



Half-year report 2024

1 JANUARY TO 30 JUNE

NELLY

Nelly Group interim report for the second quarter of 2024

Q2 2024 – Financial highlights

- Net revenue was SEK 314.1 (288.6) million, corresponding to a rise of 8.8% (-15.0%)
- Gross profit was SEK 171.9 (141.4) million, corresponding to a gross margin of 54.7% (49.0%)
- Operating profit was SEK 30.5 (7.7) million, corresponding to an operating margin of 9.7% (2.7%)
- Profit after tax was SEK 26.7 (4.5) million, corresponding to earnings per share of SEK 0.89 (0.17)
- Cash flow from operating activities was SEK 105.8 (76.7) million
- Cash and cash equivalents as at 30 June amounted to SEK 219.9 (150.2) million, with credit facilities unutilised

H1 2024 – Financial highlights

- Net revenue was SEK 536.3 (522.8) million, corresponding to a rise of 2.6% (-16.7%)
- Gross profit was SEK 281.1 (237.2) million, corresponding to a gross margin of 52.4% (45.4%)
- Operating profit was SEK 31.9 (-26.0) million, corresponding to an operating margin of 5.9% (-5.0%)
- Profit after tax was SEK 24.8 (-30.3) million, corresponding to earnings per share of SEK 0.83 (-1.36).

Q2 2024 – Significant events during the quarter

- On 26 April, Nelly Group announced in a press release that the principal shareholder Rite Internet Ventures Holding AB (via the wholly owned subsidiary Rite Ventures SPV AB) ('Rite Ventures') had announced that it had acquired shares in Nelly, increasing its holding to the equivalent of 30.11% of shares and votes, thus passing the threshold for the obligation to make a bid.
- On 22 May, Nelly Group announced that the company's independent Bid Committee had recommended Nelly Group shareholders not to accept the bid offer of SEK 17.00 per share made by Rite Internet Ventures Holding AB on 8 May 2024 via the wholly owned subsidiary Rite Ventures SPV AB. More information on the bid offer and the Bid Committee's recommendation is available on Nelly Group's website at <https://www.nellygroup.com/en/media/press-releases>.
- On 7 June, Rite Internet Ventures Holding AB announced that, on the acceptance deadline for the bid offer published on 8 May 2024, shareholders corresponding to approximately 3.94% of the total number of shares and votes in Nelly Group AB had accepted the bid. Rite Ventures thus controls approximately 34.06% of the total number of shares and votes outstanding in Nelly at the end of the quarter.

Significant events after end of quarter

- No significant events have been reported since the end of the quarter.

'Following a profitable quarter and buoyed up by a first period of growth, we are embarking on the second half of the year and looking forward to realising the potential for improvement that remains in several areas of the company.'

Helena Karlinder-Östlundh, CEO of Nelly Group AB



CEO's comments

Growth with improved profitability

Our intensive transformation work, which continues unabated, contributed to another strong improvement in earnings in the second quarter. Net revenue increased on the previous year to SEK 314.1 (288.6) million for the quarter, corresponding to growth of 8.8%. The gross margin rose to 54.7% (49.0%), contributing to operating profit of SEK 30.5 (7.7) million and profit after tax of SEK 26.7 (4.5) million. Cash and cash equivalents amounted to SEK 219.9 (150.2) million at the end of the quarter. The earnings for the second quarter clearly show that we have built up a healthier core business, which can be developed further and which will form the basis for long-term sustainable profitability and growth.

Further major advances in line with our strategy

We are approaching the end of our spring and summer season for 2024 and can see that further improvements have been achieved in many important areas. We are moving towards a much higher sell-through rate for the range than in the corresponding season in the previous year and have once again increased the proportion of full price sales. Dresses remained an important category in the second quarter, but are now a smaller part of the range as we push to achieve a strong position in everyday fashion. Tops, jeans, trousers and swimwear have all performed well this season and made a positive contribution to both net revenue and profitability. As in the previous quarter, Nelly's own brands continued to develop well, accounting for 43.8% (41.2%) of total sales in the second quarter. The return rate also improved considerably to 31.3% (38.0%), the lowest level since we started focusing on actively reducing unnecessary returns last year.

