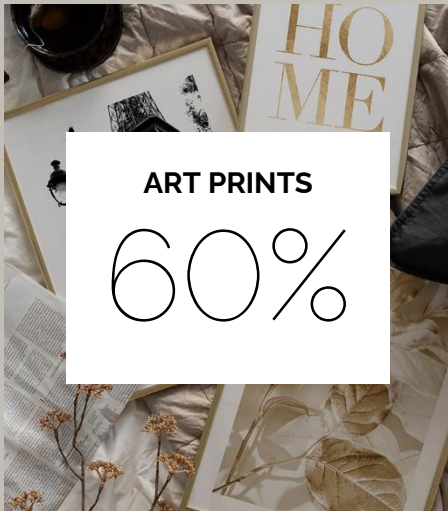


DESENIIO GROUP



REPORT FOR THE PERIOD
JANUARY - DECEMBER 2023



ART PRINTS
60%

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



FRAMES
35%

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



ACCESSORIES
5%

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

Who we are

Desenio is the leading e-commerce company within affordable wall art in Europe, with a growing presence in North America. We offer our customers a unique and curated assortment of about 9,000 designs as well as frames and accessories in 37 countries via 44 local websites. With a proven strategic playbook for geographic expansion, we're steadily expanding to new markets. We create first order profitability through a social media and search driven customer acquisition model.

WHAT WE STAND FOR

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

OUR WORKPLACE CULTURE

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

AGILE ORGANIZATION

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

NEW FRONTIERS

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

SUMMARY

During Q4, net sales increased by 4.3% to SEK 294.2 million and adjusted EBITA was SEK 37.7 million. Cash flow from operating activities amounted to SEK 29.6 million.

FOURTH QUARTER

- Net sales increased by 4.3% to SEK 294.2 (282.1) million.
- Gross margin for the quarter was 84.2% (85.6%).
- Operating profit (EBIT), including impairment of intangible assets, amounted to SEK -220.0 (36.7) million, corresponding to an operating margin of -74.8% (13.0%).
- Adjusted EBITA, excluding impairment of intangible assets and items affecting comparability, was SEK 37.7 (45.7) million, corresponding to an EBITA margin of 12.8% (16.2%).
- Profit before tax was SEK -251.8 (22.4) million.
- Cash flow from operating activities amounted to SEK 29.6 (23.9) million.
- Earnings per share was SEK -1.71 (0.06) before dilution and SEK -1.71 (0.06) after dilution.

JANUARY – DECEMBER

- Net sales increased by 0.2% to SEK 967.2 (964.9) million.
- Gross margin for the period was 84.0% (84.0%).
- Operating profit (EBIT), including impairment of intangible assets, amounted to SEK -175.0 (52.8) million, corresponding to an operating margin of 18.1% (5.5%).
- Adjusted EBITA, excluding impairment of intangible assets and items affecting comparability, was SEK 109.7 (102.0) million corresponding to an adjusted EBITA margin of 11,3% (10,6%).
- Profit before tax was SEK -273.6 (-14.6) million.
- Cash flow from operating activities amounted to SEK 43.6 (25.0).
- Earnings per share was SEK -1.91 (-0.16) before dilution and SEK -1.91 (-0.16) after dilution.
- For the full year 2023, the Board proposes no ordinary dividend.

SIGNIFICANT EVENTS DURING AND AFTER THE PERIOD

Decision to write down goodwill as of 31 December 2023 for the Group, from SEK 834 to 584 million. The write-down does not affect cash flow.

