

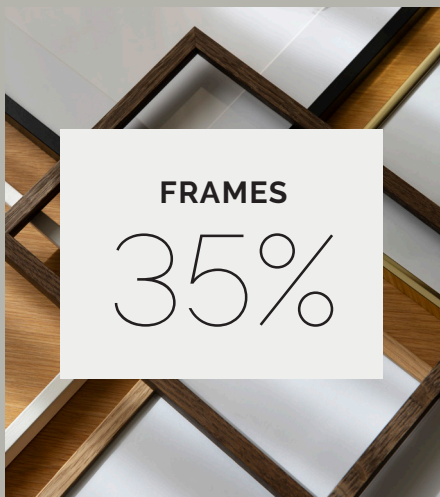
# DESENIIO GROUP



REPORT FOR THE PERIOD  
JANAURY TO JUNE 2023



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 35 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, where our team continues to take shape and grow. The logistics center we opened in the third quarter of 2022 is fully up and running and prepared for our expected continued growth in North America.

# SUMMARY

During Q2 2023, net sales increased by 0.9% to SEK 184.5 million and adjusted EBITA amounted to SEK 4.8 million. Cash flow from operating activities amounted to SEK -37.7 million in the quarter.

## SECOND QUARTER

- Net sales increased by 0.9% to SEK 184.5 (182.9) million.
- Gross margin for the quarter was 84.0% (83.1%).
- Operating profit amounted to SEK -4.2 (-28.1) million, corresponding to an operating margin of -2.3% (-15.3%).
- Adjusted EBITA was SEK 4.8 (-8.4) million, corresponding to an adjusted EBITA margin of 2.6% (-4.6%).
- Profit before tax was SEK -17.4 (-48.3) million.
- Cash flow from operating activities amounted to SEK -37.7 (9.3) million.
- Earnings per share was SEK -0.12 (-0.29) before dilution and SEK -0.12 (-0.29) after dilution.

## JANUARY - JUNE

- Net sales decreased 5.5% to SEK 444.8 (470.5) million.
- Gross margin for the period was 84.2% (83.1%).
- Operating profit amounted to SEK 28.9 (-3.0) million, corresponding to an operating margin of 6.5% (-0.6%).
- Adjusted EBITA was SEK 46.9 (28.1) million, corresponding to an adjusted EBITA margin of 10.5% (6.0%).
- Profit before tax was SEK -8.2 (-37.0) million.
- Cash flow from operating activities amounted to SEK 4.9 (-39.5) million.
- Earnings per share was SEK -0.08 (-0.23) before dilution and SEK -0.08 (-0.23) after dilution.

## SIGNIFICANT EVENTS DURING THE PERIOD

On 27 April, it was announced that Anna Ståhle was appointed CFO for Desenio Group AB, effective 1 August 2023.

## FINANCIAL SUMMARY

SEKm unless otherwise indicated	April 1 - Jun 30	April 1 - Jun 30	Change	Jan 1 - Jun 30	Jan 1 - Jun 30	Change
	2023	2022		2023	2022	
Net sales	184.5	182.9	0.9%	444.8	470.5	-5.5%
Net sales growth, %	0.9	-31.3	32.1 pp	-5.5	-28.5	23.0 pp
Gross margin, %*	84.0	83.1	0.9 pp	84.2	83.1	1.0 pp
EBITA*	4.8	-19.1	-125.1%	46.9	14.9	214.3%
EBITA margin, %*	2.6	-10.4	13.0 pp	10.5	3.2	7.4 pp
Adjusted EBITA*	4.8	-8.4	-157.3%	46.9	28.1	66.6%
Adjusted EBITA margin, %*	2.6	-4.6	7.2 pp	10.5	6.0	4.6 pp
Earnings per share	-0.12	-0.29	-59.1%	-0.08	-0.23	-64.5%
Cash flow from operating activities	-37.7	9.3	-505.9%	4.9	-39.5	112.4%
Net debt*	993.6	1 018.4	-2.4%	993.6	1 018.4	-2.4%
Visits, '000	13 448	15 422	-12.8%	33 852	40 707	-16.8%
Orders, '000	324	367	-11.9%	795	950	-16.3%

