

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 FOR RESOLUTION ON IMPLEMENTATION OF A LONG-TERM INCENTIVE PROGRAM BY WAY OF (A) IMPLEMENTATION OF A PERFORMANCE-BASED SHARE PROGRAM; (B) AUTHORIZATION ON DIRECTED ISSUES OF SERIES C SHARES; (C) AUTHORIZATION ON REPURCHASE OF SERIES C SHARES; AND (D) RESOLUTION ON TRANSFER OF OWN ORDINARY SHARES

The Board of Directors of Boozt AB (the "**Company**") proposes that the Annual General Meeting on 27 April 2022 resolves to implement a long-term incentive program in the form of a performance-based share program (the "**LTI 2022**") for the Company's CEO, Group Management and key employees in accordance with A below. The resolution is conditional upon that the Annual General Meeting also resolves on hedging measures in accordance with B – D below.

A. Implementation of a performance-based share program

Background

During 2019, 2020 and 2021, it was resolved to implement long-term incentive programs (LTI 2019, LTI 2020 and LTI 2021). As noted in connection with the proposals for these incentive programs, the long-term incentive program was intended to be annual after evaluation of the Board of Directors. The Board of Directors has evaluated the previous incentive programs and found that they have worked well and has hence resolved to propose a similar program this year.

The overall purpose with LTI 2022 is to align the interests of the Company's senior executives and key employees with those of the shareholders and thus ensure a maximum long-term value adding commitment. LTI 2022 is also considered to create a long-term focus on increase in growth and earnings among the participants. LTI 2022 is further considered to facilitate for the Company to recruit and retain senior executives and key employees.

Terms and conditions for LTI 2022

1. In total, LTI 2022 is proposed to comprise approximately 180 participants composed of senior executives and key employees, divided into four categories. Provided that the performance targets mentioned below are met or exceeded, participants in LTI 2022 shall be given the opportunity to receive ordinary shares in the Company free-of-charge ("**Performance Shares**").
2. The total number of Performance Shares shall not exceed 850,000.
3. The maximum number of Performance Shares that can be allotted to the participants in the respective category shall not exceed the numbers set out in the table below:

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Category	Maximum number of Performance Shares per participant
CEO	70,000
Other Group Management (6 persons)	297,463 Performance Shares may in the aggregate be allotted to this category but no participant may be allotted more than 74,963 Performance Shares.
Senior key employees (approximately 25 persons)	239,888 Performance Shares may in the aggregate be allotted to this category but no participant may be allotted more than 22,000 Performance Shares.
Other key employees (approximately 150 persons)	242,649 Performance Shares may in the aggregate be allotted to this category but no participant may be allotted more than 22,000 Performance Shares.

The Board of Directors shall, within the maximum number stated above, resolve on the maximum number of Performance Shares that each individual participant in the respective category may be allotted.

When determining the maximum number of Performance Shares that the CEO may be allotted in LTI 2022, the Board of Directors has applied a guideline pursuant to which the total annual compensation to the CEO in the form of fixed cash salary, variable cash consideration and long term equity based incentive programs cannot exceed an amount corresponding to 3.5 times the CEO's annual fixed cash salary. Consequently, the combined value of variable cash consideration and long term equity based incentive programs cannot exceed an amount corresponding to 2.5 times the annual fixed cash salary. For the purposes of applying this guideline, the Board of Directors has valued the Performance Shares in LTI 2022 using the volume weighted average price of the Company's shares during the 5 trading days immediately prior to 23 March 2022 (the day before the date of the notice to the Annual General Meeting). As per the guidelines for remuneration to senior executives established by the Annual General Meeting in 2021, the variable cash remuneration to the CEO and other senior executives may amount to a maximum of 70 per cent of the fixed annual cash salary. The Board of Directors hence note that the maximum number of Performance Shares that the CEO can be allotted in LTI 2022 fits well within the guideline. The Board of Directors intends to apply the same guideline in future years.

4. A condition for the right to receive Performance Shares is that the participant, subject to certain customary good leaver exemptions, has continued to be employed by the Company until 27 April 2025.

