

# DESENIIO GROUP

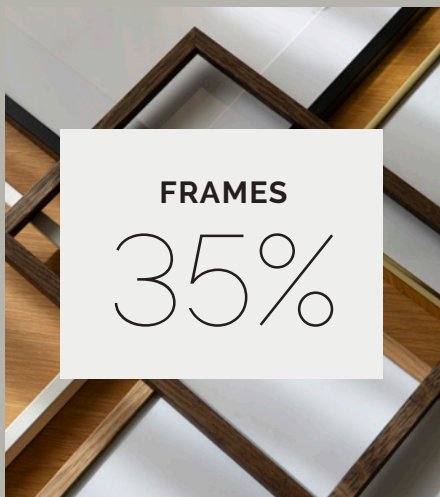


REPORT FOR THE PERIOD  
JANAURY TO SEPTEMBER 2023



**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 Q3 2023, net sales increased by 7.5% to SEK 228.2 million and EBITA was SEK 25.1 million. Cash flow from operating activities amounted to SEK 9.1 million in the quarter.

## THIRD QUARTER

- Net sales increased by 7.5% to SEK 228.2 (212.3) million.
- Gross margin for the quarter was 83.3% (83.8%).
- Operating profit amounted to SEK 16.1 (19.1) million, corresponding to an operating margin of 7.1% (9.0%).
- EBITA was SEK 25.1 (28.1) million, corresponding to an EBITA margin of 11.0% (13.3%).
- Profit before tax was SEK -13.6 (0.0) million.
- Cash flow from operating activities amounted to SEK 9.1 (40.5) million.
- Earnings per share was SEK -0.12 (0.01) before dilution and SEK -0.12 (0.01) after dilution.

## JANUARY - SEPTEMBER

- Net sales decreased 1.4% to SEK 673.0 (682.8) million.
- Gross margin for the period was 83.9% (83.3%).
- Operating profit amounted to SEK 45.0 (16.1) million, corresponding to an operating margin of 6.7% (2.4%).
- EBITA was SEK 72.0 (56.2 adjusted EBITA) million, corresponding to an EBITA margin of 10.7% (8.2% adjusted EBITA margin).
- Profit before tax was SEK -21.8 (-37.0) million.
- Cash flow from operating activities amounted to SEK 14.0 (1.1) million.
- Earnings per share was SEK -0.20 (-0.21) before dilution and SEK -0.20 (-0.21) after dilution.

## FINANCIAL SUMMARY

SEKm unless otherwise indicated	Jul 1 - Sep 30 2023	Jul 1 - Sep 30 2022	Change	Jan 1 - Sep 30 2023	Jan 1 - Sep 30 2022	Change
Net sales	228.2	212.3	7.5%	673.0	682.8	-1.4%
Net sales growth, %	7.5	-11.4	18.9 pp	-1.4	-24.8	23.4 pp
Gross margin, %*	83.3	83.8	-0.5 pp	83.9	83.3	0.5 pp
EBITA*	25.1	28.1	-10.8%	72.0	43.0	67.3%
EBITA margin, %*	11.0	13.3	-2.3 pp	10.7	6.3	4.4 pp
Adjusted EBITA*	25.1	28.1	-10.8%	72.0	56.2	28.0%
Adjusted EBITA margin, %*	11.0	13.3	-2.3 pp	10.7	8.2	2.5 pp
Earnings per share	-0.12	0.01	-896.4%	-0.20	-0.21	-5.2%
Cash flow from operating activities	9.1	40.5	-77.5%	14.0	1.1	-1,219.7%
Net debt*	985.8	1,020.1	-3.4%	985.8	1,020.1	-3.4%
Visits, '000	16,994	15,784	7.7%	50,846	56,490	-10.0%
Orders, '000	409	398	2.5%	1,204	1,348	-10.7%
Active Customers, '000*	2,882	3,685	-21.8%	2,882	3,685	-21.8%

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

# CEO'S COMMENTS

*During the third quarter, the positive development continued, for the group as a whole and in North America in particular. Compared to the corresponding quarter last year, the number of visits rose by 7.7%, the average order value by 6.1% and net sales increased by 7.5% to SEK 228 million. Sales were particularly strong in July and August but slowed considerably during the heat wave in Europe in September. It is a common phenomenon for us, where colder than normal weather is positive for our business and vice versa.*

Looking at the respective geographic markets, growth varied. In the Nordics, net sales rose by 11% and in the core markets in Europe by 20%, while the rest of Europe decreased by 23%. The rest of the world grew by 29% and in North America, which is included in the rest of the world, net sales increased by 45% compared to the third quarter of 2022.