\* The figure is an Alternative Performance Measure (APM) and is described in definitions

# CEO'S COMMENTS

*I am pleased to report that Desenio Group's net sales rose by 1% and amounted to SEK 184.5 million. This means that we are finally breaking the trend of negative growth, even though we were helped by currency effects of just below SEK 11 million. At the same time, it is gratifying that, after the end of the quarter, sales in July rose by 14% compared to the previous year to SEK 71.3 million. This represents the second highest net sales in July since the inception of Desenio. Only during the pandemic year of 2020 was sales higher. The positive development continued during August, where order intake as of 21 August was 12% higher than for the same period last year.*

The sales development looked similar across all our geographic markets, except in North America where the growth rate continued to rise. In the Nordics and the core markets in Europe, order intake decreased by 1%, the rest of Europe decreased by 5% and the rest of the world increased by 17%. In North America, order intake increased by 29% compared to the second quarter of 2022.

Profitability during the second quarter was higher than the corresponding quarter in 2022, also excluding the extraordinary cost of SEK 10.8 million that was included in Q2 2022. The improvement is mainly explained by the fact that we have increased efficiency in the operations. Personnel costs were SEK 5 million lower compared to 2022 and fulfilment decreased by five percentage points to 30%. At the same time, during the quarter we increased our efforts to strengthen our market position. In the second quarter, marketing expenses were 32% of net sales, compared to 29% in Q2 2022.

Adjusted EBITA for the second quarter amounted to SEK 4.8 (-8.4) million, corresponding to an adjusted EBITA margin of 2.6%. No items affecting comparability were reported in the quarter, while in the second quarter of 2022 they amounted to SEK -10.8 million. The operating cash flow during the quarter amounted to SEK -37.7 (+9.3) million. Cash amounted to SEK 124 million at the end of the quarter, which is a decrease of SEK 69 million compared to Q1 2023, where SEK 24.5 million is explained by the bond buy back, SEK 20.3 million in reduced short-term liabilities and SEK 17.4



million in negative cash flow from operating activities. We are actively working on evaluating our balance sheet and how we can optimize our capital structure to reduce our interest costs and net debt and create shareholder value. During the quarter, we repurchased 3.2 percent of Desenio Group's own corporate bonds over the market for the equivalent of a nominal value of SEK 35 million. The purchases were made at an average repurchase amount of 70% of nominal value for a total amount of SEK 24.5 million.

The growth trend has been positive in recent quarters, and we are entering the third quarter of the year with good growth. At the same time, we are aware of potential softer consumer purchasing power in light of macro economic forecasts for the remainder of the year. However, there is no doubt that Desenio Group is a well-managed company in our industry. We operate a fully integrated business with an efficient web platform and distribution, data-driven design and marketing and we have highly competent employees. This means that we can fully focus on the daily work; to step-by-step improvements in several areas to increase sales and profitability. I continue to feel proud and impressed by the dedication and commitment I encounter from our high-performing team in bringing Desenio back to solid and sustainable growth.

**FREDRIK PALM**  
President and CEO

# THE GROUP'S DEVELOPMENT

## NET SALES

### Second quarter

Net Sales in the quarter increased by 0.9% to SEK 184.5 (182.9) million.

### Period January - June

Net sales decreased during the period by -5.5% to SEK 444.8 (470.5) million.

## PROFITABILITY AND MARGINS

### Second quarter

The gross margin for the quarter increased to 84.0% (83.1%), driven by lower shipping costs and positive exchange rate effects.

Operating profit (EBIT) for the quarter amounted to SEK -4.2 (-28.1) million. Adjusted EBITA during the quarter amounted to SEK 4.8 (-8.4) million and the adjusted EBITA margin amounted to 2.6% (-4.6%) compared to the corresponding quarter last year.

