

CDON

Interim report

Q1 2022

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CDON is creating the foundation for future growth

FIRST QUARTER FOR THE GROUP

- Gross merchandise value (GMV) for CDON Marketplace (3P) increased by 4% to SEK 395.2 (379.6) million
- Net sales for CDON Marketplace increased by 10% to SEK 44.7 (40.8) million. CDON Retail net sales decreased by 33% to SEK 60.5 (90.7) million due to the process of reducing sales of own inventory
- Gross margin increased by 11.2 percentage points to 47.7% (36.5%)
- Profit/loss before depreciation and amortization amounted to SEK -27.0 (-9.1) million
- Profit/loss for the period amounted to SEK -33.8 (-13.9) million
- Earnings per share amounted to SEK -5.18 (-2.31)

Amounts in SEK million	2022 Q1	2021 Q1	Δ
CDON Marketplace (3P) ^{1,3}			
Gross merchandise value ²	395.2	379.6	4%
Net sales	44.7	40.8	10%
Gross margin (%)	95.6	93.2	2.4 pp
CDON Retail (1P) ⁴			
Gross merchandise value ²	60.5	92.6	-35%
Net sales	60.5	90.7	-33%
Gross margin (%)	11.8	11.1	0.7 pp
CDON Group⁵			
Total Gross merchandise value ²	455.7	472.2	-4%
Net sales ⁶	105.7	131.5	-20%
Gross margin (%)	47.7	36.5	11.2 pp
Profit/loss before depreciation and amortization	-27.0	-9.1	n/a
Active customers, last 12M, thousands	2,023	2,284	-11%

¹ All service income is recognized in CDON Marketplace (3P)

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

³ CDON Marketplace (3P) refers to third-party merchants affiliated to CDON

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

⁵ CDON Group encompasses results from CDON AB, subsidiaries and shares in associated companies

⁶ Net sales for CDON Group includes 0.5 million in net sales from subsidiaries

Letter from the CEO

The first quarter

During the first quarter CDON marketplace GMV grew by 4%. While our growth was lower than expected, we are performing much better than the Swedish e-commerce market as a whole, which decreased by 13% in Q1. Electronics was the category with the largest decrease (-25% in Q1) in the overall e-commerce market. Despite the challenging circumstances, CDON Marketplace grew in our core categories Electronics and Home & Garden during the whole quarter.

In the quarter we laid the foundation for our growth journey and took significant costs to keep up speed. Costs were related to recruitments aiming to strengthen the management team, the interim management leaving early Q1, our projects related to our brand re-positioning, the incentive programs for key employees, and acquisition costs related to Commerce8 and Xales. We estimate that SEK 10 million of the costs are of one-off nature. To keep a high transformation pace, we have engaged a number of consultants who will gradually be replaced by regular employees during Q2 and Q3. We expect the higher cost level to partly continue in Q2, and to be phased out from there.

While we have a challenging market environment, we also have significant room for improvement in our own market acquisition processes, within SEM, SEO and CRM. The digital marketing function has been strengthened and we have an intense focus on this area. This is fundamental to be able to generate a positive operating cash flow in the foreseeable future.

Profit/loss before depreciation and amortization amounted to SEK -27.0 (-9.1) million for the quarter.

Group management is now complete

We welcomed Thomas Pehrsson as the new CFO in the first quarter. Thomas' experience in finance, strategy and acquisitions will accelerate our current and future growth initiatives. Madeilene Södarr was recruited as Chief Customer Officer. Madeilene has extensive expertise in digital strategy, customer insight and marketing. Magnus Nanne was appointed Chief People Officer. Magnus has an important role in making CDON the most attractive employer in the Malmö region.

Growth initiatives at a high pace

Our rebranding project progresses according to plan. We are looking forward to launching a more relevant and differentiated CDON toward the Nordic shoppers and merchants during the latter part of 2022.

We are growing the brand and the business in all four Nordic markets by increasing our focus and activities in the whole Nordic Region. We are broadening our merchant base and improving our assortment. The first step toward an increased Nordic presence has been taken in Norway, where we expect positive effects during Q2. Denmark and Finland will follow during the second half of 2022.

We are currently adding more resources to improve the capacity and structure of the marketplace assortment. This is according to our growth strategy "Winning the home", which includes the prioritized categories Electronics, Home & Garden, Beauty, Sports & Outdoor, Toys and Books. This will have a positive impact on the customer experience on our site.

