



Sleep Cycle

# Year-end report 2025

# “We are entering the next phase of growth with a strong consumer business, growing partnerships, and clearly defined investments in the health technology of the future.”

ERIK JIVMARK, CEO

## Fourth quarter

October – December 2025

- Net sales amounted to tSEK 57,873 (66,756) and decreased by 13.3% (+9.0%). Currency-adjusted net sales growth amounted to -9.8% (8.0%).
- Operating profit amounted to tSEK 14,058 (21,543), with an operating margin of 24.3% (32.3%). The quarter has not been affected by any costs affecting comparability.
- The total number of paying subscribers at end of period was 768k (918k).
- ARPU in the quarter totaled SEK 269 (279). Currency-adjusted ARPU amounted to SEK 279.
- Earnings per share before and after dilution for the quarter amounted to SEK 0.56 (0.86).

## Significant events during the quarter

- On October 1, the Nomination Committee announced that Christian Kanstrup had been proposed as a new member of the Board of Directors. On October 2, shareholders were convened to an extraordinary general meeting on October 28, 2025.
- On October 27, a pilot project was launched with wearables company Ultrahuman, marking an important milestone in the company's SDK licensing strategy.
- On December 3 Luma, Sleep Cycle's AI-based sleep coach, was launched.
- On December 18, Sleep Cycle signed a multi-year technology license agreement with a global Internet of Things (IoT) company.

## Significant events after the end of the period

- On January 23 2026, Sleep Cycle announced that the company has signed a start-up agreement with a leading US-based clinical research organization (CRO) to conduct the validation phase of its clinical study for its AI-based sleep apnea screening tool, as the development phase enters its final stage.
- On January 28 2026, UK Health Security Agency and Sleep Cycle launch a research study focusing on how coughing and sleep-related signals can support earlier detection of respiratory trends in the UK.
- The Board of Directors proposes an ordinary dividend of 0.53 SEK per share, equivalent to 10,747 thousand SEK, based on the number of outstanding shares as of February 4, 2026.

## Group Key Performance Indicators

tSEK	Oct - Dec		Jan - Dec	
	2025	2024	2025	2024
Net sales	57,873	66,756	247,879	261,529
Net sales growth (%)	-13.3%	9.0%	-5.2%	10.7%
Currency-adjusted net sales growth (%)	-9.8%	8.0%	-3.4%	9.8%
Operating profit/loss	14,058	21,543	65,960	76,962
Operating margin (%)	24.3%	32.3%	26.6%	29.4%
Items affecting comparability	-	-	-	-5,756
Adjusted operating profit/loss	14,058	21,543	65,960	82,718
Adjusted operating margin (%)	24.3%	32.3%	26.6%	31.6%
Profit/loss for the period	11,382	17,519	53,209	62,642
<b>Operational key performance indicators</b>				
Total subscriptions (Thousands)	768	918	768	918
ARPU (SEK)	269	279	277	278
Currency-adjusted ARPU (SEK)	279	276	282	276
Average number of employees (#)	38	34	36	33

For definitions, justifications, and deductions see pages 17-18.

Sleep Cycle

Year-end report Oct - Dec 2025

2



# A year of deliberate choices

The fourth quarter rounded out a year of deliberate strategic choices. In a market where the traditional sleep app category remains under pressure, Sleep Cycle chose to accelerate its transformation rather than maintain the status quo. We strengthened our position and took concrete steps toward building a more diversified and resilient company, while laying the foundation for future growth opportunities at the same time. For the whole year, we achieved an EBIT margin of 26.6 percent, while net sales from partnerships increased by 59 percent.

## A profitable and evolving consumer business

The consumer business remains a core and profitable part of Sleep Cycle and an area where we are continuing to invest. During the quarter, we launched Luma, our AI-based sleep coach, marking an important step in how we use generative AI to deliver more personalized and scalable insights, with platform distribution in mind. Luma contributes to both increased engagement and higher conversion rates.

Downloads in app stores declined during the quarter, affecting net sales, which decreased by 13.3 percent compared to prior year, or 9.8 percent adjusted for currency effects. In this market environment, we increased our share of both downloads and revenue relative to our competitors, demonstrating that our brand and product continue to hold a strong position.

Our app provides a strong foundation for Sleep Cycle. It generates stable cash flows, market-leading user engagement, and provides the data, users, and distribution that make our broader platform ambitions possible. At the same time, we are aware of the high degree of maturity within the category and are actively working to develop the business beyond the app.

## Expansion beyond the app

Sleep Cycle is evolving from an app-focused company to a platform with multiple products, distribution channels, and revenue streams. Net sales from partnerships increased by 46 percent during the quarter and now represents 12 percent of total net sales.

Through our Sleep SDK and Powered by Sleep Cycle we license our proprietary AI-based sound analysis technology to partners seeking to integrate sleep-related experiences into their own products. We signed two technology license agreements during the year, one of which has already been launched. This confirms both the scalability of the technology and its relevance beyond our own app, positioning us in a technology licensing market estimated to be worth approximately SEK 3 billion.

## Advances in MedTech

With over three billion nights of sleep data analyzed and strong expertise in AI technology, we have a unique opportunity to address serious health challenges.

Sleep apnea is a significant global health problem, and our solution for screening sleep apnea has great potential to improve quality of life for millions of people, while also creating growth opportunities for the company. We made significant progress during the year, and the clinical study is now approaching the end of the development phase. Out of a total of 700 planned study nights, 250 nights have been completed, representing approximately 36 percent of the full study.

In January 2026, we decided to extend the validation phase through a collaboration with a specialized US-based clinical research partner. The validation phase, encompassing 400 nights, is expected to be completed in September 2026 and represents an important milestone ahead of planned regulatory submissions to the FDA and for CE marking. Conducting the extended validation

## STATEMENT BY THE CEO

phase in the US is considered a strategically important step to strengthen both the clinical evidence base and the long-term commercial potential.

Our ambition is to offer an easily accessible service for screening obstructive sleep apnea, without the need for special hardware and using only the user's iPhone. The solution is intended to be offered both directly through app stores and as an integral part of the Powered by Sleep Cycle offering. Sleep apnea is a significant global health challenge, and this opportunity addresses a market estimated at approximately SEK 10 billion.

### Capital allocation and outlook

We are now entering a new phase for Sleep Cycle, focused on creating long-term revenue growth. With early successes in our partnership strategy and an attractive opportunity within MedTech, we are deliberately increasing our investments to enable sustainable long-term growth.

We view 2026 as an investment-intensive year, with a focus on developing new business areas rather than maximizing short-term revenue growth. Investments include technology licensing through Powered by Sleep Cycle as well as continued development of our sleep apnea screening solution. These initiatives are intended to establish new revenue streams, but we assess that they will contribute only to a limited extent to net sales growth during 2026. Against this backdrop, we expect total net sales for the full year 2026 to be somewhat lower than the previous year.

This means that 2026 will be a year in which we prioritize building the structural foundations for future growth rather than driving short-term profitability. Our focus is on converting investments in technology, partnerships and MedTech into scalable businesses, with a clearer net sales contribution expected from 2027 onwards.

We expect net sales growth from these initiatives to gradually

accelerate from 2027 and beyond, as investments translate into commercial agreements, product launches and scalable licensing revenues. At the same time, these investments establish a solid foundation for long-term growth, higher total net sales and improved profitability over time.

