Q1 Earnings Call

April 24th, 2025

CDON GROUP

Welcome to CDON Group’s Q1 earnings call

“Very weak start of the year, but with a positive ending of the quarter”

Fredrik Norberg
CEO

“We remain on track to realizing communicated cost savings”

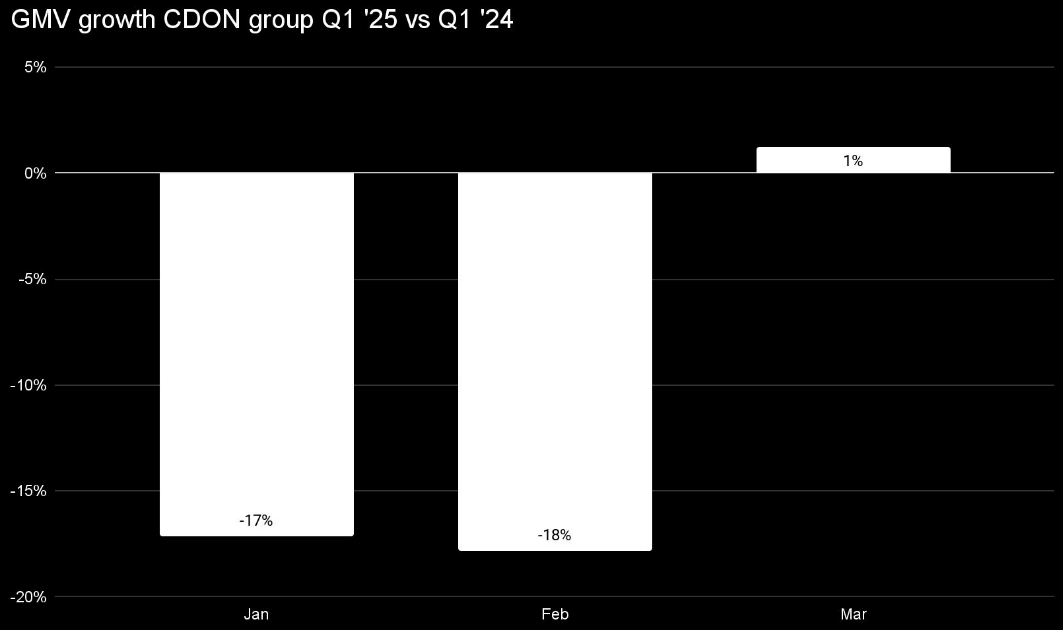
Carl Andersson
CFO

CDON GROUP

A challenging start, with clear improvements in March

- Weak sales start of the year
- Decisive operational adjustments led to renewed momentum, resulting in March performance in-line y/y
- Review of strategic alternatives initiated in order to realize full business potential

Weak beginning to the quarter, stronger March



- January and February struggled due to weakness with key merchants, especially in Sweden
- Operational improvements implemented with key merchants during the quarter led to improved performance
- As a result, March showed improved results, ending in-line with prior year

CDON GROUP

A weak quarter affecting our GPAM negatively

- Weak GMV with key merchants in January/Feb impacted results; 1P/Media remains the weakest category
- Increased dependence of paid traffic -> increased marketing costs
- Negative development in the most important market, Sweden

CDON GROUP

New merchant API should drive faster onboarding

- Introduced new merchant API towards end of quarter, consolidating multiple previous interfaces into one efficient solution
- Transition initially caused slowdown in merchant onboarding
- Expect new API to accelerate new merchant onboarding in upcoming quarters

CD
ON
GROUP

CDON initiates review of strategic alternatives in order to realize full business potential

Including but not limited to:

- Take-private transaction
- Capital raise to fund strategic growth opportunities
- Sale of the Company (whole or in part)
- Other strategic transaction

