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NELLY GROUP AB (PUBL)

**DOCUMENTATION TO THE EXTRAORDINARY GENERAL MEETING ON
WEDNESDAY 16 DECEMBER 2020**

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1. The Nomination Committee's motivated opinion regarding its proposal for election of the Board (including information on the proposed new members of the Board)

Nelly Group Nomination Committee

In accordance with the procedure of the Nomination Committee adopted at the Annual General Meeting 2018, a Nomination Committee consisting of members appointed by the largest shareholders of Nelly Group that wished to appoint a member has been convened. The Nomination Committee consists of Christoffer Häggblom, appointed by Rite Ventures, Alexander Antas, appointed by Mandatum and Martin Jonsson, appointed by Catella Fonder. At the Nomination Committee's first meeting, Christoffer Häggblom was appointed Chairman of the Nomination Committee by the members of the Nomination Committee, which constitutes a deviation from the Swedish Corporate Governance Code. The other members of the Nomination Committee have explained the appointment as being in the company's and its shareholders' best interests and a natural consequence of Christoffer Häggblom representing the company's largest shareholder.

The Nomination Committee's proposal for election of the Board

The Nomination Committee proposes the following:

- That the Board shall consist of six members.
- That Maj-Louise Pizzelli, Louise Nylén and Stina Westerstad shall be elected as new members of the Board until the close of the next Annual General Meeting.
- That Mathias Pedersen shall be elected as Chairman of the Board.

The Nomination Committee's proposal is thus that the following persons shall be members of the Board of Nelly Group for a term of office until the end of the next Annual General Meeting:

- Mathias Pedersen, Chairman of the Board
- Christoffer Häggblom
- Josephine Salenstedt
- Maj-Louise Pizzelli
- Louise Nylén
- Stina Westerstad

Information on the proposed members of the Board

Maj-Louise Pizzelli was born 1963 and studied at the Swedish School of Textiles in Borås. Maj-Louise Pizzelli is currently a board member of Nelly Group's subsidiary Nelly NLY AB, 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 and was previously, inter alia, board member of Stutterheim Raincoats (2017-2019), Assortment Director at JC / Brothers (2012-2013), Director Axstores Far East at Åhlens AB (2009-2012) and Product Director at Filippa K (1995-2008).

Maj-Louise Pizzelli does not hold any shares in Nelly Group.

The Nomination Committee's assessment is that Maj-Louise Pizzelli is independent of the company and the executive management and independent of the company's major shareholders.

Louise Nylén was born 1976 and holds a MSc in Finance from Stockholm School of Economics. Louise Nylén is a board member of Nelly Group's subsidiary Nelly NLY AB and CEO of Dynamic Code AB and was previously, inter alia, CMO of Trustly (2019-2020), deputy CEO and CMO of LeoVegas (2013-2019) and Senior Director at OSM Group AB (2005-2013).

Louise Nylén does not hold any shares in Nelly Group.

The Nomination Committee's assessment is that Louise Nylén is independent of the company and the executive management and independent of the company's major shareholders.

Stina Westerstad was born 1974 and holds an MSc in Economics from Lund University. Stina Westerstad is a board member of Nelly Group's subsidiary Nelly NLY AB, CEO of BabyBjörn AB and board member of SkinCity and was previously, inter alia, CEO of Afound and held several senior positions in the H&M Group between 1999-2018, most recently as Global Buying Director.

Stina Westerstad does not hold any shares in Nelly Group.

The Nomination Committee's assessment is that Stina Westerstad is independent of the company and the executive management and independent of the company's major shareholders.

The Nomination Committee's work

The Nomination Committee has held one meeting, and has held discussions before and after the meeting. In light of the fact that the shares in the former subsidiaries Qliro and CDON have now been distributed to Nelly Group's shareholders, meaning that Nelly is the only remaining business in the company, the Nomination Committee's work has primarily focused on achieving a composition of the Board that contains the experiences and competencies that will be relevant for Nelly Group going forward.

In its assessment of the degree to which the current Board meets the requirements placed on it, the Nomination Committee has reviewed the balance and diversity of contributions of experiences from different business sectors and geographies relevant to Nelly Group's strategic direction.

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

The Nomination Committee is of the opinion that the proposed Board demonstrates the right skills and commitment needed to support Nelly Group's management in its delivery of value creation for the company's shareholders and possesses valuable insights and experiences from the fashion industry and technology-enabled consumer-facing sectors in the Nordics. The Nomination Committee believes that the proposed composition of individuals on the Board will be of great support to Nelly Group's execution of the company's 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 given particular consideration to the importance of an increased diversity on the Board, including gender, age and nationality, as well as depth of experiences, professional backgrounds and business disciplines. The Committee believes the composition of the proposed Board is adequately diverse in respect of its set of experiences and solid mix of relevant skillsets matching the priorities of Nelly Group. As part of its efforts to find the most competent Board members the Committee will continue to pursue an increased gender balance.

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

Mathias Pedersen was the CEO of the company until November 2020, Chairman of the Board for the subsidiary Nelly, and carried out the division of the group into three separate companies. Mathias Pedersen is an important component of the Board with his competence and experience of the company's operations. In view of the changes that the group has undergone, the Nomination Committee considers it to be particularly important to maintain continuity in the Board's work, and Mathias Pedersen is therefore considered to be the most suitable candidate as Chairman of the 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.

November 2020

THE NOMINATION COMMITTEE OF
NELLY GROUP AB (PUBL)

2. Proposed wording of the Articles of Association

Articles of Association

Nelly Group AB (publ), reg. no. 556035-6940

Adopted by the Extraordinary General Meeting on 16 December 2020

N.B. This is an in-house translation of the authorised Swedish Articles of Association and for convenience only.