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

FINANCIAL SUMMARY

SEKm unless otherwise indicated	Q4			Jan-Dec		
	2023	2022	Δ %	2023	2022	Δ %
Net sales	294.2	282.1	4.3%	967.2	964.9	0.2%
Net sales growth, %	4.3	-11.7	15.9 pp	0.2	-21.4	21.6 pp
Gross margin, % ¹	84.2	85.6	-1.4 pp	84.0	84.0	0.0 pp
EBITA ¹	-212.3	45.7	-564.1%	-140.3	88.7	-258.1%
EBITA margin, % ¹	-72.2	16.2	-88.4 pp	-14.5	9.2	-23.7 pp
Adjusted EBITA ¹	37.7	45.7	-17.6%	109.7	102.0	7.6%
Adjusted EBITA margin, % ¹	12.8	16.2	-3.4 pp	11.3	10.6	0.8 pp
Earnings per share	-1.71	0.06	-3200.2%	-1.91	-0.16	1129.2%
Cash flow from operating activities ¹	29.6	23.9	23.6%	43.6	25.0	74.7%
Net debt	973.6	999.0	-2.5%	973.6	999.0	-2.5%
Visits, '000	18 418	19 086	-3.5%	69 635	75 577	-7.9%
Orders, '000	554	543	2.2%	1 788	1 891	-5.4%
Active Customers, '000 ¹	2 768	3 312	-16.4%	2 768	3 312	-16.4%

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

CEO'S COMMENTS

During the fourth quarter, the positive sales trend in 2023 slowed, with lower activity in e-commerce in several of our markets compared to the previous year, especially during December. Despite this, net sales in Q4 for Desenio Group increased by just over 4% to SEK 294 million.

In the Nordics, net sales rose by 7%, despite total e-commerce sales in December falling by 10% in our largest Nordic market, Sweden, according to the business and employers' association, Swedish Commerce. Here we have a great advantage of being the market leader in affordable art and that our brand is well known, while some of our smaller competitors are no longer active in the market. Our sales in the larger markets in Europe, the UK and Germany were also maintained, despite a weak market in December. In core Europe, net sales increased by 4%, while the rest of Europe increased by 1%. The rest of the world grew by 7% and in North America, which is included in the rest of the world, the improving growth trend we have seen for a few quarters slowed down and rose by a relatively modest 25%.

Marketing costs in relation to net sales continued to be at a higher level than we desire in the long term and amounted to 30.6%, compared to 29.2% in Q4, 2022. This is explained, as in Q3, by the fact that consumers in the current market climate are less inclined to buy and that we are investing in building our market presence in North America.

Adjusted EBITA for the fourth quarter amounted to SEK 37.7 (45.7) million, corresponding to an adjusted EBITA margin of 12.8%. As part of our work to increase profitability, during February we notified about a reorganization affecting approximately 10 percent of our employees in Sweden. Trade unions concerned have been informed and our ambition is to start union consultations as soon as possible.

The operating cash flow during the quarter amounted to SEK 29.6 (23.9) million. In the fourth quarter 2023 our cash position increased SEK 22 million. As of December 31, 2023, cash and cash equivalents amounted to SEK 150 million, which is line with Q4 2022, despite the bond buy-back of SEK 24.5 million and interest payments of SEK 100 million in 2023 compared to SEK 68 million in 2022. Procurement and cost of goods sold were largely at the same level in Q4, which meant that the inventory value was unchanged at the end of the quarter compared to the end of Q3.



As I mentioned in the CEO comments for the second and third quarters, we are evaluating our balance sheet. As part of that work and because of the profit development, we have decided to write down goodwill, which reflects the profitability development of the Swedish subsidiaries, from SEK 834 to SEK 584 million. The write-down does not affect cash flow.

Desenio Group's leverage in the form of issued bonds amounts to SEK 1.1 billion, which is to be refinanced by the end of 2024. We are evaluating alternatives to refinance the debt and to find a sustainable capital structure going forward. The evaluation process includes discussions with different bondholder groups which we initiated during the fourth quarter. During the spring of 2024, we aim to intensify such discussions and also explore other alternatives, in order to find a solution well before the end of 2024 that is acceptable to both bondholders and shareholders.

The conditions for Desenio are fundamentally good. Our business is profitable and well invested, and our low price points create good conditions even in tougher economic times. At the same time, we are humbled by the fact that the market continued to be weak even during January and the beginning of February 2024. Operationally, we are fully focused on increasing our profitability, taking advantage of our strong market position in Europe and at the same time building our business in new markets such as North America.

FREDRIK PALM
President and CEO

THE GROUP'S DEVELOPMENT

NET SALES

Fourth quarter

Net Sales in the quarter increased by 4.3% to SEK 294.2 (282.1) million.

Period January - December

Net sales increased during the period by 0.2% to SEK 967.2 (964.9) million.

