

## **Notice of Extraordinary General Meeting in CDON AB**

The shareholders in CDON AB, Reg. No. 556406-1702 ("CDON" or the "company"), are hereby summoned to the Extraordinary General Meeting on Tuesday, 22 February 2022, 14:00 CET in Törngren Magnell & Partners Advokatfirma KB's premises, Jakobs Torg 3, 111 52 Stockholm.

The Board of Directors has decided, pursuant to Chapter 7, Section 4 a of the Swedish Companies Act and the company's Articles of Association, that shareholders shall have the right to exercise their voting rights by postal voting prior to the general meeting. Consequently, shareholders may choose to exercise their voting rights at the general meeting by attending in person, through a proxy or by postal voting. In order to prevent the spread of covid-19, the Board of Directors would prefer that as many shareholders as possible choose to exercise their voting rights by postal voting.

### **Right to participate**

Shareholders who wish to participate in the general meeting shall be registered in the share register kept by Euroclear Sweden AB as of Monday, 14 February 2022. Further, shareholders who wish to participate in the general meeting shall notify the company no later than Wednesday, 16 February 2022 or submit a postal vote in accordance with the instructions set out in the section "Instructions for postal voting" no later than Monday, 21 February 2022. Notice of participation is made:

- by mail to Computershare AB, Box 5267, SE-102 46 Stockholm (mark the envelope "CDON's EGM"), or
- by e-mail to [info@computershare.se](mailto:info@computershare.se).

The notice of participation must state name/company name, personal identification number or corporate registration number, postal address, telephone number, shareholding and information about any proxy or shareholder assistants. Shareholders may bring a maximum of two assistants, provided that their participation is notified as above.

### **Nominee-registered shares**

In order to be entitled to participate in the general meeting, shareholders who have their shares nominee-registered must, besides giving notice of their participation, register their shares in their own name so that the shareholder is registered in the share register as of 14 February 2022. Such registration may be temporary (so-called voting rights registration) and request for such registration shall be made to the nominee in accordance with the nominee's routines in such time in advance as determined by the nominee. Voting rights registrations effected no later than the second banking day following 14 February 2022 will be considered in the presentation of the share register.

### **Proxy and proxy form**

Shareholders represented by proxy must issue a written and dated power of attorney for the proxy. The power of attorney must not have been issued more than one year before the date of the general meeting, unless the power of attorney provides for a longer period, however, not exceeding five years from issuance. The original power of attorney as well as registration certificate and other authorization documents, evidencing the authorised representative, should be received by the company by e-mail to [info@computershare.se](mailto:info@computershare.se) or by post to Computershare AB, Box 5267, 102 46 Stockholm (mark the envelope "CDON's EGM"), no later than 16 February 2022.

A proxy form is available from the company and on the company's website, investors.cdon.com, and is sent on request to shareholders who provide their postal address.

### **Instructions for postal voting**

Shareholders who wish to exercise their voting rights by postal voting shall use the postal voting form and follow the instructions available on the company's website, investors.cdon.com. The postal vote must be received by the company no later than Monday, 21 February 2022. The postal voting form shall be sent:

- by e-mail to info@computershare.se;
- electronically in accordance with the instructions set out on investors.cdon.com; or
- by mail to Computershare AB, Box 5267, SE-102 46 Stockholm (mark the envelope "CDON's EGM").

Those who wish to withdraw a submitted postal vote and instead exercise their voting rights by participating in the general meeting in person or through a proxy must give notice thereof to the general meeting's secretariat prior to the opening of the general meeting.

### **Proposed agenda**

1. Opening of the Extraordinary General Meeting.
2. Election of Chairman of the Extraordinary General Meeting.
3. Preparation and approval of voting list.
4. Approval of the agenda.
5. Election of one or two persons to attest the minutes.
6. Determination of whether the Extraordinary General Meeting has been duly convened.
7. Resolution on
  - A. Adoption of long-term incentive program for senior executives in CDON and its subsidiaries; and
  - B. Directed issue of warrants.
8. Closing of the Extraordinary General Meeting.

### **Proposed resolutions**

#### **Item 2 – Election of Chairman of the Extraordinary General Meeting**

The Board of Directors proposes that Johan Wigh, member of the Swedish Bar Association, or in the event of his absence, the person designated by the Board of Directors instead, be elected Chairman of the Extraordinary General Meeting.

