

# DESENIIO GROUP



REPORT FOR THE PERIOD  
JANUARY - JUNE 2024



Market leading product assortment of about 9,000 affordable and trendy designs, of which a significant share is proprietary to Desenio.



Frames are offered in various wooden and metal finishes in the same sizes as posters.



Other accessories include products such as mat boards, picture ledges, art clips, and other printed products.

## Who we are

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 37 countries via 44 local websites. With a proven strategic playbook for geographic expansion, we're steadily expanding to new markets. We create first order profitability through a social media and search driven customer acquisition model.

### WHAT WE STAND FOR

Desenio Group's business model is based on a simple but ambitious mission; we help our customers to create beautiful homes through affordable wall art based on current trends. We have a disruptive approach to a large global design category with significant expected growth, providing industrial and data driven creativity at scale, generating proprietary designs.

### OUR WORKPLACE CULTURE

Familiarity in a truly global environment is at the heart of Desenio Group's workplace culture. As a workforce comprising many nationalities, we leverage our collective understanding of local markets, while at the same time uniting in one common set of values and goals. We Stand Together as one team, Lead by Example and take individual initiative, have persistent Customer Dedication, and make sure to Always be Closing any task we start.

### AGILE ORGANIZATION

We adapt our organization to prevailing market conditions to be ready and take advantage of future growth potential. The focus is on ensuring cash flow and profitability.

### NEW FRONTIERS

In addition to profitability, we also focus on selectively breaking new ground in future key markets, such as North America.

# SUMMARY

During Q2, net sales decreased by 10% to SEK 166.0 million while EBITA increased by 31.5% to SEK 6.3 million. Cash flow from operating activities amounted to SEK -48.0 million.

## SECOND QUARTER

- Net sales decreased by 10% to SEK 166.0 (184.5) million.
- Gross margin for the quarter was 83.6% (84.0%).
- Operating profit (EBIT) amounted to SEK 5.7 (-4.2) million, corresponding to an operating margin of 3.4% (-2.3%).
- EBITA increased by 31.5% to SEK 6.3 (4.8) million, corresponding to an adjusted EBITA margin of 3.8% (2.6%).
- Profit before tax was SEK -22.8 (-17.4) million.
- Cash flow from operating activities amounted to SEK -48.0 (-37.7) million.
- Earnings per share was SEK -0.16 (-0.12).

## JANUARY – JUNE

- Net sales decreased by 11.2% to SEK 394.9 (444.8) million.
- Gross margin for the period was 83.7% (84.2%).
- Operating profit (EBIT) amounted to SEK 24.7 (28.9) million, corresponding to an operating margin of 6.3% (6.5%).
- Adjusted EBITA was SEK 29.2 (46.9) million corresponding to an adjusted EBITA margin of 7.4% (10.5%).
- Profit before tax was SEK -26.7 (-8.2) million.
- Cash flow from operating activities amounted to SEK -67.2 (4.9) million.
- Earnings per share was SEK -0.21 (-0.08).

## SIGNIFICANT EVENTS DURING AND AFTER THE PERIOD

The dialogue with Desenio Group's bondholders continued during the second quarter. As part of the discussions, Desenio Group's expected future financial development was made public on 15 July. For the full year 2024, net sales is expected to decrease by 5-10% compared to 2023 and the adjusted EBITA margin to be 11-13%. For the full year 2025, net sales growth is expected to amount to 0-5% and the adjusted EBITA margin to be 11-14%.

On July 15, Desenio Group's board decided on updated financial targets: - An organic annual net sales growth of >5% in the medium-term. - Improve the adjusted EBITA margin to >15% in the medium-term.

## FINANCIAL SUMMARY

SEKm unless otherwise indicated	Q2			Jan-Jun			Jul-Jun	Jan-Dec
	2024	2023	Δ %	2024	2023	Δ %	23/24	2023
Net sales	166.0	184.5	-10.0%	394.9	444.8	-11.2%	917.3	967.2
Net sales growth, %	-10.0	0.9	-10.9 pp	-11.2	-5.5	-5.8 pp	-2.3	0.2
Gross margin, % <sup>1</sup>	83.6	84.0	-0.4 pp	83.7	84.2	-0.4 pp	83.8	84.0
EBITA <sup>1</sup>	6.3	4.8	31.5%	26.0	46.9	-44.5%	-161.2	-140.3
EBITA margin, % <sup>1</sup>	3.8	2.6	1.2 pp	6.6	10.5	-4.0 pp	-17.6	-14.5
Adjusted EBITA <sup>1</sup>	6.3	4.8	31.5%	29.2	46.9	-37.7%	92.0	109.7
Adjusted EBITA margin, % <sup>1</sup>	3.8	2.6	1.2 pp	7.4	10.5	-3.1 pp	10.0	11.3
Earnings per share	-0.16	-0.12	33.7%	-0.21	-0.08	159.7%	-2.03	-1.91
Cash flow from operating activities <sup>1</sup>	-48.0	-37.7	27.3%	-67.2	4.9	-1471.4%	-28.5	43.6
Net debt	1,048.2	993.6	5.5%	1,048.2	993.6	5.5%	1,048.2	973.6
Orders, '000	268	333	-19.5%	676	813	-16.9%	1,651	1,788
Active Customers, '000 <sup>1</sup>	2,554	2,945	-13.3%	2,554	2,945	-13.3%	2,377	2,768

<sup>1</sup> The figure is an Alternative Performance Measure (APM) and is described in Definitions of performance measures.