The EBIT margin for the full year 2026 is expected to amount to approximately 5 percent. This is a deliberate and temporary effect of forward-looking investments and does not imply any change to our long-term profitability ambitions. Our financial targets remain unchanged, and as investments are converted into scalable revenues, we expect margins to recover to levels around 25 percent as early as 2027, supported by net sales growth and higher total net sales.

### Looking ahead

Sleep Cycle is a stronger and more diversified company today than it was a year ago. We are building new revenue streams, entering the MedTech market through sleep apnea screening, investing in future growth, and thus becoming less dependent on app stores. We are in ongoing discussions with several potential partners regarding technology licensing, including leading up to the launch of our sleep apnea solution under the Powered by Sleep Cycle brand.

We are entering the coming years with confidence in our strategy, clarity in our priorities, and a long-term ambition to create sustainable growth and shareholder value.

Thank you for your continued trust,



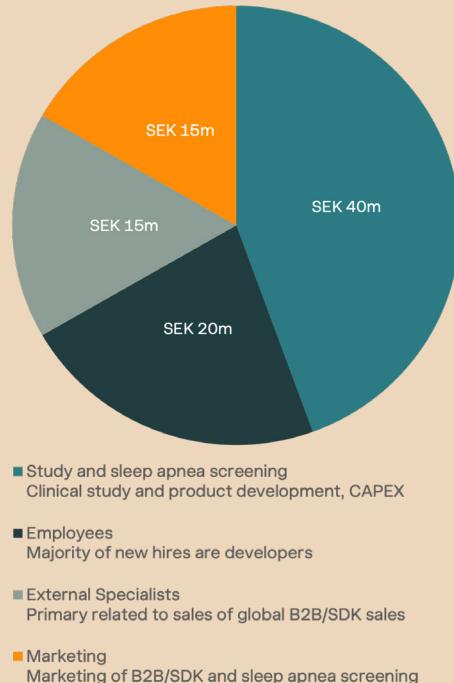
ERIK JIVMARK, CEO

### 2026 - investments for future growth

During 2026, Sleep Cycle will make substantial and targeted investments to create the conditions for long-term revenue growth. We see significant opportunities within sleep apnea screening, technology licensing and B2B partnerships, and are therefore investing broadly across these three areas.

In total, we expect to invest approximately SEK 90 million during the year. Of this amount, around SEK 40 million is expected to be treated as capitalized development costs, primarily related to sleep apnea screening and product development. The remaining portion will impact the income statement in the form of increased costs, mainly related to personnel, external specialists, and sales and marketing. At the same time, distribution costs are expected to decline naturally as sales via app stores decrease. The investments include technical development, continued scaling of the organization and strengthened commercial capacity. We will expand our internal workforce, engage additional external specialists, and complete and validate the comprehensive clinical study in sleep apnea that was initiated in 2025.

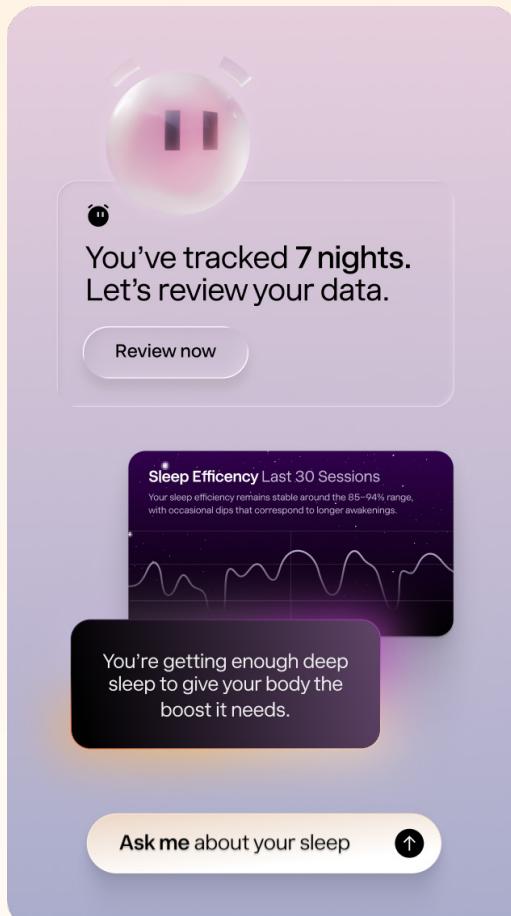
Overall, 2026 will be a year in which we prioritize building scalable businesses and new revenue streams, with a clear ambition for these investments to translate into growth from 2027 and onwards.



# AI and personalization

## - driving the next phase of the Sleep Cycle app

Sleep Cycle continues to power innovation in the app. During the quarter, the focus has been on developing a more intelligent, personalized, and proactive user experience through updates in design, AI-based functionality, and pricing. Taken together, these initiatives strengthen the app's long-term relevance, differentiation, and profitability.



### Luma - the next step in AI-driven sleep understanding

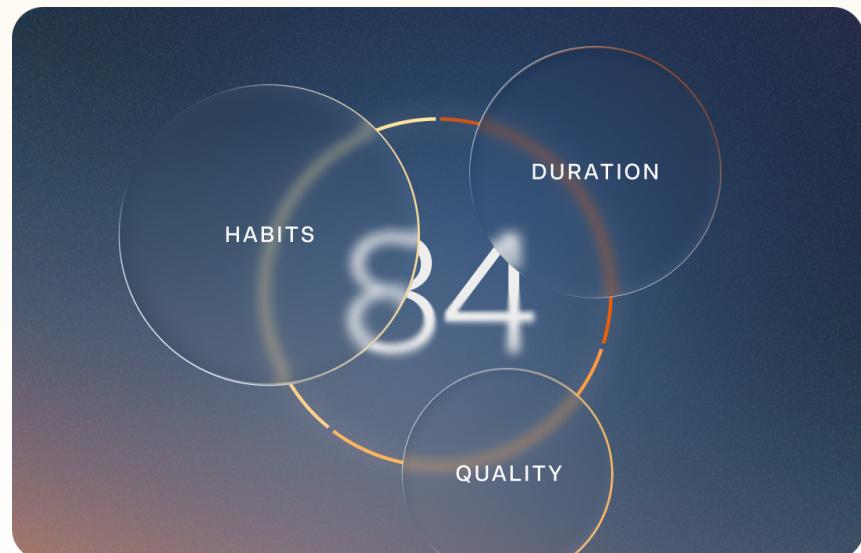
During the quarter, Sleep Cycle continued the development of Luma, the company's new AI-based sleep insight coach, which was presented in December. Luma is designed to make Sleep Cycle's comprehensive sleep data more accessible, understandable, and actionable for the user. By combining advanced AI models with contextual understanding, Luma can translate complex sleep analysis into personalized insights, recommendations, and reflections tailored to the individual user's lifestyle and sleep patterns. Luma is an important step in Sleep Cycle's ambition to move from reactive sleep measurement to more continuous and coaching support in everyday life.

### Updated Sleep Quality Score - launch in early 2026

During the quarter, Sleep Cycle also continued its work on further developing the Sleep Quality Score, one of the most important insights for our users. The updated version, made possible by our improved technology, will be launched in early 2026 and is based on improved models and a broader analysis of the user's sleep patterns over time. The goal is to provide a more transparent, reliable, and stable assessment of sleep quality that better reflects both short-term variations and long-term trends. The new Sleep Quality Score will provide an even stronger foundation for personalized insights, coaching, and future functionality.