#### **Item 7 – Resolution on**

- A. Adoption of long-term incentive program for senior executives in CDON and its subsidiaries; and**
- B. Directed issue of warrants.**

#### **Background and motives**

The Board of Directors proposes that the Extraordinary General Meeting resolves to establish a long-term incentive program ("**Ownership Program 2022**") with Performance Shares (see definition below) for senior executives in CDON and its subsidiaries in accordance with what is stated below.

The purpose of Ownership Program 2022 is

- that the compensation proposed shall create strong incentives for the participants to contribute to the development of the company's position and promote long-term sustainable decisions to achieve results in a way that coincides with the company's vision and overall strategy;
- to create conditions for CDON to attract and retain key individuals who are expected to contribute to the company's continued development; and
- that the participants through the program shall gain increased ownership in the company, in order to link the interests of the participants with the interests of the shareholders.

To ensure that the company can fulfil its commitments in accordance with Ownership Program 2022, the Board of Directors proposes that the Extraordinary General Meeting resolves on a directed issue of warrants in accordance with what is stated in item B below.

**A. The Board of Directors' proposal for resolution on adoption of long-term incentive program for senior executives in CDON and its subsidiaries**

1. Participants and summary of terms and conditions

The Board of Directors proposes that the Extraordinary General Meeting resolves to establish Ownership Program 2022, which is intended for the following categories in the company:

<b>Category</b>	<b>Maximum number of participants</b>
Chief Executive Officer	1 person
Senior management	4 persons
Senior management in subsidiaries	3 persons

To be awarded remuneration the participant needs to buy and hold shares in the company ("**Investment Shares**") during the period between 1 March 2022 – 28 February 2026 (the "**Vesting Period**"), the participant must be employed by the company until the end of the Vesting Period (with the exception for one fourth (1/4) of the remuneration that may be vested as of 1 March 2025, see below under heading "*2. General terms and conditions*") and the total shareholder return (TSR) on the company's shares must meet certain predefined goals. For each Investment Share the participant holds within Ownership Program 2022, the participant will, free of charge, be allocated one (1) share award. At the end of the program, the participants are allotted shares (alternatively warrants entitling the participants to subscribe for shares in the company against payment of the share's quota value) ("**Performance Shares**") from the company in relation to the number of share awards the participant holds. If the participant is granted Performance Shares in the form of warrants, the intention is that the participant will be compensated by an extra salary payment for the amount that the participant must pay when exercising the warrant, i.e. an amount corresponding to the share's quota value.

2. General terms and conditions

Provided that the performance-based condition for the Measurement Period (see definition below) has been met, each share award entitles the participant to be allocated Performance Shares in the company free of charge. The right to receive Performance Shares is also conditional upon the participant retaining the Investment Shares and staying employed by CDON during the whole or part of the Vesting Period. If a participant's employment in CDON ends during the

period 1 March 2025 – 28 February 2026, the participant shall be entitled to one fourth (1/4) of the Performance Shares, provided that the performance-based condition is met.

Furthermore, the following conditions shall apply:

- The share awards are allocated free of charge after the Extraordinary General Meeting.
- Neither the Investment Shares nor the share awards can be transferred or pledged.
- Performance Shares will be allotted after the publication of CDON's interim report for the period 1 January – 30 December 2025.

### 3. Private investment and distribution

To be able to participate in Ownership Program 2022, participants are required to make a private investment through the acquisition of Investment Shares in CDON that are held by the participant during the Vesting Period. The Investment Shares can either consist of shares in CDON which the participant already owns or shares that are acquired on the market in connection with the application to participate in Ownership Program 2022. If the participant has inside information in connection with the application to participate in Ownership Program 2022, or if the participant is prohibited from acquiring shares in the company due to a closed period, the Investment Shares shall be acquired without delay after the participant no longer holds inside information or without delay after the closed period has ended, but at the latest before the next Annual General Meeting.

The maximum number of Investment Shares that all participants may allocate to Ownership Program 2022 amounts to a maximum of 9,622 Investment Shares (corresponding to a total value of approximately SEK 4.6 million). The value of the Investment Shares here and in the table below has been calculated based on the average volume-weighted price paid for CDON's share on Nasdaq First North Growth Market over a period of ten trading days before 14 January 2022, which amounted to SEK 478. The limitation of the participants' right to allocate Investment Shares to Ownership Program 2022 means that the maximum number of Performance Shares that can be allotted is limited in a corresponding extent.

