

A family is gathered in a living room for a movie night. A man and a woman are sitting on a sofa, watching a movie. A young girl is sitting on the floor, looking through binoculars. A boy is sitting on the floor, looking at a smartphone. A dog is sitting on the sofa. A small table with snacks and drinks is in front of them. A shark poster is on the wall. A child is sitting on the floor, looking through binoculars.

Q3 2023

Presentation of CDON's quarterly results

Welcome to our quarterly presentation, hosted by our CEO, Fredrik Norberg and CFO, Thomas Pehrsson



Fredrik Norberg
CEO

“Continued strong double digit growth of our main KPI: Gross Profit After Marketing”



Thomas Pehrsson
CFO and dep. CEO

“Happy to report that we are EBITDA positive for a third consecutive quarter 2023”

A photograph of a family in a kitchen. A man with glasses and a beard, wearing a blue striped shirt and a dark apron, is leaning over a wooden countertop, holding a small green bag. A young girl with blonde hair in a bun, wearing a yellow cardigan, is reaching into a green bag. Another person is partially visible on the left. The countertop is covered with flour, pasta, and various kitchen items. The background shows a tiled wall and a knife rack.

Agenda

- Q3 results
- Integration status
- Financial performance
- Q&A



Q3 results

Continued strong uplift in GPAM, fueled by both segments

Main KPIs

Our definition

Q3 summary
CDON Group '23 vs CDON segment '22

GMV

Gross Merchandise Value

... the **attractiveness** of our
proposition to consumers

486 mSEK
+1%

GPAM

Gross Profit After Marketing

... the **operational**
efficiency of our business

52 mSEK
+115%

EBITDA

Earnings before interest, taxes,
depreciation and amortization

... the **operational**
efficiency of the company

+3 mSEK
vs
-20 mSEK LY

GMV: Opposite effects of the weak economy, with positive effect on Fyndiq, but continued negative effect on CDON



Group Q3 '23 vs
CDON Q3 '22

486 mSEK
(+1%)

Segment reference
Q3 '23 vs Q3 '22



360 mSEK (-25%)



126 mSEK (+17%)

Commentary

- Continued focus on profitability at the expense of low-margin sales for CDON segment, in combination with lower demand of higher-priced products
- Fyndiq segment continues with strong top-line sales as a result of the strategy to massively increase supply, in combination with macro-economic effects
- Headwinds from e-commerce industry weakness; Swedish e-commerce -19% in September (-24% inflation adjusted)¹

GPAM: Our main KPI continues to show strong growth



Group Q3 '23 vs
CDON Q3 '22

52 mSEK
(+115%)

Segment reference

Q3 '23 vs Q3 '22



32 mSEK (+16%)



24 mSEK (+42%)

Commentary

- Reported GPAM increase primarily due to the addition of Fyndiq, but also due to the strong underlying performance for both segments
- Strict focus on marketing efficiency in both segments, with main effect on the CDON segment
- Improvements in increased take-rates, affecting GPAM
 - increased selling fees for CDON segment
 - shipping fee improvements for Fyndiq

EBITDA: Continued great EBITDA improvement



Group Q3 '23 vs
CDON Q3 '22

+3.2 mSEK
(Q2 '22: -19.7 mSEK)

segment reference

Q3 '23 vs Q3 '22



-1.6mSEK (-19.5 mSEK)

