



Corporate governance report

This report is published April 6, 2018

Boozt AB (publ) is a Swedish public limited liability company listed on Nasdaq OMX Stockholm (mid cap). Corporate governance refers to the system through which shareholders directly or indirectly govern the company. The company's governance is based on Swedish law, the company's Articles of Associations, Nasdaq Stockholm's Rule Book for Issuers and internal rules and instructions. The company also applies the Swedish Corporate Governance Code (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").

During 2017 Boozt deviated from the Code in the following matters:

The Code stipulates a vesting period of at least three years for warrant programs. The Group issued a warrant program in 2015, before the Company was listed with validity date starting with the possible listing of the Company's shares. The issued program has a shorter vesting period than three years for the first 33% of the total program from the date of issuing the program.

Shares and shareholders

The Boozt share has been traded on Nasdaq OMX Stockholm (mid cap) since May 31, 2017. At the end of 2017, the total number of shares and votes was 56,338,433, distributed among approximately 3,900 shareholders. The share capital consists of one share type: ordinary shares. There are no restrictions on the number of votes each shareholder can cast at the AGM.

The ten largest shareholders accounted for 54.73% of the shares outstanding. At December 31, 2017, there were no

shareholders with holdings that separately represented 10% or more of the number of shares and votes in the company.

10 largest shareholders as per December 31, 2017:

Name	Ownership (%)
SAMPENSION	9.87
VERDANE CAPITAL	8.23
SUNSTONE TECHNOLOGY VENTURES	6.58
ATP	5.84
FRIHEDEN INVEST A/S	4.92
CATELLA	3.81
CBNY-OFI GLOBAL OPP FUND	3.55
BPSS PAR/FCP ECHIQUIER	2.72
FIDELITY FD EUROPE	2.26
LARSEN, KENT STEVENS	1.86
TOTAL 10 LARGEST SHAREHOLDERS	49.64

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 five workdays 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
- 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

2018 Annual General Meeting (the “AGM”)

The Annual General Meeting 2018 will be held Friday, 27 April 2018, 15:00 CET, at Malmömässan, Mässgatan 6, 215 32 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 27 March 2018.

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

- via email to: legal@boozt.com or
- by letter to: Boozt AB (publ), Att: Legal/AGM, Hyllie Boulevard 10 B, 215 32 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.

Summary of the Annual General Meeting and Extraordinary General Meeting 2017

An Extraordinary General Meeting was held in Malmö on May 10, 2017, and included the following matters:

- Change in the Articles of Associations as the Company became a public limited company
- Decision of share split 1/12

The Annual General Meeting was held in Malmö on May 15, 2017, and included the following matters:

- Adoption of the Company’s and Group’s income statements and balance sheets as well as granting discharge of liability for the Board members and the Group CEO for the fiscal year of 2016
- Re-election of the Chairman of the Board Henrik Theilbjørn and board members Gerd Rahbek-Clemmensen, Staffan Mörndal, Jimmy Fussing Nielsen, Jón Björnsson, Kent Stevens Larsen and Lotta Lundén
- Board member Bjørn Folmer Kroghsbo was re-elected for the time up until July 31, 2017, when he was to be replaced by Charlotte Svensson. Charlotte Svensson was elected as board member for the period August 1, 2017, up until the Annual General Meeting in 2018
- Ernst & Young AB with responsible auditor Thomas Swenson was elected auditor up until the Annual General Meeting in 2018

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 May 15, 2017 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, 2017 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, 2017 were Sampension KP Livsforsikring A/S (9.87%), Sunstone Technology Ventures II K/S (9.87%) and Verdane Capital VII K/S (8.23%). They are represented by Bjørn Folmer Kroghsbo, Christian Lindegaard Jepsen and Staffan Mörndal and together with the Chairman of the Board of Directors Henrik Theilbjørn constitute the nomination committee. Bjørn Folmer Kroghsbo is appointed chairman of the Nomination Committee as representative for the largest shareholder as per August 31, 2017.

The nomination Committee's complete proposals to the 2018 AGM will be presented in the official notification of the AGM.

Assessing the performed work by the board as well as the composition of the board, is reviewed continuously over the year. The Nomination Committee held meetings in the beginning of 2018.

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 2017 AGM, 8 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.

In 2017, the Board of Directors held 17 meetings.

The members' attendance is presented in the table below.

Board of directors 2017			Independent in relation to		Attendance			Directors' fees - SEK (000)
Name	Position	Member since	The Company and executive management	Major shareholders	Board meetings	Audit Committee meetings	Remuneration Committee meetings	
Henrik Theilbjørn	Chairman of the Board	2009	Yes	Yes	17/17	3/4	0/1	550
Gerd Rahbek-Clemmensen	Board member	2013	Yes	No	17/17	-		250
Staffan Mörndal	Board member	2012	Yes	No	16/17	4/4		300
Jimmy Fussing Nielsen	Board member	2014	Yes	No	17/17	-	1/1	250
Jón Björnsson	Board member	2012	Yes	Yes	15/17	-	1/1	250
Kent Stevens Larsen	Board member	2009	Yes	Yes	17/17	4/4		350
Bjørn Folmer Kroghsbo	Board member	2015-2017 (aug)	Yes	No	10/11	-		0
Lotta Lundén	Board member	2016	Yes	Yes	14/17	-	1/1	250
Charlotte Svensson	Board member	2017 (aug)	Yes	Yes	6/6	-		250

Directors' fees cover the period from AGM 2017 to AGM 2018.

