

The Leading Nordic Marketplace

"We have a clear objective: Nordic expansion. We have initiated a number of activities to accelerate our growth. In the first quarter, CDON Marketplace grew by 4%, despite a declining underlying e-commerce market."



Peter Kjellberg
CEO



Q1 22: CDON reports 4% growth while the market decreased by 13%

Presented by:



Peter Kjellberg
CEO



Thomas Pehrsson
CFO

***"We continue to
take marketshare
and to build for
future growth"***

Agenda

This is CDON

Quarterly update

Financial performance

Summary

Q&A



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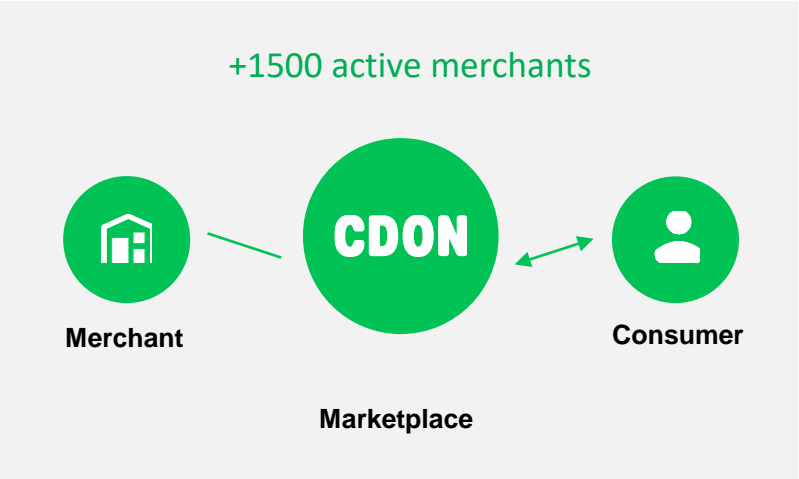
This is CDON

This is CDON - The leading Nordic marketplace

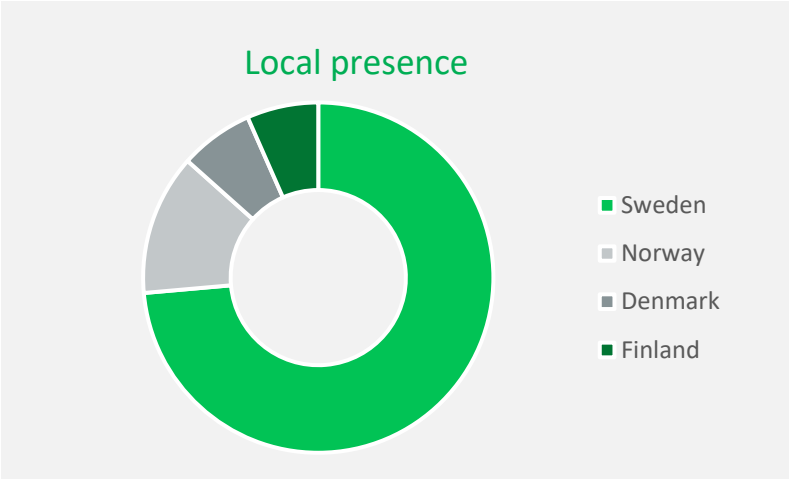
Attractive products at the best prices...



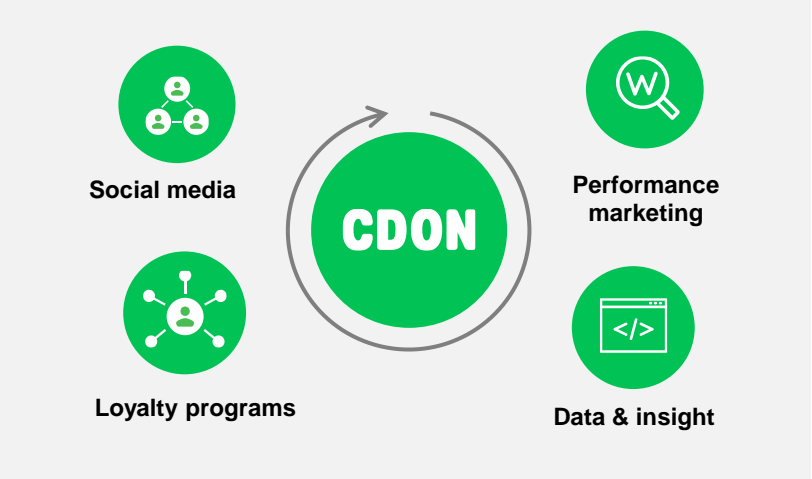
enabled through our business model...