Total operating costs were lower compared to the corresponding quarter last year, mainly driven by reduced handling and administration costs. The cost ratio for fulfillment costs decreased from 34.8% to 29.6% as a result of our investments in an efficient logistics structure with, among other things, warehouses closer to the customers. The cost ratio for administration costs dropped from 29.3% (23.4% excluding last years items affecting comparability) to 20.7% as a result of the cost cuts which were carried out in the second quarter last year. Marketing costs in relation to net sales increased from 28.9% in the second quarter of 2022 to

32.1% in the second quarter in 2023 (excluding depreciation of Poster Store customer database of SEK 8.3 million) as a result of increased investment in marketing. Items affecting comparability amounted to SEK 0 (-10.8) million. Previous year refers to dismissed personnel being expensed in the quarter.

### January - June

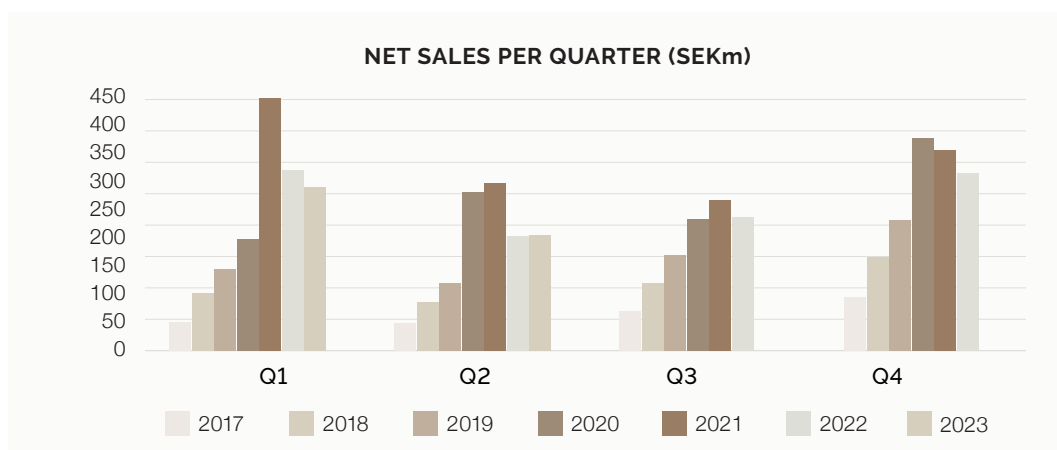
The gross margin for the period increased to 84.2% (83.1%) driven by higher sales prices, lower shipping costs, and positive exchange rate effects.

Operating profit (EBIT) in the period amounted to SEK 28.9 (-3.0) million. Adjusted EBITA in the period amounted to SEK 46.9 (28.1) million and the adjusted EBITA margin amounted to 10.5% (6.0%). The change is explained by lower handling and administration costs, both in absolute terms and in relation to net sales. In relation to net sales, marketing costs were 26.8% (excluding depreciation of the Poster Store customer database) compared to 21.6% during the same period last year. Items affecting comparability amounted to SEK 0 (-13.2) million.

## CASH FLOW AND FINANCIAL POSITION

### Second quarter

Cash flow from operating activities amounted to SEK -37.7 (9.3) million for the quarter. Tax paid amounted to SEK -6.9 million and refers to payments of preliminary tax for 2023. The cash flow from changes in working capital was SEK -20.3 million, where the inventory was in line with previous quarter and the change in short-term receivables/liabilities had a negative effect on cash flow with a net SEK -20.8 million, primarily related to reduced short term liabilities.



Sales follow a seasonal pattern, where sales in quarter one usually corresponds to just over 20% of the year's total sales, quarter two just under 20%, quarter three about 25% and quarter four around 35%.

### January - June

Cash flow from operating activities amounted to SEK 4.9 (-39.5) million for the period. Tax paid of SEK -19.2 (-46.0) million refers to payment of remaining parts of corporate taxes for the income year 2021 with SEK 7.2 million and paid preliminary taxes regarding the income year 2023 with SEK 12 million. The cash flow from changes in working capital amounted to SEK 8.5 million, where the inventory during the period decreased by SEK 19.0 million and changes in short-term receivables/liabilities reduced cash flow with net SEK -10.5 million primarily related to reduced short-term liabilities.

