

## **§ 1**

### Election of Chairman of the Annual General Meeting (agenda item 1)

The Meeting elected Tone Myhre-Jensen, member of the Swedish Bar Association, as Chairman of the Meeting, in accordance with the Nomination Committee's proposal.

It was noted that Matilda Larsson had been appointed to keep the minutes at the Meeting.

It was further noted that the Meeting was held in accordance with Sections 20 and 22 of the Act (2022:121) on temporary exceptions to facilitate the execution of general meetings in companies and other associations, allowing shareholders to exercise their voting rights at the Meeting only through postal voting in advance.

The notice of the Meeting was enclosed to the minutes, Appendix 1.

The form used for postal voting was enclosed to the minutes, Appendix 2.

A compilation of the overall result of postal votes on each agenda item covered by postal voting was enclosed, Appendix 3, including the information prescribed in Section 26 in the abovementioned Act (2022:121).

It was noted that the shareholders had been given the opportunity to request information in writing from the company and that no such request had been received by the company and that no request had been made under Section 25 in the abovementioned Act (2022:121).

## **§ 2**

### Approval of the agenda (agenda item 2)

The Meeting approved the proposed agenda, Appendix 4, which had been included in the notice convening the Meeting.

It was noted that the Annual Report and the Auditors' Report as well as the consolidated financial statements and the Auditors' Report on the consolidated financial statements for the financial year 2021, the Board's Remuneration Report and the other documents to the Annual General Meeting were presented by being held available at the company and on the company's website.

## **§ 3**

### Election of one or two persons to check and verify the minutes (agenda item 3)

The Meeting elected Jonathan Sundqvist, representing Rite Ventures, to check and verify the minutes jointly with the Chairman of the Meeting.

It was noted that the assignment to check and verify the minutes also include verifying the voting list and that the postal votes are correctly reflected in the minutes.

#### **§ 4**

##### Preparation and approval of the voting list (agenda item 4)

The Meeting approved the list, Appendix 5, prepared by Computershare AB on behalf of the company, as voting list for the Annual General Meeting.

#### **§ 5**

##### Determination of whether the Annual General Meeting has been duly convened (agenda item 5)

The Meeting resolved to declare the Meeting duly convened.

#### **§ 6**

##### Presentation of the Annual Report, the Auditors' Report and the consolidated financial statements and the Auditors' Report on the consolidated financial statements (agenda item 6)

It was noted that the Annual Report and the Auditors' Report as well as the consolidated financial statements and the Auditors' Report on the consolidated financial statements for the financial year 2021 were presented by being held available at the company and on the company's website.

#### **§ 7**

##### Resolution on the adoption of the income statement and the balance sheet as well as the consolidated income statement and the consolidated balance sheet (agenda item 7)

The Meeting resolved to adopt the income statements for 2021 and balance sheets as per 31 December 2021 for the Parent Company and the Group.

#### **§ 8**

##### Resolution on the proposed treatment of the company's result as stated in the adopted balance sheet (agenda item 8)

The Meeting resolved, in accordance with the Board's proposal, that the company's result should be distributed so that the retained earnings, the share premium reserve and the result for the year is carried forward.

#### **§ 9**

##### Resolution on the discharge of liability of the members of the Board and the Chief Executive Officer (agenda item 9)

The Meeting discharged the members of the Board and the Chief Executive Officer from liability for the management of the company and its affairs during 2021.

## **§ 10**

### Presentation and resolution on approval of the Remuneration Report (agenda item 10)

It was noted that the Board's Remuneration Report for 2021 was presented by being held available at the company and on the company's website.

The Meeting resolved to approve the Board's Remuneration Report for 2021.

## **§ 11**

### Determination of the number of members of the Board (agenda item 11)

The Meeting resolved, in accordance with the Nomination Committee's proposal, that the Board, for the period until the end of the next Annual General Meeting, shall consist of six (6) members.

## **§ 12**

### Determination of the remuneration to the members of the Board and the Auditor (agenda item 12)

The Meeting resolved, in accordance with the Nomination Committee's proposal, that remuneration for ordinary Board work and work within the Board's committees shall be paid in accordance with the following:

- SEK 450,000 to the Chairman of the Board;
- SEK 200,000 to each of the other five members of the Board;
- SEK 75,000 to the Chairman and SEK 30,000 to each of the other two members of the Audit Committee;
- SEK 50,000 to the Chairman and SEK 20,000 to each of the other two members of the Remuneration Committee.

The Meeting resolved, in accordance with the Nomination Committee's proposal, that the Auditor shall be paid in accordance with approved invoices.

## **§ 13**

### Election of Board members (agenda item 13)

It was noted that information on the assignments that the proposed Board members have in other companies had been provided by being held available at the company and on the company's website.

The Meeting resolved, in accordance with the Nomination Committee's proposal, to re-elect Mathias Pedersen, Maj-Louise Pizzelli and Josephine Salenstedt as Board members, and to elect Sandra Backlund, Daniel Hörnqvist and Stefan Palm as new Board members.

## **§ 14**

### Election of Chairman of the Board (agenda item 14)

The Meeting resolved, in accordance with the Nomination Committee's proposal, to re-elect Mathias Pedersen as Chairman of the Board.

## **§ 15**

### Determination of the number of Auditors and election of Auditor (agenda item 15)

The Meeting resolved, in accordance with the Nomination Committee's proposal and in accordance with the Audit Committee's recommendation, that the company shall have one registered accounting firm as Auditor, and to re-elect KPMG AB as Auditor for the period until the end of the 2023 Annual General Meeting.

It was noted that Mathias Arvidsson will continue as auditor-in-charge.

## **§ 16**

### Resolutions regarding (a) adoption of a long-term performance share plan for the Chief Executive Officer and the other members of the executive management team; and (b) transfer of own ordinary shares to the participants in the plan (agenda items 16(a)-(b))

The Meeting resolved, in accordance with the Board's proposal, Appendix 6, to (a) adopt a long-term performance share plan for the Chief Executive Officer and the other members of the executive management team; and (b) to transfer own ordinary shares to the participants in the plan.

It was noted that each of the resolutions was supported by shareholders holding not less than nine-tenths of both the votes cast and the shares represented at the Annual General Meeting.

## **§ 17**

### Resolution on authorisation for the Board to resolve on repurchase and transfer of own ordinary shares (agenda item 17)

The Meeting resolved in accordance with the Board's proposal, Appendix 7, on authorisation for the Board to resolve on repurchase and transfer of own ordinary shares.

It was noted that the resolution was supported by shareholders holding not less than two-thirds of both the votes cast and the shares represented at the Annual General Meeting.

## **§ 18**

Resolution regarding authorisation for the Board to resolve on new issues of ordinary shares (agenda item 18)

The Meeting resolved in accordance with the Board's proposal, Appendix 8, on authorisation for the Board to resolve on new issues of ordinary shares.

It was noted that the resolution was supported by shareholders holding not less than two-thirds of both the votes cast and the shares represented at the Annual General Meeting.

