

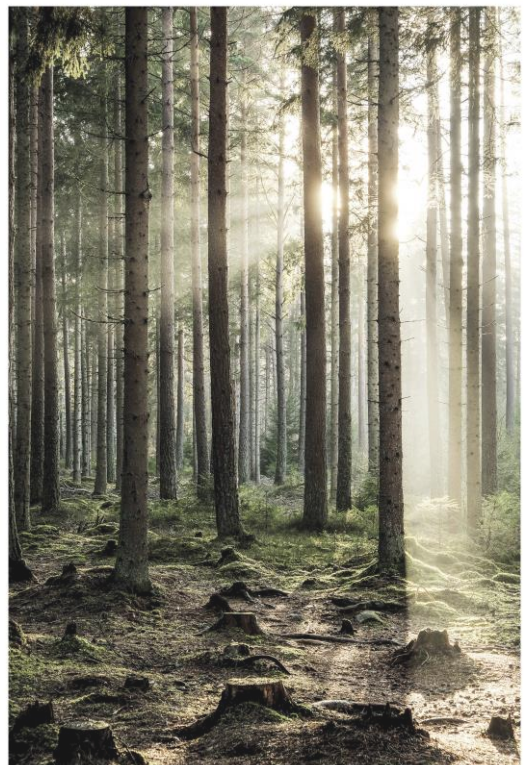


Q3 REPORT

1 January – 30 September 2021

DESENIO GROUP

Desenio Group AB (publ) / Q3 Report



"YOUR WALLS
OUR PASSION"

ABOUT DESENIIO

Desenio is a high-growth Swedish ecommerce company and the leader of online-based affordable wall art in Europe. The Company offers its customers a unique and curated assortment of over 7,000 designs as well as frames and accessories in 36 countries via 20 local websites.

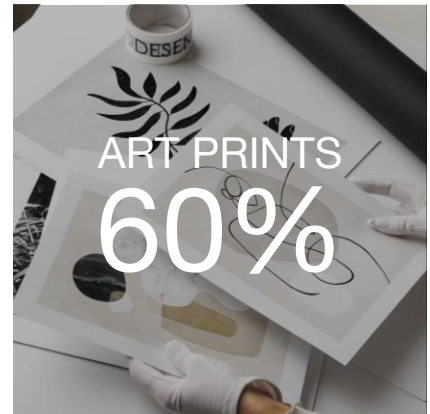
Leveraging a data-driven strategy both for the creation of art and for attracting new customers, Desenio has grown rapidly and profitably since 2015.

Desenio's competitive advantage

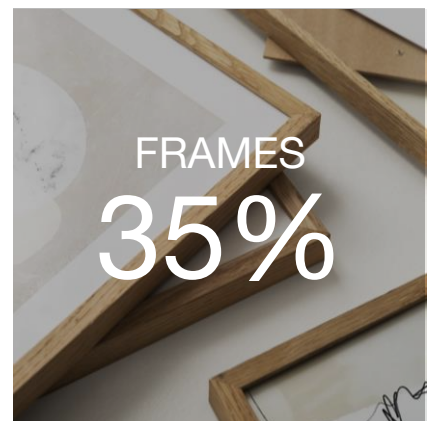
1. Disruptive approach to a large global design category with significant expected growth
2. Industrial and data-driven creativity at scale, generating proprietary designs
3. First order profitability via a social media/search-driven customer acquisition model with high-value influencer collaborations
4. Proven strategic playbook for geographic expansion with significant potential in existing and unaddressed markets
5. Strong track record of profitable growth with an adjusted EBITA margin of >25% and cash conversion of >100%

In 2020 Desenio acquired Poster Store, creating a group with 250 employees and SEK 1.3 billion in 2020 net sales (pro forma), and bolstering its presence in the US and Asia. More than 75% of sales in 2020 were generated outside the Nordic region.

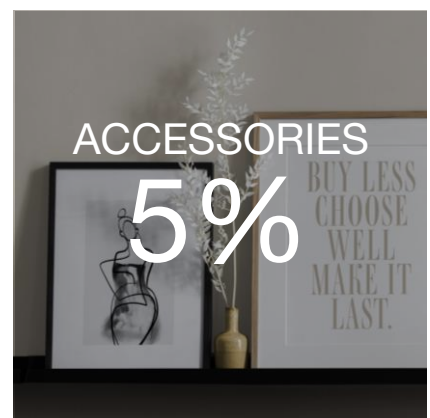
In the medium term, the company's goal is to achieve annual organic sales growth of around 30%, potentially further supplemented by add-on acquisitions. Desenio's goal is to maintain an adjusted EBITA margin of approximately 25% in the medium term.



Market leading product assortment of more than 7,000 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, (e.g. phone covers and tote bags).

SUMMARY OF THE PERIOD

Third quarter year

- Net sales increased 14.5% to SEK 239.5 (209.1) million. Organic net sales growth for the period was -20.9% (36.6%).
- Gross margin for the period was 82.8% (84.6%). Gross Margin excluding Poster Store was 83.4% (84.6%).
- Operating profit amounted to SEK 17.4 (50.1) million, corresponding to an operating margin of 7.3% (24.0%).
- Adjusted EBITA was SEK 29.2 (54.9) million, corresponding to an adjusted EBITA margin of 12.2% (26.3%).
- Cash flow from operating activities amounted to SEK 21.5 (40.7) million.
- Earnings per share was SEK 0.00 (0.27) before dilution and SEK 0.00 (0.26) after full dilution.

