

The logo for CDON, consisting of the letters 'CDON' in a bold, white, sans-serif font. The letters are centered horizontally and vertically on the page. The background is a solid green color with a large, semi-transparent green circle and a diagonal line running from the top-left to the bottom-right, creating a modern, abstract design.

# CDON

**Interim report**  
**Q2 2021**

## Interim report Q2 2021

### CDON ends challenging quarter on a promising note

#### SECOND QUARTER

- Total gross merchandise value decreased by 10 percent to SEK 512,3 (567,0) million
- Gross merchandise value for CDON Marketplace (3P) increased by 4 percent to SEK 433,2 (414,9) million. April showed negative growth, May and June just below double digit growth
- Net sales amounted to SEK 118,8 (197,3) million. Net sales by CDON Marketplace decreased by 15 percent to SEK 41,2 (48,4) million, while CDON Retail net sales also decreased as the process of reducing sales of own inventory continued according to plan
- Gross margin increased by 8,8 percentage points to 38,4 (29,6) percent
- Operating profit before depreciation and amortization amounted to SEK -18,7 (1,3) million
- Net income for the period amounted to SEK -23,6 (-3,8) million
- Earnings per share amounted to SEK -3,93 (-0,64)

#### FIRST SIX MONTHS

- Total gross merchandise value decreased by 4 percent to SEK 984,6 (1021,5) million
- Gross merchandise value for CDON Marketplace (3P) increased by 13 percent to SEK 812,9 (717,5) million
- Net sales amounted to SEK 250,3 (382,0) million. Net sales by CDON Marketplace remained flat and amounted to SEK 82,0 (82,4) million, while phase out of CDON Retail resulted in net sales decrease by 44 percent
- Gross margin increased by 10,5 percentage points to 37,4 (26,9) percent
- Operating profit before depreciation and amortization amounted to SEK -27,6 (-0,4) million
- Net income for the period amounted to SEK -37,4 (-18,4) million
- Earnings per share amounted to SEK -6,22 (-3,06)

	2021	2020		2021	2020	
	Q2	Q2	Δ	Jan-Jun	Jan-Jun	Δ
Amounts in SEK million						
<b>CDON Marketplace (3P)<sup>1,3</sup></b>						
Gross merchandise value	433,2	414,9	4%	812,9	717,5	13%
Net sales	41,2	48,4	-15%	82,0	82,4	0%
Gross margin (%)	93,9	93,8	0.1 pp	93,6	93,7	-0.1 pp
<b>CDON Retail (1P)<sup>4</sup></b>						
Gross merchandise value	79,1	152,1	-48%	171,7	304,0	-44%
Net sales	77,6	148,9	-48%	168,3	299,6	-44%
Gross margin (%)	8,9	8,7	0.2 pp	10,0	8,5	1,5 pp
<b>CDON</b>						
Total Gross merchandise value <sup>2</sup>	512,3	567,0	-10%	984,6	1 021,5	-4%
Net sales	118,8	197,3	-40%	250,3	382,0	-34%
Gross margin (%)	38,4	29,6	8,8 pp	37,4	26,9	10,5 pp
Operating profit before depreciation	-18,7	1,3	n/a	-27,6	-0,4	n/a
Active customers, last 12M, thousands	2,195	1.988	10%	2,195	1.988	10%

<sup>1</sup> All service income is recognized in CDON Marketplace (3P)

<sup>2</sup> Gross merchandise value refers to total sales of goods from third-party merchants and own sales excluding returns and sales tax

<sup>3</sup> CDON Marketplace (3P) refers to third-party merchants affiliated to CDON

<sup>4</sup> CDON Retail (1P) refers to CDON's own sales via warehouse or drop shipment

## Letter from the Board

As we cross the half year mark, we as a Board wanted to take the opportunity to share our perspectives on our long-term opportunity set, short term challenges and confidence in our execution strategy.

### A disappointing start

Prior to Q1, our business was accelerating quickly with the addition of new merchants in our rapid transition from 1P to 3P sales. In Q1, we grew slower than the e-commerce market, our marketplace GMV grew 25% with an underlying non-food e-commerce growth of appx. 50%. On top of that the platform shift seemed to take more energy out of the organization which did not let us react quickly and proactively on several traffic acquisition challenges. We were not agile and were running without a permanent CEO.

