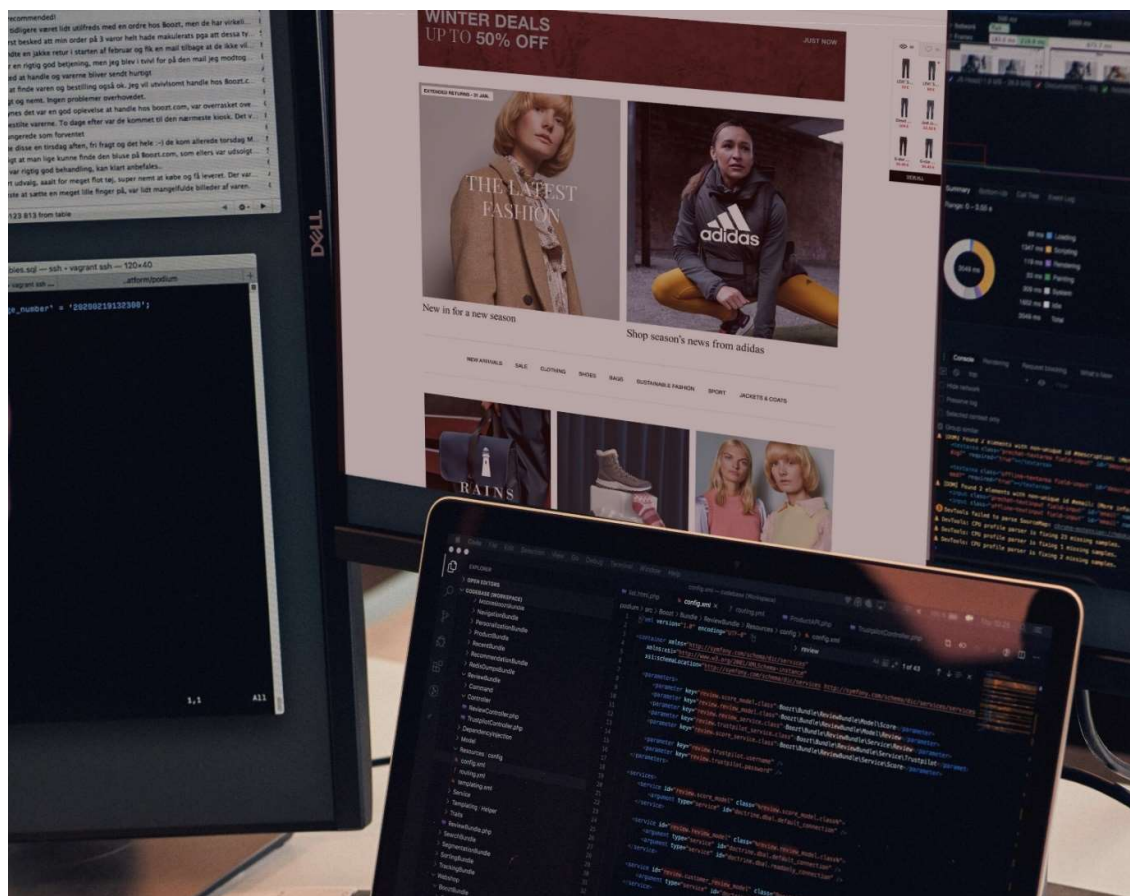


# Boozt



## PROSPECTUS REGARDING INVITATION TO SUBSCRIBE FOR ORDINARY SHARES IN BOOZT AB (PUBL) AND THE ADMISSION TO TRADING AND OFFICIAL LISTING ON NASDAQ COPENHAGEN

THE PROSPECTUS WAS APPROVED BY THE SWEDISH FINANCIAL SUPERVISORY AUTHORITY ON 9 NOVEMBER 2020.

THE PROSPECTUS IS VALID UP TO TWELVE MONTHS FROM THE DATE OF APPROVAL. THE OBLIGATION TO PROVIDE SUPPLEMENTS TO THE PROSPECTUS IN THE EVENT OF NEW CIRCUMSTANCES OF SIGNIFICANCE, FACTUAL ERRORS OR MATERIAL ERRORS WILL NOT BE APPLICABLE WHEN THE SHARES HAVE BEEN ADMITTED TO TRADING ON NASDAQ COPENHAGEN.

SOLE GLOBAL COORDINATOR AND SOLE BOOKRUNNER

Danske Bank

## IMPORTANT INFORMATION

This prospectus (the "**Prospectus**") has been prepared in connection with the offering to the general public and institutional investors in Denmark as well as to institutional investors in certain other jurisdictions (the "**Offer**" or the "**Offering**") to acquire new shares in Boozt AB (a Swedish public limited liability company), and admission to trading and official listing of the shares in Boozt AB on Nasdaq Copenhagen. In this Prospectus, "**Boozt**", the "**Company**" or the "**Group**" refers to, depending on the context, Boozt AB, the group in which the Company is the parent company or a subsidiary of the group. "**Danske Bank**" or "**Sole Global Coordinator**" refers to Danske Bank A/S.

### **INFORMATION FOR INVESTORS**

This Prospectus has been prepared as a simplified prospectus in accordance with article 14 in Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 (the "**Prospectus Regulation**"). The Prospectus has been approved and registered by the Swedish Financial Supervisory Authority and subsequently passported to Denmark in accordance with the provisions of the Prospectus Regulation. The approval from the Swedish Financial Supervisory Authority does not mean that the Swedish Financial Supervisory Authority guarantees that the information in the Prospectus is complete or correct. Swedish law governs the Prospectus and the Offering. Disputes arising from the Prospectus, the Offering and related legal matters shall be settled exclusively by Swedish courts. The Prospectus has only been prepared in an English version.

No action has been taken, or will be taken, by Boozt to allow a public offering in any country other than Denmark. No measures have been or will be taken in any jurisdiction other than Denmark that would allow shares to be offered to the general public or allow the Prospectus or any other documents pertaining to the Company or the Company's shares to be held or distributed in such a jurisdiction. Applications to acquire shares that violate such rules may be deemed invalid. Individuals who obtain copies of the Prospectus are requested by the Company to inform themselves of and observe such restrictions. The Company does not accept any legal responsibility for any violation of any such restrictions, regardless of whether or not such a violation is made by a prospective investor.

Neither shares nor any other securities in Boozt (altogether the "**Securities**") have been, or will be, registered under the United States Securities Act of 1933, as amended ("**Securities Act**") or securities laws in any state or jurisdiction of the United States and may not be offered, subscribed for, exercised, pledged, sold, resold, assigned, delivered or transferred, directly or indirectly, in or to the United States or to persons residing there, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. The Securities are being offered outside the United States in reliance of Regulation S of the Securities Act. No offer will be made to the public in the United States. The shares in the Offering have not been recommended, approved or rejected by any US federal or state securities commission or regulatory authority. Furthermore, the aforementioned authorities have not confirmed the accuracy or determined the adequacy of the Prospectus. Any representation to the contrary is a criminal offence in the United States.

Moreover, the Offering is not made to persons resident in Australia, Hong Kong, Japan, Canada, New Zealand or South Africa or to persons whose participation would require additional prospectuses, registration or other measures than those imposed by Danish and Swedish law. The Prospectus may not be distributed in any country or any jurisdiction where the distribution or the Offering would require such measures or would be in conflict with the applicable regulation of such jurisdiction. Application for subscription of shares in violation of the restrictions above may be void. Persons who receive copies of the Prospectus are required to inform themselves about, and comply with, such restrictions. Any failure to comply with the restrictions described may result in a violation of securities regulations.

In the member states of the European economic area ("**EEA**") – with the exception of Denmark – the Offering may be made only on condition that it does not lead to an obligation to prepare any prospectuses in such countries in accordance with the Prospectus Regulation.

An investment in Securities involves certain risks; see the section "*Risk factors*". When investors make an investment decision, they must rely on their own assessment of Boozt and the Offering, including applicable facts and risks. Investors may only rely on the information contained in this Prospectus and any possible supplements to this Prospectus. Prior to making an investment decision, potential investors should engage their own professional advisers and carefully evaluate and consider their investment decision. No person is authorised to provide any information or make any statements other than those made in this Prospectus. Should such information or statements nevertheless be made, they should not be considered to have been approved by Boozt or Danske Bank, and neither the Company nor Danske Bank are responsible or assumes any liability for such information or statements. Neither the publication of this Prospectus nor any transaction made in respect of the Offering shall under any circumstances imply that the information contained herein is accurate or applicable at any time other than on the date of publication of this Prospectus, or that there have been no changes in the Company's business since this date. If significant changes to the information in this Prospectus occur, such changes will be announced in accordance with the provisions on supplements to a prospectus under the Prospectus Regulation. No warranty, either expressed or implied, is provided by Danske Bank regarding the accuracy or completeness of the information contained in this Prospectus, and nothing in this Prospectus is to be regarded as a promise or guarantee of Danske Bank, whether it relates to the past or the future. Accordingly, to the extent permitted by applicable law, Danske Bank disclaims any liability that Danske Bank might otherwise have with respect to the Prospectus or any statement referred to above.

### **PRESENTATION OF FINANCIAL INFORMATION IN THE PROSPECTUS**

Certain amounts presented in the Prospectus have been rounded off, and consequently the numbers in certain tables do not necessarily correspond exactly to the total amounts. Except as expressly indicated herein, no information in the Prospectus has been audited or reviewed by the Company's auditor. Unless otherwise specified, "**SEK**" or "**krona**" refers to the official currency in Sweden. All financial amounts are expressed in the Swedish krona ("**SEK**") unless otherwise indicated. "**SEK T**" means thousands of krona, and the abbreviation "**SEK M**" means millions of krona. "**USD**", "**GBP**", "**DKK**", "**NOK**" and "**EUR**" refer to US dollars, British pounds, Danish krone, Norwegian krone and euros respectively.

### **FORWARD-LOOKING STATEMENTS**

This Prospectus contains certain forward-looking statements that reflect Boozt's current views or expectations with respect to future events as well as financial and operational performance. The words "intend", "estimate", "expect", "may", "plan", "anticipate" or other expressions regarding indications or forecasts of future developments or trends that are not based on historical facts constitute forward-looking information. This applies, in particular, to statements and opinions in the Prospectus concerning future financial returns, plans and expectations with respect to the business and management of the Company, future growth and profitability, and the general economic and regulatory environment, and other matters affecting the Company. Although Boozt believes that these statements are based on reasonable assumptions and expectations, Boozt cannot guarantee that such forward-looking statements will be realised. Forward-looking information is inherently associated with both known and unknown risks and uncertainties since it depends on future events and circumstances. Forward-looking information does not constitute a guarantee of future results or performance, and the outcome may differ materially from what is set out in the forward-looking information. Factors that could cause Boozt's future results or performance to differ from what is expressed in the forward-looking statements include, but are not limited to, those described in the section "*Risk Factors*". Forward-looking information in this Prospectus applies only to the date of the publication of the Prospectus. Boozt undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or similar circumstances, other than as required by law.

### **INDUSTRY AND MARKET INFORMATION**

This Prospectus contains market information and industry forecasts from third parties, including information regarding the size of the markets in which Boozt operates. Although the Company considers that these sources are reliable and the information has been reproduced properly in the Prospectus, the Company has not independently verified the information, which is why its accuracy and completeness cannot be guaranteed. The Company has presented this information accurately and, as far as the Company's board of directors is aware and can ascertain from information that has been published by such third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. Some of the information and statements in the Prospectus relating to the industry in which the Company operates are not based on published statistics or information from independent third parties, but rather reflect the Company's best estimates based on information obtained from industry and business organisations and other contacts. Although Boozt is of the view that its internal analyses are reliable, these have not been verified by any independent source.

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## SUMMARY OF THE OFFERING AND EXPECTED TIMELINE

### Price range

DKK 110 - 140 per share

### Subscription period

10-23 November 2020

### Publication of the price in the Offering

24 November 2020

### First day of trading in temporary purchase certificates on Nasdaq Copenhagen

24 November 2020

### Settlement Date

26 November 2020

### First day of trading in ordinary shares on Nasdaq Copenhagen

27 November 2020

## FINANCIAL CALENDAR

Interim report Jan-Dec 2020	9 February 2021
Annual report 2020	16 April 2021
Interim report Jan-Mar 2021	7 May 2021
Interim report Jan-Jun 2021	13 August 2021
Interim report Jan-Sep 2021	9 November 2021

## OTHER INFORMATION

### Trading venue

The Company's ordinary shares are listed on Nasdaq Stockholm since 31 May 2017 and the Company has applied for a cross-listing of its shares on Nasdaq Copenhagen.

#### *Nasdaq Stockholm*

Ticker:	BOOZT
ISIN:	SE0009888738

#### *Nasdaq Copenhagen*

Symbol ordinary shares:	BOOZT DKK
Symbol temporary purchase certificates:	BOOZT N
ISIN ordinary shares	SE0009888738
ISIN temporary purchase certificates:	SE0015193065

# SUMMARY

## INTRODUCTIONS AND WARNINGS

<b>The Securities</b>	This Prospectus has been prepared in connection with the Offering and listing on Nasdaq Copenhagen of ordinary shares in Boozt. The Company's ordinary shares have ISIN code SE0009888738. The ordinary shares have been admitted to trading on Nasdaq Stockholm since 2017 under the ticker BOOZT.
<b>Contact Details, Boozt</b>	Boozt AB (publ) Reg. No: 556793-5183 LEI code: 549300HOEUKTVLRKQQ57 Hyllie Boulevard 35, 215 37 Malmö, Sweden +46 (0)40 12 80 05 <a href="http://www.booztgroup.com">www.booztgroup.com</a>
<b>Competent Authority</b>	The Swedish Financial Supervisory Authority ( <i>Sw. Finansinspektionen</i> ) Box 7821, 103 97 Stockholm +46 (0)8 408 980 00 <a href="http://www.fi.se">www.fi.se</a>
<b>Date of Approval of the Prospectus</b>	9 November 2020
<b>Warnings</b>	<p>This summary should be read as an introduction to the Prospectus. Any decision to invest in the securities should be based on a consideration of the Prospectus as a whole by the investor. Investors can lose all or parts of the invested capital.</p> <p>Where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under national law, have to bear the costs of translating the Prospectus before the legal proceedings are initiated.</p> <p>Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only where the summary is misleading, inaccurate or inconsistent, when read together with the other parts of the Prospectus, or where it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in such securities.</p>

## KEY INFORMATION ON THE ISSUER

<b>Who is the Issuer of the Securities?</b>	<p><b><i>The Issuer's Domicile, Legal Form and Law</i></b></p> <p>The Company is a Swedish public limited liability company established in Sweden. The board of directors' registered office is in the municipality of Malmö, Sweden. The Company was incorporated on 15 October 2009 and was registered at the Swedish Companies Registration Office on 13 November 2009. The Company is regulated by, and its operations are conducted in accordance with, the Swedish Companies Act (<i>Sw. aktiebolagslagen</i> (2005:551)). The Company's LEI code is 549300HOEUKTVLRKQQ57.</p> <p><b><i>The Issuer's Principal Activities</i></b></p> <p>Boozt is a Nordic technology company selling fashion online. This includes fashion for women, men, kids, sports/athleisure, beauty and home interior. The Company aims to offer a curated and contemporary selection of brands, relevant to a variety of lifestyles for the Nordic customer, mainly through the multi-brand web stores Boozt.com and Booztlet.com. The Company has developed and built its own technological infrastructure, allowing for increased control of the customer experience, which is key to the Company's ability to achieve a high customer satisfaction.</p> <p>Boozt strives to offer a convenient shopping experience with high service levels, consistent user experiences across both mobile devices and desktop, quick deliveries and easy returns. This has yielded a high customer satisfaction indicated by a Net Promoter Score (NPS)<sup>1</sup> of 71 (2019) and a Trustpilot Score<sup>2</sup> of 4.6 (2019). This results in very attractive unit economics where customers show a strong degree of loyalty giving a payback of less than 18 months on the investment in new customers. The Company believes that the Boozt brand is one of the leading names for fashion in the Nordics, and the ambition is to build the same position within the categories adjacent to fashion such as kids, sport and beauty.</p> <p>Boozt has grown rapidly over the last few years to reach SEK 3.4 billion in Group net revenue and building a base of 1,606,000 active customers on Boozt.com in 2019. For the nine months ending 30 September 2020, Boozt reported SEK 2.9 billion in Group net revenue and 1,852,000 active customers on Boozt.com.<sup>3</sup></p> <p>The Company, in its current state, has been in operation since 2011 with the launch of Boozt.com as a multi-brand web store on an in-house purpose-built platform. Boozt primarily targets Nordic fashion followers that value convenience in their customer experience, mainly consumers aged 25–54 which represent over 70 per cent of the net revenue. In 2016, the Company launched Booztlet.com and the web store's strategy is to become the leading online off-price player in the Nordics.</p> <p>In October 2020, Boozt announced the expansion into the Home category that will focus on Nordic mid- to premium priced home and interior brands with the aim to offer the most confident selection available of strong Nordic home and interior brands to Boozt's customers. Boozt's target is to reach 200 signed brands during the fourth quarter 2020. To efficiently address the growing Nordic online market opportunity and the target customer groups, the Company continuously invests in future growth through its focus on relevant</p>
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marketing. Boozt's operations are conducted through three main segments: Boozt.com, Booztlet.com and Other.

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

*2 TrustScore is an overall measurement of reviewer satisfaction, based on all the Service and Location reviews a business receives on Trustpilot. TrustScore is represented numerically from 1 to 5.*

*3 Information from Boozt's audited consolidated financial reports as per and for the financial year ended 31 December 2019 and from Boozt's reviewed interim report for the period January–September 2020.*

#### **The Issuer's Major Shareholders**

The table below shows Boozt's ten largest shareholders and shareholder structure as per the date of the Prospectus, based on information from Modular Finance AB as per 30 September 2020 and subsequent changes up until the date of the Prospectus that are known to the Company. As far as the Company is aware, there are no existing agreements between the shareholders which aim to change the control over Boozt. The Company is not owned or controlled directly or indirectly by any party.

<b>Name</b>	<b>No. of shares</b>	<b>No. of votes</b>	<b>Capital (%)</b>	<b>Votes (%)</b>
Sampension KP Livsforsikring A/S	5,561,035	5,561,035	9.54%	9.59%
Arbejdsmarkedets Tillægspension (ATP)	5,329,254	5,329,254	9.14%	9.19%
Ferd AS	4,995,383	4,995,383	8.57%	8.62%
Swedbank Robur Funds	4,400,000	4,400,000	7.55%	7.59%
Invesco	3,750,000	3,750,000	6.43%	6.47%
Kabouter Management, LLC	3,252,430	3,252,430	5.58%	5.61%
Ruane, Cunniff & Goldfarb	2,600,000	2,600,000	4.46%	4.49%
Länsförsäkringar Funds	2,322,149	2,322,149	3.98%	4.01%
Thornburg Investment Management Inc	1,942,607	1,942,607	3.33%	3.35%
Friheden Invest A/S	1,692,039	1,692,039	2.90%	2.92%
<b>Total top 10</b>	<b>35,844,897</b>	<b>35,844,897</b>	<b>61.48%</b>	<b>61.84%</b>
Other shareholders (ordinary shares)	22,081,628	22,081,628	37.88%	38.10%
Series C shares held by the Company	374,586	37,458.60	0.64%	0.06%
<b>Total number of shares</b>	<b>58,301,111<sup>4</sup></b>		<b>100 %</b>	<b>100 %</b>
<b>Total number of votes</b>		<b>57,963,983,60<sup>4</sup></b>	<b>100 %</b>	<b>100 %</b>

*4 Total number of shares/votes includes ordinary shares as well as series C shares, but does not include 28,968 new ordinary shares to be issued and registered during November 2020 due to exercise of options in one of the Company's incentive programs.*

#### **Board of Directors, Senior Executives and Auditor**

The Company's board of directors comprises the chairman of the board Henrik Theilbjørn and board members Jón Björnsson, Kent Stevens Larsen, Bjørn Folmer Kroghsbo, Cecilia Lannebo and Luca Martines.

The Company's group management comprises Hermann Haraldsson (CEO), Sandra Gadd (CFO), Peter G. Jørgensen (CCO), Jesper Brøndum (CTO), Mads Bruun Famme (CPO), Anders Enevoldsen (Head of Business Development, IR & Corporate Communication) and Lars Lindgaard (CSCO).

At the 2020 annual general meeting, the registered auditing firm Deloitte AB, with Didrik Roos as the auditor in charge, was elected as auditor for the period until the end of the next annual general meeting. Didrik Roos is an authorized public accountant and member of FAR. Deloitte AB has been the registered auditing firm for the Company since the annual general meeting 2018.

**What is the Key Financial Information Regarding the Issuer?**

<b>Consolidated Income Statement in summary</b>	<b>Audited</b>	<b>Unaudited</b>	
	<b>Jan-Dec 2019</b>	<b>Jan-Sep 2020</b>	<b>Jan-Sep 2019</b>
SEK million			
Total revenue	3,424.9	2,934.3	2,375.2
Operating profit or loss	91.8	80.3	-12.8
Net profit or loss	54.8	47.9	-22.7
Net revenue growth, % <sup>1</sup>	23.0	23.5	25.6
Adjusted EBIT margin, % <sup>2</sup>	3.2	5.1	0.3

<sup>1</sup> Alternative performance measure. Defined by Boozt as net revenue for the period minus the previous period's net sales in relation to the previous period's net sales.

<sup>2</sup> Alternative performance measure. Defined by Boozt as adjusted EBIT divided by net revenue.

Consolidated Statement of Financial Position in summary	Audited		Unaudited	
	31 Dec 2019	30 Sep 2020	30 Sep 2019	
SEK million				
Total assets	2,487.2	2,992.4	2,440.3	
Total equity	942.6	1,019.8	863.9	
Net debt <sup>3</sup>	295.6	-335.7	291.3	
<sup>3</sup> Alternative performance measure. Defined by Boozt as interest-bearing liabilities less cash and cash equivalents.				
Consolidated Cash Flow Statement in summary	Audited		Unaudited	
	Jan-Dec 2019	Jan-Sep 2020	Jan-Sep 2019	
SEK million				
Cash flow from operating activities	76.5	647.0	20.6	
Cash flow from investing activities	-171.3	-76.4	-113.4	
Cash flow from financing activities	66.1	148.8	20.2	

<p><b>What are the Key Risks that are Specific to the Issuer?</b></p>	<ul style="list-style-type: none"> <li>Boozt's fulfilment centre ("BFC") is a central part of Boozt's operations. At the BFC, logistics operations include deconsolidation of goods received from suppliers, as well as sorting, packing, cargo loading and customised distribution and inventory management services. If BFC or the equipment therein is damaged as a result of events such as flooding or fire, if the equipment is malfunctioning or breaks down, if BFC has to close or if the Company's inventory is stolen, Boozt could suffer losses and delays in delivery, which in turn could have a material adverse effect on Boozt's results. In addition, if the inventory is damaged as a result of events such as flooding or fire, Boozt could be forced to write down such inventory and could have to arrange for delivery of ordered products directly from its suppliers, which could lead to increased prices and delayed deliveries. Boozt could be unable to recover such increased costs from its customers, while delayed deliveries could adversely affect Boozt's reputation. Boozt is furthermore exposed to the risk for accidents, personal injury or death involving BFC staff, which could result in claims for damages against Boozt as well as damage to Boozt's reputation. Costs, including fines and damages, that Boozt may incur in such circumstances as noted could substantially exceed or be excluded from Boozt's insurance coverage which could result in losses that Boozt cannot recover.</li> <li>Boozt's inventory is costly to move, store and handle. If Boozt does not operate and optimise its warehouse successfully and efficiently, it could result in excess or insufficient logistical capacity, increased costs or harm Boozt's business in other ways. Boozt is dependent on the accuracy of its logistics and product information management systems. In the event that Boozt does not have the ordered products in store, whether due to wrong product assortment or insufficient inventory, there is a risk that deliveries to customers may be delayed or impossible to carry out.</li> <li>Boozt is dependent on its reputation, which is important to the Company in relation to both new and existing customers choosing where to purchase from. Boozt's ability to expand its customer base and increase its sales to existing customers is dependent on the Company having a good reputation with consumers. Boozt's reputation and brand name could be impaired, for example, due to losses of well-known brands or as a consequence of customer complaints or negative publicity associated with Boozt as a company (including Boozt's websites, products, marketing, assortment, delivery times, returns processes, customer data handling and security practices, or customer support, including on internet-based platforms such as blogs, online ratings, review services and social media websites). In addition, Boozt faces the risk that its employees and other persons affiliated with Boozt may take actions which are unethical, criminal (including, but not limited to, with respect to violation of applicable anti-corruption or anti-bribery legislation) or otherwise contravene Boozt's internal guidelines and policies. If Boozt is associated with such misconduct, it could have a material adverse effect on Boozt's reputation. Furthermore, Boozt's reputation is also important in relation to the Company's business partners, such as suppliers. Boozt is dependent on good relations with its suppliers and a good brand image with the apparel industry is beneficial to the Company's ability to maintain and further develop its wide assortment of products.</li> <li>The Nordic online apparel market is fragmented and highly competitive. Boozt competes with a diverse group of retailers of different size and types, such as Zalando, Asos, NK, Åhlens, Magasin du Nord, Ellos and Nelly, which operate under several different business models, offline and online. There is a risk that Boozt will not compete with the Company's competitors in a successful way.</li> <li>Boozt primarily conducts its operations in the Nordics and purchases products from suppliers in Europe. For this reason, Boozt is affected by general economic (such as recession, inflation or deflation, a general weakening in the online retail market and changes in consumer purchasing power), financial and political conditions, and particularly those conditions in the Nordic region. Furthermore, uncertainty relating to the development of the ongoing COVID-19 pandemic poses certain risks which may affect Boozt's operations in the short term as well as in the long term, for example through delays in product supply, subdued demand for fashion and apparel as well as the risk that the recent increased transition to online shopping due to COVID-19 will slow down.</li> <li>Technology is central to Boozt's operations. The Company has built an advanced e-commerce platform using cutting-edge web technologies and infrastructure components. The Company has invested, and</li> </ul>
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	<p>still invests, a lot of time and resources in establishing and maintaining the integrated technology platform. Boozt's success is dependent on the reliability, functionality, maintenance, operation and continuing development of its integrated technology platform, including the Company's websites and business, sales, customer management, financial and accounting, marketing, purchasing, warehouse management, online retail and mobile systems, as well as its operational platforms, including voice, data and power systems.</p> <ul style="list-style-type: none"> <li>• Boozt is dependent on suppliers and third-party service providers in order to sell its products. Boozt's suppliers are either the brands themselves, or agents of such brands on the Nordic market. If Boozt's suppliers change their current practice and/or terms and conditions, for example with respect to payment, this could result in an adverse effect on Boozt's business. Furthermore, Boozt is dependent on its suppliers being able to deliver ordered products and relevant product data in a timely manner. If any supplier terminates its relationship with Boozt or goes into bankruptcy, Boozt could be unable to receive products within the same time frame. Trade restrictions, including new or increased tariffs or quotas, embargoes, sanctions, safeguards and customs restrictions against the products Boozt sells, as well as foreign labour strikes and work stoppages or boycotts could increase the cost or reduce the supply of products available to Boozt. Moreover, Boozt is exposed to fluctuations in the market price of commodities such as cotton and other textile raw material, as well as fuel, which are used in connection with the manufacturing and transport of the products that Boozt purchases. Increases in such prices could thus increase the price or reduce the availability of such products.</li> <li>• Boozt is exposed to risks related to the possession of customers' personal data. If third parties or Boozt's employees are able to breach Boozt's network security or otherwise misappropriate customers' personal information or other information for which Boozt agrees to be responsible for in connection with service contracts, or if Boozt gives third parties or its employees improper access to any such personal information, Boozt could be held liable. In addition, there is a risk for sanctions if the Company is not compliant with the General Data Protection Regulation (EU) 2016/679.</li> <li>• Boozt is exposed to currency risks. Currency risk refers to the risk that currency exchange rate changes result in material adverse effects on Boozt's income statement, balance sheet or cash flow. The Group's main transaction exposure consists of SEK, DKK, EUR and NOK. A three per cent weaker SEK against the EUR and DKK for the financial year 2019, with all other factors being unchanged, would have had a negative effect on profit before tax of SEK 1.1 million. A three per cent weaker NOK against the SEK for the financial year 2019, with all other factors being unchanged, would have had a negative effect on profit before tax for the year of SEK 11.3 million.</li> </ul>
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## KEY INFORMATION ON THE SECURITIES

<p><b>What are the Main Features of the Securities?</b></p>	<p><b><i>Type, Class and ISIN of the Securities</i></b></p> <p>The Company has two classes of shares; ordinary shares and series C shares. The Offering comprises ordinary shares. The ordinary shares have ISIN code SE0009888738 and are currently admitted to trading on Nasdaq Stockholm under the ticker BOOZT.</p> <p><b><i>Currency, Nominal Value and Number of Securities</i></b></p> <p>The shares are denominated in SEK. As per the date of the Prospectus, the registered share capital amounts to SEK 4,858,425.916806 divided into 58,301,111 shares, of which 57,926,525 are ordinary shares and 374,586 are series C shares. All shares are fully paid up and the quota value is approximately SEK 0.0833. During November 2020 an additional 28,968 ordinary shares will be issued and registered due to the exercise of options under one of the Company's incentive programs. Following such exercise and registration, the total number of shares will amount to 58,330,079, of which 57,955,493 are ordinary shares and 374,586 are series C shares, and the share capital will amount to SEK 4,860,839.916807. Through the Offering, the number of ordinary shares can increase by a maximum of 5,737,085.</p> <p><b><i>Rights Attached to the Securities</i></b></p> <p>Each ordinary share entitles the holder to one (1) vote and each series C share entitles the holder to one tenth (1/10) vote at general meetings in the Company. Each person entitled to vote may vote for the full number of shares owned and represented without limitation in the voting rights. All shareholders registered as shareholders in the share register maintained by Euroclear Sweden on the record date adopted by the general meeting shall be entitled to receive dividends. For shareholders registered through VP Securities in Denmark, certain procedures will apply in relation to <i>inter alia</i> participating and voting in general meetings and dividends.</p> <p>If the Company resolves to issue new ordinary shares and series C shares, against payment other than contribution in kind, owners of ordinary shares and series C shares shall have pre-emption rights to subscribe for new shares of the same class pro rata to the number of shares previously held by them (primary pre-emption right). Shares which are not subscribed for pursuant to the primary pre-emption rights shall be offered to all shareholders for subscription (secondary pre-emption right). If the Company resolves to issue new shares of either solely ordinary shares or series C shares, against payment other than contribution in kind, all shareholders shall, irrespective of whether their shares are ordinary shares or series C shares, have pre-emption rights to subscribe for new shares pro rata to the number of shares previously held by them.</p> <p>The shares of the Company are issued in accordance with Swedish law and the rights associated with the shares issued by the Company, including those pursuant to the articles of association, can only be amended in accordance with the procedures set out in the Swedish Companies Act.</p> <p><b><i>The Relative Seniority of the Securities in the Issuer's Capital Structure in the Event of Liquidation</i></b></p> <p>The Company has two classes of shares and all ordinary shares give equal rights to dividends and the Company's assets and possible surpluses in the event of dissolution of the Company. Series C shares do not entitle to dividends. Upon the dissolution of the Company, series C shares shall carry equivalent right to the Company's assets as other shares, however, not to an amount exceeding the quota value of the share.</p>
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	<p><b><i>Transferability of the Securities</i></b></p> <p>There are no restrictions of the free transferability of the shares in the Company.</p> <p><b><i>Dividend Policy</i></b></p> <p>When free cash flow exceeds available investments in profitable growth, the surplus can be distributed to shareholders. The Company does not intend to pay dividends in the medium-term and there can be no assurances that in any given year a dividend will be paid. Declaration of dividends, if any, and the amounts and timing thereof, will depend on a number of factors, including financial position, investment needs, acquisition opportunities, general economic and business conditions and such other factors as the board of directors may deem relevant in such decision. No dividend was paid during the financial year ended 31 December 2019. At the annual general meeting held on 27 May 2020, it was resolved that no dividend will be paid for the financial year 2019.</p>
Where will the Securities be Traded?	The Company's ordinary shares are listed on Nasdaq Stockholm since 31 May 2017 and the Company has applied for a cross-listing of its ordinary shares on Nasdaq Copenhagen. Subject to approval by Nasdaq Copenhagen, the Company's ordinary shares will thus be cross-listed and tradable on both Nasdaq Stockholm and Nasdaq Copenhagen.
What are the Key Risks that are Specific to the Securities?	<ul style="list-style-type: none"> <li>The Company and the Sole Global Coordinator have entered into a Placing Agreement that contains a provision entitling the Sole Global Coordinator to terminate the Offering after admission to trading of the temporary purchase certificates on Nasdaq Copenhagen (expected on or around 24 November 2020) and prior to settlement (expected on or around 26 November 2020). If the Offering is terminated or withdrawn, the Offering will lapse, all submitted orders will be automatically cancelled, any monies received in respect of the Offering will be returned to the investors without interest and admission to trading and/or official listing of the temporary purchase certificates or the ordinary shares on Nasdaq Copenhagen will be cancelled.</li> <li>There is a risk that there will not be a liquid market for the shares and that the price of the shares will be highly volatile in connection with the admission to trading and official listing on Nasdaq Copenhagen. During the period 1 October 2019 – 1 October 2020, the Company's share price at Nasdaq Stockholm was at its minimum SEK 35.3 and at its maximum SEK 131.4.</li> <li>The Company's largest shareholders that own more than five per cent of the Company's shares are Sampension KP Livsforsikring A/S, Arbejdsmarkedets Tillægspension (ATP), Ferd AS, Swedbank Robur Funds, Invesco, and Kaboutier Management, LLC, whose combined share ownership amounts to approximately 46.8 per cent of the Company's total shares. There is a risk that future sales of large blocks of shares as well as disposals made by the largest shareholders, directors and/or senior executives could have a negative impact on the Company's share price.</li> <li>The Company does not intend to propose the distribution of a dividend in the short or medium-term and intends to use the cash flow generated for continued investments in growth. The board of directors shall each year evaluate the possibility of distributing a dividend after taking into account the development of the business as well as its operating profit and financial position. The Company may not have sufficient funds to make dividend payments and the Company's shareholders may decide not to approve dividend payments in the future.</li> </ul>

## KEY INFORMATION ON THE OFFERING AND THE ADMISSION TO TRADING AND OFFICIAL LISTING ON NASDAQ COPENHAGEN

Under Which Conditions and Timetable can I Invest in This Security?	<p><b><i>The Offering</i></b></p> <p>The Offering comprises of not more than 5,737,085 newly issued ordinary shares in the Company. The Offering consists of two parts; (i) the offering to the general public (retail) and institutional investors in Denmark and (ii) the offering to institutional investors in certain other jurisdictions. The part of the offering to institutional investors outside of the United States will be made in compliance with Regulation S under the Securities Act. No public offering is made in any jurisdiction other than Denmark.</p> <p><b><i>Listing on Nasdaq Copenhagen</i></b></p> <p>Boozt was listed on Nasdaq Stockholm on 31 May 2017. The board of directors and the management of Boozt believe that it is now an appropriate time to broaden the shareholder base and to apply for a cross-listing of the shares on Nasdaq Copenhagen. Application has been made for the existing and new ordinary shares to be admitted to trading and official listing under the symbol BOOZT DKK on Nasdaq Copenhagen (and for temporary purchase certificates, to be issued to facilitate initial trading, to be admitted to trading on Nasdaq Copenhagen under the symbol BOOZT N). The admission to trading and official listing is subject to, among other things, the Offering not being withdrawn prior to the settlement of the Offering and the Company making an announcement to that effect. Trading in the ordinary shares on Nasdaq Copenhagen will be settled in VP Securities' settlement system.</p> <p><b><i>Allotment of Shares</i></b></p> <p>In the event that the total amount of shares applied for in the Offering exceeds the number of ordinary shares offered in the Offering, the board of directors will in consultation with the Sole Global Coordinator resolve on allotment between retail and institutional investors, whereby the goal will be to achieve a strong institutional ownership base and a broad distribution of the ordinary shares among the general public in Denmark, in order to facilitate a regular and liquid trading in the shares on Nasdaq Copenhagen. Further thereto, reductions will be made as follows:</p> <ul style="list-style-type: none"> <li>With respect to applications for amounts of up to and including DKK 3 million, reductions will be made mathematically.</li> </ul>
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- With respect to applications for amounts of more than DKK 3 million, individual allocations will be made. The Sole Global Coordinator will allocate the ordinary shares after agreement upon such allocations with the Company.

