

# DESENIIO GROUP



REPORT ON THE  
FIRST QUARTER 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, designed solely for our customers, 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. The team there has taken shape and continues to grow and we opened a logistics center on site during the third quarter of 2022.

# SUMMARY

Adjusted EBITA margin increased to 16.2% despite lower sales in the quarter compared to the same quarter last year. Positive cash flow from operating activities of SEK 42.6 million in the quarter.

### FIRST QUARTER

- Net sales decreased 9.5% to SEK 260.3 (287.6) million.
- Gross margin for the quarter was 84.3% (83.2%).
- Operating result amounted to SEK 33.1 (25.1) million, corresponding to an operating margin of 12.7% (8.7%).
- Adjusted EBITA was SEK 42.1 (36.5) million, corresponding to an adjusted EBITA margin of 16.2% (12.7%).
- Profit before tax was SEK 9.2 (11.3) million.
- Cash flow from operating activities amounted to SEK 42.6 (-48.8) million.
- Earnings per share was SEK 0.04 (0.06) before dilution and SEK 0.04 (0.06) after dilution.

### SIGNIFICANT EVENTS AFTER THE END OF THE PERIOD

Anna Ståhle has been appointed CFO of Desenio Group AB and will assume the position as of 1 August 2023.

### FINANCIAL SUMMARY

SEKm unless otherwise indicated	Jan 1 - Mar 31, 2023	Jan 1 - Mar 31, 2022	Change	Full year 2022	Rolling 12 Months
Net sales	260.3	287.6	-9.5%	964.9	937.7
Net sales growth, %	-9.5	-5.6	-3.9 pp	-21.4	-15.7
Gross margin, %*	84.3	83.2	1.1 pp	84.0	84.3
EBITA*	42.1	34.0	23.8%	88.7	69.8
EBITA margin, %*	16.2	11.8	4.4 pp	9.2	7.4
Adjusted EBITA*	42.1	36.5	15.4%	101.9	69.8
Adjusted EBITA margin, %*	16.2	12.7	3.5 pp	10.6	7.4
Earnings per share	0.04	0.06	-39.5%	-0.15	-0.18
Cash flow from operating activities	42.6	-48.8	187.3%	25.0	116.4
Net debt*	959.9	1,027.5	-6.6%	999.0	959.9
Visits, '000	20,404	25,284	-19.3%	75,577	70,697
Orders, '000	472	583	-19.0%	1,891	1,780
Active Customers, '000*	3,086	3,849	-19.8%	3,312	2,549

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

# CEO'S COMMENTS

*Based on the previous quarter, the market during the first quarter of 2023 was stable, with expected purchase patterns in our target groups. In this environment, it is gratifying to see how the measures to streamline operations that we completed in 2022 are now having an impact on profitability.*

Net sales decreased by 9.5% to SEK 260 million compared to the corresponding period in 2022, which is explained by the fact that sales in January 2022, during the end of the pandemic, was extremely strong compared to 2023. During the latter part of the quarter, sales were at the same level as the year before. In the Nordics, net sales fell by 11%, the core markets in Europe fell by 9%, the rest of Europe fell by 15% and the rest of the world increased by 9%. In North America, net sales increased by approximately 17% compared to the first quarter of 2022. Investments there are developing well and will result in sales growth picking up over time.

Profitability for the quarter was higher than in the corresponding period in 2022, despite marketing expenses in relation to net sales rising from 25.5% in Q1 2022 to 28.5% in Q1 2023. The higher relative level is explained by our investment in marketing, among others in North America. Profitability was largely maintained because of shipping costs being clearly lower than before as a result of our increased efficiency in inventory management. The costs of fulfilment decreased from 30.0% in Q1 2022 to 26.4% in Q1 2023. In addition, salary costs were SEK 6 M lower in Q1 2023 than in Q1 2022 because of the reduction in the workforce in the fall of 2022.

Adjusted EBITA for the first quarter therefore increased, despite the lower net sales, to SEK 42.1 (36.5) million, corresponding to an adjusted EBITA margin of 16.2 (12.7)%.