### Momentum returning

However, momentum is returning. In April, the negative trend from Q1 continued, resulting in a decline in marketplace GMV compared to the same period last year. In May, we saw a rebound, that continued in June and we expect that to continue in July. The marketplace GMV growth in May compared to last year sales was positive and in June the period's year on year growth was higher than in May. Comparable figures from last year are tough due to the pandemic effect last year, but we believe we are now back to growth higher than the underlying market.

CDON Marketplace GMV showed positive growth despite a decline in total traffic to CDONs platform compared to last year. We have done this by growing average order value compared to the same period last year. The traffic decline was seen in all channels with largest drop in SEO and SEM. Price Comparison was the least affected channel, but the costs per unit acquired increased. We are deeply focused on returning to our prior SEO and SEM results.

### Reworking and trimming our economic engine

As a result of our short-term challenges in traffic acquisition, we started off Q2 by ramping up our efforts to optimizing the other parts of our economic engine. We reworked our processes related to sourcing products in high value categories and we started to redo our merchant agreements to enable more dynamic commission levels that will give us room for more competitive marketing strategies. Average order value increased during the period, and we expect incremental effects on commission levels going forward. We had continued strong merchant intake and have during the quarter shifted our merchant intake focus from prioritizing quantity to prioritizing merchants that strengthen our platform and offering.

### Traffic acquisition in focus

CDON is driving several initiatives to return to positive traffic growth as soon as possible. These involve for example more advanced feeds to the search engine marketing channels, which will allow us to execute on more sophisticated bidding strategies. An update of the feeds was released during the quarter with early positive results, and more optimizations are in the pipeline.

One root cause to many issues related to both traffic acquisition and customer experience is a result of poor structure and quality of our product data. We are addressing this in several ways ranging from working closer with our merchants to driving different tech initiatives. The commercial partnership and investment in Shopit Online Europe AB communicated in early July is targeting a core part of this problem. We estimate that the partnership with Shopit will save us at least one year in data quality and integrity work.

One dimension of the poor product data problem is the duplication of product listings. When we have the same product from different merchants it appears several times in the platform without being matched and connected to one ID. This has negative implications on SEO, SEM and the optimization of our website. For example, search engines routinely punish websites for having the same content being repeated in many different places on the platform, and the effect on CDON is estimated to be high. We expect partial incremental fixes to be released in stages the coming months. Shopit will contribute to part of the solution.

### CDON ads launched in Q2

In Q2, CDON ads was launched. CDON ads gives merchants the ability to bid on certain keywords on the platform. It is a mean for our merchants to further optimize their sales on our platform and makes it easier for customers to find great deals and products. The income from CDON ads will gradually influence the gross profit in our marketplace business.

### A significant opportunity

Assessing CDONs opportunity we see that sales on marketplaces represents more than 50% of global e-commerce. The Nordics is at a single-digit percentage. The macro trend that e-commerce convert to marketplaces is very strong. In many markets, local marketplaces grow alongside Amazon. The local marketplaces can be slightly bigger or slightly smaller and they usually have a strong local edge and a clear position compared to Amazon. In Holland for example, the local marketplace Bol.com has approximately 20% of the e-commerce market. Nordic non-food e-commerce is worth somewhere around 250 Bn SEK (30 Bn USD) and is growing<sup>1</sup>.

We see no compelling reason to why we shall not see the same development in the Nordics, but the number of platforms in the Nordics that could potentially go for that opportunity is limited. It is hard and expensive to reach the critical mass of liquidity of connected merchants, products, and consumers at the same time. With CDONs more than 1800 merchants and over 2 million customers, and a platform optimized for efficiently running a marketplace, we believe we are uniquely positioned to leverage on that opportunity.

### The starting point for shopping in the Nordics

CDON shall be the best starting point for online shopping in the Nordics. In our core categories, we shall have the best assortment, best prices, best digital tools, and the best delivery and customer service experience. We are aspiring to be a significant part of the Nordic e-commerce, as Bol.com is in Holland.

