

 Sleep Cycle

Interim report July-September 2025

Sleep Cycle AB (publ)

"We are building a stronger and more resilient Sleep Cycle – where technology, partnerships, and innovation drive the next phase of our growth."

ERIK JIVMARK, CEO

Third quarter

July – September 2025

- Net sales totaled tSEK 61,523 (65,873) and decreased by 6.6% (+8.4%). Currency-adjusted net sales growth amounted to -4.7% (9.9%).
- Operating profit amounted to tSEK 16,792 (20,612), with an operating margin of 27.3% (31.3%). The quarter has not been affected by any costs affecting comparability.
- The total number of paying subscribers at end of period was 832k (915k).
- ARPU in the quarter totaled SEK 271 (280). Currency-adjusted ARPU amounted to SEK 276.
- Earnings per share before and after dilution for the quarter amounted to SEK 0.67 (0.82).

Period

January – September 2025

- Net sales totaled tSEK 190,007 (194,772) and decreased by 2.4% (+11.4%). Currency-adjusted net sales growth amounted to -1.3% (10.5%).
- Operating profit amounted to tSEK 51,902 (55,419), with an operating margin of 27.3% (28.5%). The previous year was affected by costs affecting comparability of tSEK 5,756 and the adjusted operating margin was 31.4%.
- The total number of paying subscribers at end of period was 832k (915k).
- ARPU for the period totaled SEK 274 (278). Currency-adjusted ARPU amounted to SEK 277.
- Earnings per share before and after dilution amounted to SEK 2.06 (2.23) for the period.

Significant events during the quarter

- On September 15, a new Liquid Glass design was launched in conjunction with Apple's iOS 26 release, and plans for an AI sleep coach were announced.
- On September 30, it was announced that Sleep Cycle is launching the Sleep SDK (Software Development Kit) and strengthening the "Powered by Sleep Cycle" strategy for external partners.

Significant events after the end of the quarter

- On October 1, the Nomination Committee announced that Christian Kanstrup had been proposed as a new member of the board and that they intended to convene an Extraordinary General Meeting.
- On October 2, the shareholders were invited to an Extraordinary General Meeting to be held on October 28, 2025, in relation to the Nomination Committee's proposal above.

Group key performance indicators

tSEK	Jul - Sep		Jan - Sep		Jan - Dec
	2025	2024	2025	2024	2024
Net sales	61,523	65,873	190,007	194,772	261,529
Net sales growth (%)	-6.6%	8.4%	-2.4%	11.4%	10.7%
Currency-adjusted net sales growth (%)	-4.7%	9.9%	-1.3%	10.5%	9.8%
Operating profit/loss	16,792	20,612	51,902	55,419	76,962
Operating margin (%)	27.3%	31.3%	27.3%	28.5%	29.4%
Items affecting comparability	-	-	-	-5,756	-5,756
Adjusted operating profit/loss	16,792	20,612	51,902	61,176	82,718
Adjusted operating margin (%)	27.3%	31.3%	27.3%	31.4%	31.6%
Profit/loss for the period	13,547	16,637	41,827	45,122	62,642
Operational key performance indicators					
Total subscriptions (Thousands)	832	915	832	915	918
ARPU (SEK)	271	280	274	278	278
Currency-adjusted ARPU (SEK)	276	284	277	276	276
Average number of employees (#)	36	30	35	33	33

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

Continued momentum in transformation

The third quarter was characterized by continued progress in Sleep Cycle's transformation. With stable growth in partnerships of 55 percent compared to the previous year, corresponding to 11 percent of the total quarterly revenue, we are seeing good momentum in our strategic initiatives that strengthen the company's position for the future.

We achieved an EBIT margin of 27.3 percent while making progress in technology licensing, clinical validation, and product innovation—areas that together build a more resilient and diversified company.



Strong momentum to capture new opportunities

By successfully implementing our strategy *Powered by Sleep Cycle* and launching *Sleep SDK* we have positioned the company to take advantage of new opportunities in technology licensing. In the coming quarters, we will build on this strong momentum to accelerate growth. At the same time, our sleep apnea screening initiative is progressing, with approximately 20 percent of the clinical study now completed—an important milestone on the road to medical certification and future commercialization. Together, these investments strengthen our foundation and bring us closer to growth beyond the consumer app segment.

Improved user experience and stronger revenue base

In the third quarter, total net sales decreased by 6.6 percent compared with the previous year, or 4.7 percent adjusted for currency effects, reflecting a continued slowdown in the market for consumer-facing sleep apps after several years of strong growth. The number of paying subscribers amounted to 832,000, a decrease of 9 percent compared to the previous year. This is a natural consequence of our focus on revenue quality over volume. Our consumer business continues to perform well relative to the category as a whole, supported by price adjustments, high engagement, and continuous product innovation, and we are gradually winning additional market share in the segment.

