

## NOTICE OF ANNUAL GENERAL MEETING OF DESENIO GROUP AB (PUBL)

**The shareholders of Desenio Group AB (publ) (the “Company”), reg. no. 559107–2839, are hereby given notice to attend the Annual General Meeting to be held at 15:00 CEST on Thursday 25 May 2023, in the Company's premises at Maria Bangata 4A, 118 63 Stockholm. Registration for the meeting commences at 14:45 CEST.**

### **NOTICE OF PARTICIPATION**

Shareholders who wish to attend in the proceedings of the Annual General Meeting must:

(i) be entered in the share register kept by Euroclear Sweden AB on the record date, as of Tuesday 16 May 2023; and

(ii) notify the Company of their and any possible attending counsels' participation in writing by post to Desenio Group AB (publ), Att: Annual General Meeting, Box 11025, 100 61 Stockholm, Sweden or by e-mail to [ir@deseniogroup.com](mailto:ir@deseniogroup.com) no later than on Friday 19 May 2023.

The notification must include full name, personal or corporate identity number, address, daytime telephone number and, where applicable, details of deputies, proxies and counsels. The number of counsels may not exceed two. To facilitate registration for the meeting, the notification should, where applicable, be accompanied by powers of attorney, registration certificates and other authorization documents.

Personal data obtained from the share register kept by Euroclear Sweden AB and participation in the meeting and information on deputies, proxies and counsels will be used for preparation of the voting list for the meeting and, where applicable, the minutes of the meeting. Personal data is handled in accordance with the General Data Protection Regulation (Regulation (EU) No 2016/679 of the European Parliament and of the Council). For comprehensive information regarding how personal data is handled, please refer to: <https://www.euroclear.com/dam/esw/Legal/Privacy-notice-bolagsstammor-engelska.pdf>.

### **NOMINEE-REGISTERED SHARES**

To be entitled to participate in the meeting, a shareholder whose shares are registered in the name of a nominee must, in addition to providing notification of their participation to the Annual General Meeting, register the shares in their own name so that the shareholder is registered in the share register on the record date as of Tuesday 16 May 2023. Such re-registration may be temporary (so-called “voting rights registration”) and is carried out through the nominee according to their procedures at a time predetermined by the nominee. Voting rights registration that has been completed by the nominee not later than on Friday 19 May 2023, will be considered in the presentation of the share register.

## **PROXY**

Shareholders represented by proxy shall issue a written power of attorney for the proxy, signed and dated by the shareholder. If the power of attorney is issued by a legal entity, a copy of the registration certificate shall be attached or, if such document does not exist, a corresponding authorization document. A copy of the power of attorney and any registration certificate should be sent to the Company well in advance of the meeting. The original power of attorney must also be presented at the meeting.

The Company provides shareholders with a proxy form, which can be obtained at the Company's head office or on the Company's website <https://deseniogroup.com/en/governance/general-meetings/>.

## **PROPOSED AGENDA**

1. Election of the Chairman of the meeting
2. Preparation and approval of the voting list
3. Approval of the agenda
4. Election of one or two persons to verify the minutes
5. Determination as to whether the meeting has been duly convened
6. Presentation of the annual report, auditor's report, consolidated accounts and the auditor's report on the consolidated accounts
7. Resolutions on
  - a. adoption of the income statement and balance sheet and consolidated income statement and consolidated balance sheet
  - b. the allocation of the Company's profit or loss as per the adopted balance sheet
  - c. discharge from liability for members of the board of directors and the CEO
8. Determination of the number of board members and auditors
9. Determination of remuneration to the board of directors and the auditors
10. Election of the board of directors and audit firm or auditors, and deputy auditors, if any
11. Resolution on amending the articles of association
12. Resolution on incentive program ("MIP 2023/2026")
13. Resolution on authorization for the board of directors to decide on new issue
14. Closing of the meeting

## **THE NOMINATION COMMITTEE'S PROPOSED RESOLUTION WITH RESPECT TO ITEMS 1 AND 8-10 ON THE AGENDA**

### **Item 1. Election of the Chairman of the meeting**

The nomination committee proposes that Matilda Karlsson from Advokatfirman Delphi is elected as chairman of the meeting.

### **Item 8. Determination of the number of board members and auditors**

The board of directors currently consists of seven (7) ordinary members without deputies. The nomination committee proposes that the board of directors shall consist of five (5) ordinary members without deputies for the period until the end of the next Annual General Meeting.

The nomination committee proposes that the Company shall have a registered audit firm as auditor.

