

Building the Nordic online marketplace champion

CDON

CDON

Q1 2021

Q1 presentation

April 2021

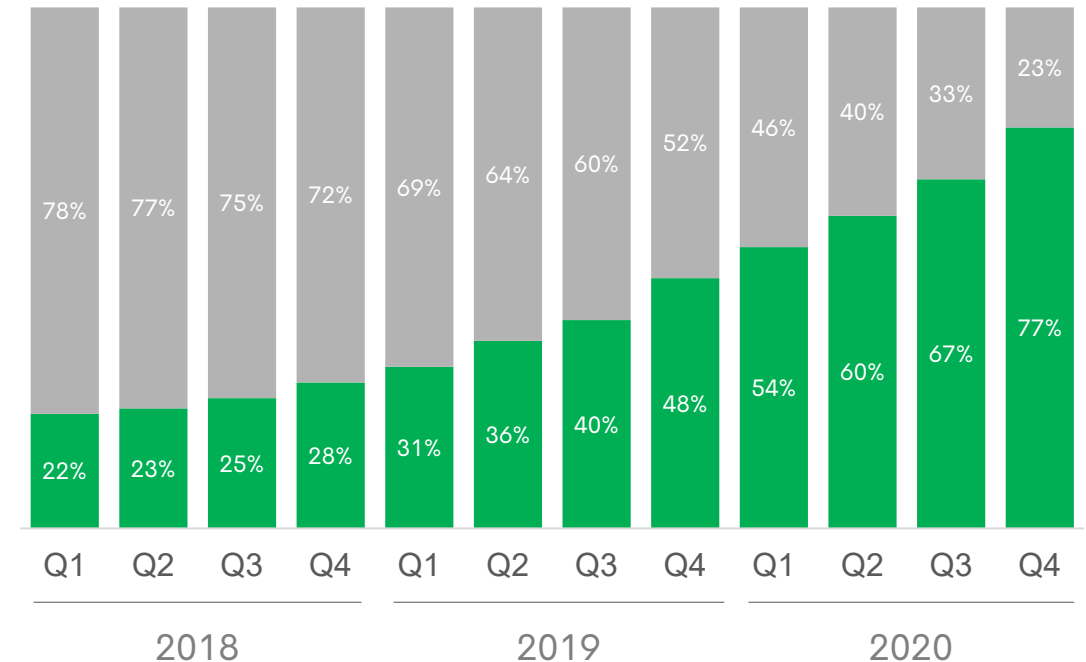
A startup with a heritage

Developed a new business model from a blank slate in recent years. Visionary journey to be continued.

- Transformation to marketplace recently executed
- Newly listed & new owner structure
- Brand new scalable technology platform
- Continuing to accelerate business and product development

