

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.

Remuneration report 2020

Introduction

This remuneration report provides an outline of how Boozt AB's ("**Boozt**" or the "**Company**") guidelines for senior executives' remuneration (the "**remuneration guidelines**"), adopted by the annual general meeting 2020, have been implemented in 2020. The report also provides details on the remuneration of Boozt's CEO. In addition, the report contains a summary of Boozt's outstanding share and share-price related incentive programs. The report has been prepared in compliance with Chapter 8, Sections 53a and 53b of the Swedish Companies Act (2005:551) and the Swedish Corporate Governance Code / Remuneration Rules from December 1, 2020 issued by the Swedish Corporate Governance Board.

Information required by Chapter 5, Sections 40-44 of the Annual Accounts Act (1995:1554) is available in note 9 on page 142-146 in the Company's annual report for 2020 (the "**annual report 2020**").

Information on the work of the remuneration committee in 2020 is set out in the corporate governance report, which is available on page 84 in the annual report 2020.

Remuneration of the board of directors is not covered by this report. Such remuneration is resolved annually by the annual general meeting and disclosed in note 9 on page 144 in the annual report 2020.

Key Developments 2020

The CEO summarizes the Company's overall performance in his statement on page 10-13 in the annual report 2020.

Overview of the application of the remuneration guidelines in 2020

Under Boozt's remuneration guidelines, remuneration of executive management shall be based on market terms, be competitive and well balanced and contribute to good ethics and company culture. The remuneration may consist of the following components: fixed cash salary, variable cash remuneration, pension benefits and other benefits. The remuneration guidelines, adopted by the annual general meeting 2020, can be found in the governance report on page 87-88, and in note 9 on page 144 in the annual report 2020. The auditor's report regarding whether the Company has complied with the guidelines is available on the Company's website, www.booztgroup.com/annual-general-meeting.

In addition to remuneration covered by the remuneration guidelines, the general meetings of Boozt have resolved to implement long-term share-related incentive plans and on remuneration to the board of directors.

Table 1 – Total remuneration of the CEO (MSEK)

Table 1 below sets out total remuneration to Boozt's CEO during 2020.

Name (position)	Financial year	1 Fixed remuneration		2 Variable remuneration		3 Extraordinary items	4 Pension expense	5 Total remuneration	6 Proportion of fixed and variable remuneration
		Base salary	Other benefits	One-year variable	Multi-year variable				
Hermann Haraldsson (CEO)	2020	5.3 ¹	0.3 ²	2.6 ³	14.4 ⁴	1.1 ⁵	0	23.7	33% / 67%

Share based remuneration

Outstanding share and share-price related incentive programs

Boozt has four active long-term incentive programs classified as share-based remuneration, with individual terms and conditions (Warrant Program 2015/2025, Warrant Program 2018/2021, LTI Program 2019/2022 and LTI Program 2020/2023). The programs are directed to staff identified as key employees, including the CEO.

Warrant Program 2015/2025

Boozt implemented a stock option program for employees identified as key personnel in 2015. 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 pre-determined price. Vesting of the options was triggered in conjunction with the listing of the Company's shares on Nasdaq Stockholm on May 31, 2017 and the vesting was conditional upon the participants' continued employment during the vesting period. On May 31, 2018, the first 33% of the program was vested, the next 33% was vested on May 31, 2019 and the last 34% was vested on May 31, 2020. The options can be exercised in a 14-day window after publication of each quarterly report, beginning from August 2018 and ending in February 2022. The outstanding number of options in the Warrant Program 2015/2025 are 68,791, including 55 unallocated options and 12,577 unvested options since the participants had left the Boozt Group during the vesting period. In addition, Boozt holds 63,954 options in its own portfolio.

In the program, the CEO was allotted 24,000 options, which all have been vested. During August 2018 the CEO exercised 7,920 options for subscription of 95,040 shares in the Company. The CEO currently holds the remaining 16,080 options.

More information regarding the Warrant Program 2015/2025 can be found in the annual report 2020 on page 144-145.

¹ The base salary includes statutory vacation pay of 0.8% of the base salary.

