

**NELLY.COM**

**DOCUMENTATION TO THE ANNUAL GENERAL  
MEETING ON MONDAY 13 MAY 2024**

## **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 by the 2021 Annual General Meeting, a Nomination Committee has been convened comprising members appointed by Nelly's largest shareholders who have wished to appoint a member. The Nomination Committee comprises Hugo Näslund, appointed by Rite Ventures, Stefan Palm, appointed by ettfemsju själ AB, and Alexander Antas, appointed by Mandatum Life Insurance Company. Hugo Näslund has been appointed Chairman of the Nomination Committee.

### **The Nomination Committee's proposal for election of the Board**

The Nomination Committee proposes:

- That the Board shall consist of six (6) members.
- Re-election of all current Board members.
- Re-election of Ebba Ljungerud as Chair of the Board.

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

- Ebba Ljungerud, Chair of the Board
- Daniel Hörnqvist
- Stefan Palm
- Josephine Salenstedt
- Lennart Sparud
- Axel Westphalen

### **The Nomination Committee's work**

The Nomination Committee has held a number of meetings, with additional contact between meetings. The Committee has also been provided with an external review of the Board and its members, presented to the Nomination Committee by the Chair 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 Committee has reviewed the Board members' ability to dedicate the time and commitment required for the Board work, as well as the balance and diversity of Board members' experience from different areas relevant to Nelly's strategic direction.

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

The Nomination Committee proposes re-election of all Board members. The Committee is of the opinion that the proposed Board is balanced and has the strategic, operational and financial expertise and perspective required to further develop Nelly's platforms as well as to benefit from changing consumer behaviours and growth opportunities in the fashion industry. The Board further has extensive experience in leading consumer-oriented companies and, through an improved customer experience, create conditions for profitability and growth as well as implementing the result-focused and cost-efficient transformation processes required to support Nelly's management in creating value for the shareholders. The proposed Board composition will thus constitute an important support to Nelly's management in the implementation of the company's profitability and growth strategy.

In its work, the Nomination Committee has applied rule 4.1 of the Swedish Corporate Governance Code as its diversity policy. Accordingly, the Nomination Committee has in particular considered the importance of an increased diversity in the Board, including gender, age and nationality, as well as 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 on independence. Daniel Hörnqvist has a consulting assignment for Nelly in addition to his ordinary Board work. After an overall assessment of the scope of the assignment and other circumstances, the Committee has concluded that Daniel shall be considered independent in relation to the company and its management.

April 2024

THE NOMINATION COMMITTEE

Nelly Group AB (publ)

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## Information on the proposed members of the Board

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### **Ebba Ljungerud**

Chair of the Board  
Swedish citizen  
Born 1972

Ebba Ljungerud was elected as Chair of the Board of Nelly in 2023. Ebba Ljungerud is Chair of the Board of Canucci AB, and Board member of EG7 AB (publ), STAR STABLE ENTERTAINMENT AB, Goals AB and RugVista Group AB (publ). Previously, she was the CEO of Paradox Interactive AB (publ), a Swedish listed gaming company, and held several leading roles at Kindred Group PLC and Betsson AB (publ). Additionally, she was a Board member of Paradox Interactive AB (publ) and Bingo.com Ltd. Ebba holds a degree in economics from Lund University.

Independent of the company, the executive management and major shareholders.

Shareholding (including closely related persons): 121,667 shares.

### **Daniel Hörnqvist**

Board member  
Swedish citizen  
Born 1985

Daniel Hörnqvist was elected as Board member of Nelly in 2022. Daniel Hörnqvist is the CEO of Frank Dandy and Chair of the Board of Nordic Net Stores, which operates jakt.se, fiske.se and hund.se. He was previously the CEO of Addnature and Regional Manager Nordic at internetstores. Daniel has a degree in sports marketing and leadership from IHM.

Independent of the company and the executive management, not of major shareholders.

Shareholding (including closely related persons): 22,384 shares.

### **Stefan Palm**

Board member  
Swedish citizen  
Born 1970

Stefan Palm was elected as Board member of Nelly in 2022. Stefan Palm has over 30 years of experience in the fashion and textile industries and is founder, Board member and CEO of Lager 157.

Independent of the company and the executive management, not of major shareholders.

Shareholding (including closely related persons): 5,062,605 shares.

### **Josephine Salenstedt**

Board member  
Swedish citizen  
Born 1984

Josephine Salenstedt was elected as Board member of Nelly in 2020. Josephine Salenstedt is Managing partner and Board member of Rite Ventures, has assignments as Board member of CDON AB and is Chair of the Board of Söder Sportfiske AB. Her previous positions include Chair of the Board of Skincity and Board member of Paradox Interactive AB. Josephine has a degree in business administration from the Stockholm School of Economics.

