



Capital Markets Day

November 16,
2023

**CD
ON**
GROUP

A grayscale photograph of a family sitting on a rug in a living room. A man with glasses is in the center, looking at the camera with his hand near his face. To his left, a woman is leaning back, and a young child is sitting in front of her. To his right, a dog is sitting, looking towards the right. Another child is sitting further to the right, looking down at something in their hands. The room is dimly lit, with a lamp visible on the left and a plant on the right. The text is overlaid on the center of the image.

**Welcome to a deep dive
into the **vision** and
strategy of CDON Group
and the marketplace
industry**

**SEB analyst, and
e-commerce
specialist, Nicklas
Fhärm will guide you
as the moderator**

Nicklas Fhärm

Research Management/Corporate
Research at SEB Joined SEB 1997



Speakers on stage



Fredrik Norberg

Chief Executive Officer

- Co-founded Fyndiq '10
- CEO of CDON April '23



Carl Andersson

Chief Commercial Officer

- Ex management consultant at Kearney
- Joined as Integration Manager in April '23 and promoted to CCO in June '23



Kattis Åström

Chief Experience Officer

- Previously CXO at Fyndiq
- Ex customer strategist at Adlibris



Mark Nidefelt

Chief Supply Officer

- Previously CSO at Fyndiq
- Ex senior buyer at Groupon

“

**Great
potential,
and we have
the blueprint
to realize it”**

AGENDA

**CDON Group's Vision, Mission
& the Segments**
(Fredrik, CEO)

Market Overview
(Carl, CCO)

What Great Looks Like
(Video interview Erik Segerborg)

Coffee Break
15 mins

The strategic foundation

(Fredrik, CEO)

Deep dive, Massively increase supply

(Mark, CSO)

Deep dive, Excellent customer experience

(Kattis, CXO)

Financial attractiveness of our business

(Fredrik, CEO, and Carl, CCO)

Concluding remarks

(Fredrik, CEO)

Q&A

(Nicklas, Moderator)

AGENDA

“
**We are
executing
along a clear
path to
realize the
potential”**



“
Great potential and
we have the
blueprint to realize
it

CDON GROUP'S VISION, MISSION & THE SEGMENT

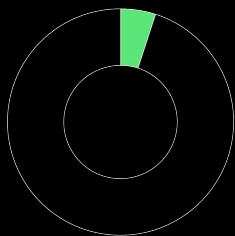


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**CDON Group's vision is to
unleash the power of the
marketplace to give the
best shopping experience
in the Nordics**

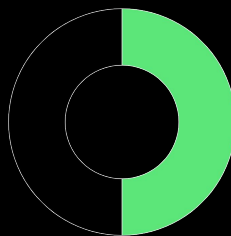
Great potential

Marketplaces is the dominant way of shopping online, however not in the Nordic region...yet



~5%

Marketplaces
market share in
the **Nordics**¹



+50%

Marketplaces
market share
globally²

¹Euromonitor 2021 ²Webretailer 2020. Excludes marketplaces specialized in B2B trade and services

Enormous assortment attracts customers, and additional sales attracts merchants to the marketplace



Definition

A marketplace is a platform that facilitates the buying and selling of goods, services, or information between multiple parties



Why customers love marketplaces

- Enormous assortment
- Competitive prices
- Convenience of a one stop shop



Why merchants use marketplaces

- Additional sales
- New markets
- No need for marketing or tech skills

Two distinct brands catering to diverse needs and occasions, yet harnessing the synergy from a unified platform and organization

Two brands that are counter-cyclical to each other



Quality products



Discount products



CDON/Fyndiq Acquisition logic



Marketplaces needs volume



Organisational synergies



One technology platform



Lower customer and merchant competition



Opposite brand positions



At **CDON** you
will find the best
of the most!

“

**CDON's mission is to offer our customers
the best selection of quality products in
a reliable and convenient way**

”





At **FYNDIQ** you
will always
strike a bargain!

“

**FYNDIQ's mission is to offer value
conscious consumers unbeatable bargains
with a best-in-class shopping experience**

”

FYNDIQ

**The perception
of a retailer is
mainly defined
by the products
they sell**



**Oral-B
original**

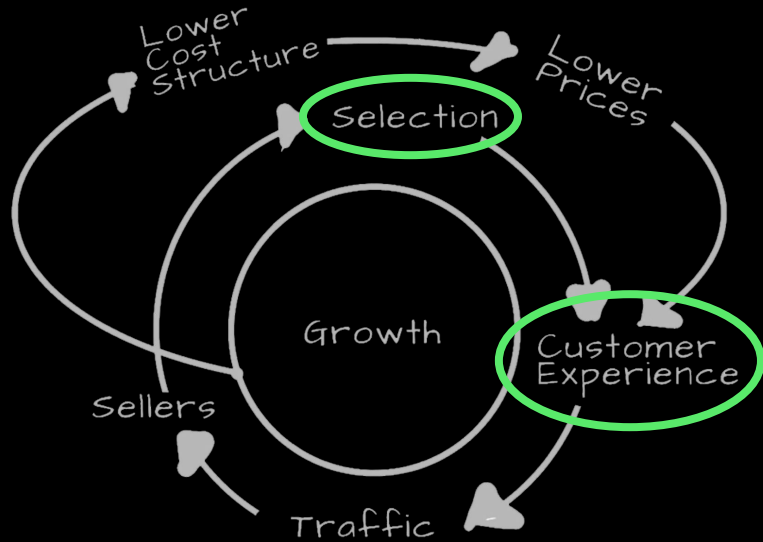


FYNDIQ

**Oral-B
compatible**



The marketplace business model is asset light and highly scalable, and fueled by the “marketplace flywheel”



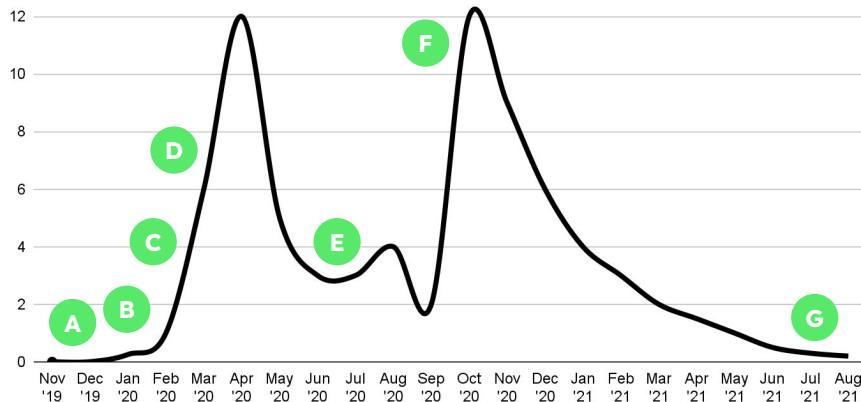
The flywheel takes a lot of effort at the start, but once it gets spinning, it continues to quickly gain momentum and spin faster

Feeding any of these areas, impacts the whole flywheel positively

Our main strategies concerns Selection, and Customer Experience

GMV from Face Masks

MSEK



Face mask case 2020-2022 (Per marketplace in Sweden)

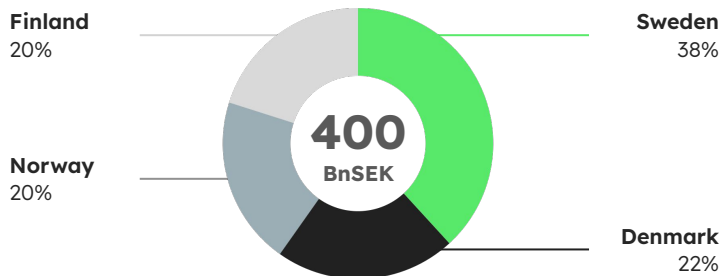
- A.** 1-2 merchants selling 5-10 different face masks, mainly to nail salons
- B.** Corona outbreak
- C.** These few merchants gets a lot of sales, restocks, and can maintain high prices with low competition
- D.** +100 merchants sells +10 000 different face masks, creating the largest assortment of face masks, with the lowest prices due to the competition
- E.** Still largest assortment with lowest prices, but without warehouse or inventory cost during low sales
- F.** Second Corona peak occurs
- G.** Demand goes to zero, we have no costs in excess stock and can focus the marketing on next trending product category

**The
marketplace
business
model
catches new
trends fast,
without
getting
caught with
excess
inventory**

MARKET OVERVIEW

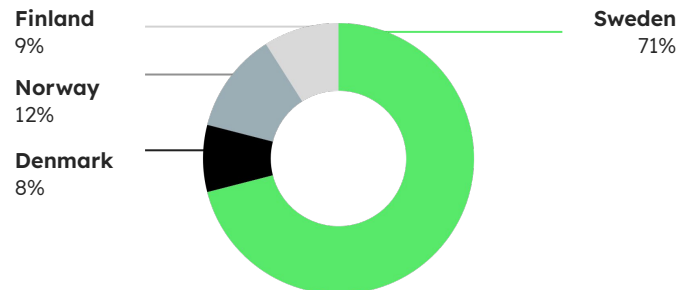


The Nordic e-commerce market is valued at **~400 BnSEK**



Nordic addressable market 2022, by country¹

- Comparable online spending behavior across the Nordics - Size of each market driven by population
- Largest categories include Electronics, Fashion and Groceries
- CDON currently address ~50% of total e-commerce market²

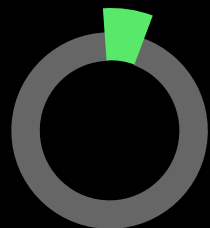


CDON Group GMV 2023 YTD, by country³

- Significant untapped potential in the neighbouring Nordic countries
- Total market share of ~1%, however our relatively strong Swedish footprint equals ~2% local market share

¹E-barometern 2022. Estimated avg. online spend per consumer equal to 13,000 SEK. ²Konsumtionsrapporten 2023. ³CDON Group YTD 2023

The Nordic market is an exception in marketplace adoption



~5%

Marketplaces market share in the **Nordics**¹



+50%

Marketplaces market share **globally**²

In many European markets Amazon and local marketplaces co-exit



CDiscount + Amazon



Otto + Amazon



Bol + Amazon

Reason for difference in the Nordics?

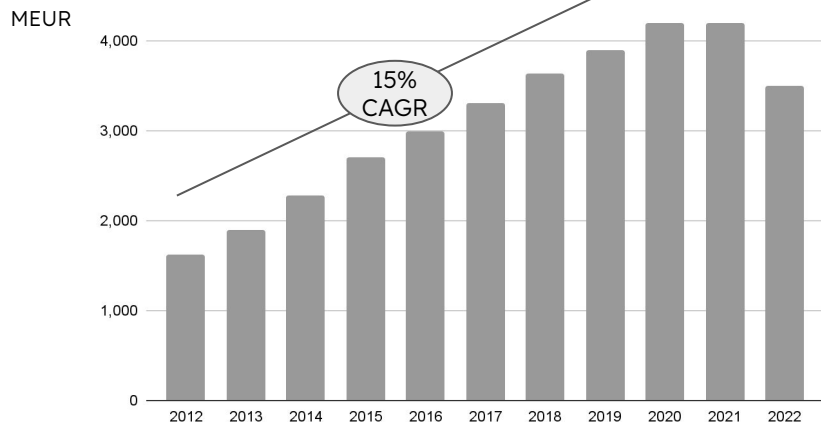
Strong presence of local retailers with well-established brands and e-commerce capabilities

High digital maturity led to early e-commerce adoption favoring existing brands

Efficient delivery network that local retailers have been able to utilize

Establishing a leading marketplace takes time - we are at the beginning of an exciting journey!