# CEO'S COMMENTS

*The market development for affordable wall art continued to be weak during the second quarter. Net sales for Desenio Group decreased by 10% to SEK 166 million, compared to the corresponding period last year. At the same time, it is positive that EBITA increased by 31.5% to SEK 6.3 million.*

In addition to the weak market development, the lower sales is explained by the fact that we are still not getting full effect of our marketing efforts. During the quarter, however, we reduced our marketing costs in relation to net sales to 30.4%, compared to 31.2% in Q1 2024 and 32.1% in Q2 2023. The work to achieve increased impact on our marketing efforts and thereby increase profitability continues.

EBITA increased by 31.5% and amounted to SEK 6.3 (4.8) million, corresponding to an EBITA margin of 3.8%. The fact that our profitability increased despite the lower sales level is explained by the measures we have taken to compensate for the tough market we operate in. Both the cost ratio for fulfilment and administrative costs were lower in the second quarter of 2024 compared to the corresponding period last year. The cost ratio for fulfilment decreased from 29.6% to 27.8% and our administrative expenses decreased from SEK 38.2 million to SEK 34.1 million.

Cash flow from operating activities during the quarter amounted to SEK -48 (-37.7) million and cash and cash equivalents decreased by SEK 51.1 million compared to the end of the previous quarter. SEK 26.3 million of the decrease is explained by the fact that the cash flow from changes in working capital decreased, driven by reduced current liabilities as an effect of lower sales compared to the previous period. In addition, net interest payments on the outstanding bonds amounted to SEK 25.6 million. As of June 30, 2024, the cash and cash equivalents amounted to SEK 72.5 million.

During the second quarter, we continued exploring different alternatives to arrive at a solution for the refinancing of Desenio Group's outstanding bonds of SEK 1.1 billion due in December 2024. The evaluation process includes discussions with our bondholder, which we initiated during



the fourth quarter 2023, as well as other strategic alternatives.

To move the discussions forward, it is necessary that we exchange certain information about the expected financial development, which can be found on page 6 of this report. In summary, for the full year 2024, we expect net sales to decrease by 5-10% compared to 2023 and the adjusted EBITA margin to be 11-13%. For the full year 2025, net sales growth is expected to amount to 0-5% and the adjusted EBITA margin to be 11-14%.

In addition, the board has decided to update Desenio Group's financial targets. The new financial targets are to achieve organic annual net sales growth of >5% over time and to improve the adjusted EBIT margin to >15%. The dividend policy remains unchanged.

In the short term we are operating in a market for home decor that continues to be under pressure due to lower purchasing power among customers. However, we have a leading position in the affordable art sector in Europe which gives us good opportunities; partly due to economies of scale, and partly in our potential to create and take advantage of demand in the market. We have implemented and continue to implement a large number of changes, which already now start to show in our margins, and we are convinced of our ability to also turn the negative sales trend around.

**FREDRIK PALM**  
President and CEO



# THE GROUP'S DEVELOPMENT

## NET SALES

### Second quarter

Net Sales in the quarter decreased by 10% to SEK 166.0 (184.5) million.

### Period January - June

Net sales decreased during the period by 11.2% to SEK 394.9 (444.8) million.

## PROFITABILITY AND MARGINS

### Second quarter

The gross margin for the quarter decreased to 83.6% (84.0%) compared to the corresponding quarter last year, driven by product mix. Operating profit (EBIT) for the quarter amounted to SEK 5.7 (-4.2) million. EBITA for the quarter amounted to SEK 6.3 (4.8) million and the EBITA-margin amounted to 3.8% (2.6%) compared to the corresponding quarter last year.

The cost ratio for fulfilment decreased from 29.6% in the second quarter of 2023 to 27.8% in the second quarter of 2024. Marketing costs in relation to net sales decreased from 32.1% in the second quarter of 2023 to 30.4% in the second quarter of 2024. The cost ratio for administration costs decreased from 20.7% in the second quarter of 2023 to 20.5% in the second quarter of 2024.

### Period January - June

The gross margin for the period decreased to 83.7% (84.2%) compared to the corresponding period last year driven by product mix. Operating profit (EBIT) in the period amounted to SEK 24.7 (28.9) million. Adjusted EBITA in the period amounted to SEK 29.2 (46.9) million and the adjusted EBITA-margin amounted to 7.4% (10.5%).

The cost ratio for fulfilment decreased from 27.7% to 26.8% due to further streamlining of our logistics structure. Marketing costs increased in relation to net sales to 30.9% compared to 30.0% during the same period last year. The cost ratio for administration costs increased from 16.8% to 18.8%. Excluding the redundancies that were expensed in the period, the administration costs were in absolute terms lower than the corresponding period last year.

## CASH FLOW AND FINANCIAL POSITION

### Second quarter

Cash flow from operating activities amounted to SEK -48.0 (-37.7) million for the quarter. Tax paid amounted to SEK 7.6 (6.9) million and refers to payments of preliminary tax for 2024. The cash flow from changes in working capital was SEK -26.3 million, where the inventory increased by SEK 0.9 million and changes in current receivables/liabilities had a

negative effect on cash flow with a net SEK 25.4 million, related to reduced current liabilities.

### Period January - June

Cash flow from operating activities amounted to SEK -67.2 (4.9) million for the period. Tax paid of SEK 16.2 (19.2) million refers to payment of remaining parts of corporate taxes for the income year 2022 with SEK 1.6 million, paid preliminary taxes regarding the income year 2023 with SEK 2.3 million and paid preliminary taxes regarding the income year 2024 with SEK 12.3 million. The cash flow from changes in working capital amounted to SEK -38.4 million, where the inventory during the period decreased by SEK 5.8 million and changes in current receivables/liabilities had a negative effect on cash flow with net SEK -44.2 million related to increased current liabilities.

