



Full-year report 2021

1 January – 31 December 2021

DESENIO GROUP

Desenio Group AB (publ)

ABOUT DESENIO GROUP

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 and are steadily expanding to new markets.

Desenio has grown rapidly and profitably since 2015 and we are well positioned to build upon our dynamic growth model, including our proprietary technical platform, industrialized creative processes and efficient customer acquisition approach.

YOUR WALLS OUR PASSION

Desenio's competitive advantage

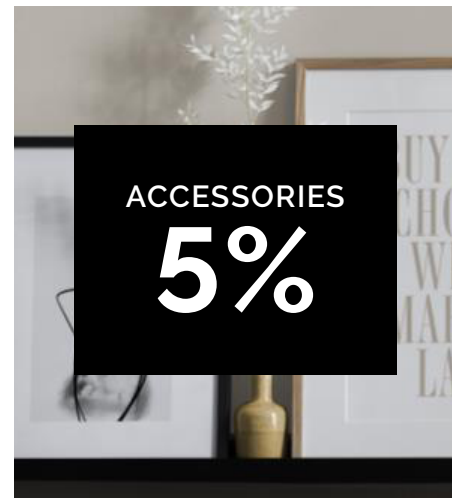
- Disruptive approach to a large global design category with significant expected growth
- Industrial and data driven creativity at scale, generating proprietary designs
- First order profitability via a social media/search driven customer acquisition model with high value influencer collaborations
- Proven strategic playbook for geographic expansion with significant potential in existing and unaddressed markets



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, (e.g. phone covers and tote bags).

SUMMARY

Net sales decreased 5.6% to SEK 319.4 million in the fourth quarter and increased 25.4% to SEK 1,227.2 million for the full year. We achieved this in a market with lower-than-normal search volumes in contrast to the higher-than-normal activity in Q4 2020.

FOURTH QUARTER 2021

- Net sales decreased 5.6% to SEK 319.4 (338.3) million. Organic net sales growth for the period was -30.2% (47.0%).
- Gross margin for the period was 82.4% (85.8%).
- Operating profit amounted to SEK 38.9 (92.8) million, corresponding to an operating margin of 12.2% (27.4%).
- Adjusted EBITA was SEK 48.9 (93.2) million, corresponding to an adjusted EBITA margin of 15.3% (27.6%).
- Cash flow from operating activities amounted to SEK 37.2 (178.6) million.
- Earnings per share was SEK 0.10 (0.46) before dilution and SEK 0.10 (0.44) after dilution.

JANUARY - DECEMBER 2021

- Net sales increased 25.4% to SEK 1,227.2 (978.5) million. Organic net sales growth for the period was -10.7% (57.9%).
- Gross margin in the period was 82.2% (84.6%).
- Operating profit amounted to SEK 143.0 (247.2) million, corresponding to an operating margin of 11.7% (25.3%).
- Adjusted EBITA amounted to SEK 201.5 (261.6) million, corresponding to an adjusted EBITA margin of 16.4% (26.7%).
- Cash flow from operating activities amounted to SEK 26.3 (279.7) million.
- Earnings per share SEK 0.40 (1.28) before dilution and SEK 0.38 (1.22) after dilution.
- The Board of Directors proposes no ordinary dividend. The reason is that the cash flows were lower than expected in 2021.

SIGNIFICANT EVENTS DURING AND AFTER THE PERIOD

- A new subsidiary in the Czech Republic, DGFC S.R.O, was established to handle the new logistics centre. In October the first orders from the new logistics centre were dispatched.
- The Senior Secured bond was also listed on Nasdaq Stockholm in December 2021.