...well on our way

Share of volume sales split by 3P/1P, %



2,28M+

Active consumers

1700+

Merchants

100M+

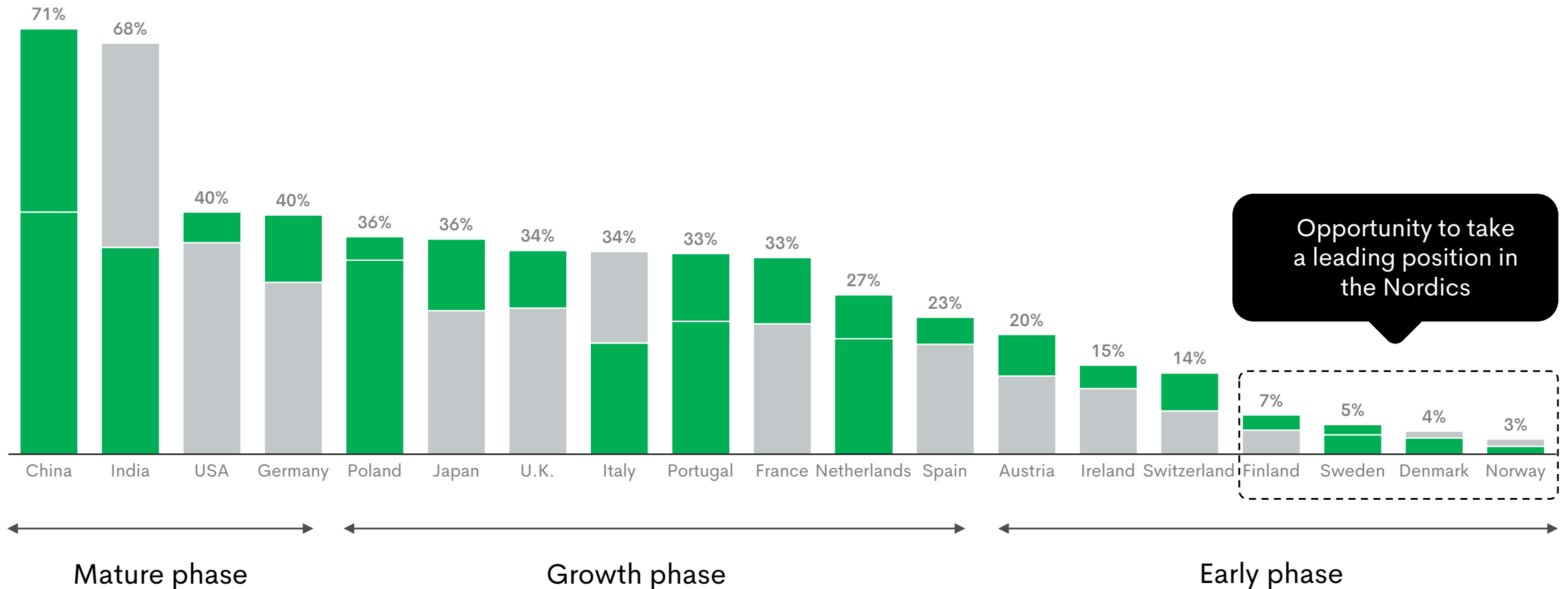
Annual site visits

600K+