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At the minutes:

Matilda Larsson

Minutes checkers:

Tone Myhre-Jensen

Jonathan Sundqvist

# NELLY.COM

## NOTICE OF THE ANNUAL GENERAL MEETING

**The shareholders of Nelly Group AB (publ), reg. no. 556035-6940, ("Nelly Group") are hereby given notice of the Annual General Meeting on Thursday 12 May 2022. The Board has decided that the Annual General Meeting is to be held only through postal voting in accordance with temporary legislation. It will not be possible for shareholders to attend the Annual General Meeting in person or by way of a proxy holder.**

**Information on the resolutions passed at the Annual General Meeting will be disclosed on Thursday 12 May 2022, as soon as the outcome of the postal voting has been finally confirmed.**

### PARTICIPATION

Shareholders who wish to participate in the Annual General Meeting shall:

- (i) be recorded as a shareholder in the presentation of the share register prepared by Euroclear Sweden AB concerning the circumstances on Wednesday 4 May 2022; and
- (ii) give notice to participate no later than Wednesday 11 May 2022 by casting their postal vote as instructed under the heading "Postal voting" below, so that the postal vote is received by Computershare AB no later than that day.

To be entitled to participate in the Annual General Meeting, shareholders whose shares are registered in the names of nominees must, in addition to giving notice of participation by casting their postal vote, re-register such shares in their own name so that the shareholder is recorded in the presentation of the share register as of Wednesday 4 May 2022. Such re-registration may be temporary (voting rights registration) and can be requested from the nominee in accordance with the nominee's procedures in such time in advance as the nominee determines. Voting rights registrations effected by the nominee no later than Friday 6 May 2022 will be considered in the presentation of the share register.

### POSTAL VOTING

Shareholders may only exercise their voting rights at the Annual General Meeting through postal voting in advance pursuant to Section 22 of the Act (2022:121) on temporary exceptions to facilitate the execution of general meetings in companies and other associations.

A special form shall be used for postal voting. The postal voting form is available on the company's website [www.nellygroup.com](http://www.nellygroup.com).

The completed postal voting form must be received by Computershare AB (administering the forms on behalf of Nelly Group) no later than Wednesday 11 May 2022. The form may be submitted either by email to [info@computershare.se](mailto:info@computershare.se) or by post to Computershare AB, "Nelly Group AGM 2022", P.O. Box 5267, SE-102 46 Stockholm, Sweden. Shareholders may also cast their postal votes digitally through BankID verification. Link to digital posting can be found on the company's website [www.nellygroup.com](http://www.nellygroup.com). If the shareholder postal votes by proxy, a power of attorney shall be enclosed with the postal voting form. A template proxy form is available on the company's website [www.nellygroup.com](http://www.nellygroup.com). If the shareholder is a legal entity, a copy of a registration certificate or a corresponding document for the legal entity shall be enclosed with the form. Further instructions and conditions can be found on the postal voting form.

## PROPOSED AGENDA

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1. Election of Chairman of the Annual General Meeting.
2. Approval of the agenda.
3. Election of one or two persons to check and verify the minutes.
4. Preparation and approval of the voting list.
5. Determination of whether the Annual General Meeting has been duly convened.
6. Presentation of the Annual Report, the Auditors' Report and the consolidated financial statements and the Auditors' Report on the consolidated financial statements.
7. Resolution on the adoption of the income statement and the balance sheet as well as the consolidated income statement and the consolidated balance sheet.
8. Resolution on the proposed treatment of the company's result as stated in the adopted balance sheet.
9. Resolution on the discharge of liability of the members of the Board and the Chief Executive Officer.
10. Presentation and resolution on approval of the Remuneration Report.
11. Determination of the number of members of the Board.
12. Determination of the remuneration to the members of the Board and the Auditor.
13. Election of Board members:
  - (a) Mathias Pedersen (re-election, proposed by the Nomination Committee).
  - (b) Maj-Louise Pizzelli (re-election, proposed by the Nomination Committee).
  - (c) Josephine Salenstedt (re-election, proposed by the Nomination Committee).
  - (d) Sandra Backlund (new election, proposed by the Nomination Committee).
  - (e) Daniel Hörnqvist (new election, proposed by the Nomination Committee).
  - (f) Stefan Palm (new election, proposed by the Nomination Committee).
14. Election of Chairman of the Board.
15. Determination of the number of Auditors and election of Auditor.
16. Resolutions regarding:
  - (a) adoption of a long-term performance share plan for the Chief Executive Officer and the other members of the executive management team, and
  - (b) transfer of own ordinary shares to the participants in the plan.
17. Resolution on authorisation for the Board to resolve on repurchase and transfer of own ordinary shares.
18. Resolution regarding authorisation for the Board to resolve on new issues of ordinary shares.

## **RESOLUTIONS PROPOSED BY THE NOMINATION COMMITTEE**

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### **Election of Chairman of the Annual General Meeting (item 1)**

The Nomination Committee proposes that Tone Myhre-Jensen, member of the Swedish Bar Association, is elected to be the Chairman of the Annual General Meeting, or in the event she is prevented from participating, the person appointed by the Board.

### **Determination of the number of members of the Board and election of Board members and the Chairman of the Board (items 11, 13 (a)-(f) and 14)**

The Nomination Committee proposes that the Board shall consist of six (6) members.

The Nomination Committee proposes that, for the period until the end of the next Annual General Meeting, Mathias Pedersen, Maj-Louise Pizzelli and Josephine Salenstedt shall be re-elected as members of the Board and that Sandra Backlund, Daniel Hörnqvist and Stefan Palm shall be elected as new members of the Board.

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 proposes that Mathias Pedersen shall be re-elected as Chairman of the Board.

### **Determination of the remuneration to the members of the Board and the Auditor (item 12)**

The Nomination Committee proposes that the remuneration for the work in the Board and within its committees, for the period until the end of the next Annual General Meeting, shall remain unchanged per assignment.

The total remuneration to the Board amounts to SEK 1,675,000 and shall be distributed as follows:

- SEK 450,000 shall be allocated to the Chairman of the Board;
- SEK 200,000 shall be allocated to each of the other five members of the Board;
- SEK 75,000 shall be allocated to the Chairman and SEK 30,000 shall be allocated to each of the other two members of the Audit Committee;
- SEK 50,000 shall be allocated to the Chairman and SEK 20,000 shall be allocated to each of the other two members of the Remuneration Committee.

The Nomination Committee proposes that remuneration to the Auditor shall be paid in accordance with approved invoices.

### **Determination of the number of Auditors and election of Auditor (item 15)**

In accordance with the Audit Committee's recommendation, the Nomination Committee proposes that Nelly Group shall have one registered accounting firm as Auditor, and that the registered accounting firm KPMG AB shall be re-elected as Auditor for the period until the end of the 2023 Annual General Meeting. KPMG AB has informed Nelly Group that the authorised public accountant Mathias Arvidsson will continue as auditor-in-charge if KPMG AB is re-elected as Auditor.



## RESOLUTIONS PROPOSED BY THE BOARD

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### **Election of one or two persons to check and verify the minutes (item 3)**

The Board proposes that Jonathan Sundqvist, representing Rite Ventures, or to the extent he is prevented from participating, the person appointed by the Board, is elected to check and verify the minutes. The assignment to check and verify the minutes shall also include verifying the voting list and that the postal votes are correctly reflected in the minutes.

### **Preparation and approval of the voting list (item 4)**

The voting list proposed to be approved is the voting list prepared by Computershare AB on behalf of the company, based on the general meeting share register and received postal votes, confirmed by the person assigned to check and verify the minutes.

### **Treatment of the result (item 8)**

The Board proposes that the retained earnings, the share premium reserve and the result for the year, a total of SEK 114,334,279 is to be carried forward.

