

ANNUAL AND SUSTAINABILITY REPORT

**WE ARE
THE NORDIC
DEPARTMENT
STORE.**

22

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Boozt in brief

Our vision is to become the leading Nordic Department Store, offering the preferred destination for shopping Fashion, Kids, Sport, Beauty and Home online.

We are a Nordic Department Store selling curated Fashion, Kids, Sport, Beauty and Home online via our own-built and tailor-made tech infrastructure. We offer a contemporary selection of products relevant to a variety of lifestyles through our multi-brand webstores, Boozt.com and Booztlet.com.

We are more than 1,200 employees with +60 nationalities reimagining how we shop today and tomorrow, while working to deliver an outstanding online shopping experience with unrivalled customer service and making Boozt the leading responsible e-commerce company in the Nordics.

Read more at: <https://www.booztgroup.com/>

Number of active customers:

+3 million

Number of orders:

+7.4 million

Trustpilot score:

4.4

Number of markets:

14

Number of employees:

+1,200

Letter from the CEO

When I was young, my biggest dream was to become a professional football (soccer) player. I was a goalkeeper, and I was a decent player. As a youth player I played in one of the best football clubs in Denmark. One of the final matches of the last year as a youth player, the head coach of the professional squad came to watch, as he was about to select a few young players to be offered a place in the professional squad.

During 2022, Boozt made tremendous progress on further cementing the position as the leading Nordic Department Store displayed in the increasing average order value, stable return rates and continued high customer satisfaction.



We had a feeling that it was a kind of make-or-break match and were all hoping to be offered a spot if we played our best.

Alas, in the dying minutes of the match, I made a huge mistake. I dropped the ball, our opponents benefitted from my mistake and scored a goal. We lost 1-0.

I was devastated. It felt like everything I had been practising for – the countless hours on the pitch – my dreams, had been shattered by this one mistake.

On my way back to the locker room I was surprised that the head coach suddenly joined me and started to chat about the match and my huge mistake.” You know what, the best thing about football is that there is a new match tomorrow, “ he said.

These words have been a guiding principle for me ever since.

No matter how bad or how well you are doing - if you are winning or if you are losing, there is a new match tomorrow.

These words have been useful for us ever since we founded the company and especially during the past year. We came into 2022 expecting post-corona-lockdown-happy-days but experienced anything but that. We learned a new phrase, “cost-of-living-crisis”, and instead of concerns about having enough stock for the expected surging demand, we found ourselves in a situation where managing stock risk and doing daily trading was the main topic. —>

→ Letter from the CEO

The whole team was dedicated to “there-is-a-new-match-tomorrow” during the entire year and I am extremely proud that we managed to grow more and deliver a profitability that is higher than most, if not all, of our peers.

To me, the past year has proven that we have an exceptional team with a unique culture that is able to deliver outstanding results. Our values of trust, freedom and responsibility have paved the way for a “care-why” mindset, where our people act with integrity and dedication to deliver an outstanding shopping experience for our customers.

This culture, I admit, puts high demands on our Boozters, which is not for everyone. Some people do not thrive in this very driven, demanding and ambitious culture, and that's ok. As long as we make sure that they move safely on in their career. We know however, that if we do not set high standards for ourselves, we will steadily drift into complacency followed by irrelevance.

We learned during the past year that our Nordic Department Store concept supported by a strong online outlet is a strong concept that resonates well with consumers. We had an increasing number of our customers shopping across our categories, where a customer shopping across all our categories had a value that was around 20 times bigger than a single category customer. We also saw during the 4th quarter, dominated by Black Friday and Christmas shopping, that our customers preferred to do their shopping in our one-stop-department-store as they probably trusted us to live up to our customer experience promise. We experienced a large increase in average basket size and best-in-class customer satisfaction – awarded by our more than 3 million customers in our shops.

Our warehouse is running more efficiently than ever before and combined with a well-oiled supply chain, we were able to deliver as promised to our customers even though the pressure on our supply chain was considerably higher than expected during Q4.

— To me, the past year has proven that we have an exceptional team with a unique culture that is able to deliver outstanding results. Our values of trust, freedom and responsibility have paved the way for a “care-why” mindset, where our people act with integrity and dedication to deliver an outstanding shopping experience for our customers.

HERMANN HARALDSSON

In 2022, we have continued to invest in technology and logistics, to further improve the customer experience and increase efficiency. We have also expanded our partnerships with brands, which has allowed us to offer an even wider range of products to our customers. Our long-term business indicators are all developing positively.

Boozt is leaving this year in a stronger position both commercially and financially and we are confident that the market in 2023 provides significant opportunities. The strategy is unchanged, and we remain laser-focused on further developing the Nordic Department Store.

Looking ahead, we are committed to continuing to innovate and adapt to the rapidly changing e-commerce market. We are confident that our strong business model, our brand, our excellent customer service, and our investments in technology and logistics will continue to drive growth and success for Boozt in the years to come.

The current market conditions are a significant stress-test of e-commerce players and their business models. In this situation tomorrow's decisions will be even more decisive for who come out as winners and losers – and I believe that we are very well positioned. We have a very strong team, a resilient business model and great experience from challenging times. In short, we have a company full of people that have GRIT. This makes me believe that whatever 2023 throws at us, we will come out stronger on the other side.

We are excited about the opportunities that lie ahead and I'm convinced that whilst a lot has been achieved, we are still only at the starting point of our journey. I am confident that we are on the right path and well-positioned to cement our position as the leading Nordic Department Store. At Boozt we have created a tradition, where we celebrate whenever one of our staff members has a 10-year anniversary by awarding them a signature champagne saber. This is to create memorabilia that is a token and a symbol of the successes they have been part of.

I believe that we have more than 20 people who have been awarded a saber so far and that most of them are still with the company. That's nice, considering that it's less than 12 years since we launched Boozt.com.

I got mine a few years ago. It is in my home office and has never been used. It is probably my Icelandic superstition, or perhaps my fear of complacency, but I probably won't use it until my last bottle of champagne with the Boozt family - where there is no new match tomorrow for me. Until then it will rest peacefully in my office reminding me of the amazing people that have built this great company – and that there still is a new match tomorrow.

Best

Hermann Haraldsson,
Co-founder and Group CEO

PS. I made it to the professional squad, but that's another story...



Highlights 2022

Introducing Boozt Data Intelligence

Boozt Data Intelligence is a new business area for Boozt Media Partnership and the aim is to become the preferred e-commerce data partner in the Nordics. Developed in-house, the Boozt Data Intelligence tool provides a tailored user experience that gives brands an easy way to understand and leverage valuable customer insights.

Expansion of our automated fulfilment capacity

To accommodate the expected growth in the coming years, we expanded the AutoStore solution at the fulfilment centre in Ängelholm, Sweden. During the year we added more than 500,000 bins and 500 robots to our automation, now operating a total of 1,200,000 bins supported by 1,200 robots for efficient storage and fast delivery to our customers.

Building a Nordic household brand supported by key sponsorships

As the Nordic Department Store, our overall sponsorship strategy is based on selecting partner- and sponsorship platforms where we have a close and meaningful interaction with local communities and target groups.

Handball is a sport that has a large following in the Nordics with many dedicated fans and active players in the different clubs. In 2022, we partnered with the Danish Handball Federation to support the women's team, The Swedish Handball Federation to support both the women's and men's team and also became the main sponsor of The Handball Federation of Iceland.

Boozt also became the new main partner for the football club Malmö FF which is one of the most successful sports clubs in the Nordics and continues to promote sports and a healthy lifestyle as a partner to Royal Run in Copenhagen and being the main sponsor of Göteborgsvarvet.

Record-breaking Black Friday

We had another record breaking Black Friday, both in terms of sales numbers and broke a new 24-hour record with more than 188,000 pieces packed at our fulfilment centre. At the same time, we welcomed 100,000 new customers during the week.

How to become the leading responsible e-commerce company in the Nordics

To visualise our efforts across the relevant areas in alignment with our commitment to the B Corp movement we have updated our Care-For strategy. Our efforts are focused on four dimensions: Environment, Employees, Community and Governance. Within each dimension we have our goal areas and relevant targets as a result of our materiality assessment to support our journey. Read more about our Care-For strategy, goal areas and targets on pages 56-57.

Important step to improve disclosure on environmental impact

In 2022, we submitted the extended version of the CDP Climate Change questionnaire. Boozt received a B score. This is in line with the Europe regional average of B, and higher than the Discretionary retail sector average of C. According to CDP, companies that score a B have addressed the environmental impacts of their business and ensured good environmental management. Our CDP Climate Change Questionnaire is available [here](#).



5-year overview

Financials	2022	2021	2020	2019	2018
Results (SEKm)					
Net revenue	6,743	5,814	4,359	3,425	2,784
Gross profit	2,667	2,352	1,769	1,361	1,113
EBIT	253	265	182	92	68
Adjusted EBIT	286	343	290	109	63
Net financial items	-17	-20	-12	-11	-6
Result for the period	186	195	133	55	43
Cash flow (SEKm)					
Operating activities	805	242	747	77	-14
Investing activities	-715	-607	-151	-171	-92
Free cash flow	90	-365	597	-95	-106
Financing activities	120	216	779	66	44
Cash flow for the year	210	-149	1,376	-29	-61
Financial position (SEKm)					
Equity attributable to parent company shareholders	2,503	2,177	1,908	943	870
Balance sheet total	5,992	5,058	4,032	2,487	1,833
Net working capital	-109	277	74	435	315
Net debt (+) / net cash (-)	-668	-603	-1,006	296	-258
CAPEX	520	375	149	167	92
Invested capital	1,842	1,748	935	1,192	531

Ratios	2022	2021	2020	2019	2018
KPIs (%)					
Net revenue growth	16.0%	33.4%	27.3%	23.0%	38.1%
Gross margin	39.5%	40.4%	40.6%	39.7%	40.0%
Fulfillment cost ratio	11.3%	11.8%	11.6%	13.7%	13.8%
Marketing cost ratio	11.0%	10.5%	9.9%	10.0%	12.2%
Admin & other cost ratio	10.2%	10.8%	11.2%	10.3%	9.8%
Depreciation cost ratio	3.3%	2.9%	3.7%	3.1%	1.8%
Adjusted EBIT margin	4.2%	5.9%	6.7%	3.2%	2.3%
Share ratios					
Earnings per share after dilution (SEK)	2.73	2.81	2.21	0.95	0.74
Adjusted earnings per share after dilution (SEK)	3.11	3.73	3.78	1.18	0.67
Number of shares issued ('000)	67,468	66,891	64,067	57,371	57,082
Share price at year-end (SEK)	120.3	183.8	186.8	53.0	45.3
ESG KPI's¹					
Scope 1 CO₂e emissions (tons)	150.5	106.4	101.9	106.9	n/a
Scope 2 CO₂e emissions (market-based) (tons)	42.0	43.3	0.0	0	n/a
Scope 3 CO₂e emissions (tons)	116,438	3,240	2,522	2,030	n/a
CO₂e intensity per parcel (kg)	0.49	0.34	0.34	0.31	n/a
Share of renewable electricity (%)	98.2%	96.0%	100.0%	100.0%	n/a
Share of recycled waste in the Fulfilment Centre (%)	60.8%	66.9%	63.0%	62.0%	n/a
Share of Made with Care products (%)	21.1%	19.0%	17.0%	n/a	n/a
Gender ratio (female/male) (%)	50 / 50	52 / 48	65 / 35	63 / 37	67 / 33
Employee Net Promoter Score (eNPS)	42	50	36	n/a	n/a

¹ For further information please refer to the ESG Data Summary and its notes on pages 71-78.

Business Performance

Key performance indicators

The key performance indicators related to Boozt.com continued to develop positively in line with the acceleration of our execution of the Nordic Department Store strategy.

Customers have really started to buy into the concept of the Nordic Department Store and we see a gradual increase in the number of baskets containing items from multiple categories combined with customers adding more items per basket, benefitting our average order value.

The average order value is one of the most important pillars of our business model and something we will protect and develop without compromise. In 2022 the average order value increased to a record high SEK 890 (817) for Boozt.com.

New customer intake slowed during 2022 as consumers' disposable income came under pressure with inflation increasing rapidly throughout the year. Consumer confidence in the Nordics came to a historic low as a consequence which impacted the cost of and ability to attract new customers at the same pace as historically. Despite the headwinds, we have managed to maintain the number of active customers in line with 2021 and successfully increased the average number of orders per customer.

The number of site visits on Boozt.com decreased 16.4% with a conversion rate at 3.44% improving from 2021 (2.84). Going forward Boozt will discontinue the reporting of site visits as the quality of site visit statistics are deteriorating as a consequence of increased regulation around cookies. Number of orders increased totalling 5,954,000 for 2022 (5,880,000).

The concern around the behaviour of the cohorts acquired during the COVID-19 pandemic has been muted. The numbers in 2022 tells us that the cohorts from 2020 and 2021 have

displayed similar buying patterns as our historic cohorts with true frequency on level with previous years at 5.8 (5.9). Our conclusion is that customers have increasingly adopted the benefits of shopping online and showed no signs of returning to old habits as societies have fully reopened.

Most importantly, we have succeeded in keeping our new and existing customers happy with the service and selection resulting in a high Net Promoter Score of 74 at the end of 2022 (79) along with a 4.4 star rating on Trustpilot (4.5). The Net Promoter Score declined compared to the historic high in 2021, but is still well above the historical average around 70.

Financials

Net revenue

Net revenue in 2022 increased 16.0% to SEK 6,743.4 million (5,813.8). Currency had a positive impact on net revenue growth for the year of around 3.9 percentage points and relates primarily to the strengthening of DKK, NOK and EUR to SEK compared to 2021.

The momentum for online shopping was negatively impacted by macroeconomic headwinds and the full reopening of societies with customers allocating more of their disposable income towards travel and leisure activities. The net revenue growth for Boozt was supported by a continued high investment in marketing along with the successful efforts to migrate customers from single category to multi-category customers.

Consumer sentiment and inflationary pressure impacted demand negatively during the year. On top, the industry was impacted by elevated inventory levels all in all leading to an increased promotional environment.



The continued execution of our Nordic Department Store strategy enabled us to accelerate market share gains despite the aforementioned challenges. The trend of customers putting more items in the basket continued during the year supporting a sustainable high average order value and at the same time return rates continued to be on par with last year.

The net revenue increase was supported by 13.6% growth for Boozt.com and 29.4% growth for Booztlet.com. Other revenue (included in net revenue) increased 51.1% compared to 2021, driven by increased marketing income from brand partners utilising Boozt Media Partnership as well as customers increasingly adopting BooztPay.

In 2022 the net revenue in the Nordics increased 16.5% and Rest of Europe increased 10.0%. The performance in the Nordics was mainly driven by a strong performance in Sweden and Finland. Rest of Europe was impacted positively by the recent expansion into the Baltics however offset by the rationalisation of marketing efforts in Germany. The most significant markets in terms of net revenue were Denmark and Sweden accounting for 34.0% and 33.7% of total net revenue respectively.

Gross profit
The gross profit increased 13.4% to SEK 2,666.8 million (2,351.6) during 2022. The gross margin decreased to 39.5% (40.4).

The gross margin was negatively impacted by increased promotional activity both in the industry and for the company. Continued pressure on consumers' disposable income and elevated inventories in the industry were the main drivers of the increased promotional activity. The superior unit economics of the Nordic Department Store allowed a high promotional pressure while delivering healthy profitability.

Adjusted EBIT
Adjusted EBIT decreased to SEK 285.6 million (342.5) for the year. The adjusted EBIT margin decreased with 1.7 percentage points to 4.2% (5.9) driven by the high promotional activity in the market during 2022 due to the mix of elevated inventory levels and inflationary pressure on consumers disposable income.

At the end of June 2022, the company reduced staff with approximately 5% corresponding to 75 employees. The initiative was carried out to ensure that the organisation and cost base reflected the more challenging environment and growth opportunities.

EBIT
EBIT decreased to SEK 253.1 million (264.5) for the year, while the EBIT margin decreased 0.7 percentage points to 3.8% (4.5).

Negatively impacting EBIT compared to adjusted EBIT in the year was a cost of SEK 32.5 million from share-based payments and non-recurring items that mainly relates to redundancy payments incurred from the staff reduction in June 2022.

Net working capital
The Group realised an improved net working capital of SEK -109.1 million (277.0) equivalent to -1.6% (4.8) of the net revenue. The improvement in net working capital was driven by an improved sell-through of the Spring/Summer and Autumn/Winter 2022 collections compared to 2021

Delivery of the Spring/Summer 2023 season started in November 2022 and is going according to plan and we are further supporting a strong stock position going into the first half of 2023 with increased campaign buys.

Cash flow
Cash flow for 2022 amounted to SEK 209.9 million (-149.0), driven by the strong sales development in the fourth quarter positively impacting net working capital.

Cash flow from operating activities amounted to SEK 805.3 million (241.8) in 2022.

The cash flow from investing activities amounted to SEK -715.2 million (-606.9). The negative cash flow is mainly originating from the significant investments to expand our automated fulfilment capacity (AutoStore) and the buy-out of the remaining 33.3% of the shares in Rosemunde.

The investments to expand capacity have been successful and will as a minimum support the growth for 2023 and 2024.

Cash flow from financing activities amounted to SEK 119.7 million (216.0) in 2022 impacted by the financing of the AutoStore expansions and higher repayments of subsequent loans.

Segments
Boozt.com
For 2022, net revenue increased 13.6% to SEK 5,610.4 million (4,938.2).

Growth in the Nordics amounted to 14.3% mainly driven by Finland and Sweden. Rest of Europe experienced a growth of 4.4% to SEK 358.8 million.

The continued execution of our Nordic Department Store strategy enabled us to accelerate market share gains despite the more challenging markets. The trend of customers putting more items in the basket materialised throughout the year, supporting a sustainable high average order value and at the same time return rates continued to be on par with 2021.

During the year our Beauty and Home category performed the strongest, but overall the growth was supported by a good performance across all categories.

For 2022, adjusted EBIT amounted to SEK 271.9 million (304.4). EBIT increased to SEK 243.4 million (236.5).

Booztlet.com
Net revenue increased 29.4% to SEK 1,133.0 million in 2022 (875.6).

Growth in the Nordics amounted to 29.2% mainly driven by Finland and Sweden. Rest of Europe experienced a growth of 31.3% to SEK 119.3 million.

Booztlet's growth opportunities were negatively impacted during the second half of 2022 due to high promotional activity both from online and offline players as a consequence of elevated inventory levels in the industry.

The market for a Nordic fashion outlet remains very attractive and the ambition for Booztlet is to continue the high growth trajectory. Booztlet is focusing on gaining access to relevant and enough campaign goods to support continued growth and exploit the potential extra demand from consumers for outlet business with disposable income under pressure.

For 2022 adjusted EBIT decreased to SEK 14.0 million (38.1). EBIT decreased to SEK 9.9 million (28.0).

The decrease in adjusted EBIT was driven by a lower gross margin as a consequence of the promotional environment and to manage the inventory risk for the Group.

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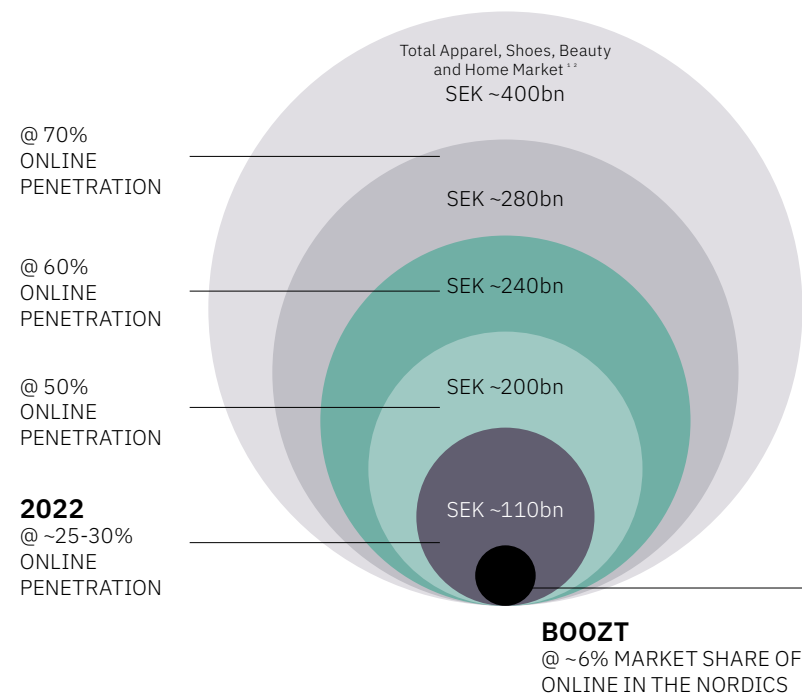


The industry and market

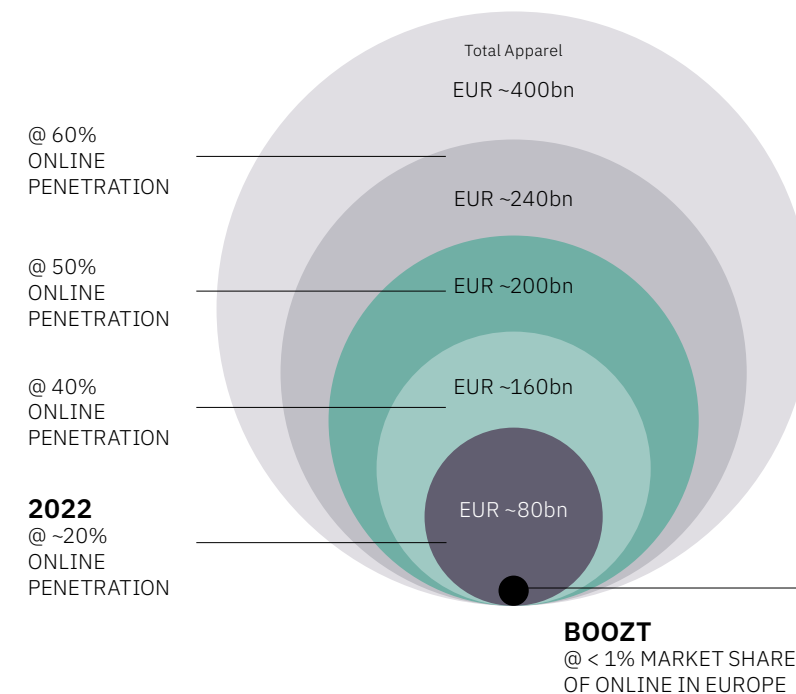
The overall market environment experienced a higher degree of unpredictability and volatility in 2022, where the market for online fashion and lifestyle products is estimated to be on level with the previous year. The year 2022 was impacted by market and geopolitical developments, such as significant inflationary pressures and the war in Ukraine, that triggered a demand shock and supply chain pressure. Further, the expected pickup in demand for fashion after societies gradually reopened did not materialise as inflation impacted consumers disposable income resulting in more muted spending. We estimate the total Nordic market for Apparel, Shoes, Beauty and Home to approximately SEK 400 billion with an online penetration between 25-30%.

The expansion into new categories has increased our addressable market overall and into categories where online penetration is less significant than the Fashion category. The Apparel and Beauty market has a higher online penetration at around 30% while the Sport and Home market are estimated to be below 20%. We observed a strong increase in demand for our Beauty and Home categories as both customer awareness and the assortment continue to improve. As online penetration still remains relatively low and the online industry remains fragmented, we see significant potential for a positive development of online penetration and a continuation of the accelerated market share gains achieved in 2022 for the Group.

LARGE NORDIC MARKET WITH STRONG ONLINE MOMENTUM



EUROPEAN FASHION MARKET WITH IMMENSE GROWTH POTENTIAL



1) Combined Sportswear market of Denmark, Norway and Sweden, i.e. equivalent estimates for Finland N/A

2) Homeware considered household textiles, e.g. furnishing fabrics and bed, table and bathroom linen as well as glassware, tableware and household utensils

Source: Company estimates, Euromonitor, Eurostat

Continuous momentum for the online market

Influenced by the COVID-19 pandemic that began in 2020, people are increasingly shifting their fashion and lifestyle shopping habits from traditional offline shopping to online shopping. The Nordic online market is estimated to be more or less in line with 2021 impacted by the backdrop in consumer spending as a consequence of the increased inflationary pressure on consumers disposable income. During the year, Boozt also expanded into new markets in Europe where the Group sees a significant potential and demand for Nordic fashion and lifestyle.

We expect to see a reacceleration in shift of shopping behaviour and expect the online market growth to return to the historically elevated pace, accelerating the structural growth towards online shopping in the core Nordic markets. Selection, convenience and price favours the larger online players and we expect the current pressure on consumers disposable income combined with inflationary pressure in the cost of running a business is likely to fuel migration to online shopping and a consolidation of the industry as a whole. The Nordic Department Store further boasts superior unit economics driven by an average order value that is around 80% higher than industry average providing further opportunities to gain accelerated market share in line with the achievement of 2022.

We want to maximise the value of the company when the online migration eventually matures, therefore, over the coming years, we will invest further to solidify best-in-industry customer experience to drive further market share gains and best-in-class growth rates by focusing on the local scale.

From the start, we have focused on the Nordic market and on building a strong Nordic household brand. The core customer group is typically men and women between the ages of 25-54 and are typically in a relationship and have kids. Our core customer group enables us to capitalise on the growing Nordic online market by maintaining our distinct market position as the leading Nordic Department Store focused on a curated fashion and lifestyle selection geared toward Nordic tastes.

DRIVERS OF THE ONLINE MARKET

Several factors drive the rapid migration from traditional shopping to online shopping, including availability, selection, transparency, and convenience.



AVAILABILITY:

Consumers have increased the time spent online in recent years. The online environment provides a convenient shopping experience available at any time without regard to the location of the customer or devices, including app, mobile and desktops.



SELECTION:

By utilising big data and algorithms to pinpoint customer behaviours, online retailers can provide customers with a focused and relevant offering, optimising the shopping experience. At the same time, brands are able to make their entire selections available in webstores, increasing the chance that the customer will find their desired product and size.



TRANSPARENCY:

Online retailers can deliver the value chain at a lower cost than offline retailers and these savings will ultimately go back to the consumers. Customers do not want to pay more than needed and with easy price comparisons, they know what the market price is.



CONVENIENCE:

The ability to order fashion and lifestyle items at any time and location, with a relevant selection of products offered, results in high levels of convenience for online shoppers. This is further enhanced by fast deliveries, easy returns, and secure payment solutions.

Vision and strategy

Our vision is to become the leading Nordic Department Store, offering the preferred destination for shopping Fashion, Kids, Sport, Beauty and Home online.

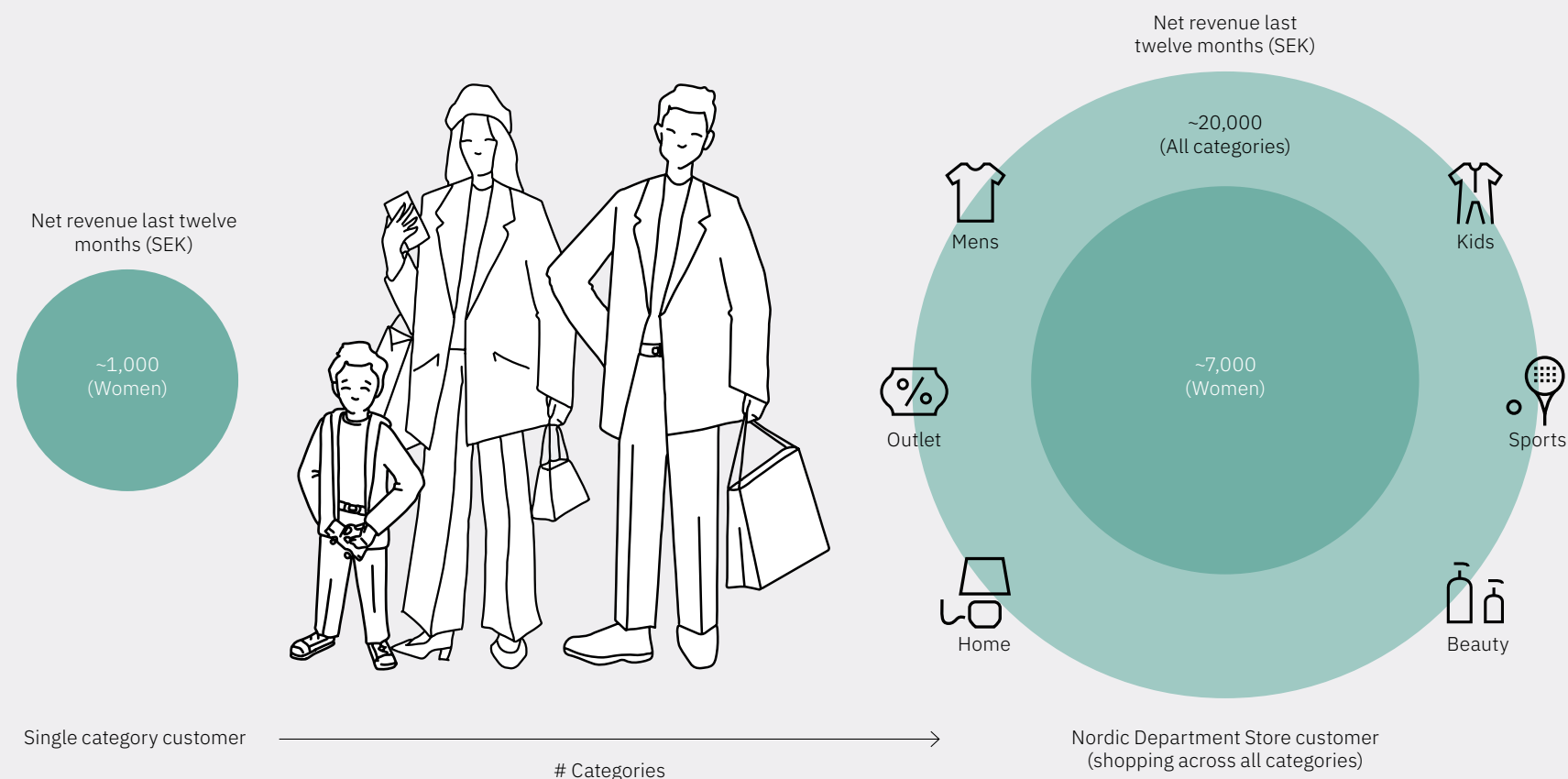
The Nordic Department Store

It has been our ambition from day one to build the leading Nordic Department Store by expanding from our initial offering of Men and Women's fashion into Kids, Sport, Beauty and Home. We have laid a strong foundation in our pursuit as the diversification of our business continues to develop, led by the strong growth in our categories.

The strengths of the curated Nordic department store model are many. Firstly, as we have expanded the offering in existing categories and launched new ones, our high average order value has developed positively and reached a new record high in 2022. In 2022, more than 45% of our orders contained items from two or more categories and the number of items per basket has been growing steadily over the years. Secondly, the diversification of our business has had a positive impact on the return rates which have significantly reduced over the last years, benefitting both profitability and reduction of our environmental footprint. Lastly, the model provides a clear market position and differentiates Boozt from the largest players in the industry.

Having established the relevant categories by expanding horizontally through our +10-year history, we will continue growing the assortment within the categories, buying more depth in styles and adding new brands to our portfolio. Our focus will be on making the different categories a destination in their own right, where customers can shop the most curated and comprehensive selection of Nordic fashion and lifestyle.

The Nordic Department Store gaining momentum with clear upside from upselling to our loyal customer base



Taking ownership of the full value chain

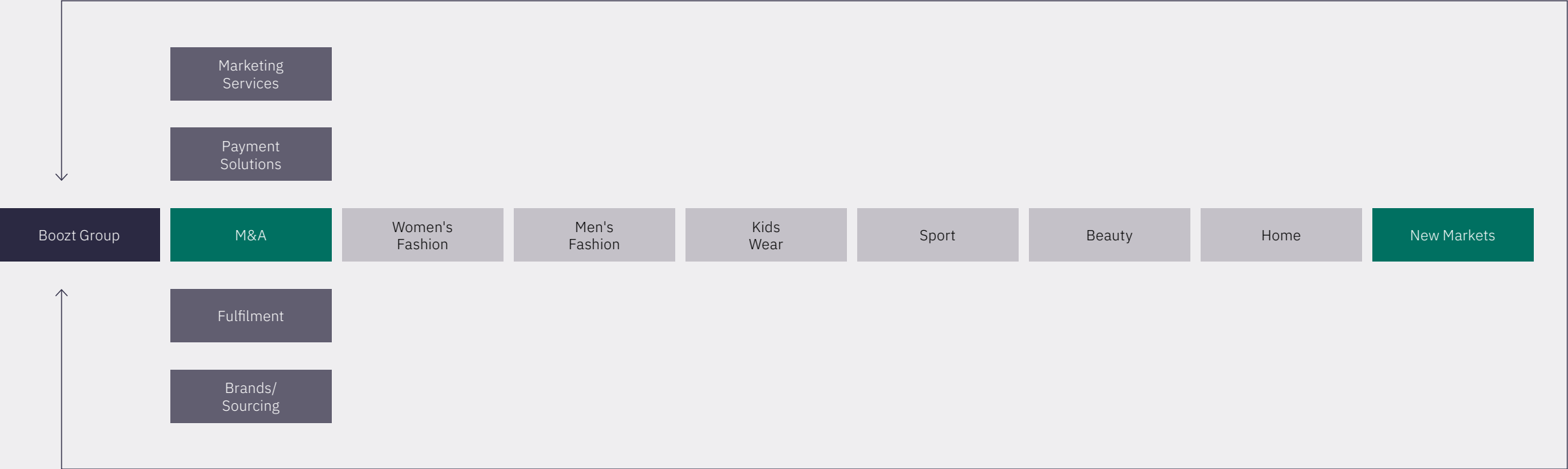
As our business has increased in scale, new opportunities have presented themselves. We have developed additional revenue streams based on our existing technology and data and more recently begun taking more ownership of our value chain by gaining control over our vital business operations.

The continued focus is on expanding existing categories and at the same time further developing complementary services for customers and partners to reach the full potential of the e-commerce ecosystem.

See illustration on the next page.



Horizontal and vertical expansion to take advantage of the full e-commerce ecosystem



Best customer experience through curation and convenience

We strive to offer Nordic consumers the best online shopping experience. We continue to differentiate ourselves by creating customer loyalty through a relevant Nordic offering based on analysis and data, as well as convenience through ease and speed across the shopping journey.

By knowing our core customers we can stay relevant and provide the best customer experience and best-in-class customer service. Key factors to give our customers the best service are convenience, fast delivery, and easy return options. We aim for a delivery time of 1-2 business days, offered to approximately 90% of our customers, ensuring a leading delivery proposition.

Likewise, returns must be convenient in order to satisfy our customers. A return label is automatically included with each order, and the bags that the items arrived in can be reused by customers for packaging returns, which we encourage since it is resource-efficient. The customer will then normally receive their return payment within days of sending the items back. As a testament to our efforts, customer satisfaction, which we measure on a daily basis through Net Promoter Score and Trustpilot, continues to be at industry-leading levels.

A relevant and personalised shopping experience

As we want to be the leading online department store in the Nordics, initiatives that improve customer experience are always of highest priority, and we strive to do this with speed and precision to provide a seamless shopping experience.

Most of our customers prefer to mix and match different products when they browse through our webstores. Therefore, we focus on developing our brand-mix to ensure we offer the brands our customers desire. Resulting from strong brand relations, Boozt offers a combination of local and international brands, established and new, that are relevant for our Nordic customer base.

To make the experience of shopping on our webstores more convenient, we constantly work on improving the personalisation options, such as search, sorting, filtering options, as well as the product descriptions and size recommendations, developed with the use of big data and machine learning. We provide options for the customer on how to personalise their shopping experience but in the end it is the customer who decides when and where to use it.

In 2023, we will be working to launch our first customer club concept to further drive engagement, personalisation and ultimately to develop our customer base into multi-category customers leading to a higher share of the customers wallet spend with Boozt.

Achieving local scale

We believe that growth and local scale are key success factors for e-commerce companies and that the long term winners will be the biggest players on the market, benefiting from economies of scale. By being strong in the individual market, you can harvest the local scale advantages in areas such as distribution, fulfilment, payment solutions, as well as marketing and media.



With our current order volumes, we are in a position where we have reached sufficient local scale to be able to offer fast delivery, easy returns, a curated and relevant selection geared towards the Nordic consumer, and gain local advantages with regard to marketing and media, as well as payment solutions. The scale also allows for attractive unit economics for returning customers, supported by customers' purchase frequency.

We also see the advantages of local anchoring when it comes to our fulfilment centre. The Boozt Fulfilment Centre (BFC) is located in Ängelholm, Sweden, where we handle both shipping and returns. Having our fulfilment operations located close to the customer and in only one location to avoid intra-company shipments is instrumental for a low environmental impact as well as guaranteeing fast and easy deliveries for our customers all in one shipment.

Continuous focus on the Nordics

With a clear ambition to significantly organically outgrow the Nordic online market, we continue to develop and innovate to stay relevant to our core customer group. This enables us to capitalise on the growing Nordic online fashion market by maintaining our distinct market position based on a curated fashion and lifestyle selection geared towards Nordic tastes.

We believe in expanding within our existing market position in the Nordic region, however, to continue accelerating growth we venture into other markets when and where it makes sense. In 2022, we successfully built on our expansion into new European markets with an increased focus on the Baltic region. We will continue to invest in both online- and offline marketing to increase our awareness with new customer groups and in the parts of the Nordics where there is lower awareness of Boozt, so as to further fulfil our ambition for Boozt to become a household brand in the Nordics.

Financial targets

Outlook 2023 and medium-term financial targets

The Group expects a net revenue growth for 2023 in the range of 5-15% and an adjusted EBIT between SEK 275-375 million. Due to the volatile and unpredictable markets, the outlook for 2023 is more uncertain than normally. As a consequence, the Group has decided to widen the range compared to previous years for both net revenue growth and adjusted EBIT.

Outlook for 2023	Outlook as of February 10, 2023	Reported 2022
Net revenue growth	Between 5-15%	16.0%
Adjusted EBIT	SEK 275-375 million	285.6

The Adjusted EBIT outlook for 2023 is positively impacted by a reassessment of the useful lives of selected parts of the Group’s fixed assets that mainly relates to the AutoStore installations. The reassessment is carried out to better reflect the actual useful life on a component level based on the experience obtained after operating our AutoStore setup for the past six years. In addition, we have performed a benchmark for companies operating similar setups. The conclusion based on our own experience in combination with the benchmark is that the AutoStore components have a longer useful life than what our assessment previously reflected. By extending the useful lives, the Group assesses a higher degree of comparability of EBIT towards industry peers. In conclusion, the positive impact on yearly depreciation on a like-for-like basis is in the level SEK 25 million, compared to 2022.

The priority is a continued high investment in growth as well as a further strengthening of the customer experience, while maintaining solid profitability driven by a sustainable high average order value and further cementing the position as the leading Nordic Department Store.

The outlook for 2023 assumes that the exchange rates will remain at the current level.

Market assumptions
The net revenue growth is supported by market share gains, continued online penetration and a stable or improving consumer confidence compared to the historic low of 2022.

Medium to long term financial targets
The Board of Directors expect to announce updated medium to long-term financial targets for the Group, in connection with the Capital Markets Day taking place on March 28, 2023. The new targets will replace the previously communicated medium-term financial targets through 2023.

The Group’s previous mid term financial targets for 2023

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 between 5-7% during the period

Forward-looking statements
The Group's financial targets set forth constitute forward-looking information that is subject to considerable uncertainty. The financial targets are based upon a number of assumptions relating to, among others, the development of the Group's industry, business, results of operations and financial condition. The Group's business, results of operations and financial condition, and the development of the industry and the macroeconomic environment in which the Company operates, may differ materially from, and be more negative than, those assumed by the Group's when preparing the financial targets set out above. As a result, the Group's ability to reach these financial targets is subject to uncertainties and contingencies, some of which are beyond its control, and no assurance can be given that the Company will be able to reach these targets or that the Group's financial condition or results of operations will not be materially different from these financial targets.



Capital structure and allocation

Capital structure

We aim to have a strong capital structure with good liquidity and financial flexibility, allowing continued freedom of action for growth and investments.

Capital allocation policy

Our free cash flow allocation prioritisation is unchanged:

1. Reinvest for organic growth and market share gains
2. Bolt-on acquisitions
3. Excess cash to shareholders





Business model

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Our e-commerce ecosystem

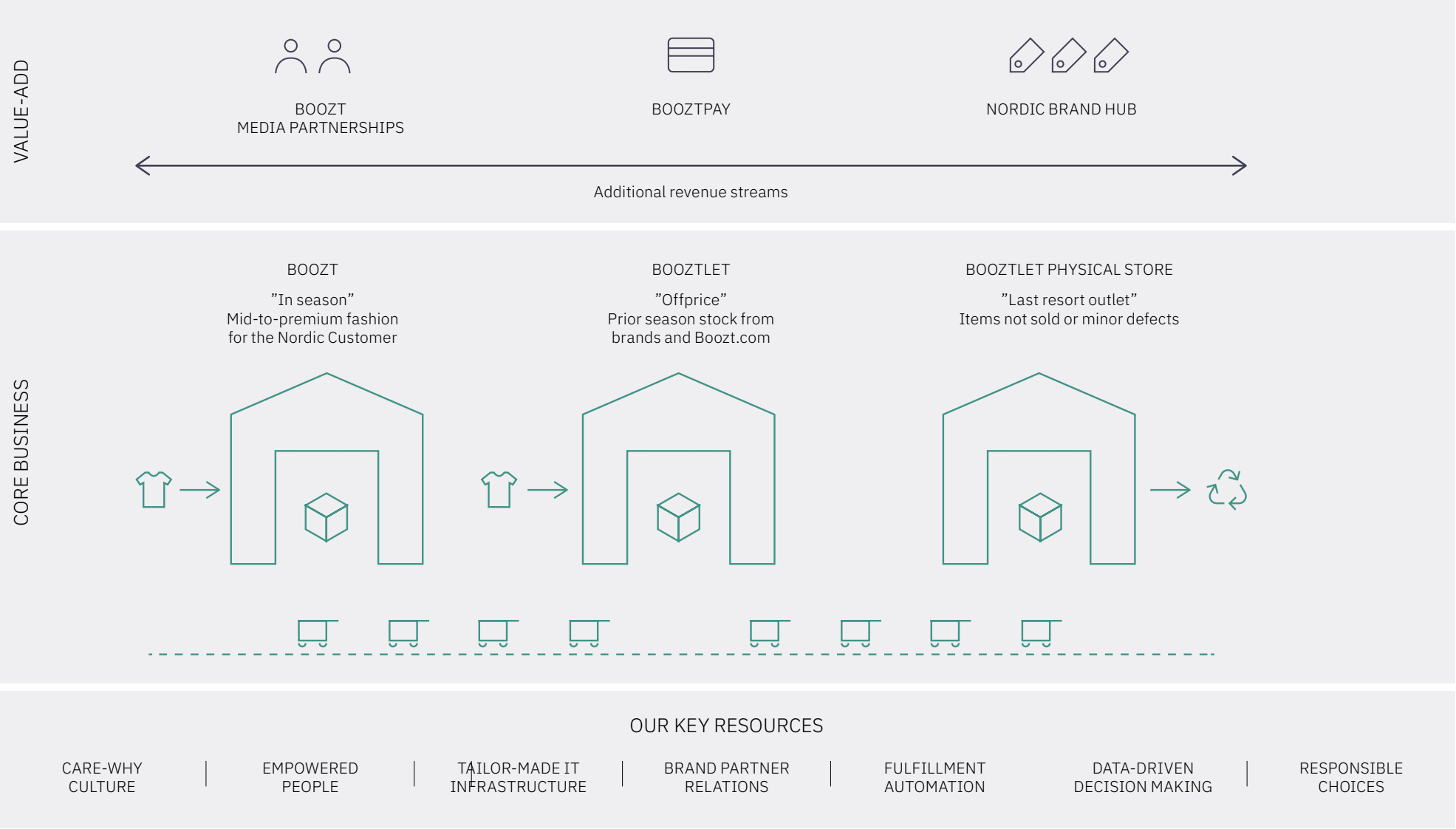
Core business

We are a Nordic technology company selling fashion and lifestyle online. Boozt Group operates with two main segments, Boozt.com and Booztlet.com, offering our customers a curated and contemporary selection of brands, relevant to a variety of lifestyles for the Nordic customer.

The two core segments are enhanced by the physical retail stores, Beauty by Boozt and Booztlet retail outlet.

Since we want to make sure that all our products ultimately end up with our customers, which will prolong the lifespan of the item and minimise waste, our segments are connected through our value chain. We take responsibility for the direct impact of our value chain by extending a product's life cycle across all of our platforms. In practice, this means that what we cannot sell online on Boozt.com and Booztlet.com ends up in our physical store.

The technological infrastructure of the company is developed and built in-house, allowing for full control of the customer experience and scalability as the business continues to grow. This enables us to offer a convenient shopping experience with high service levels, consistent user experiences across both mobile devices and desktop, quick deliveries and easy returns.



Boozt.com
The webstore Boozt.com is our online destination for Fashion, Kids, Sport, Beauty and Home, tailored to deliver convenience and a curated selection of about 1,300 brands. To support the convenient online shopping experience, Boozt.com offers free and fast deliveries, free and easy returns and customer support. Boozt.com targets the mid-to-premium segment of the Nordic market and has a strong focus on building the premium brand equity to offer our brand partners a platform where they can build brand equity towards the Nordic consumer.

Our Boozt.com segment also consists of the physical retail store, Beauty by Boozt, located in Malmö, Sweden. The Beauty by Boozt store serves the purpose of strengthening the relationship with the beauty brands helping build a strong offering online on Boozt.com.

Booztlet.com
Booztlet.com was launched in 2015 and started as the Group’s channel for inventory clearance, retailing items that did not sell within an allotted time frame, but was established as a separate business unit within the Group in 2021, expanding the selection to include its own inventory. Booztlet.com is focusing on the price-conscious consumers shopping at lower price points and the bargain hunting segment. Customers are charged for deliveries and returns in exchange for attractive discounts, thus covering the associated operational costs.

Booztlet.com serves as a hedge in periods of economic uncertainty where customers on average buy less, as well as ensures responsible handling of unsold items from Boozt.com.

