

# Boozt

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

## **THE BOARD OF DIRECTORS' PROPOSAL REGARDING A LONG TERM INCENTIVE PROGRAM BY WAY OF (A) DIRECTED ISSUE OF WARRANTS; AND (B) APPROVAL OF TRANSFER OF WARRANTS**

The board of directors of Boozt AB (the “**Company**”) proposes that the annual general meeting on 27 April 2018 resolves on a long term incentive program for the Company’s CEO, Group Management and key employees based on issue and transfer of warrants (the “**Warrants Program 2018/2021**”). The incentive program is intended to be annual, wherefore the board of directors after having evaluated the program intends to present new proposals for corresponding or adjusted programs ahead of the forthcoming annual general meetings.

To implement the Warrants Program 2018/2021, the board of directors proposes that the annual general meeting resolves on (A) a directed issue of warrants; and (B) an approval of transfer of warrants, on the following terms and conditions.

### **A. Directed issue of warrants**

1. A maximum of 1,148,980 warrants shall be issued for the Warrants Program 2018/2021.
2. The right to subscribe for the warrants shall, with deviation from the shareholders’ preferential rights, vest in a wholly owned subsidiary to the Company (the “**Subsidiary**”). The reason for the deviation from the shareholders’ preferential rights is that the warrants are issued as part of the implementation of the Warrants Program 2018/2021.
3. The warrants shall be issued to the Subsidiary free of charge. The reason for the warrants being issued to the Subsidiary free of charge is that the warrants are issued as part of the implementation of the Warrants Program 2018/2021.
4. The Subsidiary’s subscription of the warrants shall be made at the latest on 30 June 2018, with a right for the board of directors to prolong the subscription period.
5. Over subscription cannot occur.
6. Each warrant shall entitle to subscription of one share in the Company.
7. The subscription price per share shall correspond to 126 per cent of the volume weighted average price according to Nasdaq Stockholm’s official price list for shares in the Company during the period as from 18 May 2018 to and including 24 May 2018. The subscription price shall be rounded to the nearest whole öre, whereupon 0.5 öre shall be rounded upwards.
8. Subscription of shares by virtue of the warrants may be effected as from 1 June 2021 up to and including 14 June 2021.
9. A share that has been issued upon subscription will entitle to dividends for the first time on the first record date for dividend occurring after subscription of shares through exercise of warrants has been executed.

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10. Applicable terms for re-calculation and other terms for the warrants are set forth in the enclosed terms and conditions for the warrants 2018/2021; **Appendix A**.
11. In case all warrants are utilized for subscription of new shares, the share capital will increase with SEK 95,748.333337.
12. The Chairman of the board of directors, or anyone appointed by him, shall be authorized to make minor formal adjustments of the resolution which may be required for registration with the Swedish Companies Registration Office (Sw. Bolagsverket) or Euroclear Sweden AB.

## **B. Approval of transfer of warrants**

The Warrants Program 2018/2021 shall principally be carried out in accordance with what is stated below.

1. The Subsidiary shall be entitled to transfer warrants against payment to participants in the Warrants Program 2018/2021 in accordance with the guidelines set out below.
2. Transfer of warrants to participants in the Warrants Program 2018/2021 shall be made at fair market value at the time of the transfer which shall be established by Öhrlings Pricewaterhouse Coopers AB, as an independent valuation institute, in accordance with the Black Scholes formula.
3. The board of directors of the Company resolves on allotment to participants in the Warrants Program 2018/2021 in accordance with the following guidelines:

<b>Position</b>	<b>Number of warrants</b>
CEO	a maximum of 172,347 warrants
Other Group Management (6 persons)	a maximum of 98,000 warrants per person
Key employees category A (10 persons)	a maximum of 75,000 warrants per person
Key employees category B (18 persons)	a maximum of 25,000 warrants per person

4. Allotment to the participants in the Warrants Program 2018/2021 shall occur no later than 30 June 2018.
5. A participant can subscribe for a lower number of warrants compared to what is offered to the participant. Over subscription cannot occur.
6. Right to allotment in the Warrants Program 2018/2021 requires that the participant at the time of allotment holds a position in the Company (or another company in the group) or has signed an agreement regarding it and has not, at such time, informed or been informed that the employment will be terminated.
7. For participants in other jurisdictions than Sweden, it is implied that transfer of warrants is legally possible and that transfer, in the board of director's opinion, can be carried out with reasonable administrative and financial efforts at their established market value. The board of directors shall have the right to adjust the terms of the Warrants Program 2018/2021 to the extent required in order for allotment of warrants to participants in other jurisdictions, to the extent practically possible, to be carried out under the same conditions imposed by the Warrants Program 2018/2021.

