

# NELLY

## NOTICE OF EXTRAORDINARY GENERAL MEETING

**The shareholders of Nelly Group AB (publ), reg. no. 556035-6940, ("Nelly") are hereby given notice of an Extraordinary General Meeting to be held on Thursday 12 December 2024 at 09:00 CET at Advokatfirman Cederquist's premises, Hovslagargatan 3, in Stockholm. Registration for the Extraordinary General Meeting will commence at 08:30 CET. Shareholders may also exercise their voting rights at the Extraordinary General Meeting by postal voting in advance in accordance with the Articles of Association.**

### **PARTICIPATION**

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

- be recorded as a shareholder in the presentation of the share register prepared by Euroclear Sweden AB concerning the circumstances as of Wednesday 4 December 2024; and
- give notice of participation no later than by Friday 6 December 2024.

To be entitled to participate in the Extraordinary 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 Wednesday 4 December 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 Friday 6 December 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 Friday 6 December 2024. Notification can be made on Nelly's website [www.nellygroup.com](http://www.nellygroup.com), by e-mail to [info@computershare.se](mailto:info@computershare.se), by telephone to +46 771-246 400 or by post to Computershare AB, "Nelly's EGM 2024", Gustav III:s Boulevard 34, 169 73 Solna, 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 Extraordinary General Meeting. A template proxy form is available on Nelly's website [www.nellygroup.com](http://www.nellygroup.com).

#### Participation by postal voting

Shareholders who wish to participate in the Extraordinary 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 Friday 6 December 2024. A special form shall be used for postal voting. The postal voting form is available on Nelly's website [www.nellygroup.com](http://www.nellygroup.com). The postal voting form can be submitted either by e-mail to [info@computershare.se](mailto:info@computershare.se) or by post to Computershare AB, "Nelly's EGM 2024", Gustav III:s Boulevard 34, 169 73 Solna, 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](http://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](http://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**

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1. Opening of the Extraordinary General Meeting.
2. Election of Chair of the Extraordinary 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 Extraordinary General Meeting has been duly convened.
7. Resolution on dividend and record date.
8. Resolution on:
  - (a) adoption of a share program for senior executives in Nelly; and
  - (b) directed new issue of ordinary shares.
9. Closing of the Extraordinary General Meeting.

## **RESOLUTIONS PROPOSED BY THE BOARD**

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### **Election of Chair of the Extraordinary General Meeting (item 2)**

The Board proposes that Matilda Larsson, Advokatfirman Cederquist, is elected to be the Chair of the Extraordinary General Meeting.

### **Resolution on dividend and record date (item 7)**

The Board proposes that the Extraordinary General Meeting resolves on a dividend of SEK 0.83 per ordinary share. The Board proposes Monday 16 December 2024 as the record date for the dividend. If the Extraordinary General Meeting resolves in accordance with the proposal, the dividend is expected to be distributed by Euroclear Sweden AB on Thursday 19 December 2024.

As of 31 December 2023, the unrestricted equity amounted to SEK 259,029,577. The Annual General Meeting 2024 resolved to carry forward the retained earnings and share premium reserve as well as the year's profit. The amount available for distribution according to Chapter 17 Section 3 of the Companies Act thus amounts to SEK 259,029,577 prior to the proposed dividend resolution.

### **Resolution on adoption of a share program for senior executives in Nelly and directed new issue of ordinary shares (items 8(a)-(b))**

#### ***Background and objective***

The Board proposes that the Extraordinary General Meeting resolves on adoption of a share program ("**Share Program 2024**") for senior executives in accordance with below.

Share Program 2024 aims to create conditions for Nelly to retain key employees who are expected to contribute to the company's continued development. The objective of Share Program 2024 is to create a strong incentive for the participants to contribute to the development of the company's position and to promote long-term sustainable decisions to achieve results in accordance with the company's vision and overall strategy. The Board's intention is that participation in the program will replace variable cash remuneration previously paid to senior executives and give the participants an increased shareholding in the company through the program to further align the participants' interests with those of the shareholders.