### INVESTMENTS

#### Second quarter

Net investments in tangible assets during the quarter amounted to SEK 1.1 (0) million and refers to investments in our warehouse in the US. Investments in intangible assets amounted to SEK 0.0 (1.3) million. The previous year's investment in intangible assets refers to websites and business systems.

### January - June

Net investments in tangible assets during the period amounted to SEK 1.1 (0.0) million and refers to investments in our warehouse in the US. Investments in intangible assets amounted to SEK 0.0 (2.6) million. The previous year's investment in intangible assets refers to websites and business systems.

### FINANCIAL POSITION AND FINANCING

As of 30 June 2023, equity amounted to SEK 226.5 million, compared to SEK 238.5 million at the beginning of the year. As of 30 June 2023, cash and cash equivalents amounted to SEK 124.3 million (121.8) compared to 155.7 in the beginning of the year. Net debt amounted to SEK 993.6 (1,018.4) million on 30 June 2022 compared to SEK 999 million at the beginning of the period.

Desenio Group AB (publ) issued a Senior Secured bond in December 2020 totaling 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.

## OTHER INFORMATION

### SIGNIFICANT EVENTS APRIL - JUNE

Anna Ståhle has been appointed CFO of Desenio Group AB and took up her position on 1 August 2023. Anna Ståhle replaces Kristian Lustin who left his position as CFO of Desenio Group on 31 May 2023. Fredrik Palm was acting CFO during the period 31 May to 31 July 2023, in addition to his role as CEO.

### SIGNIFICANT EVENTS AFTER THE END OF THE PERIOD

No significant events occurred after the quarter.

### REVIEW BY AUDITORS

**This report has not been reviewed by the auditors.**

### ANNUAL GENERAL MEETING

The Annual General Meeting was held on 25 May. Detailed information is available on [deseniogroup.com](http://deseniogroup.com).

### 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 0.90. The highest closing price, SEK 1.48, was quoted in April and the lowest closing price, SEK 0.90 was quoted in June. During the period, 15 008 151 shares were traded.

As of 30 June, Desenio Group had 3,335 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 127 (177) which corresponds to 28% 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 2021.

### 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. Items affecting comparability include warehouse relocation costs in quarter one 2022, and termination costs in quarter two 2022.

The measure Adjusted EBITA is relevant to give an indication of the Company's underlying results generated by operating activities. The amortization of Poster Store's customer database is done until mid-December 2023.

Other definitions of alternative performance measures can be found in the section Definitions of performance measures.

SEKm unless otherwise indicated	April 1 - Jun 30, 2023	April 1 - Jun 30, 2022	Jan 1 - Jun 30, 2023	Jan 1 - Jun 30, 2022
EBIT	-4.2	28.1	28.9	-3.0
Amortizations	9.0	8.9	18.0	17.9
<b>EBITA</b>	<b>4.8</b>	<b>-19.1</b>	<b>46.9</b>	<b>14.9</b>
One-off costs	0.0	10.7	0.0	13.2
<b>Adjusted EBITA</b>	<b>4.8</b>	<b>-8.4</b>	<b>46.9</b>	<b>28.1</b>
Non-current liabilities	1052.4	1078.6	1052.4	1078.6
Non-current lease liabilities	45.4	46.9	45.4	46.9
Current lease liabilities	20.1	14.7	20.1	14.7
Cash and cash equivalents	124.3	121.8	124.3	121.8
<b>Net debt</b>	<b>993.6</b>	<b>1018.4</b>	<b>993.6</b>	<b>1018.4</b>