Orders as well as indications of interest may not result in an allocation of ordinary shares.

**Offer Price**

The price in the Offering (the “**Offer Price**”) will be determined through a book-building process which will commence on 10 November 2020 and continue until 23 November 2020 at 4:00 p.m. (CET) unless closed early. Following the book-building process, the Offer Price will be determined by the Company in consultation with the Sole Global Coordinator. The Offer Price is expected to be announced through a press release by the Company no later than 7:30 a.m. (CET) on 24 November 2020.

The Offer Price is free of brokerage charges and is expected to be between DKK 110 and DKK 140 per ordinary share (the “**Offer Price Range**”). This indicative Offer Price Range has been set by the Company following consultation with the Sole Global Coordinator, taking into account, among other things, the anticipated investment interest from institutional investors, the prevailing market conditions and the market price for the Company’s shares listed on Nasdaq Stockholm.

It is currently expected that the Offer Price will be set within the Offer Price Range, meaning that the Offer Price will not exceed DKK 140. If the Offer Price Range is adjusted, the Company will make an announcement through a press release no later than 23 November 2020 at 4:00 p.m. (CET) and publish a supplement to this Prospectus. Following publication of such supplement, investors who have submitted orders to subscribe for ordinary shares in the Offering will have two trading days to withdraw their subscription order. In such an event, the timeline for the Offering will be extended accordingly and the announcement of the Offer Price will not be published until the period for exercising such withdrawal rights has ended. Any adjustment of the Offer Price Range may be made by the Company and the Sole Global Coordinator based on, among other things, fluctuations in the price of the Company’s shares on Nasdaq Stockholm and anticipated investment interest from institutional investors.

**Offering Period and Application**

The offer period will commence on 10 November 2020 and will close no later than 23 November 2020 at 4:00 p.m. (CET) (the “**Offer Period**”). The Offer Period may be closed in whole or in part prior to 23 November 2020. If the Offering is closed before 23 November 2020, the announcement of the Offer Price, allocation and the admission to trading and official listing may be moved forward accordingly. The Offer Period in respect of applications for subscriptions for amounts of up to, and including, DKK 3 million may be closed before the remainder of the Offering is closed. Any such earlier closing, in whole or in part, will be announced through a press release by the Company.

Applications by Danish investors to subscribe for amounts of up to and including DKK 3 million should be made electronically in the online bank of the investor’s own account-holding bank or by submitting the application form enclosed in the Prospectus to the investor’s own account-holding bank during the Offer Period or such shorter period as may be announced by the Company. Applications are binding and cannot be altered or cancelled.

Investors who wish to apply to subscribe for amounts of more than DKK 3 million can indicate their interest to Danske Bank A/S during the Offer Period. During the Offer Period, such investors can continuously change or withdraw their declarations of interest, but these declarations of interest become binding applications at the end of the Offer Period.

The minimum subscription amount is one ordinary share. No maximum subscription amount applies to the Offering. However, the number of shares is limited to the number of ordinary shares in the Offering.

**Settlement Date**

The scheduled settlement date is 26 November 2020.

**Early Closing of the Offering**

If the Offering is closed before 23 November 2020, the admission to trading and official listing, the settlement date, the delivery of temporary purchase certificates, the automatic exchange of temporary purchase certificates for ordinary shares and the first day of trading in ordinary shares on Nasdaq Copenhagen may be moved forward accordingly.

**Terms and Conditions for the Completion of the Offering**

Completion of the Offering is conditional upon (i) the Offering not being withdrawn, (ii) certain conditions in the Placing Agreement (as defined below) being fulfilled and (iii) the Placing Agreement not being terminated. The Offering may be withdrawn by the Company and the Sole Global Coordinator at any time before pricing and allocation of the Offering take place (i.e. prior to 24 November 2020).

The Company and the Sole Global Coordinator have entered into a Placing Agreement governing the Offering (the “**Placing Agreement**”). The Placing Agreement stipulates that the Sole Global Coordinator’s undertaking to serve as an intermediary for buyers in the subscription of ordinary shares in the Offering is conditional upon, inter alia, there being sufficient interest in the Offering, according to the Sole Global Coordinator, to fulfil the free float requirements and enable a regular and liquid trading in the ordinary shares on Nasdaq Copenhagen, the warranties provided by the Company being correct, no events occurring that will have such a material negative impact on the Group that, in the sole opinion of the Sole Global Coordinator, it would be inappropriate to carry out the Offering as contemplated in the Prospectus, and other customary completion conditions, such as registration of the new shares issued in the Offering with the Swedish Companies Registration Office and the Company’s shares being admitted to trading on Nasdaq Copenhagen as contemplated in the Prospectus.

If any material negative events occur, if the warranties that the Company has issued to the Sole Global Coordinator fall short or if any of the other conditions stipulated by the Placing Agreement are not fulfilled, the Sole Global Coordinator is entitled to terminate the Placing Agreement up to and including settlement has occurred on the Settlement Date (26 November 2020). If these conditions are not fulfilled and if the Sole Global Coordinator terminates the Placing Agreement, the Offering may be terminated. In such a case,

	<p>neither delivery nor payment will be carried out under the Offering. In accordance with the Placing Agreement, the Company will undertake to compensate the Sole Global Coordinator for certain requirements under certain conditions.</p> <p>Nasdaq Copenhagen's approval of the admission to trading and official listing on Nasdaq Copenhagen is subject to the above termination rights not being exercised after pricing and until including settlement has occurred on the Settlement Date. If the Offering is terminated or withdrawn, the Offering and any associated arrangements will lapse, all submitted orders will be automatically cancelled, any monies received in respect of the Offering will be returned to the investors without interest (less any transaction costs) and admission to trading and/or official listing of the temporary purchase certificates or ordinary shares on Nasdaq Copenhagen will be cancelled. All dealings in the temporary purchase certificates and/or ordinary shares prior to settlement of the Offering are for the account of, and at the sole risk of, the parties concerned. Any withdrawal of the Offering will be announced immediately through a press release by the Company.</p> <p><b><i>Dilution as a Result of the Offering</i></b></p> <p>Upon full subscription of the Offering, the number of ordinary shares in Boozt can increase by a maximum of 5,737,085 from 57,955,493<sup>1</sup> to 63,692,578, corresponding to a dilution of a maximum of approximately 9.0 per cent of the total number of ordinary shares in the Company after completion of the Offering.</p> <p><b><i>Transaction Costs</i></b></p> <p>The Company's costs attributable to the Offering are estimated to amount to approximately DKK 28-33 million. Such costs are primarily attributable to costs for financial advisers, auditors, legal advisers, preparation and layout of the Prospectus and costs related to marketing materials and other presentations.</p> <p><i>1 Taking into account registration of additional ordinary shares during November 2020 following exercise of options. See above under "What are the Main Features of the Securities?".</i></p>
<p><b>Why is This Prospectus Being Produced?</b></p>	<p><b><i>Proceeds and Costs Relating to the Offering</i></b></p> <p>This Prospectus has been prepared in connection with the Offering and the admission to trading and official listing on Nasdaq Copenhagen of ordinary shares in Boozt. The Offering will comprise of the sale of newly issued shares. Upon full subscription, Boozt expects to receive proceeds of approximately DKK 631-803 million, before deduction of approximately DKK 28-33 million in costs to be paid by the Company in relation to the Offering. Consequently, Boozt expects to obtain net proceeds of approximately DKK 603-770 million.</p> <p><b><i>Reasons for the Offering and use of Proceeds</i></b></p> <p>Boozt was listed on Nasdaq Stockholm on 31 May 2017. The board of directors and the management of Boozt believe that it is now an appropriate time to broaden the shareholder base and to apply for a cross-listing of the shares on Nasdaq Copenhagen. The Offering and the cross-listing are expected to support future growth, provide the Company with improved access to capital markets and establish an even more diversified base of new Danish and international shareholders. Boozt also expects that the listing on Nasdaq Copenhagen will promote broader awareness among customers and suppliers.</p> <p>In the wake of the COVID-19 crisis, the Company has identified several attractive acquisition opportunities and wants to improve its readiness to finance such acquisitions of both companies and assets that could help broaden the offering, give access to new product categories or technologies, strengthen Boozt's Nordic market presence and speed up growth, and intends to use the net proceeds for such acquisition purposes.</p> <p><b><i>Conflicts of Interest</i></b></p> <p>Danske Bank provides financial advice and other services to the Company in connection with the Offering. Danske Bank has provided, and may in the future provide, various banking, financial, investment, commercial and other services to the Company for which they have received, or may receive, customary fees and remuneration and may come to have interests that may not be aligned or could potentially conflict with the interests of prospective investors and the Company. With respect to certain of these transactions and services, the sharing of information is generally restricted for reasons of confidentiality, internal procedures or applicable rules and regulations. In particular, Danske Bank is a lender under the Company's multicurrency revolving credit facility and Danske Bank has entered into several instalment agreements regarding the Company's acquisition of the AutoStore systems.</p> <p>In addition, in the ordinary course of business, Danske Bank and its respective affiliates may make or hold a broad array of investments including serving as counterparties to certain derivative and hedging arrangements and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for its own account and for the accounts of its customers, and such investment and securities activities may involve securities and/or instruments of the Company. Danske Bank and its respective affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or instruments and may at any time hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.</p> <p>Setterwalls Advokatbyrå AB is legal adviser to the Company as to Swedish law and Gorrissen Federspiel Advokatpartnerselskab is legal adviser to the Company as to Danish law in connection with the Offering.</p>

# RISK FACTORS

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*An investment in securities is associated with risk. When assessing Boozt's future development, it is important to consider the risk factors associated with the Company and the ordinary shares. These include Boozt's Operational and Strategic Related Risks, Legal Risks, Financial Risks and Risks related to the Company's ordinary shares and the Offering. The risk factors that are considered to be of significant importance for the Company's future development are described below. The Company has assessed the risks based on the probability of their occurrence and the potential negative impact if a risk were to materialize and where quantification has not been possible, the potential negative impact and the probability of occurrence have been graded under the scale 1–5 (whereas 1 represent the lowest probability and potential impact and 5 represent the highest). The risk factors are presented in a limited number of categories, in which the most significant risks according to the Company's assessment as described above are stated first. The description below is based on information available as per the date of the Prospectus.*

## OPERATIONAL AND STRATEGIC RELATED RISKS

### ***BOOZT IS EXPOSED TO RISKS THAT MAY RESULT IN ACCIDENTS AND DAMAGE TO THE FULFILMENT CENTRE OR THE EQUIPMENT THEREIN AND THE FULFILMENT CENTRE MAY HAVE TO CLOSE***

Inventory is a central part of Boozt's operations. The Boozt Fulfilment Centre ("BFC") is located in Ängelholm. At the BFC, logistics operations include deconsolidation of goods received from suppliers, as well as sorting, packing, cargo loading and customised distribution and inventory management services. If BFC or the equipment therein is damaged as a result of events such as flooding or fire, if the equipment is malfunctioning or breaks down, if BFC has to close or if the Company's inventory is stolen, Boozt could suffer losses and delays in delivery, which in turn could have a material adverse effect on Boozt's results. In addition, if the inventory is damaged as a result of events such as flooding or fire, Boozt could be forced to write down such inventory and could have to arrange for delivery of ordered products directly from its suppliers, which could lead to increased prices and delayed deliveries.

Boozt could be unable to recover such increased costs from its customers, while delayed deliveries could adversely affect Boozt's reputation. Boozt is furthermore exposed to the risk for accidents, personal injury or death involving BFC staff, which could result in claims for damages against Boozt as well as damage to Boozt's reputation. Costs, including fines and damages, that Boozt may incur in such circumstances as noted could substantially exceed or be excluded from Boozt's insurance coverage which could result in losses that Boozt cannot recover.

Boozt's assessment is that the probability of the risk occurring, in whole or in part, is 1, and that the negative impact of the risk, if it were to materialize, would be 5.

### ***EFFICIENT LOGISTICS MANAGEMENT AND CAPACITY ARE CRUCIAL TO BOOZT'S BUSINESS***

Boozt's inventory is costly to move, store and handle. If Boozt does not operate and optimise its warehouse successfully and efficiently, it could result in excess or insufficient logistical capacity, increased costs or harm Boozt's business in other

ways. Boozt is dependent on the accuracy of its logistics and product information management systems. In the event that Boozt does not have the ordered products in store, whether due to wrong product assortment or insufficient inventory, there is a risk that deliveries to customers may be delayed or impossible to carry out.

Boozt has designed its own logistics- and distribution system, Fastlane, including inbound receipt of items for sale, storage and fulfilment systems, packaging, outbound freight and receipt, screening and handling of returns. Boozt's own fulfilment infrastructure and the automatic infrastructure in the fulfilment centre are linked. These processes are complex and depend on sophisticated know-how and computerised systems, which Boozt has tailored to meet the specific needs of its business. Any failure or interruption of these systems, resulting from software malfunctions, natural disasters, acts of terrorism, vandalism or sabotage or any other such events could impair Boozt's ability to timely deliver customers' purchases and harm the Company's reputation.

Additionally, if Boozt miscalculates its logistics capacity the Company will not be able to send the ordered products and therefore will not be able to expense additional overhead, which could have a material adverse effect on Boozt's business. Boozt could encounter operational difficulties that result in shipping delays and customer dissatisfaction or cause Boozt's logistics costs to increase, making the Company less competitive. Any failure to successfully address such challenges in a cost-effective and timely manner could disrupt Boozt's business and harm its reputation. Furthermore, if Boozt does not coordinate its campaigns correctly and promotes products that are not in store, or offers products at a lower, incorrect price due to technical errors, Boozt's reputation could be harmed and the Company might have to incur costs by accepting to sell the product at the lower price or offering compensation to dissatisfied customers.

Boozt's assessment is that the probability of the risk occurring, in whole or in part, is 2, and that the negative impact of the risk, if it were to materialize, would be 4.

### ***DAMAGES TO BOOZT'S REPUTATION COULD RESULT IN BOOZT LOSING BUSINESS OR GROWTH OPPORTUNITIES***

Boozt is dependent on its reputation, which is important to the Company in relation to both new and existing customers choosing where to purchase from. Boozt's ability to expand its customer base and increase its sales to existing customers is dependent on the Company having a good reputation with consumers. Boozt's reputation and brand name could be impaired, for example, due to losses of well-known brands or as a consequence of customer complaints or negative publicity associated with Boozt as a company (including Boozt's websites, products, marketing, assortment, delivery times, returns processes, customer data handling and security practices, or customer support, including on internet-based platforms such as blogs, online ratings, review services and social media websites). Customer dissatisfaction can result in a deteriorating Net Promoter Score ("NPS") or negative Trustpilot reviews, which could harm Boozt's reputation.

As a result of some unusual purchasing patterns by customers, Boozt implemented a 'fair use' policy in November 2019. The policy gives Boozt the right, if the Company has reasonable suspicion that there is abuse, fraud, harassment, excessive/pathological buying behaviour on the part of the customer, or that a customer is a professional trader with the explicit intention to resell items bought from Boozt, to reject orders. In connection with the implementation of the 'fair use' policy Boozt blocked approximately 9,000 customers (primarily with extreme return behaviour), which initially affected the Company's NPS negative.

In addition, Boozt faces the risk that its employees and other persons affiliated with Boozt may take actions which are unethical, criminal (including, but not limited to, with respect to violation of applicable anti-corruption or anti-bribery legislation) or otherwise contravene Boozt's internal guidelines and policies. If Boozt is associated with such misconduct, it could have a material adverse effect on Boozt's reputation. Furthermore, Boozt's reputation is also important in relation to the Company's business partners, such as suppliers. Boozt is dependent on good relations with its suppliers and a good brand image with the apparel industry is beneficial to the Company's ability to maintain and further develop its wide assortment of products. Supplier dissatisfaction could lead to Boozt losing existing suppliers or being unable to establish relationships with new suppliers.

Boozt relies on information provided by suppliers in order to establish product material and origin. As a consequence, there is a risk that the Company may be sold counterfeit products or fur products in breach of its fur-free declaration. If Boozt is associated with counterfeit products or breaches of declarations, it could have a material adverse effect on Boozt's reputation. Boozt's Code of Conduct is one of its most important policies. If the employees of or other persons affiliated with Boozt are unable to comply with Boozt's Code of Conduct, there is a risk that Boozt's reputation could be harmed. For example, because Boozt sources its products from suppliers, the Company's may not always be able to control where its products originate from and under what conditions they are

manufactured. As a consequence, there is a risk that some of Boozt's products will be made in countries from which the Company is not allowed to source (due to international sanctions or contractual restrictions) or where the production is not conducted in accordance with the Company's Code of Conduct.

To the extent that any such potential misconduct is reported by media or otherwise becomes public knowledge, it could have a material adverse effect on Boozt's reputation. Damage to Boozt's reputation could result in a loss of business or growth opportunities.

Boozt's assessment is that the probability of the risk occurring is 3, and that the negative impact of the risk, if it were to materialize, most likely would be 3.

### ***THE NORDIC ONLINE APPAREL MARKET IS FRAGMENTED AND HIGHLY COMPETITIVE***

The Nordic online apparel market is fragmented and highly competitive. Boozt competes with a diverse group of retailers of different size and types, such as Zalando, Asos, NK, Åhlens, Magasin du Nord, Ellos and Nelly, which operate under several different business models, offline and online. There is a risk that Boozt's competitors will consolidate and benefit from economies of scale and other competitive advantages, or leverage their offline presence to enter the online market or further develop their online presence, and Boozt's competitors may thus better cater to customer tastes and shopping preferences and gain market share at Boozt's expense. Competitors currently focused on other customer segments or other geographical markets, such as Amazon that launched a Swedish website during October 2020, Alibaba and eBay, or offline department or smaller retail stores, could expand their focus to Boozt's target segment and compete with Boozt. New entrants, particularly by powerful international players, could result in Boozt losing business opportunities or being forced to change its business model.

Furthermore, competitors or new market participants, which may be better funded or organised, or which sell brands that are more recognised or offer a wider assortment of recognised brands, may engage in pricing or marketing tactics which could lead to Boozt being forced to reduce its prices or increase marketing or distribution costs in order to compete. If competitors lower their prices at the expense of their gross margins or widen their product offerings with new brands or categories or improved service levels, Boozt may be forced to take the same actions in order to compete, which could have a material adverse effect on Boozt's results.

Most of the brands sold by Boozt also sell their products directly to end-customers. If such brands initiate or successfully expand their own online retail operations, it could increase the competitive pressure on Boozt, as these brands have access to their merchandise at lower costs and may be able to sell such merchandise at lower prices while maintaining higher margins than Boozt. Boozt's assessment is that the probability of the risk occurring is 3, and that the negative impact of the risk, if it were to materialize, most likely would be 3.

***THE DEMAND FOR BOOZT'S PRODUCTS IS DEPENDENT ON GENERAL ECONOMIC CONDITIONS AND IS PRIMARILY AFFECTED BY DEVELOPMENTS IN THE ONLINE RETAIL MARKET***

Boozt primarily conducts its operations in the Nordics and purchases products from suppliers in Europe. For this reason, Boozt is affected by general economic, financial and political conditions, and particularly those conditions in the Nordic region. At the end of December 2019, a new coronavirus was detected in China called COVID-19. At the end of February 2020, the coronavirus also spread rapidly outside China and on 11 March 2020, the WHO (World Health Organization) declared COVID-19 a pandemic. The outbreak of the coronavirus initially led to authority decisions to shut down cities, to governments closing national borders and to companies closing various businesses activities.

As per the date of the Prospectus, the COVID-19 pandemic is still ongoing globally and has impacted Boozt's operations as well as the Nordic e-commerce industry in general. It is uncertain to what extent COVID-19 will continue to affect Boozt in the short term as well as in the long term. The future development of the pandemic and the macroeconomic, political and economic effects thereof poses certain risks for Boozt, which may negatively affect Boozt's business in the short term as well as in the long term.

The outbreak of the COVID-19 in the Nordic in March 2020 led to a short-term subdued demand for fashion and apparel, which adversely impacted Boozt. As per the date of the Prospectus, there has been a general delay in the supply chain on the market due to the lockdowns, which has impacted Boozt in terms of delayed confirmations from suppliers on the coming season goods. If the spread of COVID-19 does not stop, or if it increases, Boozt may experience further delays in terms of confirmations from suppliers as well as further subdued demand for fashion and apparel. Such effects may have short-term as well as long-term implications for Boozt depending on the nature of developments.

At the same time, Boozt believes that the COVID-19 pandemic has accelerated the transition towards online shopping which has strengthened the e-commerce industry in general as well as on Boozt's results of operations during the second and third quarter of the financial year 2020. Boozt believes that there has been a spike due to the sudden impact of the COVID-19 pandemic and that there is a risk that this effect will slow down as the industry, companies and consumers adapt to new conditions, meaning that the same level of growth may not be maintained in the future.

Furthermore, the demand for Boozt's products is affected by general macroeconomic conditions such as recession, inflation or deflation, a general weakening in the online retail market and changes in consumer purchasing power, for example due to long-term macroeconomic effects from the COVID-19 pandemic. A deterioration in global conditions or negative developments in Nordic, European or worldwide economies, for example a recession or structural changes in the Eurozone, could have a material adverse effect on Boozt's business.

Negative economic developments have historically had a disproportionately negative impact on consumer confidence and purchasing habits regarding apparel and fashion, as consumption of such products is possible to refrain from in times of economic downturn. Macroeconomic changes can negatively alter consumer behaviour and spending, weakening demand for fashion and apparel products from Boozt or other apparel retailers. Such weakened demand could have a material adverse effect on Boozt's business, results of operations and financial condition. Boozt's assessment is that the probability of the risk occurring is 3, and that the negative impact of the risk, if it were to materialize, most likely would be 3.

***THE SUCCESS OF BOOZT'S BUSINESS DEPENDS ON THE CONTINUING DEVELOPMENT, MAINTENANCE AND OPERATION OF BOOZT'S IT SYSTEMS***

Technology is central to Boozt's operations. The Company has built an advanced e-commerce platform using cutting-edge web technologies and infrastructure components. The Company has invested, and still invests, a lot of time and resources in establishing and maintaining the integrated technology platform. Boozt's success is dependent on the reliability, functionality, maintenance, operation and continuing development of its integrated technology platform, including the Company's websites and business, sales, customer management, financial and accounting, marketing, purchasing, warehouse management, online retail and mobile systems, as well as its operational platforms, including voice, data and power systems. The quality and Boozt's utilisation of the information generated by its information technology systems, and Boozt's success in implementing new systems and upgrades, affects, among other things, Boozt's ability to:

- Make future sales to its customers;
- Effectively conduct business with its customers;
- Manage its inventory and accounts receivable;
- Purchase, sell, ship and invoice products efficiently and in a timely manner; and
- Maintain a cost-efficient operating model while scaling the business.

The integrity of Boozt's information technology systems is vulnerable to external disruptions. An increasing number of companies have recently experienced cyber-attacks, some of which have involved sophisticated and highly targeted attacks on their computer networks. Because the techniques used to obtain unauthorised access, disable or degrade service or sabotage systems change frequently and are often not recognised until launched against a target, Boozt may be unable to anticipate these techniques or implement effective and efficient countermeasures in a timely manner. Boozt uses software licensed under open-source licenses. Boozt only uses permissive software licenses and never copyleft licenses. Permissive open-source license means that any software including the open-source software can be changed, altered and distributed without having to publish the source code containing this software. Since the source code for open-source software is publicly available it can potentially make it

easier for hackers and other third parties to determine how to breach the Company's websites and systems. Additionally, open-source licensors are not obliged to maintain their software or provide any support. There is a certain risk that the authors of the open-source software may cease updating and attending to the software.

Boozt has created an architecture where discontinued open-source software can be replaced if needed. If unauthorised parties attempt to or manage to disable Boozt's network or access its integrated technology platform, they may be able to misappropriate confidential information, cause interruptions in the Company's operations, damage its computers or process-control systems or otherwise damage its reputation and business. In such circumstances, Boozt could be held liable or become subject to regulatory or other actions for breaching confidentiality and personal data protection rules (see risk factor "*Threats to data security could significantly impact Boozt's business negatively*"). Any disruption to or infiltration of Boozt's integrated technology platform and websites could result in liability for damages or have a major impact on Boozt's sales and its ability to service customer needs.

Since almost all of Boozt's net revenue comes from the online business, it is of high importance that Boozt.com, Booztlet.com and the app are user-friendly and offer a comfortable overall experience. New advances in technology can increase competitive pressures, as the online retail sectors are characterised by rapid technological developments. Boozt's success is dependent on its ability to improve its current integrated technology platform and to develop new user-friendly online apps for a variety of platforms in a timely manner in order to remain competitive. If Boozt fails to adopt and apply technological advances in a timely manner, the attractiveness of Boozt's websites could be diminished, limiting its growth and resulting in a material adverse effect on Boozt's business. Boozt's interoperability is dependent on the providers of mobile operating systems, such as iOS and Android, and changes in such systems that diminish the functionality of Boozt's sites could adversely impact the Company's mobile offerings and traffic. If Boozt's interoperability is limited, this could have a material adverse effect on Boozt's results. Boozt's assessment is that the probability of the risks occurring, in whole or in part, is 2, and that the negative impact of the risk, if it were to materialize, would be 4.

#### ***RISKS RELATED TO PRODUCT SUPPLY***

Boozt is dependent on suppliers and third-party service providers in order to sell its products. Boozt's suppliers are either the brands themselves, or agents of such brands on the Nordic market. One of Boozt's competitive advantages is its wide product assortment, and Boozt is thus dependent on its suppliers continuing to provide such assortment. In addition to offering a wide product assortment, Boozt's suppliers offer rebates and return policies, which are important to Boozt's business model. If Boozt's suppliers change their current practice and/or terms and conditions, for example with respect to payment, this could result in an adverse effect on Boozt's business. From time to time, brands may terminate or limit

Boozt's right to sell some or all of their products or change the terms and conditions or reduce or discontinue the incentives that they offer to Boozt. Additionally, if brands decide that certain products will no longer be sold online, this could limit or curtail the availability of their products to Boozt.

A significant portion of the products Boozt sells are manufactured or purchased by Boozt's suppliers in Asia. Political, social or economic instability in Asia, or in other regions in which Boozt's suppliers purchase or manufacture the products Boozt sells, could cause disruptions in trade, including exports to Europe. During the COVID-19 pandemic, Boozt has experienced some late arrivals of products, which shortens the products relevant selling season. If Boozt is not able to sell the products during the relevant period, it could result in the Company only being able to sell the products by offering significant discounts, which would have an adverse effect on Boozt's results. Trade restrictions, including new or increased tariffs or quotas, embargoes, sanctions, safeguards and customs restrictions against the products Boozt sells, as well as foreign labour strikes and work stoppages or boycotts could increase the cost or reduce the supply of products available to Boozt. Moreover, Boozt is exposed to fluctuations in the market price of commodities such as cotton and other textile raw material, as well as fuel, which are used in connection with the manufacturing and transport of the products that Boozt purchases. Increases in such prices could thus increase the price or reduce availability for such products.

Furthermore, Boozt is dependent on its suppliers being able to deliver ordered products and relevant product data in a timely manner. If any supplier terminates its relationship with Boozt or goes into bankruptcy, Boozt could be unable to receive products within the same time frame. Furthermore, Boozt is dependent on a competitive supplier market. If the competitive environment of the supplier market changes, for example, due to consolidation between suppliers, the dominant position of any individual supplier or other factors, the prices of products that the Company purchases could increase.

The realisation of any of these risks could have a material adverse effect on Boozt's business. Boozt's assessment is that the probability of the risk occurring, in whole or in part, is 3, and that the negative impact of the risk, if it were to materialize, would be 2.

#### ***BOOZT MAY IN THE FUTURE CARRY OUT ACQUISITIONS OR ENTER INTO PARTNERSHIPS THAT COULD NEGATIVELY AFFECT THE COMPANY'S OPERATIONS***

In the future, Boozt may enter into joint ventures or other partnerships or acquire new companies to acquire, inter alia, category expertise (such as experts within the sport or home segment), new technologies, technical solutions and know-how. Such acquisitions would supplement Boozt's current product portfolio, gain access to new product segments or increase sales to selected customer categories and improve or strengthen its Nordic market presence. Boozt has evaluated, and expects to continue to evaluate, potential strategic transactions to support the Company's strategy for continued profitable growth. In October 2019, Boozt acquired the Danish



app developer Touchlogic ApS and created Boozt Innovation Lab ApS.

There is a risk that the Company will not find suitable investments or candidates for acquisition or partnerships, or that the Company will be unable to complete acquisitions or enter into partnerships on acceptable terms and conditions, if at all. Acquisitions, partnerships or new ventures may also be regarded as negative developments by financial markets and investors. In addition, acquisitions, partnerships or new ventures could lead to difficulties in integrating personnel and operations and in retaining and motivating key employees, difficulties in supporting and transitioning customers or suppliers of an acquired company, failure to realize expected benefits or synergies, failure to identify potential risks and challenges of an acquired company, disruption in Boozt's current business activities, diversion of financial and management resources from existing operations or alternative acquisition opportunities, entail obligations and liabilities, increasing Boozt's expenses and have a material negative effect on the Company's operations, operating profit or financial position. Furthermore, future acquisitions, partnerships or new ventures could reduce Boozt's cash and cash equivalents and increase its indebtedness, and any of these risks could have a material adverse effect on Boozt's business and results. Boozt's assessment is that the probability of the risk occurring is 2, and that the negative impact of the risk, if it were to materialize, would be 3.

***BOOZT MIGHT FAIL TO ANTICIPATE AND RESPOND IN A TIMELY MANNER TO FASHION TRENDS***

Boozt's ability to sell a sufficient number of products at satisfactory price levels depends on its ability to predict and respond to fashion trends and changing consumer preferences in a timely manner. Boozt operates on the apparel market, which is highly sensitive to changes in consumer preferences, fluctuations in fashion trends and weather patterns. Consumer preferences with respect to fashion design, quality and price tend to change rapidly and accurate forecasting of the selection and quantities required in future periods is difficult. Boozt.com endeavours to predict these trends correctly in advance and to avoid the overstocking or understocking of products.

