Annual Report 2023

CDON GROUP

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Directors' report

BUSINESS OVERVIEW

CDON AB (publ) (business reg. 556406-1702) is a public Swedish limited company. The registered offices of the company's Board of Directors are located in Malmö, Sweden. CDON's ordinary shares are listed on the Nasdaq First North Growth Market under the ticker "CDON."

CDON prepares consolidated accounts. The CDON Group consists of the parent company CDON AB, the wholly owned subsidiary Fyndiq AB (acquired in April 2023), and other subsidiaries.

Through its two marketplaces, CDON and Fyndiq, CDON is one of the leading marketplace operators in the Nordic region. On these websites, more than 1,500 external merchants sell their products to more than three million Nordic consumers. The customer is able to select and compare prices for millions of products, which is the widest range of all Nordic e-retailers.

CDON is an established brand in Nordic e-commerce that focuses on categories such as Home Electronics, Home & Garden and Sports & Leisure, and offers well-known brands. Founded in 2009,Fyndiq is the largest online bargain marketplace in the Nordic region. The focus is on Mobile Accessories, Electronics and Household Goods, generally at a lower price.

As a growing number of consumers benefit from the increasing number of offerings in the marketplace, we become more attractive to new merchants who want to join us, leading to even more customers. We are developing our offer to merchants to provide them with technical support for pricing, product enrichment, integration with other service providers, and support for reporting and analysis.

With more than 20 years of experience in e-commerce and technical innovation, and the determination to improve e-commerce for Nordic consumers and merchants, the company has a key role to play in the transition that is taking place. Our ambition is to continue expanding our network of Nordic and international merchants and partners so that our consumers get access to more products with the same serenity and convenience as they do from local retailers.

Development of the company's operations, earnings and position

GROUP

Financial overview	2023	2022	2021	2020
Net sales, SEK million	469	461	542	797
Gross profit/loss, SEK million	323	227	227	251
Profit/loss after financial items, SEK million	-69	-152	-63	-6
Balance sheet total, SEK million	954	238	381	299
Number of employees	111	126	124	129
Equity/assets ratio, %	72.0	18.7	52.4	20.0

Definitions: see note

PARENT COMPANY

Financial overview	2023	2022	2021	2020
Net sales, SEK million	359	459	542	797
Gross profit/loss, SEK million	216	225	227	251
Profit/loss after financial items, SEK million	-23	-146	-62	-6
Balance sheet total, SEK million	883	235	368	296
Number of employees	111	121	124	129
Equity/assets ratio, %	82.7	18.2	51.1	19.9

Definitions: see note

Directors’ report cont.

COMMENTS ON FINANCIAL PERFORMANCE

Total gross merchandise value (GMV, Gross Merchandise Value) decreased by 3% to SEK 2 017.7 (2 078.7) million. Organic GMV decreased by 21% for the CDON segment.

Net sales increased by two percent to SEK 468.7 (461.2) million for the Group, the increase compared to the previous year is attributable to the acquisition of Fyndiq and its higher remuneration, and higher share of net sales in comparison to GMV.

The gross margin for the Group increased by 19.8 percentage points to 69% (49.2). The strong increase in gross margin compared to last year is mainly due to higher margins from Fyndiq.

The take rate (gross margin through the gross value of goods sold on marketplaces) increased by 5.1 percentage points to 16 percent (10.9) for the Group over the previous year. The increase in take rate is attributable to a higher take rate from Fyndiq and an increase in remuneration in CDON, which was implemented in January 2023. Fyndiq increased the shipping fee to consumers in July 2023, which led to a higher take rate.

An increased focus on effective marketing led to an increase in the gross margin after marketing costs totaling SEK 201.4 (117.5) million with a GPAM (Gross Profit After Marketing) margin of 10.0 percent (5.7).

Total costs for the year totaled SEK -387.7 (-378.8) million. The higher cost level is due to the acquisition of Fyndiq. Through restructuring, CDON has reduced its costs by SEK 149.1 million to SEK 229.6 (378.8) million, which is a decrease of 39 percent.

Operating profit before depreciation totaled SEK 22.7 (-115.1) million for the year. The increase is a result of a sustained focus on profitable sales with higher margins, efficient cost management, and an enhanced return on invested marketing efforts.

Operating profit totaled SEK -58.2 (-151.8) million for the year. Adjusted for amortization of goodwill for the Group (which is attributable to CDON’s acquisition of Fyndiq in 2023), EBIT totaled SEK -11.0 million for the year.

Profit/loss before tax totaled SEK -68.7 (-151.9) million for the year.

Profit after tax per share was SEK -7.25 (23.24) for the year. Adjusted for amortization of goodwill (which is attributable to CDON’s acquisition of Fyndiq in 2023), profit after tax per share totaled SEK -2.27 for the year.

Cash flow from operations after changes in working capital totaled SEK -0.7 (-57.8) million for the Group. Outgoing stock in the Group and parent company increased by SEK 1.1 million during the year to SEK 9.7 (8.6) million.

Cash flow from investing activities for the year totaled SEK 23.8 (-22.3) million for the Group. During the year, CDON acquired Fyndiq, which in total affected the liquidity of the Group by SEK 39.2 million.

Cash flow from financing activities totaled SEK 7.5 (0.1) million for the year. During the year, the company raised a convertible loan of SEK 7.5 million.

CDON AB’s financial statements are presented in Swedish kronor (SEK) that being the company’s reporting currency.

The Annual Report is presented in SEK million. Rounding differences may occur.

Directors' report cont.

FINANCIAL DIRECTIVES AND LONG-TERM OBJECTIVE

CDON's financial directive (initially published in October 2022) remains in place, but with the following adjustments communicated by CDON in July 2023. The term "3P" has been replaced by "marketplace" in the financial directives and "CDON" has been replaced by "CDON Group," as Fyndiq (which is part of CDON Group since April 2023) has a different business model and to clarify that the financial directives include the entire Group.

- CDON Group's marketplace business area will continue to increase its market share of the Nordic e-commerce market.
- CDON Group's marketplace take rate will increase over time.
- CDON Group will gradually increase its margin as a result of high gross margins from its marketplace business and the relatively fixed nature of its administrative and selling costs.

Following the completion of CDON's acquisition of Fyndiq in April 2023, CDON also announced a new long-term market share-related goal for the Group. The new goal is to achieve a double-digit market share of the Nordic e-commerce market.

EMPLOYEES

During the year, the Group had 100 (121) full-time employees (measured as an average number during the year).
All employees work from the company's office in Malmö or the office in Stockholm.
At the end of the year, the Group had 111 (126) full-time employees.

Directors' report cont.

SIGNIFICANT EVENTS IN THE FISCAL YEAR 2023

- On January 1, 2023, Thomas Pehrsson took up his post as the new interim CEO of CDON.
- On February 16, 2023, CDON's acquisition of Fyndiq AB (Sweden's largest online marketplace for bargains) was announced to create the largest e-commerce marketplace in the Nordic region. CDON was to acquire 100 percent of the shares in Fyndiq AB for a preliminary purchase price of approximately SEK 735 million, to be paid primarily through a directed issue of CDON shares to Fyndiq's existing shareholders. Fyndiq's existing shareholders would thus receive approximately 40 percent of the shares and approximately 39 percent of the votes in CDON AB. Fredrik Norberg, founder and CEO of Fyndiq, would be appointed CEO of CDON AB and Thomas Pehrsson would continue as CFO and also be appointed Deputy CEO of CDON. The new larger CDON Group would continue to operate two separate consumer offerings under the CDON and Fyndiq brands. The transaction was completed in the second quarter of 2023 and was subject to approval by CDON shareholders at an Extraordinary General meeting on March 28, 2023.
- On March 28, 2023, CDON held an Extraordinary General Meeting (EGM). The Meeting resolved to approve the Board's proposal regarding CDON's acquisition of Fyndiq. The purchase price (for the shares in Fyndiq) was determined to consist of newly issued ordinary shares and C shares in CDON and a small cash component. The Meeting resolved to authorize the Board of Directors, for the period until the end of the next Annual General Meeting, resolve on a new issue of ordinary shares in CDON to be used as part of the purchase price in the combination with Fyndiq. Fyndiq's sellers would have the right to subscribe for the new ordinary shares in CDON and, as payment for the shares, contribute shares in Fyndiq held by the sellers to CDON. The meeting also decided to approve the Board's proposal to amend the company's articles of association by introducing a new class of convertible and redeemable C shares. In addition, the meeting resolved to approve the Board's proposal to carry out a new issue of convertible C shares in CDON to the new CEO and certain other key personnel as part of the purchase price for their shares in Fyndiq. The issued C shares would be converted into ordinary shares after a four-year measurement period on the condition of compliance with performance-based terms. The Meeting also resolved to approve the Board's proposal to issue convertible debt securities in CDON to the new Board member Erik Segerborg. Erik Segerborg would have the right to subscribe convertible debt securities for SEK 7,500,000 and convert them during the period April 15, 2023 to June 30, 2025 to ordinary shares in CDON. Moreover, the Meeting resolved that the number of Board members elected by the AGM shall be five and elected Erik Segerborg and Christoffer Norman as new Board members in CDON. The current Board members Kristina Lukes, Niklas Woxlin and Jonas Calles announced that they would resign as Board members when the new Board members take office upon completion of the combination between CDON and Fyndiq. Following the completion of the combination, CDON's Board of Directors would consist of Josephine Salenstedt (Chair), Brad Hathaway, Christoffer Norman, Erik Segerborg and Jonathan Sundqvist.
- On April 12, 2023, CDON completed the acquisition of Fyndiq. The consideration for the acquired shares in Fyndiq has, according to the acquisition agreement, consisted of 4,101,892 newly issued ordinary shares in CDON and 241,543 n newly issued C-shares in CDON, which corresponded to an ownership share for Fyndiq's sellers of 40.3 percent of the shares and 39.0 percent of the votes in CDON. The new CEO and certain other key personnel have received SEK 7,122,575 in cash as part of their remuneration. In accordance with the decision at the Extraordinary General Meeting on March 28, 2023, the changes regarding the composition of CDON's Board came into effect as a result of the completion of the acquisition. CDON's new Board of Directors consists, since April 12, 2023 and until the end of the next Annual General Meeting, of Josephine Salenstedt (Chair), Brad Hathaway, Christoffer Norman, Erik Segerborg and Jonathan Sundqvist. As announced by CDON on April 4, 2023, the nomination committee proposed that the new Board of Directors be re-elected at CDON's Annual General Meeting on May 9, 2023, that Christoffer Norman be elected as new chairman of the Board of Directors, and Erik Segerborg as the new deputy chairman of the Board. At its inaugural meeting today, the new Board of Directors decided to appoint Fredrik Norberg as CDON's new CEO and Thomas Pehrsson as CDON's deputy CEO.
- On April 14, 2023, CDON communicated management changes as a result of CDON's acquisition of Fyndiq. Atra Azami was appointed as new CTO (Chief Technology Officer), Björn Idrén as new CCO (Chief Commercial Officer), Kattis Åström as new CXO (Chief Experience Officer), Niklas Öhman as new CPO (Chief Product Officer), and Linda Andersson as new CSO (Chief Supply Officer).
- On April 25, 2023, CDON communicated a new ambitious long-term market share-based target. The new target was to achieve a double-digit market share of the Nordic e-commerce market, replacing the previously communicated target that CDON would achieve a market share of at least 2.5 percent of the Nordic e-commerce market by the end of 2025.
- On May 3, 2023, CDON announced that the 4,101,892 newly issued ordinary shares in CDON (issued as purchase price in CDON's acquisition of Fyndiq) had started trading on Nasdaq First North Growth Market.
- On May 9, 2023, CDON's Annual General Meeting 2023 was held. The AGM resolved to re-elect the members of the Board of Directors Christoffer Norman, Erik Segerborg, Brad Hathaway, Josephine Salenstedt and Jonathan Sundqvist, and to elect Christoffer Norman as new Chairman of the Board and Erik Segerborg as new Deputy Chairman of the Board. The Meeting also elected PwC as CDON's new auditor.
- On July 11, 2023, CDON announced that Jonathan Sundqvist would leave the Board of CDON on July 17, 2023.

Directors' report cont.

- On October 25, 2023, CDON announced that it had adjusted its assessment of the accounting principles applied regarding Fyndiq's revenue generation.
- On November 16, 2023, CDON held its first Capital Markets Day for institutional investors, financial analysts, other interested parties, and the media.
- On November 30, 2023, CDON announced that Thomas Pehrsson, Chief Financial Officer (CFO) and Deputy CEO, had resigned of his own accord and that CDON has appointed Carl Andersson as the company's new CFO. Carl Andersson took office as CDON's new CFO on January 22, 2024.

SIGNIFICANT EVENTS AFTER THE END OF THE FISCAL PERIOD

- On February 13, 2024, CDON announced that it would centralize the Group's operations at the Stockholm office. CDON currently operates in two locations: Malmö and Stockholm. To further increase CDON's efficiency, the Malmö office will be closed in 2024, and operations will be relocated to the office in Stockholm. In addition, customer service will be outsourced. These initiatives are expected to result in a one-off cost increase in CDON's operating costs in 2024 by approximately SEK 7–9 million. However, CDON expects that the centralization should generate cost savings from 2025 onwards.

