

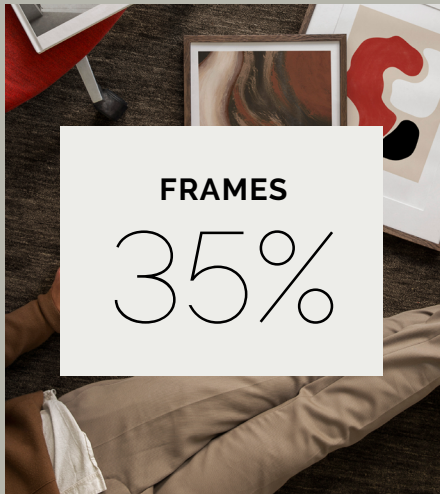
DESENIÓ GROUP



REPORT ON THE
THIRD QUARTER 2022



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

Operating profit increased in the quarter to SEK 19.1 million despite lower sales of SEK 212.3 million compared to the same quarter last year. Positive operating cash flow in the quarter of SEK 40.5 million.

THIRD QUARTER

- Net sales decreased 11.3% to SEK 212.3 (239.5) million.
- Gross margin for the quarter was 83.8% (82.8%).
- Operating result amounted to SEK 19.1 (17.4) million, corresponding to an operating margin of 9.0% (7.3%).
- Adjusted EBITA was SEK 28.1 (29.2) million, corresponding to an adjusted EBITA margin of 13.3% (12.2%).
- Result before tax was SEK 0 (-0.4) million.
- Cash flow from operating activities amounted to SEK 40.5 (21.5) million.
- Earnings per share was SEK 0.01 (0.00) before dilution and SEK 0.01 (0.00) after dilution.

JANUARY-SEPTEMBER

- Net sales decreased 24.8% to SEK 682.8 (907.8) million.
- Gross margin for the period was 83.4% (82.1%).
- Operating result amounted to SEK 16.1 (104.1) million, corresponding to an operating margin of 2.4% (11.5%).
- Adjusted EBITA was SEK 56.3 (152.6) million, corresponding to an adjusted EBITA margin of 8.2% (16.8%).
- Result before tax was SEK -37.0 (53.2) million.
- Cash flow from operating activities amounted to SEK 1.1 (-17.5) million.
- Earnings per share was SEK -0.21 (0.30) before dilution and SEK -0.21 (0.28) after dilution.

SIGNIFICANT EVENTS DURING AND AFTER THE PERIOD

- The logistic centre for North America opened the last week in September.

FINANCIAL SUMMARY

SEKm unless otherwise indicated	Jul 1 - Sep 30, 2022	Jul 1 - Sep 30, 2021	Change	Jan 1 - Sep 30, 2022	Jan 1 - Sep 30, 2021	Change
Net sales	212.3	239.5	-11.3%	682.8	907.8	-24.8%
Net sales growth, %	-11.3	14.5	-25.9 pp	-24.8	41.8	-66.6 pp
Gross margin, %*	83.8	82.8	1.0 pp	83.4	82.1	1.3 pp
EBITA*	28.1	26.2	7.4%	43.0	130.5	-67.0%
EBITA margin, %*	13.3	10.9	2.3 pp	6.3	14.4	-8.1 pp
Adjusted EBITA*	28.1	29.2	-3.6%	56.3	152.6	-63.1%
Adjusted EBITA margin, %*	13.3	12.2	1.1 pp	8.2	16.8	-8.6 pp
Earnings per share	0.01	0.00	8.0%	-0.21	0.30	-1.7 pp
Cash flow from operating activities	40.5	21.5	88.4%	1.1	-17.5	-106.1%
Net debt*	1,020.1	999.8	2.0%	1,020.1	999.8	2.0%
Visits, '000	15,784	21,949	-28.1%	56,490	79,865	-29.3%
Orders, '000	398	499	-20.2%	1,348	1,828	-26.2%
Active Customers, '000*	3,685	3,643	1.2%	3,685	3,643	1.2%

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

CEO'S COMMENTS

During the third quarter, we saw clear effects of our previously announced cost savings; the operating profit rose, and the operating cash flow almost doubled, compared to the corresponding period last year. At the same time, the investments and efforts we have made over the past year in infrastructure and processes are largely completed.