Value-add
Boozt Media Partnership
With Boozt Media Partnership we are making big data actionable, offering advanced advertising solutions for our brands to reach, engage and convert both existing customers and new target groups. Since we are a true online-first player, Boozt has in-depth knowledge from analysing and predicting consumer behaviour in addition to strong tech capabilities, which are put to good use

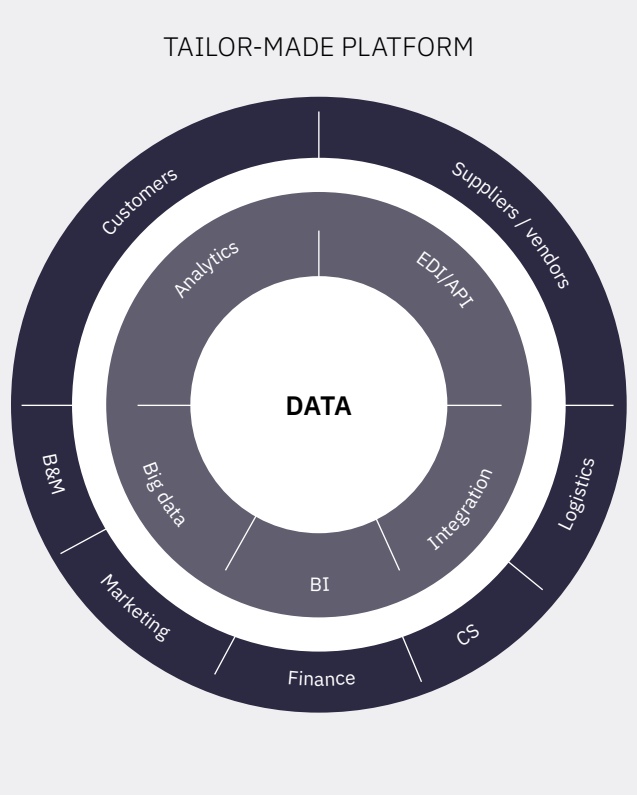
for our brands, delivering successful campaigns and product launches through Boozt Media Partnership strengthening our brand partners’ position in the market.

BooztPay
During the first part of 2021, BooztPay was launched on Boozt.com after a successful trial on Booztlet.com. BooztPay offers our customers post-purchase payment options providing customers with the choice of buy-now-pay-later or paying by invoice across the Boozt online universe. The customer facing application is developed in-house by Boozt while the credit risk and credit check is provided by a third-party financial institution.

Nordic Brand Hub
In 2021, we laid the foundation for our Nordic Brand Hub, which will leverage Boozt’s data and core competencies to add value to attractively positioned brands. At the core of Nordic Brand Hub is Danish brand Rosemund, from whom Boozt acquired the remaining 33.7% shares in the beginning of 2022 to take full ownership. Today, Nordic Brand Hub consists of the two acquired brands Rosemund and Svea as well as a own developed brand Enkel Studio that launches with a Spring/Summer 2023 collection that is sold on Boozt and other retailers. These brands constitute the foundation of Nordic Brand Hub and our strategy to improve established Nordic brands’ growth and earnings, and at the same time gain valuable skills and know-how within sourcing and production of fashion and lifestyle items.

Key resources
Own-built tech platform
We have built one of the most advanced e-commerce platforms in the Nordics using cutting-edge web technologies and infrastructure components. This purpose-built infrastructure is the core of our business and enables full control over the customer experience and ensures world-class performance, scalability, and security.

We also strive to use technology as a tool for more efficient operations. Our operations are built on the Boozt integrated technology platform called the “Solar System”, and is used by all



of our business functions, making us less dependent on external factors. Our platform ensures full control of performance and stability, as well as keeps us one step ahead of the competition on business-critical processes.

In 2021, we invested in strengthening our in-house technology capabilities through the acquisition of long-standing technology partner Estina. The team of 30 developers brought extensive knowledge of scalable web technologies, e-commerce development and system operations that will play an important role in further developing complementary services for our customers and partners. During 2022 the tech-hub in Lithuania continued to grow in importance and the team now consists of around 50 developers.

Efficient and automated fulfilment operations
The Boozt Fulfilment Centre (BFC) is located in Ängelholm, Sweden, a one hour’s drive north of the headquarters in Malmö. A central location in the Nordics with fast access to the entire Nordic region. The fulfilment centre 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. In 2022, we added more than 500,000 bins and approx. 500 robots to our automation, effectively increasing our capacity by more than 50%. With AutoStore, we have been able to create a more cost efficient picking process while also improving time-to-market. The fulfilment centre is also home to our photo studio with automated photo ramps for photographing new products before they become available on the webstores.

All business-critical packing and return operations are fully insourced, making it possible to keep delivering packages to customers with high speed and quality.

LARGEST AUTOSTORE INSTALLATION WORLDWIDE

~1,200,000 bins

~1,200 robots

+15,000 items per hour in handling capacity during peaks

Strong brand partnerships
As customer demand shifted online, brands and retailers accelerated their shift to online as well. By choosing to work with Boozt, brand partners gain access to a digital platform that connects them with a highly attractive customer segment on the Nordic market via a single, reputable partner. We categorise our brand partners into three categories: premium brands, mid-market brands, and entry brands, where we mainly focus on mid-market and premium brands representing more than 90% of our selection.



People and culture

An organisation is only as great as the people that work within it. The success of Boozt is a product of our talented, hardworking employees and the array of skills and knowledge that they bring to the table. With more than 60 nationalities, we acknowledge our differences but still share the same goals. We believe that a core strength of our company is the diversity of backgrounds.

We believe in giving our people the opportunity for personal career development by developing themselves professionally within the company, and we encourage individuals to apply for internal positions to evolve and challenge themselves. We strive to create a work environment that provides opportunities for our employees' continuous development and satisfaction to amplify our business and sustainability goals, as well as feel empowered to make a difference.

Our culture and values

Central to Boozt's company culture is the Care-Why mindset, which lays the foundation for everything that we do. It is a mindset that is not only about knowing, but also about caring. Encouraging employees to be curious about why things are the way they are, and choosing to act. It is about taking care of and going the extra mile for our customers, the company, and each other, simply because it is the responsible thing to do.

Fundamental to our culture and the Care-Why mindset are the Boozt Values that we measure ourselves against in our daily work; Trust, Freedom, and Responsibility. Together, these values guide us in a joint direction to ensure that we act as one strong team through our growth journey.

Trust is based on mutual respect, confidence and sharing the same goals. It is about making everyone stronger by relying on each other, as well as feeling secure, which enables us to unfold our creativity and competencies.

Freedom is seen as a necessity for success. It makes it possible for people to solve their daily tasks in their own unique way, as long as we act in Boozt's best interest, as well as encourages initiative, leadership, and new ways of thinking.

Responsibility is the foundation of each task and behaviour, and it applies to both our customers and colleagues. It entails that we can achieve the kind of freedom to which we aspire in our daily lives. More information and metrics about Boozt employees are available under the section 'Employees' on page 62 and the 'ESG Data Summary' on pages 71-74.

Corporate responsibility

We are dedicated to delivering a great shopping experience to our customers as the Nordic Department Store. In this pursuit, sustainability is a crucial building block for our long-term business success, ensuring that we meet the needs of our stakeholders. Our aspiration is that our actions will always reflect our desire to do good. With the help of a clear vision and strategy, we intend to amplify our efforts and share best practices that can influence a more sustainable industry.

As our business evolves so does our role in the supply chain. New technology and tools help us better collect and trace data, stronger partnerships create opportunities to innovate, and new business areas mean we can have an indirect impact on a wider supply chain. At the same time, external factors play a huge role in shaping the supply chain and constantly present new challenges. Ensuring that we keep making responsible decisions throughout our business requires that we stay agile and continue to have an open dialogue with our partners, our customers and the industry.



Our vision and strategy

Our vision is to use our local Nordic position and our technology platforms to make sustainable choices easy for our customers and our partners. By taking responsibility for our direct and indirect footprint on the value chain, and empowering people to act consciously, we strive to build a more sustainable future for fashion.

To help guide us on our journey, we have concentrated our sustainability efforts around what we call our Care-For strategy. The strategy is anchored in the Boozt Care-Why culture and means going beyond just knowing. We care why things are the way they are, care for the change we want to see and choose to act. This mindset is also what enables us to lead the progress towards a more responsible industry and drives us to use the influence we have as a leading player in the market, to push for more sustainable solutions.

Boozt Group operates with two main segments, Boozt.com and Booztlet.com, offering our customers a curated and contemporary selection of brands, relevant to a variety of lifestyles for the Nordic customer. This is where we have a direct impact on our footprint and can ensure that we are running a responsible and efficient business. In addition to the two main segments, there are the physical retail stores, Beauty by Boozt and Booztlet retail outlet. Since we want to make sure that all our products ultimately end up with our customers, which will prolong the lifespan of the item and minimise waste, our segments are connected through our value chain. We take responsibility for the direct impact of our value chain by extending a product's life cycle across all of our platforms. In practice, this means that what we cannot sell online on Boozt.com and Booztlet.com ends up in our physical store. We also partner with brands to support their inventory clearance which we purchase at discounted prices. This enables our brands to use our platforms as a responsible alternative for handling excess inventory.

Change towards sustainable practices requires partnership across multiple domains which translates into our responsibility vision introduced above. In the graph, we have visualised our position in the value chain as a reseller to better represent our responsibility vision. By taking responsibility for our direct footprint first we are able to strive towards leading responsible practices. Through our operations, we are able to engage with brand partners and multi-stakeholder organisations that are leading the change in the fashion sector. The knowledge gained from our collaboration helps us seize the opportunities of our business model. Our local fulfilment centre also plays a key role in achieving our ambitions. We are powered by renewable energy, implement responsible packaging solutions and handle all orders and returns locally ensuring low CO₂e intensity per parcel.



Care-For Strategy

The company's Care-For strategy is our roadmap to becoming the leading responsible e-commerce company in the Nordics. We have updated our Care-For strategy and goals to ensure they align with the strategic direction of the business and take into account external societal events.

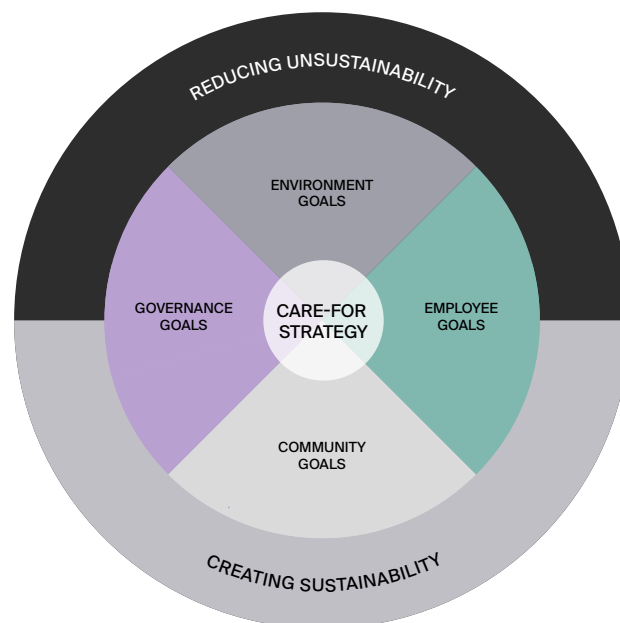
Caring for the change we want to see in the industry, we recognise that we are in a position to go beyond and set even higher standards for responsible practices. Achieving this means working towards actionable goals that will keep us on track to reaching our vision. The goals are reviewed annually to ensure they remain aligned with the strategic direction of the business and take into account external societal events. This year's updates to the Care-For strategy are presented in the following section and in the statutory sustainability report on pages 54-85.

In conjunction with the revised strategy we have updated the progress and reviewed the targets set in 2019, integrating them into the new goal areas and targets presented in this report. The review and progress of the past goals are presented in the [Interim Financial Report Q4 2022](#). The updated targets can be found in the section 'Care-For strategy and material topics' on pages 56-57.

Our dimensions

At the core of our revised Care-For strategy, we aim at highlighting the difference in business approaches to sustainability between reducing unsustainability and creating sustainability. While reducing unsustainability refers to what can be measurable and incrementally reduced, creating sustainability links back to more aspirational means of change. By working with both aspects, Boozt aims at interacting with society at large. As an e-commerce company, Boozt acknowledges how technology drives modern society, and also understands the Group's role in using technology as an enabler for best practices.

To visualise our efforts across the relevant areas in alignment with our commitment to the B Corp movement we have developed the Care-For universe. Our efforts are focused on four dimensions: Environment, Employees, Community and Governance. Within each dimension, we have our set goal areas and relevant targets as a result of our materiality assessment to support our journey as described below.



Our goal areas

REDUCING GREENHOUSE GAS EMISSIONS

MINIMISING WASTE

DRIVING RESPONSIBLE PRODUCTION

PROMOTING EQUALITY

ENGAGING & HEALTHY WORK ENVIRONMENT

SHAPING EMPLOYEE DEVELOPMENT

EMPOWERING CUSTOMERS

By requesting and displaying more information about our products to help customers make informed decisions according to their values.

ENGAGING SUPPLIERS

By sharing industry best practices we support our suppliers in their transitions to new and more responsible practices.

INVOLVING COMMUNITIES.

By identifying opportunities to support our local communities in meaningful ways across the Nordic region and beyond.

ACCELERATING TRANSPARENCY

By disclosing ESG data according to legal requirements, and engaging with external ratings to ensure our stakeholders have regular access to information about our progress.

MITIGATING RISKS

By ensuring regulatory compliance and assessing the social, environmental and financial risks of our operations and supply chain.

INTEGRATING SUSTAINABILITY

By integrating sustainability into business decision-making and sharing knowledge that supports creating environmental and social value, we can ensure business resilience.

B Corp Journey

Our goal is to become B Corp certified. This means joining a global community of companies across industries focused on using their business as a force for good, balancing profit and purpose. It is the only certification that measures the entire social and environmental performance of a company and includes having to meet requirements in three areas; verified social and environmental performance, legal accountability and public transparency.

To become a certified B Corporation, it is necessary to achieve a verified score of 80 points or above on the B Impact Assessment (BIA), the tool that measures the company's overall impact on its workers, community, customers and the environment. Certification is a highly selective status. Companies must document their positive impact to qualify and undergo verification every three years to maintain their certification issued by the nonprofit organisation B Lab.

The self-assessment that is carried out using the BIA measures progress across four areas; Environmental Management, Workers, Community and Governance. Due to business growth and changes in the organisational structure and complexity, we will not meet the target by the expected date. We continuously work towards integrating the B Corp values into our Care-For strategy and across our four dimensions; Environment, Employees, Community and Governance. We continue to support the B Corp movement by promoting our B Corp-certified brand partners in our Made With Care category.



Year in review

Q1

ENVIRONMENTAL

- Committed to setting near- and long-term company-wide emission reductions in line with science-based net-zero with the Science Based Targets initiative (SBTi).

SOCIAL

- Increased communication of our Made With Care category as a response to growing consumer interest leading to a higher share of Made With Care orders.
- Development of Made With Care criteria for Footwear and Home
- Boozt together with About You, and Zalando, have joined efforts in the Higg BRM Collective Action to support their SAC and non-SAC brand partners in completing the Higg Brand and Retail Module (BRM).

GOVERNANCE

- First quarterly disclosure of ESG-related KPIs.

Q2

ENVIRONMENTAL

- Submission of the extended version of the Climate Change Questionnaire of CDP (Carbon Disclosure Project)
- Boozt contributed to the 7-Step Guide to Driving Climate Action in Value Chains published by LFCA (Leaders for Climate Action). The guide can be found [here](#).

SOCIAL

- Completed the Higg Brand and Retail Module 2021 (BRM). We have onboarded and received modules from our brand partners representing 43% of our business volume across our apparel and footwear segment.
- Launch of internal Sustainability training.

GOVERNANCE

- Internal procedures and policies have been updated as part of the annual review process.
- We continue our work with integrating sustainability across the organisation by gaining feedback through a conducted employee survey.

Q3

ENVIRONMENTAL

- Evaluating Circular Packaging opportunities and challenges in collaboration with a local packaging supplier.
- Gap Analysis of Climate Accounting to evaluate current methodology against standards and best practices.

SOCIAL

- As a result of the SAC Joint Effort we conducted a risk assessment based on the Higg Brand and Retail Module (BRM) results to help identify critical risks across the extended supply chain.
- Launch of Inspired with Boozt, an internal initiative aimed at strengthening employee engagement by promoting and enabling cross-department knowledge sharing and collaboration.

GOVERNANCE

- ESG Ratings: Upgraded MSCI rating from A to AA and submission of 2021 data to Nasdaq ESG Portal.
- Conducted a limited pre-assurance of our Sustainability Report, in preparation for the Corporate Sustainability Reporting Directive (CSRD).
- Conducted investors survey with a double materiality approach as part of our materiality assessment process.

Q4

ENVIRONMENTAL

- In Q4 2022, parcel emissions data covered 99% of the total order volume. The full-year CO₂e intensity for all markets is 0.49 Kg CO₂e per parcel while our local and optimised delivery patterns and fossil-free delivery options have allowed us to maintain a low 0.29 kg CO₂e per parcel in our Nordic delivery countries
- CDP Climate Change Score 2022: Boozt received a B score. According to CDP, companies that score a B have addressed the environmental impacts of their business and ensured good environmental management. Read more about the CDP score [here](#).

SOCIAL

- Launch of a dedicated Sustainability Partner Portal to support our suppliers with relevant sustainability information and requirements for campaigns in collaboration with Boozt Media Partnership.
- Update of the yearly Boozt Supplier Survey to include Environmental and Social sections.

GOVERNANCE

- Boozt scored 25 (out of 100) in the 2022 S&P Global Corporate Sustainability Assessment. While we aim to increase this score in the future, we have already improved from a score of 12 in 2019 and a score of 20 in 2021. The average score within the industry group of retailing is 18. The S&P Global Corporate Sustainability Assessment (CSA) is a leading sustainability assessment that reviews the ESG practices of more than 11,000 companies globally.

Director's report

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Operations in the parent company are exercised by owning and managing its subsidiaries Boozt Fashion AB and Nordic Brand Hub Holding A/S. During 2022, the main activities of the Group were conducted in Boozt Fashion AB who runs the webstores Boozt.com and Booztlet.com, which are among the leading players in the Nordic e-commerce market for Fashion, Kids, Sport, Beauty and Home. During 2022, the parent company acquired the remaining shares in Danish fashion brand Rosemund through Everyday Luxury Feeling A/S, the Swedish brand Svea and additional 12.5% of the shares in Dropp ehf. increasing the total ownership to 25%.

The Board of Directors and the Group CEO of Boozt AB (publ), Corporate ID no. 556793-5183, registered in Sweden and with its head office in Malmö, hereby present their Annual Report for the financial year of 2022.

Further information on the business

Boozt is a Nordic Department Store selling curated Fashion, Kids, Sport, Beauty and Home online via its own-developed and tailor-made infrastructure. The Group offers its customers a curated and contemporary selection of products relevant to a variety of lifestyles on the multi-brand webstores Boozt.com and Booztlet.com. The Group had over 3 million active customers as per December 31, 2022 because of a convenient shopping experience with high service levels 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) of 74 (79) and a Trustpilot Score of 4.4 (4.5). 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.

Boozt targets Nordic fashion followers, primarily consumers aged 25-54, that value convenience and a relevant offer in their customer experience and which tend to generate a high average order value.

Boozt operates a tailor-made, integrated technology platform that enables the Group to manage the customer experience and to accommodate further growth. Fulfilment is executed through the automated fulfilment centre which is strategically located in Ängelholm, Sweden consisting of 88,000 m2 warehousing. The fulfilment centre consists of three fully built independent Auto-Store cubes housing 1,200,000 bins, 1,200 picking robots and handling capacity exceeding 15,000 items per hour during peaks that enables next-day delivery to 90% of the Nordic region.

Boozt has a strong track-record of growth, mainly driven by the fast evolution of Boozt.com and Booztlet.com's hypergrowth since the inception in 2015. The fast growth is primarily attributable to Boozt's strong online market position and its competitive customer offering, which has enabled Boozt to attract new customers and increase the number of orders from returning customers.

Boozt was founded in 2007 to conduct outsourced online mono-brand operations for fashion brands. The Group, in its current state, has been in operation since 2011 with the launch of Boozt.com as a multi-brand webstore on an in-house purpose-built platform. In the following years, significant investments have been made to support growth and increase the number of customers. In 2016, the Company launched Booztlet.com and the webstore's strategy is to become the leading online offprice player in the Nordics. To efficiently address the growing Nordic online market opportunity and the target customer groups, the Group continuously invests in future growth through its focus on relevant marketing.

On May 31, 2017, the shares of Boozt AB (publ) was listed on Nasdaq Stockholm (Mid cap). The listing of the Company's shares has given the Group access to the capital markets and has enabled the establishment of a diversified base of Nordic and international shareholders. The listing was an important milestone for the Group in the journey of becoming the primary e-commerce fashion retailer in the Nordic region.

On November 20, 2020 the Boozt share was dual listed on Nasdaq Copenhagen (Mid cap). The dual listing was the next step in the journey and has further established the Group's position as an Øresund company. Further, the dual listing was made to support future growth, provide the Group with improved access to capital markets and establish an even more diversified shareholder base of new Danish and international shareholders. The dual listing has also broadened the awareness among the Group's customers and suppliers. From 2022, the Boozt share is traded on Nasdaq Large Cap.

In 2022, the Group purchased the remaining 33.3% of the shares of Everyday Luxury Feeling A/S to take full ownership of the company. By taking full ownership, Boozt expects to accelerate the positive development of Rosemund and to further develop the Brand Hub organisation to drive a successful expansion of acquired brands like Svea.



Operations in the Group are divided into two operating segments, Boozt.com and Booztlet.com. The Boozt.com segment includes operations related to the Boozt.com webstore, Rosemunde and the Beauty by Boozt physical store. Segment Booztlet.com includes operations on the Booztlet.com webstore, which is the Group’s online outlet and the Group’s physical outlet store.

Boozt AB (publ)'s accounts are reported in Swedish kronor as Swedish kronor is the company's functional currency.

The report has been prepared in SEK million, why there may be rounding differences in the totals.

Financial year of 2022
COMMENTS ON THE CONSOLIDATED INCOME STATEMENT
NET REVENUE
Net revenue in 2022 increased 16.0% to SEK 6,743.4 million (5,813.8). Currency had a positive impact on net revenue growth for the year of around 3.9 percentage points and relates primarily to the strengthening of DKK, NOK and EUR to SEK compared to 2021.

The momentum for online shopping was negatively impacted by macroeconomic headwinds and the full reopening of societies with customers allocating more of their disposable income towards travel and leisure activities. The net revenue growth for Boozt was supported by a continued high investment in marketing and the successful efforts to migrate customers from single category to multi-category customers.

Consumer sentiment and inflationary pressure impacted demand negatively during the year. On top, the industry was impacted by elevated inventory levels all in all leading to an increased promotional environment.

The continued execution of our Nordic Department Store strategy enabled us to accelerate market share gains despite the aforementioned challenges. The trend of customers putting more items in the basket continued during the year supporting a sustainable high average order value and at the same time return rates continued to be on par with last year.

The net revenue increase was supported by 13.6% growth for Boozt.com and 29.4% growth for Booztlet.com. Other revenue (included in net revenue) increased 51.1% compared to 2021, driven by increased marketing income from brand partners utilising Boozt Media Partnership as well as customers increasingly adopting BooztPay.

In 2022 the net revenue in the Nordics increased 16.5% and Rest of Europe increased 10.0%. The performance in the Nordics was mainly driven by a strong performance in Sweden and Finland. Rest of Europe was impacted positively by the recent expansion into the Baltics however offset by the rationalisation of marketing efforts in Germany. The most significant markets in terms of net revenue were Denmark and Sweden accounting for 34.0% and 33.7% of total net revenue respectively.

GROSS PROFIT AND EBIT
The gross profit increased 13.4% to SEK 2,666.8 million (2,351.6) during 2022. The gross margin decreased to 39.5% (40.4). The gross margin was negatively impacted by increased promotional activity both in the industry and for the company. Continued pressure on consumers' disposable income and elevated inventories in the industry were the main drivers of the increased promotional activity. The superior unit economics of the Nordic Department Store allowed a high promotional pressure while delivering healthy profitability.

EBIT decreased to SEK 253.1 million (264.5) for the year. The EBIT margin decreased with 0.7 percentage points to 3.8% (4.5) driven by the high promotional activity in the market during 2022, impacting gross margin negatively.

At the end of June 2022, the company reduced staff with approximately 5% corresponding to 75 employees. The initiative was carried out to ensure that the organisation and cost base reflected the more challenging environment and growth opportunities.

ITEMS AFFECTING COMPARABILITY
Items affecting comparability amounted to SEK 32.5 million (78.0) for 2022. During 2022, the Group has recognised costs

for share-based payments attributable to the Group’s long-term incentive programs of SEK 17.4 million (78.0) and an adjustment of SEK 15.1 million for non-recurring items mainly related to the right-sizing of the organisation end of June 2022 to reflect the business environment at the time as well as growth opportunities that affects comparability.

Adjusted for items affecting comparability, the adjusted EBIT came to SEK 285.6 million (342.5). The adjusted EBIT margin decreased with 1.7 percentage points to 4.2% (5.9) driven by the high promotional activity in the market during 2022 due to the mix of elevated inventory levels and inflationary pressure on consumers disposable income.

FINANCIAL ITEMS
The Group's net financial items amounted to SEK -17.0 million (-19.5) for the financial year 2022. The financial costs were driven by interest on new loans for financing of the expansion of AutoStore at the fulfilment centre and recent interest rate hikes, however, offset by the positive interest on our cash position.

TAX
Tax cost amounted to SEK -50.0 million (-49.8) and the effective tax rate for 2022 was 21.2% (20.3).

NET PROFIT
The net result for 2022 totalled SEK 186.1 million (195.2). Earnings per share before dilution amounted to SEK 2.76 (2.87). Earnings per share after dilution amounted to SEK 2.73 (2.81).

COMMENTS ON THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION
Working capital
The Group realised a net working capital of SEK -109.1 million (277.0) equivalent to -1.6% (4.8) of the net revenue for the last twelve months. The inventory position developed positively during the quarter and the Spring/Summer and Autumn/Winter 2022 sell-through improved compared to 2021.

NET DEBT
The Group realized a net debt/net cash (-) of -668.4 (-602.9). The increased net cash position was positively impacted by a positive free cash flow for the year, partly offset by the acquisition of Rosemunde and increased loans to finance the AutoStore expansion at the fulfilment centre.

NON-CURRENT ASSETS
Non-current assets increased to SEK 1,992.1 million (1,484.2). The increase compared to last year was mainly driven by AutoStore expansions at the fulfilment centre, which has effectively increased our capacity by more than 40%.

Equity
Equity attributable to the shareholders of the parent company increased to SEK 2,502.6 million (2,176.5). The change was driven by net profit and share-based payments, recognised within equity.

COMMENTS ON THE CONSOLIDATED STATEMENT OF CASH FLOW
Cash flow from operating activities amounted to SEK 805.3 million (244.2) for the full year of 2022. The acceleration in sales during the fourth quarter resulted in an improved sell through of the Spring/Summer and Autumn/Winter seasons 2022 contributed positively to changes in working capital.

Cash flow from investing activities amounted to SEK -715.2 million (-609.4). The negative cash flow is mainly driven by the AutoStore investments and the buy-out of the remaining 33.3% of the shares in Rosemunde.

Cash flow from financing activities for 2022 amounted to SEK 119.7 million (216.0). 2022 was impacted by the financing of the latest AutoStore expansion and higher repayments of subsequent loans.

Cash flow for the full year of 2022 amounted to SEK 209.9 million (-149.0).

MULTI-YEAR SUMMARY

	2022	2021	2020	2019	2018
Net revenue	6,743.4	5,813.8	4,359.3	3,424.9	2,784.0
Net revenue growth	16.0%	33.4%	27.3%	23.0%	38.1%
Gross profit	2,666.8	2,351.6	1,769.4	1,361.0	1,113.1
Gross margin	39.5%	40.4%	40.6%	39.7%	40.0%
EBIT	253.1	264.5	182.3	91.8	68.1
Adjusted EBIT*	285.6	342.5	290.3	109.0	63.2
EBIT margin	3.8%	4.5%	4.2%	2.7%	2.4%
Adjusted EBIT margin*	4.2%	5.9%	6.7%	3.2%	2.3%
Earnings for the year	186.1	195.2	132.8	54.8	42.6
Net working capital*	-109.1	277.0	73.8	435.3	314.6
Net working capital in percent of net revenue*	-1.6%	4.8%	1.7%	12.7%	11.3%
Net debt/Net cash (-)*	-668.4	-602.9	-1,006.2	295.6	-257.9
Equity/Asset ratio*	41.8%	45.4%	47.3%	37.9%	47.5%
Cash flow from operating activities	805.3	244.2	747.3	76.5	-13.8
Cash flow from investments	-715.2	-609.4	-150.8	-171.3	-91.9
Free cash flow*	90.2	-365.2	596.5	-94.8	-105.7
Cash flow for the year	209.9	-149.0	1,376.0	-28.8	-61.2
Average number of employees	1,253.0	1,049.0	375.0	337.0	250.0

*The figure is an Alternative Performance Measure (APM) and is described in definition and reconciled on pages 126-127.

Significant events during the financial year 2022

TRANSFER TO LARGE CAP

From January 3, 2022, Boozt AB (publ) is a part of the Nasdaq Large Cap segment for companies with a market value above EUR 1 billion. The Boozt share was previously traded on Nasdaq Mid Cap.

ACQUISITION OF THE REMAINING SHARES IN ROSEMUDE

Boozt has as of January 24, 2022 acquired the remaining 33.3% of the shares of Everyday Luxury Feeling A/S to take full ownership of the company. Everyday Luxury Feeling A/S was renamed to Nordic Brand Hub Holding A/S on February 4, 2022. By taking full ownership, Boozt expects to accelerate the positive development of Rosemundede and to further develop the BrandHub organisation to drive a successful expansion of acquired brands like Svea. The transaction was made at a total enterprise value of DKK 275 million on a cash and debt free basis for 100% of the shares and has been financed through own cash.

CHANGES IN GROUP MANAGEMENT

On February 28, 2022 it was announced that Lars Lindgaard had decided to step down as Chief Supply Chain Officer for the Group. He has been succeeded by Sven Thiessen, who joined from Zalando where he served the role as Director Logistics and Content Creation Zalando Offprice since 2019. Sven Thiessen joined April 1, 2022 and was supported by Lars Lindgaard for an interim period.

ISSUE AND REPURCHASE OF C-SHARES FOR PERFORMANCE-BASED SHARE PROGRAM
Pursuant to the authorization granted by the General Meeting on May 27, 2021, the Board of Directors decided on March 4, 2022 to issue and then repurchase 577,000 C-shares. The shares were issued and repurchased in accordance with the performance-based share program LTI 2021, which was adopted by the General Meeting on May 27, 2021. The subscription price amounted to the share's quota value of approximately SEK 0.083333 per share.

CHANGES IN THE BOARD OF DIRECTORS OF BOOZT AB (PUBL)
Ahead of the Annual General Meeting on April 27, 2022, the

Nomination Committee in Boozt AB proposed that Henrik Theilbjørn, Jón Björnsson, Cecilia Lannebo, Luca Martines, Aileen O’ Toole and Julie Wiese are re-elected as ordinary board members, that Benjamin Büscher is elected as new ordinary board member, and that Henrik Theilbjørn is re-elected as Chairman of the Board of Directors. The former board member Kent Stevens Larsen declined reelection.

ADJUSTMENT OF 2022 OUTLOOK

The outlook for 2022 was downwardly adjusted on June 9, 2022 to reflect a deceleration in consumer spending. Boozt expected the weakening consumer sentiment, continued supply chain disruptions and rising inflation to have a dampening effect on discretionary spending for the remainder of this year and consequently expects full year net revenue growth in the range of 10-15 % (previously 20-25%) and adjusted EBIT between SEK 235-285 million (previously SEK 365-420 million), corresponding to an adjusted EBIT margin between 3.5-4.5%.

EXERCISE OF LONG-TERM INCENTIVE PROGRAM 2019/2022

On June 27, 2022 a total of 310,661 C shares were converted into ordinary shares and delivered to participants in the long-term incentive program 2019/2022 (LTIP 2019/2022). LTIP 2019/2022 was adopted by the extraordinary general meeting held on June 24, 2019, and was fully vested on June 24, 2022.

APPOINTMENT OF NOMINATION COMMITTEE

The Nomination Committee has been formed in accordance with the principles adopted by the Annual General Meeting and has the following composition:

- Anders Lund (appointed by BLS Capital), chairman of the Nomination Committee
- Joakim Gjersøe (appointed by Ferd AS)
- Claus Wiinblad (appointed by ATP)
- Henrik Theilbjørn, Chairman of the Board of Boozt AB (publ)

GROWTH OUTLOOK FOR 2022 UPWARDLY ADJUSTED

On November 29, 2022, the Group upwardly adjusted its net revenue growth outlook for 2022 to the upper end of the previously communicated range of 10%-15%.

Events after the reporting date

POSITIVE PROFIT WARNING

Boozt issued a positive profit warning on January 11, 2023, announcing net revenue growth and adjusted EBIT for 2022 ahead of previously announced outlook. The positive deviation to expectations came from the better than expected performance in November that carried into December with elevated sales and strong profitability supported by the continued execution of the Nordic Department Store strategy.

PROPOSAL TO OBTAIN MANDATE FOR BUYBACK AND TRANSFER OF OWN SHARES

The Board of Directors will propose to the Annual General Meeting a suggestion to grant the board authorisation to decide on buyback and transfer of own shares. Such a mandate would give the board the opportunity until the next annual general meeting - if deemed appropriate - to decide on buyback and transfer of the company's shares to a maximum of 10 percent of the outstanding share volume, in accordance with current Swedish legislation. The purpose of granting the authorisation would be to give the board an opportunity to adjust the company's capital structure and to enable acquisition financing using own shares.

Information on the Company's share

THE BOOZT SHARE

The Boozt share is listed on Nasdaq Stockholm and is dual-listed on Nasdaq Copenhagen. The Boozt share is traded on Nasdaq Stockholm under the ticker BOOZT and on Nasdaq Copenhagen under the ticker BOOZT DKK. The ISIN-code is SE0009888738. The combined average turnover of the Boozt share on Nasdaq Stockholm and Nasdaq Copenhagen was 280,940 shares per day in 2022 (388,755). The market value for the Company as per December 31, 2022 amounted to SEK 7,917 million (12,039). The lowest quoted market price at close during 2021 was SEK 55.4 per share (September 29) and the highest quoted market price was SEK 181.7 (January 4). The closing price as per December 31, 2022, was SEK 120.3.

As per December 31, 2022 the company had approximately 17,800 shareholders, whereof the largest shareholders were

BLS Capital (24.5%), Ferd (14.2%), ATP (5.7%), Invesco (5.7%), Första AP-fonden (3.6%), and Kabouter Management (3.2%).

The total number of shares at the end of 2022 amounted to 67,467,637 (66,890,637), with a quota value of SEK 0.0833 per share (0.0833). The share capital consists of two share classes: ordinary shares of 65,809,262 shares (65,498,601) with one voting right per share and C shares 1,658,375 shares (1,392,036) issued, with 1/10 voting right per share. There are no restrictions on the number of votes each shareholder can cast at the Annual General Meeting. All ordinary shares in the Company are listed. The C shares have been issued and repurchased in accordance with the Group's long-term incentive programs ("LTI"). During 2022, 310,661 C-shares were converted into ordinary shares and 577,000 new C shares were issued under the Group's LTI programs. More information about the Group's share capital can be found in Note 24 and more information about the Group's LTI programs can be found in Note 9.

Sustainability report

The statutory sustainability report is presented on pages 54-85.

Corporate Governance report

The corporate governance report is presented on pages 39-53.

Employees

At the end of 2022 the number of employees in the group amounted to 1,246 employees (1,297). The average number of employees in the Group was 1,254 (1,049), whereof 50% women and 50% men (52% women and 48% men). More information about Boozt employees and corporate culture are presented on page 23, in the sustainability report on pages 54-85, and in Note 9.

Remuneration Policy for the Group Management

The Board of Directors' guidelines for remuneration of senior executives will apply unchanged with the guidelines adopted by the Annual General Meeting in 2022. Details of the current guidelines for remuneration of senior executives approved by the Annual General Meeting are to be found in Note 9 and in the corporate governance report on pages 39-53.

Related party transactions

More information about related party transactions can be found in Note 26.

Parent company

The parent company Boozt AB (publ) (Corporate ID no 556793-5183) is a Swedish public limited liability company which was founded on October 15, 2009 and registered with the Swedish Companies Registration Office on November 13, 2009. The Company's business is conducted in accordance with the Swedish Companies Act.

Since May 31, 2017, Boozt AB (publ) is listed on Nasdaq Stockholm and since November 20, 2020, dual-listed listed on Nasdaq Copenhagen.

The address to the head office is Hyllie Boulevard 35, 215 37 Malmö, Sweden.

The net revenue for the financial year of 2022 amounted to SEK 89.8 million (102.9) and consisted of invoiced fees for management services in accordance with the Group's intra company agreements to other Group companies during the year. Operating profit amounted to SEK -9.2 million (-27.7). Costs for the year are mainly attributable to salaries and share-based payments for Group Management and remuneration to the Board of Directors.

Group contributions received from Group companies amount to SEK 10.0 million (60.8) in 2022.

The net result for the financial year of 2022 amounted to SEK 0.7 million (25.9).

The parent company has a Group internal receivable respectively a liability to different counterparties within the Group, which together with shares in subsidiaries and equity constitutes the majority of the financial position of the Company.

Outlook for 2023

The Group expects a net revenue growth for 2023 in the range of 5-15% and an adjusted EBIT between SEK 275-375 million.

Due to the volatile and unpredictable markets, the outlook for 2023 is more uncertain than normally. As a consequence, the Group has decided to widen the range compared to previous years for both net revenue growth and adjusted EBIT.

The net revenue growth is supported by market share gains, continued online penetration and a stable or improving consumer confidence compared to the historic low of 2022.

The Adjusted EBIT outlook for 2023 is positively impacted by a reassessment of the useful lives of selected parts of the Group's fixed assets that mainly relates to the AutoStore installations. The reassessment is carried out to better reflect the actual useful life on a component level based on the experience obtained after operating our AutoStore setup for the past six years. In addition, we have performed a benchmark for companies operating similar setups. The conclusion based on our own experience in combination with the benchmark is that the AutoStore components have a longer useful life than what our assessment previously reflected. By extending the useful lives, the Group assesses a higher degree of comparability of EBIT towards industry peers. In conclusion, the positive impact on yearly depreciation on a like-for-like basis is in the level SEK 25 million, compared to 2022.

The priority is a continued high investment in growth as well as a further strengthening of the customer experience, while maintaining solid profitability driven by a sustainable high average order value and further cementing the position as the leading Nordic Department Store.

The outlook for 2023 assumes that the exchange rates will remain at the current level.

Medium to long term financial targets

The Board of Directors expect to announce updated medium to long-term financial targets for the Group, in connection with the Capital Markets Day taking place on March 28, 2023. The new targets will replace the previously communicated medium-term financial targets through 2023.

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 a decision.

The Board of Directors propose to the annual general meeting 2023 that no dividends are paid to the shareholders for the financial year 2022.

Proposed appropriation of profits

SEK	
Share premium reserve	2,136,412,795
Retained earnings	-266,518,530
Profit/loss for the year	729,712
Total	1,870,623,977

The Board of Directors proposes that profits/losses are distributed as follows

Profit/loss brought forward	1,870,623,977
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Risk management

As an e-commerce company, we are exposed to a variety of risks that are inherent to our operations. Managing these risks is an integrated part of our management activities.

Boozt's risk management framework is based on structured risk identification, analysis and reporting processes, all of which provide the basis for ongoing risk assessments and subsequent initiation of relevant mitigating actions.

Our flat organisational structure allows for fast escalation and timely response to issues that may have a material impact on the Group's earnings and financial and strategic targets.

Boozt works continuously to identify, assess and evaluate risks to which the Group is currently exposed to, and risks that are probable to occur in the foreseeable future. Risks are identified, assessed and managed based on the Group's vision, strategy and financial targets.

Operational risks are continuously evaluated within daily operations. Management-related risks are continuously reviewed by management and documented by the Internal Control Function. We integrated ESG risks into the wider risk management framework. The Internal control function engages with the sustainability department in meetings to evaluate and define ESG Risks. Group Management reports monthly to the Board of Directors on potential risk issues. The Board of Directors is responsible to the shareholders for the Group's risk management and formally assess risks annually.

Identified risks are assessed regarding the probability of occurrence and impact if occurring. The effectiveness of existing risk responses (such as safeguards, control activities etc.) is qualitatively assessed. The residual risk is illustrated and considers the effectiveness of all current existing risk responses.

Risks can be mitigated through proactive actions, such as insurances or legal agreements, and in some cases, the Group can influence the likelihood of a risk-related event occurring. Other risks are not possible to eliminate, such as risks dependent on political decisions, or other macroeconomic factors. If a risk is related to events beyond the control of the Group, work is aimed at alleviating the consequences.






Key risk assessment 2022

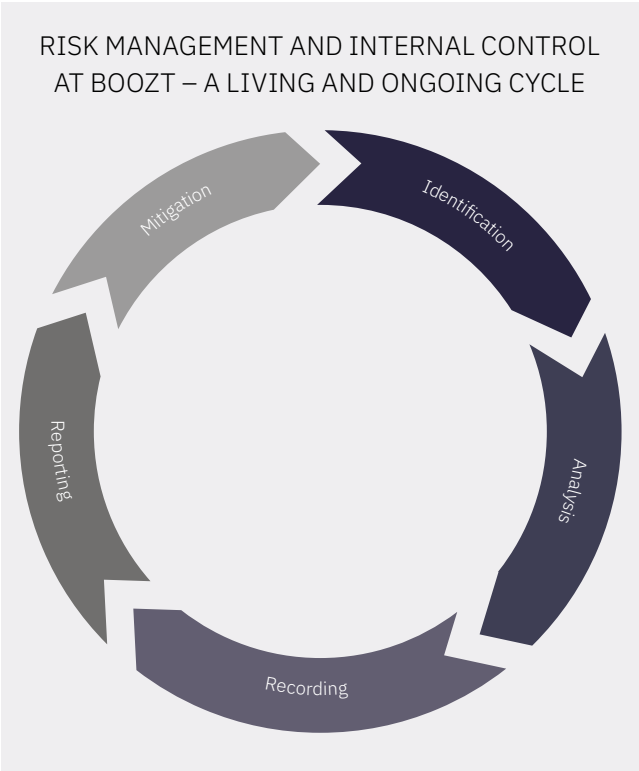
In the following section, we report the identified risks which are considered to have a considerable impact on the business.

The Group's analysis confirmed ten overall key risk areas in line with last year. These may have a significant impact on Boozt's earnings, financial position and ability to achieve other strategic objectives, should they materialise.

The Group discloses the current top 10 risk list in a non-prioritised order depending on the most recent assessment by the Group Management and Board of Directors in terms of impact and likelihood of all identified risks.

The indicated likelihood of occurrence and annual EBIT impact are based on our best estimates, taking relevant mitigation activities into consideration. As such, it should be noted that the quantifications applied in the risk overview carries some degree of uncertainty.