## INVESTMENTS

### Second quarter

Net investments in tangible assets during the quarter amounted to SEK -0.1 (1.1) and refers to investments in the warehouse in the Czech Republic of SEK 0.1 million and a reclassification from tangible to intangible assets of SEK -0.2 million. The previous year's investment in tangible assets refers to investments in the warehouse in the US.

### Period January - June

Net investments in tangible assets during the period amounted to SEK 0.1 (1.1) million and refers to investments in the warehouse in the Czech Republic. The previous year's investment in tangible assets refers to investments in the warehouse in the US. Net investments in intangible assets amounted to SEK 0.2 million and refers to investments in a transportation management system.

## FINANCIAL POSITION AND FINANCING

As of 30 June 2024, equity amounted to SEK -77 million, compared to SEK -46.2 million at the beginning of the year. As of 30 June 2024, cash and cash equivalents amounted to SEK 72.5 million compared to 149.9 in the beginning of the year. Net debt amounted to SEK 1048.2 (993.6) million on 30 June 2024 compared to SEK 973.6 million at the beginning of the year.

Desenio Group AB (publ) issued a Senior Secured bond in December 2020 totalling SEK 1,100 million in connection with the acquisition of Poster Store. The bond bears a floating interest rate of STIBOR 3m +5.5% and matures in December 2024. The maximum amount of the bond is SEK 1,800 million. The bond has no current covenants except when raising new debt or, for example, in the event of a share dividend. Borrowing costs for the bond are amortized

by SEK 2.2 million per quarter until December 2024. The amount is included in interest expenses and is non-cash flow affecting. Since the bond matures in December 2024 it has been reclassified from non-current to current liabilities. In June 2023 Desenio Group repurchased the company's own corporate bonds over the market, corresponding to 3.2% of the total outstanding bond loan (nominal value SEK 35 million). The purchases were made at an average repurchase amount of 70% of nominal value, for a total amount corresponding to SEK 24.5 million.

### **SIGNIFICANT EVENTS DURING AND AFTER THE PERIOD**

In February, Desenio notified staff about a proposed reorganization which would impact approximately 10% of the employees in Sweden.

The dialogue with Desenio Group's bondholders continued during the second quarter. As part of the discussions, Desenio Group's expected future financial development was made public on 15 July. For the full year 2024, net sales are expected to decrease by 5-10% compared to 2023 and the adjusted EBITA margin to be 11-13%. For the full year 2025, net sales growth is expected to amount to 0-5% and the adjusted EBITA margin to be 11-14%.

The expected financial development above assumes that the same market conditions as in the first half of 2024 remain with similar customer behavior during the relevant periods. All figures refer to the Desenio Group as a whole.

The financial information stated above is indicative and does not constitute a guarantee of future results. Although the financial information reflects Desenio Group's current judgments and expectations, it is subject to material uncertainties and factors, e.g. macroeconomic factors such as inflation levels and general business conditions, future customer behavior, cost of marketing and exchange rates. These uncertainties and factors mean that the actual growth and adjusted EBITA margin may differ materially from those expected.

On 15 July, Desenio Group's board decided on updated financial targets for the group. The new financial targets are:

- An organic annual net sales growth of >5% over time.
- Improve the adjusted EBITA margin to >15% over time.

These financial goals replace previously communicated financial goals of achieving annual organic sales growth of around 30%, potentially further supplemented by impact from add-on acquisitions, and an adjusted EBITA margin of approximately 25% in the medium term.

The dividend policy remains unchanged. However, no dividend is expected to be distributed in the medium-term

and any dividend will be subject to the terms of Desenio Group's debt facilities.

### **REVIEW BY AUDITORS**

This report has not been reviewed by the auditors.

### **OWNERSHIP AND, SHARES**

Desenio Group AB's (publ) share is listed on the First North Growth Market under the symbol DSNO and has the ISIN code SE0015657853. At the last trading day of the period, the share price was SEK 0.28. The highest closing price, SEK 0.45, was quoted in April and the lowest closing price, SEK 0.26 was quoted in June. During the quarter, 8 944 044 shares were traded. As of 30 June, Desenio Group had 2,953 shareholders, of which the largest were Verdane (25.2%), MBHB Holding AB (9.9%), and Hars Holding AB (9.5%). As of 30 June, the number of issued shares was 149,082,510. All shares were ordinary shares.

### **NUMBER OF EMPLOYEES**

The average number of employees during the quarter was 123 (127) which corresponds to 3% fewer employees compared to the corresponding quarter last year.