Financial Summary

SEKm unless otherwise indicated	Oct 1 - Dec 31, 2021	Oct 1 - Dec 31, 2020	Change	Full year, 2021	Full year, 2020	Change
Net sales	319.4	338.3	-5.6%	1,227.2	978.5	25.4%
Net sales growth, %	-5.6	47.0	-52.6 pp	25.4	57.9	-32.5 pp
Organic net sales growth %	-30.2	47.0	-77.2 pp	-10.7	57.9	-68.7 pp
Gross margin %*	82.4	85.8	-3.4 pp	82.2	84.6	-2.4 pp
EBITA*	47.8	93.2	-48.7%	178.3	248.5	-28.3%
EBITA margin, %*	15.0	27.6	-12.6 pp	14.5	25.4	-10.9 pp
Adjusted EBITA*	48.9	93.2	-47.6%	201.5	261.6	-23.0%
Adjusted EBITA margin, %*	15.3	27.6	-12.3 pp	16.4	26.7	-10.3 pp
Earnings per share	0.10	0.46	-77.5%	0.40	1.28	-0.7 pp
Cash flow from operating activities	37.2	178.6	-79.2%	26.3	279.7	-90.6%
Net debt*	978.2	434.8	125.0%	978.2	434.8	125.0%
Visits, '000	24,771	25,917	-4.4%	104,636	84,524	23.8%
Orders, '000	692	662	4.6%	2,520	1,966	28.2%
Active customers, '000	3,777	2,301	64.1%	3,777	2,301	64.1%

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

CEO SUMMARY

“Strong profit and cash flow despite the weak market conditions creates a good foundation for continued expansion”

CONTINUED GROWTH INITIATIVES

Net sales decreased 5.6% to SEK 319.4 million in the fourth quarter and increased 25.4% to SEK 1,227.2 million 2021 compared to the previous year. We achieved this in a market with lower than normal search volumes in contrast to the higher-than-normal activity in Q4 2020. The difference in search volumes was reflected in organic net sales (excluding Poster Store which was consolidated from 16 December 2020), which decreased by 30% in Q4 and by 11% 2021. However, net sales for Desenio in 2021 was 41% higher than net sales in 2019, corresponding to a CAGR of 19%.

The conversion rate increased, while the average order value decreased in the fourth quarter compared to 2020 and our active customers amounted to 3.8 million, up 64% from last year.

Improved operating efficiency

During the quarter we improved our operating efficiency. But more importantly, higher sales volumes for the Group in Q4 compared to Q3 2021 translated into higher profit margins, as we leveraged our fixed cost base. The adjusted EBITA margin increased to 15.3% compared to 12.2% in Q3, but was considerably lower than in Q4 2020 (26.7%) due to higher net sales and lower marketing spend in Q4 2020. Cash flow from operating activities amounted to SEK 37.2 million (178.6). Our ability to deliver a comparable strong profit and cash flow despite the weak market conditions creates a good foundation for continued expansion and room for investments to further build upon our scalable business model.

Operationally we took a few important steps in the fourth quarter. Our new logistics centre in Bor, Czech Republic, became fully operational, which means that we will benefit from shortened delivery times and lower fulfilment costs in continental Europe in 2022, while at the same time paving way for continued efficient expansion in Europe. The work on merging our two fulfilment centres in Sweden is expected to be finalized in Q1, leading to further efficiency gains.

Continued geographic expansion

We were also pleased to embark on our journey from being a Nordic to European and now also a North America-based company. The team in North America has started to take form under the leadership of Michael Kurlancheek, with the goal to build a full-fledged operation. We take this step after having delivered net sales in the last two years of almost SEK 100 million in the USA and Canada without any local presence. The business will be fully built on Desenio's business platforms with its own fulfilment centre which is planned to be established in Q3 2022. The team operates with a full mandate to adapt and develop our offering for the North American markets.



Looking forward we are well positioned to build upon our dynamic growth model, including our organization, proprietary technical platform, industrialized creative processes and efficient customer acquisition approach. Our focus continues to be on building and expanding our operations to new markets and to cementing our position as the leader in affordable wall art – regardless of short-term volatility in market activity.

Aiming at double digit growth in H2 2022

In Q1 2022 we will meet very challenging comparative figures, due to very strong positive Covid-related effects in the previous year. We will also meet tough comparables in the first half of Q2, but expect our operational initiatives to translate into double digit growth during the second half of 2022.

I look forward to an exciting year and to continue deliver on our strategy.

Stockholm, 16 February 2022
Fredrik Palm
President and CEO, Desenio Group

THE GROUP'S DEVELOPMENT

NET SALES

Fourth quarter

Net sales in the quarter decreased 5.6% to SEK 319.4 (338.3) million. Poster Store contributed SEK 101.7 million net sales in the quarter.

January - December

Net sales for the period increased 25.4% to SEK 1,227.2 (978.5) million. Net sales was positively impacted by Poster Store contributing SEK 375.8 million net sales in the period.