-  IDENTIFICATION
Risks are identified and reported in the Boozt Risk Library
-  ANALYSIS
Identified risks are analysed to determine cause, impact and likelihood
-  RECORDING
Risks are recorded in the Boozt Risk Library assigning ownership and prioritisation
-  REPORTING
Risks are reported to relevant stakeholders including the Board of Directors
-  MITIGATION
Risks are monitored and preventive measures implemented by the business owner



RISK	DESCRIPTION	MITIGATING ACTIVITIES	PROBABILITY	IMPACT
1) Macroeconomic factors	Changes in the overall macroeconomic environment within the Group’s geographical area may influence the Group’s business in terms of overall demand for fashion & lifestyle, customer behaviour as a consequence of increasing environmental awareness and supply-chain disruption etc.	<p>The Group actively monitor macroeconomic trends and development within the regions of interest, as well as the online factors and trends that may affect the market. To mitigate changes in demand and consumer preferences, the Group among others perform the following activities:</p> <p>- Sales and product performance actively monitored on daily basis to identify changes in demand an customer behaviour</p> <p>- Flexible and dynamic buying model that enable the Group to adjust the inventory position to reflect an increase or decrease in overall demand</p> <p>- The outlet segment Booztlet serves as a further hedge to mitigate the inventory risk for the Group</p> <p>- Right-sizing of cost base to reflect growth opportunities</p>	Likely (Moderate)	More than +/- 15 % of EBIT
2) Brand & reputation	<p>The Boozt brand and reputation is key to our continued ability to attract and retain customers, employees and shareholders.</p> <p>ESG: Reputational risk arises if we do not meet increasing customer expectations and demands in terms of sustainability.</p>	<p>Personnel: We strive to make our company an attractive place to work by offering a supportive and inspiring working environment for all employees. This includes ensuring that our office and warehouse premises are modern and safe places to work as well as encouraging a safe and healthy working environment. We have established a performance culture centred around the empowerment of the individual, which allows our employees to take responsibility, make decisions and influence their everyday work life.</p> <p>Brands: Close and frequent dialogue with brands on performance, trends and data insights to secure long lasting relationships.</p> <p>Customers: In relation to customers, we constantly monitor satisfaction and live by the notion – “if any doubt – the customer is right”.</p> <p>ESG: To mitigate this we follow global practised frameworks, we track if Brands follow the Supplier Code of Cooperation covering human rights, child labour, ethical sourcing and animal welfare and we have updated our Care-For strategy to stay ahead of upcoming regulation and ESG trends and become the leading e-commerce company in the Nordics.</p>	Moderate	More than +/- 15 % of EBIT
3) Commercial & competition	<p>The competitive environment has changed as a result of the COVID-19 pandemic. Consumer demand is shifting more rapidly to e-commerce forcing both large e-commerce players, local challengers and fashion companies to improve their e-commerce offering at a faster pace. As a result, the addressable market increases as well as competition.</p> <p>ESG: As the consumer demand for sustainable products is growing, there is both a strong business case and opportunity for more sustainable fashion at Boozt but also a risk from not meeting this customer shift and demand. Therefore there is a risk of customer migration if the Group’s main competitors strengthen their market positions in terms of sustainability.</p>	<p>The Group is convinced that the Nordic Department Store strategy positions the group well to grow ahead of the online market by continuing the accelerated market share gains. The importance of scale is ever growing and with the online space still considered very fragmented in terms of the competitive landscape, we believe that there are ample opportunities to continue our role as a consolidator as a consequence of our scale benefits. In addition, the group continues to invest in further development of the vertical revenue streams (BMP, BooztPay and BrandHub) to improve our commercial offering towards customers and brands as well as the ability to do further price investments to secure market share and/or ultimately improve the profitability of the group.</p> <p>ESG: Boozt has launched the Made With Care section on site, aimed at helping customers shop according to their values. The new browsing experience includes transparent and understandable information about the sustainability efforts of brands as well as the environmental and social impact areas of products.</p>	Moderate	More than +/- 15 % of EBIT
4) Fulfilment operations	Incidents or interruption in the Boozt Fulfilment Centre may occur in case of fire, power outage, accidents, lack of capacity or low productivity as a consequence of a lack of personel and/or malfunctioning automation.	<p>Incident/damages: The Group assesses and evaluates different possible scenarios and has defined what actions to take if such events occur. Contingency plans are adopted and include responsibility- and crisis management.</p> <p>Efficiency and capacity: Strategic and tactical planning is performed to support the growth considering factors such as warehouse/logistics capacity, recruitment strategies etc. Group Management and the Board of Directors continuously review the business plan and the strategic and tactical planning . The automation capacity can be expanded in a modular way securing high utilization at all time and flexibility around when to invest in further capacity.</p>	Moderate	More than - 15 % of EBIT

RISK	DESCRIPTION	MITIGATING ACTIVITIES	PROBABILITY	IMPACT
5) IT security and infrastructure	The Boozt IT infrastructure is crucial to our day-to-day operations - from customers ability to order and pay to our core fulfilment services and analytical capabilities. This makes us vulnerable to system outages, cyber attacks and failure to scale our infrastructure to support the high growth trajectory.	<p>Boozt assesses and monitors the risk for the occurrence of different scenarios that affect the function of the webstore and fulfilment services operated by the Group. The webstores are monitored in real time and actions can be taken in minutes to ensure continued website functionality.</p> <p>Boozt’s IT infrastructure is operated via cloud computing services hosted by Google Cloud Platform and is considered best-in-class in terms of performance, stability and security.</p> <ul style="list-style-type: none">- we follow general best practices regarding security aspects guided by Rackspace and Google.- we run yearly IT audits with external specialists- we’re collaborating with “bounty hunters” to discover potential security breaches early- we have a strict role based access control to which systems and data employees can access- we’re running internal security training of all employees - and we run internal “phishing attempts” to see if the staff follow the IT policies <p>Our IT Disaster Recovery Plan prioritises roles, responsibilities and actions to mitigate disruption events.</p>	Moderate	More than - 15 % of EBIT
6) Financial risk	Risk that the Group does not have a sufficient liquidity reserve and no ability to provide sufficient funding through capital markets in respect to growth and investments plan.	<p>The risk is mitigated by adopted policies regarding target debt ratios, maturity date spreads on credit facilities, cash planning etc.</p> <p>The Group operates with a net cash position to ensure sufficient operational flexibility. In addition, the Group has access to a revolving credit facility of SEK 200 million as well as an overdraft facility of SEK 80 million.</p>	Unlikely	Less than -15 % of EBIT
7) Acquisition and integration	Risk that the Group conduct an unrelated acquisition and that an acquisition could lead to difficulties in integrating the acquired company which can disrupt the Group’s current business activities and have a material negative effect on the Group’s operations.	The Group will not pursue an acquisition that is neither horizontal nor vertical, expand the core business outside the Nordic, limiting organic growth or put the current unit economics at risk. A strategic bolt-on will be made to gain access to specific category expertise, gain access to new technology or increase the Group’s current presence in the Nordic market. An acquisition will be preceded by a careful due dilligence process that will cover areas of finance, operations and legal. The integration work will be supported and monitored closely by the Group Management.	Unlikely (Moderate)	Less than +/- 15 % of EBIT
8) Supply chain disruption	<p>Risk deriving from disruption in the supply chain caused by poor performance by distribution partners or lack of product supply from brand partners.</p> <p>ESG: The increased severity and frequency of extreme weather events due to climate change can lead to supply chain disruption due to its impact on manufacturing and distribution. A disruption in the supply chain may affect the customer experience and result in the deterioration of the Group’s customer offering.</p>	<p>Distributors: To mitigate the risk of dependcy on any single supplier, Boozt works with multiple local providers in each country with the ability to shift volumes between the distributors in case of poor performance or continous supply chain disruption. The scale and volume which the group opererates enable us to get high priority with our partners.</p> <p>Product supply: Status as preferred partner through building long-lasting and mutually beneficial partnerships with supply partners to ensure prioritization if supply chain disruption occurs (e.g. due to climate change). Further, the diversification of Boozt’s selection, which consist of more than 1,600 brands and where no single brand is responsible for >2% of revenue, ensures that the Group is not reliant on any single supplier.</p>	Unlikely (Unlikely/ moderate)	Less than - 15 % of EBIT
9) Personnel	<p>The Group may lack the ability to attract and retain key personnel due to various reasons, such as monetary, benefits, working environment etc. The focus on digitisation and e-commerce has increased the demand for our Group’s employees.</p> <p>ESG: Risk of not attracting young talents and not meeting their increasing demands of pupose-driven business practices.</p>	<p>The Group seeks to be an attractive employer by a competitive offering both in terms of salary and benefits, but also by creating a culture that the employees enjoy being a part of. The Group’s Code of Conduct contains the core values that we want the business to live by. The employee satisfaction is monitored continously by monthly surveys and all managers are required and encouraged to share and discuss results openly with their team and create an action plan on any areas of improvement.</p> <p>ESG: Engaging with universities and students in research projects and career days to raise awareness and share knowledge about our sustainability work.</p>	Moderate	Less than -15 % of EBIT
10) Compliance & regulatory changes	<p>Risk for non-compliance with EU privacy regulation/GDPR.</p> <p>ESG: Risk for non-compliance or poor preparedness with upcoming ESG regulations such as Corporate Sustainability Reporting Directive (CSRD), carbon pricing mechanisms etc.</p>	<p>The Group has since the GDPR implementation continuously worked with data privacy, ensuring full compliance with the regulation. Data are not spread across different third-party systems securing data discipline and control in own systems. Ongoing project to strenghten the GDPR compliance and perform risk analysis and documentation on the use of personal data throughout the organisation.</p> <p>ESG: We monitor emerging regulations and conducted a limited pre-assurance of our Sustainability Report, in preparation of the Corporate Sustainability Reporting Directive (CSRD).</p>	Unlikely	Less than -15 % of EBIT



Corporate Governance Report

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A statement from the Chairman of the board:

Dear Shareholders,

We are pleased to present our 2022 Corporate Governance Report. Our Board is committed to maintaining the highest standards of corporate governance, which has proven crucial in the face of significant challenges this year. The Russian invasion of Ukraine on February 24, 2022, and subsequent economic disruptions such as high inflation, interest rates, and market volatility have required us to make tough decisions.

Despite these challenges, our Board and Management have remained agile and adaptable, enabling us to navigate changes in the company's performance and external environment. Effective governance has been vital in enabling us to make critical decisions that have promoted the company's success, both in the short and long term.

In addition to addressing the turbulent market conditions, we have prioritized advancing our sustainability agenda, managing cyber risks, and maintaining constructive communication with shareholders and management. We remain committed to staying informed and taking proactive measures to address emerging risks and opportunities.

Thank you for your continued support as shareholders.

Henrik Theilbjørn
Chairman

A presentation of the board members can be found on page 49

Governance

Boozt AB (publ) is a Swedish public limited liability company listed on Nasdaq Stockholm (large cap) and Nasdaq Copenhagen (large cap). Corporate governance refers to the system through which shareholders directly or indirectly govern the company. The Corporate Governance Report forms part of the company's Board of Director's report. Corporate Governance at Boozt, which can be divided into external and internal governance documents, is in compliance with Swedish law, the Nasdaq Stockholm's Rule Book for Issuers and the Swedish Corporate Governance Code (the Code) as well as internal regulations and instructions.

External governance documents

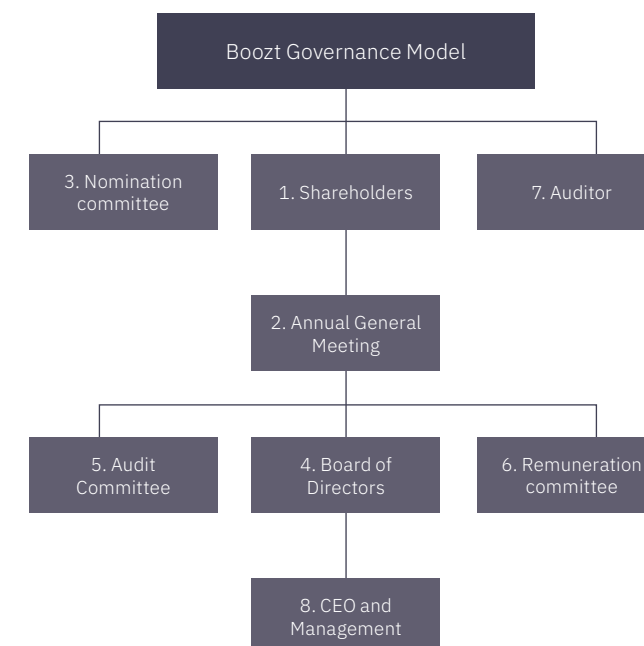
The external governance documents constitute the framework for corporate governance. These include the Swedish Companies Act, the Swedish Annual Accounts Act, EU Market Abuse Regulation, the Nasdaq Stockholm's Rule Book for Issuers, and the Code. The Code applies to all Swedish companies with shares 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 corporate governance report (according to the "comply or explain principle"). The current Code is available at the Swedish Corporate Governance Board's website www.corporategovernanceboard.se. Boozt applies the Code, and no deviations occurred during the year. The company was not subject to any decision of the Nasdaq Stockholm disciplinary board or any statement by the Swedish Securities Council during the year.

Internal governance documents

Internal governance documents include the Articles of Association adopted by the Annual General Meeting, internal instructions, and guidelines. Examples of internal instructions include the Board of Directors' rules of procedure, rules of procedure- and instructions to the audit committee and remuneration committee and instructions to the CEO. In addition, the Board of Directors has adopted several policies and guidelines that control the company's operations, and instructions for financial reporting are documented in the company's finance handbook. Boozt aims for a high standard through clarity and simplicity in its management system and governing documents. The shareholders of Boozt are the ultimate decision makers regarding the Group's governance through their election of the company's Board of Directors at the Annual General Meeting. In turn, the Board is responsible for ensuring that corporate governance is in compliance with applicable laws as well as other external and internal governance documents.

Governance, management, and control of Boozt is divided among the shareholders through the Annual General Meeting, the Board of Directors, the CEO, and the auditors in accordance with the Swedish Companies Act and the Articles of Association. Openness and transparency provide good insight into the company's activities, which contributes to effective governance.



Cross listing and Danish Corporate Governance

Boozt is a Swedish public limited liability company and accordingly, Boozt follows Swedish rules, regulations and guidelines as described above. However, as a company with shares admitted to trading on both Nasdaq Stockholm and Nasdaq Copenhagen, Boozt is required each year to provide a general description of the main differences between the Code and the Danish recommendations on corporate governance (the “Recommendations”) issued by the Danish committee on corporate governance. The company has no obligation to follow or report separately on the Recommendations.

The overall aims and principles of the Code and the Recommendations are similar and include recommendations in relation to shareholder engagement, tasks, and procedures of the board of directors, board composition and board committees as well as management remuneration.

The overall differences are described in the table to the right.

Shareholder engagement	
Election of chair of the annual general meeting	The Code stipulates that the chair of the annual general meeting shall be appointed by the nomination committee. In a Danish context, the board of directors will usually appoint a chair of the general meeting, and this is not regulated in the Recommendations.
Minutes of the annual general meeting	The Code recommends that a shareholder who is independent from the company and its board of directors is appointed to verify and sign the minutes of general meetings. Such practice does not exist in Denmark and the minutes are approved and signed by the chair of the general meeting in accordance with Danish company law.
Policies	The Recommendations include recommendations for a listed company to adopt policies regarding communication and investor relations as well as adopt contingency procedures in case of a public takeover of the company. Such recommendations are not included in the Code, however Boozt has adopted a communications policy which governs both internal and external communications, including in relation to investors. Boozt has not currently adopted formal written procedures in case of a public takeover.
Procedures and tasks of the board of directors	
Participation in daily management	Pursuant to the Recommendations, any participation by a board member in the daily management of the company shall be approved by the board and publicly disclosed. None of the members of the board of directors of Boozt participates in the daily management of the company.
Board composition and board committees	
Independence of board members	The Code distinguishes between board members’ independence from the company and its executive management and independence from the company’s major shareholders in two separate recommendations. Independence in relation to major shareholders is not a part of the Recommendations, however in order to be considered independent a board member should not be a representative of or be associated with a controlling shareholder.
Chair of the board	The Code stipulates that the chair of the board shall be elected by the general meeting. This is not the case in a Danish context. Further, the specific tasks of the chair are more detailed in the Code, however Danish practice is in line with the tasks and responsibilities of the Code. The Recommendations stipulate that a deputy chair shall be elected, which is not included in the Code.
Board committees	Both the Code and the Recommendations stipulate that a company should have an audit committee, a remuneration committee, and a nomination committee. A main difference between the Code and the Recommendation is that a nomination committee pursuant to the Code consists of members elected directly by the shareholders whereas members of a nomination committee pursuant to the Recommendations are elected by and among members of the board of directors. The tasks of the nomination committee in a Swedish context are also more comprehensive than the tasks of the nomination committee in a Danish context. The company follows the Swedish practice pursuant to the Code, and accordingly the nomination committee consists of shareholder elected committee members and the tasks carried out are in line with the recommendations of the Code.
Management remuneration	
Performance criteria	Pursuant to the Code any variable remuneration is to be linked to predetermined and measurable performance criteria. In a Danish context variable remuneration is more broadly defined, and there is no recommendation that predetermined and measurable performance criteria should be applied, however any performance criteria, if applied, should be described in the remuneration policy.
Approval of incentive programmes	According to the Code, all share-based incentive programmes are to be approved by the general meeting, including the principle conditions for the programme. In a Danish context share based programmes may be established and approved by the board as long as such programme is within the limits of the remuneration policy as adopted by the general meeting.
Board compensation	The Recommendations stipulate that board members should not be provided with variable remuneration. The Code stipulates that programmes designed for board members are to be devised by the company’s owners and to promote long-term ownership.

Shares and shareholders

The Boozt share has been traded on Nasdaq Stockholm since May 31, 2017, and on Nasdaq Copenhagen since November 20, 2020. From January 3, 2022, Boozt is part of the Nasdaq Large Cap segment for companies with a market value above EUR 1 billion. At the end of 2022, the total number of shares was 67,467,637 and votes were 65,975,099.5 distributed among 17,847 known shareholders. The share capital consists of two share classes: ordinary shares (65,809,262 shares issued) with 1 voting right per share and C-shares (1,658,375 shares issued) with 1/10 voting right per share. There are no restrictions on the number of votes each shareholder can cast at the Annual General Meeting.

The ten largest known shareholders accounted for 68.1% of the shares outstanding. On December 31, 2022, there were two shareholders with holdings that separately represented 10% or more of the number of shares and votes in the company.

10 largest known shareholders as per December 31, 2022:

Shareholder	Shares	Capital	Votes
BLS Capital Fondsmæglerselskab A/S	16,520,201	24.5%	25.0%
Ferd AS	9,560,018	14.2%	14.5%
Arbejdsmarkedets Tillægspension (ATP)	3,815,958	5.7%	5.8%
Invesco	3,813,848	5.7%	5.8%
First Swedish National Pension Fund	2,444,221	3.6%	3.7%
Kabouter Management LLC	2,164,049	3.2%	3.3%
Vanguard	2,111,951	3.1%	3.2%
La Financière de l'Echiquier	2,083,087	3.1%	3.2%
Norges Bank	1,799,481	2.7%	2.7%
Boozt AB (C-shares)	1,658,375	2.5%	0.3%
		68.1%	67.4%

Source: Data aggregated by Monitor by Modular Finance AB. (Sources: Euroclear, Morningstar, Finansinspektionen, Nasdaq, Millistream).

General Meeting
The general meeting is the company’s highest decision-making forum, where the shareholders exercise their right to decide on the company’s affairs.

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 and be kept 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 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 banking 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 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.



Among other things, the general meeting makes decisions concerning:

- Adoption of the income statement and balance sheet
- Adoption on consolidated income statement and statement of financial position
- Appropriation of the earnings according to the adopted balance sheet
- Resolution on authorisation for the Board of Directors regarding new share issue
- Resolution on implementation of long-term incentive program by way of directed issue of warrants and approval of transfer of warrants
- Discharge of the members of the Board of Directors and the CEO from liability
- Election of board members and the Chairman of the Board
- Remunerations to the Board of Directors
- Amendments to the Articles of Association
- Election of auditor
- Establishment of principles for the nomination committee

2022 Annual General Meeting

The Annual General Meeting was held on April 27, 2022, in accordance with temporary legislation to facilitate the execution of general meetings in companies and other associations, meaning that the shareholders have exercised their voting rights at the meeting only by advance voting, so called postal voting. All resolutions were passed with the required majority. In accordance with the proposal from the Nomination Committee, Henrik Theilbjørn, Aileen O`Toole, Cecilia Lannebo, Julie Wiese, Jón Björnsson, and Luca Martines was re-elected as ordinary board members and Benjamin Büscher was elected ordinary board member. Henrik Theilbjørn was re-elected as Chairman of the board.

2023 Annual General Meeting (the “AGM”)

The AGM will be held on Wednesday April 26, 2023, at 08:00 CET at Setterwalls Advokatbyrå, Stortorget 23, 211 34 Malmö, Sweden. Notice to attend the AGM along with proposals from the Nomination Committee will be published on the company’s website no later than March 29, 2023.

Important dates for the AGM:

- April 18, 2023 - record date for the 2023 AGM.
- April 19, 2023 - 9:00AM deadline for re-registration of shares held with Euronext VP Securities in Denmark.
- April 20, 2023 - deadline for re-registration of shares held with Euroclear Sweden.
- April 20, 2023, deadline for notification of attendance.

A shareholder who wishes to have a matter considered by the Annual General Meeting must submit a written request:

- via email to: agm@boozt.com or
- by letter to: Boozt AB (publ), Att: AGM/Årsstämma, Box 4535, 203 20 Malmö, Sweden.

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.

Nomination Committee

Companies complying with the Code shall have a nomination committee. According to the Code, the General Meeting shall appoint the members of the nomination committee or resolve on procedures for appointing the members. The Nomination Committee shall, pursuant to the Code, consist of at least three members of which a majority shall be independent in relation to the company and the Group Management. In addition, at least one member of the nomination committee shall be independent in relation to the largest shareholder in terms of voting rights or Group of shareholders who cooperates in terms of the company’s management. At the Annual General Meeting held on April 27,

2022, 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 August 31, 2022, 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 largest shareholders as per August 31, 2022, were BLS Capital Fondsmæglerselskab A/S (20.5%), Ferd AS (13.9%) and Invesco (5.8%). In order of size, the largest shareholders were asked if they would accept a seat on the Nomination Committee. BLS Capital Fondsmæglerselskab A/S (20.5%), Ferd AS (13.9%) and ATP (5.5%) accepted the seats. The Nomination Committee is therefore represented by Anders Lund (appointed by BLS Capital Fondsmæglerselskab A/S), Joakim Gjersøe (appointed by Ferd AS), Claus Wiinblad (appointed by ATP) and together with the Chairman of the board of directors Henrik Theilbjørn constitute the Nomination Committee. The Nomination Committee has appointed Anders Lund as chairman of the Nomination Committee as per October 3, 2022.

The Nomination Committee’s complete proposals to the 2023 AGM will be presented in the official notification of the AGM.

The responsibilities of the committee are to prepare and propose to the coming annual general meeting:

- Election of Chairman of the AGM
- Election of Chairman of the board of directors and other members of the board of directors,
- remuneration to the board of directors, divided between the chairman and other members, and remuneration for committee work
- election of auditor and remuneration to the auditor; and
- principles for appointment of the nomination committee.

Assessing the composition of the board, is reviewed continuously over the year. The Nomination Committee held 5 (3) minuted meetings during the AGM year 2022/2023.



Board of Directors

The Board of Directors is the second highest decision-making body of the company after the Annual 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. At the 2022 AGM, seven board members were elected, without deputy members.

Responsibilities of the Board of Directors and composition

According to the Swedish Companies Act, 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 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 board's composition. The latest evaluation of the board took place in November 2022, the board members did interviews with a consulting company hired to do the evaluation process with satisfactory results. The board's evaluation revealed that the board's work has worked well and that comments from the latest evaluation were considered. The evaluation showed that the board is deemed well-composed and that the members add relevant competence and have experience from various areas that are relevant to the Group’s activities.

In 2022, the Board of Directors held 20 (21) meetings.

THE MEMBERS' ATTENDANCE IS PRESENTED IN THE TABLE BELOW:

Board of Directors 2022			Independent in relation to		Attendance			
Name	Position	Member since	The Company and executive management	Major shareholders	Board meetings	Audit Committee meetings	Remuneration Committee meetings	Directors' fees - kSEK
Henrik Theilbjørn	Chairman of the Board	2009	Yes	Yes	20/20	5/5	9/9	1400
Jón Björnsson	Board member	2012	Yes	Yes	20/20	-	9/9	550
Cecilia Lannebo	Board member	2018	Yes	Yes	19/20	5/5	-	700
Luca Martines	Board member	2019	Yes	Yes	20/20	-	-	450
Aileen O`Toole	Board member	2021	Yes	Yes	20/20	-	9/9	600
Julie Wiese	Board member	2021	Yes	No	20/20	2/2	-	104**
Benjamin Büscher	Board member	2022	Yes	Yes	14/14	-	-	450
Kent Steven Larsen*	Board member	2009	Yes	Yes	6/6	3/3	-	0

Directors' fees cover the period from AGM 2022 to AGM 2023

* The Director left the Board at the 2022 AGM.

** The Director has abstained from remuneration since June 30, 2022 due to internal guidelines of employer/major shareholder

Work performed in 2022

During the fiscal year, the Board of Directors held 20 (21) meetings, including statutory, extraordinary and per circulation. Ordinary meetings are held in accordance with a yearly adopted calendar. In addition to these meetings, additional board meetings can be convened to handle issues, which cannot be postponed until the next ordinary board meeting. In addition to the board meetings, the Chairman of the Board of Directors and the Group CEO continuously discuss the management of the company.

During the year the Board regularly reviewed Boozt Group’s consolidated earnings, financial position, organisation, and administration. During its meetings, the Board has dealt with matters involving Boozt Group’s strategy, including budget and other financial forecasting, capital structure and financing, investments in equipment, the establishment of new operations, the progress of the Group’s sustainability work and continued streamlining of internal procedures and control processes. The Board has also adopted a new Group Policy on Data Protection in 2022.

The company’s Group CEO and other members of Group Management are present at all ordinary board meetings, but they do not take part in the decision-making process of the board nor participate when the Board evaluates the Group CEO or makes decisions regarding remuneration to Group Management or meets with the company’s auditors to evaluate Group Management.

At the inaugural board meeting, the Board of Directors adopts Rules of Procedure for the Board of Directors, written instructions to the Group CEO, including instructions for financial reporting.

Audit Committee

The following provides an insight into the Committee’s activities during the year and sets out how the Committee operates.

The composition of the Committee changed during the year:

Cecilia Lannebo was asked to Chair the Audit Committee after Kent Stevens Larsen left the board in April. Previously served on the Audit Committee since she joined the board in April 2018. Cecilia has more than 20 years of experience from stock market, corporate governance and finance and been involved in many different industries.

Julie Wiese joined the committee post-AGM with valuable experience within finance and experience from the retail industry from a shareholder perspective.

The Committee continues to play a key role in helping the board fulfil its corporate governance responsibilities, which include monitoring the Group’s financial reporting practices, reviewing the work of the Group’s External Auditor and the Internal Controls function, risk management framework and IT/cyber security. During the year, the Committee also considered the following:

- Accounting estimates and judgements, including in relation to inventory provisioning, refund accruals, the useful economic lives of assets, legal contingencies, consideration of alternative performance measures, in particular adjusted EBIT measures, and consideration of whether any post balance sheet events were adjusting or non-adjusting events. Other matters considered included management’s going concern and viability assessment, the conflict between Russia and Ukraine and Rosemundé fair value assessment following completion of the acquisition accounting.
- ESG reporting
- The Committee also requested an external analysis to evaluate the readiness and matureness of the ESG work in advance of the new upcoming EU legislation. Boozt is well prepared and making good progress to comply with such new legislation.

The company’s Audit Committee consists of three members: Cecilia Lannebo (chair), Julie Wiese 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

itself 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.

The Audit Committee held 5 (5) meetings during 2022. The work of the Committee has mainly focused on review and improvement of the financial reporting and financial processes, examination of company risks, evaluation of the Group’s sustainability efforts and evaluation of the internal control environment, reviewing financial/regulatory press releases and follow-up and review of the work of the external auditor.

Remuneration Committee

The following provides an insight into the Committee’s activities during the year and sets out how the Committee operates.

The composition of the Committee changed during the year:

Aileen O'Toole was asked to chair the Remuneration Committee. Aileen has extensive experience within HR, Executive Pay, Benefits & Compensation.

The remuneration committee now consists of three members: Aileen O'Toole (chair), Jón Björnsson and Henrik Theilbjørn. The remuneration committee considers and prepares recommendations for the board to approve in matters concerning remuneration principles, remuneration awards and other employment terms for the Group CEO and the Group Management. The Committee has not been authorised to make any decisions on behalf of the Board.

In 2022 the committee focused on documenting the Group’s remuneration philosophy and ensuring its work was performed in the spirit of that philosophy.

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

In addition, the committee considered the design and made recommendations to the board on approving the 2022 short- and long-term incentive programs for the Group CEO and Group Management.

The Committee has held meetings with the largest investors and discussed the Group’s remuneration philosophy and design of the long-term incentive program (LTIP program).

In preparation for the 2023 remuneration cycle, the committee appointed Mercer as its Remuneration Advisor and examined market data associated with the total compensation of the Group CEO and the design of longer-term incentive programmes.

The remuneration committee held 9 (5) meetings during 2022.

Diversity in the board

In 2017 the Group’s Board of Directors adopted a diversity policy applicable to its own composition. According to this policy, the Board of Directors shall, considering the company’s operations, stage of development and circumstances, be appropriately composed and characterised by versatility and breadth in terms of the expertise, experience and background of the members elected by the Annual General Meeting. The objective is to seek an equal gender distribution on the Board of Directors. We consider diversity important in ensuring that board members’ profiles provide the necessary range of perspectives, experience and skills required to achieve effective governance. In preparing its proposal for the composition of the Board of Directors, the Nomination Committee considers the Code and the board’s Diversity Policy, seeking to achieve diversity on the Board of Directors.

With respect to gender 3 out of total 7 members (42.9%) in the Board of Directors are women.

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 Group CEO includes contact 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 Human Resources Officer (CHRO) and Chief Supply Chain Officer (CSCO). 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. A presentation of Group Management is available in the section “Group Management” on page 50.

OWNERSHIP BY GROUP MANAGEMENT AND BOARD OF DIRECTORS AS PER DECEMBER 31, 2022.

Name	Number of shares directly owned	Number of shares indirectly owned	% ownership	Total number of shares owned
Hermann Haraldsson (CEO)	463,491	127,698	0.88%	591,189
Sandra Gadd (CFO)	37,721	-	0.06%	37,721
Peter G. Jørgensen (CCO)	318,004	-	0.47%	318,004
Jesper Brøndum (CTO)	399,756	-	0.59%	399,756
Mads Bruun Famme (CPO)	207,993	-	0.31%	207,993
Sven Thiessen (CSCO)	-	-	0.00%	-
Sandra Joy Sahlertz (CHRO)	62,149	-	0.09%	62,149
Group Management Total	1,489,114	127,698	2.40%	1,616,812
Henrik Theilbjørn	-	241,527	0.36%	241,527
Jón Björnsson	28,569	-	0.04%	28,569
Cecilia Lannebo	5,000	-	0.01%	5,000
Luca Martines	-	-	0.00%	-
Aileen O`Toole	-	-	0.00%	-
Julie Wiese	-	-	0.00%	-
Benjamin Büscher	-	-	0.00%	-
Board of Directors total	33,569	241,527	0.41%	275,096
Board & Management total	1,522,683	369,225	2.80%	1,891,908

Auditors

Boozt AB’s auditor Deloitte AB was elected by the 2022 AGM for a period of one year. Didrik Roos, certified public accountant, has been responsible for the audit of the company on behalf of Deloitte AB. Didrik Roos other audit engagements include H&M, Tele2 and Systembolaget.

The auditor reports its findings to the shareholders by means of the auditors' report, which is presented to the AGM. In addition, the auditor reports detailed findings to the Audit Committee and to the full Board at least once a year, and annually provides assurance of their impartiality and independence to the Audit Committee.

The Auditors have met with the Board of Directors without Group Management’s presence on 1 occasion during the year.

Audit engagements involve examination of the annual report and financial accounting, administration by the board 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. For more detailed information on auditing fees for the year, see Note 7 in this annual report.

Remuneration to Group Management

Remuneration to the Group CEO and other members of Group Management are decided by the Board of Directors, who are authorised to make decisions in accordance with guidelines for remunerations as set by the AGM. The Remuneration Committee presents recommendations to the Board of Directors.

Guidelines for remuneration

The AGM held on May 27, 2021, adopted guidelines for remuneration applied for Group CEO and Group Management. The guidelines reflect the company’s objectives for good corporate governance as well as sustained long-term value creation for shareholders. The suggestion is to keep the guidelines unchanged for 2023.

Remuneration of the CEO and Group Management

The remuneration of Boozt’s Group Management is proposed by the Remuneration Committee and subsequently approved by the Board of Directors. The total remuneration package is designed to incentivise long-term shareholder value creation and is performance based, considers market practise, is aimed to be competitive in order to retain top talent, well balanced between short- and longer-term objectives and, to reinforce good ethics, a healthy company culture and a commitment to sustainability.

The fixed salary shall be based on the Group Management’s competence and area of responsibility, be individual and shall normally be reviewed every year. See Note 9 for more information.

Short term incentive programs

The remuneration of Group Management shall include a short-term incentive program (STIP) which is measured on financial targets related to net revenue growth and adjusted EBIT together. The STIP also has goals on ESG topics by inclusion of upstream and downstream environmental goals together with employee related goals. The STIP has a value of up to 70% of annual fixed salary.

Benefits

In addition to the fixed salary, Group Management shall have benefits such as company car, contribution to health activities and newspapers.

Pension / Severance payments

Unlike many peer companies, Group Management shall not be entitled to a company paid pension scheme, but has a 5% mandatory self-financed pension scheme, which include insurance for health and loss of working ability.

Severance payment cannot exceed 12 months of fixed salary if stipulated in contracts.



Deviations from the guidelines

The Board may decide to deviate from the above guidelines if special reasons so justify. Deviations could include additional STIP elements based on length of employment, exceptional performance or similar. In such cases the additional remuneration cannot exceed 50% of the fixed annual salary. In 2022 no such deviations were approved.

Long-term incentive programs

The company’s long-term incentive programs (LTIP) 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. The vesting period for long term incentive programs shall be at least three years.

LTIPs shall always be based on shares or share linked instruments. LTIPs shall ensure a long-term commitment to the development of the company. Any share based long term incentive programs will be subject to shareholder approval before being launched.

As per December 31, 2022, the company has three outstanding programs: Performance share program 2020/2023, Performance share program 2021/2024 and Performance share program 2022/2025.

Performance share program 2020/2023 was issued in July 2020 where participants can receive performance shares subject to certain performance targets (Net Promoter Score, Revenue Growth, Adjusted EBIT and NWC ratio). Max number of shares to be awarded in the programme is 1,040,000 shares. The programme has a 36-month cliff vesting period and expires in July 2023.

Performance share program 2021/2024 was issued in June 2021 where participants can receive performance shares subject to certain performance targets (Net Promoter Score, Revenue Growth, Adjusted EBIT and NWC ratio). Max number of shares to be awarded in the programme is 630,000 shares. The programme has a 36-month cliff vesting period and expires in July 2024.

Performance share program 2022/2025 was issued in June 2022 where participants can receive performance shares subject to certain performance targets (Net Promoter Score, Revenue Growth, Adjusted EBIT and NWC ratio). Max number of shares to be awarded in the programme is 850,000 shares. The programme has a 36-month cliff vesting period and expires in July 2025.

For more information on the programs please see www.booztgroup.com.

The board’s report on internal controls

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 evaluates the identified top 10 risks of the company 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. Group CEO is responsible for the process structure within the Group.

The Board’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. Group CFO is responsible for the self-assessment process, which is facilitated by the Internal Controls 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.

The self-assessment has been carried out during 2022 without any significant findings and has been reported to the Audit Committee and the Board of Directors accordingly.

Monitoring
Boozt Group shall comply with applicable laws and the Governing documents are a support for this. 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. Group 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 Group CEO shall address any request for 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 company'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 has again assessed in 2022 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 Group CFO, who in turn reports back to the Audit Committee. In addition, the company’s external auditor reviews and assesses the company’s internal control environment and reports its observations and evaluation to the Audit Committee.

Board of Directors



HENRIK THEILBJØRN
Born: 1961.
Chair of the board since: 2009.
Education: Master of Science in Economics and Management, Aarhus University.
Other current assignments: Chairman of the board of Pierce Group AB, Day Birger Et Mikkelsen A/S, Masai Clothing Company ApS, Unique Furniture A/S and Traede ApS. Board member Sahva A/S. CEO of EMMADS Invest A/S (private investment company).
Previous assignments: Chairman of the board of A-TEX A/S, Baum und Pferdgarten A/S, Birger Christensen A/S, Birger Christensen China Holding A/S, Borch Textile Group A/S, Borch Textile Holding ApS, Bruuns Bazaar A/S, Bygghemma Group AB, Carl Ras A/S, Kelly Invest A/S, Languagewire A/S, Langulize A/S, Munthe A/S, Performance Group Scandinavia A/S, PWT Group A/S, PWT Holding A/S, Rabens Saloner A/S, Saint Tropez af 1993 A/S, Scandinavian Designer A/S, Shamballa Jewels A/S and Wagner China A/S. Board member of Bloomingville A/S, BV Holding Company ApS, JAMIST Holding ApS, JAMIST Invest ApS, JAMIST Support ApS, MP Denmark A/S, New Nordic Brand House A/S, New Nordic Brand House Holding ApS, Rabens Atelier A/S.

Independent of the company, its management and major shareholders according to the Swedish Corporate Governance Code.

Shareholding in Boozt AB
241,527 indirectly



JÓN BJÖRNSSON
Born: 1968.
Board member since: 2012.
Education: Bachelor of Science in Business Administration, Rider University.
Other current assignments: CEO of Origo hf., Chairman of the board of Braud & Co, Board member of Dropp and Joe & the Juice Iceland.
Previous assignments: CEO of Festi hf., CEO Magasin du Nord. Board member of IC Group, Malene Birger A/S, Ahlens AB.

Independent of the company, its management and major shareholders according to the Swedish Corporate Governance Code

Shareholding in Boozt AB
28,569 directly



CECILIA LANNEBO
Born: 1973.
Board member since: 2018.
Education: MBA from Mälardalen University and Wirtschaftsuniversität Vienna.
Other current assignments: CEO and director of i-Core Communications AB. Board member and member of the audit committee of Scandi Standard AB, board member of Djurgården Fotboll, board member of Zubizuri Pensions-stiftelse AB and deputy board member of Zubizuri AB.
Previous assignments: Head of Investor Relations in a number of different industries and companies like Hakon Invest AB, Retail and Brands AB, Eniro AB, Humana AB and Balco Group AB, Research equity analyst within the retail and service sector at SEB Enskilda.

Independent of the company, its management and major shareholders according to the Swedish Corporate Governance Code

Shareholding in Boozt AB
5,000 directly



LUCA MARTINES
Born: 1975.
Board member since: 2019.
Education: Bachelor's in political science, Sapienza University of Rome, Italy.
Other current assignments: Corporate CEO Parma Calcio 1913 Football Club
Previous assignments: President of YOOX and TheOutnet (YOOX-Net-á-porter Group), CEO of Rewoolution (Reda1865 Group), General Manager of Castelli Cycling.

Independent of the company, its management and major shareholders according to the Swedish Corporate Governance Code

Shareholding in Boozt AB
0



AILEEN O'TOOLE
Born: 1973.
Board member since: 2021.
Education: BA, History and Politics and Master of Business Studies, both from University College Dublin.
Other current assignments: Chief People Officer at Naspers and its subsidiary, Prosus.
Previous assignments: VP HR at eBay, Non-Executive Director at MakeMyTrip.

Independent of the company, its management and major shareholders according to the Swedish Corporate Governance Code

Shareholding in Boozt AB:
0



JULIE WIESE
Born: 1986.
Board member since: 2021.
Education: BA International Studies at Oslo University, MSc Management at Imperial College Business School and MSc Investment Management at Cass Business School.
Other current assignments: Board member in Servi Group AS and deputy board member in Brav AS. Investment Professional at Ferd Capital.
Previous assignments: Deputy board member in Dr Furst Medisinske Laboratorium AS, WebMed AS and IntMed AS.

Independent of the company and its management but not independent of major shareholders according to the Swedish Corporate Governance Code

Shareholding in Boozt AB:
0



BENJAMIN BÜSCHER
Born: 1981.
Board member since: 2022.
Education: Dual Studies in Business Administration (Betriebswirt (VWA)), and Postgraduate in Business Administration (Dipl.-Kaufmann (FH)).
Other current assignments: Senior Vice President SCM - Global Logistics & Distribution with Adidas AG.
Previous assignments: various positions within Rhenus AG, DB Schenker, Avnet Inc., Schachinger Logistic.

Independent of the company, its management and major shareholders according to the Swedish Corporate Governance Code

Shareholding in Boozt AB:
0

Group Management



HERMANN HARALDSSON
CO-FOUNDER & GROUP CEO

Born: 1966.

Group CEO since: 2010.

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

Board assignments: TV/2 Danmark A/S

Responsibilities: The CEO is responsible for the daily management of the company as instructed by the Board of Directors. This means that, among other things, the CEO focuses on sales and profitability, customer offering, expansion and business development. The CEO reports to the Board of Directors on Bootz's development and makes the necessary preparations for taking decisions on investments, expansion and other strategic matters. As CEO, Hermann is the primary contact for communicating with external stakeholders. Before joining Bootz, Hermann was CEO of Brøndbyernes IF Fodbold A/S, a company listed on Nasdaq Copenhagen. Previous positions include CEO of Omnicom Media Group Nordic.

Shareholding in Bootz AB
463,491 directly
127,698 indirectly



SANDRA GADD
GROUP CFO

Born: 1983

Group CFO since: 2019.

Education: MBA, Lund University.

Board assignments: Hållbar E-handel, Hövding Sverige AB.

Responsibilities: As CFO, Sandra's responsibilities include financial business planning including budgets and forecasts, liquidity and financing. Further, the Finance Team (responsible for accounting, tax and financial reporting as well as management of internal controls), the Legal team, the Sustainability team and the Order Management team (responsible for customer fraud and the Fair Use policy) within the Group are also under Sandra's purview. Prior to this role Sandra held the positions as Transformation Finance Manager and Business Development Director. Before joining Bootz, Sandra was an Authorized Public Accountant and Audit Manager at Deloitte.

Shareholding in Bootz AB
37,721 directly



JESPER BRØNDUM
CO-FOUNDER & GROUP CTO

Born: 1969.

Group CTO since: 2010.

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

Responsibilities: As CTO, Jesper is responsible for technology and engineering at Bootz. This includes all systems, technical infrastructure, research & development, and maintenance of the e-commerce platform: webstores & apps, as well as all internal business systems and proprietary software. Before joining Bootz, Jesper was Principal at Netcompany A/S.

Shareholding in Bootz AB
399,756 directly



PETER G. JØRGENSEN
CO-FOUNDER & GROUP CCO

Born: 1975.

Group CCO since: 2011.

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

Responsibilities: As CCO, Peter is responsible for the teams that drive sales, on- and offline marketing, CRM, design, usability and Business Intelligence. Before joining Bootz, Peter was CMO at Telenor Denmark, Consumer Market, a part of the Telenor Group, listed on Oslo Stock Exchange.

Shareholding in Bootz AB
318,004 directly



MADS BRUUN FAMME
GROUP CPO

Born: 1976.

Group CPO since: 2017.

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

Responsibilities: As CPO (Chief Purchasing Officer), Mads oversees buying and merchandising. He focuses on using a data-driven approach combined with soft fashion buying skills. Mads is responsible for deciding the product and brand mix for Bootz, identifying the market wants and trends, and handling the stock mix and pricing strategies. Prior to Bootz, Mads was Head of Merchandising at Magasin du Nord in Denmark.

Shareholding in Bootz AB
207,993 directly



SANDRA JOY SAHLERTZ
GROUP CHRO

Born: 1983.

Group CHRO since: 2021.

Education: Master of Science in Business Administration, Copenhagen Business School.

Responsibilities: As CHRO, Sandra holds the responsibility for Human Resources across the company. Her engagement includes but is not limited to developing and implementing our HR strategy with valuable business impact, ensuring that Bootz has the right team in place at all times. Furthermore, she is in charge of empowering and nurturing the culture at Bootz, securing an agile and passion-driven environment across the organization. Before joining Bootz, Sandra was Marketing Consultant at Telenor Group, listed on Oslo Stock Exchange.

Shareholding in Bootz AB
62,149 directly



SVEN THIESSEN
GROUP CSCO

Born: 1978.

Group CSCO since: 2022.

Education: Master of Business Administration (MBA), Rotterdam School of Management.

Responsibilities: As CSCO, Sven holds the responsibility for strengthening and expanding our warehouse operations, ensuring that Bootz has fast and cost-efficient processes in place. This includes overseeing fulfilment and distribution activities. Prior to Bootz, Sven led Zalando Lounge supply chain operations as Director Logistics and Content Creation Zalando Off-price.

Shareholding in Bootz AB
0

Shareholder information

Share price performance 2022

At year-end, the closing price of Boozt shares on Nasdaq Stockholm was SEK 120.3, down 32.7% since year-end 2021. At year-end, the closing price of Boozt shares on Nasdaq Copenhagen was DKK 81.0, down 29.4% since year-end 2021.

The average daily trading volume of Boozt shares on Nasdaq Stockholm and Nasdaq Copenhagen was 280,940 shares in 2022 equivalent to 0.4% of shares issued.

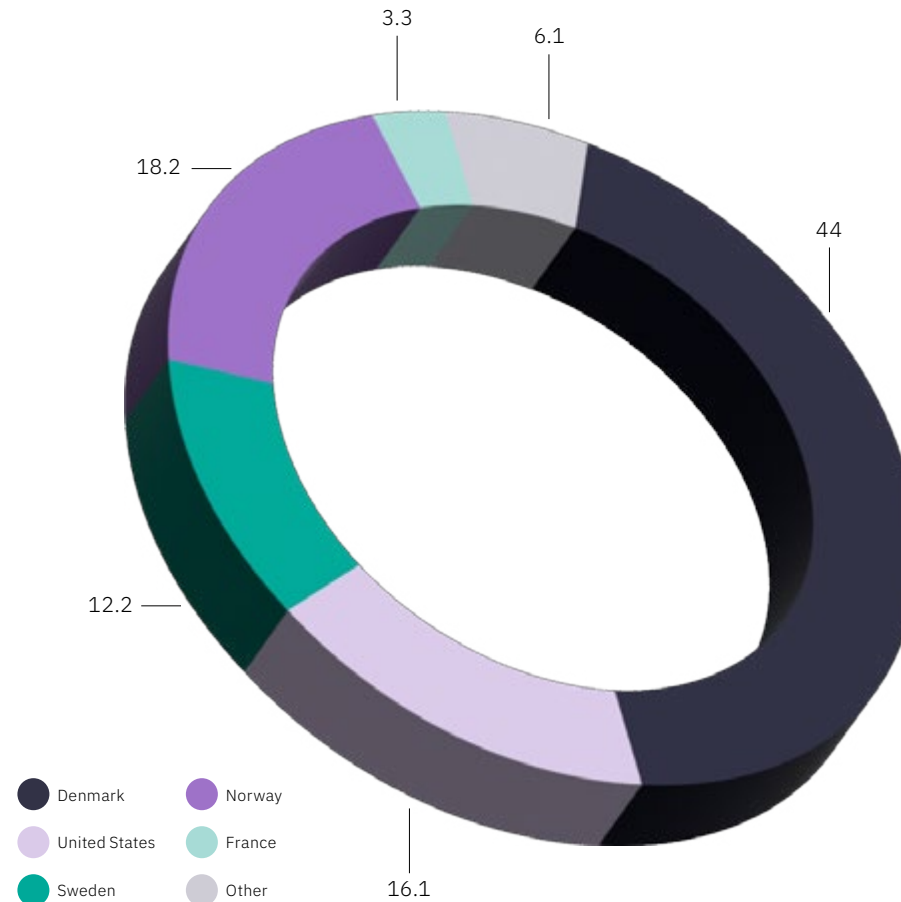
As per December 31, 2022, the market capitalization of Boozt was SEK 7.9 billion against SEK 12.3 billion at the end of 2021.

Ownership

On December 31, 2022, Boozt had around 17,800 registered shareholders. The largest 10 shareholders owned 69.4% of the share capital.

Boozt has no majority shareholders. Shareholders owning more than 5% of the share capital in Boozt according to latest shareholding notifications, are:

- BLS Capital (24.49%)
- Ferd AS (14.17%)
- ATP (5.66%)
- Invesco (5.65%)



Communication with shareholders

Through open and proactive communication, we aim to provide the basis for fair and efficient pricing of the Boozt share. To keep investors updated, we host conference calls with management following the release of financial results.

Group Management and Investor Relations preserved close contact with both existing and potential investors during 2022 by ensuring engagement with investors and analysts through a combination of in-person and virtual roadshows along with participation in in-person and virtual conferences hosted by various brokers.

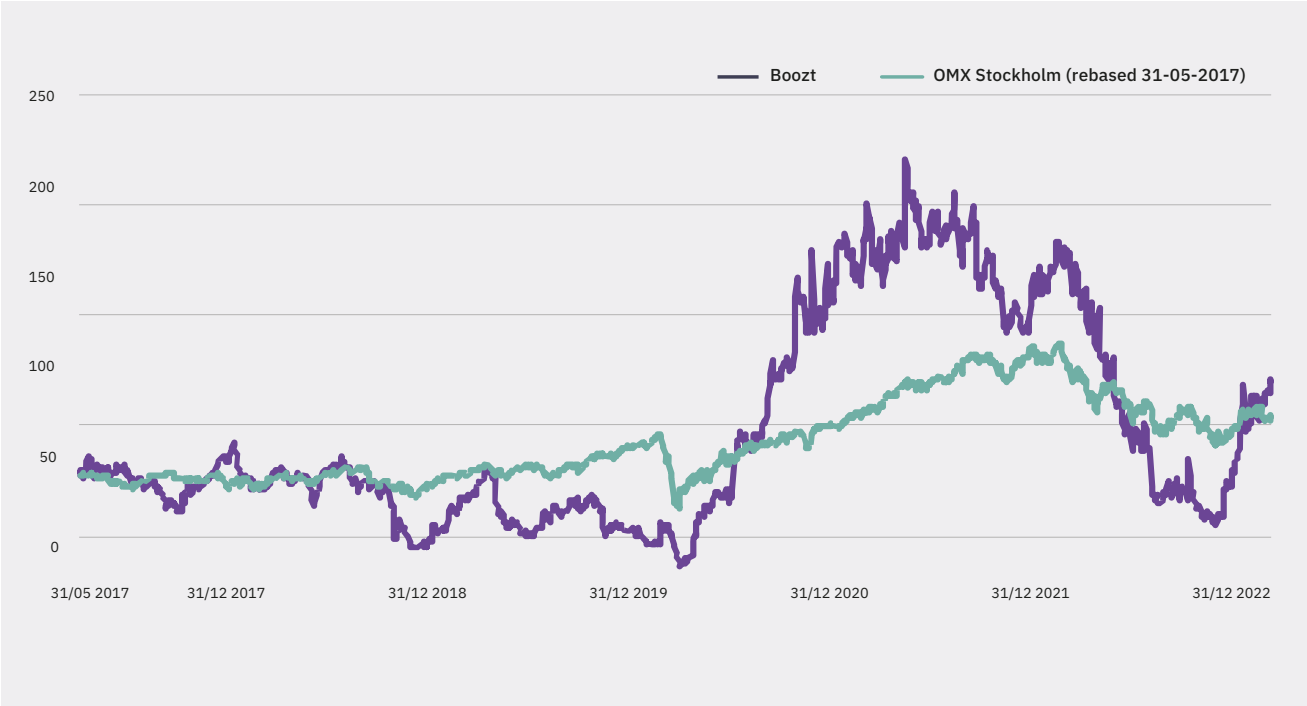
We observe a four-week silent period prior to the publication of annual and interim reports.