In line with our strategy, we also took further steps to deepen our partnership with several of our external brands during the quarter, including via an exclusive capsule collection produced by our design team together with Neo Noir. We also held several well-attended events in our store on Drottninggatan in Stockholm, including a popular customer event in partnership with ADIDAS. These unique products and experiences are important to Nelly customers, and we look forward to launching more exciting partnerships in the autumn, making increasing use of the physical store as a place for our customers to meet and seek inspiration.

As communicated previously, the work to transform our IT landscape will be a major focus area throughout 2024 and, in the second quarter, we took a major first

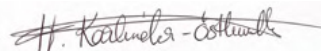
step as several central new systems went live. Much work remains to be done in this area to make a full transition to more flexible, user-friendly infrastructure, but we are on the right path and continue to maintain a fast pace of change.

We maintained effective cost control in the second quarter, although we made a conscious decision to invest more in certain areas. Marketing costs were higher than in the previous year, reflecting the fact that this area is also in the process of change as we implement new working methods, in part to boost the profitability of all paid advertising. Going forward, we will continue to work hard to optimise the effectiveness of our marketing, while ensuring a sustainable cost base.

Focus on creating an even more attractive customer offer

We have considerably enhanced our customer offer in the past two years, in particular as a result of the changes made to the range. During the second quarter, many members of the Nelly team worked intensively to create clearer customer communication and offer our target group more uniqueness, for example, via deeper partnerships with our external brands. The total traffic to our site rose slightly compared with the corresponding quarter of 2023, but we encountered continued challenges in converting visits into sales. Conversion was lower, resulting in fewer orders than in the previous year. We, therefore, need to continue to develop and further enhance our customer offer in the coming quarter to consolidate our position, become the preferred fashion destination for our target group and create added value for our customers. Going forward, we see great potential in simply continuing on the path we have chosen to follow.

Following a profitable quarter and buoyed up by a first period of growth, we are embarking on the second half of the year and looking forward to realising the potential for improvement that remains in several areas of the company. Our fantastic Nelly team has already shown the dramatic improvements that can be achieved with a clear plan, close cooperation between all departments and genuine commitment to our target group. I cannot adequately express my gratitude to all my talented colleagues and, of course, our customers, who constantly inspire us and give us the energy to continue to build Nelly into a strong company.



Helena Karlinder-Östlundh, CEO of Nelly Group AB

Key ratios and alternative performance measures

	Q2 24	Q2 23	H1 24	H1 23
Net revenue growth	8.8%	-15.0%	2.6%	-16.7%
Gross margin	54.7%	49.0%	52.4%	45.4%
Warehousing and distribution costs as a proportion of net revenue	13.4%	17.0%	13.9%	17.6%
Marketing costs as a proportion of net revenue	13.0%	10.2%	11.6%	10.2%
Operating margin	9.7%	2.7%	5.9%	-5.0%
Return rate	31.3%	38.0%	32.1%	37.9%
Inventory share of net revenue LTM	14.5%	15.2%	14.5%	15.2%
Proportion of sales of own brands	43.8%	41.2%	42.2%	38.8%
No. of active customers Nordics LTM (000)*	926	1,055	926	1,055
No. of sessions Nordics (000)*	24,826	23,231	43,834	45,492
No. of orders Nordics (000)*	502	536	871	971
Average order value Nordics*	809	764	809	763
Conversion rate Nordics*	2.0%	2.3%	2.0%	2.1%
No. of employees	151	165	151	167
Proportion of women employed	60%	60%	61%	61%

Alternative performance measures are described in the table on page 16. Calculations may differ from other companies' definitions of similar measures.