Lead identification efforts by our Merchant sales teams are now based on a need assessment for "Winning the home" categories, as defined and prioritized by the responsible Category Managers. We have optimized the complete sales process toward merchants during the first quarter. An improved segmentation with a defined strategy and guidelines for the timeline, resources and time allocation has been set, and the implementation of the Sales force CRM system is ready to support efficient follow-up on every merchant account. Related to the segmentation, we have also set up a new marketing function for B2B marketing in order to reach and attract more merchants than ever before. We also onboarded

two major European aggregators during Q1, making it easier for European brand owners and e-tailers to reach the Nordic market through our platform. The latter is a result of our newly formed Partner sales team.

Improved customer experience

Our loyalty program CDON+ continues to develop in a positive way. The release of the feature for monthly subscriptions on CDON+ is a first step in the direction for enabling subscriptions of selected products in certain categories.

The implementation of an improved CDON Buy Box with CDON's unique identifier (CID) is taking our CDON Buy Box functionality to the next level. The customer will be able to see different offerings of the same products on a single page, with the most attractive ones highlighted for easy access. The functionality will result in an improvement both in SEO and user experience.

Our native CDON mobile app is being developed according to plan. A first release will be launched to a selected audience shortly.

Creating the foundation for future growth

During the quarter we have initiated the work with leadership development, mainly to strengthen our capacity for change and talent management. We will become the employer in the Malmö region that attracts the best talent in the industry. This will create the quality and stability we need to become the number one Nordic e-commerce destination. The energy level is high, and our employees are enthusiastic about the efforts. This is reflected in the continued positive trend of eNPS.

All in all, we are operating on a wide array of activities and improvements. The short-term sales objectives need to be balanced with the long-term changes. This will require a joint effort and a high pace of execution. I'm very glad and satisfied about the attitude in the organization and the way all our teams step up to meet the objectives.

The transformation of CDON to become the number one shopping destination in the Nordic region is well on its way.

Sincerely,

Peter Kjellberg
CEO

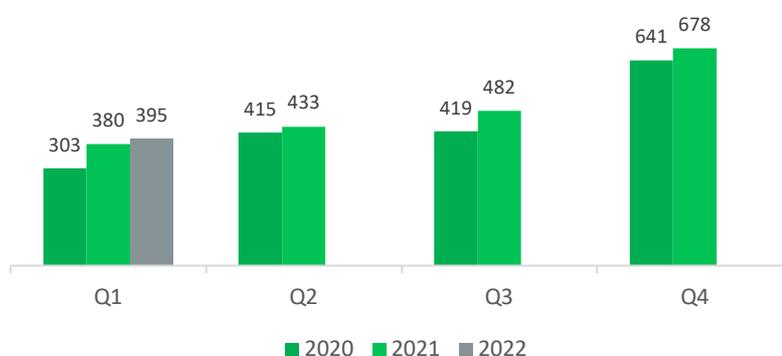
CDON Marketplace is gaining market share in a declining market

CDON's main line of business is the CDON Marketplace (3P), in which sales come 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.

According to the latest reports from Swedish Trade Federation¹ (Svensk Handel), the Swedish e-commerce market experienced a 13% decline in Q1 compared to the same quarter last year. According to the Swedish Trade Federation, the lifted restrictions of the pandemic in February have led to a decreasing number of e-commerce consumers within certain categories, turning to physical stores instead of online. Despite a negative market development, CDON Marketplace saw increased sales, growing 3P GMV by 4% during the first quarter.

[1Svensk Handels E-handelsindikator Februari 2022](#)

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



CDON Marketplace pursues growth initiatives for Nordic expansion

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 on 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.

In the beginning of the first quarter, CDON initiated several activities to stimulate growth:

- **Improved brand perception** is a priority for CDON, and the work continues to strengthen the CDON brand toward consumers.
- **Market expansion** by broadening the merchant base in Norway, Denmark and Finland and improving the assortment in order to make CDON Marketplace more complete and more competitive in the Nordics.
- **Assortment expansion** by adding more resources to improve the capacity and structure of the marketplace. According to the growth strategy "Winning the home", the focus is to expand the assortment within Electronics, Home & Garden, Beauty, Sports & Outdoor, Toys and Books.
- **Merchant expansion** by increasing the pace of onboarding of new merchants in the Nordics, to make CDON marketplace even more relevant. Better and faster onboarding processes are an important part of this.