Also, during this quarter, marketing costs in relation to net sales were higher than for the corresponding period last year and amounted to 30.2%, compared to 24.8% in 2022. This is due partly to the fact that the consumer in the current market climate is less inclined to buy and partly to the investment in North America where we put resources into building our market presence. During the third quarter, I have spent time with the team in North America and I am proud of the work we are doing, which is now starting to show in the sales numbers. During the quarter, we started a collaboration with the YouTube influencer Lone Fox in North America, who, as an ambassador for Desenio and in collaboration with our design studio, created an art collection that is marketed with films and interviews online.

A prerequisite for the investments we implement, to increase or defend our market shares, is that we run a cost-effective business. We are successful, partly because we reduced the workforce last year and partly because we continuously improve efficiency in fulfilment. Administrative expenses were slightly lower than last year, while costs for fulfilment fell from 29.5% to 26.4%, adjusted for changes in allocation principles. The improvement is a consequence of our previous investments in an efficient logistics structure.

Despite this, we did not quite manage to reach the same profitability as the previous year. EBITA for the third quarter amounted to MSEK 25.1 (28.1), corresponding to an EBITA



margin of 11%. The operating cash flow during the quarter amounted to SEK 9.1 (40.5) million. The difference in the operating cash flow between the periods is explained further down in this report. In summary, it is due to non-cash flow-affecting reclassification of leasing according to IFRS and a reversed provision in Q2, 2022 as well as a combination of a positive cash flow impact from a tax refund in Q2, 2022 and a lower profit before tax in Q3, 2023 compared to the previous year.

As of September 30, cash and cash equivalents amounted to SEK 127.9 million, which is SEK 3.6 million higher than at the end of the previous quarter. At the beginning of the financial year, cash and cash equivalents amounted to SEK 155.7 million. Most of the decrease in relation to the end of the third quarter is explained by the repurchase of Desenio's bond in Q2, 2023.

I have strong confidence in our ability to run our well-managed and profitable business despite the challenging market. We have a business model with a fully integrated web platform and efficient distribution which, together with our data-driven design and marketing, allows us to maintain our leading position. At the same time, as previously mentioned in the Q2 report, there is no doubt that we need to work actively on evaluating our balance sheet and how we can optimize our capital structure to reduce our interest costs and net debt. We have therefore made the decision to appoint ABG Sundal Collier as financial advisor to evaluate the options available to find a sustainable capital structure going forward.

Meanwhile, our strong team focuses fully on our operational efforts to further strengthen Desenio's position in our markets and thus continue our positive sales trend.

**FREDRIK PALM**  
President and CEO

# THE GROUP'S DEVELOPMENT

## NET SALES

### Third quarter

Net Sales in the quarter increased by 7.5% to SEK 228.2 (212.3) million.

### Period January - September

Net sales decreased during the period by 1.4% to SEK 673.0 (682.8) million.

## PROFITABILITY AND MARGINS

### Third quarter

The gross margin for the quarter decreased to 83.3% (83.8%), driven by increased campaign intensity in the quarter compared to the corresponding quarter last year.

Operating profit for the quarter amounted to SEK 16.1 (19.1) million. EBITA during the quarter amounted to SEK 25.1 (28.1) million and the EBITA margin amounted to 11.0% (13.3%) compared to the corresponding quarter last year.

Total operating costs were higher compared to the corresponding quarter last year as a result of higher marketing spend. The cost ratio for fulfilment decreased from 27.6% to 26.4% as a result of our investments in an efficient logistics structure. The cost ratio for administration decreased from 18.1% to 14.6%. However, it should be noted that during the third quarter of 2022 part of the fulfilment cost (approximately SEK 4 million) was reported as administrative costs. From the fourth quarter of 2022, these costs are instead included in fulfilment. Adjusted for this changed allocation, our fulfilment cost fell from 29.5 % to 26.4 % in the third quarter 2023, while our administrative costs fell from 16.1% to 14.6%. Marketing costs in relation to net sales increased

from 24.8% in the third quarter of 2022 to 30.2% in the third quarter in 2023 (excluding depreciation of Poster Store customer database of SEK 8.3 million).