* KPIs concern the Group's e-commerce directly with consumers



This is Nelly

The Nelly brand

Nelly is one of the best-loved fashion destinations for young women in the Nordic region. Nelly was founded in 2004 in Borås, the heartland of the Swedish textile and e-commerce industries, as a pioneer in influencer marketing and direct digital sales to customers. We now have a committed customer base consisting mainly of young women in the Nordic region. We have 1.2 million followers of our social media profiles. We offer our community daily inspiration in terms of trends and looks from our own brands and carefully selected supplementary brands from an international portfolio.

Men's clothes have been part of our offer since 2008. The men's department was separated out in 2014, and the NLY Man site was launched, a fashion destination for young men offering clothes, shoes and accessories from the most popular brands for all occasions.

Efficient operations enable the customer experience

Our target audience has grown up with digital media, and e-commerce is second nature. We have 0.9 million active customers in the Nordic region who place 1.8 million orders a year via our website or our app. They choose Nelly on account of our reasonably priced, trend-aware, attractive offering.

Our fashion- and customer-focused organisation analyses and engages with our target audiences daily from our hub in Borås. Here, we have invested in a high-capacity automated warehouse, which has reduced delivery and distribution costs, improved the delivery experience and reduced our environmental footprint.

Celebrating the Nelly generation of young women

Nelly is not only a fashion brand. Nelly.com is not only a fashion destination. We are an integral part of young women's everyday life, giving them inspiration to find their entire look both for everyday wear and special occasions.



Financial highlights of second quarter and first half-year

Revenue development

Net revenue for Q2 2024 amounted to SEK 314.1 (288.6) million, corresponding to an increase of 8.8%. The change is largely on account of a fall in returns. The return rate was 31.3%. The improved return rate is mainly attributable to the strategic efforts carried out at the product range and customer levels. Sales in the physical store also made a positive contribution to net revenue compared with the second quarter of the previous year. The proportion of sales of own brands increased to 43.8% (41.2%) during Q2 2024. In local currencies, net revenue increased by 8.4% in Q2.

Net revenue for the first half of 2024 amounted to SEK 536.3 (522.8) million, corresponding to an increase of 2.6%. As for the quarter, the change is largely on account of an improved return rate. In local currencies, net revenue increased by 2.7% in the first half of the year.

Improved gross margin

The gross margin rose to 54.7% (49.0%) in Q2 2024. Lower campaign activity and a higher proportion of own-brand sales made a positive contribution to the gross margin compared with the second quarter of the previous year. Overall, currency effects had a slightly positive impact on the gross margin compared with the same quarter of the previous year.

The gross margin increased to 52.4% (45.4%) in the first half of 2024. As for the quarter, lower campaign activity and a higher proportion of own-brand sales made a positive contribution to the gross margin compared with the same period of the previous year. At the same time, currency effects had a slightly negative impact on the gross margin compared with the same period of the previous year.

Lower warehousing and distribution costs

Warehousing and distribution costs amounted to SEK 42.1 (48.9) million during the second quarter of the year. The lower warehousing and distribution costs were the result of operational process improvements and lower volumes processed, partially on account of the improved return rate. Measured as a proportion of net revenue, the costs amounted to 13.4% (17.0%), with a larger average order value making a positive contribution to costs in relation to net revenue.

Warehousing and distribution costs amounted to SEK 74.4 (92.0) million in the first half of 2024.

As for the quarter, the lower warehousing and distribution costs were the result of process improvements and lower volumes handled of goods sold and returned.

Higher marketing costs

Marketing costs for Q2 2024 amounted to SEK 40.9 (29.3) million. During the quarter, the company implemented new working methods for managing paid advertising, designed to improve the profitability of marketing activities. During a transitional phase, this resulted in higher marketing costs. Measured as a proportion of net revenue, the marketing costs amounted to 13.0% (10.2%) in the second quarter.

Marketing costs amounted to SEK 62.2 (53.4) million during the first half of 2024 and rose as a result of new working methods for managing paid advertising.