CDON has a well-known brand. However, to many Nordic citizens, CDON is very familiar but still not a destination. Many find CDON through a search engine or a price comparison site. Many customers are satisfied with their purchase, but not impressed. The impression we make is not strong enough. A few are very unsatisfied, even disappointed, and they hurt our reputation. All these are brutal facts, that we are addressing step by step in order to reach our vision.

We are determined to become a powerful sales engine for our merchants. That means providing the distribution, platform applications and services to substantially increase the merchants' revenue. The power of the platform will be stronger for every new merchant and every new customer joining, and our service layer will be developed to help the merchants leverage that.

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<sup>1</sup> Source: Euromonitor, CDON

Our Nordic heritage and local focus enable us to tailor our offering to the Nordic population and merchants' specific needs. We know the language, the behaviors, and the local specifics. We aim to be the best friend both for the Nordic consumer and merchant, as well as the best partner for the international merchant who wants to reach the Nordic consumer in an environment that is perceived as trustworthy and reliable for the consumer. Our brand will be built around this promise.

### **Building a high-performing team**

Key to our success is our team. All areas that have been discussed so far are being executed on every day by the current team of CDON. We are also doing changes and additions to the team making sure that the team is optimized and have the skill set required to execute on the plan. This is not exceptional for now, we will constantly upgrade and make changes to the team, making sure the culture is centered around execution-pace, customer obsession and the drive to win the battle for Nordic e-commerce.

As you all know, we are searching for the next leader for our team. We are searching for an entrepreneurial personality who has, the vision to see what CDON can be, customer obsession, ability to attract the best talent, and the skill set to execute at an exceptionally high pace. The right person should be dedicated to creating the best shopping experience the Nordic people could ever imagine.

While we are deep into that recruitment process, we want to make sure that CDON is developing with quality and at a high pace every day. For this reason, we are happy to welcome Allan Junge-Jensen as interim CEO of CDON starting end of July. Mr Junge-Jensen will work closely with the board and the management team to execute on the priorities that are very clear in the short-term.

### **Focus to win**

While Q1 was a disappointment it was also a wake-up call. In a future retrospective, we believe we will consider Q1 to be the turning point from which we realized we had to start doing things differently. Some of the early results we saw in Q2, and in July that has started off with approximately 20% year on year growth.

One thing we are doing differently is focusing on priorities and do everything we can to protect our team from unnecessary noise so that they can keep up execution pace. Several recent changes in the management team and without the long-term nor the interim CEO in place, means the rest of the team carries a larger responsibility and workload. To facilitate investor communication during these circumstances we have chosen to only communicate in English. While we believe it would have been better to do both Swedish and English, we do not think it is the right priority right now.

### A long-term battle

We are in the midst of a massive opportunity. In the short-term, we expect some ups and downs, but we will execute to get there. More mature marketplaces have a high profit margin and attractive margin structures in general. For CDON, organic growth will be the next CEOs main focus, and we also expect to do acquisitions. At some times, CDON will iterate and grow at a slower pace, but in the medium to long-term we aim to take market share very quickly. Investors of CDON should expect short term volatility at all levels, in the long-term we aim for high average growth.

Thank you to all our amazing employees for your hard work every day. Thank you to our customers and merchants for trusting us with your shopping and your businesses, and to our shareholders for supporting and pushing us. Know that the team and the board members are working closely, relentlessly, to build the best team, to fix short-term traffic acquisition and to create the best shopping experience in the Nordics.

*The Board of CDON*

## Continued momentum in number of new merchants on the platform

	2021 Q2	2020 Q2	Δ	2021 Jan-Jun	2020 Jan-Jun	Δ
Active customers, last 12M, thousands	2,195	1,988	10%	2,195	1,988	10%
Visits, thousands <sup>1</sup>	18,759	29,735	-37%	40 092	53 082	-24%
Orders, thousands	653	883	-26%	1 361	1 595	-15%
Average shopping basket, SEK	784	642	22%	723	640	13%
Active merchants	1,868	1,248	50%	1,868	1,248	50%

<sup>1</sup>Changes to the measurement of traffic due to GDPR negatively affect the tracked number of visits by - ~5% compared to 2020

CDON's main operations is CDON Marketplace (3P), in which sales comes from third-party merchants and other services, and the supplementary business area CDON Retail, in which sales come directly from CDON by its own warehouse or drop shipment.