January to September 2021

- Net sales increased 41.8% to SEK 907.8 (640.2) million. Organic net sales growth for the period was -1.3% (63.8%).
- Gross margin in the period was 82.1% (83.9%). Gross margin excluding Poster Store was 83.1% (83.9%).
- Operating profit amounted to SEK 104.1 (155.2) million, corresponding to an operating margin of 11.5% (24.2%).
- Adjusted EBITA amounted to SEK 151.6 (169.1) million, corresponding to an adjusted EBITA margin of 16.7% (26.4%).
- Cash flow from operating activities amounted to SEK -17.5 (106.7) million.
- Earnings per share SEK 0.30 (0.81) before dilution and SEK 0.28 (0.78) after full dilution.

Significant events during and after the period

- A new subsidiary in the Czechia, DGFC S.R.O, has been established to handle the new logistics centre. In October the first orders from the new logistics centre were dispatched.

Financial summary

	Jul 1 - Sep 30,	Jul 1 - Sep 30,		Jan 1 - Sept 30,	Jan 1 - Sept 30,	
SEKm unless otherwise indicated	2021	2020	Change	2021	2020	Change
Net sales	239,5	209,1	14,5%	907,8	640,2	41,8%
Net sales growth, %	14,5	36,6	-22,1 pp	41,8	63,8	-22,1 pp
Organic sales growth %	-20,9	36,6	-57,5 pp	-1,3	63,8	-65,1 pp
Gross margin, %*	82,8	84,6	-1,7 pp	82,1	83,9	-1,8 pp
EBITA*	26,2	50,5	-48,1%	129,5	156,0	-17,0%
EBITA margin, %*	10,9	24,2	-13,2 pp	14,3	24,4	-10,1 pp
Adjusted EBITA*	29,2	54,9	-46,8%	151,6	169,1	-10,4%
Adjusted EBITA margin, %*	12,2	26,3	-14,1 pp	16,7	26,4	-9,7 pp
Earnings per share	0,00	0,27	-100,8%	0,30	0,81	-0,6 pp
Cash flow from operating activities	21,5	40,7	-47,2%	-17,5	106,7	-116,4%
Net debt / net cash*	989,0	-57,8	1811,0%	989,0	-57,8	-1811,0%
Visits, '000	21 949	19 297	13,7%	79 865	58 608	36,3%
Orders, '000	499	443	12,8%	1 828	1 303	40,2%
Active Customers, '000	3 643	2 094	73,9%	3 643	2 094	73,9%

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

CEO COMMENT

Net sales growth of 42% in the first 9 months despite lower customer engagement

After a second quarter below our expectations, we saw a positive growth trend at the beginning of the third quarter. However, the recovery halted towards the end of August and this trend continued throughout the quarter. In our Q2 report, we mentioned that forecasting developments of the easing of Covid-19 restrictions was difficult, but we assessed that we would see a return to more normal consumer behaviour during the third quarter. This has not been the case.

We believe the main reason for the halted recovery is the removal of Covid restrictions, which in several of our markets have either been eased or completely removed. During the late summer and autumn, our target group has focused more on socializing than on home décor. The predictability of consumption patterns in the short term is therefore still difficult to assess. While we have seen decreasing traffic volumes, there are positive signs; we have maintained average order value and conversion rates in line with 2020, active customers amounted to 3.6 million, up 74% from last year and our Trustpilot score remains at 4.6 (based on 50k reviews, including SE, NO, FI and DK) indicating strong customer appeal.

However, I want to be very clear on one point. This is not the new normal. Not for online migration and home décor in general and not for Desenio in particular. My conviction is that our growth journey will continue as the pandemic's impact on consumer behaviour subsides. Our business model is sound and has historically proven its ability through increased sales in both existing and new markets. In 2015, we were a company with sales of SEK 28 million. In 2020, we had sales of SEK 1.3 billion (proforma incl. the acquisition of Poster Store). Our market is global and estimated to have a turnover of around SEK 160 billion annually. We have good opportunities to continue to gain online market share in existing as well as new markets.

Our business model is based on a scalable and well-proven technical platform that enables a data-driven strategy for both art creation and customer acquisition. As such, we are well-positioned when the market returns to more normal consumer behaviour.

The current market situation necessitated certain actions. During the quarter, we made strategic adjustments in our marketing efforts to increase efficiency and we streamlined organizational costs, by further integrating Poster Store. This implies additional annual cost synergies of SEK 15 million, without affecting our ability to grow when customer behaviour normalizes. Other synergies relating to the Poster Store acquisition continue materialising according to plan.

In the beginning of the fourth quarter, our new logistics centre in Bor, Czechia, handled its first deliveries. In the coming months, the new centre will take over higher volumes of the customer orders delivered



within Central Europe, which means both better customer experiences and environmental benefits with shorter delivery times as well as high single-digit percentage savings in fulfilment costs already in 2022. We have also recruited Weiwei Yue as COO and she brings extensive expertise in geographical expansion and logistics. I look forward to welcoming Weiwei who assumes her role in January. Group fulfilment is one of the areas falling within her responsibility.

Our journey as a profitable growth company continues. Not least in the United States, where we are happy to announce the recruitment of Michael Kurlancheek as our General Manager for North America. Michael currently works at Lime, where he holds the position of General Manager, Mid Atlantic. Previously Michael worked at Morgan Stanley and KPMG. He starts his new position already in the middle of November. As restrictions are lifted and we return to a more normal life, we will place more focus here and aim to have a fulfilment centre established in the US in 2022.

All in all, this stands us in good stead for post-pandemic growth and I look forward with confidence to 2022 and beyond. Our medium- and long-term financial targets thus remain intact.