As part of the Share Program 2024, the Board proposes that the Extraordinary General Meeting resolves on a directed issue of ordinary shares as set out in more detail in item 8(b) below.

#### ***(a) Resolution on adoption of a share program for senior executives in Nelly***

##### Participants

The Board proposes that the Extraordinary General Meeting resolves on adoption of Share Program 2024 for the following key employees of the company; Helena Karlinder-Östlundh (Chief Executive Officer), Lotta Fermén (Chief Assortment Officer), Madeleine Einarsson (Chief Sales Officer), Stefan Svensson (Chief Operating Officer), Niklas Lingblom (Chief Financial Officer), Anders Hellberg (Chief Technology Officer) and Rebecca Härkönen (Head of Assortment Controlling).

Application for participation in Share Program 2024 shall be made during the period from the date of the Extraordinary General Meeting's resolution to adopt Share Program 2024 up to and including 16 December 2024 by subscription of shares as set out in item 8(b) below. The Board shall, however, be entitled to extend the application period. The Board shall resolve on final allotment of shares under the Share Program 2024 as soon as possible after the end of the application period.

### Allotment and distribution

Participants who have applied for participation in the Share Program 2024 will have the opportunity to subscribe for ordinary shares in Nelly at a subscription price corresponding to the quota value of the share, as further described in item 8(b) below. The participants have the right to subscribe for a number of shares corresponding to a total value of three (3) months' salary for the CEO and a total value corresponding to two (2) months' salary for the other participants on the date of subscription of the shares, however not exceeding the number of shares set out in the distribution under item 8(b) below. The number of shares that each participant is entitled to subscribe for shall be determined based on the volume-weighted average price of the company's share on Nasdaq Stockholm during a period of ten (10) trading days immediately preceding the date of subscription of the shares.

If a participant is prohibited from subscribing for shares in the company due to regulations under the Regulation (EU) No 596/2014 on market abuse or other insider legislation applicable in respect of the company, the shares shall be subscribed for without delay after the participant is no longer prevented from doing so.

The participants will be compensated through a cash salary payment for an amount corresponding to half of the tax that the participant is obliged to pay as a result of the subscription of shares under the Share Program 2024 constituting a tax benefit (please see "*Taxation*" below). The remaining part of the tax shall be paid by the participant.

No performance requirements are set for allotment under the program, as the Board considers that the terms and conditions of the program otherwise create strong incentives for the participants to contribute to the development of the company's position and promote long-term sustainable decisions in order to achieve results that are consistent with the company's vision and overall strategy.

### Vesting of the shares

The participants are only entitled to retain the shares allotted under the Share Program 2024 if the participant remains employed by Nelly during the period from the day of subscription of the shares up to and including the date falling three years thereafter (the "**Vesting Period**"). If the participant's employment with Nelly is terminated during the Vesting Period, the participant shall not be entitled to retain any shares allotted under the Share Program 2024, regardless of whether the participant terminates his or her employment or whether the participant's employment is terminated by the company. After the expiry of the Vesting Period, allotted shares may be freely disposed by the participant.

The participant is entitled to retain (i) cash dividends, (ii) proceeds from sale of subscription rights that the participant has received and sold under a rights issue, as well as (iii) other cash value transfers received by the participant following corporate events in the company, provided that the participant was entitled to the shares at the time of the receipt. Any new shares in the company that the participant has subscribed for with preferential rights based on shares held shall not be subject to the terms and conditions of the Share Program 2024.

### Agreement with an obligation to return the shares free of charge

A prerequisite for being granted shares under the Share Program 2024 is that the participants have signed an agreement with the company under which the participant undertakes to:

- Not transfer or pledge the shares during the Vesting Period.
- Provide information to the company regarding the share depository in which the shares are held and not to move the shares from said share depository without the consent of the company.