On September 26th, our logistics centre in the United States dispatched its first orders. In doing so, we took an important step towards creating an efficient infrastructure for our sales in North America. Together with previous investments in and integration of our logistics in the Nordics and Europe, this means that we are now well equipped for efficient order handling in all markets.

In addition, as we previously have communicated, we have launched a completely new web platform for Desenio's web-sites, with a new architecture and improved interface. The change had an immediate effect already in the third quarter, with a higher conversion rate. Poster Store will also migrate to the new web platform.

After completing the work on our infrastructure, our teams are now fully focused on marketing and sales. During the third quarter, we launched our studio collection "Wild West", which is primarily designed for the North American market, but is also sold in Europe. In addition, we launched another collection in October; "Studio Hollywood" in collaboration with Sofia Richie (the daughter of Lionel Richie) who is one of America's most influential young women today.

LOWER NET SALES BUT HIGHER CONVERSION RATE AND INCREASED PROFITABILITY

Net sales during the third quarter decreased by 11% to SEK 212 million and by 25% to SEK 683 million for the first nine months of the year, compared to the corresponding periods last year. Reassuringly, however, both the conversion rate and the average order value rose in the third quarter compared to 2021.

Net sales in Europe developed in line with the market. In the Nordic region, net sales fell by 12% and in our core markets in Europe, by 26%. However, net sales increased in the rest of Europe by 21% and in the rest of the world by 6%. In North America net sales rose about 10%, albeit from relatively low levels. The organization in North America has focused on completing the infrastructure for distribution and marketing and is expected to put full force into sales in the coming quarters.

Adjusted EBITA for the third quarter amounted to MSEK 28.1 (29.2) and to MSEK 56.3 (152.6) for the first nine



months of the year, corresponding to an adjusted EBITA margin of 13.3 (12.2)% and 8.2 (16.8)% respectively. The operating result, EBIT, for the corresponding periods amounted to 19.1 (17.4) MSEK and 16.1 (104.1), corresponding to an operating margin of 9.0 (7.3)% and 2.4 (11.5)% respectively.

The operating cash flow during the third quarter amounted to MSEK 40.5 (21.5). During the quarter, the working capital fell further after having also fallen during the second quarter. The reduction is a consequence of a number of operational measures to increase cash flow. Cash flow is expected to strengthen further in the fourth quarter and beyond as a result of the previously communicated cost savings of 18% in relation to our adjusted administrative costs. Cash amounted to 136 MSEK at the end of the third quarter.

All in all, we have now reached a point in Desenio's development where infrastructure and processes are developed and efficient. After our downsizing, we've put a lot of effort into leveraging our high-performing team and giving driven people the opportunity to step forward. Now there remains what drives us all; to, despite a challenging market, drive sales and take advantage of the strong position we have in Europe in the market for affordable wall art online - and the opportunity to become a market leader also in the equally large market in the USA.

FREDRIK PALM
President and CEO

THE GROUP'S DEVELOPMENT

NET SALES

Third quarter

Net sales in the quarter decreased 11.3% to SEK 212.3 (239.5) million.

January-September

Net sales during the period decreased by 24.8% to SEK 682.8 (907.8) million.

PROFITABILITY AND MARGINS

Third quarter

The gross margin for the quarter increased to 83.8% (82.8%), driven by higher prices, slightly lower shipping costs and exchange rate effects compared to the corresponding quarter last year.

All operating costs were lower in absolute terms compared to the previous year's quarter. The largest change were the fulfilment costs, where the cost ratio went from 29.5% in relation to net sales to 27.6%. In relation to net sales, marketing expenses were 24.4% last year and 24.8% (excluding depreciation of the Poster Store customer database of SEK 8.3 million) in the quarter. Items affecting comparability amounted to SEK 0 (3.0) million.

Operating profit (EBIT) for the quarter amounted to SEK 19.1 (17.4) million. Adjusted EBITA during the quarter amounted to SEK 28.1 (29.2) million and the adjusted EBITA margin amounted to 13.3% (12.2%) compared with the previous year.

January-September

The gross margin for the period increased to 83.4% (82.1%), driven by price increases, lower shipping costs and exchange rate effects.