Administrative and other operating expenses

Nelly Group's administrative and other operating expenses in Q2 were SEK 58.5 (55.4) million. The increase on the second quarter of 2023 is mainly on account of higher IT costs and the physical store on Drottningsgatan in Stockholm. The number of employees for Q2 2024 was 151 (165).

Administrative and other operating expenses in the first half of the year were SEK 112.6 (117.9) million, driven largely by lower employee benefit expenses and lower costs for studio and campaign production.

Improved operating profit

Operating profit for the second quarter was SEK 30.5 (7.7) million, the improvement being driven by a stronger gross profit and lower warehousing and distribution costs. Administrative and other operating expenses and marketing costs also rose in the quarter.

Operating profit for the first half of the year was SEK 31.9 (-26.0) million, the improvement being driven by a stronger gross profit and lower warehousing and distribution costs, as well as administrative and other operating expenses.

Net financial items

Net financial items amounted to SEK -4.0 (-3.5) million in Q2 2024. The change is primarily attributable to currency effects.

Net financial items for the first half of 2024 amounted to SEK -7.7 (-5.1) million as a result of currency effects.

Profit after tax

Profit after tax for Q2 2024 was SEK 26.7 (4.5) million. The improved profit after tax for the second quarter is primarily attributable to higher operating profit.

Profit after tax for the first half of 2024 was SEK 24.8 (-30.3) million as a result of higher operating profit. Net financial items however made a negative contribution to profit after tax compared with the same period in the previous year.

Lower inventory balance

The inventory balance amounted to SEK 155.8 (182.0) million as at 30 June 2024, with a higher turnover rate than in the previous year. Goods in transit also account for a higher proportion of inventory than in the same period in the previous year. Inventory as a proportion of net revenue over a rolling 12-month period amounted to 14.5% (15.2%).

Cash flow and cash and cash equivalents

Cash flow from operations for Q2 2024 amounted to SEK 105.8 (76.7) million. Stronger operating profit, lower capital tied up in inventory and higher trade payables made a positive contribution to cash flow compared with the same quarter of the previous year.

Cash flow from operations amounted to SEK 101.2 (22.6) million during the first half of 2024.

Cash flow from investing activities amounted to SEK -7.2 (-2.4) million in Q2 2024. The investments are primarily attributable to IT and technology-related investments.

Cash flow from investing activities amounted to SEK -16.8 (-3.0) million during the first half of 2024, primarily attributable to IT and technology-related investments.

Cash flow of SEK -4.7 (38.9) million from financing activities in Q2 is primarily attributable to repayment of lease liabilities, while the change in relation to the same period of the previous year is attributable to the new share issue implemented in Q2 2023.

Cash and cash equivalents amounted to SEK 219.9 (150.2) million as at 30 June 2024. The payment respite for employer's contributions and tax payments amounted to SEK 105.6 (116.5) million at the end of the quarter. Total assets at the reporting date were SEK 854.5 (797.5) million.

Equity as at 30 March 2024 was SEK 203.3 (149.4) million, corresponding to an equity/assets ratio of 23.8% (18.7%).

Parent company

The parent company, Nelly Group AB (publ), reported sales of SEK 0.0 (0.0) million in January to June 2024.

Administrative expenses amounted to SEK 5.2 (5.6) million for the first half of 2024.

The parent company's profit/loss before tax for the first half of 2024 amounted to SEK -5.5 (-5.6) million.

Cash and cash equivalents in the parent company amounted to SEK 4.8 million as at 30 June 2024, compared with SEK 11.4 million for the same quarter of the previous year.

Other information

Share data

As at 30 June 2024, Nelly Group AB had 30,483,985 shares issued, of which 30,015,278 were ordinary shares and 468,707 were class C shares. The share capital was SEK 30,483,985, and each share had a quotient value of SEK 1.00. The class C shares and 42,747 class B shares are held by Nelly Group AB and are thus not outstanding. These shares may not be represented at general meetings. The class B shares were returned by former participants in the Owner Plan 2020.

