Sleep Cycle

Interim report April–June 2026

Sleep Cycle AB (publ)

Sleep Cycle Interim report April – June 2026

A greater opportunity takes shape

Second quarter
April – June 2026

- Net sales amounted to tSEK 49,904 (63,559) and decreased by 21.5% (2.9%). Currency-adjusted net sales growth amounted to -15.4% (-0.6%). Net sales from the B2B-sector grew by 26.9% and represented 15.1% (9.3%) of total net sales.
- EBITDA amounted to tSEK -5,987 (19,366) and the EBITDA margin was -12.0% (30.5%). The quarter has been affected by costs affecting comparability of tSEK 10,913. Adjusted EBITDA amounted to tSEK 4,926 (19,366).
- EBIT amounted to tSEK -7,536 (18,019) and the EBIT margin was -15.1% (28.4%). Adjusted EBIT amounted to tSEK 3,377 (18,019) and adjusted EBIT margin to 6.8% (28.4%).
- The total number of paying subscribers at end of period was 665k (878k).
- ARPU in the quarter totaled SEK 257 (269). Currency-adjusted ARPU amounted to SEK 280.
- Earnings per share before and after dilution for the quarter amounted to SEK -0.29 (0.71).

Period
January – June 2026

- Net sales amounted to tSEK 102,483 (128,484) and decreased by 20.2% (0.3%). Currency-adjusted net sales growth amounted to -14.2% (0.5%). Net sales from the B2B-sector grew by 34.2% and represented 14.8% (8.8%) of total net sales.
- EBITDA amounted to tSEK 2,222 (37,725), and the EBITDA margin was 2.2% (29.4%). The second quarter has been affected by costs affecting comparability of tSEK 10,913. Adjusted EBITDA amounted to tSEK 13,134 (37,725).
- EBIT amounted to tSEK -805 (35,110) and the EBIT margin was -0.8% (27.3%). Adjusted EBIT amounted to tSEK 10,107 (35,110) and adjusted EBIT margin to 9.9% (27.3%).
- The total number of paying subscribers at end of period was 665k (878k).
- ARPU for the period totaled SEK 254 (271). Currency-adjusted ARPU amounted to SEK 277.
- Earnings per share before and after dilution amounted to SEK -0.02 (1.39) for the period.

49.9	-7.5	3.4	15.1%
Net sales/MSEK	EBIT/MSEK	Adjusted EBIT / MSEK	Share of revenue from B2B

Significant events

- On May 11, 2026, Snark BidCo AB, a company controlled by Altor Fund V (No.1) and Altor Fund V (No.2), announced a public offer to the shareholders of Sleep Cycle to transfer all shares for SEK 24.50 in cash per share; on May 22, 2026, the independent members of the Board at the time unanimously recommended that the shareholders not accept the offer, the offer document was made public on May 25, 2026, and the acceptance period began on May 26, 2026.
- On June 18, 2026, Snark BidCo announced that at the end of the initial acceptance period, the Offer had been accepted by shareholders representing 74.6 percent of the share capital and votes in Sleep Cycle, that the consideration would not be increased, that the necessary regulatory approvals had been obtained and that the acceptance period had been extended until July 2, 2026.
- On July 3, 2026, Snark BidCo announced that the offer is being completed and thus declared unconditional and that Snark BidCo thereby controlled 78.2 percent of the shares and votes in Sleep Cycle. At the same time, the acceptance period was extended until July 17, 2026, in order to allow shareholders of Sleep Cycle who had not yet tendered their shares additional time to accept the Offer.
- On July 3, 2026, the company announced that a commercial SDK license agreement with Ultrahuman had been signed following a successful pilot project.
- On July 10, 2026, the Board, at the request of Snark BidCo, convened an Extraordinary General Meeting on August 5, 2026, to, among other things, elect a new Board. The Meeting resolved that the Board shall consist of five members without deputies; Andreas Källström Säfweräng, Matilda Elfving Hauan, Anna Bäck, Henrik Torstensson and Steve Savoca were elected as Board members and Andreas Källström Säfweräng was elected Chairman of the Board.
- On July 20, 2026, Snark BidCo publicized the final outcome of the offer and announced that Snark BidCo thereby controls 79.2 percent of the shares and votes in Sleep Cycle.
- On July 23, 2026, it was announced that the company had signed a technology licensing agreement with Ant Group.

Sleep science

We hear when you dream

Using advanced sound analysis, our algorithms can tell when you're sleeping, how you're sleeping, and how you're feeling – even when you're dreaming. Sleep Cycle's offering is based on groundbreaking, scientifically-backed AI sound technology.

Unique AI technology

Our technology is based on extensive polysomnographic data from sleep labs as well as our own data collected since 2009. With our patented AI algorithms, we handle approximately 71 TB of data every ten minutes and enable completely contactless analysis via mobile phone – capturing both breathing patterns and movement sounds.

Sleep stages

Using our contactless sound analysis, the Sleep Stages feature can identify the user's sleep stage. It shows when the user is in REM sleep, light sleep, or deep sleep, as well as the balance between these stages.

Our platform - patented

Our platform and products are based on scientific research and are protected by several patents, with U.S. Patent No. 8493220 central among these. This enables highly accurate sleep tracking, including sleep duration, awakenings and sleep stages.

Unmatched data

Using patented sound analysis and advanced AI, we collect and analyze over 300,000 hours of sleep every hour. In total, more than 4 billion nights of sleep have been analyzed across over 180 countries, making us one of the world's most comprehensive sources of sleep statistics.

Cooperation in research

We collaborate with leading universities around the world. Together with the University of Cambridge and University College London, among others, we are conducting research on air pollution, Alzheimer's disease and sleep patterns. A clinical study on the detection of sleep apnea using an iPhone was also initiated during the year.

Luma – your sleep coach

An AI-powered sleep coach that helps users achieve health goals where sleep plays a central role – from mental and physical health to performance. Through personalized, conversation-based guidance, complex insights are transformed into concrete advice customized to the individual user's situation.

Continuous innovation

We continuously invest in new technologies and regularly launch new features that push the boundaries of consumer-based sleep analytics. Through our own research, data-driven development and close collaboration with leading universities, we ensure that Sleep Cycle remains at the forefront.

Group key performance indicators

	Apr - Jun		Jan - Jun		Jan – Dec
tSEK	**2026**	**2025**	**2026**	**2025**	**2025**
Net sales	49,904	63,559	102,483	128,484	247,879
Net sales growth (%)	-21.5%	-2.9%	-20.2%	-0.3%	-5.2%
Currency-adjusted net sales growth (%)	-15.4%	-0.6%	-14.2%	0.5%	-3.4%
EBITDA	-5,987	19,366	2,222	37,725	72,049
EBITDA margin (%)	-12.0%	30.5%	2.2%	29.4%	29.1%
EBIT (Operating profit/loss)	-7,536	18,019	-805	35,110	65,960
EBIT margin (Operating margin) (%)	-15.1%	28.4%	-0.8%	27.3%	26.6%
Items affecting comparability	-10,913	-	-10,913	-	-
Adjusted EBITDA	4,926	19,366	13,134	37,725	72,049
Adjusted EBITDA margin (%)	9.9%	30.5%	12.8%	29.4%	29.1%
Adjusted EBIT	3,377	18,019	10,107	35,110	65,960
Adjusted EBIT margin (%)	6.8%	28.4%	9.9%	27.3%	26.6%
Profit/loss for the period	-5,957	14,488	-451	28,280	53,209
Operational key performance indicators					
Total subscriptions (Thousands)	665	878	665	878	768
Subscriptions, B2C	640	840	640	840	732
Subscriptions, B2B	25	38	25	38	35
ARPU (SEK)	257	269	254	271	274
Currency-adjusted ARPU (SEK)	280	274	277	274	280
Average number of employees (#)	38	35	39	34	36

For definitions, justifications and deductions see pages 22-23.