Work performed in 2017

During the fiscal year, the Board of Directors held 17 meetings, including statutory, extraordinary and per capsulam. 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 and continued streamlining of internal procedures and control processes.

The Company's Group CEO and other members of Group Management are present at all ordinary board meetings, but they do not participate when the Board evaluates the Group CEO or makes decisions regarding remunerations 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 Company's Audit Committee consisting of three members: Kent Stevens Larsen (chairman), Staffan Mörndal 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 4 meetings during 2017. The work of the Committee has mainly focused on review and improvement of the financial reporting and financial processes, examination of company risks and evaluation of the internal control environment, and follow-up and review of the work of the external auditor.

During the financial year, the Committee has also conducted an audit tender process. Four audit firm candidates were asked to submit proposals and were evaluated on a number of dimensions in addition to fee level. The Audit Committee has proposed to the Nomination Committee to recommend the audit firm Deloitte and Didrik Roos as auditor in charge to the AGM.

Remuneration committee

Boozt has a remuneration committee consisting of four members: Jón Björnsson (chairman), Lotta Lundén, Jimmy Fussing Nielsen and Henrik Theilbjørn. The remuneration committee shall prepare matters concerning remuneration principles, remuneration and other employment terms for the Group CEO and the Group Management.

The remuneration committee held 1 meeting during 2017.

Diversity in the Board

In 2017 the Board of Directors adopted the "Group Policy – Diversity in the BoD" in compliance with the directives in the Swedish Corporate Governance Code stating that the Board of Directors should be constituted of members with diverse competences, experiences, and backgrounds.

The adopted policy states that members should possess

the competence and experience appropriate for the responsibilities and work carried out for the Group. Additionally, it should be considered if the individual members are appropriate considering the aim for diverse competences, experiences, and backgrounds within the Board of Directors with respect to gender, age, geographical origin and educational background.

It is the responsibility of the Nomination Committee of the Board of Directors to consider the requirements stated in the policy.

During 2017 Charlotte Svensson replaced Bjørn Folmer Kroghsbo as a member of the Board of Directors. When electing Charlotte Svensson, the diversity in the Board of Directors with respect to gender, age, competence including educational background was improved.

With respect to gender 3 out of total 8 members (37.5%) 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 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 Operations Officer (COO), Chief Marketing Officer (CMO), Chief Technical Officer (CTO), Chief Purchasing Officer (CPO) and Head of Investor Relations and Corporate Communication (IRM). The Group CEO lead 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 45.

Ownership by Board of Directors and Group Management

December 31, 2017	Number of shares		
Name	Directly owned	Indirectly owned	%
Hermann Haraldsson (Group CEO)	364,880	109,671	0.84%
Allan Junge-Jensen (Group CFO)	195,004	-	0.35%
Niels Hemmingsen (Group COO)	256,236	-	0.45%
Peter G. Jørgensen (Group CMO)	229,064	-	0.41%
Jesper Brøndum (Group CTO)	214,116	-	0.38%
Mads Bruun Famme (Group CPO)	62,387	-	0.11%
Management total	1,321,687	109,671	2.54%
Henrik Theilbjørn (Chairman)	-	241,527	0.43%
Staffan Mörndal	-	-	0.00%
Jimmy Fussing Nielsen	-	-	0.00%
Gerd Rahbek-Clemmensen	-	-	0.00%
Bjørn Folmer Kroghsbo	-	-	0.00%
Jón Björnsson	28,569	-	0.05%
Lotta Lundén	-	-	0.00%
Kent Stevens Larsen	1,050,000	-	1.86%
Charlotte Svensson	-	-	0.00%
Board total	1,078,569	241 527	2.34%
Management and Board Total	2,400,256	351,198	4.88%

Auditors

Boozt AB's auditor Ernst & Young AB (EY) was elected by the 2017 AGM for a period of one year. Thomas Swenson, certified public accountant, has been responsible for the audit of the company on behalf of EY. A new auditor election will take place at the 2018 AGM.

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 provide assurance of their impartiality and independence to the Audit Committee.

EY also provided certain additional services in 2016 and 2017 primarily related to the listing of the Company's shares and to some extension consultation on other audit-related engagements.

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.

Remunerations to Group Management

Remunerations to the Group CEO and other members of Group Management are decided by the Board of Directors, whom 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 15, 2017 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.

Remunerations 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 shall be based on market terms, be competitive, well balanced, and not wage leading as well as contribute to good ethics and company culture. 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.

Long-term incentive programs

The Company's long-term incentive programs 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. Long term incentive programs shall always be based on shares or share linked instruments. Long term incentive programs 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.

The board's report on internal control

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

In addition to the overall risk management system, a level of expected governance and key controls has been stipulated for identified key processes of the operations and supporting financial processes. The expected governance and key controls should be in place at all times with the purpose to enhance and ensure a sufficient level of internal controls.

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.

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.

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 assessed that the

most effective method for the monitoring and follow-up of internal control in the Group 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 review and assess the company's internal control environment and reports its observations and evaluation to the Audit Committee.

Auditor's report on the corporate governance statement

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

Engagement and responsibility

It is the Board of Directors who is responsible for the corporate governance statement for the year 2017 on pages 55-65 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 RevU 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 April 5th 2018
Ernst & Young AB

Thomas Swenson

Authorized Public Accountant