

# THE BOARD'S REMUNERATION REPORT

2023



# Remuneration report for 2023

|   |    |
|---|----|
| Statement from the Chair of the Remuneration Committee..... | 3  |
| Introduction.....   | 4  |
| Remuneration 2023 at a glance.....                          | 5  |
| Remuneration of the Board of Directors.....                 | 8  |
| Remuneration of the CEO.....                                | 9  |
| Share based compensation.....                               | 11 |

# Statement from the Chair of the Remuneration Committee

On behalf of the Board, I am pleased to present Boozt's Remuneration Report for the financial year 2023.

In 2023, in line with our Remuneration Guidelines, the Board:

- Decided to review the salary of the CEO annually rather than every two years, to enable more effective comparisons with peers (it should be noted that while the salary is reviewed, there is no guarantee it will be increased) (see page 6).
- Addressed the currency exchange rate challenge experienced by cross-border commuting employees (see page 6).
- Introduced specific ESG goals to the Short-Term Incentive programme, in line with our commitment to business and environmental sustainability (see page 10).
- Included a share price component in the performance conditions associated with the 2023 Long-Term Incentive (LTI) programme, in response to shareholder feedback, which was approved at the 2023 AGM.

Finally, we have enhanced the format and level of disclosure in this report, which we hope will be appreciated by its readers.

On behalf of the Remuneration Committee, I would like express our appreciation to the management team and all of our employees for Boozt's performance in 2023 and to our long-term shareholders for their ongoing support.

**Aileen O`Toole**

Chair of the Remuneration Committee

# 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 2021, have been implemented in 2023. 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 the Swedish Companies Act (2005:551) and the *Remuneration Rules* issued by the Swedish Stock Market Self-Regulation Committee.

Information required by Chapter 5, Sections 40-44 of the Annual Accounts Act (1995:1554) is available in note 9 on pages 107-110 in the Company's annual report for 2023 (the "annual report 2023").

Information on the work of the remuneration committee in 2023 is set out in the corporate governance report, which is available on page 45 in the annual report 2023.

The CEO summarizes the Company's overall performance in his statement on pages 5-6 in the annual report 2023.

Trading conditions were challenging at the start of the year, with muted growth due to lack of inventory as we exited 2022. Over the course of 2023, growth was accelerated quarter by quarter, ending with a Q4 growth for the group of 23% and a full year growth of 15%.

The Board of Directors is confident that the compensation decisions have resulted in long-term benefits for the Company, created value for shareholders, and contributed to outperforming the Company's peers.



# Remuneration 2023 at a glance

## Total remuneration

The table to the right summarizes how the remuneration elements set out in the guidelines have been applied in relation to the CEO. The table also summarizes information on the Long-Term Incentive as approved by the shareholders.

| BOOZT GROUP REWARD PHILOSOPHY                    |   |                                     |
|--|---|-------------------------------------|
| Pay for performance                              | Attract & retain scarce skillsets   | Pay fairly and responsibly          |
| Incentivise long-term shareholder value creation | Reward is only one element in our proposition, but it needs to be competitive | Maintain a well-governed pay system |

|                                   | Purpose and link to strategy  | Arrangement in brief  | Implementation during the financial year ending December 31, 2023  |
|-----------------------------------|---|---|--|
| <b>Fixed Cash Salary</b>          | Attract and retain the leadership required to implement Boozt's business strategy.  | <p>Pay a portion of the annual remuneration in a predictable manner.</p> <p>Salaries are normally reviewed in May, taking into account:</p> <ul style="list-style-type: none"> <li>Boozt's overall business performance</li> <li>Employee performance over time</li> <li>External economic conditions</li> <li>The scope and complexity of the position</li> <li>External market data</li> <li>Pay and conditions of other employees in countries considered relevant to the role.</li> </ul> <p>When determining fixed salaries, the impact on total remuneration must also be taken into account.</p> | CEO fixed annual salary of 8.6 MSEK corresponding to an increase of 10% since last increase in May 2021. |
| <b>Other benefits</b>             | Provide competitive benefits to attract and retain the leadership required to implement Boozt's strategy.   | <p>Benefits are aligned with competitive market practise in the individual's country of employment.</p> <p>The level of benefits may vary from year-to-year depending on the cost of the benefits to the Company.</p> <p>The benefits amount to a maximum of 20% of the annual fixed salary for members of the Group Management.</p>  | CEO: other benefits to the value of 0.3 MSEK   |
| <b>Short-Term Incentive (STI)</b> | <p>Setting clear and challenging objectives for the Group Management Team that drives the annual operating and financial plan, which in turn, aligns with strategy and longer term value creation.</p> <p>Offer an individual earning opportunity linked to performance at a flexible cost to the Company.</p>    | <p>The target level is 35% of the fixed cash salary and the maximum is 70% of the fixed salary.</p> <p>Performance conditions, weightings and target levels are set annually.</p> <p>The STI is paid in cash.</p>   | <p>Outcome for STI 2023</p> <ul style="list-style-type: none"> <li>100% of the maximum level</li> </ul>  |
| <b>Long-Term Incentive (LTI)</b>  | <p>Creating a common ownership interest between the Group Management and shareholders.</p> <p>Remuneration based on long-term performance in line with Boozt's business strategy.</p> <p>Provide individuals with long-term remuneration for value creation in accordance with the interests of shareholders.</p> | <p>Remuneration is awarded after approval by the Annual General Meeting.</p> <p>Remuneration levels are determined in each LTI program adopted annually.</p> <p>Performance conditions, weightings and target levels are taken to the AGM for approval. Three-year cliff-vesting period.</p>  | LTI 2020/2023 target achievement level of 82.9%  |