In September, price increases of around 10 percent were implemented for new sales in major markets such as the US — a step that will strengthen growth over time while maintaining demand. In the fourth quarter, we continue to adjust pricing, focusing on revenue rather than subscriber growth. The pace of innovation in the app is also increasing. The new Liquid Glass design, launched in conjunction with Apple's iOS 26, improves the user experience and

increases visibility for our products, with positive effects not least on app downloads. In the fourth quarter, we will launch the first version of our AI Sleep Coach, designed to make Sleep Cycle a more proactive companion that helps users build long-term sleep habits, strengthens engagement over time, and opens up new user segments.

Partnerships that drive growth

Our partnerships continue to grow steadily, with an increase of 13 percent compared to the second quarter and 55 percent compared to the third quarter of the previous year. Partnerships now represent 11 percent of the quarter's revenues, confirming the strength of our brand and the relevance among our user base. Partnerships are an important part of our strategy - they diversify our revenue, reduce our dependence on app stores, and strengthen Sleep Cycle's presence in the broader health ecosystem.

Building resilience through diversification

We enter the last quarter of the year with focus and confidence. Progress across all areas of the business demonstrates that Sleep Cycle is building a stronger and more resilient company—one that leverages our data, technology, and partnerships to create multiple revenue streams for the future. In the fourth quarter, we continue to capture the increased interest in our new products, especially *Powered by Sleep Cycle*, and continue to strengthen the foundation for long-term growth.

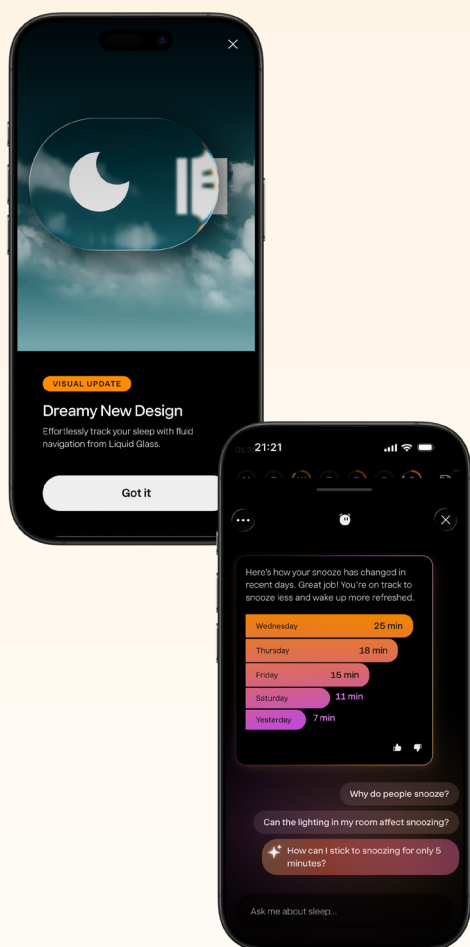
In conclusion, I would like to extend a big thank you to our shareholders and our employees - your continued trust and commitment are crucial to our success and to the transformation that is now taking shape within Sleep Cycle.

A handwritten signature in blue ink, reading "Erik Jivmark".

ERIK JIVMARK, CEO

The Sleep Cycle app is evolving – more personal, more proactive

Sleep Cycle continues to power innovation in the app. During the quarter, the focus has been on design, personalization, and price adjustments—initiatives that together improve the user experience and strengthen the company's long-term growth and profitability.



New app design: Liquid Glass

In September, the Liquid Glass design was launched in conjunction with Apple's launch of iOS 26. The new visual experience increases clarity and navigability and reinforces the app's premium positioning.

AI Sleep Coach is launched

During the fourth quarter, a roll-out of the first version of AI Sleep Coach is planned – a personal sleep coach that, based on Sleep Cycle's data models, helps users establish healthy sleep habits. The feature makes the app more proactive and is expected to strengthen both engagement and loyalty over time.

Price adjustments for sustainable revenue growth

To ensure a strong long-term revenue base, Sleep Cycle implemented price adjustments during the quarter of approximately 10% for new subscribers in several major markets, including the US. The strategy is to prioritize revenue per user (ARPU) over volume growth, with the goal of creating a stable and profitable subscription business.

Enhanced Smart Alarm

During the quarter, we started rolling out improvements to Smart Alarm, which further refines the algorithm that wakes the user during light sleep. The update provides a more accurate wake-up window and contributes to a significantly improved user experience—more people wake up feeling more refreshed and ready for the day ahead.

