

NELLY.COM

NOTICE OF THE 2024 ANNUAL GENERAL MEETING

The shareholders of Nelly Group AB (publ), reg. no. 556035-6940, ("Nelly") are hereby given notice of the Annual General Meeting to be held on Monday 13 May 2024 at 14:00 CEST at Nelly's store at Drottninggatan 50 (top floor) in Stockholm. Registration for the Annual General Meeting will commence at 13:30 CEST. Shareholders may also exercise their voting rights at the Annual General Meeting by postal voting in advance in accordance with the Articles of Association.

PARTICIPATION

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

- (i) be recorded as a shareholder in the presentation of the share register prepared by Euroclear Sweden AB concerning the circumstances as of Thursday 2 May 2024; and
- (ii) give notice of participation no later than by Monday 6 May 2024.

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, re-register such shares in their own name so that the shareholder is recorded in the presentation of the share register as of Thursday 2 May 2024. 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 by Monday 6 May 2024 will be considered in the presentation of the share register.

Participation at the meeting venue

Shareholders who wish to attend the meeting venue in person or by proxy shall give notice of participation to Nelly no later than by Monday 6 May 2024. Notification can be made on Nelly's website www.nellygroup.com, by e-mail to info@computershare.se, by telephone to +46 771-246 400 or by post to Computershare AB, "Nelly's AGM 2024", P.O. Box 5267, SE-102 46 Stockholm, Sweden. Shareholders shall in their notice state their name, personal identification number or company registration number, address, phone number and advisors, if applicable. If the shareholder is represented by proxy at the meeting venue, a written and dated power of attorney, and registration certificate or a corresponding authorisation document for a legal entity, should be sent to the address above well before the Annual General Meeting. A template proxy form is available on Nelly's website www.nellygroup.com.

Participation by postal voting

Shareholders who wish to participate in the Annual General Meeting by postal voting must give notice of participation by casting their postal vote so that it is received by Computershare AB no later than by Monday 6 May 2024. A special form shall be used for postal voting. The postal voting form is available on Nelly's website www.nellygroup.com. The postal voting form can be submitted either by e-mail to info@computershare.se or by post to Computershare AB, "Nelly's AGM 2024", P.O. Box 5267, SE-102 46 Stockholm, Sweden. Shareholders may also cast their postal votes digitally through BankID verification via a link that can be found on Nelly's website www.nellygroup.com. If the shareholder postal votes by proxy, a written and dated a power of attorney shall be enclosed with the form. A template proxy form is available on Nelly's website www.nellygroup.com. If the shareholder is a legal entity, a registration certificate or corresponding authorisation document shall be enclosed with the postal voting form. Further instructions can be found on the postal voting form.

PROPOSED AGENDA

1. Opening of the Annual General Meeting.
2. Election of Chair of the Annual General Meeting.
3. Preparation and approval of the voting list.
4. Approval of the agenda.
5. Election of one or two persons to check and verify the minutes.
6. Determination of whether the Annual General Meeting has been duly convened.
7. Presentation by the CEO.
8. Presentation of the Annual Report, the Auditor's Report and the consolidated financial statements and the Auditor's Report on the consolidated financial statements.
9. Resolution on the adoption of the income statement and the balance sheet as well as the consolidated income statement and the consolidated balance sheet.
10. Resolution on disposition of the company's result as stated in the adopted balance sheet.
11. Resolution on the discharge of liability of the members of the Board and the CEO.
12. Presentation and resolution on approval of the Remuneration Report.
13. Determination of the number of members of the Board.
14. Determination of the remuneration to the members of the Board and the Auditor.
15. Election of Board members:
 - (a) Daniel Hörnqvist (re-election, proposed by the Nomination Committee).
 - (b) Ebba Ljungerud (re-election, proposed by the Nomination Committee).
 - (c) Stefan Palm (re-election, proposed by the Nomination Committee).
 - (d) Josephine Salenstedt (re-election, proposed by the Nomination Committee).
 - (e) Lennart Sparud (re-election, proposed by the Nomination Committee).
 - (f) Axel Westphalen (re-election, proposed by the Nomination Committee).
16. Election of Chair of the Board.
17. Determination of the number of Auditors and election of Auditor.
18. Resolution on instruction for the Nomination Committee.
19. Resolution on guidelines for remuneration to senior executives.
20. Resolution on authorisation for the Board to resolve on new issues of ordinary shares, warrants and/or convertible bonds.
21. Closing of the Annual General Meeting.

RESOLUTIONS PROPOSED BY THE NOMINATION COMMITTEE

Election of Chair of the Annual General Meeting (item 2)

The Nomination Committee proposes that Matilda Larsson, Advokatfirman Cederquist, is elected to be the Chair of the Annual General Meeting.