# FINANCIAL SUMMARY

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

SEKm unless otherwise indicated	April 1 - Jun 31, 2023	April 1 - Jun 30, 2022	Jan 1 - Jun 30, 2023	Jan 1 - Jun 30, 2022	Full Year 2022	Rolling 12M
Net sales	184.5	182.9	444.8	470.5	964.9	939.2
Cost of goods sold	-29.5	-30.9	-70.4	-79.3	-154.4	-145.5
<b>Gross profit</b>	<b>155.0</b>	<b>152.1</b>	<b>374.4</b>	<b>391.2</b>	<b>810.5</b>	<b>793.7</b>
<b>Operating costs</b>						
Fulfilment costs	-54.7	-63.7	-123.3	-150.0	-287.0	-260.3
Marketing costs	-67.6	-61.2	-150.1	-143.0	-294.7	-301.9
Admin & other costs	-38.2	-53.6	-74.9	-97.4	-164.8	-142.3
Other operating income	3.9	2.1	10.0	6.8	8.0	11.2
Other operating costs	-2.6	-3.7	-7.2	-10.6	-19.2	-15.8
<b>Operating profit</b>	<b>-4.2</b>	<b>-28.1</b>	<b>28.9</b>	<b>-3.0</b>	<b>52.8</b>	<b>84.6</b>
<b>Financial income and expenses</b>						
Financial income	13.6	-1.4	14.4	4.2	13.6	23.8
Financial costs	-26.8	-18.8	-51.5	-38.2	-80.9	-94.2
Net financial items	-13.2	-20.2	-37.1	-34.0	-67.3	-70.4
<b>Profit/loss before tax</b>	<b>-17.4</b>	<b>-48.3</b>	<b>-8.2</b>	<b>-37.0</b>	<b>-14.6</b>	<b>14.2</b>
Income tax	-0.1	6.6	-3.7	4.3	-7.8	-15.8
<b>Profit/loss for the period</b>	<b>-17.5</b>	<b>-41.7</b>	<b>-11.9</b>	<b>-32.7</b>	<b>-22.3</b>	<b>-1.6</b>
<b>EARNINGS PER SHARE</b>						
Basic	-0.12	-0.29	-0.08	-0.23	-0.15	-0.01
Diluted	-0.12	-0.29	-0.08	-0.22	-0.15	-0.01
<b>Number of outstanding shares at the end of the reporting period</b>						
- basic (SEK)	149 082 510	149 082 510	149 082 510	149 082 510	149 082 510	149 082 510
	149 082 510	151 752 510	149 082 510	151 752 510	151 752 510	
<b>Average number of outstanding shares</b>						
- basic (SEK)	149 082 510	145 110 945	149 082 510	145 110 945	147 107 759	149 082 510
- diluted (SEK)	149 082 510	145 110 945	149 082 510	145 589 523	147 107 759	



## CONSOLIDATED STATEMENT OF FINANCIAL POSITION - IN SUMMARY

SEKm unless otherwise indicated	2023-06-30	2022-06-30	2012-12-31
Goodwill	834.3	834.3	834.3
Trademarks	429.0	429.0	429.0
Other intangible assets	21.4	59.1	39.3
Tangible assets	21.8	15.0	21.9
Right-of-use assets	60.3	58.0	65.9
Financial assets	7.1	4.3	7.6
Inventories	55.0	60.0	74.0
Current receivables	24.9	43.9	20.5
Cash and cash equivalents	124.3	121.8	155.7
<b>Total assets</b>	<b>1 578.1</b>	<b>1 625.4</b>	<b>1 648.2</b>
Equity	226.5	228.2	238.5
Provisions	91.5	98.4	95.0
Non-current liabilities	1 052.4	1 078.6	1 083.0
Non-current lease liabilities	45.4	46.9	52.1
Current lease liabilities	20.1	14.7	19.6
Current liabilities	142.2	158.6	160.0
<b>Total equity and liabilities</b>	<b>1 578.1</b>	<b>1 625.4</b>	<b>1 648.2</b>