§ 1

The Company's name is Nelly Group AB. The Company is public (publ).

§ 2

The board of directors shall have its registered office in Stockholm.

§ 3

The primary purpose of the Company's business shall be to generate profit for its shareholders.

The object of the Company's business shall be to own and manage real property and movables, primarily through investments in businesses within the areas internet, online, e-commerce and retailing primarily with consumer brands and products. Furthermore, the object of the Company's business shall be to conduct business operations compatible with the above mentioned businesses.

The Company shall have the right to guarantee or otherwise pledge security for obligations assumed by other companies within the group.

§ 4

The Company's share capital shall be not less than SEK 100,000,000 and not more than SEK 400,000,000.

The number of shares in the Company shall be not less than 15,000,000 and not more than 60,000,000.

Shares may be issued in two classes, ordinary shares and Class C shares. Ordinary shares may be issued up to a maximum amount of 60,000,000 and Class C shares up to a maximum amount of 60,000,000.

Class C shares do not entitle to dividends. Upon the Company's liquidation, Class C shares carry an equivalent right to the Company's assets as the other classes of shares, however not to an amount exceeding up to the quota value of the share, annualised as per day of distribution with an interest rate of STIBOR 1M with an additional 1 percentage point calculated from the day of payment of the subscription price. STIBOR 1M is set on the first business day of each calendar month.

Should the Company resolve on an issue of new ordinary and Class C shares, against other payment than contribution in kind, each holder of ordinary and Class C shares has preferential rights to subscribe for new shares of the same class in proportion to the number of old shares held by such holder (primary preferential rights). Shares not subscribed for with primary preferential rights shall be offered for subscription to all shareholders in the Company (subsidiary preferential rights). If the number of shares so offered is less than the number subscribed for with subsidiary preferential rights, the shares shall be distributed among the subscribers in proportion to the number of already shares held, or, to the extent that this is not possible, by lot.

Should the Company resolve on an issue of new shares solely of ordinary shares or Class C shares, against other payment than contribution in kind, all shareholders, irrespective of which class of shares held, are entitled to preferential rights to subscribe for new shares in proportion to the number of shares previously held.

The stipulations regarding preferential rights shall apply mutatis mutandis for new issues of warrants and convertible debt, and shall not infringe on the possibility to resolve on an issue in which the preferential rights of shareholders are waived.

If the share capital is increased by a bonus issue, where new shares are issued, new shares shall be issued in relation to the number of shares of the same classes already held. In such cases, old shares of a specific class shall entitle to new shares of the same class. Following a requisite amendment in the Articles of Association, the aforementioned stipulation shall not infringe on the possibility to issue shares of a new class by a bonus issue.

Reduction of the share capital, however not below the minimum share capital, may on request of holders of Class C shares or as resolved by the Company's Board of Directors or General Meeting, be made by redemption of Class C shares. A request from a shareholder shall be made in writing to the Company's Board of Directors and the Board of Directors shall promptly act on the matter. When a resolution on reduction has been passed, an amount corresponding to the reduction amount shall be transferred to the Company's equity reserves, if the required funds are available.

The redemption payment per Class C share shall correspond to the quota value of the share annualised per day with an interest rate of STIBOR 1M with additional 1 percentage point calculated from the day of payment of the subscription price. STIBOR 1M shall be initially set on the day of payment of the subscription price.

Following notice of the redemption resolution, holders having requested redemption shall promptly receive payment for the share, or, if authorisation from the Swedish Companies Registration Office or a court is required, following notice that the final decision has been registered.

Class C shares held by the Company, may upon decision by the Board of Directors be reclassified into ordinary shares, provided that the Class C shares are held by the Company. Immediately thereafter, the Board of Directors shall report the reclassification to the Swedish Companies Registration Office (Sw. Bolagsverket) for registration. The reclassification is effected when it has been registered and the reclassification been noted in the Swedish Central Securities Depository.

§ 5

The board shall consist of no less than three and no more than nine directors.

§ 6

The Company shall as Auditor have no less than one and no more than three registered accounting firms. The Auditors term of office shall last until the end of the first Annual General Meeting which is held after the year the Auditor was appointed.

§ 7

Notice of a general meeting of shareholders shall be published in the Official Swedish Gazette (Post- och Inrikes Tidningar) as well as 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.

§ 8

To be entitled to participate in a general meeting, shareholders must give notice to the company no later than on the day stipulated in the notice of the meeting. This day may not be a Sunday, another public holiday, a Saturday, Midsummer's Eve, Christmas Eve or New Year's Eve, and may not fall before the fifth business day prior to the meeting.

A shareholder attending a general meeting may be accompanied by an assistant, however only where the shareholder has provided notification hereof in accordance with the foregoing paragraph.

§ 9

The Board of Directors may collect powers of attorney in accordance with the procedure described in Chapter 7, section 4, second paragraph of the Companies Act (2005:551).

The Board of Directors has the right before a General Meeting to decide that shareholders shall be able to exercise their right to vote by post before the General Meeting.

§ 10

The shareholder or nominee who on the record date is registered in the share register and in a central securities depository register pursuant to Chapter 4 of the Central Securities Depositories and Financial Instruments Accounts Act (1998:1479) or any person who is registered in a central securities depository account pursuant to Chapter 4, Section 18 first paragraph 6-8 of the mentioned Act, shall be deemed to be authorised to exercise the rights set out in Chapter 4, Section 39 of the Companies Act (2005:551).

§ 11

The Company's financial year shall be the calendar year.