INFORMATION ON COMPANY SHARES AND SHAREHOLDERS

Since November 6, 2020, CDON's ordinary shares have been listed on the Nasdaq First North Growth Market with FNCA Sweden AB as Certified Adviser. The ordinary shares have ISIN code SE0015191911 and the ticker CDON.

As of December 31, 2023, CDON had 10,751,313 issued shares. 10,540,867 were ordinary shares and 210,446 were class C shares. The share capital totaled SEK 10,771,648.42.

OWNERSHIP CONDITIONS AS OF DECEMBER 31, 2023

ADW Capital Management:	17%
Rite Ventures:	14.6%
Phillian:	6.4%
Bisslinge Förvaltning:	6.1%
Mandatum Life Insurance:	5.8%
Other shareholders:	50.1%

Source: Monitor / Modular Finance

SUSTAINABILITY REPORT

CDON chose to prepare the sustainability report as a separate report from the annual report. The sustainability report has been issued at the same time as the annual report. The sustainability report is available on investors.cdon.com.

EXPECTED FUTURE DEVELOPMENTS

2023 was a challenging year for both Swedish and Nordic e-commerce. According to the Swedish Trade Federation, sales in Swedish e-commerce fell by 8 percent in 2023 compared to the previous year. This can mainly be attributed to the strained economic environment for consumers, which was characterized by high inflation and increased interest costs. E-commerce is expected to have a positive revenue in the second half of 2024, which gives CDON an optimistic expectation for the full year.

CDON Group's vision is to unleash the power of the marketplace to offer the best shopping experience in the Nordic region. With growing awareness among consumers of the convenience of purchasing all products from a single store that offers an extensive range at attractive prices, CDON Group is well positioned for growth in the coming year.

Directors' report cont.

SIGNIFICANT RISKS AND UNCERTAINTIES

The Group (i.e., the parent company CDON AB, its subsidiary Fyndiq AB and CDON's other subsidiaries) is constantly working to identify, assess and evaluate risks to which the Group is currently exposed and risks that may 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 protective measures, control activities, etc.) is assessed 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. Although we have identified a number of risks in CDON's risk register, many of these are relatively unlikely to occur or would have a relatively limited impact – they are therefore not discussed among the risks below. For risks, the relative probability of occurrence and the related consequences change over time, which means that reported risks should be seen as a snapshot of current risks. The section below describes risks that are considered material to the Group's and parent company's operations, financial position and future development at the time of writing, March 2024.

OPERATIONAL RISKS

IT-related risks

The Group's operations are highly dependent on reliable IT and control systems that are well adapted to its operations, primarily with regard to the websites' uptime. The Group has invested in IT and control systems, but some if these systems are not yet fully integrated and some processes contain certain manual operations and assumptions with regard to valuations and provisions. Although improvements, maintenance, upgrades and support for these systems and processes are conducted regularly, there is a risk that the systems may suffer from disturbances or interruptions and that errors may occur in manual processes. These disturbances, interruptions and deficiencies may result in serious business disruptions and damage to the Group. In the event of system interruptions and process deficiencies, it is not certain that the Group will receive full compensation for the associated damage caused. There is also a risk that external attacks could lead to the Group's websites going offline and being unable to be reached by external parties. If the websites were to become inaccessible, this could lead to lost sales for the Group and parent company.

Reputation-related risks

The Group depends on its reputation, which is important in relation to customers, suppliers, traders, other partners, employees and others with whom the Group may enter into a business relationship. For example, incidents relating to product safety, personal data management, breaches of marketing rules or similar incidents can lead to damage to the Group's reputation and thereby lead to, for example, fewer returning customers, lower sales, loss of suppliers, traders and other partners. A particular aspect of reputational risk is that CDON Marketplace is exposed to the conduct of its affiliated merchants (see below under "Risks related to affiliated merchant conduct on CDON Marketplace").

Data-related risks due to unauthorized intrusion or inadequate protection against malfunctions

The Group is dependent on its IT systems being adequately protected against unauthorized intrusion. As the technologies used to disable or degrade services and sabotage systems are constantly changing and are often not identified until they have struck their target, there is a risk that the Group will be unable to anticipate the development of these technologies or to take effective countermeasures in time, or that technologies for protection against unauthorized intrusion will not be developed in time. If unauthorized parties access the Group's IT system, there is a risk that they will obtain business-critical data and information about affiliated merchants and/or customers. There is also a risk that the Group's IT system will prove deficient and backup systems will not fulfill their desired function during operational disruptions or that technical problems will arise, leading to loss of data. If unauthorized parties access valuable or sensitive data, or if such information/data is lost due to operational disruptions, there is a risk that the Group, affiliated merchants, customers or the Group's partners will suffer loss or damage, which could disrupt the Group's operations, cause reputational damage and/or result in direct costs, such as penalties or contractual fines.

Directors' report cont.

Risks related to personnel and the control environment
The Group's future success is highly dependent on its ability to recruit, retain and develop qualified senior executives and other key employees. The Group is dependent on recruiting and retaining key employees who possess competence within the business and the market to continue to develop the Group and succeed in achieving the Group's future goals. If the Group fails to retain or recruit qualified employees, there is a risk that the Group's future goals will not be achieved, which risks reduced revenues and impaired growth for the Group.
CDON and its subsidiary Fyndiq are growing companies that are dependent on establishing a sound control environment. There is a risk that the internal control environment does not detect such conscious or unconscious violations of regulations and internal guidelines and policies made by employees in the Group.

Risks related to affiliated merchants' conduct on CDON Marketplace and on Fyndiq
On CDON Marketplace, it is the affiliated merchant who ensures and is responsible that the products advertised and sold are of the quality promised at the time of purchase, that the products are safe and legal, and that the products are delivered on time. The affiliated merchant is also responsible for dealing with any claims and following up complaints from customers. The assessment of whether a merchant is expected to act in accordance with the Group's requirements for correct and professional conduct towards the end customer on the marketplace and others is a key component of the affiliation process for new merchants on CDON Marketplace. However, the Group cannot completely eliminate the risk of merchants failing to fulfill their obligations. If affiliated merchants fail to fulfill their obligations to marketplace customers, there is a risk of customers having a negative view of CDON, resulting in reputational damage to the Group. There is a risk that CDON finds it appropriate for legal or business reasons, to bear costs to compensate customers for merchants' incapacity to meet their obligations to customers (if, for example, a particular merchant goes bankrupt, for example).

The above-mentioned risks related to the conduct of affiliated merchants are also relevant to Fyndiq's business, although Fyndiq's Flash Sale business model differs in some respects from CDON Marketplace's agent-based business model. When an order for a particular product is placed by a customer on the Fyndiq marketplace, Fyndiq buys the product in question from a merchant (in a "flash") and sells the product to the customer; it is therefore Fyndiq that is, legally speaking, a direct counterparty to the customer and which enters into a purchase agreement with the customer.

Risks related to warehouses
The CDON Retail (1P) business area sells products that are purchased and kept in warehouses before being sold to consumers. CDON AB (the parent company) uses warehouses run by an external supplier. If the warehouse were to be destroyed or to close, or if its equipment were to be damaged, the Group might be unable to deliver products to customers or might risk delivery delays. There is a risk that CDON will be unable to find an alternative warehouse or repair the warehouse in question or its equipment quickly and cost-effectively. The Group has insurance for property damage and production stoppages, but there are no guarantees that such amounts can be recovered in full or that the amounts recovered would cover potential losses. There is also a risk that the cost of operating warehouses or stocking goods with an external supplier will increase. There is also a risk that the Group will have stock that cannot be sold or is not be sold at a higher value than cost, which means that a risk of obsolescence arises.

Risks related to distribution
Within CDON Retail (1P), products are purchased and kept in stock for sale to consumers. They are therefore dependent on efficient transport to and from the warehouse and are exposed to distribution network disruptions. Such disruptions can occur, for example, as a result of strikes, disputes with freight forwarders or bankruptcy of a freight forwarder. Distribution network disruptions can lead to nondelivery or late delivery of sold products. There is also a risk that products will go missing during delivery, resulting in increased costs for the Group. As the Group engages external freight forwarders for the delivery of products, the Group is also exposed to the risk of increased shipping costs.

Risks related to the payment service providers used
Via payment providers, the Group offers a wide selection of payment methods to accommodate the various preferences of customers regarding payment options. Payment options include credit and debit cards, PayPal, Swish, direct payment via internet banking and payment solutions through Qliro AB (Qliro) and Svea Bank AB (Svea). The Group is dependent on Qliro AB and Svea for the provision of payment options and if Qliro AB's and/or Svea's systems were to be down, it could have an adverse effect on sales. The payment process is also part of the customer's shopping experience. This means that the Group is dependent on the actions taken by the payment provider and a payment solution outage could, therefore, damage the Group's reputation.

Directors' report cont.

INDUSTRY AND MARKET-RELATED RISKS

Risks related to competition

CDON is currently a leading local Nordic marketplace for merchants wishing to sell products to consumers in a digital marketplace that they do not operate themselves. There is significant value in being the leading local marketplace, as this attracts both merchants and customers. And CDON's subsidiary Fyndiq is the largest digital marketplace for bargains in the Nordic region. However, both CDON and Fyndiq operate in competitive markets, and there are other players offering digital marketplaces. There is a risk that CDON and/or Fyndiq will have to bear significant costs and/or adjust pricing to maintain and/or further develop their market position. Such a course of events could lead to increased costs, reduced revenue and/or reduced margins for the Group.

Risks related to the general economy and consumer purchasing power

The demand for the products sold on CDON's (and, to a certain extent, also on Fyndiq's) marketplaces is affected by the general economic situation in the Nordic region, as the economy affects customers' purchasing power. The economy is in turn affected by factors that are beyond the Group's control, such as interest rates, exchange rates, inflation, taxes, unemployment levels, other political and economic factors, and uncertainty regarding the future economic outlook. A weakening economic situation, with reduced private consumption, may lead to a decline in sales, resulting in lower revenue for the Group.

FINANCIAL RISKS

Credit risk

Credit risk is the risk of a counterparty to any of the Group's companies being unable to fulfill its obligation, thereby causing a loss. Among other things, there is a risk that merchants do not fulfill their obligations to customers and that costs arise for CDON in connection with this (see more about this under "Risks related to affiliated merchants' conduct on CDON Marketplace"). A credit risk for the Group can also include fraud. Online fraud consists mainly of cards and credit purchases in another person's name and online purchases with stolen card details.

Risks related to impairment of intangible assets

The value of the Group's intangible assets amounted to SEK 692.2 million at December 31, 2023. Intangible assets consist mainly of goodwill and capitalized development costs related to the Group's IT platforms. The measurement of intangible assets is based on assumptions about future development, growth, profitability and other parameters that are by nature subject to uncertainty. The Group regularly monitors relevant circumstances that affect the Group's operations and the possible effects such circumstances may have on measurement of the Group's intangible assets. There is a risk that changes to such circumstances or some of the assumptions the Group has made may necessitate impairment of intangible assets in the future.

Risks related to liquidity

Liquidity risk refers to the risk that the group may encounter difficulties in meeting its obligations related to its financial debts. Credits to customers, the degree of overdue receivables, credits from suppliers, and capital tied up in inventory affect the need for liquid funds. The operations within the CDON group generate liquidity for the group as CDON and Fyndiq receive payments from customers, via payment service provider(s), which are subsequently transferred to the affiliated merchants at a later date, in accordance with applicable agent agreements/merchant agreements. In the event that CDON, due to regulatory changes (see further under "Risks related to legislation, regulation, and regulatory compliance") or for other reasons, can no longer utilize the liquidity represented by customer payments, CDON is going to experience a deteriorated liquidity situation.

To mitigate liquidity risk, various measures have been implemented. The group has initiated a cost-saving program related to restructuring by reducing the number of employees, reducing office space which entails a cost base intended to withstand even a market downturn, and negative revenue development. The group's goal is to be EBITDA-positive in 2024. The implemented measures also aim to maintain cash reserves exceeding operational needs during the different seasons throughout the year. However, it cannot be ruled out that events beyond CDON's control may necessitate additional financing in the future to ensure the group's liquidity and financial position.

LEGAL RISKS

Legislative, regulatory and compliance risks

The Group is affected by legislation and regulations, primarily in Sweden where the parent company is domiciled, but also in other countries where the Group operates. Such regulations may, for example, require approval or registration of products by the regulatory authority in the country in which the products are sold. Failure by the Group to comply with applicable rules could lead to penalties and/or the Group companies being prohibited from selling certain products.

In addition, CDON and its subsidiary Fyndiq purchase parts of the product range from outside the EU. There is a risk that changing or future trade restrictions, including increased customs duties, safeguard quotas and import quotas, will increase the Group's purchasing costs. In addition, there is a risk that CDON and/or Fyndiq will be subject to product liability for products sold through CDON's and/or Fyndiq's digital marketplaces. This could potentially lead to liability claims against CDON and/or Fyndiq in the event of damage caused by products sold through CDON's and/or Fyndiq's digital marketplaces. Such claims for damages may exceed the amounts reimbursed by the Group's insurance policies. Furthermore, it cannot be ruled out that the Group's insurance does not cover a possible claim for damages.