### **Adoption of a long-term performance share plan for the Chief Executive Officer and the other members of the executive management team, and transfer of own ordinary shares to the participants in the plan (item 16)**

The Board proposes that the Annual General Meeting resolves to adopt a long-term performance share plan ("Performance Share Plan 2022") for the Chief Executive Officer and the other members of Nelly Group's executive management team.

#### The objective of Performance Share Plan 2022

The objective of Performance Share Plan 2022 is to ensure long-term commitment to the value growth in Nelly Group as well as to increase the participants' shareholding in the company for the purpose of further align their interests with those of the shareholders. Performance Share Plan 2022 will also be an important tool for Nelly Group to recruit and retain key employees expected to contribute to the company's continued development, which is vital in order for Nelly Group to achieve long-term value growth for its shareholders.

#### **(a) adoption of a long-term performance share plan for the Chief Executive Officer and the other members of the executive management team**

##### Participants

The Chief Executive Officer and the other members of the executive management team (approximately seven participants in total) will be invited to participate in Performance Share Plan 2022.

##### General terms and conditions

The participants in Performance Share Plan 2022 will, free-of-charge, be allotted share rights entitling the participants to receive ordinary shares in Nelly Group ("Performance Shares") provided that, and to the extent, the performance-based condition for the period 1 April 2022 – 31 March 2026 (the "Measurement Period") has been fulfilled. The right to receive Performance Shares is also conditional upon the participant having retained his or her Saving Shares (as defined below) and, subject to certain exemptions, continued his or her employment with Nelly Group throughout a vesting period ending after the disclosure of Nelly Group's interim report for the period January-March 2026. However, if the participant's employment with Nelly Group is terminated during the period 1 April 2025 – 31 March 2026, the participant shall be entitled to one quarter (1/4) of the Performance Shares provided that, and to the extent, the performance-based

condition is fulfilled at the time of termination of employment.

The following terms and conditions shall further apply:

- The share rights will be allotted to the participants free-of-charge after the 2022 Annual General Meeting.
- The share rights may not be transferred or pledged.
- If Nelly Group makes dividends or other value transfers to the shareholders during the Measurement Period, the participants in Performance Share Plan 2022 will be compensated by an increase in the number of Performance Shares that each share right entitles the holder to receive.
- Performance shares will be allotted following the disclosure of Nelly Group's interim report for the period January-March 2026.

#### Personal investment and allotment of share rights

In order to participate in Performance Share Plan 2022, the participants are required to invest in ordinary Nelly Group shares and to allocate such shares to Performance Share Plan 2022 (the "Saving Shares") when giving notice of participation. The Saving Shares may either be shares acquired for Performance Share Plan 2022 or shares already held (which are not allocated to any of the outstanding incentive plans). If the participant has inside information, and therefore is prevented from purchasing ordinary Nelly Group shares when giving notice of participation in Performance Share Plan 2022, the Saving Shares must be acquired as soon as possible, but no later than prior to the 2023 Annual General Meeting.

Performance Share Plan 2022 is proposed to comprise up to 66,400 Saving Shares, entitling to allotment of up to 66,400 share rights. The Chief Executive Officer can allocate up to 16,600 Saving Shares and the other members of the executive management team (approximately six persons in total) may allocate up to 8,300 Saving Shares each. Each Saving Share entitles the participants to receive one (1) share right which in turn entitles to up to ten Performance Shares.

#### Performance-based conditions

The number of Performance Shares that each participant will be allotted under the share rights depends on the extent to which the performance-based condition for Performance Share Plan 2022 is fulfilled during the Measurement Period. The performance-based condition is based on the total shareholder return (TSR) on Nelly Group's ordinary share (including any dividends reinvested) during the Measurement Period. Total shareholder return shall be calculated as a TSR index ratio based on the average closing price for Nelly Group's ordinary share during March 2022 compared to the corresponding price during March 2026.

- If the total shareholder return on Nelly Group's ordinary share during the Measurement Period is less than 200 percent, no share rights will entitle to Performance Shares and all share rights will expire worthless.
- If the total shareholder return on Nelly Group's ordinary share during the Measurement Period is at or above 200 percent but less than 300 percent, the participants will be allotted three Performance Shares for each share right.
- If the total shareholder return on Nelly Group's ordinary share during the Measurement Period is at or above 300 percent but less than 400 percent, the participants will be allotted six Performance Shares for each share right.
- If the total shareholder return on Nelly Group's ordinary share during the Measurement Period is at or above 400 percent, the participants will be allotted ten Performance Shares for each share right.

### Preparation and administration

Nelly Group's Remuneration Committee has prepared Performance Share Plan 2022 in consultation with external advisors and major shareholders. Performance Share Plan 2022 has also been reviewed at Board meetings during the first months of 2022. The Remuneration Committee shall be responsible for the detailed structure and administration of Performance Share Plan 2022 within the terms and conditions outlined above. In this regard, the Board shall have the right to make adjustments to reflect market conditions or to comply with applicable laws and regulations. The Board shall also have the right to make other adjustments, including, but not limited to, a resolution to reduce the allotment of Performance Shares.

New members of the executive management team who have not commenced employment at the time of notification of participation in Performance Share Plan 2022 may, subject to commencement of the employment during 2022, be invited to participate in Performance Share Plan 2022 provided that the Board considers it to be consistent with the objectives of the plan.

Information on the final outcome of Performance Share Plan 2022 will be presented in the 2026 Annual Report.

### Scope

The maximum number of Performance Shares that may be allotted to the participants in Performance Share Plan 2022 is limited to 700,000 ordinary shares, corresponding to 3.88 percent of the total number of outstanding shares in the company. Recalculation of the number of Performance Shares to be allotted to the participants shall be made in the event of intervening bonus issues, reverse splits, splits, rights issues and/or other similar events.

### Costs and effects on key ratios

Performance Share Plan 2022 will be accounted for in accordance with IFRS 2, which requires that the share rights shall be recorded as a personnel expense over the vesting period. Based on an estimated share price of SEK 24.40 (the closing price of Nelly Group's ordinary share on 11 April 2022) and a starting reference price for the total shareholder return of SEK 24.26 (the average closing price of Nelly Group's ordinary share during March 2022), full participation, an annual employee turnover of 10 percent and that the average annual total shareholder return on Nelly Group's ordinary share during the Measurement Period amounts to 20 percent, the total cost for Performance Share Plan 2022 excluding social security costs is estimated to approximately SEK 1.5 million.

Social security costs will be recorded as a personnel expense by current reservations. The social security costs are estimated to approximately SEK 2.1 million under the above assumptions, an average social security tax rate of 31.42 percent, a performance outcome as described above and an annual share price development on the Nelly Group's ordinary share of 20 percent during the vesting period.

The annual costs for Performance Share Plan 2022, including social security costs, is estimated to approximately SEK 0.9 million under the above assumptions. This cost can be compared to the company's total personnel expenses, including social security costs, of SEK 167.1 million for 2021.

The participants' maximum profit per share right (the "Cap") is limited to SEK 1,092 (450 percent of the starting reference price for the total shareholder return of SEK 24.26, as set out above). If the value of Nelly Group's ordinary share at vesting exceeds the Cap, the number of Performance Shares each share rights entitles to will be reduced accordingly. The maximum cost for Performance Share Plan 2022, including social security costs, if the Cap is reached is estimated to approximately SEK 25.0 million under the above assumptions, which would be the case if Nelly Group's market capitalization has increased by approximately SEK 1.5 billion during the Measurement Period.