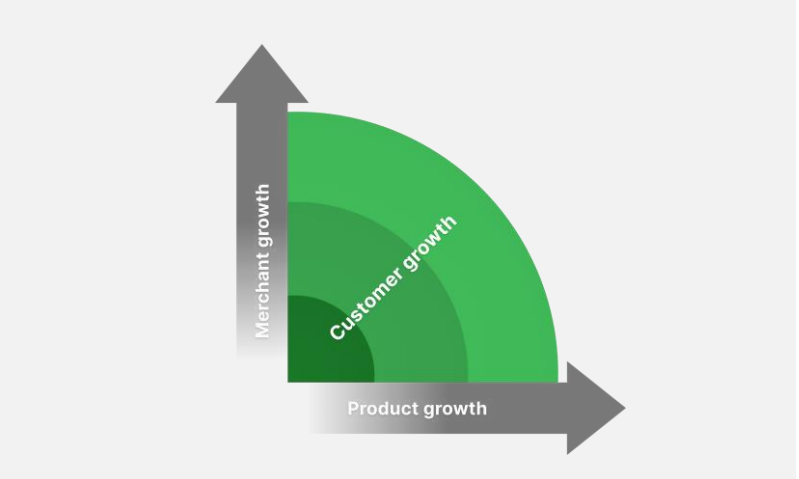
in the Nordic markets...



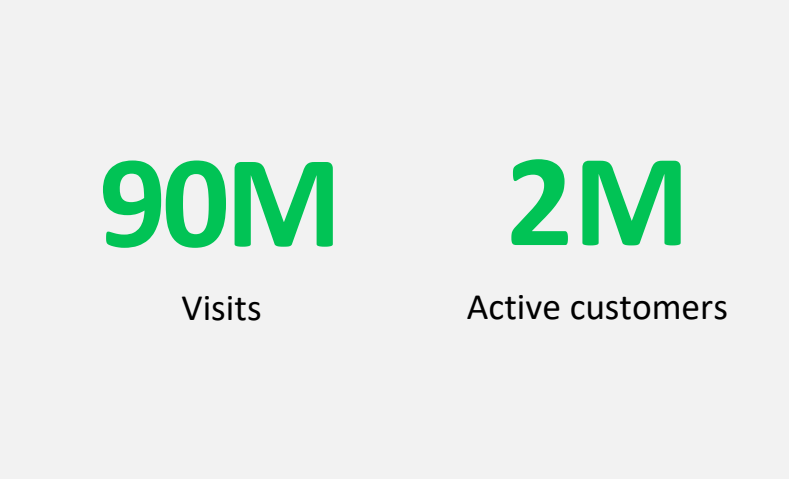
with 360 digital marketing...