Determination of the number of members of the Board and election of Board members and Chair of the Board (items 13, 15 (a)-(f) and 16)

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, Daniel Hörnqvist, Ebba Ljungerud, Stefan Palm, Josephine Salenstedt, Lennart Sparud and Axel Westphalen shall be re-elected as members of the Board.

The Nomination Committee proposes re-election of Ebba Ljungerud as Chair of the Board.

Determination of the remuneration to the members of the Board and the Auditor (item 14)

The Nomination Committee proposes that remuneration for ordinary Board work and for work within the Board's committees, for the period until the end of the next Annual General Meeting, shall be paid as follows.

The total remuneration to the Board amounts to SEK 2,105,000 (2023: SEK 1,675,000) and shall be distributed as follows:

- SEK 650,000 to the Chair of the Board;
- SEK 250,000 to each of the other five members of the Board;
- SEK 75,000 to the Chair and SEK 30,000 to each of the other two members of the Audit Committee; and
- SEK 50,000 to the Chair and SEK 20,000 to the other member 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 17)

In accordance with the Audit Committee's recommendation, the Nomination Committee proposes that Nelly 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 next Annual General Meeting. KPMG AB has informed Nelly that the authorised public accountant Mathias Arvidsson will continue as Auditor-in-charge if KPMG AB is re-elected as Auditor.

Resolution on instruction for the Nomination Committee (item 18)

The Nomination Committee proposes that the Annual General Meeting resolves on the following instruction for the Nomination Committee. The instruction shall apply until the General Meeting resolves otherwise.

The Nomination Committee shall consist of one representative of each of the three largest shareholders in Nelly Group AB (publ) (the "Company") in terms of votes, based on the share register maintained by Euroclear Sweden AB as of the last trading day in September each year.

As soon as possible after the last trading day in September each year, the Chair of the Board shall contact shareholders as set out above. If any of the three largest shareholders choose to waive

their right to appoint a member of the Nomination Committee, the right shall be transferred to the shareholder who, after these shareholders, has the largest shareholding in the Company in terms of votes. However, no more than five additional shareholders must be contacted, unless the Chair of the Board considers that there are special reasons for doing so.

The members of the Nomination Committee shall appoint a Chair at their first (constituent) meeting. The Chair of the Board shall be invited to the Nomination Committee's meetings when deemed appropriate by the Committee.

The composition of the Nomination Committee, stating which shareholder has appointed each member, shall be announced on the Company's website no later than six months before the Annual General Meeting. The term of office for the Nomination Committee shall be for the period until a new Committee has been appointed.

If a member resigns during the Committee term, the Nomination Committee may choose to appoint a new member. Provided that the shareholder who appointed the resigning member is still one of the largest shareholders of the Company, the shareholder shall be asked to appoint a new member. If this shareholder refrains from appointing a member, the Nomination Committee may ask the next largest shareholder who has not previously appointed a member of the Committee. Changes in the composition of the Nomination Committee shall be made public as soon as they occur.

If the ownership structure of the Company changes, the Nomination Committee may choose to amend its composition to ensure that the Committee appropriately reflects the ownership of the Company. However, unless there are special circumstances, the composition of the Committee may remain unchanged following changes in the ownership structure that are either minor or occur less than three months prior to the Annual General Meeting.

All information received by the members of the Nomination Committee in the course of their assignment or otherwise received by the Company shall be treated as strictly confidential and may not be disclosed to third parties before the information is made public. The Nomination Committee's proposals shall be communicated to the Company in reasonable time to ensure compliance with the Swedish Corporate Governance Code. No remuneration shall be paid to the members of the Nomination Committee. The Committee shall have the right to receive resources from the Company upon request, such as a secretary function in the Nomination Committee and the right to charge the Company with costs for recruitment consultants and travels related to the assignment, if deemed necessary.

The Nomination Committee shall perform the duties of the Nomination Committee in accordance with the Swedish Corporate Governance Code.

RESOLUTIONS PROPOSED BY THE BOARD

Resolution on disposition of the company's result as stated in the adopted balance sheet (item 10)

The Board proposes that the retained earnings and the share premium reserve as well as the result for the year, a total of SEK 259,029,577 is to be carried forward.

Resolution on guidelines for remuneration to senior executives (item 19)

The Board proposes the following guidelines for remuneration of the CEO and other members of the management team (the "Senior Executives") of Nelly and of Board members, where they receive remuneration for tasks other than Board duties.