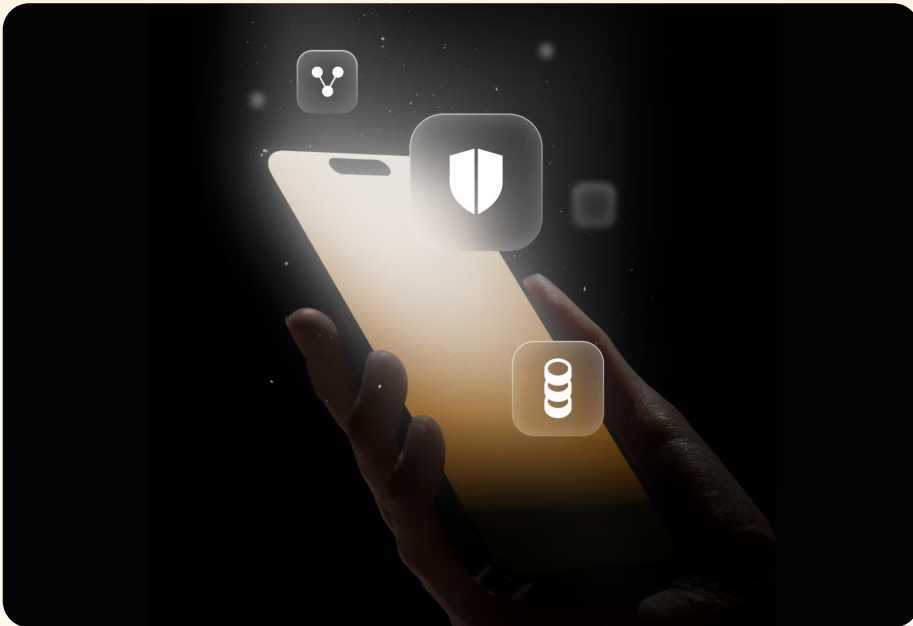
Improved customer journey and onboarding

To facilitate the transition from curious user to paying customer, Sleep Cycle improved both the web-to-app flow and the onboarding process in the app during the quarter. The new web feed is visually aligned with the updated branding and shows signs of increased conversion. Several experiments have been conducted in the app to test a more personalized onboarding process based on users' individual needs—an approach that enables faster insights and continued optimization. The improved flows contribute to increased activation, stronger engagement and, in the long run, higher conversion.

"Powered by Sleep Cycle"

- *Growth through partnerships and technology*

The core of Sleep Cycle's offering is the company's own technology platform – built on sound-based AI and over three billion nights analyzed. Through Powered by Sleep Cycle, this technology is made available to partners, enabling new license-based revenue streams and a broader market presence.



Sleep SDK launched

In September, the Sleep SDK was launched, a development platform that allows partners to integrate Sleep Cycle's audio-based sleep analysis directly into their own products and services. The technology enables contactless measurement of sleep and breathing in real time and is based on the same AI model used in the Sleep Cycle app, thereby enriching and diversifying the customer experiences of partners. We are seeing growing interest in sleep from other health apps, wearables, and health ecosystems that can access our audio-based sleep analysis.

Licensing Strategy

Sleep SDK forms the basis of Sleep Cycle's technology licensing. Through collaborations with external brands, we create new revenue streams beyond the app business, where our technology becomes part of others' ecosystems.

Growing partnerships

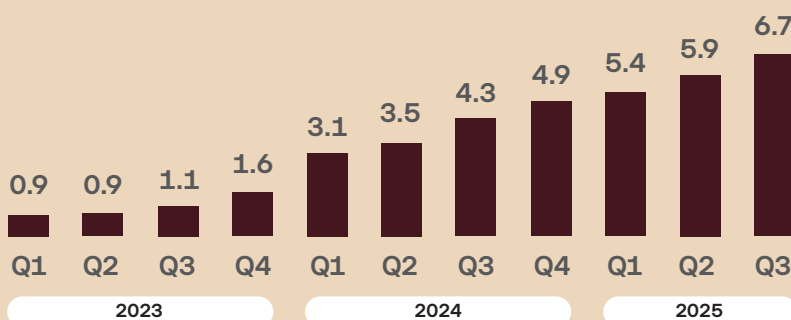
Partnership revenue refers to commercial collaborations where the Sleep Cycle app is made available as part of a partner's customer offering, such as in the health and wellness sector. In these cases, the cost is borne by the partner rather than the end user, creating new revenue streams outside of the traditional consumer business.

The existing partnerships within the Sleep Cycle app continue to develop well, confirming the strength of Sleep Cycle's technology and brand. The collaborations contribute both to increased revenues and to broadening the company's presence in the digital health economy.

Partnership Revenue

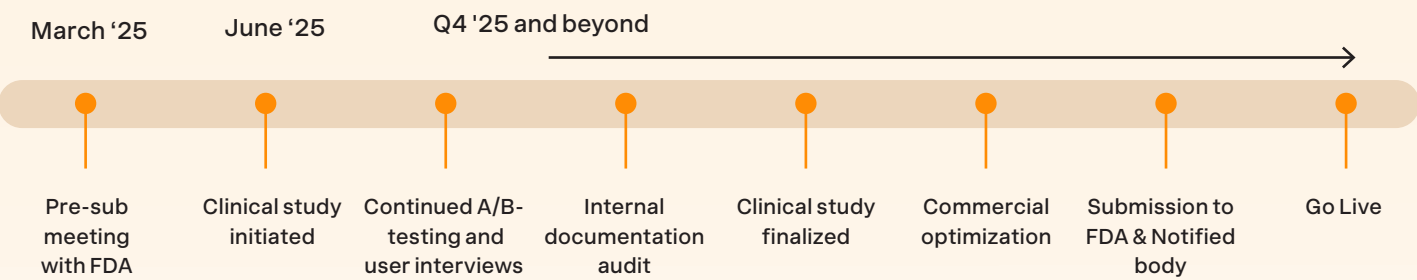
+55%

Q3 2025 vs Q3 2024



From sleep analysis to medical innovation

Sleep Cycle is developing an AI-based solution for screening obstructive sleep apnea—a global public health problem that affects nearly one billion people. With a smartphone-based technology, we aim to make diagnostics more accessible, affordable and scalable.