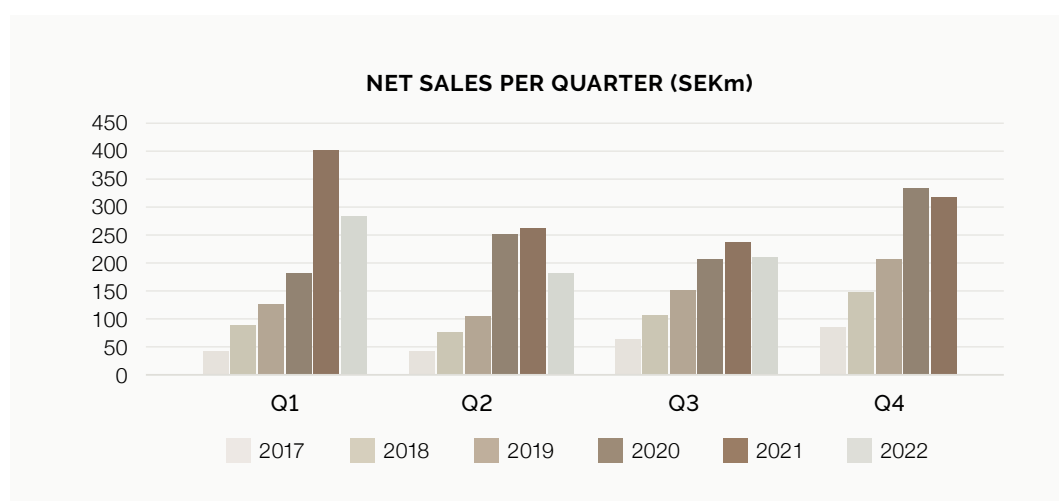
Operating profit (EBIT) for the period amounted to SEK 16.1 (104.1) million. Adjusted EBITA in the period amounted to SEK 56.3 (152.6) million and the adjusted EBITA margin amounted to 8.2% (16.8%). The change is explained by lower net sales and that costs were lower in absolute terms but higher in relation to net sales. In relation to net sales, marketing costs were 22.3% the previous year and 26.2% (excluding depreciation of the Poster Store customer database) during the current period. Items affecting comparability amounted to SEK 13.2 (22.1) million and related to the warehouse move in the first quarter 2022, redundancies in the second quarter of 2022 and costs for the listing process in quarter one to three of 2021, which have been deducted from adjusted EBITA.

CASH FLOW AND FINANCIAL POSITION

Third quarter

Cash flow from operating activities amounted to SEK 40.5 (21.5) million for the quarter. The cash flow in the quarter was negatively impacted by SEK 8 million for salary payments for redundant employees.

Cash flow from changes in working capital was SEK 11.4 million, where inventories increased by SEK 23.7 million in



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%.

the quarter due to the regular inventory increase in preparation for the high season in the autumn and winter, and for the new warehouse in the USA. An increase in current liabilities such as accounts payable and accrued liabilities improved the cash flow with SEK 35.7 million.

January-September

Cash flow from operating activities amounted to SEK 1.1 (-17.5) million for the period. Tax paid of SEK -48.4 million refers to payment of the remaining parts of corporation taxes for the income year 2020 of SEK -37.5 million and paid preliminary taxes for the income year 2022 of SEK -10.5 million. Cash flow from changes in working capital was SEK 24.2 million, with inventories decreased by SEK 7.6 million during the period and the changes in current receivables / liabilities increased cash flow by net SEK 16.6 million. The provision for dismissed personnel of SEK 10.7 million in quarter two is not included in the net amount.

INVESTMENTS

Third quarter

Net investments in tangible assets in the quarter was SEK 5.5 (0.8) million related to equipment in the warehouses in Czech Republic and the US. In addition, the new lease for the warehouse in the US has increased investments by SEK 14.6 million. The previous year's lease investment concerned the lease agreement for the warehouse in the Czech Republic. Investments in intangible assets were SEK 0.5 (0.5) million, which mainly consisted of investments in the websites and ERP-system.

January-September

Net investments in tangible assets in the period was SEK 5.5 (1.5) million related to equipment in the warehouses in Czech Republic and the US. In addition, the lease for the warehouse in the US, revaluations of other leases and previous move from warehouse buildings in Sweden have net increased lease investments by SEK 9.8 million. The previous year's investment concerned the lease for the warehouse in the Czech Republic with the amount of SEK 45.8 million. Investments in intangible assets were SEK 3.1 (0.7) million, which mainly consists of investments in the websites and ERP-system.

FINANCIAL POSITION AND FINANCING

As of 30 September 2022, equity amounted to SEK 230.3 million, compared to SEK 260.7 million at the beginning of the period.