The demand for products can change significantly between the time products are ordered and the date of sale. There is a risk that Boozt.com will not buy the right products from its diversified group of suppliers, which could lead to the Company being unable to sell the ordered and stocked products and instead being forced to make write-downs. In addition, the lead times Boozt.com must incur in taking delivery of merchandise from many of its suppliers pose challenges by increasing, in some cases significantly, the time it takes the Company to respond to changes in product trends, consumer demand and market prices. As a result, Boozt.com faces the risk of not having the appropriate selection or the required quantities of products in order to satisfy customer demand. Boozt.com also faces the risk of carrying excess inventory, which the Company could be

unable to sell during the relevant selling seasons, or could only be able to sell by offering significant discounts.

After holding inventory for 18 months, Boozt.com has a policy of gradually writing down such inventory over the course of the following six months. Thus, the full value of such inventory is written down after a total of 24 months. Boozt.com's inability to sell products as anticipated could therefore impact its financial condition. In addition, significant discounting could damage Boozt.com's relationship with suppliers and the brand. If Boozt fails to anticipate and respond in a timely manner to fashion trends and consumer preferences and adjust its purchases and inventory accordingly, this could result in lost sales, sales at lower than anticipated margins and/or write-down of inventories, any of which would have a material adverse effect on Boozt's results and financial condition. Boozt's assessment is that the probability of the risk occurring is 3, and that the negative impact of the risk, if it were to materialize, most likely would be 2.

***INABILITY TO RETAIN AND RECRUIT EXECUTIVE MANAGEMENT AND OTHER KEY EMPLOYEES COULD HAVE A MATERIAL ADVERSE EFFECT ON BOOZT'S OPERATIONS***

Boozt is highly dependent on the knowledge, experience and commitment of its management team. Several of the Company's senior executives have been employed by the Company for many years and possesses valuable experience and knowledge. In addition, Boozt is particularly dependent on attracting, educating and retaining IT developers and employees with certain expertise within different areas, such as marketing and payment solutions.

Being able to attract, develop, engage and retain executive management and other key employees is important for Boozt's future operations and business plan. If Boozt would fail to attract or retain executive management and other key employees due to e.g. monetary compensation, lack of benefits or poor working environment it could have a material adverse effect on Boozt's business. Boozt's assessment is that the probability of the risk occurring is 2, and that the negative impact of the risk, if it were to materialize, would be 3.

***BOOZT IS DEPENDENT ON ITS ABILITY TO EXPAND ITS CUSTOMER BASE AND INCREASE ITS SALES TO EXISTING CUSTOMERS***

In order to reach new customers and increase net revenue to existing customers, Boozt may need to expand the Company's offerings to include more products, launch adjacent categories, optimise the assortment offered, enter new geographical markets, develop new businesses, websites, apps, promotions, sales formats or services and devote time to marketing efforts as well as efforts aimed at increasing the average order value ("AOV") or providing an inspiring and engaging online fashion experience. In order to take such measures Boozt may be required to allocate significant management time and resources. For example, as a part of Boozt's strategy to expand its sales to adjacent product categories, Boozt's management will be required to evaluate different acquisition opportunities

and analyse market data. There is a risk that Boozt's current logistics, experience or business model will not be suited for such expansions, and Boozt could fail to properly handle the product type or to sell them in time if there are specific expiry dates. Furthermore, as part of Boozt's strategy to increase sales to existing customers, the Company aims to maintain its current level of AOV. AOV is based on the number of items in the basket and the price per item, which depend on external factors such as customer behaviour and the demand for fashion and apparel products. A decrease in the AOV might increase Boozt's marginal costs and its needs for customer base expansion, which could have a material adverse effect on Boozt's business, results of operations and financial condition.

Boozt has made significant investments aimed at raising brand awareness and increasing customer acquisition and retention, and expects to continue spending significant amounts to attract new customers and retain existing ones. For example, Boozt has incurred and expects to continue to incur significant expenses in marketing through a broad range of media to attract website traffic, increase customer engagement and drive repeat purchases in order to increase revenue and maintain Boozt's brand awareness and recognition. These expenses include substantial outlays for offline marketing, in particular TV, radio and outdoor, and online marketing, such as search engine marketing ("SEM") and search engine optimisation ("SEO"), which involve paying third parties to refer visitors from their websites to Boozt's websites. In addition, Boozt depends on email and other messaging services to promote its sites and products.

Boozt's methods of advertising might not comply with consumer marketing regulations or could become less effective, be prohibited or otherwise be unavailable in the future. Boozt might be unable to deliver e-mails and other messages, experience delays or that recipients cannot open e-mails or messages, for example due to regulatory changes such as the contemplated EU Regulation on Privacy and Electronic Communications which, if adopted, may restrict Boozt's possibilities to engage in directed marketing and customer communication. Further, Boozt's online partners might be unable to deliver the anticipated number of customer visits or impressions, or visitors that are attracted to the Company's websites by such campaigns might not make purchases according to the Company's expectations. Moreover, changes to search engine algorithms or terms of services could exclude Boozt's websites from, or rank them lower in, the search results.

Any failure in the efforts mentioned could be detrimental to Boozt's ability to successfully reach new customers and increase net revenue from existing customers. Boozt's assessment is that the probability of the risk occurring is 2, and that the negative impact of the risk, if it were to materialize, most likely would be 3.

***CUSTOMER RETURNS COULD NEGATIVELY AFFECT BOOZT'S COSTS AND NET REVENUE***

Based on current product combination Boozt's return rate is approximately 40 per cent. The return rates vary across countries depending on consumer behaviour for e-commerce,

with more mature e-commerce customers typically exhibiting higher return rates. This also partly applies to more expensive products. Boozt offers a 30-day discretionary return period on Boozt.com and Booztlet.com, which is typically exceeding legally required return periods in the countries in which the Company operates. If Boozt fails to manage and meet customer expectations with regard to purchased products, or if return rates increase for other reasons, such as changes in customer behaviour or abuse of Boozt's return policy, this could increase the Company's costs and result in a loss of existing or potential customers. In addition, Boozt's return policy could be abused by customers returning counterfeit products. The realisation of any of these risks could have a material adverse effect on Boozt's business and results. Boozt's assessment is that the probability of the risk occurring is 2, and that the negative impact of the risk, if it were to materialize, most likely would be 2.

***BOOZT IS DEPENDENT ON ITS BRAND AND ON KNOW-HOW RELATED TO BOOZT SOLAR SYSTEM***

Boozt believes that the "Boozt", "Boozt.com" and "Booztlet.com" brands, customer data, copyrights, trade secrets, proprietary technology and similar intellectual property are critical to the Company's success, and Boozt relies on trademark, copyright and trade secret protection, agreements and other methods with employees and others to protect Boozt's proprietary rights and knowledge within the Company. If Boozt fails to establish, manage and protect its intellectual property, and particularly, its brands, and if Boozt becomes subject to claims or demands related to brand names, trademarks or other intellectual property that limit the use of such brand and/or intellectual property or entail significant costs, it could have a material adverse effect on Boozt's business and results. Boozt's operations and business strategy are linked to the integrated technology platform developed by the Company, where Boozt has built an advanced e-commerce platform using cutting-edge web technologies and infrastructure components. This purpose-built infrastructure enables control over the customer experience and ensures performance, scalability, and security. The operations are built on the Boozt integrated technology platform (the "Solar System") and used by all of the Company's business functions.

Boozt incurs costs for the establishment, protection and enforcement of its integrated technology platform and the know-how connected to it. If Boozt fails to protect its integrated technology platform or the know-how connected to it, the Company could lose competitive advantages which could have a material adverse effect on Boozt's business. Boozt's assessment is that the probability of the risk occurring is 2, and that the negative impact of the risk, if it were to materialize, most likely would be 2.

***INEFFICIENCIES IN THE DELIVERY CHAIN COULD HAVE A MATERIAL ADVERSE EFFECT ON BOOZT'S RESULT OF OPERATIONS***

Boozt delivers products to its customers via different third party logistics companies – such as PostNord, Bring, Instabox, and

GLS. Strikes, inclement weather, natural disasters or other service interruptions by such logistic companies could affect Boozt's ability to deliver products on a timely basis. In addition, negative customer experiences from pick-up points can impair the overall shopping experience and thus negatively affect Boozt's NPS score or Trustpilot score. Furthermore, Boozt's reputation could be harmed due to bad pick-up experience and there is a risk that Boozt has to bear costs related to external failure in the delivery chain. The materialisation of any of these risks could have a material adverse effect on Boozt's business and reputation. Boozt's assessment is that the probability of the risk occurring, in whole or in part, is 2, and that the negative impact of the risk, if it were to materialize, would be 2.

#### ***RISKS RELATED TO OUTSOURCING OF BFC OPERATIONS***

Inventory is a central part of Boozt's operations. At the BFC, logistics operations include deconsolidation of goods received from suppliers, as well as sorting, packing, cargo loading and customised distribution and inventory management services. BFC is a major part of one of the most central business processes, where performance is of great importance in meeting the customers' expectations. The majority of personnel in the fulfilment centre in Ängelholm are currently hired externally from a third-party provider who will provide its handling and fulfilment services until 31 December 2020, where after Boozt will fully take over the fulfilment staff operations. Until then there is a risk that the third-party provider will not be able to provide Boozt with adequate staffing. If the third-party provider will not be able to provide Boozt with adequate staffing there is a risk that Boozt's logistics operations will be adversely affected and that the Company will not be able to deliver ordered products and relevant product data in a timely manner. Moreover, if Boozt fails to carry out a successful take-over of fulfilment staff operations, there is a risk that Boozt could lose key competence and encounter operational difficulties that may result in shipping delays and customer dissatisfaction, which would disrupt Boozt's business activities and harm its reputation.

Boozt's assessment is that the probability of the risk occurring, in whole or in part, is 2, and that the negative impact of the risk, if it were to materialize, would be 2.

#### **LEGAL RISKS**

##### ***THREATS TO DATA SECURITY COULD SIGNIFICANTLY IMPACT BOOZT'S BUSINESS NEGATIVELY***

If third parties or Boozt's employees are able to breach Boozt's network security or otherwise misappropriate customers' personal information or other information for which Boozt agrees to be responsible for in connection with service contracts, or if Boozt gives third parties or its employees improper access to any such personal information, Boozt could be held liable. This liability could include claims for misuses of personal information, including for unauthorised marketing purposes, identity theft or other similar fraud-related claims. Other liability could involve claims alleging misrepresentation or claims based on Boozt's privacy and data security practices.

Any such liability for misappropriation of this information could have a material adverse effect on Boozt's business and reputation. Advances in computer capabilities, new discoveries in the field of cryptography or other events or developments may result in breaches of the algorithms that Boozt uses to protect sensitive customer transaction data.

A party who is able to circumvent Boozt's security measures could misappropriate proprietary information or cause interruptions in the Company's operations. Boozt could be required to expend significant resources to protect against such security breaches or to alleviate problems caused by such breaches. Boozt's security measures are designed to protect against security breaches, but the Company's failure to prevent such breaches could cause it to incur significant expenses to investigate, respond and correct problems caused by such breaches, subject it to liability, damage its reputation and diminish the value of its brand.

In addition to jeopardizing, inter alia, the Company's reputation there is a risk for sanctions if the Company is not compliant with the General Data Protection Regulation (EU) 2016/679 ("GDPR"). As mentioned above, the Company possesses customers' personal data. Among other things, the supervisory authority (in Sweden: The Swedish Data Protection Authority, "SDPA") has the right to impose administrative fines of up to EUR 20 million, or four per cent of a company's annual global turnover, if certain rules are breached. For example, in November 2020, Boozt received a notification from the SDPA with a request for certain information regarding a complaint from a customer alleging a misuse of personal data. Boozt considers this an isolated event, but as the matter is ongoing, Boozt cannot assess the potential implications. There is a risk that Boozt's current level of compliance with the GDPR could prove to be incorrect, and any failure to comply with the GDPR could subject Boozt to litigation, civil or criminal penalties and adverse publicity that could have a material adverse effect on Boozt's business and financial condition.

Boozt's assessment is that the probability of the risk occurring is 3, and that the negative impact of the risk, if it were to materialize, most likely would be 4.

#### **FINANCIAL RISKS**

##### ***BOOZT IS EXPOSED TO CURRENCY RISKS***

Currency risk refers to the risk that currency exchange rate changes result in material adverse effects on Boozt's income statement, balance sheet or cash flow. Exposure to currency risks is the result of subsidiaries in the Group making purchases and sales of goods and services in currencies other than the respective subsidiary's functional currency (transaction exposure) and of the conversion of the balance sheets and income statements in foreign currencies into SEK (conversion exposure). Changes in currency exchange rates can also affect Boozt's own and its customers' competitiveness and thus indirectly affect the Company's sales and profits. The Group's main transaction exposure consists of SEK, DKK, EUR and NOK. A three per cent weaker SEK against the EUR and DKK for the

financial year 2019, with all other factors being unchanged, would have had a negative effect on profit before tax of SEK 1.1 million. A three per cent weaker NOK against the SEK for the financial year 2019, with all other factors being unchanged, would have had a negative effect on profit before tax for the year of SEK 11.3 million. In addition, there is a risk that the price lists for products sourced by Boozt's suppliers in USD could lead to currency exposures with respect to the Company's Nordics currency revenues.

#### **LIQUIDITY RESERVE RISK**

The liquidity risk to which the Group is exposed is attributable to the operation's seasonal variations. Boozt's business has historically been, and will most likely continue to be, seasonal. Purchases are cyclical, and inventories are built up before each season, based on the Group's expected sales. For example, the second quarter (the start of the spring/summer season) and the fourth quarter (the start of the fall/winter season) are especially important with respect to generating revenue. By contrast, the first and third quarters of each year are traditionally the discount seasons when revenue and margins can be pressured and apparel spending is reduced. Sales volumes are normally higher in the second half of the year as prices of fashion products for the winter season are typically higher. Seasonal weather fluctuations could also have a material adverse effect on Boozt's financial condition. This means that the timing of the outflow of cash for the purchase of stock items is not consistent with the timing of inflows of cash and cash equivalents attributable to sales, resulting in a liquidity risk. The Company's cash requirements for the year typically peak in the first quarter. The Company has an overdraft facility, which as per 30 September 2020 amounted to SEK 60 million and a revolving credit facility of another SEK 200 million, which can be called without further credit approval. As per 30 September 2020, available liquidity (including available cash) amounts to SEK 1,118.5 million, including the SEK 60 million overdraft facility. There is also a liquidity risk attributable to business growth and the need to improve, upgrade and invest in technology and infrastructure to manage increased sales volumes and complexity in operations, as well as to expanding operations through acquisitions which Boozt may carry out in the future. The board of directors has set guidelines for the level of liquidity reserves to strive for in order to meet the arising needs. There is a risk that the Company as a result of e.g. unexpected events with heavy cash-flow implications does not have a sufficient liquidity reserve. Boozt's assessment is that the probability of the risk occurring is 2, and that the negative impact of the risk, if it were to materialize, most likely would be 4.

#### **BOOZT'S ACTUAL RESULTS MAY DIFFER SIGNIFICANTLY FROM ITS FINANCIAL TARGETS AND FORECAST**

Boozt has adopted certain long-term financial targets up to and including 2020 (*Net revenue growth: the Group targets to outgrow the Nordic online market significantly to expand*

*market share; Adjusted EBIT margin: the Group targets an adjusted EBIT margin exceeding six per cent in 2022*). These financial targets constitute forward-looking information. There is a risk that Boozt's actual results or financial position may differ significantly from such targets. The financial targets are merely targets and do not constitute, and must not be regarded as constituting, forecasts, projections or estimates of future performance. Boozt has also announced an outlook for the financial year ending 31 December 2020 (*Net revenue Growth: in the upper end of 20-25 per cent; Adjusted EBIT margin: 5.5-6.5 per cent*) and Boozt's actual results for 2020 may differ significantly from the outlook.<sup>1</sup>

Furthermore, the financial targets and the outlook are based on a number of principal assumptions and estimates by Boozt which are inherently subject to significant risks and uncertainties of a commercial, operational, economic, competitive, market, financial and other similar nature. Some of the factors are beyond Boozt's influence or control. There is hence a risk that these assumptions will not continue to reflect the commercial and economic environment in which Boozt operates.

Accordingly, these assumptions may change or not materialise at all. In addition, unanticipated events, including macroeconomic and industry-related developments or legislative changes may negatively affect the actual results that the Group achieves going forward, irrespective of whether the Group's assumptions otherwise prove to be correct. In particular, there is a risk that positive effects on the e-commerce market and online penetration from the ongoing COVID-19 pandemic will slow down in the near-term future resulting in that the e-commerce industry in general, and Boozt in particular, does not experience continued growth at the same levels as during 2020. As such, potential investors should not put undue weight on the financial targets or the 2020 outlook when making an investment decision.

If Boozt fails to meet its financial targets or its forecast due to changed assumptions or other factors, the Group may experience lower earnings, decreased margins or reduced cash flow, which may adversely affect the Group's financial position and profitability. In turn, Boozt may be unable to access suitable financing or pursue attractive business opportunities, which may limit the Group's ability to maintain its market position or competitiveness. This may have a material adverse effect on Boozt's business, results of operations and financial position.

#### **RE-FINANCING RISK**

During the first quarter 2020, Boozt entered into a multicurrency revolving credit facility agreement with Danske Bank as lender (the "**Revolving Credit Facility Agreement**"). The Revolving Credit Facility Agreement consist of a SEK 200 million committed multicurrency revolving credit line (available for drawing in SEK, NOK, DKK and EUR) (the "**Revolving Credit**

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<sup>1</sup> See section "*Business overview – Financial targets, dividend policy and 2020 outlook*".

Facility”), which can be used for general corporate and working capital purposes, including the funding of potential acquisitions. The Revolving Credit Facility Agreement contains customary undertakings for the Company and certain of its subsidiaries, such as maintaining authorisations, complying with laws (including sanctions and anti-corruption), not changing the business of the Group, restrictions on mergers, restrictions on disposals, negative covenants on the incurrence of financial indebtedness.

Restrictions in the Revolving Credit Facility Agreement also includes financial covenants requiring that the relationship between the Group’s EBITDA ratio and Net Debt and interest coverage ratio do not exceed certain levels. The Revolving Credit Facility may terminate upon the occurrence of certain customary events, including in connection with a change of control of the Company or a delisting of the Company from Nasdaq Stockholm. Further, the Revolving Credit Facility may be due in full or in part if certain events occur, including, but not limited to, non-payment, insolvency and cross default. Boozt’s capacity to pay its debts and otherwise comply with its obligations and the terms and conditions of its loan arrangements as well as Boozt’s general capacity to refinance its loans and make payments in accordance with Boozt’s financial undertakings depends on, among other things, Boozt’s future results. Some aspects of Boozt’s future results depend on economic, financial and competitive factors and other factors beyond Boozt’s control. Should Boozt fail to meet its obligations under its loan arrangements or breach any covenant, it could have a material adverse effect on Boozt’s financial condition. Boozt’s assessment is that the probability of the risk occurring is 2, and that the negative impact of the risk, if it were to materialize, most likely would be 3.

#### **CREDIT RISK**

Credit risk refers to Boozt’s counterparties failure to comply with their commitments which may lead to a credit loss arising from Boozt’s receivables. A credit loss may result in material adverse effects on Boozt’s income statement, balance sheet or cash flow. Group principles state that customers who wish to trade on credit do so through a third-party solution through a financial institute in which Boozt takes no credit risk. Exposure to credit risk is attributable to Boozt’s business to business sale, where Boozt offers its brand partners service through Boozt Media Partnership (“BMP”). Through BMP Boozt helps its brands to strengthen its position in the market through in-depth understanding of their brand and the customers buying their brand. Receivables also exist in cases when Boozt invoice its suppliers for product defects or claims, costs, or inventory risk-sharing.

Times of economic uncertainty or a recession where the demand for fashion and apparel decrease may lead to strained liquidity or bankruptcy for Boozt’s suppliers, which will result in a recognition of a credit loss. During the coronavirus pandemic, there has been a strained liquidity among Boozt’s suppliers and

the risk for credit losses has increased. Boozt’s assessment is that the probability of the risk occurring is 2, and that the negative impact of the risk, if it were to materialize, most likely would be 2.

## **RISKS RELATED TO THE OFFERING AND THE COMPANY’S SHARES**

### ***THE OFFERING MAY BE WITHDRAWN AFTER ADMISSION TO TRADING OF THE TEMPORARY PURCHASE CERTIFICATES AND UNTIL SETTLEMENT OF THE OFFERING***

As described in “*Terms and conditions – Terms and conditions for completion of the Offering*”, the Company and the Sole Global Coordinator have entered into a Placing Agreement that contains a provision entitling the Sole Global Coordinator to terminate the Offering after admission to trading of the temporary purchase certificates<sup>2</sup> on Nasdaq Copenhagen (expected on or around 24 November 2020) and prior to settlement (expected on or around 26 November 2020). Such termination rights may only be exercised under certain circumstances, including if the guarantees that the Company has issued to the Sole Global Coordinator fall short. Such termination rights will lapse upon settlement of the Offering, currently expected to take place on 26 November 2020. Nasdaq Copenhagen’s approval of the admission to trading and official listing is subject to such termination rights not having been exercised after pricing and prior to settlement of the Offering.

Further, the Placing Agreement contains closing conditions upon which completion is dependant. If one or more closing conditions as set out in the Placing Agreement are not met, the Sole Global Coordinator may, at its discretion, withdraw the Offering.

If the Offering is terminated or withdrawn, the Offering will lapse, all submitted orders will be automatically cancelled, any monies received in respect of the Offering will be returned to the investors without interest (less any transaction costs) and admission to trading and/or official listing of the temporary purchase certificates or the ordinary shares on Nasdaq Copenhagen will be cancelled. Consequently, any trades in the temporary purchase certificates and/or ordinary shares effected on or off the market before settlement of the Offering may subject investors to liability for not being able to deliver the temporary purchase certificates and/or ordinary shares sold, and investors who have sold or acquired temporary purchase certificates and/or ordinary shares on or off the market may incur a loss. All dealings in the temporary purchase certificates and/or ordinary shares on Nasdaq Copenhagen prior to settlement of the Offering are for the account of, and at the sole risk of, the parties concerned.

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<sup>2</sup> Investors in the Offering who are allocated shares will initially receive temporary purchase certificates that will be automatically converted to

ordinary shares in Boozt following settlement. For more information, see the section “*Terms and conditions*”.

### ***RISK OF AN ILLIQUID MARKET AND PRICE VOLATILITY***

The Company's shares are currently traded on Nasdaq Stockholm. The price for which the shares are traded and the price at which investors can make their investment will be affected by a number of factors, some of which are specific to the Company and its business, while others are general for listed companies and outside Boozt's control. The admission to trading and official listing of the Company's shares on Nasdaq Copenhagen should not be interpreted as meaning that there will be a liquid market for the shares. During the period 1 October 2019 – 1 October 2020, the Company's share price at Nasdaq Stockholm was at its minimum SEK 35.3 and at its maximum SEK 131.4. There is a risk that the price of the shares will be highly volatile in connection with the admission to trading and official listing on Nasdaq Copenhagen. If active and liquid trading does not develop or does not prove sustainable, this could make it difficult for shareholders to sell their shares and the market price could differ considerably from the price of the shares in the Offering.

### ***RISKS RELATED TO FUTURE SALES OF LARGE BLOCKS OF SHARES***

The Company's largest shareholders that own more than five per cent of the Company's shares are Sampension KP Livsforsikring A/S, Arbejdsmarkedets Tillægspension (ATP), Ferd AS, Swedbank Robur Funds, Invesco, and Kabouter Management, LLC, whose combined share ownership amounts to 46.8 per cent of the Company's total shares.<sup>3</sup> Furthermore, in connection with the Offering, Boozt's CEO, Hermann Haraldsson, has, with certain exceptions, committed to a so-called lock-up undertaking not to, without the prior written consent of the Sole Global Coordinator, sell his holdings in Boozt during the period starting on 9 November 2020 until the publication of Boozt's financial results for the fourth quarter of 2020. When the lock-up period has expired, Hermann Haraldsson will be free to divest his shares. Future sales of large blocks of shares as well as disposals made by the largest shareholders, directors and/or senior executives could have a negative impact on the Company's share price.

### ***RISKS RELATED TO DIVIDENDS***

The Company does not intend to propose the distribution of a dividend in the short or medium-term and intends to use the cash flow generated for continued investments in growth. The board of directors shall each year evaluate the possibility of distributing a dividend after taking into account the development of the business as well as its operating profit and financial position. Under Swedish law, decisions regarding dividends are to be made by the annual general meeting. The timing and size of potential future dividends is proposed by the board of directors. When free cash flow exceeds available investments in profitable growth, the surplus may be distributed to shareholders. When giving consideration to future dividends, the board of directors will weigh in factors such as the

requirements with respect to the size of the equity given the nature, scope and risks associated with the operations and the Company's need to strengthen its balance sheet, liquidity and financial position in general. Boozt may not have sufficient funds to make dividend payments and the Company's shareholders may decide not to approve dividend payments in the future.

Furthermore, any dividend payments will be paid out through Euroclear Sweden to direct shareholders and nominee custodian registered in Euroclear Sweden's securities system. For shareholders who are registered through VP Securities in Denmark, dividend payments will be made to the nominee custodian engaged by VP Securities to hold shares in Euroclear Sweden's system for further distribution to shareholders registered in VP Securities. Any cash dividend resolved will be made in SEK and converted to DKK by the nominee custodian engaged by VP Securities before further distribution to shareholders registered through VP Securities. Such conversion will be conducted in due time to ensure the technical completion of the relevant payment in the VP-system, normally two days prior to distribution in the VP system. Consequently, shareholders registered through VP Securities may not receive dividend payments at the same time as shareholders registered through Euroclear Sweden and are therefore exposed to the risk for fluctuation in exchange rates between SEK and DKK from the date the dividend is resolved until receipt of payment. Any technical issues with VP Securities and/or the nominee custodian engaged by VP Securities may further increase lead times and therefore such currency rate exposure.

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<sup>3</sup> Based on information from Modular Finance AB as per 30 September 2020 and subsequent changes up until the date of the Prospectus that are known to the Company.



# INVITATION TO SUBSCRIBE FOR ORDINARY SHARES IN BOOZT AB (PUBL)

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The board of directors and the management of Boozt believe that it is now an appropriate time to broaden the shareholder base and to apply for a cross-listing of the Company's share on Nasdaq Copenhagen. The Offering and the cross-listing are expected to support future growth, provide the Company with improved access to capital markets and establish an even more diversified base of new Danish and international shareholders. Boozt also expects that the listing on Nasdaq Copenhagen will promote broader awareness of the Company and the brand among customers and suppliers.

In light of the above, the board of directors of Boozt has resolved to carry out the Offering which comprises two parts; the offering to the general public and institutional investors in Denmark and the offering to institutional investors in certain other jurisdictions. Investors are hereby invited, in accordance with the terms of this Prospectus, to subscribe for up to 5,737,085 ordinary shares in Boozt, which will be issued pursuant to a resolution to be passed by the board of directors based on the authorization provided by the extraordinary general meeting held on 1 July 2020. The price in the Offering is expected to be set in the range from DKK 110-140 per share and will be determined by the Company's board of directors in consultation with the Sole Global Coordinator following a book-building process which will commence on 10 November 2020 and continue until 23 November 2020 unless terminated early. The final price in the Offering is expected to be announced through a press release on 24 November 2020.

Upon full subscription of the Offering, the Offering is expected to provide Boozt with proceeds of approximately DKK 631-803 million, before deduction of approximately DKK 28-33 million in costs to be paid by the Company in relation to the Offering. Upon full subscription of the Offering, the number of ordinary shares in Boozt can increase by a maximum of 5,737,085 from 57,955,493<sup>4</sup> to 63,692,578, corresponding to a dilution of a maximum of approximately 9.0 per cent of the total number of ordinary shares in the Company after completion of the Offering.

For further information, refer to the full particulars of this Prospectus, which has been prepared by the board of directors of Boozt in connection with the application for listing of the shares on Nasdaq Copenhagen and the Offering made in connection with the listing.

Malmö, 9 November 2020

**Boozt AB (publ)**

The Board of Directors

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<sup>4</sup> Taking into account issue and registration of additional ordinary shares to be made during November 2020 following exercise of options under one of the Company's incentive programs. See also the section "*Share Capital and Ownership Structure*" for more information.

# BACKGROUND AND REASONS

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Boozt is a fast-growing, profitable Nordic technology company selling fashion online and is one of the leading players on the Nordic market. The Company offers its customers a curated and contemporary selection of fashion brands, relevant to a variety of lifestyles, mainly through its multi-brand web stores Boozt.com and Booztlet.com. The Company's web stores attract more than 2 million active customers as a result of a convenient shopping experience with high service levels including consistent user experiences across both mobile devices and desktop, quick deliveries and easy returns. Boozt targets primarily Nordic fashion followers, consumers aged 25–54, that value convenience and a relevant offer.

Boozt was listed on Nasdaq Stockholm on 31 May 2017 under the ticker BOOZT with ISIN: SE0009888738. The board of directors and the management of Boozt believe that it is now an appropriate time to broaden the shareholder base and to apply for a cross-listing of the shares on Nasdaq Copenhagen. The Offering and the cross-listing are expected to support future growth, provide the Company with improved access to capital markets and establish an even more diversified base of new Danish and international shareholders. Boozt also expects that the listing on Nasdaq Copenhagen will promote broader awareness among customers and suppliers.

The Offering will comprise newly issued ordinary shares in the Company. If the Offering is fully subscribed, Boozt expects to receive proceeds of approximately DKK 631-803 million, before deduction of approximately DKK 28-33 million in costs to be paid by the Company in relation to the Offering. Consequently, Boozt expects to obtain net proceeds of approximately DKK 603-770 million. In the wake of the COVID-19 crisis, the Company has identified several attractive acquisition opportunities and wants to improve its readiness to finance such acquisitions of both companies and assets that could help broaden the offering, give access to new product categories or technologies, strengthen Boozt's Nordic market presence and speed up growth, and intends to use the net proceeds for such acquisition purposes.

For further information, refer to the full particulars of this Prospectus, which has been prepared by the board of directors of Boozt in connection with the application for listing of the shares on Nasdaq Copenhagen and the Offering made in connection with the listing.

*The board of directors of Boozt AB (publ) is responsible for the contents of this Prospectus. To the best of the board of directors' knowledge, the information contained in the Prospectus is in accordance with the facts and the Prospectus makes no omission likely to affect its import.*

Malmö, 9 November 2020

**Boozt AB (publ)**

The Board of Directors

# TERMS AND CONDITIONS

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## THE ADMISSION TO TRADING AND OFFICIAL LISTING OF ORDINARY SHARES ON NASDAQ COPENHAGEN AND OFFERING OF NEW ORDINARY SHARES

The Offering comprises of not more than 5,737,085 newly issued ordinary shares in the Company. The Offering consists of two parts; (i) the offering to the general public (retail) and institutional investors in Denmark<sup>5</sup> and (ii) the offering to institutional investors in certain other jurisdictions. The part of the offering to institutional investors outside of the United States will be made in compliance with Regulation S under the U.S. Securities Act. No public offering is made in any jurisdiction other than Denmark.

The Company has applied for admission to trading and official listing of the Company's existing ordinary shares, as well as the ordinary shares issued in the Offering, on Nasdaq Copenhagen (the "Admission"). The Company also intends to admit the new ordinary shares issued in the Offering to trading on Nasdaq Stockholm where the Company's existing ordinary shares are currently traded. Subject to approval by Nasdaq Copenhagen, the Company's ordinary shares will thus be cross-listed and tradable on both Nasdaq Stockholm and Nasdaq Copenhagen.

## THE OFFER PRICE

The price in the Offering (the "Offer Price") will be determined through a book-building process which will commence on 10 November 2020 and continue until 23 November 2020 at 4:00 p.m. (CET) unless closed early. Following the book-building

process, the Offer Price will be determined by the Company in consultation with the Sole Global Coordinator. The Offer Price is expected to be announced through a press release by the Company no later than 7:30 a.m. (CET) on 24 November 2020.

The Offer Price is free of brokerage charges and is expected to be between DKK 110 and DKK 140 per ordinary share (the "Offer Price Range"). This indicative Offer Price Range has been set by the Company following consultation with the Sole Global Coordinator, taking into account, among other things, the anticipated investment interest from institutional investors, the prevailing market conditions and the market price for the Company's shares listed on Nasdaq Stockholm.

It is currently expected that the Offer Price will be set within the Offer Price Range, meaning that the Offer Price will not exceed DKK 140. If the Offer Price Range is adjusted, the Company will make an announcement through a press release no later than 23 November 2020 at 4:00 p.m. (CET) and publish a supplement to this Prospectus. Following publication of such supplement, investors who have submitted orders to subscribe for ordinary shares in the Offering will have two trading days to withdraw their subscription order. In such an event, the timeline for the Offering will be extended accordingly and the announcement of the Offer Price will not be published until the period for exercising such withdrawal rights has ended. Any adjustment of the Offer Price Range may be made by the Company and the Sole Global Coordinator based on, among other things, fluctuations in the price of the Company's shares on Nasdaq Stockholm and anticipated investment interest from institutional investors.