Whole management team supports this initiative

Financial performance

CDON GROUP

Profit and Loss Highlights - As reported (2024-2025), MSEK

CDON Group - Post Acq	2025 Jan-Mar	2024 Jan-Mar	Δ	2024 Jan-Dec
Total gross merchandise value (GMV)	**350.4**	**397.2**	**-12%**	**1,826.4**
Net sales	80.5	95.8	-16%	435.2
Cost of goods sold	-14.4	-25.4	57%	-102.2
Gross profit (GP)	**66.1**	**70.4**	**-6%**	**333.0**
Take rate (%)	18.9	17.7	1.2 p.p.	18.2
Marketing Cost	-27.5	-26.1	-6%	-138.3
Gross profit after marketing (GPAM)	**38.6**	**44.3**	**-13%**	**194.7**
OPEX	-38.4	-46.5	17%	-190.3
Share in associate´s profit/loss after tax	0.0	0.0	N/A	0.0
EBITDA	**0.2**	**-2.2**	**N/A**	**4.5**
D&A	-22.0	-24.5	10%	-115.8
EBIT	-21.8	-26.7	-18%	-111.4

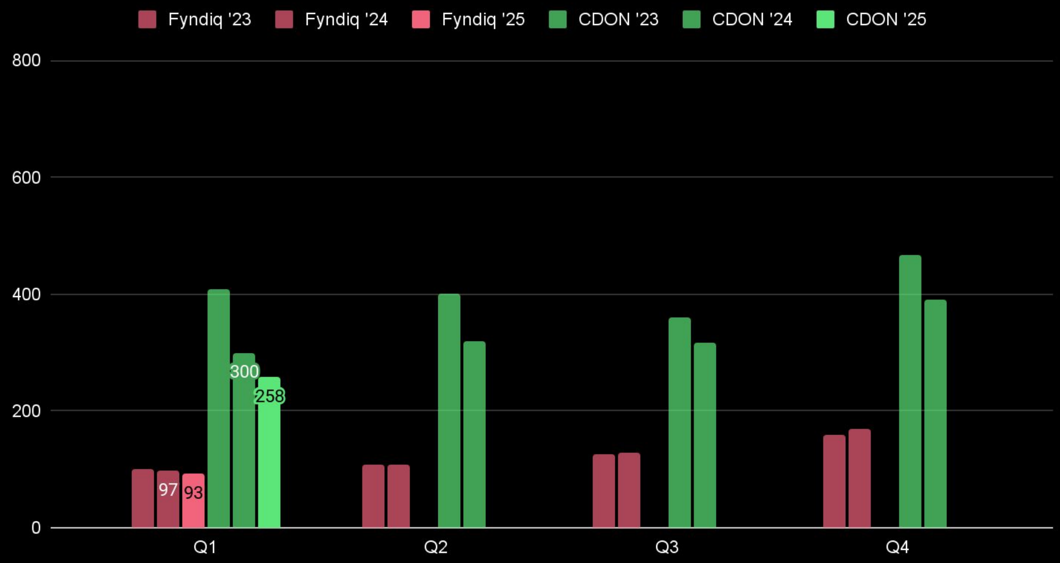
Disappointing start to the year, despite positive EBITDA in the quarter

Comments

- 12% lower GMV in a weak quarter impacted by macro uncertainty, limited competitiveness in our supply and larger impact from Chinese New Year on Fyndiq than LY
- 16% lower net sales in the quarter, with continued very weak 1P performance, heavily impacting net sales
- 3P net sales was -4% vs LY
- GPAM declined by 13% in the quarter as higher take rate was more than offset by higher marketing costs
- EBITDA amounted to 0.2 mSEK in the quarter. Adjusting for Bad debt resolution, EBITDA amounted to -4.4 mSEK