## CDON Marketplace continues to increase its gross merchandise value driven by increased average order value

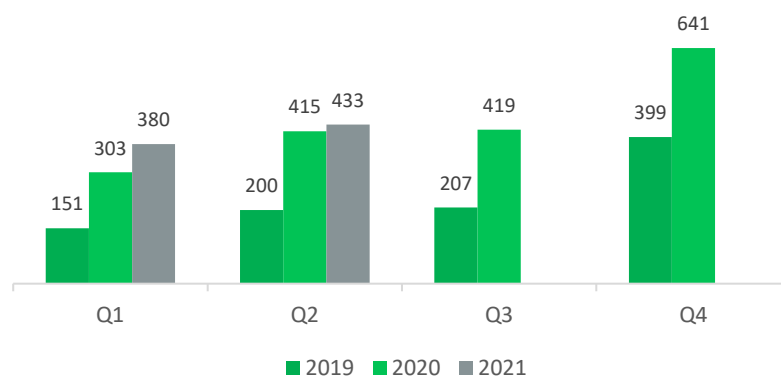
CDON Marketplace (3P) offers a wide range of products with attractive prices in a business model with limited capital requirements. The merchants pay for the sales generated in the marketplace. Factors such as a strong brand and a wide range of products enable CDON to attract consumers at a favorable cost to the merchants.

CDON grows by adding new merchants, increasing the gross merchandise value of existing merchants and launching new services for merchants. Gross merchandise value for CDON Marketplace (3P) increased by 4 percent to SEK 433,2 million during the quarter. The quarter started very tough, with GMV declined in April vs. LY. In May, however, our initiatives turned the negative trend, resulting in growth compared to same period last year. This trend continued into June with even higher growth rate. Traffic to the platform was down with 37 percent in the quarter and thus marketplace growth came from higher conversion rate and increased average order value.

Gross Profit decreased by 15 percent to SEK 38,7 (45,4) million driven by lower merchant commission. The decline in commission is mainly related to a negative product mix, as the share of high value, low margin products increased as a share of total GMV. Further, commission discounts were given to selected merchants' SKUs to push sales during April and May which also affected the gross margin negatively.

CDON Marketplace's gross profit is consist of primarily merchant commission and kick-backs from our payment solution provider (PSP). Marketing and ads-income is still in an early phase and is less than 3 percent of total marketplace gross profit and less than 0,3 percent of marketplace GMV.

## Gross merchandise value, CDON Marketplace (3P) (SEK million)



## CDON Retail continues to phase out its own inventory and own sales

CDON Retail previously offered a wide range of products from its own warehouse, but this has been phased out in recent years in favor of CDON Marketplace. Today CDON Retail mainly sells products not yet offered by external merchants via CDON Marketplace and consists primarily of traditional media products and a selected range via drop shipment. During the quarter, an agreement was signed with a merchant to take over the music business from CDON Retail. The phasing out of the music assortment started and will continue during Q3.

This ongoing transition resulted in a net sales decrease for the segment of 48 percent to SEK 77,6 (148,9) million compared to last year. The segment's gross profit amounted to SEK 6,9 (13,0) million during the quarter. The gross margin increased to 8,9 (8,7) percent.

## Lower inventory levels, less risk and more scalability

Following the shift to a marketplace, inventory levels were 62 percent lower at the end of the quarter compared to the previous year.

	2021 Q2	2020 Q2	Δ
Opening inventory balance	20,7	61,6	-66%
Closing inventory balance	15,7	40,9	-62%

## Continued development of the consumer and merchant offer

CDON continuously launches new features and services to improve the consumer experience and increase sales to merchants. A new in-house-developed technical platform was launched in Q4 2020, which will give consumers a better experience through improved relevance and new features. The new platform still has more optimization work to be done, which has taken more time and effort than expected from the organization. This has impacted the progress within traffic acquisition and customer experience improvements.

One important enabler for many areas within both traffic acquisition and customer experience is to improve the quality of our product data. Several initiatives are ongoing within this area, one example is the work with our merchants to improve the product data we receive from them, another is the commercial partnership and investment in Shopit Online Europe AB. We estimate that the partnership with Shopit will save us at least one year in data quality and integrity work.

