Interim report Q2 2026

1 JANUARY TO 30 JUNE

NELLY

Nelly Group interim report for the second quarter of 2026

Q2 2026 – Financial highlights

- Net revenue was SEK 346.3 (361.7) million, corresponding to a decline of -4.3% (15.1%)
- Gross profit was SEK 184.1 (196.9) million, corresponding to a gross margin of 53.2% (54.5%)
- Operating profit was SEK 32.3 (55.4) million, corresponding to an operating margin of 9.3% (15.3%)
- Profit after tax was SEK 30.4 (52.4) million, corresponding to earnings per share of SEK 1.01 (1.75)
- Cash flow from operating activities was SEK 99.0 (104.1) million
- Cash and cash equivalents amounted to SEK 300.6 (259.6) million as at 30 June and external credit facilities were unutilised

H1 2026 – Financial highlights

- Net revenue was SEK 589.5 (609.4) million, corresponding to a decline of -3.3% (13.6%)
- Gross profit was SEK 318.6 (324.8) million, corresponding to a gross margin of 54.0% (53.3%)
- Operating profit was SEK 40.3 (75.3) million, corresponding to an operating margin of 6.8% (12.4%)
- Profit after tax was SEK 35.4 (68.8) million, corresponding to earnings per share of SEK 1.18 (2.29)
- Cash flow from operating activities was SEK 72.4 (90.9) million

Material events during the quarter

- No material events were reported during the quarter

Material events after end of quarter

- No material events have been reported since the end of the quarter

CEO's comments

A weak quarter, lacking precision

In the second quarter of 2026, we report net revenue decline of -4.3% (15.1%) and an operating margin of 9.3% (15.3%), which means that the weak trend from the first quarter persisted. We are not satisfied with this outcome.

Our assortment planning and buying ahead of the spring and summer season, particularly in the tops and dresses categories, lacked precision. This led to insufficient quantities of our best-selling products and a range that overall was not fashion-forward enough. Beyond this, we did not respond quickly enough to early positive signals from customers, and neither our positioning nor our brand expression fully reached the level we want to maintain.

In fashion, some buying decisions will always turn out to be less accurate than others, because first orders are placed long before the products are in season. A well-designed and well-executed business model, however, should be able to handle such situations with limited negative consequences, and without significant impact on overall financial performance. That is not the level we were at during the first half of the year.

That said, there are a number of positive trends that we will be building on during the second half of the year. Even in a weak second quarter, we strengthened NELLY's position across jeans, pants and knitwear, all categories that grew year-on-year. The share of sales from NELLY's own brands remained high at 64.1% (54.8%) and the return rate improved to 27.7% (28.4%), clear evidence that our deliberate work in these areas is paying off. The fact that we remain profitable even in a weak first half shows that the business rests on firmer foundations than before.

Deepening our work to strengthen NELLY

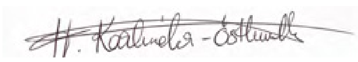
From a broader perspective, we see that the competitive landscape is changing rapidly. The players that will succeed in the medium and long term are likely to be those working in more innovative and agile ways, with creative processes closely coordinated with data, the supply chain and AI. The bar for precision in business model, positioning and brand is higher than before.

Against this background, the company has, over the spring and summer, initiated a deeper programme of work to strengthen NELLY. This work encompasses, among other things, positioning, brand, creative processes, buying, data, AI and supply chain. Management and the Board are working closely and intensively on these matters, and the Board has therefore organised itself into an Assortment Committee and a Strategy Committee.

Over the past few months, a number of significant changes have already been made, and we expect them to take effect gradually. Several more far-reaching improvements to our processes and positioning still lie ahead, however, and it is important to remember that our business runs on long cycles, which means that some of the effects of the work will come through in the shorter term and others in the longer term.

Looking ahead, we continue to see that NELLY's potential is substantial. With the right execution, we are well placed, in several markets, to become a unique destination for the most on-trend fashion. By combining our own brands with carefully selected external brands, we can create a truly curated customer offering with Stockholm and Scandi style as its point of departure.

In closing, I want to extend a warm and heartfelt thank you to all our customers who chose NELLY during the quarter, and to all my colleagues, whose commitment and hard work are essential as we now take the next step in the company's development.