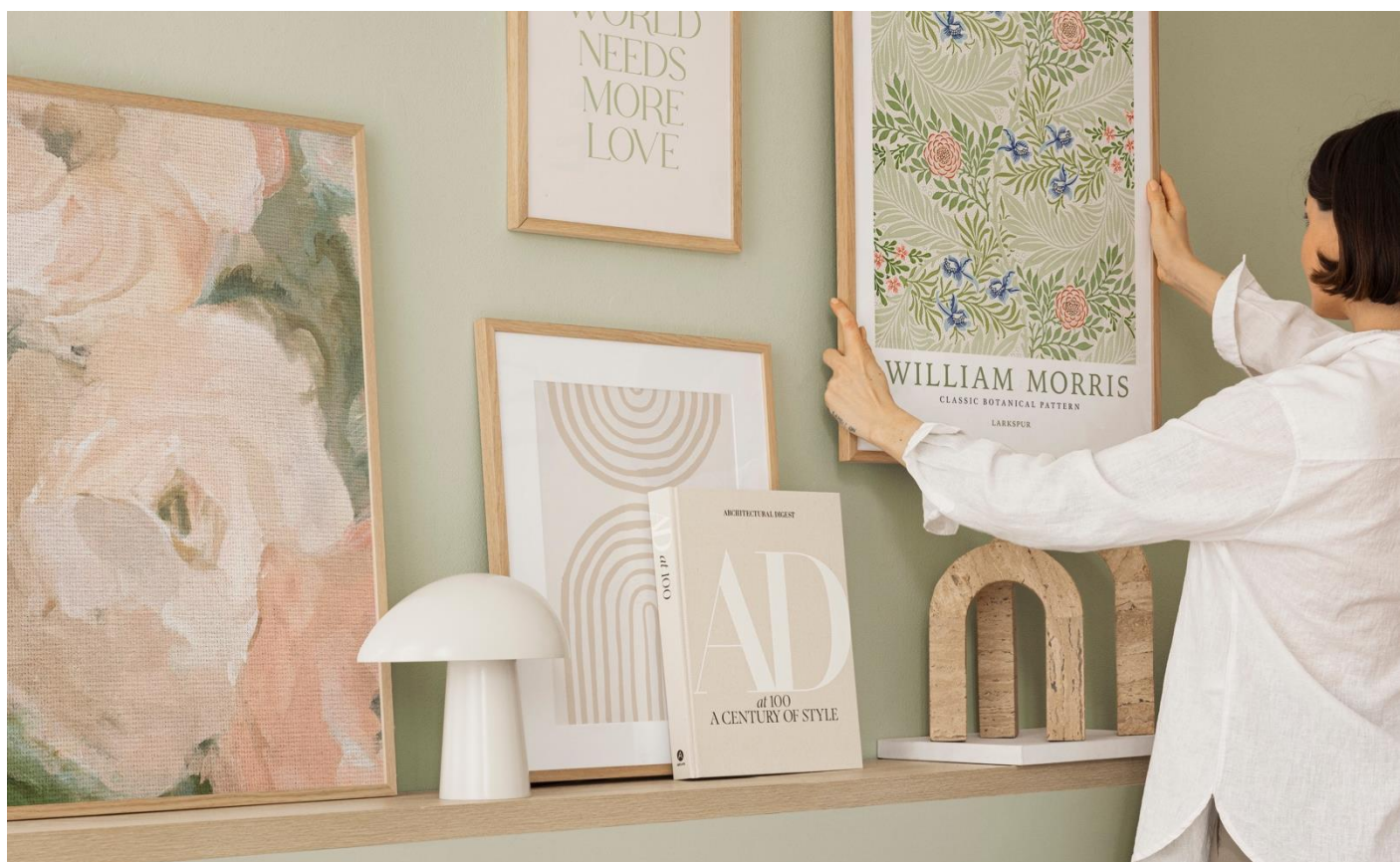
### **RISKS AND UNCERTAINTIES**

The Group's significant risk and uncertainty factors include financial risks such as market risk (consisting of currency risk and interest rate risk), credit risk and liquidity risk, as well as operational and business risks. For more information on risks and risk management, please refer to Desenio's annual report for 2023.

### **ALTERNATIVE PERFORMANCE MEASURES (APM)**

In this quarterly report, Desenio reports certain performance measures, including key figures which are not defined in accordance with IFRS. The company believes that these key figures are an important complement, as they enable a better evaluation of the company's financial trends. These financial ratios shall not be considered independent or considered to replace performance ratios that have been calculated in accordance with IFRS. In addition, such key figures, as defined by Desenio, should not be compared with other key figures with similar names used by other companies. This is because the above key figures are not always defined in the same way and other companies can calculate them in a different way than Desenio. Adjusted EBIT is exclusive of cost items affecting comparability and is thus considered to be a useful measure of the Company's underlying profit generated from operating activities. The company has items affecting comparability in 2024 related to salary costs for dismissed personnel. Items affecting comparability in 2023 are related to goodwill impairment. Other definitions of alternative performance measures can be found in the section Definitions of performance measures.

SEKm unless otherwise indicated	Q2		Jan-Jun	
	2024	2023	2024	2023
<b>EBIT</b>	<b>5.7</b>	<b>-4.2</b>	<b>24.7</b>	<b>28.9</b>
Amortizations	0.6	9.0	1.3	18.0
<b>EBITA</b>	<b>6.3</b>	<b>4.8</b>	<b>26.0</b>	<b>46.9</b>
One-off costs	-	-	-	-
<b>Adjusted EBITA</b>	<b>6.3</b>	<b>4.8</b>	<b>29.2</b>	<b>46.9</b>
Non-current liabilities	0.0	1,052.4	0.0	1,052.4
Non-current lease liabilities	42.2	45.4	42.2	45.4
Current liabilities	1,061.2	-	1,061.2	-
Current lease liabilities	17.3	20.1	17.3	20.1
Cash and cash equivalents	-72.5	-124.3	-72.5	-124.3
<b>Net debt</b>	<b>1,048.2</b>	<b>993.6</b>	<b>1,048.2</b>	<b>993.6</b>



