

NELLY

DOCUMENTATION TO THE 2025 ANNUAL GENERAL MEETING

The Board's motivated statement according to Chapter 19 Section 22 of the Companies Act

The Board hereby presents the following statement in accordance with Chapter 19 Section 22 of the Companies Act. The Board's reasons for the proposed authorisation to resolve on repurchase of own ordinary shares being in accordance with the provisions of Chapter 17, Section 3 paragraphs 2 and 3 of the Swedish Companies Act are as follows:

- The objectives, scope of business and risks associated thereto are set out in the Articles of Association and in the submitted 2024 Annual Report. The business operated by the company does not entail any risks in excess of those that exist or may be deemed to exist in the industry or those risks which are generally associated with operating a business.
- The group's and the parent company's financial situation as of 31 December 2024 is stated in the 2024 Annual Report. The principles applied for valuation of assets and liabilities are also stated in the 2024 Annual Report.
- The group's equity attributable to the parent company's shareholders amounted to SEK 237.1 million as of 31 December 2024, and the parent company's unrestricted equity totalled SEK 327.3 million.
- The group's equity/assets ratio amounts to 27.2 percent. At 31 December 2024, the group's liquidity reserve, including short-term investments and available unutilized credit facilities, totalled SEK 256.9 million, and the debt/equity ratio was 2.68.
- The costs in relation to repurchase of own ordinary shares depends on to which extent, if at all, the Board makes use of the Annual General Meeting's authorisation. E.g. should the Board resolve to repurchase one (1) percent of the outstanding ordinary shares in Nelly, this would amount to approximately SEK 10.2 million based on the closing price for Nelly Group's ordinary share on 11 April 2025, SEK 33.9.

The proposed authorisation to repurchase own ordinary shares do not endanger the continuation of planned investments, and Nelly's financial position is such that the company can continue its business and is expected to fulfil all of its obligations on both a short and long-term basis.

With reference to the aforementioned and what has otherwise been brought to the Board's attention, it is the Board's opinion that the proposed authorisation to repurchase own ordinary shares is justified with reference to the requirements that the nature of the operations, the scope of business and the risks associated thereto place on the parent company's and group's shareholders' equity, consolidation requirements, liquidity and position in general.

Borås, April 2025
THE BOARD OF DIRECTORS
Nelly Group AB (publ)

The Board's Remuneration Report for 2024

Introduction

This remuneration report describes how the guidelines for remuneration to senior executives of Nelly Group AB (publ) ("Nelly" or the "company"), adopted by the 2024 Annual General Meeting, were applied in 2024. The report also provides information on remuneration to the CEO and Board members (in addition to ordinary board remuneration, as applicable) and a general description of outstanding share- and share price-related incentive plans. The report has been prepared in accordance with the Swedish Companies Act and the Stock Market Self-Regulation Committee's rules on remuneration of executive management and on incentive programmes.

The information required by Chapter 5, Section 40-44 of the Swedish Annual Accounts Act is provided in note 21 on the pages 97–103 in the 2024 Annual Report. Information regarding the work of the Remuneration Committee during 2024 is set out in the Corporate Governance Report on page 52 in the 2024 Annual Report.

Ordinary Board remuneration is not covered by this report. Such remuneration is resolved annually by the Annual General Meeting and disclosed in note 21 on pages 97–103 in the 2024 Annual Report.

Key developments 2024

The CEO summarizes the company's overall performance in her statement on pages 5–6 in the 2024 Annual Report.

The company's remuneration guidelines: scope, purpose and deviations

A prerequisite for Nelly to realise its business strategy and safeguard the company's long-term interests, including the company's sustainability, is that Nelly is able to attract, motivate and retain senior executives in competition with comparable Nordic companies, primarily Nordic companies operating in e-commerce and retail with consumer brands. To this end, it is necessary that the company can offer a competitive total remuneration. Pursuant to the remuneration guidelines, remuneration to senior executives must be market-based and may consist of the following components: fixed cash salary, variable cash remuneration, the option to participate in long-term (i) share- and share price-related incentive plans adopted by the General Meeting and/or (ii) cash-based incentive plans, pension benefits and other customary benefits. The variable cash remuneration must be based on performance in meeting established targets for profitability, growth and value creation for their areas of responsibility and for Nelly. The outcome must be linked to measurable targets (qualitative, quantitative, general and individual) that are measured over one year. The targets within the senior executives' respective areas of responsibility are intended to promote Nelly's performance in both the short and long terms and thus promote Nelly's business strategy and long-term interests, including the company's sustainability.