The costs for Performance Share Plan 2022 are expected to have a marginal effect on the Group's key ratios.

#### Hedging arrangements and delivery of Performance Shares

In order to implement Performance Share Plan 2022 in a cost-effective and flexible manner, the Board has considered two different methods of ensuring the delivery of Performance Shares to participants upon allotment under Performance Share Plan 2022; that Nelly Group either (i) transfer own ordinary shares held in treasury free-of-charge or (ii) enters into an agreement with a bank that, in its own name, acquires and transfers ordinary shares. The Board considers the first alternative as its preferred option. However, should the Annual General Meeting not approve the proposed transfer of own ordinary shares in accordance with the proposal under item 16(b), the Board may enter into a hedging arrangement with a third party to ensure the obligation to deliver Performance Shares under Performance Share Plan 2022.

#### Information regarding other incentive plans in Nelly Group

Information regarding Nelly Group's ongoing share-related incentive plans can be found in the 2021 Annual Report and on the company's website [www.nellygroup.com](http://www.nellygroup.com).

#### **(b) transfer of own ordinary shares to the participants in the plan**

In order to ensure the delivery of Performance Shares in accordance with the terms and conditions of Performance Share Plan 2022, the Board proposes that the Annual General Meeting resolves that up to 700,000 own ordinary shares may be transferred, free-of-charge, to the participants in Performance Share Plan 2022. The number of shares that may be transferred to the participants may be subject to recalculation due to intervening bonus issues, reverse splits, splits, rights issues and/or other similar events.

#### **Authorisation for the Board to resolve on repurchase and transfer of own ordinary shares (item 17)**

The Board proposes that the Annual General Meeting resolves to authorise the Board to resolve on repurchase of own ordinary shares on the main terms and conditions set out below.

- Repurchase of ordinary shares may take place on Nasdaq Stockholm, on one or more occasions during the period up until the next Annual General Meeting.
- A maximum number of ordinary shares may be repurchased so that the company's holding does not at any time exceed 10 percent of the total number of shares in Nelly Group.
- Repurchase of ordinary shares on Nasdaq Stockholm may occur at a price per share within the at each time registered share price interval, by which is meant the difference between the highest buying price and the lowest selling price.
- Payment for the shares shall be made in cash.

The purpose of the authorisation to repurchase own ordinary shares is to provide the Board more options in its efforts to deliver long-term shareholder value and total return to the shareholders, as well as to enable the company in a time efficient manner to use own shares as payment in connection with acquisitions of companies or businesses or to financing such acquisitions.

The Board further proposes that the Annual General Meeting resolves to authorise the Board to resolve on transfer of own ordinary shares, with or without deviation from the shareholders' preferential rights, on the main terms and conditions set out below.

- Transfer of ordinary shares may take place on one or more occasions during the period up until the next Annual General Meeting (i) on Nasdaq Stockholm or (ii) outside of Nasdaq Stockholm in connection with acquisition of companies or businesses.

- Transfer may be made up to such number of ordinary shares that are held by the company at the time of the Board' resolution on the transfer.
- Transfer of ordinary shares on Nasdaq Stockholm may occur at a price per share within the at each time registered share price interval, by which is meant the difference between the highest buying price and the lowest selling price. For transfers outside of Nasdaq Stockholm, payment for the shares may be made in cash, in kind or through set-off and the price shall be established so that the transfer is made on market terms.

The purpose of the authorisation to transfer own ordinary shares, and the reason for the deviation from the shareholders' preferential rights, is to enable the company in a time efficient manner to use own shares as payment in connection with acquisitions of companies or businesses or to financing such acquisitions.

#### **Authorisation for the Board to resolve on new issues of ordinary shares (item 18)**

The Board proposes that the Annual General Meeting authorises the Board to, on one or more occasions up until the 2023 Annual General Meeting, resolve upon new issues of ordinary shares corresponding to a maximum of 20 percent of the total number of outstanding shares in Nelly Group at the time of the Annual General Meeting.

New issues of ordinary shares may be effected with preferential rights for all shareholders and/or as a directed issue to one or more investors with deviation from the shareholders' preferential rights. Payment may be made in cash, in kind or through set-off. New issues of ordinary shares with deviation from the shareholders' preferential rights shall be made on market terms.

The purpose of the authorisation, and the reason for any deviation from the shareholders' preferential rights, is to enable the company to raise capital from potential investors on an accelerated basis, which may also bring operational advantages and synergies, including accelerated access to new markets.

## ADDITIONAL INFORMATION

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### Number of shares and votes

There are a total of 18,494,973 shares in Nelly Group, distributed over 18,026,266 ordinary shares and 468,707 shares of Class C, corresponding to a total of 18,494,973 votes. As of the date of this notice, the company holds 468,707 shares of Class C in treasury, which cannot be represented at the Annual General Meeting.

### Shareholders' right to request information

The Board and the Chief Executive Officer shall, if any shareholder so requests and the Board believes that it can be done without material harm to the company, provide information regarding circumstances that may affect the assessment of an item on the agenda, as well as circumstances that can affect the assessment of the company's or its subsidiaries' financial situation and the company's relation to other companies within the Group and the consolidated accounts. A request for such information shall be made in writing to Nelly Group AB (publ), Attn: Board of Directors, P.O. Box 690, SE-501 13 Borås, Sweden, or by email to [ir@nelly.com](mailto:ir@nelly.com) no later than Monday 2 May 2022. The information is provided by being available at the company and on the company's website [www.nellygroup.com](http://www.nellygroup.com) no later than Friday 6 May 2022. The information will also be sent, within the same period of time, to the shareholders who requested it and stated their postal or e-mail address.

### Majority requirements

Valid resolution under item 16(b) requires support by shareholders holding not less than nine-tenths of both the votes cast and the shares represented at the Annual General Meeting.

Valid resolutions under items 17 and 18 require support by shareholders holding not less than two-thirds of both the votes cast and the shares represented at the Annual General Meeting.

### Documentation

The Board's and the Nomination Committee's complete proposals to the Annual General Meeting are set out in this notice. The Nomination Committee's motivated opinion regarding its proposal for election of the Board as well as information on the proposed members of the Board are available on the company's website [www.nellygroup.com](http://www.nellygroup.com).

The 2021 Annual Report, the Board's Remuneration Report and motivated statement according to Chapter 19 Section 22 of the Swedish Companies Act as well as the Auditor's opinion according to Chapter 8 Section 54 § of the Swedish Companies Act are available on the company's website [www.nellygroup.com](http://www.nellygroup.com) and at the company's office at Lundbygatan 1 in Borås, Sweden. The documents are presented by being available at the company and on the company's website. Hard copies of the documents will be sent to those shareholders who so request and state their postal or email address. The documents can be ordered by telephone at +46 (0) 771-246 400 or in writing to Computershare AB, "Nelly Group AGM 2022", P.O. Box 5267, SE-102 46 Stockholm, Sweden.

The general meeting share register will be held available at the company's office at Lundbygatan 1 in Borås, Sweden.

### Authorisation

The Board, or any person appointed by the Board, shall be authorised to make the minor adjustments in the resolutions adopted by the Annual General Meeting as may be required in connection with registration with the Swedish Companies Registration Office and Euroclear Sweden AB.