We now approach November and December which are normally our strongest months. We will work intensively to take advantage of the sales opportunities created by Black Friday and Christmas shopping. As a consequence of the unpredictable customer behaviour that characterized the market during the autumn, Desenio Group has decided to remove our detailed full-year guidance for 2021, but rest assured that we remain committed to deliver on the expectations for the fourth quarter 2021.

Yours faithfully,
Fredrik Palm

THE GROUP'S DEVELOPMENT DURING THE PERIOD

Net sales

Third quarter

Net sales in the third quarter increased 14.5% to SEK 239.5 (209.1) million. Net sales was positively impacted by Poster Store that was acquired in Q4, 2020 and Poster Store contributed SEK 75.3 million net sales in the period.

Year-to-date

Net sales for the period increased 41.8% to SEK 907.8 (640.2) million. Net sales was positively impacted by Poster Store contributing 274.0 million in the period.

Profit and margins

Third quarter

Gross margin in the third quarter, 82.8% (84.6%), is the highest quarterly reported number this year as a result of synergies from the Poster Store acquisition coming into more effect. At the same time the gross margin was negatively impacted by higher-than-normal campaign activity.

EBITA in the third quarter was SEK 26.2 (50.5) million. EBIT (operating profit) in the third quarter amounted to 17.4 (50.1) million. Adjusted EBITA in the third quarter was SEK 29.2 (54.9) million, and the adjusted EBITA margin amounted to 12.2% (26.3%) compared to the prior year. The main reason for this is the lower sales compared to the corresponding quarter in 2020. In addition, marketing costs increased in relation to sales as a result of driving sales in combination with reduced demand in the third quarter of 2021. In relation to net sales, marketing costs were 19.5% previous year and 24.4% (excluding amortisation of the Poster Store customer data base) during the current period. Administration and other costs have increased due to more employees, thus higher personnel costs compared to 2020.

Items affecting comparability amounted to SEK 3.0 (4.4) million related to uplisting activities.

Year-to-date

The gross margin decreased by -1.8 pp to 82.1% from 83.9%. In particular during the second quarter of 2020, the Group's net sales increased exponentially and was clearly positively impacted by the Covid-19-related measures undertaken by governments and societies. At the same time the company did not offer any campaigns as well as executed a price increase during the second quarter 2020 which positively affected the gross margin.

EBITA in the period was SEK 129.5 (156.0) million. EBIT (operating profit) in the period amounted to 104.1 (155.2) million. Adjusted EBITA YTD 2021 decreased by SEK 17.5 million, to SEK 151.6 (169.1) million, and the adjusted EBITA margin decreased by -12.4 pp. to 16.7% (26.4%). The main reason for the EBITA decrease is lifting of Covid-19 restrictions causing lower customer demand this year.

Furthermore, the marketing spend in 2020 was low due to strong demand. In relation to net sales it was 18.9% the prior year and 22.3% (excluding amortisation of the Poster Store customer data base) during the current period.

Cash Flow and financial position

Third quarter

Cash flow from operating activities amounted to SEK 21.5 (40.7) million for the quarter. Profits and cash flows in 2020 were positively impacted by Covid-19 effects. The main reasons for lower cash flow in operational result were the lower operational result and higher levels of inventories.

Year-to-date

Cash flow from operating activities amounted to SEK -17.5 (106.7) million year-to-date. Profits and cash flows in 2020 were positively impacted by Covid-19 effects. The main reasons for lower cash flow in operational result were the lower operational result, higher levels of inventories, lower debt to suppliers and lower credit to tax authority. The lower level to suppliers explains of higher level marketing activities with related credit amounts at year-end.

Investments

Third quarter

Net investment in tangible assets in the third quarter was 0.8 SEK (0.5) million. Consisting mainly of IT-equipment. Apart from this the capitalized amount from leasing assets has increased the investment value by 45.8 million in the quarter. Investments in intangible assets were 0.5 (0.7) million which consists mainly of investments in the website.

Year-to-date

Net investment in tangible assets in the third quarter was 1.2 SEK (0.8) million. Consisting mainly of IT-equipment. Apart from this the capitalized amount from leasing assets has increased the investment value by 45.8 million in the period. Investments in intangible assets were 1.6 (5.8) million which consists mainly of investments in the website.



Financial position and financing

As of 30 September 2021, equity amounted to SEK 245.3 million, compared to SEK 120.9 million as of 30 September 2020. The increase of SEK 124.4 million is partly explained by the increased profit.

Furthermore, a new share issue of SEK 296.0 million in connection to the acquisition of Poster Store added to the increase of equity, while a dividend of -285.1 had a negative effect.

Additionally, a warrant program was issued to employees that invested a total of SEK 6.4 million, which further contributed to the increase in equity as of September 30, 2021.

As of 30 September 2021, cash and cash equivalents at the end of the period amounted to SEK 135.6 (84.7) million and has been positively impacted by the contribution from operations.

Net debt amounted to 989.0 (-57.8) million per 30 September 2021.

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 Sverige AB. The bond bears a floating interest of STIBOR 3m +5,5% and matures in December 2024. The bond is listed on the Frankfurt Stock Exchange Open Market Quotation Board and is expected to be listed on Nasdaq Stockholm before the end of 2021.

"New logistics center in
Czechia"

OTHER SIGNIFICANT INFORMATION

Significant events during January to September

Desenio Group has prepared the new subsidiary in the Czech Republic, DGFC S.R.O for activity starting in the fourth quarter.

The company will be a logistics centre.

Significant events since the end of the period

No significant events have taken place since the end of the period.

Financial targets

The board of directors has adopted the following financial targets.

Net sales

In the medium term, the Company's goal is to achieve an annual organic sales growth of around 30%, potentially further supplemented by add-on acquisitions. In the long term, Desenio's goal is to achieve sales growth in line or slightly above the online market.