Statement by the CEO

A greater opportunity takes shape

We are seeing more and more tangible signs that the strategic shift is beginning to translate into commercial results. The partnership deal is growing, our technology is reaching new platforms and the work with sleep apnea is bringing us closer to a significantly larger market.

Net sales for the quarter amounted to SEK 49.9 million (63.6), corresponding to a decrease of 21.5 percent or 15.4 percent, adjusted for currency effects. The decline should be seen against a continued challenging market for sleep apps where, according to market data*, we are gaining market share on iOS. Developments during the quarter also show that the strategic shift we initiated earlier this year is beginning to have an impact.

At the same time, the pressure on the consumer business is tangible. The number of paying subscribers amounted to 665k (878k), mainly as a result of lower new sales in the Apple App Store. We are meeting this with price initiatives, improved renewal trends and a growing web channel, but expect the app market to remain weak for the remainder of the year.

Sleep Cycle is evolving from a successful sleep app to a broader sleep technology platform. Through technology licensing and sleep apnea detection, we are expanding our addressable market from approximately SEK 1.7 billion to approximately SEK 47 billion. Our opportunity is built on a strong foundation: one of the world's largest sleep datasets, proprietary AI technology and more than four billion analyzed nights

A scalable partnership business

B2B revenue increased 26.9 percent year-on-year and accounted for 15.1 percent (9.3) of net sales. At the same time, revenue was slightly lower than in the first quarter. This is mainly explained by Tech Licensing, where revenue from Ultrahuman was temporarily paused while the pilot collaboration was renegotiated into a commercial agreement. The underlying development in the partnership business remains positive.

At the same time, interest in licensing Sleep Cycle's technology continues to grow in wearables, digital health and MedTech.

After the end of the quarter, we signed an updated commercial SDK license agreement with Ultrahuman, building on the pilot that began in November 2025. The usage-based revenue model tracks the growth of Ultrahuman's ecosystem and creates a recurring revenue stream. The agreement demonstrates our ability to transform pilot partnerships into commercial agreements.

After the end of the quarter, we also signed a one-year SDK pilot licensing agreement with Ant Group, one of China's leading technology companies and the operator behind Alipay. The partnership has thus entered a paid phase that makes our contactless sleep analysis available within Ant Group's digital health services. The agreement is not material in the context of the company, but represents yet another commercial proof point, strengthens the reference base for our SDK offering and demonstrates that our "Powered by Sleep Cycle" strategy scales across markets and platforms.

Overall, the B2B-business heads into the second half of the year with a stronger commercial base. Based on concluded agreements and the current revenue rate, B2B revenue is expected to exceed SEK 9 million in the third quarter – a growth of over 30 percent compared to the previous year, before contributions from additional new agreements.

The value of our data platform was further confirmed through our collaboration with the UK Health Security Agency. Aggregated and privacy-protected data on nighttime coughing from Sleep Cycle consistently provided indication about one week earlier compared to established indicators for monitoring respiratory tract infections. The results open up a new category of potential partners in public health and research.

Sales cycles in technology licensing are naturally longer than in the consumer business, but our commercial pipeline has matured during the first half of the year. We are building a diversified licensing business where multiple partners can create recurring revenue streams on the same technology platform.

*Market data from Sensor Tower, a global provider of digital market intelligence on consumer behavior and market trends across mobile apps, digital platforms, and gaming.

Statement by the CEO

An expanded validation study

The clinical validation study in the US began in April and has progressed well — the planned study nights are largely completed. In recent weeks, however, it has become clear that the proportion of participants with moderate to severe sleep apnea is lower than expected. As the study may not include individuals with previously diagnosed sleep apnea, and it is only after a completed study night that it can be determined which participants meet the clinical criteria, the actual distribution becomes known only gradually. To achieve the statistical data required for regulatory approval, the study therefore needs to be expanded, which entails a significantly increased investment and a delayed timeline. The company's newly elected Board of Directors is now preparing the decision on the expansion as part of its review of the business, and the expansion will commence thereafter. Our ambition of regulatory approval in the US remains; an updated timeline will be communicated once the decision has been made.

A successful trial result would be an important step towards bringing Sleep Cycle's technology to a large market with significant unmet needs. Our ambition is simple: to enable risk detection with just the smartphone that is already on the bedside table.

Increased focus and stronger distribution

During the quarter, we completed the organizational changes communicated earlier this year. The result is a more efficient organization with clearer responsibilities, faster decision-making and increased focus on our long-term growth opportunities.

Growing our own distribution remains strategically important. Our web channel continued to grow, albeit from low levels, while price initiatives supported ARPU and renewal trends improved further. With a still challenging app market, we continue to invest in the channels we control, while building new distribution channels through partnerships.

The offer from Snark BidCo

During the quarter, Snark BidCo, a company controlled by Altor Fund V, announced a public cash offer for all shares in Sleep Cycle. After the end of the quarter, the offer was completed and at the end of the last acceptance period on July 17, Snark BidCo controlled 79.2 percent of the shares and votes in the company. Throughout the process our priorities have remained unchanged. The organization has continued to focus on our customers, the implementation of our plan and the strategy we have communicated.

Financial development

EBIT amounted to SEK -7.5 million (18.0), affected by items affecting comparability of SEK 10.9 million, mainly related to Snark BidCo's offer and the reorganization. Adjusted EBIT amounted to SEK 3.4 million, corresponding to a margin of 6.8 percent, demonstrating continued underlying profitability while investing in our new growth areas.

Looking ahead

2026 is an investment year — we are taking the costs of building the platform now, while revenues from the new areas come later. For the full year, we expect net sales to decline, but at a slower rate in the second half than the first half's -20.2 percent, as B2B revenue grows out of agreements already signed. Despite one-off costs of SEK 10.9 million, we expect a reported operating margin for the full year in line with the approximately 5 percent previously communicated — and, excluding these items, a margin of approximately 9 percent. Our financial targets remain unchanged. How quickly the margin recovers will above all be determined by two things: the regulatory process in sleep apnea and the ramp-up in technology licensing.

Our priorities for the second half of the year are clear: strengthening the app business through our own distribution channels and partnerships, continue building the technology licensing and converting our pipeline into commercial agreements, as well as supporting the Board's preparation of the sleep apnea trial expansion and preparing for the next phase of the regulatory process.