CDiscount GMV 2012-2022



CDiscount grew to a leading marketplace, from an existing online retailer position, over more than 10 years

¹ CNova annual reports 2012-2022

Why now?

With the strength of a combined company, a new management team, and clear strategy CDON Group have an opportunity to shape the future of the Nordic e-commerce industry

Supporting macro trends likely to spark the journey

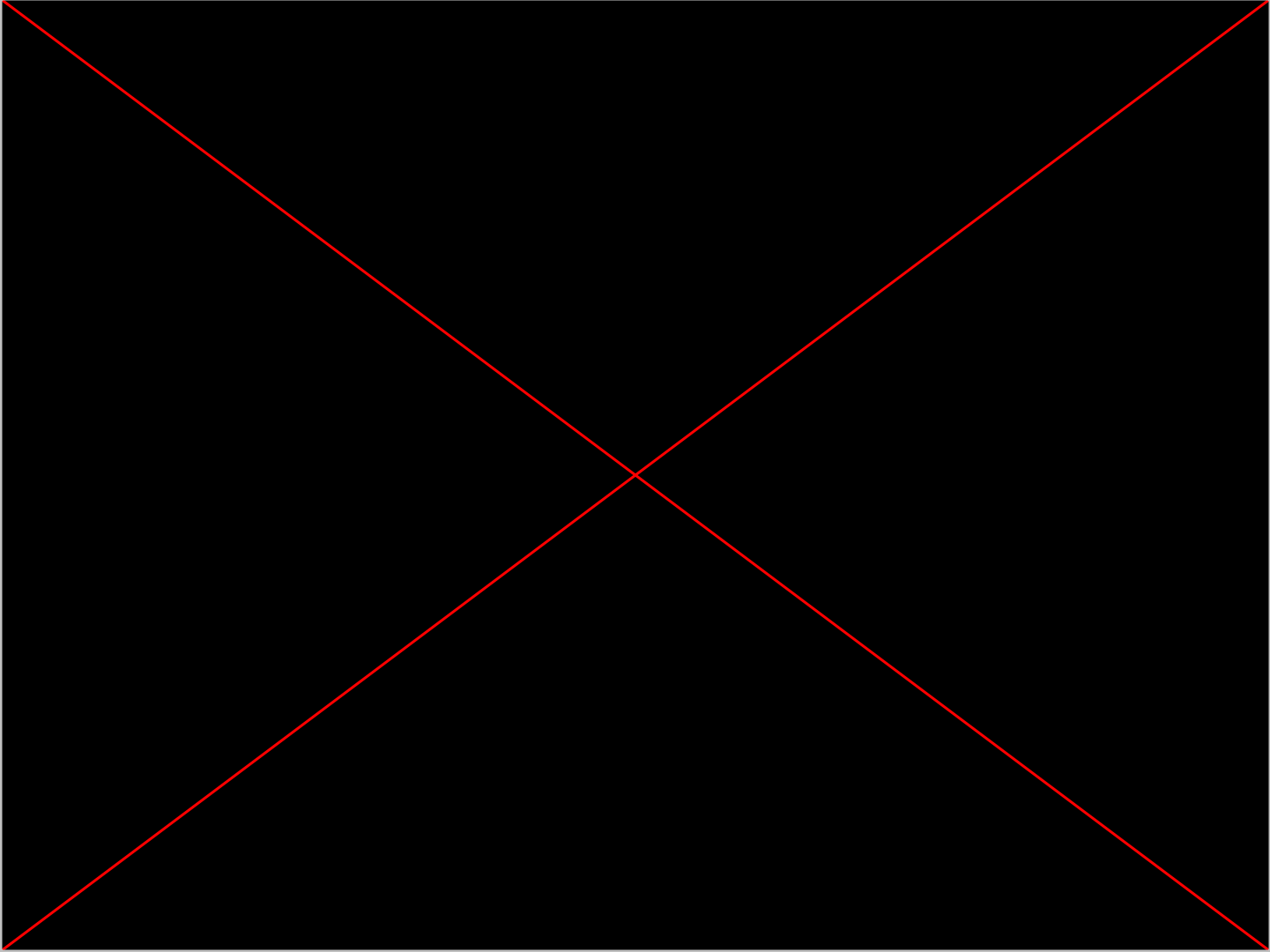
- Increased appetite for value-oriented shopping
- Higher adoption of marketplaces among younger generations

WHAT GREAT LOOKS LIKE



**Two marketplace
journ [REDACTED] Billion
with CDON
board member Erik
Segerborg**

+ Presentation





COFFEE BREAK

15 MIN

THE STRATEGIC FOUNDATIO N

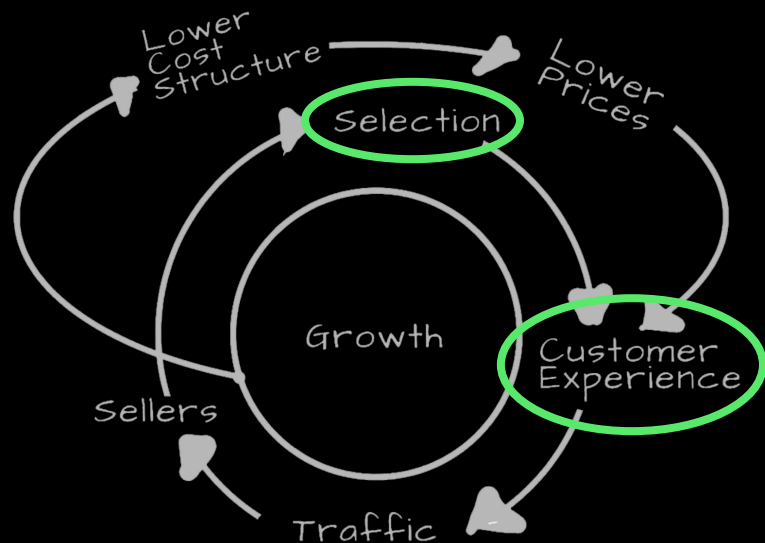




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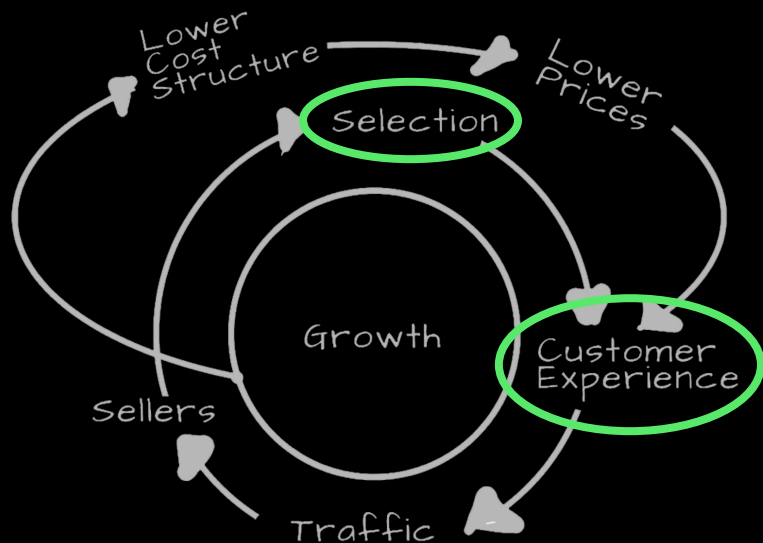
We are executing along
a **clear path** to realize
the **great potential**

A massive increase of supply and excellent customer experience will steer our path to becoming the leading Nordic marketplace



It's really not rocket science,
feed the flywheel with a lot of
supply that people really like
with good prices, and transact
them in a way that leaves them
with a good experience

A massive increase of supply and excellent customer experience will steer our path to becoming the leading Nordic marketplace



Main strategies



Massively increase supply

Provide more of the products that people want, and utilize the low margin costs of bringing in more supply



Improve customer happiness

Get CDON to the high levels Fyndiq have managed to reach the last couple of years, and continue from there

MASSIVELY INCREASE SUPPLY

Deep
Dive



The marketplace model, with low marginal cost for additional supply, provides the possibility of a massive assortment

Additional supply

Leads to even wider assortment in each category and further competition on existing supply (product quality (rating & reviews), product-card quality, pricing and delivery time)

Adding supply on a big scale

Leads to adding further qualitative supply and well-known brands

Reaching marketplace maturity

Leads to “attract” well established local A-brands to join the marketplace, given it’s strong marketplace penetration

	GMV (EUR)	Merchants	Products	Products/ Merchant
Allegro (PL)¹	10 B	135 K	70 M	520
Bol (NL)²	5 B	52 K	41 M	790
Cdiscount (FR)³	4 B	15 K	80 M	5 300
CDON (SE)	0,15 B	1,2 K	13 M	11 000
Fyndiq (SE)	0,05 B	1 K	18 M	18 000

We are growing our supply through a combination of aggregators, international merchants (EU & CN) and local merchants

Foundation (API-aggregators)

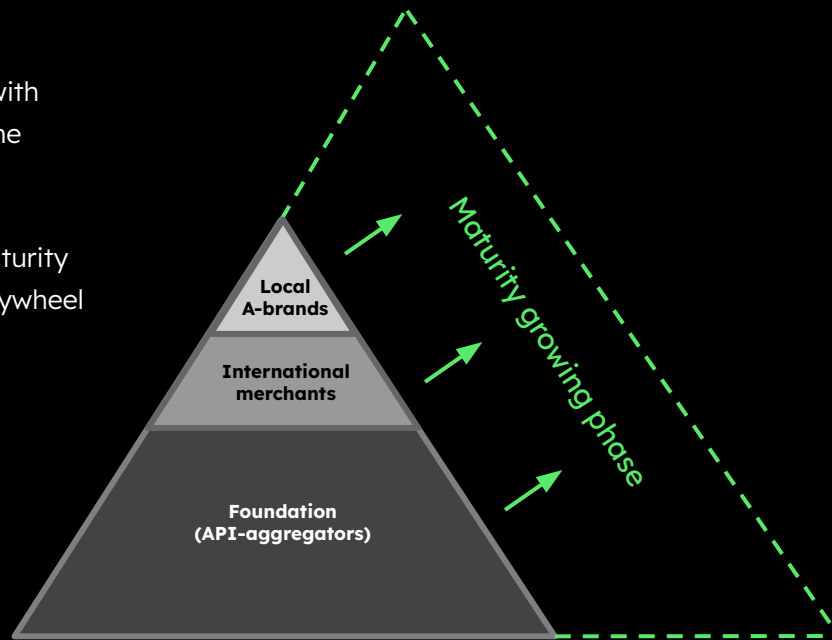
- Software companies, specialised to gather merchants within one API
- Reaching thousands of merchants and millions of products
- Enables strong international brands as well as European local brands