- Upon request of the company, enable the company to check the holding on the share depository where the shares are held.
- Transfer, free of charge, to the company any shares that have not vested in accordance with the terms and conditions of Share Program 2024 or otherwise participate in such measures or decisions as the company deems necessary or appropriate in connection with the Share Program 2024.

Breach of the agreement shall be subject to a penalty fine corresponding to a value of the participant's shares at the time of allotment, the cash salary payment received by the participant and the company's social security costs relating to the participant's shares or, if higher, 150 percent of the market value of the shares at the time of the breach.

The Board, or the person appointed by the Remuneration Committee, shall be responsible for the detailed design and handling of the agreement within the above specified conditions and guidelines.

#### Taxation

The receipt of shares allotted under the Share Program 2024 is a taxable benefit that will be taxed during the year in which the shares are received by the participant. The taxable benefit value is calculated as the last price paid on the day the shares were received. The benefit value will be taxed as income from employment for the participants, meaning that social security contributions will be charged to the employer. The participants will be compensated through a cash salary payment, which means that the participants will be compensated for half of the tax that the participant is obliged to pay as a result of the taxable benefit.

#### Costs, impact on key figures and dilution

The Board has conducted a preliminary cost calculation for the Share Program 2024. The costs, which mainly consist of social security contributions based on the value of the shares, costs for salary payments to cover parts of the participant's costs under Share Program and costs for external advisors, are preliminary estimated to amount to approximately SEK 1,680,000.

The preliminary cost calculation assumes that the maximum number of shares that may be allotted under the Share Program 2024 will correspond to a value of no more than approximately SEK 1,671,000. The calculation is further based on an assumption of a value of the company's share of SEK 29.81 per share, corresponding to the volume-weighted average price of the company's share on Nasdaq Stockholm during a period of ten (10) trading days preceding 19 November 2024.

Assuming maximum allotment of shares under Share Program 2024, whereby 67,257 shares are allotted, Share Program 2024 entails a dilution of approximately 0.2 percent of the share capital and votes in the company. The highest number of shares proposed to be issued under item 8(b) below corresponds to 120 percent of the number of shares that would have been allotted to the participants as of the date of the notice convening the Extraordinary General Meeting, based on a market value of the company's share calculated in accordance with the paragraph above. The number of shares allotted to the participants under the program may be less than the maximum number of shares set out in item 8(b), and may therefore result in a lower dilution. If participants leave the company during the Vesting Period, participants may lose all or part of their right to shares under Share Program 2024, which are then intended to be acquired by Nelly and possibly withdrawn following a resolution on reduction of the share capital. Such withdrawal of shares would reduce the dilution.

#### Design and handling

Share Program 2024 has been prepared by the Remuneration Committee in consultation with external advisors and has been resolved upon by the Board.

The Board, or the person appointed by the Remuneration Committee, shall be responsible for the detailed design and handling of Share Program 2024, including drafting of agreements between the company and the participants, within the specified conditions and guidelines. In connection therewith, the Board shall have the right to make adjustments to meet market conditions or to comply with applicable rules.

Existing incentive programs

*PSP 2022*

At the date of this proposal, there is currently one performance share plan ("**PSP 2022**"), adopted by the Annual General Meeting 2022. At the end of 2023, there was one (1) remaining participant in PSP 2022. Under PSP 2022, the participants have through a personal investment acquired ordinary shares in Nelly ("**Savings Shares**"). For each Savings Share, Nelly has, free of charge, allotted share rights entitling the participant to receive ordinary shares in Nelly free of charge ("**Performance Shares**") provided that, and to the extent, the performance-based condition for the period 1 April 2022 – 31 March 2026 is being fulfilled. The right to finally receive Performance Shares is also conditional upon the participant having retained the Saving Shares and, subject to certain exemptions, continued his or her employment with Nelly throughout the vesting period ending after the disclosure of Nelly's interim report for the period January-March 2026. If the participant's employment is terminated during the period 1 April 2025 – 31 March 2026, the participant shall however be entitled to one quarter of the Performance Shares provided that, and to the extent, the performance-based condition is fulfilled at the time of termination of employment. The performance-based condition is based on the total shareholder return on the ordinary share (including any dividends reinvested) during March 2022 to be compared to March 2026.

