

PRESS RELEASE

10 March 2023 08:00:00 CET

Nelly announces the terms of its fully secured rights issue of approximately SEK 53 million

On 3 February 2023, Nelly Group AB (publ) ("Nelly" or the "Company") announced that the Board had resolved on a fully secured new issue of shares with preferential rights for existing shareholders (the "Rights Issue") subject to approval by an Extraordinary General Meeting to be held on 14 March 2023. The Board of Nelly has today resolved on the terms of the Rights Issue of approximately SEK 53 million.

Summary

- Those who are registered as shareholders in Nelly on the record date will receive one (1) subscription right for each share in the Company held. Three (3) subscription rights entitle to subscription for two (2) ordinary shares.[1] Shareholders have the possibility to sell excess subscription rights on Nasdaq Stockholm during the period from 23 March 2023 up to and including 3 April 2023.
- The subscription price is SEK 4.42 per ordinary share. Provided that the Rights Issue is fully subscribed, Nelly will consequently raise approximately SEK 53 million before deduction of issue costs, which are estimated at approximately SEK 5 million.
- The record date for the right to participate in the Rights Issue with preferential rights is 21 March 2023 and the subscription period runs from and including 23 March 2023 up to and including 6 April 2023.
- The Rights Issue is subject to approval by the Extraordinary General Meeting to be held on 14 March 2023.
- Nelly's three largest shareholders, Rite Ventures, Stefan Palm (through company) and Mandatum, holding in aggregate approximately 51 percent of the total number of shares and votes in Nelly, have undertaken to vote in favour of the Rights Issue at the Extraordinary General Meeting, to subscribe for ordinary shares in the Rights Issue corresponding to their respective pro rata portion and to guarantee their respective pro rata portion of the part of the Rights Issue not covered by subscription commitments. The Rights Issue is thus fully secured through subscription commitments and guarantee undertakings.

Terms of the Rights Issue

Those who are registered as shareholders in Nelly on the record date will receive one (1) subscription right for each share in the Company held. Three (3) subscription rights entitle to subscription for two (2) ordinary shares.[2] Shareholders have the possibility to sell excess subscription rights on Nasdaq Stockholm during the period from 23 March 2023 up to and including 3 April 2023.

Nelly Group AB

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If not all of the new ordinary shares are subscribed for by exercise of subscription rights, the Board shall resolve on allotment of ordinary shares that have not been subscribed for by exercise of subscription rights in accordance with the following allotment principles.

- firstly, allotment of new ordinary shares shall be made to those who also have subscribed for ordinary shares by exercise of subscription rights (irrespective of whether the subscriber was registered as a shareholder on the record date or not), and in the event that allotment cannot be made in full to those, allotment shall be made pro rata in relation to the number of subscription rights that have been exercised for subscription of ordinary shares and should this not be possible, by drawing of lots,
- secondly, allotment of new ordinary shares shall be made to those who have subscribed for ordinary shares only without subscription rights, and in the event that allotment cannot be made in full to those, allotment shall be made pro rata in relation to the number of ordinary shares that each one has subscribed for, and should this not be possible, by drawing of lots.
- thirdly, any remaining ordinary shares shall be allotted to Rite Ventures, Stefan Palm (through company) and Mandatum as guarantors, subject to the terms and conditions of their respective guarantee undertaking.

Provided that the Rights Issue is fully subscribed, Nelly's share capital will increase by a maximum of SEK 11,989,012 from SEK 18,494,973 to a maximum of SEK 30,483,985 through the issue of a maximum of 11,989,012 new ordinary shares. After the Rights Issue, the total number of shares in Nelly will amount to a maximum of 30,483,985.

The subscription price is SEK 4.42 per ordinary share. Provided that the Rights Issue is fully subscribed, Nelly will consequently raise approximately SEK 53 million before deduction of issue costs, which are estimated at approximately SEK 5 million.

The record date for the right to participate in the new share issue with preferential rights is 21 March 2023. The subscription period runs from and including 23 March 2023 up to and including 6 April 2023. Trading in subscription rights takes place on Nasdaq Stockholm during the period from and including 23 March 2023 up to and including 3 April 2023 and trading in paid subscription shares (Sw. Betalda tecknade aktier) during the period from and including 23 March 2023 up to and including 17 April 2023.

Shareholders who choose not to participate in the Rights Issue will have their shareholdings diluted by a total of 11,989,012 new shares, corresponding to approximately 39.33 percent of the total number of shares in Nelly after the Rights Issue. These shareholders can financially compensate for the dilution effect by selling their subscription rights.

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The Rights Issue is subject to approval by the Extraordinary General Meeting to be held on 14 March 2023 at 10:00 CET at Advokatfirman Cederquist's premises, Hovslagargatan 3, in Stockholm. The notice of the Extraordinary General Meeting is available at Nelly's webpage www.nellygroup.com.

Subscription commitments and guarantee undertakings

Nelly's three largest shareholders, Rite Ventures, Stefan Palm (through company) and Mandatum, holding in aggregate approximately 51 percent of the total number of shares and votes in Nelly, have undertaken to vote in favour of the Rights Issue at the Extraordinary General Meeting, to subscribe for ordinary shares in the Rights Issue corresponding to their respective pro rata portion and to guarantee their respective pro rata portion of the part of the Rights Issue not covered by subscription commitments. The Rights Issue is thus fully secured through subscription commitments and guarantee undertakings.

