	2.89%	1.1pp
True frequency*	6.0	6.7	-10.4%
Average order value (SEK)*	811	808	0.3%
Active customers (000)*	2,043	1,606	27.2%
No. of orders per active customer*	2.30	2.44	-5.7%
BOOZTLET.COM			
Net revenue	560.2	246.5	127%
EBIT	43.0	25.6	67.8%
EBIT margin (%)	7.7%	10.4%	-2.7pp
Adjusted EBIT*	51.5	26.6	93.5%
Adjusted EBIT margin (%)*	9.2%	10.8%	-1.6pp
Site visits (000)*	34,768	16,297	113%
No. of orders (000)*	841	391	115%
Conversion rate*	2.42%	2.40%	0.02pp
Average order value (SEK)*	666	641	4.0%
OTHER			
Net revenue	25.2	27.7	-9.1%
EBIT	-44.7	-20.5	-118%
EBIT margin (%)	-177.5%	-74.0%	-104pp
Adjusted EBIT*	-8.1	-15.6	48.0%
Adjusted EBIT margin (%)*	-32.3%	-56.4%	24.1pp

Rounding differences may effect the summations.

*The figure is an Alternative Performance Measure and is described in definitions and reconciled on page 182-186.



SUSTAINABILITY REPORT

This report constitutes our GRI report and UN Global Compact Communication on Progress, as well as our statutory sustainability report.

The GRI Index can be found on:

www.booztgroup.com/sustainability-reports

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LETTER FROM CEO HERMANN

It has been a year full of unknowns. At the same time, this year has proven the strength in the care-why culture that is so instrumental to our company. I have seen how our people have gone above and beyond for our customers, the company, and each other. With a lot of determination and teamwork we have turned challenges into opportunities.

Throughout the year we have continued to drive our sustainability agenda forward and it has been rewarding to see the positive effects of our efforts. Our investments into our local environmentally optimised fulfilment centre, running on 100% renewable energy, means we are able to maintain an industry-leading low 300g CO2 distribution emission per order including returns. Furthermore, we have set responsible practices within our industry by eliminating extreme return behaviour with our Fair-Use Policy. As a result, we have lowered our total carbon emissions for the year by an amount equivalent to 25% of the returns CO2 footprint.

Our leading position and technology present a unique opportunity to push for a more sustainable industry. We want to accelerate our sustainability initiatives further and with this report, we are launching our Care-For strategy. This is our roadmap to becoming the leading responsible e-commerce company in the Nordics by 2025.

We want our customers to shop with us knowing they support a responsible company that takes real action towards contributing to a more sustainable future. As part of our Care-For strategy we have set actionable goals for the next five years that will keep us on track to reaching our vision and will concentrate our efforts on areas where we can have the most significant impact. Not only are we setting high goals for improving our own operations but we are also committing to partnering with organizations that are working towards improving environmental and social performance, such as the Sustainable Apparel Coalition and Higg Co, and the B Corp movement.

We run our business on responsible choices. Although we have minimized the impact of our own operations, lasting change will only be achieved through collaboration across the entire value chain. Caring for the change we want to see, we are committed to supporting our brand partners on their sustainability journey, making it easier for our customers to find and choose sustainable styles, and developing best-practices through strategic partnerships. When online shopping is done right it makes sustainable choices easier.

Hermann Haraldsson, Co-founder & CEO

OUR ROLE IN THE SUPPLY CHAIN

The fashion supply chain is complex, interlinking many different stakeholders across the product life-cycle. Using our market-leading position and strong relationships with customers and partners we can accelerate positive change across the whole supply chain through enabling collaboration, innovation and transparency. As a retailer without any own production, we do not have a direct impact on the production of the products we sell, but we do have the opportunity to have a large impact as the link between brands and the consumer.

As our business evolves so does our role in the supply chain. New technology and tools help us better collect and trace data, stronger partnerships create opportunities to innovate, and new business areas mean we can

have an indirect impact on a wider supply chain. At the same time, external factors play a huge role in shaping the supply chain and constantly present new challenges. This makes it even more important for us to have an open dialogue with our partners, our customers and the industry.

To achieve meaningful and lasting change we want to bring our partners along on our sustainability journey; proactively informing, innovating, and communicating best-practices with them. This is why we continuously work to ensure that our partners understand and embrace our high environmental and social standards and sustainability commitments. By collaborating we can better understand where our influence will have the strongest impact and how to drive transformation.



THE FASHION SUPPLY CHAIN



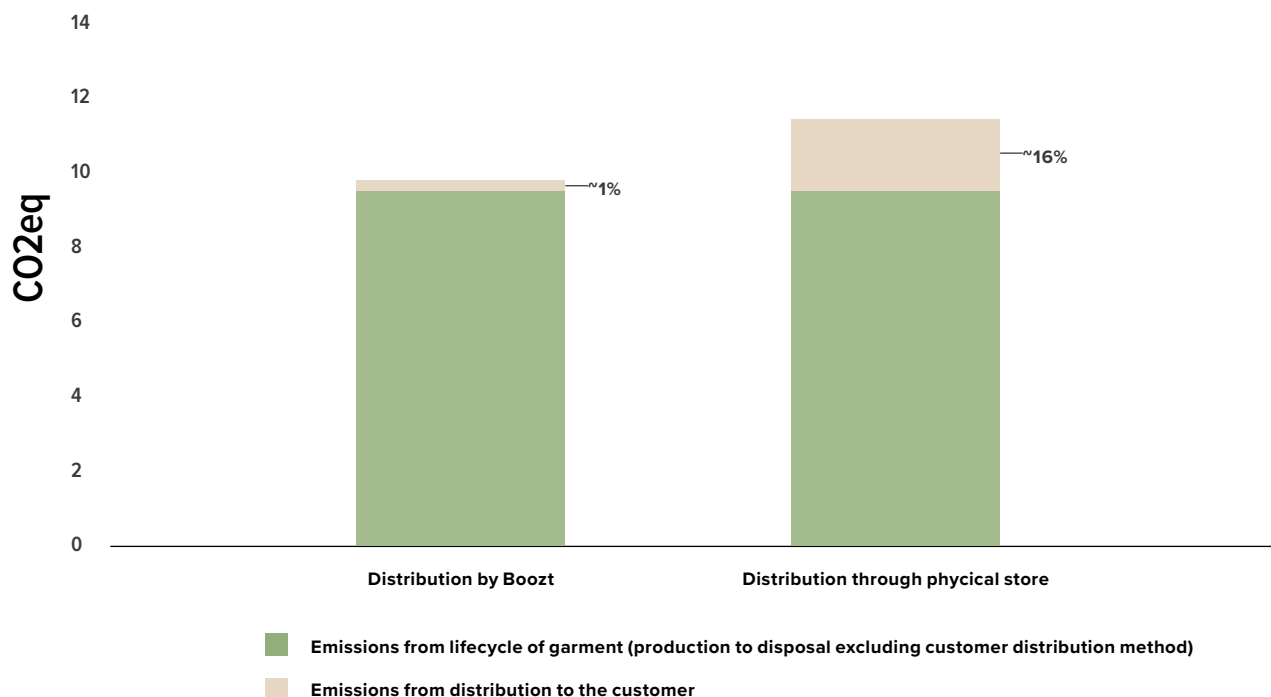


THE RAMIFICATIONS OF THE E-COMMERCE MODEL

As with all decisions we make throughout our business we want our sustainability efforts to be based on credible data, this includes correct and comprehensive information about the ramifications of the e-commerce model on the environment. While we will always strive to lower the footprint of our operations, the true environmental impact of the e-commerce model next to the brick and mortar shop is still hard to pinpoint and greater data should be collected and compared. We will use our positioning in the Nordic market to partner with researchers that can help provide a better understanding of this topic based on empirical findings.

Research from the 2019 report "Environmental assessment of Swedish clothing consumption" by RISE (Research Institutes of Sweden) shows the impact of the transportation of the customer back and forth from the physical store. When we compare this data with the impact of our e-commerce model, the carbon footprint is significantly lower than when shopping in a physical store in Sweden.

A pair of jeans sold in Sweden - total CO₂eq emission by distribution method*



**Data sourced from the 2019 report "Environmental assessment of Swedish clothing consumption" by RISE (Research Institutes of Sweden). The distribution emission data for a physical store is based on the carbon footprint per item bought from the average user transportation to the store. This is a mix of non-emitting transportation, public transportation and personal car transportation. Emission from lighting and heating of the physical store is not included in the "distribution through physical store". Emission per item from Boozt is derived by dividing the emission per order (314g) with average items per order (2.8).*

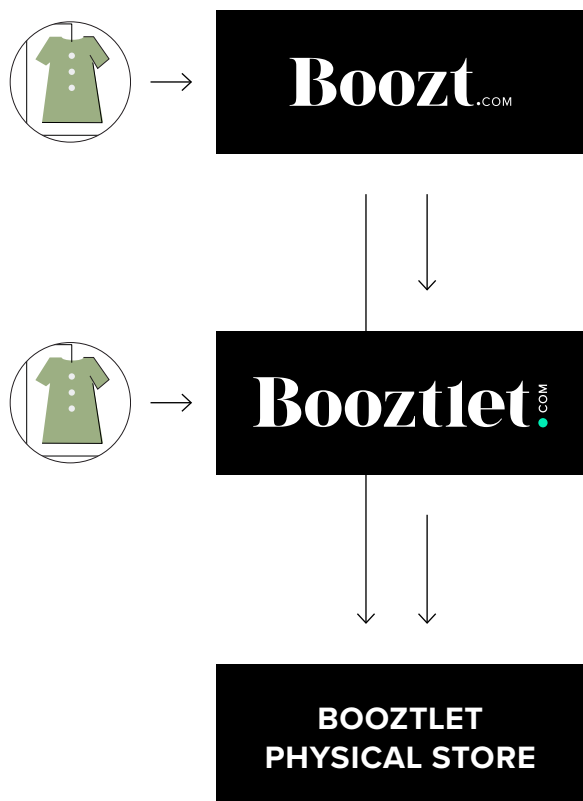
OUR VALUE CHAIN

Our value chain outlines our three main business segments and the flow of products within the Boozt ecosystem. This is where we have a direct impact on our footprint and can ensure that we are running a responsible and efficient business; one that leads by example to inspire progress throughout the greater supply chain.

Our strategy is to offer a large curated selection of mid to premium brands with a strong focus on quality products that are made to last. We extend the products' life cycle across our platforms, working to ensure that all items ultimately end up with our customers and that we minimize

waste. This means products have multiple chances to sell, both initially online and then offline. Any items that cannot be sold are ultimately donated.

Our value chain enables us to make responsible choices in the way we handle our inventory and claims. Excess stock from Boozt.com is given a new opportunity to sell on Booztlet.com and items with minor defects are being sold at high discounts in our physical Booztlet stores. We also partner with brands to support their inventory clearance which we purchase at discounted prices. This enables our brands to use our platforms as a responsible alternative for handling excess inventory.



IN SEASON

Mid-to-premium fashion and lifestyle for the Nordic customer

OFFPRICE

Responsible handling of prior season stock from brands and Boozt.com

LAST RESORT OUTLET

Items that did not sell online or goods with minor defects

Materiality assessment

Based on our yearly materiality analysis, this report focuses on the most important sustainability issues for our business and includes the economic, social and environmental topics we have prioritised. We take into account a combination of external and internal factors when considering whether a topic is material. Among other things, we have aligned with the overall mission and competitive strategy of Boozt, broader societal expectations and the business's influence on upstream entities, such as suppliers, and downstream entities such as customers. Our assessment also takes into account international and local standards and agreements the company is committed to.

In 2020 we conducted our materiality assessment using two complementary assessment tools; the SDG Action Manager and B Impact Assessment tool.

SDG Action Manager

The SDG Action manager is a tool developed by B Lab, the legal entity behind the B Corp certification and the United Nations Global Compact along with advisors such as The Danish Institute of Human Rights, GRI and the UNDP.

We have adopted the SDG Action Manager as an internal management tool to help us self-assess and improve. With it we identified the focus areas where we can make the biggest difference: Optimising our local operations, empowering our employees, engaging our partners, and curating our sustainable selection. This has served as our blueprint for adopting the Sustainable Development Goals (SDGs) While we feel many of the SDGs include important bearings for supporting our contribution to sustainable development, the most relevant development goals we have chosen to address are SDGs 9, 12 and 17.

The B Impact Assessment

The B Impact Assessment (BIA) is a comprehensive management tool developed by B Lab and UN Global Compact that assesses a company's performance against the highest standards in terms of environmental, social and governance performance. It focuses on Operational Impact i.e. how a company manages the day to day impact of running their business and the impact of their Business Model, i.e the design of the company that creates a specific positive benefit/outcome. Completing the BIA is the first step to becoming a Certified B Corporation.

WE AIM TO ADDRESS THE FOLLOWING SDGs:



GOAL 9. Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation

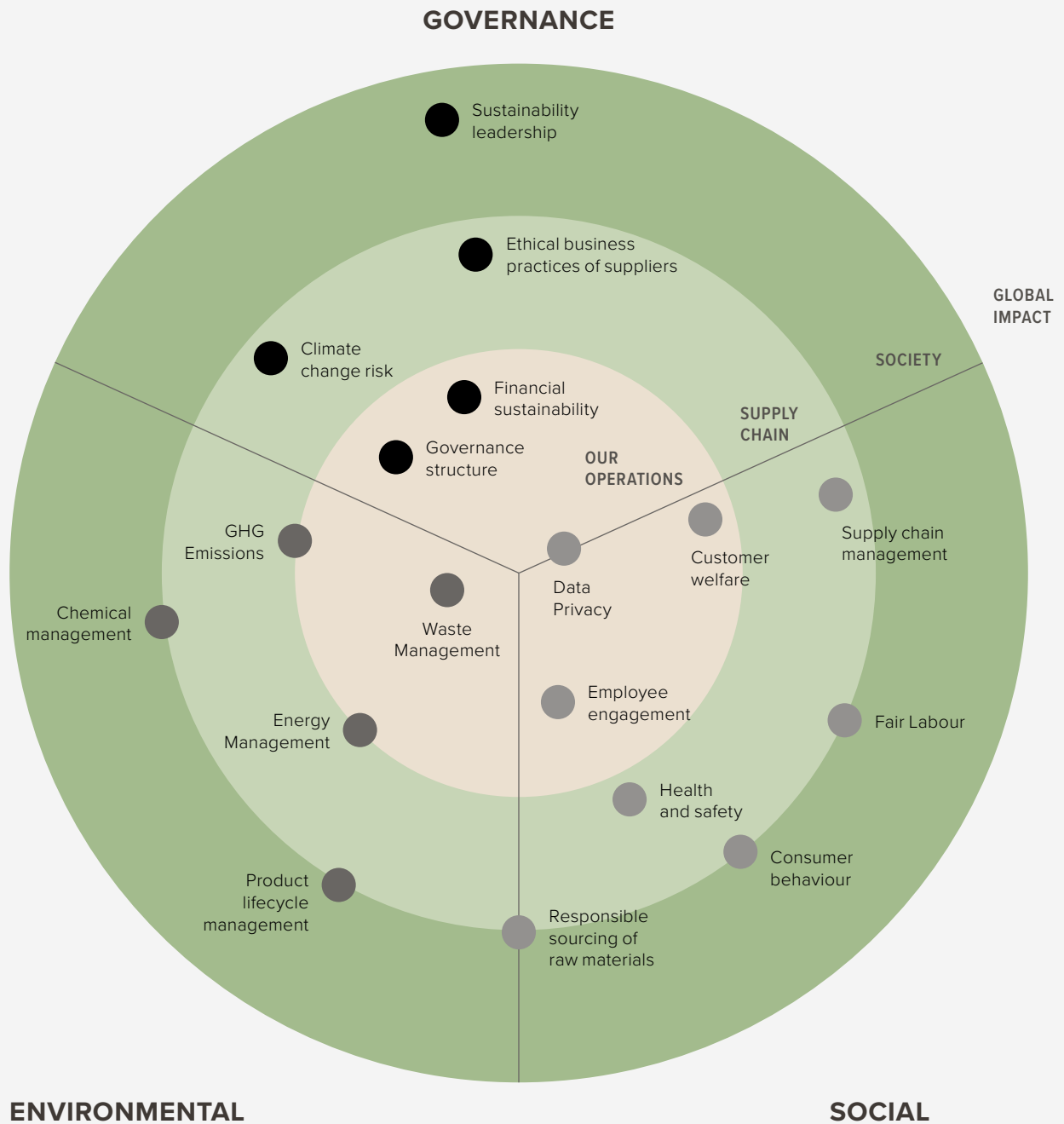


GOAL 12. Ensure sustainable consumption and production patterns.



GOAL 17. Strengthen the means of implementation and revitalize the global partnership for sustainable development.

MATERIALITY MAP



DIRECT*



INDIRECT



INDUSTRY & SOCIETY

**Areas identified as primary for our sustainability efforts*



In reviewing our material issues, we make use of a wide range of insights and inputs, including:

Business developments

We review changes to our operations; changes in their strategic importance; existing markets and associated legal jurisdictions; and changes to the Group's governance and organisational structures.

Legislation across

We use insights into legislation across markets where we are listed, operate or sell our goods, that may affect our practices, and customer expectations.

Stakeholder views

To review stakeholders views and concerns, we have conducted assessments against the highest standards of environmental, social and governance practices.

Risks and opportunities

Discussion at Board level of risks and opportunities; annual process of updating the Group's sustainability risks and opportunities by the Sustainability Department. Global trends informed by research on global macro trends from credible sources and studies.

Operating responsibly

We aim to work openly and transparently with our stakeholders. Our management systems help us meet our commitments and guide our businesses to address the risks and opportunities we may face in the future.

OUR VISION & STRATEGY

Our vision is to use our local Nordic position and our technology platforms to make sustainable choices easy for our customers and our partners. By taking responsibility for our direct and indirect footprint on the value chain, and empowering people to act consciously, we strive to build a more sustainable future for fashion.

We are dedicated to delivering a great shopping experience to our customers, through high-tech solutions and a curated selection of fashion and lifestyle brands. In this pursuit, sustainability is a crucial building block for our long-term business success, ensuring that we meet the needs of our customers and the industry. Our aspiration is that our actions will always reflect our desire to do good. With the help of a clear vision and open communication, we intend to amplify our efforts and share best practices that can influence a more sustainable industry.

Our responsibility vision is very much aligned with who we are as a business and our well-established tradition of always striving to make fair and responsible decisions. We recognise the need to address the social and environmental challenges within the fashion industry, and that emphasis

must be on taking responsibility for our direct and indirect impact. With the influence we have as a leading player on the market, we can push for a more sustainable industry by setting leading standards for responsible practices. Collaborating with industry peers to improve quality and transparency in the supply chain, including respect for human rights, fair labour conditions, as well as reducing the environmental impact from production and operations.

To help guide us on our journey, we have concentrated our sustainability efforts around what we call our Care-For strategy. The strategy is anchored in the Boozt 'care-why' culture and means going beyond just knowing. We care why things are the way they are, care for the change we want to see and choose to act. This mindset is also what enables us to lead the progress towards a more responsible industry.

OUR COMMITMENTS

CARE-WHY CULTURE

A strong company culture that empowers our people



SUSTAINABLE CONSUMPTION

Facilitate responsible consumer behaviour



HIGHEST REQUIREMENTS

Industry leading criteria for sustainability category



RENEWABLE ENERGY POWERED

100% Renewable energy across all our operations



RESPONSIBLE PACKAGING

100% Recycled and recyclable packaging



LOWEST CO2

Industry leading low CO2 emission distribution per order

We have structured the Care-For strategy around four focus areas identified through our materiality analysis: Our house, Our people, Our partners, and Our selection. By making responsible choices in all these areas of our business, we can reduce the direct footprint of our operations, while also engaging our partners, our customer and our people on the journey to becoming a more sustainable industry.

Goals & commitments

With the challenges we as an industry face, especially with the effects of this unprecedented year, it has become even more apparent that collaborative action is key to finding scalable solutions to the many pressing issues throughout the supply chain. Our Care-For strategy is our roadmap to becoming the leading responsible e-commerce company in the Nordics by 2025, using our business as a catalyst for change. The foundation of our strategy is built upon our commitments which are the result of our sustainability

efforts over the years. These commitments have become integral to how we strive to run our business and where we continue to invest time and resources.

Still, we want to push further to accelerate the transition towards a more sustainable fashion industry. Caring for the change we want to see in the industry, we recognize that we are in a position to go beyond and set higher standards for responsible practices. Achieving this means setting actionable goals for the next five years that will keep us on track to reaching our vision. Our goals cover all four of our focus areas and are an extension of our already strong commitments. As part of our Care-For strategy, these goals will lead us in our decision-making and help us follow-up on our progress. The goals are reviewed annually to ensure they remain aligned with the strategic direction of the business and take into account external societal events.

OUR GOALS			
OUR HOUSE		OUR PARTNERS	
2023	Become B Corp certified.	2022	Offer tailored support and data to brand partners on their sustainability journey using the Boozt Media Partnership solution.
2025	Be climate-neutral across our operations, including the impact of delivery and returns.	2023	Ensure 100% of our apparel brand partners are committed to supply chain transparency and to working with the Higg BRM tool.
OUR PEOPLE		OUR SELECTION	
2021	Continuously improve employee engagement through feedback and dialogue to reach top tier employee engagement benchmarked against our sector.	2022	Reach a 25% share of sustainable apparel products across our overall product assortment.



BECOMING A B CORP CERTIFIED E-TAILER

By 2023 our goal is to become the first B Corp certified e-tailer in the Nordics. This means joining a global community of companies across industries focused on using their business as a force for good, balancing profit and purpose.

The B Corp certification is issued by the nonprofit organization B Lab led by business investors and attorneys to create a comprehensive set of legal and performance requirements. It is the only certification that measures the entire social and environmental performance of a company and includes having to meet requirements in three areas; verified social and environmental performance, legal accountability and public transparency.

To meet these requirements, Boozt must earn the verified score of 80 points or above on the B Impact Assessment, the tool that measures the company's overall impact on its workers, community, customers and the environment. B Corp Certification is a highly selective status. Companies must document their positive impact to qualify and undergo verification every three years to maintain their Certification.

This year we are starting the journey with a self-assessment to measure our current score and identify areas that we will need to focus on to become certified. We believe the process of certification and the interaction with the B Corp movement will help us scale our positive impact through the Boozt business model.



Energy sourced from own solar panels installed on the roof of our fulfilment centre.

Reporting requirements

Making responsible choices that have a positive impact on the industry requires a solid foundation in science-based research, strong partnerships and a clear understanding of where we can make the greatest impact. With this report, we use the Global Reporting Initiative (GRI) as a reporting guideline to improve the quality of our sustainability reporting. We believe the GRI standards provide a solid framework for analysing and focusing our sustainability efforts.

In 2018, we became a signatory of the UN Global Compact. With this commitment, we set the intention of adopting and adapting innovative ways to integrate the Ten Principles to establish a more sustainable business. This means operating in such a way as to promote and respect human rights and fair labour conditions, engage in the development of environmentally friendly technologies and prevent corruption in all forms. It also includes taking action to deliver on the Sustainable Development Goals (SDGs) and we are committed to aligning our business goals with them. This has been the focus of our 2020 sustainability initiatives and this report serves as our Communication on Progress (COP).

Managing sustainability

We are committed to conducting our business responsibly, with the highest possible standards of ethics, openness, and transparency to build trust with our stakeholders and establish accountability. The strategic responsibility for our sustainability strategy lies with Management which is then implemented by our Sustainability team. Through close collaboration between the Sustainability team and other departments across the Boozt Group, we work together to execute our sustainability efforts. Continuously reviewing our materiality analysis helps us to ensure that we act in an economically, socially and environmentally responsible way in all areas of business.

The greatest assets in our sustainability effort are our people. A strong company culture, based on the values of Trust, Freedom, and Responsibility, reinforced with intelligent investments, enables our people to contribute positively to the environment, the business and the community. By offering continuous training and professional opportunities, we want to provide opportunities for our employees to utilise their knowledge, passion, and skills to imagine new sustainable solutions and contribute to our vision.



OUR HOUSE

We want to provide the best possible customer experience while conducting our operations in an economically, socially and environmentally responsible way. We are taking responsibility for the footprint of our operations. Reducing the footprint we have through our carbon emissions, energy, waste, and packaging.

2023

Become B Corp certified.

2025

Be climate-neutral across our operations, including the impact of delivery and returns.

At the core of everything we do is our house. Our house encompasses all parts of our business and enables us to deliver an outstanding shopping experience to our customers. As this is where we have the most direct impact on our footprint, it is essential we find smarter product flows in our operations. Smarter product flows are best articulated through the use and discovery of processes within our daily operations which are more effective, efficient and sustainable. For example, shortening processing times for customer orders, utilising renewable energy, finding the optimal solution for our shipping bags and lowering CO₂ emissions. In this endeavour being innovative is essential to us, staying at the forefront of cutting-edge technology that can help transform our business and the industry for a sustainable future.

As a Nordic company with a leading position in the market, we believe that much of our success lies in keeping our operations local, allowing for optimised deliveries to customers, strong brand networks and engagement with our local community. Our investments to handle

all shipments and returns in our local fulfilment centre in Ängelholm, Sweden has also contributed to more environmentally-friendly delivery patterns. It enables us to keep the carbon emissions per distributed order at an industry-low 0.3 kg CO₂e.

Impact Management

Carbon emissions

We work continuously to optimise our operations and improve efficiency and have created a comprehensive overview of our business through data collection allowing us to better understand where to focus our responsibility efforts. In 2020 we improved the accuracy of our emissions data by building upon our calculation methodology and reporting our emissions according to the Greenhouse Gas Protocol. This data will be used as a base for our Carbon Disclosure Project (CDP) reporting. Therefore for our analysis of the impact of our operations, we are using the scope definitions according to the Greenhouse Gas Protocol with 2019 as the base year.

In 2020 we have reduced Scope 1 emission for our leased cars by reducing the amount of petrol-fueled cars and choosing diesel, hybrid and electric cars. Our Scope 2 emissions continue to be zero as we only source 100% renewable energy for our fulfilment centre and headquarter. The digital footprint of our business is offset as all servers are hosted via the Google Cloud Platform, which is run 100% on renewable energy.

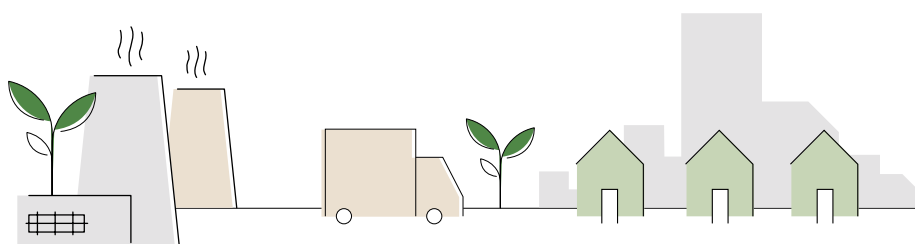
Business travel reduction due to the covid pandemic has reduced our travel emissions from 170 ton CO₂ in 2019 to 22 ton of CO₂ in 2020.

GHG Emissions

IN METRIC TONS CO ₂ E	2020	2019
Scope 1	11	89
Scope 2*	0	0
Scope 3**	2,265	2,030
Carbon intensity kg CO ₂ e/order	0.30	0.31
Total (Scope 1,2,3)	2,276	2,119

*Scope 2 emissions calculated using Grexel national residual mix for Sweden, Scope 2:E.ON hydro powered electricity, Renewable district heating and cooling E.ON.

**99% of which from Transport of goods, 1% Including Upstream electricity emissions. Does not include downstream emissions.



Scope 1

Direct emissions of greenhouse gases from sources owned by us that are not connected to electricity delivery. This includes company vehicles and company facilities (included in the graph).

Scope 2

Indirect emissions of greenhouse gases as a result of the consumption of purchased electricity, heating and cooling. Indirect refers to emissions that occur as a result of activities/consumption by the reporting organization, but at sources owned by another organization.

Scope 3

Other indirect emissions of greenhouse gases that result from the consumption of materials, goods, fuels, transport with vehicles that are not owned by the organization (not included in Scope 2).

Energy consumption and production

In Mwh	2020	2019
Electricity from renewable hydropower (total) *	2,206	1,931
Purchased energy**	1,979	1,800
Produced solar energy	227	131

*BFC and Boozt HQ including renewable district heating and cooling

**Hydropower from Skanska energi and E.ON

Energy sourcing

A critical part of Boozt's goal has always been to scale up the use of renewable energy. We rely fully on clean energy sources to power all areas of our operations. The electricity we purchase to operate our local and automated fulfilment centre is hydropower produced in facilities certified according to the international EDP (Environmental Product Declaration), a system that offers objective and quality information based on ISO 14025.

This energy increase can be explained by more output from our robots due to a higher number of orders. An increase of 14%, well below the net revenue growth of 27% compared to 2019, demonstrates the leverage on energy consumption from our business model and investments.

Facilities

Headquarter

In the spring of 2019, our head office moved to Eminent, the first building in the Nordics to be certified by WELL. The International WELL Building Institute (IWBI) is a globally recognised building standard focused on human health and wellness in workplaces. This new facility fosters a positive working environment including features such as a massage room and a play area for parents to bring their kids when needed. Eminent is also environmentally certified with Miljöbyggnad Gold level, a Swedish environmental

certification for sustainable buildings by the Sweden Green Building Council. This certification guarantees a reduction of energy consumption by 25% compared to conventional buildings.

Fulfilment Centre

Local and innovative, the Boozt Fulfilment Centre (BFC) represents one of the most significant stops on a product's journey to our customer's door. Since the BFC became operational, we have continued to optimise the quality, reliability, and sustainability of our fulfilment centre. In 2020, we further invested in advancing the BFC operations, expanding with a second warehouse building and new warehouse automation technologies in partnership with AutoStore, to optimise our product flows.

As a Green Building certified facility, our fulfilment centre operations are driven by energy-efficient and modern technology. The solar panels contributed 13% of the total energy consumption at BFC in 2020, that is an increase from 8% in 2019. With the completion of the second warehouse more solar panels have been added to help power our services. The energy generated from these will be included in the 2021 energy consumption calculations.





THE BOOZT FULFILMENT CENTRE

Key features of our environmentally optimized facility

Runs On 100% Renewable Energy, Including Energy Sourced From Own Solar Panels.

Green-building Certified by the Sweden Green Building Council 'Miljöbyggnad Silver'.

Automated With The Largest AutoStore Installation In The World.

Positioned In The Nordics With Local Order and Return Handling Minimizing Environmental Impact

Distribution & Returns

We aim to optimise the efficiency of our distribution in various ways, not only for customers to receive their orders in a timely and reliable manner, but also to reduce our environmental impact. Many of the sustainability issues that we prioritise at Boozt are enhanced through partnerships and collaborative initiatives that minimise CO₂ emissions in the supply chain and other local impacts.