## **Item 9. Determination of remuneration to the board of directors and the auditors**

The nomination committee proposes that fees to the board of directors for the coming term of office shall be paid in total of SEK 940,000 and that the remuneration is distributed as follows: SEK 400,000 to the Chairman of the board of directors, SEK 200,000 to a board member who is not employed by the Company or represents a major shareholder, an additional SEK 75,000 to the chairman of the audit committee and SEK 30,000 to each of the other members of the audit committee who do not represent a major shareholder and an additional SEK 45,000 to the chairman of the remuneration committee and SEK 20,000 to each of the other members of the remuneration committee who do not represent a major shareholder.

The nomination committee further proposes that fees to the Company's auditor shall be paid in accordance with approved invoices.

## **Item 10. Election of the board of directors and the auditors, and deputy auditors, if any**

The nomination committee proposes re-election of the current board members Alexanders Hars, Martin Blomqvist, Max Carlsén, Nathalie du Preez and Sarah Kauss. Jakob Tolleryd and Cecilia Marlow have declined re-election. Alexanders Hars is proposed to be re-elected as Chairman of the board of directors.

For a presentation of the board members proposed for re-election, please refer to the Company's website <https://deseniogroup.com/en/governance/board-of-directors/>.

The nomination committee further proposes re-election of the audit firm KPMG AB ("**KPMG**") as auditor for the period until the end of the next annual general meeting. KPMG has announced that, in case KPMG is re-elected as auditor, Mathias Arvidsson will remain as the Company's auditor in charge.

## **THE BOARD OF DIRECTORS PROPOSED RESOLUTIONS WITH RESPECT TO ITEMS 7b AND 11-13**

### **Item 7b. Resolution on the allocation of the Company's profit or loss as per the adopted balance sheet**

The board of directors proposes that no dividend be paid for the financial year 2022 and that the available funds be carried forward.

### **Item 11. Resolution on amending the articles of association**

Chapter 7, Section 4 of the Swedish Companies Act (SFS 2005:551) (Sw. *Aktiebolagslagen*) states that the board may collect proxies before a general meeting if it is stated in the articles of association. Chapter 7, Section 4a of the Swedish Companies Act states that the articles of association may also state that the board of directors may decide before a general meeting that the shareholders shall be able to exercise their voting rights by post before the general meeting.

In order to be able to use the possibilities set out in the Swedish Companies Act regarding the collection of proxies and postal voting, the board of directors proposes that a new item 9 is inserted in the articles of association, changing the numbering of the articles of association so that the current item 9 will be item 10 and the current item 10 will be item 11.

The proposed wording of item 9 is set out in the original version of the board of director's complete proposal ("Styrelsens förslag (SV)"), available on the Company's website. The board of directors proposed new articles of association (in Swedish) is also available on the Company's website.

The general meeting is further proposed to authorize the board of directors, the CEO or the person appointed by the board of directors, to make such minor adjustments to the resolution as may be necessary in connection with the registration of the resolution with the Swedish Companies Registration Office.

A resolution by the Annual General Meeting in accordance with the board of director's proposal to amend the articles of association requires that the resolution of the Annual General Meeting is supported by shareholders representing at least two-thirds (2/3) of both the votes cast and the shares represented at the Annual General Meeting.

## **Item 12. Resolution regarding incentive program ("MIP 2023/2026")**

The board of directors proposes that the general meeting resolves to implement a share-related, long-term incentive program ("MIP 2023/2026") in accordance with items 12 (a) and (b) below.

### *Background and reasons*

The board of directors considers that it is in the interest of all shareholders to create conditions for retaining and increasing the motivation of employees within the Company and its subsidiaries (the "**Group**") and to create greater participation in the Group's development and encourage continued employment.

Participation in MIP 2023/2026 is offered to approximately 23 employees in the Group, including the Company's CEO, and comprises of warrants (Sw. *teckningsoptioner*). The warrants have a term of three (3) years and the holders are entitled to exercise the warrants to subscribe for shares during a period of three (3) months before the end of the term. The board of directors proposes that the general meeting resolves to issue not more than 1,300,000 warrants. Each warrant entitles the holder to subscribe for one (1) share in the Company.

In the light of the above, the board of directors proposes that the general meeting resolves to implement MIP 2023/2026 in accordance with item (a) – (b) below. The resolutions under item (a) – (b) below are proposed to be conditional upon each other and for that reason it is proposed that all resolutions are to be passed as one resolution.