### January - September

The gross margin for the period increased to 83.9% (83.3%), driven by lower shipping costs and positive exchange rate effects.

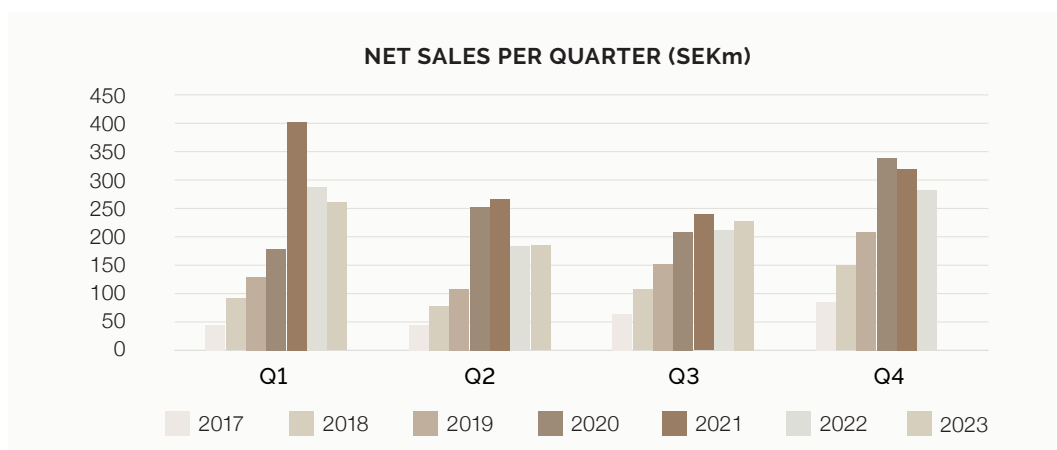
Operating profit in the period amounted to SEK 45.0 (16.1) million. EBITA in the period amounted to SEK 72.0 (56.2 adjusted EBITA) million and the EBITA margin amounted to 10.7% (8.2% adjusted EBITA margin).

Operating costs were lower compared to the corresponding period last year despite higher marketing spend. Fulfilment- and administration costs were lower in relation to net sales, while marketing costs increased. The cost ratio for fulfilment decreased from 30.5% to 27.3% and the cost ratio for administration costs decreased from 19.9% to 16.1%. In relation to net sales, marketing costs increased to 30.1% (excluding depreciation of the Poster Store customer database) compared to 26.2% during the same period last year.

## CASH FLOW AND FINANCIAL POSITION

### Third quarter

Cash flow from operating activities amounted to SEK 9.1 (40.5) million for the quarter. Tax paid amounted to SEK -7.6 million and refers to payments of preliminary tax for 2023. The cash flow from changes in working capital was SEK 11.7 million, where the inventory decreased by 5.6 million compared to the previous quarter and change in short-term receivables/liabilities had a positive effect on cash flow with a net SEK 6.1



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%.

million compared to the previous quarter (primarily related to increased short term liabilities).

The difference in the operating cash flow between the periods is explained by the result before tax being SEK 13.6 million lower in the third quarter compared to the corresponding quarter last year, a reclassification of non cash flow items relating to leasing and IFRS of SEK 7.8 million, and a reversed provision of SEK 5.1 million related to reduction of staff last year. In addition, tax payment in the third quarter last year was SEK 4.6 million lower due to refunds from the Swedish Tax Agency.

### January - September

Cash flow from operating activities amounted to SEK 14.0 (1.1) million for the period. Tax paid of SEK 26.8 (48.4) 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 19.6 million. The cash flow from changes in working capital amounted to SEK 20.2 million, where the inventory during the period decreased by SEK 24.6 million and changes in short-term receivables/liabilities reduced cash flow with net SEK 4.4 million primarily related to increased short-term assets.

