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**DOCUMENTATION TO THE ANNUAL GENERAL MEETING
ON THURSDAY 12 MAY 2022**

The Nomination Committee's motivated opinion regarding its proposal for election of the Board

The Nomination Committee of Nelly Group AB (publ)

In accordance with the instruction for the Nomination Committee adopted at the 2021 Annual General Meeting, a Nomination Committee has been convened comprising members appointed by Nelly Group's largest shareholders who have wished to appoint a member. The Nomination Committee comprises Peter Lindell, appointed by Rite Ventures, Alexander Antas, appointed by Mandatum Private Equity Partnership, Mandatum Asset Management, and Anders Böös, appointed by AGB Kronlund.

The Nomination Committee appointed Peter Lindell as Chairman of the Nomination Committee at its first meeting.

The Nomination Committee's proposal for election of the Board

The Nomination Committee proposes:

- That the Board shall consist of six (6) members.
- The re-election of all current members except for Christoffer Häggblom and Stina Westerstad who have declined re-election.
- The election of Sandra Backlund, Daniel Hörnqvist och Stefan Palm as new Board members.
- The re-election of Mathias Pedersen as Chairman of the Board.

The Nomination Committee's proposal is thus that the following persons are elected to the Board of Nelly Group for the period until the end of the next Annual General Meeting:

- Mathias Pedersen, Chairman of the Board
- Sandra Backlund
- Daniel Hörnqvist
- Stefan Palm
- Maj-Louise Pizelli
- Josephine Salenstedt

The Nomination Committee's work

The Nomination Committee has held a number of meetings, with additional contact over email between meetings. The Nomination Committee has also been provided with an external performance review of the Board and its individual members, presented to the Nomination Committee by the Chairman of the Board, as well as conducted interviews with the members of the Board. In its assessment of the degree to which the proposed Board meets the requirements placed on it, the Nomination Committee has reviewed the current and proposed Board members' ability to dedicate the time and commitment required for the Board work, as well as the balance and diversity of contributions of experiences from different areas relevant to Nelly Group's strategic direction.

The Nomination Committee's motivated opinion regarding its proposal for election of the Board

The Nomination Committee proposes the re-election of all current Board members except for Christoffer Häggblom and Stina Westerstad who have declined re-election, and the new election of Sandra Backlund, Daniel Hörnqvist and Stefan Palm. The Nomination Committee is of the opinion that the additions of Sandra Backlund, Daniel Hörnqvist and Stefan Palm will bring valuable insights and experience from the fashion and lifestyle industry, consumer-focused technology in the Nordic region, digital platforms as well as customer growth and engagement through new channels.

Sandra Backlund is CFO of Rites Ventures. She has previously held positions as management

consultant at Centigo and consultant within the Business Process Solutions department at Deloitte. Sandra holds an MSc in Accounting and Finance from Hanken School of Economics in Vasa.

Daniel Hörnqvist is CEO of Frank Dandy and chairman of the board of Nordic Net Stores, that operates jakt.se, fiske.se and hund.se. He has previously been CEO of Addnature and Regional Manager Nordic at internetstores. Daniel holds a degree in sports marketing and leadership from IHM.

Stefan Palm has over 30 years of experience from the fashion and textile industry and is founder, board member and CEO of Lager 157.

The Nomination Committee considers that the proposed Board is balanced and has the strategic, operational and financial expertise and perspective required to further develop Nelly's fashion and lifestyle platforms and channels as well as to benefit from changing consumer behaviours and growth opportunities in the fashion industry. Furthermore, the Board has extensive experience in leading consumer lifestyle companies as well as in managing fashion businesses and implementing the transformation processes required to support Nelly Group's management in creating value for the company's shareholders. The proposed Board composition will thus provide an important support to Nelly Group in the implementation of its strategic initiatives.

In its work, the Nomination Committee has applied rule 4.1 of the Swedish Corporate Governance Code as its diversity policy. Accordingly, the Committee has considered the importance of an increased diversity in the Board, including gender, age and nationality, as well as depth of experiences, professional backgrounds and business disciplines. The Nomination Committee believes the composition of the proposed Board is fit-for-purpose in respect of the various dimensions of diversity, and will continue to pursue a high degree of diversity and gender balance in its efforts to compose the most capable Board.

Statement on independence

The Nomination Committee has evaluated each Board member's independence, and has found that the proposed Board is in compliance with the Swedish Corporate Governance Code's requirements for independence.