² Other benefits include company car, petrol, toll charges, newspapers and phone.

³ One-year variable includes bonus for the relevant period which is paid in the following period. 2020 includes bonus for 2020 which is paid in 2021.

⁴ Refers to the Warrant Program 2015/2025, where 34% of warrants were vested in 2020. The value represents the taxable benefit value if the vested warrants had been exercised on December 31, 2020.

⁵ The board of directors granted the CEO a stay-on bonus of SEK 0.7 million in March 2020 due to COVID-19. The board of directors furthermore granted the CEO an extra month's salary in December 2020 due to a successful capital raise in connection with the Company's dual listing on Nasdaq Copenhagen in November 2020.

Warrant Program 2018/2021

The Warrant Program 2018/2021 was implemented in May 2018 where the participants have acquired warrants at a Black Scholes value of SEK 9.18 per warrant with an exercise window during June 1-14, 2021. Each warrant in the Warrant Program 2018/2021 entitles the holder to subscribe for one new share in the Company at a predetermined share price of SEK 96.31. A total of 1,137,347 warrants have been issued within the program, whereof 172,000 warrants were allotted to the CEO.

More information regarding the Warrant Program 2018/2021 can be found in the annual report 2020 on page 145 and on the Company's [website](#).

LTI Program 2019/2022

The LTI Program 2019/2022 was implemented in June 2019 where participants can receive a number of performance shares subject to certain performance targets. The performance targets include Share Price (only for Group Management), Net Promoter Score, Revenue Growth and Earnings per Share (EPS). The LTI Program 2019/2022 also contains constraints regarding the Net Working Capital (NWC) ratio. The maximum number of shares to be awarded in the LTI program 2019/2022 amount to 406,994 shares. The LTI program 2019/2022 has a 36-month cliff vesting period (subject to certain customary good leaver exemptions) which expires in June 2022. The maximum number of performance shares that can be awarded to the CEO, if the performance criteria as well as terms and conditions stipulated in the LTI program 2019/2022 are met, amount to 51,366 shares.

More information regarding the LTI Program 2019/2022 can be found in the annual report 2020 on page 145-146 and on the Company's [website](#).

LTI Program 2020/2023

The LTI Program 2020/2023 was implemented in July 2020 where participants can receive a number of performance shares subject to certain performance targets. The performance targets include Net Revenue Growth, Net Promoter Score and Adjusted EBIT. The LTI Program 2020/2023 also contains constraints regarding the Net Working Capital (NWC) ratio and Adjusted EBIT margin. The maximum number of shares to be awarded in the LTI program 2020/2023 amount to 1,040,000 shares. The LTI program 2020/2023 has a 36-month cliff vesting period (subject to certain customary good leaver exemptions) which expires in July 2023. The maximum number of performance shares that can be awarded to the CEO, if the performance criteria as well as terms and conditions stipulated in the LTI program 2020/2023 are met, amount to 120,000 shares.

More information regarding the LTI Program 2020/2023 can be found in the annual report 2020 on page 146 and on the Company's [website](#).

As per December 31, 2020 the number of shares in Boozt amount to 64,067,164, of which 374,586 series C shares have been issued in relation to the LTI Program 2019/2022 to secure delivery of performance shares. The total number of outstanding options and warrants in the Company amount to 1,270,092, including options held by the Company as well as unallocated and unvested options.

Taking the above-mentioned into account as well as the maximum number of shares that can be allotted from the LTI Programs 2019/2022 and 2020/2023, if all programs would be fully utilized, a total of 4,177,237 new ordinary shares would be issued/converted entailing a dilution of approximately 6.5% of the Company's ordinary shares.