## EXPECTED TIMELINE FOR THE OFFERING

Offer Period starts	10 November 2020
Offer Period expires	23 November 2020 at 4:00 p.m. (CET)
Publication of the pricing statement containing the Offer Price and number of Offer shares sold	24 November 2020 no later than 7:30 a.m. (CET)
First day of trading of the temporary purchase certificates under the temporary ISIN (subject to the book-building process not being closed early or the Offering not being withdrawn)	24 November 2020 at 9:00 a.m.
Completion of the Offering, including announcement of completion of the Offering and settlement by way of delivery of temporary purchase certificates (the "Settlement Date")	26 November 2020
Last day of trading in the temporary purchase certificates	26 November 2020
Merger of the temporary ISIN and the permanent ISIN on Nasdaq Copenhagen	27 November 2020
First day of trading in the ordinary shares on Nasdaq Copenhagen under the permanent ISIN	27 November 2020
Automatic exchange of the temporary purchase certificates for ordinary shares in VP Securities	1 December 2020

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<sup>5</sup> The retail offering refers to subscriptions of amounts up to, and including, DKK 3 million and institutional offering refers to subscriptions of amounts in excess of DKK 3 million.

If the Offering is closed before 23 November 2020, the Admission, the Settlement Date, the delivery of temporary purchase certificates, the automatic exchange of temporary purchase certificates for ordinary shares and the first day of trading in ordinary shares on Nasdaq Copenhagen may be moved forward accordingly.

## OFFER PERIOD

The offer period will commence on 10 November 2020 and will close no later than 23 November 2020 at 4:00 p.m. (CET) (the “Offer Period”). The Offer Period may be closed in whole or in part prior to 23 November 2020. If the Offering is closed before 23 November 2020, the announcement of the Offer Price, allocation and the Admission may be moved forward accordingly. The Offer Period in respect of applications for subscriptions for amounts of up to, and including, DKK 3 million may be closed before the remainder of the Offering is closed. Any such earlier closing, in whole or in part, will be announced through a press release by the Company.

## SUBMISSION OF APPLICATION TO SUBSCRIBE FOR SHARES

### ***APPLICATIONS TO SUBSCRIBE FOR AMOUNTS OF UP TO AND INCLUDING DKK 3 MILLION***

Applications by Danish investors to subscribe for amounts of up to and including DKK 3 million should be made electronically in the online bank of the investor’s own account-holding bank or by submitting the application form enclosed in the Prospectus (see section “Annex A – Application Form”) to the investor’s own account-holding bank during the Offer Period or such shorter period as may be announced by the Company. Applications are binding and cannot be altered or cancelled. Bids may be made at a maximum price per ordinary share in Danish kroner. If the Offer Price exceeds the maximum price per ordinary share stated in the application, then no temporary purchase certificates or ordinary shares will be allocated to the investor. Where no maximum price per share has been indicated, applications will be deemed to be made at the Offer Price. All applications made at a price equivalent to the Offer Price, or a higher price, will be settled at the Offer Price following allotment, if any. Applications should be made for a number of temporary purchase certificates representing the subscription amount for the ordinary shares or for an aggregate amount rounded to the nearest Danish kroner amount.

Only one application will be accepted from each account in VP Securities. For binding orders, application must be made electronically through online banking or by submitting the application form to the investor’s own account-holding bank in complete and executed form in due time to allow the investor’s own account-holding bank to process and forward the application to ensure that it is in the possession of Danske Bank A/S, no later than 4:00 p.m. (CET) on 23 November 2020, or such earlier time at which the Offering is closed.

### ***APPLICATIONS TO SUBSCRIBE FOR AMOUNTS OF MORE THAN DKK 3 MILLION***

Investors who wish to apply to subscribe for amounts of more than DKK 3 million can indicate their interest to Danske Bank A/S during the Offer Period. During the Offer Period, such investors can continuously change or withdraw their declarations of interest, but these declarations of interest become binding applications at the end of the Offer Period. Immediately following the determination of the Offer Price, investors will be allocated a number of temporary purchase certificates representing the subscription amount for the ordinary shares at the Offer Price within the limits of the investor’s most recently submitted or adjusted declaration of interest. All applications made at a price equivalent to the Offer Price, or a higher price, will be settled at the Offer Price following allotment, if any.

### ***MINIMUM AND MAXIMUM SUBSCRIPTION AMOUNTS***

The minimum subscription amount is one ordinary share. No maximum subscription amount applies to the Offering. However, the number of shares is limited to the number of ordinary shares in the Offering.

## ALLOCATION AND REDUCTION

In the event that the total amount of shares applied for in the Offering exceeds the number of ordinary shares offered in the Offering, the board of directors will in consultation with the Sole Global Coordinator resolve on allotment between retail and institutional investors, whereby the goal will be to achieve a strong institutional ownership base and a broad distribution of the ordinary shares among the general public in Denmark, in order to facilitate a regular and liquid trading in the shares on Nasdaq Copenhagen. Further thereto, reductions will be made as follows:

- With respect to applications for amounts of up to and including DKK 3 million, reductions will be made mathematically.
- With respect to applications for amounts of more than DKK 3 million, individual allocations will be made. The Sole Global Coordinator will allocate the ordinary shares after agreement upon such allocations with the Company.

It is expected that the result of the Offering, the Offer Price and the basis of the allocation will be announced through a press release by the Company no later than 7:30 a.m. (CET) on 24 November 2020. If the Offer Period is closed before 23 November 2020, announcement of the Offer Price and allocation will be brought forward accordingly.

Following the expiration of the Offer Period, investors will receive a statement indicating the number of temporary purchase certificates representing the subscription amount for the ordinary shares allocated, if any, unless otherwise agreed between the investor and the relevant account-holding bank.

Orders as well as indications of interest may not result in an allocation of ordinary shares.

If the total applications in the Offering exceed the number of ordinary shares offered as part of the Offering, a reduction will be made. In such event, the Sole Global Coordinator reserves the right to require documentation to verify that each application relates to a single account in VP Securities. Further, the Sole Global Coordinator reserves the right to require documentation to verify the authenticity of all orders, to demand the name of each purchaser, to pass on such information to the Company, and to make individual allocations if there are several orders that are determined to have originated from the same investor or group of investors.

## LISTING ON NASDAQ COPENHAGEN

Application has been made for the existing and new ordinary shares to be admitted to trading and official listing under the symbol BOOZT DKK on Nasdaq Copenhagen and for temporary purchase certificates to be admitted to trading on Nasdaq Copenhagen under the symbol BOOZT N. The ordinary shares admitted to trading and official listing on Nasdaq Copenhagen represent share entitlements to the shares recorded in Euroclear Sweden's securities system on a securities account of the account operator acting as the nominee custodian for VP Securities. The temporary purchase certificates represent the subscription amount for the ordinary shares allocated in the Offering and are issued to facilitate trading on Nasdaq Copenhagen until settlement of the Offering. The temporary purchase certificates will be automatically exchanged for ordinary shares following the Settlement Date subject to completion of the Offering (see "*Expected timeline for the Offering*" above). The temporary purchase certificates will not be tradable on Nasdaq Stockholm.

The Admission is subject to, among other things, the Offering not being withdrawn prior to the settlement of the Offering and the Company making an announcement to that effect. Trading in the ordinary shares and the temporary purchase certificates on Nasdaq Copenhagen will be settled in VP Securities' settlement system.

The first day of trading and official listing of the ordinary shares in the permanent ISIN on Nasdaq Copenhagen is expected to be 27 November 2020 subject to the Offering not being withdrawn prior to settlement and completion of the Offering. Prior thereto, the temporary purchase certificates will be tradable on Nasdaq Copenhagen on 24 November 2020 under the temporary ISIN (see "*Identification*" below). The last day of trading of the temporary purchase certificates on Nasdaq Copenhagen is expected to be 26 November 2020. Trading in the ordinary shares on Nasdaq Copenhagen under the permanent ISIN is expected to commence on 27 November 2020 following settlement in the Offering.

If the Offering is closed before 23 November 2020, the Admission, the Settlement Date, the delivery of temporary purchase certificates, the automatic exchange of temporary purchase certificates for ordinary shares and the first day of trading on Nasdaq Copenhagen may be moved forward accordingly.

Payment for and settlement of the ordinary shares is expected to take place on or around 26 November 2020 upon completion of the Offering and by way of delivery of temporary purchase certificates against payment for the temporary purchase certificates representing the subscription amount for the ordinary shares.

Subject to registration of the new ordinary shares with the Swedish Companies Registration Office and completion of the Offering, the temporary purchase certificates will automatically be exchanged in VP Securities for a corresponding number of ordinary shares, which are expected to be delivered on or around 1 December 2020. In connection with the temporary purchase certificates being automatically exchanged for ordinary shares, the temporary purchase certificates will cease to exist.

For more information, see section "*Important information regarding the potential sale of allotted shares*" below.

## LISTING ON NASDAQ STOCKHOLM

The new ordinary shares issued in the Offering are expected to be admitted for trading on Nasdaq Stockholm on or around 27 November 2020.

## IDENTIFICATION

Permanent ISIN for the Company's ordinary shares:	SE0009888738
Temporary ISIN for the temporary purchase certificates in VP Securities:	SE0015193065
The temporary ISIN code will be used for trading in temporary purchase certificates.	
Nasdaq Copenhagen Symbol for the Company's ordinary shares:	BOOZT DKK
Nasdaq Copenhagen Symbol for the temporary purchase certificates:	BOOZT N

## REGISTRATION OF THE ORDINARY SHARES ISSUED IN THE OFFERING WITH SWEDISH COMPANIES REGISTRATION OFFICE

The Company's board of directors intends to resolve, based on the authorization provided by the extraordinary general meeting held on 1 July 2020, to issue the number of new ordinary shares required for the Offering. The new ordinary shares to be issued are expected to be registered with the Swedish Companies Registration Office (Sw. *Bolagsverket*) on or around 24 November 2020. For technical registration purposes, the new ordinary shares will be subscribed for by the Sole Global Coordinator on behalf of the investors.

The new ordinary shares will thereby be issued at a subscription price per share corresponding to the ordinary shares' quota value (approximately SEK 0.0833 per share) after which the Sole Global Coordinator will provide the Company with an unconditional shareholders' contribution corresponding to the remaining part of the Offer Price (net of certain

transaction costs). This procedure is carried out in order to allow delivery of new ordinary shares to investors in accordance with the time plan for the Offering.

## RIGHT TO DIVIDEND

The ordinary shares in the Offering carry a right to dividend for the first time on the record date for dividend that occurs following registration of the ordinary shares with the Swedish Companies Registration Office. Decisions regarding the distribution of dividend are proposed by the board of directors and resolved by the general meeting of shareholders. Any dividend payments for ordinary shares held directly through Euroclear Sweden are administered by Euroclear Sweden or, for nominee-registered shareholdings, in accordance with the procedures of the individual nominee. Any dividend payments for ordinary shares registered through VP Securities will be administered by VP Securities subsequent to receipt of the dividend by VP Securities on the securities account held by nominee custodian on behalf of VP Securities upon such dividend being distributed through Euroclear Sweden to the nominee custodian engaged by VP Securities. Any cash dividend payment resolved by the Company's general meeting will be made in SEK and converted to DKK for further distribution to shareholders registered in VP Securities' securities system after conversion and payment to VP Securities in DKK. Any fluctuation in exchange rates between SEK and DKK is therefore at the risk of the investors. See also the section "*Risk Factors – Risks related to the Offering and the Company's shares – Risks related to dividends*", "*Business description – Dividend policy*" and "*Share capital and ownership structure – Certain rights attached to the shares*".

## REGISTRATION AND SETTLEMENT OF THE OFFERING THROUGH VP SECURITIES

The temporary purchase certificates and ordinary shares in the Offering will be delivered through and registered in book-entry form electronically with VP Securities, Weidekampsgade 14, P.O. Box 4040, 2300 Copenhagen S, Denmark.

All temporary purchase certificates and shares are registered on securities accounts with account-holding banks in VP Securities. Investors may arrange for registration and settlement through Clearstream, 42 Avenue JF Kennedy, L-1855 Luxembourg, Luxembourg, or Euroclear, 1, Boulevard du Roi Albert II, B-1210 Brussels, Belgium.

Payment for and settlement of the ordinary shares in the Offering are expected to take place on 26 November 2020 (i.e., the Settlement Date), by way of delivery of temporary purchase certificates against payment in immediately available funds in Danish kroner in book-entry form to such securities accounts with VP Securities as appointed by the securities-holding bank in VP Securities on behalf of the investor.

Subject to registration of the new ordinary shares with the Swedish Companies Registration Office and completion of the Offering, the temporary purchase certificates will automatically be exchanged for a corresponding number of shares, which are expected to be delivered two business days after the

Settlement Date in book-entry form to the holder of the temporary purchase certificates' account with VP Securities. If the Offering is closed before 23 November 2020, the delivery of temporary purchase certificates, the automatic exchange of temporary purchase certificates for Shares and the first day of trading and official listing of the shares on Nasdaq Copenhagen may be moved forward accordingly.

The investor's account-holding bank will normally send a statement showing the number of temporary purchase certificates representing the subscription amount for the ordinary shares subscribed for by the investor unless otherwise agreed between the investor and the relevant account-holding bank. This statement also constitutes evidence of the investor's allocation.

All dealings in the temporary purchase certificates and/or the ordinary shares prior to settlement of the Offering will be for the account of, and at the sole risk of, the parties involved.

The Company and its shares have their primary registration in Euroclear Sweden's system. In order to enable trading on Nasdaq Copenhagen for the shares issued in the Offering, the Company will also register such shares issued in the Offering with the corresponding Danish securities system operated by VP Securities. Such shares will be recorded in Euroclear Sweden's securities system on the securities account of the account operator acting as the nominee custodian for VP Securities. Following such registration, the shares will subsequently be recorded in VP Securities' securities system, by way of registration of securities representing these shares. Shares registered in the securities system of VP Securities will have the same ISIN as shares registered in Euroclear Sweden's securities system.

Trading in the temporary purchase certificates will only be possible on Nasdaq Copenhagen. Transfer of ordinary shares between Euroclear Sweden and VP Securities may happen after 27 November.

For more information, see also the section "*Share Capital and Ownership Structure - Central securities depository, trading in the Company's ordinary shares and cross-border settlement*".

## TERMS AND CONDITIONS FOR COMPLETION OF THE OFFERING

Completion of the Offering is conditional upon (i) the Offering not being withdrawn, (ii) certain conditions in the Placing Agreement (as defined below) being fulfilled and (iii) the Placing Agreement not being terminated.

The Offering may be withdrawn by the Company and the Sole Global Coordinator at any time before pricing and allocation of the Offering take place (i.e. prior to 24 November 2020).

The Company and the Sole Global Coordinator have entered into a Placing Agreement governing the Offering (the "**Placing Agreement**"). The Placing Agreement stipulates that the Sole Global Coordinator's undertaking to serve as an intermediary for buyers in the subscription of ordinary shares in the Offering is conditional upon, inter alia, there being sufficient interest in



the Offering, according to the Sole Global Coordinator, to fulfil the free float requirements and enable a regular and liquid trading in the ordinary shares on Nasdaq Copenhagen, the warranties provided by the Company being correct, no events occurring that will have such a material negative impact on the Group that, in the sole opinion of the Sole Global Coordinator, it would be inappropriate to carry out the Offering as contemplated in the Prospectus, and other customary completion conditions, such as registration of the new shares issued in the Offering with the Swedish Companies Registration Office and the Company's shares being admitted to trading on Nasdaq Copenhagen as contemplated in the Prospectus.

If any material negative events occur, if the warranties that the Company has issued to the Sole Global Coordinator fall short or if any of the other conditions stipulated by the Placing Agreement are not fulfilled, the Sole Global Coordinator is entitled to terminate the Placing Agreement up to and including settlement has occurred on the Settlement Date (26 November 2020). If these conditions are not fulfilled and if the Sole Global Coordinator terminates the Placing Agreement, the Offering may be terminated. In such a case, neither delivery nor payment will be carried out under the Offering. In accordance with the Placing Agreement, the Company will undertake to compensate the Sole Global Coordinator for certain requirements under certain conditions.

Nasdaq Copenhagen's approval of the Admission on Nasdaq Copenhagen is subject to the above termination rights not being exercised after pricing and until and including settlement has occurred on the Settlement Date. If the Offering is terminated or withdrawn, the Offering and any associated arrangements will lapse, all submitted orders will be automatically cancelled, any monies received in respect of the Offering will be returned to the investors without interest (less any transaction costs) and admission to trading and/or official listing of the temporary purchase certificates or ordinary shares on Nasdaq Copenhagen will be cancelled. All dealings in the temporary purchase certificates and/or ordinary shares prior to settlement of the Offering are for the account of, and at the sole risk of, the parties concerned. Any withdrawal of the Offering will be announced immediately through a press release by the Company.

For further information on terms and conditions for completion of the Offering and the Placing Agreement, see section "*Legal considerations and supplementary information – Placing Agreement*".

## INVESTORS' WITHDRAWAL RIGHTS

In the event that the Company is required to publish a supplement to this Prospectus, between the date of publication of this Prospectus and the first day of trading of the ordinary shares on Nasdaq Copenhagen (27 November 2020), investors who have submitted orders to subscribe for ordinary shares in the Offering shall have two trading days following the publication of the relevant supplement within which the investors can withdraw their offer to subscribe for ordinary shares in the Offering in its entirety. The right to withdraw an

application to subscribe for ordinary shares in the Offering in these circumstances will be available to all investors in the Offering, provided the obligation to publish a supplement to this Prospectus was triggered before the first day of trading of the ordinary shares on Nasdaq Copenhagen and provided no ordinary shares have been delivered. If the order is not withdrawn within the stipulated period any order to subscribe for ordinary shares in the Offering will remain valid and binding.

## IMPORTANT INFORMATION REGARDING THE POTENTIAL DEALINGS IN TEMPORARY PURCHASE CERTIFICATES AND/OR ALLOTTED ORDINARY SHARES

If the Offering is not completed, no temporary purchase certificates or ordinary shares will be delivered to investors. Consequently, any trades in the temporary purchase certificates or allotted ordinary shares effected on or off the market before settlement of the Offering may subject investors to liability for not being able to deliver the temporary purchase certificates or ordinary shares sold and investors who have sold or acquired temporary purchase certificates or ordinary shares on or off the market may incur a loss. Any such dealings will be at the sole risk of the parties concerned.

If the Offering is terminated or withdrawn, the Offering and any associated arrangements will lapse, all submitted orders will be automatically cancelled, any monies received in respect of the Offering will be returned to the investors without interest (less any transaction costs) and admission to trading and/or official listing of the temporary purchase certificates or the ordinary shares on Nasdaq Copenhagen will be cancelled. Consequently, any trades in the temporary purchase certificates and/or ordinary shares effected on or off the market before settlement of the Offering may subject investors to liability for not being able to deliver the temporary purchase certificates and/or ordinary shares sold, and investors who have sold or acquired temporary purchase certificates and/or ordinary shares on or off the market may incur a loss. All dealings in the temporary purchase certificates and/or ordinary shares prior to settlement of the Offering are for the account of, and at the sole risk of, the parties concerned.

## MISCELLANEOUS

### IMPORTANT INFORMATION REGARDING LEI AND NPID

According to the Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments ("**MiFID II**") all investors need a global identification code to be able to carry out securities transactions from 3 January 2018. These requirements call for all legal entities to apply for registration of a LEI-code (Legal Entity Identifier), and all physical persons to obtain their NPID-number (National Personal ID or National Client Identifier), in order to be able to acquire ordinary shares in the Offering. Please note that it is the investor's legal status that determines whether a LEI-code or NPID-number is required, and that the Sole Global Coordinator may not be able to execute the transaction for the person in question if a LEI-code or NPID-

number (as applicable) is not presented. Legal entities needing to acquire a LEI-code can turn to any of the suppliers available on the market. Instructions regarding the global LEI-system can be found on [www.gleif.org/en/about-lei/how-to-get-an-lei-find-lei-issuing-organizations](http://www.gleif.org/en/about-lei/how-to-get-an-lei-find-lei-issuing-organizations).

Those intending to apply to acquire ordinary shares in the Offering are encouraged to apply for registration of a LEI-code (legal entities) or retrieve their NPID-number (physical persons) as early as possible.

### **INFORMATION TO INVESTORS**

The fact that the Sole Global Coordinator is manager for the Offering does not necessarily imply that the Sole Global Coordinator considers the applicant in the Offering (the “Offering Investor”) as a client of the bank. The Offering Investor is considered as a client for the Offering with the bank only if the bank has advised the Offering Investor regarding the Offering or otherwise has contacted the Offering Investor individually regarding the Offering. The consequence of the bank not viewing an Offering Investor of the Offering as a client is that the rules regarding protection of investors under the Danish Financial Business Act (Da. *lovbekendtgørelse nr. 1447 af 11. september 2020*), the Danish Capital Markets Act (Da. *lovbekendtgørelse nr. 377 af 2. april 2020 om kapitalmarkeder*) and Swedish Securities Markets Act (Sw. *lagen (2007:528) om värdepappersmarknaden*) will not be applied to the investment. This means that neither the so-called client classification nor the suitability assessment will be applicable regarding the investment. The Offering Investor is thus solely responsible for having sufficient experience and knowledge to understand the risks involved with the investment.

### **INFORMATION TO DISTRIBUTORS**

With reference to the product governance requirements in: (a) MiFID II, (b) Articles 9 and 10 in the Commission Delegated Directive 2017/593/EU of 7 April 2016 supplementing MiFID II, and (c) Chapter 8 Sections 13 and 14 of the Swedish Securities Act as well as Chapter 5 Section 5 of the Swedish Financial Supervisory Authority’s regulations regarding investment services and activities, FFS 2017:2, and (d) the Danish Executive Order No. 922 of 29 June 2017 on product approval procedures (together the “**Product governance requirements of MiFID II**”), and without liability for damages that may otherwise rest with a “producer” in accordance with the Product governance requirements of MiFID II, shares in the Company have been subject to a product approval process, where the target market for the shares in the Company are (i) non-professional investors and (ii) investors who fulfil the requirements of a professional investor and eligible counterparty, each a “**Target Market**” pursuant to MiFID II. Notwithstanding the Target Market assessment the distributors shall note that: the value of the shares in the Company may decrease and it is not guaranteed that an investor will get whole or a part of the invested amount in return; shares in the Company does not offer a guaranteed income or a capital protection; and an investment in shares in the Company is only suitable for an investor who does not need a guaranteed

income or a capital protection who (alone or together with a suitable financial or other advisor) is capable of evaluating the benefits and the risks with such an investment and who has sufficient financial means to bear any losses that may arise. The Target Market review does not affect the requirements of any contractual, legal or regulatory selling restrictions in relation to the Offering. The Target Market assessment shall not be considered as (a) a suitability assessment pursuant to MiFID II; or (b) a recommendation to any investor or group of investors to invest in, acquire, or take any other action regarding shares in the Company. Each distributor is responsible for its own Target Market assessments regarding shares in the Company and for determining the appropriate distribution channels.

### **INFORMATION ABOUT HANDLING OF PERSONAL INFORMATION**

Anyone acquiring ordinary shares in the Offering will submit information to the Sole Global Coordinator. Personal information submitted to the Sole Global Coordinator will be processed in data systems to the extent required to provide services and administer customer arrangements.

Personal information obtained from sources other than the customer may also be processed. The personal information may also be processed in the data systems of companies or organisations with which the Sole Global Coordinator cooperate. Information pertaining to the treatment of personal information can be obtained from the Sole Global Coordinator’s offices, which also accept requests for the correction of personal information. Address details may be obtained from the Sole Global Coordinator through an automatic procedure executed by Euroclear Sweden and VP Securities.

### **TAX CONSEQUENCES FOR INVESTORS**

Investors should note that the tax legislation in Denmark, Sweden (the Company’s country of incorporation) or in another state to which the investor has a connection or in which the investor is domiciled for tax purposes may impact the proceeds from the Securities. Each shareholder should, individually, obtain tax advice to ensure the tax consequences which may arise based on the shareholder’s specific situation, including the applicability of foreign legislation, agreements and tax treaties. See also the section “*Certain Tax Considerations*”.

# MARKET OVERVIEW

*This section contains industry- and market information relating to Boozt's operations and the markets in which the Group operates. If not otherwise stated, the information is based on Boozt's own information as well as Boozt's analysis of several third-party sources. Other sources are listed when required. Industry- and market publications generally state that the information in the publication has been obtained from sources which are considered reliable, but that the accuracy and completeness of the information cannot be guaranteed. Information obtained from third parties has been accurately reproduced and as far as Boozt is aware and is able to ascertain from information published by those third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading. However, Boozt has not independently verified the information obtained by third parties and therefore, the accuracy and completeness of the information obtained by third parties presented in the Prospectus cannot be guaranteed.*

*Industry- and market information contains estimates of future market development and other so-called forward-looking information. Forward-looking information is not a guarantee of future results or developments and the actual outcomes may differ materially from the statements set forth in the forward-looking information.*

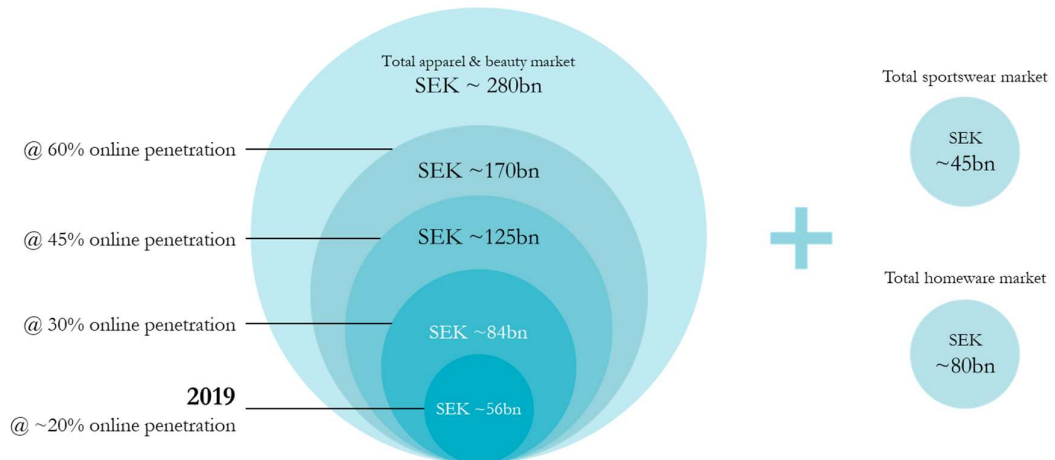
## THE MARKET

Boozt estimates the total Nordic market for apparel, shoes, beauty and personal care to approximately SEK 280 billion and the online penetration to 20 per cent in 2019. The Company believes that the Nordic online apparel market will continue to grow in the coming years supported by secular trends and further accelerated by the ongoing COVID-19 pandemic and its positive impact on the use of digital tools and solutions for companies and households. While the COVID-19 has had a negative impact on society in general with some industries having experienced particularly negative effects, Boozt

believes that there has been positive effects for the e-commerce industry as COVID-19 has sparked the transition towards online shopping to an even greater extent.

Apparel is a category well suited for online sales, due to the high frequency of shopping and the attractive unit economics of scale this category can offer. Online penetration in the Nordic apparel market has increased steadily over the past five years, but remains below penetration levels achieved in markets like the United Kingdom and the US, leaving potential for future growth.<sup>6</sup> In addition to the overall apparel market, Boozt also focuses on adjacent categories such as Sportswear and Homewear.

**Large Nordic apparel market with strong online momentum**



*"Total sportswear market" represents combined Sportswear market of Denmark, Norway and Sweden (equivalent estimates for Finland N/A). "Total homewear market" represents homewear considered household textiles, e.g. furnishing fabrics and bed, table and bathroom linen as well as glassware, tableware and household utensils. Sources: Company estimates, Euromonitor, Eurostat.*

<sup>6</sup> RetailX - Europe 2020: Ecommerce Region Report.

## ONLINE PENETRATION IN THE NORDICS

The growth of the online apparel market is positively influenced by the ongoing general shift from traditional offline to online shopping.<sup>7</sup> Online penetration in the Nordic market for apparel, shoes and beauty products remains low compared to other consumer categories, such as books, consumer electronics, and consumer appliances.<sup>8</sup>

The development of the online market depends on the number of people moving from offline to online shopping and the rates at which consumers make such move. Boozt expects the online market growth to continue, with more and more customers migrating from offline to online shopping. Boozt believes that the local scale is a key element of profitability in online fashion and intends to continue investing in order to claim considerably more than the existing fair share of the market's growth.

## DRIVERS OF ONLINE MIGRATION

The Company believes that the rapid growth of the online apparel market can be attributed to several factors including availability, selection, transparency and convenience.

**Availability:** Consumers have increased the time spent online in recent years.<sup>9</sup> The online environment provides a convenient shopping experience available at any time, without regard to the location of the customer or devices (including mobile, desktops and other mobile devices).

**Selection:** By browsing online shops, consumers are able to access a relevant selection in a matter of seconds, providing online retailers an advantage over offline retailers. Online retailers can optimise their selection based on customer preferences by utilising big data and algorithms to pinpoint consumer behaviour which provides customers with a focused and relevant offering. At the same time, brands are able to make their entire selections available in web stores, which in turn increases the probability that the customer will find their desired product.

**Transparency:** Boozt sees that online retailers can deliver the value chain at a lower cost than offline retailers and these savings can in part be shared with the consumers as evidenced by the price pressure created by e-commerce.<sup>10</sup> Customers do not want to pay more than needed and with easy price comparisons available online, the customers are aware of the market price.

**Convenience:** The ability to order merchandise at any time and location, with a relevant selection of products offered and services provided, results in high levels of convenience for online shoppers. This can be further enhanced by fast deliveries, easy returns, and secure payment solutions. Boozt furthermore believes that the ongoing COVID-19 pandemic has

pushed the importance of digital channels due to physical distancing requirements and lockdowns.

## THE IMPORTANCE OF LOCAL SCALE

Boozt believes that e-commerce in general, and particularly fashion e-commerce, is a local-scale business. By being strong in the individual market, companies can harvest the local scale advantages in areas such as distribution, fulfilment, marketing and media, and payment solutions. Local scale is thereby providing barriers to entry for new entrants on the market. The Company believes that successful online apparel retailers must achieve sufficient scale with their platforms to create efficient operations. However, to achieve such scale, sufficient order volume is required. With sufficient scale, supported by customers' purchase frequency, attractive unit economics can be achieved for returning customers. Boozt aims to be the leader in the online apparel industry in the Nordics. To achieve this goal, the Company aims to leverage their local scale to generate a strong network effect, which in turn is expected to improve its brand recognition and relevance for both customers and business partners. In addition, Boozt.com aims to benefit from attractive unit economics mainly due to a high, above industry AOV<sup>11</sup>. This allows for a high absolute profit per order as fulfilment and distribution costs are relatively fixed on a per order basis, regardless of order value.

Booztlet.com's strategy is to become the leading online off-price player in the Nordics. Leverage on Booztlet is gained through customers shopping from Booztlet.com being charged for deliveries and returns in exchange for attractive discounts.

## AREAS AFFECTED BY LOCAL SCALE

**Brand partnerships:** The most in-demand brands within each segment are able to attract customers and strengthen the retailers' attractiveness. Brands, in turn, generally put high demands on their retailers and may be reluctant to take risks that can harm their brand equity, for instance through associations with unproven or sub-scale online retailers.

**Fulfilment and distribution:** Fulfilment and distribution costs are generally one of the largest cost items for online retailers, in addition to the costs of goods sold. Boozt sees that these costs are generally improved by local scale, providing lower fulfilment costs per order and better terms with distribution partners. One of the key challenges for online apparel retailers is effectively handling the volume of products resulting from customer returns. Simultaneously, Boozt believes that an easy return process is valuable to sustain customer satisfaction and to reduce perceived purchase risk, making return management a substantial entry barrier for new potential entrants.

7 Swedish Digital Trade – The Trade Barometer, August 2020 and HUI – Conjunction Q2 Brief.

8 Swedish Trade - The trade situation in 2020.

9 Postnord – E-barometern Q1 and Q2 2020 and RetailX - Europe 2020: Ecommerce Region Report.

10 Swedish Trade - The trade situation in 2020.

11 Company estimate based on comparison with 2019 figures from selected industry peers. See also the section "Selected financial information – Alternative Performance Measures".

**Marketing and customer insight:** Efficiency in acquiring new customers is affected by scale through, for example, the ability to reach attractive agreements with media providers. Scale also allows for investments in resources to systematically use, analyse and monitor customer data for allocation of resources to those channels that show favourable return on investment. The cost of acquiring new customers as well as keeping them through e.g. marketing initiatives make loyalty and long-term customer relationships important factors that ultimately affect long-term profitability.

**The technology platform and efficiency of operations:** As consumers place emphasis on the overall shopping experience, scale further facilitates for online retailers to invest in new features to drive traffic and increase the time consumers spend in their web stores. Boozt believes that the swiftness and efficiency of a web store displaying relevant content and proper

utilisation of customer data can positively impact the number of orders, the average order value, and customer engagement. Strong operational infrastructure and execution, supported by the wide usage of technology in various business processes, enable efficient operations and increase the ability to offer a competitive customer experience.