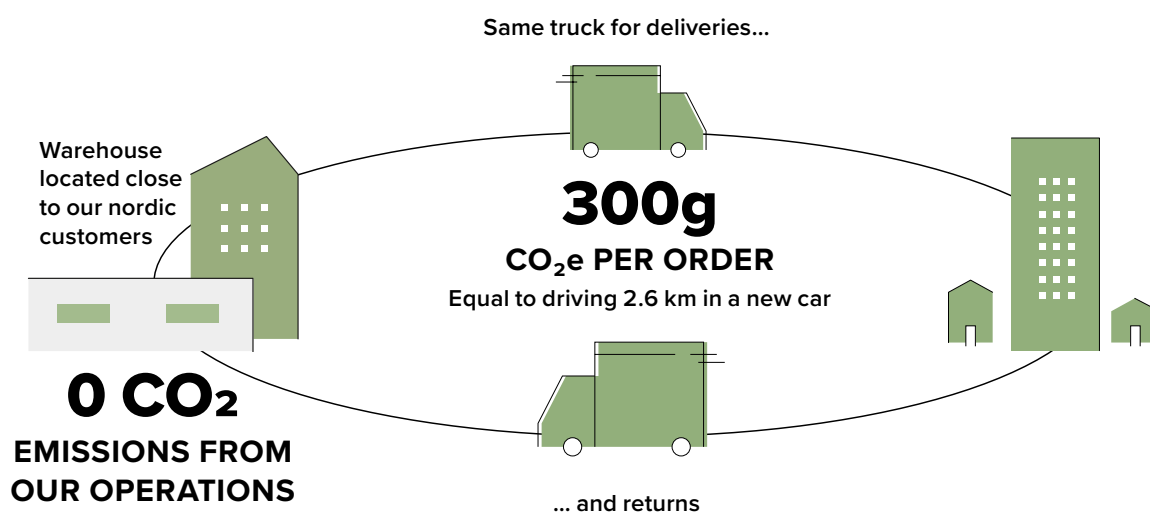
We work with a variety of vendors to provide our customers with distribution alternatives that satisfy each delivery need. We strive to give customers the ability to select more environmentally-friendly alternatives, such as electric car delivery and climate compensated options. Despite being dependent on the progress within our distribution partner's operation, we endorse this agenda and share it with our partners. In 2020, we continued our work with our distribution partners to measure the emissions from shipping to our customers on a quarterly basis. Regular reporting provides us with the opportunity to measure the impact of our operations as well as benchmark and set goals for continuous improvement.

We received carbon data from our distribution partners representing 97% of our orders.

Through our close collaboration, we are able to calculate the estimated carbon emissions per order delivered including returns, amounting to 0.3 kg CO₂ e. The low result is possible due to investments in the optimisation of our local distribution patterns. This involves a selection of climate compensated delivery options and efficient returns transportation in a closed-loop centred around our one local fulfilment centre. We are proud of this result and we have been able to maintain the industry low emissions also from 2020. Thus, confirming the value of investing in local operations and resource-efficient solutions.

Returns

One of the afflictions of running an e-commerce business is handling returns. A key focus for us has been to decrease the number of unnecessary returns to lower the CO₂ emissions from transportation pick-ups and deliveries as well as the amount of materials used for repackaging items. Lowering returns will also support the sustainability of the business model from an economic perspective.



We strive to keep our operations local and all our returns are handled in our fulfilment centre in Ängelholm, Sweden. In 2019, we further optimised our processes in the return area at the fulfilment centre supported by best practice process optimisation from new management. This contributed to us being able to compete with outsourcing options for return handling by lowering the costs associated with returns. Strategic partnerships have also continued to keep us competitive. Many of the staff at the fulfilment centre, for example, are employed through our immigration integration project which helps refugees enter the Swedish job market.

We also recently introduced a Fair Use policy that allows us to “pause” customers who show no intention of keeping the items they purchase. These customers have repeatedly placed unusually large orders, only to return all or almost all items or return several times on a large scale. With this effort, we aim to contribute and encourage more responsible shopping behaviour within e-commerce and encourage our industry peers to take real actions towards reducing returns. In 2020, we have seen the results of our various actions with the return rate declining approximately three percentage points.



REDUCING RETURNS THROUGH MACHINE LEARNING

Decreasing the number of returns is tricky, however, we've established that a large percentage of returns is often due to the unpredictable sizing of a brand's collection. We strive to eliminate the obvious mistakes when selecting a size by improving our size guide. An example of this is our machine learning-based size recommendation tool. Through system developments and partnerships with our brands, we are working on creating size predictions for our customers. Using machine learning technology, we have been able to collect information about customer size choices and returns to suggest the best size option available. This will help customers make the right sizing decision, independent of whether they have made previous purchases in this category. We aim to bring technology and fashion together to create the best customer experience and reduce size-related returns.

Data privacy and security

Data security and integrity is a strategic priority for us and is at the forefront of our platform department's agenda. With the introduction of the EU's General Data Protection Regulation (GDPR) in 2018, all our systems were examined to define data usage and procedures. As part of our compliance work, we have processes in place to meet EU laws and local law frameworks on data protection.

In 2020, we began an external review of these processes to ensure they meet the latest regulatory requirements, such as stipulated in Swedish, national, supplementary provisions and the EU ePrivacy Directive. Boozt continues to strengthen its data security and privacy procedures. Based on a risk-based approach, as advocated by GDPR, we will especially focus on high impact areas such as further improving our data breach management, internal training, and Boozt's transparency towards our data subjects.

The Boozt privacy policy gives our data subjects updated and relevant information on how, why and for how long personal data is processed, and how we sometimes share data with subcontractors and partners to better our services. It forms an important part of the transparency toolkit, together with direct control over many data subject rights through easily accessible settings in the Boozt account. Boozt is continually auditing and updating any processing taking place on Boozt's behalf (through DPA:s) or shared with partners, to make sure that any processing of personal data entrusted to Boozt from its customers and employees is both transparent, secure and necessary in relation to its purpose. Boozt retains personal data only for such time as necessary for a specific processing and justified by its legal basis, or for as long as it has valid consent. Both in compliance with GDPR, for the trust of our customers and employees, and for efficiency. We have put controls in place (and are continually improving) for data subjects to exercise their rights under GDPR, such as the right to erasure, the right to object and the right of access, in a way where this is done automatically where appropriate and by manual assistance where needed or of extra value to the data subject.



Established data infrastructure ensures that we stay informed about notifiable IT vulnerabilities and can combat these at an early stage. Our IT systems are regularly tested, both internally and through third party penetration testing, to keep abreast with security threats. During 2020, most of our employees worked remotely following local government restrictions and recommendations. We quickly adapted to this new operational environment by moving all of our IT systems and services to a cloud based infrastructure, granting a higher level of flexibility. Boozt has closely followed guidance and best practice after the CJEU "Schrems II" case in July 2020 and is making an ongoing effort to ensure transfer mechanisms needed for subcontractors outside of EU/EEA are meeting GDPR requirements even after the Privacy Shield certification system was annulled, both for new and old suppliers of infrastructure and data processing services.

Material Management

Packaging

Our customers want to receive the right-sized, recyclable packaging materials that minimise waste and ensure damage-free and intact delivery. As we look for more circular options for packaging solutions, the impact of packaging is a core area of focus for Boozt. The conversation about what constitutes an environmentally better option remains complex. However, the role of packaging remains relevant to online businesses. Despite it constituting a small part of the overall impact of a garment's lifecycle, packaging provides opportunities to discover more sustainable alternatives.

The first Boozt.com bag in 2012 was made from 50% recyclable plastic. Over the years we continued to improve the composition of the bag. First, by increasing the percentage of recycled plastic and then in 2018 we set an ambitious target to introduce bags composed of fossil-free material. In collaboration with a packaging supplier, we developed Boozt.com bags made of 100% biodegradable food waste. Unfortunately, there were challenges with recycling, as the adoption of recycling opportunities for bio-degradable bags progressed slower than anticipated. Currently, the industrially compostable facilities in the region which Boozt operates lack the proper infrastructure, including the necessary structures for proper post-consumer collecting, sorting and composting. Therefore, compostable material may end up in the recycling stream of plastic, decreasing the quality and recyclability of the end product. Due to this, we have decided to suspend the use of biodegradable bags and hope to reintroduce them once the proper handling facilities become available.

In 2019, we addressed the issues with the biodegradable bag and during 2020, we shifted to 100% recycled, Blue Angel certified, plastic material for our shipping bags. We have also maintained the dialogue with our partners searching for possible ways to reduce the use of polybags and the need to utilise new raw materials. Our shipping

boxes are also made of a single material from 100% certified paper to ensure full traceability and recyclability. We will continue our long-term research for more circular and sustainable material for our packaging alternatives. We aim to provide proof of concept for our industry partners when testing new packaging solutions, sharing what knowledge we have learned across our industry, which we believe can amplify the impact.

Waste management & recycling

For both our business and customers, we are persistent in our effort to eliminate waste across our operations. The recycling process of all packaging material from inbound deliveries is handled through efficient sorting systems at the Boozt Fulfilment Centre. Recycled materials consist mainly of paper, wood, and plastic. Thanks to a close partnership with a local waste management facility, we recycle 80% of our waste. However, not everything can be recycled. Any remaining non-recyclable materials are burned for energy recovery in one of two certified centres in Sweden. Looking ahead, we know this is not our final stop. We will continue to explore ways to reduce and reuse our material resources before recycling to extend a material's life cycle and close the loop on the waste within our operations.

HISTORY OF THE BOOZT BAG

2012



From the start we have made responsible choices about how we choose to package our products. The first Boozt.com bag was made from 50% recyclable plastic - a decision taken back when recycling options for packaging were still not part of the conversation.

2017



We improved the composition of the material used in the Boozt.com bags. The recyclable material increased from 50% to 80% recyclable plastic and resulted in less waste and lighter weight during transportation.

2018



We introduced our 100% biodegradable bags. In collaboration with a packaging supplier, Boozt.com bags were made completely from biodegradable food waste. The material used was MATER-BI from the international leader in bioplastic NOVAMONT and biodegradable and compostable according to European standard EN13432.

2020



During 2020, we shifted to 100% recycled, Blue Angel certified, plastic material for our shipping bags. We are also in dialogue with our packaging partners to explore possible ways to reduce the use of polybags and the need to utilise new raw material.



OUR PEOPLE

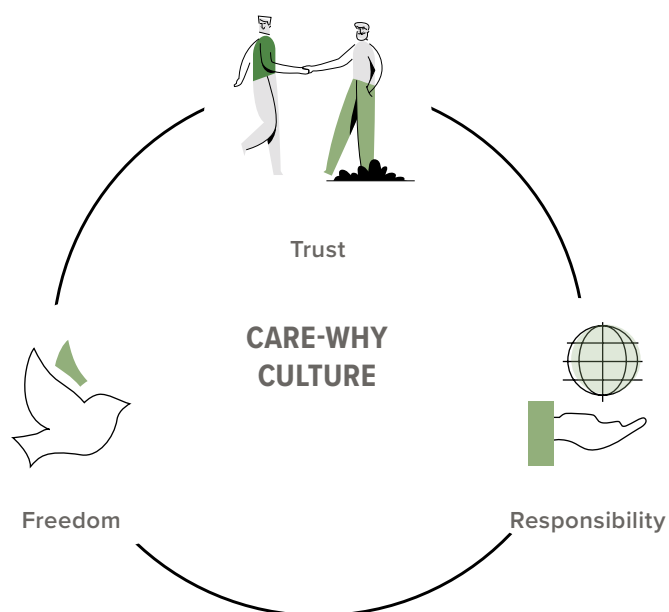
We want to make it easy for our people to do good. A strong company culture and intelligent investments enable our people to contribute positively to the environment and the community

2021

Continuously improve employee engagement through feedback and dialogue to reach top tier employee engagement benchmarked against our sector.

An organisation is only as great as the people that work within it. Our people have a central role in our responsibility efforts. It is through their passion, hard work, and creative thinking that our responsibility vision comes alive. We will continue to support and create opportunities for our people's development, and continuously improving the conditions for a healthy and efficient workplace is always a priority.

Our company culture lays the foundation for everything we do and all the decisions we make. Central to our culture is the care-why mindset. It is not only about knowing, but also caring. Being curious about why things are the way they are, choosing to act and going the extra mile for the customer, the company, and each other. We believe a strong company culture enables our people to contribute positively to the environment and the community.



The three pillars of trust, freedom, and responsibility make up our fundamental beliefs and provide the core values that we measure ourselves against in our daily work. These pillars are explained and emphasised during our employee onboarding program and remain available on our online learning platform to all employees.

TRUST

Trust at Boozt is based on mutual respect and confidence, having the same goals, sharing the same motivations and ultimately, sharing common interests. Therefore, a core belief at Boozt is that by relying on each other, we make everyone stronger. Trust means that everyone feels secure and when we feel secure, we can unfold our creativity and competencies.

FREEDOM

Individuals can reach their fullest potential when they have the freedom to act and solve daily tasks in their own, unique way. Our people don't really like being told what to do, and they want the freedom to make their own decisions, to learn, to be themselves and to suggest new ways of thinking and doing. We believe in having full freedom as long as we act in Boozt's best interest.

RESPONSIBILITY

Freedom comes with responsibility. We want our people to take responsibility for customers', Boozts', and colleagues' interests. In our experience, by acting responsibly and with accountability, we can achieve the kind of freedom to which we aspire in our daily lives.

Employee empowerment

Our success at Boozt is a product of our talented, hard-working people and the array of skills and knowledge they bring to the table. Knowing this, we strive to create a work environment that provides opportunities for their continuous development and satisfaction to amplify our business and sustainability goals. To continue growing as a company, we must invest in the growth of our employees.

Health & wellbeing

The outbreak of Covid-19 at the beginning of 2020 affected all aspects of daily life, including our ways of working. The health and safety of our employees is our main priority and we quickly acted to ensure that our people had the tools and resources to work from home. The added distance requires new solutions to enable everyone to stay connected with the business and each other. We increased the internal communication with frequent updates from our CEO and monthly live-streamed 'All Staff' meetings with updates from around the business. Work equipment was delivered home to the teams that required specific/stationary equipment, such as customer service and platform, and all physical events were moved online. Thanks to the commitment of our people we have

stayed fully operational under these trying circumstances. Our values; Freedom, Trust and Responsibility will continue to be the drivers for our approach for a healthy work/life balance, even after the pandemic and restrictions.

Our employees have access to medical evaluation and advice, including occupational health, on a weekly basis from an inhouse primary care doctor. During 2020, the doctor also offered voluntary tests for Covid-19. This, along with stricter hygiene measures and physical-distancing procedures, has enabled us to have a small number of our people working safely from the office. We believe that having access to a medical professional, especially during this year, helps us tend to the wellbeing of our people and reduce sick-leave. In 2020, 30 employees (6.8%) were on sick leave for more than 14 days.

Professional growth and job satisfaction

We believe in giving freedom and responsibility for personal career development by offering our people opportunities to develop themselves professionally within the company. We promote internal hires and encourage individuals to apply for internal positions when they feel ready to take the next step in their career or to explore

other areas of the business. In this way, we can retain critical talent and skills in the business while allowing our people to evolve and challenge themselves.

In 2019 we introduced our employee engagement survey platform, with the goal to make it easier for our people to instantly and anonymously share their thoughts regarding the company culture, how teams are managed and the overall direction of the company. Questions are sent out to all employees on a monthly basis, providing the opportunity for our people to frequently offer their feedback and opinions. This allows them to have more of an immediate influence over their work environment. The answers serve as a basis for management to make informed decisions about our people's work satisfaction and take the necessary actions to ensure that we are providing a healthy company culture that stimulates the effectiveness and motivation of each team and individual.

In 2020 the aggregated participation rate for the survey was 74% (80%). The platform also uses an employee Net Promoter Score (eNPS) to benchmark employee engagement with others in the same sector. This year the eNPS score was 40, which puts us just below the top 25% for the consumer sector. By 2021 our goal is to continuously improve employee feedback and dialogue to reach top tier employee engagement benchmarked against our sector. We can see that the teams who have worked actively with employee feedback in 2020 have also seen a significant improvement throughout the year on the eNPS. We will continue working with the survey tool, investing more time and resources to improve engagement in the coming year.

Fostering diversity & equality

We believe that the core strength of our company is the diversity of our backgrounds. At 33 nationalities, we acknowledge our differences but still share the same goals. Additionally, we strongly believe in and actively support women's and men's equal rights in terms of employment, working conditions and professional development. There are no differences in terms of professional roles, recruitment, training and remuneration levels which can be explained by gender or ethnicity.

Parental leave for both men and women is an intrinsic part of our company and our people have the ability to combine part-time parental leave with part-time work. In 2020, 48 of our employees (11%) were on parental leave.

Business ethics

Anti-corruption & bribery policy

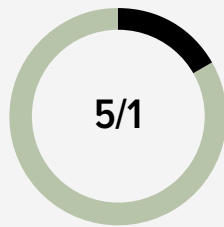
Our anti-corruption, insider and procurement policies are there to ensure that the business is conducted ethically. These policies outline our various positions on preventing and prohibiting corruption and bribery in accordance with local legislation where we operate as well as significant international regulatory regimes and laws with extraterritorial reach such as the UK Bribery Act and the US Foreign Corrupt Practices Act. These policies include never-acceptable practices and monitoring activities to support the prevention of corruption, bribery, and conflicts of interest.

We are aware of the inherent risk that individuals in our operations or through interaction with us may breach legal requirements and our ethical principles related to anti-corruption and business ethics. Anti-corruption policies are communicated to all brands and business partners through our buying and merchandising department. Amongst the never accepted practices is the strict prohibition to accepting or offering purchase discounts, commissions, bonuses or kickbacks from our brands for personal gain. The policies also detailed specific restrictions regarding private purchases by employees from our suppliers/ brands for private use or consumption, at below-market prices. Likewise, our anti-corruption policy establishes that our employees must not accept gifts or any other compensation as there is a possibility that these may be perceived to improperly influence business decisions. The anti-corruption policy also expresses typical situations in which gifts from suppliers can be considered to be a means to influence business decisions.

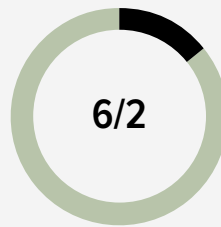
Our position on corruption is conveyed through our learning management system. To ensure communication of the internal code of conduct to all levels of the company, all employees sign a document acknowledging its receipt.

OVERVIEW OF BOOZT NUMBERS

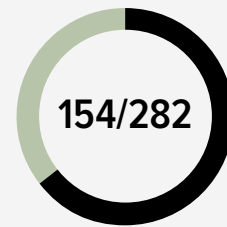
GENDER DISTRIBUTION



BOARD



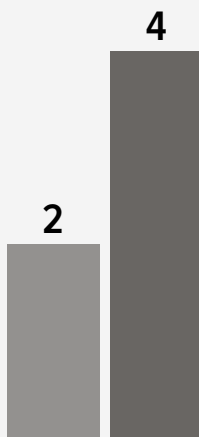
C-LEVEL*



GROUP OVERALL

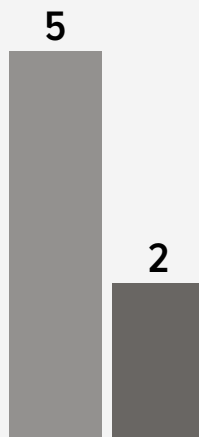
MEN  WOMEN 

AGE DISTRIBUTION



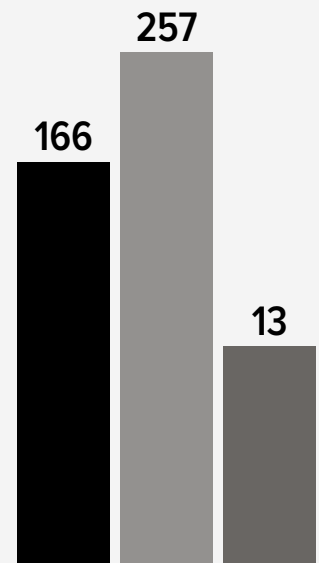
30-50 OVER 50

BOARD



30-50 OVER 50

C-LEVEL



UNDER 30 30-50 OVER 50

GROUP OVERALL

436

FULL TIME
EMPLOYEES

34

AVERAGE AGE

33

NUMBER OF
NATIONALITIES

**Sandra Joy Sahlertz resumed the position as CHRO in January, 2021*

To further emphasise the code of conduct, staff are given a learning module within the LMS accompanied by a quiz. No substantiated complaints of corruption or anti-competitive behaviour were reported in 2020.

Whistleblower policy

Our whistleblower policy was adopted with the aim of encouraging a transparent business environment where we operate profitably while maintaining good ethics. We are committed to the handling and reporting of any wrongdoing. The whistleblower channel is available to all employees to report any illegal activity or violations to the code of conduct or other policies we have. Beyond communicating our policies to our staff through learning modules via the LMS, all documents are readily available via an online employee folder. Extra training material on how and when to use the whistleblower channel has been included in our new employee training programs. The whistleblower channel supported by an external supplier is used to support such reporting, and all cases are reported to the Chairman of the Board of Directors. No cases were reported in the whistleblower channel in 2020

Incident management

Boozt is committed to contributing to the creation of healthier and happier employees. We feel investing in the wellbeing of our people will lead to more positive and sustained work output and retention. Our HR-policy covers occupational health and safety, as well as employee wellbeing. To cultivate and maintain a nourishing working environment, we perform continuous risk assessments and use experts in the field to help evaluate risks and set plans. We support the right to freedom of association for all our employees as stated in our Code of Conduct. We have collective bargaining agreements for employees at our offices and the Boozt Fulfilment Centre.

Occupational safety at our headquarters

Healthy and safe workplaces are a top priority. Any assessed risks related to the working environment are managed through a systematic approach to occupational health and safety (OHS). Risks at our head office include health risks due to poor ergonomics, lighting or ventilation,

and also psychosocial risks, such as from stress. All employees who manage personnel are required to go through OHS training by external facilitators. The training includes work environment regulations, systematic occupational health and safety, organisational and social work environment and rehabilitation.

The purpose of our occupational health and safety (OHS) management system is to identify, assess, follow-up and develop working environmental goals to mitigate risks for all workers. Risk assessments are documented and assessed by management. A review of the Boozt OHS system is also conducted on an annual basis by the management and board. These results form the basis for the yearly OHS plan. We register the occurrence of any and all accidents. For severe accidents, which need to be reported to authorities in accordance with regulations, no incidents or accidents were reported in 2020.

Occupational safety at the Fulfilment Centre

The safety of the working staff at the fulfilment centre is essential to our operations, and we aim for zero occupational injuries. All working conditions and environmental hazards are carefully considered. The fulfilment centre encompasses the most modern standards for excellent air quality, lighting, safety and cleanliness. The greatest threat posed at the fulfilment centre is the risk of fire. Fire prevention is managed systematically, with documented continuous safety rounds being performed and worker training. Other risks related to the work environment include physical risks, mainly in the handling of products and product returns, and also psychosocial risks, such as stress-related to repetitive tasks and prolonged standing. The most common work-related injury is shoulder pain from recurring work. To prevent the high potential for work-related incidences, we conduct frequent risk analyses and have been focusing on rotating the type of work the staff operates daily. This includes the addition of new routines and processes, integrating new equipment and making adjustments to static tasks. For severe accidents, which need to be reported to authorities in accordance with regulations, no incidents or accidents were reported in 2020.



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BEAUTY

Beauty by Boozy
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FASHION TY KIDS

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BYBOOZY

#BEAUTYBYBOOZY



OUR PARTNERS

We want to inspire our partners to make a positive impact on the value chain.
By partnering with key stakeholders, sharing our knowledge and best practice,
we aim to encourage a more sustainable industry.

2022

Offer tailored support and data to brand partners on their sustainability journey using the Boozt Media Partnership solution.

2023

Ensure 100% of our apparel brand partners are committed to supply chain transparency and to working with the Higg BRM tool.

The industry faces many challenges on the road to implementing more sustainable practices across the supply chain. Collaborative action is needed in accelerating change and finding scalable solutions that drive lasting improvements. Using our position and size, we aim to investigate and share best practices with our partners and peers to be the catalyst for defining the new norm for a sustainable e-commerce business operating in the fashion industry. Our teams work to develop partnerships with our brands and distributors to communicate our standards and help our partners build their sustainability capacity. It is through our partnerships that we can have an indirect impact on environmental and social performance in the supply chain.

As consumer behaviour changes and the demand for better-made products in terms of environmental and social impact increases, so does the need for relevant and transparent data. As part of our responsibility vision, we want to support our brand partners on their sustainability journey, helping them set milestones and track progress using measurable and comparable data. With improved transparency we can ensure that our partners share our sustainability values and that our customers can make informed purchasing decisions.

Supply chain transparency

We believe the greatest challenge and opportunity for change in the fashion supply chain is within data. The information we are able to share with our customers is only as good as the data we can gather from our brand partners. For us, this means taking proactive approaches to improve product data, developing sustainability guides for customers and increasing targeted communication. To achieve full transparency of the whole supply chain requires close collaboration with our brand partners.

Human rights risks in the apparel and fashion industry have been well documented over the years. There has been growing pressure on brands and manufacturers to improve control of their supply chain. As a retailer, we strive to ensure that any products and goods sold have

been produced under safe and fair working conditions. Our Boozt Group Code of Conduct for Suppliers aims to outline minimum requirements for suppliers, including respect for human rights and decent working conditions. The standards set out in the document are based on the UN Universal Declaration of Human Rights and the conventions of the International Labour Organization (ILO). Suppliers must meet all legal requirements and regulations in operating countries.

Supply chains are complex and difficult to trace. We will continue the dialogue to locate the easiest and best way to use our technology expertise to systematically collect, review and share information. Transparency in the supply chain is a long-term commitment. Recognising this commitment, we will continue pushing for more transparency in the supply chain in 2021, including facilitating data. We remain dedicated to working with our brand partners to create the most efficient way to gather information and work across the fashion supply chain.

SAC and Higg Membership.

In 2020 we took an important step towards transparency in the apparel, footwear and textile industry by joining the Sustainable Apparel Coalition (SAC). The SAC is the fashion industry's leading sustainability alliance committed to full environmental and social transparency. Boozt has joined the more than 250 global brands, retailers, and manufacturers, as well as government, non-profit environmental organisations, and academic institutions, which are collectively committed to improving supply chain sustainability in the apparel, footwear, and textile industry.

As members, we will have access to standardized tools to measure environmental and social impact to continuously set high standards for our business and the industry. With our position as the leading multi-brand retailer in the Nordics, Boozt can positively impact the fashion industry by driving transparency through the value chain and product lifecycle at scale. That is why, by 2023, we have set a goal to only work with brands that are committed to providing comparable supply chain data through our sustainability assessments.



We will use the Higg Brand & Retail Module (Higg BRM), a tool developed by the SAC together with Higg Co, to better identify improvement areas and help our brands move forward in their sustainability journey while also providing our customers with detailed and data-based information about a product's sustainability performance.

Industry collaboration

We achieve many of the sustainability efforts we prioritise at Boozt through collaborations where we seek mutually beneficial partnerships. In 2019, we focused on taking strategic steps to support our data collection from brands with the aim of motivating brands to become more engaged with sustainability. This was a continued focus for 2020 as well as partnering with researchers and experts within the field of e-commerce and sustainability to gain better insights as to the real impact of the business model. That way we can find effective solutions that the industry can collectively take to lower the impact on the environment.



Hållbar e-handel (Sustainable E-commerce)

We believe that sharing best-practices, data and insights around how to build a more sustainable future for e-commerce is the way to develop lasting solutions to the industry's most pressing issues. We want to lead by example in the areas we are strong and learn from experts and peers when we can. In 2020 we became members of the Hållbar E-handel, an initiative that brings together industry stakeholders in Sweden to set measurable standards for sustainable e-commerce. We also have a seat in the Board. As members of the Hållbar E-handel initiative, we collaborate with peers and academics to better understand the impact of the e-commerce model on the environment. During 2020 we have been leading a research project, together with the University of Gothenburg, on the topic of responsible return handling within e-commerce. We hope the results of the research will present tangible examples of sustainable solutions for returns.

The Danish and Swedish Fashion Ethical Charter

As a supplier of fashion, we acknowledge our role in the fashion industry as it relates to the treatment of models used in our campaigns. In 2018, we became a member of the Danish Fashion Ethical Charter and the Swedish Fashion Ethical Charter. The purpose of these charters and our commitment is to ensure the well-being of the models within the Danish and Swedish fashion industry. The charters require the adherence of rules in the form of health checks, age limits, healthy diets and wages for the models and are signed by a broad coalition of stakeholders within the industry. As a signatory, we are committed to abiding by these rules to ensure the wellbeing of models. As we work with many models, Boozt seeks to contribute to raising awareness of mental illnesses and influencing positive attitudes in fashion, media and society.



Community engagement

We use our size and reach as one of the leading online retailers in the Nordics to support a number of charities and causes within society that have a positive social impact. The contributions we made in 2020 have gone into helping important causes on their mission to make a difference. As our business grows we aim to invest more in giving back to our local community the coming year.


5-skoler

This year we have worked in close partnership with the charity 5-skoler to support their efforts to help children in areas of war, conflict and disaster. The Danish led program builds life-education-centres for children in Syria, giving them the opportunity for an education and a more secure future. Our donations have gone towards the girls' empowerment project that focuses on creating a safe and equal environment for the young girls in Syrian refugee camps, as well as helping provide school uniforms for the children in the life-education-centres.

Knæk Cancer

For the seventh year in a row, Boozt has brought together a strong team to raise awareness about cancer prevention and research. Since 2015, we have through our brand collaborations raised SEK 5.5 million which have been donated to Knæk Cancer. In 2020 alone, we have raised more than SEK 1 million for this important cause. The full amount raised goes toward the prevention, research, and support for patients and relatives. We are grateful to everyone that has been involved in the project and appreciate the sustained support. We will continue to partner with well known Nordic fashion brands to bring greater awareness and support the Knæk Cancer campaign.



A full-body photograph of a woman standing outdoors in a winter setting. She is wearing a long, quilted parka with a fur-lined hood and reflective gold-tinted sunglasses. The parka has a dark blue base with yellow horizontal stripes and a large, vibrant green and white floral pattern on the front. She is also wearing a bright green scarf, dark gloves, and black rubber boots. The background is slightly blurred, showing a silver car and a building.

Influencer Susan Stjernberger
photographed by Adam Katz Sinding
at Stockholm Fashion Week.

TAKING AN ACTIVE ROLE IN THE NORDIC FASHION ECO-SYSTEM

We take our leading role in Nordic fashion seriously. Our ambition is to make the fashion world accessible for all, which is why we in 2020 partnered with the first-ever digital edition of Stockholm Fashion Week. Sharing our values of sustainability and innovation, the new format means more of the community can tap into an inspirational experience that highlights Nordic fashion and design. On the same note, we also want to provide upcoming local brands with a platform to reach the Nordic customers. An example is the New Talent Award that Boozt hosted in partnership with Stockholm Fashion Week. The award highlights and rewards emerging designers and brands that display a unique design aesthetic as well as a sustainability commitment and a clear business strategy.



OUR SELECTION

We aim to make sustainable choices easy for our customers through transparency and technology.
Building the largest Nordic sustainability selection based on accredited certifications and industry standards.

2022

Reach a 25% share of sustainable apparel products across our overall product assortment.

We aim to keep the customer front and centre of everything we do. Hence our goal to provide effortless user experience combined with relevant and reliable information about products. Thanks to our local position in the Nordics and the market where we operate, we partner with local brands that are driving the movement within the fashion sector. Through brand and industry knowledge partners, we can build a framework to better navigate our changing industry.

Doing good and making responsible choices lies at the heart of our organisation. We want our customers to feel confident that when they buy from us, knowing that they are shopping with a responsible business. From the investments taken to run on 100% renewable energy in our environmentally-friendly fulfilment centre to working with our brands to ensure transparency, fair treatment and responsible production in the supply chain, we want our customers to rest assured.