Boozt is covered by 6 equity analysts. For more information about analyst coverage, please visit: <https://www.booztgroup.com/analysts>

Company announcements

In 2022, we published 19 press releases. The most important ones are listed in the table below:

24 Jan	Boozt acquires remaining shares in Rosemundede
1 Feb	Strong ending to 2021 results in full year net revenue growth of 33.4% and 5.9% adjusted EBIT margin
28 Feb	Changes in Boozt Group Management
24 Mar	Boozt publishes Annual and Sustainability Report for 2021
9 Jun	Boozt updates targets for 2022 to ensure profitable growth in a challenging market
8 Nov	Boozt delivers accelerated market share gains in the third quarter
29 Nov	The Nordic Department Store continues profitable market share gains



Shares issued ('000)	2018	2019	2020	2021	2022
Number of shares issued (year end)	57,082	57,371	64,067	66,891	67,468
Average number of shares issued at end of period	56,610	57,188	58,423	65,792	67,374
Average number of shares issued at end of period after dilution	57,625	57,815	60,084	67,173	68,056

Auditor's report on the corporate governance report

To the general meeting of the shareholders in Boozt AB,
corporate identity number 556793-5183

Engagement and responsibility

It is the Board of Directors who is responsible for the corporate governance report for the financial year 2022-01-01 - 2022-12-31 on pages 39-52 and that it has been prepared in accordance with the Annual Accounts Act.

The scope of the audit

Our examination has been conducted in accordance with FAR's auditing standard RevR 16 The auditor's examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

Opinions

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2-6 the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the annual accounts and the consolidated accounts and are in accordance with the Annual Accounts Act.

Malmö March 23, 2023
Deloitte AB

Signature on Swedish original

Didrik Roos
Authorized Public Accountant



Sustainability Report

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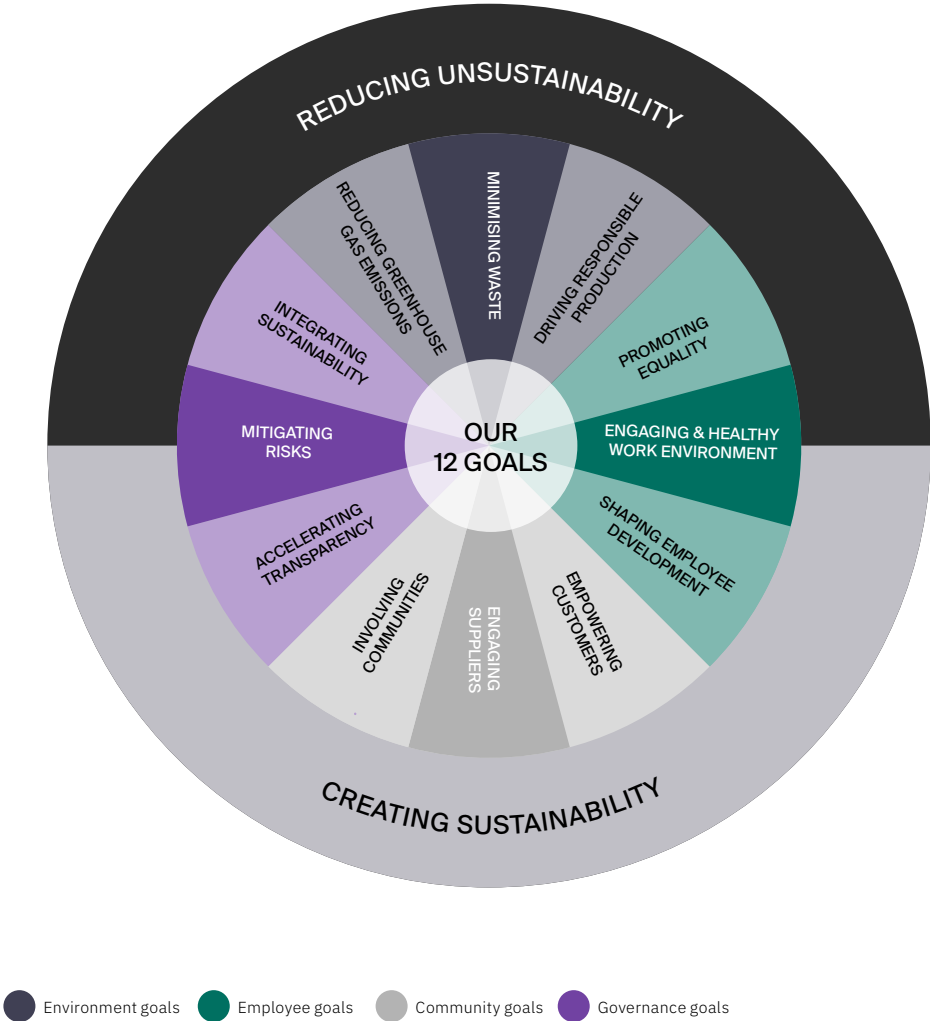
The e-commerce industry faces many challenges on the road to implementing more sustainable practices. By using Boozt's position and size there is a unique opportunity to push for a more sustainable industry. Boozt's responsibility vision is to use its local Nordic position and technology platforms to make sustainable choices easy for its customers and partners.



Care-For strategy and material topics

The company's Care-For strategy is the roadmap for how to become the leading responsible e-commerce company in the Nordics. As part of this, Boozt has updated its Care-For strategy and goals to ensure they align with the strategic direction of the business and take into account external trends and overall development in society.

To cement our efforts across the relevant areas in alignment with our commitment to the ongoing B Corp certification the goals and targets have been expanded and updated. Boozt's efforts are focused on four dimensions Environment, Employees, Community and Governance. Within each dimension Boozt, based on a materiality assessment, have set goal areas and relevant targets that support the work which are described below. Read more about the sustainability strategy and goals on pages 24-29.



Boozt has set 15 new targets for its updated Care-For strategy. The targets are reviewed annually to ensure they remain aligned with the strategic direction of the business and take into account external trends and overall development in society.

GOAL AREA	TARGET
Reducing Greenhouse Gas Emissions	By 2024 set science-based targets and submit them to the Science-based targets initiative
	By 2026 Disclose 100% of relevant Scope 3 emissions categories
Minimising Waste	By 2026 Increase the share of recycled waste to 80%
Driving Responsible Production	By 2024 Develop a scorecard to assess ESG Performance in purchasing decisions for at least 60% of our partner brands
Promoting Equality	By 2024, identify opportunities to further support the governmental parental leave policy for all Boozt Fashion AB employees to continue to promote equality
Engaging & Healthy Work Environment	By 2024 Reach above 77% of the aggregated participation rate in our internal employee survey
	By 2024 Increase eNPS score to reach the TOP 10 placement in the consumer industry
Shaping Employee Development	By 2023 Implement a regular career development review process that includes all Boozt Fashion AB employees
Empowering Customers	By 2024 Extend ReBoozt's presence across our markets
Engaging Suppliers	By 2026 Provide semi-annual events for our brand partners
	By 2023 ensure 100% of our apparel brand partners are committed to supply chain transparency and to working with the Higg BRM tool
Involving Communities	By 2024 Increase collaboration with relevant universities and research institutions to share and learn best practices
Accelerating Transparency	By 2024 Increase engagement with third-party ESG rankings and ratings
Mitigating Risks	By 2026 Request at least 80% of our brand partners to identify, map and share with us their Tier 1 and 2 suppliers
Integrating Sustainability	By 2026 Increase participation to internal training on Sustainability

Materiality assessment

Based on the company’s yearly materiality analysis, this report focuses on the most important sustainability issues for the Groups business. As a result of the materiality assessment during 2022, Boozt has updated its strategy and translated the material topics into its implemented goal areas.

Boozt materiality assessment follows a three-steps approach: 1) Understand the organization's context and review material topics: A review of the current process of the materiality assessment and the environment in which Boozt operates is done on an ongoing basis. A prerequisite to identifying impacts is to understand the business context, activities, and business relationships and identify its most important stakeholders. A list of Boozt stakeholders and how the company interact with them can be found in the chapter ‘About the report’, on page 80. For the first time, a survey with two stakeholder groups, employees and investors, has been conducted and their input has been considered for the review of material topics for the company. The goal is to continue widening stakeholder engagement by involving brand partners to assess Boozt material topics via the yearly Boozt Supplier Survey.

2) Identify: In step two, potential and actual impacts on the economy, environment, and society, including impacts on human rights were identified. Based on a variety of different sources such as current global and ESG trends, external standards such as SASB, MSCI, GRI, current and upcoming legislation, especially the ESRS, challenges in the sector and the sector relevance, and stakeholder dialogue, a list of 15 impacts have been identified. Both negative and positive impacts that Boozt contributes to or is directly connected to through its business relationships were identified.

3) Assess and prioritise: To prioritise and choose the material topics Boozt take into account and analyse the stakeholder relevance and the significance of the economic, social, and environmental impact from a double materiality approach, meaning both how sustainability issues affect its business, and

how business and operations impact society and the environment in general. The focus in this report lies on impact materiality but considering the upcoming ESRS, the process of incorporating the financial impact perspective in the assessment has been initiated.

The sustainability department assesses the impacts and their importance from a financial and impact perspective using survey results, where investors and employees rate the impacts and their importance. Boozt received answers from investors that represent 51% of the share capital and almost 200 of the employees. Medium importance was defined as a threshold and used to determine which impacts are considered in defining the material topics. The assessment was used to cluster and group several impacts into defined and prioritised material topics as shown in the table.

The list of material topics has changed from 2021 and 2022 due to the deeper involvement of stakeholders and an update of our Care-For strategy leading to a stronger focus on 12 material topics, with 3 topics each in the four dimensions: Environment, Employees, Community, Governance. The material topics were approved by Group Management and Board of Directors.

Dimension	Prioritised material topic	Impacts assessed and considered in the material topic
Environment	Reducing Greenhouse Gas Emissions	Greenhouse Gas Emissions, Energy Consumption, Distribution & Returns
Environment	Minimising Waste	Packaging & Waste Management, Water Use & Wastewater Management, Distribution & Returns, Conservation of Biodiversity
Environment	Driving Responsible Production	Responsible Production, Responsible Selection & Consumption
Employees	Promoting Equality	Human rights, Employee Diversity, Equality & Inclusion
Employees	Engaging & Healthy Work Environment	Human rights, Employee Health, Safety & Wellbeing
Employees	Shaping Employee Development	Employee Health, Safety & Wellbeing
Community	Empowering Customers	Responsible Selection & Consumption
Community	Engaging Suppliers	Human rights, Supply Chain Management
Community	Involving Communities	Human rights, Community Engagement
Governance	Accelerating Transparency	Transparency
Governance	Mitigating Risks	Human rights, Customer Privacy & Data Security, Greenhouse Gas Emissions
Governance	Integrating Sustainability	Sustainability Governance

Environment

Reducing Greenhouse Gas Emissions

As a fast-growing company, Boozt not only leave a carbon footprint through its own operations and business relationships but as an international retailer linked to global supply chains, Boozt can also be financially affected by climate change. Therefore, it is a priority and responsibility for Boozt to measure its Greenhouse Gas Emissions (GHG), set reduction targets and take action. In terms of GHG accounting, Boozt reports GHG emissions in accordance with the Greenhouse Gas Protocol, which is the global standardized framework to measure the climate impact of companies and organisations. The GHG emissions are reported separately for scopes 1, 2 and 3. The focus in 2022 has been to ensure the expansion of the scope of measurement. By doing so, Boozt is able to establish a baseline and base year that will help to identify areas in which to pursue higher data accuracy in its GHG inventory, identify hot spot areas and focus our reduction efforts. The scope 3 GHG accounting was extended by identifying 9 out of 15 relevant and applicable categories for Boozt's business. A base year is needed in order to set emission reduction targets. More information about the GHG emissions methodology and data used is available under 'Notes to the ESG Data Summary' on pages 75-78.

Boozt has reviewed its climate-neutral target based on its commitment to the Science Based Targets initiative (SBTi) in 2022. In 2022, Boozt committed to setting near-term company-wide emission reductions in line with climate science and the Science Based Targets initiative. Since setting the climate-neutral target in 2019, the carbon offsetting market and carbon-neutral claims have been highly questioned. Boozt believes only absolute reduction of our GHG emissions is the way forward and that financial investments should be made into decarbonising strategies rather than offsetting projects.

Based on calculating Boozt's total GHG emissions from the whole value chain, an analysis of different climate and business scenarios and the developed science-based targets will be submitted to the Science Based Targets initiative for approval in 2024, as presented in our related Care-For targets. In terms of actions taken to manage the topic, Boozt is working on several initiatives to mitigate the negative impact.

791

tonnes CO₂e saved due to Fair Use Policy
[Read more on page 59](#)

462,000

kWh of produced solar energy resulting in more than SEK 1.19 million annual monetary savings
[Read more on page 69](#)

SCOPE 1 GHG EMISSIONS

Scope 1 GHG emissions are direct emissions of greenhouse gases from sources owned by Boozt that are not connected to energy delivery. This includes company vehicles. For scope 1 the calculation of the GHG emissions in 2021 refers to the parent company while in 2022 the measurement was expended to cover the scope 1 GHG emissions of the total Group and its subsidiaries. Therefore the GHG emissions in 2022 have increased and amount to 150.5 tonnes CO₂e emissions (2021: 106.4).

SCOPE 2 GHG EMISSIONS AND RENEWABLE ENERGY OPERATIONS

Scope 2 GHG emissions are related to the purchase of energy. To calculate scope 2 GHG emissions, energy consumption data first needs to be collected after which emission factors to the corresponding energy source are applied. GHG Emissions continue to be zero for the two locations where Boozt's main operations are conducted, the fulfilment centre and headquarter, as the group source only renewable energy from hydropower as well as the generated electricity from solar panels at the fulfilment centre. As the business continues to grow the data collection is broadened

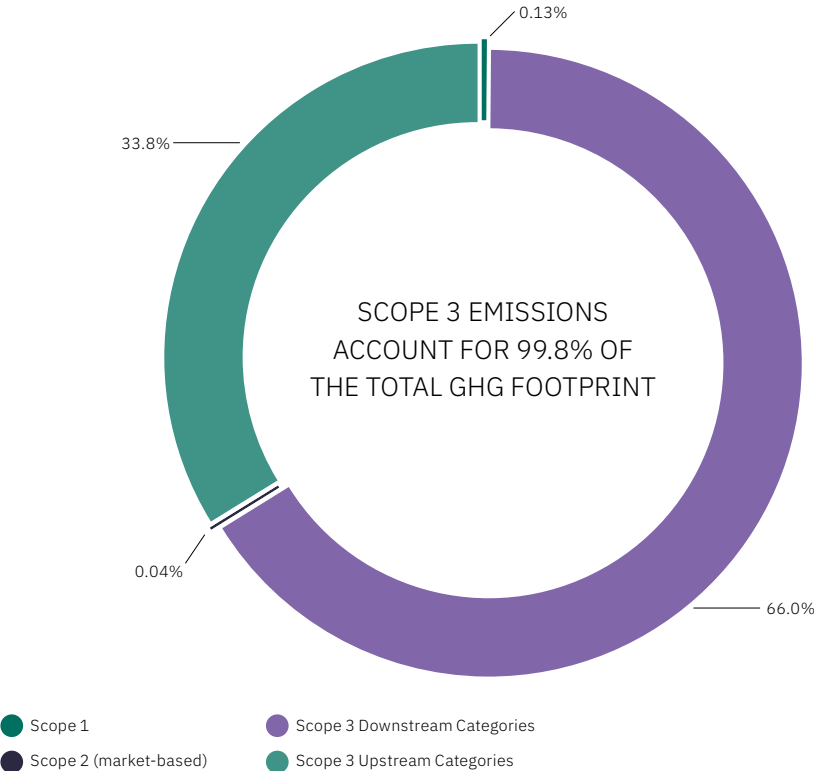


to account for the full impact of all operations. Scope 2 (market-based) GHG emissions amount to 42 tonnes CO₂e. In 2022, 95.6% of the total energy consumed in scope 2 came from renewable sources, with hydropower as a primary source and solar energy as a secondary source. Looking at the share of electricity, Boozt sourced 98.2% renewable electricity in 2022 (2021: 96.3%). A breakdown of the energy consumption per energy activity and energy source can be found in the ‘ESG Data Summary’ on page 72.

Boozt's headquarter is located in a building certified by WELL. The International WELL Building Institute (IWBI) is a globally recognised building standard focused on human health and wellness in workplaces. The building is also environmentally certified with Miljöbyggnad Gold level, a Swedish environmental certification for sustainable buildings by the Sweden Green Building Council. This certification guarantees a reduction of energy consumption by 25% compared to conventional buildings. The fulfilment centre is located in a green building-certified facility and is driven by energy-efficient and modern technology. The fulfilment centre runs on 100% renewable energy, consisting of purchased energy from hydropower and own generated solar energy. Read more about seizing the opportunity to produce renewable energy on page 69.

SCOPE 3 GHG EMISSIONS

As for most companies, the majority of Boozt’s GHG emissions come from indirect emissions along the value chain which are called scope 3 GHG emissions. Despite the significant impact, scope 3 is currently the hardest to accurately and fully measure due to limitations in the data collection. A first and important step is the assessment of relevance to determine which of the 15 categories are relevant to the organisation. This year, the boundary of our scope 3 GHG Accounting was extended by identifying and measuring nine relevant scope 3 categories (2021: 4/9 relevant scope 3 categories were calculated). This eases the assessment of the full impact across the value chain. The graph of the breakdown of Boozt’s CO₂e emissions in 2022 shows that the company’s indirect scope 3 emissions make up 99.8% of the total CO₂e footprint. More explanation on the scope 3 categories and their calculation can be found under ‘ESG Data Summary’ and its notes on pages 71-78.



Transportation and Distribution

The category of upstream transportation and distribution is characterised by close collaboration with external distributors. New distributors are ongoingly added to the ESG data platform. The increase in absolute GHG emissions from upstream transportation and distribution can be explained by a higher number of orders shipped during 2022 as well as an extended tracking of transport emissions in more shipping countries. To put the absolute emissions into perspective with business growth, Boozt calculate the CO₂e intensity per parcel. The CO₂e intensity per parcel for 2022 is 0.49 kg per parcel (2021: 0.34 kg) and has been updated to include all shipping countries, covering 99.5% of the total order volume. In 2021 the CO₂e intensity per parcel only covered 90.7% of the volume handled. Even though the absolute emissions from delivery and returns have grown, Boozt's local return handling and optimised delivery patterns and fossil-free delivery options have allowed for a maintained a low 0.29 kg CO₂e per parcel in the Nordic delivery countries.

BREAKDOWN OF CO₂e EMISSIONS IN 2022

Scope	Category	tonnes CO ₂ e emissions
Scope 1	Company Cars	150.5
Scope 2 (market-based)	Purchased energy	42.0
Scope 3 Upstream Categories	Business Travel	136.7
Scope 3 Upstream Categories	Purchased Goods and Services	6,543.4
Scope 3 Upstream Categories	Waste Generated in Operations	55.8
Scope 3 Upstream Categories	Fuel- and Energy-Related Activities	66.6
Scope 3 Upstream Categories	Upstream Transportation and Distribution	4,896.2
Scope 3 Upstream Categories	Employee Commuting	479.1
Scope 3 Upstream Categories	Capital Goods	27,234.5
Scope 3 Downstream Categories	End-of-Life Treatment of Sold Products	8,331.9
Scope 3 Downstream Categories	Use of Sold Products	68,694.1
Total CO ₂ e emissions		116,630.8

Fair Use Policy

As part of the efforts to lead the change towards a more responsible industry, Boozt has taken a stand against unnecessary returns and by that avoiding unnecessary GHG emissions. In 2019, Boozt introduced the Fair Use Policy to its Terms & Conditions as a way to eliminate unnecessary returns and establish more sustainable business practices. Returns are an integral part of shopping online and Boozt wants to make it as easy as possible for our customers to return. However, Fair Use supports Boozt in having a transparent and honest dialogue with, and possibly pause, customers that repeatedly exploit the high service levels of free shipping and returns at the expense of our business, other customers and the environment.

Around 39,000 customers, or 1.58% of the active customer base, have been paused through the Fair Use Policy. This is a small part of the more than 2.5 million active customers on Boozt, yet these customers represent around 25% of the total return volume. By pausing these accounts and reducing unnecessary returns, Boozt saved approximately 791 tonnes CO₂e in 2022 which has eliminated the need for approximately 538 delivery trucks during one year.

Minimising Waste

Boozt is persistent in its effort to reduce waste across our operations. The waste from its operations is mainly related to packaging materials that are received from customer returns. Boozt is collaborating with a third-party company that collects the waste generated from Boozt’s operations to ensure waste is properly handled according to local regulations. In Boozt’s own operations, no waste from raw materials, process and manufacturing materials, or by-products is generated. More information and metrics about quantities of waste outputs by waste type and treatment method are available under the ‘ESG Data Summary’ on pages 71-74. In terms of actions taken to minimise waste, Boozt is working on several initiatives to mitigate the negative impact.

6.9

million sheets of paper saved due to digital returns

35%

reduction of plastic filling by replacing it with paper filling

For some time customers have had the option to choose between using the printed version of the return form that comes with the package or returning their items using a digital version. In response to this, Boozt removed the physical return form and in extension simplify the process at the Pick & Pack stations and as a result, we will save the need for approximately 6.9 million sheets of paper in 2023.

In 2022, Boozt worked to reduce the amount of plastic filling in its shipments by introducing recycled corrugated paper in its distributed orders which has resulted in a reduction of plastic filling by 35% compared to last year. Boozt is also testing repurposing inbound cardboard to extend its use, and thereby taking a step towards a more circular packaging process.

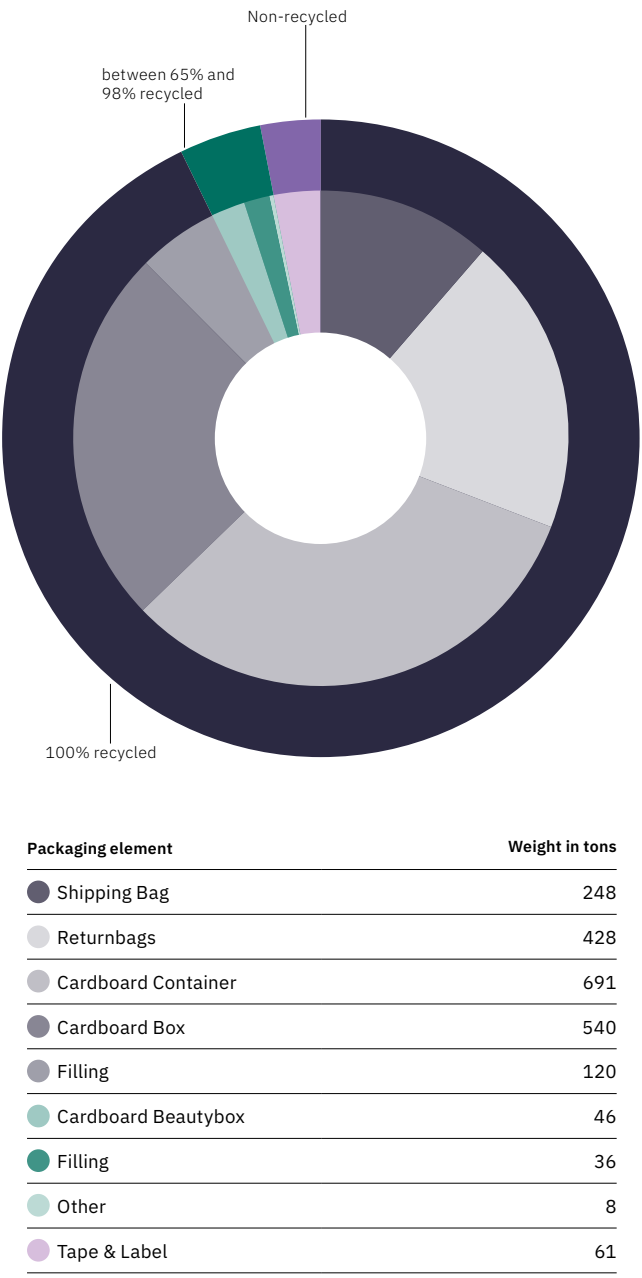
WASTE TREATMENT

Waste treatment methods and waste processes play an enormously important role in seeing waste as a resource and increasing the share of recycled waste. A local waste management

company handles the waste from the Boozt fulfilment centre with the majority of the waste being recycled (60.8% in 2022) and Boozt is committed to increase the share of recycled waste to 80% by 2026 as presented in our related Care-For target. The main waste type from the fulfilment centre consists of cardboard and paper waste and is recycled by a third-party. The remaining waste is handled by certified centres and is treated as burnable waste and residual waste to generate heat and electricity for buildings. Organic waste such as food waste is used to generate biogas. The third-party waste management company reports the different waste volumes on a quarterly basis so Boozt is able to track the data in the ESG Data platform and evaluate the process on a regular basis. Regarding waste generated at the customer’s end, Boozt follows the EU legislation of Extended Producer Responsibility (EPR) across the markets the company operates in to ensure proper waste management. To minimise the negative impact of packaging waste at the consumer end, Boozt optimised packing elements used such as fillings and tapes in order to reduce the amount of materials used and minimise waste creation.

PACKAGING SOURCING

A major challenge for every e-commerce company is reducing the impact of packaging material. The impact of packaging is a core area of focus for Boozt, as the company look for more circular options to ship orders. It is important that customers receive their orders in the right-sized, recyclable packaging materials that minimise waste and ensure damage-free and intact delivery. The Boozt shipping bags are made from 100% recycled plastic, Blue Angel certified, and the shipping boxes are made from 100% certified paper to ensure full traceability and recyclability. Boozt is also in dialogue with its packaging partners to explore possible ways to reduce the use of polybags and the need to utilise new raw materials. In 2022 Boozt initiated measurement of the procured and used amount of all packaging material to give a clearer picture of the material inputs and to identify reduction potential in the packaging materials. As a result, Boozt tracked and calculated all components of packaging that are necessary to deliver the products. As shown in the graph, there are nine types of packaging components. Out of the 2,177.9 tonnes of packaging material, we used in 2022, 96.5% (2,102.7 tonnes) come from recycled material input.



Driving Responsible Production

As a company offering fashion and lifestyle online, Boozt is linked to global supply chains via its business relationships and can be financially affected by supply chain risk and a lack of responsible practices. Due to the growth of the business and the acquisition of the Nordic Brand Hub, Boozt's influence on this topic has changed. Therefore, the focus is even more on the supply chain risks of subsidiaries to assess both environmental and social aspects. Boozt is committed to using its position in the industry and its learnings from multi-stakeholder collaborations to facilitate responsible practices. Boozt is developing a scorecard to assess the ESG performance of at least 60% of the company’s partner brands by 2024 as presented in our Care-For target. In 2022, a supply chain assessment of the Nordic Brand Hub was conducted and ensured our Supplier Code of Conduct and affiliated policies and procedures are aligned. Progress on actions implemented is tracked and monitored via our internal ESG Data platform.

SUSTAINABILITY CRITERIA

Using Boozt's position and size, Boozt has the unique opportunity to push for a more sustainable industry. This is the foundation for our Made With Care category which only includes products that meet the sustainability criteria and represents the efforts to drive responsible production on both environmental and social aspects. The category also encourages the brand partners towards more responsible practices.

In an effort to drive responsible production, in 2022, a redesign of the Boozt Sustainability Criteria to represent a systemic change in production patterns and educate the customer about the socio-environmental impact of production and consumption was made. The Boozt Sustainability Criteria refer to a methodology set internally to define whether a product is fit for our Made With Care category or not. The methodology differs based on the product category. To ensure a reliable, transparent and traceable assortment, Boozt relies intensely on globally recognised certifications, both environmental and social, as well as extensive data collection. To uphold the highest industry standards, a review, update and strengthening of Boozt's Sustainability Criteria are made on a yearly basis, based on stakeholder feedback, new regulations and other macro-level changes. Boozt tracks the performance of the category and data quality on a quarterly basis.

In 2021, the first version of Boozt's Sustainability Criteria for Textiles and Beauty, our two leading categories was published. In 2022, an update of the Boozt Sustainability Criteria for Textiles and Beauty was made to incorporate changes from the past year, and to align the structure of all criteria. This was done to facilitate internal communication, as well as to create a more consistent approach to our Made With Care category. In 2022, Boozt also introduced new Boozt Sustainability Criteria for the categories of Footwear and Home & Accessories.



[LINK TO BEAUTY CRITERIA](#)



[LINK TO FOOTWEAR CRITERIA](#)



[LINK TO HOME & ACCESSORIES](#)



[LINK TO TEXTILE CRITERIA](#)

Employees

Promoting Equality

As a leading company in the Nordics that employs more than 1,200 people across our operations, equality is core to the way we treat our employees. Boozt is continuously working towards reducing the potential risk of inequalities across the Group and is actively supporting each employee's equal rights and opportunities within the organisation through initiatives and policies reflecting our company culture and values.

The company's Care-Why culture is about encouraging a curious and innovative mindset, with a focus on making decisions that respect the company, customers and colleagues. This is supported by the company values of Trust, Freedom and Responsibility. Equal opportunities apply across the organisation and everyone who works at Boozt shall feel welcome and safe. Improvement potential and equality opportunities are tracked by measuring different diversity indicators based on factors such as gender and age. More information and metrics about Boozt employees are available under the 'ESG Data Summary' on pages 71-74.

EMPLOYEE DIVERSITY

Boozt believes that the core strength of the company is the diversity of our employees. With more than 60 nationalities, we acknowledge our differences but still share the same goals. Boozt is committed to and actively supports each employee's equal rights and is against any kind of discrimination, harassment or differential treatment as stipulated in the employee Code of Conduct. To ensure compliance with these commitments, the employee engagement survey was updated in 2022 to include questions about discrimination & harassment and the Dignity at Work procedure was reviewed and updated.

Employment and development opportunities must always be based on competence and experience, and be in accordance with the Group's commitments to equality, diversity and inclusion. Attracting the right talent with a fair and equal recruitment

process is key to business success. During 2022 the HR policy was reviewed and updated in regard to recruitment processes and promoting internal hiring practices. This ensures that Boozt is working with inclusive employment practices across the organisation and are promoting equal distribution of gender in management positions. In 2022, the share of women in mid-management increased from 37% to 45%. Managers were also offered training in 2022 on our tool for behavioural and cognitive assessments to ensure they are equipped to work according to a transparent and fair recruitment process.

Parental leave for both men and women is an intrinsic part of the company and employees have the ability to combine part-time parental leave with part-time work. In 2022, 211 employees took parental leave, thereof 52% women and 48% men. During 2023, the Group will review the parental leave policy to continue to promote equality.

Engaging & Healthy Work Environment

EMPLOYEE ENGAGEMENT

High employee engagement is key to securing a competitive advantage and cultivating organisational resilience. As an employer, it is our responsibility to foster a work environment that encourages employee engagement and correlates to an agile and healthy organisation and improved retention rates. Well-informed and engaged employees are better motivated and involved in the success of the Group. Boozt is committed to facilitate open communication and knowledge sharing through our communication policy and promoting feedback opportunities through our monthly employee survey.

In the employee engagement survey employees have the chance to give input to improve Boozt as a workplace, both on a team and company level. The platform uses an employee Net Promoter

Score (eNPS) to benchmark employee engagement with others in the same sector. Employee Net Promoter Score is a final value that can range anywhere from -100 to 100. Boozt uses the eNPS as this is a well-recognised way of measuring employee engagement allowing us to benchmark with other companies. In 2022, the average aggregated participation rate for the survey was 71% (2021: 73%) and the average eNPS score was 42 (2021: 50). The average eNPS score for the year was impacted by the right-sizing of the organisation carried out with effect from July 1, 2022. Boozt is committed to reach above 77% of the aggregated participation rate and to increase the eNPS score to reach Top 10 placement in the consumer industry by 2024 as presented in our Care-For targets.

To facilitate the accessibility of internal information and ensure that employees are well-informed, the Group conducts a monthly staff meeting with all its employees. The Group CEO primarily holds the meeting, with help from the Group Management. At the meetings, comprehensive information about the latest news and targets for the Group and its departments is presented. Employees can also be informed through BooztUs, the company's joint intranet and a central source for communication of information and documents that affect all employees. These communication channels serve to spread knowledge and understanding of relevant issues and company updates that help keep employees engaged.

A key step to better cultivate engaged employees is to establish programs that drive knowledge sharing. Effective knowledge sharing ensures that best practices and innovative ideas aren't siloed into separate departments. In 2022, we launched our new initiative 'Inspired with Boozt', a series of employee-led events and presentations with the purpose of promoting knowledge sharing across the organisation. All employees can request to participate and present at 'Inspired with Boozt', given that the topic is relevant to other employees and their professional development.



HEALTH AND SAFETY

Healthy and safe work conditions are a top priority for Boozt, ensuring that employees have the training, safety equipment, and other resources needed to work safely and efficiently. As an employer, Boozt has the primary responsibility to implement effective policies and precautions for maintaining a safe working environment across our operations which includes offices, stores and the fulfilment centre. With the insourcing of staff at the fulfilment centre in 2021, occupational safety at the warehouse has been a focus area. The Group has taken steps to reduce the risk of incidents and streamline our operations so employees can fulfil customer orders as efficiently and safely as possible.

Boozt is committed to creating a safe work environment that contributes to healthy employees. The HR-policy, guided by the UN Guiding Principles on Business and Human Rights (UNGP) Discrimination and Harassment policy, covers occupational health and safety, as well as employee wellbeing. The company work environment is systematically reviewed and developed. In 2022 a new updated work environment handbook was made available to all employees and serves as a basis for the Group's systematic work environment management. Boozt supports the right to freedom of association for all its employees as stated in our Code of Conduct. Boozt has collective bargaining agreements for all employees in Sweden.

Work environment at Boozt headquarters

Healthy and safe workplaces are a top priority. Any assessed risks related to the working environment are managed through a systematic approach to occupational health and safety (OHS). Risks at the headquarters include health risks due to poor ergonomics, lighting or ventilation, and also psychosocial risks, such as from stress. Representatives from the work environment committee do health and safety checks on a regular basis to monitor the safeguards against ill health and accidents, as well as ensure that the Group complies with the provisions stated in The Working Conditions Act. We register the occurrence of any and all accidents. For severe accidents, which need to be reported to authorities in accordance with regulations, no accidents were reported in 2022. All employees who manage personnel

are required to go through OHS training by external facilitators. The training includes work environment regulations, systematic occupational health and safety, organisational and social work environment and rehabilitation. The Group promotes a healthy work-life balance by offering flexible working time arrangements. Boozt wants to influence and encourage the employees to increase their physical activities and to improve their well-being by offering wellness allowances as an additional benefit on top of employee salary. Employees have access to medical evaluation and advice, including occupational health, on a weekly basis from an in-house primary care doctor.

Occupational health and safety at the Boozt Fulfilment Centre
Ensuring safe work conditions at the fulfilment centre for all workers is a priority. The occupational health and safety (OHS) management system has been implemented according to Swedish regulation (systematiskt arbetsmiljöarbete (AFS 2001:1)). The occupational health and management system covers all employees and all workers who are not employees onsite at our fulfilment centre. The type of work they perform is mostly related to the photostudio, maintenance, indelivery and packing and handling returns of our products.

All working conditions and environmental hazards are carefully considered and to prevent the high potential for work-related incidents Boozt conduct frequent risk assessment analyses in line with the regulation of Systematic Work Environment Management (AFS2001:1, §8). This standard includes requirements for risk assessment and evaluation, investigation of unhealth and incidents, actions and control of actions, and cooperation between parties. In order to identify potential work-related hazards and incidents, a third-party OHS specialist conducted 30 safety walks in 2022, examining safety aspects of truck loading and forklifts, as well as assessing thermal comfort and ergonomics. Risks related to the work environment include the risk of fire, physical risks, mainly in the handling of products and product returns, and also psychosocial risks, such as stress related to repetitive tasks and prolonged standing. The most common work-related injury is pain from recurring work and forklift accidents. For severe accidents and incidents,

which need to be reported to authorities in accordance with regulations, three accidents and one serious incident were reported in 2022. The three serious accidents occurred on the road and do not directly concern the workplace. Employees have an obligation to inform managers about work-related hazards they have identified. A digital procedure for reporting hazards was implemented from 2023 onwards to replace the manual reporting of hazards in 2022. There is a routine to onboard and introduce new employees to safety measures around automated guided vehicles such as forklifts.

Results and findings of the risk analysis were documented and handed over to the production managers and the Chief Supply Chain Officer as well as evaluated in the safety committee meetings. Safety delegates are elected by each union party to represent blue and white-collar workers and are part of the safety committee that meets once every quarter to discuss accidents and incidents and improvement potential. The safety delegates distribute the information to the employees. Up until the end of 2022, Boozt hired an occupational healthcare company and contracted a Work Environment specialist to support the managers. All occupational Health and Safety-related topics will be handled by a dedicated onsite specialist beginning in January 2023.

Shaping Employee Development

As an entrepreneurial company operating in an industry under constant advancement, the professional development of our employees is crucial to enhance human capital and improving business performance. Planned development opportunities correlate to employee satisfaction and Boozt seeks to balance business needs and requirements with individual career development objectives while providing as much freedom to the individual as possible.

Through the HR policy and by encouraging a feedback culture, the Group is committed to providing employees with development opportunities that allow them to meet strategic targets in a changing work environment. Various initiatives throughout the year have focused on internal development opportunities and skills acquisition for managers and other employees.

LEARNING AND GROWTH

Boozt promotes professional development opportunities for all employees to retain critical talent and skills in the business while allowing employees to evolve and challenge themselves. A strategic focus for the year has been ensuring all managers are equipped to provide ongoing feedback and coaching to their employees.

In 2022, 75% of all managers have completed Boozt Leadership Academy trainings focused on improving leadership skills and team performance. The four-day training is led by external consultants and aims to improve skills and knowledge within a range of leadership areas such as performance management, growth coaching and situational leadership. During the year 89% of managers also participated in work environment training. In 2023, Boozt is planning to implement a regular performance and career development review process between managers and employees, as presented in our Care-For targets. The focus on career development journeys encourages a feedback culture that supports employee performance and satisfaction.

Community

Empowering Customers

Boozt aims to make sustainable choices easy for customers through transparency and technology. Together with the brands, and the industry as a whole, Boozt strives to empower its customers towards more sustainable and informed consumption. Boozt is committed to extend the presence of its second-hand platform ReBoozt across its markets by 2024 as reflected in our Care-For target. As more and more customers are interested in buying products that are made responsibly, Boozt wants to make sure to always provide them with a selection of products that are produced more responsibly. To do so, Boozt is committed to updating Boozt's Sustainability Criteria on a yearly basis, read more about the criteria on page 61.

MADE WITH CARE CATEGORY

The Made With Care category on Boozt.com was launched in 2021. Throughout our Made With Care landing page, Boozt is aiming for providing as much information about products and responsible production practices as possible, to become more transparent and to educate the customers.

The Made With Care experience allows customers to discover more sustainable fashion and beauty based on reliable brand data and categorised by clear impact area icons: Organic, Recycled, Not tested on Animals, Vegan, Traceability and Certified. The icons have been redesigned to better reflect the data collection from brands and make it easier for customers to shop according to their values. For a product to be featured in the Made With Care category, and therefore benefit from a free onsite double exposure, a product needs to fulfil the requirements (as presented in the section driving responsible production).

As part of the data collection from brands, Boozt also requires information about products' material sourcing in terms of material impact from an environmental perspective and be validated by third-party product certification. Information about the safety of

products is aligned with EU product regulations. In addition to that, Boozt seeks information about sourcing and environmental as well as social impact on a product level. This is part of the company's ambition to ensure a higher level of transparency and credibility of claims for customers. Without the correct data, Boozt do not allow products to be highlighted using the Made With Care icon. By doing this Boozt is able to target 100% of customers by highlighting selected products with the Made With Care icon.

Engaging Suppliers

As a third-party retailer working with several suppliers with a global supply chain, Boozt has little control over environmental and social supply chain risks. To address this, Boozt is committed to sharing knowledge and pushing for a higher degree of supply chain transparency as reflected in its related Care-For targets. As a retailer, Boozt is committed to ensure that any products and goods sold by the company have been produced under safe and fair working conditions.

SAC MEMBERSHIP

To amplify the efforts within the sustainability area, Boozt has joined the multi-stakeholder alliance the Sustainable Apparel Coalition (SAC) in 2020 and collaborated on the Higg Brand and Retail Module (BRM) to push for a higher degree of supply chain transparency. By collecting the data shared Boozt has been able to conduct its first Supply Chain Risk Assessment based on the Higg Higg BRM Module. As part of the SAC membership, Boozt needs to fulfil certain requirements. This includes the Higg Brand and Retail Module (BRM) requirement of completing the self-assessment, sharing it with all brand partners and verifying it with a third-party auditor. In addition, Boozt needs to onboard an increasing share of its brand partners to the Higg BRM, in order to assess, evaluate and monitor the associated socio-ecological risk within the supply chain. The SAC membership shows Boozt's commitment to shaping a more responsible apparel and footwear industry.

Higg BRM adoption and joint effort

The Group is continuously working to ensure that the company's apparel and footwear brand partners are committed to supply chain transparency and working towards best practices. Results from the Group's efforts are presented below and critical issues have been identified as shown in the 'Supply Chain Risk Assessment' section of this report.

In 2023, Boozt aims to onboard around 150 brands on the platform, representing approximately 65% of our business volume. We see this as an opportunity to push for standardised reporting regarding environmental, social and labour impacts across the value chain and a tool for preventative risk assessment. The first results of the risk assessment based on completed Higg BRM modules are available on page 69 and progress on the KPIs can be found in the 'ESG Data Summary' on pages 71-74.

ENGAGING SUPPLIERS

1 192 Brands contacted (66% of business volume)

2 107 Brands onboarded and with completed BRM (47% of business volume)

3 67 Brands with shared module (36% of business volume)

4 45 Brands with verified module (25% of business volume)

Footnote: Business volume is based on July 2020 to June 2021 data due to the timing of the onboarding process.



BOOZT SUPPLIER SURVEY

In addition to the SAC joint effort project, Boozt is also ensuring compliance with the Boozt Supplier Code of Conduct via the yearly Boozt Supplier Survey. From 2022, Boozt starts systematically assessing suppliers in terms of their ESG performance through the distribution of a supplier survey. The first part of the survey focuses on the extent of compliance with the Suppliers Code of Conduct and other governance aspects. More sections with environmental and social questions were added to the survey to help understand where brands are on their sustainability journey and to identify improvement areas where Boozt can support them. In order to measure these GHG emissions, Boozt needs to collaborate with brands. The survey focuses on collecting information about the supplier's GHG emissions. This is the foundation for calculating the scope 3 category purchased goods and services which has the highest impact on Boozt as a third-party retailer.

SUSTAINABILITY PARTNER PORTAL

In 2022 and in alignment with the previously set targets, Boozt launched the Sustainability Partner Portal. The platform has been created to improve the supplier experience and facilitate data upload, Boozt Sustainability Criteria updates, Boozt yearly supplier survey and overall knowledge sharing. Via the portal, Boozt is able to better control the high volumes of data collected. This data is then used as the basis for a validation process for future suppliers' Made With Care campaigns in collaboration with the Boozt Media Partnership solution.

In terms of supply chain transparency, it's essential to collaborate with own suppliers as well as competitors to share and exchange best practices. During 2022, Boozt held its first brand event focused on the issue of child labor in textile supply chains. The event was in collaboration with Save the Children/ The Center for Child Rights & Business to learn best practices and share practical steps towards child labour mitigation.

Involving Communities

It is part of Boozt's commitment to use its size and reach as one of the leading online retailers in the Nordics to support a number of charities and causes that have a positive social impact. The contributions Boozt made in 2022 have gone into helping important causes on their mission to make a difference. As the business grows Boozt is committed to investing more in giving back to the local community and finding further opportunities in the coming year. The engagement includes charities, sports sponsorship as well as research institutions and environmental agencies. Boozt is committed to sharing its practices and collaborating with research institutions, universities and student groups across its markets to provide insights into the business and share knowledge. This is in line with Boozt Care-For target to increase collaboration with relevant universities and research institutions by 2024.



ENGAGING WITH LOCAL SPORTS COMMUNITIES

As the Nordic Department Store, the overall sponsorship strategy is based on selecting partner- and sponsorship platforms where Boozt has a close and meaningful interaction with local communities and target groups. Handball is a sport that has a large following in the Nordics with many dedicated fans and active players in the different clubs. In 2022, Boozt partnered with the Danish Handball Federation to support the women's team, The Swedish Handball Federation to support both the women's and men's teams and also became the main sponsor of The Handball Federation of Iceland. Boozt also became the new main partner for the football club Malmö FF which is one of the most successful sports clubs in the Nordics and continues to promote sports and a healthy lifestyle as a partner to Royal Run in Copenhagen and main sponsor of Göteborgsvarvet.

5-SKOLER

Boozt works in close partnership with the charity 5-skoler to support their efforts to help children in areas of war, conflict and disaster. The Danish-led program builds life-education centres for children in Syria, giving them the opportunity for an education and a more secure future. Boozt's donations during the year have gone towards the girls' empowerment project that focuses on creating a safe and equal environment for the young girls in Syrian refugee camps, as well as helping provide school uniforms for the children in the life-education centres.

KNÆK CANCER

For the ninth year in a row, Boozt has brought together a strong team to raise awareness for cancer prevention and research through the support of the Knæk Cancer campaign. Thanks to a great team effort and collaboration with Boozt's ambassadors and Knaek Cancer, Boozt managed to donate more than SEK 1.5 million to the fight against cancer. The full amount raised was donated to Knæk Cancer and goes toward the prevention, research, and support for patients and relatives. Boozt will continue to partner with well-known Nordic fashion brands to bring greater awareness and support the Knæk Cancer campaign.



Governance

Accelerating Transparency

By disclosing more of our ESG data and practices, we want to accelerate transparency and create a positive impact by ensuring all of our stakeholders have access to as much information as needed. Boozt collects, measures, analyses and tracks sustainability data internally and ultimately discloses material information to the public. Publicly available data enables our stakeholders to access information about our impact and responsibility. In order to identify improvement areas and take action, transparency is crucial. Boozt is committed to sharing and reporting accurate, comprehensive, comparable and material data in an accountable and transparent way. An exclusive emphasis on positive impacts is a form of greenwashing. Transparency means disclosing both the negative and positive impact and communicating it in a fact- and data-based way.