**(b) Resolution on directed new issue of ordinary shares**

In order to enable delivery of the shares under Share Program 2024, the Board proposes that the Extraordinary General Meeting resolves on a directed issue of no more than 67,257 ordinary shares under the Share Program 2024, entailing an increase of the share capital by no more than SEK 67,257. In addition, the following terms shall apply to the issue:

- a) The right to subscribe for shares shall, with deviation from the shareholder's preferential rights, only be granted certain senior executives in the company as follows:

<b>Category</b>	<b>Maximum number of shares</b>
Helena Karlinder-Östlundh (Chief Executive Officer)	22,945 shares
Lotta Fermén (Chief Assortment Officer)	7,246 shares
Madeleine Einarsson (Chief Sales Officer)	6,842 shares
Stefan Svensson (Chief Operating Officer)	9,178 shares
Niklas Lingblom (Chief Financial Officer)	8,051 shares
Anders Hellberg (Chief Technology Officer)	8,051 shares
Rebecca Härkönen (Head of Assortment Controlling)	4,944 shares

- b) The reason for deviation from the shareholders' preferential rights is that the shares shall be used within Share Program 2024.
- c) Subscription for the shares shall be made on a separate subscription list no later than 16 December 2024. The Board is entitled to extend the subscription period.

- d) The subscription price shall be SEK 1 per share, corresponding to the quota value of the share.
- e) Payment for subscribed shares shall be made no later than three (3) banking days after subscription. The Board are entitled to extend the payment period.
- f) Allotment of the shares is made by the Board in accordance with the principles laid down by the general meeting. The Board shall allot a number of shares to each participant corresponding to a value of three (3) months' salary for the CEO and a total value corresponding to two (2) months' salary for the other participants, however not exceeding the number of shares as shown in the distribution above. Over-subscription may not occur.
- g) A prerequisite for being allocated the shares is that the participant has signed an agreement with the company, detailing the conditions for participation in Share Program 2024.
- h) The new shares shall entitle to dividend for the first time on the record date for dividends that occurs closest after the new shares have been registered with the Swedish Companies Registration Office and entered into the share register maintained by Euroclear Sweden AB.
- i) Documents in accordance with Chapter 13, Section 6 of the Companies Act have been prepared.

## **ADDITIONAL INFORMATION**

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### **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 Extraordinary General Meeting.

### **Special majority requirements**

The Board's proposal in accordance with item 8 regarding (a) adoption of Share Program 2024 for senior executives and (b) directed issue of ordinary shares constitute a joint proposal and shall be made as one resolution. Resolution in accordance with the proposal from the Board is valid only when supported by shareholders representing no less than nine tenths of both the votes cast and the shares represented at the Extraordinary 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, at the Extraordinary General Meeting provide information regarding circumstances that may affect the assessment of an item on the agenda.

### **Documentation**

The Board's complete proposals are set out in this notice. The following documents are available on Nelly's website [www.nellygroup.com](http://www.nellygroup.com) and on the company's office at Lundbygatan 1 in Borås (i) the Annual Report and the Auditor's Report for the financial year 2023; (ii) the Board's statement according to Chapter 18 Section 4 of the Companies Act and report according to Chapter 13 Section 6 and Chapter 18 Section 6 of the Companies Act; and (iii) the auditor's statement according to Chapter 13 Section 6 and Chapter 18 Section 6 of the Companies Act. 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 Extraordinary 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, November 2024  
Nelly Group AB (publ)  
THE BOARD OF DIRECTORS

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