**Administration and other costs:** Administration and other costs relates to all other operational costs not related to products, fulfilment, distribution, marketing and depreciation, such as cost of personnel and other fixed, or semi-fixed overhead costs. Keeping the administration and other costs stable and proportional simultaneously with growth is a challenge that demands operational efficiency and structured cost control. Boozt considers that these costs are generally impacted by local scale and that scale enables increased leverage on the operating cost base.

# BUSINESS DESCRIPTION

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## OVERVIEW

Boozt is a Nordic technology company selling fashion online. This includes fashion for women, men, kids, sports/athleisure, beauty and home interior. The Company aims to offer a curated and contemporary selection of brands, relevant to a variety of lifestyles for the Nordic customer, mainly through the multi-brand web stores Boozt.com and Booztlet.com. The Company has developed and built its own technological infrastructure, allowing for increased control of the customer experience, which is key to the Company's ability to achieve a high customer satisfaction.

Boozt strives to offer a convenient shopping experience with high service levels, consistent user experiences across both mobile devices and desktop, quick deliveries and easy returns. This has yielded a high customer satisfaction indicated by a Net Promoter Score (NPS)<sup>12</sup> of 71 (2019) and a Trustpilot Score<sup>13</sup> of 4.6 (2019). This results in very attractive unit economics where customers show a strong degree of loyalty giving a payback of less than 18 months on the investment in new customers. The Company believes that the Boozt brand is one of the leading names for fashion in the Nordics, and the ambition is to build the same position within the categories adjacent to fashion such as kids, sport and beauty.

Boozt has grown rapidly over the last few years to reach SEK 3.4 billion in Group net revenue and building a base of 1,606,000 active customers on Boozt.com in 2019.

For the nine months ending 30 September 2020, Boozt reported SEK 2.9 billion in Group net revenue and 1,852,000 active customers on Boozt.com.<sup>14</sup> The Company, in its current state, has been in operation since 2011 with the launch of Boozt.com as a multi-brand web store on an in-house purpose-built platform. Boozt primarily targets Nordic fashion followers that value convenience in their customer experience, mainly consumers aged 25–54 which represent over 70 per cent of the net revenue. In 2016, the Company launched Booztlet.com and the web store's strategy is to become the leading online off-price player in the Nordics.

In October 2020, Boozt announced the expansion into the Home category that will focus on Nordic mid- to premium priced home and interior brands with the aim to offer the most confident selection available of strong Nordic home and interior brands to Boozt's customers. Boozt's target is to reach 200 signed brands during the fourth quarter 2020 and considers it a significant step towards creating the true department store experience online. The Home category will be available through Boozt.com.

To efficiently address the growing Nordic online market opportunity and the target customer groups, the Company continuously invests in future growth through its focus on relevant marketing<sup>15</sup>. Boozt's operations are conducted through three main segments: Boozt.com, Booztlet.com and Other.

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12 Net Promoter Score (NPS) is a tool to gauge the loyalty of a firm's customer relationships. The metric is estimated in the range of 1-100, and was developed by and is a registered trademark of Fred Reichheld, Bain & Company and Satmetrix.

13 TrustScore is an overall measurement of reviewer satisfaction, based on all the Service and Location reviews a business receives on Trustpilot. TrustScore is represented numerically from 1 to 5.

14 Information from Boozt's audited consolidated financial reports as per and for the financial year ended 31 December 2019 and from Boozt's reviewed interim report for the period January–September 2020.

15 Marketing costs in relation to net revenue is displayed as the alternative performance measure Marketing Cost Ratio which is not defined according to IFRS. For more information on alternative performance measures, see the section "*Selected historical financial information - Alternative performance measures*".



## BUSINESS SEGMENT OVERVIEW

### BOOZT.COM

Boozt.com segment consists of the operational activities related to the multi-brand web store Boozt.com. Boozt.com mainly operates in the Nordic region (with Nordic visits representing over 95 per cent of sales) but is available in ten geographic areas and in nine languages sharing the same platform and common backend. Boozt.com is an online destination for fashion, tailored to deliver convenience and a curated selection from the Company's over 800 brand partners. To support a convenient online shopping experience, Boozt.com offers free and fast deliveries as well as free and easy returns, for orders above a limited minimum order value, and free customer support. The Boozt.com segment had 1,852,000 active customers as per 30 September 2020.

#### Net revenue Boozt.com<sup>16</sup>

SEK million	Jul 1 – Sep 30 2020	Jul 1 – Sep 30 2019	Jan 1 – Sep 30 2020	Jan 1 – Sep 30 2019
Nordics	754.6	638.6	2,352.0	2,006.1
Rest of Europe	39.3	52.6	176.7	177.3
<b>Total Net revenue</b>	<b>793.9</b>	<b>691.2</b>	<b>2,528.7</b>	<b>2,183.4</b>

### BOOZTLET.COM

The Booztlet.com segment was launched in 2016 and started as the Group's channel for inventory clearance, retailing items that did not sell within an allotted time frame on Boozt.com. The scope of Booztlet.com has now expanded to include its own inventory of prior season items bought directly from the brands. The Company is now pursuing a strategy to become the leading online off-price player in the Nordics. On contrary to the in-season offering on Boozt.com, customers shopping at Booztlet.com are charged for deliveries and returns, but in exchange, receive attractive discounts. Also, a continuously improving and increasing stock composition supports the strong growth trajectory.

#### Net revenue Booztlet.com<sup>16</sup>

SEK million	Jul 1 – Sep 30, 2020	Jul 1 – Sep 30, 2019	Jan 1 – Sep 30, 2020	Jan 1 – Sep 30, 2019
Nordics	129.5	61.0	368.8	155.3
Rest of Europe	7.3	7.0	20.4	16.2
<b>Total Net revenue</b>	<b>136.9</b>	<b>68.0</b>	<b>389.2</b>	<b>171.5</b>

### OTHER

The Other segment consists of the operational activities related to the Group's physical retail stores. The Booztlet outlet store in Taastrup, which opened in December 2016, is the last resort of inventory clearance for the Group as well as an effective way of selling goods with claims. Opening of a physical beauty store has been necessary in order to get the online distribution rights in the Nordics from many of the leading beauty brands. A Beauty by Boozt store was opened in Copenhagen in 2017 but was closed in March 2020. After evaluating the Beauty by Boozt physical retail operation, a new Beauty by Boozt store was opened in Malmö in July 2020. The old store in Copenhagen has been converted to a Booztlet store for the remainder of the lease period terminating in April 2022.

#### Net revenue Other<sup>16</sup>

SEK million	Jul 1 – Sep 30, 2020	Jul 1 – Sep 30, 2019	Jan 1 – Sep 30, 2020	Jan 1 – Sep 30, 2019
Nordics	9.3	5.0	16.4	20.3
Rest of Europe	-	-	-	-
<b>Total Net revenue</b>	<b>9.3</b>	<b>5.0</b>	<b>16.4</b>	<b>20.3</b>

<sup>16</sup> Information from Boozt's reviewed interim report for the period January–September 2020.

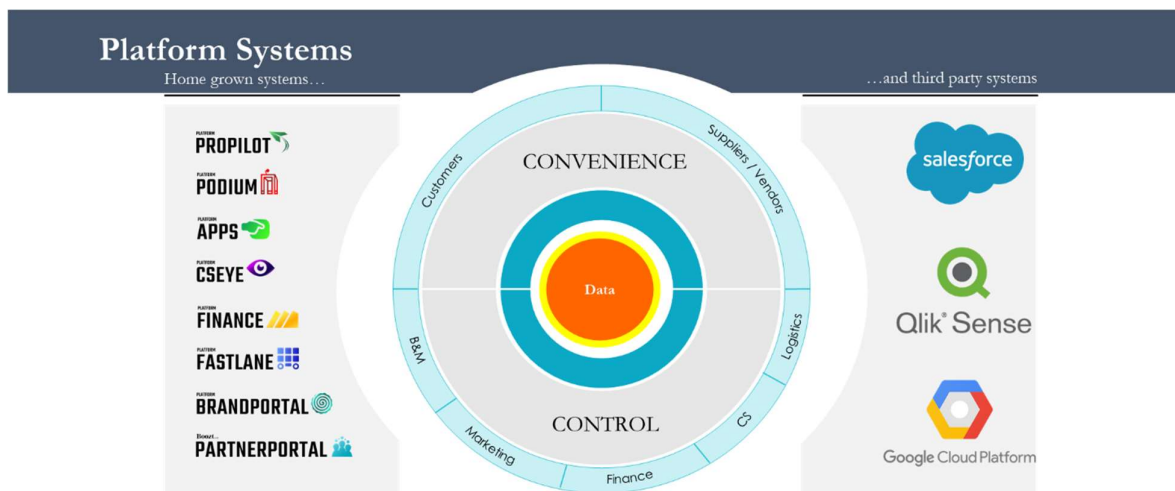
## MAIN ACTIVITIES

### TECHNOLOGY

Technology is at the core of what Boozt does as a business and the Company has built a highly advanced e-commerce platform using cutting-edge web technologies and infrastructure components. This infrastructure helps the Company to gain full control over the customer experience and ensures high performance, scalability, and security. Boozt strives to use technology as a tool to create a better fashion experience and more efficient operations where operations are based on the Boozt integrated technology platform (the “Solar System”) and used by all of the business functions. Internally, Boozt

refers to this approach as the “Halo” as the technology is central for all organisational activities. The integrated technology platform is founded on home-grown systems, which are complemented by prominent third-party systems. The systems are complementary and built on open standards. The integrated technology platform brings several benefits, such as the efficient product handling, control over the work flow and efficient processes that enable the organisation to grow while still providing an outstanding customer experience.

### BOOZT'S “SOLAR SYSTEM”



### INNOVATION AND KEY PRACTICES

Over the years, Boozt has fostered a strong innovation culture that empowers the developers to experiment with new technologies and build better solutions that are tailor-made for the business. The success of the technology ecosystem has been made possible by the community of more than 110 developers spread across five tech hubs in different geographical locations around Sweden, Denmark, Poland, and Lithuania. A large number of Boozt developers operate out of the Company's headquarters, which is an advantage when running a cost-efficient and scalable organisational structure.

Established processes and practices enable developers to work efficiently and flexibly, adapting to the changing needs of the business. Key business functions (such as buying, merchandising, marketing, customer service, IT and finance) for all geographical areas are provided in-house on a centralised basis. To ensure that new functionalities and improvements to the systems are aligned with existing processes, developers work in small cross-functional teams in direct relation to a business function or unit. Projects are managed directly between the developers and the business specialists. This

approach enables further speed and flexibility, with a proven lower overhead.

The cross-functional collaboration also ensures that the development roadmap is aligned with business priorities.

### TECHNOLOGY INVESTMENTS

In 2019, Boozt continued to invest in innovations and development that will help the Company stay at the forefront of the online shopping experience. The Company acquired the app developer Touchlogic and created Boozt Innovation Lab, its fifth tech hub with a focus on strengthening the competences within the app and mobile web development. The new team works in collaboration with the business, but more autonomous than the other tech hubs, to ensure more progressive thinking. They also work closely with the Company's established data intelligence team, experimenting with technologies such as augmented reality, voice control, and next-generation UI. Boozt Innovation Lab enables the Company to fast-track projects in the pipeline and means that Boozt can explore new technology with the efficient and well-run technical platform in a fail-fast approach.

## INTEGRATED TECHNOLOGY PLATFORM

Boozt constantly strives to leverage technology as a tool to create better ways for its customers to be inspired and shop for fashion. The Company has built an integrated technology platform, which is robust, secure and highly scalable. The Company collects large amounts of data that is used to drive optimisation of the business, such as demand forecasting, marketing and customer engagement. Data is managed and analysed through a combination of home grown systems and prominent third party systems. The integrated technology platform enables Boozt to provide a customer-centred online fashion experience, to develop targeted marketing campaigns, to improve management and sourcing of inventory and to enhance contribution margins by product.

Having control over the systems supports Boozt's ability to control and develop the customer experience as well as enhance the value chain and logistics. Since its inception, Boozt has continuously invested in its technology platform in order to deliver a customer-focused fashion experience.

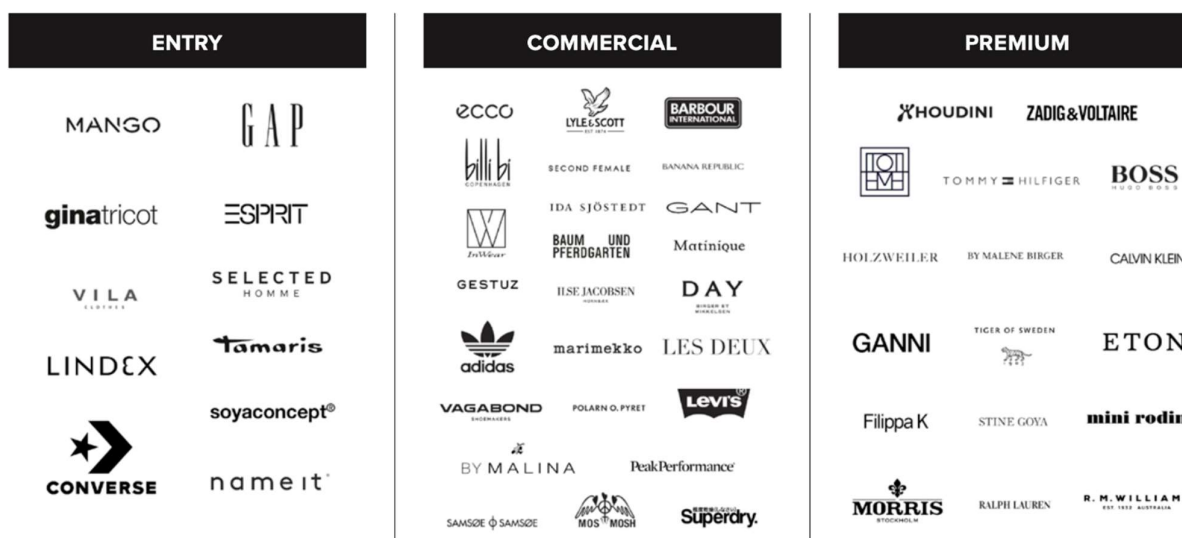
## BRANDS

Boozt strives to offer Nordic consumers the best online shopping experience, with a carefully curated selection of over 600 mid-to premium fashion brands, around 200 beauty brands and industry-leading delivery times. Boozt offer a complementary assortment of fashion categories including

clothing, shoes, accessories, sportswear, beauty products, and soft home. Boozt offers a combination of local and international brands, existing and new, that are deemed to be relevant for Nordic customers.

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

Boozt categorise the brand partners into three categories: premium brands, mid-market brands, and entry brands, where Boozt mainly focuses on mid-market and premium brands representing more than 90 per cent of the selection. Premium and mid-market brands carry a higher average item price and hence contribute to a higher average order value. Entry brands also have considerably shorter sales periods compared to premium brands. Boozt has a strong focus on building the premium brand equity of Boozt.com to offer the brands a platform where they can build brand equity towards the Nordic consumer. Examples of Boozt's brand portfolio includes, among others:



## Brand Selection

Boozt carefully selects the brands to cater to the customer audience. Boozt has chosen to focus on building a strong Nordic customer base and brand, this is seen in the curated and contemporary selection.

Consisting of over more than 800 brands relevant for customers with preferences for Nordic style fashion, Boozt strives to be the destination for Nordic fashion followers. With more than 50 per cent of its revenue generated through local Nordic brands, the brand selection has been built on local

Scandinavian and select international brands. The product and brand offering at each of the segments is broadening with each season.

In addition to the above, the new Home category announced in October 2020 is targeted to reach 200 signed brands during the fourth quarter 2020.

## Brand Partners

Building a relation between the Company and the brands is also essential to Boozt. To further improve efficiency when

interacting with partners, the Partner Portal was introduced in 2016. With more than 800 registered external users, the majority of the brand partners now use the portal as the primary tool to exchange information with Boozt. By choosing to work with Boozt, brand partners gain access to a highly attractive customer segment on the Nordic market via a single, reputable partner.

Consumer behaviour is changing at a rapid pace and relevance is key. Knowing your target group's needs and demands are essential and also complex. For apparel brands, this proves especially difficult as these companies often lack resources and skills to succeed in the online world. As a true online-first player, Boozt has in-depth knowledge from analysing and predicting consumer behaviour. Due to the size within the Nordic mid-to-premium market, Boozt has second-to-none data in this segment allowing Boozt to create unique insights for the brand partners. Using Boozt's own extensive data regarding on-site behaviour, brand preference and purchase history, Boozt is able to identify accurate target audiences for the Brand Partners. They benefit from this knowledge as Boozt uses it to deliver successful campaigns and product launches through Boozt Media Partnership strengthening the brand partners' position in the market. This is an area of increasing focus and Boozt is developing new tools to further increase the relevance to the brands. The Partner Portal is also an effective tool that reduces administration work for Boozt. Product-, orders- and sales information are all shared with the brands through the Partner Portal, work that was previously done by Boozt. Thus it contributes to efficiencies in administrative costs.

#### **FULFILMENT AND DISTRIBUTION SETUP**

Boozt's logistics processes include fulfilment activities (inbound logistics, storage, outbound logistics, and return handling) and distribution activities (transportation and shipping services). The logistics process also includes the handling of dangerous goods (UN marked cosmetic products). The Boozt Fulfilment Centre ("BFC") is located in Ängelholm, an hour's drive north of the Headquarter in Malmö – a central location in the Nordics with fast access to the entire region. The BFC is custom-built to optimise the use of the automation system, AutoStore, and can be expanded in a modular way when more capacity is needed. Boozt's AutoStore installation was the largest in the world in 2019.<sup>17</sup> During 2019 an own developed robot management system was implemented and replaced the standard system. The new robot management system allows for greater control to improve the customer experience and is also a key component in gaining operational improvements at the BFC. The majority of personnel in the fulfilment centre in Ängelholm

are currently hired externally from a third-party provider who will provide its handling and fulfilment services until 31 December 2020, after which Boozt will fully take over the fulfilment staff operations. The BFC have been continuously improved and has now entered it's fourth phase of automation. As of the fourth quarter 2020, the BFC has a revenue capacity of approximately SEK 6 billion and it is expected to be expanded further in 2021 to a capacity in the range of SEK 7-8 billion<sup>18</sup>.

Boozt uses a combination of well-reputed, third-party distribution partners that vary by country to enable a fast delivery to customers. The Company has a flexible process to use different distribution partners and continue to integrate additional partners. Orders are picked up multiple times throughout the day at the BFC to ensure fast deliveries. In order to efficiently serve its customers in each geographical market, Boozt partners with local distribution partners. The Company aims to have at least two distribution partners in each country in the Nordics.

#### **BFC – key information<sup>19</sup>**

360,000  
bins  
+ 360  
robots

>3,000  
orders per hour  
in handling  
capacity

Capacity of  
4 million+  
items and  
>650,000  
SKU locations

Own developed  
warehouse and  
robot management  
system

<sup>17</sup> <https://www.elementlogic.co.uk/boozt-continues-the-expansion-of-the-worlds-largest-autostore-in-angelholm-sweden/>

<sup>18</sup> For more information about ongoing and future investments, see section "Capitalization, indebtedness and other financial Information – Investments".

<sup>19</sup> SKU means "Stock Keeping Unit" and is a code used in inventory management to differentiate product categories.

## BOOZT'S VALUE CHAIN

The Group's value chain outlines the three main business segments and the flow of products within the Boozt Group eco system. The value chain is where the Company can ensure that the business is run in a responsible and efficient manner, and hopefully inspire other industry participants.



### IN SEASON

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

### OFFPRICE

Prior season stock from brands and Boozt.com

### LAST RESORT OUTLET

Items that did not sell online or goods with minor defects

## COMPANY CULTURE

The company culture, supported by the Company's values lays the foundation of all decision making and everything that is done at Boozt. Central in the company culture is the 'care-why' mindset. It is not only about knowing, but also caring. Being curious about why things are the way they are, choosing to act and going the extra mile for the customer, the company, and each other. This culture is supported by Boozt's three company values; Trust, Freedom and Responsibility.

## SUSTAINABILITY

With the influence Boozt has as one of the leading players on the market, the Company can push for a more sustainable industry by setting standards for more responsible practices. Boozt is of the opinion that we must all work together to improve the quality and transparency in the supply chain, including respect for human rights, fair labour conditions, as well as reducing the environmental impact from production and operations. Boozt is committed to inspire positive change through the Company's actions. The goal is to make sustainable choices easy; for the Company's people, customers and partners. The Company is committed to offer its customers the

choice to shop according to their values and to share best practises with the industry to inspire collective change.

Examples of Boozt's initiatives are:

- 100 per cent use of renewable energy in the Company's own operations which include the BFC, headquarter and the website hosted on green-certified servers.
- Low impact (~300g CO<sub>2</sub> per order) from distribution of orders due to local warehouse and return handling.<sup>20</sup>
- Sustainability selection based on strict criteria and accredited certifications.
- Signatory of the UN Global Compact.

## DATA PRIVACY

With more than 2 million active customers, Boozt is in a position where it processes a significant amount of personal data. In order to comply with the EU's General Data Protection Regulation ("GDPR"), safe data storage is on the forefront of the Company's agenda. To prepare for the implementation of GDPR in 2018, Boozt rigorously combed through the personal

<sup>20</sup> Equivalent to driving ~2.6 km in a new car. Source: [https://www.eea.europa.eu/data-and-maps/daviz/average-emissions-for-new-cars-5#tab-chart\\_1](https://www.eea.europa.eu/data-and-maps/daviz/average-emissions-for-new-cars-5#tab-chart_1) (0.314kg CO<sub>2</sub> eq / 0.120 Co<sub>2</sub> eq)

data processed by the Company. The personal data is stored on servers with high levels of security, located in controlled facilities and with regular security evaluations.

All sharing of personal data with third parties needs to be preceded by a signed data processing agreement (“DPA”). To ensure that customers understand how their personal data is being used, they can access detailed information about how long Boozt saves personal data and for what specific purpose the personal data is processed on the Company’s web shops. Customers can also request a copy of their personal data and upon request have their personal data deleted.

## STRATEGIC FRAMEWORK AND GENERAL PRINCIPLES OF CAPITAL ALLOCATION

As Boozt continues its rapid expansion, a clear strategic direction is set for excess capital and investments. As a first priority Boozt invests further into improving its capacity, inventory, innovation and people as these are all key enablers for its future success and profitability. Secondly, these areas can be complemented by acquisitions providing category expertise, new or more advanced technology and an even better Nordic market reach. Boozt will not pursue acquisitions in unrelated areas or risk losing long-term focus because of short-term improvements.

## FINANCIAL TARGETS, DIVIDEND POLICY AND 2020 OUTLOOK

As the Group during 2020-2022 (3-5 years from the IPO) is entering the medium-term set out at the time of the listing of the Group in May 2017, the board of directors has adopted updated financial targets for the Group for the period up to and including 2022:

<b>NET REVENUE GROWTH</b>	The Group targets to outgrow the Nordic online market significantly to expand market share
<b>ADJUSTED EBIT MARGIN</b>	The Group targets an adjusted EBIT margin <sup>21</sup> exceeding six per cent in 2022

### DIVIDEND POLICY

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

<sup>21</sup> See definitions and explanations to alternative performance measures under the section “Selected financial information” below for a definition of Adjusted EBIT margin.

No dividend was paid during the financial year ended 31 December 2019. At the annual general meeting held on 27 May 2020, it was resolved that no dividend will be paid for the financial year 2019.

### OUTLOOK FOR 2020

This section describes Boozt’s current outlook for the financial year ending 31 December 2020. The outlook is based on a number of principal assumptions and estimates by Boozt which are inherently subject to significant risk and uncertainties of a commercial, operational, economic, competitive, market, financial and other similar nature. Some of these factors are within Boozt’s influence or control while others are beyond Boozt’s influence or control. The assumptions on which the outlook is based are presented below.

The outlook constitutes forward-looking statements that reflect the Company’s plans, estimates and assessments. The Company’s results may differ materially from those expressed in these forward-looking statements. Factors that may cause or contribute to such differences include, but are not limited to, the assumptions underlying these statements and other parts of the Prospectus, including the section “Risk Factors”.

The outlook shall be read together with other information in the Prospectus and have been prepared in accordance with the accounting principles applied by the Company. The outlook is comparable with the historical financial information for Boozt.

On 5 November 2020, Boozt published the following upgraded outlook for 2020 in connection with the publication of the interim report for the period 1 January – 30 September 2020:

	Realized 2019	Prior outlook as of 6 Oct 2020	New Outlook as of 5 Nov 2020
<b>NET REVENUE GROWTH</b>	23.0 %	20-25 %	in the upper end of 20-25%
<b>ADJUSTED EBIT MARGIN</b>	3.2 %	4.5-5.5 %	5.5-6.5 %

### PRESENTATION OF THE MAIN ASSUMPTIONS ON WHICH THE OUTLOOK IS BASED

The outlook is based on assumptions on continued positive development and sales growth for Boozt, which are in turn based on the following factors.

#### Factors over which Boozt has influence or control

- Continued investments in leading customer satisfaction.
- Acquiring new customers at a high pace without overpaying, focusing on the relationship between customer lifetime value (CLV) and customer acquisition costs (CAC).
- Maintaining high level of investments in Booztlet.com to fuel continued hyper growth.
- Maintaining average order value (AOV) around current level, SEK 807 at Boozt.com and SEK 678 at Booztlet.com for the nine months ending 30 September 2020.
- Gross margin around 39-40 per cent supported by contractual improvements and disciplined pricing.
- Operational costs to be in line with management expectations driven by continued scale effects.

#### Factors beyond Boozt's influence or control

- No material changes in macroeconomic developments and market growth rates.
- Continued growth fuelled by COVID-19 effects on online penetration.
- No material changes in current consumer demand or behaviour, including pricing, product mix and return rate.
- No material changes in Boozt's brand partners' ability to deliver products in accordance with Boozt's expectations, whether due to COVID-19 or otherwise.
- No material changes in Boozt's competitive environment.
- No changes in currency rates, interest rates, tax rules or other laws and regulations that would have a significant impact on Boozt's operations, tax position or accounting policies.
- Black Friday sales to be in line with management expectations.

# SELECTED FINANCIAL INFORMATION

## PRESENTATION OF FINANCIAL AND OTHER INFORMATION

The financial information presented below shall be read together with the section “*Capitalization, Indebtedness and other financial information*” and the financial information incorporated in the Prospectus by reference (see section “*Legal considerations and supplementary information – Documents incorporated by reference*”). The Prospectus includes financial information for the financial year ended 31 December 2019 and for the period January–September 2020 (with comparative figures for the corresponding period 2019). The financial information for the financial year ended 31 December 2019 is taken from, and shall be read together with, Boozt’s (i) audited consolidated financial reports as per and for the financial year ended 31 December 2019, which is prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU and incorporated into the Prospectus by reference, and (ii) Boozt’s reviewed interim report for the period January–September 2020 prepared in accordance with IAS 34 Interim Reporting and incorporated into the Prospectus by reference. Except as expressly indicated herein, no information in the Prospectus has been audited or reviewed by the Company’s auditor.

## ALTERNATIVE PERFORMANCE MEASURES

The Prospectus contains certain performance measures that are not defined in accordance with IFRS (alternative performance measures). Boozt’s view is that these performance measures are widely used by some investors, securities analysts and other stakeholders as additional measures of performance and financial position. Boozt’s alternative performance measures are not necessarily comparable to similar measurements presented by other companies and have certain limitations as analytical tools. They should therefore not be considered separately from, or as a substitute for, the Group’s financial information prepared in accordance with IFRS. All alternative performance measures have been taken from Boozt’s annual report for the financial year 2019 and interim reports for the period January–September 2019 and January–September 2020 unless otherwise stated. However, all of the alternative performance measures displayed in this section are unaudited.

Alternative performance measure	Jan-Sep 2020 (unaudited)	Jan-Sep 2019 (unaudited)	Full year 2019 (unaudited)
<b>SEK million unless otherwise indicated</b>			
Net revenue growth, %	23.5	25.6	23.0
Transactional net revenue	2,958.7	2,337.9	3,443.7
Gross profit	1,156.3	907.0	1,361.0
Gross margin, %	39.4	38.2	39.7
Adjusted EBIT	149.7	8.2	109.0
Adjusted EBIT margin, %	5.1	0.3	3.2
Free cash flow	570.7	-92.8	-94.8
Net working capital	12.8	365.9	435.3
Net debt	-335.7	291.3	295.6
Conversion rate, %*	2.88	2.87	2.89
Average order value, SEK*	807	793	808
No. of orders per active customer, #*	2.33	2.44	2.44
Fulfilment cost ratio, %	-11.9	-14.3	-13.7
Marketing cost ratio, %	-9.7	-10.0	-10.0
Admin & Other cost ratio, %	-10.7	-11.1	-10.3

\* Referring to the Boozt.com segment. This is an operational measure, not an alternative performance measure.



## DEFINITIONS AND EXPLANATIONS TO ALTERNATIVE PERFORMANCE MEASURES

Alternative performance measure	Definition	Explanation
<b>Net revenue growth</b>	Net revenue for the period minus the previous period's net sales in relation to the previous period's net sales.	Net revenue growth is a key figure for assessing whether the Company's growth strategy is being met and is one of Boozt's financial targets.
<b>Transactional net revenue</b>	Gross sales (incl. shipping and invoice income) less discounts and returns, excl. VAT.	The aim of the figure is to display the total consumer value of the orders processed less returns and excluding VAT. Transactional net revenue less fee to consignment partners plus other revenue not related to consumer orders equals net revenue. The transactional net revenue can be calculated as average order value (AOV) multiplied with no. of orders.
<b>Gross profit</b>	Net revenue decreased with cost of goods for resale.	The aim is to show the contribution left after cost of goods for resale, implying the amount of funds available for the remaining costs and profit.
<b>Gross margin</b>	Gross profit (excluding other operating income) as a percentage of net revenue.	The aim is to analyse gross profit over time, expressed as per cent of net revenue.
<b>Adjusted EBIT</b>	Profit/loss before interest, tax, share-based payments related to employees and items affecting comparability, such as restructuring costs in connection with the closures of the Beauty by Boozt stores in Copenhagen, March 2020 and in Roskilde, June 2019.	The aim of the figure is to display the operating profit excluding non-recurring items and share based compensation related to employees and items affecting comparability are excluded from this metric.
<b>Adjusted EBIT margin</b>	Adjusted EBIT divided by net revenue.	The aim of the figure is to display the Group's effectiveness in profit creation excluding impact from share price dependent costs and non-recurring items and is one of Boozt's financial targets.
<b>Free cash flow</b>	Cash flow from operating activities and cash flow from investing activities.	The aim is to show the cash flow generated in the Group when excluding the cash flow impact from financing activities.
<b>Net working capital</b>	Current assets, excluding cash and cash equivalents, less non-interest-bearing current liabilities.	The purpose of displaying net working capital is to display short-term financial health since the measure indicates if the company has enough short-term assets to cover its short-term debt. Net working capital can be put in relation to net revenues to understand efficiency of net working capital tied up in operations.
<b>Net debt</b>	Interest-bearing liabilities less cash and cash equivalents.	The aim is to display the cash and cash equivalents available after having theoretically settled all interest-bearing liabilities, be it current or non-current.
<b>Conversion rate</b>	Total number of orders divided by total number of site visits.	The aim is to understand how traffic sent to the Group's websites are converting into monetary orders.
<b>Average order value</b>	Transactional net revenue divided by no. of orders.	The aim of the figure is to show the average consumer monetary value per basket excluding VAT, which again is very important to determine

		and understand the unit economics of each basket of the Group's operation.
<b>No. of orders per active customer</b>	Number of orders during the last 12 months divided by the total number of active customers, end of period.	This number illustrates the frequency for an isolated cohort (active customers). It helps the reader in understanding to what extent the customers are coming back and the frequency at which they have shopped during the last 12 months, irrespective of whether they have been active from the start of the 12 months or are new customers who have been active in less than 12 months.
<b>Fulfilment cost ratio</b>	Fulfilment and distribution cost divided by net revenue.	The aim is to group the costs which is related to pick, pack, return handling, in deliveries and all distribution costs associated with shipping parcels to and from customers as well as business to business distribution costs and then evaluate these costs against net revenue created.
<b>Marketing cost ratio</b>	Marketing cost divided by net revenue.	The aim is to group the costs which is related to production, media airtime, online exposures, analytics concerning monitoring of sales, CRM activities and then evaluate these costs against net revenue created.
<b>Admin &amp; Other cost ratio</b>	Total operating costs less fulfilment costs, less marketing costs, less goods for resale, less depreciation plus other operating income divided by net revenue.	The aim of the figure is to demonstrate the development of admin & other costs and then evaluate these costs against net revenue created.