As a part of this commitment, we have taken several actions to accelerate transparency. 2022 was the first year we included ESG Highlights in our quarterly reporting to report on initiatives and the status of several KPIs on a more frequent basis. In 2022, we also engaged with ESG rankings to a greater extent, including responding to the full version of the CDP Climate Change questionnaire, providing data feedback to MSCI, and completing the S&P Global corporate sustainability assessment and the Nasdaq ESG data portal. We are committed to increasing engagement with third-party ESG rankings and ratings by 2024 as reflected in our Care-For target. To ensure that the ESG data is easily accessible, we have also created an ESG Data Summary containing all shared quantitative information throughout the report. The ESG Data Summary can be downloaded at: <https://www.booztgroup.com/sustainability-reports>

Sustainability reporting

Boozt sustainability reporting is shaped by three components 1) Compliance with regulation, 2) Standards and frameworks guiding Boozt sustainability work and 3) ESG rankings recognizing the level of transparency in sustainability reporting.

REGULATION

Boozt closely monitors the dynamic changes in sustainability reporting and follows upcoming legislation such as the CSRD that Boozt will be affected by. The sustainability report is prepared in accordance with the Swedish Annual Accounts Act and Article 8 of the EU Taxonomy Regulation.

EU Taxonomy

The EU Taxonomy got established in 2018 as a common classification system for what is considered an environmentally sustainable economic activity covering six environmental objectives. Currently, the delegated acts with screening criteria are available for 1) Climate change mitigation and 2) Climate change adaptation while the others are not adopted yet.

The first step is to determine if the activities of Boozt are ‘eligible’, i.e. covered by the Taxonomy Annex 1-5 of the delegated acts. Eligibility indicates that a company generates revenue in an activity that can be tested for alignment under the Taxonomy. Taxonomy-eligibility is expressed with three KPIs that are calculated as the part of turnover, CAPEX and OPEX considered to be Taxonomy-eligible (numerator) divided by Boozt’s total turnover, CAPEX and OPEX (denominator) found on pages 87-90 of this report. In order for an economic activity to be aligned with the EU Taxonomy, it needs to substantially contribute to one out of the six environmental objectives, it must conduct business in a way that does not harm any of the other objectives and comply with minimum safeguards. The sectoral coverage and focus of the EU taxonomy lie on 13 sectors contributing to the majority of Europe's direct scope 1 GHG emissions. Boozt’s business activities and operations are currently not covered in the EU Taxonomy and thus the proportion of turnover, CAPEX and OPEX that are eligible and aligned with the taxonomy is zero.

TURNOVER

Economic activities	Proportion of turnover
A. Taxonomy-eligible activities	
A.1 Turnover of Taxonomy-eligible activities (A)	0%
A.2 Turnover of Taxonomy-aligned activities (A)	0%
B. Taxonomy-non-eligible activities	
B.1 Turnover of Taxonomy-non-eligible activities (B)	100%
Total (A+B) 100%	100%

CAPEX

Economic activities	Proportion of CAPEX
A. Taxonomy-eligible activities	
A.1 CAPEX of Taxonomy-eligible activities (A)	0%
A.2 CAPEX of Taxonomy-aligned activities (A)	0%
B. Taxonomy-non-eligible activities	
B.1 CAPEX of Taxonomy-non-eligible activities (B)	100%
Total (A+B) 100%	100%

OPEX

Economic activities	Proportion of OPEX
A. Taxonomy-eligible activities	
A.1 OPEX of Taxonomy-eligible activities (A)	0%
A.2 OPEX of Taxonomy-aligned activities (A)	0%
B. Taxonomy-non-eligible activities	
B.1 OPEX of Taxonomy-non-eligible activities (B)	100%
Total (A+B) 100%	100%

STANDARDS AND FRAMEWORKS

Reporting standards and frameworks guide the disclosure part of the report and bridge the gap between internally measured and publicly available ESG data, facilitating transparency. Since 2018, Boozt uses GRI as a reporting guideline to improve the quality of its sustainability reporting. Global Reporting Initiative (GRI) is an independent international organisation that helps businesses, governments and other organisations understand and communicate their sustainability impacts. Boozt's GRI Content Index can be found on pages 82-84 and under <https://www.booztgroup.com/sustainability-reports>.

As participants of the UN Global Compact, the CEO and Group Management of Boozt are committed to aligning business goals with the Sustainable Development Goals (SDGs). The Sustainable Development Goals (SDGs) are part of the 2030 Agenda for Sustainable Development adopted by the 193 United Nations (UN) member states and are focusing global efforts and attention on 17 pressing topics. The Communication on Progress is the primary mechanism for participants to demonstrate progress made against the Ten Principles of the UN Global Compact and the SDGs. As a part of the new enhanced Communication on Progress requirement, Boozt will complete the online questionnaire during the annual submission period. Boozt is actively working with Sustainable Development Goals 9 (Industry, Innovation and Infrastructure), Goal 12 (Responsible production and consumption), Goal 13 (Climate Action), and Goal 17 (Partnerships for the goals). The SDGs are overlapping with the GRI Standards which is Boozt's main sustainability reporting framework. More information on how the SDGs relate to the GRI Disclosures which Boozt reports on can be found under 'GRI' on page 81.

ESG RATINGS AND RANKINGS

ESG rankings and ratings provide organisations with a 'score' based on their ESG maturity or ESG performance. In order to provide the capital markets with broader information, ensuring comparability and transparency on our ESG performance, Boozt participates in several ESG ratings. ESG rankings and ratings help Boozt in identifying reporting gaps and new ESG metrics.

CDP (Carbon Disclosure Project) is a global non-profit that runs the world's environmental disclosure system for companies, cities, states and regions. Companies that submit CDP's questionnaires are publicly available on CDP's website and database. In 2021, Boozt was a first-time responder to the CDP to increase efforts in calculating and monitoring environmental and climate-related impact. In 2022, Boozt followed the investor request and submitted the extended version of the Climate Change questionnaire. Boozt received a B score which is in the Management band. This is the same as the Europe regional average of B, and higher than the Discretionary retail sector average of C. According to CDP, companies that score a B have addressed the environmental impacts of their business and ensured good environmental management. The Boozt CDP Climate Change Questionnaire is available [here](#).

Boozt scored 25 (out of 100) in the 2022 S&P Global Corporate Sustainability Assessment. While we aim to increase this score in the future, we have already improved from a score of 12 in 2019 and a score of 20 in 2021. The average score within the industry group for retailing is 18. The S&P Global Corporate Sustainability Assessment (CSA) is a leading sustainability assessment that reviews the ESG practices of more than 11,000 companies globally. The CSA also serves as the basis for S&P Global ESG scores, which are available to the global capital markets as well as the public.

MSCI ratings are designed to help investors identify ESG risks and opportunities within their portfolio. The MSCI research and rating system ranks companies according to their ESG exposure and their capability to manage that exposure. The ratings range from leader (AAA, AA), average (A, BBB, BB) to laggard (B, CCC). In 2022, Boozt received a rating of AA in the MSCI ESG Ratings assessment, indicating a low-risk level and improving its rating of A in 2021.



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In 2021, Boozt started working with the Nasdaq ESG Data Portal to increase our transparency efforts and share more data with our investor community. The portal provides a central database for investors to access ESG data and performance metrics for Nasdaq-listed companies. Partnering companies submit their data directly to the portal allowing Nasdaq to compile it into standardised ESG metrics covering a wide range of environmental, social and governance topics. With Boozt's contribution to the Nasdaq ESG Portal, the company has been certified as a 'Nasdaq ESG Transparency Partner'.

Mitigating Risks

Boozt works towards mitigating risks by conducting due diligence. The due diligence process consists of the drafting of new policies and procedures to formalise the company's commitment and business practice. Due diligence is the process through which Boozt identifies, prevents, mitigates, and accounts for how actual and potential negative impacts on the environment and society, including human rights, are addressed.

It includes a systematic evaluation of business practices and potential risks by measuring, evaluating, treating and monitoring the social, ecological and financial risks within Boozt operations, from a double materiality perspective.

Due diligence is implemented by following up on progress and performance reviews in the ESG data platform. Boozt then evaluates any changes and the need for possible actions or adjustments of the original policy.

Mitigating risks requires prevention, which is done through stakeholder engagement and risk management processes that identify both positive and negative impacts. Negative impacts are identified through channels and grievance mechanisms such as the whistleblower channel. Read more about the whistleblower policy on page 79.

All policies are reviewed at least once a year and formally approved by the Board of Directors at a Board Meeting during the fiscal year. In Boozt's internal ESG data platform, the internal control function and the CFO report on updates and status. All of the company's policies and procedures are available through our intranet platform where all employees are able to access them. Due diligence processes on each policy are stated in the Policies and Due Diligence section of this report.

ESG RISK MANAGEMENT

Boozt works continuously to identify, assess and evaluate risks to which the Group is currently exposed, and risks that are probable to occur in the foreseeable future. The ESG risks are integrated into the wider risk management framework. The Internal control function engages with the sustainability department in meetings to evaluate and define ESG Risks. The sustainability team is responsible for identifying and monitoring ESG-related risks on an ongoing

basis and at least once a year. The ESG risks are integrated into the Group's top risks of the company. For further information, please refer to the 'Risk Management' section on page 36.

One aspect of ESG risk management is the concept of double materiality. The concept of double materiality consists of the impact and financial perspectives that was introduced in the context of sustainability reporting given the need to get a full picture of an organisation's impacts, risks, and opportunities.

The impact perspective (also referred to as inside-out impact) is related to the significant impacts that the organisation can have on people or the environment. The financial perspective (also referred to as outside-in impact) refers to identifying sustainability topics that trigger financial effects on companies, that is, that generate or may generate risks or opportunities that influence future cash flows and therefore the enterprise value in the short, medium or long term. Double materiality is a cornerstone of the European Commission's proposal for a Corporate Sustainability Reporting Directive (CSRD) and its related European Sustainability Reporting Standard (ESRS).

Boozt incorporates the double materiality principle: 1) by engaging with stakeholders and gathering insights into how they assess the magnitude of ESG topics from the financial and impact perspectives, 2) by measuring actual financial effects such as the financial impact of ESG-related investments (e.g. solar panels on our warehouse) and 3) by aligning the company-wide risk management framework with ESG risks. Mitigating risks is about assessing how Boozt will be shaped by ESG trends and assessing the potential risks.

Boozt would like to highlight two examples of conducted risk assessments in 2022 in more detail - our supplier risk assessment through the Higg BRM results and the financial implications of climate change.



SUPPLY CHAIN RISK ASSESSMENT

As part of the Higg Brand and Retail Module (BRM) 2021 Collective Action with About You and Zalando, Boozt have onboarded and received 46 BRM modules, representing 67 of the company’s brand partners. The 67 brands assessed represented 43% of the business volume across the apparel and footwear segment and allowed the company to proceed with a first risk assessment of Boozt's supply chain, integrating brand partners’ environmental and social risks.

As part of the risk assessment, Boozt first selected 36 environmental and social focus questions from the BRM questionnaire. Secondly, a raw data sheet was created to summarize the results of each question. The data was then screened and the risk level was assessed by the sustainability team, using a risk classification of low, medium and high risk as well as clustering the results into risk categories and dimensions. The findings were also presented in a Board Meeting. Risk is defined as any potential event with the possibility to have a substantive financial or strategic impact on the business. In terms of significant actual and potential negative social and environmental impact in our supply chain, the following five risks were identified with a high potential impact:

- 1. Lacking information and transparency about suppliers and manufacturing origin
- 2. Lacking information and environmental and social assessment of products and materials
- 3. Lack of paid living wage in the supply chain
- 4. Non-compliance of suppliers with laws and regulations
- 5. No due diligence and remediation plan in place for manufacturers

To mitigate these risks and gain more in-depth insights into the supply chain, Boozt are taking several actions. A supplier survey was created for all brands that address environmental, social and business conduct questions. As a result, Boozt will be able to develop a scorecard for each supplier and switch from a

generic supply chain risk assessment to a supplier-specific risk assessment, that helps to identify the number of suppliers with significant social and environmental impacts. This is presented in Boozt’s commitment to our Care-For target to request at least 80% of the company’s brand partners to identify, map and share their Tier 1 and 2 suppliers by 2026. Additionally, Boozt launched a dedicated Sustainability Partner Portal to support suppliers with relevant sustainability information and requirements and a new sustainability data upload to facilitate data sharing. Boozt will also continue organising brand events on relevant social and environmental topics to learn best practices, as mentioned under the section ‘Engaging suppliers’.

CLIMATE-RELATED RISKS AND OPPORTUNITIES

In 2022, Boozt started assessing climate-related risks and opportunities that cover short and long-term time horizons as well as risks and opportunities from direct operations and the value chain. A climate-related risk is more difficult to measure than a traditional financial risk since the risk is measured in terms of forward-looking patterns instead of historical patterns. Furthermore, since climate change is a process, not a single event, its impacts may be very different five or ten years from now compared to 20 to 30 years from now. The climate risk integration can be exemplified by one identified risk and opportunity with the potential to have a substantive financial or strategic impact1 on your business. Substantive financial impact results from a material combination of probability and impact on the EBIT. The rating scale of the probability has a range from “likely”, “moderate”, and “unlikely” to “rare”. A substantive risk is considered a risk with a potential financial impact of more than +/- 15 % of EBIT and a moderate or likely probability.

Footnote: Boozt defines the substantive financial or strategic impact on the business as “any future event that threatens the organisation's ability to achieve its vision and long-term goals.” (COSO's definition of risk).

Changing temperature variability and its potential effects on the supply chain

The fashion sector, in which Boozt operates, is highly dependent on temperature variability, as it affects supply chain operations and consumer demand. In the supply chain, temperature variability has the strongest impact on raw material suppliers. As a major share of raw materials, such as cotton, are farmed, yields are therefore highly dependent on temperature variability and its consequences on environmental systems (e.g. water cycle, soil quality/erosion, biodiversity etc.). If yields, quantity or even quality of raw materials decrease because of temperature variability, this can affect raw material- and retail prices. At the same time, temperature variability may affect the fashion seasons. Fashion seasons are both designed and, in our case, bought in advance, therefore temperature variability requires more flexibility in forecasting activities. sales forecasting can become an important risk affecting revenues and overall operations (e.g. high discount, lower exit margin, etc.). As an online retailer that operates in the fashion and lifestyle sector, Boozt's purchase planning and sales forecasting are influenced by seasonality. The likelihood and magnitude of impact (before action is taken) of this risk are rated as medium. Boozt estimates a potential moderate effect of 10% to 15% on the EBIT due to changed weather conditions affecting the traditional seasonality and sales leading to a lower exit margin and decreased revenues and profits. To address this business uncertainty, Boozt focuses on flexible procurement. Costs of risk management refer to costs associated with internal resources such as merchandisers and retail analysts responsible for forecasting customer demand and planning procurement during and off-season. Boozt is responding to the risk by employing merchandisers and constantly improving forecasting and procurement planning.

Seizing the opportunity to produce renewable energy

In Boozt’s direct operations, the company has the chance to use lower-emission sources of energy to reduce indirect (operating) costs. An integral part of the decarbonization of the economy is the transition to low-carbon energy sources. This is why Boozt installed solar panels on the roof of the fulfilment centre in 2019 and expects them to have a life span of 25 to 30 years. Boozt fulfilment centre, which stores all products and from where deliveries and returns are handled, represents the company’s main operations and requires a high amount of electricity. The production of own renewable energy has two main advantages. Firstly, the corporate GHG footprint can be significantly reduced by moving to 100% renewable energy and creating reputational benefits as well as avoiding the regulatory implications of carbon-intensive activities. Secondly, in times of rising energy prices and dependency on energy suppliers, investing in the generation of renewable energy can reduce operational costs and increase independency from volatile energy markets. Generating own solar energy instead of purchasing the energy can lead to monetary savings. This opportunity is likely with a medium magnitude of impact. With the generation of solar energy in the fulfilment centre, Boozt saved more than SEK 1.19 million in 2022 which is 90% more than in 2021. The solar panels contributed to 16% of the total energy consumption at the fulfilment centre in 2022.

Integrating Sustainability

Boozt is committed to conducting our business responsibly, with the highest possible standards of ethics, openness, and transparency. The company's sustainability work is an integrated part of the business and the structured processes for mitigating and managing all risks and possibilities. This is reflected in Boozt's Care-For target to further increase participation in internal sustainability trainings by 2026.

SUSTAINABILITY GOVERNANCE STRUCTURE

There is board-level oversight of ESG issues at Boozt. The highest level of responsibility in relation to the oversight of climate-related issues lies with the company CFO in collaboration with the CEO as members of the Group Management. The Boozt Group Management is responsible for defining strategic objectives as decided by the Board of Directors, including coordinating implementation and ensuring organisational adaptation to changes within the Group. The Group Management offers advice on sustainability-related matters and receives quarterly reports on the overall sustainability strategy from the CFO. The CFO actively participates in the development process by reviewing content and objectives and receives regular progress reports from the Sustainability Manager. The Sustainability Manager attended two Board of Directors meetings and reports the ESG Group performance as well as provides guidance and information (e.g. on upcoming ESG regulation) to the Board of Directors. A key climate-related decision that was made in 2022 by the CFO and CEO was to join the Science Based Targets initiative and commit to defining science-based targets in line with the 1.5°C Paris Agreement.

INTERNAL KNOWLEDGE SHARING

In 2022, as part of Boozt's ambition to integrate sustainability in the business, we have trained more than 100 employees from Boozt's largest departments, Buying & Merchandising and Customer Service, on sustainability-related topics. The training for Buying & Merchandising focuses on providing a clear

understanding of the Boozt Sustainability Criteria and how to implement them with brand partners. This training aligns with Boozt's goal 8 "Engaging Suppliers", by educating the company's brand partners' main contact: the buyers.

The training for customer service focuses on presenting the role of the Care-For strategy in implementing a holistic approach to sustainability and the role of the Made With Care category in shaping responsible consumption and production. With the training, Boozt works towards the company's objective in goal 7 "Empowering Customers", by sharing the right information with customer service agents, who have direct contact with the company's customers.

In 2023, Boozt are committed to working towards the target of increasing sustainability training across the organisation. This is key to ensuring that employees have an understanding of what sustainability means and how they can integrate it into their daily tasks and decisions making. At an organisational level, this is crucial in accelerating the transformation to more sustainable business practices and ensuring business resilience. All the efforts in integrating sustainability are aligned with Boozt's commitment to the B corp movement to ensure sustainability integration across the organisation.



About the report

The sustainability report was prepared in accordance with the Global Reporting Initiative (GRI) Standards and the Swedish Annual Accounts Act. The sustainability report focuses on the most material topics for Boozt based on our materiality assessment. It includes disclosures on material topics and is structured after four dimensions; Environment, Employees, Community and Governance. This chapter also includes an ESG Data Summary. The data summary is accompanied by information about the general reporting process as well as notes on the data. A list and description of relevant policies can be found on pages 78-79. The ESG Data Summary as well as the GRI Content Index are also accessible for download at <https://www.booztgroup.com/sustainability-reports>. The report covers the financial year from January 1, 2022, to December 31, 2022, and is published on March 23, 2023.

Reporting approach

This chapter provides information about the reporting process such as the data collection, internal control and reporting scope. The ongoing reporting process is characterized by data identification, data collection, data calculation, data validation and external reporting of the data. Current and upcoming regulation, as well as the external reporting to ESG rankings, standards and frameworks, leads to the identification of new KPIs for the following reporting year. The data collection, calculation and validation are processed in our ESG data platform which is described below.

REPORTING SCOPE

The data is consolidated according to the operational control approach. The consolidated ESG data consists of the parent company Boozt AB and wholly owned subsidiaries controlled by it. By that, acquisitions are taken into account. If a material topic or data point excludes certain subsidiaries for example due to non-available data, a statement in the 'Notes to the ESG Data Summary' section below is made.

DATA COLLECTION PROCESS

Boozt uses third-party provider Position Green as an ESG data platform and formalised reporting channel. In Position Green Boozt collect, analyze, calculate and report sustainability data from internal sources, suppliers and company holdings through a workflow that is transparent and traceable. The platform includes an audit trail enabling control and review of the reported data. Internal as well as external persons can report the data they are responsible for. Instructions on how to insert the data are given. Position Green offers a centralized way of storing all Boozt's ESG data as well as using it to track the effectiveness of targets and evaluate progress. The frequency of the data collection is quarterly or annually, depending on its availability.

INTERNAL CONTROL: DATA VALIDATION AND CONSOLIDATION

The four eyes principle is established and the reported data in Position Green is validated through formalized reviews by the sustainability team. The validation process is supported by analytical review procedures such as the automatic comparison to previous periods in the ESG data platform. Additionally, data variance checks, such as for parcel data, are carried out. Data is consolidated through the ESG data platform. An audit trail makes it possible to follow changes made. To further improve the data quality of Boozt's sustainability reporting a third-party Gap Analysis of the company's GRI reporting as well as GHG emissions accounting has been carried out. Their recommendations have been considered for this report.

ESG Data Summary

Listed below is a complete overview of all Boozt ESG data across four dimensions; Environment, Employees, Community, Governance and the 12 material topics that Boozt cover. The ESG Data Summary has been made publicly available and can be accessed [here](#). Please find notes to the disclosed data points in the following section 'Notes to the ESG Data Summary'.



Environment	Unit	2022	2021	GRI
Reducing Greenhouse Gas Emissions				
Scope 1 from vehicles, Sweden	tonnes CO ₂ e	98.4	106.4	305-1
Scope 1 from vehicles, Denmark	tonnes CO ₂ e	4.9	n/a	305-1
Scope 1 from vehicles, Lithuania	tonnes CO ₂ e	47.1	n/a	305-1
Total CO ₂ e Scope 1	tonnes CO ₂ e	150.5	106.4	305-1
Scope 2 location-based, Sweden	tonnes CO ₂ e	118.6	58.4	305-2
Scope 2 location-based, Denmark	tonnes CO ₂ e	17.5	7.8	305-2
Scope 2 location-based, Lithuania	tonnes CO ₂ e	11.8	13.4	305-2
Total CO ₂ e Scope 2 location-based	tonnes CO ₂ e	147.9	79.6	305-2
Scope 2 market-based, Sweden	tonnes CO ₂ e	0.0	0.0	305-2
Scope 2 market-based, Denmark	tonnes CO ₂ e	28.4	31.2	305-2
Scope 2 market-based, Lithuania	tonnes CO ₂ e	13.6	12.1	305-2
Total CO ₂ e Scope 2 market-based	tonnes CO ₂ e	42.0	43.3	305-2
Purchased Goods and Services	tonnes CO ₂ e	6,543.4	n/a	305-3
Capital Goods	tonnes CO ₂ e	27,234.5	n/a	305-3
Fuel- and Energy-related Activities	tonnes CO ₂ e	66.6	79.3	305-3
Upstream Transportation and Distribution	tonnes CO ₂ e	4,896.2	3,056.1	305-3
Waste Generated in Operations	tonnes CO ₂ e	55.8	46.3	305-3
Business Travel	tonnes CO ₂ e	136.7	26.8	305-3
Employee Commuting	tonnes CO ₂ e	479.1	n/a	305-3
Use of Sold Products	tonnes CO ₂ e	68,694.1	n/a	305-3
End-of-Life Treatment of Sold Products	tonnes CO ₂ e	8,331.9	n/a	305-3
Total CO ₂ e Scope 3	tonnes CO ₂ e	116,438.3	3,208.5	305-3
GHG Emissions intensity				
kg CO ₂ e intensity per parcel (from delivery and returns)	kg CO ₂ e	0.49	0.34	305-4
kg CO ₂ e intensity per parcel (from delivery and returns) in the Nordics	kg CO ₂ e	0.29	0.24	305-4
Share of order volume covered in kg CO ₂ e intensity per parcel	%	99.5	90.7	305-4
Energy				
Consumption of petrol (non-renewable)	MWh	240.0	132.8	302-1
Consumption of diesel (non-renewable)	MWh	179.8	293.9	302-1
Total fuel consumption (non-renewable)	MWh	419.8	426.7	302-1
Consumption of purchased electricity (non-renewable)	MWh	67.3	93.2	302-1
Consumption of purchased electricity (renewable)	MWh	3,255.1	2,449.1	302-1

Environment	Unit	2022	2021	GRI
Consumption of purchased heat (non-renewable)	MWh	156.9	107.3	302-1
Consumption of purchased heat (renewable)	MWh	1,027.0	423.7	302-1
Consumption of purchased cooling (non-renewable)	MWh	0.0	0.0	302-1
Consumption of purchased cooling (renewable)	MWh	101.3	48.8	302-1
Consumption of self-generated solar energy	MWh	461.7	448.7	302-1
Total (renewable energy) consumption	MWh	4,845.0	3,370.3	302-1
Total (non-renewable energy) consumption	MWh	644.0	627.2	302-1
Total energy consumption	MWh	5,489.0	3,997.5	302-1
Share of renewable electricity	%	98.2	96.3	302-1
Share of non-renewable electricity	%	1.8	3.7	302-1
Share of renewable energy	%	95.6	94.4	302-1
Share of non-renewable energy	%	4.4	5.6	302-1
Minimising Waste				
Cardboard and paper packaging, recycled	tonnes	1,501.6	1,443.0	306-3
Glass, recycled	tonnes	5.6	0.3	306-3
Transparent plastic, recycled	tonnes	20.2	0.0	
Iron scrap, recycled	tonnes	7.1	1.2	306-3
Sorted waste burnable, incinerated to generate heat and electricity	tonnes	280.7	324.1	306-3
Wood, incinerated to generate heat and electricity	tonnes	690.1	365.4	306-3
Residual waste, incinerated to generate heat and electricity	tonnes	109.9	21.3	306-3
Food waste, anaerobic digestion	tonnes	3.7	3.3	306-3
Total non-hazardous waste	tonnes	2,618.9	2,158.6	306-3
Hazardous waste, recycled	tonnes	2.1	0.6	306-3
Total amount of waste	tonnes	2,621.0	2,159.2	306-3
Share of recovered energy (heat, electricity, biogas)	%	41.4	33.1	
Share of recycled waste	%	58.6	66.9	
Share of recycled waste in the Fulfilment Centre	%	60.8	66.9	
Materials				
Total recycled input materials used (packaging)	tonnes	2,102.7	n/a	301-2
Total input materials used (packaging)	tonnes	2,177.9	n/a	301-2
Percentage of recycled input materials used (packaging)	%	96.5	n/a	301-2
Water				
Total water consumption - buildings	m3	10,190.8	4,354.6	

Employees	Unit	2022	2021	GRI
Total number of employees, female	number	629	675	2-7
Total number of employees, male	number	617	622	2-7
Total number of employees, other	number	0	0	2-7
Total number of employees, Sweden	number	1,083	1,144	2-7
Total number of employees, Denmark	number	104	101	2-7
Total number of employees, Lithuania	number	59	52	2-7
Total number of employees	number	1,246	1,297	2-7
Permanent employees, female	number	453	470	2-7
Permanent employees, male	number	433	397	2-7
Permanent employees, other	number	0	0	2-7
Permanent employees, Sweden	number	730	713	2-7
Permanent employees, Denmark	number	97	102	2-7
Permanent employees, Lithuania	number	59	52	2-7
Total permanent employees	number	886	867	2-7
Temporary employees, female	number	174	215	2-7
Temporary employees, male	number	171	221	2-7
Temporary employees, other	number	0	0	2-7
Temporary employees, Sweden	number	338	436	2-7
Temporary employees, Denmark	number	7	0	2-7
Temporary employees, Lithuania	number	0	0	2-7
Total temporary employees	number	345	436	2-7
Non-guaranteed hours employees, female	number	94	81	2-7
Non-guaranteed hours employees, male	number	105	107	2-7
Non-guaranteed hours employees, other	number	0	0	2-7
Non-guaranteed hours employees, Sweden	number	189	173	2-7
Non-guaranteed hours employees, Denmark	number	10	15	2-7
Non-guaranteed hours employees, Lithuania	number	0	0	2-7
Total non-guaranteed hours employees	number	199	188	2-7
Full-time employees, female	number	465	525	2-7
Full-time employees, male	number	454	447	2-7
Full-time employees, other	number	0	0	2-7
Full-time employees, Sweden	number	777	842	2-7
Full-time employees, Denmark	number	84	79	2-7
Full-time employees, Lithuania	number	58	51	2-7
Total full-time employees	number	919	972	2-7

Employees	Unit	2022	2021	GRI
Part-time employees, female	number	68	96	2-7
Part-time employees, male	number	45	76	2-7
Part-time employees, other	number	0	0	2-7
Part-time employees, Sweden	number	102	146	2-7
Part-time employees, Denmark	number	10	25	2-7
Part-time employees, Lithuania	number	1	1	2-7
Total part-time employees	number	113	172	2-7
Workers who are not employees				
Total number of workers who are not employees	number	75	n/a	2-8
Annual total compensation ratio	-	36.5	87.2	2-21
Promoting Equality				
Gender ratio				405-1
Gender ratio (female/male), Board of Directors	%	43 / 57	43 / 57	405-1
Gender ratio (female/male), Group Management	%	29 / 71	29 / 71	405-1
Gender ratio (female/male), Mid Management	%	45 / 55	37 / 63	405-1
Gender ratio (female/male), Employees (management excluded)	%	51 / 49	52 / 48	405-1
Age distribution				405-1
Under 30 years, Board of Directors	%	0	0	405-1
30-50 years, Board of Directors	%	71	57	405-1
Over 50 years, Board of Directors	%	29	43	405-1
Under 30 years, Group Management	%	0	0	405-1
30-50 years, Group Management	%	71	71	405-1
Over 50 years, Group Management	%	29	29	405-1
Under 30 years, Mid Management	%	19	28	405-1
30-50 years, Mid Management	%	70	64	405-1
Over 50 years, Mid Management	%	11	8	405-1
Under 30 years, Employees (management excluded)	%	46	49	405-1
30-50 years, Employees (management excluded)	%	49	47	405-1
Over 50 years, Employees (management excluded)	%	5	4	405-1
Parental leave				
Total number of employees that took parental leave	number	211	150	
thereof Women	%	52	53	
thereof Men	%	48	47	
Share of women in technical job groups	%	19	n/a	

Employees	Unit	2022	2021	GRI
Engaging & healthy work environment				
Employee Net Promoter Score (eNPS)	Score	42	50	
Average aggregated participation rate of the employee survey	%	71	73	
Fatalities	number	0	0	
Number of serious accidents	number	3	3	
Number of serious incidents	number	1	0	
Number of all employees and workers who are not employees who are covered by OHS management system	number	662	606	403-8
Percentage of all employees and workers who are not employees who are covered by OHS management system	%	100	100	403-8
Share of employees covered by collective bargaining agreements	%	86.9	88.2	2-30
Community	Unit	2022	2021	GRI
Empowering customers				
Share of Made With Care products	%	21.1	19.0	417-1
Share of Made With Care orders	%	28.0	13.8	
Number of products live on ReBoozt	number	5,429	2,320	
Engaging suppliers				
Higg BRM Brands contacted	number	192	n/a	
Higg BRM Brands onboarded and with completed module	number	107	n/a	
Higg BRM Brands with shared module	number	67	n/a	
Higg BRM Brands with verified module	number	45	n/a	
Involving communities				
Total amount of Donations	SEK	2,065,338.5	2,381,227.0	
In-kind giving: product or services donations	SEK	371,139.9	36,000.0	
Number of research interviews or surveys given by the sustainability team	number	8	n/a	

Governance	Unit	2022	2021	GRI
Accelerating Transparency				
S&P CSA Score	-	25	20	
CDP Score	-	B	n/a	
MSCI rating	-	AA	A	
Number of all ESG-related policies	number	13.0	n/a	
Number of ESG policies published	number	3.0	n/a	
Share of public ESG policies	%	23.1	n/a	
Mitigating risks				
Monetary savings from generated solar energy	SEK	1,196,751.2	629,217.7	201-2
Number of brands assessed for social and environmental impacts	number	67	n/a	308-2, 414-2
Substantiated complaints concerning breaches of customer privacy and losses of customer data	number	1	1	418-1
Number of cases reported in whistleblower system	number	0	0	
Integrating Sustainability				
Number of Employees attending a Sustainability training	number	109	n/a	
Number of Board meetings attended by Head of Sustainability	number	2	2	

NOTES TO THE ESG DATA SUMMARY

The following notes include accounting policies and further methodological explanations. Overall the reporting scope has widened in 2022 compared to 2021 as a consequence of a much larger part of data and its breakdown being tracked in 2022. Unavailable data in 2021 is shown with 'n/a' in the ESG Data Summary.

Environment
Reducing Greenhouse Gas Emissions

Boozt uses 2022 as a base year for the GHG emissions calculations and future target setting as it represents the highest degree of measurement across all scopes. Boozt’s GHG emission reporting follows the GHG protocol. Concrete GHG emission values are stated in CO₂e (carbon dioxide equivalent), a term for describing different greenhouse gases in a common unit.

Scope 1

Scope 1 GHG emissions are direct emissions of greenhouse gases from sources owned by Boozt that are not connected to energy delivery. This includes company vehicles. Scope 1 GHG emissions increased in 2022 compared to 2021 due to the extended measurement, now covering all group entities. For the scope 1 GHG emissions calculations for the Lithuanian and Swedish entities, Boozt apply the fuel-based method with emission factors in kg per litre per fuel type (source: DEFRA). For comparison reasons, we recalculated 2021 scope 1 GHG emissions according to the fuel-based method. For one entity with company cars, GHG emissions were calculated based on expense data on diesel fuel (spend-based).

Scope 2

Scope 2 GHG emissions are indirect emissions of greenhouse gases as a result of the consumption of purchased electricity, heating and cooling in Boozt’s locations. Following the new reporting requirements of ‘dual reporting’ by GHG protocol, Boozt discloses scope 2 GHG emissions according to two methods. Location-based emissions are determined by the average emission factor of the local grid. In 2022, location-based emission factors were aligned so they come from the same source which causes the year-to-year change (source: AIB). The market-based

method reflects the GHG emissions associated with the choices a consumer makes regarding its electricity supplier or product. Boozt requests documentation on renewable energy supply in the form of Guarantees of Origin or Cancellation Statements. The calculated scope 2 GHG emissions include the emissions from all energy activities (heating, cooling and electricity) and exclude one store where the electricity data cannot be obtained. The respective facility has 20 employees which represent 1.6% of total scope 2 GHG emissions. Scope 2 of 2022 is not comparable to previous periods due to extended scope of energy collection in 2022.

Scope 3

Scope 3 are other indirect GHG emissions generated in the value chain. According to the GHG protocol, scope 3 consists of 15 categories (see below). A first and important step is the assessment of relevance to determine which of the 15 categories are relevant to the organisation. Boozt describes briefly for each category whether it is relevant and, if so, how the emissions were calculated.

1. Scope 3: Purchased Goods and Services - Relevant

In this category Boozt calculated GHG emissions from purchased packaging material (average data method with activity data of material type and weight based, source: DEFRA), office goods such as furniture and IT equipment (spend-based, source: Quantis), and Data Centre and Cloud Usage (supplier-specific method, source: Google Carbon Calculator). Boozt has not calculated product-related emissions for this category yet. The majority of emissions are from the products Boozt buy from suppliers and will be calculated and added during the year. To be able to get a clear picture of these product emissions, a supplier survey was created where suppliers are asked to report their emissions.

2. Scope 3: Capital Goods - Relevant

Capital goods are final products that have an extended life and are used by Boozt to provide our services; sell, store, and deliver products. Capital goods are calculated with the spend-based method (source: Quantis). It refers mainly to the capital goods and investments made to the fulfilment centre such as a ventilation system, automated guided vehicles and conveyer, bins, and robots for the expansion of the AutoStore.

3. Scope 3: Fuel- and Energy-related Activities - Relevant

This category includes GHG emissions related to the production of fuels, and energy purchased and consumed that are not included in scope 1 or scope 2. The calculated emissions are based on the quantities and types of fuel as well as the quantities and energy sources of heating, cooling, and electricity consumption. GHG Emissions are calculated by multiplying fuel and energy consumption quantities by relevant emission factors (source: DEFRA). The calculated emissions exclude one store with 20 employees where the electricity data cannot be obtained, which represents 1.6% of these GHG emissions as well as missing scope 3 GHG emissions from fuel for the entity where the spend-based method was applied.

4. Scope 3: Upstream Transportation and Distribution - Relevant

This category includes transportation and distribution services purchased by the reporting company. Boozt works directly with the company’s distributors that are reporting the kilometres, the number of packages and total CO₂e emissions per transportation means (road and air transportation) in the ESG data platform. Emissions are reported in Well-to-Wheel (WtW). Therefore all the emissions from fuel generation to the combustion in the vehicles are considered. The increase in emissions is due to the extended tracking of transport emissions in all shipping countries. covering 99.5% of all packages delivered in 2022 compared to 90.7% in 2021.

5. Scope 3: Waste Generated in Operations - Relevant

This category includes GHG emissions from the third-party treatment of waste generated in the reporting company’s owned or controlled operations. The GHG emissions refer to waste generated in the operations mainly the fulfilment centre and the offices but do not include waste from the two stores which represent 2.5% of the GHG emissions in this category. The calculated GHG emissions are based on the weight of the waste type (in tonnes) and the specific waste treatment method. Emission factors from BEIS (UK Department for Business, Energy & Industrial Strategy) are multiplied by the waste streams.

6. Scope 3: Business Travel - Relevant

The GHG emissions are calculated based on the distances travelled for domestic, short-haul, and long-haul flights in each class of travel (ranging from economy to first-class). The GHG emissions include radiative forcing in air travel emissions to capture the maximum climate impact of their travel habits. Radiative forcing (RF) is a measure of the additional environmental impact of aviation. These include emissions of nitrous oxides and water vapour when emitted at high altitudes. Finally, the CO₂e with RF total is determined by multiplying the distance (km) travelled by the appropriate CO₂e with RF factor (source: DEFRA). Road travel is calculated using expenses for train rides (spend-based method) and driven kilometres with a private vehicle during business trips (distance-based method). 2022 emissions value increased to pre-covid levels (in 2019 GHG emissions were 171 tonnes CO₂e).

7. Scope 3: Employee Commuting - Relevant

To calculate the GHG emissions from employee commuting, a survey was conducted where employees filled out their transportation mode, the one-way commute distance to the work site as well as the average amount of home office days per week. Based on the answers received, Boozt used the percentage of each transportation mode being used, to apply this to the remaining amount of employees for extrapolation purposes. Emission factors (CO₂e per km per transportation mode) are then applied to the distance travelled (distance-based method).

8. Scope 3: Upstream Leased Assets - Not relevant

This category is not relevant for Boozt, as the emissions from our rented buildings are already included in scope 1 or scope 2 reporting.

9. Scope 3: Downstream Transportation and Distribution - Not relevant

This category includes transportation and distribution of products where the transportation is not paid for by the reporting company. This category is not relevant for Boozt, as distribution partners are paid to deliver the goods to the customers.

10. Scope 3: Processing of Sold Products - Not relevant
Processing of sold products is not a relevant scope 3 category as Boozt only sell final products that are not processed further but directly used by the customer.

11. Scope 3: Use of Sold Products - Relevant
This category includes GHG emissions from the use of goods and services sold. According to the GHG protocol, it includes the scope 1 and scope 2 GHG emissions of end users which are the company’s customers. The number of sold products across product categories was collected as activity data and assigned to a sector for which emission factors are available. Direct-use phase emissions and indirect-use phase emissions were calculated. Averages on a lifetime of a product have been used to estimate the usage time per product. Emission factors for textiles depend on washing frequency, including electricity for washing (drying and finishing laundry), water usage and detergents. The emission factor for leather shoes is based on waxing needed per pair of shoes in their lifetime. The emission factor for ‘Electrical and Optical Equipment’ represents an average for low voltage electric supply in Europe.

12. Scope 3: End-of-life treatment of Sold Products - Relevant
This category includes the total expected end-of-life GHG emissions (from the waste disposal and treatment of products) from all products sold in the reporting year. Primary activity data with the number and type of items sold on a country level is collected. Average waste-treatment emission factors are applied to the sales volume and the average weight of the products. The calculated GHG emissions include product-based emissions and packaging emissions.

13. Scope 3: Downstream Leased Assets - Not relevant
This category is not relevant for Boozt, as no assets are being leased.

14. Scope 3: Franchises - Not relevant
This category is not relevant for Boozt, as the company does not have any franchises.

15. Scope 3: Investments - Not relevant
This category is not relevant for Boozt, as the company is not a financial institution.

CO₂e intensity per parcel (from delivery and returns)
The CO₂e intensity per parcel is calculated by using the emissions from deliveries and returns (scope 3 Upstream transportation and distribution emissions) and dividing it by the number of parcels shipped. The increase in the CO₂e intensity per parcel is due to the extended tracking of transport emissions in all shipping countries, covering 99.5% of all packages delivered in 2022 compared to 90.7% in 2021.

CO₂e intensity per parcel (from delivery and returns) in the Nordics
Nordics refers to the shipping countries Norway, Sweden, Denmark and Finland.

Energy consumption data by energy activity
Following the reporting recommendations by the GHG protocol and CDP, Boozt separately disclose fuel, electricity, heat, cooling and self-generated energy consumption, including a breakdown of MWh from renewable sources and non-renewable sources. Renewable electricity is powered by hydropower, solar energy and wind. Renewable heating consumption mainly comes from renewable district heating such as geothermal energy. Renewable cooling comes from wind. Fuel data is converted from litres to MWh with conversion factors from DEFRA. The data excludes one store where the electricity data cannot be obtained. The respective facility has 20 employees which represent 1.6% of the total energy consumption. Due to the expansion of the fulfilment centre, more energy was consumed in 2022 compared to 2021. Based on the disclosed breakdown of energy data, Boozt calculate the share of renewable energy (excluding fuel consumption) and the share of renewable electricity (including purchased electricity and generated electricity). 2022 to 2021 energy data is not comparable due to the different and extended scope of energy collection in 2022.

Minimising Waste
Waste generated
Waste is measured in tonnes and broken down into hazardous and non-hazardous waste including waste types and their waste treatment method. By that, Boozt is able to calculate and disclose the share of recycled waste (sum of recycled waste relative to total waste). The waste refers to waste generated in the operations, mainly the fulfilment centre and the offices, but does not include waste from the two stores. The respective stores have 31 employees which represents 2.5% of the total waste consumption. To estimate the waste from the office the average municipal residual waste (consisting of everyday items including food waste) per person per day of 2.2 was used (Source: EPA (2018)). As a result of incorporating waste from offices and expanding the AutoStore, the amount of waste increased overall in 2022. The Share of recycled waste in the Fulfilment Centre is 60.8%.

Recycled input materials used
The percentage of 96.5% recycled input materials used relates to the total weight of all recycled packaging materials purchased in 2022. It is calculated by the sum of the recycled packaging materials purchased and divided by the total weight of all packaging materials purchased.

Water consumption
Total water consumption at Boozt buildings measured in m³. The water consumption in 2022 has increased due to a wider scope of measurement. For one office with 26 employees, the consumption data could not be obtained in 2022 which represents 2.1% of the total water consumption.

Employees
All of the employee numbers below are reported in headcount at the end of the reporting period (December 31, 2022) and include the parent company and all of its subsidiaries. According to GRI and the upcoming ESRS, the split by gender should include 'other', which is often referred to as 'non-binary' and defined as 'gender as specified by the employee themselves'. If the employee has not specified that voluntarily, the number is zero.

Permanent employees
Employees with a contract for an indeterminate period (i.e. indefinite contract). Counts for both full-time and part-time work.

Temporary employees
Employees with a contract for a limited period (i.e. fixed term contract) that ends when the specific time period expires, or when the specific task or event that has an attached time estimate is completed.

Non-guaranteed hours employees
Employees who do not have a guaranteed minimum or fixed number of working hours per day, week, or month, but who may need to make themselves available for work as required.

Full-time employees
Employees that work 100% according to national law.

Part-time employees
Employees whose working hours per week, month, or year are less than the number of working hours for full-time employees.

Workers who are not employees
This disclosure provides an understanding of how much the organisation relies on workers who are not employees to perform its work, in comparison to employees. Types of workers who are not employees and whose work is controlled by Boozt are agency workers, and freelance consultants in warehouse operations, platform, design, construction and sales. Peak seasons require the fulfilment centre to hire additional workers from a staffing agency, where the number is estimated based on the average of the year.

Annual total compensation ratio
Ratio of the annual total compensation for the organisation’s highest-paid individual relative to the median annual total compensation for all employees (excluding Boozt Group management).

Promoting Equality

Gender ratio (female/male)

The gender ratio in percentage is separately disclosed for the Board of Directors, Group management, mid-management, and employees (excludes top and mid-management). Mid-management includes positions like team lead, managers with team responsibility, and directors.

Age distribution

The age distribution is separately disclosed for the Board of Directors, Group management, mid-management, and employees (excludes top and mid-management) with a breakdown of the three age groups of under 30, 30-50 and over 50 years old. Mid-management includes positions like team lead, managers with team responsibility, and directors.

Parental leave

The total number of employees that took parental leave includes employees that took both short-term and long-term parental leave during 2022.

Share of women in technical job groups

Calculated by the number of women in technical job groups relative to the total number of employees in technical job groups. The KPI includes employees working in platform and with positions such as developer and engineer as well as IT support.

Engaging & Healthy Work Environment

Employee Net Promoter Score (eNPS)
The Employee Net Promoter Score (eNPS) measures Employee Engagement at Boozt. The eNPS is calculated by subtracting the percentage of Detractors from the percentage of Promoters, so that the final value can range anywhere from -100 to 100. The value is calculated as the average of the full year and the score for 2022 was impacted by the right-sizing of the organisation carried out with effect from July 1, 2022.

Accidents and Incidents

Serious accidents and incidents are those that need to be reported to the Swedish Work Environment Authority (Arbetsmiljöverket).

Employees working in Logistics covered by the OHS management system

All employees and workers who are not employees on-site at the Boozt Fulfilment Centre are included and covered by the OHS management system.

Share of employees covered by collective bargaining agreements

Calculated by the number of employees covered by a collective bargaining agreement (CBA), relative to the total number of employees. The number of employees with CBA equals the number of employees in Sweden.

**Community
Empowering Customers**

Made With Care KPIs
Made With Care is a selection of products that meet Boozt's sustainability criteria and is calculated for the textile assortment. The share of Made With Care products refers to the average of the full year. The share of Made With Care orders means sales orders containing one or more Made With Care products.

ReBoozt

ReBoozt, the company's peer-to-peer second-hand platform, is currently available in 2 out of the 14 countries of operations. Therefore the number of products live on ReBoozt are products live in Denmark and Sweden.

Engaging Suppliers

Engaging Suppliers through Higg BRM
This indicator is disclosed through the number of brands contacted, number of brands onboarded and with completed BRM module, number of brands with a shared module, and number of brands with a verified module. The term module refers to a questionnaire. Some modules represent one brand and some modules include more than one brand (e.g. holding groups) meaning that Boozt has received 46 BRM modules from 67 brands.



Involving Communities

Total amount of donations

This KPI refers to the monetary amount paid in support of community engagement projects such as 5-skoler and Knæk Cancer.

In-kind giving: product or services donations

This KPI refers to contributions of products, equipment, services and other non-cash items from the company to the community. In 2022, Boozt donated food, medicine, basic necessities and clothing to support people affected by the war in Ukraine.

Number of research interviews or surveys given by the sustainability team

Requested research interviews, surveys and project collaborations are documented. The sustainability team conducts interviews and surveys based on availability and relevance to Boozt.