Synergies

Desenio expects that the annual synergies from the acquisition of Poster Store in the medium term will exceed SEK 50 million. In 2021, about half of the medium-term synergies are expected to materialise.

Profitability

Desenio's goal is to maintain an adjusted EBITA margin of approximately 25% in the medium term.

Desenio expects to increase the adjusted EBITA margin over time in connection with the Company achieving economies of scale through continued net sales growth and the generation of synergies related to the integration of Poster Store. In the long term, the adjusted EBITA margin is expected to approach 30%.

Dividend policy

Desenio intends to distribute excess liquidity to shareholders, subject to flexibility for strategic initiatives, such as expansion into new markets and / or acquisitions, as well as consideration of the capital structure.

Considering the above, Desenio intends to distribute 30-50% of net income for the year.

Significant risks and uncertainties in business activities

Through its operations, Desenio Group is exposed to various operational risks, market developments in general and to financial risks. The Group's overall risk management strategy strives to raise awareness of risks and manage them in a way that minimizes its negative impact on the Group's financial results and position. The key risks concerning operations, market development and financial risks are outlined below, while the others are detailed in the annual report and company description, that was published in connection to the listing.

Developments in the global economy and implications of COVID-19

The Group conducts business in more than 36 different countries. Developments in the economy, such as events concerning the general corporate climate, interest rate changes, currency changes, inflation and deflationary levels, taxes and similar costs, the availability of customer credits, developments on the stock exchange, the level of unemployment, other local and global economic factors and uncertainties concerning economic prospects, affect the buying behaviour of customers and the purchasing power on all markets of the Group. The risk level of the corporate climate varies by the Group's geographical markets. During the first quarter of 2020, the COVID-19 pandemic broke out globally. Desenio continuously monitor the pandemic's development and assesses the extent to which it may affect the Group's business on both a long-term and short-term basis.

The Company has proactively taken a number of preventive measures to ensure that the business of the Group may continue, and to reduce the spread of the virus among employees. There is, however, no guarantee whether such preventive measures will be effective or sufficient or if the outcome may have a negative impact on the Group and future revenues.

While the Company is focused on online retail and has digital processes in place to ensure that the Group more or less operates as usual, the Group's revenues are dependent on the disposable income of its customers. COVID-19 is anticipated to have a negative impact on the global economy.

A negative development in the global economy, macroeconomic factors, consumer trends and the effects of the impact of such trends on customers' disposable income could reduce customers' ability and desire to spend more money on the Group's products and may, therefore, have a low negative impact on the Group's operations, earnings and financial position.

Seasonal sales and customer trends

The Group generates a large share of its revenues during the fourth quarter each year as a result of holidays such as Christmas but also larger sales events such as Black Friday. Potential problems that the Group's business faces and that are described in this section concerning risk may cause the Group to perform sub-optimally during such periods with large sales volumes.

In the event that the Group would not perform optimally during such periods, it could have a high negative impact on the Group's earnings and financial position.

The Group is dependent on customer trends and tastes. Therefore it is important to have enough dedicated resources to ensure that the Group's selection of products is in line with customers' expectations and aesthetic preferences. The Group's ability to sell a sufficient number of products at a satisfactory price level is dependent on the Group's ability to anticipate and respond on time to trends and changes in customers' preferences. The Group is active within the market for affordable wall art (where prices are less than SEK 1,000 per product), which is sensitive to changes in customers' preferences. Customers' preferences in design, quality and price tend to fluctuate, and it is difficult to anticipate future trends with high precision. The Group strives to identify and anticipate these trends accurately but may fail to anticipate and respond to trends on time. There is a risk that potential mismatches occur regarding customer preferences and taste, which may have a medium negative impact on the Group's business, earnings and financial standing.

Currency risk

As a consequence of its international reach, the Group is exposed to risks related to exchange rate (or forex) changes primarily in connection with sales of the Group's products in foreign currencies. The Group reports the income statement and balance sheet in SEK.

Approximately 90% of the Group's net sales are made in foreign currencies, notably in EUR, GBP and DKK and, increasingly, in USD. Therefore, the Group's consolidated sales are exposed to forex changes. The Group does not currently work with hedging of such forex exposure.

Financing / liquidity risk and commitments due to the Company's issued bond

As security for the terms of the bond issued by the company, the Group has provided collateral, including pledging shares in the Group's subsidiary. The Group considers the probability that these obligations cannot be met, to be low.

Interest rate risk

In the longer term, changes in interest rates may have an impact on the Group's earnings and cash flow.