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Furthermore, the Group is dependent on having the necessary routines to comply with changed legislation in relation to the Group’s operations, also linked to the Group’s suppliers and partners and how they and CDON ensure that the Group’s digital marketplace meets the requirements of applicable legislation and regulation. There is a risk that changes in applicable regulations will occur quickly and that the Group will not have the necessary routines for rapid compliance with regulations or that the costs of complying with new regulations will be significant and/or mean that the Group suffers a loss of revenue.

Risks related to the processing of personal data
In its operations, the Group collects and processes personal data, including data related to its customers and employees. It is of vital importance that personal data is processed in accordance with applicable personal data legislation. For example, data subjects must be informed about the collection and use of their personal data and the data must be processed in a way that is not incompatible with the purposes for which it has been collected. If the Group’s processing of personal data is deficient, is exposed to data hacking or otherwise inadvertently violates the law, the Group risks, among other things, claims for compensation for the associated damage and invasion of privacy. The EU’s General Data Protection Regulation 2016/679 (GDPR) is directly applicable in Sweden and all other EU member states. The GDPR places strict requirements on companies that process personal data. Companies that do not comply with the GDPR can be charged with administrative fees of up to EUR 20 million or four percent of their global annual sales by the supervisory authorities.

There is a risk that the measures the Group takes, and has taken, to ensure and maintain confidentiality and privacy with regard to personal data will be insufficient or otherwise not in accordance with applicable legislation. There is also a risk that the measures taken by the Group to ensure compliance with applicable legislation, such as the GDPR, will be insufficient, which may entail significant costs. There is also a risk of stricter requirements from responsible regulatory authorities, which in turn could result in higher costs and require more resources from the Group.

IMY’s supervisory case regarding CDON’s use of the Google Analytics tool was closed in 2023.

In August 2020, the Austrian organization NOYB reported CDON’s former shareholder Qliro Group to the Austrian Data Protection Authority, Datenschutzbehörde (DSB), regarding the processing of personal data on the website cdon.fi, which is run by CDON AB. The report refers to Qliro Group’s/CDON’s use of the Google Analytics tool on the website, allowing Google to process certain personal data in the Unites States and other countries. In July 2020, the European Court of Justice declared that one of the safeguards that had allowed the transfer of personal data to the United States was invalid. NOYB therefore called for the Austrian Data Protection Authority to conduct a review of this personal data processing. The Austrian Data Protection Authority then notified the Swedish Authority for Privacy Protection, IMY, about the case, and they, in turn, initiated a supervisory case against CDON in November 2020 as a result of the information provided in the NOYB’s report. The IMY audit concerned the version of Google Analytics (GA) used by CDON in August 2020. IMY’s review also included several other large Swedish companies (which NOYB had reported).

On June 30, 2023, IMY issued its final decision in the regulatory case regarding CDON’s use of GA. IMY argued in the decision that CDON processed personal data in breach of the GDPR by using the GA tool and that technical security measures it had put in place were not sufficient to ensure an adequate level of protection for personal data transferred to the US via GA. IMY ordered CDON to stop using the version of GA to which the supervisory case was related, no later than one month after the decision became final. Furthermore, IMY decided that CDON should pay a penalty of SEK 300,000 for the breach of the GDPR.

In the year 2022, CDON had made a provision for the potential penalty fee (related to IMY’s then ongoing supervisory case regarding CDON’s use of the GA tool). However, the actual penalty – issued by IMY in June 2023 – was significantly lower than the amount previously reserved by CDON. CDON discontinued the use of the GA version to which IMY’s review was related within the time limit set by IMY. The company has also continued to work on implementing additional technical and other measures to ensure its compliance with the GDPR.

PROPOSAL FOR THE ALLOCATION OF PROFITS

SEK	
Share premium reserve	896,396,315
Retained earnings	-196,473,632
Profit/loss for the year	-23,237,991
Total	**676,684,692**
The following profit is at the disposal of the AGM	676,684,692
Carried forward	676,684,692

The company’s results and financial position are presented in the following income statements and balance sheets with associated notes.

Consolidated income statement

Amounts in SEK million	Note	2023	2022
Net sales	3	468.7	461.2
Cost of goods sold		-145.3	-234.1
Gross profit/loss		**323.4**	**227.0**
Selling costs		-187.8	-165.1
Administrative expenses	4, 5, 6, 7, 8, 9	-189.4	-200.0
Other operating income	10	0.4	1.8
Other operating expenses	11	-4.0	0.0
Share in associate's profit/loss after tax		-0.9	-15.4
Operating profit/loss		**-58.2**	**-151.8**
Profit/loss from financial items			
Income from investments in associates and jointly controlled entities		-10.1	0.0
Interest and similar income	12	1.8	0.2
Interest and similar expenses	13	-2.2	-0.3
Profit/loss after financial items		**-68.7**	**-151.9**
Profit/loss before tax		**-68.7**	**-151.9**
Deferred tax liability component	14	0.1	
Tax on profit for the year	14	–	–
Profit/loss for the year		**-68.6**	**-151.9**
Attributable to			
Parent company's shareholders		-68.6	-149.9
Noncontrolling interests		–	-2.0

Consolidated balance sheet

ASSETS

Amounts in SEK million	**Note**	**12/31/2023**	**12/31/2022**
Noncurrent assets			
Intangible assets			
Capitalized expenditures for development and similar work	15	67.0	53.2
Goodwill	16	619.2	0.0
Software	17	0.0	0.0
Projects in progress	18	6.1	9.0
Total intangible assets		**692.3**	**62.2**
Property, plant and equipment			
Leasehold improvements	19	0.0	0.0
Equipment, tools, fixtures and fittings	20	1.2	1.3
Total property, plant and equipment		**1.2**	**1.3**
Financial assets			
Shares in associates and jointly controlled entities	22	0.0	10.9
Noncurrent receivables	23	0.3	0.3
Deferred tax asset	24	29.9	0.0
Total financial assets		**30.2**	**11.2**
Total noncurrent assets		**723.7**	**74.7**
Current assets			
Inventory, etc.			
Finished goods and merchandise	2	9.7	8.6
Current receivables			
Accounts receivable		18.3	13.9
Current tax assets	14	2.7	1.6
Other receivables		30.9	3.7
Prepaid expenses and accrued income	25	15.2	12.0
Total current receivables		**67.2**	**31.2**
Cash and bank balances	26	153.8	123.1
Total current assets		**230.6**	**163.0**
TOTAL ASSETS		**954.3**	**237.7**

*Of Cash and bank balances, SEK 141.8 million refers to funds related to the merchants. These are also presented below Other liabilities. For further information, see Note 26.

Consolidated balance sheet cont.

EQUITY AND LIABILITIES

Amounts in SEK million	Note	12/31/2023	12/31/2022
Equity	27. 28		
Share capital		10.8	6.5
Other capital contributions		0.2	0.3
Other equity including profit/loss for the year		676.1	37.8
Equity attributable to parent company's shareholders		**687.1**	**44.5**
Total equity		**687.1**	**44.5**
Provisions			
Pension provisions		0.4	0.2
Other provisions	29	3.5	20.1
Total provisions		**3.9**	**20.3**
Noncurrent liabilities			
Convertible loans	30	6.4	0.0
Other noncurrent liabilities		0.3	0.3
Total noncurrent liabilities		**6.8**	**0.3**
Current liabilities			
Accounts payable		43.7	52.1
Other liabilities	30	181.1	83.6
Deferred revenue and accrued expenses	31	31.7	36.9
Total current liabilities		**256.6**	**172.6**
TOTAL EQUITY AND LIABILITIES		**954.3**	**237.7**

Consolidated statement of changes in equity

2022

Amounts in SEK million	Note	Share capital	Other capital contributions	Retained earnings, etc.	Total	Noncontrolling interest	Total equity attributable to parent company's shareholders
		Other equity					
Opening balance, 01/01/2022		6.44	191.12	-7.64	189.91	7.00	196.91
Profit/loss for the year				-149.90	-149.90	-2.00	-151.90
Share-based remuneration	4		0.30		0.30		0.30
Acquisitions of noncontrolling interests				4.19	4.19	-5.00	-0.81
Equity 12/31/2022		**6.44**	**191.42**	**-153.35**	**44.50**	**0.00**	**44.50**

Rounding differences may affect totals

2023

Amounts in SEK million	Note	Share capital	Other capital contributions	Retained earnings, etc.	Total	Noncontrolling interest	Total equity attributable to parent company's shareholders
		Other equity					
Opening balance 01/01/2023		6.44	191.42	-153.35	44.50	0.00	44.50
Profit/loss for the year				-68.59	-68.59		-68.59
Share-based remuneration	4		-0.04		-0.04		-0.04
Convertible, fair value			1.55		1.55		1.55
New share issue		4.33	705.35		709.68		709.68
Equity 12/31/2023		**10.77**	**898.28**	**-221.94**	**687.10**	**0.00**	**687.10**

Rounding differences may affect totals

Consolidated cash flow analysis

Amounts in SEK million	Note	12/31/2023	12/31/2022
Operating activities			
Operating profit/loss		-58.2	-151.8
Adjustment for noncash items	33	73.8	-74.7
		15.7	**-77.1**
Income tax paid		-0.6	–
Cash flow from operating activities before changes in working capital		**15.1**	**-77.1**
Changes in working capital			
Increase (-)/decrease (+) in inventories		-0.5	11.0
Increase (-)/decrease (+) in operating receivables		-30.5	11.1
Increase (+)/decrease (-) in operating liabilities		15.3	-0.9
Cash flows from operating activities		**-0.7**	**-56.0**
Investing activities			
Acquisitions of property, plant and equipment	20	-0.3	-0.8
Acquisitions of intangible assets	18	-15.2	-21.3
Acquisitions of financial assets		0.0	-0.2
Acquisition of subsidiary		39.2	-1.1
Cash flows from investing activities		**23.8**	**-23.4**
Financing activities			
New share issue		–	–
Repayment of loans		–	0.1
Loans disbursed		7.5	0.0
Cash flow from financing activities		**7.5**	**0.1**
Cash flow for the period		**30.7**	**-79.3**
Cash and cash equivalents at beginning of period		123.1	202.9
Exchange rate differences in cash and cash equivalents		0.0	-0.4
Cash and cash equivalents at end of year	26	**153.8**	**123.1**

Parent company income statement

Amounts in SEK million	**Note**	**2023**	**2022**
Net sales	3	359.0	459.3
Cost of goods sold		-142.5	-234.1
Gross profit/loss		**216.4**	**225.2**
Selling costs		-133.4	-165.1
Administrative expenses	4, 5, 6, 7, 8, 9	-91.4	-176.8
Other operating income	10	0.2	1.4
Other operating expenses	11	-3.2	0.0
Operating profit/loss		**-11.4**	**-115.4**
Profit/loss from financial items			
Impairments of shares in and noncurrent receivables from Group companies	21	-0.7	-14.0
Impairments of shares in, and noncurrent receivables from, associates	22	-10.9	-16.2
Interest and similar income	12	1.7	0.2
Interest and similar expenses	13	-2.0	-0.2
Profit/loss after financial items		**-23.2**	**-145.7**
Profit/loss before tax		**-23.2**	**-145.7**
Tax on profit for the year	14	0.0	0.0
Profit/loss for the year		**-23.2**	**-145.7**

Parent company's balance sheet

ASSETS

Amounts in SEK million	Note	12/31/2023	12/31/2022
Noncurrent assets			
Intangible assets			
Capitalized expenditures for development and similar work	15	44.3	53.1
Projects in progress	18	4.1	9.0
Total intangible assets		**48.4**	**62.1**
Property, plant and equipment			
Leasehold improvements	19	0.0	0.0
Equipment, tools, fixtures and fittings	20	0.6	1.3
Total property, plant and equipment		**0.6**	**1.3**
Financial assets			
Shares in Group companies	21	725.0	0.0
Shares in associates and jointly controlled entities	22	0.0	10.9
Noncurrent receivables	23	0.3	0.3
Total financial assets		**725.3**	**11.2**
Total noncurrent assets		**774.4**	**74.6**
Current assets			
Inventory, etc.			
Finished goods and merchandise	2	9.7	8.6
Current receivables			
Accounts receivable		18.3	13.9
Receivables from Group companies		3.7	–
Current tax assets	14	1.6	1.6
Other receivables		5.5	3.6
Prepaid expenses and accrued income	24	9.5	12.0
Total current receivables		**38.6**	**31.1**
Cash and bank balances			
Cash and cash equivalents	26	60.4	120.5
Total current assets		**108.8**	**160.2**
TOTAL ASSETS		**883.2**	**234.8**

*Of Cash and bank balances, SEK 61.8 million refers to funds related to the merchants. These are also presented below Other liabilities. For further information, see Note 26.

Parent company's balance sheet cont.