Governance

Accelerating Transparency

ESG Rankings and Ratings

Boozt disclose the score or ranking of the S&P Corporate Sustainability Assessment (CSA), CDP and MSCI. The company's CDP Climate questionnaire is available [here](#).

ESG policies published

An ESG policy is any policy relevant to formalise commitment in environmental, social, or governance-related aspects. To accelerate transparency Boozt is working on publishing more ESG policies on the [Corporate Website](#).

Mitigating Risks

Monetary savings from generated solar energy

To calculate the monetary savings, the generated solar energy is multiplied by the average electricity price per kWh for purchased energy in the quarter (based on the invoices from the company's energy providers) and added the earnings for the sold energy. In that way, Boozt can see what the company would have spent on purchased energy. Monetary savings in 2022 have increased due to rising energy prices and an increase in solar energy production.

Number of brands assessed for social and environmental impacts

The 67 brands assessed are critical brands representing 46% of the company's business volume. Business volume is based on July 2020 to June 2021 data due to the timing of the onboarding process.

Substantiated complaints concerning breaches of customer privacy and losses of customer data

During 2022, Boozt has identified one (2021: 1) substantiated complaint initiated on the basis of the data subject's complaint to the supervisory authority. The matter is ongoing and Boozt are cooperating with the supervisory authority in all possible ways.

Number of cases reported in the whistleblower channel

No cases were reported in 2022. Read more about the whistleblower policy in the section 'policies and due diligence'.

Integrating Sustainability

Number of Employees attending the sustainability training

The number of employees includes customer service agents and employees in a product category attending the sustainability training during 2022.

Number of Board meetings attended by Head of Sustainability

Two official board meetings were attended both in 2021 and 2022.

Policies and Due Diligence

To support Boozt's Care-For strategy and sustainability goals the company follows various standards and policies to ensure compliance with rules and regulations and the protection of its operations and employees. Where applicable, the standards and policies are developed based on internationally recognized initiatives such as the UN Guiding Principles on Business and Human Rights. Publicly available policies can be found [here](#).

Supplier Code of Conduct

Suppliers must meet all legal requirements and regulations in operating countries. As a retailer, Boozt strives to ensure that any products and goods sold by the company have been produced under safe and fair working conditions. The Boozt Suppliers Code of Conduct aims to outline minimum requirements for suppliers, including respect for human rights and decent working conditions. The Boozt Supplier Code of Conduct sets the minimum standards requirement. The standards set out in the document are based on the UN Universal Declaration of Human Rights and the conventions of the International Labour Organization (ILO).

From 2022, Boozt starts systematically assessing suppliers in terms of their ESG performance through the distribution of a supplier survey. The first part of the survey focuses on the extent of compliance with the Suppliers Code of Conduct and other governance aspects. More sections with environmental and social questions were added to the survey to help understand where brands are on their sustainability journey and to identify improvement areas where Boozt can support them.

This effort was supported by Boozt's engagement with the SAC in requesting further information regarding our partners' supply chain impact and take advantage of its already existing reach. Due to the increased risk of human rights risks in supply chain and consumer demands, a specific human rights section was introduced in the company's yearly survey. This will result in a wider reach to the company's brands that are not working with external organisations such as SAC. The extended survey will help in understanding critical issues and risks in Boozt's supply chain, such as human rights and environmental management risks on a brand level.

Boozt's collaboration with SAC on the Joint BRM Action, resulted in an initial assessment of Boozt suppliers to help identify key risk areas as presented in the 'Supply Chain Risk Assessment' section of this report. The results from the 2022 yearly supplier survey will be analyzed during the year to identify risk areas as well as opportunities for further collaboration with the company's partners towards better practices.

Animal welfare policy

The Animal Welfare policy is updated to align with principles on specific banned materials and the responsible treatment certification Boozt prefer. Boozt does not permit the use of any fur, feathers or skins of snake, crocodile, alligator or species specified in the IUCN Red List of Threatened Species in any of the company's products. The Sustainability Manager in collaboration with Buying Director is in charge of monitoring conformity. Boozt monitors compliance on products by conducting sustainability training and collaborating internally with buyers and the quality team to ensure our product selection is aligned with this policy. In case Boozt find the company is in breach of this policy, products are removed from the selection available and the brand relationship is reassessed to ensure a higher degree of transparency and future compliance with the policy.

Environmental policy

Boozt conducts a yearly follow-up of the company's direct environmental impact and has initiated mapping and measuring of indirect impacts. The environmental policy commits to work proactively and continuously to identify challenges, set priorities and report on the company's progress through well-established standards such as the Greenhouse Gas Protocol, GRI (Global Reporting Initiative) and CDP.

The environmental policy defines the main principles regarding how the company should consider the environmental impact of the operations within the Group. Boozt conducts a quarterly follow-up of the company's direct environmental impact and has initiated mapping and measuring of indirect impacts. That includes Scope 1, 2 and 3 GHG emissions, waste generated in operations, energy consumption by energy activity and the impact of packaging. The company's ESG data platform allows Boozt to collect and assess environmental data in a traceable and efficient way. By analysing the company's environmental footprint linked to the different aspects such as GHG emissions, waste and energy and comparing it to previous performance improvement areas can be identified. The Sustainability Manager monitors the Policy and actively ensures that alternatives are considered when initiating investments.

In 2021, Boozt restructured and facilitated the use of the ESG data platform by adding more aspects, measures and reporters to the tool. By doing so, Boozt is able to track more granular data and improve the data consolidation process. As data automation and accuracy increase, progress can be reported externally via the company’s quarterly reports.

Whistleblower policy

The aim is to operate Boozt with a long-term and sustainable approach. Boozt is committed to identifying and investigating any potential issues or irregularities that may have a significant impact on the company or employees as soon as they are brought to the company’s attention.

In light of the recent legislative changes in whistleblowing laws, Boozt has updated its Whistleblower Policy and procedures. Boozt has established three separate channels for whistleblowers to report based on the entity the report pertains to. These channels have been expanded to include not only staff within the Group, but also job seekers, volunteers, shareholders, management, supervisory board members, and suppliers. In addition, we have taken steps to increase awareness of the whistleblowing process across the Group. For further information please refer to the company’s [updated Policy](#) and accompanying [Q&A](#). An external provider is enabling the whistleblower channels, which allows for anonymous and confidential reporting. All reports made through the channels are directed to the Boozt Group Whistleblower Committee. No cases were reported through the whistleblower channel in 2022.

Anti-corruption and bribery policy

Boozt's anti-corruption, insider and procurement policies are there to ensure that the business is conducted ethically. These policies outline the company’s various positions on preventing and prohibiting corruption and bribery in accordance with local legislation where the company operates as well as significant international regulatory regimes and laws with extraterritorial reach such as the UK Bribery Act and the US Foreign Corruption Practices Act. These policies include never-acceptable practices and monitoring activities to support the prevention of corruption,

bribery, and conflicts of interest. Anti-corruption policies are communicated to all brands and business partners through the company’s Buying and Merchandising department. To ensure communication of the internal Code of Conduct to all levels of the company the document is available on the intranet, and all employees sign a document acknowledging its receipt. The Group Buying director shall specifically from time to time request major suppliers to confirm that no transactions have taken place between the Group’s buyers, merchandisers and the supplier. No substantiated complaints of corruption or anti-competitive behaviour were reported in 2022.

Data privacy and security

Robust protection of personal data is one of the top aspects of building trust and maintaining confidence in the Boozt brand. Boozt continues to make significant efforts to enhance privacy controls, with a particular focus on increasing transparency for data subjects and fortifying security measures in data protection.

In 2022, Boozt implemented a comprehensive Group-wide Data Protection Policy, replacing the previous approach of using area-specific policies and procedures. The adoption of a Data Protection Policy is a crucial step in establishing a consistent and unified accountability framework across the Group, with a focus on prioritizing privacy in all of its initiatives. The accountability framework adopted by the Group designates top focus points to the data protection work in the Group. Among those are ensuring compliance with data protection laws, implementation of privacy by design, promotion of privacy culture and high focus on data protection training and awareness. The policy has been made publicly available and can be accessed [here](#).

The ongoing efforts are geared towards simplifying the process for individuals to exercise their rights regarding their personal data. To achieve this, significant investments were made in automating data subjects' requests and providing specialized training for front-line staff to effectively identify and interpret complex requests. This will remain a focus point throughout 2023.

The security of personal data processing and continuity of internal systems enabling sales channels is of the utmost importance to the company’s data protection controls. Boozt has been continuously working on implementing best practices in information security and resilience to cybersecurity threats. To ensure the security of customer's personal data, strong technical safeguards and organisational measures have been put in place, including encryption, access control, and regular monitoring of systems. Boozt conduct regular security assessments as well as yearly audits of internally developed systems to identify, prevent and address any potential vulnerabilities.

The company closely monitors the regulatory landscape for data protection and pays close attention to regulatory guidelines issued by the local supervisory authorities and the European Data Protection Board (EDPB). Boozt understands the importance of cooperation with the supervisory authorities and has been proactive in any communication regarding the group processing of personal data. During 2022, Boozt has identified one (2021: 1) substantiated complaint initiated on the basis of the data subject’s complaint to the supervisory authority. The matter is ongoing and the company is cooperating with the supervisory authority in all possible ways. In 2022, Boozt has also reported, on its own initiative, one personal data breach (2021: 0). The breach was caused by an unencrypted email sent to the wrong recipient, resulting in unauthorized disclosure. The supervisory authority did not proceed with an investigation, but the company took specific actions to address any potential effects on the affected data subjects.

Stakeholder Engagement

Stakeholder engagement

Boozt values the ongoing dialogue with our stakeholders. This table provides an overview of key stakeholder groups identified, how we interact with these stakeholders, as well as key topics raised throughout the ongoing stakeholder dialogue.

Stakeholder	Interaction and dialogue opportunities	Key Sustainability Topics
Customers	Customer service, customer satisfaction ratings, emails, social media, webstore Boozt.com, certifications (product descriptions), Sustainability Report, FAQ section on customer service page	Made With Care category and sustainability criteria for products to be in the category, sustainability in Boozt operations, packaging, claims and repairs, customer privacy and security, ReBoozt
Brand Partners	Partnership / joint projects, Boozt Partner Portal, meetings, agreements, sustainability data templates	ESG supplier survey and assessment, materials and certifications, packaging, eligibility and products in the Made With Care category, SAC and HIGG BRM (Brand and Retail Module)
Distribution Partners	Meetings, agreements, ESG data platform	Emissions reporting, GHG emission methodology, route planning, return handling
Employees	Employee survey, code of conduct, policies, staff handbook, procedures, training and teaching modules, all staff meeting, Intranet, work environment groups	Talent acquisition, employee development, health and work environment, equality and diversity, business ethics and environmental aspects in our own operations and the supply chain, social engagement, customer awareness
Shareholders & Investors Community	Investor meetings, board meetings (selective), corporate communication publications (annual report and sustainability report, financial statements, corporate web, audiocasts)	ESG reporting and legal requirements, supply chain transparency, requirements for brands, gender diversity, policies and internal control, consumer privacy and data security, climate impact & GHG emissions, distribution
Media	Press releases, interviews, panel discussions	Made With Care category, Fair Use Policy, packaging, consumer behavior, delivery and returns, climate impact & GHG emissions
Research Institutions & Education	Research projects, network meetings, workshops in schools, surveys	Sustainability awareness and education, packaging, delivery and returns, climate impact & GHG emissions, corporate sustainability, consumer behavior

GRI

Linking the SDGs and the GRI Standards

The SDGs are overlapping with the GRI Standards which is Boozt’s main sustainability reporting framework.

In the following table, we show how the SDGs relate to the GRI Disclosures that Boozt reports on.

SDGs	Corresponding GRI Standards 2021
3: Good health and well-being	GRI 403: Occupational Health and Safety 2018
	GRI 305: Emissions 2016
	GRI 306: Waste 2020
5: Gender equality	GRI 414: Supplier Social Assessment 2016
	GRI 405: Diversity and Equal Opportunity 2016
7: Affordable and clean energy	GRI 302: Energy 2016
8: Decent work and economic growth	GRI 301: Materials 2016
	GRI 302: Energy 2016
	GRI 403: Occupational Health and Safety 2018
	GRI 404: Training and Education 2016
	GRI 405: Diversity and Equal Opportunity 2016
12: Responsible production and consumption	GRI 414: Supplier Social Assessment 2016
	GRI 301: Materials 2016
	GRI 302: Energy 2016
	GRI 305: Emissions 2016
	GRI 306: Waste 2020
13: Climate Action	GRI 417: Marketing and Labeling 2016
	GRI 201: Economic Performance 2016
	GRI 305: Emissions 2016
16: Peace, Justice and strong institutions	GRI 414: Supplier Social Assessment 2016
	GRI 418: Customer Privacy 2016
	GRI 403: Occupational Health and Safety 2018

Source: GRI, Linking the SDGs and the GRI Standards, [May 2022](#).

GRI Content Index

GRI Content Index, published March 23, 2023

Statement of use: Boozt has reported in accordance with the GRI Standards for the period from January 1, 2022 to December 31, 2022.

GRI 1 used: GRI 1: Foundation 2021

Applicable GRI Sector Standard(s): no applicable GRI Sector Standard

GRI Standard and Number	Disclosures	Location	Further explanations or omission
GRI 2: General Disclosures 2021			
	1. The organization and its reporting practices		
2-1	Organizational details	31, 40	Countries of operation: Sweden, Denmark, Estonia, Finland, France, Germany, Iceland, Latvia, Lithuania, Netherlands, Norway, Poland, Switzerland, Austria
2-2	Entities included in the organization's sustainability reporting	119	
2-3	Reporting period, frequency and contact point	71, 82, 130	
2-4	Restatements of information	75-77	
2-5	External assurance	85	
	2. Activities and workers		
2-6	Activities, value chain and other business relationships	21-22, 25, 33-34, 64-65	
2-7	Employees	73, 76	
2-8	Workers who are not employees	73, 76	
	3. Governance		
2-9	Governance structure and composition	40-41, 44-45, 49	
2-10	Nomination and selection of the highest governance body	33, 43	
2-11	Chair of the highest governance body	41	
2-12	Role of the highest governance body in overseeing the management of impacts	44-45	
2-13	Delegation of responsibility for managing impacts	70	
2-14	Role of the highest governance body in sustainability reporting	44	

GRI Standard and Number	Disclosures	Location	Further explanations or omission
2-15	Conflicts of interest	49, 108	We apply the Swedish Corporate Governance Code. The nomination committee is responsible for ensuring that cross-board membership and conflicts of interest do not exist. More information can be found under " Nomination Committee's proposals and reasoned statement "
2-16	Communication of critical concerns	68, 79	
2-17	Collective knowledge of the highest governance body	70	
2-18	Evaluation of the performance of the highest governance body	44	The third-party evaluation in November 2022 did not lead to any changes in the board composition.
2-19	Remuneration policies	34, 41, 47, 92	Remuneration policies are public here . Specific targets related to ESG are not public.
2-20	Process to determine remuneration	41	For further information on Votes, please read here
2-21	Annual total compensation ratio	73, 76, 98	Salary increase in %, organisation's highest-paid individual, 2021-2022: -58% and salary increase in %, median annual total compensation for all employees (excluding Boozt Group management), 2021-2022: 0%.
	4. Strategy, policies and practices		
2-22	Statement on sustainable development strategy	24-25, 56-57	This year's letter does not include a statement on sustainable development. Reporting on this will be considered for next year.
2-23	Policy commitments	48, 62-63, 68, 78-79	
2-24	Embedding policy commitments	48, 68, 78-79	
2-25	Processes to remediate negative impacts	68, 78-79	
2-26	Mechanisms for seeking advice and raising concerns	68, 79	
2-27	Compliance with laws and regulations	40, 79	It is noted that no local, regional or national authority has issued a penal fine or ruling decision against Boozt in relation to any significant non-compliance with laws or regulations during the previous reporting period.
2-28	Membership associations	64	
	5. Stakeholder engagement		
2-29	Approach to stakeholder engagement	80	
2-30	Collective bargaining agreements	74, 77	Employees in Denmark are influenced by the Danish collective bargaining agreements.

GRI Standard and Number	Disclosures	Location	Further explanations or omission
GRI 3 Material Topics			
3-1	Process to determine material topics	56-57	
3-2	List of material topics	57	
Topic-specific disclosures on material topics			
Environment			
Reducing Greenhouse Gas Emissions			
GRI 302: Energy 2016			
3-3	Management of material topics	58-59, 69	
302 - 1	Energy consumption within the organization	72, 76	
GRI 305: Emissions 2016			
3-3	Management of material topics	58-59	
305 - 1	Direct (Scope 1) GHG emissions	58, 71-72, 75	
305 - 2	Energy indirect (Scope 2) GHG emissions	58, 71-72, 75	
305 - 3	Other indirect (Scope 3) GHG emissions	58, 71-72, 75-76	
305 - 4	GHG Emissions intensity	59, 72, 76	
Minimising Waste			
GRI 301: Materials 2016			
3-3	Management of material topics	60	
301 - 2	Recycled input material used	72, 76	
GRI 306: Waste 2020			
306 - 1	Waste generation and significant waste-related impacts	60	
306 - 2	Management of significant waste-related impacts	25, 60	
306 - 3	Waste generated	72, 76	
Driving Responsible Production			
3-3	Management of material topics	60-61	For 11 of the 12 material topics GRI disclosures are identified and reported, complemented by our own indicators. Driving responsible production is a material topic and the management of the material topic is described. However, at this stage, there are no GRI disclosures to be disclosed due to the early stage of the work with the own production of clothing.

GRI Standard and Number	Disclosures	Location	Further explanations or omission
Employees			
Promoting Equality			
GRI 405: Diversity and Equal Opportunity 2016			
3-3	Management of material topics	23, 45, 62	
405 - 1	Diversity of governance bodies and employees	73, 76-77	Number of nationalities as a diversity indicator is disclosed however not provided with a breakdown of gender or age.
Engaging & Healthy Work Environment			
GRI 403: Occupational Health and Safety 2018			
Topic management disclosures			
403-1	Occupational health and safety management system	63	No other standards or guidelines apart from regulatory requirements are used.
403-2	Hazard identification, risk assessment, and incident investigation	63	
403-3	Hazard identification, risk assessment, and incident investigation	63	
403-4	Worker participation, consultation, and communication on occupational health and safety	63	
403-5	Worker training on occupational health and safety	63	
403 - 6	Promotion of worker health	63	
Topic disclosures			
403-8	Workers covered by an occupational health and safety management system	63, 74, 77	The OHS system is not externally audited.
Own indicator	Employee Net Promoter Score (eNPS)	62, 74, 77	
Shaping Employee Development			
GRI 404: Training and Education 2016			
3-3	Management of material topics	63	
404 - 2	Programs for upgrading employee skills and transition assistance programs	62, 63	Transition assistance: Employees are covered by our Career Re-adjustment Agreement (TRR, Trygghetsrådet). The employee receives advice and support from TRR. In addition, a salaried employee who is at least 40 years and who has at least five years of continuous employment in the company can receive income compensation (AGE - Avgångsersättning), which is a complement to the normal unemployment insurance.

GRI Standard and Number	Disclosures	Location	Further explanations or omission
Community			
Empowering Customers			
GRI 417: Marketing and Labeling 2016			
3-3	Management of material topics	61, 64	
417-1	Requirements for product and service information and labeling	64, 74, 77	417-b refers to our own indicator regarding the share of Made With Care products.
Own indicator	Share of Made With Care products and Share of Made With Care orders	74, 77	
Engaging Suppliers			
3-3	Management of material topics	64-65, 78	
Own indicator	Engaging Suppliers through Higg BRM	64, 74, 77	Disclosed through the Number of Brands contacted, Number of Brands onboarded and with completed BRM, Number of Brands with shared module, Number of Brands with verified module
Involving Communities			
3-3	Management of material topics	65	
Own indicator	Donations	65, 74, 78	
Own indicator	Number of research interviews or surveys given by the sustainability team	74, 78	
Governance			
Accelerating Transparency			
3-3	Management of material topics	66-67	
Own indicator	Disclosed ESG ratings and rankings	67, 74, 78	The Scores of the following ESG Rankings and Ratings are disclosed: CDP, S&P Global Corporate Sustainability Assessment, MSCI rating
Own indicator	Number of ESG policies published	74, 78	
Mitigating Risks			
GRI 308: Supplier Environmental Assessment 2016			
3-3	Management of material topics	68-69, 78	
308-2	Negative environmental impacts in the supply chain and actions taken	69, 74, 78	In order to address requirements 308-2 .b, .d, and .e, we created a supplier survey including environmental questions and we will use its results to develop a scorecard, which can be used to identify and communicate improvement areas to our suppliers.

GRI Standard and Number	Disclosures	Location	Further explanations or omission
GRI 414: Supplier Social Assessment 2016			
3-3	Management of material topics	68-69, 78	
414-2	Negative social impacts in the supply chain and actions taken	69, 74, 78	In order to address requirements 414-2 .b, .d, and .e, we created a supplier survey addressing social aspects and we will use its results to develop a scorecard, which can be used to identify and communicate improvement areas to our suppliers.
GRI 418: Customer Privacy 2016			
3-3	Management of material topics	38, 74, 78-79	
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	74, 78-79	
GRI 201: Economic Performance 2016			
3-3	Management of material topics	9-10, 69	
201-2	Financial implications & other risks & opportunities due to climate change	69, 74, 78	Calculation formula for Cost to realize opportunity= investments for the solar cells in SEK + the installation costs of the solar cells in SEK = 1 890 000 SEK + 1 878 000 SEK =3 768 000 SEK.
Integrating Sustainability			
3-3	Management of material topics	70	
Own indicator	Number of Employees attending a Sustainability training	70, 74, 78	
Own indicator	Number of Board meetings attended by Head of Sustainability	70, 74, 78	

Auditor’s report on the statutory sustainability report

To the general meeting of the shareholders in Boozt AB (publ), corporate identity number 556793-5183

This is a translation of the Swedish language original. In the events of any differences between this translation and the Swedish original the latter shall prevail.

Engagement and responsibility

It is the Board of Directors who is responsible for the statutory sustainability report on the pages 54-84 for the year 2022 and that it has been prepared in accordance with the Annual Accounts Act.

The scope of the audit

Our examination has been conducted in accordance with FAR’s auditing standard RevR 12 The auditor’s opinion regarding the statutory sustainability report. This means that our examination of the statutory sustainability report is substantially different and less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinion.

Opinion

A statutory sustainability report has been prepared.
Malmö March 23, 2023

Deloitte AB
Signature on Swedish original

Didrik Roos
Authorized public accountant

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CONSOLIDATED INCOME STATEMENT

SEK million unless otherwise indicated	Note	01-01-2022 31-12-2022	01-01-2021 31-12-2021
OPERATING INCOME			
Net revenue	3.4	6,743.4	5,813.8
Other operating income	5	4.5	4.7
Total operating income		6,747.9	5,818.5
OPERATING COSTS			
Goods for resale		-4,076.6	-3,462.2
Other external costs	6,7,8	-1,520.1	-1,312.8
Cost of personnel	9	-675.6	-612.0
Depreciation and amortisation of tangible and intangible assets	10	-222.5	-167.0
Total operating costs		-6,494.8	-5,554.0
OPERATING PROFIT (EBIT)		253.1	264.5
FINANCIAL INCOME AND EXPENSES			
Financial income	11	5.0	0.3
Financial expenses	8.11	-22.0	-19.8
Net financial items		-17.0	-19.5
PROFIT BEFORE TAX		236.1	245.0
Income tax	12	-50.0	-49.8
PROFIT FOR THE YEAR		186.1	195.2
ATTRIBUTABLE TO:			
Parent company's shareholders		186.1	188.7
Non-controlling interest		0.0	6.5
		186.1	195.2
Earnings per share (SEK)	13	2.76	2.87
Earnings per share after dilution (SEK)	13	2.73	2.81

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

SEK million		01-01-2022 31-12-2022	01-01-2021 31-12-2021
RESULT FOR THE YEAR		186.1	195.2
Translation differences	24	35.7	3.1
TOTAL COMPREHENSIVE PROFIT/LOSS FOR THE YEAR		221.8	198.3
ATTRIBUTABLE TO			
Parent company's shareholders		221.8	191.8
Non-controlling interest		-	6.6

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

SEK million	Note	Dec 31, 2022	Dec 31, 2021
ASSETS			
Non-current assets			
Intangible assets			
Trademarks	14.15	93.6	84.5
Goodwill	14.15	299.8	275.5
Web platform	15	164.6	136.6
		558.0	496.6
Tangible assets			
Right of use asset	8	526.1	456.7
Machinery and equipment	16	866.5	517.5
		1,392.6	974.3
Other non-current assets			
Deposits		8.0	8.3
Shares in associated companies	29	27.2	-
Deferred tax asset	12	6.3	5.1
		41.5	13.4
Total non-current assets		1,992.1	1,484.2
Current assets			
Inventories	17	2,038.6	1,732.2
Account receivables	18	30.3	36.5
Other receivables		68.7	108.7
Current tax assets		1.7	30.1
Prepaid expenses and accrued income	19	83.5	101.0
Cash and cash equivalents	20	1,777.2	1,564.9
Total current assets		4,000.1	3,573.5
TOTAL ASSETS		5,992.2	5,057.8

SEK million		Dec 31, 2022	Dec 31, 2021
EQUITY AND LIABILITIES			
Equity			
Share capital		5.6	5.6
Other capital contributions		2,234.4	2,201.9
Reserves		34.6	3.6
Retained earnings including profit for the year		227.9	-34.6
Equity attributable to parent company shareholders	24	2,502.6	2,176.5
Non-controlling interest			
Non-controlling interest		-	121.1
Total equity		2,502.6	2,297.7
Non-current liabilities			
Non-current interest bearing liabilities	21	402.1	205.1
Non-current lease liabilities	8	457.4	402.6
Other non-current liabilities		0.2	119.3
Other non-current provisions	22	30.1	49.2
Deferred tax liabilities	12	18.6	17.4
Total non-current liabilities		908.4	793.6
Current liabilities			
Interest bearing liabilities	21	168.0	168.2
Lease liabilities	8	81.1	66.7
Accounts payable		1,384.9	895.8
Current tax liabilities		82.1	40.7
Other liabilities		386.2	337.4
Accrued expenses and prepaid income	23	478.9	457.7
Total current liabilities		2,581.1	1,966.5
Total liabilities		3,489.5	2,760.1
TOTAL EQUITY AND LIABILITIES		5,992.2	5,057.8

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

SEK million	Share capital	Other capital contributions	Reserves	Profit brought forward incl. profit for the year	Equity attributable to parent company shareholders	Non-controlling interest	Total equity
Equity as per Jan 1, 2021	5.3	2,010.3	0.6	-108.1	1,908.1	-	1,908.1
Profit for the year	-	-	-	188.7	188.7	6.5	195.2
Other comprehensive income	-	-	3.0	-	3.0	0.1	3.1
COMPREHENSIVE PROFIT/LOSS FOR THE YEAR	-	-	3.0	188.7	191.8	6.6	198.3
Share capital increase	0.2	137.3	-	-0.1	137.5	-	137.5
Share-based compensation	-	54.3	-	-	54.3	-	54.3
Acquisition of non-controlling interest	-	-	-	-	-	114.6	114.6
Liabilities to non-controlling interest	-	-	-	-115.1	-115.1	-	-115.1
Total transactions with owners	0.2	191.6	-	-115.2	76.7	114.6	191.3
Equity as per Dec 31, 2021	5.6	2,201.9	3.6	-34.6	2,176.5	121.1	2,297.7

SEK million	Share capital	Other capital contributions	Reserves	Profit brought forward incl. profit for the year	Equity attributable to parent company shareholders	Non-controlling interest	Total equity
Equity as per Jan 1, 2022	5.6	2,201.9	3.6	-34.6	2,176.5	121.1	2,297.7
Profit for the year	-	-	-	186.1	186.1	-	186.1
Other comprehensive income	-	-	35.7	-	35.7	-	35.7
COMPREHENSIVE PROFIT/LOSS FOR THE YEAR	-	-	35.7	186.1	221.8	-	221.8
Share capital increases	0.0	-	-	0.0	0.0	-	0.0
Share based compensation	-	27.7	-	-	27.7	-	27.7
Acquisition of non-controlling interest	-	-	-	76.6	76.6	-121.1	-44.5
Total transactions with owners	0.0	27.7	-	76.6	104.3	-121.1	-16.9
Equity as per Dec 31, 2022	5.6	2,229.6	39.4	228.0	2,502.6	-0.0	2,502.6

CONSOLIDATED STATEMENT OF CASH FLOW

SEK million	Note	Jan 1 - Dec 31, 2022	Jan 1 - Dec 31, 2021
OPERATING ACTIVITIES			
Operating profit		253.1	264.5
Adjustments for non-cash items:			
Share-based compensations - social charges		-16.7	-2.2
Share-based compensations		27.7	54.3
Change in other provisions		-4.5	-0.9
Depreciations and amortisation	10	222.5	167.0
Other items not included in cash flow		0.8	2.8
Interest received	11	5.0	0.3
Interest paid	11	-22.0	-19.8
Paid income tax		19.5	-30.0
CASH FLOW BEFORE CHANGES IN WORKING CAPITAL		485.3	436.1
WORKING CAPITAL			
Changes in goods inventory		-306.8	-465.8
Changes in current assets		62.3	-29.3
Changes in current liabilities		564.5	303.3
Cash flow from working capital		320.0	-191.9
CASH FLOW FROM OPERATING ACTIVITIES		805.3	244.2

SEK million		Jan 1 - Dec 31, 2022	Jan 1 - Dec 31, 2021
INVESTMENTS			
Acquisition of subsidiaries, net liquidity effect	14	-195.3	-232.0
Acquisition of fixed assets	16	-445.8	-296.3
Changes in financial assets		0.2	-1.3
Acquisition of intangible assets	15	-74.3	-79.8
CASH FLOW FROM INVESTMENTS		-715.2	-609.4
FINANCING			
Share capital issue	24	-	137.5
New loans	27	453.0	295.4
Loan repayments	27	-256.2	-139.4
Repayments of lease liability	8, 27	-77.2	-77.4
CASH FLOW FROM FINANCING		119.7	216.0
Cash flow for the year		209.9	-149.0
Currency exchange gains/losses in cash and cash equivalents		2.4	-0.6
Cash and cash equivalents beginning of the year		1,564.9	1,714.5
CASH AND CASH EQUIVALENTS END OF THE YEAR	20	1,777.2	1,564.9

Note 1 - Significant accounting principles

These annual accounts and consolidated accounts include the Swedish parent company Boozt AB (publ), corporate identity number 556793-5183, and its subsidiaries. The Group's main business is sale of fashion, kids, home, sport and beauty products.

The parent company Boozt AB (publ) (registration number 556793-5183) is a Swedish public limited liability company registered in Sweden domiciled in Malmö. The head office address is Hyllie Boulevard 35, 215 37 Malmö.

The Board of Directors and the CEO has on March 23, 2023 approved the annual accounts and consolidated accounts which will be submitted for adoption at the Annual General Meeting on April 26, 2023.

Applied rules and regulations

The consolidated accounts have been prepared in accordance with the Swedish Annual Accounts Act and International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as defined by the European Union (EU). In addition, the consolidated accounts follow the recommendation of the RFR 1 "Supplementary accounting rules for Groups".

New or amended accounting standards and interpretations

No new or revised accounting standards and interpretations that were adopted in 2022 have had any significant impact on the Group's financial reporting for 2022.

Currency

Functional currency is the currency of the primary economic environment in which companies operate. The parent company's functional currency is SEK, which is also the reporting currency for the parent company and the Group. This means that the financial reports are presented in SEK. All amounts, unless otherwise indicated, are rounded to the nearest million with one decimal.

Consolidation

Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group

has control of a subsidiary when it is exposed to or has the right to variable returns from its holdings in the company and has the opportunity to impact the return, through its influence in the company. Subsidiaries are consolidated from the date on which the control is transferred to the Group. They are excluded from the consolidated accounts from the date when the control ceases. Acquisitions are accounted for using the purchase method. The method implies that the acquisition of a subsidiary is considered a transaction through which the Group indirectly acquires the subsidiary's assets and assumes its liabilities. The acquisition analysis/ purchase price allocation establishes the fair value at the acquisition date of the identifiable assets acquired and liabilities assumed and any non-controlling interests.

Transaction costs, except for transaction costs that are attributable to the issuance of equity or debt instruments, are recognised immediately in the income statement for the year. For acquisitions where the consideration transferred exceeds the fair value of acquired assets and assumed liabilities that are recognised separately, the difference is recognised as goodwill. When the difference is negative, known as a bargain acquisition, this is recognised directly in the income statement for the year.

Associated companies

Associated companies are all entities over which the Group has significant but not controlling influence, which usually applies to shareholdings comprising between 20% to 50% of the voting rights. Holdings in associated companies are reported according to the equity method. The method means that holdings in an associated company are initially reported at acquisition cost in the Group's balance sheet. The reported value is then increased or decreased to take into account the Group's share of profit and other comprehensive income from its associated companies after the acquisition date. The Group's share of profit is included in the group's profit and the Group's share of other comprehensive income is included in other comprehensive income in the group. Dividends from associated companies are reported as a reduction of the investment's reported value. When the Group's share of losses in an associated company is equal to or exceeds the holding in this associated company (including all long-term receivables that in reality form part of the group's net investment in this associated company), the Group reports no additional losses unless the

Group has assumed obligations or has made payments on behalf of the associated company.

Unrealized profits on transactions between the Group and its associated company are eliminated to the extent of the Group's holdings in the associated company. Unrealized losses are also eliminated unless the transaction is indicative of impairment of the asset being transferred. The reported value of investments reported in equity is tested for impairment in accordance with the principles described under the heading "Impairment of non-financial assets".

Non-controlling interest

When an acquisition does not involve 100% of the subsidiary, a non-controlling interest ("NCI") arises. The Group has recognised equity attributable to its non-controlling interest at fair-value, including the non-controlling interest's proportionate share of the goodwill.

Acquisition of non-controlling interests

The put-option to non-controlling interest in Nordic Brand Hub Holding A/S that was issued in 2021 was exercised by the Group on January 24, 2022. The financial debt to NCI has been resolved and the change in ownership has been reported as a transfer of equity between the parent company and the non-controlling interest, without revaluation of the subsidiary's net assets.

Transactions eliminated in consolidation

Group internal receivables and liabilities, revenues or costs and unrealised gains or losses relating to Group internal transactions between Group companies are eliminated when the Group's accounts are consolidated.

Classification

Fixed assets and long-term liabilities essentially consist of amounts expected to be recovered or settled after more than twelve months from the statement of financial position date. Current assets and current liabilities essentially consist of amounts expected to be recovered or settled within twelve months from the statement of financial position date.

Segment reporting

An operating segment is a component of the Group that conducts operations from which it can generate revenues and incur costs and for which independent information is available. Operating segments are reported in a manner consistent with the internal reporting provided to the chief executive decision-maker (Board of Directors) to allocate resources to the operating segment. Boozt has identified and reports two operating segments; Boozt.com and Booztlet.com.

The Group does not internally report or separate assets and liabilities between the two segments as these cannot be distinguished between the segments. Hence, no information on segment assets or liabilities is provided as no separate segmentation is made for the Group's financial position.

Information about reporting by segment is included in Note 4.

Transactions in foreign currency

Transactions in foreign currencies are translated into the functional currency at the exchange rate prevailing on the transaction date. Monetary assets and liabilities in foreign currencies are translated into the functional currency at the exchange rate prevailing at the statement of financial position date. Exchange rate differences arising on translation are recognised in the income statement for the year. Exchange gains and losses on operating receivables and liabilities are recognised in operating profit/loss, while gains and losses on financial assets and liabilities are reported as financial items.

Translation of foreign operations

Assets and liabilities of foreign operations, including goodwill and other Group surpluses and deficits, are translated from their functional currency to the Group's reporting currency, Swedish kronor, at the exchange rate prevailing on the statement of financial position date. Revenues and expenses of foreign operations are translated to Swedish kronor at an average rate that is an approximation of the exchange rates prevailing on the transaction dates. Translation differences arising on translation of foreign operations are recognised as comprehensive income and accumulated in a separate component in equity called translation reserve. On loss of control due to disposal of a foreign operation, the cumulative translation differences relating to the activities are realised, whereby they are reclassified from comprehensive income to the income statement for the year.

Revenue recognition

Revenue is recognized in line with IFRS 15 Revenue from Contracts with Customers. A revenue is recognised when the control of the product passes to the customer or the service is provided in accordance with the agreement, its amount can be measured in a reliable manner and the future economic benefit is likely to accrue to the Group. Recognised revenue is equivalent with the expected economic compensation where adjustment has been made for the performance obligations the Group is obliged to comply with in accordance with contractual commitments, as discount and return obligations.

Sale of goods: Business to consumer

The Group identifies its performance obligations within sale of goods when the goods have been delivered from the Boozt Fulfilment Centre. All sales are made on a 30-day return policy. Revenue recognised is reduced with the transactional price (excl. VAT) for the items that are expected to be returned. The reduced amounts are accounted for as a refund liability for returns and complaints. The refund liability is classified as accrued expenses and the goods expected to be returned is classified as inventories.

The expected return is based on historical sales statistics and an assessment of future complaints and returns, and occurs in the same period as the sale.

Sale of goods: Business to Business

The Group sells products under its own brands to other businesses and re-sellers and recognizes a revenue when the control over the items has been transferred to the buyer. The recognized revenue corresponds to the transactional price excl. VAT and other deductions directly attributable to the sale, as discounts, complaints etc.

Commission Sales

When the Group sells goods or services as an agent, revenue and payments to suppliers are recognised net under net revenue and represent the margin/commission earned by the Group. The Group is liable for any value added tax on the total value of items sold to end consumers. The Group recognises actual and expected returns in the same manner as for sale of goods. Whether the Group is considered as principal or agent in a transaction is based on an analysis of both the legal form and the content

of the agreement between the Group and its business partner, these assessments affect the amount of recognised net sales and operating expenses, but not profit/loss for the year or cash flows.

Gift Cards

Upon the sale of gift cards, the entire amount is recognised as a liability and is recognised as revenue when the gift card is used, or when its validity expires. For gift cards with a non-expiry date, the group recognises revenue when it's likely to not be utilised.

Sale of marketing services

For sale of marketing services, a revenue is recognised from the brand partners that the Group sell marketing services to. The net revenue is recognised when the services are performed where the company has fulfilled its obligation to the brand partner. The services are normally invoiced in advance, hence the company recognizes an accrued income in the statement of financial position until the Group has performed its obligation, such as a specific marketing campaign.

Employee benefits

Current benefits

Current employee benefits such as salary, social security contributions, holiday pay and bonus are expensed in the period when the employees provide the services.

Pensions

The Group’s pension obligations are covered by defined contribution plans. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate external party. The Group has no legal or informal obligations to pay further contributions if this legal entity does not have sufficient assets to pay all employee benefits relating to employee services in the current and prior periods. The Group has therefore no additional risk. The Group's obligations for contributions to defined contribution plans are recognised as an expense in profit/loss for the year as they are earned by the employee performing services for the Group during a period.

Compensation on termination

An expense for remuneration in connection with termination of personnel is recognised only if the company is demonstrably committed, without realistic possibility of withdrawal, by a formal detailed plan to terminate an employment before the normal dismissal time. When remuneration is paid as an offer to encourage voluntary redundancy, a cost is recognised if it is probable that the offer will be accepted and the number of employees who will accept the offer can be reliably estimated.

Share-based payments

Key employees, including senior executives are invited to participate in long-term incentive programs in Boozt AB (publ). The Group has three ongoing equity settled programs classified as share-based payment under IFRS 2.

LTI 2020/2023, LTI 2021/2024 and LTI 2022/2025 are based on performance shares, where the participants will receive shares in the company at a subscription price of SEK 0.00 when the vesting period ends if certain performance measures are met at the end of the performance period. Costs for share-based payment are recognised as the value of services received, allocated over the vesting periods for the plans, calculated as the fair value of the allotted equity instruments. The fair value is determined on the grant-date, the date the LTI Program was approved by the general meeting. Non-market criteria’s included in the performance criteria’s are valued at the actual share price at the grant date and the value of market criteria’s are determined by applying valuation technique, such as Black & Scholes or a Monte Carlo simulation. No recalculation of the fair value is made.

Since the programs are equity settled, the corresponding amount to the recognised cost are recognised in equity within other capital contributions. The recognised cost is based on the number of shares that are expected to be issued when the vesting period ends. The cost for the expected shares is accrued over the vesting period. The recognized costs are adjusted on each reporting period if the expected number of shares that are expected to be vested are changed during the vesting period due to changed assumptions of expected employee retention and expected achievement of the performance criteria’s. Non-market condition's, such as service condition or certain performance targets are adjusted according to the actual outcome of the program when the vesting period

ends. Market conditions are recognised as costs regardless of whether the specific market condition is met.

Social security contributions on the employee benefit value are expensed and accrued over the vesting period. The social security provision is based on the estimated number of shares that have been vested at each reporting date and is recalculated to the actual market price of the Company’s share. Costs for changed share price are recognised in the current period.

For further information of the Group’s share-based payments, see Note 9.

Leases

The Group assesses whether a contract is, or contains, a lease at the beginning of the contract. The Group recognizes a right of use asset and a corresponding lease liability for all leases in which the Group is lessee, except for short-term leases (leases with a leasing period of a maximum of 12 months) and for leases where the underlying asset is of low value (approximately SEK 50,000).

For lease contracts that meet the criteria for the relief rules, the Group recognizes leasing fees as a straight-lined operating cost over the lease period, unless another systematic method of accruing the lease fee gives a more accurate picture of how the economic benefits from the underlying asset are consumed by the lessee.

The lease liability is initially valued at the present value of future lease payments that have not been paid at the commencement date of the lease, discounted with the implicit interest rate, or if this cannot be easily determined, the Group's marginal loan interest rate. The loan interest rate is the interest rate that a lessee would have to pay for financing through loans during a corresponding period, and with similar collateral, for the right of use of an asset in a similar economic environment.

Lease payments included in the valuation of lease liabilities include the following;

- Fixed fees (including in-substance fixed fees), after deduction of any benefits in connection with the signing of the lease to be obtained;
- Variable fees that depend on an index or price initially valued using the index or price at the commencement date;

- Amounts expected to be paid by the lessee under residual value guarantees;
- The exercise price for an option to buy if the lessee is reasonably sure to take advantage of such an opportunity; and
- Penalty fees that are payable upon termination of the lease agreement, if the lease period reflects that the lessee will use an opportunity to terminate the lease.

Lease liabilities are presented on a separate line in the statement of financial position. Lease liabilities are recognised in the subsequent period by increasing the debt to reflect the effect of interest and reducing it to reflect the effect of lease payments made. Lease liabilities are revalued with a corresponding adjustment of the right of use according to the rules found in the standard.

The rights of use asset are initially recognized at the value of the lease liability, with the addition of lease payments made on or before the commencement date of the lease and initial direct expenses. The right of use asset is recognised in the subsequent period at cost less depreciation and write-downs. If the Group incurs obligations for dismantling of a leased asset, restoration of land or restoration and renovation of access to condition agreed in a contract, a provision for such obligations is reported in accordance with IAS 37. Right of use assets are depreciated over the estimated useful life or, if shorter, over the agreed lease term. If a lease transfers ownership at the end of the lease period or if the acquisition value includes a probable exercise of a call option, the right of use is depreciated over the useful life.

Depreciation begins on the commencement date of the lease. Right of use assets are presented on a separate line in the report on financial position with specification in Note 8. The Group applies the principles in IAS 36 for impairment of rights to use assets and reports this in the same way as described in the principles for impairment of non-financial assets. Variable lease payments that do not depend on an index or price are not included in the valuation of lease liabilities and right of use assets. Such lease payments are recognised as an expense in operating profit in the period in which they arise.

For further information about the Group’s leases, see Note 8.

Financial income and costs
Finance income comprises interest income on funds invested and financial instruments that are measured through profit or loss.

Financial expenses comprise interest expenses on borrowings, interest expenses on leases and losses on financial instruments measured at fair value through profit or loss.

Income taxes
Reported tax comprises current tax and deferred tax. Income tax is recognised in profit or loss unless the underlying transaction is recognised in other comprehensive income or in equity, whereby the associated tax effect is recognised in other comprehensive income or in equity. Current tax is tax to be paid or received for the current year, using tax rates enacted or substantially enacted at the statement of financial position date. Current tax also includes adjustments of current tax attributable to previous periods. Deferred tax is recognised in full, using the statement of financial position method, on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts. Temporary differences attributable to participations in subsidiaries and associated companies that are not expected to be reversed in the foreseeable future are not considered.

The valuation of deferred tax is based on how underlying assets or liabilities are expected to be realised or settled. Deferred tax is calculated by applying the tax rates and tax rules enacted or announced at the statement of financial position date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. Deferred tax assets for deductible temporary differences and tax losses carried forward are only recognised to the extent that it is probable that they can be utilised. The value of deferred tax assets is reduced when it is no longer considered probable that they can be utilised.

Intangible assets
Trademarks
Trademarks with a determinable useful lifetime are recognised at cost less accumulated depreciation and any accumulated impairment losses. Trademarks with an indefinite useful life are tested for impairment annually and carried at cost less accumulated impairment losses. Trademarks that are deemed to have an indefinite useful lifetime originate from acquisitions. This assessment that the useful life is indefinite is based on:

– these trademarks being considered well-established in their respective markets and the Group having the intention of keeping them and developing them further,

– these trademarks being considered to be of material economic significance by both indicating credibility and innovation in the products and in extension such that both affect pricing and competitiveness Accordingly, through the connection to operating activities, these brands are considered to have an indefinite useful life and are expected to be used as long as operations continue.

Web platform
Development expenditure for new or improved processes within the Group’s web platform designed for e-commerce is recognised as an asset in the statement of financial position if the process is technically and commercially feasible and the Group has sufficient resources to complete the process. Capitalised expenses relates to software and software platform.
Amortization principles
Amortization is recognised in profit/loss of the year on a straight-line basis over the depreciable intangible assets’ estimated useful lives.

The estimated useful lives are;

Trademarks with a definite useful period: 5 years
Web platform: 5 years

The useful lives are reviewed at least annually.

Goodwill
Goodwill is measured at cost less any accumulated impairment losses. Goodwill is allocated to cash-generating units and tested at least once a year for potential impairment as no goodwill amortization is made. Goodwill represents the difference between the acquisition value and the fair value of acquired assets, assumed liabilities and possible liabilities. Goodwill in foreign currency is recalculated on each reporting date.

Tangible assets
Tangible assets are recognised at acquisition cost less accumulated depreciation and any impairment losses. The cost includes the purchase price and expenses directly attributable to the asset to bring it in place

and in condition to be used in accordance with the purpose of the acquisition. The carrying amount of an asset is derecognised from the statement of financial position on disposal or sale or when no future economic benefits are expected from the use or disposal/ sale of the asset.

Gain or loss arising on the disposal or disposal of an asset is the difference between the sale price and the asset’s carrying amount less direct selling expenses. Gains and losses are recognised as other operating income/ expenses.

Subsequent expenditure
Subsequent expenditure is capitalised only if it is probable that future economic benefits associated with the asset will flow to the Group and the acquisition cost can be measured in a reliable way. All other subsequent expenditure is expensed in the period they occur. Repairs are expensed continuously.