The applicable remuneration guidelines adopted at the 2024 Annual General Meeting can be found on pages 97–98 in the 2024 Annual Report and on the company's website www.nellygroup.com. During 2024, the company has complied with the applicable remuneration guidelines adopted by the General Meeting. No deviations from the guidelines have been decided and no derogations from the procedure for implementation of the guidelines have been made. No remuneration has been reclaimed. The Auditor's report regarding the company's compliance with the guidelines is available on the company's website www.nellygroup.com.

Based on the conclusions from the monitoring and evaluation of the variable remuneration programs, the application of the remuneration guidelines and the overall evaluation of the current remuneration structures and remuneration levels in Nelly, the Board has concluded that the current remuneration guidelines are appropriate, reflect what is customary and promote Nelly's business strategy and long-term interests, including the company's sustainability. The Board has therefore not proposed any changes to the current guidelines to the 2025 Annual General Meeting.

Remuneration to a Board member outside of the board assignment

In 2024, Nelly paid TSEK 150 in consultancy fees to Hörnqvist Consulting AB, which is owned by the Board member Daniel Hörnqvist, for the period 1 January 2024 to 31 March 2024.

Total remuneration to the CEO in 2024 (TSEK)¹⁾

	1 Fixed remuneration		2 Variable remuneration		3	4	5	6
	Base salary	Other benefits	One-year	Multi-year	Extraordinary items	Pension expense	Total remuneration	Portion of fixed and variable remuneration ²⁾
Helena Karlinder-Östlundh	2,280	31	608	-	-	593	3,512	83% / 17%

1) The table shows remuneration due in 2024.

2) Reported variable remuneration was accrued at the end of 2024 but has not been paid in 2025.

Outstanding share-related incentive plans

PSP 2022

Nelly's long-term four-year performance share plan ("PSP 2022") was adopted by the 2022 Annual General Meeting. There is one (1) remaining participant in PSP 2022. Under PSP 2022, the participants have through a personal investment acquired ordinary shares in Nelly ("Savings Shares"). For each Savings Share, Nelly has, free of charge, allotted share rights entitling the participant to receive ordinary shares in Nelly free of charge ("Performance Shares") provided that, and to the extent, the performance-based condition for the period 1 April 2022 – 31 March 2026 (the "Measurement Period") is being fulfilled. The right to finally receive Performance Shares is also conditional upon the participant having retained the Saving Shares and, subject to certain exemptions, continued his or her employment with Nelly throughout the vesting period ending after the disclosure of Nelly's interim report for the period January-March 2026. If the participant's employment is terminated during the period 1 April 2025 – 31 March 2026, the participant shall however be entitled to one quarter of the Performance Shares provided that, and to the extent, the performance-based condition is fulfilled at the time of termination of employment. The performance-based condition is based on the total shareholder return on the ordinary share (including any dividends reinvested) during March 2022 to be compared to March 2026.

The CEO Helena Karlinder-Östlundh does not participate in PSP 2022.

Share Program 2024

Nelly's long-term four-year performance share plan ("Share Program 2024") was adopted by the Extraordinary General Meeting held on 12 December 2024. In total, two key employees in Nelly participate in Share Program 2024. Under Share Program 2024, the participants have subscribed for a total of 10,847 ordinary shares at a subscription price corresponding to the quota value of the shares. The participants are only entitled to retain the shares allotted under Share Program 2024 if the participant remains employed by Nelly during a vesting period from the day of subscription of the shares up to and including the date falling three years thereafter. If the participant's employment with Nelly is terminated during the vesting period, the participant shall not be entitled to retain any shares allotted under Share Program 2024, regardless of whether the participant terminates his or her employment or whether the participant's employment is terminated by the company. No performance requirements are set for allotment under the program, as the Board considers that the terms and conditions of the program create strong incentives for the participants to contribute to the development of the company's position and promote long-term sustainable decisions in order to achieve results that are consistent with the company's vision and overall strategy. After the expiry of the vesting period, allotted shares may be freely disposed by the participant.

The CEO Helena Karlinder-Östlundh has not subscribed for any ordinary shares under Share Program 2024.