# FINANCIAL SUMMARY

## CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

SEKm unless otherwise indicated	Q2		Jan-Jun		Rolling	Full-year
	2024	2023	2024	2023	23/24	2023
Net sales	166.0	184.5	394.9	444.8	917.3	967.2
Cost of goods sold	-27.2	-29.5	-64.2	-70.4	-148.9	-155.1
<b>Gross profit</b>	<b>138.8</b>	<b>155.0</b>	<b>330.7</b>	<b>374.4</b>	<b>768.4</b>	<b>812.1</b>
<b>OPERATING COSTS</b>						
Fulfilment costs	-46.2	-54.7	-105.8	-123.3	-245.0	-262.5
Marketing costs	-50.5	-67.6	-122.0	-150.1	-296.5	-324.6
Admin & other costs	-34.1	-38.2	-74.1	-74.9	-145.5	-146.3
Other operating income	1.3	3.9	3.0	10.0	9.4	16.4
Other operating costs	-3.6	-2.6	-7.1	-7.2	-270.0	-270.1
<b>Operating profit</b>	<b>5.7</b>	<b>-4.2</b>	<b>24.7</b>	<b>28.9</b>	<b>-179.2</b>	<b>-175.0</b>
<b>FINANCIAL INCOME AND EXPENSES</b>						
Financial income	3.9	13.6	11.3	14.4	22.4	25.5
Financial expenses	-32.4	-26.8	-62.7	-51.5	-135.3	-124.1
Net financial items	-28.5	-13.2	-51.4	-37.1	-112.9	-98.6
<b>PROFIT/LOSS BEFORE TAX</b>	<b>-22.8</b>	<b>-17.4</b>	<b>-26.7</b>	<b>-8.2</b>	<b>-292.1</b>	<b>-273.6</b>
Income tax	-0.6	-0.1	-4.2	-3.7	-11.1	-10.6
<b>PROFIT/LOSS FOR THE PERIOD</b>	<b>-23.4</b>	<b>-17.5</b>	<b>-30.9</b>	<b>-11.9</b>	<b>-303.2</b>	<b>-284.2</b>
<b>EARNINGS PER SHARE</b>						
Basic	-0.16	-0.12	-0.21	-0.08	-2.03	-1.91
Diluted	-0.16	-0.12	-0.21	-0.08	-2.03	-1.91
<b>Number of outstanding shares at the end of the reporting period</b>						
<b>– basic (SEK)</b>	<b>149,082,510</b>	<b>149,082,510</b>	<b>149,082,510</b>	<b>149,082,510</b>	<b>149,082,510</b>	<b>149,082,510</b>
– diluted (SEK)	149,082,510	149,082,510	149,082,510	149,082,510		149,082,510
Average number of outstanding shares						
<b>– basic (SEK)</b>	<b>149,082,510</b>	<b>149,082,510</b>	<b>149,082,510</b>	<b>149,082,510</b>	<b>149,082,510</b>	<b>149,082,510</b>
– diluted (SEK)	149,082,510	149,082,510	149,082,510	149,082,510		149,082,510



## CONSOLIDATED STATEMENT OF FINANCIAL POSITION – IN SUMMARY

	30 Jun 2024	30 Jun 2023	31 Dec 2023
SEKm unless otherwise indicated	2024	2023	2023
Goodwill	584.3	834.3	584.3
Trademarks	429.0	429.0	429.0
Other intangible assets	3.4	21.4	4.5
Tangible assets	16.5	21.8	18.5
Right-of-use asset	54.9	60.3	61.8
Financial assets	7.1	7.1	7.2
Inventories	43.8	55.0	49.7
Current receivables	40.1	24.9	32.3
Cash and cash equivalents	72.5	124.3	149.9
<b>Total assets</b>	<b>1,251.6</b>	<b>1,578.1</b>	<b>1,337.2</b>
Equity	-77.0	226.5	-46.2
Provisions	88.4	91.5	88.4
Non-current liabilities	0.0	1,052.4	0.0
Non-current lease liabilities	42.2	45.4	49.2
Current lease liabilities	17.3	20.1	16.5
Current liabilities	1,180.7	142.2	1,229.3
<b>Total equity and liabilities</b>	<b>1,251.6</b>	<b>1,578.1</b>	<b>1,337.2</b>