The operating cash flow during the first quarter amounted to SEK 42.6 (-48.8) million. Cash totaled SEK 193.4 million at the end of the quarter.

We are very pleased that Anna Stähle has accepted the position as new CFO of Desenio Group. Anna, who will assume the position as of 1 August 2023, has a broad experience from leading consumer companies as CFO and within Finance and in addition from sales and supply related roles. We believe Anna will add great value to Desenio.

We are now entering our weakest quarter of the year, based on historic data, while at the same time there is great uncertainty about how consumer behavior in our markets will be affected by the expected economic development. However, we focus on what we can influence and continue working on our initiatives in North America as well as in our other markets. The team that now drives our sales and develops our offering is well positioned to take Desenio back to growth, step by step.

**FREDRIK PALM**  
President and CEO

# THE GROUP'S DEVELOPMENT

## NET SALES

### First quarter

Net Sales in the quarter decreased 9.5% to SEK 260.3 (287.6) million.

## PROFITABILITY AND MARGINS

### First quarter

The Gross Margin for the quarter increased to 84.3% (83.2%), driven by higher sales prices, significantly lower shipping costs, and positive exchange rate effects compared to the corresponding quarter last year.

Total operating costs were lower in absolute terms compared to the previous year's quarter. The largest change was the fulfilment costs, where the cost ratio went from 30.0% in relation to net sales to 26.4% as a result of our investments in an efficient logistics structure with, among other things, warehouses closer to the customers. In relation to net sales, marketing expenses were 25.5% last year and 28.5% (excluding amortization of the Poster Store customer database of SEK 8.3 million) in the quarter, due to an increased investment level in marketing, including in North America. Items affecting comparability amounted to SEK 0 (2.5) million.

Operating Profit (EBIT) for the quarter amounted to SEK 33.1 (25.1) million. Adjusted EBITA during the quarter amounted to SEK 42.1 (36.5) million and the adjusted EBITA margin amounted to 16.2% (12.7%) compared with the corresponding quarter last year.

## CASH FLOW AND FINANCIAL POSITION

### First quarter

Cash flow from operating activities amounted to SEK 42.6 (-48.8) million for the quarter.

Income tax amounted to SEK -12.3 (-38.1) million and re-

lates to tax arrears for year 2021 and preliminary tax payments for 2023. Cash flow from changes in working capital was SEK 28.8 (-37.5) million. Inventories decreased in the quarter with SEK 18.5 million and trade creditors and other current liabilities increased with SEK 10.2 million.

## INVESTMENTS

### First quarter

Net investments in tangible assets in the quarter were SEK 0 (0) million and investments in intangible assets were SEK 0 (1.4) million.

The previous year's investment of SEK 1.4 million concerned mainly websites and ERP-system.

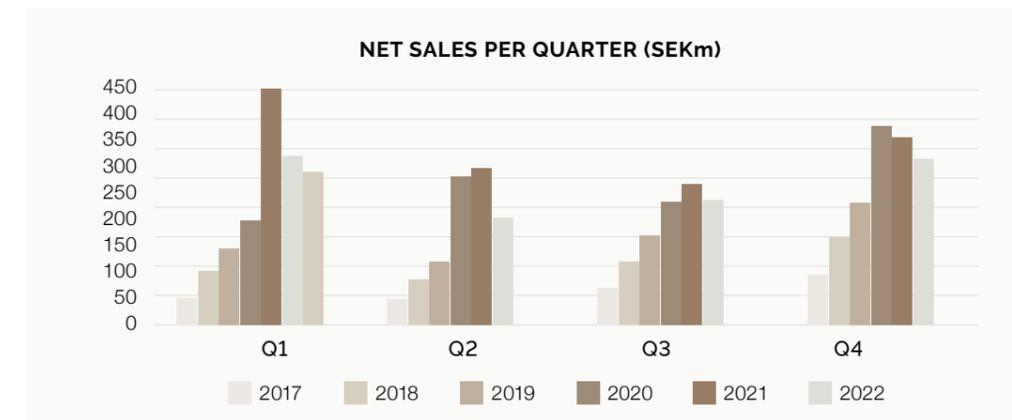
## FINANCIAL POSITION AND FINANCING

As of 31 March 2023, equity amounted to SEK 244.1 million, compared to SEK 238.5 million at the beginning of the year.