CDON continues to develop new functions to be the sales engine for merchants and the one-stop online destination for shopping for consumers in the Nordics. The strategic focus is to strategically add new merchants and European brands that generate a greater product assortment and price competition to the benefit of the consumer which drives 3P GMV growth.

Gross Profit for CDON Marketplace (3P) increased by 12% to SEK 42.7 (38.0) million mainly driven by higher commissions from merchants. The higher commissions are primarily related to changes in the category mix within the Electronics segment, where mobile phones take a smaller share of the total. Home & Garden, a category with higher commissions, grows more than the average of 4% and contributes to the higher average commission rate.

CDON Marketplace's gross profit consists primarily of merchant commissions and financial commissions from our payment solution provider (PSP). Marketing and income from ads are still in an early phase and constitute less than 0.3% of the marketplace GMV.

CDON Retail continues to phase out its own inventory

CDON Retail previously offered a wide range of products from its own warehouse. 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 product range via drop shipment.

This ongoing transition resulted in a net sales decrease for the segment of 33% to SEK 60.5 (90.7) million compared to last year. The segment's gross profit amounted to SEK 7.1 (10.0) million during the quarter. The gross margin increased to 11.8% (11.1%)

Improving the product offering in core categories to stimulate growth

	2022 Q1	2021 Q1	Δ
Active customers, last 12M, thousands	2,023	2,284	-11%
Visits, thousands	19,154	21,332	-10%
Orders, thousands	696	708	-2%
Average shopping basket, SEK	655	667	-2%
Selling merchants, last 12 months ¹	1,529	1,352	13%

¹ Total number of merchants with sales during the past 12 months at the end of the period (previously merchants with products on the platform was presented)

During the quarter, the number of selling merchants on CDON Marketplace increased to 1,529 merchants, an increase by 13% compared with last year. The focus is to increase the merchant base in the Nordics, primarily within the prioritized categories. This will strengthen the CDON Marketplace assortment and improve the customer experience with regards to delivery and customer service. By the end of the first quarter, the total number of SKUs at CDON Marketplace amounted to approximately 12 million.

The number of active customers, last 12M, decreased with 11% compared to end of the quarter last year. However, when comparing to the end of 2021 the development is almost flat, and for the month of March we see a slight increase versus February.

Our traffic numbers decreased by 10% compared to the same quarter last year, mainly due to a weaker market demand. As the Swedish health regulations due to the Covid-19 pandemic were lifted in February, traffic numbers declined compared to the same period last year, which also affected the number of orders and active customers. During the last weeks of the quarter, traffic recovered, and was comparable to the corresponding period last year.

CDON continues to work on implementing both technical and marketing initiatives in order to reach more customers. One important enabler within both traffic acquisition and customer experience is to improve the quality of the product data. As stated before, an incremental improvement to product data was made during Q4 2021 with the categorization technology of Shopit Online Europe AB. In the first quarter, 99%

of CDON's ~12 million SKUs have enhanced categorization and product data, resulting in a higher conversion rate and an improved on-site customer experience. With the improved product data, traffic acquisition through SEO and SEM will be more efficient and cost-effective.

Many initiatives are being pursued to achieve Nordic expansion

CDON is focusing on core categories, namely "Winning the home", to expand in the Nordics. The goal is to broaden the merchant base and improve the assortment. The first step has been taken in Norway, where we expect positive effects during Q2. Denmark and Finland will follow in the second half of 2022. Winning the home includes the prioritized categories Electronics, Home & Garden, Beauty, Sports & Outdoor, Toys and Books. Electronics and Home & Garden remain strong and continue to show good results.

In a turbulent world, consumer needs and behavior will shift over time. The wide assortment of CDON Marketplace makes it less vulnerable if demand shifts within a certain category. "Prepping products" is a good example, where CDON clearly showed its ability to act swiftly on a growing trend, and quickly increase sales.

CDON's customer membership program CDON+, that was relaunched in Q4, is developing according to plan and the work continues to improve the program. The membership now includes free shipping on the entire product assortment and frequent exclusive deals, all for 89 SEK per year or 9 SEK per month. CDON+ currently (31st of March 2022) has 29 950 members and further additions to the offering are being explored.

CDON continuously launches new features and services to improve the customer experience and increase sales to merchants. The acquired (majority stake) companies Xales Tech Lab Oy and Commerce 8 Oy will strengthen the merchant offering and improve the onboarding process for larger merchants. The project is currently in a development phase. One example of the outcome is that CDON will make it easier to import products from other sources.