EQUITY AND LIABILITIES

Amounts in SEK million	Note	12/31/2023	12/31/2022
Equity			
Restricted equity	26, 27		
Share capital		10.8	6.5
Other capital contributions		0.2	0.0
Statutory reserve		0.0	0.0
Development expenditure fund		42.9	56.8
		53.9	**63.2**
Nonrestricted equity			
Share premium reserve		896.4	191.3
Retained earnings		-196.5	-66.2
Profit/loss for the year		-23.2	-145.7
		676.7	**-20.6**
Total equity		**730.6**	**42.7**
Provisions	28		
Pension provisions		0.4	0.2
Other provisions		3.5	20.1
Total provisions		**3.9**	**20.3**
Noncurrent liabilities			
Convertible loans		6.4	–
Total noncurrent liabilities		**6.4**	**–**
Current liabilities			
Accounts payable		26.8	52.0
Liabilities to Group companies		1.1	–
Other liabilities	29	87.2	83.1
Deferred revenue and accrued expenses	30	27.2	36.7
Total current liabilities		**142.2**	**171.9**
TOTAL EQUITY AND LIABILITIES		**883.2**	**234.8**

Parent company's statement of changes in equity

2022

Amounts in SEK million	Note	Restricted equity			Nonrestricted equity		
		Share capital	Statutory reserve	Fund for development expenditure	Share premium reserve	Retained earnings, incl. profit for the period	Total equity
Opening balance, 01/01/2022		**6.44**	**0.02**	**55.79**	**191.11**	**-65.22**	**188.13**
Profit/loss for the year						-145.67	-145.67
Changes recognized directly in equity							
Share-based remuneration	4				0.20		0.20
Transfers between items in equity							
Depreciation, amortization and impairment for the year	15			-20.36		20.36	0.00
Capitalized development expenses	15			21.32		-21.32	0.00
Equity 12/31/2022		**6.44**	**0.02**	**56.75**	**191.31**	**-211.86**	**42.67**

Rounding differences may affect totals

2023

Amounts in SEK million	Note	Restricted equity			Nonrestricted equity		
		Share capital	Statutory reserve	Fund for development expenditure	Share premium reserve	Retained earnings, incl. profit for the period	Total equity
Opening balance 01/01/2023		**6.44**	**0.02**	**56.75**	**191.31**	**-211.86**	**42.67**
Profit/loss for the year						-23.24	-23.24
Changes recognized directly in equity							
New share issue		4.33			705.09	0.26	709.68
Share-based remuneration	4					-0.03	-0.03
Convertible, fair value						1.55	1.55
Transfers between items in equity							
Depreciation, amortization and impairment for the year	15			-25.92		25.92	0.00
Capitalized development expenses	15			12.07		-12.07	0.00
Equity 12/31/2023		**10.77**	**0.02**	**42.90**	**896.40**	**-219.48**	**730.61**

Rounding differences may affect totals

Cash flow analysis, parent company

Amounts in SEK million	Note	12/31/2023	12/31/2022
Operating activities			
Operating profit/loss		-11.4	-115.4
Adjustment for noncash items	33	17.4	40.7
		6.0	**-74.7**
Income tax paid		–	0.0
Cash flow from operating activities before changes in working capital		**6.0**	**-76.4**
Changes in working capital			
Increase (-)/decrease (+) in inventories		-0.5	11.0
Increase (-)/decrease (+) in operating receivables		-12.4	9.8
Increase (+)/decrease (-) in operating liabilities		-33.3	-0.5
Cash flows from operating activities		**-40.2**	**-54.5**
Investing activities			
Acquisitions of property, plant and equipment	20	-0.1	-0.8
Acquisitions of intangible assets	18	-12.1	-21.3
Acquisition of subsidiary		-15.3	-1.1
Acquisitions of financial assets		–	-0.2
Cash flows from investing activities		**-27.5**	**-23.5**
Financing activities			
Loans raised		7.5	–
Cash flow from financing activities		**7.5**	**–**
Cash flow for the period		**-60.1**	**-78.0**
Cash and cash equivalents at beginning of period		120.5	197.5
Exchange rate differences in cash and cash equivalents		–	1.0
Cash and cash equivalents at end of period	26	**60.4**	**120.5**

Notes

Note 1

Group accounting policies and valuation principles

The Annual Report and consolidated accounts have been prepared according to the Swedish Annual Accounts Act and the Swedish Accounting Standards Board's general recommendation BFNAR 2012:1 Annual Accounts and Consolidated Financial Statements (K3).

The accounting policies remain unchanged compared with the preceding year.

Assets, provisions and liabilities are measured at cost unless otherwise stated below.

CONSOLIDATED ACCOUNTS

CDON AB prepares consolidated accounts. Companies in which CDON AB holds the majority of votes at the Annual General Meeting and companies in which CDON AB by agreement has a controlling influence are classified as subsidiaries and are included in the consolidated accounts. Information on Group companies is found in the note on financial noncurrent assets. Subsidiaries are included in the consolidated accounts as of the date on which the controlling interest is transferred to the Group. They are excluded from the consolidated accounts as of the date on which the controlling interest ceases.

Consolidated financial statements are prepared using the acquisition method. The acquisition date is the date on which controlling interest is received. Identifiable assets and liabilities are initially measured at fair value at the acquisition date. The minority share of the acquired net assets are measured at fair value. Goodwill comprises the difference between the acquired identifiable net assets at the acquisition date and cost, including the value of the minority interest, and is initially measured at cost.

Associates are all entities over which the group has significant influence but not control or joint control. This is generally the case where the group holds between 20 percent and 50 percent of the voting rights. Holdings in associates are recognized using the equity method. When applying the equity method, the investment is initially measured at cost and the carrying amount then increases or decreases to account for the Group's share of the associate's profit, loss, impairments and goodwill after the acquisition date. The consolidated carrying amount for holdings in associates includes goodwill as identified at acquisition.

Transactions between Group companies are eliminated entirely. Subsidiaries in other countries prepare their Annual Reports in foreign currencies. On consolidation, items in these companies' balance sheets and income statements are recalculated at the closing day rate and the spot rate, respectively, for the day the transaction took place. The exchange differences that arise are recognized in accumulated exchange differences in consolidated equity.

INTANGIBLE ASSETS

Research and development expenditure

Expenditures on research, that is, the planned and systematic search for new scientific or technological knowledge and insight, are recognized as costs when they arise.
Intangible assets are recognized at cost less accumulated amortization and impairment.
The capitalization model is used for recognition of development expenses. This means that expenses arising during the development phase are recognized as an asset when all the following criteria are met:

- The technical feasibility of completing the asset so that it will be available for use or sale.
- The intention to complete the intangible asset and use or sell it.
- Conditions exist to use or sell the intangible asset.
- The intangible asset is likely to generate future economic benefits;
- The availability of adequate technical, financial and other resources to complete the development of the intangible asset and to use or sell it; and
- The ability to reliably measure the expenditure attributable to the intangible asset.

The cost of an internally generated intangible asset consists mainly of internal time and external consultancy costs directly attributable to the asset.

Goodwill

Consolidated goodwill represents the difference between cost and the fair value of acquired assets, liabilities and potential obligations.

Software
Software is regarded as a separate intangible asset if it is not an integrated part of or an accessory to hardware or an integrated part of the operation of a tangible asset.

Depreciation/amortization
Amortization is applied on a straight-line basis over the asset's estimated useful life. Amortization is recognized as an expense in the income statement.

	Useful life
Capitalized expenditures for development and similar work	Five years
Goodwill	10 years
Software	Five years

PROPERTY, PLANT AND EQUIPMENT
Property, plant and equipment is recognized at cost less accumulated depreciation and impairment.
Cost comprises the purchase price and any expenditure directly attributable to the acquisition.
Subsequent expenditure that qualifies for recognition as an asset is included in the asset's carrying amount.
Costs of regular maintenance and repairs are recognized as an expense as incurred.

Depreciation/amortization
Depreciation is applied on a straight-line basis over the asset's estimated useful life, as it reflects the expected pattern of consumption of the asset's future economic benefits.

	Useful life
Leasehold improvements	Five years
Equipment	3–5 years

IMPAIRMENT – TANGIBLE AND INTANGIBLE ASSETS AND INVESTMENTS IN GROUP COMPANIES

At each reporting date, the company assesses whether there is any indication that an asset's value is lower than its carrying amount. If there is such an indication, the asset's recoverable amount is measured.

The recoverable amount is the higher of fair value less selling costs and value in use. When determining the need for impairment, assets are grouped at the lowest levels at which there are separate identifiable cash flows (cash-generating units). For assets other than goodwill that were previously written down, testing for reversal should be done at each reporting date.

Previous impairment is only reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized.

When determining the need for impairment, assets are grouped at the lowest levels at which there are separate identifiable cash flows (cash-generating units). For assets other than goodwill that were previously written down, testing for reversal should be done at each reporting date.

Impairment and reversals are recognized in the income statement in the function where the asset is utilized.

LEASING
Lessee

Operating leases
Lease payments under operating leases, including upfront lease payments but excluding expenses for services such as insurance and maintenance, are recognized as an expense on a straight-line basis over the lease term.

FOREIGN CURRENCY

Foreign currency items

Foreign currency transactions are translated using the exchange rate that applied on the transaction date. Foreign currency monetary items are translated using the exchange rate that applied on the reporting date. Nonmonetary items are not translated but are reported at the exchange rate on the acquisition date. Exchange differences arising on translation are recognized in profit/loss for the year. Exchange gains and losses on operating receivables and liabilities are recognized in operating profit/loss, while exchange gains and losses on financial receivables and liabilities are reported under financial items.

TRANSLATION OF FOREIGN OPERATIONS

Assets and liabilities in foreign operations, including goodwill and other consolidated over- and undervaluation, are translated from the foreign operation's functional currency to the Group's reporting currency, the Swedish krona, at the reporting date's exchange rate. Income and expenses in a foreign operation are translated to the Swedish krona at an average rate that represents an approximate transaction date. Translation differences arising from translating the currencies of foreign operations are recognized in nonrestricted equity and are accumulated in a separate component of equity called the translation reserve. At divestment of a foreign operation, the accumulated translation differences attributable to the operation are capitalized, at which time they are reclassified from nonrestricted equity to profit/loss for the year.

INVENTORIES

Inventories are measured at the lower of cost and net realizable value. The risk of obsolescence has been taken into account. Cost is calculated on the basis of weighted average prices. Net realizable value is defined as the selling price less selling costs.

FINANCIAL ASSETS AND LIABILITIES

Financial assets and liabilities are recognized in accordance with chapter 11 (Financial instruments measured at cost) of BFNAR 2012:1.

Financial instruments recognized in the balance sheet include trade receivables, other receivables, long-term receivables, other long-term receivables, accounts payable, convertible loans and other liabilities. An instrument is recognized in the balance sheet when the Group becomes a party to the contractual provisions of the instrument.

A financial asset is removed from the balance sheet when the contractual right to receive cash flows from the asset ceases or is discharged. The same applies when the risks and rewards incidental to ownership are substantially transferred to another party and the Group no longer has control over the financial asset. A financial liability is removed from the balance sheet when the contractual obligation has been fulfilled or otherwise extinguished.

Measurement of financial assets

Current financial assets are measured after initial recognition at the lower of cost and net realizable value at the reporting date.

Receivables are recognized as current assets except for items that are due more than 12 months after the reporting date, which are classified as noncurrent assets. Accounts receivable and other receivables that are current assets are measured individually at the amounts expected to be received. Expected credit losses are based on estimates using the Group's knowledge and historical information about similar assets. The assessment is made on both a collective and an individual basis. The underlying criteria and assumptions are regularly evaluated to reflect current events and the Group's expectations. Accounts receivable and other receivables together with the associated provision for expected credit losses are removed from the balance sheet when there are no expectations of future payments. Impairment of accounts receivables is recognized as selling expenses.

A financial asset and a financial liability are offset and are recognized with a net amount in the statement of financial position only when there exists a legal right to offset the amount and there is an intention to settle the items with a net amount or at the same time capitalize the asset and settle the liability.

After initial recognition, noncurrent financial receivables are measured at amortized cost.

Measurement of financial liabilities

Current other liabilities and accounts payable are recognized at cost.
After initial recognition, noncurrent financial liabilities are recognized at amortized cost.

EMPLOYEE BENEFITS

Short-term employee benefits

Short-term employee benefits consist of salaries, social security contributions, paid annual leave, paid sick leave, healthcare and bonuses. Short-term employee benefits are recognized as an expense and a liability when there is a legal or constructive obligation to make such payments.

Post-employment benefits for employees

In cases where pension obligations are solely dependent on the value of an owned asset, the pension obligation is recognized as a provision corresponding to the asset's carrying amount. Post-employment benefit plans are classified as either defined contribution or defined benefit. In defined contribution plans, fixed contributions are paid to another entity, normally an insurance company, and the company no longer has any obligation to the employee when the contributions are paid. The size of the employee's post-employment benefits depends on the contributions paid and the return on capital they generate. For defined benefit plans, the company has an obligation to provide the agreed benefit to present and previous employees.

The company essentially bears the risk that the benefit amounts will be higher than expected (actuarial risk) and that the return on the assets deviates from expectations (investment risk). There is an investment risk even if the assets are transferred to another company. Only defined contribution pension plans occur within the Group. Contributions under defined contribution plans are recognized as an expense. Unpaid contributions are reported as a liability.