PROFITABILITY AND MARGINS

Fourth quarter

The gross margin for the quarter was 82.4% (85.8%). The sales mix had a negative effect on the gross margin, where frames, with lower gross margins, had a higher share of total sales this quarter than in the previous year's quarter. Increased incoming shipping costs caused by the global shipping situation also contributed negatively to the margin.

EBIT (operating profit) in the quarter amounted to 38.9 (92.8) million. Adjusted EBITA in the quarter was SEK 48.8 (93.2) million, and the adjusted EBITA margin amounted to 15.3% (27.5%) compared to the prior year. The main reason was the slightly lower sales compared to the corresponding quarter in 2020. In relation to net sales, marketing costs were 20.3% the previous year and 24.2% (excluding amortization of the Poster Store customer data base) during the current period. Administration and other costs have somewhat increased due to more employees, leading to higher personnel costs compared to 2020.

Items affecting comparability amounted to SEK 1.1 (0) million related to up-listing activities, which is reduced from adjusted EBITA.

January - December

The gross margin decreased by -2.4 pp to 82.2% from 84.6% in 2020. The gross margin was during the second quarter of 2020 positively impacted by the Group's strong increase of net sales, due to Covid-19-related measures undertaken by governments and societies. Furthermore, no campaigns were offered and prices were increased during the second quarter 2020.

EBIT (operating profit) in the period amounted to 143.0 (247.2) million. Adjusted EBITA decreased by SEK 60 million, to SEK 201.5 (261.6) million, and the adjusted EBITA margin decreased by -10.3 pp. to 16.4% (26.7%). The main reason for the EBITA decrease was the lifting of Covid-19 restrictions, which led to lower demand during the year. Furthermore, the marketing spend in 2020 was low due to strong demand. In relation to net sales, marketing spend was 19.5% in 2020 and 23.5% (excluding amortization of the Poster Store customer data base) in 2021.

CASH FLOW AND FINANCIAL POSITION

Fourth quarter

Cash flow from operating activities amounted to SEK 37.2 (178.6) million for the quarter. Profit and cash flow in 2020 were positively impacted by Covid-19 effects. The main reasons for the lower cash flow from operational activities were the lower operational result and lower cash flow from changes in working capital.

January - December

Cash flow from operating activities amounted to SEK 26.3 (279.7) million. Profits and cash flows in 2020 were positively impacted by Covid-19 effects. The main reasons for the lower cash flow from operational activities were the lower operational result, higher levels of inventories, lower debt to suppliers and the tax authority.

INVESTMENTS

Fourth quarter

Net investments in tangible assets in the quarter was SEK 6.9 (0.7) million, mainly in equipment for the new warehouse in the Czech Republic. In addition the capitalized amount from leasing increased the investment value by SEK 5.2 million in the quarter. Investments in intangible assets were SEK 0 (0.6) million, which normally mainly consists of investments in the websites.

January - December

Net investment in tangible assets in the period was SEK 8.1 (0.8) million, consisting mainly of IT-equipment and equipment for the new warehouse in the Czech Republic. Apart from this the capitalized amount from leasing assets (IFRS 16) has increased the investment value by SEK 51.0 million in the period. Investments in intangible assets were 1.6 (6.4) million, mainly consisting of investments in the websites.

FINANCIAL POSITION AND FINANCING

As of 31 December 2021, equity amounted to SEK 260.7 million, compared to SEK 186.2 million as of 31 December 2020. The increase of SEK 74.5 million is partly explained by the profit for the period.

A set-off issue of 296.0 million attributable to the acquisition of Poster Store was carried out during the first quarter and in the same quarter a share dividend of 285.1 million was decided. During the second quarter, a warrant program was implemented for employees, which provided 6.4 million in equity.

As of 31 December 2021, cash and cash equivalents amounted to SEK 162.2 (647.4) million. The change was mainly related to cash flow operations, acquisition of Poster Store with net liquidity effect of SEK 213.8 million and paid dividend of SEK 285.1 million.

Net debt amounted to 978.2 (434.8) million per 31 December 2021.

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 bond is listed on the Frankfurt Stock Exchange Open Market Quotation Board and on Nasdaq Stockholm. Maximum amount of the bond is SEK 1,800 million.



SIGNIFICANT EVENTS JANUARY - DECEMBER

In the fourth quarter, Desenio Group opened a new subsidiary and logistics centre in the Czech Republic, DGFC S.R.O.

The Senior Secured bond was also listed on Nasdaq Stockholm in December 2021.

