



PRESS RELEASE

Malmö, Sweden

13:00 CEST, Thursday, 25 april 2024

Interim report Q1 2024

FIRST QUARTER FOR THE GROUP

- Total gross merchandise value (GMV) decreased by 3% to SEK 397.2 (408.5) million.
- Organic GMV decreased by 27% for the CDON segment.
- Net sales increased by 5% to SEK 95.8 (91.5) million.
- Take rate increased by 5 percentage points to 17.7% (12.7%).
- Gross margin increased by 16.7 percentage points to 73.5% (56.8%).
- Gross profit after marketing (GPAM) increased by 44% to SEK 44.3 (30.9) million.
- Organic GPAM decreased by 16% for the CDON segment.
- EBITDA amounted to SEK -2.2 (0.6) million.
- EBIT amounted to SEK -26.7 (-5.1) million.
Adjusted for SEK 16.7 million in goodwill depreciation for the Group due to the acquisition of Fyndiq, EBIT amounted to SEK -10.1 million.
- Earnings per share amounted to SEK -2.52 (-0.77).
- Adjusted Earnings per share amounted to SEK -0.97.

Letter from the CEO

Addressing short-term challenges with a steady focus on our long-term objective

In Q1, we faced three very distinct challenges:

- we were negatively impacted by Google's algorithm changes
- as expected, the previously communicated closure of the Malmö office consumed significant team and management focus
- as expected, the ongoing platform migration also consumed significant resources

Together these challenges resulted in a very tough quarter and we are not happy about our results. However, we remain convinced that we take the right steps towards our long term objective: to become the leading marketplace in the Nordics.

Negative impact of Google's algorithm changes

Since last year, Google has implemented significant updates to their search algorithm, adversely affecting marketplaces and price comparison sites on a global scale.

We have allocated the right resources to mitigate the effects from the changes and have implemented several technical adjustments. However, in the realm of SEO, the positive impact of our changes may take months to fully materialize. We have started to see potential signs of improvement from our fixes in April, especially on Fyndiq where technical changes can be more easily implemented.

CDON AB (publ)

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Consolidation of operations: closure of the Malmö office

In February, we communicated and initiated the closure of our Malmö office to consolidate operations at our Stockholm headquarters and transition to an outsourced customer service model. The closure has temporarily diverted focus from employees and management, creating some inefficiencies in the quarter. The majority of the handover from employees in Malmö to those in Stockholm is now complete, and customer service operations have fully transitioned to our outsourcing partner.

We anticipate significant long-term operational benefits from unifying our team under one roof, and as part of this restructuring, we are in the process of replacing roles previously based in Malmö by hiring for new roles in Stockholm (all within the scope of the financial adjustments previously communicated). We see great interest in these open positions from talented applicants.

Ongoing migration of the technical platform

We are on track with our critical platform migration project, scheduled for completion in September. This will enable us to decrease the cost levels according to plan, and enable a higher developing velocity.

Financial performance: first negative EBITDA in five quarters

The combined impact of the Google algorithm updates and the operational changes related to the Malmö office closure resulted in a negative EBITDA of -2.2 mSEK for the quarter. This marks our first negative EBITDA in over a year, and we're not happy to break the positive EBITDA streak since Q1 last year.

Long-term outlook

To summarize, we are currently navigating three major challenges: the Google algorithm updates, the closure of the Malmö office, and our ongoing platform migration. Together, these changes have put short term pressure on our organizational and business performance. We remain committed to our long-term objective to build the leading marketplace in the Nordics. Our strategy to achieve this still remains to a) **massively increase supply**, and b) **greatly improve customer satisfaction**.

Although I'm not happy with the financial results this quarter, we are making operational progress. I continue to have a positive view on our company's mid- to long-term potential, and despite these short term challenges, I am confident to reach a stronger performance in EBITDA for this year compared to last.

All the best!

Fredrik Nordberg
CEO, CDON

Webcast and teleconference

Analysts, investors and the media are invited to a webcast and webcast today at 14:00 CEST.

To take part in the presentation and participate via the webcast, go to the link below. Via the webcast, there is an opportunity to ask written questions.

Link to webcast: <https://ir.financialhearings.com/cdon-q1-report-2024/register>

If you wish to participate via teleconference, please register on the link below. After registration you will be provided phone numbers and a conference ID to access the conference. You can ask questions verbally via the teleconference.

Link to teleconference:

<https://conference.financialhearings.com/teleconference/?id=50048681>

The presentation material and the webcast will be published on <https://investors.cdon.com/en/investor-relations/presentations/>

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Certified Adviser

FNCA Sweden AB is the company's Certified Adviser.

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 CEST on 25 April 2024.

About CDON and Fyndiq

CDON AB (publ) ("CDON") was founded in 1999 and is now the biggest marketplace in the Nordic region. Customers can choose to buy and compare prices for millions of products at CDON, by far the widest range of all Nordic e-retailers. Over 1,500 merchants use CDON's platform and technology to increase their sales. This gives CDON a wide range of products within, movie, music, computers, games, office supplies, books, toys, consumer electronics, household appliances, sport, outdoor, beauty care, fashion, shoes, computers, and computer products. CDON's shares are listed on Nasdaq First North Growth Market with the abbreviation CDON.

Fyndiq AB ("Fyndiq") is since April 2023 a wholly owned subsidiary of CDON. Fyndiq was launched in 2010 and is operating a marketplace which offers a wide range of bargain products from Swedish and international merchants. Fyndiq has built an effective technical platform that allows merchants to easily get access to a large customer group while Fyndiq takes care of marketing, customer support and payments. Fyndiq's main market is Sweden and it also operates sites in Finland, Norway and Denmark. Fyndiq is headquartered in Stockholm.

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