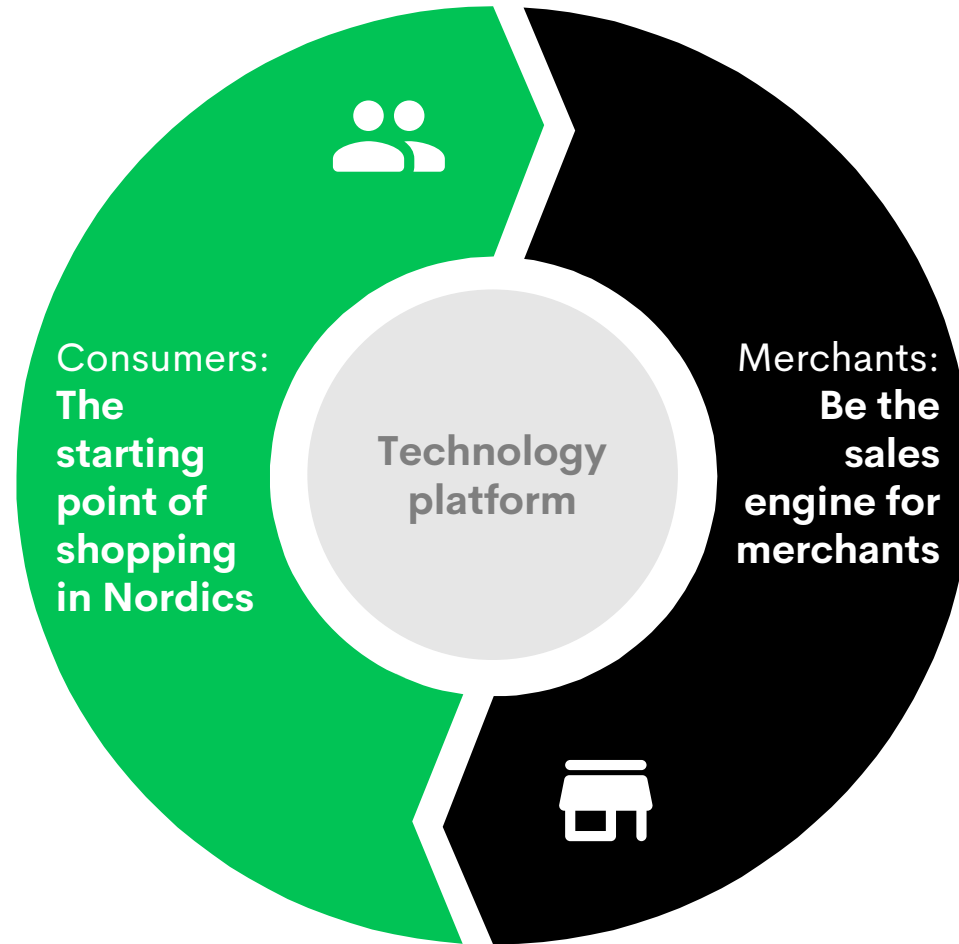
Facebook likes

Marketplaces are quickly grabbing market share globally

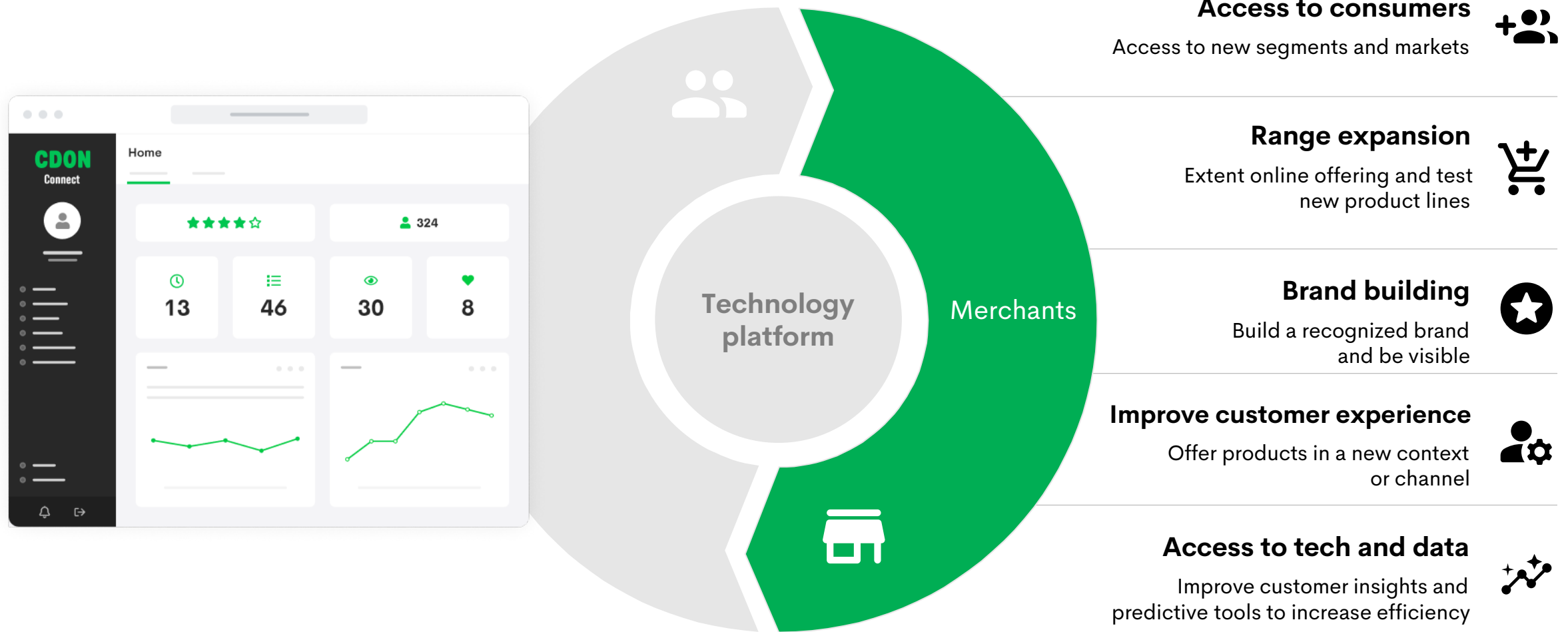
Top 2 marketplaces, market share of total e-commerce



