



INVESTOR PRESENTATION

Q3 2021
20 OCTOBER



Our journey from a loved brand towards social commerce

We are building a company that shall generate sustainable and attractive returns. A key fundamental for this is our loved community powered brand – enabling high frequency, low cost of sales and appealing margins.



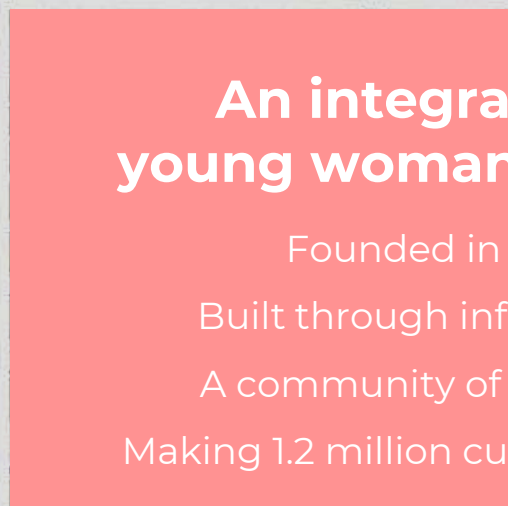
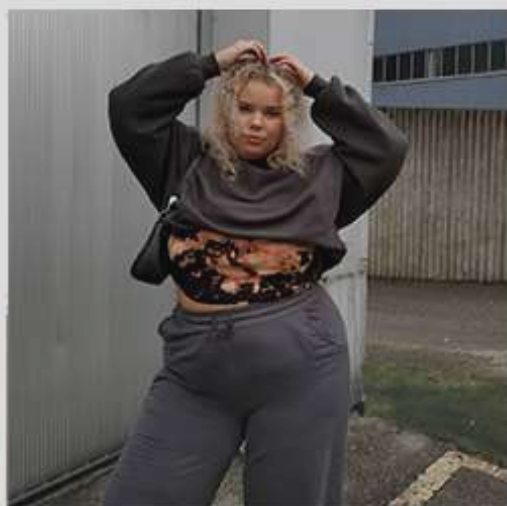
Kristina Lukes
CEO



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CFO

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An integral part of the young woman's everyday life

Founded in 2004 in Borås

Built through influencer marketing

A community of Nordic consumers

Making 1.2 million customers look & feel fab



We exist thanks to our loyal & engaging community



1.3M

FOLLOWERS ON
SOCIAL MEDIA



ROLL OUT OF
CUSTOMER PANELS
TO GAIN INSIGHT



19%

OF TARGET
GROUP VISIT
US WEEKLY



46%

OWN BRAND
SHARE OF SALES



TIKTOK
DOUBLE FOLLOWING
IN Q3



96%

COMPLETION RATE
ON INSTAGRAM



2.7M

ORDERS



1.2M

ACTIVE
CUSTOMERS

Q3 2021 Highlights



**Bianca
X
Nelly**

**Warehouse
project
closed on
time and
below
budget**

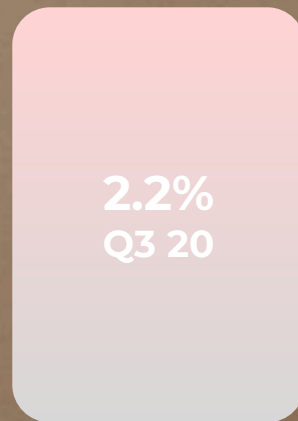
**Strong
inventory
turnover
&
sound
balance
sheet**

Healthy conversion and basket size development, but challenging traffic generation

NO OF CUSTOMERS



TOTAL TRAFFIC



CONVERSION



AOV



Transitioning from expensive paid traffic to organic

FROM:



TO:



Repositioning the brand Nelly



**Young women
15 – 25**



**More occasions
(Everyday, special
occasions & party)**



**Added & strengthened
attributes**

Warehouse project closed on time and below budget

Project closed on time in Q3
Project cost 25% lower than estimated
CAPEX 6% below budget

Standardized automation system
(AutoStore) with 80 000 bins

Cost efficiency target of
SEK 35 million confirmed



Cost efficiency target

Annual cost saving
targeted at SEK 35 million
based on 2020 volumes



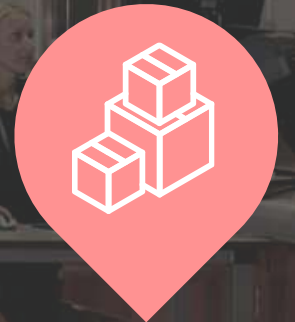
Time to customer

Opportunity for same day delivery



Improved environmental footprint

Green building certification
"Good Environmental Choice" district heating
Renewable energy



Room for growth

Q3 2021 Income statement

2% net revenue growth
SEK 1m lower gross profit, underlying improvement

SEK 10m higher fulfilment and distribution cost, underlying cost improvement

SEK 10m marketing spend increase due to performance marketing cost inflation and website traffic mix