## RECONCILIATION OF ALTERNATIVE PERFORMANCE MEASURES

Net revenue growth	Jan-Sep 2020 (unaudited)	Jan-Sep 2019 (unaudited)	Full year 2019 (audited)
SEK million			
Net revenue	2,934.3	2,375.2	3,424.9
Whereof Boozt.com	2,528.7	2,183.4	3,150.7
Whereof Booztlet.com	389.2	171.5	246.5
Whereof Other	16.4	20.3	27.7
Net revenue, previous year	2,375.2	1,891.6	2,784.0
<b>Net revenue growth, %<sup>1</sup></b>	<b>23.5</b>	<b>25.6</b>	<b>23.0</b>

<sup>1</sup> Unaudited

<b>Transactional net revenue</b>	Jan-Sep 2020 (unaudited)	Jan-Sep 2019 (unaudited)	Full year 2019 (audited)
SEK million			
Net revenue	2,934.3	2,375.2	3,424.9
Less: Other revenue <sup>1</sup>	-40.5	-29.7	-45.9
Add: Consignment sales <sup>1</sup>	65.0	32.5	64.8
<b>Transactional net revenue<sup>1</sup></b>	<b>2,958.7</b>	<b>2,377.9</b>	<b>3,443.7</b>

<sup>1</sup> Unaudited

<b>Gross profit and gross margin</b>	Jan-Sep 2020 (unaudited)	Jan-Sep 2019 (unaudited)	Full year 2019 (audited)
SEK million			
Net revenue	2,934.3	2,375.2	3,424.9
Goods for resale	-1,778.0	-1,468.2	-2,063.9
<b>Gross profit<sup>1</sup></b>	<b>1,156.3</b>	<b>907.0</b>	<b>1,361.0</b>
<b>Gross margin, %<sup>1</sup></b>	<b>39.4</b>	<b>38.2</b>	<b>39.7</b>

<sup>1</sup> Unaudited

<b>Adjusted EBIT and adjusted EBIT margin</b>	Jan-Sep 2020 (unaudited)	Jan-Sep 2019 (unaudited)	Full year 2019 (audited)
SEK million			
Operating profit/loss (EBIT)	80.3	-12.8	91.8
Share-based payments related to employees (social charges) <sup>1</sup>	27.2	10.3	5.2
Share-based payments related to employees <sup>1</sup>	7.1	5.8	7.2
Non-recurring items affecting comparability <sup>1,2</sup>	35.1	4.9	4.9
<b>Adjusted EBIT<sup>1</sup></b>	<b>149.7</b>	<b>8.2</b>	<b>109.0</b>
Net revenue	2,934.3	2,375.2	3,424.9
<b>Adjusted EBIT margin, %<sup>1</sup></b>	<b>5.1</b>	<b>0.3</b>	<b>3.2</b>

<sup>1</sup> Unaudited

<sup>2</sup> Non-recurring items affecting comparability related to the closing of the Beauty by Boozt store in Roskilde (2019) and Copenhagen (2020).

<b>Free cash flow</b>	Jan-Sep 2020 (unaudited)	Jan-Sep 2019 (unaudited)	Full year 2019 (unaudited)
SEK million			
Cash flow from operating activities	647.0	20.6	76.5
Cash flow from investing activities	-76.4	-113.4	-171.3
<b>Free cash flow<sup>1</sup></b>	<b>570.7</b>	<b>-92.8</b>	<b>-94.8</b>

<sup>1</sup> Unaudited

<b>Net working capital</b>	Sep 30 2020 (unaudited)	Sep 30 2019 (unaudited)	Dec 31 2019 (audited)
SEK million			
Inventory	1,068.5	1,169.8	1,043.8
Accounts receivables	5.5	4.8	50.5
Other receivables	88.8	96.1	105.9
Current tax assets	1.9	0.9	1.3
Prepaid expenses and accrued income	67.9	69.9	130.8
Account payables	-766.1	-529.6	-500.7
Other liabilities	-195.1	-96.7	-100.5
Accrued expenses and prepaid income	-258.7	-349.2	-295.8
<b>Net working capital<sup>1</sup></b>	<b>12.8</b>	<b>365.9</b>	<b>435.3</b>

<sup>1</sup> Unaudited

<b>Net debt</b>	Sep 30 2020 (unaudited)	Sep 30 2019 (unaudited)	Dec 31 2019 (audited)
SEK million			
Cash and cash equivalents	-1,058.5	-296.0	-339.4
Interest-bearing liabilities	369.6	149.2	207.7
Interest-bearing lease liabilities	353.3	438.1	427.4
<b>Net debt<sup>1</sup></b>	<b>-335.7</b>	<b>291.3</b>	<b>295.6</b>

<sup>1</sup> Unaudited

<b>Conversion rate – Boozt.com</b>	Jan-Sep 2020 (unaudited)	Jan-Sep 2019 (unaudited)	Full year 2019 (audited)
SEK million			
No. of orders, thousands <sup>1</sup>	3,154	2,755	3,917
Site visits, thousands <sup>1</sup>	109,387	96,061	135,318
<b>Conversion rate, %<sup>1</sup></b>	<b>2.88</b>	<b>2.87</b>	<b>2.89</b>

<sup>1</sup> Unaudited

<b>Average order value – Boozt.com</b>	Jan-Sep 2020 (unaudited)	Jan-Sep 2019 (unaudited)	Full year 2019 (audited)
SEK million			
Net revenue	2,528.7	2,183.4	3,150.7
Less: Other revenue <sup>1</sup>	-40.5	-29.7	-45.9
Add: Consignment sales	57.0	30.7	60.8
<b>Transactional revenue<sup>1</sup></b>	<b>2,545.2</b>	<b>2,184.4</b>	<b>3,165.6</b>
No. of orders, thousands <sup>1</sup>	3,154	2,755	3,917
<b>Average order value, SEK<sup>1</sup></b>	<b>807</b>	<b>793</b>	<b>808</b>

<sup>1</sup> Unaudited

<b>No. of orders per active customer – Boozt.com</b>	Jan-Sep 2020 (unaudited)	Jan-Sep 2019 (unaudited)	Full year 2019 (audited)
SEK million			
No. of orders (last twelve months), thousands <sup>1</sup>	4,315	3,800	3,917
Active customers, thousands <sup>1</sup>	1,852	1,557	1,606
<b>No. of orders per active customer, #<sup>1</sup></b>	<b>2.33</b>	<b>2.44</b>	<b>2.44</b>

<sup>1</sup> Unaudited

<b>Fulfilment cost ratio</b>	Jan-Sep 2020 (unaudited)	Jan-Sep 2019 (unaudited)	Full year 2019 (audited)
SEK million			
Fulfilment and distribution costs	-348.1	-339.1	-469.5
Net revenue	2,934.3	2,375.2	3,424.9
<b>Fulfilment cost ratio, %<sup>1</sup></b>	<b>-11.9</b>	<b>-14.3</b>	<b>-13.7</b>

<sup>1</sup> Unaudited

<b>Marketing cost ratio</b>	Jan-Sep 2020 (unaudited)	Jan-Sep 2019 (unaudited)	Full year 2019 (audited)
SEK million			
Marketing costs	-285.6	-237.9	-342.6
Net revenue	2,934.3	2,375.2	3,424.9
<b>Marketing cost ratio, %<sup>1</sup></b>	<b>-9.7</b>	<b>-10.0</b>	<b>-10.0</b>

<sup>1</sup> Unaudited

<b>Admin &amp; other cost ratio</b>	Jan-Sep 2020 (unaudited)	Jan-Sep 2019 (unaudited)	Full year 2019 (audited)
SEK million			
Total operating costs	-2,853.9	-2,388.0	-3,333.1
Less: Goods for resale	1,778.0	1,468.2	2,063.9
Less: Fulfilment costs	348.1	339.1	469.5
Less: Marketing costs	285.6	237.9	342.6
Less: Depreciation	129.0	79.3	106.2
Add: Other operating income	-	-	-
<b>Admin &amp; other costs<sup>1</sup></b>	<b>-313.2</b>	<b>-263.5</b>	<b>-350.9</b>
Net revenue	2,934.3	2,375.2	3,424.9
<b>Admin &amp; other cost ratio, %<sup>1</sup></b>	<b>-10.7</b>	<b>-11.1</b>	<b>-10.3</b>

<sup>1</sup> Unaudited

# CAPITALIZATION, INDEBTEDNESS AND OTHER FINANCIAL INFORMATION

## CAPITALIZATION AND INDEBTEDNESS

The tables in this section report the Group's interest-bearing receivables and interest-bearing liabilities (non-interest-bearing liabilities are not included) at Group level as per 30 September 2020. See the section "*Share capital and ownership structure*" for further information on the Company's share capital and shares. The tables in this section should be read in conjunction with the section "*Selected financial information*" and the Group's financial information, with accompanying notes, which have been incorporated into the Prospectus by reference (see

the section "*Legal considerations and supplementary information – Documents incorporated by reference*").

The table below summarizes the Company's capital structure as per 30 September 2020. The Group's equity as of this day amounted to SEK 1,019.8 million and the Group's net indebtedness amounted to SEK 335.7 million. Only interest-bearing liabilities are reported. As per 30 September 2020, the Group had contingent liabilities amounting to SEK 284.5 million in total, which included security under the Company's revolving credit facility and reclaim rights for the Company's AutoStore system (see "*External Financing*" below).

### EQUITY AND LIABILITIES

SEK million	Sep 30 2020
<b>Current interest-bearing liabilities</b>	
Against guarantee <sup>1</sup>	62.0
Against security <sup>2</sup>	200.0
Without guarantee or security <sup>3</sup>	47.2
<b>Total current interest-bearing liabilities</b>	<b>309.2</b>
<b>Non-current interest-bearing liabilities</b>	
Against guarantee <sup>1</sup>	107.6
Against security	-
Without guarantee or security <sup>3</sup>	306.0
<b>Total non-current interest-bearing liabilities</b>	<b>413.7</b>
<b>Equity</b>	
Share capital	4.9
Other equity including profit for the period	1,015.0
<b>Total equity</b>	<b>1,019.8</b>

1 Contingent liability regarding reclaim rights for the Company's AutoStore system (See book-value of the AutoStore system under "*External Financing*" below).

2 Against security under the Company's revolving credit facility consisting corporate mortgages of SEK 61 million (see "*External Financing*" below).

3 Consist of a liability for leases as a result of the implementation of IFRS 16 Leasing. According to the new standard, the majority of the leases are reported as lease liabilities and right-of-use assets in the statement of financial position.

## NET INDEBTEDNESS

SEK million	Sep 30 2020
(A) Cash	1,044.4
(B) Other cash equivalents <sup>1</sup>	14.1
(C) Easily realized securities	-
<b>(D) Total liquidity (A)+(B)+(C)</b>	<b>1,058.5</b>
(E) Current financial claims	-
(F) Current bank loans	262.0
(G) Current part of non-current liabilities <sup>2</sup>	47.2
(H) Other current financial liabilities	-
<b>(I) Total current financial liabilities (F)+(G)+(H)</b>	<b>309.2</b>
<b>(J) Net current financial indebtedness (I)-(E)-(D)</b>	<b>-749.3</b>
(K) Non-current bank loans	107.6
(L) Issued bonds	-
(M) Other non-current loans <sup>3</sup>	306.0
<b>(N) Non-current financial liabilities (K)+(L)+(M)</b>	<b>413.6</b>
<b>(O) Net financial indebtedness (J)+(N)</b>	<b>-335.7</b>

1 Other cash equivalents are cash and bank deposits. Restricted cash amounts to SEK 14.1 million and is attributable to the leasing agreement for the Boozt headquarter and to suppliers.

2 Current part of non-current liabilities consist of a liability for leases as a result of the implementation of IFRS 16 Leasing.

3 Other non-current loans consist of a liability for leases as a result of the implementation of IFRS 16 Leasing.

## WORKING CAPITAL STATEMENT

It is the Company's assessment that the existing working capital, as per the date of the Prospectus, is sufficient for the Company's needs during the coming twelve month period.

## EXTERNAL FINANCING

### MULTICURRENCY REVOLVING CREDIT FACILITY

The Company has a multicurrency revolving credit facility with Danske Bank (the "Revolving Credit Facility Agreement"). The Revolving Credit Facility Agreement consists of a SEK 200,000,000 committed multicurrency revolving credit available for drawings in SEK, DKK, NOK and EUR (the "Revolving Credit Facility"), which can be used for general corporate and working capital purposes as well as potential acquisitions. All advances made under the Revolving Credit Facility shall be finally repaid on 17 February 2023. The Company's drawdown of funding under the Revolving Credit Facility is subject to a number of conditions.

The Revolving Credit Facility Agreement contains customary representations and warranties made as of the signing date of the Revolving Credit Facility Agreement and, in relation to certain representation and warranties, as of certain subsequent dates. The Revolving Credit Facility Agreement contains customary undertakings from the Company and certain of its subsidiaries, such as maintaining authorizations, complying with

laws (including sanctions and anticorruption), not changing the business, restrictions on mergers, restrictions on disposals, negative pledge, restrictions for incurring financial indebtedness, restrictions on providing loans and guarantees and restrictions on acquisitions.

The Revolving Credit Facility Agreement also includes financial covenants requiring that the Group's net debt to adjusted EBITDA ratio does not increase above 3.0:1 and that the interest coverage ratio does not increase above 4.0:1. However, the Revolving Credit Facility Agreement does not include any restrictions on dividend payments by the Company.

The Revolving Credit Facility may terminate upon the occurrence of certain customary events, including in connection with a change of control of the Company or a delisting of the Company from Nasdaq Stockholm. Further, the Revolving Credit Facility may be due in full or in part if certain events occur, including but not limited to non-payment, insolvency and cross default. The events of default are subject to carve-outs and qualifications in accordance with the Revolving Credit Facility Agreement.

Boozt has, pursuant to the Revolving Credit Facility Agreement, provided security to Danske Bank in the form of corporate mortgages in a total amount of SEK 61 million.

Pursuant to the Revolving Credit Facility Agreement, the Revolving Credit Facility may be utilized by way of establishing an overdraft facility.

In addition to the Revolving Credit Facility, the Company also has an overdraft facility with Danske Bank in an amount of SEK 60 million that is subject to renewal every year. The overdraft facility was unutilized as per 30 September 2020.

The Revolving Credit Facility was repaid in full during October 2020, but remains available to the Company to utilize in the future. As per the date of the Prospectus, neither the Revolving Credit Facility nor the overdraft facility are utilized.

#### ***INSTALMENT AGREEMENTS REGARDING AUTOSTORE SYSTEMS***

The Company has since June 2016 entered into several instalment arrangements with Danske Bank regarding financing of the robotic machines for the Boozt Fulfilment Centre automated warehouse system, AutoStore, acquired from Element Logic AS. Repayments are made in instalment during a period of five years. As per 30 September 2020, the remaining amounts to be repaid amounted to SEK 169.6 million. In case of breach of contract by the Company, Danske Bank is entitled to reclaim the AutoStore system which is booked as a contingent liability of SEK 223.5 million as per 30 September 2020.

## **INVESTMENTS**

#### ***HISTORICAL INVESTMENTS***

Boozt's significant investments since 31 December 2019 are summarised below.

Boozt has invested approximately SEK 40.1 million in acquisition of fixed assets. The investments are primarily connected to the ongoing expansion of Boozt's custom-built Fulfilment Centre (AutoStore phase 4). In addition, Boozt has invested approximately SEK 42.4 million in acquisition of intangible assets. The investments are primarily connected to capitalised development cost.

#### ***ONGOING AND FUTURE INVESTMENTS***

As per the date of the Prospectus, the Company invests in the expansion of AutoStore phase 4 (see "*Historical investments*" above). Autostore 4 is expected to be finalized during the fourth quarter 2020 and the total investment amount to SEK 48 million, whereof SEK 33.8 million has been capitalized as per 30 September 2020. The Autostore 4 investment is financed by a financing agreement with Danske Bank. As a complement to the AutoStore 4 investments, the Company expects to invest approximately between SEK 30-40 million in additional robots, bins, sorting conveyor belts and similar equipment that

are expected to take place during the fourth quarter 2020 and the first quarter 2021. The investment in Autostore 5 is planned for the second half of 2021 and is expected to be slightly lower than the Autostore 4 investment. Autostore 5 is planned to be financed through a financing agreement.

## **TRENDS**

The outbreak of the coronavirus pandemic has had a significant negative impact on the fashion industry and on the overall spending on fashion and apparel. The uncertainty around the impact of the pandemic for the remainder of the year led to an extraordinary write-down of prior season items of SEK 57.8 million in March 2020 because of the expected subdued demand for fashion. However, the Company has, over the last couple of months, gained from the acceleration in change of consumer behaviour caused by the pandemic. The migration from offline to online has accelerated and the Company has worked hard to strengthen its market position. The Company has identified more than 300,000 new Nordic customers to its platforms during the second quarter 2020 and the online shopping has increased significantly. One of the key focus areas for the Company has been to establish a safe harbour for its brand partners to reach their Nordic target customer, as parts of their traditional distribution has fallen away. While the Company has been fully operational during the pandemic, and has benefited greatly from the shift from offline to online shopping, the Company still believes that uncertainty remains regarding the effects of the pandemic.

## **SIGNIFICANT CHANGES SINCE 30 SEPTEMBER 2020**

During October 2020:

- Boozt repaid the SEK 200 million Revolving Credit Facility to Danske Bank.
- Boozt's margin outlook for 2020 was upwardly adjusted (and subsequently adjusted again in connection with the publication of Boozt's interim report for the period 1 January – 30 September 2020 as set out below).
- Boozt announced its plan to expand into a new home interior category.
- Boozt announced its intention to carry out a dual-listing on Nasdaq Copenhagen and the Offering.

On 5 November 2020, Boozt published an upgraded outlook for 2020 in connection with the publication of the interim report for the period 1 January – 30 September 2020.

Other than what is stated above, there have been no significant changes in the Group's financial position, results or market position after 30 September 2020 until the date of the Prospectus.



# BOARD OF DIRECTORS, GROUP MANAGEMENT AND AUDITOR

## BOARD OF DIRECTORS

Boozt's board of directors currently consists of six ordinary board members, including the chairman of the board. All board members are elected for the period until the end of the annual general meeting to be held in 2021. Boozt's board of directors can be reached via the Company's address: Hyllie Boulevard 35, 215 37 Malmö, Sweden.

Presented below is information about each board member with year of birth, position, the year in which they were first elected, further education, ongoing assignments and previous assignments held during the last five years as well as holdings in Boozt. Assignments in subsidiaries within the Group have been excluded. The holdings relate to current holdings per the date of the Prospectus. The holdings include the holdings of spouses and minor children, as well as holdings through companies in which board members have a significant ownership and/or significant influence.

Name	Position	Board member since	Independent in relation to		
			The Company and its management	Major shareholders	Holdings in Boozt
Henrik Theilbjørn	Chairman of the board	2009	Yes	Yes	241,527 shares
Jón Björnsson	Board member	2012	Yes	Yes	28,569 shares
Kent Stevens Larsen	Board member	2009	Yes	Yes	682,521 shares
Bjørn Folmer Kroghsbo	Board member	2018	Yes	Yes	-
Cecilia Lannebo	Board member	2018	Yes	Yes	5,000 shares
Luca Martines	Board member	2019	Yes	Yes	-



### HENRIK THEILBJØRN

Born 1961. Chairman of the board since 2009.

**Education:** Master of Science in Economics and Management, Aarhus University.

**Other assignments:** Chairman of the board in Day Birger et Mikkelsen A/S, ELKA Rainwear A/S, Kelly Invest A/S, Rabens Saloner A/S, Shamballa Jewels A/S, Traede ApS and WAGNER China ApS. Board member in Sahva A/S, Rabens Atelier A/S and UAB ELKA RAINWEAR. Member of the advisory board in Scan Global Logistics A/S. CEO in EMMADS Invest A/S.

**Previous assignments during the last five years:** Chairman of the board in Baum und Pferdgarten A/S, Bloomingville Group A/S, Bruuns Bazaar A/S, Bygghemma Group AB, Carl Ras A/S, HTM Group A/S, LanguageWire A/S, M A T ApS, Performance Group Scandinavia A/S, PWT Group A/S, PWT Holding A/S and Scandinavian Designers A/S. Board member in Bloomingville A/S, BV Holding Company ApS, New Nordic Brand House A/S, New Nordic Brand House Holding ApS and Signal Ejendomme ApS.

**Holding:** Henrik holds 241,527 shares in the Company indirectly through a company.

*Henrik Theilbjørn is independent in relation to the Company and its management as well as in relation to major shareholders.*



### JÓN BJÖRNSSON

Born 1968. Board member since 2012.

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

**Other assignments:** Chairman of the board in Brauð & Co and Dropp Ehf. Board member in Billboard Ehf, Perroy Ehf, Yay Ehf, Joe Ísland Ehf and Áhléns AB. CEO in Origo Hf. Partner in Sunnunes Ehf.

**Previous assignments during the last five years:** Chairman of the board in Elko Ehf and Festi Fasteignir (part of Festi). Board member in Klappir Green Solutions Ltd, By Malene Birger A/S, COPENHAGEN CHOCOLATE FACTORY ApS and IC Group A/S. CEO in Festi Hf. and Kronan Ehf.

**Holding:** Jón holds 28,569 shares in the Company.

*Jón Björnsson is independent in relation to the Company and its management as well as in relation to major shareholders.*



### KENT STEVENS LARSEN

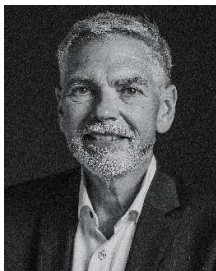
Born 1964. Board member since 2009.

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

**Other assignments:** Chairman of the board in Hørsholm City ApS. Board member in Apoteka ApS, Dansk Vækstkapital II Komplementar ApS, Dansk Vækstkapital II K/S, Hudkræftklinikken.dk ApS, Norna Partners ApS and Norna Playgrounds A/S. CEO in Aketopa Holding ApS, Bjorktorpet Invest ApS, Phoenix Advisors ApS, Phoenix Capital ApS and UM Properties ApS.

**Holding:** Kent holds 682,521 shares in the Company.

*Kent Stevens Larsen is independent in relation to the Company and its management as well as in relation to major shareholders.*



### BJØRN FOLMER KROGHSBO

Born 1958. Board member 2015-2017, and since 2018.

**Education:** Finance/Business Administration (HD) part 1, Copenhagen Business School and Executive Board Leadership Masterclass, Copenhagen Business School.

**Other assignments:** Owner of Kroghsbo Photography.

**Previous assignments during the last five years:** Chairman of the board in Kapitalforeningen Sampension Invest. Board member in Sampension Administrationselskab A/S and Sampension Livsforsikring A/S.

**Holding:** Bjørn holds no shares in the Company.

*Bjørn Folmer Kroghsbo is independent in relation to the Company and its management as well as in relation to major shareholders. Bjørn Folmer Kroghsbo has previously been engaged with Sampension, a current shareholder and former major shareholder holding more than 10 per cent of the shares and votes in Boozt.*



### CECILIA LANNEBO

Born 1973. Board member since 2018.

**Education:** Master of Science in Business Administration and International Marketing, University of Mälardalen and Wirtschafts University, Vienna.

**Other assignments:** Board member in i-Core Communications AB. Deputy board member in Zubizuri AB.

**Holding:** Cecilia holds 5,000 shares in the Company.

*Cecilia Lannebo is independent in relation to the Company and its management as well as in relation to major shareholders.*

**LUCA MARTINES**

Born 1975. Board member since 2019.

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

**Other assignments:** CEO in Reda Rewoolution.

**Previous assignments during the last five years:** Board member in Yoox KK. CEO in Yoox Asia Ltd. President off-season division in Yoox Net-a-Porter.

**Holding:** Luca holds no shares in the Company.

*Luca Martines is independent in relation to the Company and its management as well as in relation to major shareholders.*

**GROUP MANAGEMENT**

Boozt's group management consists of seven persons. Presented below is information about each member of the management with year of birth, position, year of employment, education, ongoing assignments and previous assignments held during the last five years as well as their holdings in Boozt. Assignments in subsidiaries within the Group have been excluded. The holdings refer to current holdings as per the date of the Prospectus. The holdings include the holdings of spouses and minor children, as well as holdings through companies in which they have a significant ownership and/or significant influence. In addition to the persons presented below, Boozt has appointed Sandra Joy Sahlertz as Chief Human Resources Officer who will resume her position and become member of the group management in January 2021.

Name	Position	Position since	Holdings in Boozt*		
			Shares directly	Shares indirectly	Options/Warrants
Hermann Haraldsson	Co-founder and Group CEO	2010	370,335	106,911	188,427
Sandra Gadd	Group CFO	2019	11,000	50	18,000
Peter G. Jørgensen	Co-founder and Group CCO	2011	239,364	3,700	105,731
Jesper Brøndum	Co-founder and Group CTO	2010	221,116	6,000	105,731
Mads Bruun Famme	Group CPO	2017	70,000	-	105,731
Anders Enevoldsen	Head of Business Development, Investor Relations & Corporate Communication	2018	12,000	-	50,000
Lars Lindgaard	Group CSCO	2020	-	-	-

\* Warrants/options refers to warrants and options in the Company's long-term incentive (LTI) programs 2015/2025 and 2018/2021. Each option in LTI Program 2015/2015 gives the holder right to subscribe for 12 new shares in the Company. Each warrant in the LTI Program 2018/2021 gives the holder a right to subscribe for one (1) new share in the Company. For more information see "Share Capital and Ownership Structure – Equity-based incentive programs".

**HERMANN HARALDSSON**

Born 1966. Co-founder and Group CEO since 2010.

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

**Other assignments:** Board member in BRØNDBYERNES I.F. FODBOLD A/S and TV2/DANMARK A/S. Member of the management in BULAND INVEST ApS, LANGANES ApS, EGILSGATA INVEST ApS and MMFFC 2008 ApS. Owner of Buland Invest ApS, Egilsgata Invest ApS and LANGANES ApS.

**Previous assignments during the last five years:** Board member in ADFORM A/S, BLACKWOOD SEVEN A/S and BALTIC FARMS A/S.

**Holding:** Hermann holds 370,335 shares in the Company directly and 106,911 shares in the Company indirectly. Hermann also holds 172,347 warrants in the LTI Program 2018/2021 and 16,080 options in the LTI Program 2015/2025.



#### **SANDRA GADD**

Born 1983. Group CFO since 2019.

**Education:** Master in Business Administration (MBA), Lund University.

**Other assignments:** Board member in Hållbar e-handel. Deputy board member in Ohmygadd AB.

**Previous assignments during the last five years:** Auditor in FLSmidth AB, OctoFrost AB, OctoFrost Holding AB, OctoFrost Technology Aktiebolag and Triax Svenska AB. Deputy auditor in Calderys Nordic AB.

**Holding:** Sandra holds 11,000 shares in the Company directly and 50 shares in the Company indirectly. Sandra also holds 18,000 warrants in the LTI Program 2018/2021.



#### **PETER G. JØRGENSEN**

Born 1975. Co-founder and Group CCO since 2011.

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

**Other assignments:** Board member in Apoteka ApS.

**Previous assignments during the last five years:** Board member in Nautec AB.

**Holding:** Peter holds 239,364 shares in the Company directly and 3,700 shares in the Company indirectly. Peter also holds 93,000 warrants in the LTI Program 2018/2021 and 12,731 options in the LTI Program 2015/2025.



#### **JESPER BRØNDUM**

Born 1969. Co-founder and Group CTO since 2010.

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

**Other assignments:** -

**Holding:** Jesper holds 221,116 shares in the Company directly and 6,000 shares in the Company indirectly. Jesper also holds 93,000 warrants in the LTI Program 2018/2021 and 12,731 options in the LTI Program 2015/2025.



#### **MADS BRUUN FAMME**

Born 1976. Group CPO since 2017.

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

**Other assignments:** -

**Holding:** Mads holds 70,000 shares in the Company. Mads also holds 93,000 warrants in the LTI Program 2018/2021 and 12,731 options in the LTI Program 2015/2025.



#### **ANDERS ENEVOLDSEN**

Born 1984. Head of Business Development, Investor Relations & Corporate Communication since 2018.

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

**Other assignments:** -

**Holding:** Anders holds 12,000 shares in the Company and 50,000 warrants in the LTI Program 2018/2021.



### LARS LINDGAARD

Born 1972. Group CSCO since 2020.

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

**Other assignments:** -

**Holding:** Lars holds no shares or warrants in the Company.

## OTHER INFORMATION CONCERNING THE BOARD OF DIRECTORS AND THE EXECUTIVE MANAGEMENT TEAM

None of the board members or group management members has any family relationship with any other board member or group management member of Boozt.

The chairman of the board of directors Henrik Theilbjørn is chairman of the board of directors in Day Birger et Mikkelsen A/S and Rabens Saloner A/S, both suppliers to Boozt. The board member Jón Björnsson is board member in Åhléns AB, a company that competes with Boozt.

Except as set out above, there are no other conflicts of interest or potential conflicts of interest between the obligations of members of the board of directors and group management of the Company and their private interests and/or other undertakings.

Henrik Theilbjørn was chairman of the board of directors of Bruuns Bazaar A/S when the company filed a petition for bankruptcy in 2016 and PWT Holding A/S when the company filed a petition for bankruptcy in June 2020. Kent Stevens Larsen was board member in Hersby Kliniken AB when the company filed for bankruptcy due to the coronavirus in April 2020. Jón Björnsson has received an administrative fine of SEK 11,000 for late reporting of a transaction with shares in Boozt to the Swedish Financial Supervisory Authority. EMMADS Invest A/S, a wholly-owned company of the chairman Henrik

Theilbjørn, has received an administrative fine of SEK 312,000 for late reporting of a transaction with shares in Boozt to the Swedish Financial Supervisory Authority. The decision has been appealed to the administrative court.

Except as set out above, none of the board members or executive management members has during the last five years (i) been convicted in fraud-related cases, (ii) been a deputy, board member or senior executive of any company declared bankrupt, placed in receivership, liquidation (other than voluntary liquidation) or put into administration, (iii) been subject to accusation or sanction by any authority mandated by law or regulation (including approved professional associations) or been prohibited by a court from being part of an issuer's administrative, management or control body or from having leading or senior functions with an issuer.

All members of the board of directors and the members of the group management can be reached via the Company's address at Hyllie Boulevard 35, 215 37 Malmö, Sweden.

## AUDITOR

At the 2020 annual general meeting, the registered auditing firm Deloitte AB, with Didrik Roos as responsible auditor, was elected as auditor for the period until the end of the next annual general meeting. Didrik Roos is a member of FAR. Deloitte AB has been the registered auditing firm for the Company since the annual general meeting 2018.

# CORPORATE GOVERNANCE

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## OVERVIEW

Boozt is a Swedish public limited liability company currently listed on Nasdaq Stockholm and the Company has applied for a cross-listing on Nasdaq Copenhagen. The Company's governance is based on the Swedish Companies Act and other applicable Swedish legislation, the Company's Articles of Associations, Nasdaq's Nordic Main Market Rule Book for Issuers of Shares, the Swedish Corporate Governance Code (the "Code"), good practice on the Swedish stock market as determined by the Swedish Securities Council (Sw. *Aktiemarknadsnämnden*), as well as internal rules and instructions. Following the listing of the Company's shares on Nasdaq Copenhagen, Boozt will in addition to the aforementioned corporate governance rules and requirements be required to follow the specific rules applicable to companies listed on Nasdaq Copenhagen as set out in Supplement A of Nasdaq's Nordic Main Market Rulebook.

## THE SWEDISH CORPORATE GOVERNANCE CODE

The Code applies to all Swedish companies with shares listed on a regulated market in Sweden. The Company is not obliged to comply with all rules in the Code since the Code provides for the possibility to deviate from the rules, provided that any such deviations and the chosen alternative solutions are described and that the reasons for the deviation are explained in the Company's annual corporate governance report (according to the "comply or explain principle").

During 2019, the Company deviated from the Code with respect to vesting periods for certain warrant programs implemented prior to the Company's IPO and listing on Nasdaq Stockholm. The deviation is further described in the Company's corporate governance report for the financial year ended 31 December 2019, which is available on the Company's website.<sup>22</sup>

Following listing on Nasdaq Copenhagen, the Company will each year be required to provide a general description of the main differences between the Code and the corporate governance recommendations issued by the Danish committee on corporate governance in connection with the yearly reporting on corporate governance.

## GENERAL MEETINGS

The general meeting is the Company's highest decision-making forum, where the shareholders exercise their right to decide on the Company's affairs in key issues, such as

amendment of the Company's articles of association, approval of the annual report, appropriation of the Company's profit or loss, distribution of dividends, discharge of the members of the board of directors and the CEO from liability, election of members of the board of directors, election of auditor and remuneration matters.

The annual general meeting is held once a year, within six months from the end of the financial year. Notice of general meetings shall be published in the Swedish Official Gazette (Sw. *Post- och Inrikes Tidningar*) and be made available on the Company's website. At the time of the notice, an announcement with information that the notice has been issued shall be published in the Swedish daily newspaper Svenska Dagbladet.

Registered shareholders who have given notice of their attendance on time are entitled to participate in the meeting and vote for the total number of shares they hold. Shareholders who wish to participate in a general meeting must be included in the shareholders' register maintained by Euroclear Sweden on the day falling six bank days prior to the meeting and notify the Company of their participation no later than on the date stipulated in the notice convening the meeting. Shareholders that are holding their shares through a nominee custodian and/or through the VP Securities' securities system have to temporarily re-register their shares in their own name prior to the general meeting in order to participate and must therefore notify their nominee custodian or VP Securities, as applicable, sufficiently in advance of the general meeting as set out in the notice for the general meeting. See also the section "*Share Capital and Ownership Structure*" regarding cross-border settlement of shares.

Shareholders may attend the general meetings in person or by proxy and may be accompanied by a maximum of two advisors. Typically, it is possible for a shareholder to register for the general meeting in several different ways as indicated in the notice of the meeting. A shareholder may vote for all shares owned or represented by the shareholder. Extraordinary general meetings can also be held when needed.