A marketplace typically offers a better starting point for shopping



Be the sales engine for merchants



Be the starting point of shopping in Nordics



**1. Widest assortment
in one place**



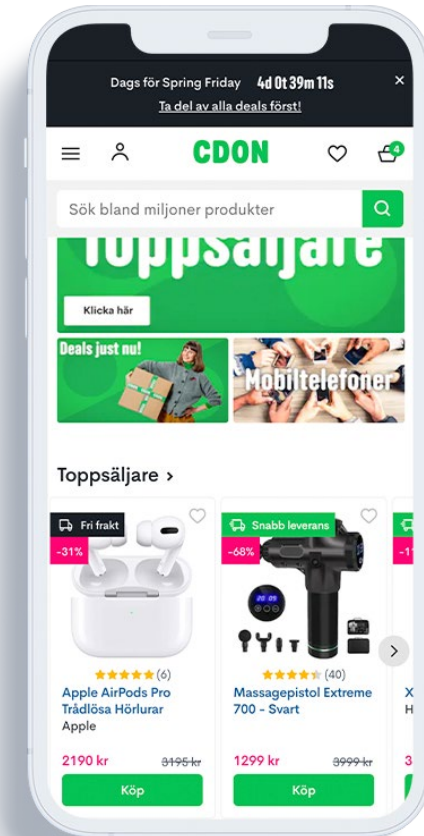
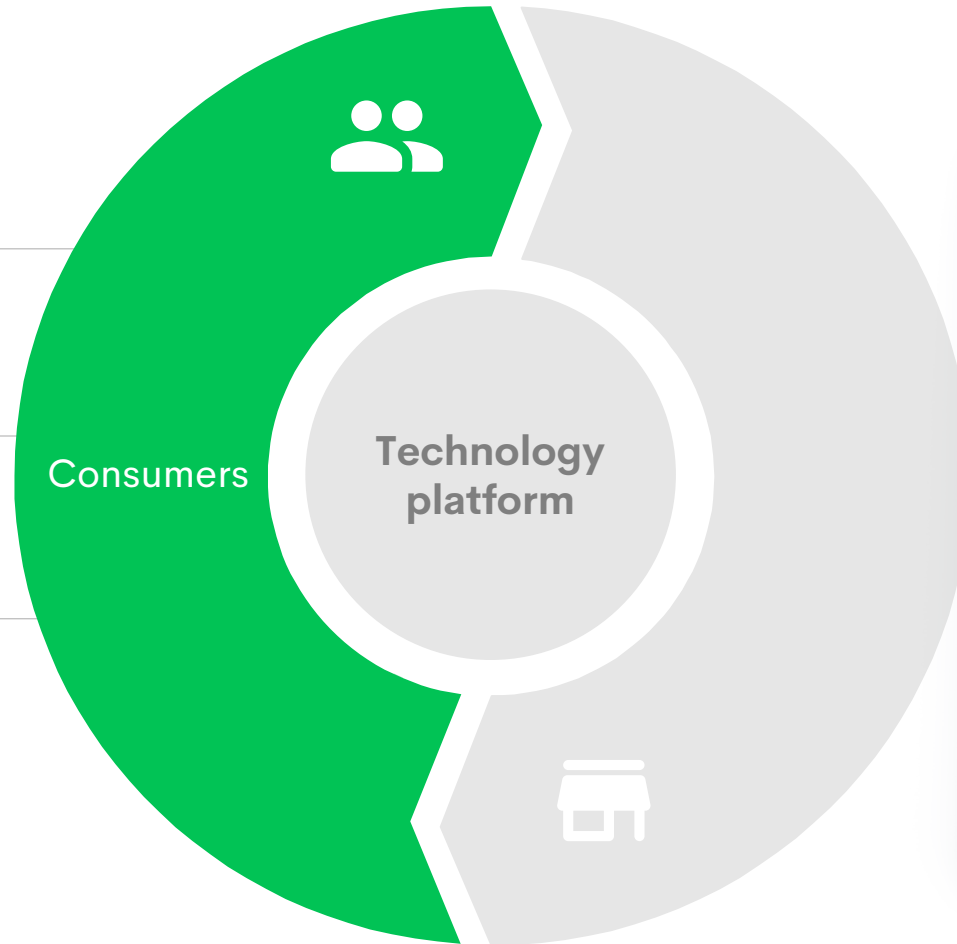
2. The lowest prices