### **Processing of personal data**

For information regarding the processing of your personal data, please refer to:

[www.computershare.com/se/gm-gdpr](http://www.computershare.com/se/gm-gdpr) and

[www.euroclear.com/dam/ESw/Legal/Privacy-notice-bolagsstammor-engelska.pdf](http://www.euroclear.com/dam/ESw/Legal/Privacy-notice-bolagsstammor-engelska.pdf).

Borås, April 2022

Nelly Group AB (publ)

THE BOARD OF DIRECTORS

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### **About Nelly Group**

Nelly Group operates nelly.com which is one of the Nordic region's strongest fashion brands for young women and nlyman.com. The core is the own brand in combination with digital sales directly to our target group. Nelly has created a strong commitment through a high degree of fashion and digital marketing. The company has 1.2 million customers and sales of SEK 1.4 billion per year. The group was previously called Qliro Group. Nelly Groups is listed on Nasdaq Stockholm in the small-cap segment with the ticker "NELLY".

## NELLY.COM

## NOTIFICATION OF PARTICIPATION AND FORM FOR POSTAL VOTING

in accordance with Section 22 of the Act (2022:121) on temporary exceptions to facilitate the execution of general meetings in companies and other associations

**The form must be received by Computershare AB (administering the forms on behalf of Nelly Group) no later than Wednesday 11 May 2022.**

The shareholder set out below hereby notifies the company of its participation and exercises its voting right for all of the shareholder's shares in Nelly Group AB (publ), reg. no. 556035-6940, at the Annual General Meeting on Thursday 12 May 2022. The voting right is exercised in accordance with the voting options marked below.

Name of the shareholder	Personal identity number/registration number

**Assurance (if the undersigned is a legal representative of a shareholder who is a legal entity):** I, the undersigned, am a board member, the CEO or a signatory of the shareholder and solemnly declare that I am authorized to submit this postal vote on behalf of the shareholder and that the contents of the postal vote correspond to the shareholder's decisions

**Assurance (if the undersigned represents the shareholder by proxy):** I, the undersigned, solemnly declare that the enclosed power of attorney corresponds to the original and that it has not been revoked

Place and date	
Signature	
Clarification of signature	
Telephone number	Email



**Instructions for postal voting:**

- Complete the information above
- Select the preferred voting options below
- Sign and send the form in the original to Computershare AB, "Nelly Group AGM 2022", P.O. Box 5267, SE-102 46 Stockholm, Sweden or by email to [info@computershare.se](mailto:info@computershare.se) (with reference "Nelly Group AGM 2022"). Shareholders may also cast their postal votes digitally through BankID verification. Link to digital posting can be found on the company's website [www.nellygroup.com](http://www.nellygroup.com)
- If the shareholder is a natural person who is personally voting by post, it is the shareholder who should sign under *Signature* above. If the postal vote is submitted by a proxy of the shareholder, it is the proxy who should sign. If the postal vote is submitted by a legal representative of a legal entity, it is the representative who should sign
- If the shareholder postal votes by proxy, a power of attorney shall be enclosed with the form. If the shareholder is a legal entity, a copy of a registration certificate or a corresponding document for the legal entity shall be enclosed with the form

**Please note that shareholders whose shares are registered in the names of nominees must re-register such shares in their own name to vote.** Instructions for this can be found in the notice to the Annual General Meeting.

A shareholder cannot give any other instructions than selecting one of the options specified at each item in the form. If a shareholder wishes to abstain from voting in relation to a matter, kindly refrain from selecting an option. A postal vote in its entirety is invalid if the shareholder has provided the form with specific instructions or conditions or if pre-printed text is amended or supplemented.

The postal voting form, together with any enclosed authorisation documentation, must be received by Computershare AB (administering the forms on behalf of Nelly Group) no later than **Wednesday 11 May 2022**. A postal vote can be withdrawn up to and including **Wednesday 11 May 2022** by email to [info@computershare.se](mailto:info@computershare.se) (with reference "Nelly Group AGM 2022") or by telephone at +46 (0) 771-246 400 (Monday-Friday 9 a.m. to 4 p.m.).

Only one form per shareholder will be considered. If more than one form is submitted, the form with the latest date will be considered. The form latest received by Computershare AB will be considered if two forms are dated at the same date. An incomplete or wrongfully completed form, or a form without valid authorisation documentation, may be discarded without being considered.

For complete proposals for resolutions and other documentation to the Annual General Meeting, please refer to the company's website [www.nellygroup.com](http://www.nellygroup.com).

For information regarding the processing of your personal data, please refer to:  
[www.computershare.com/se/gm-gdpr](http://www.computershare.com/se/gm-gdpr) and  
[www.euroclear.com/dam/ESw/Legal/Privacy-notice-bolagsstammor-engelska.pdf](http://www.euroclear.com/dam/ESw/Legal/Privacy-notice-bolagsstammor-engelska.pdf).

## Annual General Meeting in Nelly Group AB (publ) on 12 May 2022

The voting options below concerns the proposals presented by the Board and the Nomination Committee, included in the notice to the Annual General Meeting, which is available on Nelly Group's website [www.nellygroup.com](http://www.nellygroup.com).

<b>1. Election of Chairman of the Annual General Meeting</b>  Yes <input type="checkbox"/> No <input type="checkbox"/>
<b>2. Approval of the agenda</b>  Yes <input type="checkbox"/> No <input type="checkbox"/>
<b>3. Election of one or two persons to check and verify the minutes</b>  Yes <input type="checkbox"/> No <input type="checkbox"/>
<b>4. Preparation and approval of the voting list</b>  Yes <input type="checkbox"/> No <input type="checkbox"/>
<b>5. Determination of whether the Annual General Meeting has been duly convened</b>  Yes <input type="checkbox"/> No <input type="checkbox"/>
<b>7. Resolution on the adoption of the income statement and the balance sheet as well as the consolidated income statement and the consolidated balance sheet</b>  Yes <input type="checkbox"/> No <input type="checkbox"/>
<b>8. Resolution on the proposed treatment of the company's result as stated in the adopted balance sheet</b>  Yes <input type="checkbox"/> No <input type="checkbox"/>
<b>9. Resolution on the discharge of liability of the members of the Board and the Chief Executive Officer</b>  (a) Mathias Pedersen Yes <input type="checkbox"/> No <input type="checkbox"/>  (b) Christoffer Häggblom Yes <input type="checkbox"/> No <input type="checkbox"/>  (c) Josephine Salenstedt Yes <input type="checkbox"/> No <input type="checkbox"/>  (d) Maj-Louise Pizzelli Yes <input type="checkbox"/> No <input type="checkbox"/>  (e) Stina Westerstad Yes <input type="checkbox"/> No <input type="checkbox"/>  (f) Louise Nylén Yes <input type="checkbox"/> No <input type="checkbox"/>