SEK 5m higher admin and other operating cost, underlying improvement

(SEK million)	Q3 20	Q3 21		
Net revenue	306	313		
Gross profit	144	143	-1	-4
<i>Gross margin</i>	47.1%	45.9%		
Fulfilment and distribution cost	-55	-66	-10	-12
Marketing cost	-31	-41	-10	
Admin and other operating cost	-59	-64	-5	-5
Operating profit or loss	-1	-27	-27	-22
<i>Operating margin</i>	-0.2%	-8.7%		

Δ = delta vs. 2020

WP = Warehouse project impact



Q3 2021 – Operational & Financial Highlights

Warehouse project closed on time & below budget

- **SEK 35m** annual cost improvement target confirmed
- **SEK 103m** capex, 6% lower than SEK 110m budget
- **SEK 26m** project cost, 25% below SEK 35-45m range

Continued good control of inventory levels

- Continued strong inventory turnover
- Inventory **+5%** YoY and low share of older inventory

Solid cash position and sound balance sheet

- **SEK 141m** cash position
- Solid inventory turnover supportive of cash generation

Shaping a sound and sustainable Nelly, with her

**Empower
femininity**

**Respect
the planet**

**Fair &
Equal**

Q3 2021



- 66% female staff
- Majority of warehouse staff female

Q3 2021



- 100% increase of more sustainable materials vs LY, reached goal (FY 2021) of 20% share
- Joined forces with branch colleagues in STICA to increase the use of renewable energy in our Turkish supply chain
- Paperbags for delivery tested (Bianca X Nelly)
- Paper invoices removed – 3M annually

Q3 2021



- Transparency on product level (supplier info, tier 1) prepared



Nelly – A Platform for Inspiration



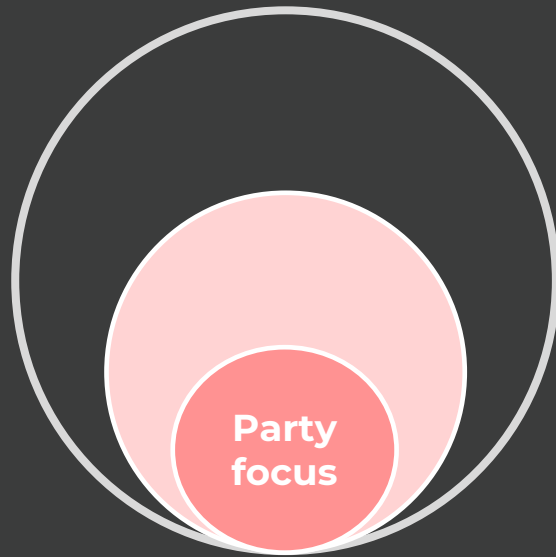
**Repositioning our brand
towards our most profitable
and loyal consumer, Denise**