### Preparing for integration with external AI platforms

At the same time, Sleep Cycle began work during the quarter on preparing the app's technical architecture for integration with external AI platforms. Further development of interfaces, data models, and security layers will create the conditions for the controlled and scalable use of generative AI services for analysis, dialogue, and personalized insights. This work strengthens the app's future-proofing and allows for faster development of new features, while Sleep Cycle retains full control over data quality, user privacy, and the underlying sleep analytics.



# "Powered by Sleep Cycle"

## - *strong momentum and growing B2B business*

Powered by Sleep Cycle continues to evolve into an increasingly important part of Sleep Cycle's business model. In the fourth quarter, the company signed agreements with three new B2B customers, confirming both the strong momentum established during the year and the increasing demand for Sleep Cycle's technology.

### Growing partnerships

Partnership revenue refers to commercial collaborations where Sleep Cycle's technology or app is offered as part of a partner's customer offering, with revenue paid by the partner rather than by individual consumers. These business models generate recurring revenue outside the traditional consumer business and contribute to a more diversified revenue base. The market size for technology licensing through the Sleep SDK is estimated at approximately SEK 3 billion.

The reported partnership revenue is currently mainly driven by existing app-based partnerships, which continue to show strong development. New technology license and platform agreements within Powered by Sleep Cycle are still at an early commercial phase, with revenues being recognized gradually as they are launched and scaled. Consequently, the full revenue potential from these agreements is not yet reflected in reported partnership revenue.

### New partnerships showing reach and scalability

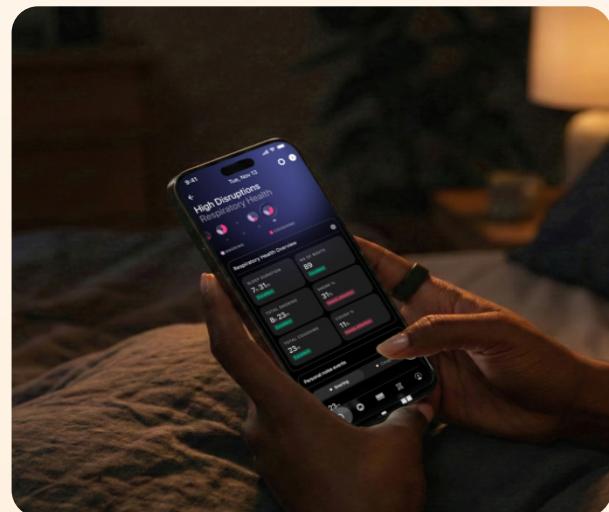
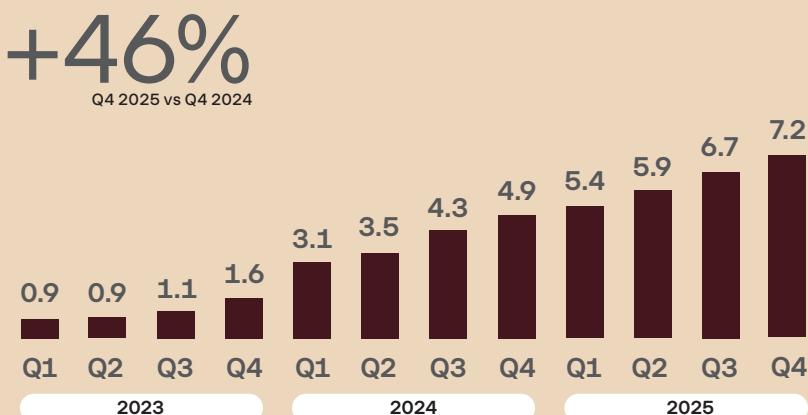
Two of the agreements clearly illustrate the reach of the technology. Through a collaboration with Ultrahuman, a fast-growing player in wearables and digital health, Sleep Cycle's SDK and audio-based sleep analysis are being integrated into Ultrahuman's platform to enhance and improve the sleep insights in their offering. The collaboration strengthens Sleep Cycle's presence in wearables and generates license-based revenue within Powered by Sleep Cycle. The second agreement is a multi-year license agreement with a global IoT company, where Sleep Cycle's audio-based sleep analysis is integrated directly into the partner's smart home products via Sleep SDK. The agreement is a clear demonstration of the company's technology licensing strategy and demonstrates how Sleep Cycle's core technology can be scaled into new product categories and usage environments beyond the mobile phone.

### From strategic initiative to structural deal

The third agreement is a commercial partnership with Urban Sports Club, where the Sleep Cycle app is included in the partner's customer offering. In this model, the partner bears the cost, which generates recurring income regardless of traditional consumer sales.

Together, these agreements demonstrate how Powered by Sleep Cycle has evolved from a strategic initiative into a growing and scalable B2B business, contributing to a more diversified revenue base and long-term value creation.

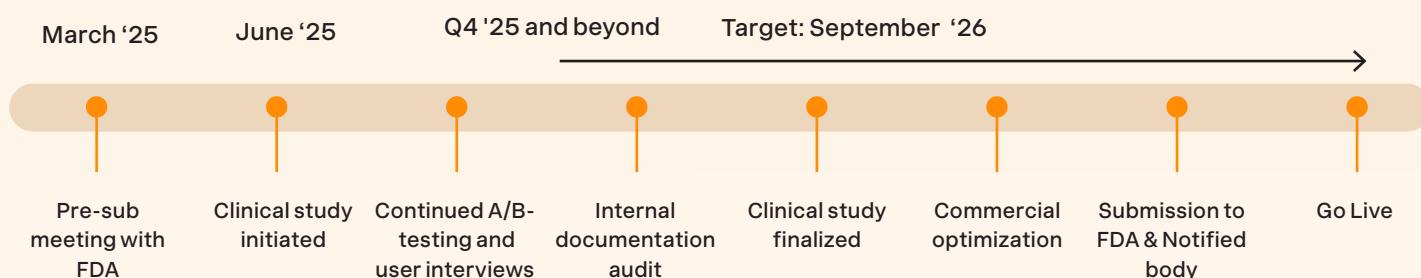
### Net sales from partnerships



# From development to validation- the next phase of Sleep Cycle's medical venture is approaching

During the fourth quarter, Sleep Cycle took an important step in the development of the company's AI-based solution for screening obstructive sleep apnea. The clinical study, which began in June 2025 and is proceeding according to plan, is nearing the end of the development phase. Of a total of approximately 700 planned nights, approximately 250 nights had been completed by the end of the fourth quarter, and the AI algorithm has thus entered its final stage. In light of this, the company has initiated the validation phase, comprising approximately 400 nights, in collaboration with a leading US clinical research organization (CRO).

The study is a key part of Sleep Cycle's ambition to offer a scalable, accessible, and cost-effective screening solution for sleep apnea. Following the decision to extend the study with a US-based validation phase, the full study is expected to be completed in September 2026.



## Validation in the US - a strategic and regulatory step

The decision to conduct the validation phase, comprising approximately 400 nights, in the USA reflects Sleep Cycle's strong belief in the technical robustness of the solution and the long-term value of the opportunity. The USA is the company's largest market, accounting for around 35% of its revenue. A US-based validation allows for a high-quality and coherent clinical dataset from a single country, which is expected to strengthen both the clinical evidence base and the competitiveness of the solution.

The US data is also expected to be an important asset in future discussions with regulatory authorities, as well as in partner and B2B discussions where clinical evidence is a determining factor for commercialization and scaling.



## A widespread and underdiagnosed medical need

Obstructive sleep apnea is a major global public health problem. It is estimated that around 950 million people aged 30-69 suffer from mild to severe sleep apnea, yet around 80% of cases go undiagnosed. Sleep apnea is estimated to affect more than 80 million people in the US alone. The condition is strongly associated with an increased risk of cardiovascular disease, stroke, and diabetes, which underscores the need for early and accessible screening.