Termination benefits
Termination benefits, to the extent that the benefits do not provide any future economic benefits to the Group, are recognized as a liability and an expense only when the Group has a legal or constructive obligation to either
(a) terminate the employment of a staff member or group of staff members before the normal termination date; or
(b) provide termination benefits by way of an offer to encourage voluntary resignation. Termination benefits are only reported when the Group has a detailed plan for the termination and is without realistic possibility of withdrawal.

Share-based payments
The Group has a long-term, share-based incentive plan through which the company receives services from employees and, as consideration, CDON AB issues equity instruments to the employees. The total amount to be expensed is recognized in the income statement as an employee benefit under administrative expenses and in equity under other contributed capital, allocated across the vesting period of four years. The costs for the long-term program represent fair value in accordance with the Monte Carlo method. The social security fees incurred are booked as a personnel cost and entered as a liability.

INCOME TAXES
Tax on profit for the year in the income statement consists of current tax and deferred tax. Current tax is the amount of income tax in respect of taxable profit for the current fiscal year and any income tax from prior years not yet recognized. Current taxes are measured using the tax rates and tax rules applicable on the reporting date.

Deferred tax is income tax in respect of taxable profit for future fiscal years as a result of previous transactions or events.

Deferred tax assets as regards loss carry-forwards or other future tax deductions are recognized to the extent that it is probable that the deduction can be offset against a future tax surplus. Deferred taxes are measured using the tax rates and tax rules approved before the reporting date. The Group recognizes deferred tax assets for Fyndiq AB for the fiscal year 2023.

REVENUE
The inflows of economic benefits received and receivable by the company on its own account are recognized as revenue. Revenue is measured at the fair value of the consideration received or receivable, less discounts and the right to return. The Group's revenue is subject to seasonal variations. Revenue in the fourth quarter is significantly higher than in other quarters due to Black Friday Christmas shopping.

Sale of goods
Revenue from the sale of goods is recognized when the following criteria are met:
- It is probable that the economic benefits associated with the transaction will flow to the company;
- The amount of revenue can be measured reliably;
- The Group has transferred to the buyer the significant risks and rewards of ownership;
- The Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold; and
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

The recognized revenue is reduced by the sale price (excl. VAT) for items that are expected to be returned. The reduced amount is recognized as a liability for returns and complaints. This is based on sales statistics and an assessment of future complaints and returns that arise during the same period as sales. Further information can be found under estimates and assessments in Note 2.

Marketplace
Net sales include commission generated by sales arranged via the marketplace. The commission is recognized at fair value, less VAT, discounts and similar deductions. The commission is calculated on the basis of a percentage according to agreements entered into with external merchants.

In the case of mediated sales, a receivable and revenue corresponding to the earned commission earned are recognized. The accumulated liability to external merchants for sales arranged via the marketplace is recognized under other liabilities.

Under agreements with external merchants, no interest is paid on the liability that is generated and settled on an ongoing basis. In addition, the requirement for separate presentation of client funds has been derogated from by agreement and the liability to external merchants is reported under other liabilities.

Gift vouchers
For the purchase of gift vouchers, the entire amount is reported as a current liability and is not recognized as a revenue until the gift voucher is redeemed or its validity expires. Cost of goods sold is reported in connection with the redemption of gift vouchers.

Sales of marketing services
Sales of marketing services are recognized as revenue, as the Group has sold these services to various brand partners. Net sales are recognized at the time the service is rendered. The services are normally invoiced in arrears and are recognized as accrued income.

Continuation of Note 1

Financial commission
Revenue related to financial commission is based on the outcome of sales of services rendered by other parties. Revenue is recognized on an ongoing basis if the commission-based service is rendered and if other contract terms are met.

Other types of revenue
Interest is recognized as revenue as using the effective interest method.

PROVISIONS
A provision is recognized in the balance sheet when the company has a legal or constructive obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. A provision for onerous contracts is recognized when the expected economic benefits estimated to be obtained from a contract are lower than the unavoidable expenses for meeting the obligations under that contract.

Restructuring reserve
A provision for the restructuring of operations is reported when the company must complete the restructuring process due to informal legal obligations, meaning that the company has a fixed and detailed restructuring plan and that those concerned have a well-founded understanding that restructuring process will be implemented.

CASH FLOW
The cash flow statement is prepared using the indirect method. Reported cash flows only concern transactions that involve cash inflows and outflows. Cash and cash equivalents consist of cash resources with banks and similar financial institutions.

PARENT COMPANY ACCOUNTING POLICIES AND VALUATION PRINCIPLES
The same accounting policies and valuation principles are applied in the parent company as in the Group, expect in cases as stated below.

Shares and participations in subsidiaries
Shares and shares in subsidiaries are recognized at cost less any accumulated impairment. Cost includes the consideration paid for the shares and acquisition expenses. Any capital contributions are added to the cost when they are submitted. Dividends from subsidiaries are recognized as income.

Equity
Equity is divided into restricted and unrestricted as defined by the Annual Accounts Act.

Note 2

Estimates and assessments

Preparing the financial reports as per K3 requires that information be provided on assessments that have a material effect on the amounts recognized in the financial report. The Group makes estimates and assessments about the future that are evaluated on an ongoing basis. Consequently, estimates made for accounting purposes will, by definition, seldom correspond to the actual results. The estimates and assumptions that entail a material risk for significant adjustments to the carrying amounts of assets and liabilities over the next year are discussed in the main features below.

Assessment of return rate
The provision requirement associated with future returns is assessed each month. The assessment is carried out based on historical outcome and actual sales. The provision requirement is recognized as a reduction in net sales, with the equivalent adjustment being made to cost of goods sold.

Impairment of intangible assets
The company's intangible assets are recognized at cost less accumulated amortization and any impairment. Assets are amortized over their estimated useful lives to estimated residual values. Useful life and residual value are tested at least at the end of each financial period. The carrying amounts of the company's noncurrent assets are tested whenever events or changed circumstances indicate that the carrying amounts cannot be recovered. The carrying amounts of intangible assets that are not yet ready for use are tested every year. If such an analysis indicates that an amount is too high, the asset's recoverable amount is determined. The company does an individual assessment of each separate noncurrent asset.

Note 3

Net sales by operating segment and geographical market

Amounts in SEK million	Group 2023	Group 2022	Parent company 2023	Parent company 2022
Net sales by operating segment				
CDON and Fyndiq (Group) Marketplace (3P)	322.4	210.6	212.7	210.6
CDON Retail (1P)	146.3	250.6	146.3	248.7
Total	**468.7**	**461.2**	**359.0**	**459.3**
Net sales by geographical market				
Sweden	265.7	261.4	203.5	261.4
Other Nordics	203.0	199.8	155.5	199.8
Total	**468.7**	**461.2**	**359.0**	**461.2**

Note 4

Employees, personnel costs and Board fees

AVERAGE NUMBER OF EMPLOYEES	Group 12/31/2023	Group 12/31/2022	Parent company 12/31/2023	Parent company 12/31/2022
Sweden	100	126	87	121
Men	56%	62%	58%	67%

ACCOUNTING FOR GENDER DISTRIBUTION IN COMPANY MANAGEMENT	Group 12/31/2023 Proportion of women	Group 12/31/2022 Percentage of women	Parent company 12/31/2023 Percentage of women	Parent company 12/31/2022 Percentage of women
Board of Directors	26%	33%	26%	33%
Other senior executives	27%	29%	27%	29%

SALARIES AND OTHER BENEFITS, AND SOCIAL SECURITY COSTS, INCLUDING PENSION COSTS	Group 12/31/2023	Group 12/31/2022	Parent company 12/31/2023	Parent company 12/31/2022
Salaries and benefits	58.4	78.7	38.1	74.1
Social security contributions	30.2	29.6	21.5	28.7
(of which, pension cost)[1]	8.3	8.8	6.0	8.1

1) Of the company's pension costs, 0.4 (prev.yr.) refers to 0.6) the company's CEO and Board of Directors.
The company's outstanding pension obligation to them is 0 (prev. yr. 0).

SALARIES AND OTHER BENEFITS, BOARD MEMBERS, CEO, AND OTHER EMPLOYEES

	Group				Parent company			
	12/31/2023		12/31/2022		12/31/2023		12/31/2022	
	Board of Directors and CEO	Other employees	Board of Directors and CEO	Other employees	Board of Directors and CEO	Other employees	Board of Directors and CEO	Other employees
Salaries and other benefits	3.98	55.0	4.4	74.3	3.7	34.4	4.4	69.2

REMUNERATIONS TO SENIOR EXECUTIVES 2023

	Group							
Amounts in SEK million	**Basic salary, Board fees**	**Variable remuneration**	**Other benefits**	**Pension cost**	**Pension obligation**	**Financial instruments, etc.**	**Other compensation**	**Total**
Christoffer Norman, Chairman of the Board	0.16	–	–	–	–	–	–	0.16
Josephine Salenstedt	0.36	–	–	–	–	–	–	0.36
Bradley Hathaway	0.20	–	–	–	–	–	–	0.20
Erik Segerborg	0.16	–	–	–	–	–	–	0.16
Jonathan Sundqvist	0.19	–	–	–	–	–	–	0.19
Kristina Lukes	0.04	–	–	–	–	–	–	0.04
Niklas Woxlin	0.07	–	–	–	–	–	–	0.07
Fredrik Norberg, CEO	1.10	–	–	0.24	–	–	–	1.33
Thomas Pehrsson, CFO/Deputy CEO	1.72	0.40	0.11	0.37	–	–	–	2.60
Other senior executives	1.76	0.25	0.05	0.54	–	–	–	2.35
Total	**5.74**	**0.65**	**0.16**	**1.15**	**–**	**–**	**–**	**7.46**

2023

	Parent company							
Amounts in SEK million	**Basic salary, Board fees**	**Variable compensation**	**Other benefits**	**Pension cost**	**Pension obligation**	**Financial instruments, etc.**	**Other compensation**	**Total**
Christoffer Norman, Chairman of the Board	0.16	–	–	–	–	–	–	0.16
Josephine Salenstedt	0.36	–	–	–	–	–	–	0.36
Bradley Hathaway	0.20	–	–	–	–	–	–	0.20
Erik Segerborg	0.16	–	–	–	–	–	–	0.16
Jonathan Sundqvist	0.19	–	–	–	–	–	–	0.19
Kristina Lukes	0.04	–	–	–	–	–	–	0.04
Niklas Woxlin	0.07	–	–	–	–	–	–	0.07
Fredrik Norberg, CEO	1.10	–	–	0.24	–	–	–	1.33
Thomas Pehrsson, CFO/Deputy CEO	1.72	0.40	0.11	0.37	–	–	–	2.60
Other senior executives	1.76	0.25	0.05	0.54	–	–		2.35
Total	**5.74**	**0.65**	**0.16**	**1.15**	**–**	**–**	**–**	**7.46**

REMUNERATIONS TO SENIOR EXECUTIVES
2022

	Group							
Amounts in SEK million	**Basic salary, Board fees**	**Variable compen-sation**	**Other benefits**	**Pension cost**	**Pension obligation**	**Financial instru-ments, etc.**	**Other compen-sation**	**Total**
Josephine Salenstedt, Chair of the Board	0.48	–	–	–	–	–	–	0.48
Christoffer Häggblom	0.10	–	–	–	–	–	–	0.10
Kristina Lukes	0.20	–	0.10	–	–	–	–	0.30
Niklas Woxlin	0.23	–	0.11	–	–	–	–	0.34
Georg Westin	0.10	–	–	–	–	–	–	0.10
Savneet Singh	0.19	–	–	–	–	–	–	0.19
Jonas Calles	0.19	–	0.11	–	–	–	–	0.29
Jonathan Sundqvist	0.14	–	–	–				0.14
Brad Hathaway	0.04	–	–	–				0.04
Peter Kjellberg, CEO	2.38		0.02	0.59			0.01	3.00
Other senior executives (8 pers.)	7.49	–	0.26	1.28			0.20	9.23
Total	**11.54**	**–**	**0.60**	**1.87**	**–**	**–**	**0.21**	**14.22**

2022

	Parent company							
Amounts in SEK million	**Basic salary, Board fees**	**Variable compen-sation**	**Other benefits**	**Pension cost**	**Pension obligation**	**Financial instru-ments, etc.**	**Other compen-sation**	**Total**
Josephine Salenstedt, Chair of the Board	0.48	–	–	–	–	–	–	0.48
Christoffer Häggblom	0.10	–	–	–	–	–	–	0.10
Kristina Lukes	0.20	–	0.10	–	–	–	–	0.30
Niklas Woxlin	0.23	–	0.11	–	–	–	–	0.34
Georg Westin	0.10	–	–	–	–	–	–	0.10
Savneet Singh	0.19	–	–	–	–	–	–	0.19
Jonas Calles	0.19	–	0.11	–	–	–	–	0.29
Jonathan Sundqvist	0.14	–	–	–				0.14
Brad Hathaway	0.04	–	–	–				0.04
Peter Kjellberg, CEO	2.38		0.02	0.59			0.01	3.00
Other senior executives (8 pers.)	6.46	–	0.26	1.22			0.20	8.14
Total	**10.51**	**–**	**0.60**	**1.81**	**–**	**–**	**0.21**	**13.13**

SHARE-BASED PAYMENTS
During the year, ownership shares were forfeited when the last participant in the share-based incentive program Ownership Program 2020 left the company. The ownership shares matured at an average exercise price of SEK 0.
During the year, share rights were forfeited when the participants in the share-based incentive program Ownership Program 2022 left the company.