PROFITABILITY AND MARGINS

Fourth quarter

The gross margin for the quarter decreased to 84.2% (85.6%), driven by exchange rate effects. Operating profit (EBIT) for the quarter amounted to SEK -220.2 (36.7) million. The operating profit includes items affecting comparability of SEK 250.0 (0.0) million, as a consequence of goodwill, attributable to the acquisition of the Swedish subsidiaries, being written down from 834 to SEK 584 million. The decision is justified by the fact that the value of SEK 584 million reflects the profitability development of the Swedish subsidiaries. Adjusted EBITA during the quarter amounted to SEK 37.7 (45.7) million and the adjusted EBITA-margin amounted to 12.8% (16.2%) compared to the corresponding quarter last year.

Total operating costs were higher compared to the corresponding quarter last year, mainly driven by higher marketing and administration costs. The cost ratio for fulfilment costs decreased from 27.8% to 26.9% because of our investments in an efficient logistics structure with, among other things, warehouses closer to the customers. The cost ratio for administration costs increased from 10.3% to 13.0%.

Marketing costs in relation to net sales increased from 29.2% in the fourth quarter of 2022 to 30.6% in the fourth quarter in 2023 (excluding depreciation of Poster Store customer database). Items affecting comparability amounted to SEK 250.0 (0.0) million and refers to impairment of goodwill.

Period January - December

The gross margin for the period was 84.0% and was unchanged compared to the corresponding period last year. Operating profit (EBIT) in the period amounted to SEK -175.0 (52.8) million. The operating profit includes items affecting comparability of SEK 250.0 (0.0) million, as a consequence of goodwill, attributable to the acquisition of the Swedish subsidiaries, being written down from 834 to SEK 584 million. The decision is justified by the fact that the value of SEK 584 million reflects the profitability development of the Swedish subsidiaries. Adjusted EBITA

in the period amounted to SEK 109.7 (102.0) million and the adjusted EBITA-margin amounted to 11.3% (10.6%).

Operating costs decreased compared to the corresponding period last year. Fulfilment and administration costs were reduced, and marketing costs increased. The cost ratio for fulfilment decreased from 29.7% to 27.1% and the cost ratio for administration costs decreased from 17.1% to 15.1%. Marketing costs increased in relation to net sales, to 30.2% (excluding depreciation of the Poster Store customer database) compared to 27.1% during the same period last year. Items affecting comparability amounted to SEK 250.0 (13.2) million and refers impairment of goodwill.

CASH FLOW AND FINANCIAL POSITION

Fourth quarter

Cash flow from operating activities amounted to SEK 29.6 (23.9) million for the quarter. Tax paid amounted to SEK 5.9 million and refers to payments of preliminary tax for 2023. Tax paid in the fourth quarter last year was positive mainly due to refunded tax for the income year 2021. The cash flow from changes in working capital was SEK 20.2 million, where the inventory increased by SEK 0.3 million and changes in current receivables/liabilities had a positive effect on cash flow with a net SEK 20.5 million, related to reduced current receivables and increased current liabilities.

Period January - December

Cash flow from operating activities amounted to SEK 43.6 (25.0) million for the period. Tax paid of SEK 32.7 (26.8) 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 25.5 million. The cash flow from changes in working capital amounted to SEK 40.4 million, where the inventory during the period decreased by SEK 24.3 million and changes in current receivables/liabilities improved cash flow with net SEK 16.1 million primarily related to increased current liabilities.

INVESTMENTS

Fourth quarter

Net investments in tangible assets during the quarter amounted to SEK 0.8 (8.4) million and refers to investments in our warehouse in the Czech Republic. The previous year's investments in tangible assets refers to the warehouse in Czech Republic and in the US. The previous year's leasing of SEK 8.9 million refers to a correction of leasing in the third quarter of 2022.

Period January - December

Net investments in tangible assets during the period amounted to SEK 2.1 (13.9) million and refers to investments in our warehouses in the Czech Republic and in the US. The previous year's investments in tangible assets refers to the warehouse in the Czech Republic and in the US. Investments in intangible assets amounted to SEK 0.0 (3.1) million. The previous year's investment in intangible assets refers to websites and business systems. The previous year's leasing of SEK 0.9 million refers to the termination of Poster Store's warehouse in Hågersten.