Ownership and outstanding shares

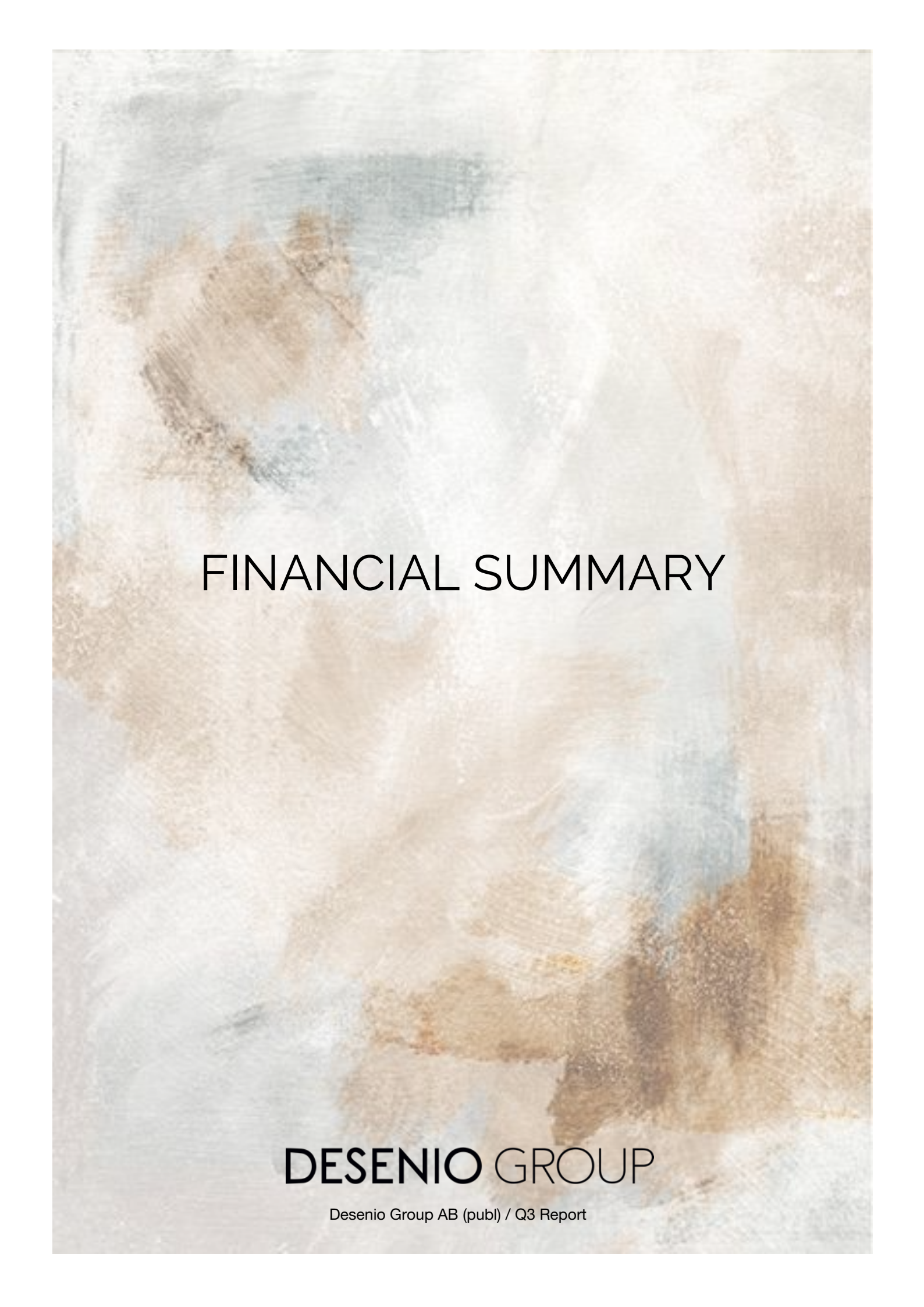
At the end of the third quarter 2021, Desenio Group had 4,257 shareholders. The company has only one class of share and each share holds one vote. The largest shareholder is funds advised by Verdane with 26.1% of the shares, MBHB Holding AB 12.7% (founders Martin Blomqvist and Helena Blomqvist). Martin Blomqvist is also a member of the Board, and Hars Holding AB 9.7% (Alexander Hars, Chairman of the Board).

Organization

In the third quarter, Desenio Group had 228 (125) employees. Most employees are based in Stockholm.

Sustainability

Sustainability is an important part of Desenio's strategic agenda, and the Company is continuously working to reduce the environmental impact of the production process impact. Desenio only works with suppliers who share the Company's agenda for sustainable consumption. The Company has two main processes for this: i) Forest Stewardship Council certification ("FSC") ensures that all stakeholders involved in production work in accordance with the FSC rules to sustainably use the resources from the world's forests; and ii) all suppliers sign and comply with Desenio's Code of Conduct. In 2017 the Company became a partner with the organization Vi-Skogen, which has planted 134 million trees since 1983 and helped over 2.4 million people in the fight against poverty. Together with Vi-Skogen, Desenio plants two new trees for each tree used in the production of the posters sold. Over 15,000 trees have been planted since 2017.



FINANCIAL SUMMARY

DESENIO GROUP

Desenio Group AB (publ) / Q3 Report

Condensed consolidated statement of profit or loss and other comprehensive income

	Jul 1 - Sep 30, 2021	Jul 1 - Sep 30, 2020	Jan 1 - Sept 30, 2021	Jan 1 - Sept 30, 2020	Full year, 2020
SEKm unless otherwise indicated					
Net sales	239.5	209.1	907.8	640.2	978.5
Cost of goods sold	-41.1	-32.3	-162.6	-102.9	-169.8
Gross profit	198.3	176.8	745.1	537.3	808.7
OPERATING COSTS					
Fulfilment costs	-70.5	-56.8	-252.1	-179.0	-283.9
Marketing costs	-66.7	-40.7	-227.8	-122.2	-209.1
Admin & other costs	-43.7	-29.6	-157.9	-81.8	-74.2
Other operating income	3.8	3.1	6.0	16.4	19.3
Other operating costs	-3.8	-2.7	-9.3	-15.5	-14.3
Operating profit	17.4	50.1	104.1	155.2	246.6
FINANCIAL INCOME AND EXPENSES					
Financial income	0.0	1.7	0.0	3.4	0.0
Financial expenses	-17.8	-2.9	-50.9	-13.8	-19.1
Net financial items	-17.8	-1.2	-50.9	-10.4	-19.1
PROFIT/LOSS BEFORE TAX	-0.4	48.9	53.2	144.8	227.5
Income tax	0.1	-10.5	-11.0	-31.0	-48.5
PROFIT/LOSS FOR THE PERIOD	-0.3	38.4	42.2	113.8	179.0
OTHER COMPREHENSIVE INCOME					
Items which can be transferred to operational result					
Periodical recalculation differences with recalculation of foreign entities	0.0	0.0	0.0	0.0	0.0
TOTAL COMPREHENSIVE INCOME	-0.3	38.4	42.2	113.8	179.0
EARNINGS PER SHARE					
Basic (SEK)	0.00	0.27	0.30	0.81	
Diluted (SEK)	0.00	0.26	0.28	0.78	
Number of outstanding shares at the end of the reporting period					
- basic (SEK)	144,111,110	140,000,000	144,111,110	140,000,000	
- diluted (SEK)	151,136,810	146,482,000	151,136,810	146,482,000	
Average number of outstanding shares					
- basic (SEK)	144,111,110	140,000,000	141,135,666	140,000,000	
- diluted (SEK)	150,799,453	146,482,000	150,732,354	146,482,000	