## Significant events during and after the quarter

Kristoffer Väliharju, CEO of CDON, resigned during the quarter. He will continue in his current role for a transitional period.

During the quarter, CDON launched CDON Ads, the company's new advertising tool. This tool enables external merchants to increase their sales and visibility through sponsored products on CDON Marketplace.

On June 7<sup>th</sup>, CDON held its Annual General Meeting. Among the items decided upon was the reelection of existing members of the Board of Directors and the addition of new members Savneet Singh and Georg Westin.



The Board of Directors of CDON AB announced after the quarter that Allan Junge-Jensen has been appointed interim CEO of CDON AB starting July 26th. Mr. Junge-Jensen has extensive experience from various commercial and leadership positions within e-commerce and retail, among other as the Group CFO for Boozt AB, one of the largest fashion e-retailers in the Nordics. He replaces Kristoffer Väliharju who leaves his full-time position on July 26th. The process for a new permanent CEO is ongoing.

CDON entered after the quarter into an agreement to acquire 30 percent of the shares in Shopit Online Europe AB. CDON will pay SEK 26.6M cash for 30 percent of the shares and enter into a commercial agreement. With the acquisition, CDON will have an option to acquire the remaining 70 percent within 18 months to a set price. The acquisition is expected to springboard CDON's product data quality 1-2 years forward and will take the customer experience within product data to the next level.

During and after the quarter, a change within the Management Team took place. Linda Andersson, Head of Onboarding, joins the Management Team as Chief Category Officer. David Olhed, COO, continues in the Management Team as Chief Merchant Officer. As previously announced, Eldar Terzic will join the Management Team as Chief Product & Technology Officer. Furthermore, CDON has recruited a new Chief Strategy Officer starting early 2022, who will be announced at a later date. Previous CPO, CTO & CHRO resigned during the quarter.

### Comments on financial performance

Compared with the same quarter last year, net sales decreased by 40 percent to SEK 118,8 (197,3) million. The decrease in net sales was related to CDON Retail, which continued to phase out sales in favor of external merchants on CDON Marketplace.

Gross margin increased by 8,8 percentage points to 38,4 (29,6) percent for the quarter, which is due to the shift in business model from retail to marketplace.

Operating profit before depreciation and amortization was SEK -18,7 (1,3) million for the quarter. A lower gross profit, increased customer acquisition costs and higher operating expenses were the main reasons for the lower operating result for the quarter.

Operating profit amounted to SEK -23,6 (-4,2) million for the quarter.

Net financial items amounted to SEK -0.0 (0.4) million for the quarter. Profit before tax amounted to SEK -23,6 (-3,8) million for the quarter. Recognized tax expense amounted to SEK 0.0 (0.0) million.

Profit after tax amounted to SEK -23,6 (-3,8) million for the quarter. Profit after tax per share amounted to SEK -3,93 (-0,64) for the quarter.

## Cash flow and financial position

During the quarter, a lower operating profit before depreciation and amortization resulted in a negative cashflow SEK -18,9 (1,7) million compared to last year.

Cash flow from operations after changes in working capital amounted to SEK -15,9 (29,7) million for the quarter. During the quarter, a lower positive effect from changes in inventory was noted compared to same period last year.

Cash flow from investing activities amounted to SEK -5,5 (-5.4) million for the quarter.

Cash flow from financing activities totaled SEK 0.0 (-1,6) million for the quarter.

Cash and cash equivalents amounted to SEK 41,7 (67,8) million at the end of the quarter.

At the end of the quarter, total assets amounted to SEK 154,8 (200,8) million and equity amounted to SEK 21,8 (59,3) million.

## Employees

At the end of the quarter, CDON had a total of 121 (117) full-time employees (measured as an average number for the second quarter). All employees work from the company's office in Malmö.

## Share data

Since November 6, CDON's shares have been listed on Nasdaq First North Growth Market, with FNCA Sweden AB as Certified Adviser. The shares have ISIN code SE0015191911 and the abbreviation CDON.

As of June 30, CDON had 6,004,327 issued shares. All were ordinary shares. The share capital totaled SEK 6,004,327.