## 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 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 2023 have been taken into account.

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

The Company has complied with the applicable remuneration guidelines adopted by the annual general meeting 2021.

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 2023.

## Overview of the application of the remuneration guidelines in 2023

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.

Boozt aims to:

### Pay for performance:

- Boozt's aim is to **incentivise long-term shareholder value creation** and to ensure that management compensation outcomes and shareholder outcomes are broadly aligned.
- **Boozt is comfortable differentiating between individuals who perform excellently and those who do not.** Boozt sets challenging goals, and when achieved, Boozt believes the rewards should be differential.
- **The Remuneration Committee applies its judgment:** it is informed by market practices but ultimately the objective is to make the right decisions for Boozt's business, with long-term value creation in mind.

### Attract & Retain Scarce Skillsets

- Despite the more challenging macroeconomic environment, demand for consumer internet, e-tail and technology skills, which are unique disciplines, remains extremely strong and there remains a global shortage of qualified candidates in these areas. Boozt looks to its industry competitors for talent, and to organisations with specialist talent similar to Boozt's (e.g., consumer internet, technology, digital marketing, logistics & warehousing, fashion buying & merchandising) rather than to geographical competitors: Boozt competes for senior talent beyond the Nordics. Reward is only one element in Boozt's proposition to its people, but it needs to be competitive against the global and regional players that seek their skills.

### Pay Fairly and Responsibly

- **Boozt wants to maintain a well-governed pay system for executives**, with clear and transparent processes and approvals, appropriate consultation with shareholders and clear disclosures for all stakeholders, balancing competitive considerations with the need for relevant information.
- Boozt endeavours to remove unconscious bias from pay decisions, and adopts a data-driven approach.

- Boozt considers all its employees when making pay decisions, and designs incentives to balance short- and longer-term objectives and with the sustainability of the business in mind.

According to the remuneration guidelines, 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 2021, can be found in the corporate governance report on page 47, and in note 9 on pages 107-110 in the annual report 2023. The auditor's report regarding whether the Company has complied with the remuneration guidelines is available on the Company's website, [www.booztgroup.com/annual-general-meeting](http://www.booztgroup.com/annual-general-meeting).

## Fixed Cash Salary

Our aim is to pay a fair and market competitive salary, which reflects the contribution of the executive. Prior to 2023, salaries were reviewed every two years for existing executives. This created difficulties: the market for talent moves extremely quickly leading to retention risks for key talent if the Company cannot react quickly enough. Also, it created difficulties for our stakeholders in comparing salary increases with annual market movements. To simplify things, from 2023 we intend to review salaries annually, given the speed at which the market moves at. Salary increases are not guaranteed and in making any increase, the market situation, the Company's performance, and the individual's performance are considered. Boozt does not have a policy to pay at, for example, the median of the market, but rather prefers to retain the flexibility to attract and retain the very best talent, in line with the Company's ability to pay and the market value of such talent.

In May 2023, the CEO received an increase in base salary of 10%. In making this award, the board considered the performance of the CEO, the business results relative to peers, the complexity of the CEO job and the lack of pension payments, which is outside of the Swedish norm. The Board considers that this increase brings the CEO's total target cash compensation in line with the market. In 2024, having reviewed the CEO's salary, we have decided not to

implement an increase to the CEO's base salary, in the knowledge that his compensation is broadly aligned with the market and reflects his excellent performance.