Market capitalisation on the reporting date, 30 June 2024, was SEK 557.9 million.

Organisation

The average number of employees during the quarter was 151 (165), of whom 60% (60%) were women.

Ten largest shareholders at end of period*

Shareholder <small>Source: Monitor av Modular Finance AB</small>	Capital
Rite Ventures	34.06%
Stefan Palm**	16.61%
Mandatum Life Insurance Company	9.64%
Avanza Pension	4.54%
eQ Asset Management Oy	2.59%
Nelly Group AB***	1.68%
Klas Bengtsson	1.67%
Thomas Jakobsen	1.13%
Nordnet pensionsförsäkring	1.07%
Swedbank Försäkring	0.84%
Other shareholders	26.17%
Total	100.0%

* List of shareholders verified as at 26 June 2024

** Holds shares via the company ettfemsju själ AB

*** See the text above under the heading 'Share data'

Transactions with related parties

Nelly purchased consultancy services during the quarter for SEK 0.2 million from Hörnqvist Consulting AB, which is owned by Board member Daniel Hörnqvist.

Auditor review

This interim report has not been reviewed by Nelly Group's auditors.

Risk

Several risk factors may affect Nelly Group's business. Many of these risks can be managed by internal controls, but others are affected by external factors.

For more information about risks, please see the latest published annual report for 2023, pages 51–52.

Declaration by the Board

The Board and CEO certify that this half-year report provides a fair overview of the parent company's and the Group's operations, financial position and financial performance and describes material risks and uncertainties faced by the parent company and Group companies.

Borås, 12 July 2024

Ebba Ljungerud
Chair of the Board

Axel Westphalen
Board member

Stefan Palm
Board member

Josephine Salenstedt
Board member

Lennart Sparud
Board member

Daniel Hörnqvist
Board member

Helena Karlinder-Östlundh
CEO

Webcast on the interim report

Analysts, investors and the media are invited to a [webcast](#) on Q2 on 12 July at 09:00. The presentation will be given in English by Helena Karlinder-Östlundh, CEO, and Niklas Lingblom, CFO. The webcast will be made available on the [Nelly Group website](#).

Forward-looking statements

This report may contain forward-looking statements. Information in this report that is not historical fact should be seen as a forward-looking statement. These forward-looking statements reflect Nelly Group's current estimates concerning future events and actual results may differ from these estimates. Except to the extent required by law, Nelly Group does not undertake any obligation to update or revise any forward-looking statements.

For further information, please contact

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This information is information that Nelly Group AB (publ) is required to disclose under the EU Market Abuse Regulation and the Swedish Securities Market Act. The information was released for publication through the agency of the above-mentioned contacts at 08:00 on 12 July 2024.

Condensed consolidated income statement

(SEK million)	Q2 24	Q2 23	H1 24	H1 23	LTM	2023
Net revenue	314.1	288.6	536.3	522.8	1,074.4	1,060.8
Cost of goods sold	-142.2	-147.2	-255.2	-285.5	-522.6	-552.9
Gross profit	171.9	141.4	281.1	237.2	551.8	507.9
Gross margin	54.7%	49.0%	52.4%	45.4%	51.4%	47.9%
Warehousing and distribution costs	-42.1	-48.9	-74.4	-92.0	-153.8	-171.3
Marketing costs	-40.9	-29.3	-62.2	-53.4	-109.3	-100.5
Administrative and other operating expenses	-58.5	-55.4	-112.6	-117.9	-220.0	-225.3
Operating profit/loss	30.5	7.7	31.9	-26.0	68.7	10.9
Operating margin	9.7%	2.7%	5.9%	-5.0%	6.4%	1.0%
Net financial items	-4.0	-3.5	-7.7	-5.1	-15.9	-13.2
Profit/loss before tax	26.4	4.2	24.2	-31.0	52.9	-2.3
Tax	0.3	0.3	0.6	0.7	0.7	0.8
Profit after tax	26.7	4.5	24.8	-30.3	53.6	-1.5
Attributable to						
Parent company shareholders	26.7	4.5	24.8	-30.3	53.6	-1.5
Shares outstanding at end of period (million)	30.0	30.0	30.0	30.0	30.0	30.0
Average number of shares outstanding (million)	30.0	26.5	30.0	22.3	30.0	26.1
Average number of shares, diluted (million)	30.0	26.5	30.0	22.3	30.0	26.1
Basic/diluted earnings per share (SEK)	0.89	0.17	0.83	-1.36	1.79	-0.06

