

## The Supreme Administrative Court of Finland has rejected CDON Alandia's leave to appeal application

Press release, Stockholm, 10 October 2019

**CDON's dormant subsidiary CDON Alandia has been a party in a tax process in Finland. After a decision by the Helsinki Administrative Court in May 2018, Qliro Group reported a tax expense for the fiscal year 2012. The full amount had been paid to the Finnish authorities in 2017 or earlier. CDON Alandia applied for a leave to appeal and appealed the Administrative Court's decision to the Supreme Administrative Court of Finland, that has passed its decision that the leave to appeal application has been rejected and that the Helsinki Administrative Court's decision has become legally binding. This means that the tax expense for the fiscal year 2012 remains, but does not entail any additional cost or cash flow impact for Qliro Group.**

Like other companies in the sector, CDON previously chose to distribute to customers in Finland from Åland. In January 2016, Qliro Group announced that the tax administration in Finland had decided to impose an additional tax on CDON AB's Åland subsidiary CDON Alandia Ab for the 2012 fiscal year. In May 2018, the Helsinki Administrative Court upheld parts of the decision, with the result that, in the second quarter of 2018, Qliro Group reported a tax expense of SEK 57 million and an interest expense of SEK 13 million. As previously communicated, the full amount was paid to the Finnish authorities in 2017 or earlier. This tax process only applies to the 2012 tax year and any additional claims from the Finnish tax authority against CDON Alandia are statute-barred.

As previously communicated, the Finnish authorities have during several years been conducting an investigation related to suspected tax fraud in CDON Alandia. Three persons who were members of CDON Alandia Ab's board in 2008-2013 and two former employees of the Group have, since before, been prosecuted at the District Court of Åland, Finland. The proceedings at the District Court of Åland are expected to commence during the first half of 2020. If the prosecuted would be convicted, they may be liable to pay damages to the Finnish authorities. The prosecuted might, in case they are imposed to pay damages, under certain conditions direct claims against Qliro Group, CDON or CDON Alandia for compensation for such damages that might be imposed. No such claims have been made, and Qliro Group has not made any provisions for such claims.

*This information is information that Qliro Group AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out below, at 14:30 CEST on 10 October 2019.*

**For further information, please visit [www.qlirogroup.com](http://www.qlirogroup.com), or contact:**

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**About Qliro Group**

Qliro Group is a leading Nordic e-commerce group in consumer goods and related financial services. Qliro Group operates the leading Nordic marketplace CDON.COM, the online fashion brand Nelly.com and Qliro Financial Services that offers financial services to merchants and consumers. In 2018 the Group had sales of SEK 3.2 billion. Qliro Group's shares are listed on the Nasdaq Stockholm Mid-Cap segment under the ticker symbol QLRO.