### INVESTMENTS

#### Third quarter

Net investments in tangible assets during the quarter amounted to SEK 0.2 (5.5) 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. Investments in intangible assets amounted to SEK 0.0 (0.5) million. The previous year's investment in intangible assets refers to websites and business systems. The previous year's leasing investment concerned the warehouse in the US.

#### January - September

Net investments in tangible assets during the period amounted to SEK 1.3 (5.5) million and refers to investments in our warehouse in the US. The previous year's investments in tangible assets refers to the warehouse in 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.

### FINANCIAL POSITION AND FINANCING

As of 30 September 2023, equity amounted to SEK 209.1 million, compared to SEK 238.5 million at the beginning of the year. As of 30 September 2023, cash and cash equivalents amounted to SEK 127.9 million (135.8) compared to 155.7 in the beginning of the year. Net debt amounted to SEK 985.8 (1,020.1) million on 30 September 2023 compared to SEK 999 million at the beginning of the period. Desenio Group AB (publ) issued a Senior Secured bond in

December 2020 totaling SEK 1,100 million in connection with the acquisition of Poster Store. The bond bears a floating interest rate of STIBOR 3m +5,5% and matures in December 2024. The maximum amount of the bond is SEK 1,800 million. The bond has no current covenants except when raising new debt or, for example, in the event of a share dividend. Borrowing costs for the bond are amortized by SEK 2.2 million per quarter until December 2024. The amount is included in interest expenses and is non-cash flow affecting.

In June 2023 Desenio Group repurchased the company's own corporate bonds over the market, corresponding to 3.2 percent 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.

## OTHER INFORMATION

### SIGNIFICANT EVENTS JANUARY - SEPTEMBER

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

### SIGNIFICANT EVENTS AFTER THE END OF THE PERIOD

No significant events occurred after the period.

### REVIEW BY AUDITORS

This report has 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 0.92. The highest closing price, SEK 1.40, was quoted in August and the lowest closing price, SEK 0.79 was quoted in September. During the period, 9,051,162 shares were traded.

As of 30 September, Desenio Group had 3,261 shareholders, of which the largest were Verdane (25.2%), MBHB Holding AB (9.9%), and Hars Holding AB (9.5%). As of 30 June, the number of issued shares was 149,082,510. All shares were ordinary shares.

### NUMBER OF EMPLOYEES

The average number of employees during the quarter was 131 (177) which corresponds to 25% fewer employees compared to the corresponding quarter last year.

## RISKS AND UNCERTAINTIES

The Group's significant risk and uncertainty factors include financial risks such as market risk (consisting of currency risk and interest rate risk), credit risk and liquidity risk, as well as operational and business risks. For more information on risks and risk management, please refer to Desenio's annual report for 2021.

## ALTERNATIVE PERFORMANCE MEASURES (APM)

In this quarterly report, Desenio reports certain performance measures, including key figures which are not defined in accordance with IFRS. The company believes that these key figures are an important complement, as they enable a better evaluation of the company's financial trends. These financial ratios shall not be considered independent or considered to replace performance ratios that have been calculated in accordance with IFRS. In addition, such key figures, as defined by Desenio, should not be compared with other key figures with similar names used by other companies. This is because the above key figures are not always defined in the same way and other companies can calculate them in a different way than Desenio.

Adjusted EBIT is exclusive of cost items affecting comparability and is thus considered to be a useful measure of the Company's underlying profit generated from operating activities. Items affecting comparability include warehouse relocation costs in Q1 2022, and termination costs in Q2 2022.

The measure Adjusted EBITA is relevant to give an indication of the Company's underlying results generated by operating activities. The amortization of Poster Store's customer database is done until mid-December 2023. Other definitions of alternative performance measures can be found in the section Definitions of performance measures.