Independent of the company and the executive management, not of major shareholders.

Shareholding (including closely related persons): Rite Ventures holds 8,714,520 shares.

**Lennart Sparud**

Board member  
Swedish citizen  
Born 1969

Lennart Sparud was elected as Board member of Nelly in 2023. Lennart Sparud is the CFO at Hjo Installation AB. Lennart is also Board member of SETEK Group AB and Spencer Invest AB. He has previously served as a Board member of Alelion Energy Systems AB (publ) and CFO for, among others, Hexatronic Group AB (publ), Thunderful Group AB (publ), Salinity Group AB, Vagabond International Aktiebolag and Profura AB. Lennart holds a bachelor's degree in economics and law from Gothenburg University.

Independent of the company, the executive management and major shareholders.

Shareholding (including closely related persons): 6,488 shares.

**Axel Westphalen**

Board member  
Swedish citizen  
Born 1991

Axel Westphalen was elected as Board member of Nelly in 2023. Axel Westphalen is an Investment Manager at Nelly's largest shareholder Rite Ventures, Board member of SoftCo Invest AB and a Board member at the listed company Heeros Oyj. Prior to joining Rite Ventures, he served as an Associate Partner at McKinsey & Company in Stockholm and Genève. Axel holds a master's degree in International Business from Stockholm School of Economics and a master's degree in International Management from CEMS.

Independent of the company and the executive management, not of major shareholders.

Shareholding (including closely related persons): Rite Ventures holds 8,714,520 shares.

## **The Board's Remuneration Report for 2023**

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### **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 Extraordinary General Meeting in December 2020, were applied in 2023. The report also provides information on remuneration to the CEO and Board members (in addition to ordinary board remuneration) and a general description of outstanding and during the year ended share-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 101-107 in the 2023 Annual Report. Information regarding the work of the Remuneration Committee during 2023 is set out in the Corporate Governance Report on page 56 in the 2023 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 101 -107 in the 2023 Annual Report.

### **Key developments 2023**

The CEO summarizes the company's overall performance in her statement on pages 5-6 in the 2023 Annual Report.

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

A prerequisite for the successful implementation of Nelly's business strategy and safeguarding of its long-term interests, including its sustainability, is that Nelly is able to attract, motivate and retain senior executives. To this end, it is necessary that the company can offer competitive remuneration. The remuneration guidelines enable the company to offer a competitive total remuneration to senior executives. 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 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 in December 2020 can be found on pages 101-102 in the 2023 Annual Report and on the company's website [www.nellygroup.com](http://www.nellygroup.com). During 2023, 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](http://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, long-term interests and sustainability and the proposed guidelines to the 2024 Annual General Meeting is therefore in all material respects in line with the current guidelines.

### **Remuneration to a Board member outside of the board assignment**

In 2023, Nelly paid Ebba Ljungerud TSEK 500 in consultancy fees.

## Total remuneration to the CEO in 2023 (TSEK)<sup>1)</sup>

	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
Helena Karlinder-Östlundh	2,164	22	380	-	190	472	3,228	82 % / 18 %
Ludvig Anderberg	1,086	13	-	-	-	205	1,304	100 % / 0 %

1) The table shows remuneration due in 2023 that is included in the income statement for 2023.

## Outstanding and during the year ended 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. At the end of 2023, there was 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 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.

Nelly's CEO Helena Karlinder-Östlundh does not participate in PSP 2022.

### Additional information

Additional information on outstanding and during the year ended share-related incentive plans may be found on the pages 102-103 in the 2023 Annual Report.

## Application of performance criteria for variable remuneration

The performance criteria for the CEO's variable cash remuneration for 2023 were set during the first quarter of 2023. In the selection of performance criteria, Nelly's strategic objectives and short-term and long-term business priorities for 2023 have been taken into account.

### Performance of the CEO during 2023: 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	100%	a) 50% b) TSEK 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
Total remuneration to the CEO (MSEK)*	-7.0	+2.0	-0.9	4.6
The Group's operating profits (MSEK)	+7.3	-17.5	+67.0	10.9
The Group's profit after tax for continuing and discontinued operations (MSEK)**	-559.9	-23.9	+70.2	-1.5
Average remuneration on a full-time equivalent basis of employees of the Group*** (TSEK)	+77	-18	+20	503

\* 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 64 in the 2023 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 2023.





Translation from the Swedish original

**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 2023 have followed the guidelines on remuneration of senior executives adopted at the annual general meeting on June 30, 2023.

**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 (publ) 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) (publ.) during 2023 have followed the guidelines on remuneration of senior executives adopted at the annual general meeting on June 30, 2023.

Göteborg

KPMG AB

*Signed on the Swedish original*

Mathias Arvidsson

Authorized Public Accountant