



Board Proposal for Guidelines on Executive Remuneration

The Board of Directors of Sleep Cycle AB (publ) ("Sleep Cycle" or the "Company") proposes that the Annual General Meeting 2025 resolves on the following guidelines for remuneration to executive management. These guidelines replace the guidelines adopted at the Annual General Meeting 2021. Compared to the current guidelines, certain clarifications and editorial changes have been made. The guidelines regarding termination of employment have been changed in such a way that the fixed cash salary during the notice period and severance pay may not together exceed an amount corresponding to eighteen months fixed cash salary, compared to one year under the current guidelines. The Board has not received any comments from shareholders regarding the current remuneration guidelines.

General Information

These guidelines for remuneration to executive management (the "Guidelines") cover remuneration for Sleep Cycle's executive management, including the Chief Executive Officer (CEO). The Guidelines are forward-looking, meaning they apply to remuneration agreements and changes to existing remuneration agreements made after these Guidelines are adopted by the 2025 Annual General Meeting. These Guidelines do not apply to remuneration decided by the General Meeting.

Promotion of the Company's Business Strategy, Long-Term Interests, and Sustainability

The Company's business strategy is to help people sleep better to improve global health. Sleep Cycle develops a solution for sleep health and an application for sleep monitoring. Sleep Cycle's vision is to become the globally leading solution for sleep health. For further information on the Company's business strategy, please visit investors.sleepcycle.com.

Successful implementation of the Company's business strategy and safeguarding of its long-term interests, including its sustainability, require that the Company can recruit and retain qualified employees and executives. To achieve this, the Company must be able to offer competitive remuneration. The Board believes that these Guidelines enable the Company to offer executive management a competitive total remuneration package.

The Company may offer and has established long-term share and share price-related incentive programs. Such programs are decided by the General Meeting and are therefore not covered by these Guidelines. For more information on these programs, including the criteria upon which outcomes depend, please refer to the Company's remuneration report.

Forms of Remuneration

Remuneration shall be market-based and may consist of the following components:

fixed cash salary, variable cash remuneration, pension benefits, and other benefits. The General Meeting may also – independently of these Guidelines – resolve on, for example, share and share price-related remuneration.

Fixed Remuneration

The fixed remuneration for executive management is reviewed annually and shall be competitive and based on the individual's skills, responsibilities, and performance.

Variable Remuneration

Variable cash remuneration shall be based on predetermined and measurable criteria, which may be financial or non-financial, shall be directly or indirectly linked to the achievement of Sleep Cycle's business strategy, and shall be measured over a period of one or several years. They may also consist of individual, quantitative, or qualitative goals. The criteria shall be designed to promote the Company's business strategy and long-term interests, including its sustainability. Additional variable cash remuneration may be awarded under extraordinary circumstances, either to recruit or retain executive management or as remuneration for extraordinary performance beyond the individual's regular duties, provided that such extraordinary circumstances are time-limited and awarded on an individual basis. The total variable cash remuneration may not exceed 100% of the executive's fixed annual cash salary. The extent to which the criteria for awarding variable cash remuneration have been met shall be determined and evaluated after the measurement period has ended, and for financial goals, based on the latest financial information published by the Company. The Remuneration Committee evaluates variable cash remuneration for the CEO, and the CEO evaluates variable cash remuneration for other executives.

Pension and Standard Benefits

Pension benefits, including health insurance, shall be defined-contribution and secured through premium payments to insurance companies. Variable cash remuneration does not entitle the recipient to pension benefits. Other possible benefits shall be standard and facilitate the ability of executive management to perform their duties, such as occupational health services, medical insurance, and company car benefits. The total amount of pension premiums and other standard benefits may not exceed 30% of the fixed annual cash salary. Sleep Cycle may instead provide salary conversion upon request by an executive, provided that the overall cost to the Company remains broadly the same. For individuals in group management who are not resident in Sweden, appropriate adjustments may be made to comply with mandatory regulations or established local practice, ensuring these Guidelines' overall purpose is maintained as far as possible.

Termination of Employment

In the event of termination by the Company, the notice period shall be a maximum of twelve months. Fixed cash salary during the notice period and severance pay may not together exceed an amount corresponding to eighteen months fixed cash salary. In the event of termination by the executive, the notice period shall be a maximum of twelve months without the right to severance pay. Additionally, remuneration for any non-compete obligations may be provided. Such remuneration shall compensate for any loss of income and shall only be granted to the extent that the former executive lacks the right to severance pay. The remuneration shall not exceed 60% of the average monthly remuneration (both fixed and variable) paid by the Company during the twelve months preceding termination and shall be paid for the duration of the non-compete obligation, which shall be a maximum of twelve months after termination of employment.

Salary and Employment Conditions for Employees

In the preparation of the Board's proposal for these Guidelines, salary and employment conditions for the Company's employees have been considered by including information on employees' total remuneration, its components, and its increase and rate of increase over time as part of the Remuneration Committee's and the Board's decision-making basis when evaluating the fairness of the Guidelines and the restrictions they impose.

Deviation from the Guidelines

The Board may decide to temporarily deviate from the Guidelines if, in an individual case, there are special reasons for doing so and a deviation is necessary to safeguard the Company's long-term interests, including its sustainability, or to ensure the Company's financial viability. The Remuneration Committee is responsible for preparing the Board's decisions on remuneration matters, including decisions on deviations from the Guidelines.

Decision Process for Establishing, Reviewing, and Implementing the Guidelines

The Board has established a Remuneration Committee. The Committee's tasks include preparing the Board's decisions on proposals for guidelines on executive remuneration. The Board shall prepare proposals for new guidelines at least every four years and present them to the Annual General Meeting for resolution. The Guidelines shall remain in effect until new guidelines are adopted by the General Meeting. The Remuneration Committee shall also prepare decisions on remuneration-related matters, including decisions on deviations from the Guidelines, monitor and evaluate programs for variable remuneration for management, the application of Guidelines for executive remuneration, and current remuneration structures and levels in the Company. When the Board considers and makes decisions on remuneration-related matters, the CEO or other members of executive management shall not be present to the extent that they are affected by the matters.

Gothenburg, February 2025

Sleep Cycle AB (publ)

The Board of Directors