Helena Karlinder-Östlundh, CEO of Nelly Group AB

Key ratios and alternative performance measures

	Q2 26	Q2 25	H1 26	H1 25
Net revenue growth	-4.3%	15.1%	-3.3%	13.6%
Gross margin	53.2%	54.5%	54.0%	53.3%
Warehousing and distribution costs as a proportion of net revenue	12.0%	11.8%	12.3%	12.0%
Marketing costs as a proportion of net revenue	11.0%	10.0%	11.1%	10.0%
Operating margin	9.3%	15.3%	6.8%	12.4%
Return rate	27.7%	28.4%	27.5%	26.9%
Inventory share of net revenue LTM	17.2%	14.7%	17.2%	14.7%
Proportion of sales of own brands	64.1%	54.8%	63.5%	52.9%
No. of active customers Nordics LTM (000)*	1,019	968	1,019	968
No. of sessions Nordics (000)*	24,903	26,925	45,823	48,478
No. of orders Nordics (000)*	552	574	935	973
Average order value Nordics*	715	754	712	753
Conversion rate Nordics*	2.2%	2.1%	2.0%	2.0%
No. of employees	177	157	174	151
Proportion of women employed	65%	64%	65%	64%

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. The strength of our offer lies in the combination of our own NELLY brand and carefully selected external brands. Since our launch in 2004, our passion for fashion and products that engage our customers has enabled us to establish a leading position on our core markets as a pioneer in digital direct sales.

Nelly's first physical Flagship Store opened on Drottninggatan in Stockholm in 2023, and we opened our doors on Strøget in Copenhagen in 2025. We continually create new experiences and physical customer events in our flagship stores that boost our brand and our community.

We offer fashion for men via NLY MAN, with a range of attractive external brands and our own brand Qué Sera Sera.

1M
ACTIVE CUSTOMERS*

1,7M
FOLLOWERS ON SOCIAL MEDIA

2M
ORDERS EVERY YEAR*

*Refers to Nordics online

Financial highlights of second quarter and first half-year

Revenue development

Net revenue for Q2 2026 amounted to SEK 346.3 (361.7) million, corresponding to -4.3% (15.1%). The change is primarily attributable to lower sales in the Nordic markets. The return rate for the quarter was 27.7% (28.4%). The proportion of sales of own brands increased to 64.1% (54.8%) during Q2 2026. In local currencies, the change in net revenue was -5.8% in Q2.

Net revenue for H1 2026 amounted to SEK 589.5 (609.4) million, corresponding to -3.3% (13.6%). The change is primarily attributable to lower sales in the Nordic markets and a higher return rate related to a less advantageous product mix. The return rate for the first half of the year was 27.5% (26.9%). Own brand sales during H1 2026 increased to 63.5% (52.9%). In local currencies, the change in net revenue was -3.5% in the period.

Change in gross margin

The gross margin fell to 53.2% (54.5%) in Q2 2026. A higher proportion of own brand sales made a positive contribution to the gross margin during the quarter, while increased campaign activity to customers had a negative impact on the gross margin. Overall, currency effects had a positive impact on the gross margin compared with the same quarter of the previous year. The gross margin was affected primarily positively by stronger SEK against USD related to purchases, and stronger SEK against NOK had a positive impact on sales.

The gross margin increased to 54.0% (53.3%) in the first half of 2026. A higher proportion of own brand sales made a positive contribution to the gross margin during the period, while increased campaign activity to customers had a negative impact on the gross margin. Overall, currency effects had a positive impact on the gross margin compared with the same period of the previous year. The gross margin was affected primarily positively by stronger SEK against USD and EUR related to purchases, and stronger SEK against NOK had a positive impact on sales.

Change in warehousing and distribution costs

Warehousing and distribution costs amounted to SEK 41.7 (42.7) million during the second quarter of the year. Measured as a proportion of net revenue, costs amounted to 12.0% (11.8%). The change as a proportion of net revenue is attributable to lower revenue, as parts of the cost base are fixed. Continued improvements were achieved primarily in distribution costs.

Warehousing and distribution costs amounted to SEK 72.5 (73.0) million in the first half of 2026. Measured as a proportion of net revenue, costs amounted to 12.3% (12.0%). The change as a proportion of net revenue is attributable to a combination of lower revenue, as parts of the cost base are fixed, and a higher return rate in the first quarter. In the second quarter, the return rate fell again compared with the same period in the previous year.

Change in marketing costs

Marketing costs for Q2 2026 amounted to SEK 38.1 (36.2) million. The costs in the quarter are primarily attributable to paid advertising in the core markets, expansion in Germany and more brand-building activities. Paid advertising in the Nordics had a higher cost per order in the quarter owing to weaker demand. Measured as a proportion of net revenue, the marketing costs amounted to 11.0% (10.0%).