The progress during the quarter, and the agreements we have signed since, show that our strategic shift is paying off. We are entering the second half of the year with a focus on translating this momentum into growth.

Thank you for your continued support.

ERIK JIVMARK, CEO

Market size and growth opportunities

The global sleep market is estimated to be worth approximately SEK 1,450 billion in annual revenue. Within this market, Sleep Cycle estimates its current total addressable market (TAM) to be approximately SEK 47 billion. This compares with a previously addressable market of approximately SEK 1.7 billion, in which Sleep Cycle's previous market share is estimated at 15 percent. This shows how the company's strategic development has significantly expanded its commercial potential.

Sleep Cycle is expanding its market presence through two main growth drivers

Detection of sleep apnea risk represents a global market of approximately SEK 25 billion, and Tech Licensing approximately 20 billion – altogether this means a higher addressable market potential of SEK 47 billion for Sleep Cycle.

Tech Licensing

One of Sleep Cycle's key growth drivers is tech licensing. Approximately 7,000 potential partners have been identified in the fields of consumer apps, digital health, Medtech, wearables, and clinical research. Together, these companies are estimated to invest approximately SEK 154 billion annually in R&D, of which about SEK 20 billion relates to software where Sleep Cycle's technology is relevant, thereby constituting the company's total addressable market (TAM).

In addition to this market, Sleep Cycle could also become relevant in a broader healthcare context. Obstructive sleep apnea is linked not only to a range of common conditions, including cardiovascular, metabolic, and respiratory disorders, but also to mental health issues. Based on our analysis, we estimate the hypothetical value associated with undiagnosed OSA (Obstructive sleep apnea) and related conditions to be over SEK 100 billion[1].

Detection of sleep apnea risk

Today, an estimated 1 billion people worldwide suffer from sleep apnea, about 80 percent of whom remain undiagnosed. Through detection of sleep apnea risk and tech licensing, Sleep Cycle has the potential to support patients throughout the entire care delivery chain – from initial screening and first contact with healthcare providers, through sleep evaluation, to treatment. This market opportunity in the sleep apnea sector is estimated at approximately SEK 25 billion (TAM).

[1])This figure should be taken as an indication of the broader economic impact of sleep apnea, rather than a directly addressable market for Sleep Cycle. The company's potential role in this related area is to help identify at-risk individuals at an earlier stage and to facilitate connections between patients, healthcare providers, and partners throughout the care delivery chain.

Previously

~1.7

SEK billion
Sleep apps - our historical market

→ increased to

New addressable TAM

~47

SEK billion
Annually

Sleep apps
~ SEK 1.7 billion
Our historic market

Sleep apnea
~ SEK 25 billion
Medical detection

Tech Licensing
~ SEK 20 billion
SDK / platform / research

The market data and estimates in this report are based on publicly available information, third-party sources and internal assessments. Although Sleep Cycle considers the sources to be reliable, no assurance is given as to accuracy or completeness. Estimates and forward-looking statements are subject to uncertainty and may differ significantly.

Strategy

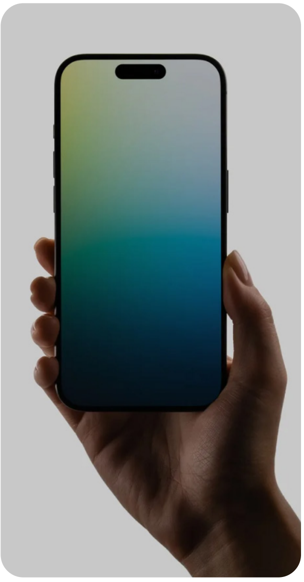
Our position

The importance of sleep for health is gaining increased attention. Sleep Cycle is well-positioned to grow in the sleep technology market.

From SEK ~1.7 to ~47 billion

Through expansion in sleep apnea and tech licensing, Sleep Cycle addresses a significantly larger market.

The various components of our platform



- Movement detection
- Sleep
- Breathing
- Cough
- Snoring
- Smart alarms

Addressable market segments

- Sleep clinics
- Pharmaceutical companies
- Wearables/Apps
- Digital healthcare services
- Medtech products
- Smart Homes

B2C/B2B

Sleep app

- Accurate sleep tracking and smart alarm
- Personal insights and sleep coaching
- Long-term monitoring of sleep and habits
- Sleep aid and sleep programs

1.5m MAU (Monthly Active Users)[1]

0.9m DAU (Daily Active Users)[2]

B2C/B2B

Sleep apnea

- Contactless detection of sleep apnea risk
- Early detection without hardware
- Easy integration into partnerships and platforms

150k Registered interest in B2C-offer

Clinical validation Current phase for AI-based sleep apnea tool

B2B

Tech Licensing

- Plug-and-play sleep tracking via SDK (software development kit)
- Fast integration into apps, devices and platforms
- Access to validated sleep and respiratory insights

SDK Launched in Q4'25

Sleep Score Launched in Q2'26

Technology and data platform

Enables multiple products and applications

- Contactless tracking of sleep and breathing
- AI-based analytics at scale
- Over 4B+ nights of real data
- Modular infrastructure (SDK, APIs, app)

Notes: [1]) Average for Q2'26; [2]) Average for Q2'26

Our technology platform – the foundation for growth

Sleep Cycle's technology platform forms the foundation for all of its products, services, and partnerships. The platform is based on the company's patented technology for contactless sleep tracking (U.S. Patent 8493220), which enables high-precision sleep measurement through advanced sound analysis and AI.

The platform processes anonymized data in real time – equivalent to more than 300,000 hours of sleep every hour – and serves as a horizontal layer within the digital health ecosystem. This technological foundation enables the development of both consumer-oriented products and B2B solutions, where the value of data, algorithms and analytics can be applied in several different verticals.

The platform serves as a common hub for multiple revenue streams and serves as the foundation for all products, including the company's own app, tech licensing via Sleep SDK, partnerships, and development in the Medtech sector, such as sleep apnea detection. We develop products ranging from subscription-based consumer services to scalable licensing models and next-generation Medtech applications.

Since the launch, we have analyzed more than 4 billion nights, creating a unique and scalable database that continuously enhances the platform's performance and areas of use.

The continuous growth of the user base further strengthens the platform by increasing data generation, which improves the quality of analytics, personalization, and product development. The combination of technology, data, and global reach makes Sleep Cycles' platform unique in terms of both scale and quality.

The development from a standalone app to a comprehensive platform fundamentally transforms the company's growth potential and paves the way for expansion into multiple markets – regardless of developments in the traditional app market.

Sleep app

The sleep and meditation app segment remained weak, but our assessment is that Sleep Cycle is strengthening its relative position. New Sleep Aid collections more than tripled Sleep Aid listening, and the first targeted campaigns toward lapsed users had a positive effect, as did a new loyalty concept that will be further developed in the third quarter. Currency-adjusted ARPU increased to SEK 280 following implemented price adjustments. Monthly active users averaged 1.5 million, of whom 0.9 million were active daily — a high level of engagement that drives both conversion and data generation.

