



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 **11 April 2024 at 09:30 CEST at Jacy'z hotel, floor 24, Drakegatan 10, 412 50 Gothenburg, Sweden. Admission and registration for the AGM will begin at 09:00 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 3 April 2024; and
- give notice of its participation no later than 5 April 2024 by mail to Sleep Cycle AB (publ), c/o Euroclear Sweden AB, Box 191, 101 23 Stockholm, Sweden, by phone +46 (0)8-402 91 33, by email to generalmeetingservice@euroclear.com 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 issued for the representative. 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. In order to facilitate the registration at the meeting, the power of attorney together with any registration certificate and other authorisation documents should be sent to the company at the address set out above in connection with the notice of participation.

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 3 April 2024; and

- give notice of its participation no later than 5 April 2024 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 2024, 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 5 April 2024. 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 3 April 2024. 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 5 April 2024 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) Anne Broeng (re-election)
 - b) Maciej Drejak (re-election)
 - c) Mathias Høyer (re-election)
 - d) Hans Skruvfors (new election)
 - e) Anne Broeng as Chairperson of the Board (re-election)
13. Election of auditor
14. Resolution on principles for the Nomination Committee
15. Resolution on approval of the remuneration report
16. Resolution on (i) directed issue of warrants, Series 2024/2027 to employees and (ii) payment of a gratuity
17. Closing of the meeting

Proposals

The Nomination Committee's proposals (items 2 and 10-14)

The Nomination Committee prior to the AGM 2024 has consisted of Martin Anthonsen (MCGA AB and H265 AB), Erik Olsson (GLA Invest SA), Anna Sundberg (Handelsbanken Fonder) and Anne Broeng (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 attorney Aleksander Ivarsson.

Board of Directors: The Nomination Committee proposes that the Board of Directors shall consist of four ordinary Board members, without deputy Board members. Anne Broeng, Maciej Drejak and Mathias Høyer, shall be re-elected as Board members and Hans Skruvfors shall be elected as new Board member. The Nomination Committee further proposes re-election of Anne Broeng as Chairperson of the Board of Directors.

It was noted that Olof Nilsson and Rasmus Järborg have informed the Nomination Committee that they will not stand for re-election.

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

Hans Skruvfors

Hans Skruvfors is born 1980 and has experience as a leader in fast-growing and data-intensive companies. He currently works as CEO of Foodora AB and has previously held a number of leading roles in Nepa AB, a company that offers data and insights into customer behavior through a platform. Hans holds a Degree of Master of Science in Business and Economics and holds a MSc from Stockholm School of Economics. Hans does not hold any shares in Sleep Cycle and is considered to be independent in relation to the company, the executive management and the company's major shareholders.

Board and Committee fees: Board fees shall be paid with SEK 735,000 (SEK 700,000) to the Chairperson of the Board and shall be paid with SEK 290,000 (250,000) to each other member of the Board elected by the AGM. For work in the Audit Committee, a fee of SEK 125,000 (100,000) shall be paid to the Chairperson and a fee of SEK 65,000 (50,000) shall be paid to each other member. For work in the Remuneration Committee, a fee of SEK 65,000 (50,000) shall be paid to the Chairperson and a fee of SEK 40,000 (25,000) shall be paid to each other member.

Auditor and auditor's fee: The number of auditors shall be one without deputies. In accordance with the recommendation from the company's Audit Committee, the Nomination Committee proposes re-election of the registered audit firm Öhrlings PricewaterhouseCoopers AB ("**PwC**") for a period of one year until the close of the AGM 2025. It was noted that PwC has informed that the authorised public accountant Ulrika Ramsvik will be auditor in charge if PwC is to be elected as auditor by the AGM.

Auditor's fee is proposed to be paid as per approved invoice.

Resolution on principles for the Nomination Committee: The Nomination Committee proposes that the Annual General Meeting resolves to adopt the following principles for establishment of a Nomination Committee, to apply until further notice.

The company shall have a nomination committee consisting of a member appointed by each of the three shareholders or ownership groups with the largest number of votes together with the chairperson of the board, who will also convene the first meeting of the nomination committee. The nomination committee shall be constituted based on shareholder statistics from Euroclear Sweden AB as of 31 August each year and other reliable ownership information available to the company at such time.

The committee member representing the largest shareholder shall be appointed chairperson of the nomination committee, unless the nomination committee unanimously appoints another member of the nomination committee as chairperson. In the event that, before the date falling three months prior to the annual general meeting, one or more of the shareholders having appointed representatives of the nomination committee are no longer among the three largest shareholders, representatives appointed by these shareholders shall resign and the shareholders who then are among the three largest shareholders may appoint their representatives in accordance with these instructions. Should a member resign from the nomination committee before its work has been completed and the nomination committee considers it necessary to replace such member, such substitute member is to represent the same shareholder, or, if the shareholder is no longer one of the largest shareholders, the largest shareholder in turn. Shareholders who have appointed a representative to be a member of the nomination committee shall have the right to dismiss such member and appoint a new representative of the nomination committee. Changes to the composition of the nomination committee must be publicly announced immediately.