## Currency Issues - Employee Mobility

All Boozt employees in Sweden are paid in SEK, whether they live in Sweden or outside the jurisdiction. The weakening of the Swedish Krona in 2023 has resulted in a considerably lower take-home pay for approximately 70 employees residing in Denmark and with an average tenure of 5 years. This situation has both created an employee retention risk and reduced the pool of qualified new hires for Boozt.

Therefore, in 2023 the board approved a temporary foreign exchange allowance mechanism, using a five-year average exchange rate between SEK and DKK, to be administered through payroll for these commuting employees. When the exchange rate is at 71.5 DKK or above, no adjustment will occur. The exchange rate of approx. 71.5 DKK to 100 SEK is the rate upon which the contractual terms have been negotiated and maintained for the employees in question. This applies to all employees who are Denmark resident but employed in Sweden, and as a result, includes the CEO and several members of the management team. In reaching this decision, the board considered the fairness of this approach vis-à-vis Sweden-resident employees and considered other options but settled on this approach as it is temporary, reversible and is simple to administer.

Performance targets for the 2023 STIP and all existing LTIPs remained unchanged, meaning that the Company needs to cover the cost of this temporary adjustment within its existing financial plans. However, any cash payouts made in SEK as a result of the 2023 STIP will be adjusted using the same mechanism. The total cost of the temporary adjustment in 2023 is 11.6 MSEK. It has been well received by recipients and its existence is accepted and understood by employees who do not commute. The board also acknowledges the mechanism to be a temporarily important retention element.

We expect this temporary adjustment to continue into 2024 and for as long as the Swedish exchange rate to the Danish exchange rate stays below 71.5 DKK to 100 SEK.

### Other benefits and pension

Certain market standard benefits may be offered such as a company car and health insurance. However, unlike other Swedish listed companies, Boozt does not offer a pension scheme to its executives. As a result, executive salaries may appear to be higher than the market might dictate, but the total cash compensation is comparable to the market.

### Short-Term Incentive (STI)

In order to incentivize the achievement of the annual business plan, an annual, short-term incentive is available to executives. The maximum achievement possible is 70% of the fixed annual cash salary and is paid in cash. Typical goals include Revenue, EBIT and ESG related targets. To ensure that short-term incentive is not at odds with value creation over the longer term, it is not possible to achieve the Revenue bonus goal unless a minimum EBIT threshold has been met. In previous years, non-achievement of the ESG targets acted as a discount to the overall bonus calculation. In 2023, the ESG targets were a goal in their own right.

ESG targets were chosen carefully and with the specific needs of our business in mind. In 2023 the ESG goals focused on employees and upstream/downstream sustainability per the table on page 10.

In determining the Revenue and EBIT targets, the board endeavored to set challenging but achievable goals in the context of volatile trading conditions across the industry.

### Long-Term Incentive (LTI)

In addition to remuneration covered by the remuneration guidelines, the general meetings of Boozt have resolved to implement long-term share-related incentive plans. The LTI plans drive long-term shareholder value creation, create alignment between management incentives and shareholder outcomes and provide an important retention mechanism for key talent.

Long-term incentive plans are typically delivered through Performance Share programs (PSPs). Typically, the performance period is over three years, with cliff vesting after 36 months, subject to the performance criteria being satisfied. The Board considers making LTI awards annually, and all executives are eligible, together with approximately 60-70 key personnel, including technologists. Details of each active Performance Share program in the Company can be found in the section Share based compensation below. The Board of Directors considers that Performance Share programs incentivize long-term value creation for the Company.

In the LTI 2023-2026 program, an explicit share price performance goal was added, in response to investor feedback, in addition to the fundamental impact that share price has on the program outcomes.



# Remuneration of the Board of Directors

The shareholders in Boozt resolve annually on Director remuneration based on a proposal made by the Nomination Committee.

For its recommendation on Director remuneration, the Nomination Committee considers the Company's Corporate Governance Guidelines in force at the time of the proposal. The Committee also reviews the remuneration for the Chair and members of the Board against international companies of similar size and complexity in order to ensure that Boozt is able to attract and retain Board members from diverse backgrounds with relevant skills and international experience to oversee the Company strategy with emphasis on long-term value creation.

The Directors on the Board receive an annual fee for fulfilling their Board roles. The annual fees are paid in cash. Moreover, the Company is taking care of each Director's expense for travel and accommodation as well as other reasonable costs directly related to Board and Board Committee work.