## **Item 12 (a) - Conditions MIP 2023/2026**

## *Participants in the MIP 2023/2026 and allocation of warrants*

The right to participate in MIP 2023/2026 shall be granted to approximately 23 employees of the Group, including the CEO of the Company. The participants' right to acquire warrants is differentiated with reference to, inter alia, position, responsibility and working performance, and the participants have for this reason been divided into three (3) different categories.

**Category A** - CEO

**Category B** - Senior Executives

**Category C** - C-level Managers

The following allocation principles apply to the grant of warrants within each of the categories set out above.

	<b>Maximum number of warrants for each participant</b>	<b>Maximum number of warrants within the category</b>
<b>Category A</b> ( <i>not more than 1 person</i> )	260,000	260,000
<b>Category B</b> ( <i>not more than 2 persons</i> )	130,000 – 260,000	390,000
<b>Category C</b> ( <i>not more than 20 persons</i> )	15,000 – 50,000	650,000
<b>Total number of warrants all categories</b>	n/a	1,300,000

Participants who have been employed within the Group for a period of at least six (6) months have the right to receive warrants. For participants within the category B, the board of directors may resolve to disregard the six (6) months requirement.

In the event that all warrants in any of the above categories have not been transferred after the initial notification period (as described below), such non-transferred warrants may be offered to participants in another category with less warrants available for allotment. The maximum number of warrants per person within each category as set out above may however not be exceeded for any individual.

A precondition for being entitled to acquire warrants is that the participant enters into an option agreement with the Company, whereby the Company reserves the right to repurchase the warrants if the participant in turn wishes to transfer the warrants. Pre-emption shall be made at market value to the extent that it does not cause adverse tax consequences. The warrants are otherwise freely transferable.

## *Subscription, acquisition and allocation of the warrants*

The issued warrants shall, with deviation from the shareholders' preferential rights, be subscribed for by the Company or a wholly-owned subsidiary to the Company, which in turn shall offer the warrants to the participants. Notification of subscription of warrants shall be made during the period commencing on 26 May 2023 up to and including 9 June 2023. Transfer of warrants from the Company or a wholly-owned subsidiary to the Company to participants shall be made at a price corresponding to the market value of the warrants (the warrant premium) calculated according to the Black & Scholes valuation model and determined in connection with the last day of the notification period. The valuation of the warrants shall be made by an independent appraiser or audit firm. The board of directors of the Company shall be authorized to postpone the notification period during which notice of acquisition of warrants shall be made by participants.

Since the warrants are acquired by participants at market value, there are no performance conditions that need to be fulfilled in order to be offered to acquire warrants or to exercise a warrant for subscription of shares. However, the Company will, in connection with the transfer of the warrants to the participants, reserve a pre-emption right regarding the warrants if the participant's employment or assignment within the Group is terminated or if the participant wishes to transfer its warrants.

## **Item 12 (b) - Issue of warrants and approval of the transfer/disposition of the warrants to participants in MIP 2023/2026**

The board of directors proposes that the general meeting resolves on a directed issue of not more than 1,300,000 warrants, whereby the Company's share capital may be increased by not more than SEK 4,642.86 at full exercise of the warrants for subscription of shares (based on the current quota value and that no recalculation has taken place) in accordance with the conditions below.

1. The right to subscribe for warrants shall, with deviation from the shareholders' preferential rights, vest in the Company or a wholly owned subsidiary to the Company. Further transfer of the warrants may be made, on one or more occasions, to the participants in MIP 2023/2026 in accordance with the distribution above under item (a).
2. The reason for the deviation from the shareholders' preferential rights is to introduce a long-term incentive program (MIP 2023/2026) whereby a greater participation in the Group's development is created and continued employment is encouraged.
3. The warrants are issued free of charge. Transfer of the warrants to the participants in MIP 2023 /2026 shall be made at a price corresponding to the market value of the warrants (the warrant premium) by applying the Black & Scholes model and will be determined in connection with the last day of registration for the participants in accordance with item (a) above.
4. Subscription of the warrants shall take place within one (1) week from the date of the issue decision. The board of directors is entitled to extend the subscription period.