The maximum number of Investment Shares that each category may allocate to Ownership Program 2022 shall be as follows:

<b>Category</b>	<b>Maximum number of Investment Shares</b>
Chief Executive Officer	4,184 (equivalent to a value of approximately SEK 2 000,000)
Senior management	1,046 (equivalent to a value of approximately SEK 500,000) per person
Senior management in subsidiaries	418 (equivalent to a value of approximately SEK 200,000) per person

The Board of Directors proposes that Ownership Program 2022 shall comprise of a maximum of 96,220 Performance Shares. The maximum number of Performance Shares that can be issued per category shall be the following:

<b>Category</b>	<b>Maximum number of Performance Shares</b>
Chief Executive Officer	41,840
Senior management	10,460 per person
Senior management in subsidiaries	4,180 per person

#### 4. Performance condition

In order for participants to gain Performance Shares in Ownership Program 2022, a performance condition must be met. At the end of the Vesting Period, the Board of Directors will determine the extent to which the performance-based condition has been met. The performance condition is based on CDON's total shareholder return (TSR = Total Shareholder Return), which is defined as the development in share price including reinvested dividends. If CDON does not pay a dividend during the program, TSR will essentially be equal to the development of CDON's share.

TSR shall be calculated as a TSR index number based on the average closing price of CDON's share during January and February 2022 to be compared with the corresponding price during January and February 2026 (the "**Measurement Period**").

The number of Performance Shares that the participant will be allotted, on the basis of the share awards, depends on the fulfilment of the performance condition.

- If the TSR on shares in CDON during the Measurement Period is lower than 200 percent, the participants will be allocated zero (0) Performance Shares per share award from CDON.
- If the TSR on shares in CDON during the Measurement Period is higher than 200 percent but lower than 300 percent, the participants will be allocated three (3) Performance Shares per share award from CDON.
- If the TSR on shares in CDON during the Measurement Period is higher than 300 percent but lower than 400 percent, the participants will be allocated six (6) Performance Shares per share award from CDON.
- If the TSR on shares in CDON during the Measurement Period is higher than 400 percent, the participants will be allocated ten (10) Performance Shares per share award from CDON.

Notwithstanding the above, the number of Performance Shares to be allotted will be reduced if the limit described under "*9. Costs for the program, effects on important key ratios and dilution*" is exceeded.

#### 5. Allocation upon termination of employment

In the event that a participant's employment is terminated during the period 1 March 2022 – 28 February 2025, the participant shall not receive any Performance Shares, regardless of whether the participant terminates the employment or if the employment is terminated by the company.

If a participant's employment ends during the period 1 March 2025 – 28 February 2026, the participant shall receive one fourth (1/4) of the number of Performance Shares vested at the time the employment terminated, based on the extent to which the performance condition is met. This applies regardless of whether the participant terminates his or her employment or whether the participant's employment is terminated by the company. To determine the extent to which the performance condition is met, the Measurement Period shall be adjusted so that TSR is calculated as a TSR index number based on the average closing price of the CDON share during January and February 2022 to be compared with the corresponding price during the two calendar months preceding the day for termination of employment.

The Board of Directors may, however, due to special circumstances, decide on the allocation of Performance Shares upon termination of employment.

## 6. Hedging measures and delivery of shares

Since CDON cannot acquire and transfer own shares held by the company, it is proposed that CDON issues warrants, enabling the company to subscribe for shares for an amount corresponding to the share's quota value (current quota value is SEK 1 per share) in order to deliver Performance Shares to participants. This provides CDON with two possible ways of delivering the shares to the participants:

1. The participants are allotted the warrants and can subscribe for the shares for quota value. CDON then compensates the participants for the quota value through an extra salary payment.
2. The company enters into an agreement with a bank that subscribes for the shares in its own name and the shares are later transferred to the participants. CDON compensates the bank for the quota value to be paid, including some compensation under the agreement.

The purpose of the proposal above is to enable the Board of Directors to have flexibility in the delivery of Performance Shares. To enable the delivery of shares under Ownership Program 2022, the Board of Directors therefore proposes a directed issue of warrants in accordance with what is stated in item B below for delivery in accordance with one of the two alternatives above.