SIGNIFICANT EVENTS AFTER THE END OF THE PERIOD

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

DIVIDEND

For the full year 2021, the Board proposes no ordinary dividend. The reason is that the cash flows were lower than expected in 2021.

AUDIT REPORT

This report has not been reviewed by the auditors.

OWNERSHIP AND SHARES

Desenio Group AB's (publ) share is listed on the First North Growth Market under the symbol DSNO and has the ISIN code SE0015657853.

The share price as of the listing on 25 February 2021 amounted to SEK 72.00. At the last trading day of the period, the share price was SEK 24.30. The highest price paid, SEK 102.80, was quoted in May and the lowest price paid, SEK 17.00, was quoted in October.

During the period, 97,064,077 shares were traded.

As of December 31, Desenio Group had 3,575 shareholders, of which the largest were Verdane (26.1%), MBHB Holding AB (12.7%), and Hars Holding AB (9.7%).

As of December 31, 2021, the number of issued shares was 144,111,110, all of which are ordinary shares.

NUMBER OF EMPLOYEES

The average number of employees during the year was 198 and in the fourth quarter 175. Most employees are based in Stockholm.

SIGNIFICANT RISKS AND UNCERTAINTIES

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

Developments in the global economy and implications of COVID-19

The Group conducts business in 35 different countries. Developments in the economy, such as events concerning the general corporate climate, interest rate changes, currency changes, inflation and deflationary levels, taxes and similar costs, the availability of customer credits, developments on the stock exchange, the level of unemployment, other local and global economic factors and uncertainty concerning economic prospects, affect the buying behaviour of customers and the purchasing power on all markets of the Group. The risk level of the corporate climate varies by the Group's geographical markets. Since the first quarter of 2020 when the COVID-19 pandemic broke out globally Desenio has continuously monitored the pandemic's development and assesses the implications on the Group's business on both a long-term and short-term basis.

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

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

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

Seasonal sales and customer trends

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

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

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

Currency risk

As a consequence of its international reach, the Group is exposed to risks related to exchange rate fluctuations. The risk is mainly in connection with the sale of the Group's products in currencies other than SEK. Approximately 90% of the Group's net sales are in foreign currency, primarily in EUR, GBP and DKK and increasingly in USD. The Group reports its income statement and balance sheet in SEK and thus the Group's consolidated sales are exposed to currency changes. The Group does not currently work with hedging such currency exposure.

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

The company has issued a Senior Secured Bond with a variable interest rate. The terms of the bond include restrictions on dividends and raising new loans. As collateral, the Group has provided collateral, including pledging of shares in the subsidiaries.

Interest rate risk

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

SUSTAINABILITY

Sustainability is an important part of Desenio's strategic agenda and the Group works continuously to improve its production process and to reduce its environmental impact. Desenio only works with suppliers who share the Group's agenda for sustainable production and consumption. The company has two main processes for this: i) Forest Stewardship Council certification ("FSC") ensures that all stakeholders involved in production work in accordance with the FSC standard to sustainability use the resources from the world's forests; and (ii) all suppliers sign and comply with Desenio's Code of Conduct, and conduct annual independent factory inspections in risk countries. Desenio has a dedicated sustainability manager who reports to the Company's Chief Operating Officer. Desenio has also been a partner with the Blue Marine Foundation since 2019 and has created an "Art for Oceans" collection to raise awareness of the crisis facing the world's oceans.

In addition, the Company became a partner in 2017 with the organization Vi-Skogen, which since 1983 has planted 134 million trees and helped over 2.4 million people in the fight against poverty. Together with Vi-Skogen, Desenio plants two new trees for each tree used in the production of the posters sold. Over 35,000 trees have been planted by Desenio since 2017.



FINANCIAL SUMMARY

DESENIO GROUP

Desenio Group AB (publ) / Q4 Report

Condensed consolidated statement of profit or loss and other comprehensive income