Table 2 – Remuneration of the CEO in share options

Name (position)	The main conditions of share option plans							Information regarding the reported financial year					
								Opening balance	During the year		Closing balance		
	1 Specification of plan	2 Performance period	3 Award date	4 Vesting date	5 End of retention period	6 Exercise period	7 Exercise price per share (SEK)	8 Share options held at the beginning of the year	9 Awarded	10 Vested	11 Subject to a performance condition	12 Awarded and unvested	13 Subject to a retention period
Hermann Haraldsson (CEO)	Warrant Program 2015/2025	N/A	Nov-2015	31/5-2020 ⁶	31/5-2020	2018-2022 ⁷	39.97 ⁸	16,080	-	8,160 ⁹	-	-	-
								16,080	-	8,160	-	-	-

Table 3 – Remuneration of the CEO in shares

Name (position)	The main conditions of share award plans						Information regarding the reported financial year					
							Opening balance	During the year			Closing balance	
	1 Specification of plan	2 Performance period	3 Award date	4 Vesting date	5 End of retention period	6 Share awards held at the beginning of the year	7 Awarded share awards	8 Awarded shares	9 Vested	10 Subject to a performance condition	11 Awarded and unvested	12 Subject to a retention period
Hermann Haraldsson (CEO)	LTI Program 2019/2022	2019-2022	Sep-2019	24/6-2022	24/6-2022	51,366	-	-	-	51,366	51,366	-
	LTI Program 2020/2023	2020-2023	Jul-2020	1/7-2023	1/7-2023	-	120,000 ¹⁰	-	-	120,000	120,000	-
						51,366	120,000	-	-	171,366	171,366	-

Compliance with the remuneration guidelines and application of performance criteria

A prerequisite for the successful implementation of the Company’s business strategy and safeguarding of its long-term interests, including its sustainability, is that the Company is able to recruit and retain qualified personnel. To this end, it is necessary that the Company offers competitive remuneration. Boozt’s remuneration guidelines enable the Company to offer the executive management/the CEO a competitive total remuneration. The total remuneration of the CEO in 2020 contains a minor deviation from the remuneration guidelines, see section “Derogations and deviations from the remuneration guidelines and from the procedure for implementation of the remuneration guidelines”, below in this report.

The performance criteria for the CEO’s variable remuneration have been selected to deliver the Company’s strategy and to encourage behaviour which is in the long-term interest of the Company. In the selection of performance criteria, the strategic objectives and short-term as well as the long-term business priorities for 2020 have been taken into account.

⁶ The first 33% of the program was vested on May 31, 2018, the next 33% was vested on May 31, 2019 and the last 34% was vested on May 31, 2020.

⁷ The options can be exercised in a 14-day window after release of each quarterly report, beginning from August 2018 and ending in February 2022.

⁸ Equivalent to SEK 479.6 per option (as each option gives a right to subscribe for 12 new ordinary shares), if the options had been exercised as of December 31, 2020. The exercise price is calculated as SEK 314.02 + compounded interest of 8 per cent per annum from June 30, 2015.

⁹ The aggregate taxable benefit value of vested options, if the options had been exercised as of December 31, 2020 amounts to SEK 14.4 million, calculated as the share price that day less the exercise price multiplied by the number of vested options.

¹⁰ The aggregate underlying market value as of grant date amounts to SEK 11.0 million, calculated as the share price that day multiplied by the number of share awards.

Table 4 (a) - Performance of the CEO in the reported financial year: variable cash remuneration

Name of Director, position	Description of the criteria related to the remuneration component	Relative weighting of the performance criteria	a) Measured performance; and b) actual award/ remuneration outcome ¹¹
Hermann Haraldsson CEO	Performance bonus 2020 Financial targets related to Net Cash Position and compliance target related to financial credit facilities ¹²	100%	a) Financial targets (base target and over-performance target) were achieved with 100% and compliance target was achieved with 100%
			b) SEK 1.3 million in base bonus and additional SEK 1.3 million in stretch bonus

Table 4 (b) – Performance of the CEO in the reported financial year: share-based incentives

Name of Director, position	Name of plan	1 Description of criteria related to the remuneration component ¹³	2 Relative weighting of the performance criteria	3 a) Measured performance; and b) actual award/ remuneration outcome
Hermann Haraldsson CEO	LTI Program 2019/2022	Share Price development 2019 - 2021	40%	N/A*
		Net Promoter Score 31/12-2021	20%	N/A*
		Net Revenue Growth 2018 - 2021	20%	N/A*
		Earnings per share 2021	20%	N/A*
	LTI Program 2020/2023	Net Revenue Growth 2019 - 2022	60%	N/A*
		Net Promoter Score 31/12-2022	10%	N/A*
		Adjusted EBIT 2022	30%	N/A*

* Performance period still running.

