



PRESS RELEASE

Stockholm, Sweden

13:00 CEST, Friday, 12 July 2024

Interim report Q2 2024

SECOND QUARTER FOR THE GROUP

- Total gross merchandise value (GMV) decreased by 14% to SEK 426.1 (497.3) million.
- Organic GMV decreased by 21% to 318.6 (401.1) million for the CDON segment.
- Net sales decreased by 7% to SEK 97.2 (104.2) million.
- Gross margin increased by 2.8 percentage points to 77.0% (74.2%).
- Gross profit after marketing (GPAM) decreased by 7% to SEK 44.6 (47.7) million.
- Organic GPAM decreased by 23% for the CDON segment.
- EBITDA amounted to SEK -9.4 (1.8) million.
- EBIT amounted to SEK -33.7 (-24.5) million.
- Earnings per share amounted to SEK -3.18 (-3.49).
- Adjusted Earnings per share amounted to SEK -1.63.

YEAR TO DATE FOR THE GROUP

- Total gross merchandise value (GMV) decreased by 9% to SEK 823.3 (905.9) million.
- Organic GMV decreased by 24% to 618.8 (809.6) million for the CDON segment.
- Net sales decreased by 1% to SEK 192.9 (195.7) million.
- Gross margin increased by 9.3 percentage points to 75.3% (66.0%).
- Gross profit after marketing (GPAM) increased by 13% to SEK 88.9 (78.6) million.
- Organic GPAM decreased by 19% for the CDON segment.
- EBITDA amounted to SEK -11.6 (2.5) million.
- EBIT amounted to SEK -60.5 (-29.6) million.
- Earnings per share amounted to SEK -5.70 (-4.83).
- Adjusted Earnings per share amounted to SEK -2.60.

Letter from the CEO

As we conclude the second quarter of 2024, we continue to navigate through significant challenges while implementing operational changes to achieve our long-term objective: to become the leading marketplace in the Nordics.

Overall Performance

Our GMV saw a contraction of -19% compared to the same period last year. Although this decline is less pronounced than in Q1, it remains below our expectations. More positively, both GMV and gross profit after marketing saw sequential improvement throughout the quarter, however, we are not yet back to y-o-y growth. The Fyndiq segment saw better performance than the CDON segment.

Our costs were elevated during the quarter, mainly because of the closure of the Malmö office which has resulted in restructuring costs. EBITDA was negative with -9.4 mSEK, and adjusted for the one-time restructuring costs, we see a negative adjusted EBITDA of -5.4 mSEK. Adjusted for negative FX effects, we end with an adjusted EBITDA of -3.5 mSEK.

We are dissatisfied with our financial performance in Q2. While results have seen sequential improvement and we are making progress on key initiatives, the major platform migration will likely create some disruption for a period within Q3. However, this migration is an important milestone that will allow our business to be more nimble and, ultimately, more profitable.

We remain convinced that the strategic initiatives we are implementing in 2024 are setting the foundation for future growth despite not impacting our reported results.

Key Initiatives and Progress

- **Massively Improve Supply:** Having the right supply at the right prices is the most important element for any e-commerce marketplace. After a thorough internal analysis in Q2, we have concluded we need to substantially improve supply acquisition at CDON. During the last couple of months, we have worked to improve our supply organization through additional hires and an updated systematic approach to supply acquisition. While the results of these efforts are yet to materialize in our GMV we strongly believe that our investments in both talent and in tech will drive long-term growth.

- **SEO:** The SEO issues mentioned in the last report are being addressed and we have begun to implement changes to improve our SEO position. We believe our tech platform migration will also drive more significant SEO outcomes.

- **Platform Migration:** The ongoing platform migration remains on track, and we remain confident in achieving the 40 mSEK in savings for 2025. We look forward to the consolidation of the tech platforms of CDON and Fyndiq; this platform migration is an essential step that will enable us to operate more efficiently.

- **Operational Consolidation:** We are in the midst of the second phase of consolidating operations to the Stockholm office, which includes recruiting and replacing roles that have left the company in connection with the closure of the Malmö office. We have filled approximately half of the new roles in Stockholm, with many new hires already onboarded. We are excited with the quality of talent that we have added to the team. Later in Q3, our focus will be on hiring for the remaining outstanding roles and onboarding our new hires.

Looking Forward

Despite not achieving our financial expectations in Q2, we believe we are making operational progress towards our long-term goals.

Our attention remains entirely focused on materially increasing supply, improving our SEO position and completing our platform migration and office consolidation. We believe these critical decisions will build a stronger base for future success.

All the best!

Fredrik Nordberg
CEO, CDON

Webcast and teleconference

Analysts, investors and the media are invited to a webcast and teleconference 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-q2-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=50048682>

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

For further information, please contact:

Fredrik Norberg

CEO

E-mail: fredrik.norberg@cdon.com

Carl Andersson

CFO

E-mail: carl.andersson@cdon.com

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 12 July 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.