As of 31 March 2023, cash and cash equivalents amounted to SEK 193.4 (109.9) million compared to 155.7 million at the beginning of the year. Net debt amounted to SEK 959.9 (1,027.5) million per 31 March 2023 compared to SEK 999.0 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. 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.



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%.

## OTHER INFORMATION

### SIGNIFICANT EVENTS JANUARY - MARCH

No significant events occurred during the quarter.

### SIGNIFICANT EVENTS AFTER THE END OF THE PERIOD

Anna Ståhle has been appointed CFO of Desenio Group AB and will assume the position as of 1 August 2023. Anna Ståhle will replace Kristian Lustin who, as earlier communicated, will leave his position as CFO of Desenio Group on 31 May 2023. Fredrik Palm will during the period 31 May to 31 July 2023, in addition to his role as CEO, take on the role as acting CFO. For further information, see separate press release.

No other significant events have occurred after the end of the period.

### DIVIDEND

For the full year 2022, the Board proposes no ordinary dividend.

### AUDIT REPORT

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 1.29. The highest closing price, SEK 3.10, was quoted in January and the lowest closing price, SEK 1.25, was quoted in March. During the period, 22,308,976 shares were traded.

As of 31 March, Desenio Group had 3,413 shareholders, of which the largest were Verdane (25.2%), MBHB Holding AB (9.9%), and Hars Holding AB (9.5%).

As of 31 March, 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 139 (180), which corresponds to 23% 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	Jan 1 - Mar 31, 2023	Jan 1 - Mar 31, 2022	Full year 2022	Rolling 12 months
EBIT	33.1	25.1	52.8	60.8
Amortizations	9.0	8.9	35.9	36.0
EBITA	42.1	34.0	88.7	96.8
One-off costs	-	2.5	13.2	10.8
Adjusted EBITA	42.1	36.5	101.9	107.5
Non-current liabilities	1,085.2	1,076.5	1,083.0	
Non-current lease liabilities	47.2	46.8	52.1	
Current lease liabilities	20.9	14.2	19.6	
Cash and cash equivalents	-193.4	-109.9	-155.7	
Net debt	959.9	1,027.5	999.0	



# FINANCIAL SUMMARY

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

SEKm unless otherwise indicated	Jan 1 - Mar 31, 2023	Jan 1 - Mar 31, 2022	Full year, 2022	Rolling, 12M
Net sales	260.3	287.6	964.9	937.7
Cost of goods sold	-40.9	-48.4	-154.4	-146.9
<b>Gross profit</b>	<b>219.4</b>	<b>239.1</b>	<b>810.5</b>	<b>790.8</b>
<b>Operating costs</b>				
Fulfilment costs	-68.6	-86.3	-287.0	-269.4
Marketing costs	-82.5	-81.8	-294.7	-295.5
Admin & other costs	-36.7	-43.8	-164.8	-157.7
Other operating income	6.1	4.7	8.0	9.4
Other operating costs	-4.6	-7.0	-19.2	-16.8
<b>Operating profit</b>	<b>33.1</b>	<b>25.1</b>	<b>52.8</b>	<b>60.8</b>
<b>Financial income and expenses</b>				
Financial income	0.8	5.6	13.6	8.8
Financial costs	-24.7	-19.4	-80.9	-86.3
Net financial items	-23.9	-13.8	-67.3	-77.4
<b>Profit/loss before tax</b>	<b>9.2</b>	<b>11.3</b>	<b>-14.6</b>	<b>-16.6</b>
Income tax	-3.6	-2.3	-7.8	-9.1
<b>Profit/loss for the period</b>	<b>5.6</b>	<b>8.9</b>	<b>-22.3</b>	<b>-25.7</b>
<b>EARNINGS PER SHARE</b>				
Basic	0.04	0.06	-0.15	-0.18
Diluted	0.04	0.06	-0.15	-0.17
<b>Number of outstanding shares at the end of the reporting period</b>				
- basic (SEK)	149,082,510	144,111,110	149,082,510	149,082,510
<b>Average number of outstanding shares</b>				
- basic (SEK)	149,082,510	144,111,110	147,107,759	
- diluted (SEK)	149,082,510	149,857,067	147,107,759	