## CONSOLIDATED STATEMENT OF CASH FLOW

SEKm	April 1 -Jun 2023	April 1 - Jun 2022	Jan 1 - Jun 2023	Jan 1 - Jun 2022	Full Year 2022	Rolling 12M
<b>CASH FLOW FROM OPERATING ACTIVITIES BEFORE CHANGES IN WORKING CAPITAL</b>						
Profit after financial items	-17.4	-48.3	-8.2	-37.0	-14.6	14.2
Adjustments for non-cash items	6.9	15.1	23.8	30.7	65.5	58.6
Paid income tax	-6.9	-7.9	-19.2	-46.0	-26.8	0.0
<b>CASH FLOW FROM OPERATING ACTIVITIES BEFORE CHANGES IN WORKING CAPITAL</b>	<b>-17.4</b>	<b>-41.0</b>	<b>-3.6</b>	<b>-52.3</b>	24.2	72.9
<b>CASH FLOW FROM CHANGES IN WORKING CAPITAL</b>						
Changes in inventory	0.5	22.9	19.0	31.3	17.3	5.0
Changes in current assets	-0.2	33.8	-0.1	11.9	11.5	-0.5
Changes in current liabilities	-20.6	-6.4	-10.4	-30.4	-28.0	-8.0
Cash flow from changes working capital	-20.3	50.3	8.5	12.8	0.8	-3.5
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>-37.7</b>	<b>9.3</b>	<b>4.9</b>	<b>-39.5</b>	25.0	69.4
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>						
Investments in fixed assets	-1.1	-	-1.1	-	-13.9	-15.0
Investments in intangible assets	-	-1.3	-	-2.6	-3.1	-0.5
Investments in lease assets	-	-	-	-	-0.9	-0.9
Change in financial assets	-	3.3	0.6	3.7	-0.4	-3.5
Acquisition of subsidiaries, net liquidity effect	-	-	-	-	-	-
Cash flow from investing activities	-1.1	2.0	-0.5	1.1	-18.3	-19.8
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>						
Change in provisions	-	-1.8	-	-1.8	-1.8	-
Warrants	-	-	-	-	0.0	0.0
Change of loans	-24.5	2.2	-24.5	-	-	-24.5
Repayment and interest for lease liability	-5.8	0.3	-11.3	-0.1	-11.4	-22.6
Dividend paid to the parent company's shareholders	-	-	-	-	-	0.0
Cash flow from financing activities	-30.3	0.6	-35.8	-1.9	-13.2	-47.1
Cash flow for the period	-69.1	11.9	-31.4	-40.4	-6.5	2.5
Currency exchange gains/losses in cash and cash equivalents	0.0	0.0	0.0	0.0	0.0	0.0
Cash and cash equivalents beginning of period	193.4	109.9	155.7	162.2	162.2	121.8
<b>CASH AND CASH EQUIVALENTS END OF PERIOD</b>	<b>124.3</b>	<b>121.8</b>	<b>124.3</b>	<b>121.8</b>	155.7	124.3

The classification of IFRS 16-related items was changed in quarter four 2022, which affects the comparison figures 2022 since retroactive adjustments have not been carried out.

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

SEKm unless otherwise indicated	April 1 -Jun 31,	April 1 - Jun 30	Jan 1 - Jun 30	Jan 1 - Jun 30	Full Year
	2023	2022	2023	2022	2022
Opening balance	244.1	269.6	238.5	260.7	260.7
Total comprehensive income for the period	-17.5	-41.7	-11.9	-32.7	-22.3
New share issue, net	-	-	-	-	0.0
Warrants	-	-	-	-	0.0
Dividend	-	-	-	-	-
Translation difference	-0.1	0.3	-0.1	0.2	0.1
Closing balance	<b>226.5</b>	<b>228.2</b>	<b>226.5</b>	228.2	238.5