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5. The performance targets (the "**Performance Targets**") that have to be met or exceeded relate to (i) the Company's Net Promoter Score (the "**NPS Target**"); (ii) the Company's organic revenue growth (the "**Revenue Growth Target**"); and (iii) the Company's Adjusted EBIT (the "**EBIT Target**"). The number of Performance Shares allocated to each participant in relation to each Performance Target shall be weighted with 10 per cent to the NPS Target, with 60 per cent to the Revenue Growth Target and with 30 per cent to the EBIT Target.

For each of the Performance Targets, there will be a minimum level, a target level and a maximum level. If the minimum target is not achieved, no Performance Shares are vested in relation to the relevant Performance Target, if the minimum target is achieved, 33.3 per cent of the Performance Shares pertaining to the relevant Performance Target are vested, if the target level is achieved, 66.7 per cent of the Performance Shares pertaining to the relevant Performance Target are vested and if the maximum level is achieved, all the Performance Shares pertaining to the relevant Performance Target will be vested. In the event of an outcome between the minimum level and the target level or between the target level and the maximum level, respectively, vesting of the Performance Shares pertaining to the relevant Performance Target will occur linearly between 33.3 per cent and 66.7 per cent of the Performance Shares pertaining to the relevant Performance Target and between 66.7 per cent and 100 per cent of the Performance Shares pertaining to the relevant Performance Target, respectively.

The NPS Target relates to the Company's Net Promoter Score in the fourth quarter of the financial year 2024 ("**NPS**"). The minimum level for the NPS Target will be a NPS of 61.0, the target level for the NPS Target will be a NPS of 65.0 and the maximum level for the NPS Target will be a NPS of 68.0. The levels for the NPS Target have been determined based on that the industry average NPS for E-commerce is 62.0 (<https://www.rentently.com/blog/good-net-promoter-score/>). An NPS above 60.0 has a positive impact on the re-buy rate of customers and this has formed the basis when determining the minimum level for the NPS Target to 61.0. The Board of Directors has further taken into account that since the Company grows in size, so does complexity, why it is expected that the NPS will decline from the level reported by the Company for the financial year 2021.

The Revenue Growth Target relates to the Company's compounded annual organic growth rate ("**CAGR**") during the financial years 2022, 2023 and 2024. CAGR will be calculated as ((net revenue in financial year 2024 (reduced with any non-organic net revenue generated through businesses acquired during the financial years 2022-2024) / net revenue in financial year 2021)^{1/3} - 1). The net revenue for the financial year 2024 will be adjusted in case there is a contractual change with brands, where the implications are that only the commission fee can be recognized as revenue. This would typically be in consignment or concession like agreement with brands. The minimum level for the Revenue Growth Target will be a CAGR of 15 per cent, the target level for the Revenue Growth Target will be a CAGR

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of 17 per cent and the maximum level for the Revenue Growth Target will be a CAGR of 22 per cent.

The EBIT Target relates to the Company's Adjusted EBIT (the profit/loss before interest and tax adjusted for share based payments related to employees and items affecting comparability) ("**Adjusted EBIT**") in the financial year 2024. The minimum level for the EBIT Target will be an Adjusted EBIT of MSEK 531, the target level for the EBIT Target will be an Adjusted EBIT of MSEK 559 and the maximum level for the EBIT Target will be an Adjusted EBIT of MSEK 587.

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

6. In addition to the achievement of the Performance Targets, the allocation of Performance Shares shall be conditional upon that the Company's Adjusted EBIT margin (the profit/loss before interest and tax adjusted for share based payments related to employees and items affecting comparability / net revenue) in the financial year 2024 is at least 3.5 per cent. If this threshold level for the EBIT margin is not met, no Performance Shares shall be allotted in LTI 2022.

Furthermore, the allocation of Performance Shares shall also be conditional upon that the Company at all times during 2024 has fulfilled the financial covenants following from the then applicable loan agreement governing the Company's primary credit facility. To the extent this condition is not met, no Performance Shares shall be allotted in LTI 2022.