More and more of our customers are becoming curious about sustainable fashion and how they can contribute to making a positive impact on the environment. As a part of the fashion industry, together with our brands, we strive to take our consumers on a journey towards more sustainable fashion consumption. We have curated one of the largest sustainability selections in the Nordics, with products that meet our industry-leading standards of sustainability. It is important to us that shopping sustainably is made easy for our customers and that they can trust that the products we have curated have a positive impact on the environment and community.

Sustainable fashion

With our sustainable category, we highlight brands that emphasise sustainability and support those at the beginning of their journey. Thanks to our local position in the Nordics and the market where we operate, we partner with brands that are driving the movement to produce more responsibly within the fashion sector. Through the selection and content available, we can offer customers high-quality, timeless designs and reliable information to shop with confidence according to the values that matter the most to them. In 2020, we have updated the category in terms of filtering options and information on a product level. This has made it easier for customers to identify and discover sustainable alternatives. Our focus is to improve the user experience for our consumers when shopping for our sustainable selection.



A strong focus on quality exists in all that we offer to our customers and is no less true for our sustainable selection. More than 350 brands are part of the sustainability category and in 2020 we increased the composition of the sustainability selection across our overall assortment to 17%. As we are further committed to promoting sustainable fashion across our platform our goal is to reach 25% of our stock apparel composition to be a more sustainable alternative by the end of 2022.

We have set industry-leading standards as the foundation for our sustainable category in terms of material composition and better manufacturing processes. All selected products must fulfil our criteria* for what constitutes a sustainable product. Each product must be made of either sustainable materials or have sustainable certifications. This means all styles are made from more than 50% organic, recycled or low environmental impact materials, and/or accredited by internationally recognised certifications. Having a minimum requirement

of 50% sustainable material content in the products is one example of where we are leading in our criteria. Requirements for the sustainable category and guidelines for data sharing are available in our B2B platform to ensure transparency with all of our brand partners. Knowledge sources that have been used in setting our requirements are according to industry benchmarking and standards provided by already existing guidelines, industry standards, and research*.

Our sustainability requirements are being constantly reviewed to inspire change and to keep updated with the latest research. We want to increase traceability and promote consciously made products. With our partnership with the Sustainable Apparel Coalition, we will work towards building a new product transparency and performance Standard leveraging the industry-leading Higg Index tool and data. Through our collaboration and contribution, we aim to reach a higher level of on-product transparency based on industry verified data.



ORGANIC

Less synthetic fertilizers used in farming and chemicals during production



LOW-IMPACT

Smarter use of resources through production of the garment



RECYCLED

Reduces the need for new raw materials. And upcycling as creative recycling of unconventional products.



FAIRLY MADE

Respectful of human rights and animal welfare issues.

**Boozt current sustainability criteria: fabrics included in our sustainable category are according to Textile Exchange Preferred Fabrics list with our 50% requirement for material composition (minimum 50% material content lyocell, flax linen, hemp, Lenzing Viscose, Lenzing TM Ecovero, Lenzing Tencel, Birla Viscose, Econyl, FSC Viscose, paper), organic cotton (minimum of 50%), recycled material (minimum 50% polyester, cotton, nylon, wool, down feathers, rubber), Better Cotton (minimum of 50%), eco-processing (Bluesign, OEKO-TEX Made in Green) Certifications we currently include: Nordic Ecolabel, Fairtrade, Global Organic Textile Standard (GOTS), Global Recycled Standard (GRS), EU Ecolabel, Responsible Down Standard (RDS), Responsible Wool Standard, Leather Working Group*

**Textile Exchange "Preferred Fibers & Materials Benchmark Report 2018"; Higg Materials Sustainability Index (MSI); G. Sandin "Environmental assessment of Swedish clothing consumption - six garments, sustainable futures." Mistra Future Fashion 2019.*

Setting industry standards

Fair Use policy

As part of our efforts to lead the change towards a more responsible industry, we have taken a stand against unnecessary returns. In 2019, Boozt introduced the Fair Use policy to our Terms & Conditions as a way to eliminate unnecessary returns and establish more sustainable business practices. Returns are an integral part of shopping online and we want to make it as easy as possible for our customers to return. However, Fair Use helps us have a transparent and honest dialogue with, and possibly pause, customers that repeatedly exploit our high service levels of free shipping and returns at the expense of our business, other customers and the environment.

Around 13,000 customers, or 0.25% of the total customer base, have been paused through the Fair Use policy. This is a small part of the more than 2 million active customers on Boozt and Booztlet, yet these customers represent around 15% of our total return volume. This includes orders not shipped and returned due to Fair Use customers. By pausing these accounts and reducing unnecessary returns Boozt has eliminated the need for approximately 130 delivery trucks during one year and lowered the total carbon emissions by an amount equivalent to 25% of the returns CO₂ footprint.

The vast majority of our customers, 99.8%, shop thoughtfully and only ship goods when needed. However, we have seen a significant increase in extreme return behaviour within the last few years. This behaviour is not sustainable for the environment or the business and is not fair to other customers as their shopping experience is compromised - either through a lesser service, smaller selection or higher prices. We hope to influence our industry peers to similar solutions to this increasing issue for the e-commerce business model.

One year of the Fair Use Policy

0.25%
of the customer base paused

15%
decrease in the total return volume

Total
carbon emissions lowered
by an amount equivalent
to 25% of the returns CO₂
footprint

Eliminated
the need for approximately
130 delivery trucks

Freed up
approximately 4,500 hours
in customer service

Boozy
FASHION KIDS SPORT BEASTY
COM



Animal welfare policy

As sellers of animal-derived products, we have a responsibility to uphold animal welfare within our supply chain. Since 2016, Boozt is a fur-free company and a signatory of the Retailer Commitment Against Fur Agreement in cooperation with Swedish animal rights organization Djurens Rätt. The Fur Free Retailer program is recognized by the ISO 26000:2010 Guidelines to Corporate Social Responsibility as an example of sectoral initiatives.

In 2020 we have further developed our Animal Welfare policy by updating our principles with specific banned materials and the responsible treatment certification we prefer. Boozt does not permit the use of any fur, feathers or any skins of snake, crocodile, alligator or any species specified in the IUCN Red List of Threatened Species in any of our products.

We are aware of the challenges the fashion industry faces with regard to animal welfare and the ethical issues surrounding the well-being and treatment of animals. Our product management team methodically inspects all materials when product data is received from the brands. We have not sold any goods which violate our fur policy on our sites, nor have we sold any items with prohibited materials. The inspection controls are therefore considered to be effective. We are working on strengthening systematic preventive controls to further strengthen internal control.

Environmental policy

We conduct a yearly follow-up of our direct environmental impact and have initiated mapping and measuring of indirect impacts. Through our environmental policy, we aim to reduce our direct environmental impact and raise awareness among vendors and partners of our existing policies concerning any environmental impacts and to encourage them to adhere to these principles. In 2020 we have updated our environmental policy by committing to work proactively and continuously to identify challenges, set priorities and report on our progress through well-established standards such as the Greenhouse Gas protocol and GRI (Global Reporting Index).

Shopping with confidence

Part of our responsibility vision is to use our position and competences to make sustainable choices easy for our customers. Our customers should feel confident that through their Boozt purchase, they are supporting a business that makes responsible choices in all parts of the value chain. Providing information about the impact of materials and production processes, empowers customers to make more educated decisions about the products they buy. This means actively informing our customers of the latest initiatives that promote a sustainable fashion industry and sharing any knowledge that we acquire through research, materiality analysis, and best practices.

In 2020, we created greater awareness of our sustainable products and the new sustainable edit. Dedicated marketing email campaigns and onsite placements were aimed to inspire customers toward more sustainable choices. These emails also included information about the different sustainable materials, internationally recognised certifications and better manufacturing process that serve as the criteria for our sustainable edit.

Going forward we will work on crossover communication to all of our platforms to increase customer awareness and inspire interest in sustainable fashion. In 2020, we have extended our communication reach to social media via weekly sustainability posts. This has been an opportunity to engage with our customers on a valuable topic as well as to facilitate engagement. We also launched our Sustainability focused content page online focused on educating customers on how to best care for their products to both lengthen the lifespan of a garment while also having a positive impact on the environment. As part of our efforts to educate consumers, we have elevated our Boozt Care concept by including information about more sustainable alternatives as well as insights into the sustainability journeys of our leading Nordic brand partners. We will further develop our efforts using our newly launched online magazine 'The Edit' ensuring that we reach our large customer base across all platforms.

AUDITOR'S REPORT ON THE STATUTORY SUSTAINABILITY REPORT

To the general meeting of the shareholders in Boozt (publ), corporate identity number 556793-5183

This is a translation of the Swedish language original. In the events of any differences between this translation and the Swedish original the latter shall prevail.

Engagement and responsibility

It is the Board of Directors who is responsible for the statutory sustainability report on the pages 36-75 for the year 2020 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 RevR 12 The auditor's opinion regarding the statutory sustainability report. This means that our examination of the statutory sustainability report is substantially different and 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.

Opinion

A statutory sustainability report has been prepared.

Malmö at 16 April 2021

Deloitte AB

Signature on Swedish original

Didrik Roos

Authorized public accountant



CORPORATE GOVERNANCE REPORT

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Boozt AB (publ) is a Swedish public limited liability company listed on Nasdaq OMX Stockholm (mid cap) and Nasdaq OMX Copenhagen (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 2020 Boozt did not deviate from the Code.

Cross listing and Danish Corporate Governance

Boozt is a Swedish public limited liability company and accordingly, Boozt follows Swedish rules, regulations and guidelines as described above. However, as a company with shares admitted to trading on both Nasdaq OMX Stockholm and Nasdaq OMX Copenhagen, Boozt is required to each year provide a general description of the main differences between the Code and the Danish recommendations on corporate governance (the "Recommendations") issued by the Danish committee on corporate governance. The company has no obligation to follow or report separately on the Recommendations.

The overall aims and principles of the Code and the Recommendations are similar and include recommendations in relation to shareholder engagement, tasks and procedures of the board of directors, board composition and board committees as well as management remuneration.

The overall differences are described below.

Shareholder engagement

Election of chair of the annual general meeting

The Code stipulates that the chair of the annual general meeting shall be appointed by the nomination committee. In a Danish context, the board of directors will usually appoint a chair of the general meeting and this is not regulated in the Recommendations.

Minutes of the annual general meeting

The Code recommends that a shareholder who is independent from the company and its board of directors is appointed to verify and sign the minutes of general meetings. Such practice does not exist in Denmark and the minutes are approved and signed by the chair of the general meeting in accordance with Danish company law.

Policies

The Recommendations include recommendations for a listed company to adopt policies regarding communication and investor relations as well as adopt contingency procedures in case of a public takeover of the company. Such recommendations are not included in the Code, however Boozt has adopted a communications policy which governs both internal and external communications, including in relation to investors. Boozt has not currently adopted formal written procedures in case of a public takeover.

Procedures and tasks of the board of directors

Participation in daily management

Pursuant to the Recommendations, any participation by a board member in the daily management of the Company shall be approved by the board and publicly disclosed. None of the members of the board of directors of Boozt participates in the daily management of the Company.

Board composition and board committees

Independence of board members

The Code distinguishes between board members' independence from the company and its executive management and independence from the company's major shareholders in two separate recommendations. Independence in relation to major shareholders is not a part of the Recommendations, however in order to be considered independent a board member should not be a representative of or be associated with a controlling shareholder.



Chair of the board

The Code stipulates that the chair of the board shall be elected by the general meeting. This is not the case in a Danish context. Further, the specific tasks of the chair are more detailed in the Code, however Danish practice is in line with the tasks and responsibilities of the Code. The Recommendations stipulate that a deputy chair shall be elected, which is not included in the Code.

Board committees

Both the Code and the Recommendations stipulate that a Company should have an audit committee, a remuneration committee and a nomination committee.

A main difference between the Code and the Recommendation is that a nomination committee pursuant to the Code consists of members elected directly by the shareholders whereas members of a nomination committee pursuant to the Recommendations are elected by and among members of the board of directors. The tasks of the nomination committee in a Swedish context are also more comprehensive than the tasks of the nomination committee in a Danish context.

The Company follows the Swedish practice pursuant to the Code, and accordingly the nomination committee consists of shareholder elected committee members and the tasks carried out are in line with the recommendations of the Code.

Management remuneration

Performance criteria

Pursuant to the Code any variable remuneration is to be linked to predetermined and measurable performance criteria. In a Danish context variable remuneration is more broadly defined, and there is no recommendation that predetermined and measurable performance criteria should be applied, however any performance criteria, if applied, should be described in the remuneration policy.

Approval of incentive programmes

According to the Code, all share based incentive programmes are to be approved by the general meeting, including the principle conditions for the programme. In a Danish context share based programmes may be established and approved by the board as long as such programme is within the limits of the remuneration policy as adopted by the general meeting.

Board compensation

The Recommendations stipulate that board members should not be provided with variable remuneration. The Code stipulates that programmes designed for board members are to be devised by the company's owners and to promote long-term ownership.

Shares and shareholders

The Boozt share has been traded on Nasdaq OMX Stockholm (mid cap) since May 31, 2017 and on Nasdaq OMX Copenhagen (mid cap) since November 20, 2020. At the end of 2020, the total number of shares and votes was 64,067,164, distributed among approximately 15,000 shareholders. The share capital consists of two share classes: ordinary shares (63,692,578 shares issued) with 1 voting right per share and C shares (374,586 shares issued) with 1/10 voting right per share. There are no restrictions on the number of votes each shareholder can cast at the Annual General Meeting.

The ten largest known shareholders accounted for 54.50% of the shares outstanding. On December 31, 2020, there were no shareholders with holdings that separately represented 10% or more of the number of shares and votes in the company.

10 largest known shareholders as per December 31, 2020:

Name	Ownership (%)
FERD AS	8.9
SAMPENSION KP LIVSFORSIKRING A/S	8.7
ARBETDSMARKEDETS TILLÆGSPENSION (ATP)	7.8
SWEDBANK ROBUR FUNDS	6.9
INVESCO	5.9
KABOUTER MANAGEMENT LLC	5.6
RUANE, CUNNIF & GOLDFARB	3.1
LÄNSFÖRSÄKRINGAR FUNDS	2.7
FRIHEDEN INVEST A/S	2.6
BLS CAPITAL FONDSMÆGLERSELSKAB A/S	2.3
TOTAL 10 LARGEST SHAREHOLDERS	54.5

Source: Monitor by Modular Finance AB



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 six banking days 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
- Resolution on authorisation for the Board of Directors regarding new share issue
- Resolution on implementation of long-term incentive program by way of directed issue of warrants and approval of transfer of warrants
- 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

2020 Annual General Meeting

The Annual General Meeting was held in Malmö on May 27, 2020. At the Annual General Meeting, the board of directors withdrew its proposals for resolutions on authorization for the board of directors regarding new share issues (item 16 on the agenda) and implementation of a long-term incentive program for the company's CEO, Group Management and key employees (item 17 on the agenda). All remaining resolutions were passed with the required majority. In accordance with the proposal from the Nomination Committee Henrik Theilbjørn, Jón Björnsson, Kent Stevens Larsen, Cecilia Lannebo, Luca Martines and Bjørn Folmer Kroghsbo was re-elected as ordinary board members. Henrik Theilbjørn was re-elected as Chairman of the board.

2020 Extraordinary General Meeting

The Extraordinary General Meeting was held in Malmö on July 1, 2020. All resolutions were adopted with the required majority. The extraordinary general meeting resolved, in accordance with the proposals from the board of directors, 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 ordinary shares and to

implement a long-term incentive program in the form of a performance-based share program for the company's CEO, Group Management and key employees ("LTI 2020").

2021 Annual General Meeting (the "AGM")

The AGM will be held digitally on May 27, 2021, as a postal voting meeting. A person who wishes to participate in the AGM must notify the company by casting its postal vote in advance. Details of the notification procedure are published in the notice convening the AGM. Notice to attend the AGM along with proposals from the Nomination Committee will be published on the company's website no later than April 26, 2021.

Important dates for the AGM:

Important dates for the AGM:

May 19, 2021 - record date for the 2021 AGM

May 20, 2021 - 3:00PM deadline for re-registration of shares held with VP Securities in Denmark

May 21, 2021 - deadline for re-registration of shares held with Euroclear Sweden

May 26, 2021 - deadline for notification of attendance by casting postal vote

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

- via email to: agm@boozt.com or
- by letter to: Boozt AB (publ), Att: AGM/Årsstämma, Box 4535, 203 20 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.

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 27, 2020 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, 2020 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, 2020 were Sampension KP Livsforsikring A/S (9.6%), ATP (9.6%) and Ferd AS (8.6%). In order of size, the largest shareholders were asked if they would accept a seat on the Nomination Committee. ATP (9.6%), Swedbank Robur Funds (7.6%) and Länsförsäkringar Funds (3.8%) accepted the seats. The Nomination Committee is therefore represented by Claus Wiinblad (ATP), Caroline Sjösten (Swedbank Robur Funds), Johannes Wingborg (Länsförsäkringar Funds) and together with the Chairman of the Board of Directors Henrik Theilbjørn constitute the Nomination Committee. The Nomination Committee has appointed Claus Wiinblad as chairman of the Nomination Committee as per August 31, 2020.

On March 5, 2021 Boozt informed that BLS Capital Fondsmæglerselskab A/S was now the largest owner and thus BLS representative Anders Lund took a seat on the Nomination Committee and Johannes Wingborg representing Länsförsäkringar Funds left the Nomination Committee at the same time.

The Nomination Committee's complete proposals to the 2021 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 at the end of 2020 and in the beginning of 2021.

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 2020 AGM, 6 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.

The Board is evaluated each year for the purpose of developing the board's work and to create a basis for the Nomination Committee's evaluation of the Board's composition. The latest evaluation of the Board took place in November 2020, the board members did a self-assessment with satisfactory results. The Board's evaluation revealed that the Board's work has worked well and that comments from the 2019 evaluation was taken into account. The evaluation showed that the board is deemed well-composed and that the members adds relevant competence and has experience from various areas that are relevant to the Group's activities.

In 2020, the Board of Directors held 25 (16) meetings.

THE MEMBERS' ATTENDANCE IS PRESENTED IN THE TABLE BELOW.

Board of directors 2020			Independent in relation to			Attendance		
Name	Position	Member since	The Company and executive management	Major shareholders	Board meetings	Audit Committee meetings	Remuneration Committee meetings	Directors' fees - SEK (000)
Henrik Theilbjørn	Chairman of the Board	2009	Yes	Yes	25/25	6/6	8/8	740
Kent Stevens Larsen	Board member	2009	Yes	Yes	25/25	6/6	-	450
Jón Björnsson	Board member	2012	Yes	Yes	24/25		8/8	375
Cecilia Lannebo	Board member	2018	Yes	Yes	25/25	6/6		400
Bjørn Folmer Kroghsbo	Board member	2018	Yes	Yes	24/25	-	-	300
Luca Martines	Board member	2019	Yes	Yes	24/25	-	8/8	340

Directors' fees cover the period from AGM 2020 to AGM 2021.

Work performed in 2020

During the fiscal year, the Board of Directors held 25 (16) 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), Cecilia Lannebo 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 6 (6) meetings during 2020. 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.

Remuneration committee

Boozt has a remuneration committee consisting of three members: Jón Björnsson (chairman), Luca Martines 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 2020 topics has mainly consisted of Short Term Incentive program, Long Term Incentive program and compensation for Group Management.

The remuneration committee held 8 meetings (4) during 2020.

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.

With respect to gender 1 out of total 6 members (16.6%) in the Board of Directors is a woman.





Group CEO and Group Management

Group CEO

The Group CEO is responsible for the daily operation of the Group in accordance with 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 Commercial Officer (CCO), Chief Technical Officer (CTO), Chief Purchasing Officer (CPO), Chief Human Resources Officer, Chief Supply Chain Officer (CSCO), and Head of Investor Relations and Corporate Communication (IRM). The Group CEO leads 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 97-101.

OWNERSHIP BY GROUP MANAGEMENT AND BOARD OF DIRECTORS AS PER DECEMBER 31, 2020.

Namn	Number of shares Directly owned	Number of shares Indirectly owned	% ownership	Number of warrants in program 2018/2021 Directly owned
Hermann Haraldsson (CEO)	370,335	106,911	0.74%	172,347
Sandra Gadd (CFO)*	11,000	50	0.02%	18,000
Peter G. Jørgensen (CCO)	239,364	3,700	0.38%	93,000
Jesper Brøndum (CTO)	221,116	6,000	0.35%	93,000
Mads Bruun Famme (CPO)	70,000	-	0.11%	93,000
Anders Enevoldsen (IRM)	12,000	-	0.02%	50,000
Lars Lindgaard (CSCO)	-	-	0.00%	-
Group Management total	923,815	116,661	1.62%	519,347
Henrik Theilbjørn	-	241,527	0.38%	-
Kent Stevens Larsen	682,521	-	1.07%	-
Jón Björnsson	28,569	-	0.04%	-
Bjørn Folmer Kroghsbo	-	-	0.00%	-
Cecilia Lannebo	5,000	-	0.01%	-
Luca Martines	-	-	0.00%	-
Board of Directors total	716,090	241,527	1.49%	0
Board & Management total	1,639,905	358,188	3.12%	519,347

*Shares/warrants bought prior to accepting CFO position and thereby becoming PDMR

Auditors

Boozt AB's auditor Deloitte AB was elected by the 2020 AGM for a period of one year. Didrik Roos, certified public accountant, has been responsible for the audit of the company on behalf of Deloitte AB.

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.

The Auditors have met with the Board of Directors without Group Management's presence on 1 occasion during the year.

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, who 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 27, 2020 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. The guidelines will apply unchanged for 2021.

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, 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. See note 9 for more information.

Short term incentive programs

The remuneration of Group Management shall include a short-term incentive program (STIP) which is measured on financial targets related to net cash position and compliance target related to financial credit facilities with a target of 25% of annual fixed salary. The STIP includes a possibility for Group Management to achieve a stretch bonus up to 25% of their annual fixed salary provided the Group's financial targets related to net cash position and compliance target related to financial credit facilities are exceeded.

The Board intends to propose changes to the STIP terms in the remuneration policy which will be submitted to the AGM in May. Proposed changes to be valid from 2022.

Benefits

In addition to the fixed salary, Group Management shall have benefits such as company car, contribution to health activities and newspapers.

Pension / Severance payments

Group Management shall not be entitled to a company paid pension scheme, but has a 5% mandatory self-financed pension scheme, which include insurances for health and loss of working ability. Severance payment cannot exceed 12 months of fixed salary if stipulated in contracts.

Deviations from the guidelines

The Board may decide to deviate from the above guidelines if special reasons so justify. Deviations could include additional STIP elements based on length of employment, exceptional performance or similar. In such case the additional remuneration cannot exceed 50% of the fixed annual salary.

Long-term incentive programs

The Company's long-term incentive programs (LTIP) 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. LTIPs shall always be based on shares or share linked instruments. LTIPs 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.

As per December 31, 2020 the Company has four outstanding programs: Stockoption program 2015/2025, Warrant program 2018/2021, Performance share program 2019/2022 and Performance share program 2020/2023.

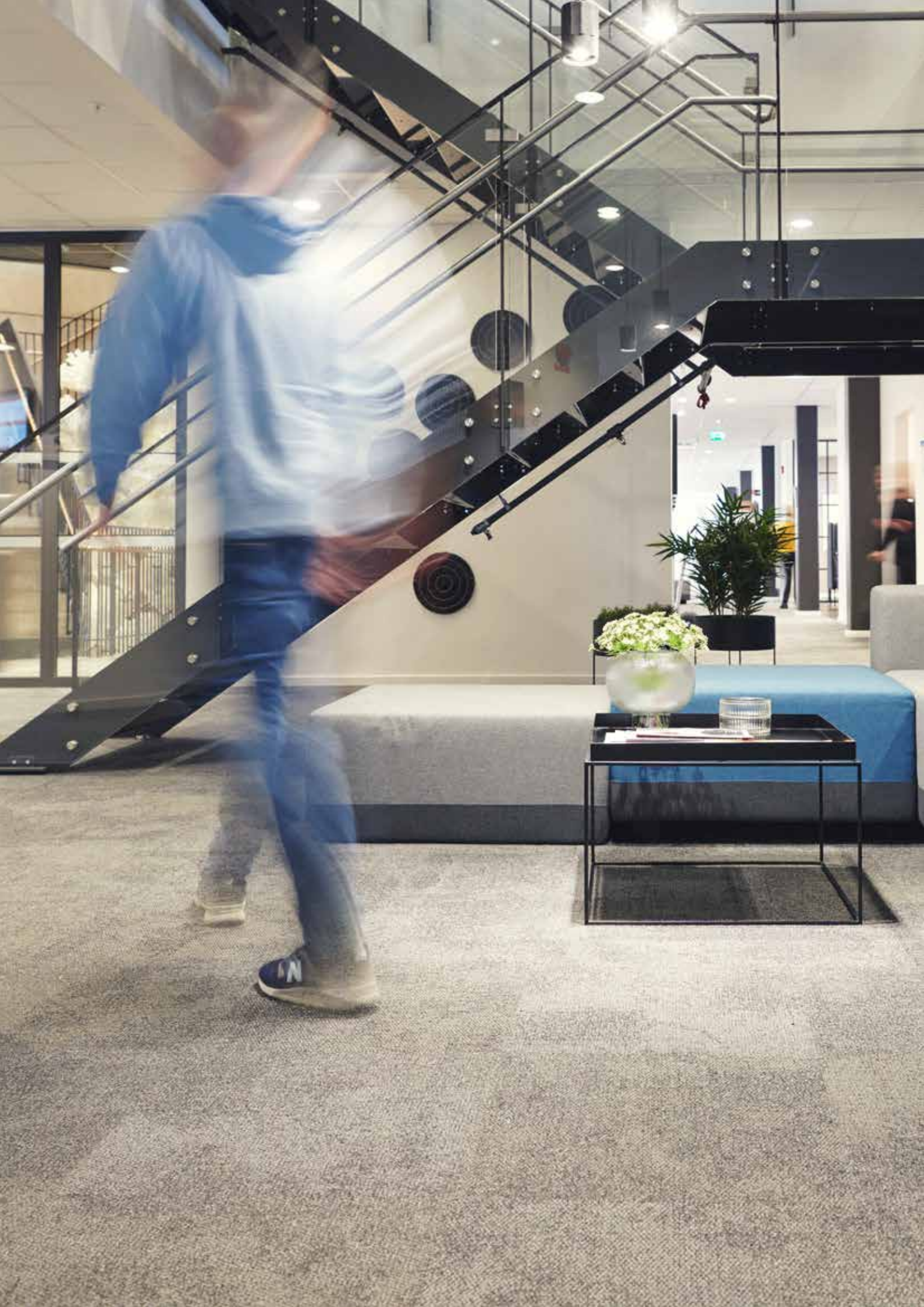
Stockoption program 2015/2025 was issued in November 2015 and fully vested by the participants in June 2020. In June 2018 the first 33% of the program vested with the possibility to exercise for the first time in August 2018. The next 33% vested in June 2019 with the possibility to exercise first time in August 2019 and the last 34% vested in June 2020 with the possibility to exercise in August 2020.

Warrant program 2018/2021 was issued in May 2018 where participants have bought warrants at Black Scholes value with an exercise window, June 1-14, 2021 at a predetermined share price of 96.31 SEK.

Performance share program 2019/2022 was issued in June 2019 where participants can receive a number of performance shares subject to certain performance targets (Share Price (Group Mgmt), Net Promoter Score, Revenue Growth, EPS and NWC ratio). Max number of shares to be awarded in the programme is 406,950 shares. The programme has a 36-month cliff vesting period and expires in July 2022.

Performance share program 2020/2023 was issued in July 2020 where participants can receive a number of performance shares subject to certain performance targets (Net Promoter Score, Revenue Growth, Adjusted EBIT and NWC ratio). Max number of shares to be awarded in the programme is 1,040,000 shares. The programme has a 36-month cliff vesting period and expires in July 2023.

For more information on the programs please see www.booztgroup.com/annual-general-meeting



THE BOARD'S REPORT ON INTERNAL CONTROLS

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. At least once a year the Board evaluates the identified top 20 risks of the company and discuss with Group Management the prioritisation of risks and which activities should be in place to mitigate any impact of risks.

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.

The Board's focus is to strengthen the self-assessments of internal processes systematically in order to secure as little impact as possible in the event of errors or inadequacies.

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.

The self-assessment has been carried out during 2020 without any significant findings and has been reported to the Audit Committee and the Board of Directors accordingly.

Boozt Group shall comply with applicable laws and the Governing documents are a support for this. Management and employees have the responsibility for compliance

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.

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 again assessed in 2020 that the most effective method for the monitoring and follow-up of internal control in the Group still 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.



Everything we are,
a part of your personal history,
your region, your tribe, your grandma,
from those from the get-go."

Boozt

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 Rabens Saloner A/S, DAY Birger Mikkelsen A/S, Unique Furniture A/S, ELKA Rainwear A/S, Traede Aps. Board member of Sahva A/S. Member of the advisory board in Scan Global Logistics A/S. CEO of EMMADS Invest A/S.

Previous assignments: Chairman of the board of Bygghemma Group A/S, Shamballa Jewels A/S, PWT Holding A/S, Baum und Pferdgarten A/S, Languagewire A/S, Onstage ApS, Borch Textile Holding ApS, Borch Textile Group A/S, Birger Christensen China Holding A/S, Birger Christensen A/S, Saint Tropez af 1993 A/S, Munthe A/S and Bruuns Bazar A/S, Performance Group Scandinavia A/S, Carl Ras A/S, HTM Group 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

- 241,527 indirectly



JÓN BJÖRNSSON

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

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

Other current assignments: CEO of Origo hf., Chairman Braud & Co, Board member of Perroy, Joe & Juice Iceland, Billboard, Klappir Green Solutions, Yay, Dropp

Previous assignments: CEO of Festi hf. Iceland and Magasin du Nord.

Shareholding in Boozt AB

- 28,569 directly



BJØRN FOLMER KROGHSBO

Born: 1958. **Board member since:** 2018.

Education: Trained banker and Board Certification from Board Assure and CBS Executive Board Leadership Masterclass.

Other current assignments: Manager at Capital Market Partners A/S.

Previous assignments: Senior Portfolio Manager at Sampension KP Livsforsikring A/S and previously their representative on the Boozt Board of Directors. Board member of Sampension Livsforsikring A/S and Sampension Administration A/S.

Shareholding in Boozt AB

-



CECILIA LANNEBO

Born: 1973. **Board member since:** 2018.

Education: MBA from Mälardalen University and Wirtschaftsuniversität Vienna.

Other current assignments: CEO and director of I-Core Communications AB. Board member Zubizuri Pensionsstiftelse AB and deputy board member of Zubizuri AB.

Previous assignments: Head of Investor Relations in Humana AB, Leovegas AB and Balco Group AB, Research equity analyst at SEB Enskilda.

Shareholding in Boozt AB

- 5,000 directly



LUCA MARTINES

Born: 1975. **Board member since:** 2019.

Education: Bachelor in Political Science, Sapienza University of Rome, Italy.