## GROUP KEY PERFORMANCE INDICATORS (KPIs)

SEKm unless otherwise indicated	April 1 -Jun 30	April 1 - Jun 30	Jan 1 - Jun 30	Jan 1 - Jun 30	Full Year	Rolling
	2023	2022	2023	2022	2022	12M
Net sales	184.5	182.9	444.8	470.5	964.9	939.2
Net sales growth, %	0.9	-31.3	-5.5	-28.5	-21.4	-15.7
Gross margin, %*	84.0	83.1	84.2	83.1	84.0	84.5
Fulfilment cost ratio %*	29.6	34.8	27.7	31.9	29.7	27.7
Marketing cost ratio, %*	32.1	28.9	30.0	26.8	27.1	28.6
Admin & other cost ratio, %*	20.7	29.3	16.8	20.7	17.1	15.2
Operating profit (EBIT)	-4.2	-28.1	28.9	-3.0	52.8	84.6
Operating profit (EBIT) margin %	-2.3	-15.3	6.5	-0.6	5.5	9.0
EBITA*	4.8	-19.1	46.9	14.9	88.7	120.7
EBITA margin, %*	2.6	-10.4	10.5	3.2	9.2	12.8
Adjusted EBITA*	4.8	-8.4	46.9	28.1	101.9	120.7
Adjusted EBITA margin, %*	2.6	-4.6	10.5	6.0	10.6	12.8
EBITDA*	10.8	-17.6	58.9	21.0	108.4	146.3
Earnings per share	-0.12	-0.29	-0.08	-0.23	-0.15	-0.01
Cash flow from operating activities	-37.7	9.3	4.9	-39.5	25.0	69.4
Capital expenditures**	1.2	1.2	1.2	2.6	17.1	15.7
Net debt*	993.6	1 018.4	993.6	1 018.4	999.0	993.6
Visits, '000	13 448	15 422	33 852	40 707	75 577	68 722
Orders, '000	324	367	795	950	1 891	1 736
Average Order Value, SEK	585	517	571	509	526	588
Active Customers, '000*	2 945	3 682	2 945	3 682	3 312	2 575

\* The figure is an Alternative Performance Measure (APM) and is described in definitions.

\*\* Excluding leases.

## PARENT COMPANY INCOME STATEMENT

SEKm unless otherwise indicated	April 1 - Jun 30,	April 1 - Jun 30	Jan 1 - Jun 30	Jan 1 - June 30	Full Year
	2023	2022	2023	2022	2022
Net sales	3.5	3.6	6.6	6.4	11.5
Cost of goods sold	-	-	-	-	-
<b>Gross profit</b>	<b>3.5</b>	<b>3.6</b>	<b>6.6</b>	<b>6.4</b>	<b>11.5</b>
<b>Operating costs</b>					
Fulfilment costs	-	-0.2	-	-0.2	-
Marketing costs	0.0	-	-	0.0	-
Admin & other costs	-4.8	-5.9	-9.9	-10.6	-21.2
Other operating income	2.5	1.3	5.8	3.0	-
Other operating costs	-0.3	0.6	-1.3	-	-
<b>Operating profit</b>	<b>0.9</b>	<b>-0.6</b>	<b>1.2</b>	<b>-1.4</b>	<b>-9.7</b>
<b>Financial income and expenses</b>					
Financial income	11.1	-	11.5	-	5.8
Financial expenses	-27.4	-21.3	-52.3	-38.1	-79.6
<b>Net financial items</b>	<b>-16.3</b>	<b>-21.3</b>	<b>-40.8</b>	<b>-38.1</b>	<b>-73.8</b>
Group contributions	-	-	-	-	100.9
<b>Profit/loss before tax</b>	<b>-15.4</b>	<b>-21.9</b>	<b>-39.6</b>	<b>-39.5</b>	<b>17.4</b>
Income tax	-	-3.6	-	-	-14.0
<b>Profit/loss for the period</b>	<b>-15.4</b>	<b>-25.5</b>	<b>-39.6</b>	<b>-39.5</b>	<b>3.4</b>