Sleep apnea

Development in sleep apnea is a key focus area for the company's long-term growth. The clinical study in the US has completed the planned study nights, but the proportion of participants with moderate to severe sleep apnea has been lower than expected. The study therefore needs to be expanded, which entails an increased investment and a longer lead time. The decision on the scope of the expansion is being prepared by the Board of Directors. Interest remains strong, with over 150,000 registered users.

Tech Licensing

We continue to develop our B2B business in tech licensing, where our platform is relevant across several segments, including wearables, IoT and digital health platforms. Revenue from B2B increased by 26.9 percent during the quarter and represented 15.1 percent of net sales. After the end of the quarter, we signed a commercial SDK license agreement with Ultrahuman and a one-year SDK pilot license agreement with Ant Group, which opens the Chinese market. Sales cycles are longer than in the consumer business, but our pipeline has matured. The market for technology licensing is estimated at SEK 20 billion.

Clinical study

Sleep Apnea – Sleep Apnea Detection

Sleep apnea is one of the most common and widely underdiagnosed conditions worldwide

Sleep Cycle collects data during sleep that provides deep insights into both sleep patterns and health, including metrics such as interruptions in breathing. This enables a new generation of accessible sleep and breathing analysis. Sleep apnea is one of the most common and widely underdiagnosed conditions globally and represents a significantly larger market than traditional sleep tracking, with a great need for scalable screening solutions. Interest is high, with over 150,000 registered users already, and early tests indicate attractive customer acquisition costs.

An extended validation study

The US validation study, led by Dr. Michael Gradisar and Dr. Mikael Kågebäck, has completed the planned study nights at a high recruitment pace, and internal tests continue to show strong performance in terms of specificity and sensitivity. However, the proportion of participants with moderate to severe sleep apnea has been lower than expected, and the study therefore needs to be expanded to achieve the statistical data required in the regulatory process. The expansion entails a significantly increased investment and a delayed timeline; the decision on its scope is being prepared by the Board of Directors. Our ambition of regulatory approval in the US remains, and an updated timeline will be communicated in connection with the decision.

> Sleep Apnea constitutes a natural extension of Sleep Cycle's technology and is a long-term value driver, offering opportunities in both partnerships and licensing agreements.

Our ambition is regulatory approval in the US during 2027. The timeline depends on the recruitment pace of the expanded study.

PRELIMINARY REGULATORY APPROVAL TIMELINE

Q1 '25	Q2 '25	Q4 '25	Jul '26	H2 '26	H1 '27	H2 '27
✓	✓	✓	✓	○	○	○
Pre-sub meeting with FDA	Trial initiated	Internal doc review	App Build and Design Freeze	Base study completed, decision on expansion	Expanded study completed and FDA submission filed	Expected approval and launch in the US

Milestones after Q2 2026 are preliminary and will be updated in connection with the Board's decision on the study expansion.

Invest

Invest in Sleep Cycle

Sleep Cycle is well-positioned to expand in a rapidly growing market. We are focused on driving organic growth through our unique AI-based technology in the field of sleep and the aggregation of large amounts of data.

We are a world leader in the field of sleep analysis

As awareness of the importance of sleep for health grows, the company is well-positioned to assume a leading role in the global sleep tech market. Against this backdrop, Sleep Cycle estimates its total addressable market (TAM) to be approximately SEK 47 billion. With a scalable solution suitable for virtually all smartphone users, the company is well-positioned to gradually capture a larger share of this market.

The company is a global leader in AI-based sleep analysis, with a technology platform grounded in scientific research and backed by strong patent protection. Close collaboration with leading universities in the field of sleep research ensures a continued high level of innovation and scientific rigor.

A core business with high profitability

The Sleep Cycle app is our flagship product, providing a solid foundation of recurring revenue and valuable user data. With stable ARPU, a high renewal rate, and positive cash flow, the core business is funding future growth initiatives.

Going forward, the focus will be on increasing user value through innovation, optimized pricing, and an improved user experience. The app provides our platform with data every day, making it continuously smarter and more powerful.

Multiple revenue streams

Our technical platform combines:

- A stable and cash flow generating consumer business
- A scalable licensing model with high margins and global potential
- Long-term growth in Med Tech and digital health

The company is well positioned for sustainable growth and improved margins. The market for tech licensing is estimated at approximately SEK 20 billion, with significant potential in our partnership strategy

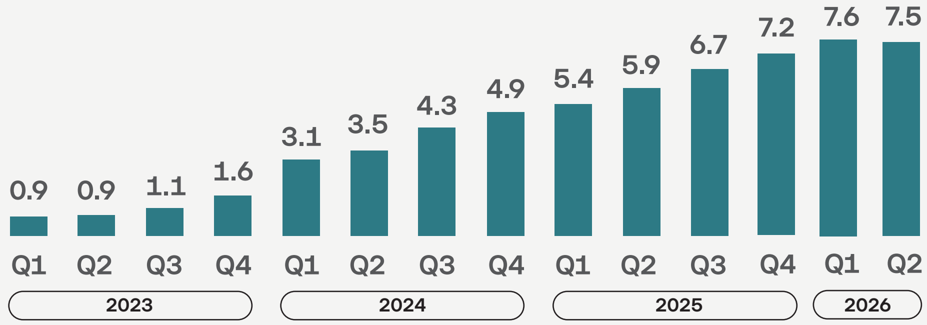
Growing potential in Med Tech and detection of sleep apnea

Sleep Cycle is currently developing a medical solution for the detection of sleep apnea based on our proprietary technology. The sleep apnea market is in a growth phase, and is estimated to be worth approximately SEK 25 billion. Our ongoing clinical trial is a milestone toward certification and commercialization. This initiative positions Sleep Cycle at the intersection of consumer health and medical diagnostics.

Revenue from B2B

+27%

Q2 2026 vs Q2 2025



Based on signed agreements, B2B revenue is expected to exceed SEK 9 million in Q3 2026.

Financial overview

The Group's performance January – June 2026

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, 2025.

Second quarter April – June 2026

Sales and earnings

The second quarter was marked by continued implementation of the strategy to develop Sleep Cycle into a broader sleep tech platform, in a quarter that was also marked by Snark BidCo's (Altor Fund V) public cash offer to the company's shareholders. The transformation means that costs are taken today while revenues are realized later, which in the short term squeezes the margin but strengthens long-term scalability.

The Group's net sales amounted to tSEK 49,904 (63,559), a decrease of 21.5% (2.9%) compared with the previous year. Currency-adjusted net sales growth amounted to -15.4% (-0.6%). The decline is driven primarily by lower sales to new customers in the consumer business, where performance in the Apple App Store has been weaker, while online sales are increasing, albeit from modest levels. The number of paying subscribers at the end of the period was 665k (878k), of which 640k (840k) in B2C and 25k (38k) in B2B, due to lower new sales. The user base remains strong with approximately 1.5 million monthly active users. ARPU amounted to SEK 257 (269). Adjusted for currency effects, ARPU amounted to SEK 280, an effect of price adjustments and continued improvement in renewal rates.