As of 30 September 2022, cash and cash equivalents amounted to SEK 135.8 (135.6) compared to 162.2 million at the beginning of the year. Net debt amounted to 1,020.1 million per 30 September 2022 compared to SEK 978.2 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 in-

terest 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.

OTHER INFORMATION

SIGNIFICANT EVENTS JANUARY - SEPTEMBER

The logistic centre for North America opened the last week in September.

SIGNIFICANT EVENTS AFTER THE END OF THE PERIOD

No significant events have occurred after the end of the period that are expected to have a substantial effect on the Desenio Group.

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 1.65. The highest closing price, SEK 26.54, was quoted in January and the lowest closing price, SEK 1.52, was quoted in September. During the period, 173,126,161 shares were traded.

As of 30 September, Desenio Group had 3,609 shareholders, of which the largest were Verdane (25.2%), MBHB Holding AB (11.1%), and Hars Holding AB (9.5%).

As of 30 September, the number of issued shares was 149,082,510 after 4,971,400 shares were issued in the second quarter. All shares were ordinary shares.

NUMBER OF EMPLOYEES

The average number of employees during the period was 177, which also includes employees at the warehouses.

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 transaction-related costs 2021, warehouse relocation costs 2022, and termination costs 2022.

The measure Adjusted EBITA is relevant to give an indication of the Company's underlying results generated by operating activities.

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

SEKm unless otherwise indicated	Jul 1 - Sep 30, 2022	Jul 1 - Sep 30, 2021	Jan 1 - Sep 30, 2022	Jan 1 - Sep 30, 2021
EBIT	19.1	17.4	16.1	104.1
Amortizations	9.0	8.8	26.9	26.4
EBITA	28.1	26.2	43.0	130.5
One-off costs	0.0	3.0	13.2	22.1
Adjusted EBITA	28.1	29.2	56.3	152.6
Non-current liabilities			1,080.8	1,072.0
Non-current lease liabilities			55.3	52.6
Current lease liabilities			19.8	10.8
Cash and cash equivalents			-135.8	-135.6
Net debt			1,020.1	999.8



FINANCIAL SUMMARY

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

SEKm unless otherwise indicated	Jul 1 - Sep 30, 2022	Jul 1 - Sep 30, 2021	Jan 1 - Sep 30, 2022	Jan 1 - Sep 30, 2021	Full year, 2021	Rolling, 12M
Net sales	212.3	239.5	682.8	907.8	1,227.2	1,002.2
Cost of goods sold	-34.4	-41.1	-113.7	-162.6	-219.0	-170.0
Gross profit	177.9	198.3	569.1	745.1	1,008.2	832.2
Operating costs						
Fulfilment costs	-58.5	-70.5	-208.5	-252.1	-345.2	-301.6
Marketing costs	-61.0	-66.7	-204.0	-227.8	-321.9	-298.1
Admin & other costs	-38.3	-43.7	-135.8	-157.9	-196.9	-174.8
Other operating income	3.5	3.8	10.3	6.0	16.8	21.1
Other operating costs	-4.4	-3.8	-15.0	-9.3	-18.1	-23.8
Operating profit	19.1	17.4	16.1	104.1	143.0	55.0
Financial income and expenses						
Financial income	1.3	0.0	5.5	0.0	9.2	14.7
Financial costs	-20.4	-17.8	-58.6	-50.9	-75.5	-83.2
Net financial items	-19.1	-17.8	-53.1	-50.9	-66.3	-68.5
Profit/loss before tax	0.0	-0.4	-37.0	53.2	76.7	-13.4
Income tax	2.2	0.1	6.5	-11.0	-19.5	-2.0
Profit/loss for the period	2.2	-0.3	-30.5	42.2	57.2	-15.4
EARNINGS PER SHARE						
Basic	0.01	0.00	-0.21	0.30	0.40	-0.11
Diluted	0.01	0.00	-0.21	0.28	0.38	-0.11
Number of outstanding shares at the end of the reporting period						
- basic (SEK)	149,082,510	144,111,110	149,082,510	144,111,110	144,111,100	149,082,510
- diluted (SEK)	151,752,510	151,136,810	151,752,510	151,136,810	150,730,710	
Average number of outstanding shares						
- basic (SEK)	149,082,510	144,111,110	146,439,721	141,135,666	143,562,962	149,082,510
- diluted (SEK)	149,082,510	150,799,453	146,579,602	150,732,354	149,787,145	