April 2022

THE NOMINATION COMMITTEE

Nelly Group AB (publ)

Information on the proposed members of the Board

Mathias Pedersen

Chairman of the Board
Swedish citizen
Born 1971

Mathias Pedersen has been a member of the Board of Nelly Group since September 2020 and Chairman of the Board since December 2020. Mathias is CFO of Niam AB. Mathias was CFO of Nelly Group between August 2016 and June 2020 and thereafter CEO until November 2020. Mathias previously held the position as Investment Director at Kinnevik AB. His previous positions include CFO of East Capital Group, East Capital Explorer and ETAC and positions within equity research at Investor AB and the Wallenberg Foundations. Mathias holds a master's degree from Stockholm School of Economics and a PMD in General Management from Harvard Business School.

Chairman of the Audit Committee and member of the Remuneration Committee.

Independent of the company, executive management and major shareholders.

Shareholding (including closely related persons): 23,999 shares.

Maj-Louise Pizzelli

Board member
Swedish citizen
Born 1963

Maj-Louise Pizzelli has been a member of the Board of Nelly Group since December 2020. Maj-Louise is co-founder, CEO and board member of ATP Atelier (All Tomorrows Parties AB) and HOW Fashion Industry Aktiebolag, as well as board member of Swedish Fashion Association. Previous positions include board member of Nelly Group's subsidiary Nelly NLY AB and Stutterheim Raincoats (2017-2019) as well as Assortment Director at JC / Brothers (2012-2013), Director Axstores Far East at Åhléns AB (2009-2012) and Product Director at Filippa K (1995-2008). Maj-Louise studied at the Swedish School of Textiles in Borås.

Independent of the company, executive management and major shareholders

Shareholding (including closely related persons): -

Josephine Salenstedt

Board member
Swedish citizen
Born 1984

Josephine Salenstedt has been a member of the Board of Nelly Group since September 2020. Josephine is Partner at Rite Ventures and holds positions as Chair of the Board of CDON AB and Söder Sportfiske AB. Her previous assignments include, among others, Chair of the Board of Skincity as well as board member of Doro AB and Paradox Interactive AB. Josephine holds a master's degree in finance from Stockholm School of Economics.

Member of the Audit Committee and the Remuneration Committee.

Independent of the company and executive management but not independent of major shareholders.

Shareholding (including closely related persons): Rite Ventures owns 4,634,348 shares.

Sandra Backlund

Proposed new Board member
Finnish citizen
Born 1990

Sandra Backlund is CFO of Rites Ventures. She has previously held positions as management consultant at Centigo and consultant within the Business Process Solutions department at Deloitte. Sandra holds an MSc in Accounting and Finance from Hanken School of Economics in Vasa.

Independent of the company and executive management but not independent of major shareholders.

Shareholding (including closely related persons): -

Daniel Hörnqvist

Proposed new Board member
Swedish citizen
Born 1985

Daniel Hörnqvist is CEO of Frank Dandy and chairman of the board of Nordic Net Stores, that operates jakt.se, fiske.se and hund.se. He has previously held positions as CEO of Addnature and Regional Manager Nordic at internetstores. Daniel holds a degree in sports marketing and leadership from IHM.

Independent of the company and executive management but not independent of major shareholders.

Shareholding (including closely related persons): -

Stefan Palm

Proposed new Board member
Swedish citizen
Born 1970

Stefan Palm has over 30 years of experience from the fashion and textile industry and is founder, Board member and CEO of Lager 157.

Independent of the company and executive management but not independent of major shareholders.

Shareholding (including closely related persons): 2,543,149 shares.

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

The Board hereby presents the following statement in accordance with Chapter 19 Section 22 of the Swedish Companies Act. The Board's reasons for the proposed authorisation to resolve to repurchase 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 2021 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 2021 is stated in the 2021 Annual Report. The principles applied for valuation of assets and liabilities are also stated in the 2021 Annual Report.
- The Group's equity attributable to the Parent Company's shareholders amounted to SEK 204.4 million as of 31 December 2021, and the Parent Company's unrestricted equity totalled SEK 114.4 million.
- The Group's equity/assets ratio amounts to 23 percent. At 31 December 2021, the Group's liquidity reserve, including short-term investments and available unutilized credit facilities, totalled SEK 257.5 million, and the debt/equity ratio was 0.
- 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 Group, this would amount to approximately SEK 4.4 million based on the closing price for Nelly Group's ordinary share on 6 April 2022, SEK 23.65.

The proposed authorisation to repurchase own ordinary shares do not endanger the continuation of planned investments, and Nelly Group'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 2022

Nelly Group AB (publ)

THE BOARD OF DIRECTORS

The Board's remuneration report for 2021

Introduction

This remuneration report describes how the guidelines for remuneration to senior executives in Nelly Group AB (publ) ("Nelly Group" or the "company"), adopted at the Extraordinary General Meeting in December 2020, were implemented in 2021. The report also provides information on remuneration paid to the Chief Executive Officer (the "CEO") as well as a summary of the company's outstanding, and during the year ended, share-related incentive plans. The report has been prepared in accordance with the Swedish Companies Act and the Rules on Remuneration of the Board and Executive Management and on Incentive Programmes, issued by the Swedish Corporate Governance Board.