The nomination committee shall prepare the following proposals to be passed on for resolution at the annual general meeting:

- chairperson of the general meeting,
- number of board members, board members and chairperson of the board,
- board remuneration divided between the chairperson and other board members as well as remuneration for committee work,
- auditors and remuneration to the company's auditors, and
- to the extent deemed necessary, changes in the current instruction for the nomination committee.

In performing its duties, the nomination committee shall act in accordance with the requirements stipulated in the Swedish Companies Act and the Swedish Corporate Governance Code.

The composition of the nomination committee for the annual general meeting shall normally be announced no later than six months before the annual general meeting. Remuneration shall not be paid to the members of the nomination committee. The company is to pay any necessary expenses that the nomination committee may incur as part of conducting its work, for example, costs for external consultants deemed necessary by the nomination committee in order for the nomination committee to fulfil its duties. The term of office for the nomination committee ends when the composition of the following nomination committee has been announced.

Preparation and approval of the voting register (item 3)

The voting list proposed for approval is the voting list drawn up by the company, based on the AGM register of shareholders, shareholders having given notice of participation and being present at the meeting venue, and postal votes received.

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 a dividend of SEK 2.30 per share shall be paid to the shareholders, of which SEK 1.30 per share is ordinary dividend for 2023 and SEK 1.00 per share is extraordinary dividend.

The Board of Directors proposes that the record date for dividend shall be 15 April 2024. Should the meeting resolve in accordance with the proposal, the dividend is expected to be distributed by Euroclear Sweden AB starting 18 April 2024.

The Board's proposal for resolution on (i) directed issue of warrants, Series 2024/2027 to employees and (ii) payment of a gratuity (item 16)

The Board of Directors proposes that the Annual General Meeting resolves on an incentive program for employees in the company by i) a directed issue of warrants with the right to subscribe for new shares in the company and ii) a gratuity in the form of a gross salary supplement. The purpose of the incentive program is to align the employee's interests closely with those of the shareholders and to create a long-term commitment to the company. The incentive program is also expected to contribute to the possibilities to retain motivated and committed employees who are crucial for the company's long-term success. As part of the incentive program, the participant will receive a gratuity in the form of a gross salary supplement. The Board of Directors' proposal to implement the incentive program in accordance with i) and ii) constitutes a combined proposal and shall be resolved as one resolution. A valid resolution requires approval of at least nine-tenths (9/10) of both the votes cast and the shares represented at the Annual General Meeting.

i) Directed issue of warrants, series 2024/2027 to employees

The issue shall be made with deviation from the shareholders' preferential rights on the following terms and conditions:

1. The company shall issue a maximum of 800,000 warrants entitling the holder to subscribe for 800,000 new shares. Oversubscription is not possible.
2. The right to subscribe for the warrants shall, with deviation from the shareholders' preferential rights, be granted to employees of the company, who shall be offered to subscribe for warrants on a separate subscription list.
3. The warrants shall be issued at a price corresponding to a calculated market value for the warrants (warrant premium) using the Black-Scholes model. The valuation of the warrants shall be carried out by an independent appraiser or auditing firm. A preliminary calculation based on a subscription price of SEK 52.00 per share, at the time of exercise of the warrants, gives a value of the warrant of SEK 2.60. The following values of the parameters included in the calculation model have been used:

Risk-free interest rate:	2.696%
Volatility:	35.9%
Dividend payout ratio of future profit:	4.0%
Market value of the share:	SEK 32.48

4. The warrants shall be subscribed for no later than 2 May 2024 on a separate subscription list. The Board of Directors shall have the right to extend the subscription period, however, not beyond 1 October 2024.
5. Payment of the warrant premium for the warrants shall be made within two weeks from the date of subscription. The Board of Directors shall have the right to extend the time for payment.
6. The increase of the company's share capital may, upon full exercise of the warrants, amount to a maximum of SEK 22,222.2222222661, subject to the increase that may be caused by recalculation due to issues, etc.
7. Payment for shares upon exercise of warrants shall be made in cash at a subscription price corresponding to 160 per cent of the average of the volume-weighted price paid for each trading day according to Nasdaq Stockholm's official price list for shares in the company during the period 10 trading days preceding the meeting.
8. Each warrant shall entitle the holder to subscribe for one new share during the period 15 May 2027 up to and including 15 June 2027 against cash payment. However, the warrants may be exercised at any earlier point in time as a result of a merger, compulsory redemption of shares, liquidation, etc.
9. Shares issued after exercise of warrants entitle to dividend for the first time on the record date for dividend that occurs 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 subscription of warrants by the participant, the company shall reserve the right to repurchase warrants if the participant's employment is terminated or if the participant wishes to transfer the warrants.
11. The share premium upon subscription of shares through the exercise of warrants shall be added to the unrestricted share premium reserve.
12. The warrants may be subject to recalculation in accordance with customary recalculation principles due to, among other things, bonus issues, reverse share splits or splits of shares, rights issues or similar events.
13. The complete terms and conditions of the program are set out in *Villkor för teckningsoptioner av Serie 2024/2027* (available in Swedish only).