Revenue from B2B customers amounted to tSEK 7,541 (5,942), an increase of 26.9 percent, corresponding to 15.1 percent (9.3) of total revenue, of which tSEK 7,005 recurring. The fact that B2B revenue was slightly lower than in the first quarter is explained by the fact that revenue from Ultrahuman was temporarily paused while the pilot collaboration was renegotiated into a commercial SDK licensing agreement. Based on signed agreements, B2B revenue is expected to exceed SEK 9 million in the third quarter – a growth of over 30 percent compared to the previous year.

Operating profit (EBIT) amounted to tSEK -7,536 (18,019), corresponding to an operating margin of -15.1% (28.4%). Adjusted operating profit amounted to tSEK 3,377 (18,019), corresponding to an adjusted operating margin of 6.8% (28.4%), which shows continued underlying profitability. The quarter was charged with items affecting comparability of tSEK 10,913, of which tSEK 8,615 relates to other external costs, mainly transaction-related costs in connection with the public cash offer, and tSEK 2,298 relates to personnel costs related to the reorganization completed during the quarter. EBITDA amounted to tSEK -5,987 (19,366) and adjusted EBITDA to tSEK 4,926 (19,366).

The margin trend, adjusted for items affecting comparability, is explained by the transformation to a broader sleep tech platform, where the cost base is expanded before revenue. Excluding items affecting comparability, other external costs increased to tSEK 22,304 (16,125) and personnel costs to tSEK 15,725 (13,698), driven by investments in AI-based detection of the risk of sleep apnea, strengthening the technology platform and building the partnership business. Revenue from these ventures is expected gradually as business scales up. In addition, a significant part of the development work is capitalized in the balance sheet: during the quarter, development expenditure of tSEK 12,237 (2,971) was capitalized, which thus does not affect net profit for the period. As these assets are being put into use, depreciation will increase.

Personnel costs amounted to tSEK 18,023 (13,698), of which tSEK 2,298 is related to the reorganization. The average number of employees amounted to 38 (35). Profit/loss for the quarter amounted to tSEK -5,957 (14,488) and earnings per share before and after dilution to SEK -0.29 (0.71).

Cash flow and financial position

Cash flow from operating activities amounted to tSEK 7,594 (19,917), primarily due to lower operating profit. Changes in working capital contributed positively with tSEK 14,355 (4,741).

Cash flow from investment activities amounted to tSEK -12,237 (-2,971) and primarily relates to capitalized development costs associated with strategic initiatives in the detection of sleep apnea risk and the SDK. The investments support the company's long-term scalable growth and are expected to continue during the second half of the year.

Cash flow from financing activities totaled tSEK -11,537 (-61,585), of which dividend to shareholders tSEK -10,747 (-60,833) and amortization of leasing liabilities tSEK -790 (-753).

Cash flow for the quarter totaled tSEK -16,180 (-44,639). The Group's cash and cash equivalents amounted to tSEK 99,087 (112,431) at the end of the period, which continues to provide the financial flexibility needed to carry out planned investments.

Consolidated equity amounted to tSEK 60,635 on June 30, 2026, (tSEK 71,833 on December 31, 2025). The change is explained by loss for the period of tSEK -451 and dividend paid of tSEK 10,747.

Financial overview

Period January – June 2026

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

Sales and earnings

The Group's net sales amounted to tSEK 102,483 (128,484), a decrease of 20.2% (0.3%) compared with the previous year. The currency-adjusted net sales growth amounted to -14.2% (0.5%). Revenue from the B2B-sector amounted to tSEK 15,175 (11,312), an increase of 34.2%, corresponding to 14.8% (8.8%) of total revenues. ARPU for the period amounted to SEK 254 (271); adjusted for currency effects SEK 277.

Operating profit amounted to tSEK -805 (35,110), corresponding to an operating margin of -0.8% (27.3%). Adjusted operating profit totaled tSEK 10,107 (35,110) and adjusted operating margin was 9.9% (27.3%). The period was charged with items affecting comparability of tSEK 10,913, which are entirely attributable to the second quarter. EBITDA amounted to tSEK 2,222 (37,725) and adjusted EBITDA to tSEK 13,134 (37,725). Just like for the quarter, the margin development is explained by the fact that the costs of building the platform are taken today while revenues from the new business areas are realized later on; in addition, development expenses of tSEK 24,218 (6,774) were capitalized during the period, which are not charged to the profit and loss account for the period.

Personnel costs amounted to tSEK 34,966 (27,448) and the average number of employees to 39 (34), with the increase primarily related to product development, partnerships and health technology. Loss for the period amounted to tSEK -451 (28,280) and earnings per share before and after dilution to SEK -0.02 (1.39).

Cash flow and financial position

Cash flow from operating activities amounted to tSEK 14,778 (36,629), primarily due to lower operating profit. Cash flow from investment activities amounted to tSEK -24,218 (-6,774) and primarily relates to capitalized development costs in the detection of sleep apnea risk and Sleep SDK. Capitalized expenditure for development work amounted to tSEK 38,729 on June 30 (15,602 on December 31, 2025).

Cash flow from financing activities totaled tSEK -12,318 (-62,658), of which dividend tSEK -10,747 (-60,833) and amortization of leasing liabilities tSEK -1,571 (-1,826). Cash flow for the period amounted to tSEK -21,759 (-32,803) and cash and cash equivalents at the end of the period to tSEK 99,087 (112,431).

Consolidated equity totaled tSEK 60,635 on June 30, 2026. The opening balance on January 1, 2026, was tSEK 71,833.

Other information

Parent Company

The parent company, Sleep Cycle AB (publ), is headquartered in Gothenburg. The Group's operations are essentially conducted in the parent company; refer to Group information below.

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 2025. During the period, the risk picture has changed in one respect: the risk related to the clinical study in sleep apnea has increased, as the study needs to be expanded to achieve the required statistical data. The expansion entails a significantly increased investment and a delayed timeline, and the decision on its scope is being prepared by the Board of Directors — see the sections Clinical study and Statement by the CEO.

Global macroeconomic and geopolitical developments continue to be marked by uncertainty, which could potentially affect Sleep Cycle's operations both directly and indirectly. Factors such as inflation, changes in interest rates, currency fluctuations, and shifts in consumer behavior can affect demand for the company's products and services, particularly in the consumer business.

Sleep Cycle closely monitors developments and is continuously working to adapt its operations to manage these risks, in part through geographic diversification, a flexible business model, and a continued focus on cost efficiency and long-term value-creating growth.

Market data and estimates

The market data and estimates presented in this report are based on publicly available information, third-party sources and internal assessments. Although Sleep Cycle considers these sources to be reliable, no guarantee is provided as to their accuracy or completeness. All estimates and forward-looking statements are subject to uncertainty and may differ materially as a result of factors such as market developments, regulatory changes and commercial implementation.

Financial goals

Sleep Cycle's financial goal is to double revenue over the medium term and to achieve an annual EBIT margin of at least 25 percent.

Related party transactions

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

Dividend policy

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 to create long-term revenue growth and shareholder value. In light of this, the Board proposed a lower dividend for the 2025 financial year, with the aim of enabling continued reinvestment in the business.

The goal is for the dividend to amount to between 40 percent and 60 percent of annual net income after tax over time.