Consolidated statement of financial position - in summary*

	Sept 30, 2021	Sept 30, 2020	Dec 31, 2020
SEKm unless otherwise indicated			
Goodwill	834.3	18.9	834.3
Trademarks	429.0	169.0	429.0
Other intangible assets	81.9	7.0	106.4
Tangible assets	69.3	23.7	22.9
Financial assets	7.1	5.0	5.8
Inventories	71.2	33.2	53.7
Current receivables	22.0	18.6	51.3
Cash and cash equivalents	135.6	84.7	647.4
Total assets	1,650.5	360.1	2,150.9
Equity	245.3	120.9	186.2
Provisions	103.7	35.0	109.0
Non-current liabilities	1,124.6	26.9	1,077.0
Current liabilities	176.9	177.3	778.8
Total assets	1,650.5	360.1	2,150.9

* Items in the table are affected by IFRS-adjustments

Consolidated statement of cash flow

SEKm	Jul 1 - Sep 30, 2021	Jul 1 - Sep 30, 2020	Jan 1 - Sept 30, 2021	Jan 1 - Sept 30, 2020	Full year, 2020
CASH FLOW FROM OPERATING ACTIVITIES BEFORE CHANGES IN WORKING CAPITAL					
Profit after financial items	-0.4	48.9	53.2	144.8	167.1
Adjustments for non-cash items	8.9	0.3	25.4	1.8	82.9
Paid income tax	-1.7	-7.2	-16.0	-45.3	-43.8
CASH FLOW FROM OPERATING ACTIVITIES BEFORE CHANGES IN WORKING CAPITAL	6.8	42.0	62.6	101.3	206.2
CASH FLOW FROM CHANGES IN WORKING CAPITAL					
Changes in inventory	-3.9	-2.7	-17.5	8.8	5.7
Changes in current assets	8.4	-47.6	29.3	5.0	-20.1
Changes in current liabilities	10.2	49.0	-91.9	-8.4	61.8
Cash flow from changes working capital	14.7	-1.3	-80.1	5.4	47.4
CASH FLOW FROM OPERATING ACTIVITIES	21.5	40.7	-17.5	106.7	253.6
CASH FLOW FROM INVESTING ACTIVITIES					
Divestment fixed assets	0.0	0.0	0.0	0.0	0.0
Investments in fixed assets	-41.3	-0.5	-47.3	-0.8	-0.8
Investments in intangible assets	-0.5	-0.7	-0.7	-5.0	-6.5
Change in financial assets	1.8	0.0	-1.3	-0.8	-0.9
Acquisition of subsidiaries, net liquidity effect	0.0	0.0	-213.8	0.0	-579.4
CASH FLOW FROM INVESTING ACTIVITIES	-40.0	-1.2	-263.1	-6.6	-8.2
CASH FLOW FROM FINANCING ACTIVITIES					
New share issue	0.0	0.0	0.0	0.0	0.0
Warrants	0.0	0.0	6.3	0.0	-0.1
New loans	41.7	0.0	47.6	0.0	1,065.0
Repayments of loans	0.0	-14.6	0.0	-43.7	-101.7
Dividend paid to the parent company's shareholders	0.0	0.0	-285.1	-100.0	-100.0
CASH FLOW FROM FINANCING ACTIVITIES	41.7	-14.6	-231.2	-143.7	1,064.9
Cash flow for the period	23.2	24.9	-511.8	-43.6	529.3
Currency exchange gains/losses in cash and cash equivalents	0.0	0.0	0.0	0.0	-10.5
Cash and cash equivalents beginning of period	112.4	60.0	647.4	128.5	128.5
CASH AND CASH EQUIVALENTS END OF PERIOD	135.6	84.9	135.6	84.9	647.4

Consolidated statement of changes in equity

SEKm unless otherwise indicated	Jul 1 - Sep 30, 2021	Jul 1 - Sep 30, 2020	Jan 1 - Sept 30, 2021	Jan 1 - Sept 30, 2020	Dec 31, 2020
Opening balance	246.0	83.2	186.2	107.2	107.2
Total comprehensive income for the period	-0.3	38.4	42.2	113.8	179.0
New share issue, net	-	-	296.0	-	-
Warrants	-	-	6.4	-	-0.1
Dividend	-	-	-285.1	-100.0	-100.0
Translation difference	-0.4	-0.7	-0.4	-0.1	-
Closing balance	245.3	120.9	245.3	120.9	186.2

Group – Key Performance Indicators (KPIs)