FINANCIAL POSITION AND FINANCING

As of 31 December 2023, equity amounted to SEK -46.2 million, compared to SEK 238.5 million at the beginning of the year. Equity has decreased because of goodwill, attributable to the acquisition of the Swedish subsidiaries, being written down by SEK 250 million in the fourth quarter. The write-down is booked as item affecting comparability and does not affect the cash flow. The parent company's shares in the subsidiaries were written down with the corresponding amount of SEK 250 million. As of 31 December 2023, cash and cash equivalents amounted to SEK 149.9 million compared to 155.7 in the beginning of the year. Net debt amounted to SEK 973.6 (999.0) million on 31 December 2023 compared to SEK 999 million at the beginning of the period.

Desenio Group AB (publ) issued a Senior Secured bond in December 2020 totalling SEK 1,100 million in connection with the acquisition of Poster Store. The bond bears a floating interest rate of STIBOR 3m +5.5% and matures in December 2024. The maximum amount of the bond is SEK 1,800 million. The bond has no current covenants except when raising new debt or, for example, in the event of a share dividend. Borrowing costs for the bond are amortized by SEK 2.2 million per quarter until December 2024. The amount is included in interest expenses and is non-cash flow affecting. Since the bond matures in December 2024 it has been reclassified from non-current to current liabilities. In June 2023 Desenio Group repurchased the company's own corporate bonds over the market, corresponding to 3.2% of the total outstanding bond loan (nominal value SEK 35 million). The purchases were made at an average repurchase amount of 70% of nominal value, for a total amount corresponding to SEK 24.5 million.

SIGNIFICANT EVENTS JANUARY - DECEMBER

In connection with the report for the fourth quarter of 2023, the board has decided to write down goodwill for the Group, attributable to the acquisition of the Swedish subsidiaries, from SEK 834 to 584 million. The decision is justified by the fact that the value of SEK 584 million reflects the profitability development of the Swedish subsidiaries. The write-down does not affect cash flow.

SIGNIFICANT EVENTS AFTER THE PERIOD

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

REVIEW BY AUDITORS

This report has not been reviewed by the auditors.

OWNERSHIP AND, SHARES

Desenio Group AB's (publ) share is listed on the First North Growth Market under the symbol DSNO and has the ISIN code SE0015657853. At the last trading day of the period, the share price was SEK 0.46. The highest closing price, SEK 0.86, was quoted in October and the lowest closing price, SEK 0.41 was quoted in December. During the quarter, 18 112 304 shares were traded. As of 31 December, Desenio Group had 3,173 shareholders, of which the largest were Verdane (25.2%), MBHB Holding AB (9.9%), and Hars Holding AB (9.5%). As of 31 December, 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 130 (166) which corresponds to 22% 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 2022.

ALTERNATIVE PERFORMANCE MEASURES (APM)

In this quarterly report, Desenio reports certain performance measures, including key figures which are not defined in accordance with IFRS. The company believes that these key figures are an important complement, as they enable a better evaluation of the company's financial trends. These financial ratios shall not be considered independent or considered to replace performance ratios that have been calculated in accordance with IFRS. In addition, such key figures, as defined by Desenio, should not be compared with other key figures with similar names used by other companies. This is because the above key figures are not always defined in the same way and other companies can calculate them in a different way than Desenio. Adjusted EBIT is exclusive of cost items affecting comparability and is thus considered to be a useful measure of the Company's underlying profit generated from operating activities. The company has items affecting comparability in 2023 related to the impairment of goodwill in. Items affecting comparability in 2022 are related to costs for moving stock and termination costs. 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	Q4		Jan-Dec	
	2023	2022	2023	2022
EBIT	-220.0	36.7	-175.0	52.8
Amortizations	7.7	9.0	34.7	35.9
EBITA	-212.3	45.7	-140.3	88.7
One-off costs	250.0	-	250.0	13.2
Adjusted EBITA	37.7	45.7	109.7	102.0
Non-current liabilities			0.0	1 083.0
Non-current lease liabilities			49.2	52.1
Current liabilities			1 057.0	-
Current lease liabilities			16.5	19.6
Cash and cash equivalents			-149.9	-155.7