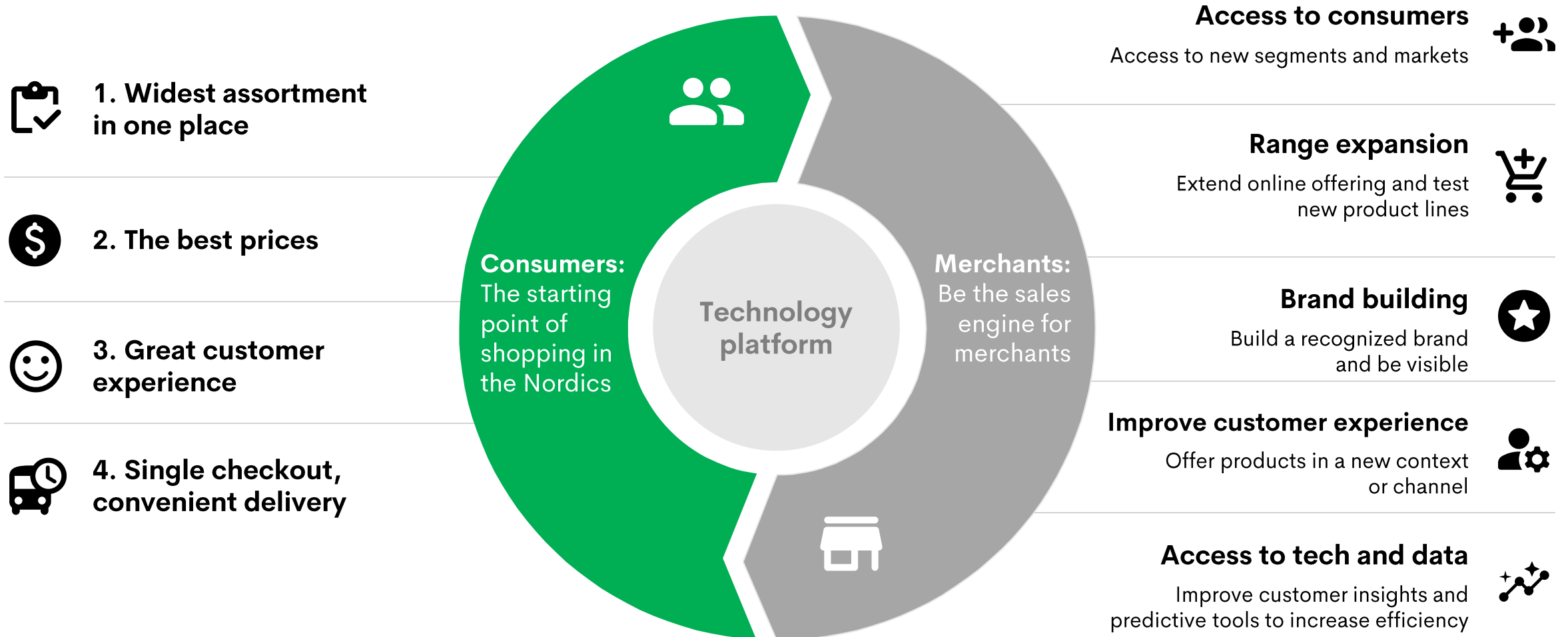
on a modern scalable platform...



to loyal customers



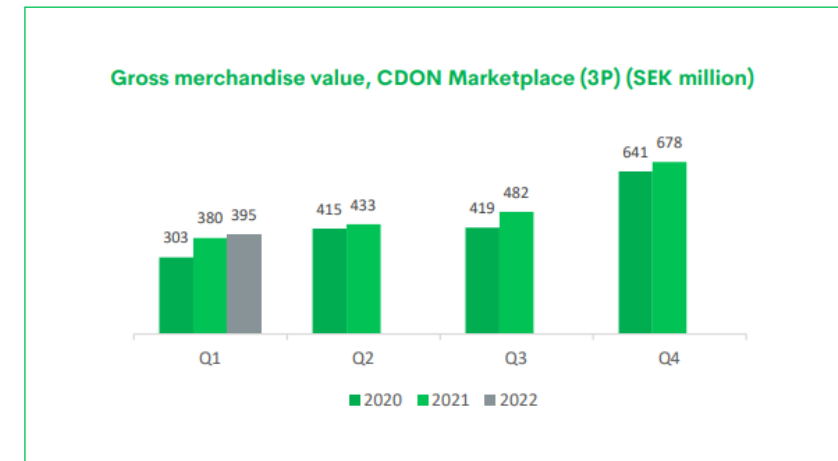
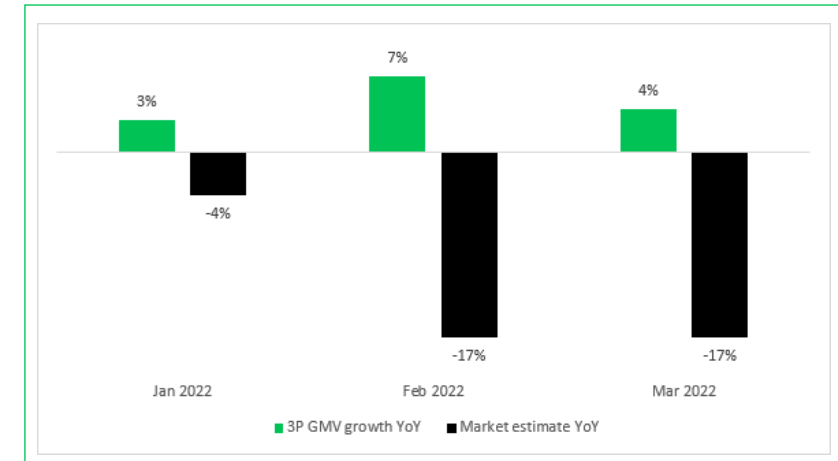
We aim to become the starting point of shopping in the Nordics and the sales engine for merchants