Marketing costs amounted to SEK 65.2 (60.7) million during the first half of 2026. The costs in the half year are primarily attributable to paid advertising in the core markets, expansion in Germany and more brand-building activities. Measured as a proportion of net revenue, the marketing costs amounted to 11.1% (10.0%).

Administrative and other operating expenses

The Group's administrative and other operating expenses in Q2 were SEK 72.0 (62.6) million. The increase compared with Q2 2025 was mainly on account of higher personnel costs, plus expenses for the flagship store in Copenhagen, which opened in Q4 2025.

Administrative and other operating expenses were SEK 140.6 (115.7) million in the first half of 2026, with the change being driven by the same factors as for the quarter.

Change in operating profit

Operating profit for Q2 was SEK 32.3 (55.4) million, the change being driven primarily by lower gross profit and higher administrative expenses.

Operating profit for the first half of the year was SEK 40.3 (75.3) million, the change being driven primarily by lower gross profit and higher administrative expenses.

Net financial items

Net financial items amounted to SEK -1.9 (-3.0) million in Q2 2026. Expenses for the quarter are primarily attributable to interest on lease liabilities and tax respite.

Net financial items for the first half of 2026 amounted to SEK -5.0 (-6.7) million. Expenses for the half year are primarily attributable to interest on lease liabilities and tax respite.

Profit after tax

Profit after tax for Q2 2026 was SEK 30.4 (52.4) million. The change in profit after tax for Q2 is attributable to lower operating profit.

Profit after tax for the first half of 2026 was SEK 35.4 (68.8) million. The change in profit after tax for the first half of the year is attributable to lower operating profit.

Change in inventory balance

The inventory balance amounted to SEK 217.6 (172.0) million as at 30 June 2026. Inventory as a proportion of net revenue over a rolling 12-month period amounted to 17.2% (14.7%).

Cash flow and cash and cash equivalents

Cash flow from operations in Q2 2026 totalled SEK 99.0 (104.1) million, with lower profit making a negative contribution to cash flow from operations, and changes in working capital making a positive contribution.

Cash flow from operations in the first half of 2026 totalled SEK 72.4 (90.9) million, with lower profit making a negative contribution to cash flow from operations, and changes in working capital making a positive contribution.

Cash flow from investing activities amounted to SEK -4.0 (-9.2) million in Q2 2026. The investments are primarily attributable to IT and technology-related investments.

Cash flow from investing activities amounted to SEK -6.1 (-12.7) million during the first half of 2026. The investments are primarily attributable to IT and technology-related investments.

Cash flow of SEK -10.0 (-7.9) million from financing activities in Q2 is attributable to repayment of lease liabilities.

Cash flow of SEK -19.8 (-15.6) million from financing activities in the first half of the year is attributable to repayment of lease liabilities.

Cash and cash equivalents amounted to SEK 300.6 (259.6) million as at 30 June 2026. The payment respite for employer's contributions and tax payments amounted to SEK 32.3 (69.5) million at the end of the half year.

Total assets at the reporting date were SEK 1,037.3 (938.3) million primarily as a result of higher cash and higher inventory balance. Equity as at 30 March 2026 was SEK 442.7 (306.2) million, corresponding to an equity/assets ratio of 42.7% (32.6%).

Parent company

The parent company, Nelly Group AB (publ), reported sales of SEK 0.0 (0.0) million in January to June 2026.

Administrative expenses amounted to SEK 0.9 (5.4) million for January to June 2026.

The parent company's profit/loss before tax for January to June 2026 amounted to SEK -1.0 (-5.6) million.

Cash and cash equivalents in the parent company amounted to SEK 4.0 million as at 30 June 2026, compared with SEK 3.1 million as at 30 June of the previous year.

Board organisation and committees

As part of the company's ongoing development work, the Board has updated its organisation. The existing Purchasing Committee has been redefined as an Assortment Committee, the tasks of which have been extended and clarified. The committee is responsible, on behalf of the Board, for working on and preparing matters associated with the assortment and purchasing and campaign planning, for example, the purchasing budget and assortment strategy. The Assortment Committee consists of Stefan Palm, Chair, and Josephine Bernadotte.

The Board has also established a Strategy Committee with the task of focusing on key strategic matters, for example the company's long-term position, business model design, data structures and AI. The committee initially comprises Stefan Palm and Josephine Bernadotte, plus Simon Björklund, CTO of Rite Ventures, as consultant engaged for areas associated with data and technology (he is not on the Board).