## The effects of the Covid-19 pandemic

CDON's operations have been affected in several ways by the ongoing Covid-19 pandemic. CDON offers many products to groups that have increased their online shopping due to Covid-19. It is hard to foresee the enduring effects of the pandemic.

## Accounting and valuation policies

This interim report was prepared in accordance with the Swedish Annual Accounts Act with the accounting policies and bases of calculation used in the most recent annual report, i.e. BFNAR 2012:1 (K3).

## Risks and uncertainties

Several factors affect, or may affect, directly or indirectly, the operations of CDON. These factors can be divided into industry and market risks, operational risks, financial risks, and legal risks. Industry and market risks include market developments in e-commerce, seasonal variations, risks related to fashion trends, the economic situation and consumer purchasing power. Operational risks include interruptions or deficiencies in IT and control systems, supplier relationships, inventory and distribution. Financial risks include currency risk, credit risk, interest rate risk and liquidity risk. Legal risks include legislation, regulation and compliance, disputes and intellectual property rights. Risks and uncertainties are described in greater detail in the company description published ahead of listing on the Nasdaq First North Growth Market and the Annual Report.

## CDON Alandia

Like other companies in the industry, CDON previously distributed orders to customers in Finland from Åland. As communicated previously, the Finnish authorities have been investigating CDON's subsidiary CDON Alandia Ab for suspected tax fraud for several years. Proceedings had earlier been initiated at Åland district court in Finland against three persons who were members of CDON Alandia Ab's Board in 2008–2013 and against two former employees of the Group. The Åland District Court rejected all charges and handed down an acquittal on February 25, 2020. On April 30, 2020, the Finnish prosecutor appealed parts of the Åland district court's judgment to the Åbo court of appeal. However, the appeal only concerns four (of the previous five) defendants and the alleged period of the offence has been limited by the prosecutor. If the defendants are convicted in a court of appeal trial (which is planned for late 2021), they may be liable to pay damages to the Finnish authorities. If the defendants are ordered to pay damages, under certain circumstances they may make a claim to CDON or CDON Alandia for compensation. No such claim has been made, and CDON has not made any provisions for such claims. Prior to Nelly Group's distribution of the shares in CDON, CDON Alandia, CDON and Nelly Group made an agreement governing the parties' mutual liabilities if any of them were to be ordered by a legally binding judgement to pay damages to the defendants. Under this agreement, any damages will be paid by CDON.

## Group relationship and consolidated financial statements

CDON AB does not produce any consolidated financial statements given that the subsidiary CDON Alandia AB, 2143083-5, is classified as a minor company without major significance in line with Chapter 7, Section 3 of the Swedish Annual Accounts Act.

## Related party transactions

No related party transactions occurred during the quarter.

## Financial calendar 2021

The interim report for the third quarter will be presented on October 21st.

The interim report for the fourth quarter will be presented on February 16, 2022.

## Audit

This report has not been audited by the company's auditor.

Malmö, July 14, 2021

CDON AB (publ)

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## Conference call

Analysts, investors, and the media are invited to a conference call today at 14:00 CEST. To participate in the conference call, please dial:

SE: +46 850558359

UK: +44 3333009264

US: +1 8338230589

The presentation material and webcast will be published at [www.investors.cdon.com](http://www.investors.cdon.com).

**For further information, please contact:**

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**About CDON**

CDON was founded in 1999 and is now the biggest marketplace in the Nordic region. During 2020 we had over 120 million visits and 2.3 million customers. Our customers can choose to buy and compare prices for millions of products, by far the widest range of all Nordic e-retailers. Over 1,500 merchants offer their product range on CDON's platform to increase their sales. This gives CDON a wide range of products within movies, music, computer games, office supplies, books, toys, consumer electronics, household appliances, sport, outdoor, beauty care, fashion, shoes, computers and computer products. CDON is listed on First North with the abbreviation CDON.