SEKm unless otherwise indicated	Jul 1 - Sep 30, 2023	Jul 1 - Sep 30, 2022	Jan 1 - Sep 30, 2023	Jan 1 - Sep 30, 2022
EBIT	16.1	19.1	45.0	16.1
Amortizations	9.0	9.0	27.0	26.9
<b>EBITA</b>	<b>25.1</b>	<b>28.1</b>	<b>72.0</b>	<b>43.0</b>
One-off costs	-	-	-	13.2
<b>Adjusted EBITA</b>	<b>25.1</b>	<b>28.1</b>	<b>72.0</b>	<b>56.2</b>
Non-current liabilities			1,054.6	1,080.8
Non-current lease liabilities			40.7	55.3
Current lease liabilities			18.4	19.8
Cash and cash equivalents			-127.9	-135.8
<b>Net debt</b>			<b>985.8</b>	<b>1,020.1</b>



# FINANCIAL SUMMARY

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

SEKm unless otherwise indicated	Jul 1 -Sep 30 2023	Jul 1 -Sep 30 2022	Jan 1 - Sep 30 2023	Jan 1 - Sep 30 2022	Full Year 2022	Rolling 12M
Net sales	228.2	212.3	673.0	682.8	964.9	955.1
Cost of goods sold	-38.2	-34.4	-108.6	-113.7	-154.4	-149.3
<b>Gross profit</b>	<b>190.0</b>	<b>177.9</b>	<b>564.4</b>	<b>569.1</b>	<b>810.5</b>	<b>805.8</b>
<b>Operating costs</b>						
Fulfilment costs	-60.2	-58.5	-183.5	-208.5	-287.0	-262.0
Marketing costs	-77.3	-61.0	-227.4	-204.0	-294.7	-318.1
Admin & other costs	-33.3	-38.3	-108.2	-135.8	-164.8	-137.2
Other operating income	2.8	3.5	12.8	10.3	8.0	10.5
Other operating costs	-5.9	-4.4	-13.1	-15.0	-19.2	-17.3
<b>Operating profit</b>	<b>16.1</b>	<b>19.1</b>	<b>45.0</b>	<b>16.1</b>	<b>52.8</b>	<b>81.7</b>
<b>Financial income and expenses</b>						
Financial income	6.5	1.3	20.9	5.5	13.6	29.0
Financial costs	-36.2	-20.4	-87.7	-58.6	-80.9	-110.0
Net financial items	-29.7	-19.1	-66.8	-53.1	-67.3	-81.0
<b>Profit/loss before tax</b>	<b>-13.6</b>	<b>0.0</b>	<b>-21.8</b>	<b>-37.0</b>	<b>-14.6</b>	<b>0.6</b>
Income tax	-3.9	2.2	-7.6	6.5	-7.8	-21.9
<b>Profit/loss for the period</b>	<b>-17.5</b>	<b>2.2</b>	<b>-29.4</b>	<b>-30.5</b>	<b>-22.3</b>	<b>-21.2</b>
<b>EARNINGS PER SHARE</b>						
Basic	-0.12	0.01	-0.20	-0.21	-0.15	-0.14
Diluted	-0.12	0.01	-0.20	-0.21	-0.15	-0.14
<b>Number of outstanding shares at the end of the reporting period</b>						
- basic (SEK)	149,082,510	149,082,510	149,082,510	149,082,510	149,082,510	149,082,510
- diluted (SEK)	149,082,510	151,752,510	149,082,510	151,752,510	151,752,510	
<b>Average number of outstanding shares</b>						
- basic (SEK)	149,082,510	149,082,510	149,082,510	<b>146,439,721</b>	147,107,759	149,082,510
- diluted (SEK)	149,082,510	149,082,510	149,082,510	146,579,602	147,107,759	



## CONSOLIDATED STATEMENT OF FINANCIAL POSITION - IN SUMMARY

SEKm unless otherwise indicated	2023-09-30	2022-09-30	2012-12-31
Goodwill	834.3	834.3	834.3
Trademarks	429.0	429.0	429.0
Other intangible assets	12.4	49.4	39.3
Tangible assets	20.1	15.2	21.9
Right-of-use assets	54.4	70.1	65.9
Financial assets	6.5	7.0	7.6
Inventories	49.4	83.7	74.0
Current receivables	41.2	46.8	20.5
Cash and cash equivalents	127.9	135.8	155.7
<b>Total assets</b>	<b>1,575.2</b>	<b>1,671.3</b>	<b>1,648.2</b>
Equity	209.1	230.3	238.5
Provisions	89.8	96.7	95.0
Non-current liabilities	1,054.6	1,080.8	1,083.0
Non-current lease liabilities	40.7	55.3	52.1
Current lease liabilities	18.4	19.8	19.6
Current liabilities	162.6	188.4	160.0
<b>Total equity and liabilities</b>	<b>1,575.2</b>	<b>1,671.3</b>	<b>1,648.2</b>