CDON GROUP

Gross Merchandise Value, by segment
(2023-2025), MSEK

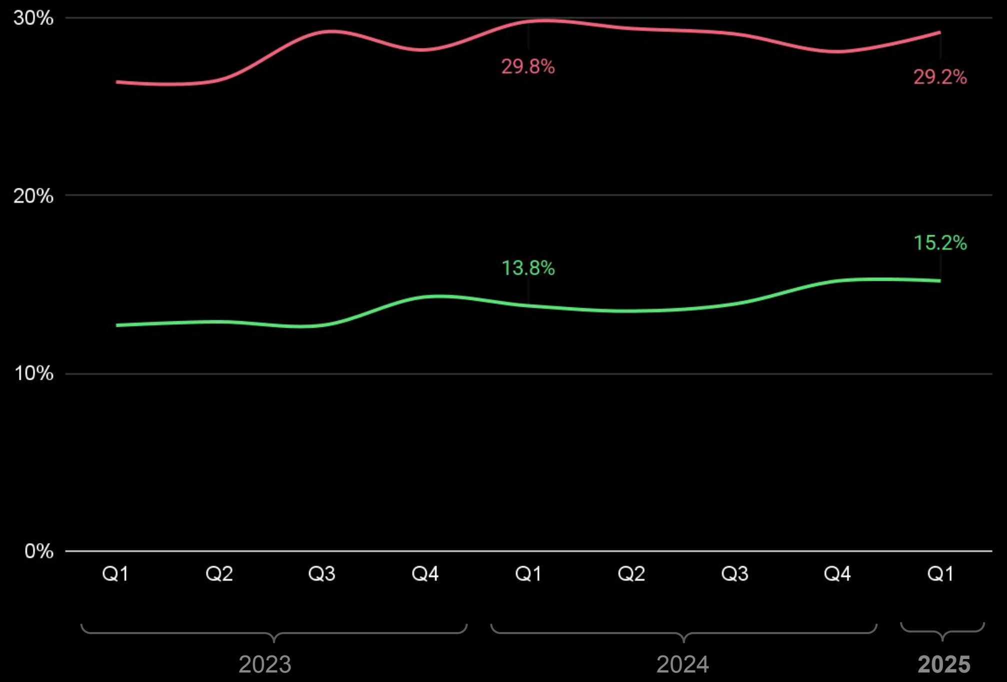


Both segments struggled to reach growth, but for different reasons

Comments

- Uncertain macro environment and uncompetitive supply impacted both segments, but mostly CDON
- GMV for CDON -14% vs LY, but with March sequentially better
- 2024 momentum turned negative for Fyndiq as Chinese New Year had a larger effect this year, following a higher exposure
- GMV for Fyndiq -4% vs LY

Take rate, by segment
(2023-2025), MSEK, % of GMV



Take rate (%) = Merchant Commission & Fees + Value-Added Services + Customer Revenues / Gross Merchandise Value

Steadiness in our take rate

Comments

- Strong take rate in CDON segment as we continue to benefit from the higher shipping commission introduced in Q4 2024
- Seasonal recovery from Q4 in the case of Fyndiq
- Take rate of 15.2% for CDON and 29.2% for Fyndiq in the quarter

CDON GROUP

Gross Profit After Marketing, by segment
(2023-2025), MSEK

Lower GPAM and continued pressure on our GPAM margin

Comments

- Despite the higher take rate in the quarter, GPAM declined 16%, more than GMV, for CDON
- CDON's GPAM margin fell to 8.5% (8.7%) in the quarter
- Fyndiq's GPAM declined by 9% in the quarter following a more expensive traffic mix
- GPAM margin declined to 17.9% (18.9%) in the quarter