## PARENT COMPANY STATEMENT OF FINANCIAL POSITION – IN SUMMARY

SEKm unless otherwise indicated	2023-06-30	2022-06-30	2022-12-31
Tangible assets	0.1	0.1	0.1
Financial assets	1 406.3	1 406.3	1 406.3
Currents receivables	65.1	70.2	111.5
Cash and cash equivalents	32.9	12.8	9.5
<b>Total assets</b>	<b>1 504.3</b>	<b>1 489.3</b>	<b>1 527.3</b>
Equity	374.3	370.9	413.9
Provisions	-	-	-
Non-current liabilities	1 052.4	1 078.7	1 083.0
Current liabilities	77.6	39.7	30.4
<b>Total equity and liabilities</b>	<b>1 504.3</b>	<b>1 489.3</b>	<b>1 527.3</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 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
Gross profit	83.8	184.9	72.9	32.8	0.0	374.4
Operating costs	-54.4	-121.6	-43.4	-36.4	-89.7	-345.5
Operating profit	29.4	63.3	29.5	-3.6	-89.7	28.9
Net financial items	0.0	0.0	0.0	0.0	-37.1	-37.1
Profit/loss before tax	29.4	63.3	29.5	-3.6	-126.8	-8.2

### INCOME STATEMENT PER SEGMENT JANUARY - JUNE 2022

SEKm unless otherwise indicated	Nordics	Core Europe	Rest of Europe	Rest of World	Other	Total
Net sales	108.4	242.7	86.7	32.7		470.5
Cost of goods sold	-20.1	-40.9	-14.8	-3.5		-79.3
Gross profit	88.3	201.8	71.9	29.2	0.0	391.2
Operating costs	-62.0	-124.8	-62.1	-27.4	-117.9	-394.2
Operating profit	26.3	77.0	9.8	1.8	-117.9	-3.0
Net financial items	0.0	0.0	0.0	0.0	-34.0	-34.0
Profit/loss before tax	26.3	77.0	9.8	1.8	-151.9	-37.0

Stockholm, 24 August 2023

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

FOR FURTHER  
INFORMATION,  
PLEASE CONTACT:

**JOHAN HÄHNEL**

*Head of IR*

ir@deseniogroup.com

+46 70-605 63 34

**FREDRIK PALM**

*CEO*

fredrik.palm@deseniogroup.com

+46 70-080 76 37

**ANNA STÄHLE**

*CFO*

anna.stahle@deseniogroup.com

+46 76-887 24 63

**VISITING ADDRESS:**

Desenio Group AB  
Maria Bangata 4A  
118 63 Stockholm  
Sweden

**POSTAL ADDRESS:**

Desenio Group AB  
Box 11025  
100 61 Stockholm  
Sweden

**CORPORATE IDENTITY  
NUMBER: 559107-2839**



A webcast - in English – will be held 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-q2-2023>

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=200824>

**FINANCIAL CALENDAR**

Interim Report January - September 2023: 26 October 2023

Interim Report January - December 2023: 15 February 2024

**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 is information that Desenio Group AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out in the press release concerning this report, at 07.00 CEST on 24 August 2023.*

## DEFINITIONS OF PERFORMANCE MEASURES

PERFORMANCE MEASURE	DEFINITION	JUSTIFICATION FOR USAGE
Active customers	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.
Administration and other cost ratio, %	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.
Marketing cost ratio, %	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.
Fulfilment cost ratio, %	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.
Number of visits ('000)	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.
Number of orders ('000)	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.
Gross margin, %	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.
EBIT margin, %	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.
EBITA	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.
EBITA-margin, %	EBITA as a percentage of net sales.	The EBITA margin is a useful measure together with net sales growth to monitor value creation.
EBITDA	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
Average order value (AOV)	Transaction-based net sales divided by the number of orders during the measurement period. Average order value is minus discounts, excluding VAT and after returns.	The EBITA margin is a useful measure together with net sales growth to monitor value creation.
Capital expenditures	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.
Adjusted EBIT	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.
Adjusted EBIT-margin, %	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.
Adjusted EBITA	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.
Adjusted EBITA-margin, %	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.
Adjusted EBITDA	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.
Net sales growth, %	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.
Net debt/net cash	Interest-bearing liabilities reduced by cash and cash equivalents.	Net debt / net cash is a key figure that shows the Company's total indebtedness.







DESENIIO GROUP