The CDON app is under development. The purpose of the app is to enable better marketing and interaction with all customers and to increase the visibility of the CDON brand. Using a native app, CDON will find an easy way to connect with customers and introduce a new traffic channel, as approximately 80% of CDON's customers already use their mobile devices for purchases.

Significant events during the first quarter 2022

On January 20th, the Board of Directors at CDON decided to summon shareholders for an Extraordinary General Meeting on February 22nd, 2022. The Board of Directors of CDON AB proposed a long-term incentive program for CDON's management team and management of subsidiaries. The purpose of the proposed program is to create strong incentives for management to drive the long-term performance of CDON, attract and retain key competence, and align the interests of the participants with the shareholders' interests.

On January 31st, it was announced that Magnus Nanne was appointed Chief People Officer ("CPO"). Magnus has an extensive background within Human Resources which spans more than 20 years. Among previous assignments, Magnus was Head of HR for Honda Motor Co, Ltd's European operation.

On February 1st, it was announced that Thomas Pehrsson was appointed Chief Financial Officer ("CFO"). Thomas started as CFO on March 7th, 2022. Thomas has an extensive background within finance and more than 20 years' experience within finance management and management consultancy. He was most recently CFO for the Nordic subsidiary of Tunstall Health Group, a global technology company within digital healthcare.

On February 7th, CDON announced that Martin Lundhgren was appointed Head of Technology, and started on the 21st of February. Martin most recently comes from Visma Draftit as Development Manager.

On February 8th, CDON announced that Madeilene Södarv has been appointed Chief Customer Officer ("CCO"), starting April 02, 2022. Madeleine joins the Management Team and is responsible for the further development of the customer experience and marketing. Madeleine previously worked at Ikano Bank, a leading consumer finance bank, where she was Head of Customer Experience. She has extensive expertise within digital strategy, customer insight and marketing from roles at the companies E.ON, Duni and Ottoboni Group.

On February 10th, CDON announced that it expands its product offering in the sports category and welcomes Decathlon to CDON Marketplace. The French company is the world's largest sports retailer with a selection of over 40,000 products. Decathlon launched its assortment on CDON Marketplace on March 1, 2022.

Comments on the financial performance for CDON Group

During the first quarter 2022 the total GMV decreased by 4% compared to the first quarter 2021 and total net sales decreased by 20% as the process of reducing sales of own inventory continued according to plan. However, GMV for CDON Marketplace increased by 4% during the quarter and net sales for CDON Marketplace by 10%, due to higher commission levels.

Gross margin increased by 11.2 percentage points to 47.7% (36.5%) during the quarter, mainly due to the CDON Marketplace expanding its share of total GMV with a higher gross margin than CDON Retail.

Profit/loss before depreciation and amortization amounted to SEK -28.3 (-9.1) million for the quarter.

Total expenses amounted to -84.2 (-61.8) million.

The lower market demand during Q1 drives increased selling expenses, which has had a positive effect on CDON's market share.

To continue gaining market shares, mainly through organic growth, CDON has increased other expenses. These mainly include improved categorization, recruitment of key personnel, cooperation with newly acquired subsidiaries focusing on increased merchant intake and sales, as well as strengthening the customer experience.

In addition, CDON have realized costs regarding current and potential acquisitions, legal and advisory costs.

Expenses of one-off nature during the quarter have been estimated to approximately SEK 10 million, mainly related to acquisitions, recruitments, costs for interim management and project costs related to re-positioning of the brand.

Profit/loss amounted to SEK -33.8 (-13.9) million.

Net financial items amounted to SEK 0.0 (-0.1) million. Profit/loss before tax amounted to SEK -33.8 (-13.9) million. Recognized tax expense amounted to SEK 0.0 (0.0) million.

Profit/loss after tax amounted to SEK -33.8 (-13.9) million. Profit/loss after tax per share amounted to SEK -5.18 (-2.31).

Cash flow and financial position for CDON Group

Cash flow from operations after changes in working capital amounted to SEK -54.0 (-100.8) million for the quarter. A negative operating result and effect from changes in operating liabilities are the main reasons for the negative cash flow. The change in operating liabilities follows the seasonal pattern. However, the phasing out of own inventory has a positive cash flow effect.