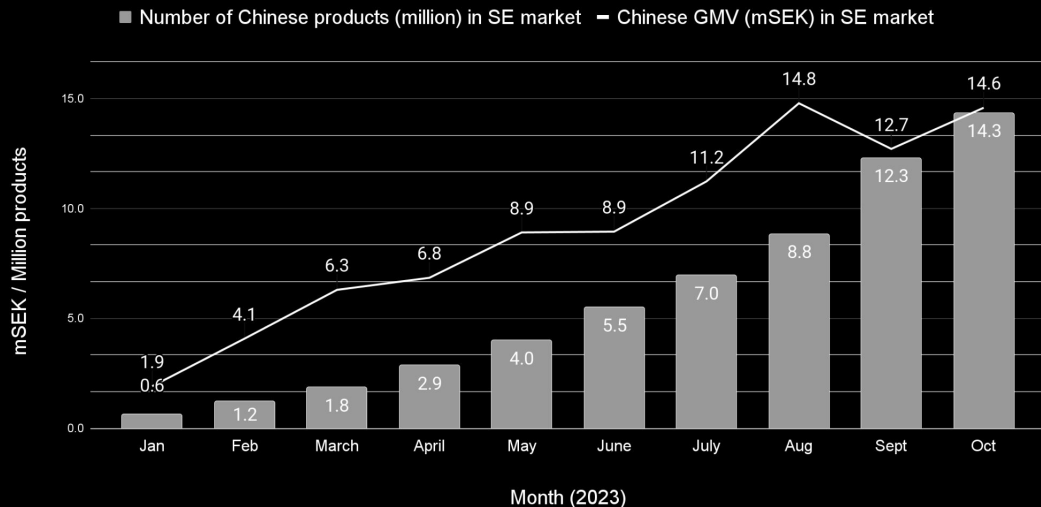
International merchants

- Integrate directly with the marketplace (A, B-brands)

Local A-brand merchants

- We “attract” e-tailers with strong brands to join the marketplace
- The Supply machine is complete, reaching maturity and the marketplace flywheel effect is efficient





Proven case of correlation between massively increase of supply and sales growth

Massively increased supply leads to rapid increase in sales

Specific example: Rapid Chinese supply growth on **Fyndiq, a source of growth in challenging time**

- +15M products
- +200 merchants
- All categories
- From Chinese aggregators

At Fyndiq we're refining our assortment while at CDON we're opening up to massively increase supply



- Massively increase supply with aggregators
 - Mostly branded products
 - 2 new international merchants
 - New faster onboarding process (agreement, KYC)
 - 1p, enables supply that can't be acquired by 3p
-

The FYNDIQ logo, consisting of the word 'FYNDIQ' in white, set against a pink hexagonal background.

- Massively increased supply with 15M products
 - Mostly non-branded products
 - Refining the assortment
 - After refining the assortment we increase again
-

Why a giant like CDiscount is using CDON and Fyndiq in the Nordics

+ Interview

EXCELLENT CUSTOMER EXPERIENCE

Deep
Dive



**Great learnings
of the
importance of
the **customer
experience** from
Nordics' largest
online book
store, Adlibris**



A brand position is worthless if not implemented through the whole customer journey



The best brand marketing is happy customers that comes back over and over again



What matters for a customer is that we make sure they always find what they are looking for

We have to create customer experiences that matches our brands' different value propositions



CDON group: Unleash the marketplace

We will offer our customers the convenience of a massive product assortment, with a great customer experience



CDON: Find the best of the most

CDON will offer our customers a great selection of quality products at competitive prices



FYNDIQ: Always strike a bargain

Fyndiq will offer our customers great bargains and trending products

We need to use different tactics to strengthen each brand's position



CDON enjoys strong brand awareness but lacks positive brand perception

Furthermore, actual customer experience does not exceed this negative public perception

Challenge

Customer experience isn't improving brand reputation

Key action

Improve customer experience and take full responsibility



Fyndiq is relatively well known, but the public perception of the brand is to deliver a poor customer experience

On the contrary, actual customers express high satisfaction and associate the experience with “Reliability”, “Fast delivery” and “Wide assortment”

Challenge

Low perception of brand from non-customers

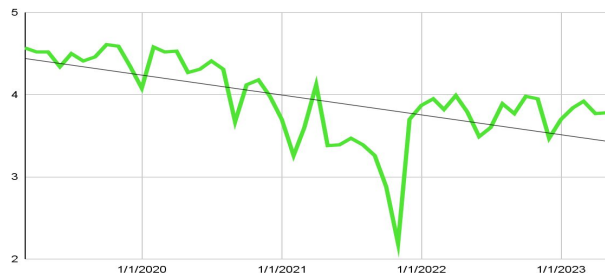
Key action

Improve public perception and conversion of new site visitors

A consistently high-quality shopping experience is the key to unleash the potential



Despite the high-quality supply, CDON has experienced a declining customer satisfaction



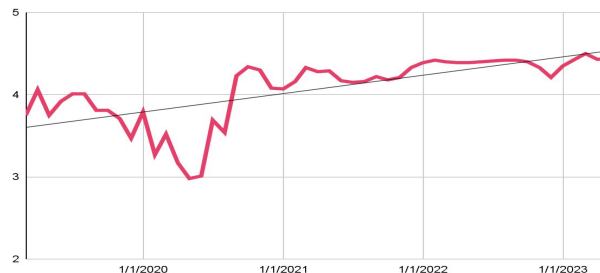
Changes to implement for CDON

- Shifting from a merchant-centric to a customer-centric approach
- Customers service mandate to act in customers' favor
- Utilizing data to identify causes of poor customer experience

¹Trustpilot



Fyndiq has managed to reach high customer satisfaction, despite the low price supply



Reason for positive development for Fyndiq

- Customer-first approach from all departments
- Merchant performance thresholds with clear consequences, and confidence to cancel merchants
- Product development focusing on key pain points

**“The reason it seems that
price is all your customers
care about is that you
haven’t given them
anything else to care
about”**

-Seth Godin, *American best-selling author*

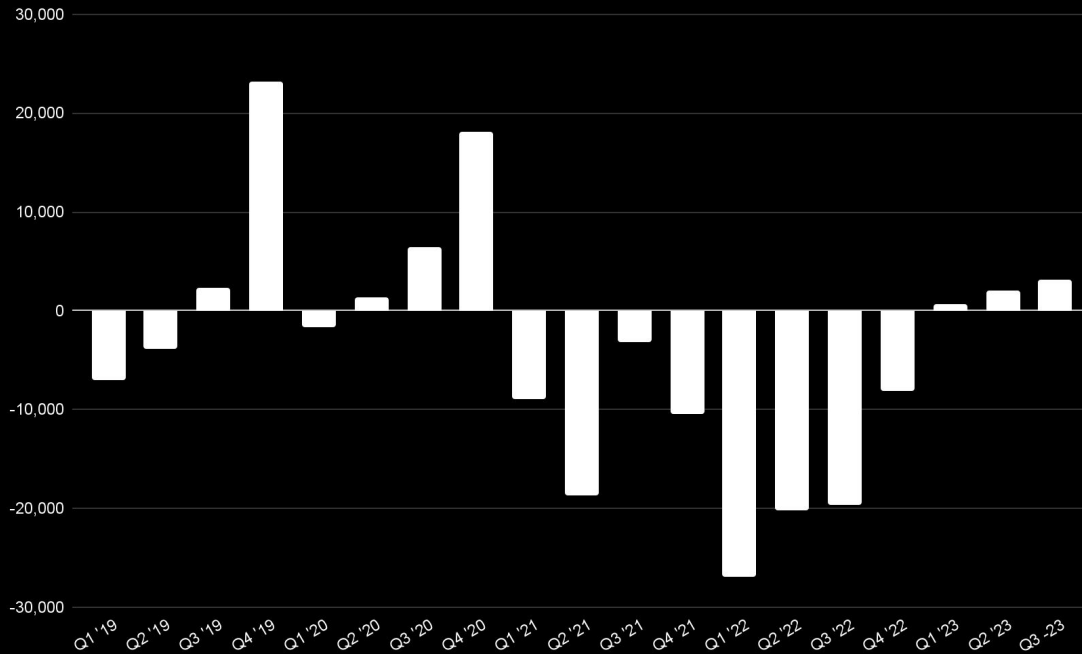
Financial attractiveness of our business



We focus on
three KPIs
when steering
our business

		Business KPI's	Our definition
01	GMV	Gross Merchandise Value	the attractiveness of our proposition to consumers
02	GPAM	Gross Profit After Marketing	the operational efficiency of our business
03	EBITDA	Earnings before interest, taxes, depreciation and amortization	the operational efficiency of the company

Quarterly EBITDA CDON Group¹ (2019-2023)



EBITDA shows a strong improvement

Progress in 2023

- Focused on profitable marketing and consistently grew GPAM
- Restructured the OPEX base, generating 3 consecutive quarters of positive EBITDA
- Grew supply at Fyndiq leading to organic GMV growth in Q3 2023

Focus for future profitable growth

- Maximize GPAM and profitable growth
- Massive increase of supply and prepare for long-term GMV growth
- Complete platform migration and ensure full synergy realization

Cash flow

- Capital light nature of marketplaces means that EBITDA converts efficiently to free cash flow

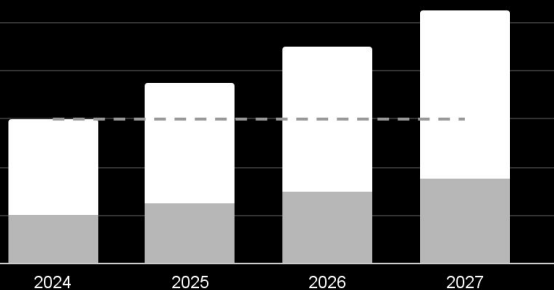
Continued EBITDA growth is derived from three levers: top-line growth, take rate increase or operational efficiency

ILLUSTRATIVE FIGURES

1. GMV growth

Only top-line growth

— GPAM/GMV ■ GMV ■ whereof GPAM

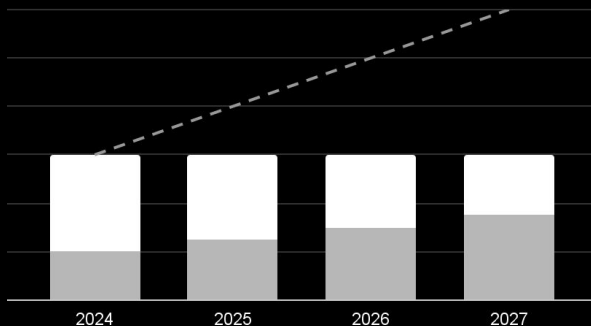


Lever 1

2. GPAM margin increase

Only GPAM margin increase

— GPAM/GMV ■ GMV ■ whereof GPAM

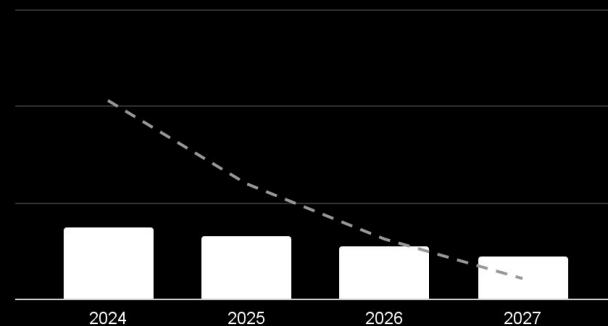


Lever 2

3. OPEX efficiency

Only lower OPEX

— OPEX/GPAM ■ OPEX



Lever 3

Three levers that all effect EBITDA separately and independent of each other

(GPAM can increase with either increased **GMV**, increased **take rate** or better **marketing efficiency**)