Quarterly update

Q1 22 – CDON

- CDON marketplace GMV grew by 4% during Q1.
 - Jan +3%, Feb +7%, Mar +4%
- The Swedish e-commerce decreased with 13% during Q1.
 - Jan -4%, Feb -17%, Mar -17%
- The category Electronics decreased with 25% in the overall market.
- Our core category Electronics grew with 11%.
- Net sales for CDON Marketplace increased by 10%.
- CDON Retail net sales decreased by 33% according to plan.
- Gross margin increased by 11.2 percentage points to 47.7%.
- In the quarter we laid the foundation for our growth journey and took significant costs to keep up speed.
- We estimate that 10 million SEK of the costs are of one-off nature.
- We expect the higher cost level to partly continue in Q2, and to be phased out from there.



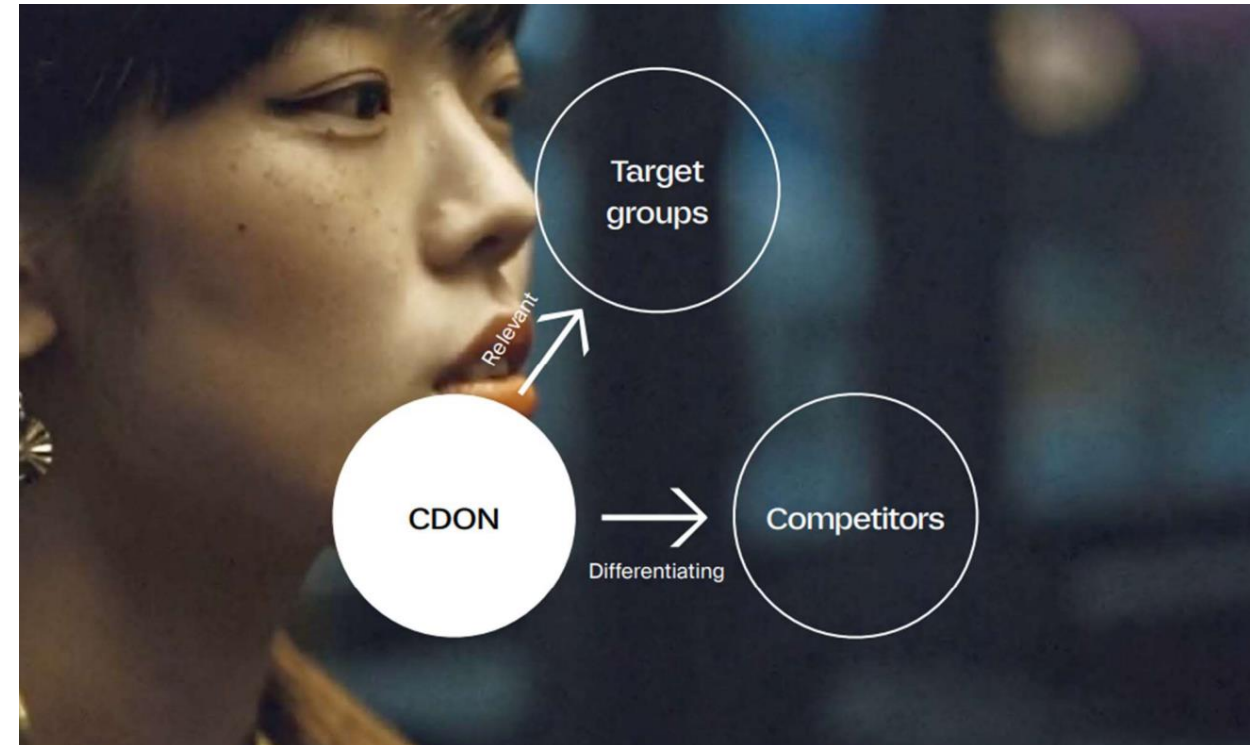
Q1 22 – ORGANIZATION

- Group Management is now complete:
 - **Thomas Pehrsson** – Chief Financial Officer
 - **Madeilene Södarv** – Chief Customer Officer
 - **Magnus Nanne** – Chief People Officer
- Martin Lundhgren – New Head of Technology
- eNPS positive trend
- Long-term incentive program for CDON's management team and management of subsidiaries.



Q1 22 – BRAND

- Our rebranding project progresses according to plan.
- Objectives:
 - More loyal customers
 - Increased pricing power
 - More advocates
 - Lower customer acquisition costs
 - Attract talents
- We are looking forward to launching a more relevant and differentiated CDON toward the Nordic shoppers and merchants during the latter part of 2022.