Cash flow from investing activities amounted to SEK -3.8 (-6.4) million. The variance is mainly explained by the implementation of a new ERP during Q1 2021.

Cash flow from financing activities amounted to SEK 0.0 (0.0) million.

Cash and cash equivalents amounted to SEK 145.1 (66.0) million at the end of the quarter.

Total assets amounted to SEK 301.2 (180.6) million and equity amounted to SEK 166.0 (47.3) million. The rights issue during Q3 2021 explains the higher total assets and equity.

Employees

At the end of the quarter, CDON AB had a total of 103 (119) full-time employees (measured as an average number for the first quarter). All employees work from the company's office in Malmö.

Together with its subsidiaries, the Group's full-time employees totals 108.

Share data

Since November 6, 2020, 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.

On 14 January 2022, the Swedish Companies Registration Office (*Sw. Bolagsverket*) registered the issue of 6,156 new CDON shares. The said share issue was resolved by the Board of Directors of CDON on 29 December 2021 (and was based on the authorization that had been granted by the Annual General Meeting on 7 June 2021). The share issue was carried out in connection with the CDON's acquisition of shares in Xales Tech Lab Oy (Xales) and was directed to and paid by (through set-off) the sellers of Xales. Following the CDON's directed share issue, the total number of shares in CDON increased with 6,156, from 6,444,327 to 6,450,483. The share capital increased with SEK 6,156 from SEK 6,444,327 to SEK 6,450,483. The directed share issue entailed a dilution of approximately 0.1 percent, based on the total amount of shares in CDON after the directed share issue.

As of 31 March 2022, CDON had 6,450,483 issued shares. All were ordinary shares. The share capital totaled SEK 6,540,483.

Accounting and valuation policies

The condensed consolidated interim financial statements and the interim financial statements of the Group and Parent company were 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).

Share based payments

At the Extraordinary General Meeting in CDON AB held on 22 February 2022, it was decided to adopt a long-term incentive program with Performance Shares for senior executives in CDON and its subsidiaries.

To be awarded remuneration the participant needs to buy and hold shares in the company ("Investment Shares") during the period between 1 March 2022 - 28 February 2026, the participant must be employed by the company until the end of the Vesting Period (with the exception for one fourth (1/4) of the remuneration that may be vested as of 1 March 2025), and the total shareholder return (TSR) on the company's shares must meet certain predefined goals.

The total maximum number of Investment Shares that all participants may allocate to Ownership Program 2022 amounts to a total of 8 084 Investment Shares. The limitation of the participants' right to allocate Investment Shares to Ownership Program 2022 means that the maximum number of Performance Shares

that can be allotted is limited in a corresponding extent. Depending on to what extent the performance condition has been met, the participants can be allocated a maximum of 80 840 Performance Shares.

Since the program is equity settled, the corresponding amount to the recognized cost is recognized in equity within other capital contributions. The cost for the expected shares is accrued over the vesting period.

Social security contributions on the employee benefit value are expensed and accrued over the vesting period. The social security provision is based on the estimated number of shares that have been vested at each reporting date and is recalculated to the actual market price of the Company's share. Costs for changed share price are recognized in the current period.

Significant risks and uncertainties

Several factors affect, or may affect, directly or indirectly, the operations of CDON. CDON works constantly to identify, assess and evaluate risks to which the Group is currently exposed and risks that could occur in the foreseeable future. The Group uses the following categories to manage risks: operational, industry and market, financial and legal risks. Operational risks include interruptions or deficiencies in IT and control systems, risks related to personnel, affiliated merchants' conduct, inventory and distribution. Industry and market risks include risks related to competition, the general economy and consumer purchasing power. Financial risks include currency risk, credit risk, risks related to impairment of intangible assets and liquidity risk. Legal risks include legislation, regulation and compliance, disputes and processing of personal data. Identified risks are assessed with regard to the probability of occurrence and the related consequences. The effectiveness of existing risk measures (such as safeguards, control activities, etc.) is evaluated qualitatively. All identified risks are documented in a risk register. Risks can be managed by proactive measures such as taking out insurance or entering into legal agreements, and in some cases the Group can influence the probability of risk-related events occurring. Other risks, such as risks associated with political decisions or other macroeconomic factors, cannot be eliminated. For risks related to events beyond the company's control, risk management is aimed at mitigating the consequences.