The market for home-based sleep tests is estimated at approximately SEK 10 billion, which clearly demonstrates the commercial potential for scalable screening solutions that can serve as a first step toward further clinical evaluation.

## AI-based screening without external hardware

Sleep Cycle's solution is based on the company's proprietary sound-based AI technology and is designed to identify individuals at increased risk of sleep apnea using an iPhone. The solution is intended to serve not as a diagnostic tool, but as a screening tool that can guide users to further clinical assessment when warranted.

The initiative is closely linked to Sleep Cycle's broader platform strategy, where the same underlying technology can be used in both consumer products and B2B offerings in digital health.

# Growth through innovation

**Sleep Cycle's mission is to improve global health by helping people sleep better. In 2024, we launched an updated business strategy. It takes off from the trends that drive the market and creates opportunities for Sleep Cycle to achieve strong and profitable growth.**

Increased focus on health and well-being, understanding the importance of sleep to people's well-being, and the increased acceptance of subscription-based applications are all examples of structural global trends driving the sleep health market.

Sleep Cycle's strategy consists of three main areas – User Growth, User engagement, and Platform & Data – within which we implement a range of tactical activities to achieve our goals. The new strategy aims to aggressively focus on increased growth and to explore new revenue streams based on the unique technology and vast amount of data Sleep Cycle possesses.

Our strategy has an aggressive objective: Doubled income over the medium term with an annual profitability of at least 25% operating margin. With a strong core business as a foundation and a competent team, we are convinced that these goals can be achieved.



## Strategic focus areas



### User growth

This strategic initiative focuses on increasing visibility in earned channels through media exposure, simplified onboarding, continuous branding, new pricing strategy, and product development. 80 percent of new users come from recommendations, which demonstrates the product's quality and strong reputation.

Partnerships play a central role in reaching new customer segments and growing the user base, with tailored approaches to maximize performance for both the company and our partners.



### User engagement

Retaining users is crucial to our subscription-based business model, and active users mean increased retention opportunities. This part of the strategy focuses on developing our capabilities to improve data quality and further increase trust in Sleep Cycle. There are many meeting points along the customer journey where we can help our users not only to create good habits, but also to maintain them. In this work, personalization is key. Launches such as Sleep Stages are a clear example of how we employ our unique technology and collected data to make Sleep Cycle an important part of people's everyday lives and contribute to their well-being. This type of personalized functionality increases user engagement and is also important for increasing conversion to paying users.



### Platform and Data

Sleep Cycle's platform processes over 300,000 hours of sleep data every hour. This means a large volume of health data that in itself has great value but also enables product improvements and business opportunities.

The new technology behind Sleep Stages combines sound analysis of respiratory patterns and movements with AI and machine learning based on extensive polysomnographic data. This unique technology is also used to explore solutions for breathing disorders, such as sleep apnea, which is a major public health problem.

Thanks to our proprietary technology, Sleep Cycle has full control over the platform and its use, creating opportunities to broaden our commercial offering – something we strive to further develop.

# Financial overview

As all significant operations in the Group are conducted in the Parent Company, the comments below refer to both the Parent Company and the Group. For profit and cash flow, comparative figures refer to the corresponding period for prior year. For financial position, comparative figures refer to the balance sheet item as of December 31, 2024.

## Fourth quarter October –December 2025

### Sales and earnings

The fourth quarter was characterized by lower new customer sales in the consumer business, continued strong growth in partnership net sales, and sustained profitability despite increased growth-related investments. The Group's net sales in the fourth quarter amounted to tSEK 57,873 (66,756), a decrease of 13.3% (+9.0%) compared to prior year, as a result of lower new customer sales and negative currency effects following a weakened dollar. Currency-adjusted net sales growth amounted to -9.8% (8.0%). Sales to existing customers increased and renewal rates remained stable.

Average revenue per subscription (ARPU) amounted to SEK 269 (279), while currency-adjusted ARPU was SEK 279. Black Week and Christmas promotions negatively impacted ARPU in the quarter, in line with a tactical pricing strategy for new customer acquisition. The majority of subscriptions are annual subscriptions. The number of paying users totaled 768k (918k). The decline is explained by a lower influx of new subscribers, while the proportion renewing their subscriptions has remained stable over time at 45% (45%).

Net sales from partnership increased by 45.5% year-on-year and 7.4% compared to the third quarter, representing 12.4% of total net sales. The increase contributes to a more diversified and sustainable revenue base, reducing dependence on consumer sales and strengthening the company's long-term revenue profile.

Operating profit amounted to tSEK 14,058 (21,543), with an operating margin of 24.3% (32.3%). Profit was impacted by lower net sales and higher growth-related costs, in line with the strategy to broaden the revenue base, where investments precede revenues in the early stages. Staff costs amounted to tSEK 13,649 (13,657) and were largely unchanged compared with prior year. The average number of employees increased to 38 (34) for the quarter, due mainly to staff additions in product development, partnerships, and health technology. The quarter has not been affected by costs affecting comparability.

Currency fluctuations had a slight negative effect on profits, as sales are made in foreign currencies while payments from app stores are made in Swedish kronor. The currency-related effect on earnings amounted to tSEK -547, mainly attributable to USD.

Net financial items for the quarter totaled tSEK 316 (709) and taxes on profit for the quarter totaled tSEK -2,992 (-4,732). Profit for the quarter totaled tSEK 11,382 (17,519). Earnings per share before and after dilution amounted to SEK 0.56 (0.86).

### Cash flow and financial position

Cash flow from operating activities amounted to tSEK 10,792 (17,298), due to lower operating profit. Cash flow from investing activities amounted to tSEK -3,814 (-1,399) attributable to capitalized development expenses related to the sleep apnea screening initiatives and the Sleep SDK. Cash flow from financing activities in the quarter totaled tSEK -771 (-1,061) related to the repayment of leasing liabilities. Cash flow for the quarter totaled tSEK 6,207 (14,838). The group's cash and cash equivalents at the end of the period totaled tSEK 120,846 (145,234).

Consolidated equity amounted to tSEK 71,833 as of December 31. Opening balance on January 1 was tSEK 79,457.

## Whole year January – December 2025

The changes in sales, profit, cash flow, and financial position for the year 2025 compared to prior year are mainly explained by the same factors as in the fourth quarter. Below is a summary of developments over the twelve-month period, with comments where other factors have been significant.

### Sales and earnings

Overall, the whole year 2025 was characterized by continued strong profitability, high cash generation, and a gradually diversifying business model. The Group's net sales for the whole year amounted to tSEK 247,879 (261,529), which is a decrease of 5.2% (+10.7%) compared with prior year. Currency-adjusted net sales growth amounted to -3.4% (9.8%). Average revenue per user (ARPU) decreased, totaling SEK 277 (278). Currency-adjusted ARPU amounted to SEK 282. The number of paying users totaled 768k (918k).

Operating profit amounted to tSEK 65,960 (76,962), with an operating margin of 26.6% (29.4%). The whole year 2025 has not been affected by any costs affecting comparability. The previous year was affected by costs affecting comparability of tSEK 5,756 related to the restructuring and consolidation of operations to the head office in Gothenburg. The adjusted operating margin in the prior year was 31.6%. Operating profit was affected by lower revenues and higher external costs as a result of the strategy to broaden the revenue base in the longer term. Currency fluctuations had a negative impact on profits. Currency-related effects amounted to tSEK -4,200, relating mainly to USD.