5. The warrants shall entitle the holder to subscribe for shares during the period commencing on 20 June 2026 up to and including 20 September 2026.
6. Each warrant shall entitle the holder to subscribe for one (1) share at a subscription price corresponding to 130 percent of the average volume-weighted price of the Company's share on Nasdaq First North Growth Market during the period 10 April 2023 up to and including 25 May 2023. However, the exercise price may not be less than the share's quota value. Day without price quotation shall not be included in the calculation. If the subscription price exceeds the quota value of the share, the amount constituting the premium shall be added to the share premium reserve upon exercise of the warrants.
7. The new shares issued upon subscription of shares through exercise of the warrants shall carry the right to dividends for the first time on the record date for dividends that occurs immediately after the new shares have been registered with the Swedish Companies Registration Office (Sw. *Bolagsverket*) and entered in the share register maintained by Euroclear Sweden AB.
8. The subscription price and the number of shares that each warrant entitles to subscription for shall be recalculated in the event of a split, consolidation, new issue of shares etc. in accordance with the complete terms and conditions for the warrants.
9. Warrants held by the Company and not transferred in accordance with item (a) above may be cancelled by the Company following a decision by the board of directors of the Company. Cancellation shall be reported to the Swedish Companies Registration Office for registration. The subscription price for the warrants as determined above shall be rounded to the nearest SEK 0.1, whereby SEK 0.05 shall be rounded upwards.
10. The board of directors, or a person appointed by the board of directors, shall be authorized to make such minor adjustments to this resolution that may be required for the registration with the Swedish Companies Registration Office and Euroclear Sweden AB, and the board of directors shall have the right to undertake minor adjustments to the incentive program due to applicable foreign rules and laws.

#### *Market value of warrants*

Based on a market value of the underlying share of SEK 1.30 as of 5 April 2023, the market value of the warrants is, in accordance with a preliminary valuation made by Deloitte, SEK 0.26 per warrant, assuming an exercise price of SEK 1.69 per share. The Black & Scholes valuation model has been used for the preliminary valuation of the warrants, assuming a risk-free interest rate of 2.5 per cent and an estimated volatility during the term of the warrants of approximately 37 per cent.

#### *Costs*

Given that the warrants shall be transferred at a price corresponding to the market value, the Company estimates that no social security costs will arise for the Company in connection with the transfer of the warrants to the participants. Neither should any social security costs arise in connection to the exercise of the warrants. Other costs related to MIP 2023/2026, including, inter alia, expenses related to fees to external advisors and administration of the incentive program, are estimated to amount to approximately SEK 200,000 during the term of the incentive program.



## *Dilution*

Upon full exercise of all warrants issued within MIP 2023/2026, up to 1,300,000 shares (with reservation for any recalculation) may be issued, equivalent to a maximum dilution of approximately 0.86 percent of the shares and votes of the Company. The dilution calculations have been based on the maximum number of shares and votes which may be issued upon exercise of the warrants of MIP 2023/2026, divided by the total number of shares and votes in the Company after such issues and upon full exercise of all outstanding warrants in the Company. Taking into account the other outstanding share-related incentive programs in the Company (as described below), the maximum dilution may be approximately 2.61 percent.

## *Preparation of the proposal*

The Company's remuneration committee and the board of directors have prepared the MIP 2023 /2026 in consultation with external advisors.

## *Other incentive programs*

The Company has the following outstanding share-based incentive programs.

### *Series 2018/2023*

At the extraordinary general meeting on 30 October 2018, the board of directors' proposal regarding an incentive program for senior executives and other key persons as well as employees of the Company was approved and a decision was made to issue a maximum of 1,143 warrants. In total, 1,143 warrants have been subscribed for by participants, of which 985 warrants remain as of the date of this resolution proposal. No warrants have been exercised as of the date of this resolution proposal and no more warrants will be offered from Series 2018/2023. The annual general meeting 2022 resolved to set the subscription price at SEK 6.46 per share in accordance with customary conversion terms. Upon full exercise of all remaining warrants of Series 2018/2023, a maximum of 1,379,000 shares will be issued in the Company, corresponding to a dilution of approximately 0.92 percent.

### *Series 2021/2025*

At the annual general meeting on 19 February 2021, the board of directors' and major shareholders' proposals regarding incentive programs for employees of the Group and board members of the Company were approved, as well as a resolution to issue a maximum of 1,500,000 warrants and to approve the transfer of warrants. In total, 1,500,000 warrants have been subscribed for by the Company and a wholly owned subsidiary of the Company and 472,300 warrants have been acquired by or allocated to participants. No warrants have been exercised as of the date of this resolution proposal and no more warrants will be offered from Series 2021/2025. The subscription price is set at SEK 118.40 per share. Upon full exercise of all warrants that have been, or may be, acquired by or allocated to participants, a maximum of 467,350 shares will be issued in the Company, corresponding to a dilution of approximately 0.31 percent.