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## Reasons for the Warrants Program 2018/2021 and the deviation from the shareholders' preferential rights

The reasons for the implementation of the Warrants Program 2018/2021 and the deviation from the shareholders' preferential rights are to be able to create possibilities for the Company to retain senior executives and key employees through the offering of a long term ownership engagement. Such ownership engagement is expected to contribute to increased alignment of interests between the participating employees and the shareholders, and also promote a long-term commitment to the development of the Company.

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

Since the warrants in the Warrants Program 2018/2021 will be transferred to the participants at market value, the Company's assessment is that the Company will not incur any social costs in relation to Warrants Program 2018/2021. The Company's costs related to Warrants Program 2018/2021 will hence only be composed of limited costs for implementation and administration of the program.

In case all warrants issued within the Warrants Program 2018/2021 are utilized for subscription of new shares, a total of 1,148,980 new shares will be issued, which corresponds to a dilution of approximately 2.0 percent of the Company's share capital and votes after full dilution, calculated on the number of shares that will be added upon full utilization of the warrants issued within the Warrants Program 2018/2021. The key figure earnings per share before taxes for the full year 2017 had then been changed in such way that the result per share had been changed from SEK -0.241 to SEK -0.236.

There is currently one employee option program outstanding in the Company ("**Options Program 2015**"). In total, 2,442,540 employee options have been allotted under Options Program 2015 and additionally 767,460 warrants have been issued to a subsidiary to the Company to cover social security charges. The options in Options Program 2015 is subject to a vesting schedule whereby 33 per cent of the options will vest on the date falling 12 months following the first day of trading of the Company's shares on Nasdaq Stockholm (that occurred on 31 May 2017), 33 per cent of the options will vest on the date falling 24 months following the first day of trading of the Company's shares on Nasdaq Stockholm and the remaining 34 per cent of the options will vest on the date falling 36 months following the first day of trading on the Company's shares on Nasdaq Stockholm. Vested options can be utilized during 14 days following the publication of each of the Company's quarterly reports, or as regards the full year, the year-end report. The right to utilize options does however terminate automatically on the date that falls 60 months following the first day of trading of the Company's shares on Nasdaq Stockholm. Each option/warrant issued in relation to Options Program 2015 entitles to subscription of one share at an utilization price of SEK 26.17 plus compounded interest rate of 8 per cent per annum from 30 June 2015 capitalized annually as of 30 June each year until the last date in the calendar month immediately preceding the day when an utilization is made. In case all warrants issued in relation to Options Program 2015 are utilized for subscription of shares, a total of 3,210,000 new shares will be issued, which corresponds to a dilution of approximately 5.4 per cent of the Company's share capital and votes after full dilution, calculated on the number of shares that will be added upon full utilization of all warrants that can be utilized under the Option Program 2015.

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In case all outstanding warrants as well as the warrants proposed to be issued upon resolution by the annual general meeting are utilized, a total of 4,358,980 shares will be issued, which corresponds to a dilution of approximately 7.2 per cent of the Company's share capital and votes after full dilution, calculated on the number of shares that will be added upon full utilization of all outstanding warrants and proposed warrants.

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

## Preparation of the proposal

The proposal of the Warrants Program 2018/2021 has been prepared by the Remuneration Committee with advice from external experts. The final proposal has been resolved by the board of directors.

## Majority requirements

The board of directors' proposal to adopt the Warrants Program 2018/2021 in accordance with Section A and B above constitutes an overall proposal which shall be resolved upon as one resolution. The resolution is subject to the provisions in Chapter 16 of the Swedish Companies Act (Sw. aktiebolagslag (2005:551)), and a valid resolution hence requires that the proposal is supported by shareholders with at least nine-tenths of the votes cast as well as of all shares represented at the meeting.

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Malmö in March 2018

Boozt AB (publ)

The Board of Directors