**She shops 18 times a year
for her appearance**



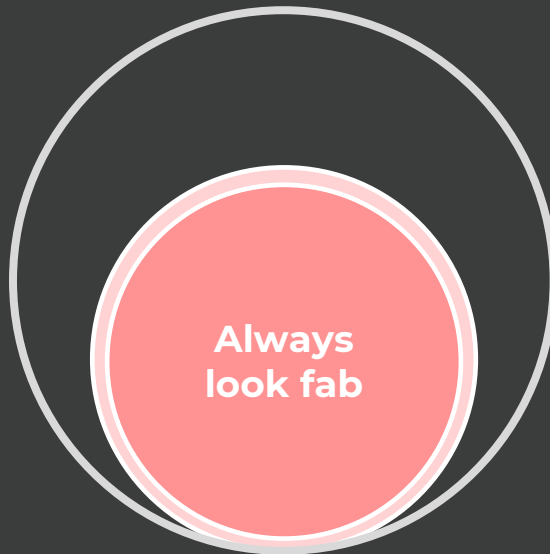
**Our strategy
for growth**

**Encourage her to always feel fab
with a head-to-toe look
– and needs beyond fashion**



Fashion market

Low frequency needs catering



Fashion market

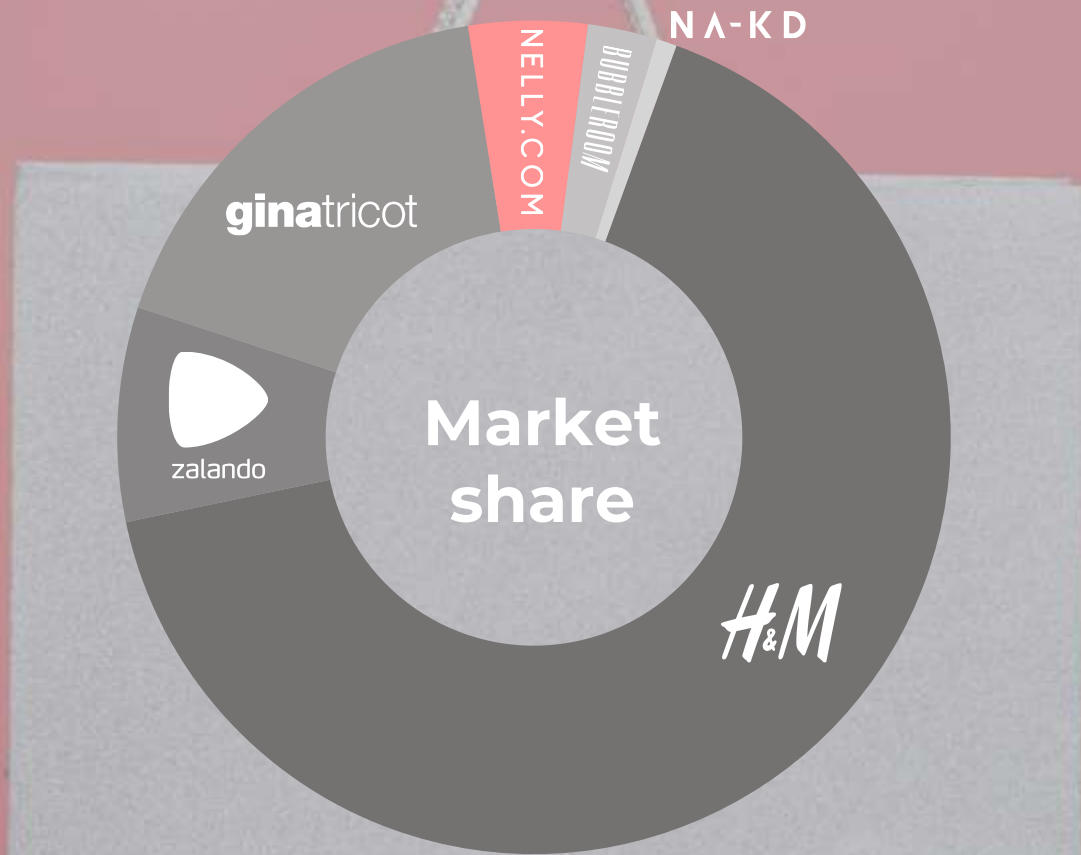
High frequency needs catering



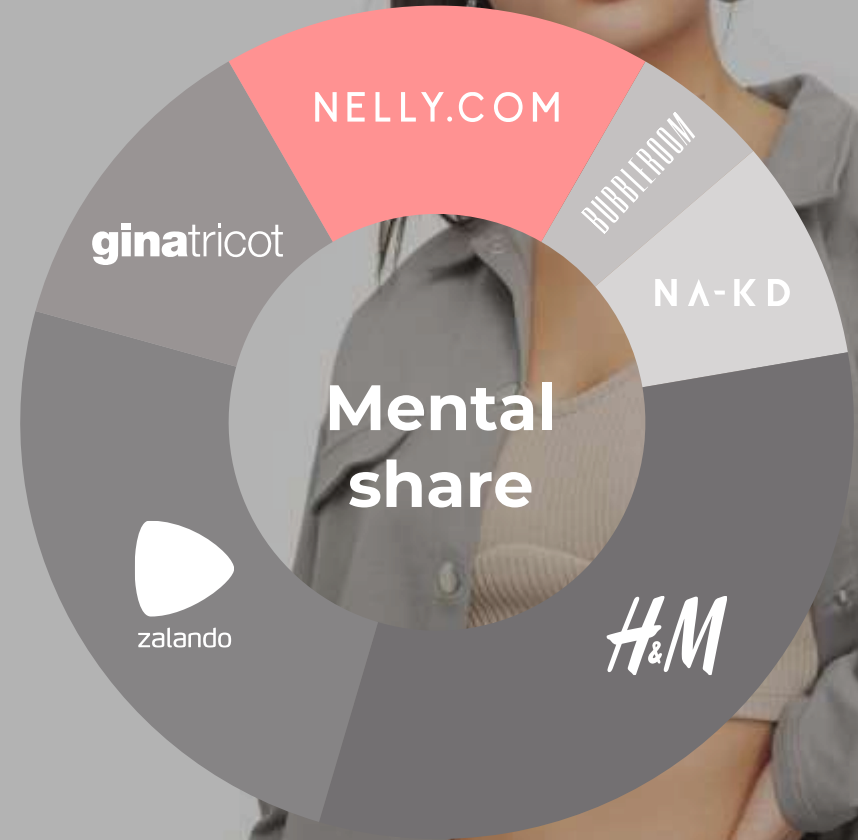
Feel fab market

High frequency made possible by catering all her appearance needs

Nelly is a large brand in the mind of the young Nordic fashionista



Nelly market share: ~4%



Nelly mental share: Sizewise close to H&M and Zalando



Thanks!