At Sleep Cycle AB's annual general meeting on April 13, 2026, a dividend of SEK 0.53 per share was approved for the 2025 fiscal year.

Significant events during the period

- On April 13, the resolutions adopted at Sleep Cycle's 2026 Annual General Meeting were published, whereby the Board members and CEO were granted discharge from liability for the 2025 fiscal year.
- April 20, the payment date of the dividend for 2025 via Euroclear.
- On May 11, 2026, Snark BidCo AB, a company controlled by Altor Fund V (No.1) and Altor Fund V (No.2), announced a public offer to the shareholders of Sleep Cycle to transfer all shares for SEK 24.50 in cash per share; on May 22, 2026, the independent members of the Board at the time unanimously recommended that the shareholders not accept the offer, the offer document was made public on May 25, 2026, and the acceptance period began on May 26, 2026.
- On June 18, 2026, Snark BidCo announced that at the end of the initial acceptance period, the Offer had been accepted by shareholders representing 74.6 percent of the share capital and votes in Sleep Cycle, that the consideration would not be increased, that the necessary regulatory approvals had been obtained and that the acceptance period had been extended until July 2, 2026.

Significant events after the end of the period

- On July 3, 2026, Snark BidCo announced that the offer is being completed and thus declared unconditional and that Snark BidCo thereby controlled 78.2 percent of the shares and votes in Sleep Cycle. At the same time, the acceptance period was extended until July 17, 2026, in order to allow shareholders of Sleep Cycle who had not yet tendered their shares additional time to accept the Offer.

Other information

- On July 3, 2026, the company announced that a commercial SDK license agreement with Ultrahuman had been signed following a successful pilot project.
- On July 10, 2026, the Board, at the request of Snark BidCo, convened an Extraordinary General Meeting on August 5, 2026, to, among other things, elect a new Board. The Meeting resolved that the Board shall consist of five members without deputies; Andreas Källström Säfweräng, Matilda Elfving Hauan, Anna Bäck, Henrik Torstensson and Steve Savoca were elected as Board members and Andreas Källström Säfweräng was elected Chairman of the Board.
- On July 20, 2026, Snark BidCo publicized the final outcome of the offer and announced that Snark BidCo thereby controls 79.2 percent of the shares and votes in Sleep Cycle.
- On July 23, 2026, the company announced that a one-year SDK pilot license agreement had been signed with Ant Group.

Board of Directors

The Board of Sleep Cycle, up to August 5, 2026, consisted of Chairwoman Anne Broeng and Board members Christian Kanstrup, Mathias Høyer and Maciej Drejak. As of August 5, the Board consisted of Chairman Andreas Källström Säfweräng and Board members Matilda Elfving Hauan, Anna Bäck, Henrik Torstensson and Steve Savoca.

Management Team

The company's management team consists of CEO Erik Jivmark, CFO & Head of IR Elisabeth Hedman, CCO Peter Alsterberg, CTPO Mikael Kågebäck, and CGO Kajsa Lernestål.

Employees

The average number of employees in the Group for the quarter was 38 (35) and for the period January to June 39 (34).

Annual General Meeting 2026

The Annual General Meeting of Sleep Cycle AB (publ) was held on April 13, 2026, at 09:30 a.m. at Jacy'z Hotel, floor 4, Drakegatan 10, 412 50 Gothenburg, Sweden. All information from the meeting is available on the company website.

Review

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

This is a translation of the original Swedish Sleep Cycle interim report April–June 2026. In the event of any discrepancies between the two versions, the original Swedish version shall prevail.

The share

Sleep Cycle went public on June 8, 2021, on the Nasdaq Stockholm Small Cap market. Share capital on the balance sheet date totaled tSEK 563. The stock trades under the ticker symbol SLEEP, and its ISIN code is SE0015961404. On June 30, 2026, the total number of shares was 20,277,563. The closing price on June 30, 2026, was SEK 24.55, and the number of shareholders was 2,388.

Shareholders

Main shareholders in Sleep Cycle AB (publ) on June 30, 2026*

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	1,050,602	5.2%
Lancelot Asset Management AB	650,000	3.2%
Cancerfonden - The Swedish Cancer Society	339,993	1.7%
Nordnet Pensionsförsäkring	258,911	1.3%
Storebrand Asset Management	148,373	0.7%
SEB Funds	120,876	0.6%
Handelsbanken Fonder	113,500	0.6%
Bengt Walerud	100,000	0.5%
Other	4,739,638	23.4%
Total	**20,277,563**	**100%**

**The table shows the ownership structure as of June 30, 2026, before the completion of Snark BidCo's public offer. The ownership structure as of the date of this report therefore differs materially from the table above. Snark BidCo AB, a company controlled by Altor Fund V, announced on July 3, 2026 that the offer had been completed and, as of July 20, 2026, controlled 79.2 percent of the shares and votes in Sleep Cycle. Snark BidCo continues to strive to own more than 90 percent of the shares in Sleep Cycle and thereafter intends to initiate compulsory redemption proceedings in accordance with the Swedish Companies Act (2005:551).*

Other information

Statement by the Board of Directors and CEO

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.

Gothenburg, August 26, 2026

Andreas Källström Säfweräng	Matilda Elfving Hauan	Anna Bäck	Henrik Torstensson	Steve Savoca	Erik Jivmark
Chairman of the Board	Board member	Board member	Board member	Board member	CEO

Presentation for investors, analysts, and the media

Sleep Cycle AB (publ) will publish its interim report for April – June 2026 on August 26 at 7:30 a.m.

At 9:30 a.m. the same day, company CEO Erik Jivmark and CFO & Head of IR Elisabeth Hedman will present the report to shareholders, the media, and other stakeholders via webcast. The presentation will be held in English and will be followed by a Q&A session. Questions can be submitted during the webcast.

To participate, use the link https://sleep-cycle.events.inderes.com/q2-report-2026

For more information, please contact

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UPCOMING REPORTING DATES

October 23, 2026
Interim report July-September 2026

Sleep Cycle AB (publ)

Business reg. No. 556614-7368,
10 Drakegatan, 412 50 Gothenburg, Sweden
Ticker: SLEEP

This information is information that Sleep Cycle AB is required to disclose under the EU Market Abuse Regulation. The information was submitted for publication through the contact persons set out above, at 07:30 CET on August 26, 2026.