Consolidated statement of comprehensive income

(SEK million)	Q2 24	Q2 23	H1 24	H1 23	LTM	2023
Items reclassified or available for reclassification to profit/loss for the period						
Translation differences for the period	0.0	0.4	0.0	-1.3	0.4	-0.9
Total comprehensive income for the period	26.7	4.9	24.8	-31.6	54.0	-2.4
Total comprehensive income attributable to						
parent company shareholders	26.7	4.9	24.8	-31.6	54.0	-2.4
Total comprehensive income for the period	26.7	4.9	24.8	-31.6	54.0	-2.4
Shares outstanding at end of period (million)	30.0	30.0	30.0	30.0	30.0	30.0
Average number of shares outstanding (million)	30.0	26.5	30.0	22.3	30.0	26.1
Average number of shares, diluted (million)	30.0	26.5	30.0	22.3	30.0	26.1

Condensed consolidated statement of financial position

(SEK million)	30 Jun 2024	30 Jun 2023	31 Dec 2023
Non-current assets			
Goodwill	39.7	39.7	39.7
Other intangible assets	39.6	20.6	28.0
Property, plant and equipment	14.6	10.7	16.3
Right-of-use assets	248.9	268.0	267.0
Deferred tax asset (see Note 4)	75.7	74.5	75.1
Deposits	8.0	8.0	8.0
Total non-current assets	426.6	421.6	434.2
Current assets			
Inventories	155.8	182.0	152.3
Current non-interest-bearing receivables	52.2	43.7	62.3
Cash and cash equivalents	219.9	150.2	151.1
Total current assets	427.9	375.9	365.7
Total assets	854.5	797.5	799.8
Equity			
Equity attributable to parent company shareholders	203.3	149.4	178.6
Total equity	203.3	149.4	178.6
Non-current liabilities			
Non-interest-bearing			
Other provisions	0.0	0.0	0.0
Interest-bearing			
Lease liabilities	172.2	208.6	183.3
Total non-current liabilities	172.2	208.6	183.3
Current liabilities			
Interest-bearing			
Lease liabilities	96.2	72.9	100.3
Non-interest-bearing			
Trade payables	123.7	85.6	90.4
Other liabilities	110.2	119.4	110.4
Accrued expenses and deferred income	148.9	161.5	136.8
Total current liabilities	478.9	439.5	438.0
Total equity and liabilities	854.5	797.5	799.8

Condensed consolidated statement of changes in equity

(SEK million)	Q2 24	Q2 23	2023
Opening balance	176.6	97.1	133.6
Comprehensive income for the period	26.7	4.9	-2.4
Effects of long-term incentive plans	0.0	0.0	0.0
Preferential share issue	-	47.4	47.4
Closing balance	203.3	149.4	178.6