Other current assignments: Chief Executive officer of Rewoolution (Reda1865 Group)

Previous assignment: president of YOOX and TheOutnet (YOOX-Net-á-porter Group)

Shareholding in Boozt AB

-



KENT STEVENS LARSEN

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

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

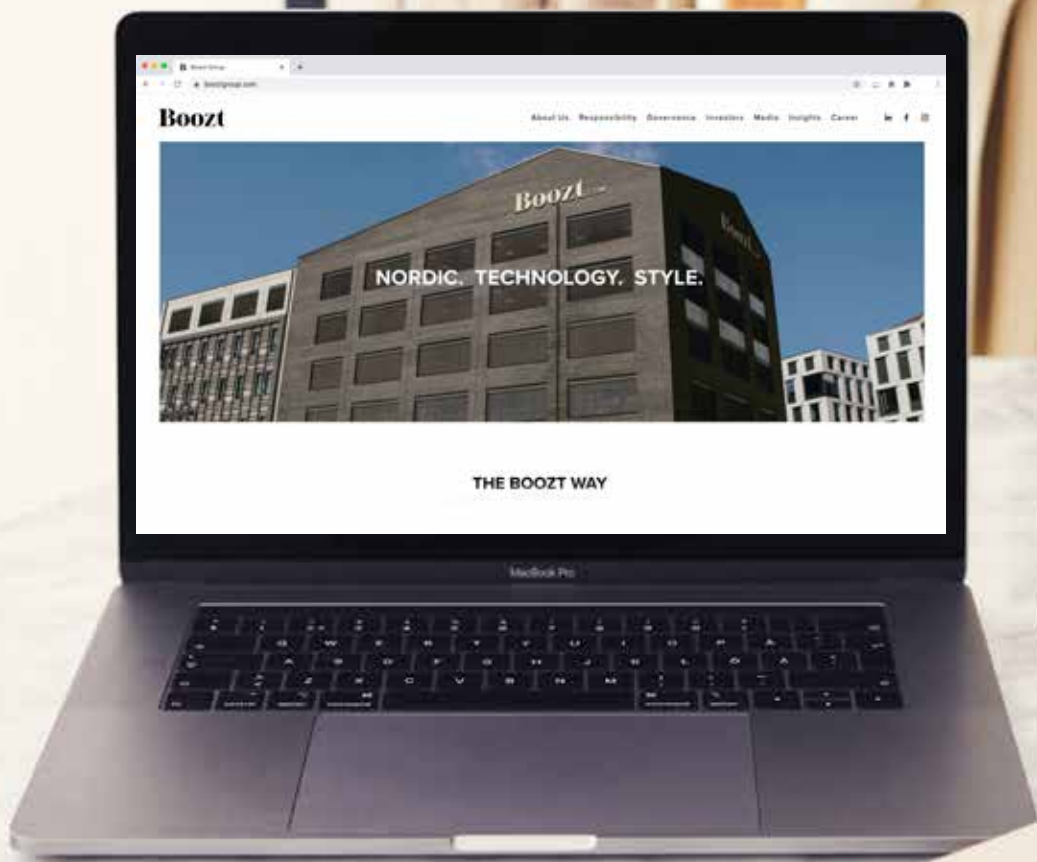
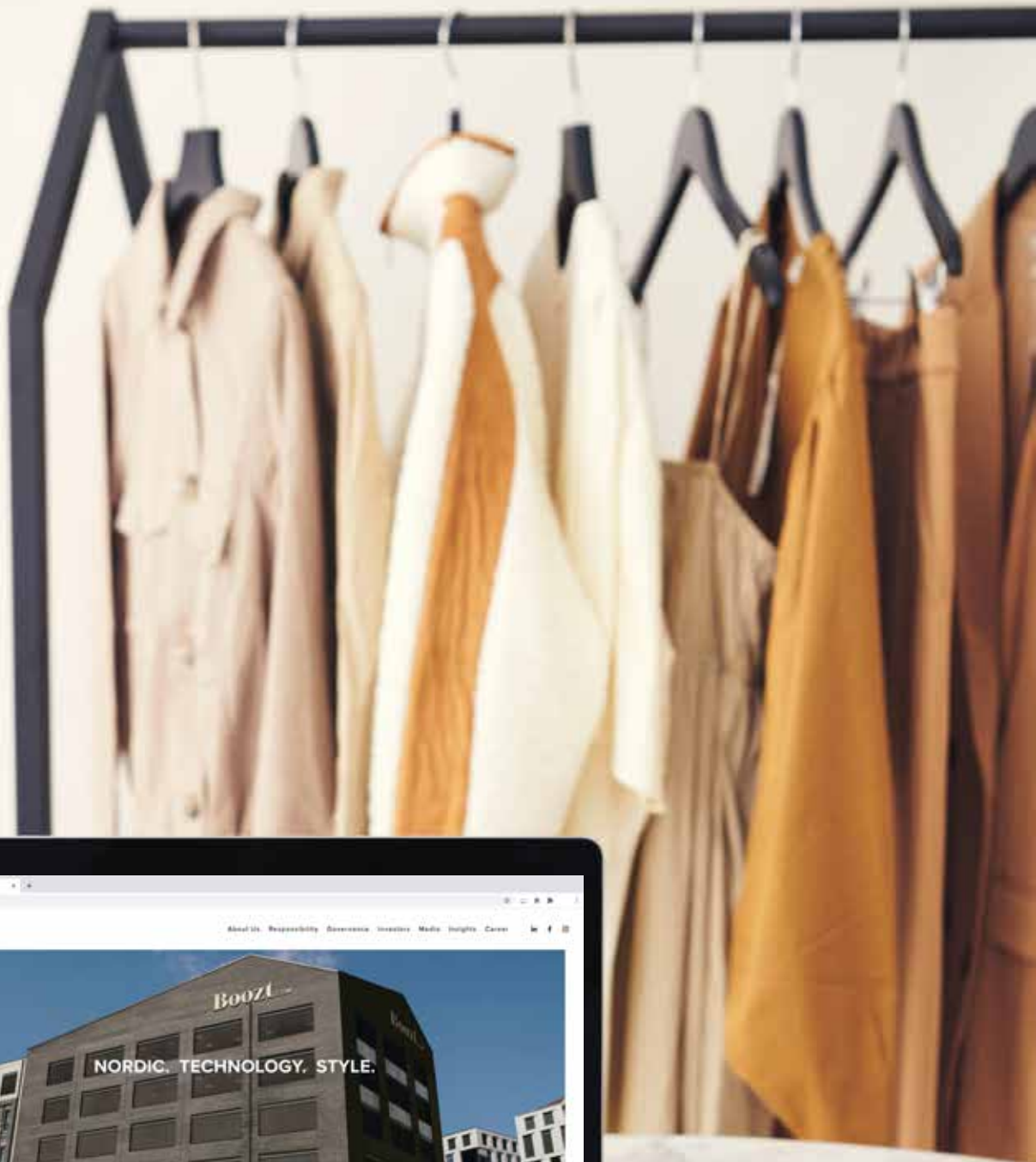
Other current assignments: CEO of Phoenix Capital ApS, Phoenix Advisors ApS, UM Properties ApS, Aketopa Holding ApS and Bjorktorpet Invest ApS.

Chairman of the board of Hørsholm City ApS. Board member of Dansk Vækstkapital II Komplementar ApS, Dansk Vækstkapital II K/S, Apoteka ApS, Hudkræftklinikken.dk ApS, Norna Playgrounds A/S and Norna Partners ApS.

Previous assignments: Senior Director at Nordic Capital and consultant at McKinsey & Co.

Shareholding in Boozt AB

- 682,521 directly



GROUP MANAGEMENT



HERMANN HARALDSSON, CO-FOUNDER & GROUP CEO

Born: 1966. **Group CEO since:** 2010.

Education: Master of Science in Business Economics,
Copenhagen Business School.

Board assignments: TV2 Danmark A/S, Brøndbyernes
I.F. Fodbold A/S.

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

- 370,335 directly
- 106,911 indirectly



MADS BRUUN FAMME
GROUP CPO

Born: 1976. **Group CPO since:** 2017.

Education: Three years of economics studies at University of Southern Denmark.

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

- 70,000 directly



JESPER BRØNDUM
CO-FOUNDER & GROUP CTO

Born: 1969. **Group CTO since:** 2010.

Education: Master of Science in Image analysis, Aalborg University and Ph.D. in Multivariate Data Processing Faculty of Science, Copenhagen University.

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

- 221,116 directly
- 6,000 indirectly



ANDERS ENEVOLDSEN
GROUP HEAD OF IR
& CORPORATE COMMUNICATION

Born: 1984. **Group Head of IR & Corporate Communications since:** 2018.

Education: Master of Science in Applied Economics & Finance, Copenhagen Business School.

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.

- 12,000 directly

As communicated on January 12, 2021, Anders Enevoldsen was appointed the newly established position as Managing Director of Booztlet and will no longer be a part of Group Management as of April 2021.



SANDRA GADD
GROUP CFO

Born: 1983 **Group CFO since:** 2019.

Education: MBA, Lund University.

Board assignments: Hållbar E-handel

As CFO, Sandra's responsibilities include financial business planning including 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 Legal team, the Sustainability team and the Order Management team (responsible for customer fraud and the Fair Use policy) within the Group are also under Sandra's purview. Prior to this role Sandra held the positions as Transformation Finance Manager and Business Development Director. Before joining Boozt, Sandra was an Authorized Public Accountant and Audit Manager at Deloitte.

Shareholding in Boozt AB

- 11,000 directly
- 50 indirectly



SANDRA JOY SAHLERTZ

GROUP CHRO

Born: 1983. **Group CHRO since:** 2021.

Education: Master of Science in Business Administration, Copenhagen Business School.

Sandra holds the responsibility for Human Resources across the company. Her engagement includes but is not limited to developing and implementing our HR strategy with valuable business impact, ensuring that Boozt has the right team in place at all times. Furthermore, she is in charge of empowering and nurturing the culture at Boozt, securing an agile and passion-driven environment across the organization. Before joining Boozt, Sandra was Marketing Consultant at Telenor Group, listed on Oslo Stock Exchange.

Shareholding in Boozt AB

- 40,930 directly

As communicated on May 26, 2020, Sandra Joy Sahlertz was appointed as Group CHRO. Sandra resumed her new position and became a member of Group Management when she returned from maternity leave in January, 2021.



PETER G. JØRGENSEN

CO-FOUNDER & GROUP CCO

Born: 1975. **Group CCO since:** 2011.

Education: Master of Science in Int. Marketing & Management, Copenhagen Business School.

Board assignments: ApoPro Online Apotek

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

- 239,364 directly
- 3,700 indirectly



LARS LINDGAARD

GROUP CSCO

Born: 1972. **Group CSCO since:** 2020.

Education: Graduate Diploma in Business Administration, Copenhagen Business School.

Lars holds the responsibility for strengthening and expanding our warehouse operations, ensuring that Boozt has fast and cost-efficient processes in place. This includes overseeing fulfilment and distribution activities. Prior to Boozt, Lars was Distribution Director at Nemlig.com.

Shareholding in Boozt AB

-

AUDITOR'S REPORT ON THE CORPORATE GOVERNANCE STATEMENT

To the general meeting of the shareholders in 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 financial year 2020-01-01 - 2020-12-31 on pages 77-101 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 16th 2021

Deloitte AB

Signature on Swedish original

Didrik Roos

Authorized Public Accountant





DIRECTOR'S REPORT

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Operations in the parent company are exercised by owning and managing its wholly-owned subsidiary Boozt Fashion AB and its subsidiaries. During 2020, 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, beauty, kids, sport and home.

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 2020.

Further information on the business

Boozt is a Nordic technology company selling fashion online. This includes fashion for women, men, kids, sports/athleisure, beauty and home interior. The Group offers its customers a curated and contemporary selection of fashion brands, relevant to a variety of lifestyles through the multi-brand webstores Boozt.com and Booztlet.com. Boozt.com had 2,043,000 active customers as per Dec 31, 2020 (1,606,000) because of a convenient shopping experience with high service levels across both mobile devices and desktop, quick deliveries, and easy returns.

This has yielded a high customer satisfaction indicated by a Net Promoter Score (NPS) of 70 (69) and a Trustpilot Score of 4.6 (4.6). This results in very attractive unit economics where customers show a strong degree of loyalty giving a payback of less than 18 months on the investment in new customers.

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 which is strategically located in Ängelholm. The fulfilment centre consist of two independent cubes with 43,500 m² (77,000 m² at maximum build-out), 490 picking robots and capacity exceeding 1,500,000 stock keeping unit ("SKU"), that enables next-day delivery to 90% of the Nordic region. 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 and Booztlet.com's hypergrowth the latest year's. 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 Group, in its current state, has been in operation since 2011 with the launch of Boozt.com as a multi-brand web store on an in-house purpose-built platform. In the following years, significant investments have been made to support growth and increase the number of customers. In 2016, the Company launched Booztlet.com and the web store's strategy is to become the leading online off-price player in the Nordics.

To efficiently address the growing Nordic online market opportunity and the target customer groups, the Group continuously invests in future growth through its focus on relevant marketing.

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.

On November 20, 2020 the Boozt share was secondary listed on Nasdaq OMX Copenhagen (mid cap). The dual-listing was the next step in the journey and has further established the Groups position as an Øresund company. Further the dual listing was made to support future growth, provide the Group with improved access to capital markets and establish an even more diversified shareholder base of new Danish and international shareholders. The dual listing has also broadened the awareness among the Group's customers and suppliers.

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 webstore. Segment Booztlet.com includes operations on the Booztlet.com site, which is the Group's online outlet. The segment Other includes the Group's two physical retail outlets; Booztlet and the retail store Beauty by Boozt.

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 2020

Comments on the consolidated income statement

Net sales

For the full year of 2020 net revenue increased with 27.3% (23.0%) to SEK 4,359.3 million (3,424.9), is attributed to the Boozt.com and Booztlet.com segments with a growth of 19.8% (18.5%) and 127% (133%) respectively. The net revenue growth was negatively impacted by currency effects from a strengthen SEK, the change to the consignment-like agreement with a large brand partner effective in October, 2019 as well as the introduction of a 'fair use' policy in November, 2019 blocking some 9,000 customers primarily with extreme return behaviour.

The year begun in line with expectations but with the corona pandemic outbreak in March, 2020 the situation quickly changed. Mitigating activities by the governments

to control the outbreak of the pandemic had a significantly impact on the overall spending on fashion and apparel, which impacted net revenue in March negatively. The Group also took some safety measures in order to adopt to the new situation and secure that the business could continuing being fully operational. Initially the upfront buys for coming Autumn/Winter season were trimmed and the group utilized the SEK 200 million RCF to be in a strong cash position. An extraordinary write-down of prior season stock was made in the first quarter in order to reflect an expected decreased demand in fashion, which allowed the Group to focus on selling in-season stock at Boozt.com and give Booztlet some acceleration.

From the spring and throughout the year, the Group experienced a tailwind from the acceleration in online shopping, fuelled by the corona pandemic. Prerequisite measures taken in the beginning of the corona pandemic outbreak allowed the Group to focus solely on the inseason goods on Boozt.com reaching a very strong sell-through and thus freeing up capacity and enabling the extensive buying of excess inventory from the Group's brand partners. The strong sell-through during the spring and summer months led to a limited stock availability of some high performing styles caused by COVID-19 related delays in the supply-chain during the autumn and winter, which was partly compensated by an unusual high share of campaign goods throughout the second half of the year.

The Group has welcomed more than 400,000 new active customers during the year and the corona pandemic contributed to a change in the product mix with strong growths within the categories Men, Kids, Sports and Beauty and a lower share of occasional-wear. This skewed product-mix, as well as the 'fair-use' policy implementation in November, 2019 contributed to a lower return-rate.

The pattern from the last few years with sales in the apparel industry increasingly being driven by market events, such as the Black Friday, continued. For the Group, the Black Friday weekend was again successful with strong growth and profitability, and a new record in number of orders handled per hour at the fulfilment centre.

Net revenue in the Nordics increased by 28.2 % driven by Sweden and Denmark. Growth in Norway was negatively impacted by the depreciation of the NOK. The increase in rest of Europe was 16.6%, driven by Booztlet's expansion into new markets.

The overall market for apparel has decreased during the year but the corona pandemic has accelerated the online penetration and permanently shifting the consumers towards online shopping, which is accelerating the structural growth towards online in the Nordics.

The Other segment, including the Group's physical stores Booztlet and Beauty by Boozt generated a net revenue of SEK 25.2 million (27.7). The Beauty by Boozt store in Copenhagen was closed in March, 2020 and An exit clause in the lease contract of the Copenhagen store will be exercised at first opportunity in April 2021, terminating the lease in April 2022. For the remaining lease period, a temporary Booztlet store is operating out of the location and was opened in July, 2020. A new Beauty by Boozt store was opened in Emporia, Malmö in June, 2020. The Danish store's has been closed during the spring and in the end of the year due to corona pandemic restrictions.

Gross profit and EBIT

For the full year the gross profit increased with 30.0% to SEK 1,769.4 million (1,361.0). The gross margin increased to 40.6% (39.7%), which was mainly driven by a higher share of campaign goods, which are items bought in-season at lower prices, following the unusually high sell-through seen throughout the year fuelled by consumer spending changing towards online driven by the corona pandemic. This was partly offset by a decreased income from risk sharing agreement with brand partners due to a change in the agreement structure. During 2020 this income has been recognized in the end-of-season sales, meaning it will to a higher degree impact the first quarter 2021 positively.

EBIT increased to SEK 182.3 million (91.8) for the full year, while the EBIT margin increased 1.5 percentage points to 4.2% (2.7%), driven by higher gross margin from the expected temporary effects from the unusual high share of campaign goods, as well as the improvement in all the operating cost ratios, especially the fulfilment cost ratio.

During the fourth quarter the Group made a write-down of a part of the Norwegian customs receivable. The write-down is caused by a change in the process for claiming refund of customs for returns from Norway at the Norwegian Tax authority. For precautionary reasons, a write-down of approximately SEK 12 million has been made for a part of the customs receivable belonging to 2019. The Company still insists on its right to the claims towards the Norwegian tax authority for this customs receivable. The Group also issued an discretionary staff bonus of SEK 10 million, corresponding to SEK 20,000 to all employees, with the exception of Group Management.

We have not received any COVID-19 related financial support from authorities during the year.

Items affecting comparability

EBIT was affected by one-off costs of SEK 36.6 million from the closing of the loss-making Beauty by Boozt store in Copenhagen. The one-off costs from the closing consist of a write-down of the lease asset of SEK 25.7 million and other costs of SEK 10.9 million related to write-down of fixtures and inventory as well as terminated staff.

Also negatively impacting EBIT is share-based payment attributable to the Group's long-term incentive programs of 64.0 million (12.4), driven by the appreciation of the Group's share price and listing costs of SEK 7.5 million from the dual listing.

Adjusted for items that affecting the comparability, the Adjusted EBIT increased with 166 % to SEK 290.3 (109.0). The adjusted EBIT margin increased with 3.5 percentage points to 6.7 % (3.2).

The Group estimates that the temporary COVID-19 impacts on adjusted EBIT to approximately 1.5 percentage points. These effects have mainly affected the improved gross margin through an unusually high share of campaign goods and a slightly lower return rate due to a changed product mix.

Financial items

The Group's financial costs amounted to SEK -12.0 million (-10.5) and financial income amounted to SEK 0.0 million (-0.0) for the full year.

Tax

Tax cost amounted to SEK -37.6 million (-26.5) and consisted of a decrease in the deferred tax asset attributable to tax losses carried forward. The effective tax rate was 22.0% (32.6%), driven by deductible transaction costs recognised in equity, partly offset by the negative results made in the other segment for which no deferred tax asset is recognised.

Net profit

The net result for the year totalled SEK 132.8 million (54.8). Earnings per share before dilution amounted to SEK 2.27 (0.96). Earnings per share after dilution amounted to SEK 2.21 (0.95).

Comments on the consolidated statement of financial position**Working capital**

The Group realised a net working capital of SEK 73.8 million (435.3) equivalent to 1.7% (12.7%) of the net revenue for the last twelve months. The decrease to 1.7% was primarily driven by a higher increase of accounts payable compared to inventory, which is a consequence of a higher sell-through of the Autumn/Winter 2020 items compared to last year and a higher share of campaign stock to keep up the stock level. As campaign stock are bought at high discount during the season, they have a positive impact on both inventory and accounts payables, due to the faster turnover for campaign stock. A lower return rate also has a positive impact as it decreases the inventory.

Compared to last year the prepaid expenses and accounts receivable has decreased since the invoicing of Boozt Media Partnership has been made earlier this year compared to last year and the reversed Norwegian customs receivable has decreased to approximately SEK 19 million at year-end (54).

Net debt

The group realized a net debt/ -net cash of -1,006.2 (295.6), driven by a strong cash position that increased to SEK 1,714.5 million (339.4). The significantly change in cash position was driven by net proceeds, after issue expenses, obtained from the issuing of new shares in connection with the dual listing of SEK 795.0 million and improved cash flow from operating activities. The Group utilized the SEK 200 million RCF in March, 2020 which was fully repaid in October, 2020. The interest-bearing liabilities increased to SEK 708.3 million (635.1), driven by the financing of the new AutoStore 4 and the new lease liability for the new warehouse building of SEK 132.1 million, which was partly offset by the revaluation of lease contract for the previous Beauty by Boozt store in Copenhagen and repayment of the previous AutoStore liabilities. Unused credit facilities amounted at year-end to SEK 260 million (140). For further information of the Group's credit facilities, see note 23.

Non-current assets

Intangible assets increase to SEK 108.6 million (75.1) and is attributable to capitalization of the Group's web platforms.

Tangible assets increased to SEK 753.1 million (681.2). The increase was driven by the phase 4 expansion of AutoStore in the BFC and utilizing of the leasing contract for the new warehouse building on the current warehouse premises in Ängelholm of SEK 132.1 million, partly offset by the reassessment of the remaining lease period and write-down of the Beauty by Boozt store in Copenhagen performed in the first quarter.

Deferred tax assets decreased to SEK 9.4 million (46.9) and consist of capitalised tax losses carried forward.

Equity

Total equity attributable to parent company shareholders increased to SEK 1,908.1 million (942.6), driven primarily by the new share issue in connection with the dual listing on Nasdaq Copenhagen.

Total assets and total equity and liabilities amounted to SEK 4,031.8 (2,487.2).

Comments on the consolidated statement of cash flow

Cash flow from operating activities amounted to SEK 747.3 million (76.5). The improvement compared with last year was driven by improved operating profit.

Cash flow from changes in working capital amounted to SEK 361.9 million (-122.4) and was mainly attributable to lower inventory compared to accounts payable as a consequence of the high sell-through of the Autumn/Winter goods compared to last year and the unusual high share of campaign goods with a faster turnover rate.

Cash flow from investing activities amounted to SEK -150.8 million (-171.3), driven by the phase 4 expansion of AutoStore and capitalization of the Group's web platforms.

Cash flow from financing activities amounted to SEK 779.4 million (66.1) and was mainly attributable to proceeds obtained from the issue of new shares in connection with the dual listing in Copenhagen, whereby the Group raised SEK 825.6 million before deduction of cost of new share issue of SEK 30.7 million. Other cash flow from financing activities comprising of proceeds obtained from share capital increase through exercise of the LTI Program 2015/2025 of SEK 22.6 million, new loans of SEK 289.3 million and loan repayments of SEK -279.7 million, where the SEK 200 million were both utilized and fully repaid during the year.

Cash flow for the full year amounted to SEK 1,375.9 million (-28.8).

Multi-year summary

SEK million	2020	2019	2018	2017
Net revenue	4,359.3	3,424.9	2,784.0	2,016.4
Operating profit	182.3	91.8	68.1	-69.8
Operating margin	4.2%	2.7%	2.4%	-3.5%
Profit for the year	132.8	54.8	42.6	-12.6
Net working capital*	73.8	435.3	314.6	200.4
Net working capital - percent of LTM net revenue*	1.7%	12.7%	11.3%	9.9%
Net debt/ -net cash*	-1,006.2	295.6	-257.9	-328.5
Total assets	4,031.8	2,487.2	1,833.5	1,384.0
Equity / Asset ratio*	47.3%	37.9%	47.5%	57.0%
Return on equity*	7.0%	5.8%	4.9%	neg
Cash flow for the year	1,376.0	-28.8	-61.2	207.8
Average number of full employees	375	337	250	190

*The figure is an Alternative Performance Measure (APM) and is described in definition and reconciled on pages 182-186.

Significant events during the financial year 2020

New revolving credit facility agreement

During the first quarter Boozt has signed a new revolving credit facility agreement with Danske Bank. The credit facility of SEK 200.0 million runs for 3 years and have covenants attached. The covenants are unchanged from the previous facility. In March, 2020 the facility was activated to increase the liquidity buffer and was fully repaid during October, 2020. For more information of the Group's financing position, see note 22.

Decision to insource fulfilment staff operation

The contract with the external fulfilment staff provider Logent AB was terminated in the fourth quarter of 2019. After evaluating different alternatives for the future setup of the fulfilment staff operation at the fulfilment centre, insourcing of the staff proved to be the best alternative from both a performance and cost perspective. An agreement to transfer all fulfilment personnel at the Boozt Fulfilment Centre from Logent AB to Boozt as of January 1, 2021 was agreed and a new fulfilment staff organisation has been built during 2020.

Beauty by Boozt physical retail closing in Denmark and opening in Sweden

After evaluating the Beauty by Boozt physical retail operation, a decision to cease the current business in Copenhagen, Denmark was made. An exit clause in the lease contract of the Copenhagen store will be exercised at first opportunity in April 2021, terminating in April 2022. In the remaining lease period, a Booztlet store will be run out of the location, which was opened during the third quarter of 2020. A new Beauty by Boozt physical retail operation was opened in Malmö, Sweden, during the second quarter of 2020. Use of the exit clause has triggered a revaluation of the lease contract in the statement of financial position to include an 18-month penalty fee and change of future lease period from 2029 to 2022. Following the amendment, the Group has written-down the remaining lease asset value, as well as one-off costs for the closing, totalling SEK 35.4 million.

Outlook for 2020 suspended and extraordinary stock write-down due to coronavirus uncertainty

Spending on fashion was initially significantly negatively impacted by the outbreak of the coronavirus pandemic. Due to the uncertainty around the impact for the remainder of the year, the financial outlook for 2020 was suspended on April 5. The uncertainty also led to an extraordinary write-down of prior season items of SEK 57.8 million because of the expected subdued demand for fashion.

Expansion of automation capacity at fulfilment centre

The fourth expansion phase of AutoStore at the fulfilment centre was initiated during the second quarter and has partially been taking into operation as of Dec 31, 2020. The expansion phase will be fully operational during Q1, 2021.

Expansion into the Home category

During the fourth quarter Boozt.com launched the Home interior category with the ambition to build the strongest Home offering in the Nordics. Focus will be on Nordic mid-to premium priced Home & Interior brands, and the aim is to offer the most confident selection available of strong Nordic Home & Interior brands.

Dual listing of the Company's shares on Nasdaq Copenhagen through a public offering

Boozt AB announced on October 26, 2020 its intention to carry out a dual listing of the Company's shares on Nasdaq Copenhagen and furthermore considering a public offering in Denmark in connection with the listing.

The offering attracted strong interest from the Danish general public as well as Danish and international institutional investors with the offering being well oversubscribed. The offering was set at a price at DKK 105 per share and comprised 5,737,085 new shares which corresponds to approximately 9 % of the total ordinary number of shares in the company after completion of the offering. Approximately 23% of the shares was allocated to retail investors in Denmark and 77% was allocated to Danish and international institutional investors. The first day of trading on Nasdaq Copenhagen was on November 20, 2020.

Black Friday successfully executed with upwardly adjustment of the full year net revenue outlook

Boozt welcomed 100,000 new customers during the Black Friday week and Cyber Monday and showed record sales. The trends seen in the previous quarters continued through Black Friday with strong growth in Kids, Sport and Beauty as well as within in the Men's category. Record for number of orders handled per hour at the Boozt Fulfilment Centre was a key to the successful week ahead of expectations.

Following the Black Friday week and a strong first part of November, the full year outlook for net revenue growth was updated on November 30, 2020 to above 25% (previously upper end of 20-25% range).

New fulfilment centre

As planned, the new fulfilment centre building was handed over from Catena to Boozt in the end of the fourth quarter. The building, of approximately 23.000 m2 is situated next to the existing fulfilment centre in Ängelholm. The building will be taken into operation during 2021.

Changes in Group Management and in the Board of Directors in Boozt AB (publ)

Cæcilie Rottbøll left her position as Chief Human Resource Officer at the end of June 2020. She was replaced by Sandra Joy Sahlertz who has been with Boozt since 2012, most recently as business development director. Sandra resumed her new position and became member of Group Management when she returned from maternity leave in January, 2021.

Lars Lindgaard was appointed as Chief Supply Chain Officer on May 29, 2020 after successfully having led the fulfilment operations since November 2019.

There has been no changes within the board of directors during the year.

Appointment of Nomination Committee

The Nomination Committee has been appointed in accordance with the principles adopted by the Annual General Meeting on May 27, 2020 stating that the Nomination Committee shall consist of representatives of the three, per August 31, 2020, 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:

- Claus Wiinblad (representing ATP),
Chairman of the Nomination Committee,
- Caroline Sjösten (representing Swedbank Robur Funds),
- Johannes Wingborg (representing Länsförsäkringar Fondförvaltning),
- Henrik Theilbjørn, member of the Nomination Committee since he is the 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.

Events after the reporting date

Insourcing of fulfilment staff

Boozt welcomed 402 new employees on January 1, 2021 as the transfer of all fulfilment personnel at the Boozt Fulfilment Centre from Logent AB was completed.

Changes in Group Management

Anders Enevoldsen has been appointed new Managing Director for Booztlet as Booztlet has been established as a separate business unit within the group. Anders currently holds the role as Head of Business Development, Investor Relations and Corporate Communication and the group have appointed Ronni Funch Olsen as the new Head of Investor Relations and Corporate Communications. Until Ronni begin in the early spring, Anders Enevoldsen will continue to perform the role as Head of Investor Relations and Corporate Communication.

Changes in segment reporting

From 1 January 2021, Boozt is changing its segment reporting to agree with the internal reporting provided to Group Management. The Other segment containing the Group's physical stores is being split between the two current main segments Boozt.com and Booztlet.com, where Beauty by Boozt will be a part of Boozt.com and the Booztlet outlet stores will be a part of Booztlet.com.

Issue and repurchase of series C shares for performance-based share program

Pursuant to the authorization granted by the Extraordinary General Meeting on July 1, 2020, the Board of directors decided on March 1, 2021 to issue and then repurchase 1,017,450 C-shares. The shares were issued and repurchased in accordance with the performance-based share program LTI 2020, which was adopted by the Extraordinary General Meeting on July 1, 2020. The subscription price amounted to the share's quota value of approximately SEK 0.083333 per share.

Change in Boozt's Nomination Committee

Anders Lund, representing BLS Capital Fondsmaeglerselskab A/S has been appointed new member of Boozt's Nomination Committee as of March 05, 2021. BLS Capital Fondsmaeglerselskab A/S has since the appointment of

Nomination Committee was announced on November 16, 2020, became the largest shareholder in Boozt AB in terms of votes. Johannes Wingborg, representing Länsförsäkringsgar Fondförvaltning has left the Nomination Committee.

Expansion of automation capacity at fulfilment centre

The fifth expansion phase of AutoStore at the fulfilment centre was initiated during the second quarter and is expected to be operational during the third - fourth quarter 2021.