Depreciation principles
Depreciation is made on a straight-line basis over the asset’s estimated useful life.

The estimated useful lives are;
Computers: 3 years
Equipment, tools, fixtures and fittings: 5-10 years
Aluminium grids and boxes in automated storage system, AutoStore: 10-15 years

Depreciation methods, residual values and useful lives are reassessed at each year-end.

Impairment of non-financial assets
Assets that are depreciated are assessed for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. An impairment loss is the amount by which the asset’s

carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less selling expenses and value in use. When assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). When impairment has been identified for a cash-generating unit (group of units) the impairment loss is primarily allocated to goodwill. Thereafter, a proportional impairment of other assets in the unit (group of units) is made. The previously recognised impairment loss is reversed if the recoverable amount is estimated to exceed the carrying value. However, reversal must only be made with an amount so that the carrying value amounts to what it would have been if the impairment had not been recognised in previous periods. Impairment of goodwill is never reversed though.

Financial instruments

A financial asset or financial liability is recognised in the statement of financial position when the Group becomes a party to the instrument's contractual terms. Financial instruments include cash and cash equivalent, deposit, accounts receivable, interest bearing receivable, accounts payable, derivate and borrowing. Account receivables are recognised when invoices are sent to the customer. Since receivables relating to consumer transactions are transferred to a credit institution at the time of the customers' transaction, no account receivable is recognized. Instead the receivable is classified as other receivable until the credit institution makes the payment. When a consumer uses invoice as payment method, instead of direct debit, the Group sells the receivable to a financial institute. The transactional cost for the selling of the accounts receivable is recognised as an external operating cost. Liabilities are recognised when the counterparty has performed, and there is a contractual obligation to pay, even if an invoice not yet has been received. Account payables are recognised when invoices are received.

A financial asset is derecognised in the statement of financial position when the contractual rights are realised, expire or the Group loses control over them. The same applies to part of a financial asset. A financial liability is derecognised in the statement of financial position when the obligation in the agreement is fulfilled or otherwise settled. The same applies to part of a financial liability. Financial assets and financial liabilities are offset and the net amount is recognised in the statement of financial position only when there is a legal right to offset the amounts and there is an intention to settle the items on a net basis or to realise the asset and at the same time settle

the liability. The Group has not offset any asset and liabilities in the statement of financial position as of December 31, 2022. Purchases and sales of financial assets are recognised on the trade date. Trade date is the day when the company commits to acquire or sell the asset.

Classification and valuation of financial instruments

Financial instruments are initially recognised at acquisition cost, corresponding to fair value of the instrument plus transaction costs for all financial instruments except for those classified as financial assets/liabilities recognised via income statement, which are recognised at fair value excluding transaction costs. A financial instrument is classified on initial recognition among others based on the Group's business model and purpose for which it was acquired and its contractual cash flow. The classification determines how the financial instrument is valued after the initial recognition.

Financial instruments are classified based on the following categories:

- Financial assets or liabilities valued at amortised cost
- Financial assets or liabilities measured at fair value via income statement.
- Financial assets or liabilities measured at fair value through other comprehensive income

Financial instruments valued at amortised cost

The Group valued financial instruments at amortised cost in the following categories;

- Financial assets
- Financial liabilities
- Cash and cash equivalents

Financial assets

Financial assets are financial assets that are not derivatives, that have fixed or determinable payments and that are not listed in an active market. These assets are valued at accrued acquisition cost. Accrued acquisition cost is determined using the effective interest rate calculated at the acquisition date. Receivables are recognised at the amount expected to be received i.e. after deductions for bad debts.

Other financial liabilities

Loans and other financial liabilities such as accounts payables are included in this category. Amortised cost refers to the amount at which liability measured is initially recognised net of amortisation and impairment

losses as well as additions for the accrual of the initial amount and the maturity amount at amortised cost. Other financial liabilities are subsequently measured at amortised cost using the effective interest method.

Cash and cash equivalents

Cash and cash equivalents consist of cash deposited through banks and similar financial institutions. It may occur that parts are restricted. For more information see Note 20.

Financial assets or liabilities measured at fair value via income statement

Financial assets and liabilities measured at fair value may consist of derivatives and liabilities for purchase consideration. Financial instruments valued at fair value via the income statement are classified according to the fair value hierarchy as follows:

- Listed prices (unadjusted) in active markets for identical assets or liabilities (level 1),
- Other observable input data for the asset or liability than listed prices included in level 1, either directly (i.e. as price quotations) or indirectly (i.e. derived from price quotations) (level 2),
- Input for the asset or liability that is not based on observable market data (i.e. non-observable input data) (level 3).

More information about financial instruments measured at fair value can be found in Note 28. The Group has no financial instrument measured at fair value through other comprehensive income.

Provision for credit losses

A provision for expected credit loss is recognised for all financial assets other than financial assets measured at fair value via income statement. The Group has applied the simplified approach for calculation of expected credit loss on the Group's trade receivables. At each reporting date, in addition to a provision for individual estimates, a provision corresponding to expected credit losses for the remaining maturity period of the asset is recognised which reduces the value of the asset. The expected credit loss is based on estimates built upon the Group's knowledge and historical information about similar assets or counterparties together with present circumstances, potential future events, forecast for future financial conditions and the time value of money. The assessments are done on both a collective and individual basis. The underlying criteria and assumptions

are evaluated on a continuous basis to reflect the current situation. Boozt defines credit deteriorated as the fact that it is considered unlikely that the counterparty will meet its obligations due to indicators such as financial difficulties and non-payment. Financial assets are together with coherent credit loss provisions derecognised from the statement of financial position when there aren't any expectations of future recovery, remaining collateral or all right to collections has been settled.

Impairment of trade receivables and other receivables is reported as operating expenses. Impairment of cash and cash equivalents and other long-term securities holdings is reported as a financial expense. For cash and cash equivalents with a maturity of less than 12 months, the general model is assumed with the assumption of low credit risk. Also, receivables from joint ventures / associated companies, other receivables, receivables from group companies and accrued income is covered by the general model. Placement of liquid assets may only be made in banks or credit institutions with a high credit rating in accordance with the Group's Treasury policy. Historically, there have never been any customer losses regarding cash and cash equivalents, and it is also not considered likely that this will occur in the future. For more information of the Group's financial instruments, see Note 18-23 and Note 27-28.

Inventories

Inventories are valued at the lower of acquisition cost and net realisable value. Acquisition cost is calculated under the so-called first-in first-out principle and includes expenditure incurred in acquiring the inventories and bringing them to their present location and condition. Net realisable value is defined as the selling price less selling expenses. Inventories are exposed to obsolescence. Factors that affect the risk of obsolescence include among others the risk that returned goods are unsaleable and risk of redundancy.

The Group made seasonal write-downs twice a year when prior year season goods are written-down during a six month's period, meaning the items are fully written-down after eighteen months. Written-down items are primarily sold at the Group's offprice web shop Booztlet.com or at Booztlet's physical outlet before they eventually are discarded.

Contingent liabilities

A contingent liability is recognised when there is a possible obligation that arises from past events and whose existence is confirmed only by one or more uncertain future events or when there is one or several commitments that are not recognised as a liability or provision because it is not probable that an outflow of resources will be required.

Earnings per share

The calculation of earnings per share is based on consolidated net profit attributable to the Parent Company shareholders and on the weighted average number of shares outstanding during the year. When calculating earnings per share after dilution, the average number of shares outstanding is adjusted with potential dilutive effects of potential ordinary shares. Outstanding options and performance shares from the Group’s equity settled long-term incentive programs are dilutive to the extent they are likely to be vested.

For more information, see Note 9 and Note 13.

Estimates and assumptions

Preparation of the financial reports in accordance with IFRS requires management to make assessments and estimates and assumptions that affect application of the accounting policies and the recognised amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and assumptions are continually evaluated. Changes in estimates are recognised in the period the change is made if the change only affected that period or in the period the change is made and in future periods if the change affects both current and future periods.

Leasing

When reporting leases under IFRS 16 estimates and judgements are made in the terms of the possibility and coherent probability to exercising extending options, termination of contracts, estimated useful life of a lease that is extended on an ongoing basis if neither party actively terminates the lease and actual expected useful life of the lease asset. Boozt

has estimated the useful life of a lease in line with the underlying contract. The largest lease contract, which constitutes approximately 70% of the value of the Group’s leases is the premises for the fulfilment centre in Ångelholm which runs for 10 years until 2032.

Return provision

The estimate on expected returns is based on historical statistical information on the return percentage on sales. The Group’s standard term is a 30-days return period. Estimations are monitored and deviations are investigated monthly. At the reporting date, the provision for expected returns amounts to SEK 260.2 million classified as accrued expenses and prepaid income and a receivable of SEK 166.6 million classified as inventory.

Inventory obsolescence

Inventories are recognised at the lower of acquisition cost and net realisable value. When calculating the net realisable value, an assumption is made of outgoing items, surplus items, damaged goods and the estimated sales value based on available information.

More information can be found in Note 17.

Share based payments

For LTI 2020/2023, LTI 2021/2024 and LTI 2022/2025, a probability assessment of reaching the pre-defined targets and fulfilling the terms and conditions for achieving a grant of performance share is performed at each reporting date. The assessments are thereby a factor in the calculation of the liability (social charges) for share-based payments to employees for the period. At the reporting date, the Group has recognised a provision for social charges related to its long-term incentive programs of SEK 27.6 million (44.3 million).

More information regarding the Group’s long-term incentive program can be found in Note 9 and Note 24.

Financial liability to non-controlling interest

As of January 24, 2022 Boozt acquired the remaining 33.3% of the shares of Nordic Brand Hub Holding A/S and now has full ownership of the

company. In connection with this, the put-option to non-controlling interest in Nordic Brand Hub Holding A/S was exercised and the recognised liability of SEK 119 million was resolved.

At the reporting date, the Group has no financial liabilities to non-controlling interest.

More information can be found in Note 14.

Legal proceedings

In accordance with IFRS, a liability is recognised when there is an obligation as a result of an event and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made. A regular review is made of the outstanding legal cases. An assessment is then made of the need for provisions in the financial reports. The Group companies are only involved in minor disputes that are directly attributable to the business. Appropriate provisions are made when the assessment resulted in a risk. As per December 31, 2022 no liabilities related to legal proceedings are accounted for.

Note 2 - Accounting standards that the Group will adopt as from January 1, 2023

New and revised standards and interpretations that come into force for financial years beginning after January 1, 2023 are not considered to have a significant impact on the Group's financial reporting.

Note 3 - Net revenue per region and breakdown of revenue

SEK million	2022	2021
Net revenue		
Nordics	6,265.3	5,379.2
- of which Denmark	2,293.5	2,128.6
- of which Sweden	2,275.0	1,880.5
Rest of Europe	478.1	434.6
Total	6,743.4	5,813.8

SEK million	2022	2021
Net revenue		
Sale of goods	6,423.0	5,570.8
Commission sales	73.0	79.4
Other services	247.4	163.6
Total	6,743.4	5,813.8

Of the Group's sale of goods, approximately 97.5% (98.5) are through the webstores Boozt.com and Booztlet.com. The remaining sale of goods are through the Group's fashion brand Rosemundede and the Group's physical outlet- and beauty stores. Commission sales consist of commission service fee when Boozt act as an agent for the business partner who's goods are sold on the webstores Boozt.com and Booztlet.com.

Other net revenue is revenue not directly linked to the product such as marketing income from Boozt Media Partnership, BooztPay and breakage from gift cards.

Note 4 - Segment reporting

SEK million	2022	2021
Net revenue - Boozt.com		
Nordics	5,251.6	4,594.5
Rest of Europe	358.8	343.7
Total	5,610.4	4,938.2
Net revenue - Booztlet.com		
Nordics	1,013.7	784.7
Rest of Europe	119.3	90.9
Total	1,133.0	875.6
NET REVENUE		
Boozt.com	5,610.4	4,938.2
Booztlet.com	1,133.0	875.6
Total	6,743.4	5,813.8
EBIT		
Boozt.com	243.4	236.5
Booztlet.com	9.9	28.0
Total	253.4	264.5
Earnings before tax		
Boozt.com	229.3	219.9
Booztlet.com	3.2	25.0
Total	232.4	245.0

The Group reports operating segments in accordance with IFRS 8. The Group's operations are divided into two segments which constitute 100% of the revenue generated. Operations in the Group are divided into two operating segments, Boozt.com and Booztlet.com. The Boozt. com segment includes operations related to the Boozt.com site, the physical Beauty by Boozt store and Rosemunde. Segment Booztlet.com includes operations on the Booztlet.com site, which is the Group's online outlet, and the Group's physical outlet store.

The Group reports net revenue, EBIT and earning before tax for each of the operating segments. No information on segment assets or liabilities is provided, as no separate segmentation is made for the Group's financial position. Of the Group's tangible assets, SEK 15.4 million (1.4%) is located outside Sweden.

Note 5 - Other operating income and costs

SEK million	2022	2021
Currency exchange rate differences	4.5	4.7
Other	0.0	0.0
Total	4.5	4.7

Note 6 - External costs

SEK million	2022	2021
Fulfilment and distribution costs	-554.8	-509.6
Marketing costs	-741.2	-609.6
Administration and other external costs	-224.1	-193.6
Total	-1,520.1	-1,312.8

Note 7 - Audit fees

SEK million	2022	2021
Deloitte		
Auditing assignments	-1.5	-1.3
Tax advice	-0.3	-0.1
Other services	-0.4	-0.3
Total	-2.2	-1.7
Other		
Auditing assignments	-0.3	-0.6
Tax advice	-0.2	-0,0
Other services	0.0	-
Total	-0.5	-0.6

Auditing assignments include auditing of the annual accounts and bookkeeping as well as administration for the Board of Directors and the CEO, other duties undertaken by the Group's accountants, and advice or other assistance arising from observations during such auditing or implementation of similar tasks. Other services include advice in accountancy related fields such as accounting, due diligence etc.

Note 8 – Leases

Amounts reported in the Statement of financial position

The Group recognizes a right of use asset and a corresponding lease liability for all leases in which the Group is lessee, except for short-term leases (leases with a leasing period of a maximum of 12 months) and for leases where the underlying asset is of low value (approximately SEK 50,000).

The lease portfolio mainly comprises of:

- Warehouse premises recognised in the asset class of property,
- Headquarter and minor offices and stores recognised in the asset class of office- and store premises,
- Cars and trucks recognised in the asset class of vehicles.

RIGHT OF USE ASSET

SEK million	Property	Office- and store-premises	Vehicles	Total
Opening balance as of January 1, 2021	415.6	40.7	4.5	460.8
New and amended contracts	19.0	33.0	3.7	55.7
Depreciation for the year	-39.6	-17.2	-2.4	-59.2
Impairment losses for the year	-	-	-	-
Terminated contracts	-	-	-0.7	-0.7
Translation difference for the year	-	0.1	-	0.1
Closing balance as of December 31, 2021	395.0	56.6	5.1	456.7
Opening balance as of January 1, 2022	395.0	56.6	5.1	456.7
New and amended contracts	118.0	26.0	2.0	146.0
Depreciation for the year	-48.9	-25.3	-2.9	-77.1
Impairment losses for the year	-	-	-	-
Terminated contracts	-	-	-0.4	-0.4
Translation difference for the year	-	0.9	-	0.9
Closing balance as of December 31, 2022	464.1	58.2	3.8	526.1

New and amended contracts are primarily related to an expansion of the Group's HQ and a minor warehouse in Helsingborg used in the Group's fulfilment operations. In 2020, the Group decided to close its physical retail store in Copenhagen by using an exit clause during 2021. The contract expired in April 2022 and the remaining lease asset were written-down to SEK 0.0 million in 2020.

Right of use asset are included within tangible asset in the Statement of financial position.

LEASE LIABILITY

SEK million	2022	2021
Short-term liability	81.1	66.7
Long-term liability	457.4	402.6
Total	538.5	469.3

Long- and short-term lease liabilities are included within interest-bearing liabilities in the Statement of financial position.

AMOUNT REPORTED IN THE STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

SEK million	2022	2021
Depreciation of right of use asset	-77.1	-59.2
Impairment of right of use asset	-	-
Interest on lease liabilities	-7.9	-7.4
Variable lease payments not included in the the lease liability	-16.7	-8.6
Costs for short-term leasing and contracts of lower value	-6.1	-5.9
Total	-107.8	-81.1

AMOUNT REPORTED IN THE CASH FLOW STATEMENT

SEK million	2022	2021
Total cash flow attributable to leases	-108.1	-99.3

FUTURE LEASE PAYMENTS

Existing lease contracts vary in length from 1 to 10 years. There are no material subleases, no material contingent rents, no renewal or purchase options nor any restrictions imposed by leasing agreements.

Future payments, including interest for non-cancellable lease amount to SEK 539.2 million (546.2) and are broken down as follows:

SEK million	2022	2021
Within 3 months	19.4	21.7
Between 3-12 months	61.6	58.4
Between 1 and 5 years	235.0	241.7
Between 5 and 9 years	206.7	170.8
Longer than 9 years	15.8	53.0
Total	538.5	545.6

Lease agreements not yet started

There are no significant lease agreements not yet started as of December 31, 2022.

Note 9 - Employees and personnel costs

Average number of employees by country 2022	Average number of employees	Whereof women	Whereof men
Sweden	1,100	585	515
Denmark	97	48	49
Lithuania	56	12	44
Total	1,253	645	608
Gender among senior executives 2022			
Board members	7	3	4
CEO and other senior executives	7	2	5
Total	14	5	9
Average number of employees by country 2021			
Sweden	967	504	463
Denmark	82	47	35
Lithuania	27	6	21
Total	1,049	551	498
Gender among senior executives 2021			
Board members	7	3	4
CEO and other senior executives	7	2	5
Total	14	5	9

Personnel costs and remuneration to senior executives

PERSONNEL COSTS FOR THE GROUP	2022	2021
SEK million		
Salaries and remuneration	-495.2	-439.6
Social costs	-153.4	-153.1
Pension costs	-20.3	-17.4
Other employee costs	-6.7	-1.9
Total	-675.6	-612.0
SALARIES AND REMUNERATION TO SENIOR EXECUTIVES INCLUDING BENEFITS		
SEK million	2022	2021
Hermann Haraldsson (Group CEO)		
Base salary and remuneration	-8.6	-7.4
Variable remuneration	-2.5	-3.4
Other benefits	-3.5	-24.1
Costs according to share-based payments	-5.2	-6.3
Social security costs	0.5	-5.8
Pension costs	-	-
Total	-19.1	-47.0
Other senior executives (6 FTE's)		
Base salary and remuneration	-20.0	-18.1
Variable remuneration	-6.2	-8.3
Other benefits	-8.6	-59.1
Costs according to share-based payments	-16.7	-22.1
Social costs	2.5	-18.2
Pension costs	-	-
Total	-49.0	-125.9

Senior executives include the Board of Directors, the Group CEO, and other senior executives. The other senior executives include the Group CFO, Group CCO, Group CTO, Group CSCO, Group CPO, and Group CHRO, whom together with the Group CEO constitutes the management team of the Group.

Salaries and remuneration include costs for fixed and variable salaries and share-based payment recognised in the Group's profit & loss during the year. Other benefits correspond to the value of taxable benefits that senior executives have received during the year subject to social security charges. Other benefits include, among other things, car benefit, brobizz, daily newspaper and the taxable benefit value of exercised options from the Group's long-term incentive programs. Social costs include social security charges on the Group's long-term incentive programs determined by the Group's share price. During the year the Group has recognised SEK 27.7 million (54.3) in IFRS 2 costs and social security charges of negative SEK 10.3 million (23.7) for share-based payments.

Decision processes for remuneration

Remuneration and terms for the Group CEO are decided by the Board of Directors. Remuneration of other senior executives is decided by the Group CEO, in some cases after consultation with the Chairman of the Board. The Chairman of the Board and members of the Board of Directors receive a fixed fee as well as board meeting remuneration in accordance with the Annual General Meeting's decision. For more information on remuneration to senior executives and the Board of Directors, see the Corporate Governance Report on pages 44 and 47.

Remuneration and conditions for senior executives

Remuneration to the Group CEO and other senior executives consists of basic salary, variable remuneration and other benefits such as a company car. Other senior executives include the six other C-level managers who together with the Group CEO comprise the Group Management. Variable remunerations refer to bonus that is paid out depending on the performance according to pre-established goals. The Group CEO has a notice period of 6 months plus 12 months’ severance payment if the termination is decided by the Group. If the Group CEO chooses to terminate his employment, the notice period is the same. No pension benefits are paid to the Group CEO and senior executives.

Criteria for variable remuneration are measured over a period of one year and may amount to a maximum of 25% in base target and 25% in stretch target for 2021 and 35% in base target and 35% in stretch target for 2022 and going forward, of the fixed annual salary for senior executives. Additional variable compensation may be paid in the event of extraordinary events and such compensation may not exceed 50% of the fixed annual salary and may not be paid more than once a year and per individual. During 2022, no extraordinary compensation to senior executives has been paid.

Share-based compensation

The maximum number of performance shares from the Group's ongoing LTI programs that can be allotted to the CEO if certain performance criteria are met are 120,000 from LTI 2020/2023, 70,000 from LTI 2021/2024 and 70,000 from LTI 2022/2025.

The maximum number of performance shares that can be allotted to the other senior executives if certain performance criterions are met are 394,650 from LTI 2020/2023, 225,000 from LTI 2021/2024 and 297,463 from LTI 2022/2025.

Directors’ fees

The 2022 Annual General meeting approved the directors' fees to the board members for a total amount of SEK 4.3 million, whereas SEK 1.4 million to the chairman and SEK 2.9 million to the other board members. In the total amount to the board members SEK 0.6 million is assigned to the audit committee and SEK 0.4 million to the remuneration committee.

Name	Directors’ fees
Henrik Theilbjørn	1,400,000
Jón Björnsson	550,000
Cecilia Lannebo	700,000
Luca Martines	450,000
Aileen O’ Toole	600,000
Benjamin Büscher	450,000
Julie Wiese*	104,000
Total	4,254,000

Directors’ fees cover the period from AGM 2022 to AGM 2023
* The Director has abstained from remuneration since June 30, 2022 due to internal guidelines of employer/major shareholder

Long-term incentive programs in Boozt AB (publ)

Boozt AB (publ) has three active Long-term incentive programs with individual terms and conditions (LTI 2020/2023, LTI 2021/2024 and LTI 2022/2025). The programs are directed to staff identified as key employees. The Group CEO is included among these. During 2022, LTIP 2015/2025 expired and the remaining unexercised options were voided. Also during 2022, LTIP 2019/2022 was fully vested and consequently 310,661 shares were allotted to the participants.

LTI 2020/2023

The Extraordinary General Meeting on July 1, 2020 in Boozt AB (publ) resolved a long-term incentive program by way of approval of transfer of performance shares (C shares) to group management and key employees. The LTI Program 2020/2023 entitles the Group’s CEO, Group Management and key employees to receive shares in the Group at a subscription price of SEK 0.00 if certain performance measures are met at the end of the performance period on December 31, 2022. The performance targets include Net Revenue Growth, Net Promoter Score and Adjusted EBIT. The terms and conditions of the program also contains constraints regarding net working capital and adjusted EBIT margin. The vesting period will start in July 2021, 12 months after the program was adopted. The C shares will be distributed to the participants when the vesting period ends in July 2023 based on the achievement of the performance targets stipulated in the program and the number of participants still employed. The extra general meeting resolved that the maximum number of performance shares that can be distributed to the participants are 1,040,000. Before the distribution to the participants, the C shares will be converted to ordinary shares.

LTI 2020/2023 is classified as an IFRS 2 program, whereas the costs associated with the program will be distributed over the period from July, 2020 until July, 2023. The performance targets included in the program are all classified as non-market criteria. The cost for non-market criteria's amount to SEK 91.3 per share, corresponding to the actual market share price on the grant date. In addition, the Group will account for provisions for social charges during the expected lifetime of the LTI program.

With current estimates on achievement of the performance targets and employee retention rate, the Group has recognised costs on 757,646 performance shares as of December 31, 2022.

More information about LTI 2020/2023 can be found on the Group’s website: www.booztgroup.com/annual-general-meeting

LTI 2021/2024

The Annual General Meeting on May 27, 2021 in Boozt AB (publ) resolved a long-term incentive program by way of approval of transfer of performance shares (C shares) to Group Management and key employees. LTI 2021/2024 entitles the company’s CEO, Group Management and key employees to receive shares in the Group at a subscription price of SEK 0.00 if certain performance measures are met at the end of the performance period on December 31, 2023. The performance targets include Net Revenue Growth, Net Promoter Score and Adjusted EBIT. The terms and conditions of the program also contains constraints regarding net working capital and adjusted EBIT margin. The vesting period will start in May 2022, 12 months after the program was adopted. The C shares will be distributed to the participants when the vesting period ends in May 2024 based on the achievement of the performance targets stipulated in the program and the number of participants still employed. The general meeting resolved that the maximum number of performance shares that can be distributed to the participants are 630,000. Before the distribution to the participants, the C shares will be converted to ordinary shares.

LTI 2021/2024 is classified as an IFRS 2 program, whereas the costs associated with the program will be distributed over the period from May, 2021 until May, 2024. The performance targets included in the program are all classified as non-market criteria. The cost for non-market criteria's amount to SEK 190.4 per share, corresponding to the actual market share price on the grant date. In addition, the Group will account for provisions for social charges during the expected lifetime of the LTI program.

With current estimates on achievement of the performance targets and employee retention rate, the Group has recognised costs on 287,830 performance shares as of December 31, 2022.

More information about LTI 2021/2024 can be found on the Group’s website: www.booztgroup.com/annual-general-meeting

LTI 2022/2025

The Annual General Meeting on April 27, 2022 in Boozt AB (publ) resolved a long-term incentive program by way of approval of transfer of performance shares (C shares) to Group Management and key employees. LTI 2022/2025 entitles the company's CEO, Group Management and key employees to receive shares in the Group at a subscription price of SEK 0.00 if certain performance measures are met at the end of the performance period on December 31, 2024. The performance targets include Net Revenue Growth, Net Promoter Score and Adjusted EBIT. The terms and conditions of the program also contains constraints regarding net working capital and adjusted EBIT margin. The vesting period will start in April 2023, 12 months after the program was adopted. The C shares will be distributed to the participants when the vesting period ends in May 2025 based on the achievement of the performance targets stipulated in the program and the number of participants still employed. The general meeting resolved that the maximum number of performance shares that can be distributed to the participants are 850,000. Before the distribution to the participants, the C shares will be converted to ordinary shares.

LTI 2022/2025 is classified as an IFRS 2 program, whereas the costs associated with the program will be distributed over the period from May, 2022 until May, 2025. The performance targets included in the program are all classified as non-market criteria. The cost for non-market criteria's amount to SEK 96.5 per share, corresponding to the actual market share price on the grant date. In addition, the Group will account for provisions for social charges during the expected lifetime of the LTI program.

With current estimates on achievement of the performance targets and employee retention rate, the Group has recognised costs on 82,185 performance shares as of December 31, 2022.

More information about LTI 2022/2025 can be found on the Group's website: www.booztgroup.com/annual-general-meeting



Note 10 - Depreciations and impairment losses of tangible and intangible assets

SEK million	2022	2021
Web platform	-46.8	-35.8
Equipment	-98.7	-72.0
Right of use asset	-77.1	-59.2
Total	-222.5	-167.0

Note 11 - Net financial items

SEK million	2022	2021
Financial income		
Interest income	5.0	0.3
Total	5.0	0.3
Financial expenses		
Interest expense	-14.1	-8.6
Lease interests	-7.9	-7.4
Net change in value of liabilities measured at fair value via income statement	0.0	-3.9
Total	-22.0	-19.8
Total net financial items	-17.0	-19.5

Financial expenses derived from change in value of liabilities measured at fair value via income statement is primarily related to change in fair value on written-put option liability to non-controlling interest. More information are available in Note 14 and Note 28.

Note 12 – Taxes

TAX RECOGNISED IN THE INCOME STATEMENT

SEK million	2022	%	2021	%
Current tax				
Tax on profit for the year	-49.8		-45.3	
Total	-49.8		-45.3	
Deferred tax				
Utilization of tax losses carried forward	-		-8.1	
Deferred tax on changes in temporary differences	-0.2		3.6	
Total	-0.2		-4.5	
Total reported income tax	-50.0		-49.8	
Reconciliation of reported tax and effective tax rate				
Profit/loss before tax	236.1		245.0	
Tax in accordance with current tax rates for parent company	-48.6	20.6%	-50.5	20.6%
Impact of other tax rates on foreign subsidiaries	-	0.0%	-0.4	0.2%
Non-deductible expenses/Non taxable income	-1.4	0.6%	-0.4	0.2%
Deductible expenses, not recognised in profit and loss	-	0.0%	2.3	-0.9%
Temporary differences	-	0.0%	-0.8	0.3%
Total	-50.0	21.2%	-49.8	20.3%

The Group has no tax items in other comprehensive income or direct in equity

A deferred tax asset is accounted for only if the probability that the Group will use the deferred tax asset is highly probable. Deferred tax assets for tax losses carried forward are reported to the extent that it is likely that they will be able to be used. Historically, the Group has only recognised deferred tax on tax losses carryforward for Swedish subsidiaries.

The Group's losses carried forward amounts to SEK 78.6 million (73.9) at year end, whereof deferred tax has been recognised on SEK 0.0 million (0.0). There is no time limitation for remaining tax losses carried forward.

REPORTED DEFERRED TAX ASSETS AND LIABILITIES

SEK million	Deferred tax assets		Deferred tax liabilities	
	2022	2021	2022	2021
Trademarks	-	-	-18.6	-17.2
Other receivables	-	-	-	-0.2
Inventory	2.6	1.4	-	-
Tax losses carried forward	-	-	-	-
Other	3.7	3.7	-	-
Total	6.3	5.1	-18.6	-17.4

SPECIFICATION OF CHANGES IN DEFERRED TAX ASSETS AND LIABILITIES

SEK million	Deferred tax assets		Deferred tax liabilities	
	2022	2021	2022	2021
Opening value	5.1	9.4	-17.4	-
Utilisation of tax losses carry forward	-	-8.1	-	-
Acquisition of subsidiaries	-	-	-	-17.2
Temporary differences	1.1	3.8	0.3	-0.2
Translation difference for the year	-	-	-1.5	-
Closing value	6.3	5.1	-18.6	-17.4

Note 13 - Earnings per share

SEK	2022	2021
Profit for the year	186,051,828	195,201,693
Profit for the year attributable to non-controlling interest	0	-6,488,592
Profit for the year attributable to shareholders in the parent company	186,051,828	188,713,101
Average number of shares issued at end of period	67,374,369	65,792,208
Earning per share before dilution	2.76	2.87
Profit for the year attributable to sharehodlers in the parent company	186,051,828	188,713,101
Average number of shares issued at end of period after dilution	68,056,067	67,172,900
Earning per share after dilution	2.73	2.81

Earnings per share is calculated by dividing the profit/loss for the period with the weighted average number of shares outstanding during the period. With respect to the Group's LTI programs which is described in Note 9, there is a potential future dilution effect of the Group's issued shares given that certain criteria are met.

Note 14 - Acquisitions of subsidiaries

Acquisitions in 2022

Rosemund

Boozt has as of January 24, 2022 acquired the remaining 33.3% of the shares of Nordic Brand Hub Holding A/S to take full ownership of the company. By taking full ownership, Boozt expects to accelerate the positive development of Rosemund and to further develop the Brand Hub organisation to drive a successful expansion of acquired brands like Svea. The transaction was made at a total enterprise value of DKK 275 million on a cash and debt free basis for 100% of the shares and has been financed through own cash.

The fair value of identified assets and liabilities was allocated to trademarks at SEK 93.6 million (DKK 62.5 million), deferred tax liabilities at SEK 18.6 million (DKK 12.5 million) and Goodwill at SEK 299.8 million (DKK 179.8 million and EUR 1.8 million). The acquired trademark will have a strategic role in the Group's future development and the useful time has been assessed to be indefinite and are thus not amortised, but annually tested for impairment.

The recognised goodwill is not expected to be tax deductible. Goodwill generated from the acquisition of Rosemund reflects, among other things, the value of the Group's market position and expertise within the fashion market, as well as future expected growth and profitability synergies. The Estina acquisition was made in order to gain access to the Group's aggregated technical knowledge and know-how, which correspond to the recognised goodwill.

TRANSFERRED CONSIDERATION		
SEK million	2022	2021
Cash on transfer of control	–	243.2
Conditional purchase consideration recognised as liability	4.5	6.1
Total	4.5	249.2
EFFECT ON CASH FLOW		
SEK million	2022	2021
Purchase consideration paid, subsidiaries	-163.9	243.2
Purchase consideration paid, associated companies	-27.2	–
Cash and cash equivalent in aquired operations	0.0	13.2
Paid earn-out	-4.2	-2.0
Total	-195.3	-232.0

Note 15 – Intangible assets

SEK million	Web platform	Trademarks	Goodwill	Total
Accumulated acquisition values, opening balance Jan 1, 2021	181.0	-	9.4	190.4
Acquisitions	73.3	6.5	-	79.8
Acquired through subsidiaries	-	77.3	263.2	340.5
Translation difference	-	0.7	2.9	3.6
Acquisition values, closing balance Dec 31,2021	254.3	84.5	275.5	614.2
Accumulated amortisation according to plan, opening balance Jan 1, 2021	-81.8	-	-	-81.8
Depreciation for the year	-35.8	-	-	-35.8
Accumulated depreciations according to plan, closing balance Dec 31, 2021	-117.7	-	-	-117.7
Net carrying value at end of year Dec 31, 2021	136.6	84.5	275.5	496.6

SEK million	Web platform	Trademarks	Goodwill	Total
Accumulated acquisition values, opening balance Jan 1, 2022	254.3	84.5	275.5	614.2
Acquisitions	74.8	2.0	-	76.8
Acquired through subsidiaries	-	-	-	0.0
Translation difference	-	7.2	24.3	31.4
Acquisition values, closing balance Dec 31,2022	329.1	93.6	299.8	722.5
Accumulated amortisation according to plan, opening balance Jan 1, 2022	-117.7	-	-	-117.7
Depreciation for the year	-46.8	-	-	-46.8
Accumulated depreciations according to plan, closing balance Dec 31, 2022	-164.4	-	-	-164.4
Net carrying value at end of year Dec 31, 2022	164.6	93.6	299.8	558.0

Web platform relates to capitalized development costs on the Group's internal developed platforms used in its operation. In 2021, the Swedish fashion brand Svea was acquired through an asset acquisition and the Danish fashion brand Rosemundede was acquired through acquisition of subsidiaries. The useful time has been assessed to be indefinite and subject to annual impairment. Acquired goodwill in 2021 derives from acquisition of the subsidiaries Estina and Rosemundede.

Impairment

The Group performs, at least annually, an impairment testing of its intangible assets with an indefinite useful time and its goodwill. As of December 31, 2022, the intangible assets subject to annual impairment testing was:

SEK million	2022	2021
Trademarks	93.6	78.0
Goodwill	299.8	275.5
Total	393.4	353.5

The acquired operation through Rosemundede has been determined as the lowest independent cash-generating unit. The carrying values deriving from the acquisition have been subject for impairment testing. The carrying values included in the impairment test were trademarks of SEK 93.6 million and goodwill of SEK 269.0 million. The calculation of recoverable amount has been done jointly for trademarks and goodwill as the cash flow from the trade-mark cannot be distinguished from other cash flows within the cash-generating unit.

The important assumptions in the five-year forecast and the methods used to estimate values are as follows (for the current and previous years):

Growth
The demand for related products has historically followed economic trends. Expected market growth is based on a transition from the current economic situation to the expected long-term growth. The growth rate applied for the perpetual period has been determined to 2% (2%), which is based on the Group's assessment of the opportunities and risks associated with the business.The forecast is consistent with past experience and external sources of information.

Discount rate
The discount rate used is calculated as the current weighted average cost of capital (WACC), including small-entity- and low liquidity risk premiums in accordance with market standard for companies of similar size and operations as Rosemundede, and currently is 11.4% (10.3).

The recoverable amount has been determined through a discounted cash flow analysis of future cash flow projections. Determination of future cash flows are based on internal budgets and long-term forecast adopted by the executive management for the coming five years.

The recoverable amount exceeds the carrying value of the assets subject for impairment testing. To assess the sensitivity in the applied assumptions, Management has applied a change in discount rate with + 2.5pp, a decrease of the annual growth rate applied for each year in the explicit forecast period of - 1 pp, and a change in the perpetual annual growth rate of -1 pp, without any implications of impairment.

Remaining goodwill value of SEK 30.7 million derives from the acquisition of the IT development companies Estina (2021) and Touchlogic (2019). These acquisitions were made in order to gain access to the staff’s gathered competence and expertise, and since they only perform internal development works, they don’t have any external revenue streams. Hence, these companies are included in the Group as the lowest cash-generating unit since the Group does not internally report or separate assets and liabilities between its two operating segments Boozt.com and Booztlet.com. These acquisitions contained conditional purchase considerations based on development and retention of the gathered competence and expertise within the staff for three years following the acquisition. As of December 31, 2022 no indications of not achieving 100% of the purchase considerations has been identified.

Note 16 – Equipment, tools and installations

SEK million	2022	2021
Equipment, tools and installations		
Accumulated acquisition values, opening balance	774.1	476.4
Acquisitions	447.4	296.3
Acquired through subsidiaries	0.0	1.1
Disposals	-20.1	0.0
Translation difference for the year	1.7	0.3
Acquisition values, closing balance	1,203.1	774.1
Accumulated amortisation according to plan, opening balance	-256.6	-184.0
Depreciation for the year	-98.7	-72.0
Disposals	20.1	0.0
Translation difference for the year	-1.4	-0.6
Accumulate depreciations according to plan, closing balance	-336.6	-256.6
Net carrying value at end of year	866.5	517.5

Note 17 - Inventories

SEK million	2022	2021
Inventories - goods for resale	1,859.0	1,571.5
Expected returns	166.6	148.0
Packing materials	13.0	12.8
Total	2,038.6	1,732.2

During the year, inventory items were written down with a value of SEK 7.0 million (55.8). This amount is entirely accounted for in the income statement as Goods for resale.

Note 18 - Account receivables

SEK million	2022	2021
Account receivables	32.6	38.0
Provision for bad debt	-2.3	-1.4
Total	30.3	36.5

Boozt accounts for a bad debt provision when a credit loss is expected according to the Group’s applied model for expected credit loss or where an individual assessment indicates a loss, where uncollectible receivables are fully written off. Account receivables consist of business-to-business sales of marketing services and of sale of goods through wholesale. The current provision for bad debt consists of individual anticipated allowances, and a general provision for expected credit loss. Most of the Group's B2B customers are the Group's brand partners which the Group regularly conducts purchases from, why the credit risk is mitigated through the Group's accounts payable.

Customer losses recognised in the income statement during the year amount to SEK 1.5 million (0.4). There are no collateral or bank guarantees for the Group’s accounts receivables. No accounts receivables are pledged. For more information about the Group's account receivables, see Note 27.

Note 19 - Prepaid expenses and accrued income

SEK million	2022	2021
Prepaid inventories	21.3	16.2
Prepaid marketing expenses	4.4	6.3
Prepaid rental charges	7.9	12.8
Prepaid fulfillment costs	17.7	11.0
Accrued inventory discounts	0.0	3.1
Prepaid customs	11.7	35.2
Other prepaid expenses	20.6	16.4
Total	83.5	101.0

Note 20 - Cash and cash equivalents

SEK million	2022	2021
Cash and bank	1,777.2	1,564.9
Total	1,777.2	1,564.9

Restricted cash amounts to SEK 16.5 million (15.0) and is attributable to the leasing agreement for the Boozt headquarter and to a few suppliers.

Note 21 - Liabilities to credit institutions

SEK million	2022	2021
Non-current		
Liabilities to credit institutions	402.1	205.1
Total	402.1	205.1
Current		
Liabilities to credit institutions	168.0	168.2
Total	168.0	168.2
Total liabilities to credit institutions	570.1	373.3

Loans to credit institutions carry an average effective interest rate of 4.0% per annum (1.5% per annum). Total borrowing consists of a loan to Danske Bank for the automated storage and retrieval system AutoStore. Security for the bank loans consist of floating charges.

CREDIT FACILITIES

SEK million	2022	2021
Used credit facilites	-	-
Available credit facilities	287.0	284.8
Total	287.0	284.8

The Group has a multicurrency revolving credit facility (RCF) with Danske Bank of SEK 200 million available for drawings in SEK, DKK, NOK and EUR, which can be used for general corporate and working capital purposes as well as potential acquisitions. The revolving credit facility agreement was entered into on February 17, 2020 and runs for five years and replaced the previous credit facility agreement. Interest rate base consists of the current reference interest rate depending on in which currency drawings has been made: STIBOR, CIBOR, NIBOR and EURIBOR. Marginal interest is based on covenant fulfilment and was in 2022 1.5%.

The Group’s drawdown of funding under the Revolving Credit Facility is subject to several 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 Group, such as maintaining authorizations, complying with laws (including sanctions and anti corruption), 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 must not be less than 4.0:1. The covenants are reported quarterly on a rolling 12-month basis and have not been breached at any time during 2022. The Revolving Credit Facility may terminate upon the occurrence of certain customary events, including in connection with a change of control of the Group or a delisting of the parent company from Nasdaq Stockholm. The Group 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, see Note 25.

In addition to the Revolving Credit Facility, the Group also has overdraft facilities totalling SEK 87.8 million, whereof SEK 60 million in Danske Bank is subject to renewal every year. The Group has not utilized any of its credit facilities during 2022.

Note 22 – Other provisions

SEK million	2022	2021
Provision for social charges related to LTI 2019/2022	0.0	15.8
Provision for social charges related to LTI 2020/2023	22.0	23.0
Provision for social charges related to LTI 2021/2024	5.1	5.5
Provision for social charges related to LTI 2022/2025	0.5	0.0
Other provisions	2.4	4.9
Total	30.1	49.2

For information on share-based payments and the Group’s LTI programmes, see Note 1 and Note 9. Other provisions include purchase considerations from recent acquisitions of Estina Grup UAB in 2021 and Touchlogic ApS in 2019. Total purchase considerations amounted to SEK 12.2 million, whereof SEK 7.8 million has been paid during the period 2020-2021. Of remaning purchase considerations has SEK 2.0 million been recognised as current liabilities in the statement of financial position. For more information on acquisitions, see Note 14.

Note 23 – Accrued expenses and prepaid income

SEK million	2022	2021
Accrued holiday pay	50.9	32.8
Accrued social charges relating to personnel	35.4	21.1
Accrued marketing costs	8.3	10.0
Accrued costs - inventories	27.5	7.0
Accrued costs for returns	260.2	230.5
Accrued salaries	25.1	31.3
Prepaid marketing fee	23.2	55.7
Other	48.4	69.3
Total	478.9	457.7

Accrued costs for returns relate to the groups expected returns, for more information see important assessments in Note 1.

Note 24 – Equity

Share capital

As of December 31, 2022 the registered share capital amounts to SEK 5,622,301 SEK (5,574,219) with a nominal value of SEK 0.0833. The share capital consists of two share classes: ordinary shares (65,809,262 shares issued) with 1 voting right per share and C shares (1,658,375 shares issued) with 1/10 voting right per share. Holders of ordinary shares are entitled to a dividend, while holders of C-shares are not entitled to dividend. All shares have the same right to the remaining net assets, however C-shares are not entitled to an amount exceeding the quota value of the share. The C-shares were issued and repurchased in accordance with the LTI 2019/2022 as of March 2, 2020, and LTI 2020/2023 as of March 1, 2021, LTI 2021/2024 as of March 4, 2022 and will be distributed to the participants when the vesting periods ends based on the achievement of the performance targets stipulated within the programs. Before the distribution to the participants, the C-shares will be converted to ordinary shares. All shares are fully paid and no ordinary shares are reserved for transfer. No ordinary shares are held by the parent company or its subsidiaries.

Specification of changes in share capital below:

Date	Event	No. Of shares pre new issue	Share issue	New number of shares	Share capital changes	Share capital after transacion
12-05-2017	Share split 1:12	3,891,295	42,804,245	46,695,540	0	3,891,295
31-05-2017	Conversion of options from LTI 2012/2022 into shares	46,695,540	2,405,361	49,100,901	200,447	4,091,742
02-06-2017	Sell of shares in own portfolio of shares	49,100,901	786,532	49,887,433	65,544	4,157,286
02-06-2017	New share issue in connection with IPO	49,887,433	6,451,000	56,338,433	537,583	4,694,869
21-08-2018	Conversion of options from LTI 2015/2025 into shares	56,338,433	744,000	57,082,433	62,000	4,756,869
30-08-2019	Conversion of options from LTI 2015/2025 into shares	57,082,433	288,420	57,370,853	24,035	4,780,904
02-03-2020	Issue of C shares under LTI 2019/2022	57,370,853	374,586	57,745,439	31,216	4,812,120
27-08-2020	Conversion of options from LTI 2015/2025 into shares	57,745,439	555,672	58,301,111	46,306	4,858,426
30-11-2020	Conversion of options from LTI 2015/2025 into shares	58,301,111	28,968	58,330,079	2,414	4,860,840
20-11-2020	New share issue in conenction with dual listing	58,330,079	5,737,085	64,067,164	478,090	5,338,930
01-03-2021	Issue of C shares under LTI 2020/2023	64,067,164	1,017,450	65,084,614	84,788	5,423,717
08-05-2021	Conversion of options from LTI 2015/2025 into shares	65,084,614	5,520	65,090,134	460	5,424,177
07-06-2021	Conversion of warrants from LTI 2018/2021 into shares	65,090,134	772,347	65,862,481	64,362	5,488,540
15-06-2021	Conversion of warrants from LTI 2018/2021 into shares	65,862,481	365,000	66,227,481	30,417	5,518,956
18-08-2021	Conversion of options from LTI 2015/2025 into shares	66,227,481	663,156	66,890,637	55,263	5,574,219
04-03-2022	Issue of C shares under LTI 2021/2024	66,890,637	577,000	67,467,637	48,082	5,622,301
Closing balance				67,467,637		5,622,301

Conversion of options and warrants

Other capital contributions

Other capital contributions consist of equity contributed by the Group’s owners and IFRS 2 costs from share-based compensations related to the Group's equity-based incentive programs. Recognised IFRS 2 costs from share-based compensations amount to SEK 27.7 million (54.3) for 2022.

Reserves

Reserves consist of a translation reserve, which includes the exchange rate differences arising on conversion of financial statements of foreign operations that have prepared their financial reports in a currency other than the operating currency in which the consolidated financial statements are presented. The Parent Company and the Group present their financial reports in Swedish kronor (SEK). The translation difference for 2022 amounts to SEK 35.7 million (3.0). The translation differences for the year are accounted for in the statement of comprehensive income and the accumulated translation differences are recognised in the income statement in the event of a disposal of the foreign operation.

Long-term incentive programs

The Group has three ongoing long-term incentive programs based on performance shares, LTI 2020/2023, LTI 2021/2024 and LTI 2022/2025.