Finally, the allocation of Performance Shares shall also be conditional upon that the weighted average quarterly ratio (calculated based on each of the four quarters in the financial year 2024) for "Net working capital - per cent of LTM net revenue" as reported in the Company's full-year report for the financial year 2024 (the "**NWC Ratio**"), does not exceed certain levels to be determined by the Board of Directors before LTI 2022 is offered to the participants. The Board of Directors shall determine one threshold level and one maximum level for the NWC Ratio. If the threshold level is exceeded but the maximum level is not reached, the Board of Directors shall be entitled to decrease the number of Performance Shares to be allocated to the lower number of shares that the Board of Directors finds reasonable and if the maximum level is exceeded, no Performance Shares shall be allotted in LTI 2022. The Board of Directors intends to present the determined NWC Ratio in connection with the expiration of LTI 2022 at the latest.

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

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number of Performance Shares to be allocated to the lower number of shares that the Board of Directors finds reasonable.

8. The number of Performance Shares shall be subject to recalculation in consequence of a bonus issue, split, rights issue, and/or other similar company actions.
9. Allotment and transfer of Performance Shares to the participants shall take place within 30 days after 27 April 2025. To the extent applicable insider rules would prevent transfer of Performance Shares to a participant within this period, the transfer of Performance Shares shall instead be made as soon as such restrictions have ceased to apply.
10. For the CEO and Other Group Management, allotment of Performance Shares will be conditional upon that the participants, subject to certain customary exceptions, undertake not to divest a certain percentage of the allotted Performance Shares during a period of 12 month following the delivery of the Performance Shares. The number of Performance Shares subject to the restriction shall as a starting point amount to 50 per cent of the allotted Performance Shares but for participants where the taxation triggered by the delivery of Performance Shares exceed 50 per cent, the percentage shall instead be calculated as 100 – the applicable tax rate.
11. Participation in LTI 2022 is conditional upon that the participation is legally possible and that the participation in the Company's sole opinion can be made with reasonable administrative costs for the Company.
12. The Board of Directors shall be responsible for the details and management of LTI 2022 within the framework of the main conditions as set out above, and the Board of Directors shall be authorized to make minor adjustments to these conditions as required by law or for administrative reasons. The Board of Directors shall also be authorized to adjust or deviate from the terms and conditions as required by local laws and regulations as well as existing market practices. The Board of Directors shall also be entitled to resolve on diverging terms for the allocation of Performance Shares in connection with cessation of employment due to death, early retirement or similar occasions or due to termination by the Company that is not related to misconduct by the participants. In these cases the Board of Directors may resolve that the participant will be entitled to receive a proportionate part of the Performance Shares. Furthermore, in the event of a public take-over offer, a sale of the Company's business, liquidation, merger or any other such transaction affecting the Company, the Board of Directors shall be entitled to resolve that the Performance Shares shall vest and be allotted on completion of such transaction. The Board of Directors will make this resolution based on the level of achievement of the Performance Targets and any other factors deemed relevant by the Board of Directors. Finally, the Board of Directors is also entitled to adjust vesting and allotment if such has been made based on information which later proves to be incorrect.

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B. Authorization on directed issues of series C shares

The Board of Directors proposes that the Annual General Meeting resolves to authorize the Board of Directors, for the period up until the next Annual General Meeting, on one or several occasions, to issue a maximum of 850,000 series C shares. The new shares may, with deviation from the shareholders' preferential rights, only be subscribed for by a bank or a securities company at a subscription price which corresponds to the quota value. The purpose of the authorization and the reason for the deviation from the shareholders' preferential rights in connection with an issue of shares is to secure delivery of Performance Shares under LTI 2022, which shall be effected through the Company repurchasing the series C shares issued pursuant to the authorization in section C below and thereafter, when the series C shares have been converted to ordinary shares, by transferring ordinary shares to the participants in LTI 2022 in accordance with section D below.

C. Authorization on repurchase of series C shares

The Board of Directors proposes that the Annual General Meeting resolves to authorize the Board of Directors, for the period up until the next Annual General Meeting, on one or several occasions, to repurchase its own series C shares. Repurchase may only be effected through a public offer directed to all holders of series C shares and shall comprise all outstanding series C shares. Repurchase may also be made of so-called interim shares, by Euroclear Sweden AB designated as a Paid Subscribed Share (Sw. Betald Tecknad Aktie (BTA)), regarding a series C share. Repurchase shall be made at a purchase price per share which corresponds to the quota value of the share. The purpose of the proposed repurchase authorization is to secure delivery of Performance Shares under LTI 2022.