FYNDIQ

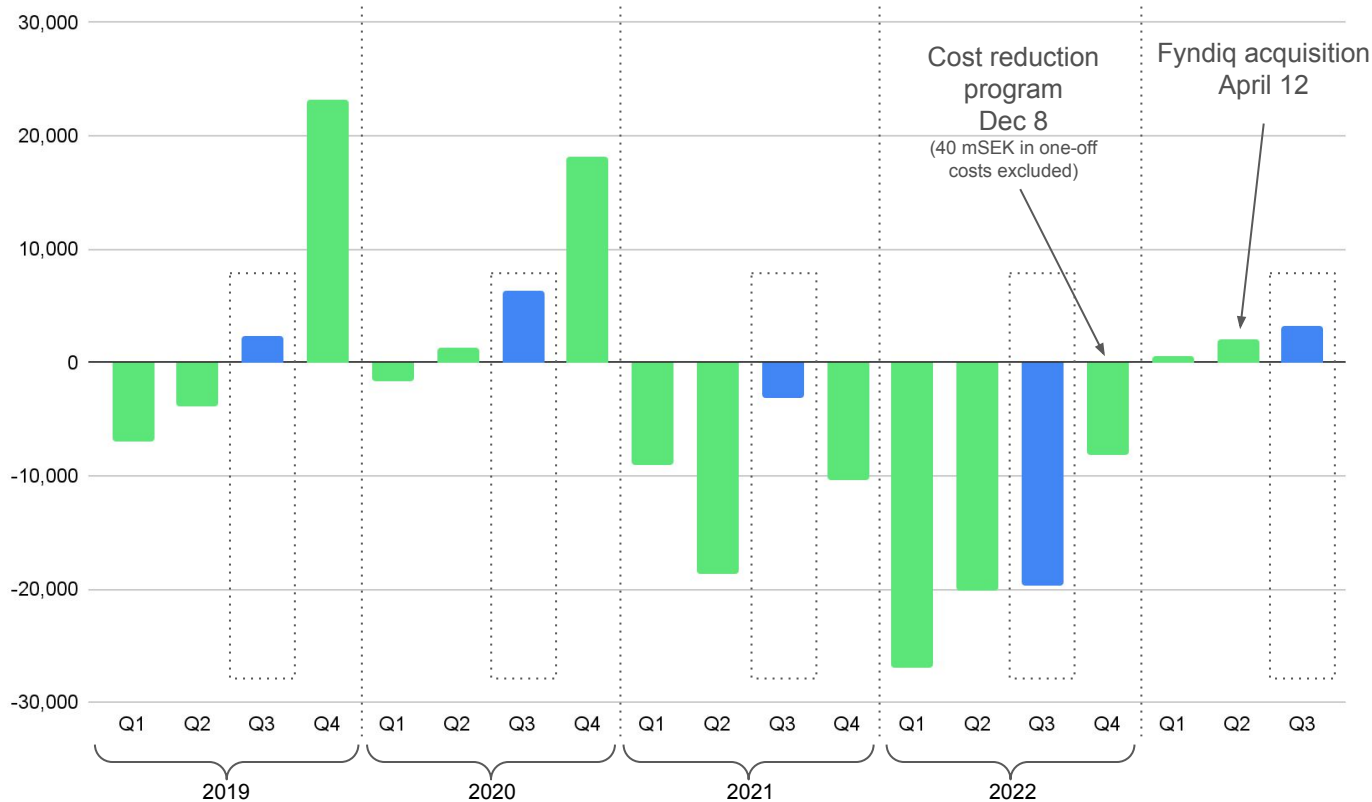
+4.8 mSEK (+2.3 mSEK)

Commentary

- GPAM improvements partly offset by higher OPEX, originated from certain temporary costs
 - continued salary payments to personnel who departed prior to summer
 - additional consultants essential for various integration tasks, such as platform and data migration
- Additional synergy effects to contribute further to EBITDA from 2024

Third consecutive quarter EBITDA positive

Quarterly EBITDA (kSEK) (CDON segment to Q1 '23, and CDON group from Q2 '23)



**Backloaded
seasonality with
peak in Q4**

**Confident in being
full year EBITDA
positive**






The integration

Committed to realize the **40 MSEK** potential by end of 2024, with additional margin potential anticipated

Synergy estimates - Status update

OPEX cost reduction

-  Technology platform cost
-  Consultant reduction
-  Overhead overlap




Potential



Impact

Brief status

Additional value creation

-  Merchant offering and acquisition
-  Take-rate optimization
-  Traffic acquisition optimization

Additional potential, yet to be quantified

40 MSEK run-rate reduction by Jan 2025 vs March 2023

- Cost reduction from CDON platform
- 10 employee departed in June
- Multiple marketing consultants terminated
- Remaining consultants focused on migration
- Other OPEX reduced by +20%

- Onboarding of new supply through partnership ongoing
- Implementation of new category fee
- Launch of feed-based campaigns on Google shopping
- Several technical SEO implementations, with delayed effect

- The platform migration is a major unlock for realizing the full cost synergies -



Financial performance

Introduction to the financials for CDON Group

- CDON Group's third quarter financials encompasses results from both Fyndiq and CDON.
- CDON Group's financials for the period January to September, encompasses results from Fyndiq from the 12th of April and CDON for the entire period.
- Fyndiq was not part of CDON Group in 2022, therefore, comparable numbers from comparative periods for Fyndiq are not included in the official reported numbers.
- Financials for entire periods and comparative periods for the Group and CDON and Fyndiq respectively will be presented in the presentation and was also presented in the Q3 report as reference.



Alignment of revenue recognition principle between CDON and Fyndiq

- Fyndiq AB ("Fyndiq") is since April 2023 a wholly owned subsidiary of CDON. Fyndiq and CDON's 3P business have historically used different accounting principles regarding revenue recognition due to differences in business model.
- The Group has assessed the possibilities of aligning the revenue recognition and has come to the conclusion that aligning accounting principles for revenue recognition is the most correct decision given the fact that Fyndiq and CDON is now part of the same group.
- Hence, in this Q3 report and onwards, there are no differences in terms of revenue recognition between Fyndiq marketplace and CDON's 3P business.