¹¹ Performance criteria and remuneration outcome relates to short-term incentive program (STIP) 2020 and has been paid in 2021.

¹² The financial targets related to Net Cash Position is divided into a base target and an over-performance target. In case both the base target and the over-performance target is met, the CEO is entitled to a base bonus and an additional bonus award (so called stretch bonus).

¹³ The LTI Program 2019/2022 and the LTI Program 2020/2023 also contain constraints regarding the Net Working Capital (NWC) ratio in relation to the Net Revenue. The board of directors intends to present the determined NWC ratio in connection with the expiration of the respective LTI Program at the latest. The LTI Program 2020/2023 also contains a constraint regarding Adjusted EBIT margin, meaning that if the Adjusted EBIT margin in the financial year 2022 is below 3.2%, no performance shares will be allotted under the LTI Program 2020/2023.

Derogations and deviations from the remuneration guidelines and from the procedure for implementation of the remuneration guidelines

The board of directors may resolve to deviate from the above remuneration guidelines, if special reasons so justify. According to the guidelines, the board of directors may grant additional STIP elements in extraordinary circumstances, for example for the purpose of recruiting or retaining senior executives, or as remuneration for extraordinary performances beyond the individual's ordinary tasks. In such case, the additional remuneration may not exceed 50% of the fixed annual salary and may not be paid more than once each year per individual. During March 2020, the CEO was granted an extraordinary stay-on bonus by the board of directors, equivalent to 13% of the fixed annual salary, corresponding to SEK 0.7 million. The extraordinary stay-on bonus was granted at the time of the COVID-19 outbreak in order to retain the CEO, and was paid out in February 2021. In addition, the board of directors granted the CEO an extra month's salary, equivalent to 8% of the fixed annual salary, corresponding to SEK 0.4 million, due to the successful capital raise in connection with the dual listing of the Company on Nasdaq Copenhagen in November 2020.

According to the remuneration guidelines, extraordinary cash remuneration may not be paid more than once each year per individual. Hence, the resolution by the board of directors to grant the CEO an extra month's salary constitutes a deviation from the remuneration guidelines. However, the board of directors finds the extraordinary additional remuneration to the CEO to be justified in light of the extraordinary circumstances during 2020 in relation to the COVID-19 pandemic as well as the Company's successful dual listing on Nasdaq Copenhagen. The board of directors also notes that the total extraordinary additional remuneration falls well within the threshold for additional remuneration as stipulated in the remuneration guidelines, i.e., 50% of the fixed annual salary. In addition to the above, no deviations from the guidelines have been made and no derogations from the procedure for implementation of the guidelines have been made. No remuneration has been reclaimed during 2020.

Comparative information on the change of remuneration and Company performance

Table 5 – Change of remuneration and Company performance over the last five reported financial years (RFY)¹⁴

(SEK million)	RFY 2020
CEO remuneration and benefits¹⁵	
Hermann Haraldsson, CEO	11.5
Company's performance	
Net revenue	4,359.3
Adjusted EBIT	290.3
Adjusted EBIT margin	6.7 pp
Average remuneration and benefits on a full-time equivalent basis of employees	
Employees of the Company ¹⁶	0.5

¹⁴ From and including the financial year 2020, which is the first financial year for this type of remuneration report. Boozt has not previously compiled data from previous financial years in this respect; such data will be reported in the future remuneration reports for the respective financial years for comparison purposes.

¹⁵ The remuneration and benefits presented in Table 5 corresponds to the remuneration presented in the remuneration note in the Annual Report, which include the value of share-based payment recognized in the Boozt Group's income statement and the value of taxable benefits. Consequently, the remuneration and benefits to the CEO in Table 5 may differ from the total remuneration reported in Table 1.

¹⁶ Excluding members of the Group Management.

Malmö in April 2021

Boozt AB (publ)

The Board of Directors