## CONSOLIDATED STATEMENT OF CASH FLOW

SEKm	Q2		Jan-Jun		Rolling	Full-year
	2024	2023	2024	2023	23/24	2023
<b>CASH FLOW FROM OPERATING ACTIVITIES BEFORE CHANGES IN WORKING CAPITAL</b>						
Profit after financial items	-22.8	-17.4	-26.7	-8.3	-292.1	-273.6
Adjustments for non-cash items	8.7	6.9	14.0	23.9	299.7	309.5
Paid income tax	-7.6	-6.9	-16.2	-19.2	-29.7	-32.7
<b>CASH FLOW FROM OPERATING ACTIVITIES BEFORE CHANGES IN WORKING CAPITAL</b>	<b>-21.7</b>	<b>-17.4</b>	<b>-28.9</b>	<b>-3.6</b>	<b>-22.1</b>	<b>3.2</b>
<b>CASH FLOW FROM CHANGES IN WORKING CAPITAL</b>						
Changes in inventory	-0.9	0.5	5.8	19.0	11.1	24.3
Changes in current assets	6.2	-0.2	6.9	-0.1	3.3	-3.7
Changes in current liabilities	-31.6	-20.6	-51.1	-10.4	-20.9	19.8
<b>Cash flow from changes working capital</b>	<b>-26.3</b>	<b>-20.3</b>	<b>-38.4</b>	<b>8.5</b>	<b>-6.5</b>	<b>40.4</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>-48.0</b>	<b>-37.7</b>	<b>-67.2</b>	<b>4.9</b>	<b>-28.5</b>	<b>43.6</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>						
Investments in fixed assets	0.1	-1.1	-0.1	-1.1	-1.1	-2.1
Investments in intangible assets	-0.2	-	-0.2	-	-0.2	-
Change in financial assets	-2.0	-	-	0.6	-0.3	0.3
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>-2.1</b>	<b>-1.1</b>	<b>-0.3</b>	<b>-0.5</b>	<b>-1.6</b>	<b>-1.8</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>						
Change in loans	-	-24.5	-	-24.5	-	-24.5
Repayment and interest for lease liability	-4.0	-5.8	-10.0	-11.3	-21.8	-23.1
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>-4.0</b>	<b>-30.3</b>	<b>-10.0</b>	<b>-35.8</b>	<b>-21.8</b>	<b>-47.6</b>
Cash flow for the period	-54.1	-69.1	-77.4	-31.4	-51.8	-5.8
Currency exchange gains/losses in cash and cash equivalents	-	-	-	-	-	-
Cash and cash equivalents beginning of period	126.6	193.4	149.9	155.7	124.3	155.7
<b>CASH AND CASH EQUIVALENTS END OF PERIOD</b>	<b>72.5</b>	<b>124.3</b>	<b>72.5</b>	<b>124.3</b>	<b>72.5</b>	<b>149.9</b>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

SEKm unless otherwise indicated	Q2		Jan-Jun		Full-year
	2024	2023	2024	2023	2023
<b>Opening balance</b>	<b>-53.6</b>	<b>244.1</b>	<b>-46.2</b>	<b>238.5</b>	<b>238.6</b>
Total comprehensive income for the period	-23.4	-17.5	-30.9	-11.9	-284.2
Translation difference	-	-0.1	0.1	-0.1	-0.6
<b>Closing balance</b>	<b>-77.0</b>	<b>226.5</b>	<b>-77.0</b>	<b>226.5</b>	<b>-46.2</b>

## GROUP KEY PERFORMANCE INDICATORS (KPIs)

SEKm unless otherwise indicated	Q2		Jan-Jun		Jul-Jun	Jan-Dec
	2024	2023	2024	2023	23/24	2023
Net sales	166.0	184.5	394.9	444.8	917.3	967.2
Net sales growth, %	-10.0	0.9	-11.2	-5.5	-2.3	0.2
Gross margin, % <sup>1</sup>	83.6	84.0	83.7	84.2	83.8	84.0
Fulfilment cost ratio, % <sup>1</sup>	27.8	29.6	26.8	27.7	26.7	27.1
Marketing cost ratio, % <sup>1</sup>	30.4	32.1	30.9	30.0	29.7	30.2
Admin & other cost ratio, % <sup>1</sup>	20.5	20.7	18.8	16.8	15.9	15.1
Operating profit (EBIT)	5.7	-4.2	24.7	28.9	-179.2	-175.0
Operating profit (EBIT) margin, %	3.4	-2.3	6.3	6.5	-19.5	-18.1
EBITA <sup>1</sup>	6.3	4.8	26.0	46.9	-161.2	-140.3
EBITA margin, % <sup>1</sup>	3.8	2.6	6.6	10.5	-17.6	-14.5
Adjusted EBITA <sup>1</sup>	6.3	4.8	29.2	46.9	92.0	109.7
Adjusted EBITA margin, % <sup>1</sup>	3.8	2.6	7.4	10.5	10.0	11.3
EBITDA <sup>1</sup>	13.0	10.8	39.3	58.9	-134.8	-115.2
Earnings per share	-0.16	-0.12	-0.21	-0.08	-2.03	-1.91
Cash flow from operating activities	-48.0	-37.7	-67.2	4.9	-28.5	43.6
Capital expenditures <sup>2</sup>	0.1	1.1	0.3	1.2	1.2	2.1
Net debt <sup>1</sup>	1,048.2	993.6	1,048.2	993.6	1,048.2	973.6
Orders, '000	268	333	676	813	1,651	1,788
Average Order Value, SEK	633	576	610	566	583	565
Active Customers, '000 <sup>1</sup>	2,554	2,945	2,554	2,945	2,377	2,768

<sup>1</sup>The figure is an Alternative Performance Measure (APM) and is described in Definitions of performance measures.

<sup>2</sup> Excluding leases.

## PARENT COMPANY INCOME STATEMENT

SEKm unless otherwise indicated	Q2		Jan-Jun		Full-year
	2024	2023	2024	2023	2023
Net sales	3.2	3.5	6.0	6.6	13.7
Cost of goods sold	-	-	-	-	-
<b>Gross profit</b>	<b>3.2</b>	<b>3.5</b>	<b>6.0</b>	<b>6.6</b>	<b>13.7</b>
<b>OPERATING COSTS</b>					
Fulfilment costs	-	-	-	-	-
Marketing costs	-	-	-	-	-
Admin & other costs	-5.6	-4.8	-10.3	-9.9	-23.0
Other operating income	-	2.5	-	5.8	7.3
Other operating costs	-	-0.3	-	-1.3	-6.2
<b>Operating profit</b>	<b>-2.4</b>	<b>0.9</b>	<b>-4.3</b>	<b>1.2</b>	<b>-8.2</b>
Write-down of shares in subsidiaries	-	-	-	-	-250.0
<b>FINANCIAL INCOME AND EXPENSES</b>					
Financial income	2.2	11.1	5.0	11.5	14.5
Financial expenses	-30.5	-27.4	-59.8	-52.3	-111.8
<b>Net financial items</b>	<b>-28.3</b>	<b>-16.3</b>	<b>-54.8</b>	<b>-40.8</b>	<b>-97.3</b>
Group contributions	-	-	-	-	109.1
<b>PROFIT/LOSS BEFORE TAX</b>	<b>-30.7</b>	<b>-15.4</b>	<b>-59.1</b>	<b>-39.6</b>	<b>-246.4</b>
Income tax	-	-	-	-	-16.2
<b>PROFIT/LOSS FOR THE PERIOD</b>	<b>-30.7</b>	<b>-15.4</b>	<b>-59.1</b>	<b>-39.6</b>	<b>-262.6</b>