1. GMV

Gross Merchandise Value, Group, by segment (2022-2023), MSEK



We are cleaning up unprofitable sales at CDON

Comments

- Challenging market sentiment with an overall decline in e-commerce market of ~6% YTD, (-19% in September)¹
- -18% GMV YTD for CDON following focus on profitable sales and well performing merchants
- -5% GMV for Fyndiq, due to a poor Q1 affected by Chinese Covid-19 lock-downs
- However a massive increase of supply and rapid Nordic expansion has led to GMV growth in Q2-Q3

1. GMV

Profitable GMV growth potential going forward by focusing on the core elements of the marketplace model

Massively increase supply

Leverage aggregators

Onboard Chinese supply in a qualitative way

Attract the A-brands

Happy customers

Improved customer experience

Personalized site experience

Loyalty rewards to strengthen retention and frequency

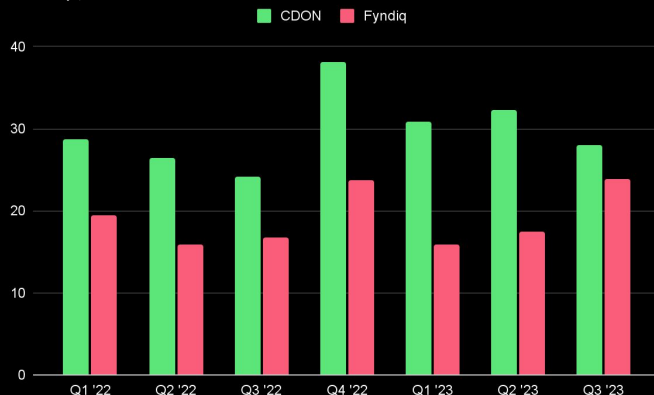
Marketing efficiency

Data driven customer acquisition

Strengthened brand awareness and organic traffic

2. GPAM margin

Gross Profit After Marketing, Group, by segment
(2022-2023), MSEK



GPAM as % of GMV							
CDON	6%	5%	5%	6%	8%	8%	8%
Fyndiq	15%	14%	16%	16%	16%	16%	19%
Growth % vs. LY							
CDON					8%	22%	16%
Fyndiq					-18%	9%	42%

GPAM can increase with either increased **GMV**, better **marketing efficiency** or increased **take-rate**

Substantial improvements to our main KPI, GPAM, across both segments

Comments

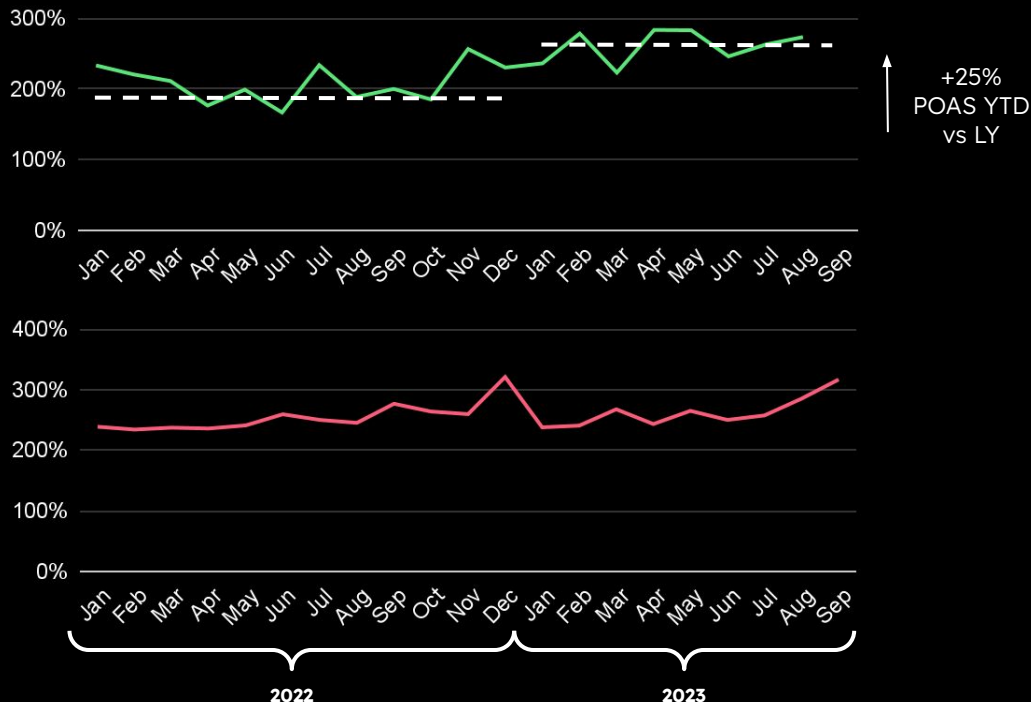
- Despite 16% lower GMV, the Group has increased GPAM by 13% YTD
- Increased commissions and higher marketing efficiency for CDON
- Increased shipping fee in Q3 explaining higher GPAM for Fyndiq

2. GPAM margin

Profit on ad spend (2022-'23)¹

CDON

FYNDIQ



¹ Gross profit / advertising spend = POAS

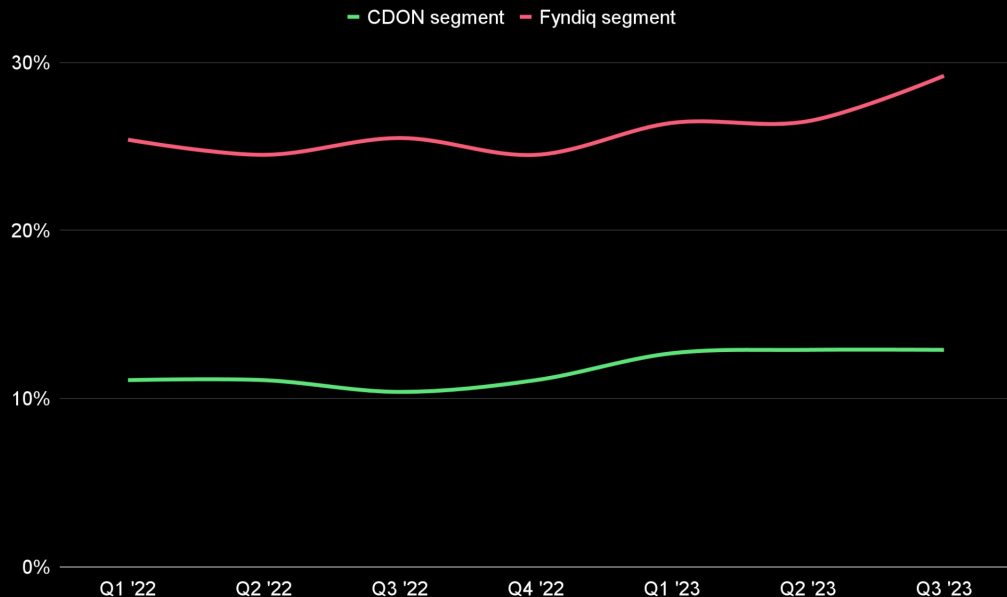
Improved returns on marketing spend in CDON segment following new principles and strategy

Comments

- Profitability focus has led to higher POAS requirements in traffic acquisition
- Technical improvements to enable simpler upload of products to partners
- Shift to Performance-Max campaign format on Google

2. GPAM margin

Take rate, by segment (2022-2023)



Take rate (%) =
$$\frac{\text{Merchant commission \& Fees} + \text{Value-Added Services} + \text{Customer Revenues}}{\text{Gross Merchandise Value}}$$

Take rate has increased in '23, driven by commission increase on CDON and shipping fee for Fyndiq



Comments

- Take rate primarily influenced by marketplace commission
- Little variation and seasonality due to steadiness in commission structure

2. GPAM margin

Current commission setup to be optimized to better support wanted brand position and increase profits

Current commission models

Commission - <i>Electronics</i>	<u>Standard</u> commission	<u>Actual</u> commission
	5 - 17%	~7%
	12.5% (across all categories)	~12
Peers ¹	7 - 15%	7 - 15%

- Unnecessary granularity in subcategories for CDON, while insufficient granularity for Fyndiq
- Low actual commission achieved, on CDON, due to individual agreements with merchants

¹ Merchant portal Amazon and CDiscount

Updated commission model

- Simpler category commissions to improved transparency toward merchants and ultimately improved prices for customers
- Commission levels to better match wanted position of each segment
- Stringent application across merchant base to foster competition on site

2. GPAM margin

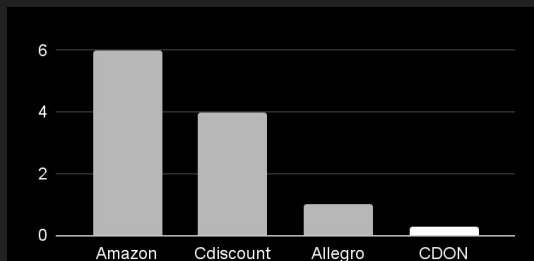
Merchant ads is an opportunity to increase the take rate by offering an established service to marketplace merchants

Common practice on all leading marketplaces, appreciated by merchants

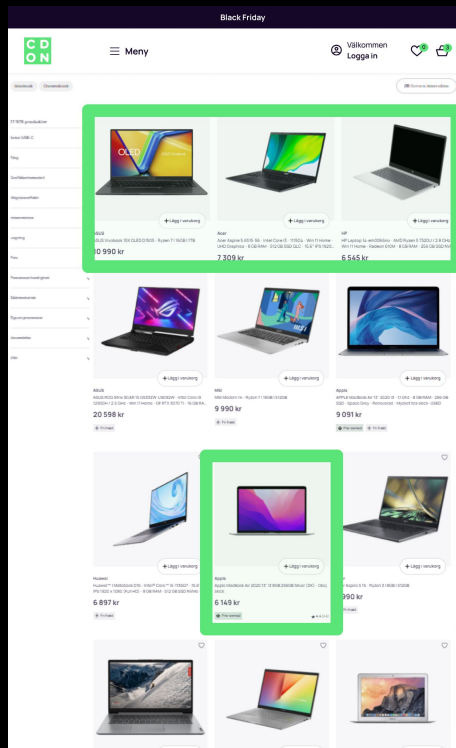
Significant revenue potential, with limited COGS for the marketplace