Like the Board's other committees, the committees advise management and prepare matters on which the Board is to make decisions in their respective fields.

Other information

Share data

As at 30 June 2026, Nelly Group AB had 30,567,388 shares issued, of which 30,129,399 were ordinary shares and 437,989 were class C shares. The share capital was SEK 30,567,388, 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 2026, was SEK 1,077 million.

Organisation

The average number of employees during the quarter was 177 (157), of whom 65% (64%) were women.

Ten largest shareholders at end of period*

Shareholder Source: Monitor av Modular Finance AB	Capital (%)
Rite Ventures	34.2%
Stefan Palm**	16.7%
Avanza Pension	5.6%
Klas Bengtsson	2.8%
Nelly Group AB***	1.6%
Nordnet Pensionsförsäkring	1.3%
American Century Investment Management	1.3%
Handelsbanken Fonder	1.2%
SEB Funds	0.8%
Swedbank Försäkring	0.8%
Other shareholders	33.7%
Total	**100%**

** Based on Monitor's ownership summary for June 2026*

*** Holds shares via the company ettfemsju själ AB*

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

Transactions with related parties

Nelly had no transactions with related parties to report during the quarter.

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 risk, please see the latest published annual report.

Declaration by the Board

The Board and CEO certify that this interim 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, 15 July 2026

Ebba Ljungerud
Chair

Stefan Palm
Director

Josephine Bernadotte
Director

Lennart Sparud
Director

Lars Axelsson
Director

Mikaela Willman
Director

Helena Karlinder-Östlundh
CEO

Webcast on the interim report

Analysts, investors and the media are invited to a webcast on Q2 on 15 July at 09:00 CEST. The presentation will be given in English by Helena Karlinder-Östlundh, CEO, and Josefin Dalum, 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 Securities Market Act. The information was released for publication through the agency of the above-mentioned contacts at 08:00 on 15 July 2026.

Condensed consolidated income statement

(SEK million)	Q2 26	Q2 25	H1 26	H1 25	R12	2025
Net revenue	346.3	361.7	589.5	609.4	1,243.7	1,263.6
Cost of goods sold	-162.2	-164.7	-270.9	-284.7	-563.8	-577.6
Gross profit	**184.1**	**196.9**	**318.6**	**324.8**	**679.9**	**686.0**
Gross margin	**53.2%**	**54.5%**	**54.0%**	**53.3%**	**54.7%**	**54.3%**
Warehousing and distribution costs	-41.7	-42.7	-72.5	-73.0	-146.1	-146.6
Marketing costs	-38.1	-36.2	-65.2	-60.7	-129.3	-124.8
Administrative and other operating expenses	-72.0	-62.6	-140.6	-115.7	-273.1	-248.2
Operating profit	**32.3**	**55.4**	**40.3**	**75.3**	**131.4**	**166.4**
Operating margin	**9.3%**	**15.3%**	**6.8%**	**12.4%**	**10.6%**	**13.2%**
Financial income	1.0	1.2	1.6	1.2	1.5	3.5
Financial expenses	-2.9	-4.2	-6.5	-7.9	-11.6	-15.5
Profit before tax	**30.3**	**52.4**	**35.3**	**68.6**	**121.2**	**154.5**
Tax	0.0	0.1	0.1	0.2	14.0	14.1
Profit after tax	**30.4**	**52.4**	**35.4**	**68.8**	**135.2**	**168.5**
Attributable to						
Parent company shareholders	**30.4**	**52.4**	**35.4**	**68.8**	**135.2**	**168.5**
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	30.0	30.0	30.0	30.0	30.0
Average number of shares, diluted (million)	30.0	30.0	30.0	30.0	30.0	30.0
Basic/diluted earnings per share (SEK)	**1.01**	**1.75**	**1.18**	**2.29**	**4.51**	**5.62**

Consolidated statement of comprehensive income

(SEK million)	Q2 26	Q2 25	H1 26	H1 25	R12	2025
Items reclassified or available for reclassification to profit/loss for the period						
Translation differences for the period	0.1	-	0.2	-	0.1	-0.1
Comprehensive income for the period	**30.5**	**52.4**	**35.6**	**68.8**	**135.3**	**168.4**
Total comprehensive income attributable to						
Parent company shareholders	30.5	52.4	35.6	68.8	135.3	168.4
Comprehensive income for the period	**30.5**	**52.4**	**35.6**	**68.8**	**135.3**	**168.4**