Q1 22 – PRODUCT ASSORTMENT

- More resources to improve the capacity and structure of the marketplace assortment.
- This is according to our growth strategy “Winning the home”, which includes the prioritized categories Electronics, Home & Garden, Health & Beauty, Sports & Outdoor, Toys and Books.
- This will have a positive impact on the customer experience on our site and the loyalty of our customers.
- In a turbulent world, consumer needs and behavior will shift over time. The wide assortment of CDON Marketplace makes it less vulnerable if demand shifts within a certain category.



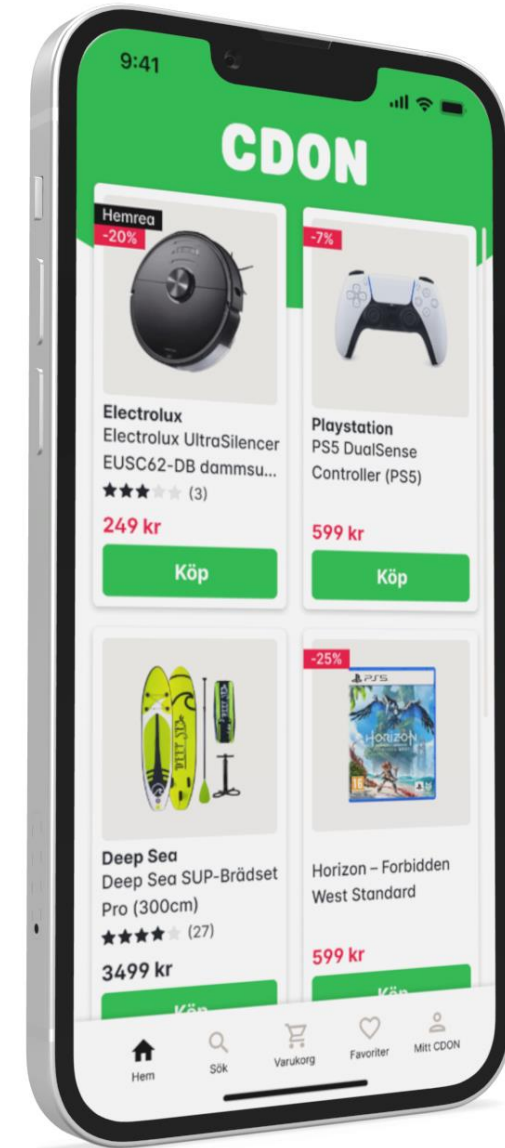
Q1 22 – MERCHANTS

- The number of selling merchants increased by 13%.
- The first step toward an increased Nordic presence has been taken in Norway, where we expect positive effects during Q2. Denmark and Finland will follow during the second half of 2022.
- We have optimized the complete sales process toward merchants during the first quarter:
 - Lead identification efforts based on a need assessment for "Winning the home" categories.
 - An improved segmentation and the implementation of the Salesforce CRM system is ready to support an efficient follow-up on every merchant account.
 - Our new B2B marketing organization will assure that we reach and attract more merchants than ever before.
 - Our new Partner sales team onboarded two major European aggregators during Q1, making it easier for European brand owners and e-tailers to reach the Nordic market through our platform.