A shareholder who wishes to have a matter considered by the annual general meeting must submit a written request to the Company. Proposals for the agenda shall be submitted no later than seven weeks prior to the annual general meeting, or in any case, if required, in time for the matter to be included in the notice convening the annual general meeting.

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<sup>22</sup> The information on the website does not form part of the Prospectus.

## NOMINATION COMMITTEE

Companies complying with the Code shall have a nomination committee that prepares and proposes to the general meeting election of the chairman of the annual general meeting, chairman of the board of directors as well as other members of the board of directors, auditor, remuneration to the board of directors and the auditor as well as principles for appointing the members of the nomination committee.

At the annual general meeting held on 27 May 2020 it was resolved that the nomination committee should consist of representatives of the three largest shareholders listed in the shareholders' register maintained by Euroclear Sweden as of 31 August 2020, and the chairman of the board. The member representing the largest shareholder shall be appointed chairman of the nomination committee unless the nomination committee unanimously appoints someone else. The chairman of the board of directors shall contact the largest shareholders to form the nomination committee and the members of the nomination committee, once formed, shall be announced by the Company no later than six months before the annual general meeting. Changes can be made to the composition of the nomination committee prior to three months before the annual general meeting. Any such changes shall be announced immediately.

The nomination committee ahead of the 2021 annual general meeting will be announced by the Company during November 2020.

## BOARD OF DIRECTORS

The board of directors is the second-highest decision-making body of the Company after the general meeting. Members of the board of directors are normally appointed by the annual general meeting for the period until the end of the next annual general meeting. According to the Company's articles of association, the members of the board of directors elected by the general meeting shall be not less than three and not more than ten members with no deputy members. The current members of the board of directors are described in the section "*Board of Directors, Group Management and Auditor*".

The board of directors is responsible for the organisation of the Company and the management of the Company's affairs, which means that the board of directors is responsible for, among other things, setting targets and strategies, securing processes and systems for evaluation of targets, continuously assessing the financial condition and profits as well as ensuring an appropriate organisation, management, guidelines, and internal control. The board of directors is also responsible for ensuring that annual reports and interim reports are prepared in a timely manner. Moreover, the board of directors appoints the Group CEO.

According to the Code, the chairman of the board of directors is to be elected by the general meeting and is responsible for managing the work of the board of directors and to ensure that the work of the board of directors is efficiently organised. The board of directors applies written rules of procedures, which

are revised annually and adopted by the inaugural board meeting every year. Among other things, the rules of procedure govern the practice of the board of directors and the division of work between the members of the board of directors and the Group CEO. The board of directors is evaluated each year for the purpose of developing the board's work and to create a basis for the Nomination Committee's evaluation of the composition of the board of directors.

## AUDIT COMMITTEE

The board of directors has an audit committee consisting of three members: Kent Stevens Larsen (chairman), Cecilia Lannebo and Henrik Theilbjørn. The audit committee shall, without it affecting the responsibilities and tasks of the board of directors, monitor the Company's financial reporting, monitor the efficiency of the Company's internal controls, internal auditing and risk management, keep informed of the auditing of the annual report and the consolidated accounts, review and monitor the impartiality and independence of the auditors and pay close attention to whether the auditors are providing other services besides audit services for the Company, and assist in the preparation of proposals for the general meeting's decision on election of auditors.

## REMUNERATION COMMITTEE

The board of directors has a remuneration committee consisting of three members: Jón Björnsson (Chairman), Luca Martines, and Henrik Theilbjørn. The remuneration committee shall prepare matters concerning remuneration principles, remuneration and other employment terms for the CEO and the group management.

## REMUNERATION TO THE BOARD OF DIRECTORS

According to the Swedish Companies Act, remuneration to the board of directors is decided by the general meeting. At the annual general meeting held on 27 May 2020 it was resolved that board remuneration for the period until the next annual general meeting shall be paid with SEK 600,000 to the chairman of the board of directors and with SEK 300,000 to each of the other board members who are not employed by the Company. Furthermore, remuneration shall be paid for committee work with SEK 150,000 to the Chairman of the audit committee, SEK 100,000 to each of the other members in the audit committee, SEK 75,000 to the Chairman of the remuneration committee and SEK 40,000 to each of the other members in the remuneration committee.

## GROUP CEO AND GROUP MANAGEMENT

### GROUP CEO

The Group CEO is responsible for the daily operation of the Group in accordance with guidelines and instructions from the board of directors. The division of work between the board of directors and the Group CEO is set out in the rules of procedure for the board of directors and the written instructions to the Group CEO. The Group CEO is also responsible for the preparation of reports and compiling information for the board

meetings and for presenting such materials at the board meetings. According to the instructions for the financial reporting, the Group CEO is responsible for the financial reporting in the Company and consequently must ensure that the board of directors receives adequate information for the board of directors to be able to assess the Company's financial condition. Among other things, the Group CEO must focus on recruitment of senior executives, buying and logistics matters, the customer offering, pricing strategy, sales and profitability, sustainability matters, marketing, business development, and IT development. The Group CEO reports to the board of directors and makes the necessary preparations for taking decisions on investments, expansion, etc. The role of the Group CEO includes contacts with the financial market, media, and legal authorities.

### ***GROUP MANAGEMENT***

The Group CEO leads the group management team which consists of the Chief Financial Officer (CFO), Chief Commercial Officer (CCO), Chief Technical Officer (CTO), Chief Purchasing Officer (CPO), Chief Supply Chain Officer (CSCO), Chief Human Resources Officer (CHRO) and Head of Business Development, Investor Relations & Corporate Communication (IRM). The Group CEO leads the work of group management. Group management meetings are held weekly and focus primarily on monitoring of performance and strategic and operative monitoring and development. The position as CHRO is currently vacant, but a new CHRO will take office in January 2021.

### ***REMUNERATIONS TO GROUP MANAGEMENT***

Matters regarding remuneration to the Group CEO and other members of group management is prepared by the remuneration committee and decided by the board of directors. The board of directors is authorised to make decisions on remuneration in accordance with guidelines for remunerations as set by the annual general meeting. According to the Swedish Companies Act, the annual general meeting shall resolve on guidelines for remuneration to the CEO and other senior executives. The remuneration committee also prepares remuneration guidelines which are then proposed to the annual general meeting by the board of directors.

### ***GUIDELINES FOR REMUNERATION***

The annual general meeting held on 27 May 2020, adopted guidelines for remuneration applied for Group CEO and group management. The guidelines comprise the persons who are part of the group management and also encompass any remuneration to members of the board of directors, in addition to board remuneration. The guidelines do not apply to any remuneration resolved by the general meeting, such as e.g. board remuneration and share-based incentive programs.

The guidelines reflect a competitive total remuneration on market terms to enable Boozt to recruit and retain highly competent senior executives with a capacity to achieve set goals in order for Boozt to successfully implement its business strategy and safeguarding its long-term interests, including its sustainability.

The guidelines states inter alia that:

- The total remuneration shall be based on market terms, be competitive and well balanced, and shall contribute to good ethics and company culture.
- The remuneration may consist of the following components: fixed salary, variable cash remuneration, pension benefits and other benefits.
- For the individual senior executive, the level of remuneration shall be based on factors such as competence and area of responsibility.
- Any variable cash remuneration for senior executives may amount to a maximum of 50 per cent of the fixed annual cash salary. The variable cash remuneration shall be linked to one or several predetermined and measurable criteria, which can be financial, such as revenue targets and net cash position, or non-financial, such as net promoter score.
- Pension benefits, including health insurance, shall be defined contribution, insofar as the senior executive is not covered by defined benefit pension under mandatory collective bargaining agreements. Premiums for defined contribution pensions, including health insurance, may amount to a maximum of 30 per cent of the fixed annual salary.
- Other benefits may include life insurance, medical insurance, company car, parking space, bridge tolls and newspapers. Premiums and other costs relating to such benefits may amount to a maximum of 20 per cent of the fixed annual salary.
- Senior executives shall be employed until further notice or for a specified period of time. Upon termination of an employment by Boozt, the notice period may not exceed 12 months. Fixed salary and other remuneration during the notice period and severance pay may not together exceed an amount corresponding to the fixed annual salary for 18 months. It is noted that no senior executive will be eligible for severance pay in case of termination for wilful misconduct or gross negligence. Upon termination by the senior executive, the notice period may not exceed six months, without any right to severance pay.

The board of directors may temporarily resolve to deviate from the guidelines, in whole or in part, if in a specific case there is special cause for the deviation and a deviation is necessary to serve the Company's long-term interests, including its sustainability, or to ensure the Company's financial viability.

### ***LONG-TERM INCENTIVE PROGRAMS***

Boozt has also implemented a number of long-term incentive programs that shall have the objective of aligning interests of



the group management and selected key employees with the long-term goals of the Company and its shareholders. As per the date of the Prospectus, the Company has four outstanding programs which are further described in the section “*Share Capital and Ownership Structure – Equity-based Incentive Programs*”.

## **EXTERNAL AUDITOR**

Boozt’s auditor Deloitte AB was most recently elected by the annual general meeting held on 27 May 2020, for a period until the next annual general meeting. Didrik Roos, a certified public accountant, has been responsible for the audit of the Company on behalf of Deloitte AB. The auditor reports its findings to the shareholders by means of the auditors’ report, which is presented to the annual general meeting. In addition, the auditor reports detailed findings to the audit committee and to the full board of directors at least once a year, and annually provides assurance of their impartiality and independence to the audit committee. Audit engagements involve examination of the annual report and financial accounting, administration by the board of directors and Group CEO, other tasks related to the duties of a company auditor and consultations or other services that may result from observations noted during such examination or implementation of such other engagements.

## **INTERNAL CONTROL**

To ensure that Boozt complies with applicable laws and regulations and to ensure that the Group’s values are incorporated throughout the organisation, the Group has adopted a Code of Conduct with mandatory principles regarding behaviour for management and employees. Additionally, several Group-wide policies have been adopted and a process for managing governing documents such as policies and procedures has been implemented.

In addition to the overall risk management system, a level of expected governance and key controls has been stipulated for identified key processes of the operations and supporting financial processes. The expected governance and key controls should be in place at all times with the purpose to enhance and ensure a sufficient level of internal controls. At least once a year the board of directors evaluates the identified top 20 risks of the Group and discuss with group management the prioritisation of risks and which activities should be in place to mitigate any impact of risks.

Processes relating to financial closing and reporting are specifically considered in the internal control system. It appoints ownership of sub-processes and accountability to ensure compliance with applicable laws, regulations and internal policies and procedures. Processes managing the business and delivering value shall be defined within the business management system. Further descriptions (procedures, instructions) within the Group shall be aligned with these

processes. The CEO is responsible for the process structure within the Group.

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

## **INFORMATION AND COMMUNICATION**

The Group’s policies and procedures are updated on an ongoing basis by the appointed policy owner. The board of directors assesses the need to add, update or delete policies continuously. Policies are shared with all employees via a shared online portal. The policy owner is responsible to ensure that all employees to whom the policy is of importance are informed and aware of policies that should be applied.

A self-assessment of minimum requirements of defined controls mitigating identified risks for each business process shall annually be performed and reported to the audit committee and the board of directors. The CFO is responsible for the self-assessment process, which is facilitated by the internal Control function. In addition, the internal controls function performs reviews of the risk and internal controls system according to the plan agreed with the board of directors and group management.

## **MONITORING**

The Group shall comply with applicable laws and the governing documents are a support for this. Group management and employees have the responsibility for compliance within the working areas that they are responsible for. Within the governing documents, each policy has an appointed owner that is responsible for following up on the policy within the Group. The CFO is responsible for reporting to the audit committee and board of directors on policy compliance as a whole for the Group once a year. The CEO shall address any request for an exception in writing to the board of directors. The board of directors shall assess and decide on each request individually. The assessment shall take both local and group-wide risks into consideration.

## **INTERNAL AUDIT**

With respect to the Group’s current size and operations, the board of directors has decided not to have a separate internal audit function, but it annually assesses the need of such a function. The board of directors have most-recently assessed that the most effective method for the monitoring and follow-up of internal control in the Group still is through an internal control function, which is integrated in the Group’s finance function. This internal control function monitors all subsidiaries of the Group. The function regularly reports to the CFO, who in turn reports back to the audit committee.

# SHARE CAPITAL AND OWNERSHIP STRUCTURE

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## GENERAL INFORMATION

The Company's shares are issued in accordance with Swedish law and denominated in SEK. The Company's articles of association stipulate that the share capital shall be at least SEK 4,580,000 and a maximum of SEK 18,320,000 and that shares of two classes of shares can be issued, ordinary shares and series C shares.

As per 31 December 2019, the Company's registered share capital amounted to SEK 4,780,904.416803 divided into 57,370,853 ordinary shares. On the date of the Prospectus, the registered share capital amounts to SEK 4,858,425.916806 divided into 58,301,111 shares, of which 57,926,525 are ordinary shares and 374,586 are series C shares. All shares are fully paid up and the quota value is approximately SEK 0.0833. During November 2020 an additional 28,968 ordinary shares will be issued and registered due to the exercise of options under one of the Company's incentive programs. Following such exercise and registration, the total number of shares will amount to 58,330,079, of which 57,955,493 are ordinary shares and 374,586 are series C shares, and the share capital will amount to SEK 4,860,839.916807. Through the Offering, the number of ordinary shares can increase by a maximum of 5,737,085.

The shares in the Offering are ordinary shares in the Company. The series C shares currently issued have been issued only for the purpose of facilitating the Company's long-term incentive programs and may in the future, pursuant to the outcome of such incentive programs, be converted to ordinary shares. The incentive programs are further described below in the section "*Equity-based Incentive Programs*".

## CENTRAL SECURITIES DEPOSITORY, TRADING IN THE COMPANY'S ORDINARY SHARES AND CROSS-BORDER SETTLEMENT

### CENTRAL SECURITIES DEPOSITORY

Boozt is a Swedish public limited liability company (Sw. *publikt aktiebolag*) registered in Sweden. The Company's articles of association contain a so-called record day provision and the Company's shares are registered in an electronic securities register in accordance with the Swedish Central Securities Depository and Financial Instruments Accounts Act (Sw. *lagen om värdepapperscentraler och kontoföring av finansiella instrument*). The register is operated by Euroclear Sweden AB (Box 191, 101 23 Stockholm, Sweden).

The shares are registered by person, either in the owner's name (directly registered shares) or in the name of a nominee custodian approved by Euroclear Sweden (nominee-registered shares). If the shares are nominee-registered, this is noted in

Euroclear Sweden's securities system. The relationship between the custodian and the beneficial owner is governed by agreement. The beneficial owner must, if they desire to exercise certain rights, for example participate and vote at a general meeting of shareholders, temporarily re-register the shares in their own name through their nominee custodian. The same applies to shareholders who hold shares through the Danish system operated by VP Securities, as is further described below (see also the section "*Certain rights attached to the shares*" below as well as the section "*Corporate Governance – General Meetings*" above).

No share certificates have been issued, or will be issued, for the shares. The ISIN code for the Company's ordinary shares is SE0009888738.

The Company and its shares have their primary registration in Euroclear Sweden's system. In order to enable trading on Nasdaq Copenhagen for the shares issued in the Offering, the Company has also registered corresponding shares that represent share entitlements issued with the Danish securities system operated by VP Securities (Weidekampsgade 14, 2300 Copenhagen S, Denmark). Such shares will be recorded in Euroclear Sweden's securities system on a securities account of the account operator acting as the nominee custodian for VP Securities. Following such registration, the shares will subsequently be recorded in VP Securities' securities system, by way of registration of securities representing these shares. Shares registered in VP Securities securities system will have the same ISIN code as shares registered in Euroclear Sweden's securities system. Shareholders registered as direct holders in VP Securities' securities system will automatically be registered with their names and full registration details in a sub-register.

All corporate actions that can be carried out through Euroclear Sweden's securities system by the Company pursuant to Swedish company law may not be possible to replicate in VP Securities' securities system due to technical differences between the securities systems. Consequently, certain corporate actions such as distribution of dividends in any matter other than cash (in-kind dividends) will not be possible to carry out to shareholders registered in VP Securities' securities system.

### TRADING ON NASDAQ STOCKHOLM AND NASDAQ COPENHAGEN

The Company's ordinary shares are currently traded on Nasdaq Stockholm under the ticker BOOZT. The Company has applied for admission to trading and official listing of the Company's ordinary shares on Nasdaq Copenhagen. Subject to approval by Nasdaq Copenhagen, the first day of trading on Nasdaq Copenhagen is expected to commence on or around 24

November 2020, initially through temporary purchase certificates (see below). As of such date, the Company's ordinary shares will thus be dual-listed and tradable on both Nasdaq Stockholm and Nasdaq Copenhagen. Nasdaq Stockholm and Nasdaq Copenhagen are both regulated markets and part of the Nasdaq Nordic division of Nasdaq, Inc.

Trading and clearing on Nasdaq Stockholm is carried out in SEK and price information is provided and published in SEK only. Trading in shares on Nasdaq Stockholm is settled in Euroclear Sweden's securities system.

Trading on Nasdaq Copenhagen will be carried out in DKK and price information regarding shares traded on Nasdaq Copenhagen will be provided in DKK only. Trading in shares on Nasdaq Copenhagen is settled in VP Securities' securities system.

#### **CROSS-BORDER SETTLEMENT**

Investors who participate in the Offering will receive shares issued through VP Securities' securities system. Such shares will be tradable on Nasdaq Copenhagen. To be able to trade the shares on Nasdaq Stockholm, investors will need to transfer their shares to Euroclear Sweden's securities system. Conversely, shares acquired through trading on Nasdaq Stockholm will need to be transferred to VP Securities' securities system in order to be traded on Nasdaq Copenhagen. The same applies to existing shareholders who hold shares traded on Nasdaq Stockholm and wish to instead trade their shares on Nasdaq Copenhagen.

There are specific requirements for cross-border settlement (i.e., transfer of shares from Euroclear Sweden to VP Securities or vice versa). Such transfers may be subject to fees levied by the settlement parties in accordance with their respective fee schedules. Furthermore, transfers between the securities systems may be restricted during certain periods in relation to corporate actions, for example in connection with record dates for dividend payments or participation in general meetings.

Trading in temporary purchase certificates issued to facilitate initial trading on Nasdaq Copenhagen will only be possible on Nasdaq Copenhagen. For more information regarding temporary purchase certificates, see the section "*Terms and Conditions*".

#### **CERTAIN RIGHTS ATTACHED TO THE SHARES**

The rights associated with the shares issued by the Company, including those pursuant to the articles of association, can only be amended in accordance with the procedures set out in the Swedish Companies Act. Rights conferred by shares and entitling to dividends, participation in new issues of shares or other securities and participating and voting in general meetings are issued to those holders of the shares whose names are entered into Euroclear Sweden's securities system on the specific record date (determined by the Swedish Companies Act or a resolution passed by the general meeting, as applicable).

#### **VOTING RIGHTS AND GENERAL MEETINGS**

Each ordinary share entitles the holder to one (1) vote and each series C share entitles the holder to one tenth (1/10) vote at general meetings. Each person entitled to vote may vote for the full number of shares owned and represented without limitation in the voting rights. See also the section "*Corporate Governance*" for more information on requirements for participation in general meetings.

#### **PREFERENTIAL RIGHTS TO NEW SHARES ETC.**

The Company's articles of association set out that if the Company resolves to issue new ordinary shares and series C shares, against payment other than contribution in kind, owners of ordinary shares and series C shares shall have pre-emption rights to subscribe for new shares of the same class pro rata to the number of shares previously held by them (primary pre-emption right). Shares which are not subscribed for pursuant to the primary pre-emption rights shall be offered to all shareholders for subscription (secondary pre-emption right). If the shares thus offered are not sufficient for the subscription pursuant to the secondary pre-emption rights, the shares shall be allocated between the subscribers pro rata to the number of shares previously held and, to the extent such allocation cannot be effected, by the drawing of lots. Furthermore, if the Company resolves to issue new shares of either solely ordinary shares or series C shares, against payment other than contribution in kind, all shareholders shall, irrespective of whether their shares are ordinary shares or series C shares, have pre-emption rights to subscribe for new shares pro rata to the number of shares previously held by them. The above pre-emption rights shall also apply similarly in the event of issues of warrants and convertible bonds.

The above-mentioned provisions of the Company's articles of association does however not limit the right for the general meeting, or the board of directors pursuant to an authorization granted by the general meeting, to resolve upon an issue with deviation from the shareholders' pre-emption rights in accordance with the provisions of the Swedish Companies Act.

In the event of a bonus issue, new shares of each class shall be issued pro rata to the number of shares of the same class previously issued. In connection therewith, the owners of existing shares of a certain class shall be entitled to new shares of the same class.

Subscription rights and newly issued shares are distributed to the holders of shares registered in Euroclear Sweden's securities system. If the registered holder is a nominee custodian, the nominee custodian receives the subscription rights or shares on behalf of the beneficial owner and is responsible for the further distribution to the beneficial owner. For shareholders holding shares in the Company through the VP Securities' securities system, subscription rights and shares will be distributed by Euroclear Sweden to the account operator engaged by VP Securities as the nominee custodian.

All corporate actions that can be carried out through Euroclear Sweden's securities system by the Company pursuant to Swedish company law may not be possible to replicate in VP

Securities' securities system due to technical differences between the securities systems. Consequently, certain corporate actions may not be possible to carry out to shareholders registered in VP Securities' securities system.

#### **RIGHTS TO DIVIDENDS AND SURPLUS IN THE EVENT OF LIQUIDATION**

Series C shares do not entitle to dividends. Upon the dissolution of the Company, series C shares shall carry equivalent right to the Company's assets as other shares, however, not to an amount exceeding the quota value of the share.

All ordinary shares give equal rights to dividends and the Company's assets and possible surpluses in the event of dissolution of the Company. Resolutions regarding dividends are passed by general meetings. All shareholders registered as shareholders in the share register maintained by Euroclear Sweden on the record date adopted by the general meeting shall be entitled to receive dividends. Dividends are normally distributed to shareholders as a cash payment per share through Euroclear Sweden, but may also be paid out in a manner other than cash (in-kind dividend). It should be noted that distribution of dividends in any matter other than cash are not be possible to carry out to shareholders registered in VP Securities' securities system.

If shareholders cannot be reached through Euroclear Sweden, such shareholder still retains its claim on the Company to the dividend amount, subject to a statutory limitation of ten years. Upon the expiry of the period of limitations, the dividend amount shall pass to the Company. There are no restrictions in the Company's articles of association or in the Swedish Companies Act on the right to dividends for shareholders domiciled outside Sweden. Shareholders not resident in Sweden for tax purposes must normally pay Swedish withholding tax.

If the registered holder is a nominee custodian, the nominee custodian receives the dividend on behalf of the beneficial owner. Dividends are paid to the nominee custodian as a lump sum (if paid in cash), and it is the nominee custodian who is responsible for the distribution of the dividend to the beneficial owner. For shareholders registered in VP Securities' securities system, payment by Euroclear Sweden is made to the nominee custodian engaged by VP Securities for further distribution, meaning that such shareholders may not receive dividend payments at the same time as shareholders registered in Euroclear Sweden's securities system.

Any cash dividend payment resolved by the Company's general meeting will be made in SEK and converted to DKK for further distribution to shareholders registered in VP Securities' securities system after conversion and payment to VP Securities in DKK. Any fluctuation in exchange rates between SEK and DKK is therefore at the risk of the investors. See also

the section "*Risk Factors – Risks related to the Offering and the Company's shares – Risks related to dividends*".

#### **NET ASSET VALUE PER ORDINARY SHARE**

The table below shows the net asset value per ordinary share before and after the Offering. The number of ordinary shares before the Offering does not include the 28,968 additional shares to be issued and registered during November 2020 due to exercise of options under one of the Company's incentive programs. See "*General information*" above. These additional shares are however included in the number of ordinary shares after the Offering. Equity after the Offering is based on the assumption of the final price in the Offering corresponding to the midpoint in the price range, i.e. DKK 125, that the Offering is fully subscribed, an DKK/SEK exchange rate of SEK 1 = DKK 0.72 and that the Company's costs attributable to the Offering are in the midpoint of the Company's estimation<sup>23</sup>.

	Before the Offering (as per Sep 30, 2020)	After the Offering
Equity (SEK million)	1,019.8	1,973.0
Number of ordinary shares	57,926,525	63,692,578
<b>Net asset value per ordinary share (SEK)</b>	<b>17.6</b>	<b>31.0</b>

#### **CERTAIN RIGHTS FOR MINORITY SHAREHOLDERS UNDER SWEDISH LAW**

The Swedish Companies Act contains a number of rights and abilities for minority shareholders. A brief summary of the most notable minority shareholder rules is set out below.

- Shareholders together holding at least 10 per cent of the shares may inter alia require an extraordinary general meeting to be held, approve the appointment of a special reviewer (Sw. *särskild granskare*) and/or a minority auditor (Sw. *minoritetsrevisor*), refuse to absolve the board of directors of liability at an annual general meeting and require certain dividend payments from the company's profit.
- Shareholders together holding at least 5 per cent of the shares may require that merger plans should be subject to shareholder approval in certain cases.
- Shareholders holding one (1) share or more may inter alia propose the appointment of a special reviewer and/or a minority auditor, challenge resolutions made at a shareholders' meeting in court and demand that

<sup>23</sup> See the section "*Legal considerations and supplementary information – Transaction costs*".

their shares be redeemed if another shareholder holds at least 90 per cent of the shares in the Company.

- For public companies certain resolutions on new issues and transfers of securities directed to related parties require shareholder approval at a general meeting by 9/10 majority of the shares and votes represented at such meeting.

## PUBLIC TAKE-OVER OFFERS

The Company's shares have not been subject to any public takeover bids during the current or previous financial year. The Company's shares are not subject to an offer made as a result of a mandatory bid, redemption right or redemption obligation. The Swedish Act on Public Takeover Bids on the Stock Market (*Sw. lagen (2006: 451) om offentliga uppköpserbjudanden på aktiemarknaden*) ("**LUA**") applies to public takeover bids regarding the Company's shares. According to LUA, those who submit a public takeover offer must undertake to comply with

the Takeover rules for Nasdaq Stockholm. Through the undertaking, the person submitting a public takeover bid undertakes to comply with both the Takeover rules and the decisions of the Swedish Securities Council and statements on interpretation and application.

## TAXATION

Investors are hereby made aware that the tax legislation in Denmark, Sweden or in another state to which the investor has a connection or in which the investor domiciled for tax purposes may impact the proceeds from the securities. The taxation of any dividend, as well as capital gains taxation and rules on capital losses on the disposal of securities, depend on the specific situation of each individual shareholder. Special tax rules apply to certain types of taxable persons and certain types of investment. Each holder of shares should therefore consult a tax advisor to obtain information on the specific consequences that may arise in the individual case, including the applicability and effect of foreign tax rules and tax agreements. See also the section "*Certain Tax Considerations*".

## OWNERSHIP STRUCTURE

The table below shows Boozt's ten largest shareholders and shareholder structure as per the date of the Prospectus, based on information from Modular Finance AB as per 30 September 2020 and subsequent changes up until the date of the Prospectus that are known to the Company. As far as the Company is aware, there are no existing agreements between the shareholders which aim to change the control over Boozt. The Company is not owned or controlled directly or indirectly by any party.

Name	No. of shares	No. of votes	Capital (%)	Votes (%)
Sampension KP Livsforsikring A/S	5,561,035	5,561,035	9.54%	9.59%
Arbejdsmarkedets Tillægspension (ATP)	5,329,254	5,329,254	9.14%	9.19%
Ferd AS	4,995,383	4,995,383	8.57%	8.62%
Swedbank Robur Funds	4,400,000	4,400,000	7.55%	7.59%
Invesco	3,750,000	3,750,000	6.43%	6.47%
Kabouter Management, LLC	3,252,430	3,252,430	5.58%	5.61%
Ruane, Cunniff & Goldfarb	2,600,000	2,600,000	4.46%	4.49%
Länsförsäkringar Funds	2,322,149	2,322,149	3.98%	4.01%
Thornburg Investment Management Inc	1,942,607	1,942,607	3.33%	3.35%
Friheden Invest A/S	1,692,039	1,692,039	2.90%	2.92%
<b>Total top 10</b>	<b>35,844,897</b>	<b>35,844,897</b>	<b>61.48%</b>	<b>61.84%</b>
Other shareholders (ordinary shares)	22,081,628	22,081,628	37.88%	38.10%
Series C shares held by the Company	374,586	37,458.60	0.64%	0.06%
<b>Total number of shares</b>	<b>58,301,111<sup>1</sup></b>		<b>100 %</b>	<b>100 %</b>
<b>Total number of votes</b>		<b>57,963,983,60<sup>1</sup></b>	<b>100 %</b>	<b>100 %</b>

<sup>1</sup> Total number of shares/votes includes ordinary shares as well as series C shares, but does not include 28,968 new ordinary shares to be issued and registered during November 2020 due to exercise of options in one of the Company's incentive programs. See "*General information*" above.

## AUTHORIZATIONS

The extraordinary general meeting resolved on 1 July 2020, to authorize the board of directors to, at one or several occasions, during the time up until the next annual general meeting, with or without deviation from the shareholders' preferential rights, resolve to issue ordinary shares. A new issue shall be able to be made with or without provisions regarding contribution in kind, set-off or other conditions. The total number of ordinary shares issuable pursuant to the authorization shall not exceed 10 per cent of the total number of existing ordinary shares in the Company at the time of the extraordinary general meeting. In case the authorization is used for a new issue with deviation from the shareholders' preferential rights, the subscription price shall be on market terms (subject to customary new issue discount, as applicable). The purpose of the authorization is to be able to execute and finance acquisitions of companies and assets.

For the purpose of carrying out the Offering, the board of directors intends to utilize the authorization and resolve on a new issue of up to 5,737,085 ordinary shares.

The above-mentioned extraordinary general meeting furthermore resolved 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 1,040,000 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 general meeting furthermore resolved to authorize the board of directors to repurchase own series C shares through a public offer directed to all holders of series C shares. The purpose of the authorizations and the reason for the deviation from the shareholders' preferential rights in connection with an issue and/or repurchase of shares is to secure delivery of performance shares under the long-term incentive program 2020/2023 resolved on at the same general meeting.

## EQUITY-BASED INCENTIVE PROGRAMS

Boozt has four outstanding long-term incentive ("LTI") programs, of which two programs, LTI program 2015/2025 and LTI program 2018/2021, are based on warrants and options, and two programs, LTI program 2019/2022 and LTI program 2020/2023, are based on performance shares. Each program has individual terms and conditions. The participants in the programs include group management and other key employees. Each program is described in brief below.

As per 31 December 2019, the total number of outstanding warrants and options under the LTI programs 2015/2025 and

2018/2021 amounted to 1,318,812. As per 30 September 2020, the total number of outstanding warrants and options amounted to 1,259,929 corresponding to 2,608,331 new ordinary shares if fully exercised. During November 2020, 2,414 options under LTI program 2015/2025 were exercised to subscribe for 28,968 new ordinary shares.

Taking the above-mentioned into account as well as the maximum number of shares that can be allocated under the LTI programs 2019/2022 and 2020/2023, if all programs would be fully utilized, a total of 3,993,949 new ordinary shares would be issued/converted entailing a dilution of approximately 6.5 per cent of the Company's ordinary shares based on the total number of ordinary shares in the Company following the registration of the 28,968 new ordinary shares during November 2020.

### *LTI PROGRAM 2015/2025*

In 2015, the Group issued a stock option program for employees identified as key employees in the Group. The Group CEO is included in this group. A total of 267,500 options have been issued within the program. Out of these options, 63,954 options have been issued to a fully owned subsidiary with the purpose to counteract cash flow implications related to the social charges that the Company will be liable to pay at the redemption date. Each option gives a right to subscribe for 12 new ordinary shares in the Company at a subscription price corresponding to SEK 26.17 plus compounded interest of 8 per cent per annum from 30 June 2015 capitalized yearly as per 30 June until the last day in the calendar month immediately preceding the day when an exercise of an option is made, subject to recalculation in accordance with the terms.

The vesting of options was triggered in conjunction with the listing on Nasdaq Stockholm, and vested over a 36-month period from the first day of trading on Nasdaq Stockholm. As of 31 May 2020 all of the options in the program have vested. Vested options can be exercised in exercise windows comprising 14 days following the publication of each of the Company's quarterly reports, or as regards the full year, the year-end report however no later than on 31 May 2022.

As per 30 September 2020, the outstanding number of options were 58,628 including 55 unallocated. In addition, the Group had 63,954 options in its own portfolio, to offset any cash flow impact of the exercise of options. During November 2020, 2,414 options were exercised to subscribe for 28,968 new ordinary shares in the Company.

#### ***LTI PROGRAM 2018/2021***

The annual general meeting held on 27 April 2018 resolved to implement the long-term incentive program 2018/2021 comprising 1,137,347 warrants transferred to group management and other key employees at a price per warrant of SEK 9.18, based on the Black Scholes formula. Each warrant entitled the holder to subscribe for one new ordinary share in the Company at a subscription price of SEK 96.31. Subscription can be made during the period 1 June – 14 June 2021.