SEKm unless otherwise indicated	Oct 1 - Dec 31, 2021	Oct 1 - Dec 31, 2020	Full year, 2021	Full year, 2020
Net sales	319.4	338.3	1,227.2	978.5
Cost of goods sold	-56.3	-48.2	-219.0	-151.1
Gross profit	263.0	290.1	1,008.2	827.4
OPERATING COSTS				
Fulfilment costs	-93.0	-96.8	-345.2	-275.8
Marketing costs	-85.8	-68.7	-321.9	-190.9
Admin & other costs	-47.3	-36.0	-196.9	-118.2
Other operating income	10.8	9.5	16.8	19.4
Other operating costs	-8.8	-5.3	-18.1	-14.7
Operating profit	38.9	92.8	143.0	247.2
FINANCIAL INCOME AND EXPENSES				
Financial income	9.2	-4.4	9.2	0.0
Financial costs	-24.6	-4.9	-75.5	-19.1
Net financial items	-15.4	-9.3	-66.3	-19.1
PROFIT/LOSS BEFORE TAX	23.5	83.5	76.7	228.1
Income tax	-8.5	-18.6	-19.5	-49.1
PROFIT/LOSS FOR THE PERIOD	15.0	64.9	57.2	179.0

	Oct 1 - Dec 31, 2021	Oct 1 - Dec 31, 2020	Full year, 2021	Full year, 2020
EARNINGS PER SHARE				
Basic	0.10	0.46	0.40	1.28
Diluted	0.10	0.44	0.38	1.22
Number of outstanding shares at the end of the reporting period				
- basic (SEK)	144,111,110	140,000,000	144,111,110	140,000,000
- diluted (SEK)	150,966,310	146,482,000	150,730,710	146,482,000
Average number of outstanding shares				
- basic (SEK)	144,111,110	140,000,000	143,562,962	140,000,000
- diluted (SEK)	149,970,433	146,482,000	149,744,006	146,482,000

Consolidated statement of financial position - in summary*

SEKm unless otherwise indicated	Dec 31, 2021	Dec 31, 2020
Goodwill	834.3	834.3
Trademarks	429.0	429.0
Other intangible assets	73.1	106.4
Tangible assets	11.1	5.2
Right-of-use assets	64.9	17.7
Financial assets	6.8	5.8
Inventories	91.3	53.7
Current receivables	30.9	51.3
Cash and cash equivalents	162.2	647.4
Total assets	1,703.7	2,150.9
Equity	260.7	186.2
Provisions	103.4	109.0
Non-current liabilities	1,074.3	1065.5
Non-current lease liabilities	51.4	11.4
Current lease liabilities	14.7	5.2
Current liabilities	199.1	773.5
Total liabilities	1,703.7	2,150.9

Consolidated statement of cash flow

SEKm	Oct 1 - Dec 31, 2021	Oct 1 - Dec 31, 2020	Full year, 2021	Full year, 2020
CASH FLOW FROM OPERATING ACTIVITIES BEFORE CHANGES IN WORKING CAPITAL				
Profit after financial items	23.5	83.5	76.7	228.1
Adjustments for non-cash items	14.1	0.8	46.8	14.5
Paid income tax	-8.8	55.4	-25.0	24.2
CASH FLOW FROM OPERATING ACTIVITIES BEFORE CHANGES IN WORKING CAPITAL	28.9	139.7	98.5	206.2
CASH FLOW FROM CHANGES IN WORKING CAPITAL				
Changes in inventory	-20.1	-20.1	-37.6	-12.3
Changes in current assets	-8.5	-32.7	20.4	-37.1
Changes in current liabilities	36.9	91.7	-55.0	62.3
Cash flow from changes working capital	8.3	38.9	-72.2	12.9
CASH FLOW FROM OPERATING ACTIVITIES	37.2	178.6	26.3	279.7
CASH FLOW FROM INVESTING ACTIVITIES				
Investments in fixed assets	-12.1	-0.1	-66.6	-1.9
Investments in intangible assets	0.0	0.0	0.0	-9.6
Change in financial assets	0.3	-0.8	-1.0	-1.8
Acquisition of subsidiaries, net liquidity effect	0.0	-665.0	-213.8	-665.0
Cash flow from investing activities	-11.8	-665.9	-281.5	-678.3
CASH FLOW FROM FINANCING ACTIVITIES				
Warrants	0.0	0.0	6.3	0.1
New loans	1.2	1,065.5	48.8	1,065.5
Repayments of loans	0.0	-15.5	0.0	-48.2
Dividend paid to the parent company's shareholders	0.0	0.0	-285.1	-100.0
Cash flow from financing activities	1.2	1,050.0	-230.0	917.4
Cash flow for the period	26.6	562.7	-485.2	518.8
Currency exchange gains/losses in cash and cash equivalents	0.0	0.0	0.0	0.0
Cash and cash equivalents beginning of period	135.6	84.7	647.4	128.5
CASH AND CASH EQUIVALENTS END OF PERIOD	162.2	647.4	162.2	647.4