The guidelines shall be applied to remuneration that is agreed, and changes made to remuneration already agreed, after the guidelines have been adopted by the 2024 Annual General Meeting. The guidelines do not include remuneration adopted by the General Meeting such as ordinary Board fees and long-term share/share price related incentive plans.

How the guidelines promote Nelly's business strategy, long-term interests and sustainability

Nelly operates nelly.com, which is one of the Nordic region's strongest fashion brands for young women, and nlyman.com. Nelly's business model is based on a core of its own brands and a supplementary range of curated brands from an international portfolio. Nelly will continue to strengthen its own brands and remain at the forefront of digital marketing and sales. The company will continue to inspire its target group with selected trends and fashion.

For Nelly to be able to realise its business strategy and safeguard the company's long-term interests, including their sustainability, it is essential that it can attract, motivate and retain senior executives in competition with comparable Nordic companies, primarily Nordic companies operating in e-commerce and retail with consumer brands. These guidelines must, therefore, allow the Senior Executives to be offered a competitive package of remuneration. At the same time, Nelly's remuneration system must be compatible with and promote sound, effective risk management and discourage excessive risk-taking.

Remuneration of the Senior Executives in Nelly must, in both the short and long terms, reflect the individual's performance and responsibilities, and the earnings of Nelly and its subsidiaries and must also align the incentives of the Senior Executives with the interests of the shareholders. Consequently, the Senior Executives must be remunerated according to the principle of reward for performance.

The Board considers that the option of variable remuneration and participation in any long-term incentive plans, plus carefully balanced fixed remuneration, create the conditions for Nelly to be a competitive employer, while the design of and conditions for the variable remuneration promote responsible, sound risk management and the company's profitability and growth strategy, long-term interests and sustainability.

Types of remuneration

Remuneration must be market-based and may consist of the following components: fixed cash salary, variable cash remuneration, the option to participate in long-term (i) share/share price-related incentive plans adopted by the General Meeting and/or (ii) cash-based incentive plans, pension benefits and other customary benefits.

Fixed cash salary

The Senior Executives' fixed cash salaries are revised each year. They must be competitive and based on the individual's skills, responsibilities and performance.

Variable cash remuneration

The Senior Executives' variable cash remuneration must be based on performance in meeting established targets for profitability, growth and value creation for their areas of responsibility and for Nelly. The outcome must be linked to measurable targets (qualitative, quantitative, general and individual) that are measured during one year. The targets within the Senior Executives' respective areas of responsibility are intended to promote Nelly's performance in both the short and long terms and thus promote Nelly's business strategy and long-term interests, including the company's sustainability. The variable cash remuneration may not exceed 100 percent of the Senior Executive's fixed annual salary.

Additional cash variable remuneration may be paid in extraordinary circumstances, provided that such extraordinary arrangements are only made at individual level either to recruit or retain an executive or as remuneration for extraordinary performance above and beyond the person's ordinary duties. Such remuneration may not exceed an amount equivalent to 100 percent of fixed annual cash salary. Any decision on such remuneration must be made by the Board following a proposal by the Remuneration Committee.

The Board must also consider deciding that part of Senior Executives' variable cash remuneration must be invested in shares or share price-related instruments in Nelly.

Long-term share-related and cash-based incentive plans

The Senior Executives may be offered incentive plans which must, in general, be share/share price-related and are, therefore, not subject to these guidelines but may also be cash-based. Long-term share/share price-based incentive plans must be designed to ensure the participants' long-term commitment to value growth in Nelly and align the interests of the Senior Executives with those of the shareholders.

Establishment of criteria for cash variable remuneration and long-term cash-based incentive plans, and the right to demand repayment of such remuneration in certain cases

When the measurement period for meeting criteria for payment of variable cash remuneration and long-term cash-based incentive plans has ended, it is necessary to decide/establish the extent to which the criteria have been met. The Remuneration Committee is responsible for such assessment. Where financial criteria are concerned, the assessment must be based on the financial information most recently published by Nelly. The Remuneration Committee must, in its assessment, ensure that the remuneration is linked to Nelly's earnings. When determining the remuneration, the Remuneration Committee must also take relevant circumstances into account in relation to the environment, social conditions, corporate governance and anti-corruption (ESG criteria).

To ensure that performances on which the remuneration has been based are sustainable over time, Nelly is entitled, with the restrictions that may be stipulated by law or contract, to demand repayment of all or part of remuneration other than fixed cash salary, pension and other customary benefits that has been paid incorrectly as a result of information that turns out to be obviously incorrect (claw-back).