No other significant events have occurred after the reporting date.

Information on the Company's share

The Boozt share

The Boozt share is listed on Nasdaq Stockholm with secondary listing on Nasdaq Copenhagen.

The Boozt share is traded on Nasdaq Stockholm under the ticker BOOZT and on Nasdaq Copenhagen under the ticker Boozt DK. The ISIN-code is SE0009888738. The combined average turnover of the Boozt share on Nasdaq Stockholm and Nasdaq Copenhagen was 243,300 shares per day in 2020 (78,633). The market value for the Company as per December 31, 2020 amounted to SEK 11,898 million (3,041). The lowest quoted market price at close during the period was SEK 36.2 per share (March 25) and the highest quoted market price during the period was SEK 186.8 (December 30). The closing price as per December 31, 2020, was SEK 186.8.

As per December 31, 2020 the company had approximately 15,000 shareholders, whereof the largest shareholders were Ferd (8.9%), Sampension (8.7%), ATP (7.9%), Swedbank Robur (7.0%), Invesco (6.4%) and Kabouter (5.6%).

The total number of shares at the end of the reporting period amounted to 64,067,164 (57,370,853), with a quota value of SEK 0.0833 per share (0.0833). The share capital consists of two share classes: ordinary shares of 63,692,578 shares (57,370,853) with one voting right per share and C shares of 374,586 shares (0) issued, with 1/10 voting right per share. There are no restrictions on the number of votes each

shareholder can cast at the Annual General Meeting. All ordinary shares in the Company are listed. The C shares were issued and repurchased in accordance with the LTI Program 2019/2022 as of March 2, 2020. During the year 5,737,085 new shares were issued in connection with the dual listing of the Group's share on Nasdaq Copenhagen and 584,640 new shares has been issued due to exercise of 48,720 options under the LTI 2015/2025 Program. For further information of the Group's share see note 25.

Beyond shares, the Company has issued options and warrants (right to acquire shares under specific terms and conditions), and as of December 31, 2020 the Group have four ongoing long-term incentive programs: LTI Program 2015/2025, LTI Program 2018/2021, LTI Program 2019/2022 and LTI Program 2020/2023. For further information of the Group's long-term incentive programs, see Note 9.

Sustainability report

The statutory sustainability report is presented on pages 36-75.

Corporate Governance report

The corporate governance report is presented on pages 77-101.

Employees

At the end of 2020, the Group had 436 employees (371). The Group's personnel were mainly employed in Boozt Fashion AB. The average number of employees in the Group was 375 (337), whereof 65% women and 35% men (65% women and 35% men). More information about Boozt employees and corporate culture are presented in the Sustainability Report on pages 60-64.

Remuneration Policy for the Group Management

The Board of Directors' proposed guidelines for remuneration of senior executives to be presented for approval by the Annual General Meeting 2021 will apply unchanged with the guidelines adopted by the Annual General Meeting in 2020. Details of the current guidelines for remuneration of senior executives approved by the Annual General Meeting are to be found in note 9 and in the Corporate Governance Report on page 79 and on pages 87-88.

Related party transactions

During the year management purchased shares from the LTI Program 2015/2025 totalling SEK 0.3 million (3.0). A new long-term incentive program LTI Program 2020/2023 was adopted on July 1, 2020. Total transaction with suppliers classified as related parties amounted to SEK 58.1 million (43.2). For more information about related party transactions, see note 27.

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 Mid Cap and since November 20, 2020, secondary listed on Nasdaq OMX Copenhagen Mid Cap.

The address to the head office is Hyllie Boulevard 35, 215 37 Malmö, Sweden.

The net revenue for the financial year of 2020 amounted to SEK 62.9 million (36.6) and consisted of invoiced fees for management services in accordance with the Group's intra company agreements to other Group companies during the year. Operating profit amount to SEK -56.1 million (-11.6). Costs for the period are mainly attributable to costs in connection with the dual listing of the Company's share on Nasdaq Copenhagen amounting to SEK 7.5 million, as well as costs related to salaries and share-based payments for Group Management and remuneration to the Board of Directors.

Group contributions received from Group companies amount to SEK 128 million (0) in 2020.

The net result for the financial year of 2020 amounted to SEK 62.8 million (-9.2).

The parent company has a Group internal receivable respectively a liability to different counterparties within the Group, which together with shares in the subsidiary Boozt Fashion AB and equity constitutes the majority of the financial position of the Company.

Outlook for 2021

The Group expects a net revenue growth for 2021 of between 20% and 25%. The net revenue growth is supported by market share gains, a continued high online penetration as well as a strengthening of the underlying fashion market once societies reopen.

The adjusted EBIT margin is expected to be above 5%. The underlying adjusted EBIT margin for 2020 was around 5.2% as the reported 6.7% adjusted EBIT margin was positively impacted by around 1.5%-points from the changed dynamics caused by the corona pandemic.

The previously mentioned cost efficiencies from insourcing of fulfilment staff are expected to be offset by higher return costs as demand for occasion wear categories with higher return rates is expected to increase once societies reopen. The outlook assumes constant currencies from the time of this announcement and for the remainder of the financial year.

Medium-term financial ambitions through 2023

The Board of Directors have adopted updated financial targets for the medium term following the changing market dynamics as well as the Group exceeding the 6% adjusted EBIT margin target in 2020, two years ahead of expectations. The priority is a continued high investment in growth as well as a continued strengthening of the customer experience, while maintaining a solid adjusted EBIT margin driven by the high average order value and local scale leadership in the Nordics.

NET REVENUE GROWTH	The Group targets to outgrow the Nordic online market significantly to expand market share
ADJUSTED EBIT MARGIN	The Group targets an adjusted EBIT margin exceeding 6% in 2022

Net revenue growth

The Group targets to outgrow the Nordic online market significantly to expand market share. In line with net revenue growth for 2020 the Group plans to grow significantly faster than the Nordic online market within fashion and lifestyle. The Nordic online market within fashion and lifestyle is estimated to grow around 10% in 2021. Key drivers underpinning the net revenue growth target:

- Investing in leading customer satisfaction
- Building leadership in categories adjacent to fashion
- Aggressively acquiring new customers. Still focusing on the relationship between customer lifetime value (CLV) and customer acquisition costs (CAC)
- High level of investment in Booztlet.com fuelling continued hyper growth

Adjusted EBIT margin

The Group target an adjusted EBIT margin between 5% and 7% during the period. An adjusted EBIT margin at this level supports a positive free cash flow generation. Key drivers underpinning the medium term adjusted EBIT margin target:

- Average order value (AOV) maintained around current level
- Gross margin around 39-40% supported by contractual improvements and disciplined pricing
- Fulfilment cost ratio of 11-12%. Majority of further operational efficiency gains to be reinvested in higher quality
- Admin & Other cost ratio of 8-10%. Priority to reinvest majority of scale effects into building an even stronger customer experience
- Marketing cost ratio around 10%. Maintain a high investment in marketing to drive market share gains. Leverage from offline marketing is expected to be reinvested in online marketing

Dividend policy

When free cash flow exceeds available investments in profitable growth, the surplus can be distributed to shareholders. The Company does not intend to pay dividends in the medium term and there can be no assurances that in any given year a dividend will be paid. Declaration of dividends, if any, and the amounts and timing thereof, will depend on a number of factors, including financial position, investment needs, acquisition opportunities, general economic and business conditions and such other factors as the board of directors may deem relevant in such a decision.

The board of directors propose to the annual general meeting 2021 that no dividends are paid to the shareholders for the financial year 2020.

Proposed appropriation of profits

SEK

Share premium reserve	1,947,053,012
Retained earnings	-355,165,155
Profit/loss for the year	62,845,808
Totalt	1,654,733,665

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

Profit/loss brought forward	1,654,733,665
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Boozt.com
FASHION ONLINE

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 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 is responsible to the shareholders for the Group's risk management and formally assess risks annually or more often when needed.

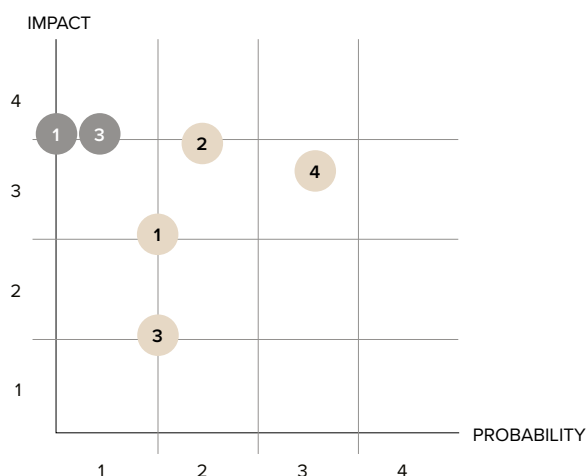
Identified risks are assessed regarding the probability of occurrence and impact if occurring. The effectiveness of existing risk responses (such as safeguards, control activities etc.) is qualitatively assessed. The residual risk is illustrated and considers the effectiveness of all current existing 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 a considerable impact on the business as per April 2021. We have evaluated the risk picture considering the impact of the current economic uncertainty as a consequence of the ongoing coronavirus pandemic. Although there is considerable uncertainty on this impact, we believe that risk 2, risk 4, risk 9 and risk 17 is affected by the situation.

In the Boozt Risk Library, we have 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. The relative possibility of occurrence and impact if occurring of the risk changes over time, meaning that the reported risks are to be seen as a snapshot of current risks. The Group discloses the top 20 risk list in a non-prioritised order. The list can differ from year to year as some risks might increase in probability or appear for the first time and others might be less probable or is downgraded due to mitigating activities.



1. Re-financing risks

2. Liquidity reserve risk

3. Credit risk

4. Currency risk

● Current risk rating

● Previous risk rating (if changed)

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. See note 28 for more information.

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: Decreased impact and probability compared to last year.

2. Liquidity reserve 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 compared to last year.

3. Credit risk

Risk of credit losses arising from the Group's financial receivables due to the Group's counterparties failure to comply with their commitments.

Rating: Re-phrased from Accounts receivable. Decreased impact and decreased probability compared to last year.

4. Currency risk

Exchange rate fluctuations may affect the translation of the Group's transactional net exposure in foreign currencies negatively.

Rating: Unchanged since last year.

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 reserve risk

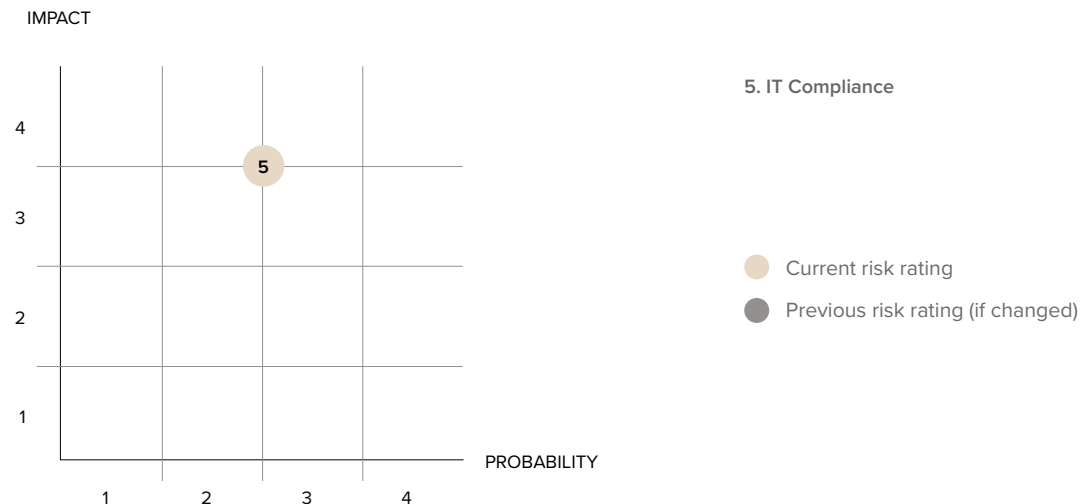
The Group faces two seasonality low points in liquidity per fiscal year. The Group shall strive to have a sufficient liquidity reserve. Prices for inventories are set when placing orders but paid when received, which gives sufficient time to plan cash management. During low- points the Group has access to a revolving credit facility and an overdraft facility to ensure a sufficient liquidity reserve. The reserve also serves to mitigate the impact of general macroeconomic uncertainty and operational disturbances.

3. Credit risk

The Group use several payment providers and receive payments from these within a couple of days why the credit time is limited. The Group takes no credit risk when customers use invoice payment. Accounts receivables held is towards the Group's brand partners, of which the Group regularly conduct purchases from and have a liability towards.

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.



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 EU privacy regulation/GDPR, especially regarding third-party involvement.

Rating: Unchanged compared to last year.

Mitigation of risk

5. IT Compliance

The Group has since the GDPR implementation continuously worked with data privacy, ensuring full compliance with the regulation. Data are not spread across different third-party systems securing data discipline and control in own systems.

Downgraded risk

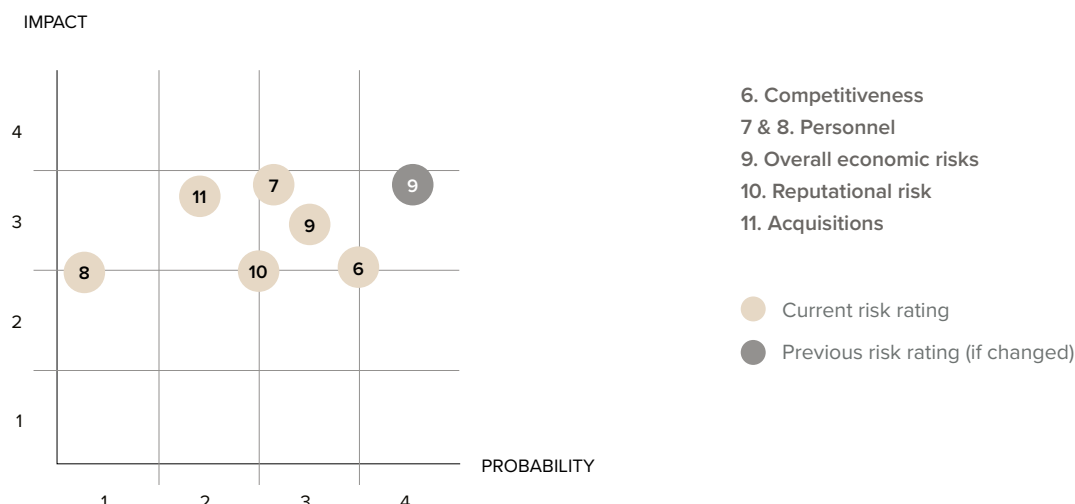
Vendor management

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

Rating: Downgraded from top 20 risks

Vendor management

The risk has been downgraded since the Group have established long-term relationships with over 1,000 different brandpartners. As the Group has grown, the dependency on single brands has decreased and at the same time the Group's standard has increased.



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

6. Competitiveness

Risk that the Group's main competitors strengthen their market positions and the Group can't keep up, or an international strong market player decides to enter the Nordic market and change the market conditions substantially.

Rating: Unchanged compared to last year.

7 & 8 Personnel

7: Risk that the Group lack ability to keep key personnel.

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

Various reasons connected to the offer, such as monetary, benefits, working environment etc. An increased focus on digitalization has made the Group's employees more attractive on the labor market.

Rating: 7: Unchanged 8: Unchanged.

9. Overall economic risks

Risk arising from changes in the overall macroeconomic factors within the geographical area that the Group operates in.

Rating: Decreased impact and decreased probability compared to last year.

10. Reputational risk

Risks due to negative change in the reputation of the Group.

Rating: Unchanged compared to last year

11. Acquisitions

Risk that an acquisition could lead to difficulties in integrating the acquired company which can disrupt the Group's current business activities and have a material negative effect on the Group's operations.

Rating: New top 20 risk.

Mitigation of risk

6. Competitiveness

With the Group's 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 a curated Nordic offering based on analysis and data as well as convenience through ease and speed of our offering to the customers.

7 & 8 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.

9. Overall economic risks

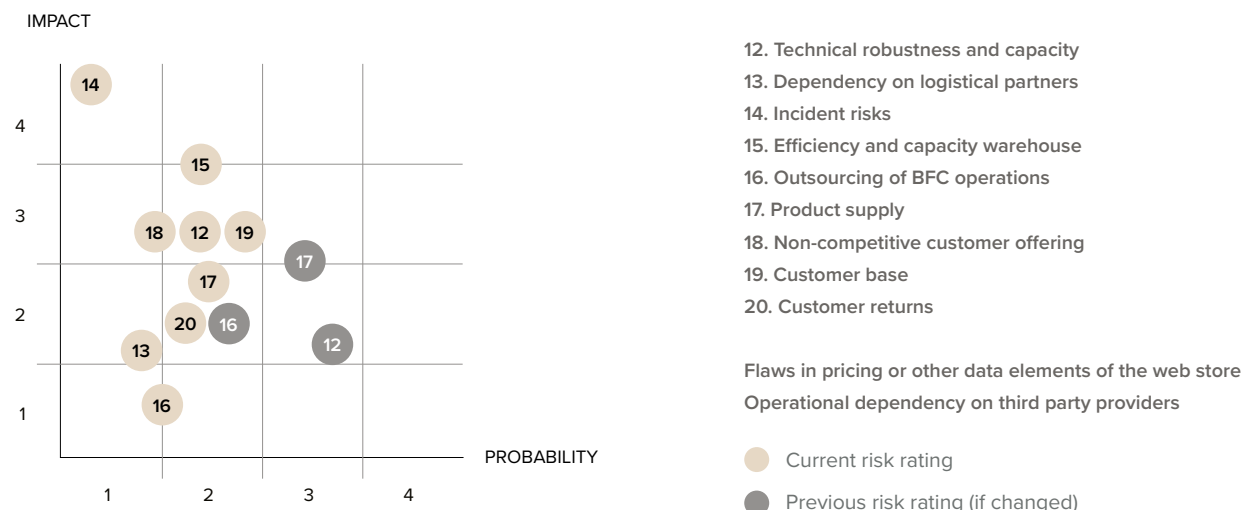
The Group actively monitor macroeconomic trends and development within the region that we operate in, as well as the online factors and trends that may affect the sector in which we operate. To mitigate impact of a demand shock we focus on having as few fixed costs as possible to make the cost base variable to the revenue. And then we focus on preserving cash in the balance sheet by measures such as reducing the working capital exposure.

10. Reputational risk

Proper treatment of employees (participation in Collective Bargaining Agreement) and excess employees in the form of cash remuneration and outplacement. In relation to brands, we align performance to secure long lasting relationships. In relation to customers, we constantly monitor satisfaction and live by the notion – "if any doubt – the customer is right".

11. Acquisitions

The Group will not pursue an acquisition in unrelated areas, expand the core business outside the Nordic or put the current unit economics in risk. A strategic bolt-on will be made to gain access to specific category expertise, gain access to new technology or increase the Group's current presence in the Nordic Market.



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.

Risk

12. Technical robustness and capacity

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

Rating: Increased impact and decreased probability compared to last year.

13. Dependency on logistical partners

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

Rating: Unchanged compared to last year.

14. Incident risks

Risk for fire or damage accident in Boozt Fulfillment Centre. An accident may cause the warehouse to close which may lead to significant impact on the Group's operations.

Rating: Unchanged compared to last year.

15. Efficiency and capacity warehouse

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 compared to last year.

16. Outsourcing of BFC operations

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: Decreased impact and decreased probability compared to last year.

Mitigation of risk

12. Technical robustness and capacity

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, 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.

13. Dependency on logistical partners

We are in constant dialogue with our logistical partners and implement improvements to the customer offering continuously. Through 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.

14. Incident risks

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

15. Efficiency and capacity warehouse

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. The capacity can be expanded in a modular way securing high utilization at all time and flexibility around when to add capacity.

16. Outsourcing of BFC operations

We have had 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 the Group, including values as stated in the Group's Code of Conduct. As we took over the control of the staff at BFC on January 1, 2021 we are closely monitoring the operations.

17. Product supply

A lack of product supply from widespread disruption to the supply chain in Asia and Europe.

Rating: Decreased impact and probability compared to last year.

18. Non-competitive customer offering

Risk of not being attractive to consumers in the Nordic area, in terms of product offering, speed of offering, and conditions in general.

Rating: Unchanged compared to last year.

19. Marketing

Risk related to efficient marketing activities. The group is dependent on third-party delivering of accurate search engine marketing ("SEM") and search engine optimization ("SEO") in generating website traffic and expand its customer base. New marketing regulations may also restrict the the Group's possibilities to engage in direct marketing and customer communication.

Rating: New top 20 risk.

20. Customer returns

Risk that a failure to meet customer expectations or a change in customer behavior can lead to increased customer returns.

Rating: New top 20 risk.

Downgraded risk**Flaws in pricing or other data elements of the web store**

Risks arising from implementing wrong prices in the offer to customers.

Rating: Downgraded from the top 20 risks.

Operational dependency on third party providers

Dependency risk on third party software and software updates and its implications on the Group's operation.

Rating: Downgraded from the top 20 risks.

17. Product supply

Secure status as preferred partner through building long-lasting and mutually beneficial partnerships with supply partners. This should ensure prioritization if supply chain disruption occurs. Also focus on not being dependent on single brands.

18. Non-competitive customer offering

Get overview of market trends via attending fashion fairs, monitor competition, monitor NPS score, and constant evaluation of our categories and product and service offering.

19. Marketing

The Group continuously monitor and evaluate the performance and efficiency in specific campaigns and the use of proper channels in order to improve the marketing leverage. The using of different methods and various partners will reduce the exposure to changed regulations.

20. Customer returns

Customer returns is monitored continuously by the Group to detect trends or any change in customer behavior. The Group work's actively to decrease the customer return rate. A fair-use policy was implemented in 2019 where customers with an abnormal return frequency is blocked from the web shop.

Flaws in pricing or other data elements of the web store

Downgraded since the internal control environment around pricing has been strengthen and improved.

Operational dependency on third party providers

Downgraded since the Group has in-sourced critical third-party solutions related to the operations, such as WMS and finance.



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CONSOLIDATED INCOME STATEMENT

SEK million unless otherwise indicated	Note	01-01-2020 31-12-2020	01-01-2019 31-12-2019
OPERATING INCOME			
Net revenue	3,4	4,359.3	3,424.9
Total operating income		4,359.3	3,424.9
OPERATING COSTS			
Goods for resale		-2,589.9	-2,063.9
Other external costs	6,7,8	-1,081.1	-935.7
Cost of personnel	9	-325.5	-225.3
Depreciation and amortisation of tangible and intangible assets	8,10	-161.8	-106.2
Other operating costs	5	-18.8	-2.0
Total operating costs		-4,177.0	-3,333.1
OPERATING PROFIT/LOSS (EBIT)		182.3	91.8
FINANCIAL INCOME AND EXPENSES			
Financial income	11	-0.0	-0.0
Financial expenses	8,11	-12.0	-10.5
Net financial items		-12.0	-10.5
PROFIT/LOSS BEFORE TAX		170.4	81.3
Income tax	12	-37.6	-26.5
PROFIT/LOSS FOR THE YEAR		132.8	54.8
ATTRIBUTABLE TO:			
Parent company's shareholders		132.8	54.8
Earnings per share before dilution(SEK)	13	2.27	0.96
Earnings per share after dilution (SEK)	13	2.21	0.95

Rounding differences may effect the summations.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

SEK million	Note	01-01-2020 31-12-2020	01-01-2019 31-12-2019
PROFIT/LOSS FOR THE PERIOD		132.8	54.8
Items that have or can be reallocated to profit for the year			
Translation differences	25	0.4	-0.1
TOTAL COMPREHENSIVE PROFIT/LOSS FOR THE PERIOD		133.2	54.7
ATTRIBUTABLE TO			
Parent company's shareholders		133.2	54.7

Rounding differences may effect the summations.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

SEK million	Note	31-12-2020	31-12-2019
ASSETS			
Non-current assets			
Intangible assets			
Goodwill	14	9.4	9.8
Web platform	15	99.1	65.3
		108.6	75.1
Tangible assets			
Right of use asset	8	460.8	421.4
Machinery and equipment	16	292.4	259.8
		753.1	681.2
Other non-current assets			
Deposits		7.0	12.3
Deferred tax asset	12	9.4	46.9
		16.4	59.2
Total non-current assets		878.0	815.5
Current assets			
Inventories	18	1,247.4	1,043.8
Accounts receivables	19	29.4	50.5
Other receivables		91.3	105.9
Current tax assets		1.9	1.3
Prepaid expenses and accrued income	20	69.1	130.8
Cash and cash equivalents	21	1,714.5	339.4
Total current assets		3,153.8	1,671.7
TOTAL ASSETS		4,031.8	2,487.2
EQUITY AND LIABILITIES			
Equity			
Share capital		5.3	4.8
Other capital contributions		2,010.3	1,178.6
Reserves		0.6	0.2
Retained earnings including profit for the year		-108.1	-240.9
Equity attributable to parent company shareholders	25	1,908.1	942.6
Non-current liabilities			
Interest bearing liabilities - non-current	22	114.1	109.3
Lease liabilities - non-current	8	432.9	382.5
Other provisions	23	50.0	12.6
Total non-current liabilities		597.0	504.4
Current liabilities			
Interest bearing liabilities - current	22	103.2	98.4
Lease liabilities - current	8	58.1	44.8
Accounts payables		889.0	500.7
Other liabilities		123.3	100.5
Accrued expenses and prepaid income	24	353.1	295.8
Total current liabilities		1,526.6	1,040.3
Total liabilities		2,123.7	1,544.6
TOTAL EQUITY AND LIABILITIES		4,031.8	2,487.2

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	Equity attributable to parent company shareholders
Equity as per 01-01-2019	4.8	1,161.1	0.3	-295.7	870.4
Profit for the year	-	-	-	54.8	54.8
Other comprehensive income	-	-	-0.1	-	-0.1
COMPREHENSIVE PROFIT/LOSS FOR THE YEAR	-	-	-0.1	54.8	54.7
Share capital increases	0.0	10.3	-	-	10.3
Share based compensation	-	7.2	-	-	7.2
Total transactions with owners	0.0	17.5	-	-	17.5
Equity as per 31-12-2019	4.8	1,178.6	0.2	-240.9	942.6

SEK million	Share capital	Other capital contributions	Reserves	Profit brought forward incl. profit/loss for the year	Equity attributable to parent company shareholders
Equity as per 01-01-2020	4.8	1,178.6	0.2	-240.9	942.6
Profit for the year	-	-	-	132.8	132.8
Other comprehensive income	-	-	0.4	-	0.4
COMPREHENSIVE PROFIT/LOSS FOR THE YEAR	-	-	0.4	132.8	133.2
Share capital increases	0.6	847.7	-	-0.0	848.2
Cost of share issue	-	-30.7	-	-	-30.7
Share based compensation	-	14.8	-	-	14.8
Total transactions with owners	0.6	831.8	-	-	832.3
Equity as per 31-12-2020	5.3	2,010.3	0.6	-108.2	1,908.1

Rounding differences may effect the summations.

CONSOLIDATED STATEMENT OF CASH FLOW

SEK million	Note	01-01-2020 31-12-2020	01-01-2019 31-12-2019
OPERATING ACTIVITIES			
Operating profit		182.3	91.8
Adjustments for items not included in cash flow:			
Share based compensations - social charges		38.0	4.2
Share based compensations		14.8	7.2
Change in other provisions		1.5	-
Depreciations and amortisation of tangible and intangible assets	10	161.8	106.2
Other items not included in cash flow		-0.4	0.7
Interest paid	11	-12.0	-10.5
Paid income tax		-0.7	-0.7
CASH FLOW BEFORE CHANGES IN WORKING CAPITAL		385.4	198.9
WORKING CAPITAL			
Changes in goods inventory		-203.6	-59.0
Changes in current assets		97.3	-106.6
Changes in current liabilities		468.2	43.1
Cash flow from working capital		361.9	-122.4
CASH FLOW FROM OPERATING ACTIVITIES		747.3	76.5
INVESTMENTS			
Acquisition of subsidiaries, net liquidity effect	17	-2.0	-3.9
Acquisition of fixed assets	16	-95.7	-127.6
Acquisition of financial assets		5.3	0.0
Acquisition of intangible assets	15	-58.3	-39.8
CASH FLOW FROM INVESTMENTS		-150.8	-171.3
FINANCING			
Share capital issue		848.2	10.3
Transaction costs		-30.7	-
New loans		289.3	132.7
Loan repayments	22	-279.7	-35.5
Repayments of lease liability	8	-47.7	-41.5
CASH FLOW FROM FINANCING		779.4	66.1
Cash flow for the year		1,375.9	-28.8
Currency exchange gains/losses in cash and cash equivalents		-0.8	-0.1
Cash and cash equivalents beginning of the year		339.4	368.3
CASH AND CASH EQUIVALENTS END OF THE YEAR	21	1,714.5	339.4

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 fashion, kids, home, sport and beauty.

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 35, 215 37 Malmö.

The Board of Directors and the CEO has on April 16, 2021 approved the annual accounts and consolidated accounts which will be submitted for adoption at the Annual General Meeting on May 27, 2021.

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 and interpretations

The ongoing reference interest rate reform, which means that the existing reference interest rates IBOR, will be replaced by alternative risk-free interest rates. As part of the reference interest rate reform, changes have been made to IFRS 9 and IFRS 7. These changes will take place in two phases, where phase 1 is applicable from 1 January 2020. Boozt is mainly exposed to IBOR through existing external borrowing and to other reference interest rates such as EURIBOR, LIBOR, NIBOR and CIBOR via the Group's available credit facility.

Phase 1 is primarily linked to hedge accounting and thus had no effect as the Group did not apply any hedge accounting during 2020.

Other new or revised accounting standards and interpretations that were adopted in 2020 have not had any significant impact on the Group's financial reporting for 2020.

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 with one decimal.

Consolidation

Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group has control of a subsidiary 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 when 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 the income statement 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 the income statement 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 statement of financial position date. Current assets and current liabilities essentially consist of amounts expected to be recovered or settled within twelve months from the statement of financial position 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 4.

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 statement of financial position date. Exchange rate differences arising on translation are recognised in the income statement 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 statement of financial position 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 loss of control due to disposal of a foreign operation, the cumulative translation differences relating to the activities are realised, whereby they are reclassified from comprehensive income to the income statement for the year.

Revenue recognition

Revenue is recognized in line with IFRS 15 Revenue from Contracts with Customers. A revenue is recognised when the control of the product passes to the customer or the service is provided in accordance with the agreement, its amount can be measured in a reliable manner and the future economic benefit is likely to accrue to the Group. Recognised revenue is equivalent with the expected economic compensation where adjustment has been made for the performance obligations Boozt is obliged to comply with in accordance to contractual commitments, as discount and return obligations.

Sale of goods

Boozt identifies its performance obligations within sale of goods when the goods has been delivered from the Boozt Fulfillment Centre. 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 amounts are accounted for as a refund liability for returns and complaints. The refund liability is classified as accrued expenses and the goods expected to be returned is classified as inventories.

The expected return is based on historical sales statistics and an assessment of future complaints and returns, and occurs in the same period as the sale.

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.

Gift Cards

Upon the sale of gift cards the entire amount is recognised as a liability and is recognised as revenue when the gift card is used, or when its validity expires. For gift cards with a non-expiry date, the group recognises revenue when it's likely to not be utilized.