Improved product discovery and access to quality products

Leading marketplaces are able to realize up to 6% of GMV in advertising revenues



Advertising as % of GMV¹ (2023)



Sponsored products

Organic results

2. GPAM margin

Main gap to leading peers in value added services

Take-rate break down

	CDON	Fyndiq
Merchant commissions	12%	19%
Value added services		
Merchant ads	0.5%	0%
Fulfilment services	0%	0%
Customer revenues		
Shipping	0%	10%
Other	0.5%	0.5%
Total	13%	30%

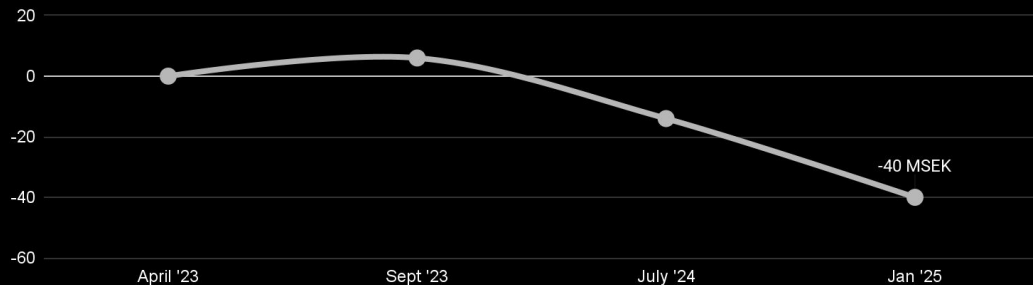
Benchmark from industry leaders¹

	Leding peers
Merchant commissions	10-20%
Value added services	
Merchant ads	4-6%
Fulfilment services	15-30%
Customer revenues	
Shipping	5-10%
Other	0-5%
Total	~20-40% + Fulfilment

3. OPEX

Further reduction of OPEX, following the platform migration and integration efforts, to strengthen EBITDA

Operational expenses reduction, (2023-2025)¹ MSEK



¹ Previously communicated run-rate saving of 40 MSEK to be achieved by end of Q4 2024. July 2024 data point for illustration purpose only. Not to be considered further guidance on the timing of the realization of such effect

April 2023

Baseline set at the completion of the acquisition of Fyndiq

September 2023

Current OPEX is higher than April '23, due to ongoing integration efforts

Several actions have been taken to reduce OPEX, yet effect not visible in run-rate

2024-2025

Gradual reduction of OPEX during '24 through reduced systems/software costs and elimination of temporary integration costs. Most significant cost saving following completion of the platform migration to achieve -40 MSEK run-rate reduction

Combining all three

Isolating the EBITDA potential of each action

<u>Only</u> GMV growth (rest fixed) - annually					
	Illustrative base*	Year 3	Year 5		
GMV Increase		15%	15%		
EBITDA ¹	29	147	258	CAGR	55%

<u>Only</u> GPAM margin increase (rest fixed) - annually					
Take Rate Increase		5%	5%		
Marketing Cost Efficiency		5%	5%		
EBITDA ¹	29	104	158	CAGR	41%

Assumptions for illustration

GMV growth

- A CAGR of 15%, in line with the CAGR of the Swedish e-commerce market 2012-2019 and CDiscout during the same period

GPAM margin increase

- Combination of take rate increase, primarily driven by value-added service, and improved marketing efficiency
- Such improvements would lead to a GPAM margin for CDON group of 14% year 3 and 16% year 5, compared to current margin of 10%

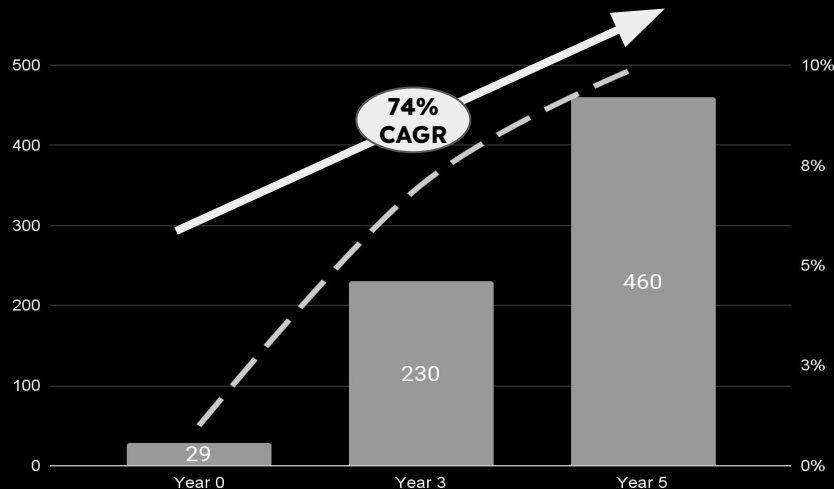
¹ Illustrative EBITDA base is based on SEB's latest estimate

Combining all three

Under a scenario with GMV growth and profitability improvements, the scalability of our business model becomes clear

Illustrative EBITDA development (Year 0-5)

MSEK/%



Assumptions (Annual effect)

15% GMV growth + 5% GPAM margin increase + 5% OPEX cost increase

Profitable growth scenario simulation

- Some underlying cost pressure from inflation and salaries assumed
- Yet, the full effect of the integration cost synergies, -40 MSEK, would offset the simulated OPEX increase (equivalent CAGR of -4.5% for the same period)
- Combined CAGR of 74%, leading to an EBITDA potential of 460 MSEK
- 10% EBITDA margin in line with leading international marketplace players

*Illustrative EBITDA base is based on SEB's latest estimate

CONCLUDING REMARKS



CDON investment highlights

01

The **underpenetrated market** in the Nordics provides a great opportunity

02

Two marketplaces with **distinct separate positions**

03

Highly scalable business model: Strong working capital dynamics with a scalable GMV growth and relatively fixed OPEX base allows for rapid growth in profitability

04

The foundation laid for **profitable growth** is expected to deliver shareholder value for the years to come

**It's really not rocket science,
feed the flywheel with a lot of supply
that people really like,
with competitive prices ,
and transact them in a way that
leaves them with a good experience ,
and we have the blueprint for this**



Q&A

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GRAVEYARD

**CD
ON**
GROUP

APPENDIX



We have a clear model on how to allocate the expected free cash flow

Capital allocation logic

Balance sheet

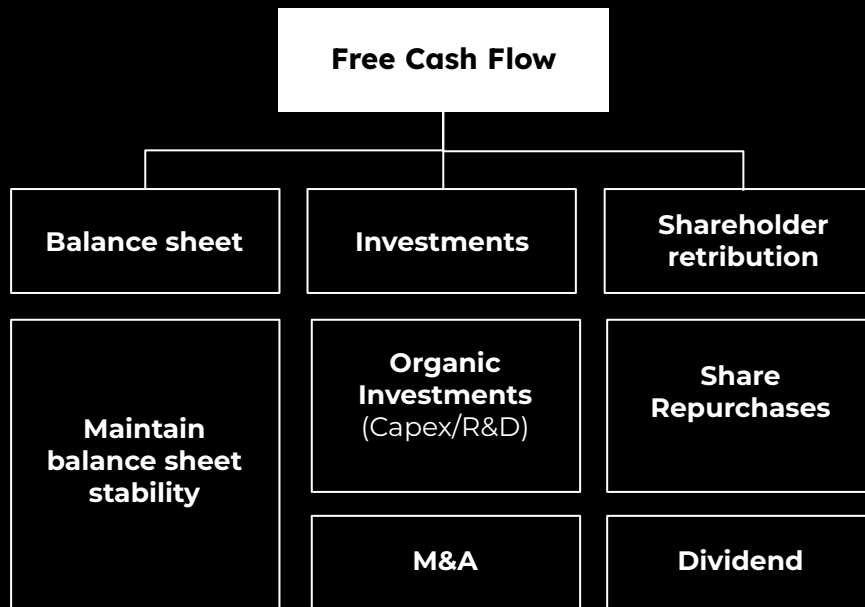
No debt today

Internal investment examples

- Fulfilment services
- Brand marketing
- 1p

Shareholder Returns

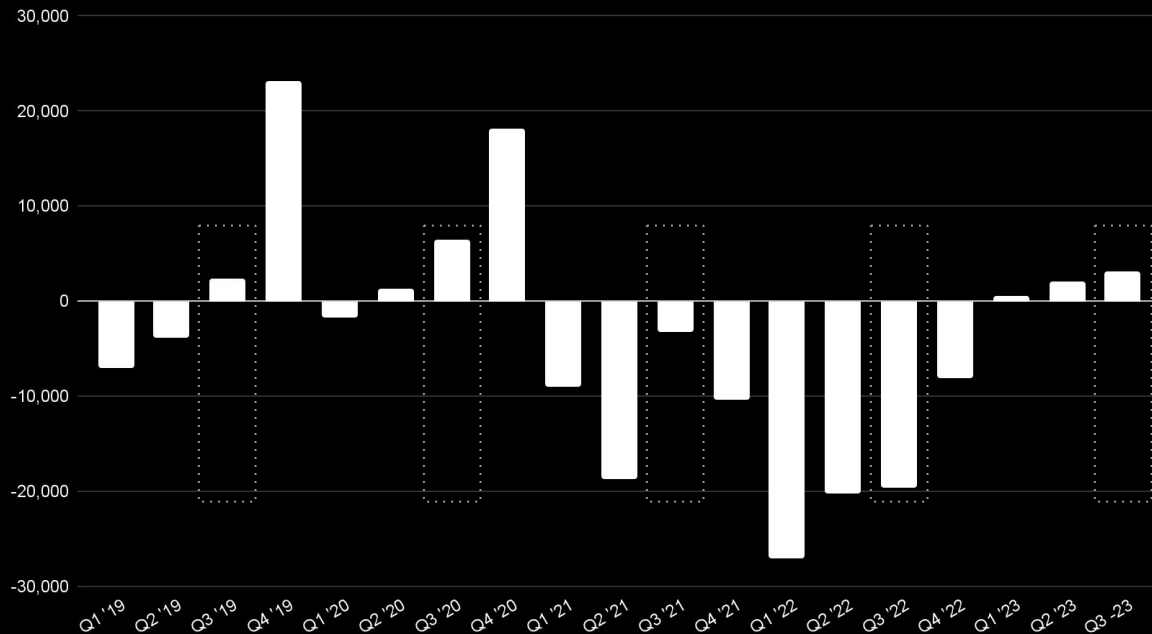
- If share price significantly less than intrinsic value → repurchase shares
- If share price is greater than/equal to intrinsic value → dividends



A family of four is gathered in a living room for a movie night. The father, wearing glasses and a brown jacket, sits on a pink sofa eating popcorn. The mother, with long brown hair, sits next to him with a young child on her lap. A large bulldog sits on the sofa between the father and the mother. In the foreground, a young boy with curly hair sits on the floor, looking through binoculars. To his right, another boy sits on the floor wearing headphones and looking at a smartphone. The room is decorated for Halloween with a large red and pink inflatable worm on the floor, a small green vintage television, a glass of red liquid, and a small elephant figurine. A framed picture of a shark's mouth hangs on the wall. A large potted plant is in the background. A semi-transparent white box with the text "Graveyard /Inspo" is centered over the image.