#### ***LTI PROGRAM 2019/2022***

The extraordinary general meeting on 24 June 2019 resolved to implement the long-term incentive program 2019/2022 in the form of a performance-based share program for group management and other key employees. Provided that certain performance targets are met or exceeded, participants shall be given the opportunity to receive ordinary shares in the Company free-of-charge (performance shares). In addition to the fulfilment of the performance targets, the right to receive performance shares is conditional upon continued employment until 24 June 2022 (subject to certain customary "good leaver" exemptions). The performance shares, if any, will be delivered to the participants no later than 30 days following 24 June 2022. The maximum number of

performance shares that has been issued under the program amounts to 374,586. Boozt considers 113,517 performance shares having been vested as per 30 September 2020. The delivery of performance shares is secured by the issuance of series C shares.

#### ***LTI PROGRAM 2020/2023***

The extraordinary general meeting on 1 July 2020 resolved to implement a long-term incentive program in the form of a performance-based share program for the group management and other key employees. Provided that certain performance targets are met or exceeded, participants in the program shall be given the opportunity to receive ordinary shares in the Company free-of-charge (performance shares). In addition to the fulfilment of the performance targets, the right to receive performance shares is conditional upon continued employment until 1 June 2023 (subject to certain customary "good leaver" exemptions). The performance shares, if any, will be delivered to the participants no later than 30 days following 1 July 2023. The maximum number of performance shares that may be issued under the program amounts to 1,040,000. Boozt considers 69,330 performance shares having been vested as per 30 September 2020. The delivery of performance shares will be secured by the issuance of new series C shares.



# LEGAL CONSIDERATIONS AND SUPPLEMENTARY INFORMATION

## FORMATION, LEGAL FORM AND BUSINESS OBJECTS

The Company is a Swedish public limited liability company which was founded in Sweden on 15 October 2009 and registered with the Swedish Companies Registration Office on 13 November 2009. The Company's company name, also its trade name, is Boozt AB. The Company's corporate identity number is 556793-5183 and its LEI code is 549300HOEUKTVLRKQQ57. The Company has its

registered office in the municipality of Malmö and a general meeting will also be held in the municipality of Malmö or in the municipality of Stockholm. The Company conducts its business in accordance with the Swedish Companies Act and the object of the Company's business is to conduct development, sale and offering mail order solutions to companies within the fashion industry and therewith related activities. The Company's website is [www.booztgroup.com](http://www.booztgroup.com). The information on Boozt's website does not form part of the Prospectus unless it is incorporated by reference (see "Documents incorporated by reference" below).

## GROUP STRUCTURE

The Company is currently the parent company of the Group which includes ten subsidiaries in Sweden and Denmark. The Group structure is shown in the chart below.

Subsidiary	Tier	Country	Shares and voting rights, %
Boozt Fashion AB	First-tier subsidiary	Sweden	100 %
Boozt Fashion ApS	Second-tier subsidiary	Denmark	100 %
Boozt Fashion Norge AB	Second-tier subsidiary	Sweden	100 %
Boozt Fulfilment & Logistics AB	Second-tier subsidiary	Sweden	100 %
Boozt Innovation Lab ApS	Second-tier subsidiary	Denmark	100 %
Boozt Retail AB	Second-tier subsidiary	Sweden	100 %
Boozt Retail A/S	Second-tier subsidiary	Denmark	100 %
Boozt Retail Copenhagen A/S	Second-tier subsidiary	Denmark	100 %
Boozt Technology A/S	Second-tier subsidiary	Denmark	100 %
November 2009 Option Holding AB	Second-tier subsidiary	Sweden	100 %

## MATERIAL AGREEMENTS

### FINANCING AGREEMENTS

The Company has a multicurrency revolving credit facility with Danske Bank and has entered into several instalment agreements regarding the Company's acquisition of the AutoStore systems. See section "Capitalization,

*Indebtedness and other financial Information – External Financing*.

### LEASE AGREEMENT REGARDING BOOZT FULFILMENT CENTRE

Boozt has entered into two lease agreements with Queenswall AB ("Queenswall"), a subsidiary in a group which has Catena AB as parent company, regarding premises for



the Boozt Fulfilment Centre in Norra Varalöv, located in the municipality of Ängelholm. The first lease agreement was entered into in February 2016 and relates to premises that comprise a total of 43,500 square meters. Boozt took possession of these premises in February 2017. In September 2019, Boozt and Queenswall entered into an additional lease agreement related to an extension of the Boozt Fulfilment Centre with and additional warehouse comprising 22,778 square meters located next to the current one in Norra Varalöv. Boozt is expected to take possession of the new premises during the fourth quarter 2020 when the premises are ready. Both lease agreements have a duration until 31 March 2032.

## INTELLECTUAL PROPERTY RIGHTS

The Group is the registered owner of several trademark registrations. The trademark BOOZT (logotype and word mark) is reportedly the Group's most important trademark. Boozt Fashion AB holds trademark registrations for the word mark BOOZT in Sweden, EU, Norway, Iceland and Switzerland. The Group holds more than 75 domain names inter alia boozt.com, booztlet.com and booztmedia.com. Further, the Group has thousands of pictures of products for marketing purposes and have developed software products for in-house use.

## AUTHORITY PROCEEDINGS, LEGAL PROCEEDINGS AND ARBITRATION

The Group is not, and has not during the past 12 months been, party to any authority proceedings, legal proceedings or arbitration proceedings (including pending or deemed likely by the Company) which may have, or have had, significant effects on Boozt's financial position or profitability.

## RELATED PARTY TRANSACTIONS

Related party transactions that have taken place since 1 January 2020 until 30 September 2020 are described in the Company's interim report for the period 1 January to 30 September 2020 under "Other information – related party transactions". Following 30 September 2020 until the date of the Prospectus, no significant related party transactions have occurred other than limited purchases from suppliers as a part of the ordinary course of operations.

## ADVISORS TO THE COMPANY IN CONNECTION WITH THE OFFERING

Danske Bank provides financial advice and other services to the Company in connection with the Offering. Danske Bank has provided, and may in the future provide, various banking,

financial, investment, commercial and other services to the Company for which they have received, or may receive, customary fees and remuneration and may come to have interests that may not be aligned or could potentially conflict with the interests of prospective investors and the Company. With respect to certain of these transactions and services, the sharing of information is generally restricted for reasons of confidentiality, internal procedures or applicable rules and regulations. In particular, Danske Bank is a lender under the Company's multicurrency revolving credit facility and Danske Bank has entered into several instalment agreements regarding the Company's acquisition of the AutoStore systems.

In addition, in the ordinary course of business, Danske Bank and its respective affiliates may make or hold a broad array of investments including serving as counterparties to certain derivative and hedging arrangements and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for its own account and for the accounts of its customers, and such investment and securities activities may involve securities and/or instruments of the Company. Danske Bank and its respective affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or instruments and may at any time hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

Setterwalls Advokatbyrå AB is legal adviser to the Company as to Swedish law and Gorrissen Federspiel Advokatpartnerselskab is legal adviser to the Company as to Danish law in connection with the Offering.

## TRANSACTION COSTS

The Company's costs attributable to the Offering are estimated to amount to approximately DKK 28-33 million. Such costs are primarily attributable to costs for financial advisers, auditors, legal advisers, preparation and layout of the Prospectus and costs related to marketing materials and other presentations.

## PLACING AGREEMENT AND LOCK-UP UNDERTAKINGS

The Company and the Sole Global Coordinator have on 9 November 2020 entered into the Placing Agreement governing the Offering, pursuant to which the Company has agreed to issue the amount of new ordinary shares in the Offering to be determined following book building and pricing in the Offering to subscribers procured by the Sole Global Coordinator, or, failing which, the Sole Global

Coordinator has agreed to subscribed for such new ordinary shares at the determined Offer Price following book building and pricing.

Through the Placing Agreement, the Company makes customary representations and warranties to the Sole Global Coordinator, primarily in relation to the information in the Prospectus being correct, the Prospectus fulfilling requirements in laws and regulation and that there are no legal, or other, hindrances for the Company to enter into the agreement or for the completion of the Offering.

The Placing Agreement stipulates that the Sole Global Coordinator's undertaking to serve as an intermediary for subscribers in the Offering, or if failing to do so, to subscribe for the new ordinary shares, is conditional upon, inter alia, there being sufficient interest in the Offering, according to the Sole Global Coordinator, to fulfil the free float requirements and enable a regular and liquid trading in the ordinary shares on Nasdaq Copenhagen, the warranties provided by the Company being correct, no events occurring that will have such a material negative impact on the Group that, in the sole opinion of the Sole Global Coordinator, it would be inappropriate to carry out the Offering as contemplated in the Prospectus, and other customary completion conditions, such as registration of the new shares issued in the Offering with the Swedish Companies Registration Office and the Company's shares being admitted to trading on Nasdaq Copenhagen as contemplated in the Prospectus.

If any material negative events occur, if the warranties that the Company has issued to the Sole Global Coordinator fall short or if any of the other conditions stipulated by the Placing Agreement are not fulfilled, the Sole Global Coordinator is entitled to terminate the Placing Agreement up to and including settlement has occurred on the Settlement Date (expected to occur on or around 26 November 2020).

Under the Placing agreement, the Company will, subject to customary qualifications, undertake to indemnify the Sole Global Coordinator against certain claims under certain conditions.

Pursuant to the Placing Agreement, the Company has undertaken not to, without the prior written consent of the Sole Global Coordinator, during the period from the date of the Placing Agreement until the date of publication of the Company's interim financial report for the period ending on 31 March 2021, (i) offer, pledge, allot, issue, sell, contract to sell, sell any option or contract to purchase, purchase any option to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of, directly or indirectly, any of the Company's shares or any securities convertible into or exercisable or exchangeable for such shares, (ii) enter into

any swap or other arrangement that transfers to another, in whole or in part, the economic risk of ownership of such shares, or (iii) publicly announce such an intention to effect any such transaction. The undertaking does not prevent the Company from issuing ordinary shares in the Offering or from issuing, granting and transferring shares or warrants in connection with incentive programs that have been or are introduced by the Company.

In connection with the Placing Agreement, Boozt's CEO, Hermann Haraldsson, has committed to a so-called lock-up undertaking not to, without the prior written consent of the Sole Global Coordinator, sell his holdings in Boozt during the period starting on the date of the Placing Agreement until the publication of Boozt's financial results for the fourth quarter of 2020. The undertaking is subject to certain exemptions, such as disposals required by law or by any competent authority or by order of a court of competent jurisdiction, transfers to family members and accepting general tender offers made to all shareholders in Boozt. The Sole Global Coordinator may in its sole discretion make exceptions from this undertaking.

## REGULATORY DISCLOSURES

The following is a summary of the information disclosed by the Company during the last 12-month period in accordance with Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on Market Abuse (Market Abuse Regulation), which, in the Company's opinion, is still relevant as per the date of the Prospectus.

### *FINANCIAL REPORTS AND FINANCIAL PRESS RELEASES*

- On 5 November 2020, Boozt publishes its interim report for the period 1 January to 30 September 2020 and updated its outlook for 2020 in connection therewith. EBIT margin was upwardly adjusted to 5.5-6.5 per cent (previously 4.5-5.5 per cent) and the net revenue growth outlook adjusted to be expected in the upper end of the 20-25 per cent range (previously 20-25 per cent).
- On 6 October 2020, Boozt announces that the EBIT margin outlook for 2020 was upwardly adjusted to 4.5-5.5 per cent (previously 3.5-4.5 per cent as announced on 23 June 2020) with an unchanged net revenue growth outlook of 20-25 per cent (as announced on 23 June 2020). The third quarter is expected to show a net revenue growth in the middle of the 20-25 per cent range with an adjusted EBIT margin expected to be in the range of 5-6 per cent.

- On 23 June 2020, Boozt announces that the outlook for 2020 was upwardly adjusted to 20-25 per cent net revenue growth and an adjusted EBIT margin of 3-4 per cent (previously 10-20 per cent net revenue growth and an adjusted EBIT margin of 1-3 per cent). Net revenue growth for Q2 was expected to be 35-40 per cent with an adjusted EBIT margin above 10 per cent.
- On 20 April 2020, Boozt announces an update on Q1 adjusted EBIT and an extraordinary write-down. Adjusted EBIT for the first quarter was expected to be in the range of SEK -63 million to SEK -57 million. This was driven by an extraordinary inventory write-down of prior season items of SEK 58 million.
- On 5 April 2020, Boozt announces the outlook for 2020 suspended due to the high uncertainty on Boozt's market caused by the coronavirus. The uncertainty made Boozt unable to properly assess the impact of the coronavirus on its business for the remainder of the year.

#### **OTHER REGULATORY RELEASES**

- On 9 November 2020, Boozt announces that it intends to carry out a listing on Nasdaq Copenhagen and the Offering in connection with the listing.

#### **THE PROSPECTUS**

The Prospectus has been prepared by reason of the invitation to subscribe for ordinary shares in the Company and admission to trading and official listing on Nasdaq Copenhagen. According to the Prospectus, no offer is made to acquire or subscribe for series C shares, and the Company's series C shares are not admitted to trading, and will not be admitted to trading on any market. The Prospectus has been approved by the Swedish Financial Supervisory Authority (the "SFSA"). As competent authority under Regulation (EU) 2017/1129. The SFSA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by Regulation (EU) 2017/1129. Such approval shall not be considered as an endorsement of the issuer or of the quality of the securities that are the subject of this Prospectus. Investors should make

their own assessment as to the suitability of investing in the securities. The Prospectus has been drawn up as part of a simplified prospectus in accordance with Article 14 of Regulation (EU) 2017/1129. Information on websites mentioned in the Prospectus does not form part of the Prospectus and has not been scrutinised or approved by the SFSA unless this information is incorporated in the Prospectus through references.

The Prospectus is available on the Company's website [www.booztgroup.com](http://www.booztgroup.com).

#### **DOCUMENTS INCORPORATED BY REFERENCE**

The following accounting documents are incorporated into the Prospectus by reference. The documents incorporated by reference are available on the Company's website, [www.booztgroup.com/reports-and-presentations](http://www.booztgroup.com/reports-and-presentations).

- Boozt's audited annual report for the financial year 2019, in which reference is made to the consolidated income statement and the consolidated statement of comprehensive income on page 121, statement of financial position on page 122, statement of changes in equity on page 123, cash flow statement on page 124, notes on pages 125–167 and the audit report on pages 176–179.
- Boozt's unaudited interim report for the period 1 January to 30 September 2020, including comparative figures for the corresponding period in 2019, in which reference is made to the consolidated income statement and the consolidated statement of comprehensive income on page 17, consolidated statement of financial position on page 18, consolidated statement of changes in equity on page 19, consolidated cash flow statement on page 20, notes on pages 21-24, related party transactions on page 15 and the review report on page 28.

#### **DOCUMENTS AVAILABLE FOR INSPECTION**

The following documents are, throughout the period of validity of the Prospectus, available on the Company's website [www.booztgroup.com](http://www.booztgroup.com).

- The Company's articles of association.
- The Company's registration certificate.

# CERTAIN TAX CONSIDERATIONS

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## CERTAIN TAX CONSIDERATIONS IN DENMARK

*The following is a summary of certain Danish income tax considerations relating to an investment in shares in the Company. The summary is for general information only and does not purport to constitute exhaustive tax or legal advice. It is specifically noted that the summary does not address all possible tax consequences relating to an investment in shares in the Company. The summary is based solely upon the tax laws of Denmark in effect on the date of this Prospectus. Danish tax laws may be subject to change, possibly with retroactive effect.*

*The summary relates to shareholders being tax resident in Denmark or with shares in the Company in a Danish permanent establishment. It is furthermore assumed that the shares in the Company are registered in a security deposit at a Danish custodian bank.*

*The summary does not cover investors to whom special tax rules apply and, therefore, may not be relevant, for example, to investors subject to the Danish Pension Yield Tax Act (i.e. pension savings), professional investors, certain institutional investors, insurance companies, pension companies, banks, stockbrokers and investors with tax liability on return on pension investments. The summary does not cover taxation of individuals and companies who carry out a business of purchasing and selling shares. Further, the summary only sets out the tax position of the direct owners of the shares in the Company and assumes that the direct investors are the beneficial owners of the shares in the Company and any dividends thereon. Sales are assumed to be sales to a third-party.*

*Potential investors in shares of the Company are advised to consult their tax advisers regarding the applicable tax consequences of acquiring, holding and disposing of shares in the Company based on their particular circumstances. Investors who may be affected by the tax laws of other jurisdictions should consult their tax advisers with respect to the tax consequences applicable to their particular circumstances as such consequences may differ significantly from those described herein.*

## SALE OF SHARES IN THE COMPANY

### Individuals

For the calendar year 2020, gains from the sale of shares are taxed as share income at a rate of 27 per cent on the first DKK 55,300 (for cohabiting spouses, a total of DKK 110,600) and at a rate of 42 per cent on share income exceeding DKK 55,300 (for cohabiting spouses over DKK 110,600). Such amounts are subject to annual adjustments and include all share income (i.e. all capital gains and dividends derived by the individual or cohabiting spouses, respectively).

Gains and losses on the sale of shares admitted to trading on a regulated market are calculated as the difference between the purchase price and the sale price.

The purchase price is generally determined using the average method, which means that each share is considered acquired at a price equivalent to the average acquisition price of all the shareholder's shares in the issuing company.

Losses occurred in relation to the sale of shares admitted to trading on a regulated market can only be offset against other share income deriving from shares admitted to trading on a regulated market (i.e. received dividends and capital gains on the sale of shares admitted to trading on a regulated market). Excess losses will be offset against a cohabiting spouse's share income deriving from shares admitted to trading on a regulated market. Any remaining losses after the above deduction can be carried forward indefinitely and offset against future share income deriving from shares admitted to trading on a regulated market.

Losses on shares admitted to trading on a regulated market can only be set off against other share income derived from other shares admitted to trading on a regulated market as outlined above if the Danish Tax Authority has received certain information concerning the ownership of the shares before expiry of the tax return filing deadline for the income year in which the shares were acquired. This information is normally provided to the Danish Tax Authority by the securities dealer or custodian, if the securities dealer or custodian is resident in Denmark.

### **Individuals investing through an investment savings account (Da. *Aktiesparekonto*)**

Gains and losses on shares owned through an investment savings account (Da. *Aktiesparekonto*) are taxable according to the mark-to-market principle. According to the mark-to-market principle, each year's taxable gain or loss is calculated as the difference between the market value of the assets in the account at the beginning and end of the tax year adjusted for further deposits on the account and adjusted for withdrawals from the account. Taxation will take place on a mark-to-market principle. Thus, taxation will take place on an accrual basis even if no shares have been disposed of and no gains or losses have been realized. If the shares owned through an investment savings account are sold or otherwise disposed of before the end of the income year, the taxable income of that income year equals the difference between the value of the shares at the beginning of the income year and the realization sum. If the shares owned through an investment savings account are acquired and realized in the same income year, the taxable income equals the difference between the acquisition sum and the realization sum. If the shares are acquired in the income year and not realized in the same income year, the taxable income equals the difference between the acquisition sum and the value of the shares at the end of the income years.

Any annual gain will be subject to 17 per cent taxation, and any loss may be carried forward. In 2020, the account is limited to a deposit of DKK 100,000. Tax is settled by the account institute.

### **Companies**

Tax on the sale of shares by companies is subject to different regimes depending on whether the shares in the Company are considered as Subsidiary Shares, Group Shares, Tax-Exempt Portfolio Shares or Taxable Portfolio Shares defined as follows:

**"Subsidiary Shares"** are generally defined as shares owned by a company shareholder holding at least 10 per cent of the nominal share capital of the issuing company.

**"Group Shares"** are generally defined as shares in a company in which the company shareholder of the company and the issuing company are subject to Danish joint taxation or fulfil the requirements for international joint taxation under Danish law.

**"Tax-Exempt Portfolio Shares"** are generally defined as shares not admitted to trading on a regulated market owned by a company shareholder holding less than 10 per cent of the nominal share capital in the issuing company. Tax-Exempt

Portfolio Shares are not relevant in respect of this Offering and will not be described in further detail.

**"Taxable Portfolio Shares"** are shares that do not qualify as Subsidiary Shares, Group Shares or Tax-Exempt Portfolio Shares.

Gains or losses on disposals of Subsidiary Shares and Group Shares are not included in the taxable income of the company shareholder.

Special rules apply with respect to Subsidiary Shares and Group Shares in order to prevent circumvention of the 10 per cent ownership requirement through pooling of shareholdings in a holding company, just as other anti-avoidance rules may apply under Danish law. These rules will not be described in further detail.

Capital gains from the sale of Taxable Portfolio Shares are currently taxable at the corporate income tax rate of 22 per cent. Losses on such shares are generally deductible. Gains and losses on Taxable Portfolio Shares are, as a general rule, calculated in accordance with the mark-to-market principle. According to the mark-to-market principle, each year's taxable gain or loss is calculated as the difference between the market value of the shares at the beginning and end of the tax year. Thus, taxation will take place on an accrual basis even if no shares have been disposed of and no gains or losses have been realized. If the Taxable Portfolio Shares are sold or otherwise disposed of before the end of the income year, the taxable income of that income year equals the difference between the value of the Taxable Portfolio Shares at the beginning of the income year and the value of the Taxable Portfolio Shares at realization. If the Taxable Portfolio Shares have been acquired and realized in the same income year, the taxable income equals the difference between the acquisition sum and the realization sum. If the Taxable Portfolio Shares are acquired in the income year and not realized in the same income year, the taxable income equals the difference between the acquisition sum and the value of the shares at the end of the income year.

A change of status from Subsidiary Shares or Group Shares to Taxable Portfolio Shares (or vice versa) is for tax purposes deemed to be a disposal of the shares and a reacquisition of the shares at market value at the time of change of status.

### ***DIVIDENDS ON SHARES IN THE COMPANY***

#### **Dividends to individuals**

For the calendar year 2020, dividends received by individuals who are tax residents of Denmark are taxed as share income. Share income is taxed at a rate of 27 per cent on the first DKK 55,300 (for cohabiting spouses, a total of DKK

110,600) and at a rate of 42 per cent on share income exceeding DKK 55,300 (for cohabiting spouses over DKK 110,600). Such amounts are subject to annual adjustments and include all share income (i.e. all capital gains and dividends derived by the individual or cohabiting spouses, respectively).

#### **Dividends for individuals investing through an investment savings account (Da. *Aktiesparekonto*)**

Dividends from shares in the Company invested through an investment savings account will be part of the return received and subject to the general tax principles for the account as described above.

#### **Dividends to companies**

Dividends received on Taxable Portfolio Shares are subject to the standard corporate tax rate of currently 22 per cent irrespective of ownership period.

Dividends received on Subsidiary Shares and Group Shares will not be subject to taxation irrespective of ownership period, subject, however, to certain anti-avoidance rules that will not be described in further detail.

#### ***DANISH TAX CREDIT***

The Company may impose Swedish withholding tax on dividend on shares in the Company paid to a Danish tax resident shareholder. See the below section “*Specific tax considerations for shareholders who are not tax residents in Sweden*”. Swedish tax on dividend on shares to Danish tax residents may be credited on Danish tax on the same dividend in accordance with the Nordic Tax Treaty or Danish tax rules.

#### ***SHARE TRANSFER TAX AND STAMP DUTIES***

No Danish share transfer tax or stamp duties are payable on transfer of shares in the Company.

#### **CERTAIN TAX CONSIDERATIONS IN SWEDEN**

*The following summary outlines certain Swedish tax consequences relating to the offer to subscribe for new shares in the Company. The summary is only applicable to individuals and limited liability companies (Sw. aktiebolag) tax resident in Sweden, unless otherwise stated. The summary is based on the laws of Sweden as currently in effect and is intended to provide general information only. The summary does not cover securities held by partnerships or held as current assets in business operations. Furthermore, the summary does not cover the specific rules on tax-exempt dividends and capital gains (including non-deductibility for capital losses) in the corporate sector, which may become applicable when shareholders hold securities that are*

*considered to be held for business purposes (Sw. näringsbetingade andelar). Nor does the summary cover the special rules which may be applicable to holdings in companies which are, or previously were, closely-held companies, or to shares acquired pursuant to so-called qualified shares in closely-held companies.*

*Moreover, the summary does not cover shares or other securities that are held in a so-called investment savings account (Sw. investeringssparkonto) and that are subject to special rules on standardised taxation. Special rules apply to certain categories of taxpayers, for example, investment companies and insurance companies. The tax treatment of each individual shareholder depends on such investor's particular circumstances. Each holder of shares should, therefore, consult a tax advisor for information on the specific implications that may arise in an individual case, including the applicability and effect of foreign rules and tax treaties.*

#### ***INDIVIDUALS***

##### **Capital gains taxation**

Upon the sale or other disposition of listed shares, a taxable capital gain or deductible capital loss may arise. Capital gains are taxed as capital income at a rate of 30 per cent. The capital gain or loss is normally calculated as the difference between the sale proceeds, after deducting sales costs, and the tax basis. The tax basis for all equity-related securities of the same class and type is calculated together in accordance with the “average cost method”.

Alternatively, upon the sale of listed shares, such as the shares in the Company, the tax basis may alternatively be determined as 20 per cent of the sales proceeds, after deducting sales costs, under the “notional rule”.

Capital losses on listed shares are fully deductible against taxable capital gains on shares and on other listed equity-related securities, with the exception of units in securities funds or special funds that consist solely of Swedish receivables (Sw. räntefonder). Capital losses on shares which cannot be set off in this way can be deducted with up to 70 per cent against other capital income. If there is a net loss in the capital income category, a tax reduction is allowed against municipal and national income tax, as well as against real estate tax and municipal real estate charges. A tax reduction is allowed with 30 per cent on the portion of such net loss that does not exceed SEK 100,000 and with 21 per cent on any remaining loss. Such net loss cannot be carried forward to future income years.

### **Dividend taxation**

For individuals, dividends on listed shares are taxed as income from capital at a rate of 30 per cent. For individuals resident in Sweden, a preliminary tax of 30 per cent is generally withheld by Euroclear Sweden or, in respect of nominee-registered shares, by the Swedish nominee.

### ***LIMITED LIABILITY COMPANIES***

#### **Capital gains and dividends taxation**

For Swedish limited liability companies (*Sw. aktiebolag*) all income, including taxable capital gains and dividends, is taxed as business income at a rate of 21.4 per cent (the corporate income tax rate will be reduced to 20.6 per cent from 1 January 2021). Capital gains and capital losses are calculated in the same manner as described above for individuals. Deductible capital losses on shares may only be deducted against taxable capital gains on such securities. Under certain circumstances, such capital losses may also be deducted against capital gains in another company in the same group, provided that the requirements for exchanging group contributions (*Sw. koncernbidragsrätt*) between the companies are met. A capital loss that cannot be utilized during a given income year may be carried forward and be offset against taxable capital gains on shares and other equity-related securities during subsequent income years, without limitation in time.

### ***SPECIFIC TAX CONSIDERATIONS FOR SHAREHOLDERS WHO ARE NOT TAX RESIDENTS IN SWEDEN***

#### **Withholding tax on dividends**

For shareholders not tax resident in Sweden who receive dividends from a Swedish limited liability company, Swedish withholding tax is normally payable. The tax rate is 30 per cent. However, the tax rate is normally reduced by tax treaties between Sweden and other countries for the avoidance of double taxation. The majority of Sweden's tax treaties allow for a reduction of the Swedish tax to the tax rate stipulated in the treaty directly at the payment of dividends, provided that necessary information is available in relation to the person entitled to such dividends. In Sweden, Euroclear Sweden or, for nominee-registered shares, the nominee normally carries out the withholding.

If a 30 per cent withholding tax is deducted from a payment to a person entitled to be taxed at a lower rate, or if excessive withholding tax has otherwise been withheld, a refund can be claimed from the Swedish Tax Agency prior to the expiry of the fifth calendar year following the dividend distribution.

### **Capital gains taxation**

Holders of shares not tax resident in Sweden and whose holding is not attributable to a permanent establishment in Sweden are generally not liable for Swedish capital gains taxation on the disposal of shares. The holders may, however, be subject to tax in their country of residence. Under a specific tax rule, individuals that are not tax resident in Sweden may, however, be subject to tax in Sweden on the sale of certain securities if they have been resident or lived permanently in Sweden at any time during the calendar year of such disposal or during any of the previous ten calendar years. The application of this rule may be limited by tax treaties between Sweden and other countries.

# ANNEX A – APPLICATION FORM

Application form (only one form per custody account)	Offering of up to 5,737,085 ordinary shares
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## Application for subscription of ordinary shares in Boozt AB (publ), corporate identity number 556793-5183

Selling agents:	Danske Bank A/S
Sole Global Coordinator and Bookrunner:	Danske Bank A/S
Offer Period:	10 November 2020 to 23 November 2020 at 4:00 p.m. (CET) unless the Offering is closed earlier in whole or in part. The Offer Period for order applications up to and including DKK 3 million may be closed before the remainder of the Offering.
Offer Price Range:	DKK 110 to DKK 140 per ordinary share
ISIN:	Permanent ISIN for the Shares: SE0009888738 Temporary ISIN for the temporary purchase certificates: SE0015193065 (to be used in connection with the Offering)

The Prospectus dated 9 November 2020 includes the terms and conditions for the subscription of ordinary shares in the Offering.

Both binding order applications and expressions of interest can be submitted with specification of a maximum price. If the Offer Price is determined at a higher level than the stated maximum price, no ordinary shares will be allocated to the subscriber.

Applications should be made for a number of temporary purchase certificates representing the subscription amount for the ordinary shares or for an aggregate amount rounded to the nearest Danish kroner amount. The minimum subscription amount is one ordinary share.

**For binding orders up to and including DKK 3 million, applications should be made either electronically through the online bank of the investor's own account-holding bank or by submitting the application form to the subscriber's own account-holding institution duly filled in and signed.**

Application through online banking or submission of the application form must be made within an appropriate amount of time for the account-holding institution to process and forward the application so that the application form reaches Danske Bank A/S no later than 23 November 2020 at 4:00 p.m. (CET) or such earlier time as the Offering may be closed in whole or in part.

Expressions of interest to subscribe for ordinary shares for more than DKK 3 million can be submitted to the Sole Global Coordinator, e.g., by using this application form.

**On the terms and conditions stated in the Prospectus dated 9 November 2020, including in " Risk Factors", I/we hereby submit an order application for the subscription of ordinary shares in Boozt AB (publ) and simultaneously declare to have received a copy of the Prospectus; and that I/we have solely based my/our investment decision on the contents of the Prospectus.**

The Offer Price will be fixed upon closing of the Offering through a book-building process. See " Terms and conditions—The Offer Price". Only one application form per custody account with VP SECURITIES A/S (VP) will be accepted.



[Please complete order form on the back]

**Application submitted as a binding application (for orders up to and including DKK 3 million)**

I/we accept that the Sole Global Coordinator may demand information about my/our name(s), address(es) and application and are entitled to pass on such information to Boozt AB (publ). I/we undertake to pay the equivalent of the ordinary shares allocated at the Offer Price fixed.

*Field (1) or (2) should be completed*

(1) For Danish kroner (DKK)	(2) Number of ordinary shares	(3) Maximum price per ordinary share, if any

**Expression of interest submitted pursuant to the book -building process (for orders above DKK 3 million)**

I/we accept that the application form and information about my/our name(s) and address(es) are entitled to be passed on to Boozt AB (publ), the account holding institution and the Sole Global Coordinator. I/we accept that I/we during the Offer Period can amend or revoke this expression of interest but that this expression of interest will automatically be converted into a binding subscription order upon expiry of the Offer Period.

*Field (1) or (2) should be completed*

(1) For Danish kroner (DKK)	(2) Number of ordinary shares	(3) Maximum price per ordinary share, if any

If the aggregate applications to subscribe and expressions of interest exceeds the total number of ordinary shares in the Offering, a reduction will be completed as further described in the Prospectus. See "*Terms and conditions – allocation and reductions*". Neither submission of application orders nor submission of expressions of interest entitles one to any ordinary shares. Settlement of the Offering will be effected by way of registration of temporary purchase certificates representing the subscription amount for the allocated number of ordinary shares on your custody account with VP SECURITIES A/S (VP) against payment in DKK, which is expected to take place on or before 26 November 2020. All dealings in the temporary purchase certificates and/or the ordinary shares prior to settlement of the Offering will be for the account of, and at the sole risk of, the parties involved.

**Information and signature**

Name: \_\_\_\_\_ VP custody account no.: \_\_\_\_\_

Address: \_\_\_\_\_ Settlement account no.: \_\_\_\_\_

Postal code and city: \_\_\_\_\_ Custodian bank: \_\_\_\_\_

Telephone: \_\_\_\_\_

Date: \_\_\_\_\_

*This application form was submitted to (to be completed by account-holding institution):*

*Reg. no.: \_\_\_\_\_ Participant ID no. (CD-ident): \_\_\_\_\_*

*Date: \_\_\_\_\_ Tel.: \_\_\_\_\_*

\_\_\_\_\_  
*Signature*

\_\_\_\_\_  
*Company stamp and signature*

# ADDRESSES

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## THE COMPANY

### **Boozt AB**

Hyllie Boulevard 35  
SE- 215 37 Malmö  
Sweden

## SOLE GLOBAL COORDINATOR AND SOLE BOOKRUNNER

### **Danske Bank A/S**

Holmens Kanal 2-12  
DK-1092 København K  
Denmark

## LEGAL ADVISORS TO THE COMPANY

As to Swedish law

### **Setterwalls Advokatbyrå AB**

Stortorget 23  
SE-211 34 Malmö  
Sweden

As to Danish law

### **Gorrissen Federspiel Advokatpartnerselskab**

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