Q1 22 – CUSTOMER EXPERIENCE

- Released feature for monthly subscriptions.
- Improved implementation of CDON Buy box.
- Development of a native CDON mobile app.
- A personalized front page for each individual customer and an effort to make it easier and more personalized to find similar products based on recent behavior.
- 99% of CDON's ~12 million SKUs have enhanced categorization and product data, resulting in a higher conversion rate and an improved on-site customer experience.
- Priority to improve traffic, increase funnel and conversion.
- CDON+ grew 165% compared to last year.



Financial performance

GROUP INCOME STATEMENT

SEKm	Q1 22	Q1 21	▲
CDON Marketplace			
Gross merchandise value	395.2	379.6	4%
Net sales	44.7	40.8	10%
Gross profit	42.7	38.0	12%
CDON Retail			
Net sales	60.5	90.7	-33%
Gross profit	7.1	10.0	-29%
CDON Group			
Gross merchandise value	455.7	472.2	-4%
Net sales	105.7	131.5	-20%
Gross profit	50.4	48.0	5%
Gross margin, %	47.7%	36.5%	11.2 pp
EBITDA	-27.0	-9.1	n/a
EBIT	-33.8	-13.8	n/a

- CDON Marketplace GMV growth of 4% in Q1 2022
- CDON Marketplace gross margin increased due to higher commission levels
- CDON Retail net sales decreased according to plan when phasing out own inventory
- Total expenses, e.g. marketing, product categorization and key personnel recruitment, increased in order to cater for future growth

GROUP BALANCE SHEET STATEMENT

SEKm	Q1 22	Q1 21
Balance sheet		
Fixed assets	110.2	63.4
Inventory	13.5	20.7
Current receivables	32.4	30.4
Total cash	145.1	66.0
Total assets	301.2	180.6
Total equity	166.0	47.3
Short-term liabilities	127.7	133.4
Long-term liabilities and provisions	7.5	0.0
Total equity and liabilities	301.2	180.6

- Fixed assets increased due to acquisition of shares in Shopit and acquisition of Xales and Commerce8 in 2021
- Lower inventory as the phase-out of CDON Retail continues
- Total cash of SEK 145.1m (66.0m)
- Equity increased due to a rights issue in Q3 2021

GROUP CASH FLOW STATEMENT

SEKm	Q1 22	Q1 21
Cash flow		
Cash flow from operations	-54.0	-100.8
Cash flow from investing activities	-3.8	-6.4
Cash flow from financial activities	0.0	0.0
Cash flow for the period	-57.8	-107.3
Cash at the beginning of the period	202.9	173.3
Exchange rate differences in cash	0.1	0.0
Cash at the end of the period	145.1	66.0

- Cash flow from operating activities SEK -54.0m (-100.8m) in the quarter. Decreased short-term liabilities offset lower operating result in the quarter when compared to Q1 2021
- Total cash flow for the period SEK -57.8m (-107.3m)
- Total cash of SEK 145.1 (66.0m)