## CONSOLIDATED STATEMENT OF CASH FLOW

SEKm	Jul 1 -Sep 30	Jul 1 -Sep 30	Jan 1 -Sep 30	Jan 1 -Sep 30	Full Year	Rolling
	2023	2022	2023	2022	2022	12M
<b>CASH FLOW FROM OPERATING ACTIVITIES BEFORE CHANGES IN WORKING CAPITAL</b>						
Profit after financial items	-13.6	0.0	-21.8	-37.0	-14.6	0.6
Adjustments for non-cash items	18.6	31.5	42.4	62.2	65.5	45.7
Paid income tax	-7.6	-2.4	-26.8	-48.4	-26.8	-5.2
<b>CASH FLOW FROM OPERATING ACTIVITIES BEFORE CHANGES IN WORKING CAPITAL</b>	<b>-2.6</b>	<b>29.1</b>	<b>-6.2</b>	<b>-23.2</b>	<b>24.2</b>	<b>41.1</b>
<b>CASH FLOW FROM CHANGES IN WORKING CAPITAL</b>						
Changes in inventory	5.6	-23.7	24.6	7.6	17.3	34.3
Changes in current assets	-13.4	-0.5	-13.5	11.4	11.5	-13.3
Changes in current liabilities	19.5	35.7	9.1	5.3	-28.0	-24.1
Cash flow from changes working capital	<b>11.7</b>	<b>11.4</b>	<b>20.2</b>	<b>24.2</b>	0.8	-3.2
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>9.1</b>	<b>40.5</b>	<b>14.0</b>	<b>1.1</b>	25.0	37.9
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>						
Investments in fixed assets	-0.2	-5.5	-1.3	-5.5	-13.9	-9.7
Investments in intangible assets	-	-0.5	-	-3.1	-3.1	-
Investments in lease assets	-	-9.8	-	-9.8	-0.9	8.9
Change in financial assets	0.6	-2.3	1.2	1.4	-0.4	-0.6
Acquisition of subsidiaries, net liquidity effect	-	-	-	-	-	-
Cash flow from investing activities	<b>0.4</b>	<b>-18.1</b>	<b>-0.1</b>	<b>-17.0</b>	<b>-18.3</b>	<b>-1.3</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>						
Change in provisions	-	-	-	-1.8	-1.8	-
Warrants	-	-	-	-	0.0	0.0
Change of loans	-	0.1	-24.5	-	-	-24.5
Repayment and interest for lease liability	-5.9	-8.6	-17.2	-8.6	-11.4	-20.0
Dividend paid to the parent company's shareholders	-	-	-	-	-	0.0
Cash flow from financing activities	<b>-5.9</b>	<b>-8.5</b>	<b>-41.7</b>	<b>-10.4</b>	<b>-13.2</b>	<b>-44.5</b>
Cash flow for the period	3.6	14.0	-27.8	-26.4	-6.5	-7.9
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	124.3	121.8	155.7	162.2	162.2	135.8
<b>CASH AND CASH EQUIVALENTS END OF PERIOD</b>	<b>127.9</b>	<b>135.8</b>	<b>127.9</b>	<b>135.8</b>	<b>155.7</b>	<b>127.9</b>

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

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

SEKm unless otherwise indicated	Jul 1 -Sep 30	Jul 1 -Sep 30	Jan 1 -Sep 30	Jan 1 -Sep 30	Full Year
	2023	2022	2023	2022	
Opening balance	226.5	228.2	238.5	260.7	260.7
Total comprehensive income for the period	-17.5	2.2	-29.4	-30.5	-22.3
New share issue, net	-	-	-	-	0.0
Warrants	-	-	-	-	0.0
Dividend	-	-	-	-	-
Translation difference	0.1	-0.1	-	0.1	0.1
Closing balance	209.1	230.3	209.1	230.3	238.5