The information required under Chapter 5 Sections 40-44 of the Annual Accounts Act is provided in note 22 on pages 101-110 in Nelly Group's 2021 Annual Report. Information regarding the work of the Remuneration Committee in 2021 is set out in the Corporate Governance Report on page 52 in the 2021 Annual Report.

Remuneration to the Board is not covered by this report. Such remuneration is resolved annually by the Annual General Meeting and disclosed in note 22 on page 108 in the 2021 Annual Report.

Key developments 2021

The CEO summarizes the company's overall performance in her statement on pages 3-4 in the 2021 Annual Report.

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

A prerequisite for the successful implementation of Nelly Group's business strategy and safeguarding of its long-term interests, including its sustainability, is that Nelly Group is able to attract, motivate and retain senior executives. To this end, it is necessary that the company offers competitive remuneration. The remuneration guidelines enable the company to offer a competitive total remuneration. Under the remuneration guidelines, executive remuneration shall be on market terms and may consist of the following components: fixed cash salary, variable cash remuneration, the possibility of participating in long-term share and share price related incentive plans resolved upon by the general meeting and cash-based incentive plans, pension benefits and other customary benefits. The variable cash remuneration shall be linked to financial or non-financial criteria, which may be quantitative, qualitative, general and individualized objectives. The criteria shall be designed to contribute to the company's business strategy and long-term interests, including its sustainability.

The applicable remuneration guidelines adopted at the Extraordinary General Meeting on 16 December 2021 can be found on pages 55-57 in the 2021 Annual Report and on the company's website www.nellygroup.com.

During 2021, 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. The Auditor's report regarding the company's compliance with the guidelines is available on the company's website www.nellygroup.com.

No remuneration has been reclaimed.

In addition to remuneration covered by the remuneration guidelines, Nelly Group's general meetings has resolved to implement long-term share-related incentive plans.

Total remuneration to the CEO in 2021 (TSEK)

Name of Director, position	1 Fixed remuneration		2 Variable remuneration		3	4	5	6
	Base salary	Other benefits	One-year	Multi-year	Extraordinary items	Pension expense	Total remuneration	Proportion of fixed and variable remuneration **
Kristina Lukes, CEO	2,340	63	1,907*	-	0	731	5,041	88% / 12%

*SEK 410 thousand relates to variable cash remuneration (bonus) earned in 2021 and paid out in Q1 2022, and SEK 1,497 thousand relates to cash remuneration paid out under the Ownership Plan 2020 (as defined below).

** Pension expense (column 4), which relates to base salary and is premium defined, has been entirely accounted for as fixed remuneration.

Outstanding and during the year ended share-related incentive plans

Ownership Plan 2020

Nelly Group's Extraordinary General Meeting held on 16 December 2020 resolved to adopt a long-term incentive plan ("Ownership Plan 2020") for Nelly Group's CEO and two other senior executives in the company. The purpose of Ownership Plan 2020 is to enable Nelly Group to retain key personnel in the company's executive management team expected to contribute to the company's continued development. The remuneration shall promote sustainable decisions to achieve results that are aligned with the company's vision and overarching strategy.

Under Ownership Plan 2020, the participants have made a personal investment in the company by acquiring ordinary Nelly Group shares ("Investment Shares"). Based on the number of allocated Investment Shares, the participants are entitled to be allotted shares in the company ("Ownership Shares") subject to the fulfilment of certain terms and conditions. The participants may only retain the Ownership Shares under the terms and conditions set out in Ownership Plan 2020. Ownership Shares are vested during the period from and including 1 January 2021 up to and including 31 December 2027 (the "Vesting Period"). After the end of the Vesting Period, the participants may retain and freely dispose the allotted Ownership Shares, as well as any thereto related dividend or equivalent, provided that the participant has acquired and during the entire Vesting Period retained Investment Shares corresponding to the number of Ownership Shares allotted to the participant. If the participant has acquired less Investment Shares than the number of Ownership Shares allotted to the participant, the number of Ownership Shares shall be adjusted accordingly.

The general rule is that the Ownership Shares are vested linearly during the Vesting Period, meaning that at the end of each year under Ownership Plan 2020, 1/7 of the total number of Ownership Shares that the participant may be entitled to under the Ownership Plan 2020 will be vested.

During 2021, the three participants allocated a total of 53,983 Investment Shares to Ownership Plan 2020 (of which 34,323 Investment Shares were allocated by the CEO) and were awarded a total of 53,983 Ownership Shares (of which 34,323 Ownership Shares were allocated to the CEO) by the company. The maximum dilution under Ownership Plan 2020 can amount to approximately 0.3 percent of the share capital and votes of the company.