Graveyard /Inspo

EBITDA CDON Group (kSEK) (CDON solely to Q1'23, and combined from Q2 '23)



EBITDA shows a strong improvement

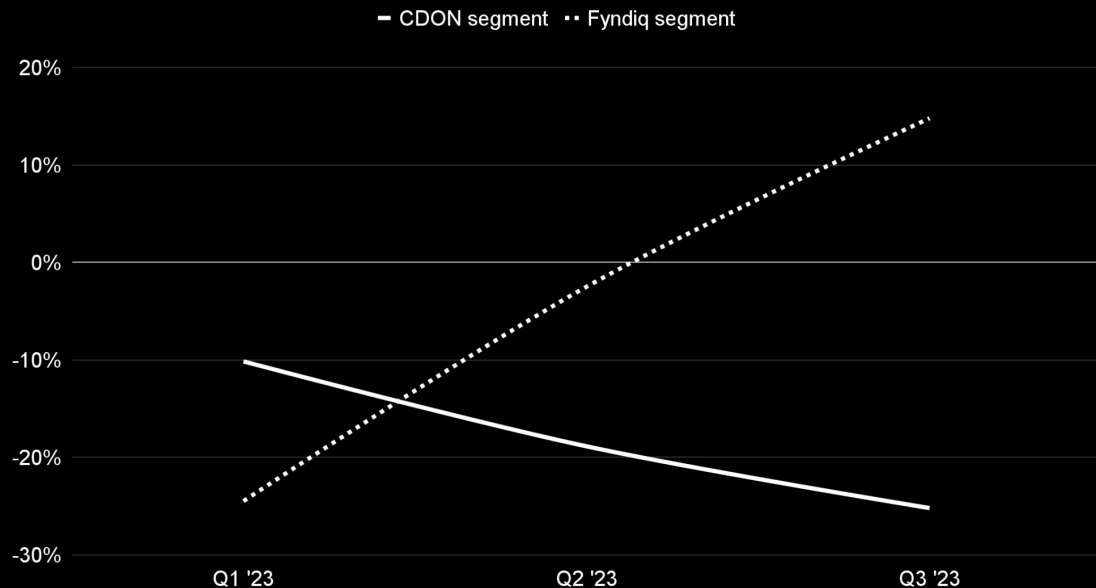
Progress in 2023

- Focused on profitable marketing and consistently grew GPAM
- Restructured the OPEX base, generating 3 consecutive quarters of positive EBITDA
- Grew supply at Fyndiq leading to organic GMV growth in Q3 2023

Focus for future profitable growth

- Maximize GPAM and profitable growth
- Complete platform migration and ensure full synergy realization
- Massive increase of supply and prepare for long-term GMV growth

GMV growth YoY 2023 vs 2022



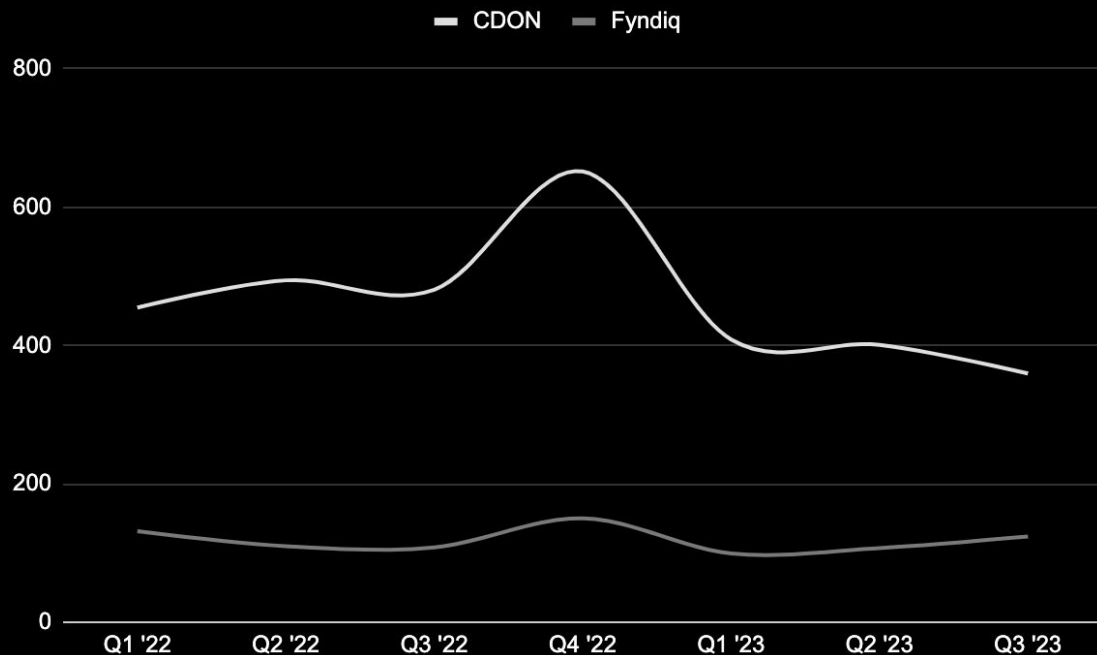
● GMV ● ●

We are cleaning up unprofitable sales from CDON

Comments

- A new level is established for profitable growth on CDON
- Fyndiq had a weak Q1 due to China corona outbreak

Gross Merchandise Value, Group, by segment (2022-2023)



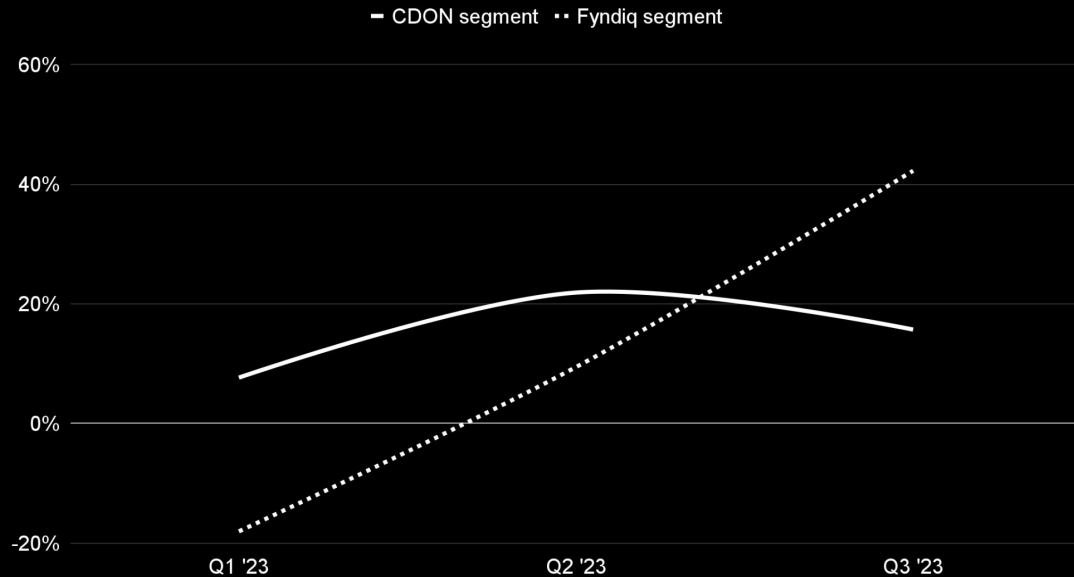
● GMV ● ●

We are cleaning up unprofitable sales at CDON

Comments

- Reduced CDON GMV following focus on profitable sales and performing merchants
 - -18% GMV YTD vs LY
- Overall decline in e-commerce market of ~6% YTD, yet -19% in September alone¹
 - Electronics -14% in Sweden¹
- Slightly lower GMV for Fyndiq, driven by an massive increase of supply, yet a weaker Q1 due to Chinese Covid-19 lock downs
 - -5% GMV YTD vs LY

GPAM growth YoY 2023 vs 2022



GPAM can increase with either increased **GMV**,
increased **take-rate** or better **marketing efficiency**

Alternative version in the making

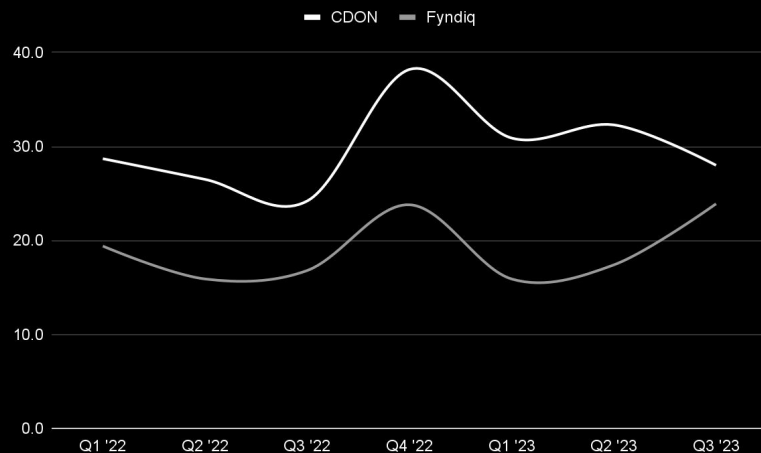
● GPAM

**Substantial
improvements to
our main KPI,
GPAM, across
both segments**

Comments

- CDON shows stronger christmas sales effect

Gross Merchandise Value, Group, by segment (2022-2023)



GPAM as % of GMV							
CDON	6%	5%	5%	6%	8%	8%	8%
Fyndiq	15%	14%	16%	16%	16%	16%	19%



GPAM can increase with either increased **GMV**, increased **take-rate** or
better **marketing efficiency**

● GPAM ●

Substantial improvements to our main KPI, GPAM, across both segments

Comments

- Despite **16% lower GMV**, the Group has **increased GPAM by 13% YTD**
- Increased take rate and higher marketing efficiency for CDON
- Increased shipping fee explaining higher GPAM for Fyndiq
 - All-time high Q3 GPAM for Fyndiq, close to Q4 '20 and '22



At **CDON** you will find
the best of the most!

CDON is a Swedish marketplace established in 1999 for quality products.

Get access to the best of everything you need, while shopping safely at competitive prices – from both world-leading and new brands directly to you. Welcome!

“

CDON's mission is to offer our customers the best selection of quality products in a reliable and convenient way

”





At **FYNDIQ** you will always strike a bargain!

You will not only find exactly what you're looking for, at a great price, but also be inspired by products you didn't even know existed. You can always trust that the product will arrive on time and have the quality you expect. And IF something goes wrong you can totally trust that Fyndiq will help you solve the problem.