## 7. Taxation

Receiving Performance Shares is a taxable benefit that is taxed the income year the participant receives the Performance Shares. The taxable benefit value that arises is calculated as the latest payment price on the day the shares are received. The benefit value is taxed with the participant as income from employment, which means that social security contributions will be charged to the employer. Any tax consequences for the participant are the participant's own responsibility to familiarize themselves with, if necessary with the help of their own tax advisor.

## 8. Design and management

Ownership Program 2022 has been prepared by the Board of Directors in consultation with external advisors.

The Board of Directors, or the person appointed by the Board of Directors, shall be responsible for the detailed design and management of Ownership Program 2022, within the framework of the specified conditions and guidelines. In connection with this, the Board of Directors shall have the right to make adjustments to meet market conditions or to comply with applicable rules. The Board of Directors shall also have the right to make other adjustments, including, among other things, the right to decide on a reduced allocation of Performance Shares, if there are significant changes in CDON or in the market, which according to the Board of Directors' assessment would result in decided conditions for allocation of Performance Shares under Ownership Program 2022 no longer being appropriate. In addition to this, the Board of Directors has the right to adapt Ownership Program 2022 in the event of special corporate events in CDON.

## 9. Costs for the program, effects on important key ratios and dilution

The Board of Directors has commissioned a preliminary cost calculation regarding Ownership Program 2022. The total costs, which mainly consist of social security contributions (estimated to amount up to approximately SEK 65.1 million) for the value of Performance Shares, but also of non-cash accounting effects of the share-based remuneration (estimated to amount up to approximately SEK 7.6 million), are tentatively estimated to amount to a maximum of

approximately SEK 72.7 million. The cost corresponds to approximately 22.4 percent of the company's personnel costs 2021.

The preliminary cost calculation is based on the fact that the maximum number of Performance Shares that can be allotted under Ownership Program 2022 corresponds to 10 times the number of allocated Investment Shares. The calculation is further based on an assumption about the value of the company's share of SEK 478 per share.

In order to limit potential costs for the company, in connection with Ownership Program 2022, the maximum profit of the share awards is limited. The profit limit corresponds to a TSR of 450 percent in relation to the average volume-weighted price paid for CDON's share on Nasdaq First North Growth Market over a period of ten trading days before 14 January 2022, which amounted to SEK 478. If the share price, when the share award vests, exceed the profit limit of SEK 2,151 per share, the number of Performance Shares which each share award entitles the participant to, will be reduced accordingly.

A maximum allotment of Performance Shares according to Ownership Program 2022, whereby 96,220 Performance Shares are allotted to the participants, would result in a maximum dilution of approximately 1.5 percent of the share capital and the votes in the company. In the event that a participant leaves the company during the Vesting Period, the dilution would be reduced, since the participant would lose his or her right to Performance Shares.

#### 10. Existing incentive programs

At the Extraordinary General Meeting of CDON on 16 December 2020, it was resolved to establish a long-term incentive program ("**Ownership Program 2020**"), intended for Kristoffer Väliharju (CEO), Niclas Szieger (CFO) and David Olhed (CCO), including a resolution on a directed issue of a maximum of 36,900 shares involving an increase in the share capital of a maximum of SEK 36,900.

The participants in the Ownership Program 2020 made private investments in the company through the acquisition of shares in CDON ("**Investment Shares**"). The Investment Shares could either consist of shares in CDON that the participant already owned or that the participant acquired on the market in connection with the application to participate in the Ownership Program 2020. The participants then had the right to subscribe for shares in the company ("**Owner Shares**"). Each Investment Share gave the right to subscribe for one (1) Owner Share in the company for a subscription price that corresponded to the share's quota value. The value of the Investment Shares was calculated on the average volume-weighted price paid for CDON's share on Nasdaq First North Growth Market over a period of ten trading days prior to the date of the general meeting.

Owner Shares are vested during the period from and including 1 January 2021 up to and including 31 December 2027. In connection with Kristoffer Väliharju and Niclas Szieger announcing their decision to leave their positions as CEO and CFO of the company to the Board of Directors, their Owner Shares were repurchased by the company within the framework of the Ownership Program 2020. The Owner Shares were acquired free of charge and will be withdrawn provided that the Annual General Meeting 2022 resolves accordingly.