## PARENT COMPANY STATEMENT OF FINANCIAL POSITION – IN SUMMARY

SEKm unless otherwise indicated	30 Jun	30 Jun	31 Dec
	2024	2023	2023
Tangible assets	-	0.1	0.1
Financial assets	1,156.3	1,406.3	1,156.3
Current receivables	59.3	65.1	62.6
Cash and cash equivalents	10.3	32.9	10.7
<b>Total assets</b>	<b>1,225.9</b>	<b>1,504.3</b>	<b>1,229.7</b>
Equity	92.4	374.3	151.3
Provisions	-	-	-
Non-current liabilities	-	1,052.4	-
Current liabilities	1,133.5	77.6	1,078.4
<b>Total assets</b>	<b>1,225.9</b>	<b>1,504.3</b>	<b>1,229.7</b>

## 1. ACCOUNTING PRINCIPLES

The Condensed Consolidated Interim Financial Statements have been prepared in accordance with IAS 34 Interim Financial Reporting and applicable parts of the Annual Accounts Act. 2021 was Desenio's first year reporting according to IFRS (EU) and a full account of the groups accounting principles and details about the transitions to IFRS can be found in the annual report 2021. Disclosures in accordance with IAS 34. 16A are disclosed not only in the financial statements and their notes but also in other parts of the interim report. The Interim Financial Statements or the Parent Company have been prepared in accordance with Chapter 9 Interim report in the Annual Accounts Act.

## 2. OPERATING SEGMENTS AND DISAGGREGATION OF REVENUE

The Group's operations are reviewed by geography as a basis for segments. The review includes net sales, cost of goods sold and operating costs. The operating segments consist of the Nordics, Core Europe (DE, FR, NL, UK), Rest of Europe and Rest of the World. Operating expenses include fulfilment and marketing costs, and certain costs are allocated according to an allocation key. Other include other costs, depreciation, and amortizations.

### INCOME STATEMENT PER SEGMENT JANUARY – JUNE 2024

SEKm unless otherwise indicated	Nordics	Core Europe	Rest of Europe	Rest of World	Other	Total
Net sales	94.2	194.4	73.5	32.9		394.9
Cost of goods sold	-15.5	-30.7	-11.6	-6.4		-64.2
<b>Gross profit</b>	<b>78.7</b>	<b>163.7</b>	<b>61.9</b>	<b>26.5</b>	<b>0.0</b>	<b>330.7</b>
Operating costs	-48.5	-109.8	-36.9	-31.9	-78.9	-306.0
<b>Operating profit</b>	<b>30.2</b>	<b>53.9</b>	<b>25.0</b>	<b>-5.4</b>	<b>-78.9</b>	<b>24.7</b>
Net financial items	0.0	0.0	0.0	0.0	-51.4	-51.4
<b>PROFIT/LOSS BEFORE TAX</b>	<b>30.2</b>	<b>53.9</b>	<b>25.0</b>	<b>-5.4</b>	<b>-130.3</b>	<b>-26.7</b>

### INCOME STATEMENT PER SEGMENT JANUARY – JUNE 2023

SEKm unless otherwise indicated	Nordics	Core Europe	Rest of Europe	Rest of World	Other	Total
Net sales	100.4	218.7	85.9	39.8		444.8
Cost of goods sold	-16.6	-33.8	-13.0	-7.0		-70.4
<b>Gross profit</b>	<b>83.8</b>	<b>184.9</b>	<b>72.9</b>	<b>32.8</b>	<b>0.0</b>	<b>374.4</b>
Operating costs	-54.4	-121.6	-43.4	-36.4	-89.7	-345.5
<b>Operating profit</b>	<b>29.4</b>	<b>63.3</b>	<b>29.5</b>	<b>-3.6</b>	<b>-89.7</b>	<b>28.9</b>
Net financial items	0.0	0.0	0.0	0.0	-37.1	-37.1
<b>PROFIT/LOSS BEFORE TAX</b>	<b>29.4</b>	<b>63.3</b>	<b>29.5</b>	<b>-3.6</b>	<b>-126.8</b>	<b>-8.2</b>

Stockholm, 16 July 2024

Alexander Hars  
Chairman of the board

Martin Blomqvist  
Board member

Max Carlsén  
Board member

Sarah Kauss  
Board member

Nathalie du Preez  
Board member

Fredrik Palm  
CEO



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### **CORPORATE IDENTITY NUMBER:**

**559107-2839**



A webcast - in English – will be held 16 July at 09.00 CEST. Fredrik Palm, CEO, and Anna Stähle CFO will present the Quarterly Report.