CDON GROUP

Marketing cost as % of GMV, by segment (2023-2025), MSEK

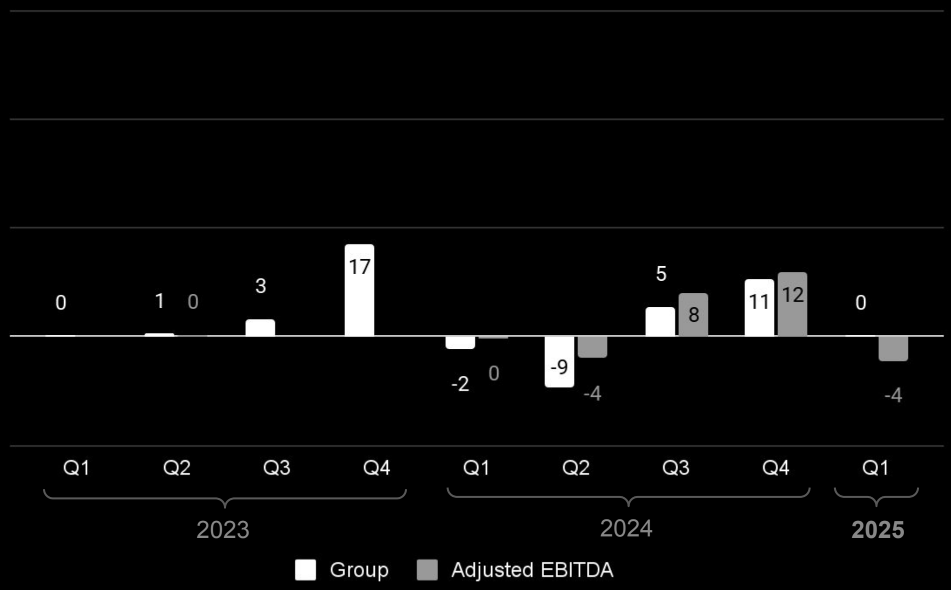
Lower marketing cost in Q1, but continued expensive traffic mix

Comments

- Across both segments we see a continued high share of paid traffic compared to organic traffic
- Marketing cost as % of GMV came down slightly for both segments, reaching 6.6% for CDON and 11.2% for Fyndiq
- Reducing dependency on paid traffic remains a strategic objective, but takes time

CDON GROUP

EBITDA, Segment
(2023-2025), MSEK



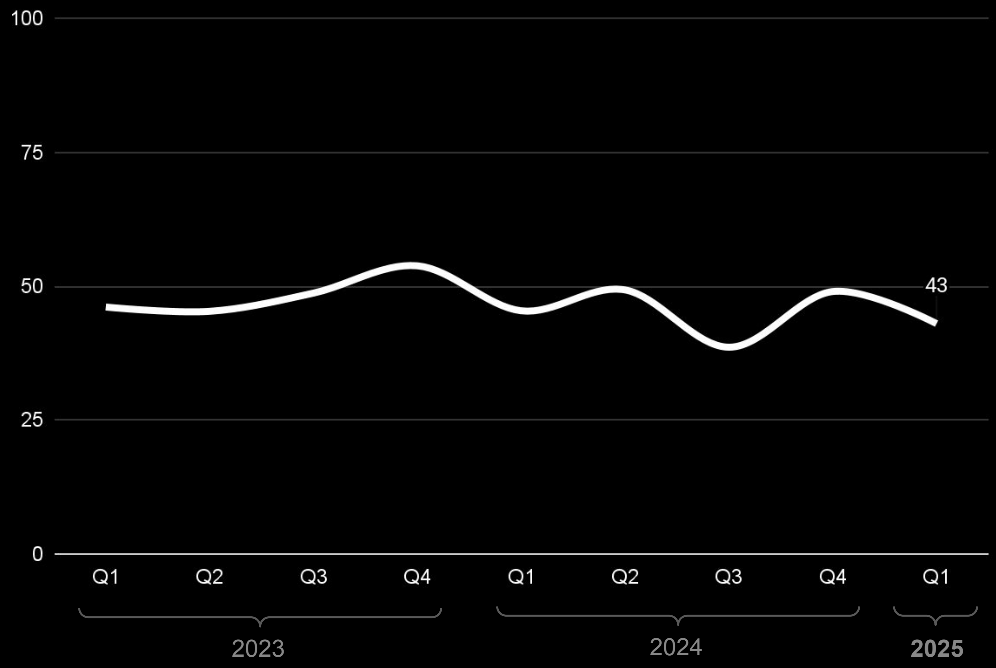
Positive reported EBITDA, but adjusted EBITDA not in line with our ambition

Comments

- Seasonally weak Q1, where we report an improved EBITDA vs LY of 0.2 mSEK
- However, adjusting for the resolution of Bad debt, EBITDA amounts to -4.4. mSEK
- Lower OPEX does not fully offset the weaker commercial performance in the quarter

