



PRESS RELEASE

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CDON acquires Xales and Commerce8

CDON AB (publ) ("CDON") has acquired 71.7 per cent of Commerce 8 Oy ("Commerce8"), an e-commerce consultancy firm and 56 per cent of Xales Tech Lab Oy ("Xales"), an integration platform which connects online stores to relevant marketplaces. Part of the acquisition of Xales will be paid by a directed issue of 6,156 CDON shares to the sellers, corresponding to a dilution of 0.10% based on the total amount of shares in CDON after the directed issue. The acquisitions will further strengthen CDON's offering towards merchants, both in relation to the onboarding process as well as sales data and analytics. The companies will also help drive new Nordic and international merchants to CDON's platform.

Comments from CDON's CEO

"With this acquisition our offering to CDON's merchants becomes even stronger as we simplify the integration of existing and new merchants. The technology of Xales makes the onboarding process faster and smoother, which especially merchants with demand-ware e-commerce platforms will benefit from. In addition, the acquisition of Commerce8 gives CDON the possibility to improve the onboarding process in more complex merchant setup, which together with Xales is our prerequisite for being the preferred Nordic marketplace and the preferred partner for any merchant", says Allan Junge-Jensen, interim CEO of CDON.

Xales acquisition

Xales is an early-stage SaaS company based in Finland, which connects online stores to relevant marketplaces and let the merchants tap into the demand in the market. Xales offers ready-made integrations for demand-ware e-commerce platforms to remove the friction from selling on multiple platforms, which enables a smooth and hassle-free way of working. Xales also offers an early-phase mobile BI solution which enables merchants to optimize their e-commerce businesses by understanding sales data from multiple sales platforms.

CDON acquired existing shares in Xales from the sellers Ostro 17 Oy and Virta Growth Partners Oy amounting to app. EUR 0.40 million, of which EUR 0.10 million was paid in cash and app. EUR 0.30 million with CDON shares. Furthermore, CDON invested EUR 0.30 million in cash in a directed issue of new shares in Xales. CDON now holds 56 per cent of the total number of shares in Xales. CDON's aggregated investment amounts to app. EUR 0.70 million. CDON has been granted a call option to acquire the remaining shares from the sellers (that remain as minority shareholders) at a pre-determined valuation.

Commerce8 acquisition

Commerce8 is an international e-commerce consultancy firm, with an estimated revenue of EUR 0.5 million in 2021, offering services to merchants to help optimize their marketplace strategy and drive growth.

CDON acquired 71.7 per cent of the issued shares in Commerce8 from the seller Ostro 17 Oy. The purchase price for the shares in Commerce8 comprises an upfront cash payment amounting to app. EUR 0.18 million and an additional conditional deferred payment component, linked to Commerce8's EBIT for the financial years 2022 and 2023. CDON has been granted a call option to acquire the remaining shares from two remaining minority shareholders at a pre-determined EBIT-linked multiple in app. 3.5 years.

CDON AB (publ)

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CDON

CDON has carried out and completed a minor directed issue of 6,156 shares to the sellers of Xales

In connection with the transaction related to Xales, the Board of Directors of CDON has, based on the authorization granted by the Annual General Meeting on 7 June 2021, resolved on a directed issue of 6,156 shares at a subscription price of SEK 499.6 per share, corresponding to a total amount of app. SEK 3.1 million (app. EUR 0.30 million). The subscription share price was agreed with the sellers of Xales and corresponds to the closing CDON share price at Nasdaq First North Growth Market on 28 December 2021. The share issue was directed to and paid by (through set-off) Xales's sellers Ostro 17 Oy and Virta Growth Partners Oy and comprised a part of the payment for the acquired shares in Xales.

The reason for deviating from the pre-emptive rights of existing shareholders was to create strong incentives in CDON for the entrepreneurs.

Following CDON's directed issue, the total number of shares in CDON will increase with 6,156, from 6,444,327 to 6,450,483. The share capital will increase with SEK 6,156 from SEK 6,444,327 to SEK 6,450,483. The directed issue entails a dilution of approximately 0.10 percent, based on the total amount of shares in CDON after the directed issue.

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About CDON

CDON AB (publ) ("CDON") was founded in 1999 and is now the biggest marketplace in the Nordic region. During 2020 we had over 120 million visits and 2.3 million customers. 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.

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