The non-executive Directors do not participate in any of Boozt's equity plans and do not receive any equity plan based or other variable remuneration for their duties as Board members.

This table shows the remuneration applicable to each board member in 2023

| Board of Directors 2023    |                    |              | Independent in relation to           |                    | Board remuneration        |                                     |  |                           |
|----------------------------|--------------------|--------------|--------------------------------------|--------------------|---------------------------|-------------------------------------|--|---------------------------|
| Name                       | Position           | Member since | The Company and executive management | Major shareholders | Board remuneration (KSEK) | Audit Committee remuneration (KSEK) | Remuneration Committee remuneration (KSEK) | Total remuneration - KSEK |
| Henrik Theilbjørn          | Chair of the Board | 2009         | Yes                                  | Yes                | 1,125                     | 175                                 | 100  | 1,400                     |
| Jón Björnsson              | Board member       | 2012         | Yes                                  | Yes                | 450                       | -                                   | 100  | 550                       |
| Cecilia Lannebo            | Board member       | 2018         | Yes                                  | Yes                | 450                       | 250 <sup>1</sup>                    | -  | 700                       |
| Aileen O`Toole             | Board member       | 2021         | Yes                                  | Yes                | 450                       | -                                   | 150 <sup>2</sup>                           | 600                       |
| Julie Wiese                | Board member       | 2021         | Yes                                  | No                 | 450                       | 175                                 | -  | 0 <sup>3</sup>            |
| Benjamin Büscher           | Board member       | 2022         | Yes                                  | Yes                | 450                       | -                                   | -  | 450                       |
| Luca Martines <sup>4</sup> | Board member       | 2019         | Yes                                  | Yes                | -                         | -                                   | -  | 0 <sup>4</sup>            |

*Board remuneration cover the period from AGM 2023 to AGM 2024*

1 Chair of the Audit Committee.

2 Chair of the Remuneration Committee.

3 The Director has abstained from remuneration since June 30, 2022 due to internal guidelines of employer/major shareholder. This rule has now changed, so the Director will start receiving remuneration from January 1, 2024.

4 The Director had declined reelection and stepped down from the Board at the 2023 AGM.



# Remuneration of the CEO

Table 1 – Total remuneration of the CEO (MSEK)

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

| Name (position)          | Financial year | 1<br>Fixed remuneration (MSEK) |                              |                  | 2<br>Variable remuneration (MSEK) |                                    |                     | 3<br>Extraordinary items (MSEK) | 4<br>Pension expense (MSEK) | 5<br>Total temp Forex comp. (MSEK) | 6<br>Total remuneration (MSEK) | 7<br>Proportion of fixed and variable remuneration |
|--------------------------|----------------|--------------------------------|------------------------------|------------------|-----------------------------------|------------------------------------|---------------------|---------------------------------|-----------------------------|------------------------------------|--------------------------------|--|
|                          |                | Base salary                    | Temp Forex comp. Base salary | Other benefits   | One-year variable                 | Temp Forex comp. one-year variable | Multi-year variable |                                 |                             |                                    |                                |  |
| Hermann Haraldsson (CEO) | 2023           | 9.0 <sup>1</sup>               | 0.8                          | 0.3 <sup>2</sup> | 5.8 <sup>3</sup>                  | 0.5                                | 11.2 <sup>4</sup>   | -                               | -                           | 1.3                                | 27.6                           | 37% / 63%  |
|                          | 2022           | 8.6 <sup>1</sup>               | -                            | 0.3 <sup>2</sup> | 2.5 <sup>3</sup>                  | -                                  | 3.1 <sup>5</sup>    | -                               | -                           | -                                  | 14.5                           | 61%/39%  |
|                          | 2021           | 7.4 <sup>1</sup>               | -                            | 0.3 <sup>2</sup> | 3.4 <sup>3</sup>                  | -                                  | 23.8 <sup>6</sup>   | -                               | -                           | -                                  | 34.9                           | 22%/78%  |
|                          | 2020           | 5.3 <sup>1</sup>               | -                            | 0.3 <sup>2</sup> | 2.6 <sup>3</sup>                  | -                                  | 14.4 <sup>7</sup>   | 1.1 <sup>8</sup>                | -                           | -                                  | 23.7                           | 33%/67%  |

1 The base salary includes statutory vacation pay.

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

3 One-year variable includes bonus for the relevant financial year which is paid in the following financial year (FY2023 paid in FY2024 and so forth).