Net financial income/expense for the year totaled tSEK 1,155 (2,183) and tax on profit for the period totaled tSEK -13,906 (-16,504). Profit for the year totaled tSEK 53,209 (62,642). Earnings per share before and after dilution amounted to SEK 2.62 (3.09).

### Cash flow and financial position

Cash flow from operations amounted to tSEK 52,931 (63,657). Cash flow from investment activities amounted to tSEK -13,153 (-3,923) related to capitalization of development expenses. The change is explained by higher capitalization of development expenses related to sleep apnea screening, Sleep SDK, and other initiatives in line with the company's strategy. Cash flow from financing activities amounted to tSEK -64,192 (-48,358) during the period, mainly related to dividend payments. Cash flow for the year amounted to tSEK -24,413 (11,377). The group's cash and cash equivalents at end of year totaled tSEK 120,846 (145,234).

Consolidated equity amounted to tSEK 71,833 as of December 31. Opening balance on January 1 was tSEK 79,457.

# Other information

## Employees

The average number of employees in the group for the quarter from October to December 2025 was 38 (34) and for the period from January to December 2025 was 36 (33).

## Information on risks and uncertainties

The group's over-arching risk management aims to minimize negative effects on profit and position. Significant risks and uncertainties are described in the annual report for 2024.

No significant events have occurred during the period that affect or change the descriptions of the Group's risks and their management.

## Parent Company

The Group's operations are essentially conducted in the parent company, which is why reference is made to the information above for the Group.

## Related party transactions

There have been no related-party transactions aside from transactions with senior executives in their capacity as such.

## Dividend

The Board of Directors of Sleep Cycle AB (publ) has adopted a dividend policy with the objective that, over time, dividends shall amount to between 40-60 percent of annual profit after tax.

Sleep Cycle has a history of solid profitability and strong cash generation. At the same time, the company is in a phase where investments in new business areas, technology licensing and medical technology are prioritized in order to create long-term revenue growth and shareholder value. Against this background, the Board of Directors has decided to propose a lower dividend for the financial year 2025, with the aim of enabling continued reinvestment in the business.

The Board of Directors proposes an ordinary dividend of SEK 0.53 per share, corresponding to a total distribution of tSEK 10,747, based on the number of shares outstanding as of February 4, 2026. The remaining portion of the year's profit is intended to be used to finance the company's strategic initiatives and growth investments.

The Board of Directors will continue to regularly evaluate the company's capital allocation and the best alternatives for long-term value creation for shareholders.

The last day of trading with dividend rights is April 13, 2026 and the proposed record date for the dividend is April 15, 2026. Euroclear expects to send the dividend to shareholders on April 20, 2026.

## Annual general meeting and annual report

The Annual General Meeting will be held on April 13, 2026 in Gothenburg. The notice will contain practical information regarding registration and attendance. Sleep Cycle's annual report for 2025 is expected to be published on the company website in week 11.

## Other information

This report has not been reviewed by the Company's auditors.

On February 4 at 9:30 a.m., a presentation of Sleep Cycle's year-end report for 2025 will be held for shareholders, the media, and other stakeholders. Participants will be able to follow the presentation via a webcast.

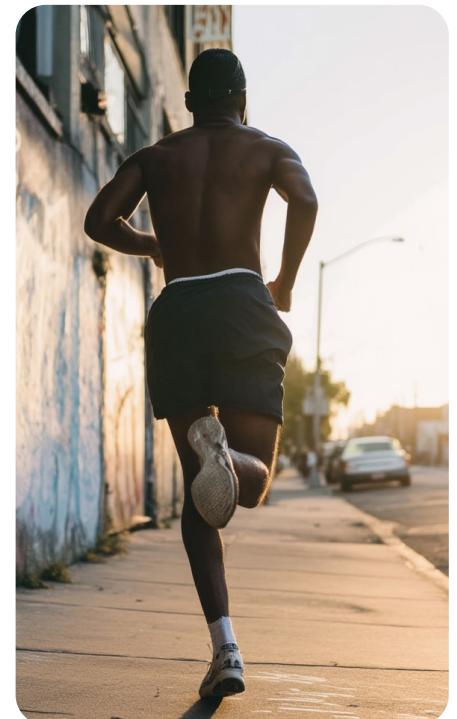
This is a translation of the original Swedish Sleep Cycle year-end report 2025. In the event of any discrepancies between the two versions, the original Swedish version shall apply.

## Upcoming reporting dates

Interim report Jan-Mar 2026  
29 April, 2026

Interim report Apr-Jun 2026  
August 26, 2026

Interim report Jul-Sep 2026  
October 23, 2026



# The share

The Company's share has been listed on Nasdaq Stockholm under the ticker SLEEP since June 8, 2021. Share capital on the balance sheet date totaled tSEK 563.

## Outstanding warrant program

Warrant program	Number of warrants	Corresponding number of shares	% of total number of shares	Exercise price	Exercise period
2021/2026 (CEO LTIP)	340,909	419,318	2.1%	196.87	2026
2023/2027 (CEO LTIP)	100,000	100,000	0.5%	52.60	2027
2024/2027	800,000	800,000	3.9%	59.20	2027
<b>Total</b>	<b>1,240,909</b>	<b>1,319,318</b>	<b>6.5%</b>		

## Main shareholders in Sleep Cycle AB (publ) as of December 31, 2025

Owner	Number of shares	Votes and capital
Maciej Drejak through company	8,707,984	42.9%
Pierre Siri through company	4,047,686	20.0%
Avanza Pension	890,557	4.4%
Nordnet Pensionsförsäkring	836,543	4.1%
Lancelot Asset Management AB	650,000	3.2%
Cancerfonden - The Swedish Cancer Society	339,993	1.7%
Magnus Konrad	178,000	0.9%
Johan Qviberg	170,000	0.8%
Storebrand Asset Management	148,373	0.7%
Handelsbanken Fonder	113,500	0.6%
Other	4,194,927	20.7%
<b>Total</b>	<b>20,277,563</b>	<b>100%</b>

# Consolidated statement of comprehensive income

tSEK	Note	Oct - Dec		Jan - Dec	
		2025	2024	2025	2024
<b>Operating income</b>					
Net sales	4	57,873	66,756	247,879	261,529
Other operating income		53	47	335	355
<b>Operating expenses</b>					
Capitalized work for own account		925	200	3,020	447
Distribution costs		-11,191	-14,540	-50,816	-57,862
Other external expenses		-17,525	-14,831	-68,569	-58,489
Personnel expenses		-13,649	-13,657	-54,878	-60,104
Depreciation and impairment of tangible and intangible assets		-1,732	-2,355	-6,089	-8,624
Other operating expenses		-695	-78	-4,922	-290
<b>Operating profit/loss</b>		<b>14,058</b>	<b>21,543</b>	<b>65,960</b>	<b>76,962</b>
<b>Financial items</b>					
Financial income		405	846	1,575	2,868
Financial expenses		-89	-137	-420	-685
<b>Profit before tax</b>		<b>14,374</b>	<b>22,252</b>	<b>67,115</b>	<b>79,145</b>
Tax on profit for the period		-2,992	-4,732	-13,906	-16,504
<b>Profit for the period attributable to the parent company's shareholders</b>		<b>11,382</b>	<b>17,519</b>	<b>53,209</b>	<b>62,642</b>
Other comprehensive income		-	-	-	-
<b>Comprehensive income for the period attributable to the parent company's shareholders</b>		<b>11,382</b>	<b>17,519</b>	<b>53,209</b>	<b>62,642</b>
Earnings per share before dilution, SEK		0.56	0.86	2.62	3.09
Earnings per share after dilution, SEK		0.56	0.86	2.62	3.09
Average number of shares outstanding for the period before dilution		20,277,563	20,277,563	20,277,563	20,277,563
Average number of shares outstanding for the period after dilution		20,277,563	20,277,563	20,277,563	20,277,563