(g) Kristina Lukes Yes <input type="checkbox"/> No <input type="checkbox"/>
<b>10. Presentation and resolution on approval of the Remuneration Report</b> Yes <input type="checkbox"/> No <input type="checkbox"/>
<b>11. Determination of the number of members of the Board</b> Yes <input type="checkbox"/> No <input type="checkbox"/>
<b>12. Determination of the remuneration to the members of the Board and the Auditor</b> Yes <input type="checkbox"/> No <input type="checkbox"/>
<b>13. Election of Board members</b> (a) Mathias Pedersen (re-election, proposed by the Nomination Committee) Yes <input type="checkbox"/> No <input type="checkbox"/> (b) Maj-Louise Pizzelli (re-election, proposed by the Nomination Committee) Yes <input type="checkbox"/> No <input type="checkbox"/> (c) Josephine Salenstedt (re-election, proposed by the Nomination Committee) Yes <input type="checkbox"/> No <input type="checkbox"/> (d) Sandra Backlund (new election, proposed by the Nomination Committee) Yes <input type="checkbox"/> No <input type="checkbox"/> (e) Daniel Hörnqvist (new election, proposed by the Nomination Committee) Yes <input type="checkbox"/> No <input type="checkbox"/> (f) Stefan Palm (new election, proposed by the Nomination Committee) Yes <input type="checkbox"/> No <input type="checkbox"/>
<b>14. Election of Chairman of the Board</b> Yes <input type="checkbox"/> No <input type="checkbox"/>
<b>15. Determination of the number of Auditors and election of Auditor</b> Yes <input type="checkbox"/> No <input type="checkbox"/>
<b>16. Resolutions regarding:</b> (a) adoption of a long-term performance share plan for the Chief Executive Officer and the other members of the executive management team Yes <input type="checkbox"/> No <input type="checkbox"/> (b) transfer of own ordinary shares to the participants in the plan Yes <input type="checkbox"/> No <input type="checkbox"/>
<b>17. Resolution on authorisation for the Board to resolve on repurchase and transfer of own ordinary shares</b> Yes <input type="checkbox"/> No <input type="checkbox"/>

**18. Resolution regarding authorisation for the Board to resolve on new issues of ordinary shares**

Yes ☐      No ☐

**The shareholder wishes that the resolutions under one or several items in the form above be deferred to a continued General Meeting**

(Completed only if the shareholder has such a wish)

State item or items (use numbering):

Dagordnings- punkt Agenda item	Röster / Votes					Aktier / Shares					
	(% nedan avser andel av innan stämman avgivna rösterna) (% below refers to part of cast votes before the meeting)					(% nedan avser andel av de på stämman företrädde aktierna) (% below refers to part of represented shares at the meeting)				Aktier för vilka röster har avgetts (antal) ("Avgivna") Shares where votes have been cast (amount) ("Cast")	Andel av det totala antalet aktier i bolaget som de Avgivna representerar (%) (Part of the total amount of shares in the company the Given shares represent (%))
	Ja (antal) Yes (amount)	Ja (%) Yes (%)	Nej (antal) No (amount)	Nej (%) No (%)	Avstår (antal) Abstain(amount)	Ja (antal) Yes (amount)	Ja (%) Yes (%)	Nej (antal) No (amount)	Nej (%) No (%)		
1.	6 401 348,0	100,000%	0,0	0,000%	132 125,0	6 401 348,0	97,978%	0,0	0,000%	6 401 348	35,511%
2.	6 401 348,0	100,000%	0,0	0,000%	132 125,0	6 401 348,0	97,978%	0,0	0,000%	6 401 348	35,511%
3.	6 401 348,0	100,000%	0,0	0,000%	132 125,0	6 401 348,0	97,978%	0,0	0,000%	6 401 348	35,511%
4.	6 401 348,0	100,000%	0,0	0,000%	132 125,0	6 401 348,0	97,978%	0,0	0,000%	6 401 348	35,511%
5.	6 401 348,0	100,000%	0,0	0,000%	132 125,0	6 401 348,0	97,978%	0,0	0,000%	6 401 348	35,511%
7.	6 533 473,0	100,000%	0,0	0,000%	0,0	6 533 473,0	100,000%	0,0	0,000%	6 533 473	36,244%
8.	6 533 473,0	100,000%	0,0	0,000%	0,0	6 533 473,0	100,000%	0,0	0,000%	6 533 473	36,244%
9.(a)	6 533 473,0	100,000%	0,0	0,000%	0,0	6 533 473,0	100,000%	0,0	0,000%	6 533 473	36,244%
9.(b)	6 533 473,0	100,000%	0,0	0,000%	0,0	6 533 473,0	100,000%	0,0	0,000%	6 533 473	36,244%
9.(c)	6 533 473,0	100,000%	0,0	0,000%	0,0	6 533 473,0	100,000%	0,0	0,000%	6 533 473	36,244%
9.(d)	6 533 473,0	100,000%	0,0	0,000%	0,0	6 533 473,0	100,000%	0,0	0,000%	6 533 473	36,244%
9.(e)	6 533 473,0	100,000%	0,0	0,000%	0,0	6 533 473,0	100,000%	0,0	0,000%	6 533 473	36,244%
9.(f)	6 533 473,0	100,000%	0,0	0,000%	0,0	6 533 473,0	100,000%	0,0	0,000%	6 533 473	36,244%
9.(g)	6 533 473,0	100,000%	0,0	0,000%	0,0	6 533 473,0	100,000%	0,0	0,000%	6 533 473	36,244%
10.	6 402 274,0	97,992%	131 199,0	2,008%	0,0	6 402 274,0	97,992%	131 199,0	2,008%	6 533 473	36,244%
11.	6 533 473,0	100,000%	0,0	0,000%	0,0	6 533 473,0	100,000%	0,0	0,000%	6 533 473	36,244%
12.	6 533 473,0	100,000%	0,0	0,000%	0,0	6 533 473,0	100,000%	0,0	0,000%	6 533 473	36,244%
13.(a)	6 533 473,0	100,000%	0,0	0,000%	0,0	6 533 473,0	100,000%	0,0	0,000%	6 533 473	36,244%
13.(b)	6 533 473,0	100,000%	0,0	0,000%	0,0	6 533 473,0	100,000%	0,0	0,000%	6 533 473	36,244%
13.(c)	6 532 547,0	99,986%	926,0	0,014%	0,0	6 532 547,0	99,986%	926,0	0,014%	6 533 473	36,244%
13.(d)	6 533 473,0	100,000%	0,0	0,000%	0,0	6 533 473,0	100,000%	0,0	0,000%	6 533 473	36,244%
1.(e)	6 533 473,0	100,000%	0,0	0,000%	0,0	6 533 473,0	100,000%	0,0	0,000%	6 533 473	36,244%
13.(f)	6 533 473,0	100,000%	0,0	0,000%	0,0	6 533 473,0	100,000%	0,0	0,000%	6 533 473	36,244%
14.	6 533 473,0	100,000%	0,0	0,000%	0,0	6 533 473,0	100,000%	0,0	0,000%	6 533 473	36,244%
15.	6 533 473,0	100,000%	0,0	0,000%	0,0	6 533 473,0	100,000%	0,0	0,000%	6 533 473	36,244%
16.(a)	6 533 473,0	100,000%	0,0	0,000%	0,0	6 533 473,0	100,000%	0,0	0,000%	6 533 473	36,244%
16.(b)	6 533 473,0	100,000%	0,0	0,000%	0,0	6 533 473,0	100,000%	0,0	0,000%	6 533 473	36,244%
17.	6 533 473,0	100,000%	0,0	0,000%	0,0	6 533 473,0	100,000%	0,0	0,000%	6 533 473	36,244%
18.	6 402 274,0	97,992%	131 199,0	2,008%	0,0	6 402 274,0	97,992%	131 199,0	2,008%	6 533 473	36,244%