4 Refers to the taxable benefit imposed of receiving 99,490 performance shares under LTI Program 2020/2023 multiplied by a share price of SEK 112.19

5 Refers to the taxable benefit imposed of receiving 47,123 performance shares under LTI Program 2019/2022 multiplied by a share price of SEK 66.61.

6 2021 is influenced by the CEO's exercise of 2015 pre-IPO warrants that were fully vested in 2020 and were due to expire in Q1-2022. This created a taxable benefit of 23.8 MSEK for 2021. Refers to exercise of 16,080 stock options under LTI 2015/2025 to subscribe for 192,960 new ordinary shares. The value represents the taxable benefit value and is calculated as the variance between the pre-determined exercise price of SEK 41.79 and average weighted market price at exercise day of SEK 165.74.

7 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.

8 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.

## Table 2 - CEO's realised Short-Term Incentive Program 2023

Table 2 below sets out the result of the Short-Term Incentive Program 2023 for the CEO

| Goal Name   | % Base Salary | Measurement  | Achievement     | Actual Payout SEK <sup>1</sup> | Forex adjustment <sup>2</sup> |
|---|---------------|--|-----------------|--------------------------------|-------------------------------|
| <b>Net Revenue Growth<sup>3</sup></b>                 | 10%           | 3% year-on-year revenue growth   | Achieved (100%) | 0.8 MSEK                       | 0.07 MSEK                     |
| Net Revenue Growth (stretch) <sup>4</sup>             | 25%           | 15% year-on-year revenue growth  | Achieved (100%) | 2.1 MSEK                       | 0.19 MSEK                     |
| <b>Total Base Salary % for Net Revenue Growth STI</b> | <b>35%</b>    |  |                 | <b>2.9 MSEK</b>                | <b>0.26 MSEK</b>              |
| <b>Adjusted EBIT</b>                                  | 10%           | 275 MSEK   | Achieved (100%) | 0.8 MSEK                       | 0.07 MSEK                     |
| Adjusted EBIT (stretch) <sup>5</sup>                  | 15%           | 375 MSEK   | Achieved (100%) | 1.3 MSEK                       | 0.12 MSEK                     |
| <b>Total Base Salary % for Adjusted EBIT STI</b>      | <b>25%</b>    |  |                 | <b>2.1 MSEK</b>                | <b>0.19 MSEK</b>              |
| <b>ESG</b>  | 2.5%          | 20% of fashion items (units) designated as Made With Care  | Achieved (100%) | 0.2 MSEK                       | 0.02 MSEK                     |
|   | 2.5%          | Employee Satisfaction (professional staff): eNPS of 43 or above, average over the 12 months to December 2023 | Achieved (100%) | 0.2 MSEK                       | 0.02 MSEK                     |
|   | 2.5%          | Employee Satisfaction (warehouse & logistics staff): implement measurement system & create engagement plan   | Achieved (100%) | 0.2 MSEK                       | 0.02 MSEK                     |
|   | 2.5%          | Maintain or increase the share of recycled waste in the warehouse at 66%                                     | Achieved (100%) | 0.2 MSEK                       | 0.02 MSEK                     |
| <b>Total Base Salary % for ESG STI</b>                | <b>10%</b>    |  |                 | <b>0.8 MSEK</b>                | <b>0.08 MSEK</b>              |
| <b>MAX BASE SALARY % AVAILABLE FOR STI</b>            | <b>70%</b>    |  |                 | <b>5.8 MSEK</b>                | <b>0.5 MSEK</b>               |

1 Performance criteria and remuneration outcome relates to short-term incentive program (STIP) for 2023 and has been paid out in 2024.

2 Please see page 6 for further details about the Forex adjustment

3 The revenue target would void if an EBIT of less than 209 MSEK was achieved

4 If revenue growth was between 3% and 15% year-on-year, a pro-rata calculation would be applied to payout

5 If EBIT achieved was between 275 MSEK and 375 MSEK, a pro-rata calculation would be applied to payout

# Share based compensation

## Matured share and share-price related incentive programs

During 2023, the LTI Program 2020/2023 matured, and on April 26, 2023, the Board of Directors resolved that the performance criteria had been fulfilled by 82.9% for all participants and thus on July 3, 2023, the Board of Directors resolved to allot 99,490 performance shares to the CEO, 379,139 performance shares to Other Group Management and 256,730 performance shares to Key Employees. In total 26 employees received performance shares in the program.