# Consolidated statement of financial position

tSEK	Note	12/31/2025	12/31/2024
<b>Assets</b>			
<b>Intangible fixed assets</b>			
Capitalized development expenditures		15,602	4,787
Patent		-	-
<b>Total intangible fixed assets</b>		<b>15,602</b>	<b>4,787</b>
<b>Tangible fixed assets</b>			
Right-of-use assets		6,916	10,799
Cost of improvement on other's property		626	917
Equipment and computers		785	1,316
<b>Total tangible fixed assets</b>		<b>8,327</b>	<b>13,032</b>
<b>Financial assets</b>			
Other long-term receivables		-	24
<b>Total financial assets</b>		<b>-</b>	<b>24</b>
<b>Deferred tax</b>			
Deferred prepaid tax		191	148
<b>Total deferred tax</b>		<b>191</b>	<b>148</b>
<b>Current assets</b>			
Accounts receivable		29,427	41,199
Other receivables		1,724	678
Prepaid expenses and accrued income		24,031	31,391
Cash and cash equivalents		120,846	145,234
<b>Total current assets</b>		<b>176,027</b>	<b>218,502</b>
<b>Total assets</b>		<b>200,148</b>	<b>236,493</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital		563	563
Other contributed capital		2,744	2,744
Retained earnings, including profit for the year		68,526	76,150
<b>Total equity attributable to the parent company's shareholders</b>		<b>71,833</b>	<b>79,457</b>
<b>Long-term liabilities</b>			
Leasing liabilities		4,199	7,379
<b>Total long-term liabilities</b>		<b>4,199</b>	<b>7,379</b>
<b>Current liabilities</b>			
Leasing liabilities		3,180	4,364
Accounts payable		14,425	14,704
Current tax liabilities		524	518
Other liabilities		2,984	3,257
Accrued expenses and deferred income		103,002	126,815
<b>Total current liabilities</b>		<b>124,116</b>	<b>149,658</b>
<b>Total equity and liabilities</b>		<b>200,148</b>	<b>236,493</b>

# Consolidated statement of changes in equity

tSEK	Attributable to the parent company's shareholders	
	12/31/2025	12/31/2024
Opening balance	79,457	60,998
Comprehensive income for the period	53,209	62,642
Dividend	-60,833	-46,638
Warrant premiums	-	2,456
Closing balance	71,833	79,457

# Consolidated cash flow statement

tSEK	Note	Oct - Dec		Jan - Dec	
		2025	2024	2025	2024
<b>Cash flow from operating activities</b>					
Operating profit/loss		14,058	21,543	65,960	76,962
Adjustments for items not included in cash flow:					
Depreciation and impairment		1,732	2,355	6,089	8,624
Other items not affecting cash flow		-	-	-52	-
Interest received		405	846	1,575	2,868
Interest paid		-89	-137	-420	-685
Tax paid		-293	-2,025	-13,943	-13,903
Cash flow from operating activities before changes in working capital		15,813	22,581	59,209	73,866
<b>Change in working capital</b>					
Change in operating receivables		275	-1,771	18,086	-1,355
Change in operating liabilities		-5,296	-3,511	-24,364	-8,853
Cash flow from operating activities		10,792	17,298	52,931	63,657
<b>Investment activities</b>					
Capitalization of development expenses		-3,765	-1,399	-13,104	-3,261
Acquisition of tangible fixed assets		-48	-	-48	-661
Cash flow from investment activities		-3,814	-1,399	-13,153	-3,923
<b>Financing activities</b>					
Repayment of leasing liabilities		-771	-1,061	-3,359	-4,175
Warrant premiums		-	-	-	2,456
Dividend		-	-	-60,833	-46,638
Cash flow from financing activities		-771	-1,061	-64,192	-48,358
Cash flow for the period		6,207	14,838	-24,413	11,377
Liquid funds at the beginning of the period		114,639	129,985	145,234	133,471
Reclassification of cash and cash equivalents		-	411	24	387
Liquid funds at the end of the period		120,846	145,234	120,846	145,234

# Parent company income statement

tSEK	Note	Oct - Dec		Jan - Dec	
		2025	2024	2025	2024
<b>Operating income</b>					
Net sales		57,873	66,756	247,879	261,529
Other operating income		53	47	283	355
Capitalized work for own account		925	200	3,020	447
<b>Operating expenses</b>					
Distribution costs		-11,191	-14,540	-50,816	-57,862
Other external expenses		-18,385	-16,490	-71,877	-63,733
Personnel expenses		-13,649	-13,657	-54,878	-60,104
Depreciation and impairment of tangible and intangible assets		-963	-807	-3,159	-3,818
Other operating expenses		-695	-78	-4,922	-290
<b>Operating profit/loss</b>		<b>13,966</b>	<b>21,431</b>	<b>65,530</b>	<b>76,524</b>
<b>Profit from financial items</b>					
Interest income and similar income		405	846	1,575	2,868
Interest expenses and similar expenses		-	-	-	-68
<b>Profit after financial items</b>		<b>14,372</b>	<b>22,277</b>	<b>67,105</b>	<b>79,324</b>
<b>APPROPRIATIONS</b>					
Group contributions		-10	-50	-10	-50
<b>Profit before tax</b>		<b>14,362</b>	<b>22,227</b>	<b>67,095</b>	<b>79,274</b>
Tax on profit for the period		-2,992	-4,737	-13,902	-16,539
<b>Profit/loss for the period</b>		<b>11,370</b>	<b>17,490</b>	<b>53,193</b>	<b>62,736</b>
<b>Comprehensive income for the period</b>		<b>11,370</b>	<b>17,490</b>	<b>53,193</b>	<b>62,736</b>

Since the parent company has no items recognized as other comprehensive income, total comprehensive income for the period is equal to profit for the period.

# Parent company balance sheet

TSEK	Note	12/31/2025	12/31/2024
<b>Assets</b>			
<b>Intangible fixed assets</b>			
Capitalized development expenditures		15,602	4,787
Patent		-	-
<b>Total intangible fixed assets</b>		<b>15,602</b>	<b>4,787</b>
<b>Tangible fixed assets</b>			
Cost of improvement on other's property		626	917
Equipment and computers		785	1,316
<b>Total tangible fixed assets</b>		<b>1,411</b>	<b>2,233</b>
<b>Financial assets</b>			
Participations in group companies		50	50
Deferred prepaid tax		96	49
Other long-term receivables		-	24
<b>Total financial assets</b>		<b>146</b>	<b>123</b>
<b>Total fixed assets</b>		<b>17,159</b>	<b>7,143</b>
<b>Current receivables</b>			
Accounts receivable		29,427	41,199
Other receivables		1,724	678
Prepaid expenses and accrued income		24,031	31,391
<b>Total current receivables</b>		<b>55,182</b>	<b>73,267</b>
<b>Short-term investments</b>			
Other short-term investments		80,000	80,000
<b>Total short-term investments</b>		<b>80,000</b>	<b>80,000</b>
Cash and bank balances		40,707	65,136
<b>Total current assets</b>		<b>175,889</b>	<b>218,404</b>
<b>Total assets</b>		<b>193,048</b>	<b>225,547</b>
<b>Equity and liabilities</b>			
<b>Restricted equity</b>			
Share capital		563	563
Fund for development expenditures		15,602	4,787
<b>Total restricted equity</b>		<b>16,166</b>	<b>5,350</b>
<b>Unrestricted equity</b>			
Share premium fund		2,744	2,744
Retained earnings		-	8,913
Profit/loss for the period		53,193	62,736
<b>Total unrestricted equity</b>		<b>55,937</b>	<b>74,392</b>
<b>Total equity</b>		<b>72,102</b>	<b>79,742</b>
<b>Current liabilities</b>			
Accounts payable		14,425	14,704
Liabilities to group companies		10	50
Current tax liabilities		524	518
Other liabilities		2,984	3,257
Accrued expenses and deferred income		103,002	127,276
<b>Total current liabilities</b>		<b>120,946</b>	<b>145,805</b>
<b>Total equity and liabilities</b>		<b>193,048</b>	<b>225,547</b>