Dagordnings- punkt Agenda item	Röster / Votes					Aktier / Shares					
	(% nedan avser andel av innan stämman avgivna rösterna) (% below refers to part of cast votes before the meeting)					(% nedan avser andel av de på stämman företrädda aktierna) (% below refers to part of represented shares at the meeting)				Aktier för vilka röster har avgetts (antal) ("Avgivna") Shares where votes have been cast (amount) ("Cast")	Andel av det totala antalet aktier i bolaget som de Avgivna representerar (%) (Part of the total amount of shares in the company the Given shares represent (%))
	Ja (antal) Yes (amount)	Ja (%) Yes (%)	Nej (antal) No (amount)	Nej (%) No (%)	Avstår (antal) Abstain(amount)	Ja (antal) Yes (amount)	Ja (%) Yes (%)	Nej (antal) No (amount)	Nej (%) No (%)		

Begäran om fortsatt bolagsstämma

Dagordningspunkt	Antal aktier	Namn

## PROPOSED AGENDA

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1. Election of Chairman of the Annual General Meeting.
2. Approval of the agenda.
3. Election of one or two persons to check and verify the minutes.
4. Preparation and approval of the voting list.
5. Determination of whether the Annual General Meeting has been duly convened.
6. Presentation of the Annual Report, the Auditors' Report and the consolidated financial statements and the Auditors' Report on the consolidated financial statements.
7. Resolution on the adoption of the income statement and the balance sheet as well as the consolidated income statement and the consolidated balance sheet.
8. Resolution on the proposed treatment of the company's result as stated in the adopted balance sheet.
9. Resolution on the discharge of liability of the members of the Board and the Chief Executive Officer.
10. Presentation and resolution on approval of the Remuneration Report.
11. Determination of the number of members of the Board.
12. Determination of the remuneration to the members of the Board and the Auditor.
13. Election of Board members:
  - (a) Mathias Pedersen (re-election, proposed by the Nomination Committee).
  - (b) Maj-Louise Pizzelli (re-election, proposed by the Nomination Committee).
  - (c) Josephine Salenstedt (re-election, proposed by the Nomination Committee).
  - (d) Sandra Backlund (new election, proposed by the Nomination Committee).
  - (e) Daniel Hörnqvist (new election, proposed by the Nomination Committee).
  - (f) Stefan Palm (new election, proposed by the Nomination Committee).
14. Election of Chairman of the Board.
15. Determination of the number of Auditors and election of Auditor.
16. Resolutions regarding:
  - (a) adoption of a long-term performance share plan for the Chief Executive Officer and the other members of the executive management team, and
  - (b) transfer of own ordinary shares to the participants in the plan.
17. Resolution on authorisation for the Board to resolve on repurchase and transfer of own ordinary shares.
18. Resolution regarding authorisation for the Board to resolve on new issues of ordinary shares.

**Adoption of a long-term performance share plan for the Chief Executive Officer and the other members of the executive management team, and transfer of own ordinary shares to the participants in the plan (item 16)**

The Board proposes that the Annual General Meeting resolves to adopt a long-term performance share plan ("Performance Share Plan 2022") for the Chief Executive Officer and the other members of Nelly Group's executive management team.

The objective of Performance Share Plan 2022

The objective of Performance Share Plan 2022 is to ensure long-term commitment to the value growth in Nelly Group as well as to increase the participants' shareholding in the company for the purpose of further align their interests with those of the shareholders. Performance Share Plan 2022 will also be an important tool for Nelly Group to recruit and retain key employees expected to contribute to the company's continued development, which is vital in order for Nelly Group to achieve long-term value growth for its shareholders.

**(a) adoption of a long-term performance share plan for the Chief Executive Officer and the other members of the executive management team**

Participants

The Chief Executive Officer and the other members of the executive management team (approximately seven participants in total) will be invited to participate in Performance Share Plan 2022.

General terms and conditions

The participants in Performance Share Plan 2022 will, free-of-charge, be allotted share rights entitling the participants to receive ordinary shares in Nelly Group ("Performance Shares") provided that, and to the extent, the performance-based condition for the period 1 April 2022 – 31 March 2026 (the "Measurement Period") has been fulfilled. The right to receive Performance Shares is also conditional upon the participant having retained his or her Saving Shares (as defined below) and, subject to certain exemptions, continued his or her employment with Nelly Group throughout a vesting period ending after the disclosure of Nelly Group's interim report for the period January-March 2026. However, if the participant's employment with Nelly Group is terminated during the period 1 April 2025 – 31 March 2026, the participant shall be entitled to one quarter (1/4) of the Performance Shares provided that, and to the extent, the performance-based condition is fulfilled at the time of termination of employment.

The following terms and conditions shall further apply:

- The share rights will be allotted to the participants free-of-charge after the 2022 Annual General Meeting.
- The share rights may not be transferred or pledged.
- If Nelly Group makes dividends or other value transfers to the shareholders during the Measurement Period, the participants in Performance Share Plan 2022 will be compensated by an increase in the number of Performance Shares that each share right entitles the holder to receive.
- Performance shares will be allotted following the disclosure of Nelly Group's interim report for the period January-March 2026.

Personal investment and allotment of share rights

In order to participate in Performance Share Plan 2022, the participants are required to invest in ordinary Nelly Group shares and to allocate such shares to Performance Share Plan 2022 (the



"Saving Shares") when giving notice of participation. The Saving Shares may either be shares acquired for Performance Share Plan 2022 or shares already held (which are not allocated to any of the outstanding incentive plans). If the participant has inside information, and therefore is prevented from purchasing ordinary Nelly Group shares when giving notice of participation in Performance Share Plan 2022, the Saving Shares must be acquired as soon as possible, but no later than prior to the 2023 Annual General Meeting.

Performance Share Plan 2022 is proposed to comprise up to 66,400 Saving Shares, entitling to allotment of up to 66,400 share rights. The Chief Executive Officer can allocate up to 16,600 Saving Shares and the other members of the executive management team (approximately six persons in total) may allocate up to 8,300 Saving Shares each. Each Saving Share entitles the participants to receive one (1) share right which in turn entitles to up to ten Performance Shares.

#### Performance-based conditions

The number of Performance Shares that each participant will be allotted under the share rights depends on the extent to which the performance-based condition for Performance Share Plan 2022 is fulfilled during the Measurement Period. The performance-based condition is based on the total shareholder return (TSR) on Nelly Group's ordinary share (including any dividends reinvested) during the Measurement Period. Total shareholder return shall be calculated as a TSR index ratio based on the average closing price for Nelly Group's ordinary share during March 2022 compared to the corresponding price during March 2026.

- If the total shareholder return on Nelly Group's ordinary share during the Measurement Period is less than 200 percent, no share rights will entitle to Performance Shares and all share rights will expire worthless.
- If the total shareholder return on Nelly Group's ordinary share during the Measurement Period is at or above 200 percent but less than 300 percent, the participants will be allotted three Performance Shares for each share right.
- If the total shareholder return on Nelly Group's ordinary share during the Measurement Period is at or above 300 percent but less than 400 percent, the participants will be allotted six Performance Shares for each share right.
- If the total shareholder return on Nelly Group's ordinary share during the Measurement Period is at or above 400 percent, the participants will be allotted ten Performance Shares for each share right.