Consolidated statement of changes in equity

SEKm unless otherwise indicated	Oct 1 - Dec 31, 2021	Oct 1 - Dec 31, 2020	Full year, 2021	Full year, 2020
Opening balance	245.3	120.9	186.1	107.2
Total comprehensive income for the period	15.0	64.9	57.2	179.0
New share issue, net	-	-	296.0	-
Warrants	-	-	6.4	-0.1
Dividend	-	-	-285.1	-100.0
Translation difference	0.4	0.4	0.0	-
Closing balance	260.7	186.2	260.7	186.1

Group Key Performance Indicators (KPIs)

SEKm unless otherwise indicated	Oct 1 - Dec 31, 2021	Oct 1 - Dec 31, 2020	Change	Full year, 2021	Full year, 2020	Change
Net sales	319.4	338.3	-5.6%	1,227.2	978.5	25.4%
Net sales growth, %	-5.6	47.0	-52.6 pp	25.4	57.9	-32.5 pp
Organic sales growth %	-31.2	47.0	-78.2 pp	-11.1	57.9	-69.0 pp
Gross margin, %*	82.4	85.8	-3.4 pp	82.2	84.6	-2.4 pp
Fulfilment cost ratio %*	29.1	28.6	0.5 pp	28.1	28.2	-0.1 pp
Marketing cost ratio, %*	24.2	20.3	3.9 pp	23.5	19.5	4.0 pp
Admin & other cost ratio, %*	14.8	10.6	4.2 pp	16.0	12.1	4.0 pp
Operating profit (EBIT)	38.9	92.8	-58.1%	143.0	247.2	-42.2%
Operating profit (EBIT) margin %	12.2	27.4	-15.2 pp	11.7	25.3	-13.6 pp
Adjusted EBIT*	40.0	92.8	-56.9%	166.2	260.3	-36.2%
Adjusted EBIT margin, %*	12.5	27.4	-14.9 pp	13.5	26.6	-13.1 pp
EBITA*	47.8	93.2	-48.7%	178.3	248.5	-28.3%
EBITA margin, %*	15.0	27.6	-12.6 pp	14.5	25.4	-10.9 pp
Adjusted EBITA*	48.9	93.2	-47.6%	201.5	261.6	-23.0%
Adjusted EBITA margin, %*	15.3	27.6	-12.3 pp	16.4	26.7	-10.3 pp
EBITDA*	48.2	93.5	-48.5%	180.3	249.7	-27.8%
EBITDA margin, %*	15.1	27.7	-12.6 pp	14.7	25.5	-10.8 pp
Adjusted EBITDA*	49.3	93.5	-47.3%	203.5	262.8	-22.6%
Adjusted EBITDA margin, %*	15.4	27.7	-12.2 pp	16.6	26.9	-10.3 pp
Earnings per share	0.10	0.46	-77.5%	0.40	1.28	-68.8%
Cash flow from operating activities	37.2	178.6	-79.2%	26.3	279.7	-90.6%
Capital expenditures*	12.1	0.7	1656.9%	60.7	7.3	736.1%
Net debt / net cash*	978.2	434.8	125.0%	978.2	434.8	125.0%
Visits, '000	24,771	25,917	-4.4%	104,636	84,524	23.8%
Orders, '000	692	662	4.6%	2,520	1,966	28.2%
Average Order Value, SEK	474	489	-3.0%	498	502	-1.0%
Active Customers, '000	3,777	2,301	64.1%	3,777	2,301	64.1%

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

Parent company income statement

SEKm unless otherwise indicated	Oct 1 - Dec 31, 2021	Oct 1 - Dec 31, 2020	Full year, 2021	Full year, 2020
Net sales	4.2	1.1	7.6	3.1
Cost of goods sold	0.0	0.0	0.0	3.8
Gross profit	4.2	1.1	7.6	6.9
OPERATING COSTS				
Fulfilment costs	0.0	0.0	0.0	0.0
Marketing costs	-0.3	0.0	-0.4	-7.5
Admin & other costs	-9.1	-3.3	-39.9	-2.7
Other operating income	0.1	3.8	0.1	0.0
Other operating costs	-0.1	0.0	-0.2	0.0
Operating profit	-5.2	1.7	-32.8	-3.2
PROFIT/LOSS BEFORE TAX				
FINANCIAL INCOME AND EXPENSES				
Financial income	0.1	190.0	0.1	190.0
Financial expenses	-18.0	-6.0	-68.2	-8.1
Net financial items	-18.0	184.0	-68.2	181.9
Group contributions	207.3	42.0	207.3	42.0
PROFIT/LOSS BEFORE TAX	184.2	227.7	106.4	220.7
Income tax	-25.2	-30.7	-25.2	-6.6
Profit/loss for the period	159.0	197.0	81.2	214.1