Additional information

Additional information on outstanding share- and share price-related incentive plans may be found on the pages 97–99 in the 2024 Annual Report.

Application of performance criteria for variable remuneration

The performance criteria for the CEO's variable cash remuneration for 2024 were set during the first quarter of 2024. In the selection of performance criteria, Nelly's strategic objectives and short-term and long-term business priorities for 2024 have been taken into account.

Performance of the CEO during 2024: variable cash remuneration

	Description of the criteria related to the remuneration component	Relative weighting of the performance criteria	a) outcome b) actual remuneration outcome
Helena Karlinder-Östlundh	EBIT	50%	a) 0% b) SEK 0
	Net sales	50%	a) 0% b) SEK 0

Comparative information on the changes of remuneration and the company's performance

	Financial year				
	2020 vs. 2021	2021 vs. 2022	2022 vs. 2023	2023 vs. 2024	2024
Total remuneration to the CEO (MSEK)*	-7.0	+2.0	-0.9	-0.9	3.5
The Group's operating profits (MSEK)	+7.3	-17.5	+67.0	+82.2	93.1
The Group's profit after tax for continuing and discontinued operations (MSEK)**	-559.9	-23.9	+70.2	+84.9	83.4
Average remuneration on a full-time equivalent basis of employees of the Group*** (TSEK)	+77	-18	+20	+12	515

* During 2020 Nelly (previously Qliro Group AB (publ)) had three CEOs: Marcus Lindqvist (1 January – 31 May 2020), Mathias Pedersen (1 June – 5 November 2020) and Kristina Lukes (from 6 November 2020). The total remuneration for 2020 refers to the total remuneration to the three CEOs. Nelly had three CEOs during 2022: Kristina Lukes (1 January – 13 June 2022), Helena Karlinder-Östlundh (13 June – 21 August 2022) and Ludvig Anderberg (from 22 August 2022). The total remuneration for 2022 refers to the total remuneration to the three CEOs. Further, Nelly had two CEOs in 2023: Ludvig Anderberg (1 January – 15 January 2023) and Helena Karlinder-Östlundh (from 16 January 2023). The total remuneration for 2023 refers to the aggregate total remuneration of the two CEOs.

** The consolidated income statement may be found on page 60 in the 2024 Annual Report.

*** The average remuneration has been calculated by dividing the remuneration for all employees in the Group (excluding the CEO and other senior executives) with the average number of employees during 2024.



Auditor's opinion under Chapter 8 Section 54 of the Swedish Companies Act (2005:551) as to whether the guidelines of the annual general meeting on the remuneration of senior executives have been followed

To the annual general meeting of Nelly Group AB (publ.), Corporate identity No 556035-6940

Introduction

We have audited whether the Board of Directors and the Chief Executive Officer of Nelly Group AB (publ.) during the year 2024 have followed the guidelines on remuneration of senior executives adopted at the annual general meeting on 13 May 2024.

Responsibility of the Board of Directors and the Chief Executive Officer

The Board of Directors and the Chief Executive Officer are responsible for the guidelines being followed and for the internal control that the Board of Directors and the Chief Executive Officer deem necessary to ensure that the guidelines are followed.

Responsibility of the auditor

Our responsibility is to issue an opinion, based on our audit, to the annual general meeting as to whether the guidelines have been followed. We have conducted the audit in accordance with FAR recommendation RevR 8 *Audit of remuneration of senior executives in some public limited companies*. This recommendation requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance that the guidelines adopted by the annual general meeting are followed in all material aspects. 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.

We are independent of Nelly Group AB accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

The audit has covered the company's organization for and documentation of remuneration issues for senior executives, the new decisions on remuneration that have been taken and a selection of the payments made during the financial year to the senior executives. The auditor chooses what procedures are to be performed, in part by assessing the risk of the guidelines not being followed in all material aspects. In making those risk assessments, the auditor considers internal control relevant to compliance with the guidelines in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

We believe that our audit provides a reasonable basis for our opinion set out below.

Opinion

We consider that the Board of Directors and Chief Executive Officer of Nelly Group AB (publ.) during 2024 have followed the guidelines on remuneration of senior executives adopted at the annual general meeting on 13 May 2024.

Göteborg

KPMG AB

Mathias Arvidsson

Authorized Public Accountant