If all programs would be fully utilized, a total of 2,520,000 new ordinary shares were to be issued/converted entailing a dilution of approximately 3.8 per cent of the parent company’s ordinary shares based on the total number of ordinary shares in the parent company

For more information on the Group's LTI programs, see Note 9.

Note 25 - Pledged assets and contingent liabilities

SEK million	2022	2021
Floating charges	77.9	76.5
Restricted cash	16.5	15.0
Total	94.5	91.5

Of the floating charges, SEK 61 million is attributable to the Group's Revolving Credit Facility from Danske Bank. Restricted cash is attributable to the leasing agreement for the Boozt headquarter and to the Group’s suppliers. A contingent liability exists where Danske Bank in case of a breach of contract from the Group is entitled to reclaim the Group's automated warehouse system AutoStore with a book value of SEK 816.3 million.

Note 26 – Related party transactions

Management of Boozt AB (publ)

During the year a new LTI 2022/2025 has been implemented. More information regarding remuneration to senior executives and the Group's long-term incentive programs can be found in Note 9.

Suppliers classified as related parties

The Group had transactions with external related parties during the year within the ordinary course of business. All transactions are carried out on normal commercial terms. All transactions are priced at market terms and in accordance with the arm's length principle. The Group regularly purchase goods or commercial services from the following companies: Day Birger et Mikkelsen A/S, Masai Clothing Company ApS, Rabens Saloner A/S, Baum und Pferdgarten A/S, TV/2 Danmark A/S, Brøndbyernes I.F. Fodbold A/S, Hövding Sverige AB (publ), Position Green AB and Adidas Sverige AB. These suppliers are classified as related parties since members of the Board of Directors or Group Management are or have been board members or otherwise related party to the companies. Below disclosures do not include transactions during the periods that occurred before or after the counterpart was classified or ceased to be classified as a related party.

Boozt AB (publ) has not provided guarantees or securities to or for the benefit of directors or other senior executives. None of the directors or other senior executives in 2022 or 2021 had any direct or indirect business transactions with the Group over and above the remuneration stated in this note and Note 9.

RELATED PARTY TRANSACTIONS

SEK million	Jan 1 - Dec 31, 2022	Jan 1 - Dec 31, 2021
Management of Boozt AB (publ) (PDMR)		
Subscription of shares LTI 2015/2025	0.0	27.7
Subscription of shares LTI 2018/2021	0.0	46.5
Total transactions with management of Boozt AB (publ) (PDMR)	0.0	74.2
Suppliers classified as related parties		
Purchase of goods and services	356.5	81.2
Total transactions with suppliers classified as related parties	356.5	81.2
Total transactions with related parties	356.5	155.4

RELATED PARTY LIABILITIES

SEK million	Dec 31, 2022	Dec 31, 2021
Suppliers classified as related parties		
Accounts payable	53.6	2.1
Total liabilities to related parties	53.6	2.1

Note 27 - Financial risks

The Group's business is exposed to various financial risks; currency risk, interest rate risk, credit risk and liquidity risk. The Group's overall risk management strategy is focused on managing uncertainty in the financial markets and strives to minimise potential adverse effects on the Group's financial results. The Group has developed a risk management framework in order to strengthen risk management in the Group. The framework establishes how risks are identified, assessed and monitored. The Board of Directors has decided on the general principles that apply to the management of financial risks through the adopted treasury policy. The treasury policy mainly covers the following areas; capital structure, capital raising, debt financing and liquidity management. The key financial risks are described below.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The main exposure is derived from the Group's sales and purchases in foreign currencies. This exposure is called transactional exposure. Currency risks also exist in the translation of foreign operations' assets and liabilities into the parent company's functional currency, known as translational exposure. The translational exposure for the Group is limited. According to the Group's treasury policy, transactional exposure is primarily managed through natural hedges, which means that the risk of major performance impact due to fluctuations in exchange rates is reduced by having available cash with the corresponding currency distribution as for future payments of current liabilities. The applied principle also implies that the Group will strive to make procurement with the corresponding currency distribution as budgeted revenues. In addition, the Group shall evaluate any imbalances in the currency inflow and outflow and seek forward contracts to hedge those imbalances. The Group has no ongoing forward contracts at the reporting date. As shown in the table below, the Group's main transaction exposure consists of SEK, DKK/EUR and NOK. A 3% stronger SEK against the EUR and DKK would have an estimated positive effect on profit before tax of SEK 38.0 million. A 3% stronger NOK against the SEK would have, with all other variables held constant, an estimated positive effect on profit before tax for the year of SEK 19.7 million.

CURRENCY EXPOSURE 2022 (2021)

Currency	Operating income	Operating expenditure
SEK	35% (32)	57% (53)
DKK	34% (37)	25% (27)
EUR	15% (16)	13% (15)
NOK	12% (14)	3% (3)
USD	0% (0)	1%(1)
Other	4% (1)	2%(1)
Total	100% (100)	100% (100)

Currency	Short term liabilities	Cash and cash equivalents
SEK	59% (54)	47% (40)
DKK	24% (16)	27% (33)
EUR	12% (24)	21% (18)
NOK	4% (4)	4% (6)
USD	0% (1)	1% (1)
Other	0% (1)	1% (2)
Total	100% (100)	100% (100)

Interest rate risk

The Group is exposed to interest rate risk on interest-bearing long-term and current liabilities. The Group is exposed to the impact of variable interest on liabilities to credit institutions. On fixed-rate loans, the Group is exposed to market risk. With regards to the Group’s loan-to-value ratio, the present interest risk is limited. During 2022 the average effective interest rate for liabilities to credit institutions has been 2.7% per annum (1.5). If interest rates had been 3 percentage points higher with all other variables held constant, profit before tax for the year would have been approximately SEK 9.3 million lower. If the interest will increase with 3% the group’s future lease contracts will be discounted with an implicit rate of 5.7%.

Credit risk

At the time of a consumer transaction, the Group receives the payment immediately, or the transaction is transferred to the payment provider, whom the Group recognises an "other receivable" towards until the payment is collected. In general, the payment is collected within 1-3 days. If the consumer chooses to use invoice as payment option, the Group transfers the receivable to a credit institution who grants and carries the credit risk. The Group has recognised a receivable of SEK 60.2 million towards its payment providers from undeposited funds from sales transactions around the reporting date, included in other receivables in the statement of financial position. Business-to-Consumer represent 95.4% of the Groups total net revenue in 2022. The Business-to-Business sale relates to sales of marketing services to the Group’s brand partners and sale of goods through wholesale. The counter parties to the Group's account receivables are the Group’s brand partners, which the Group continuously is buying goods from and holds account payables towards. The account receivables are monitored continuously, and the value of doubtful debts is not significant, for information is available in Note 18. With regard to credit risks arising from the Group's other financial assets, which include cash and cash equivalents, the Group's main credit risk is associated with counterparties' failure to comply with their commitments, e.g. due to the counterparty going into bankruptcy. The Group's maximum exposure consists of the carrying value of these financial instruments. Approximately 99.6% of the Group's financial assets has a financial institute or bank as counterpart. Of the Group's financial assets, including cash and cash equivalent, approximately 97.6% are towards the Group's main bank, Danske Bank. Placement of liquid assets may only be made in banks or credit institutions with a high credit rating in accordance with the Group's Treasury policy. Historically, there have never been any credit losses regarding cash and cash equivalents, and it is also not considered likely that this will occur in the future. The Group assesses that there is no significant credit risk for the Group's financial assets at the end of 2022.

MATURITY STRUCTURE OF OUTSTANDING ACCOUNT RECEIVABLES AND OTHER RECEIVABLES

SEK million	Dec 31, 2022	Dec 31, 2021
Accounts receivables		
Payment not due	18.4	21.4
Overdue 1-30 days	4.9	9.9
Overdue > 30 days	9.3	6.7
Doubtful accounts receivables	-2.2	-1.3
Total	30.3	36.5
Other receivables		
Paid within 0-30 days	68.7	108.7
Paid later than 30 days	-	-
Doubtful other receivables	-	-
Total	68.7	108.7

For the Group’s principles regarding expected credit loss, see Note 1.

Liquidity risk

The liquidity risk to which the Group is exposed is attributable to the operation’s seasonal variations. Purchases are cyclical, and inventories are built up before each season, based on the Group's expected sales. 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 liquidity risk is managed by the principle of financial flexibility covered by the Group's treasury policy and implies that there should be available liquid funds covering expected liquidity needs during the periods when the Group has the lowest access to liquid funds. This is managed by having access to overdraft facilities, which as per year-end 2022 amounts to SEK 87.0 million and a revolving credit facility of another SEK 200 million, which can be called without further credit approval. As per year-end 2022, available liquidity amounts to SEK 2,064.2 million. 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. To manage this risk, the Board of Directors has set guidelines for the level of liquidity reserves to strive for in order to meet the arising needs. Cash flow forecasts are prepared and followed up on a weekly basis (operational activities, credits and current liquidity). Rolling forecasts are also prepared to ensure constant availability of sufficient liquidity to meet business needs as well as to have reserves in unexploited credit flows. The Group monitors that credit limits are not violated.

The maturity structure for all of the Group’s financial liabilities, including principal and interest, is shown in the table below. The table shows contractual undiscounted amounts.

MATURITY STRUCTURE OF BORROWING DEC 31, 2021	Total borrowing	Maturity within 3 months	Maturity within three to twelve months	Maturity within one to five years	Maturity within five to nie years	Maturity after nine years
Liabilities to credit institutions	382.5	89.2	82.4	206.6	4.4	-
Lease liabilities	545.6	21.7	58.4	241.7	170.8	53.0
Accounts payables	895.8	895.8	20.2	-	-	-
Other liabilities	492.9	333.2	4.1	155.6	-	-
Total	2,316.9	1,339.9	165.1	603.9	175.2	53.0
MATURITY STRUCTURE OF BORROWING DEC 31,2022						
Liabilities to credit institutions	570.1	61.6	113.5	395.0	-	-
Lease liabilities	538.5	19.4	61.6	235.0	206.7	15.8
Accounts payables	1,384.9	1,343.5	41.4	-	-	-
Other liabilities	517.1	466.2	2.0	48.9	-	-
Total	3,010.6	1,890.6	218.6	678.9	206.7	15.8

Capital risk management

Regarding capital structure, the Group strives to secure the Group’s ability to continue to operate in order to continue to generate profit for shareholders and value for other stakeholders as well as maintaining an optimal capital structure. To maintain or adjust the capital structure, the Group can change any future dividends paid to shareholders, repay capital to shareholders, issue new shares or sell assets to reduce liabilities. The Group assesses the capital based on the debt/equity ratio. The debt/equity ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including current interest-bearing liabilities and non-current interest-bearing liabilities) less cash and cash equivalents. The Group has covenant obligations requiring that Group’s net debt to adjusted EBITDA ratio does not increase above 3.0:1 and that the interest coverage ratio must not be less than 4.0:1. The covenants are reported quarterly on a rolling 12-month basis and have not been breached at any time during 2022. See Note 21 for further information.

Note 28 – Financial instruments at fair value

SEK million	Financial assets valued at amortised costs	Financial liabilities valued at amortised costs	Financial instruments measured at fair value via income statement	Total carrying amount	Fair value
FINANCIAL ASSETS AS PER DECEMBER 31, 2021					
Deposits	8.3	-	-	8.3	8.3
Accounts receivable	36.5	-	-	36.5	36.5
Other receivables	107.6	-	1.1	108.7	108.7
Cash and cash equivalents	1,564.9	-	-	1,564.9	1,564.9
Total financial assets December 31, 2021	1,717.3	-	1.1	1,718.4	1,718.4
FINANCIAL LIABILITIES AS PER DECEMBER 31, 2021					
Liabilities to credit institutions	-	373.3	-	373.3	373.3
Lease liabilities	-	469.3	-	469.3	469.3
Accounts payables	-	895.8	-	895.8	895.8
Other liabilities	-	333.3	127.5	460.8	460.8
Total financial liabilities December 31, 2021	-	2,071.7	127.5	2,199.2	2,199.2
SEK million	Financial assets valued at amortised costs	Financial liabilities valued at amortised costs	Financial instruments measured at fair value via income statement	Total carrying amount	Fair value
Financial assets as per December 31, 2022					
Deposits	8.0	-	-	8.0	8.0
Accounts receivable	30.3	-	-	30.3	30.3
Other receivables	68.7	-	-	68.7	68.7
Cash and cash equivalents	1,777.2	-	-	1,777.2	1,777.2
Total financial assets December 31, 2022	1,884.3	-	-	1,884.3	1,884.3
Financial liabilities as per December 31, 2022					
Liabilities to credit institutions	-	570.1	-	570.1	570.1
Lease liabilities	-	538.5	-	538.5	538.5
Accounts payables	-	1,384.9	-	1,384.9	1,384.9
Other liabilities	-	384.3	2.0	386.3	386.3
Total financial liabilities December 31, 2022	-	2,877.9	2.0	2,879.9	2,879.9

Financial instruments valued at fair value via income statement

The Group has derivative instruments that comprise of foreign exchange forwards used for hedging purposes, which are measured at fair value according to Level 2 of the valuation hierarchy. Derivative assets amount to SEK 0.0 million (1.1). Other financial liabilities measured at fair value consists of liabilities related to non-controlling interest of SEK 0.0 million (119.3) at the end of the period, and earn-outs from acquisitions of subsidiaries of SEK 4.4 million (8.1), of which some parts are conditional. Other financial liabilities measured at fair value can be found at Level 3 of the valuation hierarchy. More information of liability to non-controlling interest can be found in Note 1 and 14. The Group's other financial assets and liabilities are considered to be close to the carrying amount, after which the carrying amount is estimated to be the same as the fair value.

SEK million	Level 1	Level 2	Level 3	Total
FINANCIAL ASSETS MEASURED AT FAIR VALUE VIA INCOME STATEMENT				
Derivative assets	-	1.1	-	1.1
Total Dec 31, 2021	-	1.1	-	1.1
Financial liabilities measured at fair value via income statement				
Purchase considerations liabilities	-	-	8.14	8.14
Written-put option liability to non-controlling interest	-	-	119.34	119.34
Total Dec 31, 2021	-	-	127.48	127.48

SEK million	Level 1	Level 2	Level 3	Total
FINANCIAL ASSETS MEASURED AT FAIR VALUE VIA INCOME STATEMENT				
Derivative assets	-	-	-	-
Total Dec 31, 2022	-	-	-	-
FINANCIAL LIABILITIES MEASURED AT FAIR VALUE VIA INCOME STATEMENT				
Purchase considerations liabilities	-	-	2.0	2.0
Written-put option liability to non-controlling interest	-	-	-	-
Total Dec 31, 2022	-	-	2.0	2.0

Note 29 - Associated companies

SHARES IN ASSOCIATED COMPANIES

SEK million	2022	2021
Opening balance	0.0	0.0
Acquisition of associated companies	27.2	0.0
Closing balance	27.2	0.0

Company name	Corporate identity number	Domicile	Proportion of capital/ voting rights	Book value, SEK million
Dropp ehf	580619-1260	Reykjavík, Iceland	25%	13.4
Liveshopper ApS	1576577	Copenhagen, Denmark	30%	13.9
Total				27.2

Note 30 - Significant events after year end

Positive profit warning

Boozt issued a positive profit warning on January 11, 2023, announcing net revenue growth and adjusted EBIT for 2022 ahead of previously announced outlook. The positive deviation to expectations came from the better than expected performance in November that carried into December with elevated sales and strong profitability supported by the continued execution of the Nordic Department Store strategy.

Proposal to obtain mandate for buyback and transfer of own shares

The Board of Directors will propose to the Annual General Meeting a suggestion to grant the board authorisation to decide on buyback and transfer of own shares. Such a mandate would give the board the opportunity until the next annual general meeting - if deemed appropriate - to decide on buyback and transfer of the company's shares to a maximum of 10 percent of the outstanding share volume, in accordance with current Swedish legislation.

Reassessment of the useful lives of selected parts of the Group's fixed assets

2023 is positively impacted by a reassessment of the useful lives of selected parts of the Group's fixed assets that mainly relates to the AutoStore installations. The reassessment is carried out to better reflect the actual useful life on a component level based on the experience obtained after operating our AutoStore setup for the past six years. In addition, we have performed a benchmark for companies operating similar setups.

The conclusion based on the Group's own experience in combination with the benchmark is that the AutoStore components have a longer useful life than what the assessment previously reflected. By extending the useful lives, the Group assesses a higher degree of comparability of EBIT towards industry peers. In conclusion, the positive impact on yearly depreciation on a like-for-like basis is in the level SEK 25 million, compared to 2022.

PARENT COMPANY INCOME STATEMENT

SEK million	Note	Jan 1 - Dec 31, 2022	Jan 1 - Dec 31, 2021
OPERATING INCOME			
Net revenue		89.8	102.9
Total operating income		89.8	102.9
OPERATING COSTS			
Other external costs	2.3	-9.3	-9.6
Personnel costs	4	-89.7	-121.0
Total operating costs		-99.0	-130.6
OPERATING PROFIT		-9.2	-27.7
FINANCIAL INCOME AND EXPENSES			
Financial expenses		-0.2	-0.2
Net financial items		-0.2	-0.2
PROFIT/LOSS BEFORE TAX		-9.4	-27.9
Allocations			
Group contributions		10.0	60.8
RESULT BEFORE TAX		0.7	32.9
Income tax	5	-	-7.0
PROFIT/LOSS FOR THE YEAR		0.7	25.9

PARENT COMPANY STATEMENT OF OTHER COMPREHENSIVE INCOME

SEK million	Jan 1 - Dec 31, 2022	Jan 1 - Dec 31, 2021
PROFIT/LOSS FOR THE YEAR	0.7	25.9
Other comprehensive income	-	-
COMPREHENSIVE PROFIT/LOSS FOR THE YEAR	0.7	25.9

PARENT COMPANY STATEMENT OF FINANCIAL POSITION

SEK million	Note	Dec 31, 2022	Dec 31, 2021
ASSETS			
Non-current assets			
Shares in Group companies	6	1,138.1	974.2
Shares in associated companies	29	27.2	-
Deferred tax asset	5	-	-
Total non-current assets		1,165.3	974.2
Current assets			
Other receivables		0.4	0.3
Receivables from Group companies		796.9	976.6
Current tax assets		0.1	0.0
Prepaid expenses and accrued income		0.2	0.2
Cash and cash equivalents	7	4.5	4.6
Total current assets		802.0	981.7
TOTAL ASSETS		1,967.4	1,955.9

SEK million	Note	Dec 31, 2022	Dec 31, 2021
EQUITY AND LIABILITIES			
Equity			
Restricted equity			
Share capital	8	5.6	5.6
		5.6	5.6
Unrestricted equity			
Share premium reserve		2,136.4	2,116.3
Retained earnings		-266.5	-292.4
Net income		0.7	25.9
Total unrestricted equity		1,870.6	1,849.8
TOTAL EQUITY		1,876.2	1,855.4
Liabilities			
Non-current liabilities			
Other provisions	9	19.0	28.3
Total non-current liabilities		19.0	28.3
Current liabilities			
Accounts payable		0.4	0.0
Liabilities to Group companies		37.8	37.8
Other liabilities		8.0	3.1
Accrued expenses and prepaid income	10	26.0	31.3
Total short term liabilities		72.1	72.2
TOTAL LIABILITIES		91.1	100.5
TOTAL EQUITY AND LIABILITIES		1,967.4	1,955.9

PARENT COMPANY CHANGES IN EQUITY

SEK million	Share capital	Share premium reserve	Profit/loss brought forward	Total Equity
Equity as per Jan 1, 2021	5.3	1,947.1	-292.3	1,660.1
Profit for the year	-	-	25.9	25.9
Comprehensive profit for the year	-	-	25.9	25.9
Share capital increase	0.2	137.3	-0.1	137.4
Share based compensation	-	32.0	-	32.0
Total transactions with owners	0.2	169.3	-0.1	169.4
Equity as per Dec 31, 2021	5.5	2,116.3	-266.5	1,855.4

SEK million	Share capital	Share premium reserve	Profit/loss brought forward	Total Equity
Equity as per Jan 1, 2022	5.5	2,116.3	-266.5	1,855.4
Profit for the year	-	-	0.7	0.7
Comprehensive profit for the year	-	-	0.7	0.7
Share capital increase	0.0	-	-	0.0
Share based compensation	-	20.1	-	20.1
Total transactions with owners	0.0	20.1	-	20.1
Equity as per Dec 31, 2022	5.6	2,136.4	-265.7	1,876.2

PARENT COMPANY CASH FLOW

SEK million	Note	Jan 1 - Dec 31, 2022	Jan 1 - Dec 31, 2021
OPERATING ACTIVITIES			
Operating profit		-9.2	-27.7
Adjustments for items not included in cash flow			
Non-cash remuneration from share based payments		10.1	20.3
Interest paid			
CASH FLOW BEFORE CHANGES IN WORKING CAPITAL		0.7	-7.5
WORKING CAPITAL			
Changes in current assets		179.6	30.1
Changes in current liabilities		-0.1	8.8
Cash flow from working capital		179.5	38.9
CASH FLOW FROM OPERATING ACTIVITIES		180.2	31.5
INVESTMENTS			
Acquisition of subsidiaries	6	-163.9	-226.9
Acquisition of associated companies		-27.2	-
Shareholder contributions		10.0	60.8
CASH FLOW FROM INVESTMENTS		-181.1	-166.1
FINANCING			
New share issue		-	137.4
Cost of share issue		-	-
CASH FLOW FROM FINANCING		-	137.4
Cash flow for the year		-0.2	2.7
Cash and cash equivalents beginning of period	7	4.6	2.0
Cash AND CASH EQUIVALENTS END OF PERIOD	7	4.5	4.6

Notes to the parent company financial statements

Note 1 - Parent company's accounting principles

Parent company accounting principles

The parent company has prepared its annual accounts in accordance with the Swedish Annual Accounts Act and the recommendation RFR2 ‘Accounting for Legal Entities’ issued by The Swedish Financial Reporting Council. The differences between the Group's and the parent company's accounting principles are shown below. The below stated accounting principles of the parent company have been applied consistently to all periods presented in the parent company’s financial reports, unless otherwise stated.

Subsidiaries and associated companies

Participations in subsidiaries and associated companies are recognised in the parent company using the acquisition cost method. Transaction costs are included in the carrying value of participations in subsidiaries.

Financial assets and liabilities

Due to the connection between accounting and taxation, the rules on financial instruments in accordance with IFRS 9 are not applied in the parent company as a legal entity, but the parent company applies in accordance with the Swedish Annual Accounts Act, the acquisition cost method. In the parent company, thus financial fixed assets are valued at acquisition cost less any impairment loss and financial current assets at the lower of cost or market.

Shareholders’ contributions

Shareholders' contributions are recognised directly against equity at the recipient and capitalized in shares and participations at the contributor to the extent impairment is not required.

Accounting of Group contributions

Paid and received Group contributions are recognised as an appropriation.

Estimates and assumptions

Preparation of the financial reports in accordance with RFR 2 requires management to make assessments and estimates and assumptions that affect application of the accounting policies and the recognised amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and assumptions are continually evaluated. Changes in estimates are recognised in the period the change is made if the change only affected that period or in the period the change is made and in future periods if the change affects both current and future periods.

Share-based payments

For the long-term incentive programs LTI Program 2020/2023, LTI Program 2021/2024 and LTI Program 2022/2025, a probability assessment of reaching the pre-defined targets and fulfilling the terms and conditions for achieving a grant of performance share is performed at each reporting date. The assessments are thereby a factor in the calculation of the liability (social charges) for share-based payments to employees for the period.

More information can be found in Note 9 for the Group.

Note 2 - Audit fees

AUDIT FEES

SEK million	2022	2021
Deloitte AB		
Auditing assignments	-1.2	-0.8
Tax advice	-0.3	0.0
Other services	-0.4	0.0
TOTAL	-1.9	-0.8

Auditing assignments include auditing of the annual accounts and bookkeeping as well as administration for the Board of Directors and the CEO, other duties undertaken by the Group’s accountants, and advice or other assistance arising from observations during such auditing or implementation of similar tasks. Other services include advice in accountancy related fields such as accounting, tax, new share issue etc.

Note 3 - External costs

SEK million	2022	2021
Other external costs	-9.3	-9.6
Total	-9.3	-9.6

Note 4 - Employees and personnel costs

Average number of employees by country 2022	Average number of employees	Whereof women	Whereof men
Sweden	16	2	14
Total	16	2	14
Gender among senior executives 2022			
Board members	7	3	4
CEO and other senior executives	7	2	5
Total	14	5	9
Average number of employees by country 2021			
Sweden	16	3	13
Total	16	3	13
Gender among senior executives 2021			
Board members	7	3	4
CEO and other senior executives	7	2	5
Total	14	5	9

PARENT COMPANY'S PERSONNEL COSTS

SEK million	2022	2021
Salaries and remuneration	-55.0	-88.9
Social costs	-34.2	-31.8
Pension costs	-0.3	-0.3
Total	-89.6	-121.0
Salaries and remuneration to senior executives including benefits		
SEK million	2022	2021
Hermann Haraldsson (Group CEO)		
Base salary and remuneration	-8.6	-7.4
Variable remuneration	-2.5	-3.4
Other benefits	-3.5	-24.1
Costs according to share-based payments	-5.1	-6.3
Social security costs	0.7	-5.8
Pension costs	-	-
Total	-18.8	-47.0
Other senior executives		
Base salary and remuneration	-20.0	-18.1
Variable remuneration	-6.2	-8.3
Other benefits	-8.6	-59.1
Costs according to share-based payments	-16.3	-22.1
Social costs	2.9	-18.2
Pension costs	-	-
Total	-48.2	-125.9

Senior executives include the Board of Directors, the Group CEO, and other senior executives. The other senior executives include the Group CFO, Group CCO, Group CTO, Group CSCO, Group CPO, and Group CHRO, who together with the Group CEO constitute the management team of the Group.

Salaries and remuneration include costs for fixed and variable salaries and share-based payment recognised during the year. Social costs include social charges on the Group's long-term incentive programs determined by the Group's share price. During the year the Company has recognised SEK 20.1 million (32.0) in IFRS 2 costs for share-based payments and social charges of SEK -9.3 million (12.6). Other benefits correspond to the value of taxable benefits that senior executives have received during the year. Other benefits include, among other things, car benefit, brobizz, daily newspaper and the taxable benefit value of exercised stock options from the Group's long-term incentive programs. More information about the remuneration to senior executives can be found in Note 9 for the Group.

Note 5 – Taxes

TAX RECOGNISED IN THE INCOME STATEMENT

SEK million	2022	%	2021	%
Current tax				
Tax on profit for the year	-		-	
Total	-		-	
Deferred tax				
Change in deferred tax related to tax losses carried forward	-		-7.0	
Total	-		-7.0	
Total reported income tax	-		-7.0	
Reconciliation of reported tax and effective tax rate				
Profit/loss before tax	0.7		32.9	
Tax in accordance with current tax rates for parent company	-0.2	20.6%	-6.8	20.6%
Non-deductible expenses and non-taxable income	0.2	20.6%	-0.2	0.6%
Deductible expenses, not recognised in profit and loss	-	-	-	-
Recalculation according to new swedish tax rate of 20.6 %	-	-	-	-
Total	-0.0	-0.0%	-7.0	21.2%

REPORTED DEFERRED TAX

SEK million	2022	2021
Deferred tax asset		
Deferred tax related to tax losses carried forward	-	-
Total	-	-

SPECIFICATION OF CHANGES IN DEFERRED TAX ASSETS

SEK million	2022	2021
Recognised deferred tax asset relating to tax losses carried forward	1.0	7.0
Utilization of tax losses carryforward	-1.0	-7.0
Total	0.0	0.0

A deferred tax asset is accounted for only if the probability that the Company will use the deferred tax asset is highly probable. As of December 31, 2022 the company has SEK 0.0 million (0.0) in tax losses carryforward.

Note 6 - Shares in Group companies

PARTICIPATIONS IN SUBSIDIARIES

SEK million	2022	2021
Opening balance	974.2	747.3
Acquisition of subsidiary	163.9	226.9
Closing balance	1,138.1	974.2

Company name	Corporate identity number	Domicile	Proportion of capital/voting rights	Book value, SEK million
Boozt Fashion AB	556710-4699	Malmö, Sweden	100%	747.3
	Boozt Fulfilment & Logistics AB	556723-8182	Malmö, Sweden	-
	Boozt Retail AB	556734-1200	Malmö, Sweden	-
	Boozt Fashion Norge AB	556746-1222	Malmö, Sweden	-
	November 2009 Option Holding AB	556826-4252	Malmö, Sweden	-
	Kronor PSP AB	559306-0022	Malmö, Sweden	-
	Boozt Retail Copenhagen A/S	38138871	Copenhagen, Denmark	-
	Boozt Retail A/S	37982148	Copenhagen, Denmark	-
	Boozt Technology A/S	39032197	Copenhagen, Denmark	-
	Boozt Innovation Lab ApS	31863147	Copenhagen, Denmark	-
	Boozt Fashion ApS	32551416	Copenhagen, Denmark	-
	Boozt Technology Poland sp.z.o.o	0000904917	Poznań, Poland	-
	Boozt Baltics UAB	305785629	Vilnius, Lithuania	-
	Boozt Technology Baltics UAB	304614924	Vilnius, Lithuania	-
Nordic Brand Hub A/S	32783910	Vedbæk, Denmark	100%	390.8
	NOORSØM GROUP ApS	28860005	Vedbæk, Denmark	-
	NOORSØM GROUP INTERNATIONAL ApS	32099424	Vedbæk, Denmark	-
	NOORSØM GROUP NORGE AS	917397759	Rud, Norway	-
Total				1,138.1

Information about acquisitions during the year can be found in Note 14 for the Group.

Note 7 – Cash and cash equivalent

SEK million	2022	2021
Cash and bank	4.5	4.6
Total	4.5	4.6

The Company is a part of a multi-currency cash pool, where the subsidiary Boozt Fashion AB is the cash pool owner. As of December 31, 2022, the Company has a balance in the cash pool of SEK 22.0 million (1.6), recognised as an intragroup receivable.

Note 8 – Equity

As of December 31, 2022 the registered share capital amounts to 5,622,301 SEK (5,574,218) with a nominal value of SEK 0.0833. The share capital consists of two share classes: ordinary shares (65,809,262) shares issued) with 1 voting right per share and C-shares (1,658,375 shares issued) with 1/10 voting right per share. Holders of ordinary shares are entitled to a dividend, while holders of C-shares are not entitled to dividend. All shares have the same right to the remaining net assets, however C-shares are not entitled to an amount exceeding the quota value of the share. All shares are fully paid and no shares are reserved for transfer. No ordinary shares are held by the company or its subsidiaries.

More information about the Company’s equity can be found in Note 24 for the Group.

Note 9 - Other provisions

SEK million	2022	2021
Provision for social charges related to LTI 2019/2022	0.0	9.4
Provision for social charges related to LTI 2020/2023	15.4	15.5
Provision for social charges related to LTI 2021/2024	3.3	3.4
Provision for social charges related to LTI 2022/2025	0.3	0.0
Total	19.0	28.3

For information on share-based payments and the Group’s LTI programmes, see Note 1 and Note 9 for the Group.

Note 10 - Accrued expenses and prepaid income

SEK million	2022	2021
Accrued holiday pay	7.6	8.0
Accrued social charges relating to personnel	8.3	7.1
Accrued salaries	9.9	16.2
Other accrued expenses and prepaid inomce	0.3	0.2
Total	26.0	31.3

Note 11 - Proposed appropriation of profits

SEK	2022	2021
Premium fund	2,136,412,795	2,116,335,401
Retained earnings	-266,518,530	-292,404,134
Profit for the year	729,712	25,933,687
Total	1,870,623,977	1,849,864,954

Note 12 - Significant events after year end

Positive profit warning

Boozt issued a positive profit warning on January 11, 2023, announcing net revenue growth and adjusted EBIT for 2022 ahead of previously announced outlook. The positive deviation to expectations came from the better than expected performance in November that carried into December with elevated sales and strong profitability supported by the continued execution of the Nordic Department Store strategy.

Proposal to obtain mandate for buyback and transfer of own shares

The Board of Directors will propose to the Annual General Meeting a suggestion to grant the board authorisation to decide on buyback and transfer of own shares. Such a mandate would give the board the opportunity until the next annual general meeting - if deemed appropriate - to decide on buyback and transfer of the company's shares to a maximum of 10 percent of the outstanding share volume, in accordance with current Swedish legislation.

Certification

The Board of Directors and the CEO certify that the consolidated financial statements have been prepared in accordance with the Swedish Annual Accounts Act and International Financial Reporting Standards (IFRS) as adopted by the EU and give a true and fair view of the Group's financial position and results.

The annual report has been prepared in accordance with generally accepted accounting principles and gives a true and fair view of the parent company's financial position and results.

The Directors' Report for the Group and the Parent Company provides a fair review of the Group's and Parent Company's operations, financial positions and results, and describes significant risks and uncertainty factors that the Parent Company and the companies included in the Group face.

The income statement and balance sheet and consolidated balance sheets will be presented to the Annual General Meeting on April 26, 2023 for adoption.

On March 23, 2023 the annual report was approved by the Board of Directors and the CEO for publication.

Signatures

MALMÖ, MARCH 23, 2023

HENRIK THEILBJØRN Chairman of the Board	AILEEN O'TOOLE Board Member	BENJAMIN BÜSCHER Board Member
CECILIA LANNEBO Board Member	JÓN BJÖRNSSON Board Member	JULIE WIESE Board Member
LUCA MARTINES Board Member		
HERMANN HARALDSSON Group CEO		

Our audit report was submitted on March 23, 2023
Deloitte AB

Didrik Roos
Authorised Public Accountant

Auditor’s report

To the general meeting of the shareholders of Boozt AB (publ) corporate identity number 556793-5183

Report on the annual accounts and consolidated accounts

Opinions
We have audited the annual accounts and consolidated accounts of Boozt AB (publ) for the financial year 2022-01-01 - 2022-12-31. The annual accounts and consolidated accounts of the company are included on pages 30-38 and 86-120 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 31 December 2022 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2022 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group. Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

Basis for Opinions
We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor’s Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Key Audit Matters
Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters.

Revenue recognition with right of return
Description of risk
The Group recognizes revenue when the control has been transferred to the buyer and its amount can be measured in a reliable manner and it is probable that future economic benefits will accrue to the Group. Net sales amount to SEK 6,743 million in 2022, spread over approximately 7.3 million customer orders. Well-established routines for secure IT operations and well-functioning IT processes are thus of great importance for Boozt's

operations since the extensive and intensive transaction volume means that completeness is critical for a significant error in the financial reporting not to arise. Revenue recognition also includes estimates and judgments since the provision for expected returns, which as of December 31, 2022 amounts to SEK 260 million, is based on historical data and management's judgement.

For further information, see Note 1 on “Significant accounting principles” Revenue recognition and Estimates and assumptions, note 3 “Net revenue per region and breakdown of revenue”, and note 23 “Accrued expenses and prepaid income”.

Our audit procedures
Our audit procedures included, but were not limited to

- Review of general security controls for involved systems for customer orders, inventories and accounting systems with involvement of IT auditor.
- Data analysis on completeness and accuracy in sales and inventory transactions.
- Review of general security controls for involved systems for customer orders, inventories and accounting systems with the involvement of an IT auditor.
- Assessed the management's assumption by comparing the accuracy of historical assessments in order to assess the precision and made the subsequent examination of actual outcomes of returns.
- Review of completeness and correctness in relevant notes and disclosures provided in the financial statements.

Inventory valuation
Description of risk
On December 31, 2022, Boozt’s inventories representing approximately 34% of the Group's total assets and amounts to SEK 2,039 million. Inventories mainly consist of goods in the Group's central warehouse in Ängelholm. Inventories are

valued at the lower of cost and net realisable value, where the acquisition value is calculated according to the "first- in-first-out principle" and the net realisable value is defined as the selling price reduced by selling costs.

Incorrect assessment of purchases and large stocks that tie up capital entail a risk of obsolescence and to determine the size of the obsolescence, management must make assessments of future events and sales of individual products and product groups.

For further information, see Note 1 on “Accounting principles” on inventories and Estimates and assumptions, and Note 17 “Inventories”.

Our audit procedures
Our audit procedures included, but were not limited to:

- Review of the Group's processes and routines regarding the reporting of inventories with tests of design and implementation of key controls
- Carried out data analysis to identify slow- moving and obsolete items and possibly additional obsolescence needs.
- Participate in physical counting
- Performed data analysis on sales transactions to ensure that valuation takes place according to the lowest value principle.
- Review of completeness and correctness in relevant notes and disclosures provided in the financial statements.

Other information than the annual accounts and consolidated accounts
This document also contains other information than the annual accounts and consolidated accounts and is found on pages 2-29, 39-85 and 125-130. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director
The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intends to liquidate the company, to cease operations, or has no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the company's financial reporting process.

Auditor's responsibility
Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

A further description of our responsibilities for the audit of the annual accounts and consolidated accounts is located at the Swedish Inspectorate of Auditors website: www.revisorsinspektionen.se/revisornsansvar This description forms part of the auditor's report".

Report on other legal and regulatory requirements
Opinions
In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Boozt AB (publ) for the financial year 2022-01-01 - 2022-12-31 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit to be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for Opinions
We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director
The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility
Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

A further description of our responsibilities for the audit of the management's administration is located at the Swedish Inspectorate of Auditors website: <https://www.revisorsinspektionen.se/revisornsansvar>. This description forms part of the auditor's report.

The auditor's examination of the Esef report
Opinion
In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4 a of the Swedish Securities Market Act (2007:528) for Boozt AB (publ) for the financial year 2022-01-01 - 2022-12-31.

Our examination and our opinion relate only to the statutory requirements.

In our opinion, the Esef report has been prepared in a format that, in all material respects, enables uniform electronic reporting.

Basis for opinion

We have performed the examination in accordance with FAR’s recommendation RevR 18 Examination of the Esef report. Our responsibility under this recommendation is described in more detail in the Auditors’ responsibility section. We are independent of Boozt AB in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the Esef report in accordance with the Chapter 16, Section 4 a of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors and the Managing Director determine is necessary to prepare the Esef report without material misstatements, whether due to fraud or error.

Auditor’s responsibility

Our responsibility is to obtain reasonable assurance whether the Esef report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed.

RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the Esef report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Esef report.

The firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

The examination involves obtaining evidence, through various procedures, that the Esef report has been prepared in a format that enables uniform electronic reporting of the annual accounts and consolidated accounts. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design audit procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the Esef report by the Board of Directors and the Managing Director, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of assumptions made by the Board of Directors and the Managing Director.

The procedures mainly include a validation that the Esef report has been prepared in a valid XHTML format and a reconciliation of the Esef report with the audited annual accounts and consolidated accounts.

Furthermore, the procedures also include an assessment of whether the consolidated statement of financial performance, financial position, changes in equity, cash flow and disclosures in the Esef report have been marked with iXBRL in accordance with what follows from the Esef regulation.

Deloitte AB, was appointed auditor of Boozt AB by the general meeting of the shareholders on the 2022-04-27 and has been the company’s auditor since 2018- 04-27.

Malmö, March 23, 2023
Deloitte AB

Signature on Swedish original

Didrik Roos
Authorized Public Accountant



Additional information

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Definitions and rationale for the use of certain Alternative Performance Measures (APM)

EXPLANATION	APM / IFRS	DEFINITION	RATIONALE
Active customers	APM	Number of customers which made at least one order during the last 12 months	The measure is to display, together with historical figures, how the number of active customers have developed in absolute figures.
Adjusted Admin & Other cost ratio	APM	Total operating costs less items affecting comparability, less share based compensations, 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 administration & other costs without the effect of one time events, as well as costs linked to the share price development of Boozt AB (publ)
Adjusted earnings per share after dilution	APM	Profit/loss for the period, adjusted with share-based payments and items affecting comparability, divided by the diluted weighted average number of shares outstanding the period.	The aim is to distribute the company's profit after adjustments to each share including the net-non registered shares (i.e. warrants or similar).
Adjusted EBIT	APM	Profit/loss before interest, tax, share based payments related to employees and items affecting comparability	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.
Adjusted EBIT margin	APM	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.
Admin & Other cost ratio	APM	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.
Average order value	APM	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.
Conversion rate	APM	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
Depreciation cost ratio	APM	Depreciation and amortizations divided by net revenue	The aim of the figure is to track the development of depreciation / amortization costs and then evaluate these costs against net revenue created.
Equity / asset ratio	APM	Total equity divided by total assets	To what degree are the Group's assets funded by capital ultimately owned by the Group's shareholders.
Free cash flow	APM	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.
Fulfilment cost ratio	APM	Fulfilment and distribution cost divided by net revenue	The aim is to group the costs which is related to pick, pack, returnhandling, indeliveries 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.
Gross profit	APM	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.

EXPLANATION	APM / IFRS	DEFINITION	RATIONALE
Gross margin	APM	Gross profit (excluding other operating income) as a percentage of net revenue	The aim is to analyse gross profit over time, expressed as percent of net revenue.
Growth in local currency	APM	Growth in net revenue when using exchange rates from the comparable period	To illustrate the growth adjusted for the impact of exchange rate effects.
Invested capital	APM	Net working capital, machinery and equipment, right of use assets and intangible assets including Goodwill	To illustrate the invested capital that forms the basis of our business activities.
Items affecting comparability	APM	Items that are not related with the operations and are the type of items that are not expected to re-occur often or regularly and that are items of significant value	The aim is to isolate events, that cannot be characterised as normal operational costs or non-recurring.
Marketing cost ratio	APM	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.
Net working capital	APM	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 indicate 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.
Net debt / net cash	APM	Interest bearing liabilities less cash and cash equivalents	The aim is to display the cash and cash equivalent available after having theoretical settled all interest bearing liabilities be it current or non-current.
No. of orders	APM	Number of orders placed by customers during the period, irrespective of cancellations or returns	Number of orders is a parameter in measuring the average order value
No. of orders per active customer (order frequency)	APM	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 extend 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.
Site visits	APM	Number of visits to a site or group of sites, irrespective of device used	This number is relevant to understand the conversion rate
Share based payments	APM	Costs of the Group which are settled via issuing of shares	The aim is to isolate all costs associated with share based payments be it IFRS 2 costs and taxes associated with share based payments. Since these costs to a large extend will fluctuate with the share price development or employee turnover, it can assist the reader in evaluating the Group's performance excluding these share based payment costs.
Transactional net revenue	APM	Gross sales (incl. gross value consignment sales) less freight, invoice income, 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.
True frequency	APM	Order frequency for customers that have been with Boozt.com during last 12 months, hence not impacted by orders from new customers	This figure isolates the co-hort which purchased with the Group 12 months ago, and then looks at this co-hort's behavior for the proceeding 12 months in terms of frequency (how many orders do they place on average). This will give the reader an understanding about the co-horts frequency behavior once they mature.

RECONCILIATION OF TOTAL OPERATING INCOME

SEK million	01-01-2022 31-12-2022	01-01-2021 31-12-2021
GROUP		
Transactional net revenue	6,560.1	5,730.7
Less consignment sales	-64.1	-80.5
Other revenue	247.4	163.6
Net revenue	6,743.4	5,813.8
BOOZT.COM		
Transactional net revenue	5,442.3	4,872.0
Less consignment sales	-58.3	-77.7
Other revenue	226.4	143.9
Net revenue	5,610.4	4,938.2
BOOZTLET.COM		
Transactional net revenue	1,117.8	858.8
Less consignment sales	-5.7	-2.8
Other revenue	21.0	19.6
Net revenue	1,133.0	875.6

RECONCILIATION OF ADJUSTED EBIT

SEK million	01-01-2022 31-12-2022	01-01-2021 31-12-2021
EBIT	253.1	264.5
Share based payments related to employees (social charges)	-10.3	23.7
Share-based payments related to employees	27.7	54.3
Non-recurring items affecting comparability*	15.1	0.0
Adjusted EBIT	285.6	342.5

SPECIFICATION OF ADJUSTMENTS AFFECTING COMPERABILITY

SEK million	01-01-2022 31-12-2022	01-01-2021 31-12-2021
Admin & other costs	32.5	78.0
Depreciation and amortisation	0.0	0.0
Total adjustments	32.5	78.0

RECONCILIATION WITH FINANCIAL STATEMENTS ACCORDING TO IFRS

SEK million	01-01-2022 31-12-2022	01-01-2021 31-12-2021
Cash and cash equivalents	-1,777.2	1,564.9
Interest bearing liabilities (current and non-current)	570.1	373.3
Interest bearing lease liabilities (current and non-current)	538.5	469.3
Other non-current liabilities	0.2	119.3
Net debt (+) / net cash (-)	-668.4	-602.9
Total equity	2,502.6	2,297.7
Total assets	5,992.1	5,057.8
Equity / asset ratio	41.8%	45.4%
Cash flow from operating activites (A)	805.3	241.8
Cash flow from investing activities (B)	-715.2	-606.9
Free cash flow (A) + (B)	90.1	-365.1
No of orders (000) (A)	5,954.2	5,879.9
Site visits (000) (B)	173,306.5	207,362.8
Boozt.com - Conversion rate (A) / (B)	3.44%	2.84%
Transactional net revenue (A)	5,442.3	4,872.0
Other sales (B)	145.4	-66.1
No of orders (000) (C)	5,954.2	5,879.9
Average order value (Boozt.com) (A)-(B)/(C)	889.6	817.3
No. of orders (000) (LTM) (A)	5,954.2	5,879.9
Active customers (000) (B)	2,503.0	2,502.7
No. of orders per active customer (Boozt.com) (A) / (B)	2.38	2.35

SEK million	01-01-2022 31-12-2022	01-01-2021 31-12-2021
Inventory	2,038.6	1,732.2
Accounts receivable	30.3	36.5
Other receivables	68.7	108.7
Current tax asset	1.7	30.1
Prepaid expenses and accrued income	83.5	101.0
Accounts payables	-1,384.9	895.8
Other liabilities	-386.2	337.4
Current tax liabilities	-82.1	40.7
Accrued expenses and prepaid income	-478.9	457.7
Net working capital	-109.1	277.0
Net working capital - percent of LTM net revenue rolling 12 months	-1.6%	4.8%
Gross margin (%)	39.5%	40.4%
Fulfilment cost ratio (%)	-11.3%	-11.8%
Marketing cost ratio (%)	-11.0%	-10.5%
Admin & other cost ratio (%)	-10.2%	-10.8%
Depreciation cost ratio (%)	-3.3%	-2.9%
EBIT margin (%)	3.8%	4.5%

Rounding differences may affect the summations.

Financial calendar 2023

March 28, 2023
Capital Markets Day

April 26, 2023
AGM 2023

April 27, 2023
Interim report January-March 2023

August 18, 2023
Half-year report January-June 2023

November 7, 2023
Interim report January-September 2023

Financial reports

Consolidated financial statements are available at www.booztgroup.com. Boozt AB (publ) is a public limited company.

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This report is such information as Boozt AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, at 16.00 CET on March 23, 2023. This report may contain forward-looking information that is based on the present expectations of Boozt's management. No assurance may be given that these expectations will prove to be correct. Actual outcomes may deviate significantly from what is reflected in the forward-looking information due to changed conditions relating to the economy, market or competition, changes in legal requirements and other political measures, fluctuations in exchange rates and other factors outside of Boozt's control.

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