Condensed consolidated statement of financial position

(SEK million)	30/06/2026	30/06/2025	31/12/2025
Non-current assets			
Goodwill	39.7	39.7	39.7
Other intangible assets	40.9	41.7	44.3
Total intangible assets	**80.6**	**81.5**	**84.0**
Property, plant and equipment	18.1	12.1	18.9
Right-of-use assets (see Note 5)	249.9	246.4	269.7
Total property, plant and equipment	**268.0**	**258.4**	**288.6**
Deferred tax asset (see Note 4)	90.5	76.4	90.4
Deposits (see Note 5)	37.0	37.0	37.0
Total non-current assets	**476.1**	**453.3**	**500.0**
Current assets			
Inventories	217.6	172.0	188.2
Current non-interest-bearing receivables	42.9	53.4	47.7
Cash and cash equivalents (see Note 5)	300.6	259.6	253.8
Total current assets	**561.0**	**485.0**	**489.7**
Total assets	**1,037.3**	**938.3**	**989.7**
Equity			
Equity attributable to parent company shareholders	442.7	306.2	406.4
Total equity	**442.7**	**306.2**	**406.4**
Non-current liabilities			
Non-interest-bearing			
Provisions	-	-	2.6
Other liabilities	3.8	37.6	11.0
Total non-interest-bearing non-current liabilities	**3.8**	**37.6**	**13.6**
Interest-bearing			
Lease liabilities (see Note 5)	237.0	235.3	250.9
Total non-current liabilities	**240.8**	**272.9**	**264.5**
Current liabilities			
Interest-bearing			
Lease liabilities (see Note 5)	30.8	33.8	36.2
Total interest-bearing current liabilities	**30.8**	**33.8**	**36.2**
Non-interest-bearing			
Trade payables	123.6	119.3	80.9
Other liabilities	73.6	71.2	81.3
Accrued expenses and deferred income	125.7	135.0	120.4
Total non-interest-bearing current liabilities	**322.9**	**325.5**	**282.6**
Total current liabilities	**353.8**	**359.3**	**318.8**
Total equity and liabilities	**1,037.3**	**938.3**	**989.7**

Condensed consolidated statement of changes in equity

(SEK million)	H1 26	H1 25	2025
Opening balance	**406.4**	**237.1**	**237.1**
Comprehensive income for the period	35.6	68.8	168.4
Share-based remuneration	0.7	0.3	0.9
Closing balance	**442.7**	**306.2**	**406.4**

Condensed statement of cash flows

(SEK million)	Q2 26	Q2 25	H1 26	H1 25	2025
Cash flow from operating activities before changes in working capital	44.0	64.9	60.7	94.3	210.0
Changes in working capital	55.0	39.3	11.7	-3.4	-86.9
Cash flow from operations	**99.0**	**104.1**	**72.4**	**90.9**	**123.1**
Investments in non-current assets	-4.0	-9.2	-6.1	-12.7	-32.1
Cash flow from investing activities	**-4.0**	**-9.2**	**-6.1**	**-12.7**	**-32.1**
Repayment of lease liability	-10.0	-7.9	-19.8	-15.6	-34.1
Cash flow from financing activities	**-10.0**	**-7.9**	**-19.8**	**-15.6**	**-34.1**
Change in cash and cash equivalents for the period	**85.0**	**87.1**	**46.6**	**62.6**	**56.9**
Cash and cash equivalents at start of period	**215.3**	**172.6**	**253.8**	**196.9**	**196.9**
Translation difference, cash and cash equivalents	0.2	-	0.1	-	0.0
Cash and cash equivalents at end of period	**300.6**	**259.6**	**300.6**	**259.6**	**253.8**

Depreciation/amortisation of non-current assets

(SEK million)	Q2 26	Q2 25	H1 26	H1 25
Depreciation of property, plant and equipment	-1.7	-1.2	-3.4	-2.3
Amortisation of intangible assets	-3.5	-3.8	-7.1	-7.5
Depreciation/amortisation (not including IFRS 16)	**-5.2**	**-4.9**	**-10.5**	**-9.8**
Amortisation of right-of-use assets	-10.2	-8.3	-20.3	-16.6
Depreciation/amortisation (including IFRS 16)	**-15.5**	**-13.2**	**-30.8**	**-26.4**