Sale of marketing services

For sale of marketing services, a revenue is recognised from the brand partners that the Group sell marketing services to. The net revenue is recognised when the services are performed where the company has fulfilled its obligation to the brand partner. The services are normally invoiced in advance why the company recognizes an accrued income in the statement of financial position.

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 provide the services.

Pensions

The Group'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 external party. 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/loss for the year 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, including senior executives are invited to participate in long-term incentive programs in Boozt AB. The Group has three ongoing equity settled programs classified as share-based payment under IFRS 2.

LTI Program 2015/2025 gives the participants right to convert an vested option to twelve ordinary shares at a pre-determined price if the option holder is still in service at the end of each vesting period in the program. LTI Program 2019/2022 and LTI Program 2020/2023 are based on performance shares, where the participants will receive shares in the company at a subscription price of SEK 0.00 when the vesting period ends if certain performance measures are met at the end of the performance period. Costs for share-based payment are recognised as the value of services received, allocated over the vesting periods for the plans, calculated as the fair value of the allotted equity instruments. The fair value is determined on the grant-date, the date the LTI Program was approved by the general meeting. Non-market criteria's included in the performance criteria's are valued at the actual share price at the grant date and the value of market criteria's are determined by applying valuation technique, such as Black & Scholes or a Monte Carlo simulation. No recalculation of the fair value is made.

Since the programs are equity settled, the corresponding amount to the recognised cost are recognised in equity within other capital contributions. The recognised cost is based on the number of shares that are expected to be issued when the vesting period ends. The cost for the expected shares is accrued over the vesting period. The

recognized costs are adjusted on each reporting period if the expected number of shares that are expected to be vested are changed during the vesting period due to changed assumptions of expected employee retention and expected achievement of the performance criteria's. Non-market condition's, such as service condition or certain performance targets are adjusted according to the actual outcome of the program when the vesting period ends. Market conditions are recognised as costs regardless of whether the specific market condition is met.

Social security contributions on the employee benefit value are expensed and accrued over the vesting period. The social security provision is based on the estimated number of shares that have been vested at each reporting date and is recalculated to the actual market price of the Company's share. Costs for changed share price are recognised in the current period.

For further information of the Group's share-based payments, see note 9.

Leases

The Group assesses whether a contract is, or contains, a lease at the beginning of the contract. The Group recognizes a right of use asset and a corresponding lease liability for all leases in which the Group is lessee, except for shortterm leases (leases with a leasing period of a maximum of 12 months) and for leases where the underlying asset is of low value (approximately SEK 50,000).

For lease contracts that meet the criteria for the relief rules, the Group recognizes leasing fees as a straightline operating cost over the lease period, unless another systematic method of accruing the lease fee gives a more accurate picture of how the economic benefits from the underlying asset are consumed by the lessee.

The lease liability is initially valued at the present value of future lease payments that have not been paid at the commencement date of the lease, discounted with the implicit interest rate, or if this cannot be easily determined, the group's marginal loan interest rate. The loan interest rate is the interest rate that a lessee would have to pay

for financing through loans during a corresponding period, and with similar collateral, for the right of use of an asset in a similar economic environment.

Lease payments included in the valuation of lease liabilities include the following;

- Fixed fees (including in-substance fixed fees), after deduction of any benefits in connection with the signing of the lease to be obtained;
- Variable fees that depend on an index or price initially valued using the index or price at the commencement date;
- Amounts expected to be paid by the lessee under residual value guarantees;
- The exercise price for an option to buy if the lessee is reasonably sure to take advantage of such an opportunity; and
- Penalty fees that are payable upon termination of the lease agreement, if the lease period reflects that the lessee will use an opportunity to terminate the lease.

Lease liabilities are presented on a separate line in the statement of financial position. Lease liabilities are recognised in the subsequent period by increasing the debt to reflect the effect of interest and reducing it to reflect the effect of lease payments made. Lease liabilities are revalued with a corresponding adjustment of the right of use according to the rules found in the standard.

The rights of use asset are initially recognized at the value of the lease liability, with the addition of lease payments made on or before the commencement date of the lease and initial direct expenses. The right of use asset is recognised in the subsequent period at cost less depreciation and write-downs. If the Group incurs obligations for dismantling of a leased asset, restoration of land or restoration and renovation of access to condition agreed in a contract, a provision for such obligations is reported in accordance with IAS 37. Right of use assets are depreciated over the estimated useful life or, if shorter, over the agreed lease term. If a lease transfers ownership at the end of the lease period or if the acquisition value includes a probable exercise of a call option, the right of use is depreciated over the useful life.

Depreciation begins on the commencement date of the lease. Right of use assets are presented on a separate line in the report on financial position with specification in note 8. The Group applies the principles in IAS 36 for impairment of rights to use assets and reports this in the same way as described in the principles for impairment of non-financial assets.

Variable lease payments that do not depend on an index or price are not included in the valuation of lease liabilities and right of use assets. Such lease payments are recognised as an expense in operating profit in the period in which they arise.

For further information about the Group's leases, see note 8.

Financial income and costs

Finance income comprises of interest income on funds invested and financial instruments that are measured through profit or loss.

Financial expenses comprise interest expenses on borrowings and losses on financial instruments measured at fair value through profit or loss. From 2019, interest expenses for leases are recognised as a financial expense due to the implementation of IFRS 16 Leases.

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 statement of financial position date. Current tax also includes adjustments of current tax attributable to previous periods. Deferred tax is recognised in full, using the statement of financial position method, on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts. Temporary differences attributable to participations in subsidiaries and associated companies that are not expected to be reversed in the foreseeable future are not considered.

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 statement of financial position 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 in the statement of financial position if the process is technically and commercially feasible and the Group has sufficient resources to complete the process. Capitalised expenses relates to software and software platform. Resources to capitalised proprietary software such as Fastlane, Propilot, Partner Portal, CSEye and BooztFinance is allocated via an allocation formula based on the number of code lines produced by the Group's developers.

Amortization principles

Amortization is recognised in profit/loss of the year 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.

Goodwill

Goodwill is measured at cost less any accumulated impairment losses. Goodwill is allocated to cash-generating units and tested at least once a year for potential impairment as no goodwill amortization is made. Goodwill represents the difference between the acquisition value and the fair value of acquired assets, assumed liabilities and possible liabilities. Goodwill in foreign currency is recalculated on each reporting date.

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 statement of financial position on disposal or sale or when no future economic benefits are expected from the use or disposal/ sale of the asset.

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 acquisition 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
- Aluminium grids and boxes in automated storage system, AutoStore: 10 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 though.

Financial instruments

A financial asset or financial liability is recognised in the statement of financial position when the Group becomes a party to the instrument's contractual terms. Financial instruments include cash and cash equivalent, deposit, accounts receivable, interest bearing receivable, accounts payable, derivative and borrowing. Account receivables are recognised when invoices are sent to the customer. Since a receivable relating to consumer transactions are transferred to a credit institution at the time of the customers' transaction, no account receivable is recognized. Instead the receivable is classified as other receivable until the credit institution makes the payment. When a consumer use invoice as payment method, instead of direct debit, the Group sell the receivable to a financial institute. The transactional cost for the selling of the accounts receivable is recognised as an external operating cost. Liabilities are recognised when the counterparty has performed, and there is a contractual obligation to pay, even if an invoice not yet has been received. Account payables are recognised when invoices are received.

A financial asset is derecognised in the statement of financial position 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 statement of financial position 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 statement of financial position 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.

The Group has not offset any asset and liabilities in the statement of financial position as of December 31, 2020. 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 via income statement, which are recognised at fair value excluding transaction costs. A financial instrument is classified on initial recognition among others based on the Group's business model and purpose for which it was acquired and its contractual cash flow. The classification determines how the financial instrument is valued after the initial recognition.

Financial instruments are classified based on the following categories:

- Financial assets or liabilities valued at amortised cost
- Financial assets or liabilities measured at fair value via income statement.
- Financial assets or liabilities measured at fair value through other comprehensive income

Financial instruments valued at amortised cost

The Group valued financial instruments at amortised cost in the following categories;

- Financial assets
- Financial liabilities
- Cash and cash equivalents

Financial assets

Financial assets 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. Amortised cost refers to the amount at which liability measured is initially recognised net of amortisation and impairment losses as well as additions for the accrual of the initial amount and the maturity amount at amortised cost. Other financial liabilities are subsequently measured at amortised cost using the effective interest method.

Cash and cash equivalents

Cash and cash equivalents consist of cash deposited through banks and similar financial institutions. It may occur that parts are restricted. For more information see note 20.

Financial assets or liabilities measured at fair value via income statement

Financial assets and liabilities measured at fair value may consist of derivatives and liabilities for purchase consideration. Financial instruments valued at fair value via the income statement are classified according to the fair value hierarchy as follows:

- Listed prices (unadjusted) in active markets for identical assets or liabilities (level 1),
- Other observable input data for the asset or liability than listed prices included in level 1, either directly (i.e. as price quotations) or indirectly (i.e. derived from price quotations) (level 2),
- Input for the asset or liability that is not based on observable market data (i.e. non-observable input data) (level 3).

More information of fair value can be found in note 28.

The group has no financial instrument measured at fair value through other comprehensive income.

Provision for credit losses

A provision for expected credit loss is recognised for all financial assets other than financial assets measured at fair value via income statement. The Group has applied the simplified approach for calculation of expected credit loss on the Group's trade receivables. At each reporting date, in addition to a provision for individual estimates, a provision corresponding to expected credit losses for the remaining

maturity period of the asset is recognised which reduces the value of the asset. The expected credit loss is based on estimates built upon the Group's knowledge and historical information about similar assets or counterparties together with present circumstances, potential future events, forecast for future financial conditions and the time value of money. The assessments are done on both a collective and individual basis. The underlying criteria and assumptions are evaluated on a continuous basis to reflect the current situation. Boozt defines credit deteriorated as the fact that it is considered unlikely that the counterparty will meet its obligations due to indicators such as financial difficulties and non-payment. Regardless, default is considered to exist when the payment is 180 days late. Financial assets are together with coherent credit loss provisions derecognised from the statement of financial position when there aren't any expectations of future recovery, remaining collateral or all right to collections has been settled.

Impairment of trade receivables and other receivables is reported as operating expenses. Impairment of cash and cash equivalents and other long-term securities holdings is reported as a financial expense.

For cash and cash equivalents with a maturity of less than 12 months, the general model is assumed with the assumption of low credit risk. Also receivables from joint ventures / associated companies, other receivables, receivables from group companies and accrued income is covered by the general model.

Placement of liquid assets may only be made in banks or credit institutions with a high credit rating in accordance with the Group's Treasury policy. Historically, there have never been any customer losses regarding cash and cash equivalents, and it is also not considered likely that this will occur in the future. For more information of the Group's financial instruments, see note 19-24 and note 28.

Inventories

Inventories are valued at the lower of acquisition cost and net realisable value. Acquisition 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 among others the risk that returned goods are unsaleable and risk of redundancy.

The Group made seasonal write-downs twice a year when prior year season goods are written-down during a six month's period, meaning the items are fully written-down after eighteen months. Written-down items are primarily sold at the Group's offprice web shop Booztlet.com or at Booztlet's physical outlet before they eventually are discarded.

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.

Earnings per share

The calculation of earnings per share is based on consolidated net profit attributable to the Parent Company shareholders and on the weighted average number of shares outstanding during the year. When calculation earnings per share after dilution, the average number of shares outstanding is adjusted with potential dilutive effects of potential ordinary shares. Outstanding options and performance shares from the Group's equity settled long-term incentive programs are dilutive to the extent they are likely to be vested. Options held in own custody from LTI Program 2015/2025 have not been included in earnings per share after dilution.

Warrants under LTI Program 2018/2021 are not classified as an equity settled instrument under IFRS 2, but gives the warrant holders an unconditional right to buy ordinary shares at a predetermined price. The outstanding warrants are dilutive when the market share price exceeds the exercise price.

For more information, see note 9 and note 13.

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.

Leasing

When reporting leases under IFRS 16 estimates and judgements are made in the terms of the possibility and coherent probability to exercising extending options, termination of contracts, estimated useful life of a lease that is extended on an ongoing basis if neither party actively terminates the lease and actual expected useful life of the lease asset. Boozt has estimated the useful life of a lease in line with the underlying contract. The largest lease contract, which constitutes approximately 70% of the value of the group's leases is the premises for the fulfillment centre in Ängelholm which runs for 13 years.

Reservation of returns

The estimate on expected returns is based on historical statistical information on the return percentage on sales. The Group's standard term is a 30-days return period. Estimations are monitored and deviations are investigated monthly. As of the closing date, the provision for expected returns amounts to SEK 176.7 million classified as accrued expenses and prepaid income and a receivable of SEK 114.6 million classified as inventory.

Deferred tax

For the Group, 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 tax losses carried forward are attributable to Sweden, where losses carried forward are not time limited. It is the Group's assessment that the coming year will generate taxable income to the extent that the losses carried forward can be utilised. At the reporting date, the Group's deferred tax asset amounted to SEK 9.4 million (46.9).

Inventory obsolescence

Inventories are recognised at the lower of acquisition 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.

More information can be found in note 18.

Share based payments

For LTI Program 2019/2022 and LTI Program 2020/2023, a probability assessment of reaching the pre-defined targets and fulfil the terms and condition for achieving a grant of performance share is performed at each reporting date. The assessments are thereby a factor in the calculation of the liability (social charges) for share based payments to employees for the period.

At the reporting date, with current estimates on achievement of the performance targets and employee retention rate, the Group considers 136,377 performance shares from LTI Program 2019/2022 to have been vested and 138,660 performance shares from the LTI Program 2020/2023.

LTI program 2015/2025 has been fully vested during the year and the Group has recognised all IFRS 2 costs attributable to the options vested. A social provision remains for outstanding options held by employees that have not yet been exercised.

More information regarding the Group's long-term incentive program can be found in note 9.

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 December 31, 2020 no liabilities related to legal proceedings are accounted for.

NOTE 2 - ACCOUNTING STANDARDS THAT THE GROUP WILL ADOPT AS FROM JANUARY 1, 2021

Phase 2 of the amendments to IFRS 9, IFRS 7 and others applies to the reference interest rate reform from January 1, 2021. In short, the amendments mean that it enables companies to reflect the effects of the transition from reference interest rates to other reference interest rates without giving rise to accounting effects that would not provide useful information to users of financial reports. The Group is affected by the reference interest rate reform mainly due to exposure to IBOR in its external borrowing as hedge accounting is not applied. Exposure to IBOR is limited and the company monitors the changes and their impact.

Other new and revised standards and interpretations that come into force for financial years beginning after January 1, 2021 are not considered to have a significant impact on the Group's financial reporting.

NOTE 3 - NET REVENUE PER REGION AND BREAKDOWN OF REVENUE

SEK million	2020	2019
Nordics	4,048.9	3,158.7
Rest of Europe	310.4	266.2
TOTAL	4,359.3	3,424.9

	2020	2019
Sale of goods	4,230.4	3,329.7
Commission sales	67.2	49.2
Other services	61.7	45.9
TOTAL	4,359.3	3,424.9

Of the company's sale of goods, approximately 99.4% (99.2) are through the online stores Boozt.com and Booztlet.com. The remaining sale of goods are through the company's physical outlet- and beauty stores. Commission sales consist of commission service fee when Boozt act as an agent for the business partner who's goods are sold on the online stores Boozt.com and Booztlet.com.

Other services is revenue not directly linked to the product such as marketing income from Boozt Media Partnership and breakage from gift cards.

NOTE 4 - SEGMENT REPORTING

SEK million	2020	2019
Boozt.com - Net revenue		
Nordics	3,498.8	2,903.8
Rest of Europe	275.2	246.9
TOTAL NET REVENUE	3,774.0	2,784.0
Booztlet.com - Net revenue		
Nordics	525.0	227.2
Rest of Europe	35.2	19.3
TOTAL NET REVENUE	560.2	246.5
Other - Net revenue		
Nordics	25.2	27.7
Rest of Europe	-	-
TOTAL NET REVENUE	25.2	27.7
NET REVENUE		
Boozt.com	3,773.9	2,659.1
Booztlet.com	560.2	105.9
Other	25.2	19.0
TOTAL NET REVENUE	4,359.3	2,784.0
EBIT		
Boozt.com	184.0	86.6
Booztlet.com	43.0	25.6
Other	-44.7	-20.5
TOTAL OPERATING PROFIT/LOSS	182.3	91.8
OPERATING PROFIT/LOSS BEFORE TAX		
Boozt.com	173.5	76.9
Booztlet.com	41.4	24.9
Other	-44.5	-20.5
TOTAL OPERATING PROFIT/LOSS BEFORE TAX	170.4	81.3

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.

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. Segment Booztlet.com includes operations on the Booztlet.com site, which is the Group's online outlet. The segment Other includes the Group's physical retail outlets; Booztlet and the beauty store Beauty by Boozt.

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 COSTS

SEK million	2020	2019
Other operating costs		
Currency exchange rate differences	-18.8	-2.0
TOTAL	-18.8	-2.0

NOTE 6 - EXTERNAL COSTS

SEK million	2020	2019
External costs are constituted by:		
Fulfilment and distribution costs	-505.4	-469.5
Marketing costs	-429.9	-342.6
Other external costs	-145.7	-123.6
TOTAL EXTERNAL COSTS	-1,081.1	-935.7

NOTE 7 - AUDIT FEES

SEK million	2020	2019
Deloitte		
Auditing assignments	-1.2	-1.1
Tax advice	-	-
Other services	-0.8	-0.1
TOTAL	-1.9	-1.2
Other		
Auditing assignments	-0.3	-0.3
Tax advice	-	-
Other services	-	-
TOTAL	-0.3	-0.3

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, tax and new share issue.



Boozt

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Boozt

NOTE 8 - LEASING AGREEMENTS

Amounts reported in the Statement of financial position

The Group recognizes a right of use asset and a corresponding lease liability for all leases in which the Group is lessee, except for shortterm leases (leases with a leasing period of a maximum of 12 months) and for leases where the underlying asset is of low value (approximately SEK 50,000).

The lease portfolio mainly comprises of:

- Warehouse premises recognised in the asset class of property,
- Headquarter and minor offices and stores recognised in the asset class of office- and store premises,
- Cars and trucks recognised in the asset class of vehicles.

Right of use assets	Property	Office- and store-premises	Vehicles	Total
Opening balance as of January 1, 2019	313.7	150.6	2.7	466.9
New and amended contracts	-	-	2.1	2.1
Depreciation for the year	-23.7	-22.5	-1.3	-47.5
Closing balance as of December 31, 2019	290.0	128.0	3.4	421.4
Opening balance as of January 1, 2020	290.0	128.0	3.4	421.4
New and amended contracts	150.2	-41.3	3.5	112.4
Depreciation for the year	- 24.6	-21.3	- 2.1	-48.0
Impairment losses for the year	-	-25.7	-	-25.7
Terminated contracts	-	-	- 0.3	-0.3
Translation difference for the year	-	1.0	-	1.0
Closing balance as of December 31, 2020	415.6	40.7	4.5	460.8

After evaluating the Beauty by Booxt physical retail operation, an exit clause in the lease contract of the Copenhagen store will be exercised at first opportunity in April 2021, terminating the lease in April 2022. The reassessment of the lease contract resulted in a change of the remaining lease period reducing the right-of-use asset and lease liability with SEK 44.4 million. Following the revaluation of the contract an impairment test of the contract was performed leading to a write-down of the remaining value of the asset of SEK 25.7 million. In December, the new fulfilment centre building in Ängelholm was handed over from Catena. The agreement length is set to twelve years and the impact on the financial position was SEK 132.1 million.

LEASE LIABILITY	2020	2019
Short-term liability	58.1	44.8
Long-term liability	432.9	382.5
TOTAL	491.0	427.3

Amount reported in the Statement of profit or loss and other comprehensive income

	2020	2019
Depreciation of right of use asset	-48.0	-47.5
Impairment of right of use asset	-25.7	0
Interest on lease liabilities	-5.0	-6.7
Variable lease payments not included in the the lease liability	-2.5	-1.4
Cost of lease contracts of lower value and short term lease contracts	-2.9	-2.5
TOTAL	-84.1	-58

Amount reported in the cash flow statement

	2020	2019
Total cash flow attributable to leases	-58.1	-52.1

Future lease payments

Existing lease contracts vary in length from 1 to 13 years. There are no material subleases, no material contingent rents, no renewal or purchase options nor any restrictions imposed by leasing agreements. Future payments, including interest for non-cancellable lease amount to SEK 541.1 million (463.8) and are broken down as follows:

	31-12-2020	31-12-2019
Within 3 months	16.9	12.6
Between 3-12 months	50.7	38.2
Between 2 and 5 years	216.2	183.7
Between 5 and 9 years	163.9	142.8
Longer than 9 years	93.4	86.5
TOTAL	541.1	463.8

Future lease payments longer than nine years relate to the Group's fulfillment centre in Ängelholm.

Lease agreements not yet started

There are no significant lease agreement not yet started as of December 31, 2020

NOTE 9 - EMPLOYEES AND PERSONNEL COSTS

Average number of employees	2020		2019	
	Average number of employees	Men	Average number of employees	Men
Sweden	335	111	292	101
Denmark	40	19	45	17
GROUP	375	130	337	118
GENDER BALANCE AMONG SENIOR EXECUTIVES				
Board members	6	5	6	5
CEO and other senior executives	8	6	7	6
GROUP	14	11	13	11

Salaries, other remuneration and social costs

SEK million	2020	2019
COSTS FOR EMPLOYEE REMUNERATION		
Salaries and remuneration	-171.6	-165.1
Social costs	-142.5	-50.8
Pension costs	-11.3	-9.4
TOTAL	-325.5	-225.3
SENIOR EXECUTIVES		
Hermann Haraldsson (Group CEO):		
Salaries and remuneration	-11.5	-7.0
- hereof bonuses	-3.7	-0.7
- hereof other benefits	-0.3	-0.4
- hereof share based payments	-2.2	-1.0
Social costs	-13.0	-2.2
Pension costs	-	-
TOTAL	-24.5	-9.2
Other senior executives:		
Salaries and remuneration	-30.2	-23.6
- hereof bonuses	-8.3	-2.5
- hereof other benefits	-1.2	-1.1
- hereof share based payments	-7.6	-5.2
Social costs	-32.9	-7.4
Pension costs	-	-
TOTAL	-63.1	-31.0

Senior executives include the Board of Directors, the Group CEO, and other senior executives. The other senior executives includes the Group CFO, Group CCO, Group CTO, Group CSCO, Group CPO, Head of Human Resources and Head of Investor Relations & Communication, whom together with the Group CEO constitutes the management team of the Group.

Salaries and remuneration includes costs for fixed and variable salaries and share-based payment recognised during the year. Other benefits correspond to the value of taxable benefits that senior executives have received during the year. Other benefits include, among other things, car benefit, brobizz and daily newspaper. Social costs includes social charges on the Group's longterm incentive programs determined by the Group's share price.

During the year the Group's has recognised SEK 14.8 million (7.2) in IFRS 2 costs for share-based payments and social charges of SEK 49.2 million (5.2) due to the appreciation of the Company's share price of SEK 186.8 (53.2) as of December 31, 2020.

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 as well as board meeting remuneration in accordance with the Annual General Meeting's decision. For more information on remuneration to senior executives and the Board of Directors, see the Corporate Governance Report, 79, 83 and page 87-88.

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 seven 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.

Criteria for variable remuneration are measured over a period of one year and may amount to a maximum of 50% of the fixed annual salary for senior executives. Additional variable compensation may be paid in the event of extraordinary events and such compensation may not exceed 50% of the fixed annual salary and may not be paid more than once a year and per individual.

As per closing day the Group CEO holds 16,080 options outstanding from the LTI Program 2015/2025 and 172,347 warrants from the LTI Program 2018/2021. The maximum number of performance shares that can be allotted to the CEO if certain performance criteria's are met is 51,366 from the LTI Program 2019/2022 and 120,000 from the LTI Program 2020/2023.

The other senior executives holds 38,193 options outstanding from the LTI Program 2015/2025 and 347,000 warrants from the LTI Program 2018/2021. The maximum

number of performance shares that can be allotted to the other senior executives if certain performance criteria's are met are 145,654 from the LTI Program 2019/2022 and 457,300 from the LTI Program 2020/2023.

Directors' fees

The 2020 Annual General meeting approved the directors' fees to the board members for a total amount of SEK 2.6 million, whereas SEK 0.7 million to the chairman and SEK 1.9 million to the other board members. In the total amount to the board members SEK 0.4 million is assigned to the audit committee and SEK 0.2 million to the remuneration committee.

Name	Directors' fee (SEK)
Henrik Theilbjørn	740,000
Kent Stevens Larsen	450,000
Jón Björnsson	375,000
Cecilia Lannebo	400,000
Bjørn Folmer Kroghsbo	300,000
Luca Martines	340,000
TOTAL	2,605,000

Long-term incentive programs in Boozt AB

BooztAB has four active Long-term incentive programs with individual terms and conditions (LTI Program 2015/2025, LTI Program 2018/2021, LTI Program 2019/2022 and LTI Program 2020/2023). The programs are directed to staff identified as key employees. The Group CEO is included among these.

LTI Program 2015/2025

The Group issued a stock option program for employees identified as key personnel in the Group at the extra general meeting in November, 2015. The Group CEO is included in this group. A total of 267,500 options have been issued within the program. Out of these options, 63,954 options 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 option gives a right to subscribe for 12 new ordinary shares in the Company at a subscription price corresponding to SEK 26.17 plus compounded interest of 8 percent

per annum from 30 June 2015 capitalized yearly as per 30 June until the last day in the calendar month immediately preceding the day when an exercise of an option is made, subject to recalculation in accordance with the terms.

The vesting of options was triggered in conjunction with the listing of the Company's shares on Nasdaq OMX Stockholm on May 31, 2017. The vesting was conditional of the participants employment. 33% of the options was vested 12 months following the IPO, in May 2018, 33 % was vested 24 months following the IPO, in May 2019, and 34 % was vested in May 2020. The right to exercise will be on quarterly basis until May, 2022, when the program ends and the remaining outstanding options will be voided. As of December 31, 2020, 134,755 options have been exercised and converted into 1,617,060 new ordinary shares.

The LTI program 2015/2025 is classified as an equity-based incentive program and the cost has been recognised as share-based payment under IFRS 2. The costs associated with the program have been distributed over the vesting period. The Group has a provision for social security contributions for remaining outstanding options held by participants where the Group is subject to social charges on the benefit value.

The outstanding number of options in the LTI Program 2015/2025 are 68,791, inclusive 55 unallocated and 12,577 unvested due to the participants having left the Group during the vesting period. In addition, the Group has 63,954 options in its own portfolio, to offset any cash flow impact of the exercise of warrants. However, the Group has not utilised any options in its own portfolio to offset the cash flow impact from social charges on options.

LTI Program 2018/2021

The annual general meeting in Boozt AB (publ.) decided to implement a long-term incentive program on April 27, 2018 through direct issue of warrants to a wholly owned subsidiary and approved the transfer of warrants from the subsidiary to the Group management and key persons. In accordance with the terms of the warrant program 2018/2021, the subsidiary has subscribed and transferred a total of 1,137,347 warrants to Group management and key employees.

Each warrant in the 2018/2021-program entitles the holder to subscribe for one share in the company at a subscription price of SEK 96.31, corresponding to 126 percent of the volume weighted average price according to Nasdaq Stockholm's official pricelist for shares in the company during the period from May 18, 2018 to May 24, 2018. Subscription of shares attributable to the warrants shall be able to take place from June 1, 2021 until June 14, 2021.

The transfer of warrants to the participants in Warrants program 2018/2021 has been made at a price per warrant of SEK 9.18, corresponding to the real market value of a warrant on May 31, 2018, as determined by Öhrlings Pricewaterhouse-Coopers AB according to the Black Scholes formula. The LTI Program 2018/2021 is not classified as a share-based payment under IFRS 2 and the Group recognises no cost for the warrants, nor is subject to social charges.

For more information about the LTI Program 2018/2021 can be found on the Group's website:

www.booztgroup.com/annual-general-meeting

LTI Program 2019/2022

The Extraordinary Annual General Meeting on June 24, 2019 in Boozt AB (publ) resolved a long-term incentive program by way of approval of transfer of performance shares (C shares) to group management and key employees. The LTI Program 2019/2022 entitles the company's CEO, Group Management and key employees to receive shares in the company at a subscription price of SEK 0.00 if certain performance measures are met at the end of the performance period on 31 December 2021. The performance targets includes Net Revenue Growth, Net Promoter Score, Earnings Per share and Share Price Development (only group management). The terms and conditions of the program also contains a net working capital constraint.

The vesting period started in June 2020, 12 months after the program was adopted. The shares will be distributed to the participants when the vesting period ends in June 2022 based on the achievement of the performance targets stipulated in the program and the number of participants still employed. The extra general meeting resolved that the maximum number of performance

shares that can be distributed to the participants are 406,994. On March 2, 2020, 374,586 C shares was issued and repurchased under LTI 2019/2020 pursuant to authorization by the extraordinary general meeting on June 24, 2019. Before the distribution to the participants, the C shares will be converted to ordinary shares.

The LTI program 2019/2022 is classified as an IFRS 2 program, whereas the costs associated with the program will be distributed over the period from July 2019 until the end of June 2022. The cost for non-market criteria's amount to SEK 61.7 per share, corresponding to the actual market share price on the grant date. The share price target applied for group management has been based on a Monte Carlo simulation to SEK 40.1 per performance share. With the weighting of 40% market conditions and 60% non-market conditions, the cost per performance share amounted to SEK 53.06 for the group management. In addition, the Group will account for provisions for social charges on the employee benefit value.

With current estimates on achievement of the performance targets and employee retention rate, 136,377 performance shares are considered to be vested as of December 31, 2020.

For more information about the LTI Program 2019/2022 can be found on the Group's website:
www.booztgroup.com/annual-general-meeting

LTI Program 2020/2023

The Extraordinary Annual General Meeting on July 1, 2020 in Boozt AB (publ) resolved a long-term incentive program by way of approval of transfer of performance shares (C shares) to group management and key employees. The LTI Program 2020/2023 entitles the company's CEO, Group Management and key employees to receive shares in the company at a subscription price of SEK 0.00 if certain performance measures are met at the end of the performance period on 31 December 2022. The performance targets includes Net Revenue Growth, Net Promoter Score and Adjusted EBIT. The terms and

conditions of the program also contains constraints regarding net working capital and adjusted EBIT margin. The vesting period will start in July 2021, 12 months after the program was adopted. The C shares will be distributed to the participants when the vesting period ends in July 2023 based on the achievement of the performance targets stipulated in the program and the number of participants still employed. The extra general meeting resolved that the maximum number of performance shares that can be distributed to the participants are 1,040,000. Before the distribution to the participants, the C shares will be converted to ordinary shares.

The LTI program 2020/2023 is classified as an IFRS 2 program, whereas the costs associated with the program will be distributed over the period from July, 2020 until July, 2023. The performance targets included in the program are all classified as non-market criteria. The cost for non-market criteria's amount to SEK 91.8 per share, corresponding to the actual market share price on the grant date. In addition, the Group will account for provisions for social charges during the expected lifetime of the LTI program.

With current estimates on achievement of the performance targets and employee retention rate, 138,660 performance shares are considered to be vested as of December 31, 2020.