FINANCIAL SUMMARY

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

SEKm unless otherwise indicated	Q4		Jan-Dec	
	2023	2022	2023	2022
Net sales	294.2	282.1	967.2	964.9
Cost of goods sold	-46.5	-40.7	-155.1	-154.4
Gross profit	247.7	241.4	812.1	810.5
OPERATING COSTS				
Fulfilment costs	-79.0	-78.5	-262.5	-287.0
Marketing costs	-97.2	-90.8	-324.6	-294.7
Admin & other costs	-38.1	-29.1	-146.3	-164.8
Other operating income	3.6	-2.3	16.4	8.0
Other operating costs	-257.0	-4.2	-270.1	-19.2
Operating profit	-220.0	36.7	-175.0	52.8
FINANCIAL INCOME AND EXPENSES				
Financial income	4.6	8.1	25.5	13.6
Financial expenses	-36.4	-22.3	-124.1	-80.8
Net financial items	-31.8	-14.2	-98.6	-67.3
PROFIT/LOSS BEFORE TAX	-251.8	22.4	-273.6	-14.6
Income tax	-3.0	-14.3	-10.6	-7.8
PROFIT/LOSS FOR THE PERIOD	-254.8	8.2	-284.2	-22.3
EARNINGS PER SHARE				
Basic	-1.71	0.06	-1.91	-0.15
Diluted	-1.71	0.06	-1.91	-0.15
Number of outstanding shares at the end of the reporting period				
– basic (SEK)	149 082 510	149 082 510	149 082 510	149 082 510
– diluted (SEK)	149 082 510	151 752 510	149 082 510	151 752 510
Average number of outstanding shares C9	-	-	-	-
– basic (SEK)	149 082 510	149 082 510	149 082 510	149 082 510
– diluted (SEK)	149 082 510	149 082 510	149 082 510	149 082 510

CONSOLIDATED STATEMENT OF FINANCIAL POSITION – IN SUMMARY

	31 Dec 2023	31 Dec 2022
SEKm unless otherwise indicated		
Goodwill	584.3	834.3
Trademarks	429.0	429.0
Other intangible assets	4.5	39.3
Tangible assets	18.5	21.9
Right-of-use asset	61.8	65.9
Financial assets	7.2	7.6
Inventories	49.7	74.0
Current receivables	32.3	20.5
Cash and cash equivalents	149.9	155.7
Total assets	1 337.2	1 648.2
Equity	-46.2	238.5
Provisions	88.4	95
Non-current liabilities	0.0	1 083.0
Non-current lease liabilities	49.2	52.1
Current lease liabilities	16.5	19.6
Current liabilities	1 229.3	160.0
Total equity and liabilities	1 337.2	1 648.2



CONSOLIDATED STATEMENT OF CASH FLOW

SEKm	Q4		Jan-Dec	
	2023	2022	2023	2022
CASH FLOW FROM OPERATING ACTIVITIES BEFORE CHANGES IN WORKING CAPITAL				
Profit after financial items	-251.8	22.4	-273.6	-14.6
Adjustments for non-cash items	267.1	3.3	309.5	65.5
Paid income tax	-5.9	21.6	-32.7	-26.8
CASH FLOW FROM OPERATING ACTIVITIES BEFORE CHANGES IN WORKING CAPITAL	9.4	47.3	3.2	24.1
CASH FLOW FROM CHANGES IN WORKING CAPITAL				
Changes in inventory	-0.3	9.7	24.3	17.3
Changes in current assets	9.8	0.2	-3.7	11.5
Changes in current liabilities	10.7	-33.2	19.8	-27.9
Cash flow from changes working capital	20.2	-23.4	40.4	0.9
	-	-	-	-
CASH FLOW FROM OPERATING ACTIVITIES	29.6	23.9	43.6	25.0
CASH FLOW FROM INVESTING ACTIVITIES				
Investments in fixed assets	-0.8	-8.4	-2.1	-13.9
Investments in intangible assets	-	-	-	-3.1
Investments in lease assets	-	8.9	-	-0.9
Change in financial assets	-0.9	-1.8	0.3	-0.3
Acquisition of subsidiaries, net liquidity effect	-	-	-	-
CASH FLOW FROM INVESTING ACTIVITIES	-1.7	-1.2	-1.8	-18.2
CASH FLOW FROM FINANCING ACTIVITIES				
Change in provisions	-	-	-	-1.8
Warrants	-	-	-	-
Change in loans	-	-	-24.5	-
Repayment and interest for lease liability	-5.9	-2.8	-23.1	-11.4
Dividend paid to the parent company's shareholders	-	-	-	-
CASH FLOW FROM FINANCING ACTIVITIES	-5.9	-2.8	-47.6	-13.3
Cash flow for the period	22.0	19.9	-5.8	-6.5
Currency exchange gains/losses in cash and cash equivalents	-	-	-	-
Cash and cash equivalents beginning of period	127.9	135.8	155.7	162.2
CASH AND CASH EQUIVALENTS END OF PERIOD	149.9	155.7	149.9	155.7