# Notes

## Note 1 General information

The address of the company's registered office is Drakegatan 10, 412 50 Gothenburg, Sweden. Sleep Cycle is developing one of the world's most widely used sleep platforms. Sleep Cycle's sleep solutions help users fall asleep more easily, measure sleep habits and improve sleep and with the extensive sleep database contribute to improved sleep habits and increased sleep awareness worldwide. The business is essentially conducted in the parent company. The parent company's holding of shares in group companies as of December 31, 2025 consists of the wholly owned subsidiary Sleep Cycle Sverige AB (559278-9688).

## Note 2 Accounting principles

The consolidated financial statement for Sleep Cycle AB has been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, the Swedish Annual Accounts Act (ÅRL) and the Swedish Financial Reporting Board's RFR 1 "Supplementary accounting rules for groups". The parent company's financial statements are prepared in

accordance with the Annual Accounts Act and RFR 2, "Accounting for Legal Entities." This interim report has been prepared in accordance with IAS 34 "Interim Financial Reporting." Disclosures in accordance with IAS 34 are provided in notes as well as elsewhere in the interim report. The accounting principles and calculation methods applied are in accordance with those described in the annual report for 2024. New standards and interpretations that came into force on January 1, 2025 have not had any effect on the group's or the parent company's financial reports for the interim period.

## Note 3 Segment information

Sleep Cycle's CEO, as the most senior executive decision-maker, monitors and analyses profit and loss and the financial position of the group in its entirety. The CEO does not track results at a level lower than the Group as a whole. The CEO thereby also decides on allocation of resources, and makes strategic decisions based on the Group as a whole. Based on the above analysis, which is itself based on IFRS 8, it is concluded that the Sleep Cycle group consists of a single reporting segment.

## Note 4 Distribution of net sales

tSEK	Oct - Dec		Jan - Dec	
	2025	2024	2025	2024
Subscription income	53,758	63,910	233,794	252,100
Other income	4,114	2,847	14,085	9,429
<b>Total</b>	<b>57,873</b>	<b>66,756</b>	<b>247,879</b>	<b>261,529</b>

For the fourth quarter, 12.4% (7.4%) of net sales were generated from partnerships. For the period January to December, 10.2% (6.1%) of net sales were generated from partnerships.

## Note 5 Financial instruments

tSEK	12/31/2025	12/31/2024
<b>Financial assets valued at amortized cost</b>		
Accounts receivable	29,427	41,199
Other receivables	6	34
Accrued income	1,237	696
Cash and cash equivalents	120,846	145,234
<b>Total financial assets</b>	<b>151,515</b>	<b>187,163</b>
<b>Financial liabilities valued at amortized cost</b>		
Accounts payable	14,425	14,704
Accrued expenses	3,396	4,264
<b>Total financial liabilities</b>	<b>17,821</b>	<b>18,968</b>

Sleep Cycle does not hold any financial instruments that are valued and reported at fair value. For all financial assets and liabilities, the carrying amount is considered as above to be a reasonable approximation of fair value.

## Note 6 Accrued expenses and deferred income

tSEK	12/31/2025	12/31/2024
Contractual liabilities (deferred income)	88,413	116,782
Accrued staff-related costs	10,699	5,973
Other items	3,890	4,060
<b>Total</b>	<b>103,002</b>	<b>126,815</b>

# Definitions of key performance indicators and calculations

Sleep Cycle applies the guidelines for alternative key performance indicators issued by ESMA. This report presents certain financial key performance ratios, including alternative key performance indicators which are not defined under IFRS. The Company considers these key performance indicators an important complement, as they facilitate a better evaluation of the Company's financial trends. These financial indicators should not be assessed independently or considered substitutes for performance indicators calculated in accordance with IFRS. In addition, such key performance indicators, as defined by Sleep Cycle, should not be compared with other key performance indicators with similar names utilized by other companies. This is because the key performance indicators below are not always defined in the same way, and other companies may calculate them differently than Sleep Cycle.

Key performance indicators	Definition	Background of the use of the key performance indicator
Net sales growth	Change in net sales compared with the same period of prior year.	The measure shows the company's growth in net sales compared with the same period of prior year.
Currency-adjusted net sales growth	Defined as net sales for the year divided by net sales for the previous year translated at average exchange rates for the year.	Used to measure the company's underlying net sales growth adjusted for currency effects.
Operating profit/loss	Operating profit before interest and tax.	Operating profit is used to understand the company's earning capacity.
Operating margin	Operating profit as a percentage of the company's net sales.	Operating margin is an indication of the company's earning capacity in relation to net sales.
Items affecting comparability	Items of a non-recurring nature that are not part of normal business and therefore affect comparison between different periods. Refers to costs related to IPO in 2021, public cash offer in 2022, cost savings in 2023, and reorganization in 2024.	The measure is used to understand the company's development and comparison between the years.
Adjusted operating profit/loss	Operating profit adjusted for items affecting comparability.	Adjusted operating profit is used to understand the company's earning capacity adjusted for items affecting comparability.
Adjusted operating margin	Adjusted operating profit as a percentage of the company's net sales.	Adjusted operating margin is used to understand the company's earning capacity adjusted for items affecting comparability.
Total subscriptions	Total number of subscriptions at the end of the period (closing balance).	The measure indicates how many subscribers the company has at the end of the period.
Subscription income	Income attributable to a paying subscriber.	Subscription revenue is used to measure the company's revenue generation from subscribers.
ARPU	Average annual subscription revenue per subscriber during the period. Quarters and periods are annualized.	The measure indicates the company's subscription income per subscription on average during the period.
Currency-adjusted ARPU	Average annual subscription revenue per subscriber during the period converted at the previous year's average exchange rates. Quarters and periods are annualized.	The metric indicates the company's average subscription revenue per subscription adjusted for currency effects.

# Reconciliation of alternative key performance indicators

The table below derives from the calculation of alternative key performance indicators not defined in accordance with IFRS or where the calculation is not shown in another table in this report.

