

Desenio Group implements cost reductions of SEK 32 million on an annual basis to strengthen the financial position and publishes preliminary outcome for April and May 2022

- Net sales during the period 1 April - 31 May 2022 amounted to SEK 132 (205) million.
- Operating result for the period 1 April - 31 May 2022 amounted to SEK -13 (21) million, corresponding to an operating margin of -9.8 (10.3) %.
- A decision has been made to reduce costs of SEK 32 million on an annual basis to adapt operations to the challenging market with declining online consumption, including a dampening effect on discretionary spending. The cost savings will have full effect from the fourth quarter of 2022.

Desenio Group AB (publ) ("Desenio") today publishes preliminary figures for the Group's net sales and operating result during April and May 2022 as a result of the extraordinary market situation. Net sales during the period 1 April - 31 May 2022 amounted to SEK 132 million and the operating result amounted to SEK -13 million, corresponding to an operating margin of -9.8 %.

A decision has been made to implement a cost reduction of SEK 32 million on an annual basis to adapt operations to the challenging market with declining online consumption, including a dampening effect on discretionary spending. The cost savings will have full effect from the fourth quarter of 2022. Based on the adjusted administrative expenses rolling 12 months up to 31 March 2022 of SEK 175 million, the cost reduction corresponds to 18 %. 45 employees will be notified of termination of their employment and management salaries will be reduced by 20%.

"The uncertainty for online demand is high in the short term and this also applies to Desenio and Poster Store. We have a strong business model with high margins, but our costs are not adapted to the demand we saw in the spring and early summer. At the same time, the extraordinary market situation means that it is currently difficult to predict the development during the second half of 2022. All in all, this means that to remain profitable, we need to reduce our costs by notifying staff, which is unfortunate, but we feel necessary under the circumstances. The notice will affect approximately 27 % of our employees in Sweden and affect all levels. In this way, we create room for profitability, including our important expansion in North America", comments Fredrik Palm, CEO of Desenio Group.

The dismissal process only applies to employees in Sweden and will be carried out in accordance with labor laws and routines.

As of 13 June 2022, Desenio's cash and cash equivalents amounted SEK 85 million.

In December 2020, Desenio Group AB (publ) issued a covered bond totaling SEK 1,100 million in connection with the acquisition of Poster Store. The bond has a variable interest rate of STIBOR 3m + 5.5%, which is paid in the last month every quarter, and matures in December 2024. During the first quarter of 2022, the bond's interest expenses amounted to SEK 15.1 million. The bond has no current covenants except when raising new debt or, for example, in the event of a share dividend.

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This information is information that Desenio Group is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at 2022-06-14 07:30 CEST.

About Desenio Group

Desenio is the leading e-commerce company within affordable wall art in Europe, with a growing presence in North America. We offer our customers a unique and curated assortment of about 9,000 designs as well as frames and accessories in 35 countries via 44 local websites and are steadily expanding to new markets.

Desenio has grown rapidly and profitably since 2015 and we are well positioned to build upon our dynamic growth model, including our proprietary technical platform, industrialized creative processes and efficient customer acquisition approach.

We are headquartered in Stockholm, Sweden, with fulfilment centres in Sweden and Czech Republic. Our share is traded on Nasdaq First North Growth market, under the ticker "DSNO".

Attachments

Desenio Group implements cost reductions of SEK 32 million on an annual basis to strengthen the financial position and publishes preliminary outcome for April and May 2022