The Board of Directors' statement pursuant to Chapter 19, Section 22 of the Swedish Companies Act (Sw. aktiebolagslagen) is presented in a separate document provided with this proposal.

D. Resolution on transfer of own ordinary shares

In order to fulfil the Company's obligations towards participants in LTI 2022, the Board of Directors proposes that the Annual General Meeting resolves that the Company shall transfer own ordinary shares as follows:

1. The Company shall have the right to transfer the number of ordinary shares that the Company has a maximum obligation to allocate as Performance Shares to participants in LTI 2022, at most 850,000 shares.
2. The number of shares that may be transferred pursuant to LTI 2022 shall be subject to recalculation in consequence of a bonus issue, split, rights issue, and/or other similar corporate action which affects the number of shares in the Company.
3. The right to acquire ordinary shares shall, with deviation from the shareholders' preferential rights, vest in participants in LTI 2022 who are entitled to be allotted Performance Shares in accordance with the terms and conditions of the program.

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4. Transfer of shares to participants in LTI 2022 shall be made free of charge and be executed at the relevant time specified in the terms and conditions for LTI 2022.

The reason for the deviation from the shareholders' preferential rights in connection with the transfers of own ordinary shares is to enable the Company's delivery of Performance Shares to participants in LTI 2022.

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

LTI 2022 will be accounted for in accordance with IFRS 2 which stipulates that the right to receive Performance Shares shall be expensed as a personnel cost over the vesting period.

The Board of Directors has made a preliminary cost calculation for LTI 2022, which is based on the assumption of a share price of SEK 135 at the start of the program. The IFRS 2 costs for the Performance Shares related to the Performance Targets have been estimated to SEK 135 per Performance Share. If the Company estimates an employee turnover of 0 per cent until shares are received approximately three years later, and excludes future dividends of the Company's share, the total costs for LTI 2022 including costs for social security contributions, are estimated to be approximately MSEK 151, provided that all the Performance Targets are met in full.

Based on the calculation of the total cost as per the above, the anticipated annual costs, including costs for social security contributions, is SEK 50.3 million, which corresponds to approximately 11.5 per cent of the Company's total employee costs for the financial year 2021. Based on the calculation of the annual costs and the dilution calculated as per the below, the key figure earnings per share for the full year 2021 had been changed from SEK 2.87 to SEK 2.26 had the Company expensed 1/3 of the total costs for LTI 2022 in 2021.

As per the date of the notice, the number of shares in the Company amounts to 67,467,637, whereof 65,498,601 ordinary shares and 1,969,036 are series C shares which were issued in connection with the previous performance-based share programs and that will be converted into ordinary shares prior to delivery to participants.

The maximum number of Performance Shares that can be issued in relation to LTI 2022 amounts to 850,000, which corresponds to a dilution of approximately 1.28 per cent of the Company's ordinary shares, calculated on the number of ordinary shares that will be added upon full issuance of Performance Shares in connection with LTI 2022.

Since previously, there are four incentive programs in the Company in the form of one employee option program and three performance-based share programs (LTI 2019, LTI 2020 and LTI 2021). The existing incentive programs can lead to that in the aggregate 1,974,928 new ordinary shares are issued. In case all outstanding incentive programs as well as the proposed LTI 2022 are exercised in full, a total of 2,824,928 new ordinary shares will be issued, which corresponds to a dilution of approximately 4.13 per cent of the Company's ordinary shares, calculated on the number

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of ordinary shares that will be added upon full exercise of all outstanding incentive programs as well as the proposed LTI 2022.

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

Preparation of the proposal

The proposal for LTI 2022 has been prepared by the Remuneration Committee together with external consultants. The final proposal has been resolved upon by the Board of Directors.

Majority requirement

The Board of Directors' proposal on implementation of a long-term incentive program in accordance with Sections A to D 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 Annual General Meeting.

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.

Malmö in March 2022

The Board of Directors of Boozt AB (publ)

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