Significant risks and uncertainties are described in greater detail in the company description that was published ahead of listing of CDON's shares on the Nasdaq First North Growth Market (in Q4 2020) and in the Annual Report 2021.

CDON Ålandia

CDON previously distributed orders to customers in Finland from Åland. As communicated previously, the Finnish authorities have been investigating CDON's subsidiary CDON Ålandia Ab for suspected tax fraud for several years. Proceedings had earlier been initiated at Åland district court in Finland against three individuals who were members of CDON Ålandia 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/Turku court of appeal. However, the appeal only concerned four (of the previous five) defendants and the alleged period of the offence had been limited by the prosecutor. The main hearing (*Sw. huvudförhandling*) at Åbo/Turku Court of Appeal was held during the period November 16 - December 2, 2021. The Åbo/Turku Court of Appeal's judgement is expected to be served no later than on 30 April 2022. If a defendant is convicted in the Court of Appeal trial, 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 Ålandia for compensation. No such claim has been made, and CDON has not made any provisions for such claims. Prior to Nelly Group's (former Qliro Group's) distribution (in early November 2020) of all its shares in CDON AB to Nelly Group's shareholders, CDON Ålandia, 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.

Related party transactions

No essential related party transactions occurred during the quarter.

Financial calendar 2022

The interim report for Q1 2022 will be made available on April 21, 2022.

The interim report for Q2 2022 will be made available on July 14, 2022.

The interim report for Q3 2022 will be made available on October 20, 2022.

Dividend

The Board of Directors has proposed that no dividend will be paid to shareholders for the 2021 financial year and that the company's retained earnings be carried forward into the 2022 accounts.

Nomination committee

The Nomination Committee (*Sw. valberedningen*) ahead of the CDON's Annual General Meeting 2022 consists of:

- Sandra Backlund, appointed by Rite Ventures, Chair of the Nomination Committee,
- Alexander Antas, appointed by Mandatum Private Equity, and
- Brad Hathaway, appointed by ADW Capital.

On 7 April 2022, the Nomination Committee's proposals for resolutions at the Annual General Meeting 2022 were disclosed. Inter alia, the Nomination Committee has proposed re-election of the Board members Josephine Salenstedt, Savneet Singh, Kristina Lukes and Niklas Woxlin for the period until the end of the next Annual General Meeting. Furthermore, the Nomination Committee has proposed that Jonas Calles and Jonathan Sundqvist be elected as new Board members for the period until the end of the next Annual General Meeting. Josephine Salenstedt has been proposed to be re-elected as Chair of the Board. The Nomination Committee has also made proposals on fees/remuneration for the Board members, including both cash remuneration and partial share-based remuneration to independent members of the Board of Directors. The complete proposals from the Nomination Committee have been included in the notice convening the Annual General Meeting 2022.

Annual General Meeting 2022 (AGM 2022)

CDON's Annual General Meeting of shareholders (AGM 2022) will be held on Wednesday, 11 May 2022 through postal voting only, i.e. the AGM 2022 will be conducted without the physical presence of shareholders, representatives or external parties.

The notice convening the AGM 2022 was disclosed by CDON on 8 April 2022 and is, together with CDON's Annual Report 2021, available at the company's IR website investors.cdon.com.

Audit

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

Malmö, April 21, 2022

CDON AB (publ)

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Conference call

CDON invites the press, investors and analysts to a conference call and a webcast where CDON's interim report for Q1 2022 will be presented. After the presentation, there will be an opportunity to ask questions. The presentation will be held in English.

To participate in the conference call, please dial:

Sweden: +46 850 558 369

United Kingdom: +443 333 009 269

United States: +16 467 224 902

Link to Webcast: <https://tv.streamfabriken.com/cdon-q1-2022>

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

For further information, please contact:

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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 April 21, 2022.

About CDON

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 is listed on Nasdaq First North Growth Market with the abbreviation CDON.