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION - IN SUMMARY

SEKm unless otherwise indicated	31 March 2023	31 March 2022	31 December 2022
Goodwill	834.3	834.3	834.3
Trademarks	429.0	429.0	429.0
Other intangible assets	30.3	65.5	39.3
Tangible assets	21.3	12.0	21.9
Right-of-use assets	62.8	57.4	65.9
Financial assets	7.0	6.4	7.6
Inventories	55.5	82.9	74.0
Current receivables	19.5	60.4	20.5
Cash and cash equivalents	193.4	109.9	155.7
<b>Total assets</b>	<b>1,653.1</b>	<b>1,657.9</b>	<b>1,648.2</b>
<b>Equity</b>	<b>244.1</b>	<b>269.7</b>	<b>238.5</b>
Provisions	93.3	100.9	95.0
Non-current liabilities	1,085.2	1,076.5	1,083.0
Non-current lease liabilities	47.2	46.8	52.1
Current lease liabilities	20.9	14.2	19.6
Current liabilities	162.4	150.0	160.0
<b>Total equity and liabilities</b>	<b>1,653.1</b>	<b>1,657.9</b>	<b>1,648.2</b>



## CONSOLIDATED STATEMENT OF CASH FLOW

SEKm	1 Jan - 31 Mar, 2023	1 Jan - 31 Mar, 2022	Jan 1 - 31 Dec 2022	Rolling, 12 M
<b>CASH FLOW FROM OPERATING ACTIVITIES BEFORE CHANGES IN WORKING CAPITAL</b>				
Profit after financial items	9.2	11.3	-14.6	-16.7
Adjustments for non-cash items	16.9	15.6	65.5	66.8
Paid income tax	-12.3	-38.1	-26.8	-0.9
<b>CASH FLOW FROM OPERATING ACTIVITIES BEFORE CHANGES IN WORKING CAPITAL</b>	<b>13.8</b>	<b>-11.3</b>	<b>24.2</b>	<b>49.2</b>
<b>CASH FLOW FROM CHANGES IN WORKING CAPITAL</b>				
Changes in inventory	18.5	8.4	17.3	27.4
Changes in current assets	0.1	-21.9	11.5	33.5
Changes in current liabilities	10.2	-24.0	-28.0	6.2
<b>Cash flow from changes working capital</b>	<b>28.8</b>	<b>-37.5</b>	<b>0.8</b>	<b>67.1</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>42.6</b>	<b>-48.8</b>	<b>25.0</b>	<b>116.4</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>				
Investments in fixed assets	-	-	-13.9	-13.9
Investments in intangible assets	-	-1.4	-3.1	-1.8
Investments in lease assets	-	-	-0.9	-0.9
Change in financial assets	0.6	0.4	-0.4	-0.2
Acquisition of subsidiaries, net liquidity effect	-	-	-	-
<b>Cash flow from investing activities</b>	<b>0.6</b>	<b>-0.9</b>	<b>-18.3</b>	<b>-16.8</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>				
Change in provisions	-	-	-1.8	-1.8
Warrants	-	-	0.0	0.0
Change of loans	-	-2.2	-	2.2
Repayment and interest for lease liability	-5.5	-0.4	-11.4	-16.5
Dividend paid to the parent company's shareholders	-	-	-	-
<b>Cash flow from financing activities</b>	<b>-5.5</b>	<b>-2.6</b>	<b>-13.2</b>	<b>-16.1</b>
<b>Cash flow for the period</b>	<b>37.7</b>	<b>-52.3</b>	<b>-6.5</b>	<b>83.5</b>
Currency exchange gains/losses in cash and cash equivalents	0.0	0.0	0.0	0.0
Cash and cash equivalents beginning of period	155.7	162.2	162.2	109.9
<b>CASH AND CASH EQUIVALENTS END OF PERIOD</b>	<b>193.4</b>	<b>109.9</b>	<b>155.7</b>	<b>193.4</b>