CDON GROUP

Adjusted Operational expenses, Group
(2023-2025)[1], MSEK



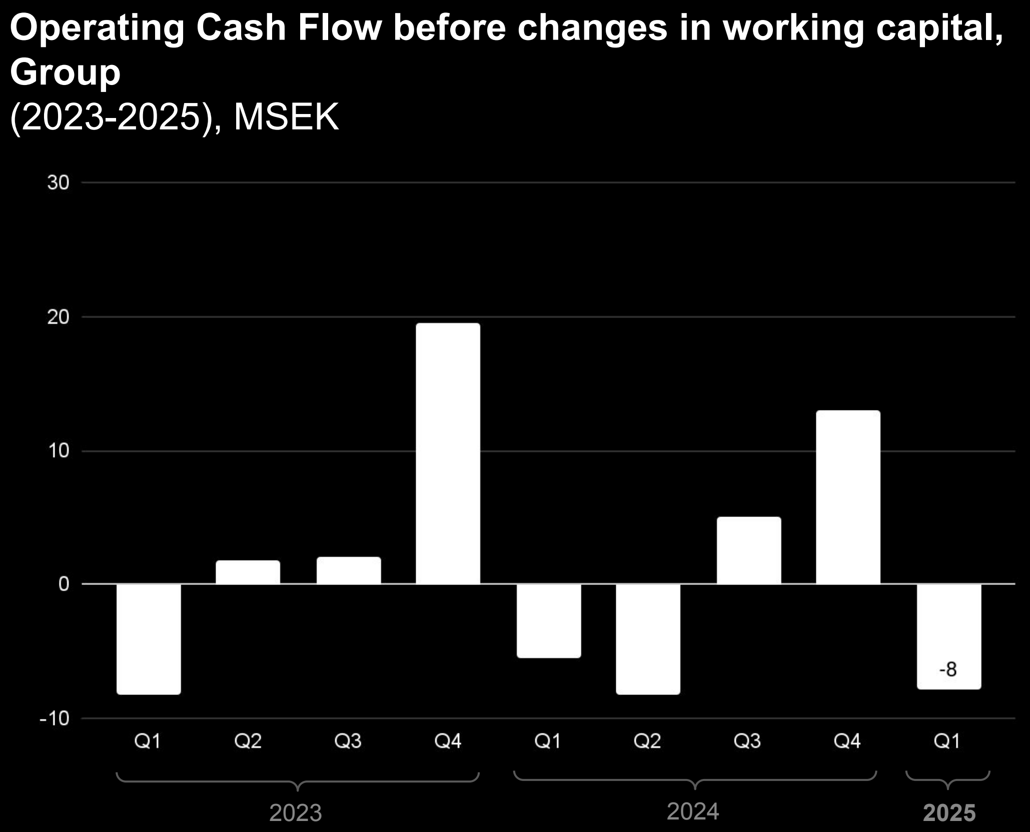
[1] Adjusted for costs related to one-off nature Q4 22 (restructuring), Q2 (Fyndiq transaction), Q1-Q4 24 (Closing of Malmö office), and Q1 2025 (Bad debt resolution)

On track with our lower OPEX run-rate

Comments

- Satisfied to report a lower OPEX vs LY, and Q4, as we have been able to realize lower personnel and platform costs following the migration
- Some temporary costs still included in Q1 cost base, but we remain on track to realizing the lower run-rate

CDON GROUP



Negative cash flow, in line with seasonal pattern

Comments

- Negative operating cash flow before changes in working capital following the weak performance
- Cash balance remains stable, and end of period balance was 77 mSEK. In line with LY despite the lower GMV

CDON GROUP

Summary

- Weak sales start of the year
- Decisive operational adjustments led to renewed momentum, resulting in March performance in-line y/y
- Review of strategic alternatives initiated in order to realize full business potential

CDON GROUP


Q&A
CDON
GROUP


CDON
GROUP