Parent company statement of financial position – in summary

SEKm unless otherwise indicated	Dec 31, 2021	Dec 31, 2020
Tangible assets	0.1	0.0
Financial assets	1,406.3	1,406.2
Currents receivables	80.0	4.7
Cash and cash equivalents	17.6	501.5
Total assets	1,504.0	1,912.4
Equity	410.5	312.0
Provisions	0.0	0.0
Non-current liabilities	1,074.3	1,065.5
Current liabilities	19.2	534.9
Total liabilities	1,504.0	1,912.4

Parent company statement of changes in equity

SEKm unless otherwise indicated	Oct 1 - Dec 31, 2021	Oct 1 - Dec 31, 2020	Full year, 2021	Full year, 2020
Opening balance	251.5	91.0	312.0	197.9
Total comprehensive income for the period	159.0	221.2	81.2	214.2
New share issue, net	0.0	0.0	296.0	-
Warrants	0.0	-0.1	6.4	-0.1
Dividend	0.0	0.0	-285.0	-100.0
Translation difference	0.0	0.0	0.0	-
Closing balance	410.5	312.0	410.5	312.0

1. ACCOUNTING PRINCIPLES

The Condensed Consolidated Interim Financial Statements have been prepared in accordance with IAS 34 Interim Financial Reporting and applicable parts of the Annual Accounts Act. The Interim Financial Statements or the Parent Company have been prepared in accordance with Chapter 9 Interim report in the Annual Accounts Act. 2021 is 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 interim report for the first quarter.

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

2. OPERATING SEGMENTS AND DISAGGREGATION OF REVENUE

The Group's operations are reviewed by geography as a basis for division. 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.

Income statement per segment Full year 2021

SEKm unless otherwise indicated	Nordics	Core Europe	Rest of Europe	Rest of World	Adjustments	Total
Net sales	262.5	653.2	238.2	67.1	6.3	1,227.2
Cost of goods sold	-48.9	-117.8	-44.2	-8.1	0.0	-219.0
Gross profit	213.5	535.5	194.0	59.0	6.3	1,008.3
Operating costs	-111.3	-357.3	-147.1	-43.0	-206.5	-865.2
Operating profit	102.2	178.2	46.9	16.0	-200.2	143.0
Net financial items	0.0	0.0	0.0	0.0	-66.3	-66.3
Profit/loss before tax	102.2	178.2	46.9	16.0	-266.5	76.7

Income statement per segment Full year 2020

SEKm unless otherwise indicated	Nordics	Core Europe	Rest of Europe	Rest of World	Adjustments	Total
Net sales	236.7	535.8	169.4	36.6	0.0	978.5
Cost of goods sold	-35.6	-83.0	-27.3	-5.1	0.0	-151.1
Gross profit	201.1	452.8	142.1	31.5	0.0	827.4
Operating costs	-105.9	-244.3	-86.8	-26.3	-116.9	-580.2
Operating profit	95.2	208.5	55.3	5.1	-116.9	247.2
Net financial items	0.0	0.0	0.0	0.0	-19.1	-19.1
PROFIT/LOSS BEFORE TAX	95.2	208.5	55.3	5.1	-136.0	228.1

*Justeringar består av avskrivningar avseende immateriella och materiella anläggningstillgångar

3. EQUITY

Dividend

At the Annual General Meeting on February 19, 2021, a share dividend of SEK 285.1 million was decided. The dividend was paid during the first quarter of 2021.

Incentive program

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

to issue 80,000 warrants with the option to purchase shares during the same period in 2025. That issue was directed at the parent company's board members. In June 2021, 472,300 new warrants were issued and subscribed for by employees who invested a total of SEK 6.4 million, which increased equity by the same amount.