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	1 Jan - 31 Mar, 2023	1 Jan - 31 Mar, 2023	Full year 2022
Opening balance	238.5	260.7	260.7
Total comprehensive income for the period	5.6	8.9	-22.3
New share issue, net	-	-	0.0
Warrants	-	-	0.0
Dividend	-	-	-
Translation difference	-	0.0	0.1
<b>Closing balance</b>	<b>244.1</b>	<b>269.6</b>	<b>238.5</b>

## GROUP KEY PERFORMANCE INDICATORS (KPIs)

SEKm unless otherwise indicated	1 Jan - 31 Mar, 2023	1 Jan - 31 Mar, 2022	Change	Full year 2022	Rolling, 12M
<b>Net sales</b>	260.3	287.6	-9.5%	964.9	937.7
Net sales growth, %	-9.5	-28.5	19.0 pp	-21.4	-15.7
Gross margin, %*	84.3	83.2	1.1 pp	84.0	84.3
Fulfilment cost ratio %*	26.4	30.0	-3.6 pp	29.7	28.7
Marketing cost ratio, %*	28.5	25.5	3.0 pp	27.1	28.0
Admin & other cost ratio, %*	14.1	15.2	-1.1 pp	17.1	16.8
Operating profit (EBIT)	33.1	25.1	32.1%	52.8	60.8
Operating profit (EBIT) margin %	12.7	8.7	4.0 pp	5.5	6.5
EBITA*	42.1	34.0	23.8%	88.7	96.8
EBITA margin, %*	16.2	11.8	4.4 pp	9.2	10.3
Adjusted EBITA*	42.1	36.5	15.4%	101.9	107.5
Adjusted EBITA margin, %*	16.2	12.7	3.5 pp	10.6	11.5
EBITDA*	48.1	38.5	25.0%	108.4	118.0
Earnings per share	0.04	0.06	-39.5%	-0.15	-0.18
Cash flow from operating activities	42.6	-48.8	187.3%	25.0	116.4
Capital expenditures**	0.0	1.4	-100.0%	17.1	15.7
Net debt*	959.9	1,027.5	-6.6%	999.0	959.9
Visits, '000	20,404	25,284	-19.3%	75,577	70,697
Orders, '000	472	583	-19.0%	1,891	1,780
Average Order Value, SEK	562	505	11.5%	526	584
Active Customers, '000*	3,086	3,849	-19.8%	3,312	2,549

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

\*\* Excluding leases.

## PARENT COMPANY INCOME STATEMENT

SEKm unless otherwise indicated	1 Jan - 31 Mar, 2023	1 Jan - 31 Mar, 2022	1 Jan - 31 Dec 2022
Net sales	3.1	2.8	11.5
Cost of goods sold	-	-	-
<b>Gross profit</b>	<b>3.1</b>	<b>2.8</b>	<b>11.5</b>
<b>Operating costs</b>			
Fulfilment costs	-	-	-
Marketing costs	0.0	-	-
Admin & other costs	-5.1	-4.7	-21.2
Other operating income	3.3	1.7	-
Other operating costs	-1.0	-0.6	-
<b>Operating profit</b>	<b>0.3</b>	<b>-0.8</b>	<b>-9.7</b>
<b>Financial income and expenses</b>			
Financial income	0.4	-	5.8
Financial expenses	-24.9	-16.8	-79.6
<b>Net financial items</b>	<b>-24.5</b>	<b>-16.8</b>	<b>-73.8</b>
Group contributions	-	-	100.9
<b>Profit/loss before tax</b>	<b>-24.2</b>	<b>-17.6</b>	<b>17.4</b>
Income tax	-	3.6	-14.0
<b>Profit/loss for the period</b>	<b>-24.2</b>	<b>-14.0</b>	<b>3.4</b>

