



PRESS RELEASE

Malmö, Sweden

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CDON has adjusted the assessment of applied accounting principles relating to Fyndiq's revenue recognition

CDON AB ("CDON") has carried out a thorough assessment of possibilities of aligning accounting principles regarding revenue recognition in CDON's subsidiary Fyndiq AB ("Fyndiq"). Taking into consideration similarities of CDON's and Fyndiq's marketplace business models, as well as the fact that CDON and Fyndiq are a part of the same group, Fyndiq's revenue recognition principle has been aligned with CDON's – implying that Fyndiq should in accounting recognise revenue as commission-based rather than as full gross revenue and cost of goods sold.

Fyndiq is, since April 2023, a wholly owned subsidiary of CDON. Fyndiq's and CDON's 3P businesses have historically utilised different accounting principles for revenue recognition due to slight differences in their online marketplace business models. After the completion of the combination of CDON and Fyndiq, CDON has carried out an extensive assessment of the possibilities of aligning the accounting principles for revenue recognition between the two businesses.

CDON has concluded that, from an accounting perspective, there are significant similarities between CDON's and Fyndiq's business models¹. Aligning of the applied accounting principles (related to revenue recognition) is the most correct decision, also given the fact that Fyndiq and CDON are now part of the same group (*Sw. koncern*). Therefore, CDON has decided to adjust Fyndiq's revenue recognition reporting to commission-based rather than as full gross revenue and cost of goods sold.

As a result of the alignment, there will be no differences between CDON's (3P) and Fyndiq's revenue recognition in CDON's upcoming Q3 2023 financial report (that will be disclosed on 26 October 2023). Fyndiq's results will be reported as (commission-based) net sales as the margin of net sales and COGS. The change in accounting has affected financial statement line items as follows for Q2 2023:

(Fictional numbers)

Fyndiq				
Amounts in SEK million (fictional numbers)	Q2	Increase/decrease	Q2 restated	
Net sales	100	-85	15	
Cost of goods sold	-85	85	0	
Gross profit	15	0	15	

(Reported vs. restated numbers)

CDON Group				
Amounts in SEK million	Q2 reported	Increase/decrease	Q2 restated	
Net sales	170.4	-66.2	104.2	
Cost of goods sold	-93.1	66.2	-26.9	
Gross profit	77.3	0	77.3	

¹ The assessment implies that Fyndiq is deemed to act as an agent, rather than a principal (from an accounting perspective), just as in the case with CDON 3P. As such, Fyndiq's revenue should be recognised in the amount of the commission and other fees Fyndiq expects to receive from its merchants.



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Certified Adviser

FNCA Sweden AB is the company's Certified Adviser.

About CDON and Fyndiq

CDON AB (publ) ("CDON") was founded in 1999 and is now the biggest marketplace in the Nordic region. Customers can choose to buy and compare prices for millions of products at CDON, by far the widest range of all Nordic e-retailers. Over 1,500 merchants use CDON's platform and technology to increase their sales. This gives CDON a wide range of products within, movie, music, computers, games, office supplies, books, toys, consumer electronics, household appliances, sport, outdoor, beauty care, fashion, shoes, computers, and computer products. CDON's shares are listed on Nasdaq First North Growth Market with the abbreviation CDON.

Fyndiq AB ("Fyndiq") is since April 2023 a wholly owned subsidiary of CDON. Fyndiq was launched in 2010 and is operating a marketplace which offers a wide range of bargain products from Swedish and international merchants. Fyndiq has built an effective technical platform that allows merchants to easily get access to a large customer group while Fyndiq takes care of marketing, customer support and payments. Fyndiq's main market is Sweden, and it also operates sites in Finland, Norway, and Denmark. Fyndiq is headquartered in Stockholm.

CDON AB (publ)

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