Condensed statement of cash flows

(SEK million)	Q2 24	Q2 23	H1 24	H1 23	2023
Cash flow from operating activities before changes in working capital	38.4	16.1	50.1	-9.7	47.7
Changes in working capital	67.4	60.6	51.2	32.4	11.7
Cash flow from operations	105.8	76.7	101.2	22.6	59.3
Investments in non-current assets	-7.2	-2.4	-16.8	-3.0	-22.9
Cash flow to/from investing activities	-7.2	-2.4	-16.8	-3.0	-22.9
Rights issue	-	47.4	-	47.4	47.4
Repayment of lease liability	-7.9	-6.5	-15.7	-12.9	-27.6
Changes in financial assets	3.2	-2.0	0.0	-2.0	-2.0
Cash flow to/from financing activities	-4.7	38.9	-15.7	32.5	17.8
Change in cash and cash equivalents for the period	93.9	113.3	68.8	52.1	54.2
Cash and cash equivalents at start of period	126.0	35.8	151.1	96.8	96.8
Translation difference, cash and cash equivalents	0.0	1.2	0.0	1.3	0.1
Cash and cash equivalents at end of period	219.9	150.2	219.9	150.2	151.1

Depreciation and amortisation of non-current assets

(SEK million)	Q2 24	Q2 23	H1 24	H1 23
Depreciation of property, plant and equipment	-1.3	-0.8	-2.5	-1.7
Amortisation of intangible assets	-2.2	-2.9	-4.4	-5.8
Depreciation and amortisation (not including IFRS 16)	-3.5	-3.8	-6.9	-7.5
Amortisation of right-of-use assets	-9.3	-8.1	-18.6	-16.2
Depreciation and amortisation (including IFRS 16)	-12.8	-11.9	-25.5	-23.7

Net revenue by geographical area

(SEK million)	Q2 24	Q2 23	H1 24	H1 23
Sweden	163.6	153.8	276.2	270.1
The Nordic region, including Sweden	310.9	283.4	530.2	512.1
Rest of world	3.1	5.2	6.1	10.6
All regions	314.1	288.6	536.3	522.8



Condensed income statement – parent company

(SEK million)	H1 24	H1 23	2023
Net revenue	0.0	0.0	1.9
Gross profit	0.0	0.0	1.9
Administrative expenses	-5.2	-5.6	-10.1
Operating profit/loss	-5.2	-5.6	-8.3
FINANCIAL INCOME AND EXPENSES			
Net financial items	-0.3	0.0	-0.3
Profit/loss after financial items	-5.5	-5.6	-8.6
APPROPRIATIONS			
Group contributions received	-	-	20.0
Profit/loss before tax	-5.5	-5.6	11.4
Tax	-	-	-
Profit/loss for the period*	-5.5	-5.6	11.4

*Profit/loss for the period = comprehensive income for the parent company



Condensed statement of financial position – parent company

(SEK million)	30 Jun 2024	30 Jun 2023	31 Dec 2023
Non-current assets			
Investments in subsidiaries	247.1	247.1	247.1
Deferred tax asset	71.7	71.7	71.7
Total non-current assets	318.8	318.8	318.8
Current assets			
Current non-interest-bearing receivables	3.4	3.4	2.1
Total current receivables	3.4	3.4	2.1
Cash and bank balances	4.8	11.4	7.9
Total cash and cash equivalents	4.8	11.4	7.9
Total current assets	8.3	14.9	10.0
Total assets	327.0	333.6	328.8
Equity			
Restricted equity	31.3	31.3	31.3
Non-restricted equity	253.6	242.1	259.0
Total equity	284.9	273.4	290.3
Provisions			
Other provisions	0.0	0.0	0.0
Total provisions	0.0	0.0	0.0
Current liabilities			
Liabilities to Group companies	29.1	48.1	26.8
Non-interest-bearing liabilities	13.0	12.1	11.7
Total current liabilities	42.2	60.2	38.5
Total liabilities	42.2	60.2	38.5
Total equity and liabilities	327.0	333.6	328.8

Definitions of key ratios and alternative performance measures

Gross margin – *a measure of how well goods are sourced and sold in relation to net revenue*

Gross profit divided by net revenue. Gross margin is what Nelly Group previously described as product margin. More information about the calculation components of net revenue and cost of goods sold can be found under the income statement definitions on page 17

Return rate – *a measure of the proportion of sales that customers return*

The sales value of returned goods divided by total sales before returns

Inventory share of net revenue LTM – *a measure of how efficiently the sourcing of goods is planned and executed*