**3. Great customer
experience**

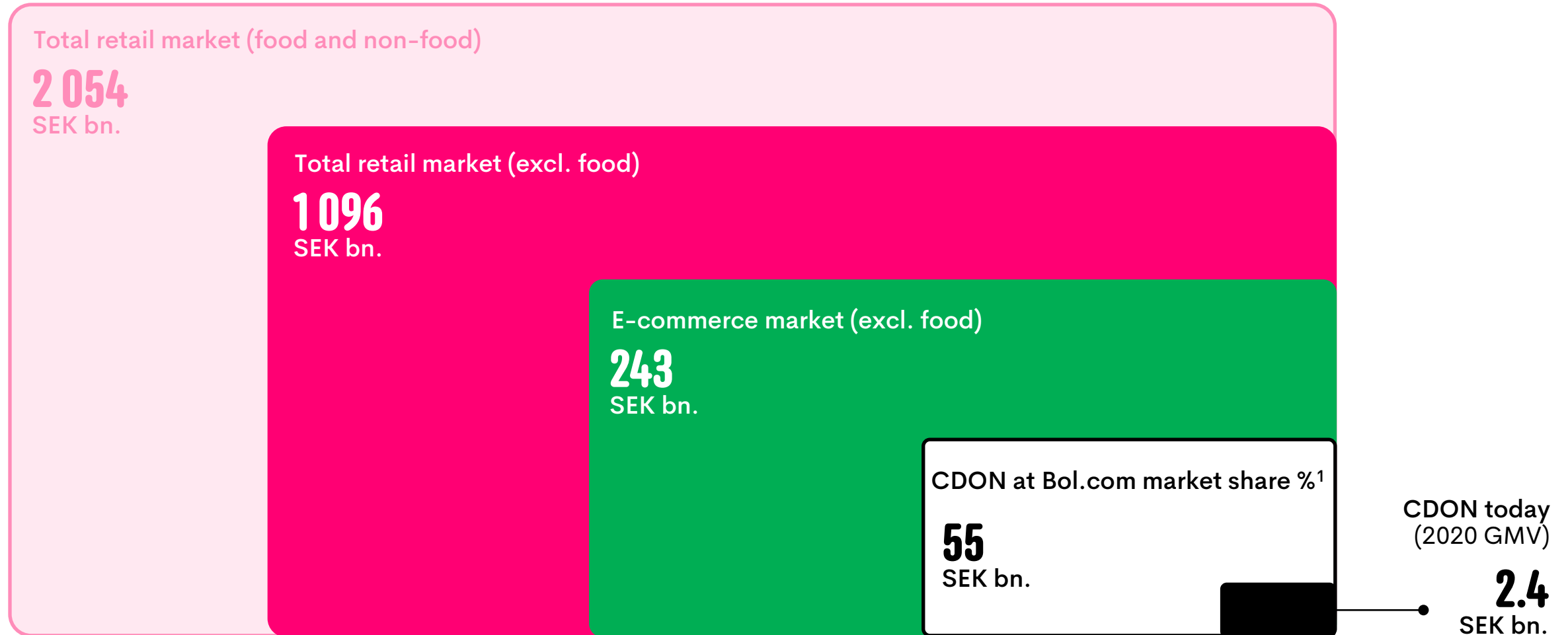


**4. Single checkout,
convenient delivery**



Significant opportunity to grow in sizable Nordic markets

2020 figures combined for Sweden, Denmark, Norway and Finland



1. Market share in line with leading marketplace in Netherlands (Bol.com) with ~20% of total e-commerce in the Dutch market (including food online)

Building a marketplace is building a flywheel

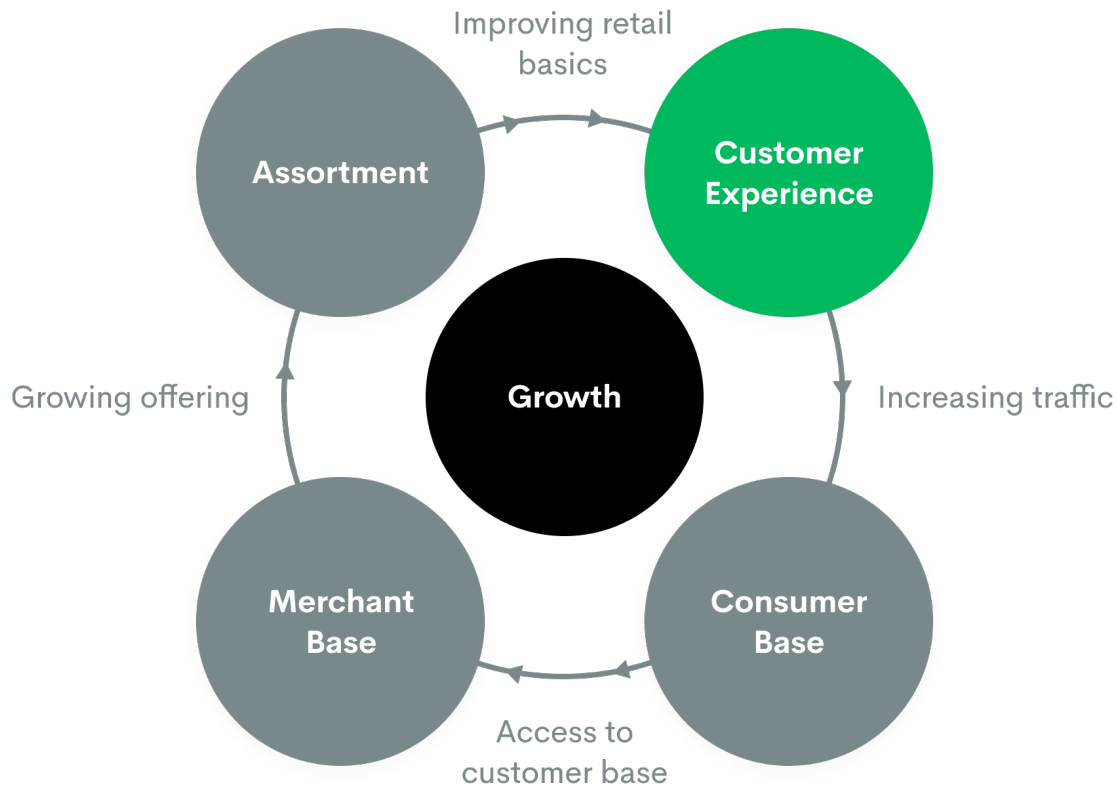


Feed any part of the flywheel and it accelerates the loop

More customers attract businesses and more businesses attract customers, the two-sided attractiveness creates a flywheel driving growth for marketplaces



Balancing our efforts: We will always prioritize the weakest spot in our flywheel



Current flywheel focus point:

Strengthen customer experience

...in order to increase CLV
...and then start to invest heavily in growth

- CX is currently the most underdeveloped area of CDON's flywheel, creating a bottleneck for effective and sustainable growth.
- Meanwhile, momentum with merchants will be fueled to accelerate merchant growth further. All parts of the flywheel are successively improved through continuous iteration.