CDON Group

Amounts in SEK million	Q2 report	Increase/decrease	Q2 restated
Net sales	170.4	-66.2	104.2
Cost of goods sold	-93.1	66.2	-26.9
Gross profit	77.3	0	77.3

Group Income Statement

Income Statement	2023	2022	
Amounts in SEK million	Jul-Sep	Jul-Sep	Δ
CDON Group			
Total Gross merchandise value	486.0	479.1	1%
Net sales	112.2	97.5	15%
Gross profit	82.6	50.0	65%
Gross profit after marketing	52.0	24.2	115%
Take rate (%)	17.0	10.4	6.6 p.p
Gross margin (%)	73.6	51.2	22.4 p.p
EBITDA	3.2	-19.7	n/a
CDON			
Gross merchandise value	359.8	479.1	-25%
Net sales	74.4	97.5	-23%
Gross profit	45.7	50.0	-9%
Gross profit after marketing	28.0	24.2	16%
Take rate (%)	12.7	10.4	2.3 p.p
Gross margin (%)	61.4	51.2	10.2 p.p
Fyndiq			
Gross merchandise value	126.3		
Net sales	37.8		
Gross profit	36.9		
Gross profit after marketing	23.9		
Take rate (%)	29.2		
Gross margin (%)	97.5		

- Total GMV for the Group increased by 1%. The slight increase in GMV is attributable to the combination with Fyndiq and the absence of a comparative period for Fyndiq.
- Net sales increased by 15%.
- Gross profit after marketing increased by 115% due to the combination with Fyndiq and enhanced focus on profitable marketing spend.
- Positive EBITDA of SEK 3.2 (-19.7) million.
- During the quarter goodwill depreciation due to the acquisition of Fyndiq amounted to SEK 16.7 million, and SEK 30.5 million for the year.

Group Balance Sheet Statement

Balance Sheet	2023	2022
<u>Amounts in SEK million</u>	<u>Sep</u>	<u>Sep</u>
Total non-current assets	744.0	107.2
Inventory	13.4	9.8
Other current assets	47.4	28.3
Cash and cash equivalents	99.0	80.3
Total assets	903.7	225.6
Total equity	695.0	113.4
Short-term liabilities	195.9	104.3
Long-term liabilities and provisions	12.8	7.9
Total equity and liabilities	903.7	225.6

- Total assets increased due to the goodwill of Fyndiq and the increase in equity is due to the newly issued shares related to the acquisition of Fyndiq.
- Total cash and cash equivalents of SEK 99.0 (80.3) million.

Group Cash Flow Statement

Cash Flow	2023	2022
Amounts in SEK million	Jul-Sep	Jul-Sep
Cash flow from operating activities	-7.7	-32.8
Cash flow from investing activities	-3.0	-5.5
Cash flow from financial activities	0.0	0.1
Cash flow for the period	-10.7	-38.2
Cash at the beginning of the period	109.7	118.7
Exchange rate differences in cash	0.0	-0.2
Cash at the end of the period	99.0	80.3

- Cash flow from operating activities amounted to SEK -7.7 (-32.8) million.
- Total cash flow for the period amount to SEK -10.7 (-38.2) million.
- Total cash at the end of the period amounts to SEK 99.0 (80.3) million.

Group Income Statement for Reference

Income Statement – For Reference	2023	2022	
Amounts in SEK million	Jul-Sep	Jul-Sep	Δ
CDON Group			
Total Gross merchandise value	486.0	587.3	-17%
Net sales	112.2	125.9	-11%
Gross profit	82.6	77.6	6%
Gross profit after marketing	52.0	41.0	27%
Take rate (%)	17.0	13.2	3.8 p.p
Gross margin (%)	73.6	61.6	12.0 p.p
EBITDA	3.2	-17.2	n/a
CDON			
Gross merchandise value	359.8	479.1	-25%
Net sales	74.4	97.5	-24%
Gross profit	45.7	50.0	-9%
Gross profit after marketing	28.0	24.2	16%
Take rate (%)	12.7	10.4	2.3 p.p
Gross margin (%)	61.4	51.2	10.2 p.p
Fyndiq			
Gross merchandise value	126.3	108.2	17%
Net sales	37.8	28.4	33%
Gross profit	36.9	27.6	34%
Gross profit after marketing	23.9	16.8	42%
Take rate (%)	29.2	25.5	3.7 p.p
Gross margin (%)	97.6	97.2	0.4 p.p

- With the results of the entire period for Fyndiq total GMV declined by 17%.
- Net sales declined by 11%.
- Gross profit increased by 6%, despite the notable decline in net sales.
- Gross profit after marketing increased by 27% for the group as a result of continued efficient marketing spend.
- Positive EBITDA of SEK 3.2 (-17.2) million.

A family of four is gathered in a living room for a movie night. A mother and father are sitting on a large rug, with the mother holding a young child. A teenage boy is sitting to the right, wearing headphones and looking at a smartphone. In the foreground, another child is seen from the back, wearing a blue and red patterned shirt. A small, vintage-style television sits on the floor, displaying a movie scene. A large, pink, inflatable unicorn is also on the rug. A low coffee table holds various snacks and drinks. The room is dimly lit, with a warm lamp providing light. On the wall, there is a framed picture of a shark's mouth. A potted plant is visible in the background. A semi-transparent white box with the text "Capital Markets Day November 16" is centered over the image.

Capital Markets Day November 16

Q&A