A great medical need

Obstructive sleep apnea (OSA) is a chronic disease associated with an increased risk of cardiovascular disease, diabetes, and reduced quality of life. Today, over 80 percent of cases are undiagnosed, and access to care is limited. The market for home-based screening is expected to grow from approximately USD 700 million in 2025 to close to USD 1 billion in 2035.

AI that measures breathing without sensors

Sleep Cycle's solution is based on our proprietary sound-based AI technology that interprets subtle breathing patterns during sleep – without any external hardware. The technology is based on billions of data points from user sleep and extensive polysomnographic data, and has been developed to meet medical standards.

Progress in the clinical study

In June 2025, Sleep Cycle's clinical trial began with over 700 participants, with the aim of validating the AI model's ability to identify sleep apnea. During the third quarter, around 20 percent of the study was completed, marking an important milestone on the road to medical certification.

Towards a broader business and new revenue streams

The future product is expected to be offered both as part of the Sleep Cycle app and through licensing to healthcare market operators and technology partners. The initiative is a central part of our strategy to create more revenue streams and position Sleep Cycle as a leading player in digital sleep and health technology.



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.

Third quarter July – September 2025

Sales and earnings

The Group's net sales during the third quarter totaled tSEK 61,523 (65,873), a decrease of 6.6% (+8.4%) from prior year. Currency-adjusted net sales growth amounted to -4.7% (9.9%), due to lower new customer sales and negative currency effects following a weaker USD. Sales to existing customers are stable and the renewal rate is unchanged.

Average revenue per subscription (ARPU) amounted to SEK 271 (280), while currency-adjusted ARPU was SEK 276. During the quarter, price increases of approximately 10% were implemented in key markets, which is expected to strengthen ARPU over time. The majority of subscriptions are annual subscriptions.

The number of paying users totaled 832k (915k). The decline is due to a lower influx of new subscribers, while the proportion of subscribers renewing their subscriptions remains stable and shows a gradual improvement over time.

Partnership revenue increased by 13% compared to the second quarter and 55% compared to the previous year, equivalent to 11% of total revenue. The increase contributes to a more diversified and sustainable revenue base over the long term.

Operating profit amounted to tSEK 16,792 (20,612), with an operating margin of 27.3% (31.3%). Results were affected by lower revenues and higher growth-related costs, in line with the strategy to broaden the revenue base. The quarter has not been affected by costs affecting comparability.

Currency fluctuations had a negative impact on earnings, 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 -477, mainly attributable to USD.

Net financial items for the quarter totaled tSEK 285 (361) and taxes on profit for the quarter totaled tSEK -3,531 (-4,336). Profit for the quarter totaled tSEK 13,547 (16,637). Earnings per share before and after dilution amounted to SEK 0.67 (0.82).

Cash flow and financial position

Cash flow from operating activities amounted to tSEK 5,510 (11,865), as a result of lower prepaid income and expenses.

Cash flow from investing activities amounted to tSEK -2,565 (-1,427) attributable to capitalized development expenses related to the sleep apnea screening initiatives and the Sleep SDK.

Cash flow from financing activities amounted to tSEK -762 (-896) related to amortization of lease liabilities and, for the third quarter of 2024, warrant premiums.

Cash flow for the quarter totaled tSEK 2,183 (9,542). The group's cash and cash equivalents at the end of the period totaled tSEK 114,639 (129,985).

Consolidated equity totaled tSEK 60,451 as of 30 September. Opening balance on January 1 was tSEK 79,457.

Period January – September 2025

The changes in sales, earnings, cash flow, and financial position for the period 2025 compared with the previous year are mainly explained by the same factors as in the third quarter. Below is a summary of developments during the nine-month period, with comments where other factors have been significant.

Sales and earnings

Consolidated net sales for the period amounted to tSEK 190,007 (194,772), a decrease of 2.4% (+11.4%) compared to the previous year. Currency-adjusted net sales growth amounted to -1.3% (10.5%). Average revenue per user (ARPU) decreased, totaling SEK 274 (278). Currency-adjusted ARPU amounted to SEK 277. The number of paying users totaled 832k (915k).

Operating profit totaled tSEK 51,902 (55,419) and the margin was 27.3% (28.5%). The 2025 period 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 reorganization and consolidation of operations to the head office in Gothenburg. The adjusted operating margin for the previous year was 31.4%. Operating profit was affected by lower revenues and higher external costs in line with the strategy to broaden the revenue base in the longer term.

Currency fluctuations had some negative impact on results during the period. Currency-related effects amounted to tSEK -3,653, relating mainly to USD.

Net financial items for the period totaled tSEK 839 (1,474) and taxes on the profit for the period totaled tSEK -10,914 (-11,771).