## GROUP KEY PERFORMANCE INDICATORS (KPIs)

SEKm unless otherwise indicated	Jul 1 -Sep 30	Jul 1 -Sep 30	Jan 1 -Sep 30	Jan 1 -Sep 30	Full Year	Rolling
	2023	2022	2023	2022		
Net sales	228.2	212.3	673.0	682.8	964.9	955.1
Net sales growth, %	7.5	-11.4	-1.4	-24.8	-21.4	-4.7
Gross margin, %*	83.3	83.8	83.9	83.3	84.0	84.4
Fulfilment cost ratio %*	26.4	27.6	27.3	30.5	29.7	27.4
Marketing cost ratio, %*	30.2	24.8	30.1	26.2	27.1	29.8
Admin & other cost ratio, %*	14.6	18.1	16.1	19.9	17.1	14.4
Operating profit (EBIT)	16.1	19.1	45.0	16.1	52.8	81.7
Operating profit (EBIT) margin %	7.1	9.0	6.7	2.4	5.5	8.6
EBITA*	25.1	28.1	72.0	43.0	88.7	117.6
EBITA margin, %*	11.0	13.3	10.7	6.3	9.2	12.3
Adjusted EBITA*	25.1	28.1	72.0	56.2	101.9	117.6
Adjusted EBITA margin, %*	11.0	13.3	10.7	8.2	10.6	12.3
EBITDA*	31.2	37.1	90.4	58.0	108.4	140.7
Earnings per share	-0.12	0.01	-0.20	-0.21	-0.15	-0.14
Cash flow from operating activities	9.1	40.5	14.0	1.1	25.0	37.9
Capital expenditures**	0.2	6.1	1.4	8.6	17.1	9.8
Net debt*	985.8	1,020.1	985.8	1,020.1	999.0	985.8
Visits, '000	16,994	15,784	50,846	56,490	75,577	69,932
Orders, '000	409	398	1,204	1,348	1,891	1,747
Average Order Value, SEK	577	544	573	520	526	580
Active Customers, '000'	2,882	3,685	2,882	3,685	3,312	2,510

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

\*\* Excluding leases.

## PARENT COMPANY INCOME STATEMENT

SEKm unless otherwise indicated	Jul 1 -Sep 30	Jul 1 -Sep 30	Jan 1 -Sep 30	Jan 1 -Sep 30	Full Year
	2023	2022	2023	2022	2022
Net sales	3.4	2.1	10.0	8.5	11.5
Cost of goods sold	-	-	-	-	-
Gross profit	3.4	2.1	10.0	8.5	11.5
<b>OPERATING COSTS</b>					
Fulfilment costs	-	-	-	-0.2	-
Marketing costs	-	-	-	0.0	-
Admin & other costs	-5.9	-4.7	-15.8	-15.4	-21.2
Other operating income	0.7	1.9	6.5	4.9	-
Other operating costs	-2.2	-	-3.5	-	-
Operating profit	-4.0	-0.7	-2.8	-2.2	-9.7
<b>FINANCIAL INCOME AND EXPENSES</b>					
Financial income	1.7	-	13.2	-	5.8
Financial expenses	-29.6	-19.9	-81.9	-58.0	-79.6
Net financial items	-27.9	-19.9	-68.7	-58.0	-73.8
Group contributions	-	-	-	-	100.9
Profit/loss before tax	-31.9	-20.6	-71.5	-60.2	17.4
Income tax	-	-	-	-	-14.0
Profit/loss for the period	-31.9	-20.6	-71.5	-60.2	3.4

## PARENT COMPANY STATEMENT OF FINANCIAL POSITION – IN SUMMARY

SEKm unless otherwise indicated	2023-09-30	2022-09-30	2022-12-31
Tangible assets	0.1	0.1	0.1
Financial assets	1,406.3	1,406.3	1,406.3
Currents receivables	48.5	88.7	111.5
Cash and cash equivalents	10.9	9.3	9.5
<b>Total assets</b>	<b>1,465.8</b>	<b>1,504.3</b>	<b>1,527.3</b>
Equity	342.4	350.4	413.9
Provisions	-	-	-
Non-current liabilities	1,054.6	1,080.8	1,083.0
Current liabilities	68.8	73.1	30.4
<b>Total equity and liabilities</b>	<b>1,465.8</b>	<b>1,504.3</b>	<b>1,527.3</b>

## 1. ACCOUNTING PRINCIPLES

The Condensed Consolidated Interim Financial Statements have been prepared in accordance with IAS 34 Interim Financial Reporting and applicable parts of the Annual Accounts Act. 2021 was Desenio's first year reporting according to IFRS (EU) and a full account of the groups accounting principles and details about the transitions to IFRS can be found in the annual report 2021.