## PARENT COMPANY STATEMENT OF FINANCIAL POSITION – IN SUMMARY

SEKm unless otherwise indicated	31 Mar 2023	31 Mar 2022	31 Dec 2022
Tangible assets	0.1	0.1	0.1
Financial assets	1,406.3	1,406.3	1,406.3
Currents receivables	112.8	42.2	111.5
Cash and cash equivalents	10.4	9.9	9.5
<b>Total assets</b>	<b>1,529.5</b>	<b>1,458.4</b>	<b>1,527.3</b>
Equity	389.7	396.5	413.9
Provisions	-	-	-
Non-current liabilities	1,085.2	1,076.5	1,083.0
Current liabilities	54.6	-14.6	30.4
<b>Total equity and liabilities</b>	<b>1,529.5</b>	<b>1,458.4</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 - MARCH 2023

SEKm unless otherwise indicated	Nordics	Core Europe	Rest of Europe	Rest of World	Other	Total
Net sales	58.6	129.8	51.2	20.7	-	260.3
Cost of goods sold	-9.4	-19.5	-8.1	-3.8	-	-40.9
<b>Gross profit</b>	<b>49.2</b>	<b>110.3</b>	<b>43.0</b>	<b>16.9</b>	<b>-</b>	<b>219.4</b>
Operating costs	-31.1	-69.9	-24.8	-16.9	-43.5	-186.3
<b>Operating profit</b>	<b>18.1</b>	<b>40.3</b>	<b>18.3</b>	<b>0.0</b>	<b>-43.5</b>	<b>33.1</b>
Net financial items					-23.9	-23.9
<b>Profit/loss before tax</b>	<b>18.1</b>	<b>40.3</b>	<b>18.3</b>	<b>0.0</b>	<b>-67.4</b>	<b>9.2</b>

### INCOME STATEMENT PER SEGMENT JANUARY - MARCH 2022

SEKm unless otherwise indicated	Nordics	Core Europe	Rest of Europe	Rest of World	Other	Total
Net sales	66.2	142.4	60.0	19.0	-	287.6
Cost of goods sold	-11.8	-23.4	-11.0	-2.3	-	-48.4
<b>Gross profit</b>	<b>54.4</b>	<b>119.0</b>	<b>49.0</b>	<b>16.7</b>	<b>-</b>	<b>239.1</b>
Operating costs	-34.0	-82.5	-33.1	-10.1	-54.4	-214.1
<b>Operating profit</b>	<b>20.4</b>	<b>36.5</b>	<b>15.9</b>	<b>6.6</b>	<b>-54.4</b>	<b>25.1</b>
Net financial items					-13.8	-13.8
<b>Profit/loss before tax</b>	<b>20.4</b>	<b>36.5</b>	<b>15.9</b>	<b>6.6</b>	<b>-68.1</b>	<b>11.3</b>

Stockholm, 27 April 2023

Alexander Hars  
Chairman of the board

Martin Blomqvist  
Board member

Max Carlsén  
Board member

Sarah Kauss  
Board member

Cecilia Marlow  
Board member

Nathalie du Preez  
Board member

Jakob Tolleryd  
Board member

Fredrik Palm  
CEO

FOR FURTHER  
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**CORPORATE IDENTITY**

**NUMBER: 559107-2839**



A webcast - in English – will be held at 09.00 CEST. Fredrik Palm, CEO, and Kristian Lustin, CFO, will present the Quarterly Report.

If you wish to participate via webcast, please use the link <https://ir.financialhearings.com/desenio-group-q1-2023>. Via the webcast you can ask written questions. If you wish to participate via teleconference, please register on the link <https://conference.financialhearings.com/teleconference/?id=200660>. After registration you will be provided phone numbers and a conference ID to access the conference. You can ask questions verbally via the teleconference.

**FINANCIAL CALENDAR**

Annual Report 2022: 4 May 2023  
Annual General Meeting 2022: 25 May 2023  
Interim Report January - June 2023: 24 August 2023  
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.

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.

*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 27 April 2023.*

## 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	EBITDA 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.





**DESENIO** GROUP