Profit for the period totaled tSEK 41,827 (45,122). Earnings per share before and after dilution amounted to SEK 2.06 (2.23).

Cash flow and financial position

Cash flow from operations for the period amounted tSEK 42,139 (46,359).

Cash flow from investment activities amounted to tSEK -9,339 (-2,524) 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 -63,420 (-47,297) during the period, mainly related to dividend payments.

Cash flow for the period amounted to tSEK -30,620 (-3,461). The group's cash and cash equivalents at the end of the period totaled tSEK 114,639 (129,985).

Consolidated equity totaled tSEK 60,451 as of 30 September. Opening balance on January 1 was tSEK 79,457.

Other information

Employees

The average number of employees in the Group for the quarter from July to September 2025 was 36 (30) and for the period from January to September 2025 was 35 (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.

Other information

This report has undergone a review engagement by the Company's auditors.

A presentation of Sleep Cycle's interim report for July-September 2025 for shareholders, media, and other stakeholders will be held on October 24 at 09:30 a.m. Participants will be able to follow the presentation via a webcast.

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

Upcoming reporting dates

Year-end report 2025

February 4, 2026

Interim report Jan–Mar 2026

April 29, 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 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
Total	1,240,909	1,319,318	6.5%		

Main shareholders in Sleep Cycle AB (publ) as of September 30, 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	1,026,222	5.1%
Nordnet Pensionsförsäkring	996,191	4.9%
Lancelot Asset Management AB	650,000	3.2%
Cancerfonden - The Swedish Cancer Society	339,993	1.7%
Handelsbanken Fonder	179,712	0.9%
Johan Qviberg	170,000	0.8%
Storebrand Funds	148,373	0.7%
NFS Limited	111,584	0.6%
Other	3,899,818	19.2%
Total	20,277,563	100%

Consolidated statement of comprehensive income

tSEK	Note	Jul - Sep		Jan - Sep		Jan - Dec
		2025	2024	2025	2024	2024
Operating income						
Net sales	4	61,523	65,873	190,007	194,772	261,529
Other operating income		29	62	282	307	355
Operating expenses						
Capitalized work for own account		779	83	2,095	247	447
Distribution costs		-12,431	-14,572	-39,625	-43,322	-57,862
Other external expenses		-16,989	-15,127	-51,044	-43,658	-58,489
Personnel expenses		-13,781	-13,622	-41,229	-46,446	-60,104
Depreciation and impairment of tangible and intangible assets		-1,743	-2,018	-4,358	-6,269	-8,624
Other operating expenses		-596	-66	-4,227	-213	-290
Operating profit/loss		16,792	20,612	51,902	55,419	76,962
Financial items						
Financial income		384	509	1,170	2,022	2,868
Financial expenses		-98	-149	-331	-548	-685
Profit before tax		17,078	20,973	52,741	56,893	79,145
Tax on profit for the period		-3,531	-4,336	-10,914	-11,771	-16,504
Profit for the period attributable to the parent company's shareholders		13,547	16,637	41,827	45,122	62,642
Other comprehensive income		-	-	-	-	-
Comprehensive income for the period attributable to the parent company's shareholders		13,547	16,637	41,827	45,122	62,642
Earnings per share before dilution, SEK		0.67	0.82	2.06	2.23	3.09
Earnings per share after dilution, SEK		0.67	0.82	2.06	2.23	3.09
Average number of shares outstanding for the period before dilution		20,277,563	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	20,277,563

Consolidated statement of financial position

tSEK	Note	09/30/2025	09/30/2024	12/31/2024
Assets				
Intangible fixed assets				
Capitalized development expenditures		12,594	3,961	4,787
Patent		-	-	-
Total intangible fixed assets		12,594	3,961	4,787
Tangible fixed assets				
Right-of-use assets		7,685	12,346	10,799
Cost of improvement on other's property		698	990	917
Equipment and computers		870	1,477	1,316
Total tangible fixed assets		9,254	14,813	13,032
Financial assets				
Other long-term receivables		-	435	24
Total financial assets		-	435	24
Deferred tax				
Deferred prepaid tax		145	112	148
Total deferred tax		145	112	148
Current assets				
Accounts receivable		28,600	37,963	41,199
Other receivables		1,280	879	678
Current tax assets		2,221	2,225	-
Prepaid expenses and accrued income		25,577	32,654	31,391
Cash and cash equivalents		114,639	129,985	145,234
Total current assets		172,317	203,706	218,502
Total assets		194,310	223,028	236,493
Equity and liabilities				
Equity				
Share capital		563	563	563
Other contributed capital		2,744	2,744	2,744
Retained earnings, including profit for the year		57,144	58,630	76,150
Total equity attributable to the parent company's shareholders		60,451	61,937	79,457
Long-term liabilities				
Leasing liabilities		5,008	8,488	7,379
Total long-term liabilities		5,008	8,488	7,379
Current liabilities				
Leasing liabilities		3,142	4,316	4,364
Accounts payable		12,074	14,737	14,704
Current tax liabilities		-	-	518
Other liabilities		3,611	4,489	3,257
Accrued expenses and deferred income		110,023	129,060	126,815
Total current liabilities		128,850	152,603	149,658
Total equity and liabilities		194,310	223,028	236,493