Consolidated statement of comprehensive income

tSEK	Note	Apr - Jun 2026	Apr - Jun 2025	Jan - Jun 2026	Jan - Jun 2025	Jan – Dec 2025
Operating income						
Net sales	4	49,904	63,559	102,483	128,484	247,879
Other operating income		1,007	47	1,635	253	335
Operating expenses						
Capitalized work for own account		1,444	916	2,833	1,316	3,020
Distribution costs		-8,885	-13,301	-18,548	-27,194	-50,816
Other external expenses		-30,919	-16,125	-49,716	-34,055	-68,569
Personnel expenses		-18,023	-13,698	-34,966	-27,448	-54,878
Depreciation and impairment of tangible and intangible assets		-1,549	-1,347	-3,027	-2,615	-6,089
Other operating expenses		-515	-2,033	-1,500	-3,631	-4,922
Operating profit/loss		**-7,536**	**18,019**	**-805**	**35,110**	**65,960**
Financial items						
Financial income		207	354	513	786	1,575
Financial expenses		-70	-108	-151	-233	-420
Profit before tax		**-7,399**	**18,265**	**-444**	**35,663**	**67,115**
Tax on profit for the period		1,443	-3,777	-7	-7,383	-13,906
Profit for the period attributable to the parent company's shareholders		**-5,957**	**14,488**	**-451**	**28,280**	**53,209**
Other comprehensive income		-	-	-	-	-
Comprehensive income for the period attributable to the parent company's shareholders		**-5,957**	**14,488**	**-451**	**28,280**	**53,209**
Earnings per share before dilution, SEK		-0.29	0.71	-0.02	1.39	2.62
Earnings per share after dilution, SEK		-0.29	0.71	-0.02	1.39	2.62
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	06/30/2026	06/30/2025	12/31/2025
Assets				
Intangible fixed assets				
Capitalized development expenditures		38,729	10,788	15,602
Patent		-	-	-
Total intangible fixed assets		**38,729**	**10,788**	**15,602**
Tangible fixed assets				
Right-of-use assets		5,379	8,453	6,916
Cost of improvement on other's property		480	771	626
Equipment and computers		533	1,013	785
Total tangible fixed assets		**6,392**	**10,238**	**8,327**
Financial assets				
Other long-term receivables		-	24	-
Total financial assets		**-**	**24**	**-**
Deferred tax				
Deferred prepaid tax		184	143	191
Total deferred tax		**184**	**143**	**191**
Current assets				
Accounts receivable		22,168	28,785	29,427
Other receivables		1,758	1,314	1,724
Current tax assets		1,526	1,318	-
Prepaid expenses and accrued income		24,618	29,620	24,031
Cash and cash equivalents		99,087	112,431	120,846
Total current assets		**149,157**	**173,468**	**176,027**
Total assets		**194,462**	**194,661**	**200,148**

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		57,328	43,597	68,526
Total equity attributable to the parent company's shareholders		**60,635**	**46,904**	**71,833**
Long-term liabilities				
Leasing liabilities		2,550	5,808	4,199
Total long-term liabilities		**2,550**	**5,808**	**4,199**
Current liabilities				
Leasing liabilities		3,259	3,104	3,180
Accounts payable		19,273	11,868	14,425
Current tax liabilities		-	-	524
Other liabilities		3,730	5,111	2,984
Accrued expenses and deferred income		105,015	121,865	103,002
Total current liabilities	6	**131,277**	**141,948**	**124,116**
Total equity and liabilities		**194,462**	**194,661**	**200,148**

Consolidated statement of changes in equity

tSEK	Attributable to the parent company's shareholders 06/30/2026	06/30/2025	12/31/2025
Opening balance	**71,833**	**79,457**	**79,457**
Comprehensive income for the period	-451	28,280	53,209
Dividend	-10,747	-60,833	-60,833
Closing balance	**60,635**	**46,904**	**71,833**

Consolidated cash flow statement

		Apr - Jun		Jan - Jun		Jan – Dec
tSEK	**Note**	**2026**	**2025**	**2026**	**2025**	**2025**
Cash flow from operating activities						
Operating profit/loss		-7,536	18,019	-805	35,110	65,960
Adjustments for items not included in cash flow:						
Depreciation and impairment		1,549	1,347	3,027	2,615	6,089
Other items not affecting cash flow		-	-1	-	-52	-52
Interest received		207	354	513	786	1,575
Interest paid		-70	-108	-151	-233	-420
Tax paid		-911	-4,435	-2,050	-9,214	-13,943
Cash flow from operating activities before changes in working capital		**-6,761**	**15,175**	**533**	**29,012**	**59,209**
Change in working capital						
Change in operating receivables		8,638	16,802	6,637	13,548	18,086
Change in operating liabilities		5,717	-12,061	7,607	-5,932	-24,364
Cash flow from operating activities		**7,594**	**19,917**	**14,778**	**36,629**	**52,931**
Investment activities						
Capitalization of development expenses		-12,237	-2,971	-24,218	-6,774	-13,104
Acquisition of tangible fixed assets		-	-	-	-	-48
Cash flow from investment activities		**-12,237**	**-2,971**	**-24,218**	**-6,774**	**-13,153**
Financing activities						
Amortization of leasing liabilities		-790	-753	-1,571	-1,826	-3,359
Dividend		-10,747	-60,833	-10,747	-60,833	-60,833
Cash flow from financing activities		**-11,537**	**-61,585**	**-12,318**	**-62,658**	**-64,192**
Cash flow for the period		**-16,180**	**-44,639**	**-21,759**	**-32,803**	**-24,413**
Liquid funds at the beginning of the period		115,267	157,071	120,846	145,234	145,234
Reclassification of cash and cash equivalents		-	-	-	-	24
Liquid funds at the end of the period		**99,087**	**112,431**	**99,087**	**112,431**	**120,846**

Parent company income statement

		Apr - Jun		Jan - Jun		Jan – Dec
tSEK	**Note**	**2026**	**2025**	**2026**	**2025**	**2025**
Operating income						
Net sales		49,904	63,559	102,483	128,484	247,879
Other operating income		1,007	47	1,635	200	283
Capitalized work for own account		1,444	916	2,833	1,316	3,020
Operating expenses						
Distribution costs		-8,885	-13,301	-18,548	-27,194	-50,816
Other external expenses		-31,779	-16,985	-51,433	-35,643	-71,877
Personnel expenses		-18,023	-13,698	-34,966	-27,448	-54,878
Depreciation and impairment of tangible and intangible assets		-781	-578	-1,490	-1,222	-3,159
Other operating expenses		-515	-2,033	-1,500	-3,631	-4,922
Operating profit/loss		**-7,627**	**17,928**	**-985**	**34,863**	**65,530**
Profit from financial items						
Interest income and similar income		207	354	513	786	1,575
Interest expenses and similar expenses		-	-	-2	-	-
Profit after financial items		**-7,420**	**18,281**	**-474**	**35,649**	**67,105**
APPROPRIATIONS						
Group contributions		-	-	-	-	-10
Profit before tax		**-7,420**	**18,281**	**-474**	**35,649**	**67,095**
Tax on profit for the period		1,447	-3,780	-	-7,378	-13,902
Profit/loss for the period		**-5,973**	**14,501**	**-474**	**28,270**	**53,193**
Comprehensive income for the period		**-5,973**	**14,501**	**-474**	**28,270**	**53,193**