“

**FYNDIQ's mission is to offer value
conscious consumers unbeatable bargains
with a best-in-class shopping experience**

”

FYNDIQ

The **10 billion dollar** Polish marketplace Allegro

+ Presentation

We have to create customer experiences that matches our brands' different value propositions



CDON group: Unleash the marketplace

We will offer our customers the convenience of a massive product assortment, with a great customer experience



CDON: Find the best of the most

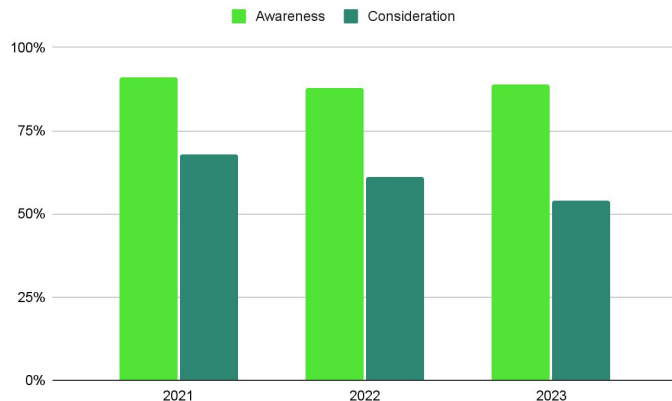
CDON will offer our customers a great selection of quality products at competitive prices



FYNDIQ: Always strike a bargain

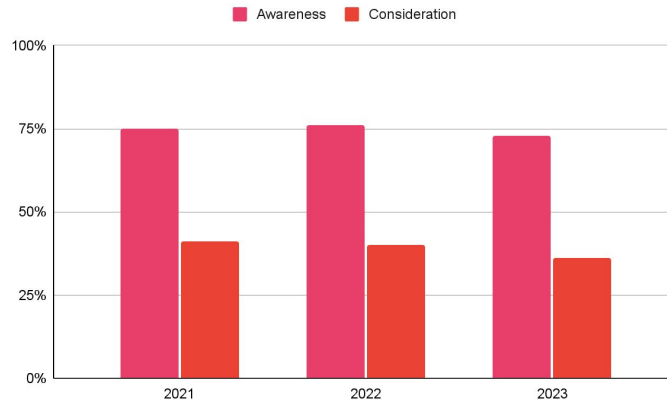
Fyndiq will offer our customers great bargains and trending products

Our main focus is to address the declining considerations for CDON



CDON has a high and steady level of brand awareness, but unfortunately 20% fewer would consider us today than two years ago

¹TrackIt

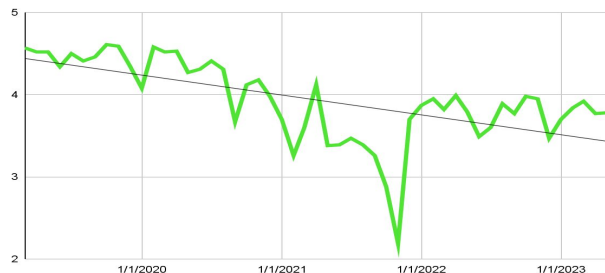


Fyndiq has a good level of brand awareness, however only 50% of those that knows about us would consider us for their purchases

A consistently high-quality shopping experience is the key to earn customers' preference



Despite the high-quality supply, CDON has experienced a declining customer satisfaction



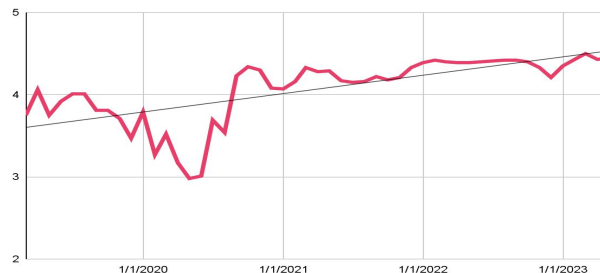
Changes to implement for CDON

- Shifting from a merchant-centric to a customer-centric approach
- Customers service mandate to act in customers' favor
- Utilizing data to identify causes of poor customer experience

¹Trustpilot



Fyndiq has managed to reach high customer satisfaction, despite the low price supply



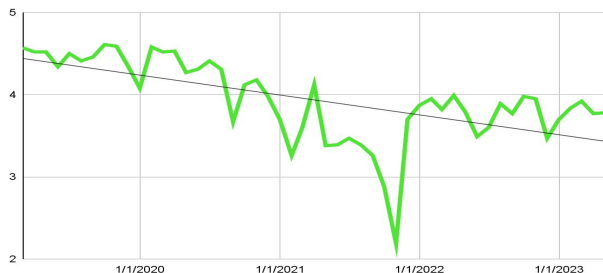
Reason for positive development for Fyndiq

- Customer-first approach from all departments
- Merchant performance thresholds with clear consequences, and confidence to cancel merchants
- Product development focusing on key pain points

We need to deliver a consistently high-quality shopping experience to earn customers' preference

CDON

Despite the high-quality supply, CDON has experienced a declining customer satisfaction



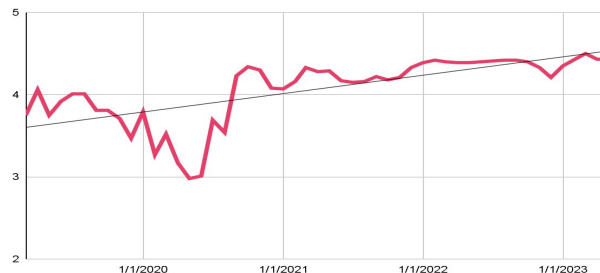
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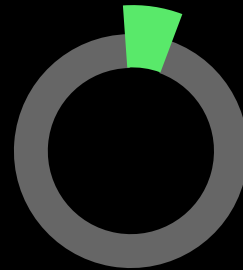
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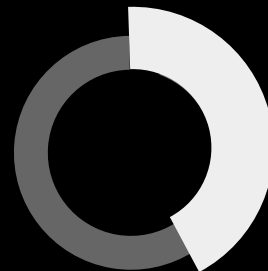
- Customer-first approach from all departments
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Our huge potential:
**Marketplaces is the
dominant way of
shopping online,
however not in the
Nordic region...yet**



~5%

Marketplaces market
share in the **Nordics**¹



40%

Marketplaces market
share **globally**²

We expect a strong cash flow curve ahead of us

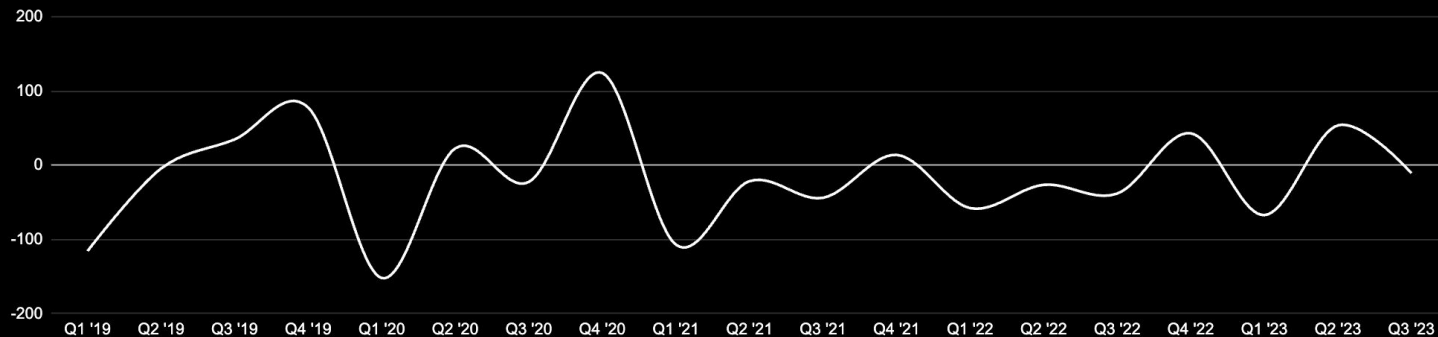
Current cash generation

We currently see a positive trending cash flow which will continue to increase with higher profitability. Going into our seasonally strongest quarter, we expect to end the year with a strong cash flow.

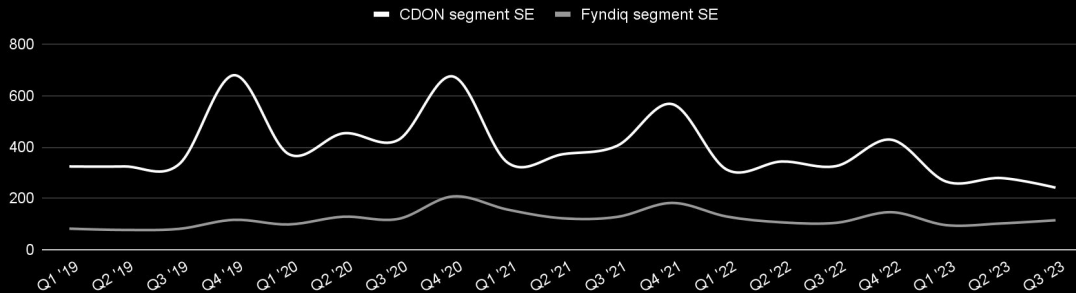
Cash generation at scale

We will strive for a continuous increase in cash flow as our profitability and scale increases. This will ensure financial security and provide us with the ability to engage in other investments and or shareholder distributions.

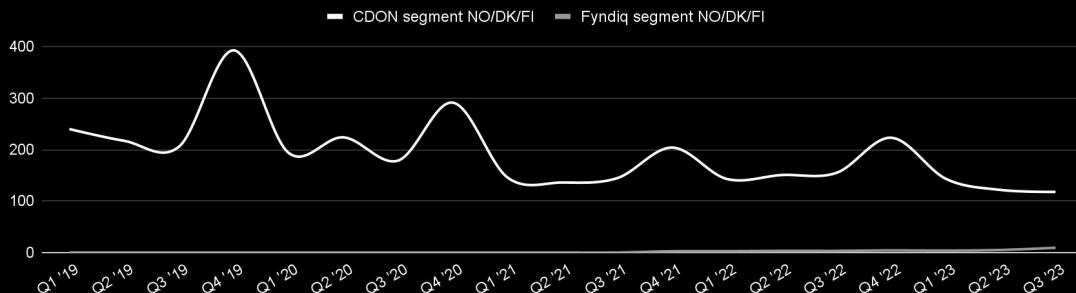
CDON group cashflow (incl. Fyndiq from Q2 '23)



GMV CDON segment SE and Fyndiq segment SE



GMV CDON and Fyndiq segment NO/DK/FI



● GMV ● ●

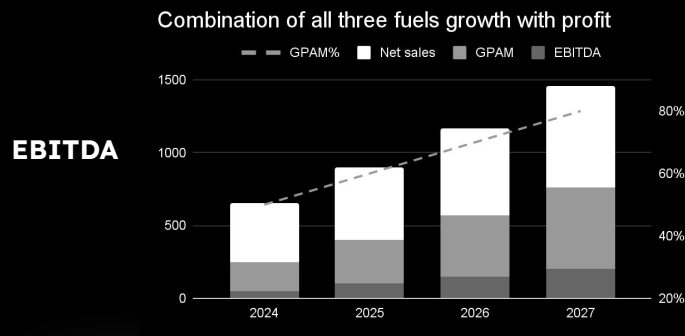
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Comments

