

## PRESS RELEASE

22 May 2024 09:15:00 CEST

## Statement from the independent bid committee of Nelly Group AB (publ) regarding the mandatory offer from Rite Ventures SPV AB

The independent bid committee of Nelly Group AB (publ) ("Nelly" or the "Company") unanimously recommends the shareholders of Nelly not to accept the mandatory offer made by Rite Internet Ventures Holding AB through its wholly owned subsidiary Rite Ventures SPV AB ("Rite Ventures") on 8 May 2024.

This statement is made by the independent bid committee<sup>[1]</sup> of the Board of Directors of Nelly pursuant to Section II.19 of Nasdaq Stockholm's Takeover Rules (the "**Takeover Rules**").

### Background

On 26 April 2024, Nelly's largest shareholder Rite Ventures announced that Rite Ventures had acquired additional shares in Nelly and thereby reached a total holding of 9,179,571 shares, corresponding to 30.11 percent of the shares and votes in the Company. Thereby, the threshold for a mandatory offer in accordance with the Swedish Takeovers Act was passed, and on 8 May 2024, Rite Ventures accordingly launched a mandatory offer to the shareholders of Nelly at a price of SEK 17.00 per share (the "**Offer**"). On the same day, Rite Ventures published the offer document regarding the Offer.

The Offer represents:

- a negative premium of approximately 3.08 percent compared to the closing price of SEK 17.54 of the Nelly share on Nasdaq Stockholm on 7 May 2024, which was the last trading day prior to the announcement of the Offer, and
- a positive premium of approximately 3.18 percent compared to the volume-weighted average share price of the Nelly share on Nasdaq Stockholm during the 30 latest trading days up to and including 7 May 2024, which was the last trading day before Rite Ventures announced that a mandatory offer of SEK 17.00 would be made.

The Offer values all outstanding shares in Nelly to approximately SEK 510 million.<sup>[2]</sup>

The acceptance period for the Offer commenced on 10 May 2024 and expires on 7 June 2024.

### Nelly Group AB

Corporate Domicile Borås  
Corp. Reg. No. 556035-6940

[www.nelly.com](http://www.nelly.com)

### Visiting address

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Completion of the Offer is not subject to any conditions.

For more information about the Offer, please refer to <https://riteventures.com/nelly-bud/>.

### The independent bid committee

Nelly's Board of Directors has formed an independent bid committee to handle matters relating to the Offer, comprising the independent Board members Ebba Ljungerud (Chair) and Lennart Sparud. The Board members Josephine Salenstedt, Axel Westphalen and Daniel Hörnqvist have, due to their respective commitments within Rite Ventures or its portfolio companies, conflicts of interest and are therefore not participating in the Board's handling of matters relating to the Offer. Further, the Board member Stefan Palm has undertaken *not to accept* the Offer and does therefore not participate in the Board's handling of matters relating to the Offer.

The independent bid committee has engaged Advokatfirman Cederquist KB as legal advisor in connection with the Offer. The bid committee has further obtained an independent fairness opinion from Svalner Skatt & Transaktion KB ("**Svalner**") in accordance with Section III.3 of the Takeover Rules. The fairness opinion is attached to this statement. Svalner will receive a fixed fee for providing the fairness opinion, irrespective of the level of the offer price or to what extent the Offer will be accepted.

### The bid committee's evaluation and recommendation

The bid committee's opinion of the Offer is based on an assessment of a number of factors that the bid committee has considered relevant in relation to the evaluation of the Offer. These factors include, but are not limited to, the Company's current strategic position and expected future development and potential, including thereto related opportunities and risks.

In evaluating the Offer, the bid committee has analysed the Offer using methods normally used in evaluating public offers for listed companies, including Nelly's valuation relative to comparable listed companies and comparable transactions, premiums in previous public offers, the stock market's expectations regarding the development of Nelly and the bid committee's view on Nelly's ability to deliver value to its shareholders in the long-term.

The bid committee has further considered the independent fairness opinion from Svalner, according to which the Offer, subject to the conditions and limitations stated in the opinion, is not considered fair from a financial point of view to the shareholders of Nelly.

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The bid committee also notes that Rite Ventures has expressed that the increase of Rite Ventures' shareholding in Nelly to 30.11 percent is not motivated by any ambition to acquire all shares in Nelly, but of a strong belief in the future prospects of Nelly, and Rite Ventures' ambition is to continue to be a long-term and engaged major shareholder and to support the continued development of Nelly.

Taking into consideration the factors outlined above, the bid committee does not believe that the Offer reflects Nelly's long-term growth potential. The bid committee therefore unanimously recommends the shareholders of Nelly not to accept the Offer.

### Effects on Nelly and its employees

Under the Takeover Rules, the bid committee shall, on the basis of Rite Ventures' statement in the announcement of the Offer, make public its opinion on the effects that the implementation of the Offer may have on Nelly, in particular employment, and its views on Rite Ventures' strategic plans for Nelly and the effect these may be expected to have on employment and the places where Nelly conducts its operations. Rite Ventures has in this respect stated that:

*"Rite Ventures values the important role of the Nelly employees. Further, Rite Ventures' shareholding in Nelly is a strategic holding with a long-term perspective. Therefore, Rite Ventures does not plan any changes regarding the Nelly management or employees (including employment terms and conditions) or to the employment and the business at the locations where Nelly conducts its business. The Offer is not expected to result in any changes regarding the management or employees of Rite Ventures."*

The bid committee assumes that this description is accurate and has in relevant aspects no reason to take a different view.

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*This statement shall in all respects be governed by and construed in accordance with substantive Swedish law. Disputes arising from this statement shall be settled exclusively by Swedish courts. This statement has been made in a Swedish and English version. In case of any discrepancies between the Swedish and the English text, the Swedish text shall prevail.*

[1] Ebba Ljungerud (Chair) and Lennart Sparud.

[2] Excluding shares which are owned by Nelly, currently 42,747 ordinary shares and 468,707 Class C shares.

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**For more information, please contact:**

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**About Nelly Group**

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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 0.9 million customers and sales of SEK 1.0 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".

**Attachments**

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**Statement from the independent bid committee of Nelly Group AB (publ) regarding the mandatory offer from Rite Ventures SPV AB  
Nelly Group Fairness Opinion (22 May 2024)**