CONSOLIDATED STATEMENT OF FINANCIAL POSITION - IN SUMMARY

SEKm unless otherwise indicated	Sep 30, 2022	Sep 30, 2021	Dec 31, 2021
Goodwill	834.3	834.3	834.3
Trademarks	429.0	429.0	429.0
Other intangible assets	49.4	81.9	73.1
Tangible assets	15.2	5.3	11.1
Right-of-use assets	70.1	64.0	64.9
Financial assets	7.0	7.1	6.8
Inventories	83.7	71.2	91.3
Current receivables	46.8	22.0	30.9
Cash and cash equivalents	135.8	135.6	162.2
Total assets	1,671.3	1,650.5	1,703.6
Equity	230.3	245.3	260.7
Provisions	96.7	103.7	103.4
Non-current liabilities	1,080.8	1,072.0	1,074.3
Non-current lease liabilities	55.3	52.6	51.4
Current lease liabilities	19.8	10.8	14.7
Current liabilities	188.4	166.1	199.1
Total equity and liabilities	1,671.3	1,650.5	1,703.6



CONSOLIDATED STATEMENT OF CASH FLOW

SEKm	Jul 1 - Sep 30, 2022	Jul 1 - Sep 30, 2021	Jan 1 - Sep 30, 2022	Jan 1 - Sep 30, 2021	Full year, 2021	Rolling, 12M
CASH FLOW FROM OPERATING ACTIVITIES BEFORE CHANGES IN WORKING CAPITAL						
Profit after financial items	0.0	-0.4	-37.0	53.2	76.7	-13.5
Adjustments for non-cash items	31.5	8.9	62.2	25.4	46.8	83.6
Paid income tax	-2.4	-1.7	-48.4	-16.0	-25.0	-57.4
CASH FLOW FROM OPERATING ACTIVITIES BEFORE CHANGES IN WORKING CAPITAL	29.1	6.8	-23.2	62.6	98.5	12.7
CASH FLOW FROM CHANGES IN WORKING CAPITAL						
Changes in inventory	-23.7	-3.9	7.6	-17.5	-37.6	-12.5
Changes in current assets	-0.5	8.4	11.4	29.3	20.4	2.5
Changes in current liabilities	35.7	10.2	5.3	-91.9	-55.0	42.2
Cash flow from changes working capital	11.4	14.7	24.2	-80.1	-72.2	32.1
CASH FLOW FROM OPERATING ACTIVITIES	40.5	21.5	1.1	-17.5	26.3	44.9
CASH FLOW FROM INVESTING ACTIVITIES						
Investments in fixed assets	-5.5	-41.3	-5.5	-47.3	-66.6	-24.8
Investments in intangible assets	-0.5	-0.5	-3.1	-0.7	0.0	-2.4
Investments in lease assets	-9.8		-9.8			-9.8
Change in financial assets	-2.3	1.8	1.4	-1.3	-1.0	1.7
Acquisition of subsidiaries, net liquidity effect	0.0	0.0	0.0	-213.8	-213.8	0.0
Cash flow from investing activities	-18.1	-40.0	-17.0	-263.1	-281.5	-35.4
CASH FLOW FROM FINANCING ACTIVITIES						
Change in provisions	0.0	0.0	-1.8	0.0	0.0	-1.8
Warrants	0.0	0.0	0.0	6.3	6.3	0.0
Change of loans	0.1	41.7	0.0	47.6	48.8	1.2
Repayment and interest for lease liability	-8.6		-8.6			-8.6
Dividend paid to the parent company's shareholders	0.0	0.0	0.0	-285.1	-285.1	0.0
Cash flow from financing activities	-8.5	41.7	-10.4	-231.2	-230.0	-9.2
Cash flow for the period	14.0	23.2	-26.4	-511.8	-485.2	0.2
Currency exchange gains/losses in cash and cash equivalents	0.0	0.0	0.0	0.0	0.0	0.0
Cash and cash equivalents beginning of period	121.8	112.4	162.2	647.4	647.4	135.6
CASH AND CASH EQUIVALENTS END OF PERIOD	135.8	135.6	135.8	135.6	162.2	135.8