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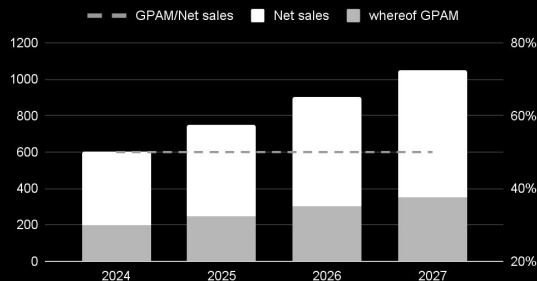
Continued EBITDA growth is derived from top-line growth, take rate increase or operational efficiency

● ● ● EBITDA



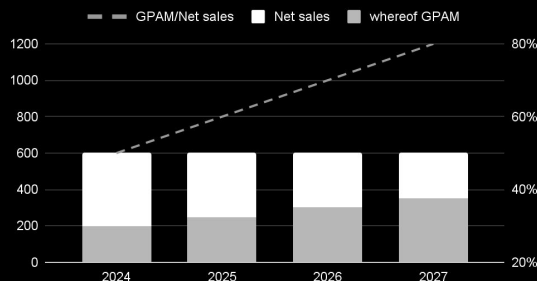
Top-line growth

Top-line growth, without any take-rate improvements



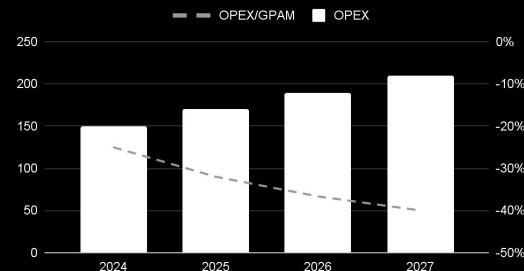
Take rate increase

Take-rate improvements, without top-line growth

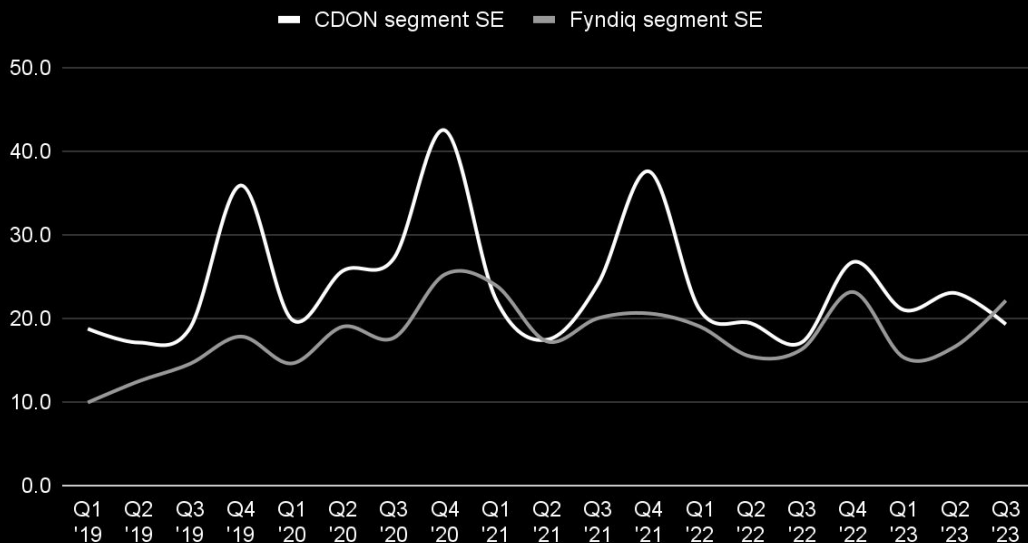


Operational efficiency

Lower OPEX increase vs GPAM over time



GPAM CDON segment SE and Fyndiq segment SE



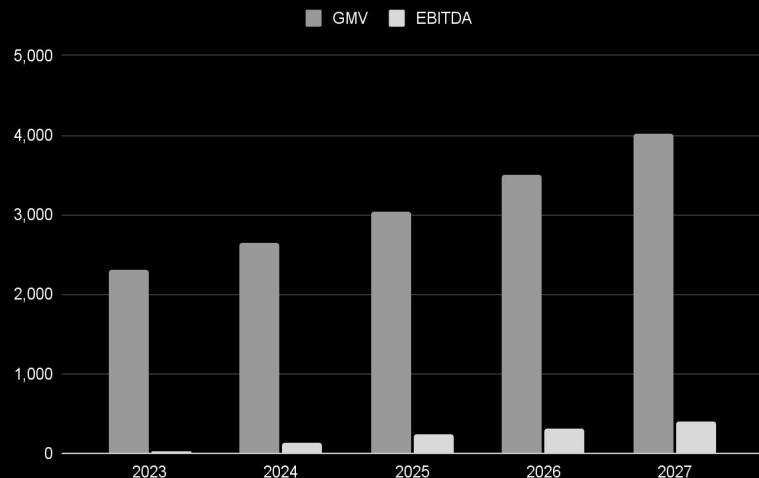
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Substantial improvements to our main KPI, GPAM, across both segments

Comments

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Marketplaces are highly profitable at scale



Illustrative effect of scalability

GMV

- Mature marketplaces have grown with a CAGR of X% between 2017-2022
- Fyndiq CAGR, for same period, Y %
- Illustrated CAGR of Z%

EBITDA

- Leading peers generating X% EBITDA
- Reduced OPEX of -40 MSEK generating Y% effect at current GMV
- Increased take rate, to Z% assumed
- Illustrated EBITDA as % of GMV A%

Great learnings of the importance of the customer experience from Nordic's largest online book store, Adlibris

01

A brand position is worthless if not implemented through the whole customer journey

02

The best brand marketing is happy customers that comes back over and over again

03

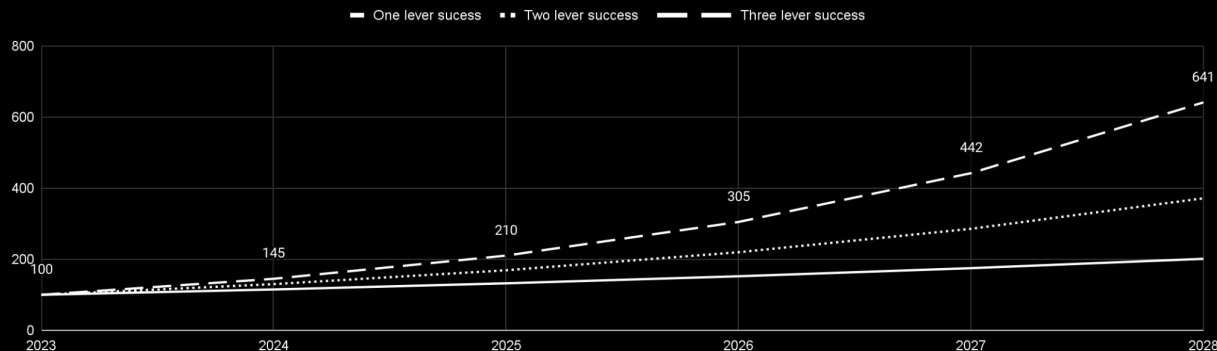
What matters for a customer is that we have what they are looking for and that we deliver as promised

We focus on three KPIs when steering our business

		Business KPI's	Our definition
01	GMV	Gross Merchandise Value	the attractiveness of our proposition to consumers
02	GPAM	Gross Profit After Marketing	the operational efficiency of our business
03	EBITDA	Earnings before interest, taxes, depreciation and amortization	the operational efficiency of the company

Marketplaces are highly profitable at scale

One lever success, Two lever success and Three lever success



<u>ANNUAL GROWTH</u>	Lever 1	Lever 2	Lever 3	Any two levers	Three levers
GMV growth	15%	0%	0%	0%	15%
Take-rate increase	0%	15%	0%	15%	15%
Operational efficiency	0%	0%	15%	15%	15%
EBITDA improvement	15%	15%	15%	30%	45%

Illustrative effect of scalability

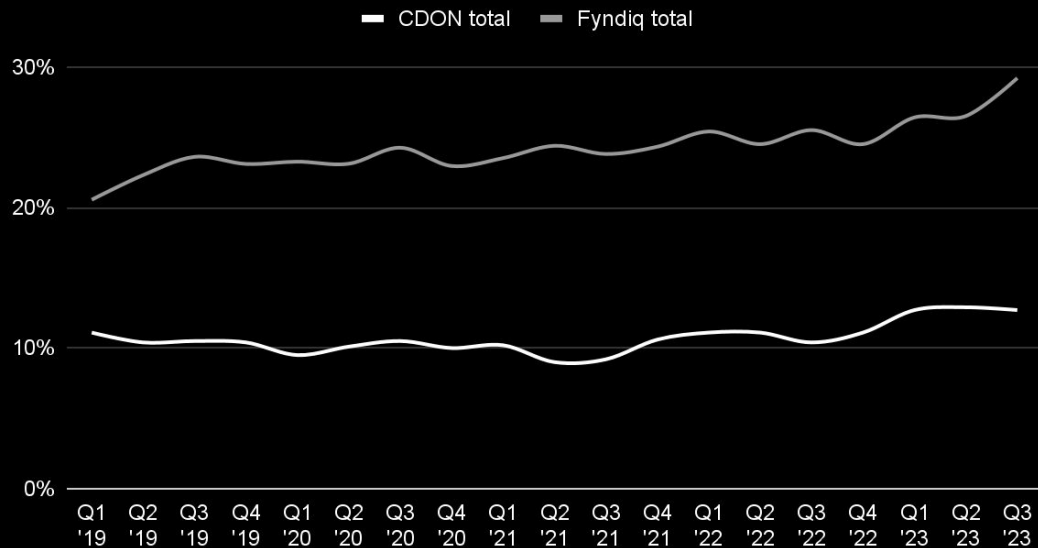
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Take-rate CDON segment SE och Fyndiq segment SE



Take rate (%) = Merchant commission/fees +
Value-added services + Customer revenues

Take rate has increased in '23, driven by commission increase on CDON and shipping fee for Fyndiq

Comments

- Take rate primarily influenced by marketplace commission
- Increased commission levels in 2023 for CDON segment
- Higher take rate for Fyndiq, due to inclusion of Shipping cost and lower absolute price points of products

A family of four is gathered in a living room for a movie night. The father, wearing glasses and a brown jacket, sits on a pink sofa eating popcorn. The mother, with long brown hair, sits next to him with a young child on her lap. A large bulldog sits on the sofa between the father and the mother. In the foreground, a young boy with curly hair sits on the floor, looking through binoculars. To his right, another boy sits on the floor wearing headphones and looking at a smartphone. The room is decorated for Halloween with a large red and pink inflatable worm on the floor, a small green vintage television, a glass of red liquid, and a small elephant figurine. A framed picture of a shark's mouth hangs on the wall. A large potted plant is in the background. A semi-transparent text box with the title "Graveyard /Inspo" is centered over the image.

Graveyard /Inspo