## Outstanding share and share-price related incentive programs

Boozt has three active long-term incentive programs classified as share-based remuneration, with individual terms and conditions (LTI Program 2021/2022, LTI Program 2022/2025 and LTI Program 2023/2026). The programs are directed to staff identified as Key Employees, including the CEO.

### LTI Program 2021/2024

The LTI Program 2021/2024 was implemented in May 2021 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 2021/2024 also contains constraints regarding the Net Working Capital (NWC) ratio and Adjusted EBIT. Based on the participation in LTI 2021/2024 as per December 31, 2023, the maximum number of shares that can be awarded amount to 546,583 shares. The LTI program 2021/2024 has a 36-month cliff vesting period (subject to certain customary good leaver exemptions<sup>1)</sup> which matures in May 2024. 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 2021/2024 are met, amount to 70,000 shares.

More information regarding the LTI Program 2021/2024 can be found in the annual report 2023 on page 109 and on the Company's [website](#).

### LTI Program 2022/2025

The LTI Program 2022/2025 was implemented in April 2022 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 2022/2025 also contains constraints regarding the Net Working Capital (NWC) ratio and Adjusted EBIT. Based on the participation in LTI 2022/2025 as per December 31, 2023, the maximum number of shares that can be awarded amount to 779,851 shares. The LTI program 2022/2025 has a 36-month cliff vesting period (subject to certain customary good leaver exemptions<sup>1)</sup> which matures in April 2025. 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 2022/2025 are met, amount to 70,000 shares.

More information regarding the LTI Program 2022/2025 can be found in the annual report 2023 on page 109 and on the Company's [website](#).

### LTI Program 2023/2026

The LTI Program 2023/2026 was implemented in April 2023 where participants can receive a number of performance shares subject to certain performance targets. The performance targets include Net Revenue Growth, Net Promoter Score, Adjusted EBIT and Share Price Target. The LTI Program 2023/2026 also contains constraints regarding the Net Working Capital (NWC) ratio and Adjusted EBIT. Based on the participation in LTI 2023/2026 as per December 31, 2023, the maximum number of shares that can be awarded amount to 1,000,000 shares. The LTI program 2023/2026 has a 36-month cliff vesting period (subject to certain customary good leaver exemptions<sup>1)</sup> which matures in April 2026. 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 2023/2026 are met, amount to 100,000 shares.

A subset of technologists is included in this program, with a maximum allotment of 100,000 shares. Unlike other participants, this group isn't required to meet performance targets. Instead, they're eligible for shares once the program matures based on the terms and conditions. This exception is because these employees possess specialized skills crucial for the Company, often engaged in highly technical projects where specific expertise is prioritized over direct financial impact. The design of their LTI (i.e. excluding performance conditions) is in line with market practice for this kind of employee. To attract and retain such talent, the Board of Directors believes it's essential to offer a long-term incentive program tied solely to continued employment with the Company.

1) Good Leaver means that the Participant's Ongoing Status as an Employee has ceased due to (i) termination of the employment by the Group unless the termination is related to the Participant personally; (ii) termination of the Participant's employment due to serious illness; (iii) termination of the employment due to the Participant's retirement; and (iv) termination of the employment due to the Participant's death. For the sake of clarity, a termination of the employment by the Participant on the Participant's own initiative will never qualify as a "Good Leaver". Ongoing Status as an Employee means that the Participant has held an ongoing employment (full-time or part-time) in the Group. However, the Ongoing Status as an Employee shall be considered to cease to apply upon termination of the employment, either by the employer or by the Participant, at the point of time of the other party's receipt of notice of such termination, regardless of the fact that the notice period of the employment continues after the termination. Ongoing Status as an Employee shall continue notwithstanding sick leave, parental leave, leave of absence or other leave which has been authorized by the Group.

More information regarding the LTI Program 2023/2026 can be found in the annual report 2023 on page 109 and on the Company's [website](#).

As per December 31, 2023, the number of shares in Boozt amount to 68,289,488, of which 1,744,867 series C shares have been issued in relation to LTI Programs to secure delivery of performance shares.

Taking the above-mentioned into account as well as the maximum number of shares that can be allotted from the LTI Programs 2021/2024, 2022/2025 and 2023/2026, if all programs would be fully utilized, a total of 2,326,434 new ordinary shares would be issued/converted entailing a dilution of approximately 3.5% of the Company's ordinary shares.