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

SEKm unless otherwise indicated	Jul 1 - Sep 30, 2022	Jul 1 - Sep 30, 2021	Jan 1 - Sep 30, 2022	Jan 1 - Sep 30, 2021	Dec 31 2021
Opening balance	228.2	246.0	260.7	186.2	186.1
Total comprehensive income for the period	2.2	-0.3	-30.5	42.2	57.2
New share issue, net	-	-	0	296.0	296.0
Warrants	-	-	0	6.4	6.4
Dividend	-	-	-	-285.1	-285.1
Translation difference	-0.1	-0.4	0.1	-0.4	0.0
Closing balance	230.3	245.3	230.3	245.3	260.7

GROUP KEY PERFORMANCE INDICATORS (KPIs)

SEKm unless otherwise indicated	Jul 1 - Sep 30, 2022	Jul 1 - Sep 30, 2021	Jan 1 - Sep 30, 2022	Jan 1 - Sep 30, 2021	Full year 2021	Rolling 12M
Net sales	212.3	239.5	682.8	907.8	1,227.2	1,002.2
Net sales growth, %	-11.3	14.5	-24.8	41.8	25.4	-19.6
Gross margin, %*	83.8	82.8	83.4	82.1	82.2	83.0
Fulfilment cost ratio %*	27.6	29.5	30.5	27.8	28.1	30.1
Marketing cost ratio, %*	24.8	24.4	26.2	22.3	23.5	26.4
Admin & other cost ratio, %*	18.1	18.3	19.9	17.4	16.0	17.4
Operating profit (EBIT)	19.1	17.4	16.1	104.1	143.0	55.0
Operating profit (EBIT) margin %	9.0	7.3	2.4	11.5	11.7	5.5
EBITA*	28.1	26.2	43.0	130.5	178.3	90.9
EBITA margin, %*	13.3	10.9	6.3	14.4	14.5	9.1
Adjusted EBITA*	28.1	29.2	56.3	152.6	201.5	105.2
Adjusted EBITA margin, %*	13.3	12.2	8.2	16.8	16.4	10.5
EBITDA*	37.1	26.6	58.1	132.2	180.3	106.2
Earnings per share	0.01	0.00	-0.21	0.30	0.40	-0.11
Cash flow from operating activities	40.5	21.5	1.1	-17.5	26.3	44.9
Capital expenditures*	15.9	47.1	18.4	48.6	60.7	30.6
Net debt*	1,020.1	999.8	1,020.1	999.8	978.2	1,020.1
Visits, '000	15,784	21,949	56,490	79,865	104,636	81,261
Orders, '000	398	499	1,348	1,828	2,520	2,041
Average Order Value, SEK	544	491	520	502	498	515
Active Customers, '000*	3,685	3,643	3,685	3,643	3,777	3,819

* 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, 2022	Jul 1 - Sep 30, 2021	Jan 1 - Sep 30, 2022	Jan 1 - Sep 30, 2021	Full year, 2021
Net sales	2.1	1.1	8.5	3.4	7.6
Cost of goods sold	0.0	0.0	0.0	0.0	0.0
Gross profit	2.1	1.1	8.5	3.4	7.6
Operating costs					
Fulfilment costs	0.0	0.0	-0.2	0.0	0.0
Marketing costs	0.0	0.0	0.0	-0.1	-0.4
Admin & other costs	-4.7	-5.3	-15.4	-30.8	-39.9
Other operating income	1.9	0.0	4.9	0.0	0.1
Other operating costs	0.0	0.0	0.0	0.0	-0.2
Operating profit	-0.7	-4.2	-2.2	-27.5	-32.8
Financial income and expenses					
Financial income	0.0	0.0	0.0	0.0	0.1
Financial expenses	-19.9	-17.6	-58.0	-50.2	-68.2
Net financial items	-19.9	-17.6	-58.0	-50.2	-68.2
Group contributions	0.0	0.0	0.0	0.0	207.3
Profit/loss before tax	-20.6	-21.8	-60.2	-77.7	106.4
Income tax	0.0	11.5	0.0	11.5	-25.2
Profit/loss for the period	-20.6	-10.3	-60.2	-66.2	81.2

PARENT COMPANY STATEMENT OF FINANCIAL POSITION – IN SUMMARY

SEKm unless otherwise indicated	Sep 30, 2022	Sep 30, 2021	Dec 31, 2021
Tangible assets	0.1	0.0	0.1
Financial assets	1,406.3	1,406.3	1,406.3
Currents receivables	88.7	10.1	80.0
Cash and cash equivalents	9.3	1.8	17.6
Total assets	1,504.3	1,418.3	1,504.0
Equity	350.4	263.1	410.5
Provisions	0.0	-11.5	0.0
Non-current liabilities	1,080.8	1,072.0	1,074.3
Current liabilities	73.1	94.6	19.2
Total equity and liabilities	1,504.3	1,418.3	1,504.0

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. 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.