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

SEKm unless otherwise indicated	Q4		Jan-Dec	
	2023	2022	2023	2022
Opening balance	209.1	230.3	238.5	260.7
Total comprehensive income for the period	-254.8	8.1	-284.2	-22.4
New share issue, net	-	-	-	-
Warrants	-	-	-	-
Dividend	-	-	-	-
Translation difference	-0.5	0.1	-0.5	0.3
Closing balance	-46.2	238.5	-46.2	238.5

GROUP KEY PERFORMANCE INDICATORS (KPIs)

SEKm unless otherwise indicated	Q4			Jan-Dec		
	2023	2022	Δ %	2023	2022	Δ %
Net sales	294.2	282.1	4.3%	967.2	964.9	0.2%
Net sales growth, %	4.3	-11.7	15.9 pp	0.2	-21.4	21.6 pp
Gross margin, % ¹	84.2	85.6	-1.4 pp	84.0	84.0	0.0 pp
Fulfilment cost ratio, % ¹	26.9	27.8	-1.0 pp	27.1	29.7	-2.6 pp
Marketing cost ratio, % ¹	30.6	29.2	1.4 pp	30.2	27.1	3.2 pp
Admin & other cost ratio, % ¹	13.0	10.3	2.6 pp	15.1	17.1	-2.0 pp
Operating profit (EBIT)	-220.0	36.7	-698.7%	-175.0	52.8	-431.2%
Operating profit (EBIT) margin, %	-74.8	13.0	-87.8 pp	-18.1	5.5	-23.6 pp
EBITA ¹	-212.3	45.7	-564.1%	-140.3	88.7	-258.1%
EBITA margin, % ¹	-72.2	16.2	-88.4 pp	-14.5	9.2	-23.7 pp
Adjusted EBITA ¹	37.7	45.7	-17.6%	109.7	102.0	7.6%
Adjusted EBITA margin, % ¹	12.8	16.2	-3.4 pp	11.3	10.6	0.8 pp
EBITDA ¹	-205.6	50.4	-507.9%	-115.2	108.4	-206.3%
Earnings per share	-1.71	0.06	-3200.2%	-1.91	-0.16	1129.2%
Cash flow from operating activities	29.6	23.9	23.6%	43.6	25.0	74.7%
Capital expenditures ²	0.7	8.4	-91.7%	2.1	17.1	-87.8%
Net debt ¹	973.6	999.0	-2.5%	973.6	999.0	-2.5%
Visits, '000	18 418	19 086	-3.5%	69 635	75 577	-7.9%
Orders, '000	554	543	2.2%	1 788	1 891	-5.4%
Average Order Value, SEK	558	541	3.2%	565	526	7.4%
Active Customers, '000 ¹	2 768	3 312	-16.4%	2 768	3 312	-16.4%

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

² Excluding leases.