#### **B. The Board of Directors' proposal for resolution on directed issue of warrants**

To enable the delivery of shares in accordance with Ownership Program 2022, the Board of Directors proposes that the Extraordinary General Meeting resolves on a directed issue of a maximum of 96,220 warrants of series 2022/2026 within Ownership Program 2022, entailing an

increase in share capital upon full exercise by a maximum of SEK 96,220. Further, the following conditions shall apply to the issue:

- a) The right to subscribe for the warrants shall, with deviation from the shareholders' preferential rights, be granted to CDON AB, with the right and obligation to transfer the warrants to participants in Ownership Program 2022 or to a bank in accordance with what is stated in the proposal under item A above. The company shall not have the right to dispose of the warrants in any other way than what is stated in the proposal in accordance with item A above. Oversubscription cannot take place.
- b) The reason for the deviation from the shareholders' preferential rights is that the warrants shall be used within the framework of Ownership Program 2022.
- c) The warrants shall be issued to the company free of charge.
- d) Subscription of the warrants shall take place within two (2) weeks from the date of the resolution to issue warrants. The Board of Directors shall have right to extend the subscription period.
- e) Each (1) warrant entitles the holder to subscribe for one (1) share in the company. New subscriptions for shares with the support of the warrants can commence from and including 1 March 2026 (however, no earlier than the day after the submission of the company's interim report for the period 1 January - 31 December 2025) up to and including the day that falls 30 calendar days thereafter. According to the terms and conditions of the warrants, it is possible to extend the period during which the warrants may be exercised if participants in Ownership Program 2022 are prevented from exercising their warrants due to applicable laws regarding insider trading or equivalent.
- f) The subscription price shall be set at an amount corresponding to the quota value of the share. The company will compensate the participants or the bank for the costs that arise in connection with the subscription of shares with the support of the warrants. The subscription price has been set at the share's quota value in order to minimize the company's costs for Ownership Program 2022.
- g) The new shares issued after the warrants have been exercised shall entail the right to a dividend for the first time on the record date for dividends that falls immediately after the new shares have been registered and entered in the share register kept by Euroclear Sweden AB.
- h) Warrants held by the company, which have not been transferred in accordance with item A above may be cancelled by the company following a decision by the Board of Directors. Cancellations must be reported to the Swedish Companies Registration Office for registration.
- i) The complete terms and conditions for the warrants are available on the company's website, [investors.cdon.com](https://investors.cdon.com). According to the terms and conditions of the warrants, the subscription price and the number of shares that each warrant entitles to subscribe for may be subject to recalculation in certain cases.
- j) Documents pursuant to Chapter 14 Section 8 of the Swedish Companies Act have been drawn up.



- k) The Board of Directors, or the person that the Board of Directors may appoint, shall be authorized to make the minor adjustments as may be required in connection with registration with the Swedish Companies Registration Office and Euroclear Sweden AB.
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#### Majority requirements

The Board of Directors' proposal for the adoption of a long-term incentive program for senior executives in CDON and its subsidiaries in accordance with A and the resolution on a directed issue of warrants in accordance with B constitute a joint proposal and shall be determined as one resolution. A resolution in accordance with the Board of Directors' proposal must be supported by shareholders representing no less than nine-tenths of the votes cast and the shares represented at the general meeting.

### Other information

#### Number of shares and votes

At the time of issue of this notice, the number of shares in the company, as well as the total number of votes, amount to 6,450,483. Besides the shares that CDON holds due to repurchased shares under the Ownership Program 2020, CDON holds no treasury shares.

#### Shareholders' right to receive information

In accordance with Chapter 7, Section 32 of the Swedish Companies Act, the Board of Directors, and the Chief Executive Officer shall, if any shareholder so requests and the Board of Directors believes that it can be done without material harm to the company, provide information at the meeting about circumstances that may affect the evaluation of an item on the agenda.

#### Documents

Documents under the Swedish Companies Act will be available from the company at the latest from and including 8 February 2022. Copies of said documents will also be sent to the shareholders who so request and provide their postal address. The documents will also be available on the company's website, [investors.cdon.com](https://investors.cdon.com).

#### Processing of personal data

For information about how your personal data are processed, see <https://www.euroclear.com/dam/ESw/Legal/Privacy-notice-bolagsstammor-engelska.pdf>.

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## CDON AB

Malmö in January 2022  
*Board of Directors*

#### For further information, please contact:

Peter Kjellberg, CEO

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#### Certified Adviser

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### **About CDON**

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 is listed on Nasdaq First North Growth Market with the abbreviation CDON.