Disclosures in accordance with IAS 34. 16A are disclosed not only in the financial statements and their notes but also in other parts of the interim report.

The Interim Financial Statements or the Parent Company have been prepared in accordance with Chapter 9 Interim report in the Annual Accounts Act.

## 2. OPERATING SEGMENTS AND DISAGGREGATION OF REVENUE

The Group's operations are reviewed by geography as a basis for segments. The review includes net sales, cost of goods sold and operating costs. The operating segments consist of the Nordics, Core Europe (DE, FR, NL, UK), Rest of Europe and Rest of the World. Operating expenses include fulfilment and marketing costs and certain costs are allocated according to an allocation key. Other include other costs, depreciation and amortizations.

### INCOME STATEMENT PER SEGMENT JANUARY - SEPTEMBER 2023

SEKm unless otherwise indicated	Nordics	Core Europe	Rest of Europe	Rest of World	Other	Total
Net sales	158.5	324.1	127.6	62.8		673.0
Cost of goods sold	-26.8	-51.3	-19.8	-10.7		-108.6
<b>Gross profit</b>	<b>131.7</b>	<b>272.8</b>	<b>107.8</b>	<b>52.1</b>		<b>564.4</b>
Operating costs	-84.0	-178.9	-64.1	-57.7	-134.6	-519.3
<b>Operating profit</b>	<b>47.7</b>	<b>93.9</b>	<b>43.7</b>	<b>-5.6</b>	<b>-134.6</b>	<b>45.1</b>
Net financial items					-66.9	-66.9
<b>Profit/loss before tax</b>	<b>47.7</b>	<b>93.9</b>	<b>43.7</b>	<b>-5.6</b>	<b>-201.5</b>	<b>-21.8</b>

### 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
<b>Gross profit</b>	<b>132.4</b>	<b>275.9</b>	<b>116.5</b>	<b>44.4</b>		<b>569.1</b>
Operating costs	-84.6	-173.8	-84.7	-44.4	-165.6	-553.1
<b>Operating profit</b>	<b>47.8</b>	<b>102.0</b>	<b>31.8</b>	<b>0.1</b>	<b>-165.6</b>	<b>16.1</b>
Net financial items					-53.1	-53.1
<b>Profit/loss before tax</b>	<b>47.8</b>	<b>102.0</b>	<b>31.8</b>	<b>0.1</b>	<b>-218.7</b>	<b>-37.0</b>

Stockholm, 26 October 2023

Alexander Hars  
Chairman of the board

Martin Blomqvist  
Board member

Max Carlsén  
Board member

Sarah Kauss  
Board member

Nathalie du Preez  
Board member

Fredrik Palm  
CEO

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**CORPORATE IDENTITY  
NUMBER: 559107-2839**



A webcast - in English – will be held 26 October at 09.00 CEST. Fredrik Palm, CEO, and Anna Stähle CFO, will present the Quarterly Report.

If you wish to participate via webcast please use the link below. Via the webcast you are able to ask written questions. <https://ir.financialhearings.com/desenio-group-q3-2023>

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=5002415>

**FINANCIAL CALENDAR**

Year-end Report January - December 2023: 15 February 2024

Interim Report January - March 2024: 25 April 2024

Annual Report 2023: 8 May 2024

Annual General Meeting 2023: 29 May 2024

Interim Report April - June 2024: 16 July 2024

Interim Report January - September 2024: 24 October 2024

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

**FINANCIAL REPORTS**

The interim reports are available on the website:

[www.deseniogroup.com](http://www.deseniogroup.com)

FNCA Sweden AB is the company's certified adviser.

*This 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 2023-10-26 07:00 CEST.*



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 condensed interim financial information (interim report) of Desenio Group AB (publ) as of 30 September 2023 and the three-month period then ended. The Board of Directors and the Managing Director are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this 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 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 2023-10-26

KPMG AB

**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