The tipping point of critical liquidity is now reached



Q1 summary

- ★ **+200 new merchants, highest quarter intake ever**

- ★ **25% marketplace GMV growth**

- ★ **Change of ERP system**

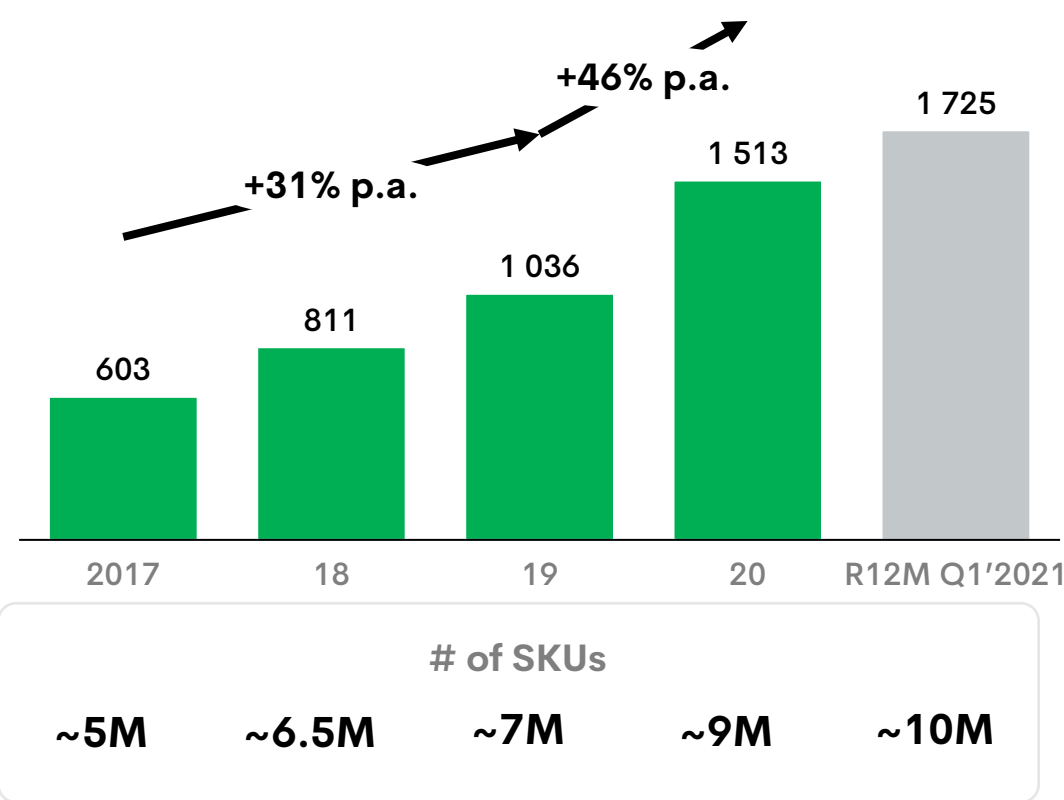
- ★ **Consumer experience investments**

- ★ **Challenges related to new platform
(automation and search indexing)**

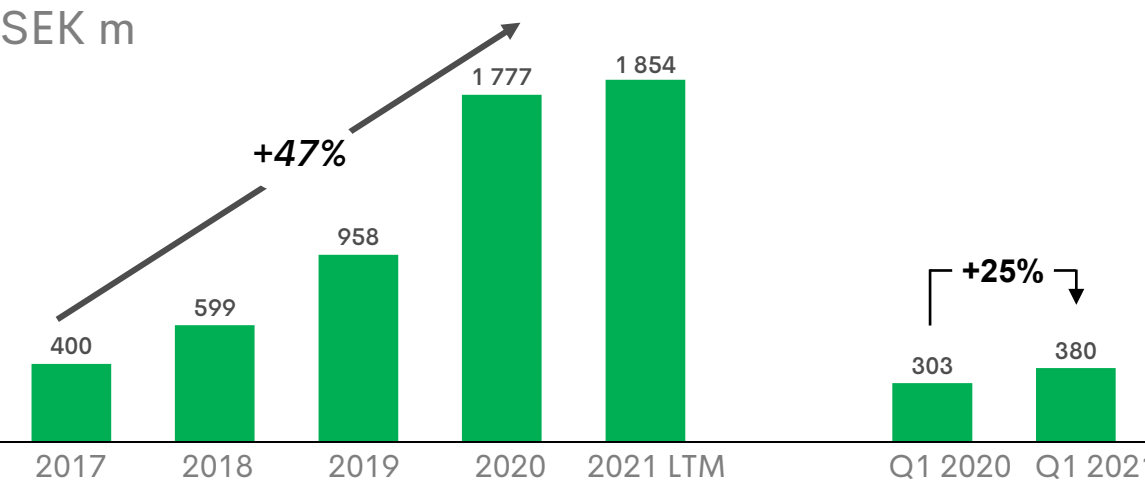
- ★ **CEO temporarily stepped down for health reasons,
COB stepped in as interim CEO**