PARENT COMPANY INCOME STATEMENT

SEKm unless otherwise indicated	Q4		Jan-Dec	
	2023	2022	2023	2022
Net sales	3.7	3.0	13.7	11.5
Cost of goods sold	-	-	-	-
Gross profit	3.7	3.0	13.7	11.5
OPERATING COSTS				
Fulfilment costs	-	0.2	-	-
Marketing costs	-	-	-	-
Admin & other costs	-7.2	-5.8	-23.0	-21.2
Other operating income	0.8	-4.9	7.3	-
Other operating costs	-2.7	-	-6.2	-
Operating profit	-5.4	-7.5	-8.2	-9.7
Write-down of shares in subsidiaries	-250.0	-	-250.0	-
FINANCIAL INCOME AND EXPENSES				
Financial income	1.3	7.8	14.5	7.8
Financial expenses	-29.9	-23.6	-111.8	-81.6
Net financial items	-28.6	-15.8	-97.3	-73.8
Group contributions	109.1	100.9	109.1	100.9
PROFIT/LOSS BEFORE TAX	-174.9	77.6	-246.4	17.4
Income tax	-16.2	-14.0	-16.2	-14.0
PROFIT/LOSS FOR THE PERIOD	-191.1	63.6	-262.6	3.4

PARENT COMPANY STATEMENT OF FINANCIAL POSITION – IN SUMMARY

SEKm unless otherwise indicated	31 Dec	31 Dec
	2023	2022
Tangible assets	0.1	0.1
Financial assets	1 156.3	1 406.3
Current receivables	62.6	111.9
Cash and cash equivalents	10.7	9.5
Total assets	1 229.7	1 527.8
Equity	151.3	413.9
Provisions	-	-
Non-current liabilities	-	1 083.0
Current liabilities	1 078.4	30.9
Total assets	1 229.7	1 527.8

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 – DECEMBER 2023

SEKm unless otherwise indicated	Nordics	Core Europe	Rest of Europe	Rest of World	Other	Total
Net sales	224.0	475.5	182.5	85.2		967.2
Cost of goods sold	-37.5	-74.8	-28.1	-14.8		-155.1
Gross profit	186.5	400.7	154.4	70.5	0.0	812.1
Operating costs	-119.9	-262.6	-92.3	-68.2	-444.1	-987.1
Operating profit	66.6	138.1	62.1	2.3	-444.1	-175.0
Net financial items	0.0	0.0	0.0	0.0	-98.6	-98.6
PROFIT/LOSS BEFORE TAX	66.6	138.1	62.1	2.3	-542.7	-273.6

INCOME STATEMENT PER SEGMENT JANUARY – DECEMBER 2022

SEKm unless otherwise indicated	Nordics	Core Europe	Rest of Europe	Rest of World	Other	Total
Net sales	221.9	476.3	195.4	71.3		964.9
Cost of goods sold	-37.4	-75.0	-32.3	-9.7		-154.4
Gross profit	184.5	401.3	163.1	61.7	0.0	810.5
Operating costs	-124.1	-263.2	-102.9	-58.2	-209.3	-757.7
Operating profit	60.4	138.1	60.2	3.5	-209.3	52.8
PROFIT/LOSS BEFORE TAX	60.4	138.1	60.2	3.5	-276.7	-14.6

Stockholm, 15 February 2024

Alexander Hars
Chairman of the board

Martin Blomqvist
Board member

Max Carlsén
Board member

Sarah Kauss
Board member

Nathalie du Preez
Board member

Fredrik Palm
CEO

FOR FURTHER INFORMATION PLEASE CONTACT:

JOHAN HÄHNEL

Head of IR

ir@deseniogroup.com

070-605 63 34

FREDRIK PALM

CEO

fredrik.palm@deseniogroup.com

070-080 76 37

ANNA STÅHLE

CFO

anna.stahle@deseniogroup.com

070-922 10 21

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 15 February at 09.00 CET. Fredrik Palm, CEO, and Anna Ståhle 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-q4-report-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=50047322>.

FINANCIAL CALENDAR

Interim Report January – March 2024: 25 April 2024

Annual Report 2023: 8 May 2024

Annual General Meeting 2023: 29 May 2024

Interim Report January – June 2024: 16 July 2024

Interim Report January – September 2024: 24 October 2024

Year-end Report January – December 2024: 18 February 2025

FINANCIAL REPORTS

The interim reports are available on the website:

www.deseniogroup.com FNCA Sweden AB is the company's certified adviser.

This information is information that Desenio Group is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at 2024-02-15 07:00 CET.

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 EBIT-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