Upon fulfilment of its subscription commitment or guarantee undertaking, Rite Ventures may hold more than 30 percent of the shares and votes in Nelly. The maximum portion of the shares and votes that Rite Ventures may receive in case the guarantee undertaking should be exercised in full is 35.05 percent. Rite Ventures has been granted an exemption by the Swedish Securities Council from the mandatory bid obligation in the event that Rite Ventures' shareholding in Nelly by fulfilling its subscription commitment or guarantee undertaking would equal or exceed 30 percent of the votes in the Company. A condition for the Swedish Securities Council's decision to grant Rite Ventures an exemption from the mandatory bid obligation due to fulfilment of the guarantee undertaking is that the resolution on the Rights Issue is approved by shareholders holding not less than two-thirds of both the votes cast and the shares represented at the Extraordinary General Meeting, excluding the shares held and represented by Rite Ventures at the Extraordinary General Meeting. The Swedish Securities Council has also announced that a mandatory bid obligation will arise if Rite Ventures reaches a shareholding of 30 percent or more of the votes in Nelly in the Rights Issue and afterwards acquires additional shares in the Company, thereby increasing its share of the votes.

Indicative timetable for the Rights Issue

Date	Activity
14 March 2023	Extraordinary General Meeting to approve, inter alia, the Board's resolution regarding the Rights Issue
17 March 2023	Publication of prospectus
17 March 2023	Last day of trading including the right to participate in the Rights Issue

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20 March 2023	First day of trading excluding the right to participate in the Rights Issue
21 March 2023	Record date for the right to participate in the Rights Issue
23 March – 6 April 2023	Subscription period
23 March – 3 April 2023	Trading in subscription rights
23 March – 17 April 2023	Trading in paid subscription shares (Sw. Betalda tecknade aktier)
12 April 2023	Announcement of outcome in the Rights Issue

Advisers

Avanza Bank is acting as financial adviser and Advokatfirman Cederquist is legal adviser to Nelly in connection with the Rights Issue.

For further information please contact:

Helena Karlinder-Östlundh, acting CEO
ir@nelly.com

This information is information that Nelly Group is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above on 10 March 2023, at 08:00 CET.

About Nelly Group

Nelly Group operates nelly.com and nlyman.com and has one of the Nordic region's strongest fashion brands for young women. The core of the business is our own brand in combination with digital sales directly to our target group. Nelly creates a strong sense of commitment through a high degree of fashion and digital marketing. The company has 1.1 million customers with sales of SEK 1.3 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".

IMPORTANT INFORMATION

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This press release does not contain or constitute an offer to subscribe, acquire or otherwise trade in shares, subscription rights or other securities in Nelly. Invitation to the persons concerned to subscribe for shares in Nelly will only be made by means of the prospectus that Nelly intends to publish on the Company's website following the approval and registration thereof by the Swedish Financial Supervisory Authority. The prospectus will contain, among other things, risk factors, financial information as well as information regarding the Company's Board. This press release has not been approved by any regulatory authority and is not a prospectus and accordingly, investors should not subscribe for or purchase any securities referred to in this press release except on the basis of information contained in the prospectus to be published by Nelly.

This press release may not be released, published or distributed, directly or indirectly, in or into the United States, Australia, Canada, Hong Kong, Singapore, South Africa or any other jurisdiction where participation in the Rights Issue would require additional prospectuses, registration or measures besides those required under Swedish law. Nor may this press release be distributed in or into such countries or any other country or jurisdiction in which distribution requires such measures or otherwise would be in conflict with applicable regulations. Any failure to comply with the restrictions described may result in a violation of applicable securities regulations.

No subscription rights, paid subscription shares (Sw. Betalda tecknade aktier) or shares issued by Nelly have been, or will be, registered under the U.S. Securities Act of 1933, as amended (the "Securities Act") or the securities legislation of any state or other jurisdiction of the United States and no subscription rights, paid subscription shares or shares may be offered, subscribed for, exercised, pledged, granted, sold, resold, delivered or otherwise transferred, directly or indirectly, in or into the United States, other than according to applicable exceptions from, or in a transaction not subject to, the registration requirements of the Securities Act, and in accordance with securities laws in the state or other jurisdiction in question in the United States. There will be no public offering of such securities in the United States. The securities referred to herein have not been approved or disapproved by the U.S. Securities and Exchange Commission (SEC), any state securities commission or other regulatory authority in the United States, nor have any of the foregoing authorities passed upon or endorsed the merits of the Rights Issue or the accuracy or adequacy of this announcement. Any representation to the contrary is a criminal offence in the United States.

[1] Excluding own shares held in treasury. As of the date of this press release, Nelly holds 42,747 ordinary shares and 468,707 shares of Class C in treasury, which do not entitle to participation in the Rights Issue.

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Attachments

Nelly announces the terms of its fully secured rights issue of approximately SEK 53 million