Continued growth from CDON Marketplace, with strong intake of merchants

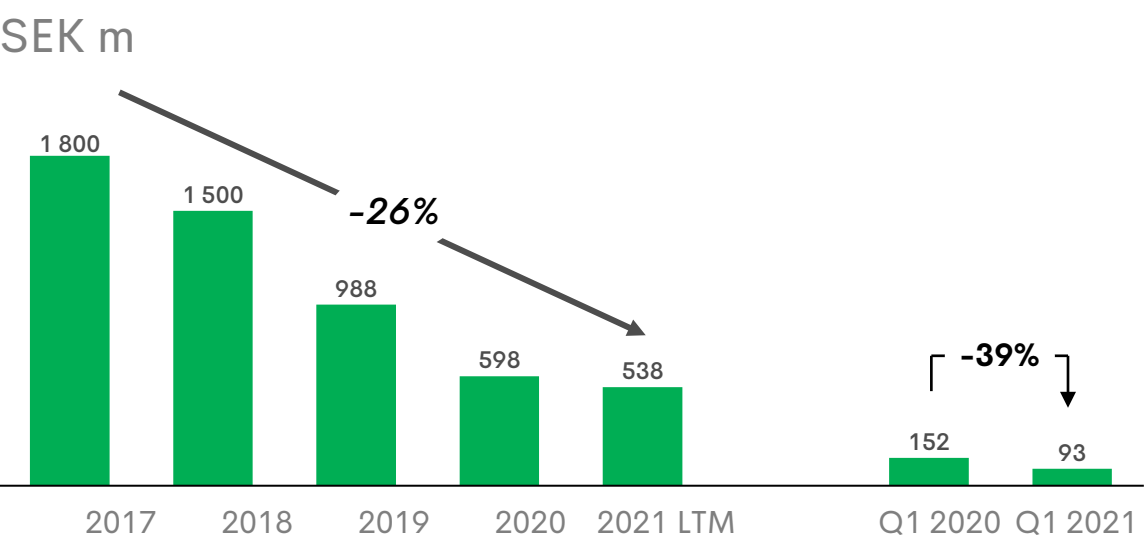
Number of merchants



CDON marketplace GMV



CDON retail GMV



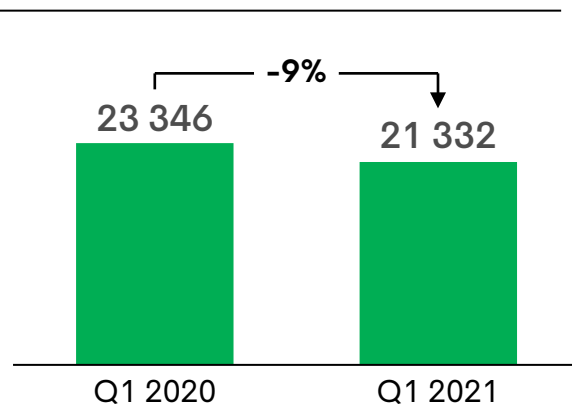
Income Statement

SEKm	Q1 21	Q1 20	▲
CDON Marketplace			
Gross merchandise value	379,6	302,6	25%
Net sales	40,8	33,9	20%
Gross profit	38,0	31,7	20%
CDON Retail			
Net sales	90,7	150,8	-40%
Gross profit	10,0	12,6	-20%
CDON Total			
Gross merchandise value	472,2	454,5	4%
Net sales	131,5	184,7	-29%
Gross profit	48,0	44,3	8%
Gross margin, %	36,5%	24,0%	12.5 p.p.
EBITDA	-9,0	-1,7	-427%
EBIT	-13,6	-15,2	10%

