

PRESS RELEASE

11 August 2022 09:19:00 CEST

Nelly continues its transformation towards profitability by introducing a comprehensive cost reduction programme

Nelly Group AB (publ) ("Nelly") has today made the decision to introduce a cost reduction programme, which will remove 40-50 million SEK from its ongoing operating expenses on a yearly basis. This is a reduction of 15-19% as compared to the 2021 financial year. The full benefits of the programme are expected to be realised as of the second quarter of 2023.

Most of the initiatives under the cost reduction programme will be implemented during 2022 and include reductions in the office-based staff, which are made possible by further efficiency improvements across all areas of the business, such as the company's assortment, IT systems portfolio and core business processes. Union negotiations will be initiated shortly.

"We are in the process of simplifying all areas of our business and as we reduce the breadth of our assortment, rationalise our IT systems, and optimise how we work, it becomes possible for us to deliver a strong customer experience in a more efficient way. We will only achieve sustainable profitability in our business if we have the right focus and also the right size of organisation." says Helena Karlinder-Östlundh, acting CEO at Nelly.

Alongside the cost reduction programme that is now introduced, the company will also gradually reduce its marketing expenses during the remainder of 2022, primarily through increased efficiency across all channels, and continue to optimise its logistics operations.

For more information, please contact:
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About Nelly Group

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 1.1 million customers and 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".

Nelly Group AB

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Attachments

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