### *Series 2022/2025*

At the annual general meeting on 12 May 2022, the board of directors' proposal regarding a long-term incentive program for employees in the Group was approved, as well as a resolution to issue a maximum of 1,130,000 warrants and to approve the transfer of warrants. In total, 1,130,000 warrants have been subscribed for by the Company and a wholly owned subsidiary of the Company and 786,200 warrants have been acquired by or allocated to participants. No warrants have been



exercised as of the date of this resolution proposal and no more warrants will be offered from Series 2022/2025. The subscription price is set at SEK 12.59 per share. Upon full exercise of all warrants that have been, or may be, acquired by or allocated to participants, a maximum of 781,800 shares will be issued in the Company, corresponding to a dilution of approximately 0.52 percent.

The dilution calculations above have been based on the maximum number of shares and votes that may be issued upon exercise of the warrants, divided by the total number of shares and votes in the Company after such issues and upon full exercise of all outstanding warrants in the Company.

### *Majority requirements*

A resolution to approve the proposal under item 12 is valid only if supported by shareholders holding not less than nine-tenths (9/10) of the votes cast as well as the shares represented at the general meeting.

### **Item 13. Resolution on authorization for the board of directors to decide on new issue**

The board of directors proposes that the Annual General Meeting resolves to authorize the board of directors, at one or several occasions until the next Annual General Meeting, with or without deviating from the shareholder's pre-emptive rights, to decide upon issuance of new shares, warrants and/or convertible debentures. Payment shall, apart from payment in cash, be made in kind or by set-off or otherwise with conditions. The Company's share capital may, by means of the authorization, be increased in total by an amount corresponding to a dilution of ten (10) percent of the Company's share capital at the time of the Annual General Meeting 2023. Upon such deviation from the shareholder's preferential rights, the new issue shall be made at market terms and conditions, with reservations for, where applicable, issue discounts which are in line with market conditions.

The purpose of the proposed authorization is to secure the Company's commitments under the incentive programs that were decided on at the Extraordinary General Meeting 2018 and the Annual General Meetings 2021 and 2022.

The Annual General Meeting is further proposed to authorize the board of directors, the CEO or a person appointed by the board of directors to make such minor amendments in the resolution proven necessary for registration at the Swedish Companies Registration Office.

A resolution by the Annual General Meeting in accordance with the board of director's proposal to authorize the board of directors to resolve on new issue of shares requires approval of votes cast and shares represented at the meeting representing not less than two-thirds (2/3).

### **SHAREHOLDERS RIGHT TO REQUEST INFORMATION**

Pursuant to Chapter 7, Sections 32 and 57 of the Swedish Companies Act, the board of directors and the CEO shall, if any shareholder so request and the board of directors deems that it may be done without significant harm to the Company, provide information at the meeting regarding circumstances that may affect the assessment of a matter on the agenda and conditions that may affect the assessment of the Company's financial situation. The disclosure requirement also covers the Company's relationship to another group company, the consolidated financial statements and such relationships concerning subsidiaries as referred to in the previous sentence.

## DOCUMENTATION

Accounting documents, the auditor's report, will be available at the Company no later than three (3) weeks before the Annual General Meeting and the board of directors' complete proposals will be available at the Company's head office on Maria Bangata 4A in Stockholm no later than two (2) weeks before the Annual General Meeting and will be sent to shareholders who so request and provide their postal address. The documents will also be available on the Company's website, <https://deseniogroup.com/en/governance/general-meetings/>, from the same date. The nomination committee's proposals and motivated statements as well as information about all proposed board members and other documents for the Annual General Meeting are available on the Company's website.

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Stockholm, April 2023

### **Desenio Group AB (publ)**

*Board of directors*

*This is a translation of the Swedish original. In case of any discrepancies between this translation and the*

*Swedish original, the latter shall prevail.*

## **Certified Adviser**

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*FNCA Sweden AB is the company's certified adviser. FNCA can be reached at [info@fnca.se](mailto:info@fnca.se).*

## **For further information, please contact:**

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## **About Desenio Group**

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Desenio Group is the leading e-commerce company within affordable wall art in Europe, with a growing presence in North America. We offer our customers a unique and curated assortment of about 9,000 designs as well as frames and accessories in 35 countries via 44 local websites and are steadily expanding to new markets.

Desenio Group is well positioned to build upon our dynamic growth model, including our proprietary technical platform, industrialized creative processes and efficient customer acquisition approach.

We are headquartered in Stockholm, Sweden, with fulfilment centres in Sweden, Czech Republic and USA. Our share is traded on Nasdaq First North Growth market, under the ticker "DSNO".

PRESS RELEASE  
14 April 2023 08:30:00 CEST

# DESENIO GROUP

## **Attachments**

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