Table 3 – Remuneration of the CEO in shares

| Name (position)         | The main conditions of share award plans |                         |                 |                   |                              | Information regarding the reported financial year |                      |               |                                    |                      |                               |
|-------------------------|--|-------------------------|-----------------|-------------------|------------------------------|---|----------------------|---------------|------------------------------------|----------------------|-------------------------------|
|                         | 1<br>Specification of plan               | 2<br>Performance period | 3<br>Award date | 4<br>Vesting date | 5<br>End of retention period | Opening balance                                   | During the year      |               | Closing balance                    |                      |                               |
|                         |  |                         |                 |                   |                              | 6   | 7                    | 8             | 9                                  | 10                   | 11                            |
|                         |  |                         |                 |                   |                              | Share awards held at the beginning of the year    | Awarded share awards | Vested        | Subject to a performance condition | Awarded and unvested | Subject to a retention period |
| Hermann Haraldsson, CEO | LTI Program 2020/2023                    | 2020-2023               | Jul-2020        | 3/7-2023          | 3/7-2023                     | 120,000   | -                    | 99,490        | -                                  | -                    | -                             |
|                         | LTI Program 2021/2024                    | 2021-2024               | Jun-2021        | 27/7-2024         | 27/7-2024                    | 70,000  | -                    | -             | 70,000                             | 70,000               | -                             |
|                         | LTI Program 2022/2025                    | 2022-2025               | Jun-2022        | 27/4-2025         | 27/4-2025                    | 70,000  | -                    | -             | 70,000                             | 70,000               | -                             |
|                         | LTI Program 2023/2026                    | 2023-2026               | Jun-2023        | 26/4-2026         | 26/4-2026                    | -   | 100,000 <sup>1</sup> | -             | 100,000                            | 100,000              | -                             |
|                         |  |                         |                 |                   |                              | <b>260,000</b>                                    | <b>100,000</b>       | <b>99,490</b> | <b>240,000</b>                     | <b>240,000</b>       | <b>-</b>                      |

<sup>1</sup> The aggregate underlying market value as of grant date amounts to SEK 11.3 million, calculated as the share price of SEK 113.5 that day multiplied by the number of share awards.

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

| Name of Director, position | Name of plan          | 1<br>Description of criteria related to the remuneration component <sup>1</sup> | 2<br>Relative weighting of the performance criteria | 3   |                                       |
|----------------------------|-----------------------|---|---|---|---------------------------------------|
|                            |                       |   |   | a) Measured performance; and              | b) actual award/ remuneration outcome |
| Hermann Haraldsson, CEO    | LTI Program 2020/2023 | Net Revenue Growth 2019-2022  | 60%   | a) 24.5% <sup>2</sup><br>b) 8,078 KSEK    |                                       |
|                            |                       | Net Promoter Score 31/12-2022   | 10%   | a) 74<br>b) 1,346 KSEK                    |                                       |
|                            |                       | Adjusted EBIT 2022  | 30%   | a) 286 MSEK<br>b) 1,738 KSEK              |                                       |
|                            | LTI Program 2021/2024 | Net Revenue Growth 2020-2023  | 60%   | a) 77.9%<br>b) 5,312 KSEK <sup>3</sup>    |                                       |
|                            |                       | Net Promoter Score 31/12-2023   | 10%   | a) 74<br>b) 947 KSEK <sup>3</sup>         |                                       |
|                            |                       | Adjusted EBIT 2023  | 30%   | a) 400 MSEK<br>b) 1,205 KSEK <sup>3</sup> |                                       |
|                            | LTI Program 2022/2025 | Net Revenue Growth 2021-2024  | 60%   | N/A <sup>4</sup>                          |                                       |
|                            |                       | Net Promoter Score 31/12-2024   | 10%   | N/A <sup>4</sup>                          |                                       |
|                            |                       | Adjusted EBIT 2024  | 30%   | N/A <sup>4</sup>                          |                                       |
|                            | LTI Program 2023/2026 | Net Revenue Growth 2022-2025  | 40%   | N/A <sup>4</sup>                          |                                       |
|                            |                       | Net Promoter Score 31/12-2025   | 10%   | N/A <sup>4</sup>                          |                                       |
|                            |                       | Adjusted EBIT 2025  | 40%   | N/A <sup>4</sup>                          |                                       |
| Share Price                |                       | 10%   | N/A <sup>4</sup>                                    |   |                                       |