Stockholm, 16 February 2022

Desenio Group AB (publ)

The Board of Directors

FOR FURTHER INFORMATION, PLEASE CONTACT:

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A conference call and webcast - in English – will be held at 09.00 CET. Fredrik Palm, CEO, and Kristian Lustin, CFO, will present the Year-end Report. Please find a link to the webcast and telephone numbers below.

Webcast: <https://tv.streamfabriken.com/desenio-group-q4-2021>

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FINANCIAL CALENDAR

Interim Report January - March 2022: 27 April 2022

Annual General Meeting: 12 May 2022

Interim Report January - June 2022: 15 July 2022

Interim Report January - September 2022: 26 October 2022

Interim Report January - December 2022: 15 February 2023

FINANCIAL REPORTS

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

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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 CET on 16 February 2022.

Definitions of key performance indicators

Key figures	Definition	Justification for usage
Active customers	Number of customers who have completed at least one order during the previous 24-month period.	This key figure measures the Company's ability to attract and retain customers.
Administration and other cost ratio, %	Operating expenses plus other operating income, less costs for goods sold, external handling and distribution costs and external marketing costs divided by net sales, expressed as a percentage.	This key figure gives the Company an indication of external costs, per krona earned, which are not attributable to handling and distribution costs or marketing costs and is thus an indication of the efficiency of the Company's operations.
Marketing cost ratio, %	Marketing cost (excluding acquisition related depreciation and amortization) divided by net sales, expressed as a percentage.	This key figure enables the Company to measure how efficient its marketing activities are and thus constitutes an indication of how efficient the Company's operations are.
Fulfilment cost ratio, %	Fulfilment cost (excluding acquisition related depreciation and amortization), divided by net sales, expressed as a percentage.	This is a key figure and gives the Company an indication of how much of the costs for each krona earned in net sales derives from handling and distribution, and thus constitutes an indication of how efficient the Company's operations are.
Number of visits ('000)	The number of series of page requests from the same device/source during the measurement period (regardless of which device is used).	This key figure enables the Company to measure its scope and customer activity.
Number of orders ('000)	Number of orders placed during the measurement period, adjusted for cancellations and returns.	Number of orders is a key figure used to measure customer engagement.
Gross margin, %	Gross profit (net sales minus costs of goods sold) divided by net sales, expressed as a percentage.	The gross margin provides an overview of the product margin generated by the current operations.
EBIT margin, %	Operating profit (EBIT) divided by net sales, expressed as a percentage.	Operating margin provides an overview of the result that has been generated by operating activities.
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.

Definitions of key performance indicators

Key figures	Definition	Justification for usage
EBITDA	Profit before financial items, tax and depreciation and write-downs.	The EBITA margin is a useful measure together with net sales growth to monitor value creation.
Average order value (AOV)	Transaction-based net sales divided by the number of orders during the measurement period. Average order value is minus discounts, excluding VAT and after returns.	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 and warehouse relocation costs.	Adjusted EBIT is adjusted for items affecting comparability and is thus considered to be a useful measure of the Company's underlying profit generated from operating activities.
Adjusted EBIT-margin, %	Adjusted EBIT divided by net sales, expressed as a percentage.	Adjusted EBIT margin is adjusted for items affecting comparability and is thus considered to be a useful measure of the Company's underlying profit generated from operating activities.
Adjusted EBITA	EBITA excluding items affecting comparability. Items affecting comparability include transaction-related costs and warehouse relocation costs.	The measure is relevant to give an indication of the Company's underlying results generated by operating activities excluding items affecting comparability.
Adjusted EBITA-margin, %	Adjusted EBITA divided by net sales, expressed as a percentage.	The measure is relevant for giving an indication of the Company's underlying profit as a share of net sales, which is generated by operating activities excluding items affecting comparability.
Adjusted EBITDA	EBITDA excluding items affecting comparability. Items affecting comparability include transaction-related costs and warehouse relocation costs.	Adjusted EBITDA is adjusted for items affecting comparability and is thus considered to be a useful measure of the Company's underlying profit generated from operating activities before depreciation.
Net sales growth, %	Annual growth in net sales, expressed as percentage.	This key figure enables the company to compare its growth rate in between different periods and with market as a whole and competitors.
Net debt/net cash	Interest-bearing liabilities reduced by cash and cash equivalents.	Net debt / net cash is a key figure that shows the Company's total indebtedness.



DESENIO GROUP

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