*This information is information that CDON AB is required to disclose under the EU Market Abuse Regulation. The information was released for publication through the agency of the above contacts at 13:00 on July 14, 2021.*

## Condensed income statement

Amounts in SEK million	2021 Apr-Jun	2020 Apr-Jun	2021 Jan-Jun	2020 Jan-Jun	2020 Jan-Dec
Net sales	118,8	197,3	250,3	382,0	797,6
Cost of Goods Sold	-72,9	-138,9	-156,4	-279,3	-546,9
<b>Gross Profit</b>	<b>45,9</b>	<b>58,4</b>	<b>94,0</b>	<b>102,7</b>	<b>250,7</b>
Selling expenses	-37,6	-36,0	-70,1	-72,5	-149,6
Administrative expenses	-32,2	-26,3	-60,6	-50,2	-107,8
Other operating expenses	0,4	-0,3	-0,4	0,6	0,7
<b>Operating profit/loss</b>	<b>-23,6</b>	<b>-4,2</b>	<b>-37,2</b>	<b>-19,4</b>	<b>-6,0</b>
Net financial items	0,0	0,4	-0,2	1,0	-0,1
<b>Profit/loss after financial items</b>	<b>-23,6</b>	<b>-3,8</b>	<b>-37,4</b>	<b>-18,4</b>	<b>-5,9</b>
<b>Profit/loss before tax</b>	<b>-23,6</b>	<b>-3,8</b>	<b>-37,4</b>	<b>-18,4</b>	<b>-5,9</b>
Income tax	0,0	0,0	0,0	0,0	0,0
<b>Profit/loss for the period</b>	<b>-23,6</b>	<b>-3,8</b>	<b>-37,4</b>	<b>-18,4</b>	<b>-5,9</b>

<sup>1</sup> All depreciations and employee benefit expenses were previously classified as administration expenses. As of this financial year, depreciations related to capitalized development expenditure and employee benefit expenses attributable to 'Sales and marketing' are classified as 'Selling expenses'. Corrections have also been made to amounts for the comparative period.

## Condensed balance sheet

Amounts in SEK million	2021 30 June	2020 30 June	2020 31 Dec
<b>ASSETS</b>			
<b>Non-current assets</b>			
Intangible assets	62,5	59,6	60,0
Property, plant and equipment	1,6	1,7	1,7
<b>Total non-current assets</b>	<b>64,1</b>	<b>61,3</b>	<b>61,7</b>
<b>Current assets</b>			
Inventory	15,7	40,9	25,2
Other current assets	33,4	30,8	38,5
Cash and cash equivalents	41,7	67,8	170,3
<b>Total current assets</b>	<b>90,7</b>	<b>139,5</b>	<b>233,9</b>
<b>TOTAL ASSETS</b>	<b>154,8</b>	<b>200,8</b>	<b>295,7</b>
<b>EQUITY AND LIABILITIES</b>			
Equity	21,8	59,3	58,9
<b>Total equity</b>	<b>21,8</b>	<b>59,3</b>	<b>58,9</b>
Other current liabilities	133,0	141,6	236,7
<b>Total current liabilities</b>	<b>133,0</b>	<b>141,6</b>	<b>236,7</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>154,8</b>	<b>200,8</b>	<b>295,7</b>

## Changes in equity

Amounts in SEK million	2021 April-June	2020 April-June	2020 Jan-Dec
<b>Equity at beginning of year</b>	<b>58,9</b>	<b>149,2</b>	<b>149,2</b>
Share capital	0	0	5,9
Development fund provision	0	0	4,9
Dissolution of development fund	0	0	-10,8
Dividend to parent company	0	-71,4	-84,4
Share based compensation	0,3	0	0
Profit for the year	-37,4	-18,4	-5,9
<b>Equity at period-end</b>	<b>21,8</b>	<b>59,3</b>	<b>58,9</b>