<sup>1</sup> The LTI Programs 2020/2023, 2021/2024, 2022/2025 and 2023/2026 also contain constraints regarding the Net Working Capital (NWC) ratio in relation to the Net Revenue. In addition, the LTI Programs 2020/2023, 2021/2024, 2022/2025 and 2023/2026 contain constraints 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; if the Adjusted EBIT in the financial year 2023 is below 3.5%, no performance shares will be allotted under the LTI Program 2021/2024; and if the Adjusted EBIT in the financial year 2024 is below 3.5%, no performance shares will be allotted under the LTI Program 2022/2025; and if the Adjusted EBIT in the financial year 2025 is below 2.75%, no performance shares will be allotted under the LTI Program 2023/2026. The allotment of performance shares under the LTI Program 2022/2025 and LTI Program 2023/2026 is also conditional upon that the Company at all times during 2024/2025 has fulfilled the financial covenants following from the then applicable loan agreement governing the Company's primary credit facility.

<sup>2</sup> Organic net revenue growth.

<sup>3</sup> Based on market price per share on December 31, 2023 (SEK 135.3) multiplied by the number of share awards. Vesting period still running.

<sup>4</sup> Performance period still running.

## Termination Provisions

The below clarifies the CEO's termination provisions

| Termination by | Reason                     | Notice period | Compensation  |
|----------------|----------------------------|---------------|---|
| Boozt          | Termination without notice | None          | The CEO is entitled to no additional compensation and all unvested equity awards would be forfeited at the time of giving notice.   |
| Boozt          | Termination with notice    | 6 months      | The CEO is entitled to a severance payment equaling 12 months of compensation (including fixed cash salary, benefits and target STI) and unvested equity awards would be forfeited at the time of giving notice.  |
| CEO            | Termination with notice    | 6 months      | The CEO may terminate his service agreement at any time with 6 months' prior notice. The CEO would either continue to receive salary and benefits during the notice period or, at Boozt's discretion a lump sum of equivalent value. Additionally, the CEO would be entitled to any short-term incentive that would run during the notice period. Any unvested equity awards would be forfeited at the time of giving notice. |

## 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<sup>1</sup>

| Remuneration to the CEO           | Hermann Haraldsson, CEO | Avg. Remuneration of employees converted to full-time equivalents <sup>1</sup> | Avg. Number of FTE's <sup>2</sup> | Boozt's performance |                     |                  |                  |
|-----------------------------------|-------------------------|--|-----------------------------------|---------------------|---------------------|------------------|------------------|
|                                   |                         | (MSEK)   |                                   | (KSEK)              | Net revenue (MSEK)  | Adj. EBIT (MSEK) | Adj. EBIT margin |
| 2023<br>(% change)                | Fixed remuneration      | 10.1<br>(+13.5%)   | 405<br>(+16.1%)                   | 1,086               | 7,755<br>(+15%)     | 400<br>(+40.1%)  | 5.2%<br>(+0.9pp) |
|                                   | Variable remuneration   | 17.5<br>(+212.5%)  | 44<br>(+167.9%)                   |                     |                     |                  |                  |
| 2022<br>(% change)                | Fixed remuneration      | 8.9<br>(+15.6%)  | 349<br>(+51.2%)                   | 1,246               | 6,743.4<br>(+16.0%) | 286<br>(-16.6%)  | 4.2%<br>(-1.7pp) |
|                                   | Variable remuneration   | 5.6<br>(-79.4%)  | 16<br>(+46.4%)                    |                     |                     |                  |                  |
| 2021 <sup>3,4</sup><br>(% change) | Fixed remuneration      | 7.7<br>(+37.5%)  | 231<br>(-49.0%)                   | 1,042               | 5,813.8<br>(+33.4%) | 342.5<br>(+18%)  | 5.9%<br>(-0.8pp) |
|                                   | Variable remuneration   | 27.2<br>(+50.3%)   | 11<br>(-86.9%)                    |                     |                     |                  |                  |
| 2020                              | Fixed remuneration      | 5.6  | 453                               | 368                 | 4,359.3             | 290.3            | 6.7%             |
|                                   | Variable remuneration   | 18.1   | 85                                |                     |                     |                  |                  |

1 Excluding members of the Group Management.

2 Excluding CEO and member of the Group Management.

3 2021 is influenced by the CEO's exercise of 2015 pre-IPO warrants that were fully vested in 2020 and were due to expire in Q1-2022. This created a taxable benefit of 23.8 MSEK for 2021.

4 The decrease in average remuneration between 2020 and 2021 is attributed to an increase in the number of employees when the Company insourced its warehouse operations.

Malmö in March 2024

Boozt AB (publ)

The Board of Directors

1) From and including the financial year 2020, which was the first financial year for this type of remuneration report.