Closing inventory balance divided by net revenue over a rolling 12-month period

Proportion of sales of own brands – *the proportion of sales of Nelly Group's own brands*

Calculated by dividing total sales of own brands before returns by total B2C and B2B sales before returns

No. of active customers Nordics LTM (000) – *a gauge of how well Nelly Group attracts new customers and retains existing ones*

The number of unique customers in the Nordic countries who have shopped online from the Group during the last 12-month period

No. of sessions Nordics (000) – *an indicator of how well Nelly generates traffic to the website*

The number of unique website visits from Nordic IP addresses to nelly.com or nlyman.com during a given period

No. of orders Nordics (000) – *a measure of how many orders Nelly generates during a given period*

The number of orders that Nordic customers have placed on nelly.com or nlyman.com during a given period

Average order value Nordics – *the average order value in SEK*

The number of items multiplied by average item value for orders placed on nelly.com or nlyman.com in the Nordics during a given period

Conversion rate Nordics – *a gauge of the proportion of customers visiting the website who place an order*

The number of Nordic orders divided by the number of Nordic sessions on nelly.com or nlyman.com

No. of employees – *a measure of the number of employees in the Group*

Calculated using the number of actual hours worked, together with paid holiday and other short-term absence, compared with the scheduled working time

Proportion of women employed – *a measure of the proportion of women in relation to the total number of employees*

The proportion of women divided by the total number of employees, calculated in the same way as number of employees above

Income statement definitions

Net revenue – revenue from B2C customers and B2B customers, and any other revenue

Includes sales after returns, commissions, invoicing fees, outbound freight fees, return fees and other revenue

Cost of goods sold – costs attributable to goods purchased

Includes product cost, inbound freight cost, customs and other costs related to bringing goods to the warehouse shelf

Warehousing and distribution costs – costs to bring goods from the warehouse shelf to the customer

Warehousing and handling costs, including salaries, and shipping costs to the customer

Marketing costs – costs to build the value of the brand and generate traffic to the website.

Performance and brand marketing costs such as search engine optimisation and brand-building activities

Administrative and other operating expenses – other costs to operate the company

Includes payroll costs, IT costs, studio costs, consultancy costs, depreciation, amortisation and other operating expenses

Net financial items – the net of financial income and expenses

Includes costs related to interest, currency gains/losses of a financial nature and other finance income and expenses



Notes

Note 1 – Accounting policies

The report was prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act. The accounting policies are unchanged from those applied in the previous report for the same period.

The parent company Nelly Group AB (publ)'s financial statements are prepared in accordance with the Swedish Annual Accounts Act and the Swedish Corporate Reporting Board's recommendation RFR 2 'Accounting for Legal Entities'.

For full information about the accounting policies and valuation principles applied by the Group, please see the most recently adopted annual report.

Note 2 – Fair value of financial instruments

The fair values of financial assets and liabilities do not differ significantly from their carrying amounts.

Note 3 – Segment reporting

Nelly reports only the 'Nelly' segment.

Note 4 – Deferred tax asset

SEK 71.7 (71.7) million of the Group's total deferred tax assets are a result of historical losses. Management has made assumptions about the company's future sales, expenses and profitability, and the possibility of future utilisation of these loss carryforwards is evaluated on this basis.

The Group's recognised loss carryforwards amounted to SEK 708.9 (720.7) million as at 31 December 2023. More information can be found in Note 7 of the 2023 annual report.



A woman with dark hair in a bun, wearing glasses and large gold earrings, is walking outdoors. She is wearing a white, long-sleeved, ribbed dress with a V-neckline and buttons down the front. The background consists of green foliage and a stone wall.

Financial calendar

The interim report for the second quarter of 2024 will be presented on 12 July 2024

The interim report for the third quarter of 2024 will be presented on 25 October 2024

The interim report for the fourth quarter of 2024 will be presented on 5 February 2025

The interim report for the first quarter of 2025 will be presented on 24 April 2025



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