



Notice of Annual General Meeting in Sleep Cycle AB (publ)

The shareholders of Sleep Cycle AB (publ) ("Sleep Cycle"), reg. no. 556614-7368, are hereby invited to attend the Annual General Meeting (the "AGM") to be held on 10 May 2022 at 10.00 CEST at Västsvenska Handelskammaren, Parkgatan 49, 411 38 Gothenburg, Sweden. Admission and registration for the AGM will begin at 9.30 CEST.

The Board of Directors has resolved, in accordance with the provisions of Sleep Cycle's Articles of Association, that shareholders may also exercise their voting rights in advance by so-called postal voting.

Right to participate and notification

A) Attending the meeting venue

A person who wishes to attend the meeting venue in person or by proxy must

- be listed as a shareholder in the presentation of the share register prepared by Euroclear Sweden AB concerning the circumstances on 2 May 2022; and
- give notice of its participation no later than 4 May 2022 by mail to Sleep Cycle AB (publ), c/o Euroclear Sweden AB, Box 191, 101 23 Stockholm, Sweden or through the company's website, <https://investors.sleepcycle.com/en/>. Upon the notification of participation, the shareholder must state name/business name, personal or corporate identity number, address, telephone number and number of any assistants (not more than two).

For shareholders who wish to be represented by a proxy, a written and dated power of attorney signed by the shareholder must be attached to the notification and presented at the meeting. Form of proxy is available on Sleep Cycle's website, <https://investors.sleepcycle.com/en/>. If the shareholder is a legal entity, certificate of incorporation, or corresponding authorisation document for the legal entity, must be attached.

B) Participation by postal voting

A person who wishes to participate in the AGM by postal voting must

- be listed as a shareholder in the presentation of the share register prepared by Euroclear Sweden AB concerning the circumstances on 2 May 2022; and
- give notice of its participation no later than 4 May 2022 by submitting its postal vote in accordance with the instructions below, so that the postal vote is received by Euroclear Sweden AB no later than that day.

A shareholder who wishes to attend the meeting venue in person or by proxy, must give notice of this in accordance with the instructions stated under A) above. Hence, a notice of participation only through postal voting is not sufficient for a person who wishes to attend the meeting venue.

A special form shall be used for postal voting. The form is available on the company's website, <https://investors.sleepcycle.com/en/>. The completed and signed form may be sent by mail to Sleep Cycle AB (publ), AGM 2022, c/o Euroclear Sweden AB, Box 191, 101 23 Stockholm, Sweden, or by email to GeneralMeetingService@euroclear.com (state "Sleep Cycle AB – postal voting" in the subject line). The completed and signed form must be received by Euroclear Sweden AB no later than on 4 May 2022. Shareholders may also submit their postal votes electronically by verification with BankID via <https://anmalan.vpc.se/euroclearproxy/>.

Shareholders may not provide special instructions or conditions in the voting form. If so, the vote (in its entirety) is invalid. Further instructions and conditions are included in the form for postal voting.

If a shareholder submits its postal vote by proxy, a written and dated power of attorney signed by the shareholder must be enclosed with the postal voting form. Form of proxy is available on the company's website, <https://investors.sleepcycle.com/en/>. If the shareholder is a legal entity, certificate of incorporation, or corresponding authorisation document for the legal entity, must be enclosed with the form.

Nominee-registered shares

In order to be entitled to participate in the AGM, a shareholder whose shares are registered in the name of a nominee must, in addition to giving notice of its participation in the AGM, register its shares in its own name so that the shareholder is listed in the presentation of the share register as of 2 May 2022. Such registration may be temporary (so-called voting rights registration), and request for such voting rights registration shall be made to the nominee, in accordance with the nominee's routines, at such a time decided by the nominee. Voting rights registrations that have been made by the nominee no later than 4 May 2022 will be taken into account in the presentation of the share register.

Agenda

1. Opening of the meeting
2. Election of Chairperson of the meeting
3. Preparation and approval of the voting register
4. Approval of the agenda
5. Election of persons to approve the minutes
6. Determination of whether the meeting has been duly convened
7. Presentation by the CEO
8. Presentation of
 - a) the annual report and the audit report as well as the consolidated financial statements and the auditor's report for the group
 - b) the auditor's statement regarding the company's compliance with the guidelines for remuneration to members of the executive management
9. Resolution regarding
 - a) adoption of the income statement and balance sheet as well as the consolidated income statement and consolidated balance sheet
 - b) allocation of the company's profit or loss in accordance with the adopted balance sheet

- c) discharge from liability of the members of the Board of Directors and the CEO
- 10. Determination of
 - a) the number of Board members
 - b) the number of auditors and deputy auditors
- 11. Determination of
 - a) fees to the Board members
 - b) fees to the auditors
- 12. Election of the Board of Directors and the Chairperson of the Board
 - a) Lars Berg (re-election)
 - b) Ödgård Andersson (re-election)
 - c) Anne Broeng (re-election)
 - d) Rasmus Järborg (re-election)
 - e) Olof Nilsson (re-election)
 - f) Lars Berg as Chairperson of the Board (re-election)
- 13. Election of auditors
- 14. Resolution on approval of the remuneration report
- 15. Resolution on directed issue of subscription warrants, series 2022/2025
- 16. Closing of the meeting

Proposals

The Nomination Committee's proposals (items 2 and 10–13)

The Nomination Committee prior to the AGM 2022 has consisted of Mathias Høyer (MCGA AB and H265 AB), Alexander Hannerland (GLA Invest SA), Anna Sundberg (Handelsbanken Fonder) and Lars Berg (Chairperson of the Board of Directors). Anna Sundberg has been the Chairperson of the Nomination Committee.