(ii) Payment of a gratuity

As part of the incentive program, the participant receives a gratuity in the form of a gross salary supplement where the net salary corresponds to the amount paid by the participant for the warrants. The gratuity is paid in connection with the regular salary payment the following month and the total salary cost excluding social security contributions shall not exceed SEK 60,000 and comprise a maximum of 10,000 warrants per participant. The Board of Directors may, if deemed necessary in individual cases, decide on alternative payment dates or that gratuities under certain circumstances shall not be paid in whole or in part or may be reclaimed, subject to the limitations that may follow by law.

Allocation of warrants

The offer to subscribe for warrants shall be made with a maximum of 100,000 warrants per participant and the total number of participants may not exceed 35. The offer is distributed between the employees and future employees based on a resolution by the Board of Directors of the company in accordance with the following structure:

- The CEO is offered a maximum of 100,000 warrants
- Other senior executives (maximum 4 participants) are offered a maximum of 100,000 warrants
- Other employees (maximum 30 participants) are offered a maximum of 10,000 warrants

Reasons for deviation from the shareholders' preferential rights

The reason for deviating from the shareholders' preferential rights is a wish to have a warrant program introduced suitable for allotment to employees of the company, whereby employees can be offered the opportunity to take part in an increase in the value of 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 to a stimulus for continued company loyalty in the coming years.

Dilution

In the event that all warrants are exercised, the number of shares will increase by 800,000, which corresponds to a dilution of a maximum of approximately 3.8 per cent of the shares and votes based on the company's current number of shares. The above is subject to re-calculation of the warrants in accordance with the customary recalculation terms and conditions set out in the complete terms and conditions.

Other outstanding warrants

There are currently five outstanding warrant programs as set out below.

The Warrants Program 2021/2024:1 consists of 190,076 warrants where one warrant entitles the holder to subscribe for 1.18 shares for SEK 79.82 during the period from and including 8 June 2024 up to and including 7 August 2024.

The Warrants Program 2021/2024:2 consists of 18,595 warrants where one warrant entitles the holder to subscribe for 1.18 shares for SEK 79.82 during the period from and including 5 December 2024 up to and including 5 February 2025.

The Warrants Program 2021/2026 (CEO LTIP) consists of 340,909 warrants where one warrant entitles the holder to subscribe for 1.18 shares for SEK 203.72 during the period from and including 8 April 2026 up to and including 7 June 2026.

The Warrants Program 2022/2025 consists of 54,820 warrants where one warrant entitles the holder to subscribe for 1.02 share for SEK 69.58 during the period from and including 1 August 2025 up to and including 31 August 2025.

The Warrants Program 2023/2027 (CEO LTIP) consists of 100,000 warrants where one warrant entitles the holder to subscribe for one share for SEK 52.60 during the period from and including 1 December 2026 up to and including 2 January 2027.

In the event that all of the warrants above are exercised for subscription including the proposed program, the number of shares will increase by 1,604,419, which corresponds to a dilution of a maximum of 7.3 per cent of the shares and votes based on the company's current number of shares.

Costs

As the warrants are issued at market value, it is the company's assessment that no salary costs or social security contributions will arise for the company as a direct result of the warrant program in accordance with i). When paying a gratuity, salary costs and social security contributions are incurred. Assuming that all warrants are acquired at a price of SEK 2.60 per warrant and an assumed marginal tax rate of 50 per cent and social security contributions of 31.42 per cent, the total salary cost including social security contributions amounts to approximately SEK 2.4 million.

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 2.6 million over the term of the program.

Preparation of the proposal

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

Special authorisation

The Board of Directors, or a person appointed by the Board of Directors, shall have the right to make such minor adjustments to the above-mentioned proposal that may be required in connection with the registration of the above resolution with the Swedish Companies Registration Office and, where applicable, Euroclear Sweden's affiliation of the warrants.

Majority requirement

The decision is covered by Chapter 16 of the Swedish Companies Act and requires the support of shareholders representing at least nine-tenths (9/10) 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 20,277,563. 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 at the AGM 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 are welcome to submit questions in advance by mail to Sleep Cycle AB (publ), "AGM 2024", Drakegatan 10, 412 50 Gothenburg, Sweden or by email to investor@sleepcycle.com.

Available documentation

The financial statements, the auditor's report, the auditor's statement regarding guidelines for executive remuneration and the Board of Directors' remuneration report for the financial year 2023 will be available at the company and on the company's website <https://investors.sleepcycle.com/en/> in connection with the publication of the company's annual report on 8 March 2024. The Board of Directors' complete proposal for resolution under item 16, including the complete terms and conditions of the incentive program, will be

available for the shareholders at the company and on the company's website no later than three weeks before the AGM. In other respects, the complete proposals are set out under each respective item in the notice.

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

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 2024

Sleep Cycle AB (publ)

The Board of Directors