

Item 8 – The board of directors proposal of approval from the Extraordinary General Meeting to execute the resolution by the board of directors’ to issue convertible loan notes

The board of directors’ of Hoylu AB (publ), reg. no 559084-6381, (the “**Company**”) proposes to the Extraordinary General Meeting to approve execution of the board of directors’ resolution to issue convertible loan notes on below conditions.

On October 29, 2018, the board of directors’ resolved, conditional upon approval from the Extraordinary General Meeting, to enter into a convertible loan of a maximum of SEK 10,000,000 and issue a maximum of 2,000,000 convertible loan notes. The board of directors’ intention with the proposed issue is to provide the Company with liquid funds to continue expanding the business of the Company.

1. Registered share capital in the Company may be increased by a maximum of SEK 164,878.04 due to conversion of the convertible loan notes through issuance of not more than 2,000,000 shares.
2. The record date for the right to participate in the issue of convertible loan notes shall be December 5, 2018.
3. The nominal amount of each convertible loan note is SEK five (5) and all convertible loan notes shall carry the same nominal amount. The convertible loan notes are issued at a price corresponding to 100 per cent of the nominal amount of the convertible loan notes.
4. The right to subscribe for convertible loan notes shall vest, with pre-emption right for the shareholders, shareholders registered as a shareholder in the Company on the record date except for below shareholders:
 - Alden AS
 - Fougner Invest AS
 - Pine AS
 - Hering AS
 - Skadi AS
5. For every existing share in the Company two (2) unit rights is received. Fifteen (15) unit rights entitle to subscription of one (1) unit. Every one (1) unit consists of one (1) convertible loan note at a nominal amount of SEK five (5). Convertible loan notes not subscribed for by exercise of unit rights shall primarily be allotted to those who have subscribed for convertible loan notes by exercise of unit rights and have subscribed for additional convertible loan notes without exercise of unit rights, and secondly be allotted to others that have subscribed for convertible loan notes without exercise of unit rights.

6. The subscription price for each convertible loan note is SEK 5.00. The subscription price corresponds to the closing price in the Company's share on October 29, 2018. Subscription for the convertible loan notes shall be made between 7 December 2018 – 21 December 2018. The convertible loan carries an annual interest rate of 8.00 per cent. Holders of convertible loan notes are entitled to call for conversion of their convertible loan notes into new shares in the Company during the period from payment for the convertible loan until 30 June 2019. The convertible loan matures and is due for payment on 30 June 2019, if not converted earlier. The conversion price shall be SEK 5.00 per new share.
7. Subscription for the convertible loan notes shall be made by payment in cash no later than on the last day of the subscription period on 21 December 2018. However, the board of directors shall be entitled to extend the subscription period.
8. Complete terms and conditions for the convertible loan notes follows from **Appendix B**.

The convertible loan notes shall be subject to customary provisions with respect to re-calculation of the conversion price upon certain events.

The new shares in the Company that are issued upon conversion shall entitle the holder to a dividend as of the first record date for dividend from and including the date of the entry of the shareholder in the share ledger kept by Euroclear Sweden AB.

The issue of convertible loan notes requires that the Articles of Association are amended as set forth in the board's proposal in item 7 of the notice to the Extraordinary General Meeting.

The reason for derogating from the above mentioned shareholders' pre-emption rights is that the board of directors', by authorisation from the Annual General Meeting 2018, resolved to execute an issue of convertible loan notes to abovementioned persons. In order to provide the Company with liquid funds to continue expanding the business of the Company and to repair the dilutive effect of the remaining shareholders, as a result from the directed issue, the board of directors resolved that all other shareholders who did not participate in the directed issue of convertible loan notes shall be entitled to participate in the issue of convertible loan notes subject to resolution of the Extraordinary General Meeting.

A valid resolution pursuant to this item 8 is subject to the proposal be supported by shareholders representing at least two-thirds of both the votes cast and the shares represented at the Extraordinary General Meeting.

The board of directors för Hoylu AB (publ)