PSP 2019 (terminated during 2022)

Nelly Group's long-term three-year performance share plan ("PSP 2019") was adopted at the 2019 Annual General Meeting. PSP 2019 initially comprised 22 senior executives and other key employees in Nelly Group; at the end of 2021 there was two remaining participants in PSP 2019.

Under PSP 2019, the participants have acquired ordinary shares in Nelly Group ("Savings Shares") through a personal investment. For each Saving Share, Nelly Group has allotted the participants retention- and performance-based share rights free-of-charge. The share rights were divided into Class A (retention rights) and Class B (performance rights). Subject to fulfilment of certain retention-

and performance-based conditions during the period 1 April 2019 – 31 March 2022 (the "Measurement Period"), each share right entitled the participant to receive one (1) ordinary share in the company free-of-charge. The right to finally be awarded shares was also dependent on the participant retaining the Savings Shares, and, with certain exceptions, still being employed in Nelly Group at the time of disclosure of the interim report for the period January-March 2022. The number of shares that the participant could be awarded based on the share rights depended partly on the category to which the participant belonged and partly on the fulfilment of the following retention- and performance-based conditions: (a) Class A: total shareholder return ("TSR") on Nelly Group's ordinary share during the Measurement Period shall exceed 0 percent; (b) Class B: the average annual TSR on Nelly Group's ordinary share during the Measurement Period shall be 10 percent to reach the entry target and 20 percent or more to reach the stretch target. The retention- and performance-based rights were exercisable after publication of the interim report for the first quarter 2022. The Company's current CEO did not participate in PSP 2019. However, none of the retention- and performance-based conditions in PSP 2019 were met during the Measurement Period and hence all share rights granted by the company to participants in PSP 2019 lapsed and the plan was terminated in April 2022.

PSP 2018 (terminated during 2021)

Nelly Group's long-term three-year performance share plan ("PSP 2018") was adopted at the 2018 Annual General Meeting. PSP 2018 initially comprised 24 senior executives and other key employees in Nelly Group; at the end of 2021 there were two remaining participants in PSP 2018.

PSP 2018 had a similar structure as PSP 2019. In PSP 2018, the measurement period for fulfilment of the retention- and performance-based conditions (TSR and average annual TSR) was 1 April 2018 - 31 March 2021. The retention- and performance-based share rights granted in PSP 2018 were exercisable after the publication of Nelly Group's interim report for the first quarter 2021. However, none of the retention- and performance-based conditions in PSP 2018 were met during the measurement period and hence all share rights granted by the company to participants in PSP 2018 lapsed and the plan was terminated in April 2021.

Additional information

Additional information on outstanding and during the year ended share-related incentive plans can be found in note 22 on pages 102-105 in Nelly Group's 2021 Annual Report.

Application of performance criteria for variable remuneration

The performance criteria for the CEO's variable cash remuneration for 2021 were set during the first quarter of 2021. The performance criteria were selected taking into account Nelly Group's strategic objectives and short and long-term business priorities for 2021.

Performance of the CEO during 2021: variable cash remuneration

Name of the Director, position	Description of the criteria related to the remuneration component	Relative weighting of the performance criteria	a) has the target been reached? b) actual remuneration outcome
Kristina Lukes, CEO	EBIT (2021)	50%	a) no b) 0 tkr
	Discretionary evaluation based on criteria determined by the Board	50%	a) 35% fulfilled b) 410 TSEK

Comparative information on the change of remuneration and company performance

	Financial year 2021	Financial year 2020	Financial year 2020 vs Financial year 2021
Total remuneration to the CEO (MSEK)*	3.5	10.5	-7.0
Group operating profit (MSEK)	-38.6	-45.9	7.3
Group profit after tax for continuing and discontinued operations (MSEK)**	-47.8	512.1	-559.9
Average remuneration on a full-time equivalent basis of employees of the Group*** (TSEK)	501	424	77

* During 2020, Nelly Group had three Chief Executive Officers, 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 aggregate total remuneration to the three Chief Executive Officers.

** The consolidated income statement can be found on the page 62 in Nelly Group's 2021 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 2021 (see page 101, note 22 and page 100, note 21 in the 2021 Annual Report).



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 2021 have followed the guidelines on remuneration of senior executives adopted at the extraordinary general meeting on 16 December 2020.

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 audit firm applies International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and 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 2021 have followed the guidelines on remuneration of senior executives adopted at the extraordinary general meeting on 16 December 2020.

Gothenburg April 12th, 2022

KPMG AB

Mathias Arvidsson

Authorized Public Accountant