Net revenue by geographical area

(SEK million)	Q2 26	Q2 25	H1 26	H1 25
Sweden	171.8	191.4	290.7	317.9
The Nordic region, including Sweden	**322.7**	**352.4**	**548.4**	**592.3**
Rest of world	23.6	9.2	41.1	17.1
All regions	**346.3**	**361.7**	**589.5**	**609.4**

Condensed income statement – parent company

(SEK million)	H1 26	H1 25	2025
Net revenue	-	-	-
Gross profit	**-**	**-**	**-**
Administrative expenses	-0.9	-5.4	-12.8
Operating profit	**-0.9**	**-5.4**	**-12.8**
FINANCIAL INCOME AND EXPENSES			
Net financial items	-0.1	-0.2	-0.3
Profit/loss after financial items	**-1.0**	**-5.6**	**-13.1**
APPROPRIATIONS			
Group contributions received	-	-	184.1
Profit before tax	**-1.0**	**-5.6**	**171.1**
Tax	-	-	13.9
Profit/loss for the period*	**-1.0**	**-5.6**	**184.9**

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

Condensed statement of financial position – parent company

(SEK million)	30/06/2026	30/06/2025	31/12/2025
Non-current assets			
Investments in subsidiaries	259.2	247.2	258.6
Deferred tax asset	85.5	71.7	85.5
Total non-current assets	**344.7**	**318.9**	**344.1**
Current assets			
Current non-interest-bearing receivables	2.3	3.3	1.8
Receivables from subsidiaries	197.9	38.0	208.7
Total current receivables	**200.3**	**41.3**	**210.5**
Cash and bank balances	4.0	3.1	-
Total cash and cash equivalents	**4.0**	**3.1**	**-**
Total current assets	**204.2**	**44.4**	**210.5**
Total assets	**548.9**	**363.3**	**554.6**
Equity			
Restricted equity	31.4	31.3	31.3
Non-restricted equity	512.6	321.9	513.0
Total equity	**544.0**	**353.2**	**544.3**
Non-current liabilities			
Non-interest-bearing			
Provisions	-	-	2.6
Other liabilities	1.1	3.0	1.1
Total non-current liabilities	**1.1**	**3.0**	**3.7**
Current liabilities			
Bank overdraft facility	-	-	1.2
Non-interest-bearing liabilities	3.9	7.1	5.5
Total current liabilities	**3.9**	**7.1**	**6.6**
Total liabilities	**5.0**	**10.1**	**10.3**
Total equity and liabilities	**548.9**	**363.3**	**554.6**

Definitions of key ratios and alternative performance measures

Earnings per share – *a measure of our earnings per outstanding share*
Profit/loss before tax divided by the average number of shares outstanding for the period

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 measure 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) – *a measure 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 in the Nordics – *a measure 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 absence 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 costs, 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 from their carrying amounts.

Note 3 – Segment reporting

Nelly reports only the 'Nelly' segment as no other financial segmentation is deemed to meet the requirements for segment reporting.

Note 4 – Deferred tax asset

SEK 85.5 (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 443.9 (615.3) as reported in the most recently published annual report. See Note 7 in the most recently published annual report for more information.

Note 5 – Other information about items in the balance sheet

Recognition of leases in accordance with IFRS 16 was adjusted in 2025 to reflect expected economic conditions better. This increased right-of-use assets and lease liabilities. The comparative figures for right-of-use assets and lease liabilities, respectively, were updated by SEK 24.5 million for Q2 2025.

Note 6 – Incentive plans

Nelly currently has four active incentive plans as set out below.

Plan	Type	Allotment date		No. of shares based on share price on reporting date	Dilutive effect	Performance conditions
Share plan 2024*	Shares	December 2024	3 years	10,847	0.0%	Retained **employment** during the vesting period
Share plan 2025*	Shares	June 2025	3 years	47,950	0.2%	Retained employment during the vesting period
Performance share plan 2025	Performance shares	April/May 2026	3 years	24,606	0.1%	25% EBIT margin growth in the 2025 financial year compared with 2024. Retained employment during the vesting period.
Performance share plan 2026	Performance shares	April/May 2027	3 years	6,385	0.0%	25% EBIT margin growth in the 2026 financial year compared with 2025. Retained employment during the vesting period.
Total				**89,788**	**0.3%**	

** The number of shares is allotted to participants and accrued during the vesting period.*

Financial calendar

The interim report for the third quarter of 2026 will be presented on 22 October 2026

The interim report for the fourth quarter of 2026 will be presented on 4 February 2027

The interim report for the first quarter of 2027 will be presented on 27 April 2027

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