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 fulfillment and marketing costs and certain costs are allocated according to an allocation key. Other include other costs, depreciation and amortizations.

3. EQUITY

The number of shares and votes changed in the second quarter due to the exercise of warrants in the long-term incentive program 2017/2022. The exercise period began on 1 April 2022 and lasted until 31 May 2022. All outstanding warrants were exercised, which meant 4,971,400 new shares and votes. Thus, there are a total of 149,082,510 shares and votes in the company.

At the Annual General Meeting on 12 May 2022, it was decided to introduce a long-term incentive program for employees within the Desenio Group. A maximum of 1,130,000 warrants may be issued and each warrant gives the right to subscribe for one new share, to the price SEK 12.59, in the company from 10 June 2025 to 10 September 2025.

INCOME STATEMENT PER SEGMENT JANUARY - SEPTEMBER 2022

SEKm unless otherwise indicated	Nordics	Core Europe	Rest of Europe	Rest of World	Other	Total
Net sales	160.7	330.8	140.8	50.5		682.8
Cost of goods sold	-28.3	-54.9	-24.4	-6.1		-113.7
Gross profit	132.4	275.9	116.5	44.4	0.0	569.1
Operating costs	-84.6	-173.8	-84.7	-44.4	-165.6	-553.1
Operating profit	47.8	102.0	31.8	0.1	-165.6	16.1
Net financial items					-53.1	-53.1
Profit/loss before tax	47.8	102.0	31.8	0.1	-218.7	-37.0

INCOME STATEMENT PER SEGMENT JANUARY - SEPTEMBER 2021

SEKm unless otherwise indicated	Nordics	Core Europe	Rest of Europe	Rest of World	Other	Total
Net sales	197.7	494.7	168.4	47.0		907.8
Cost of goods sold	-36.0	-90.4	-29.9	-6.3		-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					-50.9	-50.9
Profit/loss before tax	66.7	161.7	48.4	13.5	-237.1	53.2

The Board of Directors and the President certify that the half-yearly financial report gives a fair view of the performance of the business, position and profit or loss of the Company and the Group, and describes the principal risks and uncertainties that the Company and the companies in the Group face.

Stockholm, 26 October 2022

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
President and CEO

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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. Please find a link to the webcast below:

Webcast: <https://ir.financialhearings.com/desenio-group-q3-2022>

FINANCIAL CALENDAR

Interim Report January - December 2022: 15 February 2023

Interim Report **January - March 2023: 27 April 2023**

Annual General Meeting 2022: 25 May 2023

Interim Report **January - June 2023: 14 July 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

FNCA Sweden AB is the company's certified adviser.

This is information that Desenio Group AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out in the press release concerning this report, at 07.00 CEST on 26 October 2022.



Translation from the Swedish original

AUDITOR'S REPORT ON REVIEW OF FINANCIAL INFORMATION REPORT (INTERIM REPORT)

To the Board of Directors of Desenio Group AB (publ)
Corp. id. 559107-2839

INTRODUCTION

We have reviewed the attached condensed interim financial information (interim report) of Desenio Group AB (publ) as of 30 September 2022 and the three-month period then ended. The Board of Directors and the Managing Director are responsible for the preparation and presentation of this financial information (interim report) in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this financial information (interim report) based on our review.

SCOPE OF REVIEW

We conducted our review in accordance with International Standard on Review Engagements ISRE 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and other generally accepted auditing practices and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the attached financial information (interim report) is not prepared, in all material respects, for the Group in accordance with IAS 34 and the Annual Accounts Act, and for the Parent Company in accordance with the Annual Accounts Act.

Göteborg 2022-10-26
KPMG AB

Signed on the Swedish original

Mathias Arvidsson

Authorized Public Accountant

DEFINITIONS OF PERFORMANCE MEASURES

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

DEFINITIONS OF PERFORMANCE MEASURES CONT.

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



DESENIO GROUP