Condensed income statement – Group

Amounts in SEK million	2022	2021	2021
	Jan-Mar	Jan-Mar	Jan-Dec
Net sales	105.7	131.5	542.2
Cost of Goods Sold	-55.3	-83.5	-315.3
Gross Profit	50.4	48.0	226.9
Selling expenses	-37.4	-32.5	-172.5
Administrative expenses	-45.0	-28.5	-116.2
Other operating income/expenses, net	-0.5	-0.8	0.2
Results from associated companies and jointly controlled companies	-1.3	0.0	-0.8
Operating profit/loss	-33.8	-13.8	-62.4
Net financial items	0.0	-0.1	-0.2
Profit/loss after financial items	-33.8	-13.9	-62.6
Profit/loss before tax	-33.8	-13.9	-62.6
Income tax	0.0	0.0	0.0
Profit/loss for the period	-33.8	-13.9	-62.6
Attributable to:			
Parent company's shareholders	-33.4	-13.9	-62.6
Non-controlling interest	-0.4	0.0	0.0
Result for the period	-33.8	-13.9	-62.6

Condensed balance sheet – Group

Amounts in SEK million	2022 31 Mar	2021 31 Mar	2021 31 Dec
ASSETS			
Non-current assets			
Intangible assets	83.5	61.7	86.4
Property, plant and equipment	1.7	1.8	1.7
Financial assets	25.1	0.0	26.4
Total non-current assets	110.2	63.4	114.4
Current assets			
Inventory	13.5	20.7	19.3
Other current assets	32.4	30.4	44.3
Cash and cash equivalents	145.1	66.0	202.9
Total current assets	191.0	117.2	266.5
TOTAL ASSETS	301.2	180.6	380.9
EQUITY AND LIABILITIES			
Equity attributable to the parent company's shareholders	156.2	47.3	189.9
Non-controlling interests	9.8	0.0	9.8
Total equity	166.0	47.3	199.7
Provisions	7.1	0.0	7.0
Total provisions	7.1	0.0	7.0
Other long-term liabilities	0.4	0.0	0.2
Total long-term liabilities	0.4	0.0	0.2
Other current liabilities	127.7	133.4	173.9
Total current liabilities	127.7	133.4	173.9
TOTAL EQUITY AND LIABILITIES	301.2	180.6	380.9

Changes in equity – Group

Amounts in SEK million	2022 Jan-Mar	2021 Jan-Mar	2021 Jan-Dec
Equity at beginning of year	199.7	61.0	61.0
Profit/loss for the year	-33.4	-13.9	-62.6
Share based compensation	0.1	0.2	191.6
Equity attributable to the parent company's shareholders	166.4	47.3	190.0
Non-controlling interests	-0.4	0.0	9.8
Equity at period-end	166.0	47.3	199.7

Condensed cash flow statement – Group

Amounts in SEK million	2022 Jan-Mar	2021 Jan-Mar	2021 Jan-Dec
Cash flow from operating activities before changes in working capital	-24.1	-10.3	-28.9
Increase (-)/decrease (+) in inventories	6.4	5.5	7.0
Increase (-)/decrease (+) in operating receivables	9.9	8.4	-6.8
Increase (+)/decrease (-) in operating liabilities	-46.2	-104.4	-76.7
Cash flow from operating activities	-54.0	-100.8	-105.4
Investing activities			
Acquisitions of property, plant and equipment	-0.3	-0.3	-0.9
Acquisitions of intangible assets	-3.5	-6.1	-20.7
Acquisitions of subsidiaries net assets	0.0	0.0	-4.2
Acquisitions of shares in associated companies	0.0	0.0	-27.1
Cash flow from investing activities	-3.8	-6.4	-52.9
Financing activities			
Share rights issue	0.0	0.0	188.4
Repayment of loans	0.0	0.0	0.0
Disbursement of loans	0.0	0.0	0.0
Dividend paid	0.0	0.0	0.0
Cash flow from financing activities	0.0	0.0	188.4
Cash flow for the period	-57.8	-107.3	30.1
Cash and cash equivalents at the beginning of period	202.9	173.3	173.3
Exchange rate differences in cash and cash equivalents	0.1	0.0	-0.5
Cash and cash equivalents at the end of period	145.1	66.0	202.9

Condensed income statement – Parent company

Amounts in SEK million	2022 Jan-Mar	2021 Jan-Mar	2021 Jan-Dec
Net sales	105.1	131.5	542.2
Cost of Goods Sold	-55.3	-83.5	-315.0
Gross Profit	49.8	48.0	227.2
Selling expenses	-37.4	-32.5	-172.5
Administrative expenses	-42.0	-28.4	-116.1
Other operating expenses	-0.6	-0.8	-0.8
Operating profit/loss	-30.1	-13.6	-62.1
Net financial items	0.0	-0.1	-0.2
Profit/loss after financial items	-30.2	-13.8	-62.3
Profit/loss before tax	-30.2	-13.8	-62.3
Income tax	0.0	0.0	0.0
Profit/loss for the period	-30.2	-13.8	-62.3