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In summary

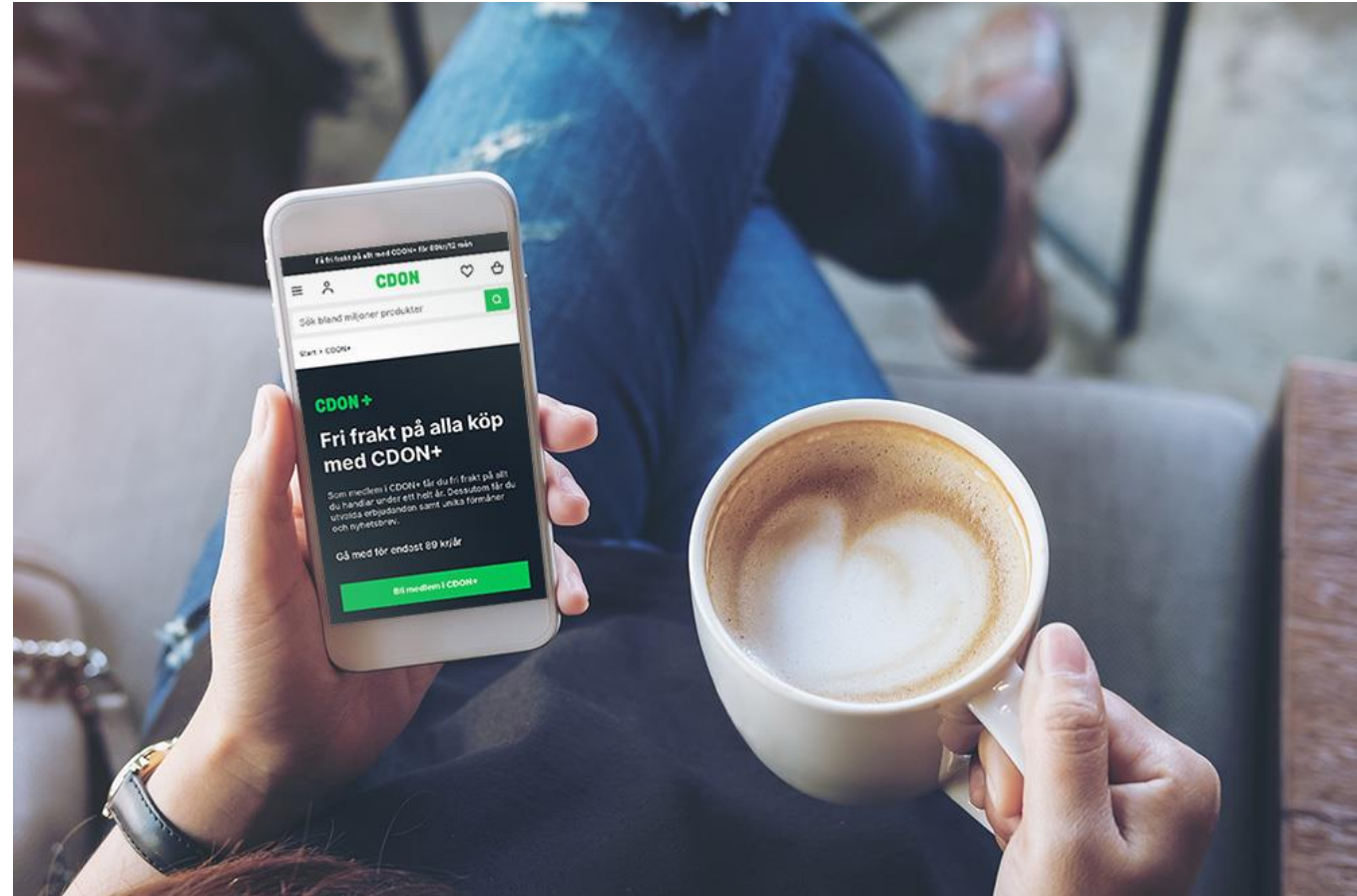
Q1 – SUMMARY

- CDON 4% growth while the market decreased with 13%.
- Growth in core categories like Electronics.
- In the quarter we laid the foundation for our growth journey and took significant costs to keep up speed. We expect the higher cost level to partly continue in Q2, and to be phased out from there.
- Management team in place.
- Repositioning of CDON according to plan.
- Number of selling merchants increased with 13%.
- Norway expansion ready to be launched.
- 99% of CDON's ~12 million SKUs have enhanced categorization and product data, resulting in a higher conversion rate and an improved on-site customer experience.



WE HAVE A CLEAR SET OF PRIORITIES

- 1 **Build a love brand with a clear identity and promise**
- 2 **Create a great customer experience**
- 3 **Win in our core categories**
- 4 **Expand our merchant base in the Nordics**
- 5 **Grow additional revenue sources to expand take rate**
- 6 **Become the most attractive employer in Malmö**



Q&A

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