If you wish to participate via webcast, please use the link below. Via the webcast you are able to ask written questions.  
<https://ir.financialhearings.com/desenio-group-q2-report-2024/register>

If you wish to participate via teleconference, please register on the link below. After registration you will be provided phone numbers and a conference ID to access the conference. You can ask questions verbally via the teleconference.  
<https://conference.financialhearings.com/teleconference/?id=50048685>

### **FINANCIAL CALENDAR**

Interim Report January – September 2024: 24 October 2024  
Year-end Report January – December 2024: 18 February 2025

### **FINANCIAL REPORTS**

The interim reports are available on the website: [www.deseniogroup.com](http://www.deseniogroup.com) FNCA Sweden AB is the company's certified adviser.

*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 2024-07-16 07:00 CEST.*

## DEFINITIONS OF PERFORMANCE MEASURES

PERFORMANCE MEASURE	DEFINITION	JUSTIFICATION FOR USAGE
<b>Active customers</b>	Number of customers who have completed at least one order during the previous 24-month period.	This key figure measures the Company's ability to attract and retain customers.
<b>Administration and other cost ratio, %</b>	Operating expenses plus other operating income, less costs for goods sold, external handling and distribution costs and external marketing costs divided by net sales, expressed as a percentage.	This key figure gives the Company an indication of external costs, per krona earned, which are not attributable to handling and distribution costs or marketing costs and is thus an indication of the efficiency of the Company's operations.
<b>Marketing cost ratio, %</b>	Marketing cost (excluding acquisition related depreciation and amortization) divided by net sales, expressed as a percentage.	This key figure enables the Company to measure how efficient its marketing activities are and thus constitutes an indication of how efficient the Company's operations are.
<b>Fulfilment cost ratio, %</b>	Fulfilment cost (excluding acquisition related depreciation and amortization), divided by net sales, expressed as a percentage.	This is a key figure and gives the Company an indication of how much of the costs for each krona earned in net sales derives from handling and distribution, and thus constitutes an indication of how efficient the Company's operations are.
<b>Number of visits ('000)</b>	The number of series of page requests from the same device/source during the measurement period (regardless of which device is used).	This key figure enables the Company to measure its scope and customer activity.
<b>Number of orders ('000)</b>	Number of orders placed during the measurement period, adjusted for cancellations, and returns.	Number of orders is a key figure used to measure customer engagement.
<b>Gross margin, %</b>	Gross profit (net sales minus costs of goods sold) divided by net sales, expressed as a percentage.	The gross margin provides an overview of the product margin generated by the current operations.
<b>EBIT margin, %</b>	Operating profit (EBIT) divided by net sales, expressed as a percentage.	Operating margin provides an overview of the result that has been generated by operating activities.
<b>EBITA</b>	Operating profit with add-back of depreciation and write-downs on intangible assets.	EBITA provides an overall picture of profit generated by the business with the reversal of depreciation and write-downs on acquisition-related intangible assets.
<b>EBITA-margin, %</b>	EBITA as a percentage of net sales.	The EBITA margin is a useful measure together with net sales growth to monitor value creation.
<b>EBITDA</b>	Profit before financial items, tax and depreciation and write-downs.	The EBITA margin is a useful measure together with net sales growth to monitor value creation.

## DEFINITIONS OF PERFORMANCE MEASURES CONT.

PERFORMANCE MEASURE	DEFINITION	JUSTIFICATION FOR USAGE
<b>Average order value (AOV)</b>	Transaction-based net sales divided by the number of orders during the measurement period. Average order value includes discounts, but excludes VAT and returns.	The EBITA margin is a useful measure together with net sales growth to monitor value creation.
<b>Capital expenditures</b>	Investments in tangible and intangible fixed assets, excluding financial fixed assets.	This key figure gives the Company a picture of investments. Including capitalized leasing contracts.
<b>Adjusted EBIT</b>	EBIT excluding items affecting comparability. Items affecting comparability include transaction-related costs, warehouse relocation costs, and termination costs.	Adjusted EBIT is adjusted for items affecting comparability and is thus considered to be a useful measure of the Company's underlying profit generated from operating activities.
<b>Adjusted EBIT-margin, %</b>	Adjusted EBIT divided by net sales, expressed as a percentage.	Adjusted EBIT margin is adjusted for items affecting comparability and is thus considered to be a useful measure of the Company's underlying profit generated from operating activities.
<b>Adjusted EBITA</b>	EBITA excluding items affecting comparability. Items affecting comparability include transaction-related costs, warehouse relocation costs, and termination costs.	The measure is relevant to give an indication of the Company's underlying results generated by operating activities excluding items affecting comparability.
<b>Adjusted EBIT-margin, %</b>	Adjusted EBITA divided by net sales, expressed as a percentage.	The measure is relevant for giving an indication of the Company's underlying profit as a share of net sales, which is generated by operating activities excluding items affecting comparability.
<b>Adjusted EBITDA</b>	EBITDA excluding items affecting comparability. Items affecting comparability include transaction-related costs, warehouse relocation costs, and termination costs.	Adjusted EBITDA is adjusted for items affecting comparability and is thus considered to be a useful measure of the Company's underlying profit generated from operating activities before depreciation.
<b>Net sales growth, %</b>	Annual growth in net sales, expressed as percentage.	This key figure enables the company to compare its growth rate in between different periods and with market as a whole and competitors.
<b>Net debt/net cash</b>	Interest-bearing liabilities reduced by cash and cash equivalents.	Net debt / net cash is a key figure that shows the Company's total indebtedness.







**DESENIO** GROUP