Condensed balance sheet – Parent company

Amounts in SEK million	2022 31 Mar	2021 31 Mar	2021 31 Dec
ASSETS			
Non-current assets			
Intangible assets	59.9	61.7	61.6
Property, plant and equipment	1.7	1.8	1.7
Financial assets	44.5	0.0	44.1
Total non-current assets	106.1	63.4	107.4
Current assets			
Inventory	13.5	20.7	19.3
Other current assets	31.6	30.4	43.6
Cash and cash equivalents	140.9	63.1	197.5
Total current assets	185.9	114.2	260.5
TOTAL ASSETS	292.0	177.6	367.8
EQUITY AND LIABILITIES			
Equity	158.0	45.3	188.1
Total equity	158.0	45.3	188.1
Provisions	7.1	0.0	7.0
Total provisions	7.1	0.0	7.0
Other current liabilities	126.8	132.3	172.7
Total current liabilities	126.8	132.2	172.7
TOTAL EQUITY AND LIABILITIES	292.0	177.6	367.8

Condensed cash flow statement – Parent company

Amounts in SEK million	2022	2021	2021
	Jan-Mar	Jan-Mar	Jan-Dec
Cash flow from operating activities before changes in working capital	-22.9	-10.2	-29.8
Increase (-)/decrease (+) in inventories	6.4	5.5	7.0
Increase (-)/decrease (+) in operating receivables	9.9	8.4	-6.8
Increase (+)/decrease (-) in operating liabilities	-45.8	-104.4	-75.5
Cash flow from operating activities	-52.4	-100.7	-105.1
Investing activities			
Acquisitions of financial assets	0.0	0.0	-27.1
Acquisitions of property, plant and equipment	-0.3	-0.3	-0.9
Acquisitions of intangible assets	-3.5	-6.1	-20.7
Investments in subsidiaries	0.0	0.0	-6.9
Shareholder contribution	-0.4	0.0	0.0
Cash flow from investing activities	-4.2	-6.4	-55.6
Financing activities			
Share rights issue	0.0	0.0	188.4
Repayment of loan	0.0	0.0	0.0
Loans paid out	0.0	0.0	0.0
Dividend paid	0.0	0.0	0.0
Cash flow from financing activities	0.0	0.0	188.4
Cash flow for the period	-56.6	-107.1	27.8
Cash and cash equivalents at the beginning of period	197.5	170.3	170.3
Exchange rate differences in cash and cash equivalents	-0.1	-0.1	-0.5
Cash and cash equivalents at the end of period	140.9	63.1	197.5

Selected segment information – Parent company

Amounts in SEK million	2022	2021	Δ
	Jan-Mar	Jan-Mar	
CDON Marketplace (3P)			
Gross merchandise value	395.2	379.6	4%
Net sales	44.7	40.8	10%
Gross profit	42.7	38.0	12%
<i>Gross margin (%)</i>	95.6	93.2	2.4 pp
CDON Retail (1P)			
Gross merchandise value	60.5	92.6	-35%
Net sales	60.5	90.7	-33%
Gross profit	7.1	10.0	-29%
<i>Gross margin (%)</i>	11.8	11.1	0.7 pp

Condensed key ratios – Parent company

	2022	2021	
	Jan-Mar	Jan-Mar	Δ
Total gross merchandise value	455.7	472.2	-4%
Active customers, last 12 months, thousands	2,023	2,284	-11%
Visits, thousands	19,154	21,332	-10%
Orders, thousands	696	708	-2%
Average shopping basket, SEK	655	667	-2%
Selling merchants, last 12 months ¹	1,529	1,352	13%
Share sales in Sweden	69.7%	70.6%	-0.9 pp
Marketing costs / gross merchandise value	-4.8%	-4.0%	-0.7 pp

¹ Total number of merchants with sales during the past 12 months at the end of the period (previously reported merchants with products on the platform)

Information on the number of shares

	2022	2021
	Jan-Mar	Jan-Mar
Shares outstanding at the end of the period	6 450 483	6 004 327
Shares outstanding at the end of the period after dilution	6 450 483	6 004 327
Average number of shares before dilution	6 450 141	6 003 142
Average number of shares after dilution	6 450 141	6 003 142

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 period 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
Selling Merchants, last 12 months	Total number of merchants with sales during the past 12 months at the end of the period