SEKm unless otherwise indicated	Jul 1 - Sep 30,	Jul 1 - Sep 30,	Change	Jan 1 - Sept 30,	Jan 1 - Sept 30,	Change
	2021	2020		2021	2020	
Net sales	239.5	209.1	14.5%	907.8	640.2	41.8%
Net sales growth, %	14.5	36.6	-22.1 pp	41.8	63.8	-22.1 pp
Organic sales growth, %	-20.9	36.6	-57.5 pp	-1.3	63.8	-65.1 pp
Gross margin, %*	82.8	84.6	-1.7 pp	82.1	83.9	-1.8 pp
Fulfillment cost ratio, %*	29.5	27.2	2.3 pp	27.8	28.0	-0.2 pp
Marketing cost ratio, %*	24.4	19.5	4.9 pp	22.3	19.1	3.2 pp
Admin & other cost ratio, %*	18.3	14.2	4.1 pp	17.4	12.8	4.6 pp
EBIT	17.4	50.1	-65.3%	104.1	155.2	-32.9%
EBIT margin, %	7.3	24.0	-16.7 pp	11.5	24.2	-12.8 pp
Adjusted EBIT*	20.4	54.5	-62.6%	126.2	168.3	-25.0%
Adjusted EBIT margin, %*	8.5	26.1	-17.5 pp	13.9	26.3	-12.4 pp
EBITA*	26.2	50.5	-48.1%	129.5	156.0	-17.0%
EBITA margin, %*	10.9	24.2	-13.2 pp	14.3	24.4	-10.1 pp
Adjusted EBITA*	29.2	54.9	-46.8%	151.6	169.1	-10.4%
Adjusted EBITA margin, %*	12.2	26.3	-14.1 pp	16.7	26.4	-9.7 pp
EBITDA*	26.6	50.8	-47.7%	131.2	157.0	-16.4%
EBITDA margin, %*	11.1	24.3	-13.2 pp	14.5	24.5	-10.1 pp
Adjusted EBITDA*	29.6	55.2	-46.4%	153.3	170.0	-9.8%
Adjusted EBITDA margin, %*	12.4	26.4	-14.0 pp	16.9	26.6	-9.7 pp
Earnings per share	0.00	0.27	-100.8%	0.30	0.81	-63.2%
Cash flow from operating activities	21.5	40.7	-47.2%	-17.5	106.7	-116.4%
Capital expenditures*	47.1	1.2	3893.9%	48.6	6.6	639.5%
Net debt / net cash*	989.0	-57.8	1811.0%	989.0	-57.8	-1811.0%
Visits, '000	21,949	19,297	13.7%	79,865	58,608	36.3%
Orders, '000	499	443	12.8%	1,828	1,303	40.2%
Average Order Value, SEK	491	489	0.4%	502	509	-1.5%
Active Customers, '000	3,643	2,094	73.9%	3,643	2,094	73.9%

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

Parent company income statement

SEKm unless otherwise indicated	Jul 1 - Sep 30, 2021	Jul 1 - Sep 30, 2020	Jan 1 - Sept 30, 2021	Jan 1 - Sept 30, 2020	Full year, 2020
Net sales	1.1	0.7	3.4	2.0	3.1
Cost of goods sold	0.0	0.0	0.0	0.0	3.8
Gross profit	1.1	0.7	3.4	2.0	6.9
OPERATING COSTS					
Fulfilment costs	0.0	0.0	0.0	0.0	0.0
Marketing costs	0.0	0.0	-0.1	0.0	-7.5
Admin & other costs	-5.3	-4.9	-30.8	-6.8	-2.7
Other operating income	0.0	0.0	0.0	0.0	0.0
Other operating costs	0.0	-0.7	0.0	0.0	0.0
Operating profit	-4.2	-4.9	-27.5	-4.8	-3.2
FINANCIAL INCOME AND EXPENSES					
Financial income	0.0	0.0	0.0	0.0	190.0
Financial expenses	-17.6	-0.5	-50.2	-2.1	-8.1
Net financial items	-17.6	-0.5	-50.2	-2.1	181.9
Group contributions					42.0
PROFIT/LOSS BEFORE TAX	-21.8	-5.4	-77.7	-6.9	220.7
Income tax	11.5	1.1	11.5	1.4	-6.6
PROFIT/LOSS FOR THE PERIOD	-10.3	-4.3	-66.2	-5.5	214.1

* There are no items to report in other comprehensive income. The profit for the period corresponds to the total comprehensive income for the period.

Parent company statement of financial position – in summary

SEKm unless otherwise indicated	Sept 30, 2021	Sept 30, 2020	Dec 31, 2020
Financial assets	1,406.3	250.8	1,406.2
Current receivables	10.1	0.8	4.7
Cash and cash equivalents	1.8	0.3	501.5
Total assets	1,418.2	251.9	1,912.4
Equity	263.1	91.0	312.0
Provisions	-11.5	0.0	0.0
Non-current liabilities	1,072.0	14.2	1,065.5
Current liabilities	94.6	146.7	534.9
Total assets	1,418.2	251.9	1,912.4

Parent company statement of changes in equity

SEKm unless otherwise indicated	Jul 1 - Sep 30, 2021	Jul 1 - Sep 30, 2020	Jan 1 - Sept 30, 2021	Jan 1 - Sept 30, 2020	Dec 31, 2020
Opening balance	273.4	96.4	312.0	197.9	197.9
Total comprehensive income for the period	-10.3	-5.4	-66.2	-6.9	214.2
New share issue, net	0.0	0.0	296.0	0.0	-
Warrants	0.0	0.0	6.4	0.0	-0.1
Dividend	0.0	0.0	-285.1	-100.0	-100.0
Translation difference	0.0	0.0	0.0	0.0	-
Closing balance	263.1	91.0	263.1	91.0	312.0

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. The Interim Financial Statements or the Parent Company have been prepared in accordance with Chapter 9 Interim report in the Annual Accounts Act. 2021 is Desenios 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 interim report regarding the first quarter.