The total cost recognized in the Group for the incentive plan and related social security contributions is SEK -58 (200) thousand. Liability in the balance sheet related to the incentive programs amounts to 0.0 as of 12/31/2023.

Continuation of Note 4

CHANGE IN THE NUMBER OF SHARE RIGHTS AND OWNERSHIP SHARES

	Group			Parent company		
2023	Number shares	Number share rights	Real value at accession date	Number shares	Number share rights	Real value at accession date
Outstanding at beginning of year	2,016	2,091	1,204,825	2,016	2,091	1,204,825
Allotted during the year	–	–	–	–	–	–
Forfeited during the year	-2,016	-1,045	-921,693	-2,016	-1,045	-921,693
Outstanding at end of year	–	1,046	283,132	–	1,046	283,132
Exercisable at end of year	–	–	–	–	–	–

	Group			Parent company		
2022	Number shares	Number share rights	Real value at accession date	Number shares	Number share rights	Real value at accession date
Outstanding at beginning of year	2,016	–	480,096	2,016	–	480,096
Allotted during the year	–	10,405	2,816,432	–	10,405	2,816,432
Forfeited during the year	–	-8,314	-2,091,703	–	-8,314	-2,091,703
Outstanding at end of year	2,016	2,091	1,204,825	2,016	2,091	1,204,825
Exercisable at end of year	–	–	–	–	–	–

Note 5

Fees and reimbursement of expenses to auditors

An audit engagement is the statutory audit of the annual report and accounts and the Board of Directors and CEO's management and the audits and other reviews carried out in accordance with the agreement or contract.

This includes any other duties that the company's auditor is required to perform, as well as providing advice or other assistance resulting from observations made during such audits or the performance of such other tasks.
Other services refers to consultation on auditing matters such as accounting, taxation, new share issues, etc.

	Group		Parent company	
Amounts in SEK million	**2023**	**2022**	**2023**	**2022**
KPMG AB				
Audit engagement	0.5	0.5	0.5	0.5
Other auditing services	0.1	0.1	0.1	0.1
Other services	–	–	–	–
Total	**0.6**	**0.6**	**0.6**	**0.6**

	Group		Parent company	
Amounts in SEK million	**2023**	**2022**	**2023**	**2022**
PwC				
Audit engagement	1.4	–	1.0	–
Other auditing services	–	–	–	–
Tax advice	–	–	–	–
Other services	1.6	–	1.6	–
Total	**3.0**	**–**	**2.6**	**–**

Note 6

Operating leases

LEASES WHERE THE COMPANY IS THE LESSEE
In addition to office premises, operating leases include various items of equipment. The lease for office premises has a term of eight years with an extension option for three years at a time. The size of future lease payments is based on the development of the consumer price index. Equipment are normally leased for three years, with an extension option and a purchase option. There are no variable payments.

	Group		Parent company	
Amounts in SEK million	**2023**	**2022**	**2023**	**2022**
Future minimum lease payments relating to noncancellable operating leases				
Within one year	8.6	6.9	6.1	6.9
Between one and five years	13.4	14.1	11.8	14.1
After five years	–	–	–	–
Total	**22.0**	**20.9**	**17.9**	**20.9**
Lease payments recognized for the financial year	8.2	6.8	5.6	6.8

Note 7

Depreciation, amortization and impairment of property, plant and equipment and intangible assets

	Group		Parent company	
Amounts in SEK million	**12/31/2023**	**12/31/2022**	**12/31/2023**	**12/31/2022**
Depreciation/amortization according to plan by asset				
Goodwill	-47.2	-4.4	0.0	0.0
Capitalized expenditures for development and similar	-27.6	-20.4	-20.7	-20.4
Leasehold improvements	0.0	-0.2	0.0	-0.2
Equipment, tools, fixtures and fittings	-1.1	-1.0	-0.7	-1.0
Total	**-75.9**	**-25.9**	**-21.5**	**-21.5**
Depreciation/amortization according to plan by function				
Cost of goods sold	–	–	–	–
Selling costs	-27.6	-20.4	-20.7	-20.4
Administrative expenses	-48.3	-5.6	-0.7	-1.2
Total	**-75.9**	**-25.9**	**-21.5**	**-21.5**
Impairment losses by asset				
Capitalized expenditures for development and similar	0.0	-0.5	0.0	-0.5
Goodwill	0.0	-6.5	0.0	0.0
Software	0.0	-3.9	0.0	0.0
Total	**0.0**	**-10.9**	**0.0**	**-0.5**
Impairment losses by function				
Cost of goods sold	–	–	–	–
Selling costs	–	-0.5	–	-0.5
Administrative expenses	0.0	-10.5	0.0	0.0
Total	**0.0**	**-10.9**	**0.0**	**-0.5**

Note 8

Nonrecurring items

	Group		Parent company	
Amounts in SEK million	**2023**	**2022**	**2023**	**2022**
Nonrecurring costs				
Provision attributable to restructuring	–	-20.1	–	-20.1
Impairment of goodwill in associated companies	-3.2	-11.8	–	–
Impairment of goodwill in subsidiaries	–	-6.6	–	–
Impairment of software	–	-3.9	–	–
Costs attributable to CDON 2.0	–	-6.4	–	-6.4
Provision related to fraud case	–	-5.0	–	-5.0
Other expenses	–	-10.7	–	-10.7
Total	**-3.2**	**-64.5**	**–**	**-42.2**

Note 9

Transactions with related parties

SUPPLIERS CLASSIFIED AS RELATED PARTIES

During the year, the Group carried out transactions with related parties within the framework of ordinary operations. All transactions were carried out according to normal commercial terms and conditions. All transactions were priced based on market conditions and according to the arms-length principle. The Group has purchased services from Shopit Online Europe AB. This supplier is then classified as a related party as the Group has a holding in that company.

Intra-group purchases and sales

Of CDON AB's total purchases and sales measured in SEK, 0 percent (0) of purchases and 1 percent (2) of sales refers to other companies within the entire group of companies to which the Group belongs.

Note 10

Other operating income

	Group		Parent company	
Amounts in SEK million	**2023**	**2022**	**2023**	**2022**
Other	0.4	1.8	0.2	1.4
Total	**0.4**	**1.8**	**0.2**	**1.4**

Note 11

Other operating expenses

	Group		Parent company	
Amounts in SEK million	**2023**	**2022**	**2023**	**2022**
Exchange losses on operating receivables/liabilities	-4.0	–	-3.2	–
Total	**-4.0**	**–**	**-3.2**	**–**

Note 12

Interest and similar income

	Group		Parent company	
Amounts in SEK million	**2023**	**2022**	**2023**	**2022**
Interest income, Group companies	–	–	–	–
Interest income, other	1.8	0.2	1.7	0.2
Total	**1.8**	**0.2**	**1.7**	**0.2**

Note 13

Interest and similar expenses

	Group		Parent company	
Amounts in SEK million	**2023**	**2022**	**2023**	**2022**
Interest expenses, other	-2.1	-0.1	-1.9	–
Exchange losses, net	-0.1	-0.2	-0.1	-0.2
Total	**-2.2**	**-0.3**	**-2.0**	**-0.2**

Note 14

Tax on profit for the year

RECONCILIATION OF EFFECTIVE TAX

	Group				Parent company			
	2023		**2022**		**2023**		**2022**	
	%	**SEK million**	**%**	**SEK million**	**%**	**SEK million**	**%**	**SEK million**
Profit/loss before tax	–	-68.7	–	-149.9	–	-23.2	–	-145.7
Tax at applicable tax rate for parent company	20.6%	14.2	20.6%	30.9	20.6%	4.8	20.6%	30.0
Nondeductible expenses	23.1%	15.9	-0.9%	-1.3	52.2%	12.1	-0.9%	-1.3
Nontaxable income	-0.1%	-0.1	-0.1%	-0.2	-0.5%	-0.1	-0.1%	-0.2
Deductible costs, not recognized in the income statement	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0
Increase in loss carryforwards without corresponding capitalization of deferred tax	-43.6%	-30.0	-20.2%	-29.8	-72.4%	-16.8	-19.9%	-28.9
Reported effective tax rate	0.0%	0.0	0.0%	0.0	0.0%	0.0	-0.3%	0.0

Note 15

Capitalized expenditures for development

Amounts in SEK million	Group 2023	Group 2022	Parent company 2023	Parent company 2022
Amortized cost				
At beginning of year	172.2	151.6	172.2	151.6
Business combinations	44.7	0.0	–	–
Internally developed assets	22.2	20.5	16.8	20.6
Disposals and retirements	-5.6	–	-5.6	–
Reclassifications	–	–	–	–
End of year	**233.5**	**172.2**	**183.4**	**172.2**
Accumulated depreciation				
At beginning of year	-119.5	-99.1	-119.5	-99.1
Depreciation for the year	-47.5	-20.4	-20.1	-20.4
End of year	**-167.0**	**-119.5**	**-139.6**	**-119.5**
Accumulated impairment				
At beginning of year	0.5	1.0	0.5	1.0
Reversal of impairment losses on disposals and retirements	–	–	–	–
Impairment for the year	–	-0.5	–	-0.5
End of year	**0.5**	**0.5**	**0.5**	**0.5**
Carrying amount at year-end	**67.0**	**53.2**	**44.3**	**53.2**

Note 16

Goodwill

Amounts in SEK million	Group 2023	Group 2022
Amortized cost		
At beginning of year	10.0	10.0
Business combinations	666.4	–
Divestments and closure of operations	-10.0	–
End of year	**666.4**	**10.0**
Accumulated depreciation		
At beginning of year	-3.4	–
Divestments and closure of operations	3.4	
Depreciation for the year	-47.2	-3.4
End of year	**-47.2**	**-3.4**
Accumulated impairment		
At beginning of year	-6.6	–
Divestments and closure of operations	6.6	–
Impairment for the year	–	-6.6
End of year	**–**	**-6.6**
Carrying amount at year-end	**619.2**	**0.0**

During the year, the contingent purchase consideration for the acquisition of Commerce 8 Oy was reassessed retroactively.

Note 17

Software

Amounts in SEK million	Group 2023	Group 2022
Amortized cost		
At beginning of year	4.9	4.9
Disposals and retirements	-4.9	–
End of year	**–**	**4.9**
Accumulated depreciation		
At beginning of year	-1.0	–
Reversal of depreciation on disposals and retirements	1.0	–
Depreciation for the year	–	-1.0
End of year	**–**	**-1.0**
Accumulated impairment		
At beginning of year	-3.9	–
Reversal of impairment losses on disposals and retirements	3.9	–
Impairment for the year	–	-3.9
End of year	**–**	**-3.9**
Carrying amount at year-end	**–**	**0.0**

Note 18

Projects in progress

	Group		Parent company	
Amounts in SEK million	**2023**	**2022**	**2023**	**2022**
At beginning of year	12.9	8.1	9.0	8.1
Costs incurred during the year	15.2	21.3	12.1	21.3
Reclassifications	-22.1	-20.4	-16.9	-20.4
Carrying amount at year-end	**6.1**	**9.0**	**4.1**	**9.0**

Note 19

Leasehold improvements

	Group		Parent company	
Amounts in SEK million	**2023**	**2022**	**2023**	**2022**
Amortized cost				
At beginning of year	4.1	4.1	4.1	4.1
End of year	**4.1**	**4.1**	**4.1**	**4.1**
Accumulated depreciation				
At beginning of year	-4.1	-3.9	-4.1	-3.9
Depreciation for the year	–	-0.2	–	-0.2
End of year	**-4.1**	**-4.1**	**-4.1**	**-4.1**
Carrying amount at year-end	**0.0**	**0.0**	**0.0**	**0.0**

Note 20

Equipment, tools, fixtures and fittings

	Group		Parent company	
Amounts in SEK million	**2023**	**2022**	**2023**	**2022**
Amortized cost				
At beginning of year	8.5	7.7	8.5	7.7
New acquisitions	0.3	0.8	0.1	0.8
Business combinations	7.4	–	–	–
End of year	**16.2**	**8.5**	**8.6**	**8.5**
Accumulated depreciation				
At beginning of year	-7.2	-6.2	-7.2	-6.2
Business combinations	-6.8	–	–	–
Depreciation of cost for the year	-1.0	-1.0	-0.7	-1.0
End of year	**-15.0**	**-7.2**	**-7.9**	**-7.2**
Carrying amount at year-end	**1.2**	**1.3**	**0.6**	**1.3**

Note 21

Shares in Group companies

	Parent company	
Amounts in SEK million	**2023**	**2022**
Amortized cost		
At beginning of year	97.9	94.7
Acquisitions	726.5	3.2
End of year	**824.4**	**97.9**
Accumulated impairment		
At beginning of year	-97.9	-84.7
Impairment for the year	-1.5	-13.2
End of year	**-99.4**	**-97.9**
Carrying amount at year-end	**725.0**	**0.0**

SPEC OF THE COMPANY'S HOLDINGS OF SHARES IN GROUP COMPANIES

Subsidiary / Bus. reg. no. / Registered office	**Number shares**	**Holding, %[1]**	**12/31/2023 Carrying amount**	**12/31/2022 Carrying amount**
CDON Alandia Ab, 2143083-5, Mariehamn, Finland	100	100.0	–	–
Commerce 8 Oy, 2949884-2, Helsinki, Finland	250,000	100.0	–	–
Commerce 8 AB, 559169-9912, Stockholm,	–	–	–	–
Commerce 8 Limited, 13504023, London, Great Britain	–	–	–	–
Xales Tech Lab Oy, 3142483-4, Helsinki, Finland	131,579	100.0	–	–
Fyndiq AB, 556792-1712, Stockholm, Sweden	5,486,352	100.0	725.00	–

1) Refers to participating interest in capital, which also corresponds to the share of votes for total number of shares.