The Nomination Committee proposes the following:

Chairperson of the meeting: The Chairperson of the Board of Directors, Lars Berg.

Board of Directors: The Nomination Committee proposes that the Board of Directors shall consist of five ordinary Board members, without deputy Board members. Lars Berg, Ödgård Andersson, Anne Broeng, Rasmus Järborg and Olof Nilsson shall be re-elected as Board members. The Nomination Committee further proposes that Lars Berg shall be re-elected as Chairperson of the Board of Directors.

Information about all Board members proposed for re-election is available on the company's website, <https://investors.sleepcycle.com/en/>.

Board and Committee fees: Board fees, excluding remuneration for Committee work, shall continue to be paid with SEK 500,000 to the Chairperson of the Board and SEK 250,000 to each other member of the Board elected by the AGM. For work in the Audit Committee, a fee of SEK 100,000 (50,000) shall be paid to the Chairperson and a fee of SEK 50,000 (25,000) shall be paid to each other member. For work in the

Remuneration Committee, a fee of SEK 50,000 shall continue to be paid to the Chairperson and a fee of SEK 25,000 shall continue to be paid to each other member.

Auditor and auditor's fee: The number of auditors shall be two without deputies. In accordance with the recommendation from the company's Audit Committee, the Nomination Committee proposes re-election of Mazars AB, whereby the intention is that Samuel Bjälkemo shall be the auditor in charge, with Anders Persson as personal co-auditor to Samuel Bjälkemo, both on a one-year term for the period until the close of the AGM 2023. Auditor's fee is proposed to be paid as per approved invoice.

The Board's proposal on allocation of the company's profit or loss in accordance with the adopted balance sheet (item 9b)

The Board of Directors proposes that no dividend is distributed and that the retained profits shall be carried forward to the new accounts.

The Board's proposal on approval of the remuneration report (item 14)

The Board of Directors proposes that the AGM resolves to approve the Board of Directors' remuneration report for the financial year 2021, pursuant to Chapter 8, Section 53 a of the Swedish Companies Act.

The Board's proposal for resolution on directed issue of subscription warrants, series 2022/2025 (item 15)

The Board of Directors proposes that the AGM decides on an incentive program for employees in the company or in the group ("the Participants") by a directed issue of warrants with the right to subscribe for new shares in the company. The warrant program is proposed in order to align targets between employees and shareholders as well as to create long-term engagement for the company. The program is also expected to help retain competent, motivated and committed employees. The issue shall take place with deviation from the shareholders' preemptive rights on the following terms:

1. The company shall issue a maximum of 100,000 warrants that give the right to subscribe for 100,000 new shares. Oversubscription is not possible.
2. The right to subscribe for the warrants shall, with deviation from the shareholders' preferential rights, accrue to the Participants, who shall be offered to subscribe for options on a special subscription list.
3. The warrants shall be issued at a price corresponding to an estimated market value of the warrants (warrants premium) using the Black-Scholes model. The valuation of the options shall be performed by independent valuation institutes or auditing companies. A preliminary calculation based on a subscription price when exercising the warrants, which is SEK 76.67 per share, gives the value of SEK 9.65 on the option. The following values of the parameters included in the calculation model have then been used:

Risk-free interest rate:	0.282 %
Volatility:	37.8 %
Dividend share of future profits:	0.0 %
Market value of the stock:	SEK 56.79

4. The warrants shall be subscribed for no later than 24 May 2022 on a separate subscription list. The Board shall have the right to extend the time for subscription, but not longer than 1 November 2022.
5. Payment of the option premium for the warrants must be made within two weeks of the subscription. The board shall have the right to extend the time for payment.
6. The increase in the company's share capital may, upon full exercise of the warrants, amount to a maximum of SEK 2,777.77777777780, subject to the increase that may be caused by the fact that recalculation may take place as a result of issues, etc.
7. Payment for shares upon exercise of the Warrant shall be made in cash at a subscription price corresponding to 135 percent of the average of the volume-weighted payment price listed for each trading day according to Nasdaq Stockholm's official price list for shares in the Company during the 10 trading days preceding the general meeting. The subscription price thus determined shall be rounded to the nearest whole ten öre, whereby 5 öre shall be rounded down.
8. Each warrant shall entitle the holder to subscribe for one new share in cash for the period from 1 August 2025 to 31 August 2025. However, it must be possible to exercise the warrants at any earlier time as a result of a merger, compulsory redemption of shares, liquidation, etc.
9. Shares issued after exercise of a warrant carry out 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 with the Swedish Companies Registration Office and entered in the share register kept by Euroclear.
10. In connection with the transfer of warrants to the participants in the program, the Company shall reserve the right to repurchase warrants if the participant's employment ends or if the participant in turn wishes to transfer the warrants.
11. The premium when subscribing for shares through the exercise of a warrant shall be added to the free premium fund.
12. The warrants may be subject to re-calculation in accordance with customary principles for re-calculation due to, inter alia, bonus issue, consolidation or share split, rights issue or similar events.
13. The full terms and conditions of the program are set out in *Villkor för teckningsoptioner av Serie 2022/2025*.