#### Preparation and administration

Nelly Group's Remuneration Committee has prepared Performance Share Plan 2022 in consultation with external advisors and major shareholders. Performance Share Plan 2022 has also been reviewed at Board meetings during the first months of 2022. The Remuneration Committee shall be responsible for the detailed structure and administration of Performance Share Plan 2022 within the terms and conditions outlined above. In this regard, the Board shall have the right to make adjustments to reflect market conditions or to comply with applicable laws and regulations. The Board shall also have the right to make other adjustments, including, but not limited to, a resolution to reduce the allotment of Performance Shares.

New members of the executive management team who have not commenced employment at the time of notification of participation in Performance Share Plan 2022 may, subject to commencement of the employment during 2022, be invited to participate in Performance Share Plan 2022 provided that the Board considers it to be consistent with the objectives of the plan.

Information on the final outcome of Performance Share Plan 2022 will be presented in the 2026 Annual Report.

### Scope

The maximum number of Performance Shares that may be allotted to the participants in Performance Share Plan 2022 is limited to 700,000 ordinary shares, corresponding to 3.88 percent of the total number of outstanding shares in the company. Recalculation of the number of Performance Shares to be allotted to the participants shall be made in the event of intervening bonus issues, reverse splits, splits, rights issues and/or other similar events.

### Costs and effects on key ratios

Performance Share Plan 2022 will be accounted for in accordance with IFRS 2, which requires that the share rights shall be recorded as a personnel expense over the vesting period. Based on an estimated share price of SEK 24.40 (the closing price of Nelly Group's ordinary share on 11 April 2022) and a starting reference price for the total shareholder return of SEK 24.26 (the average closing price of Nelly Group's ordinary share during March 2022), full participation, an annual employee turnover of 10 percent and that the average annual total shareholder return on Nelly Group's ordinary share during the Measurement Period amounts to 20 percent, the total cost for Performance Share Plan 2022 excluding social security costs is estimated to approximately SEK 1.5 million.

Social security costs will be recorded as a personnel expense by current reservations. The social security costs are estimated to approximately SEK 2.1 million under the above assumptions, an average social security tax rate of 31.42 percent, a performance outcome as described above and an annual share price development on the Nelly Group's ordinary share of 20 percent during the vesting period.

The annual costs for Performance Share Plan 2022, including social security costs, is estimated to approximately SEK 0.9 million under the above assumptions. This cost can be compared to the company's total personnel expenses, including social security costs, of SEK 167.1 million for 2021.

The participants' maximum profit per share right (the "Cap") is limited to SEK 1,092 (450 percent of the starting reference price for the total shareholder return of SEK 24.26, as set out above). If the value of Nelly Group's ordinary share at vesting exceeds the Cap, the number of Performance Shares each share rights entitles to will be reduced accordingly. The maximum cost for Performance Share Plan 2022, including social security costs, if the Cap is reached is estimated to approximately SEK 25.0 million under the above assumptions, which would be the case if Nelly Group's market capitalization has increased by approximately SEK 1.5 billion during the Measurement Period.

The costs for Performance Share Plan 2022 are expected to have a marginal effect on the Group's key ratios.

### Hedging arrangements and delivery of Performance Shares

In order to implement Performance Share Plan 2022 in a cost-effective and flexible manner, the Board has considered two different methods of ensuring the delivery of Performance Shares to participants upon allotment under Performance Share Plan 2022; that Nelly Group either (i) transfer own ordinary shares held in treasury free-of-charge or (ii) enters into an agreement with a bank that, in its own name, acquires and transfers ordinary shares. The Board considers the first alternative as its preferred option. However, should the Annual General Meeting not approve the proposed transfer of own ordinary shares in accordance with the proposal under item 16(b), the Board may enter into a hedging arrangement with a third party to ensure the obligation to deliver Performance Shares under Performance Share Plan 2022.

### Information regarding other incentive plans in Nelly Group

Information regarding Nelly Group's ongoing share-related incentive plans can be found in the 2021 Annual Report and on the company's website [www.nellygroup.com](http://www.nellygroup.com).

**(b) transfer of own ordinary shares to the participants in the plan**

In order to ensure the delivery of Performance Shares in accordance with the terms and conditions of Performance Share Plan 2022, the Board proposes that the Annual General Meeting resolves that up to 700,000 own ordinary shares may be transferred, free-of-charge, to the participants in Performance Share Plan 2022. The number of shares that may be transferred to the participants may be subject to recalculation due to intervening bonus issues, reverse splits, splits, rights issues and/or other similar events.

### **Authorisation for the Board to resolve on repurchase and transfer of own ordinary shares (item 17)**

The Board proposes that the Annual General Meeting resolves to authorise the Board to resolve on repurchase of own ordinary shares on the main terms and conditions set out below.

- Repurchase of ordinary shares may take place on Nasdaq Stockholm, on one or more occasions during the period up until the next Annual General Meeting.
- A maximum number of ordinary shares may be repurchased so that the company's holding does not at any time exceed 10 percent of the total number of shares in Nelly Group.
- Repurchase of ordinary shares on Nasdaq Stockholm may occur at a price per share within the at each time registered share price interval, by which is meant the difference between the highest buying price and the lowest selling price.
- Payment for the shares shall be made in cash.

The purpose of the authorisation to repurchase own ordinary shares is to provide the Board more options in its efforts to deliver long-term shareholder value and total return to the shareholders, as well as to enable the company in a time efficient manner to use own shares as payment in connection with acquisitions of companies or businesses or to financing such acquisitions.

The Board further proposes that the Annual General Meeting resolves to authorise the Board to resolve on transfer of own ordinary shares, with or without deviation from the shareholders' preferential rights, on the main terms and conditions set out below.

- Transfer of ordinary shares may take place on one or more occasions during the period up until the next Annual General Meeting (i) on Nasdaq Stockholm or (ii) outside of Nasdaq Stockholm in connection with acquisition of companies or businesses.
- Transfer may be made up to such number of ordinary shares that are held by the company at the time of the Board's resolution on the transfer.
- Transfer of ordinary shares on Nasdaq Stockholm may occur at a price per share within the at each time registered share price interval, by which is meant the difference between the highest buying price and the lowest selling price. For transfers outside of Nasdaq Stockholm, payment for the shares may be made in cash, in kind or through set-off and the price shall be established so that the transfer is made on market terms.

The purpose of the authorisation to transfer own ordinary shares, and the reason for the deviation from the shareholders' preferential rights, is to enable the company in a time efficient manner to use own shares as payment in connection with acquisitions of companies or businesses or to financing such acquisitions.

**Authorisation for the Board to resolve on new issues of ordinary shares (item 18)**

The Board proposes that the Annual General Meeting authorises the Board to, on one or more occasions up until the 2023 Annual General Meeting, resolve upon new issues of ordinary shares corresponding to a maximum of 20 percent of the total number of outstanding shares in Nelly Group at the time of the Annual General Meeting.

New issues of ordinary shares may be effected with preferential rights for all shareholders and/or as a directed issue to one or more investors with deviation from the shareholders' preferential rights. Payment may be made in cash, in kind or through set-off. New issues of ordinary shares with deviation from the shareholders' preferential rights shall be made on market terms.

The purpose of the authorisation, and the reason for any deviation from the shareholders' preferential rights, is to enable the company to raise capital from potential investors on an accelerated basis, which may also bring operational advantages and synergies, including accelerated access to new markets.