BUSINESS ACQUISITIONS DURING THE FISCAL YEAR
On April 12, 2023, 100 percent of Fyndiq AB was acquired by CDON AB.

Note 22

Shares in associates and jointly controlled entities

Amounts in SEK million	Group 12/31/2023	Group 12/31/2022	Parent company 12/31/2023	Parent company 12/31/2022
Amortized cost				
At beginning of year	26.4	26.4	27.1	27.1
Acquisitions	–	–	–	–
End of year	**26.4**	**26.4**	**27.1**	**27.1**
Accumulated impairment				
At beginning of year	-15.5	–	-16.2	–
Impairment for the year	-10.9	-15.5	-10.9	-16.2
Carrying amount at year-end	**–**	**10.9**	**–**	**10.9**

SPECIFICATION OF THE GROUP'S AND PARENT COMPANY'S HOLDINGS OF SHARES IN ASSOCIATED COMPANIES AND JOINTLY CONTROLLED COMPANIES

Associates/jointly-controlled entities	Number of shares	Equity share,% [1]	Book value Group	Book value Parent company
Directly owned				
Shopit Online Europe AB, 556894-2832, Växjö, Sweden	545,904	29.8	–	–

1) Refers to participating interest in capital, which also corresponds to the share of votes for total number of shares.

Note 23

Other noncurrent receivables

OTHER NONCURRENT RECEIVABLES

Amounts in SEK million	Group 12/31/2023	Group 12/31/2022	Parent company 12/31/2023	Parent company 12/31/2022
Amortized cost				
At beginning of year	0.3	–	0.3	–
Additional receivables	–	0.1	–	0.1
Reclassifications	–	0.2	–	0.2
End of year	**0.3**	0.3	**0.3**	0.3
Carrying amount at year-end	**0.3**	**0.3**	**0.3**	**0.3**

Note 24

Deferred tax asset

Amounts in SEK million	Group 2023	Group 2022	Parent company 2023	Parent company 2022
Loss carryforward				
At beginning of year	–	–	–	–
Business combinations	29.8	–	0.0	–
Change for the year in the income statement	0.1	–	–	–
End of year	**29.9**	**–**	**–**	**–**

For further explanation, see Note 1.

Note 25

Prepaid expenses and accrued income

	Group		Parent company	
Amounts in SEK million	**2023**	**2022**	**2023**	**2022**
Prepaid rent	2.0	1.9	1.3	1.9
Accrued income	6.9	5.3	3.9	5.3
Marketing costs	0.1	0.1	0.1	0.1
IT-related costs	2.5	3.3	0.6	3.3
Other items	3.7	1.4	3.6	1.4
Total	**15.2**	**12.0**	**9.5**	**12.0**

Note 26

Cash and bank balances

	Group		Parent company	
Amounts in SEK million	**12/31/2023**	**12/31/2022**	**12/31/2023**	**12/31/2022**
The following subcomponents are included in cash and cash equivalents:				
Bank deposits	153.8	123.1	60.4	120.5
*Of which, attributable to Merchants**	141.8	54.5	61.8	54.5
Total	**153.8**	**123.1**	**60.4**	**120.5**

**CDON acts as an agent to its merchants and transfer funds to them from CDON's payment service provider(s), which in turn, receive payments from end-customers. CDON has in agreements with merchants agreed that CDON is not required to keep separate accounts for payments received for products sold by merchants, and that CDON as such is not required to keep the payments received separated from CDON's own funds. The line item "Of which funds related to merchants" is merely presented to clarify the movement in the composition of the Cash/bank. The amount is consistent with the amount Due to merchants in the marketplace under Other liabilities*

Note 27

Number of shares and quotient value

	12/31/2023	**12/31/2022**
Number of ordinary shares	10,540,867	6,440,415
Quotient value	1	1
Number of class C shares	210,446	–
Quotient value	1	–

Note 28

Appropriation of profit or loss

PROPOSAL FOR THE APPROPRIATION OF THE COMPANY'S PROFIT OR LOSS

Share premium reserve	896,396,315
Retained earnings	-196,473,632
Profit/loss for the year	-23,237,991
Total	**676,684,692**
Carried forward	676,684,692
Total	**676,684,692**

Note 29

Provisions

	Group		Parent company	
Amounts in SEK million	**12/31/2023**	**12/31/2022**	**12/31/2023**	**12/31/2022**
Provision for pension insurance	0.4	0.2	0.4	0.2
Pension insurance provision	3.5	20.1	3.5	20.1
Total	**3.9**	**20.3**	**3.9**	**20.3**
Provisions				
Carrying amount at beginning of year	**20.3**	**7**	**20.3**	**7**
Provisions made during the year[1]	0.2	20.3	0.2	20.3
Amounts used during the year	**-16.5**	**–**	**-16.5**	**–**
Staff costs	-10.8	–	-10.8	–
Rent of premises	-4.5	–	-4.5	–
Office costs	-0.1	–	-0.1	–
Vehicles	-0.3	–	-0.3	–
Consultancy costs	-0.8	–	-0.8	–
Unused amounts reversed during the year	–	-7	–	-7
Carrying amount at year-end	**4.0**	**20.3**	**4.0**	**20.3**

1) During the year, the provision for the restructuring program was reduced by furloughed staff and other costs related to the restructuring, totaling SEK 16.6 million.

Note 30

Other liabilities

	Group		Parent company	
Amounts in SEK million	**12/31/2023**	**12/31/2022**	**12/31/2023**	**12/31/2022**
Value added tax	23.9	12.5	12.2	12.5
Gift vouchers	6.0	7.7	6.0	7.7
Liability to merchants via Marketplace	141.8	54.5	61.8	54.5
Advance payment from customers	5.2	5.9	5.2	5.9
Other liabilities	4.2	3.1	2.0	2.6
Total	**181.1**	**83.6**	**87.2**	**83.1**

The item liability to merchants via marketplace is described in more detail in Note 1 of the accounting policies.

Note 31

Deferred revenue and accrued expenses

	Group		Parent company	
Amounts in SEK million	**12/31/2023**	**12/31/2022**	**12/31/2023**	**12/31/2022**
Accrued expenses for merchandise	0.5	1.4	0.5	1.4
Accrued expenses for distribution of merchandise	2.3	3.2	2.3	3.2
Accrued employee benefit expenses	8.3	8.3	6.6	8.3
Accrued marketing costs	11.4	12.8	11.4	12.8
Other items	9.2	11.1	6.4	10.9
Total	**31.7**	**36.9**	**27.2**	**36.7**

Note 32

Interest paid and dividends received

	Group		Parent company	
Amounts in SEK million	**12/31/2023**	**12/31/2022**	**12/31/2023**	**12/31/2022**
Interest received	1.8	0.2	1.7	0.2
Interest paid	-2.2	-0.3	-2.0	-0.2
Total	**-0.4**	**-0.1**	**-0.3**	**-0.1**

Note 33

Other cash flow statement disclosures

ADJUSTMENTS FOR ITEMS NOT IN-CLUDED IN CASH FLOW

	Group		Parent company	
Amounts in SEK million	**12/31/2023**	**12/31/2022**	**12/31/2023**	**12/31/2022**
Depreciation/amortization	75.9	26.0	21.5	21.5
Impairment/reversal of impairment	9.6	13.6	9.3	3.1
Unrealized exchange rate differences	3.9	-0.9	3.5	-1.0
Share in profits of associates	0.9	15.4	–	–
Effective interest rate	0.0	0.0	-0.4	–
Costs related to share-related compensation	-0.1	0.3	-0.1	0.3
Other provisions	-16.4	20.3	-16.4	20.3
Total	**73.8**	**74.7**	**17.4**	**40.7**

ACQUISITION OF BUSINESS, NET CASH EFFECT

Amounts in SEK million	
Intangible assets	29.7
Property, plant and equipment	0.6
Deferred tax asset	29.8
Operating receivables	9.4
Cash and cash equivalents	46.2
Total assets	**115.7**
Equity acquired in previous holdings	51.5
Noncontrolling interests	0.0
Interest-bearing liabilities	0.0
Operating liabilities	64.2
Total provisions and liabilities	**115.7**
Purchase price	725.0
The purchase price is allocated as follows:	
New issue	-4.4
Share premium reserve	-705.4
Convertible	-8.1
Purchase price paid	7.1
Deducted:	
Cash and cash equivalents in acquired businesses	-46.2
Impact on cash and cash equivalents	-39.2

Note 34

Significant events after the end of the fiscal period

- On February 13, 2024, CDON announced that it would centralize the Group's operations at the Stockholm office. CDON currently operates in two locations: Malmö and Stockholm. To further increase CDON's efficiency, the Malmö office will be closed in 2024, and operations will be relocated to the office in Stockholm. In addition, customer service will be outsourced. These initiatives are expected to result in a one-off cost increase in CDON's operating costs in 2024 by approximately SEK 7–9 million. However, CDON expects that the centralization should generate cost savings from 2025 onwards.

Note 35

Sustainability Report

A sustainability report must be prepared in accordance with Chapter 6, Section 10 of the Annual Accounts Act; see also the Directors' Report. The sustainability report is available at investors.cdon.com and page 46.

Definitions

Key figure definitions

Operating margin:	Operating profit / net sales
Balance sheet total:	Total assets
Return on capital employed:	(Operating result + financial income)/ Average capital employed
Financial income:	Items in net financial items attributable to assets (included in capital employed)
Capital employed:	Total assets less interest-free liabilities
Interest-free liabilities:	Noninterest-bearing liabilities. Pension liabilities are considered interest-bearing
Return on equity:	Profit for the year attributable to the parent company shareholders / Average equity attributable to parent company's shareholders
Equity/assets ratio:	(Total equity + equity portion of untaxed reserves) / Total assets

Board attestation

MALMÖ, APRIL 3, 2024

Christoffer Norman
Chairman of the Board

Josephine Salenstedt
Board Member

Erik Segerborg
Deputy Chairman of the board

Brad Hathaway
Board Member

Fredrik Norberg
CEO

OUR AUDIT REPORT WAS SUBMITTED ON 3/04/2024 TO PRICEWATERHOUSECOOPERS AB

Eva Carlsvi
Authorized Public Accountant
Auditor-in-Charge

Patrik Larsson
Authorized Public Accountant

Auditors' report

TO THE GENERAL MEETING OF CDON AB, BUSINESS REG. NO. 556406-1702

Report on the annual accounts and consolidated accounts

OPINION

We have audited the annual accounts and consolidated accounts of CDON AB for the year 2023. The annual accounts and consolidated accounts of the company are included on pages 1–43 in this document.

In our opinion, the annual accounts and consolidated accounts have been prepared in accordance with the Annual Accounts Act, and present fairly, in all material respects, the financial position of the parent company and the Group at December 31, 2023, and their financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The statutory directors' report is consistent with the other parts of the annual accounts and consolidated accounts.
We therefore recommend that the general meeting of shareholders adopt the income statement and balance sheet for the parent company and the Group.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the Group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

OTHER INFORMATION

The audit of the annual accounts and consolidated accounts for the fiscal year 2022 has been carried out by another auditor who submitted an audit report dated April 4, 2023, with unmodified opinions in the Report on the Annual Accounts and Consolidated Accounts.

INFORMATION OTHER THAN THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

This document also contains information other than the annual accounts and consolidated accounts; this information is found on pages 47–52 and 54–55. The Board of Directors and the Managing Director are responsible for this other information.
Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.
If we conclude, based on the work performed concerning this information, that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard

RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND THE MANAGING DIRECTOR

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act. The Board of Directors and the CEO are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, where applicable, conditions that may affect the ability to continue as a going concern and to use one of three going concern assumptions.
The going concern basis of accounting is however not applied if the Board of Directors and the CEO intend to liquidate the company, to cease operations, or has no realistic alternative but to do so.

AUDITORS' RESPONSIBILITY

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

A further description of our responsibility as regards the audit of the annual accounts and consolidated accounts can be found on the website of the Swedish Inspectorate of Auditors: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditors' report.

Auditors' report cont.

Report on other legal and regulatory requirements

OPINION
In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of CDON AB for the year 2023 and the proposed appropriations of the company's profit or loss.
We recommend that the general meeting of shareholders allocate the profit as proposed in the statutory administration report and discharge the members of the Board of Directors and the CEO from liability for the fiscal year.