## Condensed cash flow statement

Amounts in SEK million	2021 April-June	2020 April-June	2020 Jan-Dec
Cash flow from operating activities before changes in working capital	-18,9	1,7	22,4
Increase (-)/decrease (+) in inventories	5,2	19,1	79,7
Increase (-)/decrease (+) in operating receivables	-2,5	3,2	44,8
Increase (+)/decrease (-) in operating liabilities	0,3	5,6	-117,3
<b>Cash flow from operating activities</b>	<b>-15,9</b>	<b>29,7</b>	<b>29,6</b>
<b>Investing activities</b>			
Acquisitions of property, plant and equipment	-0,1	-0,2	-0,9
Acquisitions of intangible assets	-5,5	-5,1	-21,9
<b>Cash flow from investing activities</b>	<b>-5,6</b>	<b>-5,4</b>	<b>-22,8</b>
<b>Financing activities</b>			
Repayment of loan	0,0	70,0	70,0
Loans paid out	0,0	0,0	-20,0
Dividend paid	0,0	-71,6	-84,4
<b>Cash flow from financing activities</b>	<b>0,0</b>	<b>-1,6</b>	<b>-34,4</b>
<b>Cash flow for the period</b>	<b>-21,5</b>	<b>22,7</b>	<b>-27,6</b>
<b>Cash and cash equivalents at the beginning of period</b>	<b>63,1</b>	<b>44,7</b>	<b>196,6</b>
<b>Exchange rate differences in cash and cash equivalents</b>	<b>0,1</b>	<b>0,4</b>	<b>1,3</b>
<b>Cash and cash equivalents at the end of period</b>	<b>41,7</b>	<b>67,8</b>	<b>170,3</b>

## Selected segment information

Amounts in SEK million	2021 April-June	2020 April-June	Δ	2021 Jan-June	2020 Jan-June	Δ
<b>CDON Marketplace (3P)</b>						
Gross merchandise value	433,2	414,9	4%	812,9	717,5	13%
Net sales	41,2	48,4	-15%	82,0	82,4	0%
Gross profit	38,7	45,4	-15%	76,7	77,1	-1%
Gross margin (%)	93,9	93,8	0,1 pp	93,6	93,7	-0,1 pp
<b>CDON Retail (1P)</b>						
Gross merchandise value	79,1	152,1	-48%	171,7	304,0	-44%
Net sales	77,6	148,9	-48%	168,3	299,6	-44%
Gross profit	6,9	13,0	-47%	16,9	25,5	-34%
Gross margin (%)	8,9	8,7	0,2 pp	10,0	8,5	1,5 pp

## Condensed key ratios

	2021 April- June	2020 April- June	Δ	2021 Jan- June	2020 Jan- June	Δ
Total gross merchandise value	512,3	567,0	-10%	984,6	1 021,5	-4%
Active customers, last 12 months, thousands	2 195	1 988	10%	2 195	1 988	10%
Visits, thousands	18 759	29 735	-37%	40 092	53 082	-24%
Orders, thousands	653	883	-26%	1 361	1 595	-15%
Average shopping basket, SEK	784	642	22%	723	640	13%
Active merchants	1 868	1 248	50%	1 868	1 248	50%
Share sales in Sweden	74%	72%	1,7 pp	72%	72%	0,3 pp
Marketing costs / gross merchandise value	-4,7%	-4,0%	-0,6 pp	-4,4%	-3,9%	-0,5 pp

## Information on the number of shares

	2021 April-June	2020 April-June
Shares outstanding at the end of the period, millions	6.0	0.1
Shares outstanding at the end of the period after dilution, millions	6.0	0.1
Average number of shares before dilution, millions	6.0	0.1
Average number of shares after dilution, millions	6.0	0.1

## Alternative performance measures

Certain key ratios in this report are not defined according to generally accepted accounting principles (GAAP). These alternative performance measures are deemed to be useful to investors because they form the basis for assessing operational performance, along with the comparable GAAP ratios. Alternative performance measures should not be considered in isolation from, or as a substitute for, financial information presented in accordance with GAAP. Alternative performance measures may not be comparable to similar measures reported by other companies.

## Definitions

Earnings per share	Earnings for the year attributable to the parent company's shareholders divided by average number of shares for the period.
Number of active customers	The number of customers who have made a purchase at least once in the past 12 months
Number of visits	The gross number of visits to the sites
Average shopping basket/SEK	Gross merchandise value/number of orders
Total gross merchandise value	Gross merchandise value refers to total sales of goods from third-party merchants and own sales excluding returns and sales tax
Gross sales (3P)	This refers to total sales of goods, excluding returns and sales tax, from third-party vendors
Gross sales (1P)	This refers to total sales of goods, excluding returns and sales tax, by CDON
Marketing expenses/gross merchandise value	Marketing expenses as a percentage of total gross merchandise value