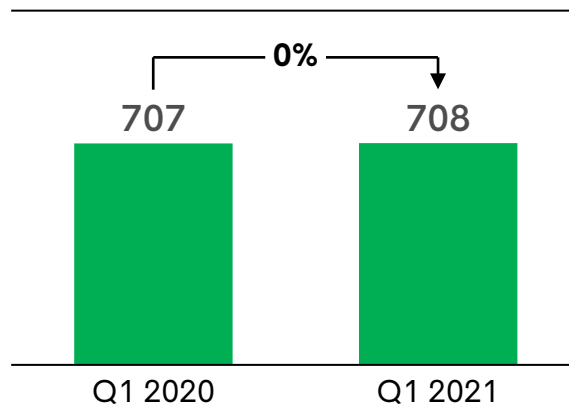
- ✓ CDON Marketplace third party GMV growth of 25% and commission growth of 29%
- ✓ CDON Marketplace gross margin affected by lower other income (ads, financial)
- ✓ Accelerated phase out CDON Retail, -39% in Q1, however, a strong gross margin of 11,0% (8,3%)
- ✓ Increased investments impact EBITDA

Development of KPIs

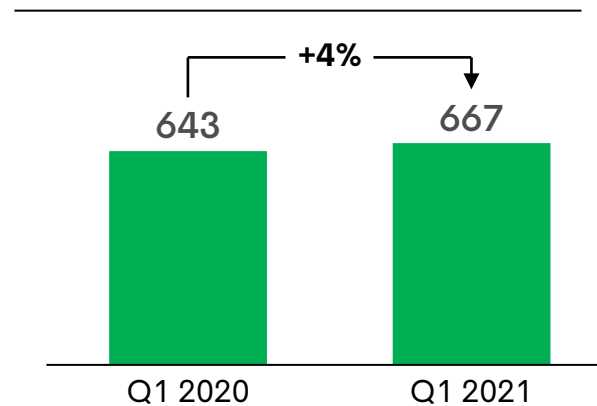
Number of visits, '000



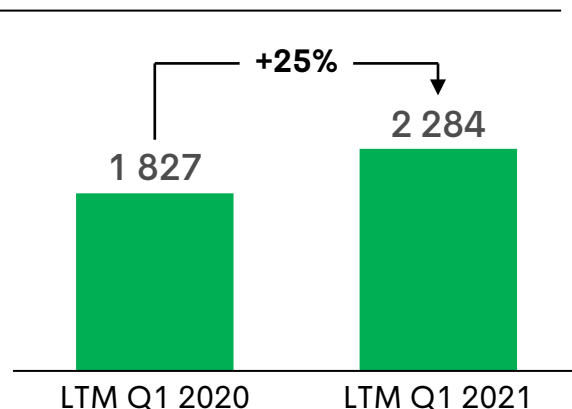
Number of orders, '000



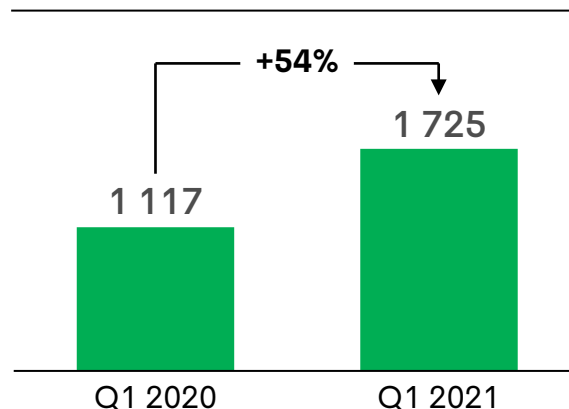
Average order value, SEK



Active customers, '000



Number of Merchants



- ✓ Continued growing customer base, +25% vs LY and +30k in the quarter
- ✓ Momentum of new inflow merchants continues – strongest quarter to date ever

Cash flow and balance sheet

SEKm	Q1 21	Q1 20
Balance sheet		
Fixed assets	63,4	61,6
Inventory	20,7	61,6
Short-term receivables	30,8	102,8
Total cash	63,1	44,7
Total assets	177,9	270,7
Total equity	45,3	134,7
Short-term liabilities	132,7	136,0
Total equity and liabilities	177,9	270,7

- ✓ Cash flow from operating activities SEK -100m (-126m) in the quarter
- ✓ Total cash flow SEK -107m (-152m)
- ✓ Capex amounted to SEK 6m (6m) in the quarter
- ✓ Total cash of SEK 63m (45m)

What you should take away from today

01 The Nordic marketplace opportunity is attractive and up for grabs

02 The tipping point of reaching critical mass in marketplace liquidity is reached

03 We will further accelerate our pace of development and investments

04 In the near-term we will focus on:

- Customer experience before traffic acquisition investments
- Tech and customer experience capabilities in team
- Continued focus on intake of merchants



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