Pensions and other customary benefits

Pension commitments are defined contribution and secured through premiums paid to insurance companies. The amount of pension premiums is specified by Nelly's pension plan and must generally correspond to the provision levels applicable under the ITP 1 plan with the resulting restrictions in relation to fixed annual salary. No provisions are made for salary components in excess of 60 income base amounts calculated on an annual basis. Variable cash remuneration must generally not be pensionable. The retirement age is normally 65.

Other benefits should be customary and contribute to facilitating the executives' ability to perform their duties, for example, company car, occupational health services and medical expense insurance. The total of such benefits may not exceed 30 percent of the fixed annual cash salary.

Notice of termination and severance pay

Upon termination of employment, the notice period may not exceed twelve months. The total of fixed cash salary during the notice period and severance pay may not exceed an amount equivalent to the fixed cash salary for eighteen months for the CEO and twelve months for other Senior Executives. Upon termination by the employee, the notice period may not exceed six months and the employee is not entitled to severance pay.

Salary and terms of employment for employees

The salary and terms of employment of Nelly's employees were taken into consideration in the preparation of the Board's proposal for these remuneration guidelines. The guidelines do not deviate from the remuneration systems that are generally applied in Nelly to other employees. The remuneration, types of remuneration and development of salary of the Senior Executives are deemed to be in line with salaries and terms of employment of other employees in Nelly in other respects as well. The development of remuneration of the Senior Executives and remuneration of other employees is reported in the Board's annual Remuneration Report.

Remuneration to Board members

Board members in the parent company, who are appointed at the General Meeting, may, in special cases, receive remuneration for services performed within their respective specialist areas that fall outside their ordinary Board duties for the parent company. Remuneration for such services must be market-based and approved by the Board.

The decision-making process

The Board has established a Remuneration Committee. The duties of the Committee include preparing the Board's decisions on proposals for guidelines for remuneration of senior executives. At least every four years, the Board must submit a proposal for guidelines for remuneration of senior executives to the General Meeting for resolution. The guidelines must apply until new guidelines have been adopted by the General Meeting.

The Remuneration Committee shall also monitor and assess plans for variable remuneration of the company management, the application of these guidelines for remuneration of senior executives and the remuneration structures and levels of remuneration in the company.

The members of the Remuneration Committee are independent of the company and the executive management. Senior Executives do not take part in the Board's discussions and decisions on issues related to remuneration where the issues affect them personally.

Deviations from the guidelines

Where the Board finds that there are particular reasons in a particular case and to safeguard the company's long-term interests, including its sustainability, or to safeguard the company's financial position, the Board is entitled to deviate from the guidelines. If the Board deviates from the guidelines, it must report the reasons for this at the following Annual General Meeting.

Description of significant changes and how the shareholders' views have been taken into account

There have been no significant changes to the remuneration guidelines in relation to the guidelines adopted by the extraordinary general meeting on 16 December 2020. No material views on the remuneration guidelines have been presented by shareholders.

Resolution on authorisation for the Board to resolve on new issues of ordinary shares, warrants and/or convertible bonds (item 20)

The Board proposes that the Annual General Meeting authorises the Board to, on one or more occasions during the period until the next Annual General Meeting, resolve to issue new ordinary shares, warrants and/or convertible bonds. The increase in share capital, which entails issuance, conversion or subscription for new ordinary shares, may correspond to a dilution of no more than 25 percent of the share capital in Nelly at the time of the Annual General Meeting. New issues of ordinary shares, warrants and/or convertible bonds may be effected with or without deviation from the shareholders' preferential rights. Payment may be made in cash, in kind or through set-off. New issues 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 increase the company's financial flexibility by allowing the company to raise new capital to finance its operations as well as to finance acquisitions of companies, businesses or parts thereof.

ADDITIONAL INFORMATION

Number of shares and votes

There are a total of 30,483,985 shares in Nelly, distributed over 30,015,278 ordinary shares and 468,707 shares of Class C, corresponding to a total of 30,483,985 votes. As of the date of this notice, Nelly holds 42,747 ordinary shares and 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 CEO 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.

Majority requirements

A valid resolution under item 20 requires 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 Nelly's website www.nellygroup.com.

The 2023 Annual Report, the Board's Remuneration Report as well as the Auditor's opinion according to Chapter 8, Section 54 of the Swedish Companies Act are available on Nelly's website www.nellygroup.com and at the company's office at Lundbygatan 1 in Borås, Sweden. Hard copies of the documents will be sent to those shareholders who so request and state their postal or e-mail address.

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 and www.euroclear.com/dam/ESw/Legal/Privacy-notice-bolagsstammor-engelska.pdf.

Borås, April 2024

Nelly Group AB (publ)

THE BOARD OF DIRECTORS