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.

2. Operating segments and disaggregation of revenue

So far, the Group's operations have been reviewed by geography as a basis for division. The review has included 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.

Income statement per segment Jan-September 2021

SEKm unless otherwise indicated	Nordics	Core Europe	Rest of Europe	Rest of World	Adjustments	Total
Net sales	197.7	494.7	168.4	47.0	0.0	907.8
Cost of goods sold	-36.0	-90.4	-29.9	-6.3	0.0	-162.6
Gross profit	161.7	404.3	138.5	40.7	0.0	745.2
Operating costs	-95.0	-242.6	-90.1	-27.2	-186.2	-641.1
Operating profit	66.7	161.7	48.4	13.5	-186.2	104.1
Net financial items	0.0	0.0	0.0	0.0	-50.9	-50.9
PROFIT/LOSS BEFORE TAX	66.7	161.7	48.4	13.5	-237.1	53.2

Income statement per segment Jan-September 2020

SEKm unless otherwise indicated	Nordics	Core Europe	Rest of Europe	Rest of World	Adjustments	Total
Net sales	161.9	351.5	107.7	19.1	0.0	640.2
Cost of goods sold	-25.5	-56.9	-17.3	-3.2	0.0	-102.9
Gross profit	136.4	294.6	90.4	15.9	0.0	537.3
Operating costs	-72.5	-148.1	-65.5	-11.7	-84.3	-382.1
Operating profit	63.9	146.5	24.9	4.2	-84.3	155.2
Net financial items	0.0	0.0	0.0	0.0	-10.4	-10.4
PROFIT/LOSS BEFORE TAX	63.9	146.5	24.9	4.2	-94.7	144.8

3. Equity

Dividends

During the first quarter 2021, dividends to shareholders of 285,1 MSEK was decided at the annual general meeting on 19 February. The dividend was paid during the first quarter of 2021. No further dividends will be paid in 2021.

Incentive program

At the Annual General Meeting on 19 February 2021, it was decided to issue 1,420,000 options with the warrant of purchasing shares between 4 June and 3 September 2025. The issue was directed at employees in the Group. In addition, it was

decided to issue 80,000 warrants with the possibility of purchasing shares in the same period in 2025. That issue was directed towards the parent company's board members. In June, 2021 472 300 new warrants were issued and signed by employees that invested a total of SEK 6.4 million, which increased equity with the same amount.



"Employees invested 6.4 million"

For further information, please contact:

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Financial calendar

16 February, 2022
Interim Report January - December 2021, Q4 2021

Financial reports

The interim reports are available on the website:
www.deseniogroup.com

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OTHER INFORMATION

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Signatures

27 October 2021
Stockholm, Sweden

Alexander Hars
Chairman

Fredrik Palm
CEO

Jakob Tolleryd
Board member

Nathalie du Preez
Board member

Martin Blomqvist
Board member

Max Carlsén
Board member

Cecilia Marlow
Board member

Sarah Kauss
Board member



Granskningsrapport

Till styrelsen i Desenio Group AB (publ)

Org. nr 559107-2389

Inledning

Vi har utfört en översiktlig granskning av den bifogade finansiella delårsinformationen (delårsrapporten) för Desenio Group AB (publ) per den 30 september 2021 och den tremånadersperiod som slutade per detta datum. Det är styrelsen och verkställande direktören som har ansvaret för att upprätta och presentera denna finansiella delårsinformation (delårsrapport) i enlighet med årsredovisningslagen. Vårt ansvar är att uttala en slutsats om denna finansiella delårsinformation (delårsrapport) grundad på vår översiktliga granskning.

Den översiktliga granskningens inriktning och omfattning

Vi har utfört vår översiktliga granskning i enlighet med International Standard on Review Engagements ISRE 2410 *Översiktlig granskning av finansiell delårsinformation utförd av företagets valda revisor*. En översiktlig granskning består av att göra förfrågningar, i första hand till personer som är ansvariga för finansiella frågor och redovisningsfrågor, att utföra analytisk granskning och att vidta andra översiktliga granskningsåtgärder. En översiktlig granskning har en annan inriktning och en betydligt mindre omfattning jämfört med den inriktning och omfattning som en revision enligt ISA och god revisionssed i övrigt har. De granskningsåtgärder som vidtas vid en översiktlig granskning gör det inte möjligt för oss att skaffa oss en sådana säkerhet att vi blir medvetna om alla viktiga omständigheter som skulle kunna ha blivit identifierade om en revision utförts. Den uttalade slutsatsen grundad på en översiktlig granskning har därför inte den säkerhet som en uttalad slutsats grundad på en revision har.

Slutsats

Grundat på vår översiktliga granskning har det inte kommit fram några omständigheter som ger oss anledning att anse att den bifogade finansiella delårsinformationen (delårsrapporten) inte, i allt väsentligt, är upprättad i enlighet med årsredovisningslagen.

Göteborg den 2021-10-27

KPMG AB

Mathias Arvidsson

Auktoriserad revisor

Definitions of key performance indicators

Key figures	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.

Definitions of key performance indicators

Key figures	Definition	Justification for usage
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.
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.	Average order value is measured as an indicator of revenue generation. This is a key figure for how attractive the Company's products and websites are to customers.
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 and warehouse relocation 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 and warehouse relocation costs.	The measure is relevant to give an indication of the Company's underlying results generated by operating activities excluding items affecting comparability.

Definitions of key performance indicators

Key figures	Definition	Justification for usage
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 and warehouse relocation 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.



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