Allocation of warrants

The offer to buy options shall not exceed 7,600 options per participant and the total number of participants may not exceed 60 in number. The offer is distributed between the employees and future employees based on a decision from the Board of the Company according to the following statement:

- The CEO is offered a maximum of 7,600 options
- Category 1 executives are offered a maximum of 5,225 options
- Category 2 executives are offered a maximum of 2,850 options
- Other employees are offered a maximum of 1,120 options

Reasons for deviation from the shareholders' preferential rights

The reasons for deviation from the shareholders' preemptive rights are a desire to have an option program introduced suitable for allocation to employees in the company, whereby they can be offered the opportunity to take part in a value growth in the Company's share. This is expected to lead to a strengthening of interest in the company's development - as well as the Company's share price development - and that continued corporate loyalty in the coming years is stimulated.

Dilution effect

In the event that all warrants are exercised, the number of shares will increase by 100,000, which corresponds to a dilution of a maximum of approximately 0.5 percent of the shares and votes based on the Company's current number of shares. The above is subject to re-calculations of the warrants in accordance with the customary terms for re-calculation stated in the complete terms and conditions.

Other outstanding warrants

There are currently 4 outstanding option programs in 5 series. Warrant program 2019/2022 consists of 6,624 warrants where an option entails the right to, during the period from and including 22 June 2022 and up to and including 20 September 2022, subscribe for 128.17 shares at SEK 19.79. Warrant program 2020/2023 consists of 1,259 warrants where an option entails the right to subscribe for 120 shares during the period from 1 December 2023 and up to and including 31 December 2023 at SEK 88.89. Warrant program 2021/2024:1 consists of 102,273 warrants where an option entails the right to subscribe for one share for SEK 94.50 during the period from and including 8 June 2024 and up to and including 5 August 2024. Warrant program 2021/2024:2 consists of 11,363 warrants where an option entails the right to subscribe for one share for SEK 94.50 during the period from 5 December 2024 and up to and including 5 February 2025. Warrant program 2021/2026, consists of 340,909 warrants where an option entails the right to subscribe for one share for SEK 241,17 during the period from 9 April 2026 and up to and including 7 June 2026. In cases where all

options are exercised for subscription, the number of shares will increase by 1,554,623, which corresponds to a dilution of a maximum of 7.4 percent of the shares and votes based on the Company's current number of shares.

Costs

As the warrants are issued at fair market value, it is the company's assessment that no wage costs or social security contributions will arise for the company as a result of the option program. The total costs, including other costs in the form of fees to external advisors and costs for administration of the program, are estimated to amount to approximately SEK 100,000 over the term of the program.

Preparation of the proposal

The proposal for an incentive program has been prepared by the Board's Remuneration Committee and the Board in collaboration with external expertise.

Special authorization

The Board, or the person appointed by the Board, shall have the right to make the minor adjustments in the above-mentioned proposals that may prove necessary in connection with the registration of the above decisions with the Swedish Companies Registration Office and any Euroclear Sweden accession of the warrants.

Majority requirements

The resolution is covered by Chapter 16 of the Swedish Companies Act and presupposes the assistance of shareholders with at least nine tenths of both the votes cast and the shares represented at the meeting.

Shares and votes

The total number of shares and votes in the company is 19,428,571. The company does not hold any own shares.

Questions and shareholders' right to receive information

The Board of Directors and the CEO 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 regarding circumstances that may affect the assessment of an item on the agenda, circumstances that can affect the assessment of the company's or its subsidiaries' financial situation and the company's relation to other companies within the Group. Shareholders who wish to submit questions in advance may do so by mail to Sleep Cycle AB (publ), "AGM 2022", Gårdatorget 1, 412 50 Gothenburg, Sweden or by email to investor@sleepcycle.com.

Available documentation

The financial statements and the auditor's report, the auditor's statement regarding guidelines for executive remuneration, the Board of Directors' remuneration report for the financial year 2021 and the Board of Directors' complete proposal for resolution under items 15 are available at the company and on the company's website <https://investors.sleepcycle.com/en/>. In other respects, the complete proposals are set out under each respective item in the notice.

Information about all Board members proposed for election and the Nomination Committee's reasoned statement etc. are available on the company's website <https://investors.sleepcycle.com/en/>.

The documents are presented at the AGM by being kept available at the company and on the company's website. The documents will be sent free of charge to shareholders who so request and state their address.

Processing of personal data

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

Gothenburg in March 2022

Sleep Cycle AB (publ)

The Board of Directors