Consolidated statement of changes in equity

tSEK	Attributable to the parent company's shareholders		
	09/30/2025	09/30/2024	12/31/2024
Opening balance	79,457	60,998	60,998
Comprehensive income for the period	41,827	45,122	62,642
Dividend	-60,833	-46,638	-46,638
Warrant premiums	-	2,456	2,456
Closing balance	60,451	61,937	79,457

Consolidated cash flow statement

tSEK	Note	Jul - Sep		Jan - Sep		Jan - Dec
		2025	2024	2025	2024	2024
Cash flow from operating activities						
Operating profit/loss		16,792	20,612	51,902	55,419	76,962
Adjustments for items not included in cash flow:						
Depreciation and impairment		1,743	2,018	4,358	6,269	8,624
Other items not affecting cash flow		-	-	-52	-	-
Interest received		384	509	1,170	2,022	2,868
Interest paid		-98	-149	-331	-548	-685
Tax paid		-4,435	-2,776	-13,649	-11,878	-13,903
Cash flow from operating activities before changes in working capital		14,384	20,216	43,397	51,285	73,866
Change in working capital						
Change in operating receivables		4,262	-4,058	17,811	416	-1,355
Change in operating liabilities		-13,136	-4,293	-19,068	-5,342	-8,853
Cash flow from operating activities		5,510	11,865	42,139	46,359	63,657
Investment activities						
Capitalization of development expenses		-2,565	-950	-9,339	-1,862	-3,261
Acquisition of tangible fixed assets		-	-476	-	-661	-661
Cash flow from investment activities		-2,565	-1,427	-9,339	-2,524	-3,923
Financing activities						
Repayment of leasing liabilities		-762	-1,049	-2,588	-3,114	-4,175
Warrant premiums		-	154	-	2,456	2,456
Dividend		-	-	-60,833	-46,638	-46,638
Cash flow from financing activities		-762	-896	-63,420	-47,297	-48,358
Cash flow for the period		2,183	9,543	-30,620	-3,461	11,377
Liquid funds at the beginning of the period		112,431	120,443	145,234	133,471	133,471
Reclassification of cash and cash equivalents		24	-	24	-24	387
Liquid funds at the end of the period		114,639	129,985	114,639	129,985	145,234

Parent company income statement

tSEK	Note	Jul - Sep		Jan - Sep		Jan - Dec
		2025	2024	2025	2024	2024
Operating income						
Net sales		61,523	65,873	190,007	194,772	261,529
Other operating income		29	62	230	307	355
Capitalized work for own account		779	83	2,095	247	447
Operating expenses						
Distribution costs		-12,431	-14,572	-39,625	-43,322	-57,862
Other external expenses		-17,849	-16,325	-53,492	-47,243	-63,733
Personnel expenses		-13,781	-13,622	-41,229	-46,446	-60,104
Depreciation and impairment of tangible and intangible assets		-974	-932	-2,196	-3,011	-3,818
Other operating expenses		-596	-66	-4,227	-213	-290
Operating profit/loss		16,701	20,501	51,564	55,092	76,524
Profit from financial items						
Interest income and similar income		384	509	1,170	2,022	2,868
Interest expenses and similar expenses		-	-	-	-68	-68
Profit after financial items		17,085	21,010	52,733	57,047	79,324
Appropriations						
Group contributions		-	-	-	-	-50
Profit before tax		17,085	21,010	52,733	57,047	79,274
Tax on profit for the period		-3,532	-4,344	-10,910	-11,801	-16,539
Profit/loss for the period		13,553	16,667	41,823	45,246	62,736
Comprehensive income for the period		13,553	16,667	41,823	45,246	62,736

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	09/30/2025	09/30/2024	12/31/2024
Assets				
Intangible fixed assets				
Capitalized development expenditures		12,594	3,961	4,787
Patent		-	-	-
Total intangible fixed assets		12,594	3,961	4,787
Tangible fixed assets				
Cost of improvement on other's property		698	990	917
Equipment and computers		870	1,477	1,316
Total tangible fixed assets		1,569	2,467	2,233
Financial assets				
Participations in group companies		50	50	50
Deferred prepaid tax		49	18	49
Other long-term receivables		-	435	24
Total financial assets		99	503	123
Total fixed assets		14,262	6,931	7,143
Current receivables				
Accounts receivable		28,600	37,963	41,199
Other receivables		1,280	879	678
Current tax assets		2,221	2,225	-
Prepaid expenses and accrued income		25,577	32,654	31,391
Total current receivables		57,678	73,721	73,267
Short-term investments				
Other short-term investments		80,000	80,000	80,000
Total short-term investments		80,000	80,000	80,000
Cash and bank balances		34,500	49,887	65,136
Total current assets		172,179	203,608	218,404
Total assets		186,440	210,539	225,547
Equity and liabilities				
Restricted equity				
Share capital		563	563	563
Fund for development expenditures		12,594	3,961	4,787
Total restricted equity		13,157	4,525	5,350
Unrestricted equity				
Share premium fund		2,744	2,744	2,744
Retained earnings		3,008	9,738	8,913
Profit/loss for the period		41,823	45,246	62,736
Total unrestricted equity		47,575	57,727	74,392
Total equity		60,732	62,252	79,742
Current liabilities				
Accounts payable		12,074	14,737	14,704
Liabilities to group companies		-	-	50
Current tax liabilities		-	-	518
Other liabilities		3,611	4,489	3,257
Accrued expenses and deferred income		110,023	129,060	127,276
Total current liabilities		125,708	148,287	145,805
Total equity and liabilities		186,440	210,539	225,547