For more information about the LTI Program 2020/2023 can be found on the Group's website:
www.booztgroup.com/annual-general-meeting

NOTE 10 - DEPRECIATIONS AND IMPAIRMENT LOSSES OF TANGIBLE AND INTANGIBLE ASSETS

SEK million	2020	2019
Web platform	-24.5	-14.8
Equipment	-63.5	-43.9
Right of use asset	-73.8	-47.5
TOTAL	-161.8	-106.2

NOTE 11 - NET INTEREST EXPENSE

SEK million	2020	2019
FINANCIAL EXPENSES		
Interests	-7.0	-3.7
Lease interests	-5.0	-6.7
TOTAL	-12.0	-10.5

NOTE 12 - TAXES

SEK million	2020	%	2019	%
CURRENT TAX				
Tax on profit for the year	-		-	
DEFERRED TAX				
Change in deferred tax related to tax losses carried forward	-37.5		-26.5	
	-37.5		-26.5	
RECONCILIATION OF REPORTED TAX				
Profit/loss before tax	170.4		81.3	
Tax in accordance with current tax rates for parent company	-36.5	21.4%	-17.4	21.4%
Non-deductible expenses and non-taxable income	1.1	-0.7%	-2.1	2.6%
Recalculation according to new Swedish tax rate of 20.6%	-0.4	0.2%	0.0	0.0%
Deductible expenses, not recognised in profit and loss	7.9	-4.6%	-	-
Not recognised tax asset related to tax losses carried forward	-4.3	2.5%	-5.2	6.4%
Utilisation of tax losses carryforward in Danish subsidiaries where no recognition of deferred tax previously has been made	0.2	-0.1%	0.7	0.9%
Temporary differences	-5.6	3.3%	-1.3	1.6%
Adjustment of deferred tax pertaining to previous years	-0.1	0.0%	-1.2	1.5%
TOTAL	-37.5	22.0%	-26.5	32.6%

The group has no tax items accounted in other comprehensive income or directly in equity.

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. Currently the Group has only recognised deferred tax on tax losses carryforward for Swedish subsidiaries.

The Group expects to utilise the deferred tax assets recognised within the coming year. There is no time limitation for the deferred tax asset relating to tax losses carried forward.

The Group's losses carried forward amounts to SEK 118.1 million (261.9) at year end, wherof deferred tax has been recognised on SEK 45.6 million (219.1).

Reported deferred tax assets

SEK million	31-12-2020	31-12-2019
DEFERRED TAX ASSETS		
Deferred tax related to tax losses carried forward	9.4	46.9
TOTAL	9.4	46.9

Specification of changes in deferred tax assets:

SEK million	2020	2019
Recognised deferred tax asset relating to tax losses carried forward, opening balance	46.9	73.4
Utilisation of deferred tax asset during the year	-37.5	-25.3
Adjustment of deferred tax pertaining to previous years	-	-1.2
TOTAL DEFERRED TAX ASSET	9.4	46.9

NOTE 13 - EARNINGS PER SHARE

SEK million	2020	2019
Profit for the year	132,757,568	54,787,528
Average number of shares issued at end of period	58,422,573	57,188,319
Earning per share before dilution	2.27	0.96
Profit for the year	132,757,568	54,787,528
Average number of shares issued at end of period after dilution	60,083,616	57,815,000
Earning per share after dilution	2.21	0.95

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 Group's LTI programs 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. Options within LTI Program 2015/2025 that are held in own custody, and where the holders have terminated their employment before the end of the vesting period, have not been included in earnings per share after dilution.

NOTE 14 - GOODWILL

SEK million	31-12-2020	31-12-2019
GOODWILL		
Accumulated acquisition values, opening balance	9.8	-
Acquisitions	0.0	10.1
Translation difference	-0.4	-0.3
ACQUISITION VALUES, CLOSING BALANCE	9.4	9.8
Accumulated amortisation according to plan, opening balance	-	-
Amortisation for the year	-	-
Translation difference	-	-
ACCUMULATED AMORTISATION ACCORDING TO PLAN, CLOSING BALANCE	-	-
NET CARRYING VALUE AT END OF YEAR	9.4	9.8

The Group's goodwill is related to the acquisition of Touchlogic ApS in October, 2019.

The acquisition was made in order to gain the technical competence of the entire staff and strengthen Boozt's competence within the interface that meets customer (frontend) in apps and on mobile websites. Then, Touchlogic has been transformed into Boozt Innovation lab, a separate unit that only works with internal development projects to meet customers and partners' increased expectations and to improve internal workflows. Hence, Boozt Innovation Lab has no external revenue and the technology and development created are used at the Group's websites Boozt.com and Booztlet.com, why Boozt Innovation Lab is an important part of the Group's future development and in order to achieve the financial targets stated in the director's report on pages 113-114. In 2020, full compensation was paid for the contingent purchase consideration for 2020, which was based on development and performance targets in technical development and competence, hence no indication of impairment of goodwill has been identified as of December 31, 2020.

For information on the acquisition, see note 17.

NOTE 15 - WEB PLATFORM

SEK million	31-12-2020	31-12-2019
WEB PLATFORM		
Accumulated acquisition values, opening balance	122.7	82.9
Acquisitions	58.3	39.8
ACQUISITION VALUES, CLOSING BALANCE	181.0	122.7
Accumulated amortisation according to plan, opening balance	-57.3	-42.5
Amortisation for the year	-24.5	-14.8
ACCUMULATED AMORTISATION ACCORDING TO PLAN, CLOSING BALANCE	-81.9	-57.3
NET CARRYING VALUE AT END OF YEAR	99.1	65.4

NOTE 16 - TANGIBLE FIXED ASSETS

SEK million	31-12-2020	31-12-2019
EQUIPMENT, TOOLS AND INSTALLATIONS		
Accumulated acquisition values, opening balance	380.5	252.9
Acquisitions	95.7	127.6
Translation difference for the year	0.1	-
ACQUISITION VALUES, CLOSING BALANCE	476.4	380.5
Accumulated amortisation, opening balance	-120.7	-76.7
Amortisations for the year	-63.5	-43.9
Translation difference for the year	0.1	-
ACCUMULATED AMORTISATIONS, CLOSING BALANCE	-184.0	-120.7
NET CARRYING VALUE AT END OF YEAR	292.4	259.8

NOTE 17 - ACQUISITIONS OF OPERATIONS

Acquisitions in 2020

No acquisitions have been made during 2020. The acquisition analysis that was prepared in 2019 regarding the Touchlogic ApS acquisition has been approved during the year. During 2020 the first earn-out of SEK 2.0 million has been paid as a part of the purchase price consideration and the amount corresponds to a 100 % achievement of the performance targets.

Acquisitions in 2019

In October 2019, all shares were acquired in Touchlogic ApS. Touchlogic is an app and mobile web development company based out of Copenhagen, Denmark with 11 developers. Touchlogic will strengthen current front-end capabilities regarding app and mobile web and enable an acceleration of the development as well as foster further innovation regarding app usability and functionality. The offices of Touchlogic now serve as the home of the new Boozt Innovation Lab, which will be separated from the daily operations. The focus is on developing innovative tools and applications to stay in the forefront of meeting the increasing expectations from customers and partners as well as improving the internal workflows.

The total purchase price consideration preliminary amounted to SEK 10.2 million, whereof SEK 4.1 million were paid in cash at the takeover and 6.1 million in earn-outs that will be paid over a three-year period. SEK 2.3 million of the earn-out is conditional, which may be triggered based on performance targets within the area of technical development and technical competence and its fair value is based on an assessment of the likelihood to achieve the performance targets. The probability of reaching the performance targets was estimated to 100 %, why the whole part of the conditional purchase price was recognised as a liability.

The identified goodwill of SEK 10.1 million (DKK 7.0 million) is not expected to be tax-deductible.

Effects of acquisitions 2019

SEK million	Fair value
THE ACQUIRED COMPANY'S NET ASSETS ON THE ACQUISITION DATE:	
Intangible assets	–
Tangible assets	0.1
Financial assets	0.2
Accounts receivables and other receivables	3.1
Cash and cash equivalents	0.2
Accounts payables and other current liabilities	-3.5
TOTAL IDENTIFIED NET ASSETS	0.1
Consolidated Goodwill	10.1
Purchase price	10.2

Transferred consideration

SEK million	2020	2019
Cash on transfer of control	-	4.1
Purchase consideration recognised as liability	-	3.8
Conditional purchase consideration recognised as liability	-	2.3
TOTAL	-	10.2

Effect on cash flow

SEK million	2020	2019
Purchase consideration paid	-	-4.1
Cash and cash equivalent in aquired operations	-	0.2
Paid earn-out	-2.0	-
TOTAL CASH FLOW EFFECT	-2.0	-3.9

NOTE 18 - INVENTORIES

SEK million	31-12-2020	31-12-2019
Inventories - goods for resale	1,126.2	954.9
Expected returns	114.6	85.4
Packing materials	6.6	3.5
TOTAL	1,247.4	1,043.8

Goods for resale amount to 2,589.9 (2,063.9) for the year. Write-downs of inventory items has been made for a total of SEK 110.0 million (39.9), which has been recognised as Goods for resale in the income statement. In March, 2020 at the outbreak of the corona pandemic the Group took some precautionary measures and did a extraordinary write-down of prior season goods of SEK 57.8 million. The write-down was a consequence of the then expected subdued demand for the remainder of the year. The write-down related primarily to the Spring/Summer 19 stock, but also selected parts of the pre-Autumn/Winter 19 stock. With the subdued demand expected, the purpose for the extraordinary write-down was to focus on the in-season stock on Boozt.com and give Booztlet.com the opportunity to sell the written down items at a possible higher margin. Normally, prior season items would have a second chance to sell in line with the Group's write-down principles of writing everything down after 18 months as described in Note 1. Written-down items are in primarily sold at the Group's offprice webbshop Booztlet.com before they eventually are recycled.

NOTE 19 - ACCOUNT RECEIVABLES

SEK million	31-12-2020	31-12-2019
Accounts receivables	29.8	59.6
Provision for bad debt	-0.4	-9.1
TOTAL	29.4	50.5

Boozt account for a bad debt provision when a credit loss is expected according to the Group's applied model for expected credit loss or where an individual assessment indicates a loss, where uncollectible receivables are fully written off. Account receivables consist of unpaid invoices from B2B marketing sales to the Group's brand partners within the "Boozt Media Partnership", which the Group regularly conduct inventory purchase from. The current provision for bad debt constitute of individual anticipated allowances, and a general provision for expected credit loss of SEK 0.0 million (0.4). As the Group holds account payables to its invoiced brand partners, the credit risk is deemed to be mitigated and to be insignificant.

Sales to consumer account for 98.6% (98.7) of the Group's total net revenue. At the time of a consumer transaction, the Group receive the payment immediately, or the transaction is transferred to the payment provider, whom the Group recognise an "other receivable" towards until the payment is collected. In general the payment is collected within 1-3 days. If the consumer choose to use invoice as payment option, the Group transfer the the receivable to a credit institution whom carry the credit risk. Transaction costs for the transfer are reported as external costs.

Customer losses recognised in the income statement amount to SEK 2.4 million (8.2).

There is no collateral or bank guarantees for the Group's accounts receivables. No accounts receivables are pledged.

For more information about the Group's account receivables, see note 28.

NOTE 20 - PREPAID EXPENSES AND ACCRUED INCOME

SEK million	31-12-2020	31-12-2019
Prepaid inventories	20.2	0.8
Prepaid marketing expenses	12.4	11.7
Prepaid rental charges	5.9	3.6
Prepaid fulfillment costs	2.0	7.2
Accrued inventory discounts	3.3	16.7
Prepaid leasing fees	0.1	0.0
Prepaid customs	19.2	53.9
Other prepaid expenses	6.2	36.8
TOTAL	69.1	130.8

NOTE 21 - CASH AND CASH EQUIVALENTS

SEK million	31-12-2020	31-12-2019
Cash and bank	1,714.5	339.4
TOTAL	1,714.5	339.4

Restricted cash amounts to SEK 13.3 million (13.9) and is attributable to the leasing agreement for the Boozt headquarter and to suppliers.

NOTE 22 - LIABILITIES TO CREDIT INSTITUTIONS

Liabilities

SEK million	31-12-2020	31-12-2019
NON-CURRENT		
Liabilities to credit institutions	114.1	109.3
TOTAL	114.1	109.3
CURRENT		
Liabilities to credit institutions	103.2	98.4
TOTAL	103.2	98.4
TOTAL BORROWING	217.3	207.7

Loans to credit institutions carry an average effective interest rate of 1.5% per annum (1.6% per annum). Total borrowing consist of a loan to Danske Bank for the automated storage and retrieval system AutoStore. Security for the bank loans consist of floating charges.

SEK million	31-12-2020	31-12-2019
Used credit facilities	-	-
Available credit facilities	260.0	140.0
TOTAL	260.0	140.0

The Group has a multicurrency revolving credit facility (RCF) with Danske Bank of a SEK 200,000,000 available for drawings in SEK, DKK, NOK and EUR, which can be used for general corporate and working capital purposes as well as potential acquisitions. The revolving credit facility agreement was entered into on February 17, 2020 and runs for three years and replaced the previous credit facility agreement. Interest rate base consists of the current reference interest rate depending on in which currency drawings has been made: STIBOR, CIBOR, NIBOR and EURIBOR. Marginal interest is based on covenant fulfillment and in 2020 was 1.5%.

The Company's drawdown of funding under the Revolving Credit Facility is subject to a number of conditions.

The Revolving Credit Facility Agreement contains customary representations and warranties made as of the signing date of the Revolving Credit Facility Agreement and, in relation to certain representation and warranties, as of certain subsequent dates. The Revolving Credit Facility Agreement contains customary undertakings from the Group, such as maintaining authorizations, complying with laws (including sanctions and anticorruption), not changing the business, restrictions on mergers, restrictions on disposals, negative pledge, restrictions for incurring financial indebtedness, restrictions on providing loans and guarantees and restrictions on acquisitions.

The Revolving Credit Facility Agreement also includes financial covenants requiring that Group's net debt to adjusted EBITDA ratio does not increase above 3.0:1 and that the interest coverage ratio must not be less than 4.0:1. The covenants are reported quarterly on a rollin 12-month basis and has not been breached at any time during 2020. The Revolving Credit Facility may terminate upon the occurrence of certain customary events, including in connection with a change of control of the Company or a delisting of the Company from Nasdaq Stockholm. The Group has, pursuant to the Revolving Credit Facility Agreement, provided security to Danske Bank in the form of corporate mortgages in a total amount of SEK 61 million, see note 28. In addition to the Revolving Credit Facility, the Company also has an overdraft facility with Danske Bank in an amount of SEK 60 million that is subject to renewal every year.

The revolving credit facility was utilized in March, 2020 at the outbreak of the corona pandemic but was fully repaid in October, 2020. The SEK 60 million overdraft facility has not been utilized during the year.

NOTE 23 - OTHER PROVISIONS

SEK million	31-12-2020	31-12-2019
Provision for social charges related to LTI program 2015/2025	31.1	6.8
Provision for social charges related to LTI program 2019/2022	7.7	1.7
Provision for social charges related to LTI program 2020/2023	7.6	-
Other provisions	3.5	4.1
TOTAL	50.0	12.6

For information of share-based payments and the Group's LTI programmes, see Note 1 and note 9.

Other provisions consists of a purchase consideration from acquisition of Touchlogic ApS in 2019, where SEK 6,1 million in purchase consideration will be paid over a three-years period. During 2020 SEK 2.0 million has been paid. SEK 2.0 million is recognised as current liability in the statement of financial position. For more information of the acquisition of Touchlogic ApS, see note 17. Other provisions also include a provision for the closing of the Beauty by Boozt store in Copenhagen of SEK 1.5 million.

NOTE 24 - ACCRUED EXPENSES AND PREPAID INCOME

SEK million	31-12-2020	31-12-2019
Accrued holiday pay	25.0	20.4
Accrued social charges relating to personnel	13.4	9.6
Accrued marketing costs	8.9	6.0
Accrued costs - inventories	0.9	24.8
Accrued costs for returns	176.7	142.9
Accrued salaries	25.5	7.5
Prepaid marketing fee	50.1	37.4
Other	52.6	47.2
TOTAL	353.1	295.8

Accrued costs for returns relate to the groups expected returns, for more information see important assessments in note 1.

NOTE 25 - EQUITY

Share capital

As of December 31, 2020 the registered share capital amounts to 5,338,930 SEK (4,780,904) with a nominal value of SEK 0.0833. The share capital consists of two share classes: ordinary shares (63,692,578 shares issued) with 1 voting right per share and C shares (374,586 shares issued) with 1/10 voting right per share. Holders of ordinary shares are entitled to a dividend, while holders of C shares are not entitled to dividend. All shares have the same right to the remaining net assets, however C shares are not entitled to an amount exceeding the quota value of the share. The C shares were issued and repurchased in accordance with the LTI Program 2019/2022 as of March 2, 2020 and will be distributed to the participants when the vesting period ends in June 2022 based on the achievement of the performance targets stipulated in the program. Before the distribution to the participants, the C shares will be converted to ordinary shares. All shares are fully paid and no ordinary shares are reserved for transfer. No ordinary shares are held by the company or its subsidiaries.

Specification of changes in share capital below:

Date	Event	No. Of shares pre new issue	Share issue	New number of shares	Share capital changes	Share capital after transacion
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 options 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
21-08-2018	Conversion of options into shares	56,338,433	744,000	57,082,433	62,000	4,756,869
30-08-2019	Conversion of options into shares	57,082,433	288,420	57,370,853	24,035	4,780,904
02-03-2020	Issue of C shares	57,370,853	374,586	57,745,439	31,216	4,812,120
27-08-2020	Conversion of options into shares	57,745,439	555,672	58,301,111	46,306	4,858,426
06-11-2020	Conversion of options into shares	58,301,111	28,968	58,330,079	2,414	4,860,840
20-11-2020	New share issue	58,330,079	5,737,085	64,067,164	478,090	5,338,930
31-12-2020	Closing balance			64,067,164		5,338,930

Conversion of options

During 2020 options from the LTI Program 2015/2025 has been exercised and converted into shares at two times. In August, 46,306 issued options was exercised and converted into 555,672 ordinary shares. The exercise price was set at SEK 3.23 per option, equal to 38.71 per share, and the proceeds from the sales of shares was SEK 21.5 million. In November, 2,414 issued options was exercised and converted into 28,968 ordinary shares. The exercise price was set at SEK 3.29 per option, equal to 39.46 per share, and the proceeds from the sales of shares was SEK 1.1 million.

New share issue

In October, the Group announced its intention to carry out a dual listing of the parent company's shares on Nasdaq Copenhagen and furthermore considering a public offering to danish retail investors and international institutional investors in connection with the listing. The offering was fully subscribed and was set at a price at DKK 105 per share and comprised of 5,737,085 new ordinary shares which corresponds to approximately 9 % of the total ordinary number of shares in the company after completion of the offering. The Group obtained SEK 825.6 million from the new share issue before deduction of issue cost. The cost from the new share issue amounted to SEK 30.7 million, which has been deducted from equity, and the cost for the listing on Nasdaq Copenhagen amounted to SEK 7.5 million, which has been recognised in the income statement as an other external cost.

Other capital contributions

Other capital contributions consist of equity contributed by the Group's owners and IFRS 2 costs from share-based compensations related to the Group's equity based incentive programs. Share-based compensations amount to SEK 14.8 million (7.2) for 2020.

Reserves

Reserves consist of a translation reserve, which includes the exchange rate 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). The translation difference for 2020 amount to SEK 0.4 million (-0.1). The translation differences for the year are accounted in the statement of comprehensive income and the accumulated translation differences are recognised in the income statement in the event of a disposal of the foreign operation.

Long-term incentive programs

The Group has four ongoing long-term incentive programs of which two programs, LTI program 2015/2025 and LTI program 2018/2021, are based on warrants and options, and two programs, LTI program 2019/2022 and LTI program 2020/2023, are based on performance shares. As per December 31, 2020, the total number of outstanding warrants and options under the LTI Program 2015/2025 and LTI Program 2018/2021, including options in own custody and unvested options, amounted to 1,270,092, corresponding to 2,730,287 new ordinary shares if fully exercised. If all programs would be fully utilized, a total of 3,993,949 new ordinary shares would be issued/converted entailing a dilution of approximately 6.3 per cent of the parent company's ordinary shares based on the total number of ordinary shares in the parent company.

For more information of the Groups LTI programs, see note 9. For information about earnings per share, see Note 13.

NOTE 26 - PLEDGED ASSETS AND CONTINGENT LIABILITIES

SEK million	31-12-2020	31-12-2019
Floating charges	61.0	61.0
Restricted cash	13.3	13.9
TOTAL	74.3	74.9

Floating charges are attributable the Group's Revolving Credit Facility from Danske Bank. Restricted cash is attributable to the leasing agreement for the Boozt headquarter and to the Group's suppliers.

A contingent liability exists where Danske Bank in case of a breach of contract from the Group is entitled to reclaim the Group's automated warehouse system AutoStore with a book value of SEK 272.2 million.

NOTE 27 - RELATED PARTY TRANSACTIONS

Management of Boozt AB

There have been transactions classified as related party transactions as members of group management purchased shares from the LTI 2015/2025 program totalling SEK 0.4 (3.0) million. Also during the year a new LTI Program 2020/2023 has been implemented. More information regarding remuneration to senior executives and the Group's long-term incentive programs can be found in note 9.

Suppliers classified as related parties

The group also had transactions with external related parties during the year within the ordinary course of business. All transactions are carried out on normal commercial terms. All transactions are priced at market terms and in accordance with the arm's length principle. The Group regularly purchase goods or commercial services from the following companies: Day Birger et Mikkelsen A/S, Rabens Saloner A/S, PWT Group A/S, Baum und Pferdgarten A/S, TV 2 Danmark A/S, Brøndbyernes I.F. Fodbold A/S and Position Green AB. These suppliers are classified as related parties since members of the Board of Directors or Group Management are, or have been board member or otherwise related party to the companies.

Below disclosures do not include transactions during the periods that occurred before or after the counterpart was classified or ceased to be classified as a related party. 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 2020 or 2019 had any direct or indirect business transactions with the Group over and above the remuneration stated in this note and note 9.

Related party transactions

SEK million	Jan 1 - Dec 31, 2020	Jan 1 - Dec 31, 2019
Management of Boozt AB (publ) (PDMR)		
Purchase of shares LTI Program 2015/2025	0.4	3.0
Total transactions with management of Boozt AB (publ) (PDMR)	0.4	3.0
Suppliers classified as related parties		
Purchase of goods and services	58.1	43.2
Total transactions with suppliers classified as related parties	58.1	43.2
TOTAL TRANSACTIONS WITH RELATED PARTIES	58.5	46.2

Related party liabilities

SEK million	Dec 31, 2020	Dec 31, 2019
Suppliers classified as related parties		
Accounts payable	6.2	9.0
TOTAL RELATED PARTY LIABILITIES	6.2	9.0

NOTE 28 - 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 mainly 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 during 2020 recognised a surplus of DKK, EUR and NOK and a deficit of SEK. During the year, the Group did not had any active secured hedge contracts. 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 a positive effect on profit for the year of SEK 17.0 million. A 3% stronger NOK against the SEK would have a positive effect on profit before tax for the year of SEK 12.4 million.

Currency exposure 2020 (2019) in %

	Operating income	Operating expenditure
SEK	33% (35%)	53% (45%)
DKK	38% (34%)	28% (31%)
EUR	15% (15%)	14% (18%)
NOK	13% (15%)	4% (4%)
GBP	1% (1%)	0% (0%)
USD	0% (0%)	1% (1%)
Other	0% (0%)	0% (0%)
	100% (100%)	100% (100%)
	Short term liabilities	Cash and cash equivalents
SEK	70% (51%)	63% (16%)
DKK	16% (29%)	18% (41%)
EUR	10% (11%)	9% (16%)
NOK	4% (7%)	7% (13%)
GBP	0% (1%)	1% (5%)
USD	0% (1%)	1% (7%)
Other	0% (0%)	1% (3%)
	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 to credit institutions. On fixed-rate loans, the Group is exposed to market risk. With regards to the Group's loan-to-value ratio, the present interest risk is limited. During 2020 the average effective interest rate to liabilities to credit institutions has been 1.6% per annum (1.5%). If interest rates had been 3 percentage points higher with all other variables held constant, profit before tax for the year would have been approximately SEK 7.7 million lower.

If the interest will increase with 3 % the group's future lease contracts will be discounted with an implicit rate of 4.6 %.

Credit risk

Group principles state that customers who wish to trade on credit do so through a third-party solution through a financial institute in which the Group takes no credit risk. Other receivables consists mainly of undeposited funds from customer transactions in connection with reporting date where the Group recognise a receivable towards

a financial institute until the Group receive the payment within a couple of days. To a small extent other legal entities are invoiced.

The counter parties to the Group's account receivables are the Group's brand partners which the Group continuously buy goods from and the Group has an accounts payable to. The account receivables are monitored continuously and the value of doubtful debts is not significant. See information in note 19. 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 these financial instruments. Approximately 96.5 % of the Group's financial assets has a financial institute or bank as counter part. Of the Group's financial assets, including cash and cash equivalent, approximately 92.6 % are towards the Group's main bank, Danske Bank. Placement of liquid assets may only be made in banks or credit institutions with a high credit rating in accordance with the Group's Treasury policy. Historically, there have never been any customer losses regarding cash and cash equivalents, and it is also not considered likely that this will occur in the future. The Group assesses that there is no significant credit risk for the Group's financial assets at the end of 2020.

Liquidity risk

The liquidity risk to which the Group is exposed is attributable to the operation's 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. The 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. This is managed by having access to overdraft facilities, which as per year-end 2020 amounts to SEK 60

million and a revolving credit facility of another SEK 200 million, which can be called without further credit approval. As per year-end 2020, available liquidity amounts to SEK 1,974.5 million. There is also a liquidity risk attributable to business growth and the need to improve, upgrade and invest in technology and infrastructure to manage increased sales volumes and complexity in operations. To manage this risk, the Board of Directors has set guidelines for the level of liquidity reserves to strive for in order to meet the arising needs.

Cash flow forecasts are prepared and followed up on a weekly basis (operational activities, credits and current liquidity). Rolling forecasts are also prepared to ensure constant availability of sufficient liquidity to meet business needs as well as to have reserves in unexploited credit flows. The Group monitors that credit limits are not violated. Further information on maturity analysis is provided on page 164.

Capital risk management

Regarding capital structure, the Group strives to secure the Group's ability to continue to operate in order to continue to generate profit for shareholders and value for other stakeholders as well as maintaining an optimal 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 total capital. Net debt is calculated as total borrowings (including current interest bearing liabilities and non-current interest bearing liabilities) less cash and cash equivalents. The Group has covenant obligations requiring that Group's net debt to adjusted EBITDA ratio does not increase above 3.0:1 and that the interest coverage ratio must not be less than 4.0:1. The covenants are reported quarterly on a rolling 12-month basis and has not been breached at any time during 2020. See note 22 for further information.

SEK million	Financial assets valued at amortised cost	Financial liabilities valued at amortised cost	Financial assets and liabilities measured at fair value via income statement	Total carrying amount	Fair value
Financial assets as per Dec 31, 2019					
Deposits	12.3	-	-	12.3	12.3
Accounts receivable	50.5	-	-	50.5	50.5
Other receivables	105.9	-	-	105.9	105.9
Cash and cash equivalents	339.4	-	-	339.4	339.4
TOTAL FINANCIAL ASSETS AS PER DEC 31, 2019	508.1	-	-	508.1	508.1
Financial liabilities as per Dec 31, 2019					
Liabilities to credit institutions	-	207.7	-	207.7	207.7
Lease liabilities	-	427.4	-	427.4	427.4
Accounts payables	-	500.7	-	500.7	500.7
Other liabilities	-	98.5	6.1	104.6	104.6
TOTAL FINANCIAL LIABILITIES AS PER DEC 31, 2019	-	1,234.2	6.1	1,240.4	1,240.4

SEK million	Financial assets valued at amortised cost	Financial liabilities valued at amortised cost	Financial assets and liabilities measured at fair value via income statement	Total carrying amount	Fair value
Financial assets as per Dec 31, 2020					
Deposits	7.0	-	-	7.0	7.0
Accounts receivables	29.4	-	-	29.4	29.4
Other receivables	91.3	-	-	91.3	91.3
Cash and cash equivalents	1,714.5	-	-	1,714.5	1,714.5
TOTAL FINANCIAL ASSETS DEC 31, 2020	1,842.2	-	-	1,842.2	1,842.2
Financial liabilities as per Dec 31, 2020					
Liabilities to credit institutions	-	217.3	-	217.3	217.3
Lease liabilities	-	491.0	-	491.0	491.0
Accounts payables	-	889.0	-	889.0	889.0
Other liabilities	-	121.3	4.1	125.4	125.4
TOTAL FINANCIAL LIABILITIES DEC 31, 2020	-	1,718.6	4.1	1,722.7	1,722.7

Financial instruments valued at fair value via income statement

In 2020, the Group has measured a liability for purchase consideration from the acquisition of Touchlogic ApS according to fair value level 3 at fair value via the income statement. Revaluation takes place at each reporting date. No derivatives were held in 2020.

Maturity structure of outstanding accounts receivables and other receivables	31-12-2020	31-12-2019
Accounts receivables		
Payment not due	11.1	55.4
Overdue 1-30 days	17.7	2.0
Overdue > 30 days	1.0	2.2
Doubtful accounts receivables	-0.4	-9.1
TOTAL	29.4	50.5

	31-12-2020	31-12-2019
Other receivables		
Paid within 0-30 days	91.3	105.9
Paid later than 30 days	-	-
Doubtful other receivables	-	-
TOTAL	91.3	105.9

Due to the short-term nature of accounts- and other receivables, the effect of discounting is not deemed to be material and considered good for all outstanding not doubtful receivables.

For the Group's principles regarding expected credit loss, see note 1.

The maturity structure for all of the Group's financial liabilities, including principal and interest, is shown in the table below. The table show contractual undiscounted amount.

	Total borrowing	Maturity within 3 months	Maturity within 3 - 12 months	Maturity within 1 to 5 years	Maturity within 5 to 9 years	Maturity after 9 years
Maturity structure of borrowing 2020						
Liabilities to credit institutions	222.6	40.9	54.6	126.1	1.0	-
Lease liabilities	541.1	16.9	50.7	216.2	163.9	93.4
Accounts payables	889.0	868.8	20.2	-	-	-
Other current liabilities	125.4	121.3	2.0	2.0	-	-
TOTAL	1,778.1	1,047.9	127.5	344.3	164.9	93.4
Maturity structure of borrowing 2019						
Liabilities to credit institutions	212.1	68.9	31.4	111.8	-	-
Lease liabilities	463.8	12.6	38.2	183.7	142.8	86.5
Accounts payables	500.7	489.3	11.4	-	-	-
Other current liabilities	104.6	98.5	2.0	4.1	-	-
TOTAL	1,281.1	669.3	83.0	299.6	142.8	86.5

NOTE 29 - SIGNIFICANT EVENTS AFTER YEAR END

Insourcing of fulfilment staff

Boozt welcomed 402 new employees on January 1, 2021 as the transfer of all fulfilment personnel at the Boozt Fulfilment Centre from Logent AB was completed.