BASIS FOR OPINION
We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the Group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND THE MANAGING DIRECTOR
The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

AUDITORS' RESPONSIBILITY
Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the CEO in any material respect:

has undertaken any action or been guilty of any omission that can give rise to liability to the company, or
in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with a reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.
A further description of our responsibilities for the audit of the administration can be found on the website of the Swedish Inspectorate of Auditors: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditors' report.

MALMÖ, APRIL 3, 2024

PRICEWATERHOUSECOOPERS AB

Eva Carlsvi
Authorized Public Accountant
Auditor-in-Charge

Patrik Larsson
Authorized Public Accountant

Sustainability Report

A WORD FROM THE CEO
As we enter 2024, we leave behind a year of turmoil. Extreme weather, record high global temperatures, shrinking glaciers and increasing greenhouse gas emissions are all contributing to disrupting the delicate balance of the Earth as we know it. It will require us as people and as businesses to contribute in any way we can. I am pleased to note that our work continues in the right direction towards a sustainable future and business model.

As the leading Nordic marketplace, we humbly recognize that our businesses depend on the continued consumption of our customers. It is therefore essential that we acknowledge our responsibility. It extends to various areas, including our product range, transportation and the management of returns. We have established clear guidelines for suppliers within the marketplace, covering ethical, sustainable and legal considerations.

Our cooperation with Bring has continued to deliver results in terms of efficient and sustainable logistics solutions. During the year, 37 percent of transports to customers were delivered with fossil-free vehicles. In addition, our partnership with Godsinlösen Nordic AB (GIAB) has continued to yield positive results. In 2023, we again achieved an impressive recycling rate of 97 percent, which represents a significant saving of around 22.7 tons of CO_2 emissions and thus a positive contribution to the environment.

The growing trend to shop sustainably continues to increase. In 2023, 3,673 of our customers on the Fyndiq platform chose to buy what we call "Pre-Owned". This generated sales of SEK 9.1 million. On the CDON platform, we generated sales of over SEK 28 million, with 23,000 units sold. We will continue to develop our range of pre-owned products, which will be an important part of CDON’s sustainable journey where business and environmental benefits harmoniously coincide.

I welcome you to CDON – things for life and for our planet.

MALMÖ, 3 APRIL, 2024

Fredrik Norberg, CEO

CDON STRIVES TO OPERATE IN ACCORDANCE WITH THE FOLLOWING OBJECTIVES:

- CDON must adhere to and act in accordance with current environmental legislation in the countries in which the company operates.
- CDON strives to contribute as much as possible to a circular economy. The company collaborates with sustainability partners to minimize its impact on the climate regarding how it handles returns and packaging materials.
- CDON recycles and uses renewable materials where possible.
- CDON strives to adapt the outer packaging to the product. This is to minimize the use of additional packaging material, as well as to reduce the space each individual box requires during the transport process.
- CDON works to ensure that the company's premises and daily operations are as climate-neutral as possible.
- CDON minimizes waste of electronic products through reuse, repair and recycling.
- CDON offers its customers opportunities for sustainable behavior.

HIGHLIGHTS FROM 2023

97%
Recycling rate

37%
Share of fossil-free transport (HVO, electricity, biogas)

789
Recycled products

SEK 37.1 MILLION
Sales (pre-owned)

CO_2 savings:
22.7 tons – equivalent to about 2.3 trips around the globe in a car.

1. CDON's environmental work

FURTHER WORK ON SUSTAINABLE LOGISTICS

Logistics is an integral part of CDON's operational framework, and the ongoing development of this area is crucial to reducing the company's environmental impact. In 2022, an agreement was reached between CDON and Bring, strengthening our commitment to sustainability. The partnership with Bring established a future-oriented and environmentally conscious logistics strategy, which includes the delivery of parcels, packaging and handling through Bring's state-of-the-art automated warehouse in Arlandastad. The agreement has continued throughout 2023.

The automated warehouse is equipped with 90 continuously working robots, dedicated to packing and optimizing warehouse processes. These robots are very energy efficient, consuming only 0.1 kW per hour. The hourly energy consumption of six robots is equivalent to the energy required to operate a standard toaster.

By using advanced automation, packaging machines not only improve the efficiency of the packaging process but also help to minimize the size of the package. This results in minimal excess air in each package, further optimizing transportation. In addition, Bring has made significant investments in the installation of solar panels, where the energy collected is directly used to power the warehouse operations.

Every facility operated by Bring in the Nordic region has BREAAM certification. This certification means that each site meets a set of stringent requirements and establishes it as a property dedicated to improving environmental conditions and promoting sustainability.

"In line with our commitment to sustainability, CDON continues to drive innovative practices in warehouse operations. The integration of advanced technologies, together with our dedication to eco-friendly solutions, further strengthens our ability to minimize environmental impact. CDON remains at the forefront of exploring ways to improve efficiency and reduce our carbon footprint.

Our commitment extends beyond internal operations in the warehouse. CDON actively collaborates with suppliers and partners who share our values, promoting a collaborative approach to sustainable business principles throughout the supply chain. By prioritizing sustainability in our logistics network, CDON aims to set industry standards and inspire positive change within the wider community."

Philip Broberg,
Logistics Manager

CLIMATE COMPENSATION

The Fyndiq platform is also dedicated to its environmental responsibility. To counteract the carbon impact of our sales, we actively offset 110 percent of the emissions generated. This reflects our commitment to sustainable practices and a proactive approach to minimizing our environmental impact.

In 2023, we generated 3,125,940 kg of carbon dioxide, which means we bought offsets for SEK 3,438,534, corresponding to an offset level of 110 percent of the emissions we caused.

The compensation has been invested in gold standard projects:
- Santa Marta Landfill Gas Recovery
- 70 MW Bhadla Solar Power Plant
- Wind Park Vader Piet N.V

PRE-OWNED

Pre-owned products continue their strong growth trend among Nordic consumers amid the economic headwinds many are currently facing. In Sweden alone, the market is estimated to grow by 15 percent annually in an industry that is expected to generate sales of SEK 20 billion annually. This creates opportunities for business models that can adapt to the circular economy and allow consumers to buy both affordable and sustainable products.

CDON's platforms offer a large selection of pre-owned goods. With the growing trend for pre-owned products, this investment, in addition to the potential for increased sales with good sustainability, creates an opportunity to attract new traders in the segment. Consequently, the product range can be expanded to meet a broader consumer base. The goal remains to create the obvious destination for sustainable shopping in the Nordic region.

In 2023, over 3,500 customers chose to shop sustainably on Fyndiq, generating sales of SEK 9.1 million in the segment. In addition, the CDON platform generated over SEK 28 million in sales with 23,000 units sold.

CONTINUED COOPERATION WITH GIAB TO BOOST THE CIRCULAR ECONOMY

Since 2019, CDON has collaborated with GIAB, a key player in the circular economy. So far, this collaboration has extended the life of almost 14,000 products. A remarkable 97 percent of the products returned to GIAB have been successfully reused. The main product category includes electronics such as game consoles, toothbrushes, headphones and coffee makers, resulting in significant reductions in CO2 emissions and waste.

In 2023, CDON's collaboration with GIAB has resulted in:
- savings of 22.7 tons of CO_2
- 786 recycled products
- a recycling rate of 97 percent

CDON'S ENVIRONMENTAL REQUIREMENTS FOR MARKETPLACE SELLERS

CDON works to ensure a high standard regarding ethics and the environment. This is made clear in our Agency Agreement that is to be adhered to by all vendors conducting sales in the marketplace. This means, among other things, that vendors must provide safe working conditions, protect their workers' rights, and not market products that conflict with CDON's guidelines.

2. CDON's social responsibility

LONG-TERM WELL-BEING OF EMPLOYEES

In 2023, we continued to promote company health insurance plans. This includes improved pension conditions and comprehensive health insurance. The focus on health insurance includes disease prevention and long-term employee well-being – both physical and mental. To further promote good health, CDON also offers wellness allowance.

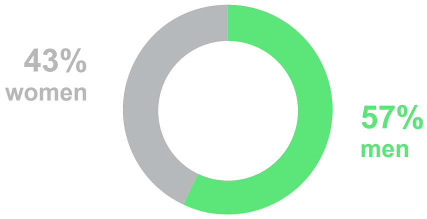
To gain insight into employees' mental well-being and engagement, employee surveys are distributed weekly. The surveys provide HR managers with continuous data from which they can draw insights into employee conditions and work proactively to minimize ill health, while improving long-term job satisfaction and the working environment.

3. CDON employees

DEMOGRAPHY

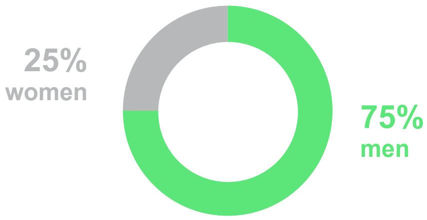
Number of full-time employees: 1111
Average age: 33

Gender distribution



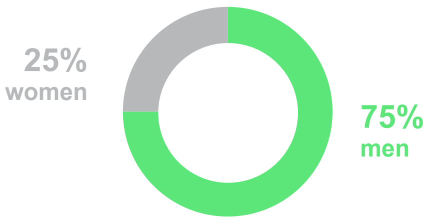
Total number of employees: 111 (100%)
Gender distribution:
48% women (43%), 63% men (57%)

Gender distribution, Group management



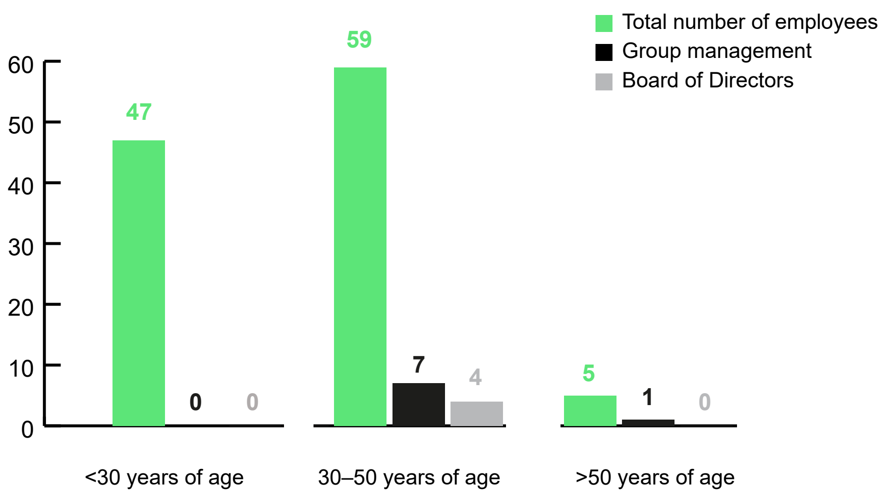
Group management: 8 (100%)
Gender distribution:
2 women (25%), 6 men (75%)

Gender distribution, Board of Directors



Board of Directors: 4 (100%)
Gender distribution:
1 woman (25%), 3 men (75%)

AGE DISTRIBUTION



4. Human rights and countering corruption

CDON imposes clear demands on ethics and respect for the Company's employees. CDON strives for all employees to put the content of the Code of Conduct into practice and makes sure that all partners are aware of its contents and meaning. The Code of Conduct applies to all employees and Board Members within CDON, in all markets and regardless of their terms of employment. CDON generates value by being a reliable business partner. This entails maintaining clear and established policies, as well as procedures to safeguard ethical and secure business relationships. The company has zero tolerance for corruption and bribery.

CUSTOMER TRUST AND MANAGEMENT OF CUSTOMER INFORMATION

CDON has access to customer data that is processed in accordance with current legislation, as well as internal policies and guidelines regarding personal data management/data protection. The company is concerned that privacy be preserved and that unauthorized access to personal data is prevented.

TO THE GENERAL MEETING OF THE SHAREHOLDERS IN CDON AB, CORPORATE IDENTITY NUMBER 556406-1702

Auditor's report on the statutory sustainability report

ENGAGEMENT AND RESPONSIBILITY

It is the board of directors who is responsible for the statutory sustainability report for the year 2023 on pages 46-51 and that it has been prepared in accordance with the Annual Accounts Act.

THE SCOPE OF THE AUDIT

Our examination has been conducted in accordance with FAR's auditing standard RevR 12 The auditor's opinion regarding the statutory sustainability report. This means that our examination of the statutory sustainability report is substantially different and less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinion.

OPINION

A statutory sustainability report has been prepared.

MALMÖ, APRIL 3, 2024

PRICEWATERHOUSECOOPERS AB

Eva Carlsvi
Authorised Public Accountant
Auditor-in-Charge

Patrik Larsson
Authorised Public Accountant

[1]This addition to the auditor's opinion on the sustainability report is separate from the annual report but placed in a document containing the statutory annual report.

Financial calendar

The year 2024

February 15	2023 Year-End Report
April 3	2023 Annual Report
April 25	Interim Report Q1 2024
May 7	2024 Annual General Meeting
July 12	Interim Report Q2 2024
October 24	Interim report Q3 2024

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CDON AB
Box 385
SE-201 23 Malmö, Sweden
Business reg. no.: 556406-1702

CDON GROUP