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 September 30, 2025 consists of the wholly owned subsidiary Sleep Cycle Sverige AB (559278–9688). Sleep Cycle's interim report for Jan-Sep 2025 was approved for publication on October 24 per Board decision on October 23, 2025.

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	Jul - Sep		Jan - Sep		Jan - Dec
	2025	2024	2025	2024	2024
Subscription income	57,831	63,430	180,035	188,190	252,100
Other income	3,691	2,443	9,971	6,582	9,429
Total	61,523	65,873	190,007	194,772	261,529

For the third quarter, 10.9% (6.6%) of net sales were generated from partnerships. For the period January to September, 9.5% (5.6%) of net sales were generated from partnerships.

Note 5 Financial instruments

tSEK	09/30/2025	09/30/2024	12/31/2024
Financial assets valued at amortized cost			
Accounts receivable	28,600	37,963	41,199
Other receivables	-	435	24
Accrued income	1,155	972	696
Cash and cash equivalents	114,639	129,985	145,234
Total financial assets	144,394	169,355	187,153
Financial liabilities valued at amortized cost			
Accounts payable	12,074	14,737	14,704
Accrued expenses	4,335	3,840	4,264
Total financial liabilities	16,409	18,577	18,968

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	09/30/2025	09/30/2024	12/31/2024
Contractual liabilities (deferred income)	94,139	116,329	116,782
Accrued staff-related costs	11,124	8,602	5,973
Other items	4,760	4,129	4,060
Total	110,023	129,060	126,815

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	Jul - Sep		Jan - Sep		Jan - Dec
	2025	2024	2025	2024	2024
Net sales previous period	65,873	60,777	194,772	174,891	236,146
Net sales current period	61,523	65,873	190,007	194,772	261,529
Net sales growth	-6.6%	8.4%	-2.4%	11.4%	10.7%
Currency-adjusted net sales previous period	64,557	59,939	192,509	176,265	238,186
Net sales current period	61,523	65,873	190,007	194,772	261,529
Currency-adjusted net sales growth	-4.7%	9.9%	-1.3%	10.5%	9.8%

Operating profit and operating margin

tSEK	Jul - Sep		Jan - Sep		Jan - Dec
	2025	2024	2025	2024	2024
Net sales	61,523	65,873	190,007	194,772	261,529
Other operating income	29	62	282	307	355
Capitalized work for own account	779	83	2,095	247	447
Distribution costs	-12,431	-14,572	-39,625	-43,322	-57,862
Other external expenses	-16,989	-15,127	-51,044	-43,658	-58,489
Personnel expenses	-13,781	-13,622	-41,229	-46,446	-60,104
Depreciation and impairment of tangible and intangible assets	-1,743	-2,018	-4,358	-6,269	-8,624
Other operating expenses	-596	-66	-4,227	-213	-290
Operating profit/loss	16,792	20,612	51,902	55,419	76,962
Operating margin	27.3%	31.3%	27.3%	28.5%	29.4%

Adjusted operating profit and adjusted operating margin

tSEK	Jul - Sep		Jan - Sep		Jan - Dec
	2025	2024	2025	2024	2024
Operating profit/loss	16,792	20,612	51,902	55,419	76,962
Items affecting comparability					
Other external expenses	-	-	-	-794	-794
Personnel expenses	-	-	-	-4,962	-4,962
Total items affecting comparability	-	-	-	-5,756	-5,756
Adjusted operating profit/loss	16,792	20,612	51,902	61,176	82,718
Adjusted operating margin	27.3%	31.3%	27.3%	31.4%	31.6%

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	Jul - Sep		Jan - Sep		Jan - Dec
	2025	2024	2025	2024	2024
Subscription income	57,831	63,430	180,035	188,190	252,100
Currency-adjusted subscription income	58,927	64,378	181,968	186,802	250,220
Number of subscriptions previous period (thousands)	878	898	918	893	893
Number of subscriptions current period (thousands)	832	915	832	915	918
ARPU (SEK)	271	280	274	278	278
Currency-adjusted ARPU (SEK)	276	284	277	276	276

Submission of interim report January-September 2025

The Board of Directors and CEO assure that the interim 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

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Gothenburg, October 23, 2025