Changes in Group Management

Anders Enevoldsen has been appointed new Managing Director for Booztlet as Booztlet has been established as a separate business unit within the group. Anders currently holds the role as Head of Business Development, Investor Relations and Corporate Communication and the group have appointed Ronni Funch Olsen as the new Head of Investor Relations and Corporate Communications. Until Ronni begins in the early spring, Anders Enevoldsen will continue to perform the role as Head of Investor Relations and Corporate Communication.

Changes in segment reporting

From 1 January 2021, Boozt is changing its segment reporting to agree with the internal reporting provided to Group Management. The other segment containing the Group's physical stores is being split between the two current main segments Boozt.com and Booztlet.com, where Beauty by Boozt will be a part of Boozt.com and the Booztlet outlet stores will be a part of Booztlet.com.

Issue and repurchase of series C shares for performance-based share program

Pursuant to the authorization granted by the Extraordinary General Meeting on July 1, 2020, the Board of directors decided on March 1, 2021 to issue and then repurchase 1,017,450 C-shares. The shares were issued and repurchased in accordance with the performance-based share program LTI 2020, which was adopted by the Extraordinary General Meeting on July 1, 2020. The subscription price amounted to the share's quota value of approximately SEK 0.083333 per share.

Change in Boozt's Nomination Committee

Anders Lund, representing BLS Capital Fondsmäglerselskab A/S has been appointed new member of Boozt's Nomination Committee as of March 05, 2021. BLS Capital Fondsmäglerselskab A/S has since the appointment of Nomination Committee was announced on November 16, 2020, became the largest shareholder in Boozt AB in terms of votes. Johannes Wingborg, representing Länsförsäkringar Fondförvaltning has left the Nomination Committee.

Expansion of automation capacity at fulfilment centre

The fifth expansion phase of AutoStore at the fulfilment centre was initiated during the second quarter and is expected to be operational during the third - fourth quarter 2021.

No other significant events has occurred after year end.

PARENT COMPANY INCOME STATEMENT

SEK million	Note	01-01-2020 31-12-2020	01-01-2019 31-12-2019
OPERATING INCOME			
Net revenue		62.9	36.6
		62.9	36.6
OPERATING COSTS			
General expenses	2,3	-11.7	-5.0
Personnel costs	4	-107.2	-43.2
Total operating costs		-118.9	-48.2
OPERATING PROFIT		-56.1	-11.6
FINANCIAL INCOME AND EXPENSES			
Financial costs		-	0.0
Net financial items		-	0.0
PROFIT/LOSS BEFORE TAX		-56.1	-11.6
Group contributions		128.0	-
RESULT BEFORE TAX		71.9	-11.6
Income tax	5	-9.2	2.5
PROFIT/LOSS FOR THE YEAR		62.8	-9.2

Rounding differences may effect the summations.

PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME

SEK million	01-01-2020 31-12-2020	01-01-2019 31-12-2019
PROFIT/LOSS FOR THE YEAR	62.8	-9.2
Other comprehensive income	-	-
COMPREHENSIVE PROFIT/LOSS FOR THE YEAR	62.8	-9.2

Rounding differences may effect the summations.

PARENT COMPANY FINANCIAL POSITION

SEK million	Note	31-12-2020	31-12-2019
ASSETS			
Non-current assets			
Participation in Group companies	6	747.3	747.3
Deferred tax asset	5	7.0	16.1
Total non-current assets		754.2	763.4
Current assets			
Other receivables		0.4	0.0
Receivables from Group companies		1,006.4	60.0
Current tax assets		0.0	0.1
Prepaid expenses and accrued income		0.4	0.2
Cash and cash equivalents	7	2.0	1.3
Total current assets		1,009.2	61.5
TOTAL ASSETS		1,763.4	824.9
EQUITY AND LIABILITIES			
Equity			
Restricted equity			
Share capital	8	5.3	4.8
		5.3	4.8
Unrestricted equity			
Share premium reserve		1,947.1	1,120.4
Retained earnings		-355.1	-345.9
Net income		62.8	-9.2
		1,654.8	765.2
TOTAL EQUITY		1,660.1	770.0
LIABILITIES			
Non-current liabilities			
Other provisions	9	40.0	4.7
Total non-current liabilities		40.0	4.7
Current liabilities			
Accounts payable		0.2	0.0
Liabilities to Group companies		37.8	37.8
Other liabilities		2.3	2.5
Accrued expenses and prepaid income	10	23.0	10.0
Total current liabilities		63.3	50.3
TOTAL LIABILITIES		103.3	54.9
TOTAL EQUITY AND LIABILITIES		1,763.4	824.9

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 01-01-2019	4.8	1,106.6	-345.9	765.4
Profit for the year	-	-	-9.2	-9.2
COMPREHENSIVE PROFIT/LOSS FOR THE YEAR	-	-	-9.2	-9.2
Share capital increase	0.0	10.3	-	10.3
Share based compensation	-	3.5	-	3.5
Total transactions with owners	0.0	13.8	-	13.8
Equity as per 31-12-2019	4.8	1,120.4	-355.1	770.0

Rounding differences may effect the summations.

SEK million	Share capital	Share premium reserve	Profit/loss brought forward	Total equity
Equity as per 01-01-2020	4.8	1,120.3	-355.1	770.0
Profit for the year	-	-	62.8	62.8
COMPREHENSIVE PROFIT/LOSS FOR THE YEAR	-	-	62.8	62.8
Share capital increase	0.6	847.7	-0.0	848.2
Transaction costs	-	-30.7	-	-30.7
Share based compensation	-	9.7	-	9.7
Total transactions with owners	0.6	826.7	-0.0	827.2
Equity as per 31-12-2020	5.3	1,947.1	-292.3	1,660.1

Rounding differences may effect the summations.

PARENT COMPANY CASH FLOW

SEK million	Note	01-01-2020 31-12-2020	01-01-2019 31-12-2019
OPERATING ACTIVITIES			
Operating profit		-56.1	-11.6
Adjustments for items not included in cash flow:			
Non-cash remuneration from share based payments		45.0	5.7
CASH FLOW BEFORE CHANGES IN WORKING CAPITAL		-11.0	-5.9
WORKING CAPITAL			
Changes in current assets		-946.9	-6.8
Changes in current liabilities		13.0	-0.1
Cash flow from working capital		-933.9	-6.9
CASH FLOW FROM OPERATING ACTIVITIES		-944.9	-12.8
INVESTMENTS			
Shareholder contributions		128.0	-
CASH FLOW FROM INVESTMENTS		128.0	-
FINANCING			
New share issue		848.2	-
Cost of share issue		-30.7	10.3
CASH FLOW FROM FINANCING		817.6	10.3
Cash flow for the year		0.7	-2.5
Cash and cash equivalents beginning of period		1.3	3.8
Cash and cash equivalents end of period	7	2.0	1.3

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 parent company's 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 IFRS 9 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.

Estimates and assumptions

Preparation of the financial reports in accordance with RFR 2 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.

Share based payments

For LTI Program 2019/2022 and LTI Program 2020/2023, a probability assessment of reaching the pre-defined targets and fulfil the terms and condition for achieving a grant of performance share is performed at each reporting date. The assessments are thereby a factor in the calculation of the liability (social charges) for share based payments to employees for the period.

More information can be found in note 9 for the Group.

NOTE 2 - AUDIT FEES

SEK million	2020	2019
DELOITTE AB		
Auditing assignments	-0.1	-0.1
Other services	-0.7	-
TOTAL	-0.8	-0.1

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, tax, new share issue etc.

NOTE 3 - EXTERNAL COSTS

SEK million	2020	2019
Other external costs	-11.7	-5.0
TOTAL	-11.7	-5.0

Other external costs mainly attribute to the listing costs of SEK 7.5 million due to the dualisting on Nasdaq Copenhagen.

NOTE 4 - EMPLOYEES AND PERSONNEL COSTS

Average number of employees

	2020		2019	
	Average number of employees	Men	Average number of employees	Men
Sweden	13	11	7	7
TOTAL	13	11	7	7
GENDER BALANCE AMONG SENIOR EXECUTIVES				
Board members	6	5	6	5
CEO and other senior executives	8	6	7	6
GROUP	14	11	13	11

Salaries, other remuneration and social costs

SEK million	2020	2019
COSTS FOR EMPLOYEE REMUNERATION		
Salaries and remuneration	-53.7	-34.5
Social costs	-53.2	-8.7
Pension costs	-0.3	-0.0
TOTAL	-107.2	-43.2
SENIOR EXECUTIVES		
Hermann Haraldsson (Group CEO):		
Salaries and remuneration	-11.5	-7.0
- hereof bonuses	-3.7	-0.7
- hereof other benefits	-0.3	-0.4
- hereof share based payments	-2.2	-1.0
Social costs	-13.0	-2.2
Pension costs	-	-
TOTAL	-24.5	-9.2
Other senior executives:		
Salaries and remuneration	-30.2	-23.6
- hereof bonuses	-8.3	-2.5
- hereof other benefits	-1.2	-1.1
- hereof share based payments	-7.6	-5.2
Social costs	-32.9	-7.4
Pension costs	-	-
TOTAL	-63.1	-31.0

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

Salaries and remuneration includes costs for fixed and variable salaries and share-based payment recognised during the year. Social costs includes social charges on the Group's long-term incentive programs determined by the Group's share price. During the year the company has recognised SEK 9.7 million (3.5) in IFRS 2 costs for share-based payments and social charges of SEK 35.3 million (2.2) due to the appreciation of the Company's share price of SEK 186.8 (53.2) as of December 31, 2020. Other benefits correspond to the value of taxable benefits that senior executives have received during the year. Other benefits include, among other things, car benefit, brobizz and daily newspaper.

More information about the remuneration to senior executives can be found in note 9 for the Group.

NOTE 5 - TAXES

SEK million	2020	%	2019	%
CURRENT TAX				
Tax on profit for the year	-0.0		-	
	-0.0		-	
DEFERRED TAX				
Change in deferred tax related to tax losses carried forward	-9.1		2.5	
	-9.2		2.5	
RECONCILIATION OF REPORTED TAX				
Profit/loss before tax	71.9		-11.6	
Tax in accordance with current tax rates for parent company	-15.4	21.4%	2.5	21.4%
Non-deductible expenses and non-taxable income	-0.1	0.1%	0.0	-0.2%
Deductible expenses, not recognised in profit and loss	6.6	-9.1%	-	-
Recalculation according to new Swedish tax rate, 20,6%	-0.3	0.4%	-	-
TOTAL	-9.2	12.7%	2.5	21.2%

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

SEK million	31-12-2020	31-12-2019
DEFERRED TAX ASSETS		
Deferred tax related to tax losses carried forward	7.0	16.1
TOTAL	7.0	16.1

Specification of changes in deferred tax assets:

SEK million	31-12-2020	31-12-2019
Recognised deferred tax asset relating to tax losses carried forward	16.1	13.7
Deferred tax asset incurred during the year	-9.1	2.5
TOTAL DEFERRED TAX ASSET	7.0	16.1

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 year. There is no time limitation for the deferred tax asset relating to tax losses carried forward.

NOTE 6 - SHARES IN GROUP COMPANIES

SEK million	31-12-2020	31-12-2019
BOOZT FASHION AB	747.3	747.3
TOTAL	747.3	747.3

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

Company name (SEK million)	Equity	Profit for the year	No. of shares	Accounted value 2020	Accounted value 2019
Boozt Fashion AB	949.0	61.6	288,095	747.3	747.3

List of Group companies		Share	Org. no.	Place
Boozt Fashion ApS	second-tier subsidiary	100%	32 55 14 16	Copenhagen, Denmark
Boozt Fulfilment & Logistics AB	second-tier subsidiary	100%	556723-8182	Malmö, Sweden
Boozt Retail AB	second-tier subsidiary	100%	556734-1200	Malmö, Sweden
Boozt Fashion Norge AB	second-tier subsidiary	100%	556746-1222	Malmö, Sweden
November 2009 Option Holding AB	second-tier subsidiary	100%	556826-4252	Malmö, Sweden
Boozt Retail Copenhagen 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
Boozt Innovation Lab Aps	second-tier subsidiary	100%	31 86 31 47	Copenhagen, Denmark

NOTE 7 - CASH AND CASH EQUIVALENTS

SEK million	31-12-2020	31-12-2019
Cash and cash equivalents	2.0	1.3
TOTAL	2.0	1.3

Since 2020 the Company is a part of a multi-currency cash pool, where the subsidiary Boozt Fashion AB is the cash pool owner. As of December 31, 2020, the company has an a balance in the cash pool of SEK -8.5 million, recognised as an intra-group liability.

NOTE 8 - SHARE CAPITAL

As of December 31, 2020 the registered share capital amounts to 5,338,930 SEK (4.780,904) with a nominal value of SEK 0.0833. The share capital consists of two share classes: ordinary shares (63,692,578) shares issued) with 1 voting right per share and C shares (374,586 shares issued) with 1/10 voting right per share. Holders of ordinary shares are entitled to a dividend, while holders of C shares are not entitled to dividend. All shares have the same right to the remaining net assets, however C shares are not entitled to an amount exceeding the quota value of the share. All shares are fully paid and no ordinary shares are reserved for transfer. No ordinary shares are held by the company or its subsidiaries.

NOTE 9 - OTHER PROVISIONS

SEK million	31-12-2020	31-12-2019
Provision for social charges related to LTI program 2015/2025	30.0	3.8
Provision for social charges related to LTI program 2019/2022	4.9	0.9
Provision for social charges related to LTI program 2020/2023	5.0	-
TOTAL	40.0	4.7

For information of share-based payments and the Group's LTI programmes, see note 1 and note 9 for the Group.

NOTE 10 - ACCRUED EXPENSES AND PREPAID INCOME

SEK million	31-12-2020	31-12-2019
Accrued holiday pay	4.5	4.2
Accrued social charges relating to personnel	6.1	2.8
Accrued salaries	12.4	2.9
TOTAL	23.0	10.0

NOTE 11 - SIGNIFICANT EVENTS AFTER YEAR END

Issue and repurchase of series C shares for performance-based share program

Pursuant to the authorization granted by the Extraordinary General Meeting on July 1, 2020, the Board of directors decided on March 1, 2021 to issue and then repurchase 1,017,450 C-shares. The shares were issued and repurchased in accordance with the performance-based share program LTI 2020, which was adopted by the Extraordinary General Meeting on July 1, 2020. The subscription price amounted to the share's quota value of approximately SEK 0.083333 per share.

Change in Boozt's Nomination Committee

Anders Lund, representing BLS Capital Fondsmäglerselskab A/S has been appointed new member of Boozt's Nomination Committee as of March 05, 2021. BLS Capital Fondsmäglerselskab A/S has since the appointment of Nomination Committee was announced on November 16, 2020, became the largest shareholder in Boozt AB in terms of votes. Johannes Wingborg, representing Länsförsäkringar Fondförvaltning has left the Nomination Committee.

No other significant events have occurred in the parent company after the reporting date. For more information of significant events after year end for the group, see note 29

NOTE 12 - PROPOSED APPROPRIATION OF PROFITS

SEK	31-12-2020	31-12-2019
Premium fund	1,947,053,012	1,120,350,085
Retained earnings	-355,165,155	-345,945,897
Profit/loss for the year	62,845,808	-9,188,043
TOTAL	1,654,733,665	765,216,145
THE BOARD OF DIRECTORS PROPOSES THAT PROFITS/LOSSES ARE DISTRIBUTED AS FOLLOWS		
Profit/loss brought forward	1,654,733,665	765,216,145

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 May 27, 2021 for adoption.

On April 16, the annual report was approved by the Board of Directors and the CEO for publication.

SIGNATURES

MALMÖ, APRIL 16, 2021

HENRIK THEILBJØRN
Chairman of the Board

HERMANN HARALDSSON
Chief Executive Officer

JÓN BJÖRNSSON

KENT STEVENS LARSEN

CECILIA LANNÉBO

BJØRN FOLMER KROGHSBO

LUCA MARTINES

Our audit report was submitted on April 16, 2021
Deloitte AB

Didrik Roos
Authorised Public Accountant

AUDITOR'S REPORT

To the general meeting of the shareholders of Boozt AB (publ) corporate identity number 556793-5183

This is a translation of the Swedish language original. In the events of any differences between this translation and the Swedish original, the latter shall prevail.

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of Boozt AB (publ) for the financial year 2020-01-01 - 2020-12-31. The annual accounts and consolidated accounts of the company are included on pages 104-177 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 2020 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 2020 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 opinion does not include the sustainability report on pages 36-75 and corporate governance report on pages 77-101. 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.

Revenue recognition with right of return

Description of risk	Our audit procedures
<p>The Group recognizes revenue when the control has been transferred to the buyer and its amount can be measured in a reliable manner and it is probable that future economic benefits will accrue to the Group. Net sales amount to SEK 4,359 million in 2020, spread over approximately 5.5 million customer orders, which means that Boozt handles large transaction volumes on a daily basis. Well-established routines for secure IT operations and well-functioning IT processes are thus of great importance for Boozt's operations since the extensive and intensive transaction volume means that completeness is critical for a significant error in the financial reporting not to arise. Revenue recognition also includes estimates and judgments since the reserve for expected returns, which as of December 31, 2020 amounts to SEK 177 million, is based on historical data and management's judgement.</p> <p>Consequently, revenue recognition of sales of goods with the right of return is deemed to be a key audit matter.</p> <p>For further information, see Note 1 on "Accounting principles" Revenue and Estimates and assumptions, note 3 "Net sales per region and distribution of income", and note 24 "accrued expenses and prepaid income".</p>	<p>Our audit procedures included, but were not limited to:</p> <ul style="list-style-type: none"> • Review of general security controls for involved systems for customer orders, inventories and accounting systems with involvement of IT auditor. • Data analysis on completeness and accuracy in sales and inventory transactions. • Review of the Group's processes and routines for revenue recognition with tests of design and implementation of key controls. • Assessed the management's assumption by comparing the accuracy of historical assessments in order to assess the precision and made the subsequent examination of actual outcomes of returns. • Review of completeness and correctness in relevant notes and disclosures provided in the financial statements.

Inventory valuation

Description of risk	Our audit procedures
<p>On December 31, 2020, Boozt's inventories representing approximately 31% of the Group's total assets and amounts to SEK 1,247 million. Inventories mainly consist of goods in the Group's central warehouse in Ängelholm. Inventories are valued at the lower of cost and net realisable value, where the acquisition value is calculated according to the "first-in-first-out principle" and the net realisable value is defined as the selling price reduced by selling costs.</p> <p>Incorrect assessment of purchases and large stocks that bind capital entail a risk of obsolescence and to determine the size of the obsolescence, the management must make assessments of future events and sales of individual products and product groups.</p> <p>The size of the post and the inherent complexity of assessment and estimation are critical and increases the risk of material misstatement in the financial reporting, which is why valuation of inventories is considered a key audit matter.</p> <p>For further information, see note 1 on "Accounting principles" on inventories and Estimates and assumptions, and note 18 "Inventories".</p>	<p>Our audit procedures included, but were not limited to:</p> <ul style="list-style-type: none"> • Review of the Group's processes and routines regarding the reporting of inventories with tests of design and implementation of key controls • Carried out data analysis to identify slow-moving and obsolete items and possibly additional obsolescence needs. • Participated at a physical inventory count. • Performed data analysis on sales transactions to ensure that valuation takes place according to the lowest value principle. • Review of completeness and correctness in relevant notes and disclosures provided in the financial statements.

Other information than the annual accounts and consolidated accounts

The other information contains of remuneration report and pages 2-35, 103 and 182-187 in this document that also contains other information than the annual accounts and consolidated accounts. 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.

A further description of our responsibilities for the audit of the annual accounts and consolidated accounts is located at the Swedish Inspectorate of Auditors website: www.revisorsinspektionen.se/revisornsansvar.

This description forms part of the auditor's report.

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 financial year 2020-01-01 - 2020-12-31 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit to 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.

A further description of our responsibilities for the audit of the annual accounts and consolidated accounts is located at the Swedish Inspectorate of Auditors website:

www.revisorsinspektionen.se/revisornsansvar.

This description forms part of the auditor's report.

Deloitte AB, was appointed auditor of Booxt AB by the general meeting of the shareholders on the May 27 2020 and has been the company's auditor since April 27 2018.

Malmö at April 16 2021

Deloitte AB

Signature on Swedish original

Didrik Roos

Authorized public accountant

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DEFINITIONS AND RATIONALE FOR THE USE OF CERTAIN ALTERNATIVE PERFORMANCE MEASURES (APM)

Explanation	APM/ IFRS	Definition	Rationale
Active customers	APM	Number of customers which made at least one order during the last 12 months.	The measure is to display, together with historical figures, how the number of active customers have developed in absolute figures.
Adjusted Admin & Other cost ratio	APM	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.	The aim of the figure is to demonstrate the development of administration & other costs without the effect of one time events, as well as costs linked to the share price development of Boozt AB (publ).
Adjusted EBIT	APM	Profit/loss before interest, tax, share based payments related to employees and items affecting comparability.	The aim of the figure is to display the operating profit excluding non-recurring items and share based compensation related to employees and items affecting comparability are excluded from this metric.
Adjusted EBIT margin	APM	Adjusted EBIT divided by net revenue.	The aim of the figure is to display the Group's effectiveness in profit creation excluding impact from share price dependent costs.
Adjusted fulfilment cost ratio	APM	Fulfilment and distribution cost less items affecting comparability divided by net revenue.	The aim is to group the costs which is related to pick, pack, return handling, indeliveries and all distribution costs associated with shipping parcels to and from customers as well as business to business distribution costs less any cost items, which might affect the trend being one time by nature, and then evaluate these costs against net revenue created.
Adjusted net debt/net cash	APM	Interest bearing liabilities excluding interest bearing lease liabilities (IFRS 16) less cash and cash equivalents.	The aim is to display the cash and cash equivalent available after having theoretical settled all interest bearing liabilities be it current or non-current (excluding interest bearing lease liabilities).
Admin & Other cost ratio	APM	Total operating costs less fulfilment costs, less marketing costs, less goods for resale, less depreciation plus other operating income divided by net revenue.	The aim of the figure is to demonstrate the development of admin & other costs and then evaluate these costs against net revenue created.
Average order value	APM	Transactional net revenue divided by no. of orders.	The aim of the figure is to show the average consumer monetary value per basket excluding VAT, which again is very important to determine and understand the unit economics of each basket of the Group's operation.
BFC	APM	Boozt Fulfilment Centre.	The location of the Group's warehouse.
Conversion rate	APM	Total number of orders divided by total number of site visits.	The aim is to understand how traffic sent to the Group's websites are converting into monetary orders.
Depreciation cost ratio	APM	Depreciation and amortizations divided by net revenue.	The aim of the figure is to track the development of depreciation / amortization costs and then evaluate these costs against net revenue created.
Earnings per share	IFRS	Profit/loss for the period divided by weighted average number of shares outstanding during the period.	The aim is to distribute the company's profit to each share.
Earnings per share after dilution	IFRS	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 per share, plus the weighted average number of shares that would be issued measuring basic earnings 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.	The aim is to distribute the company's profit to each share including the net non registered shares (i.e. warrants or similar).
EBIT (Operating profit)	IFRS	Profit/loss before interest and tax.	The aim of this figure is to display the profit/loss before interests and tax
Equity / asset ratio	APM	Total equity divided by total assets.	To what degree are the Group's assets funded by capital ultimately owned by the Group's shareholders.
Free Cash flow	APM	Cash flow from operating activities and Cash flow from investing activities.	The aim is to show the cash flow generated in the Group when excluding the cash flow impact from financing activities.
Fulfilment cost ratio	APM	Fulfilment and distribution cost divided by net revenue.	The aim is to group the costs which is related to pick, pack, return handling, indeliveries and all distribution costs associated with shipping parcels to and from customers as well as business to business distribution costs and then evaluate these costs against net revenue created.

ADDITIONAL INFORMATION

Explanation	APM/ IFRS	Definition	Rationale
Gross profit	APM	Net revenue decreased with cost of goods for resale.	The aim is to show the contribution left after cost of goods for resale, implying the amount of funds available for the remaining costs and profit.
Gross margin	APM	Gross profit (excluding other operating income) as a percentage of net revenue.	The aim is to analyse gross profit over time, expressed as percent of net revenue.
Growth in local currency	APM	Growth in net revenue when using exchange rates from the comparable period.	To illustrate the growth adjusted for the impact of exchange rate effects.
Items affecting comparability	APM	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.	The aim is to isolate events, that cannot be characterised as normal operational costs or non-recurring.
Lease liabilities	IFRS	The Group's lease liabilities taking into consideration the Group's borrowing interest rate and length of lease agreements, options etc.	The Group's lease liabilities considered as a loan with amortizations and interest.
Marketing cost ratio	APM	Marketing cost divided by net revenue.	The aim is to group the costs which is related to production, media airtime, online exposures, analytics concerning monitoring of sales, CRM activities and then evaluate these costs against net revenue created.
Net working capital	APM	Current assets, excluding cash and cash equivalents, less non-interest bearing current liabilities.	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.
Net debt / net cash	APM	Interest bearing liabilities less cash and cash equivalents.	The aim is to display the cash and cash equivalent available after having theoretical settled all interest bearing liabilities be it current or non-current.
Net revenue	IFRS	Transactional net revenue less fees paid to consignment partners plus other revenue.	This is the IFRS net revenue measurement taking into consideration that only the commission share of a transaction can be recognised as revenue, and even to include revenue which does not come from transactions with customers.
No. of orders	APM	Number of orders placed by customers during the period, irrespective of cancellations or returns	Number of orders is a parameter in measuring the average order value.
No. of orders per active customer (order frequency)	APM	Number of orders during the last 12 months divided by the total number of active customers end of period.	This number illustrates the frequency for an isolated cohort (active customers). It helps the reader in understanding to what extend the customers are coming back and the frequency at which they have shopped during the last 12 months, irrespective of whether they have been active from the start of the 12 months or are new customers who have been active in less than 12 months.
Right of use asset	IFRS	Present value of the Group's lease assets taking into consideration the Group's borrowing interest rate.	To clarify the Group's contingent assets which will have to be considered in combination with the Group's contingent lease liabilities.
Site visits	APM	Number of visits to a site or group of sites, irrespective of device used.	This number is relevant to understand the conversion rate.
Share based payments	APM	Costs of the Group which are settled via issuing of shares.	The aim is to isolate all costs associated with share based payments be it IFRS 2 costs and taxes associated with share based payments. Since these costs to a large extend will fluctuate with the share price development or employee turnover, it can assist the reader in evaluating the Group's performance excluding these share based payment costs.
Transactional net revenue	APM	Gross sales (incl. shipping and invoice income) less discounts and returns, excl. VAT.	"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."
True frequency	APM	Order frequency for customers that have been with Boozt.com during last 12 months, hence not impacted by orders from new customers.	This figure isolates the co-hort which purchased with the Group 12 months ago, and then looks at this co-hort's behaviour for the proceeding 12 months in terms of frequency (how many orders do they place on average). This will give the reader an understanding about the co-horts frequency behaviour once they mature.

RECONCILIATION OF TOTAL OPERATING INCOME

SEK million	01-01-2020 31-12-2020	01-01-2019 31-12-2019
GROUP		
Transactional net revenue	4,393.6	3,443.7
Less consignment sales	-96.0	-64.8
Other revenue	61.7	45.9
Net revenue	4,359.3	3,424.9
Other operating income	-	-
Total operating income	4,359.3	3,424.9
BOOZT.COM		
Transactional net revenue	3,807.9	3,165.6
Less consignment sales	-95.7	-60.8
Other revenue	61.7	45.9
Net revenue	3,773.9	3,150.7
Other operating income	-	-
Total operating income	3,773.9	3,150.7
BOOZTLET.COM		
Transactional net revenue	560.5	250.5
Less consignment sales	-0.3	-4.0
Other revenue	-	-
Net revenue	560.2	246.5
Other operating income	-	-
Total operating income	560.2	246.5
OTHER		
Transactional net revenue	25.2	27.7
Less consignment sales	-	-
Other revenue	-	-
Net revenue	25.2	27.7
Other operating income	-	-
Total operating income	25.2	27.7

RECONCILIATION OF ADJUSTED EBIT

SEK million	01-01-2020 31-12-2020	01-01-2019 31-12-2019
EBIT	182.3	91.8
Share based payments related to employees (social charges)	49.2	5.2
Share-based payments related to employees	14.8	7.2
IPO related costs	7.5	-
Non-recurring items affecting comparability*	36.6	4.9
Adjusted EBIT	290.3	109.0

SPECIFICATION OF ADJUSTMENTS AFFECTING COMPARABILITY

Admin & other costs	73.8	13.7
Depreciation and amortisation	34.2	3.5
Total adjustments	108.0	17.2

Rounding differences may affect the summations.

*Non-recurring items affecting comparability are related to the dual-listing on Nasdaq Copenhagen and the closing of the Beauty by Boozt store in Roskilde and Copenhagen.

RECONCILIATION WITH FINANCIAL STATEMENTS ACCORDING TO IFRS

SEK million unless otherwise indicated	01-01-2020 31-12-2020	01-01-2019 31-12-2019
Cash and cash equivalents	-1,714.5	-339.4
Interest bearing liabilities (current and non-current)	217.3	207.7
Interest bearing lease liabilities	491.0	427.4
Net debt / -net cash	-1,006.2	295.6
Total equity	1,908.1	942.6
Total assets	4,031.8	2,487.2
Equity / asset ratio	47.3%	37.9%
Cash flow from operating activities (A)	747.3	76.5
Cash flow from investing activities (B)	-150.8	-171.3
Free cash flow (A) + (B)	596.5	-94.9
No. of orders (000) (A)	4,696	3,917
Site visits (000) (B)	156,996	135,318
Boozt.com - Conversion rate (A) / (B)	2.99%	2.89%
Transactional net revenue - Boozt.com (A)	3,807.9	3,165.6
No. of orders (000) (B)	4,696	3,917
Average order value (SEK) (A) / (B)	811	808
No. of orders (000) (LTM) (A)	4,696	3,917
Active customers (000) (B)	2,043	1,606
No. of orders per active customer (A) / (B)	2.30	2.44
Inventory	1,247.4	1,043.8
Accounts receivables	29.4	50.5
Other receivables	91.3	105.9
Current tax assets	1.9	1.3
Prepaid expenses and accrued income	69.1	130.8
Accounts payables	-889.0	-500.7
Current tax liabilities	-	-
Other liabilities	-123.3	-100.5
Accrued expenses and prepaid income	-353.1	-295.8
Net working capital	73.8	435.3
Net working capital - percent of LTM net revenue rolling 12 months	1.7%	12.7%
Gross margin (%)	40.6%	39.7%
Fulfilment cost ratio (%)	-11.6%	-13.7%
Marketing cost ratio (%)	-9.9%	-10.0%
Admin & other cost ratio (%)	-11.2%	-10.3%
Depreciation cost ratio (%)	-3.7%	-3.1%
EBIT margin (%)	4.2%	2.7%

Rounding differences may affect the summations.

Some of the alternative performance measures included in the report are not included above but reconciliations of these can be found on the Group's website, www.booztgroup.com - "Investors" - "Reports & Presentations"

Financial calendar

May 7, 2021

Interim report January – March 2021, Q1 2021

May 27, 2021

Annual General Meeting

August 13, 2021

Interim report January – June 2021, Q2 2021

November 9, 2021

Interim report January – September 2021, Q3 2021

Financial reports

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

Boozt AB (publ) is a public limited company. In case of enquiries or questions to the Group, please contact:

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This report is such information as Boozt AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, at 16.00 CET on April 16 2021.

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.



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