## Net sales growth and currency-adjusted net sales growth

tSEK	Oct - Dec		Jan - Dec	
	2025	2024	2025	2024
Net sales previous period	66,756	61,254	261,529	236,146
Net sales current period	57,873	66,756	247,879	261,529
<b>Net sales growth</b>	<b>-13.3%</b>	<b>9.0%</b>	<b>-5.2%</b>	<b>10.7%</b>
Currency-adjusted net sales previous period	64,160	61,812	256,604	238,186
Net sales current period	57,873	66,756	247,879	261,529
<b>Currency-adjusted net sales growth</b>	<b>-9.8%</b>	<b>8.0%</b>	<b>-3.4%</b>	<b>9.8%</b>

## Operating profit and operating margin

tSEK	Oct - Dec		Jan - Dec	
	2025	2024	2025	2024
Net sales	57,873	66,756	247,879	261,529
Other operating income	53	47	335	355
Capitalized work for own account	925	200	3,020	447
Distribution costs	-11,191	-14,540	-50,816	-57,862
Other external expenses	-17,525	-14,831	-68,569	-58,489
Personnel expenses	-13,649	-13,657	-54,878	-60,104
Depreciation and impairment of tangible and intangible assets	-1,732	-2,355	-6,089	-8,624
Other operating expenses	-695	-78	-4,922	-290
<b>Operating profit/loss</b>	<b>14,058</b>	<b>21,543</b>	<b>65,960</b>	<b>76,962</b>
<b>Operating margin</b>	<b>24.3%</b>	<b>32.3%</b>	<b>26.6%</b>	<b>29.4%</b>

## Adjusted operating profit and adjusted operating margin

tSEK	Oct - Dec		Jan - Dec	
	2025	2024	2025	2024
Operating profit/loss	14,058	21,543	65,960	76,962
<b>Items affecting comparability</b>				
Other external expenses	-	-	-	-794
Personnel expenses	-	-	-	-4,962
<b>Total items affecting comparability</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-5,756</b>
<b>Adjusted operating profit/loss</b>	<b>14,058</b>	<b>21,543</b>	<b>65,960</b>	<b>82,718</b>
<b>Adjusted operating margin</b>	<b>24.3%</b>	<b>32.3%</b>	<b>26.6%</b>	<b>31.6%</b>

During the first quarter of 2024, a total of tSEK 5,756 has been adjusted for related to reorganization, of which tSEK 794 relates to other external costs and tSEK 4,962 relates to personnel costs.

## ARPU and currency-adjusted ARPU

tSEK	Oct - Dec		Jan - Dec	
	2025	2024	2025	2024
Subscription income	53,758	63,910	233,794	252,100
Currency-adjusted subscription income	55,857	63,314	237,982	250,220
Number of subscriptions previous period (thousands)	832	915	918	893
Number of subscriptions current period (thousands)	768	918	768	918
<b>ARPU (SEK)</b>	<b>269</b>	<b>279</b>	<b>277</b>	<b>278</b>
<b>Currency-adjusted ARPU (SEK)</b>	<b>279</b>	<b>276</b>	<b>282</b>	<b>276</b>

# Submission of year-end report january-december 2025

The Board of Directors and CEO assure that the year-end report provides a fair and accurate overview of the operations, financial position and earnings of the parent company and group and describes significant risks and uncertainties that the parent company and the companies included in the group face.

## Contact

For further information, please contact:

**Erik Jivmark, CEO**

Tel: +46 72-159 20 23

email: erik.jivmark@sleepcycle.com

**Elisabeth Hedman, CFO and Head of Investor Relations**

Tel: +46 76-282 89 58

email: elisabeth.hedman@sleepcycle.com

Gothenburg, February 4, 2026

**Anne Broeng**  
Chairman of the Board

**Christian Kanstrup**  
Board member

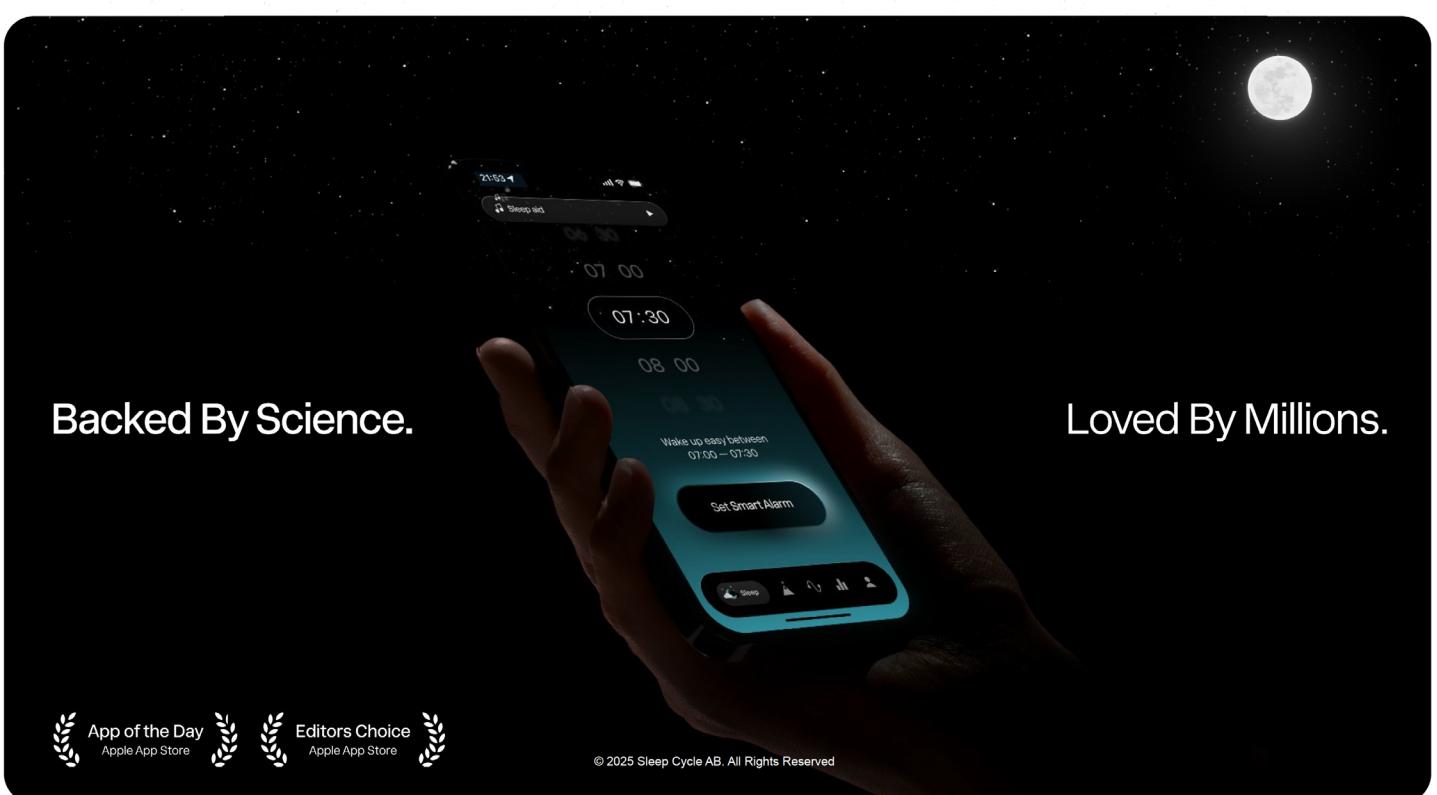
**Hans Skruvfors**  
Board member

**Sleep Cycle AB (publ)**  
Business reg. No. 556614-7368,  
Drakegatan 10, 412 50 Gothenburg  
<https://investors.sleepcycle.com/>

**Mathias Høyer**  
Board member

**Maciej Drejak**  
Board member

**Erik Jivmark**  
CEO



© 2025 Sleep Cycle AB. All Rights Reserved