Anne Broeng
Chairman of the Board

Hans Skruvfors
Board member

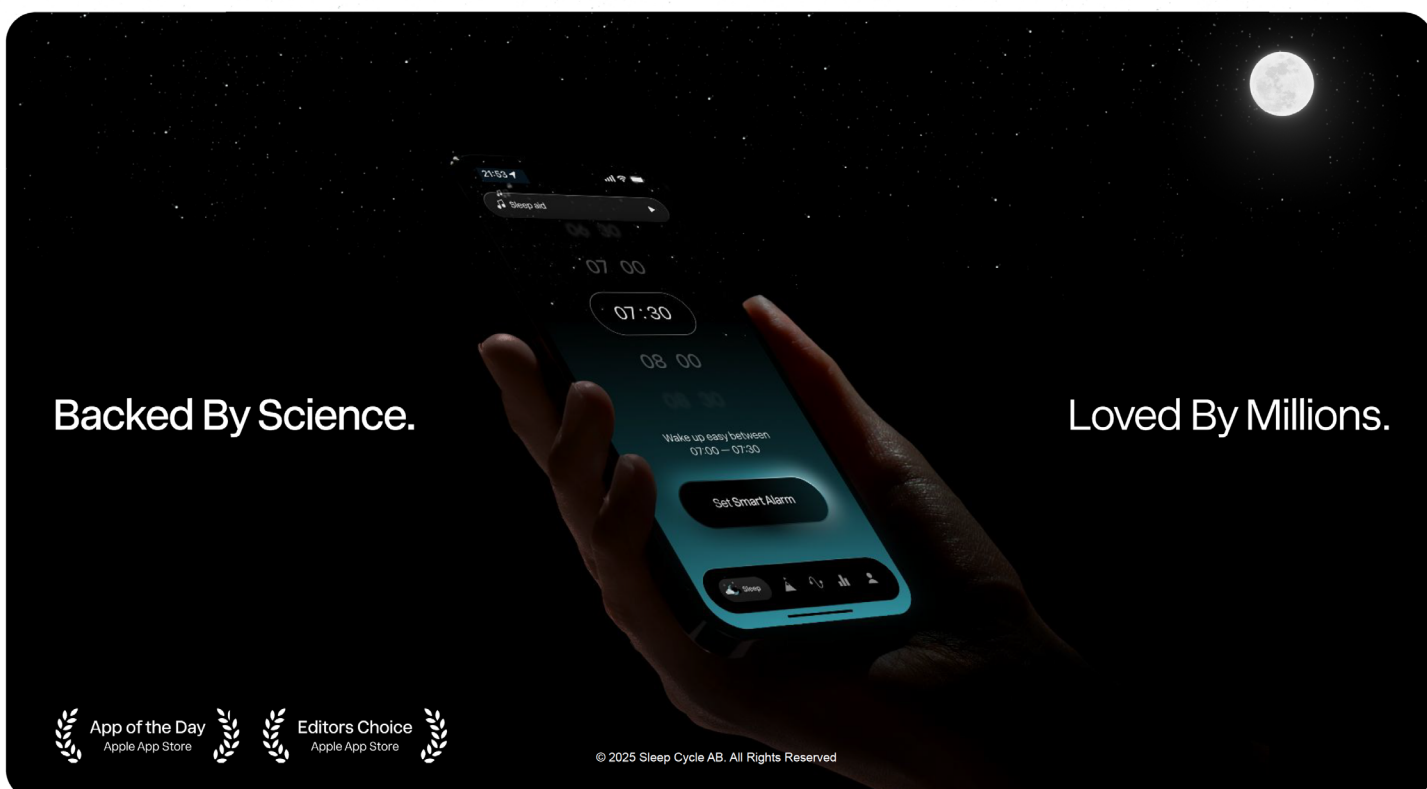
Mathias Høyer
Board member

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Maciej Drejak
Board member

Erik Jivmark
CEO



This is a translation of the Swedish language original. In the event of any differences between this translation and the Swedish language original, the latter shall prevail.

Auditor's report

To the Board of directors in Sleep Cycle AB (publ), corporate identity number 556614-7368

Introduction

We have conducted a limited review of the condensed interim financial information (interim report) for Sleep Cycle AB (publ) as of September 30, 2025, and the nine-month period ending on that date. The board of directors and the managing director are responsible for preparing and presenting this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our limited review.

The focus and scope of the limited review

We have conducted our limited review in accordance with the International Standard on Review Engagements ISRE 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A limited review consists of making inquiries, primarily of persons responsible for financial and accounting matters, performing analytical procedures, and other review procedures. A limited review has a different focus and a significantly smaller scope compared to the focus and scope of an audit conducted in accordance with ISA and generally accepted auditing standards. The review procedures taken in a limited review do not enable us to obtain the assurance that we would become aware of all significant matters that might have been identified in an audit. Therefore, the conclusion expressed based on a limited review does not have the assurance that a conclusion expressed based on an audit has.

Conclusion

Based on our limited review, nothing has come to our attention that causes us to believe that the interim report is not, in all material respects, prepared for the group in accordance with IAS 34 and the Annual Accounts Act and for the parent company in accordance with the Annual Accounts Act.

Gothenburg, 23 October 2025

Öhrlings PricewaterhouseCoopers AB

Ulrika Ramsvik

Authorized Public Accountant