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	06/30/2026	06/30/2025	12/31/2025
Assets				
Intangible fixed assets				
Capitalized development expenditures		38,729	10,788	15,602
Patent		-	-	-
Total intangible fixed assets		**38,729**	**10,788**	**15,602**
Tangible fixed assets				
Cost of improvement on other's property		480	771	626
Equipment and computers		533	1,013	785
Total tangible fixed assets		**1,013**	**1,784**	**1,411**
Financial assets				
Participations in group companies		50	50	50
Deferred prepaid tax		96	49	96
Other long-term receivables		-	24	-
Total financial assets		**146**	**123**	**146**
Total fixed assets		**39,887**	**12,695**	**17,159**
Current receivables				
Accounts receivable		22,168	28,785	29,427
Other receivables		1,758	1,314	1,724
Current tax assets		1,526	1,318	-
Prepaid expenses and accrued income		24,618	29,620	24,031
Total current receivables		**50,070**	**61,037**	**55,182**
Short-term investments				
Other short-term investments		50,000	80,000	80,000
Total short-term investments		**50,000**	**80,000**	**80,000**
Cash and bank balances		48,943	32,292	40,707
Total current assets		**149,013**	**173,329**	**175,889**
Total assets		**188,900**	**186,024**	**193,048**
Equity and liabilities				
Restricted equity				
Share capital		563	563	563
Fund for development expenditures		38,729	10,788	15,602
Total restricted equity		**39,292**	**11,351**	**16,166**
Unrestricted equity				
Share premium fund		2,744	2,744	2,744
Retained earnings		19,319	4,815	-
Profit/loss for the period		-474	28,270	53,193
Total unrestricted equity		**21,589**	**35,829**	**55,937**
Total equity		**60,881**	**47,180**	**72,102**
Current liabilities				
Accounts payable		19,273	11,868	14,425
Liabilities to group companies		-	-	10
Current tax liabilities		-	-	524
Other liabilities		3,730	5,111	2,984
Accrued expenses and deferred income		105,015	121,865	103,002
Total current liabilities		**128,019**	**138,844**	**120,946**
Total equity and liabilities		**188,900**	**186,024**	**193,048**

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. Parent company's holdings in affiliated companies on June 30, 2026, consist 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 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 2025. New standards and interpretations that came into force on January 1, 2026 have not had any effect on the group's or the parent company's financial statements 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

	Apr - Jun		Jan - Jun		Jan – Dec
tSEK	**2026**	**2025**	**2026**	**2025**	**2025**
Revenue from B2C	**42,363**	**57,617**	**87,307**	**117,172**	**222,616**
Subscription revenue, B2C	42,363	57,617	87,307	117,172	222,616
Revenue from B2B	**7,541**	**5,942**	**15,175**	**11,312**	**25,263**
Recurring revenue, B2B	7,005	5,639	13,597	10,788	23,358
Other income	536	302	1,578	524	1,905
Total	**49,904**	**63,559**	**102,483**	**128,484**	**247,879**

The presentation has been adjusted to increase transparency and clarify the composition of revenue. Comparative figures have been reclassified to ensure comparability between periods.

Note 5 Financial instruments

tSEK	06/30/2026	06/30/2025	12/31/2025
Financial assets valued at amortized cost			
Accounts receivable	22,168	28,785	29,427
Other receivables	-	25	6
Accrued income	1,505	774	1,237
Cash and cash equivalents	99,087	112,431	120,846
Total financial assets	**122,760**	**142,016**	**151,515**
Financial liabilities valued at amortized cost			
Accounts payable	19,273	11,868	14,425
Accrued expenses	12,947	5,919	3,396
Total financial liabilities	**32,220**	**17,788**	**17,821**

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	06/30/2026	06/30/2025	12/31/2025
Contractual liabilities (deferred income)	79,820	108,036	88,413
Accrued staff-related costs	11,812	9,451	10,699
Other items	13,383	4,377	3,890
Total	**105,015**	**121,865**	**103,002**

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 the net sales for the current year, converted to the prior year's average exchange rates, divided by the prior year's net sales.	Used to measure the company's underlying net sales growth adjusted for currency effects.
EBITDA	EBITDA is defined as operating profit before depreciation and amortization.	This metric is used to describe the company's operating profit before depreciation and amortization and to compare profitability over time.
EBITDA margin	EBITDA as a percentage of net sales.	The EBITDA margin is used to show the company's operating profitability before depreciation, amortization, and impairment charges relative to net sales.
EBIT (Operating profit/loss)	Operating profit before interest and tax.	Operating profit is used to understand the company's earning capacity.
EBIT margin (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, reorganization in 2024, public cash offer in 2026, and reorganization in 2026.	The measure is used to understand the company's development and comparison between the years.
Adjusted EBIT/ 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 EBIT margin/ 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.	The measure indicates how many subscribers the company has at the end of the period.
Subscriptions, B2C	The number of direct-to-consumer subscriptions at the end of the period.	This metric indicates the number of consumer subscribers the company has at the end of the period.
Subscriptions, B2B	Number of subscriptions for which revenue is paid by a B2B partner at the end of the period.	This metric indicates the volume of subscriptions distributed through partners.
Subscription revenue, B2C	Revenue attributable to a subscription paid directly by the consumer.	Subscription revenue, B2C is used to measure the company's revenue generated from consumer subscribers.
Recurring revenue, B2B	Revenue from B2B agreements that are recurring in nature, such as subscription or license revenue.	This metric is used to show the portion of B2B revenue that is recurring in nature and thus contributes to greater predictability and stability in the revenue base.
Other income, B2B	Non-recurring revenue from B2B customers, such as one-time revenue.	This metric is used to distinguish non-recurring B2B revenue and thus provide a more accurate picture of the quality and composition of revenue.
ARPU	Average annual subscription revenue per paying B2C-subscriber during the period, annualized.	This metric is used to measure revenue per subscription in the consumer business.
Currency-adjusted ARPU	Average annual subscription revenue per paying B2C-subscription, converted using the prior year's exchange rates and extrapolated to a full year.	This metric indicates the company's average consumer subscription revenue per consumer 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

	Apr - Jun		Jan - Jun		Jan – Dec
tSEK	**2026**	**2025**	**2026**	**2025**	**2025**
Net sales prior period	63,559	65,442	128,484	128,899	261,529
Net sales current period	49,904	63,559	102,483	128,484	247,879
Net sales growth	**-21.5%**	**-2.9%**	**-20.2%**	**-0.3%**	**-5.2%**
Net sales prior period	63,559	65,442	128,484	128,899	261,529
Currency-adjusted net sales for the current period	53,746	65,051	110,183	129,547	252,734
Currency-adjusted net sales growth	**-15.4%**	**-0.6%**	**-14.2%**	**0.5%**	**-3.4%**

EBITDA, EBITDA margin, EBIT, and EBITmargin

	Apr - Jun		Jan - Jun		Jan – Dec
tSEK	**2026**	**2025**	**2026**	**2025**	**2025**
Net sales	49,904	63,559	102,483	128,484	247,879
Other operating income	1,007	47	1,635	253	335
Capitalized work for own account	1,444	916	2,833	1,316	3,020
Distribution costs	-8,885	-13,301	-18,548	-27,194	-50,816
Other external expenses	-30,919	-16,125	-49,716	-34,055	-68,569
Personnel expenses	-18,023	-13,698	-34,966	-27,448	-54,878
Depreciation and impairment of tangible and intangible assets	-1,549	-1,347	-3,027	-2,615	-6,089
Other operating expenses	-515	-2,033	-1,500	-3,631	-4,922
EBIT	**-7,536**	**18,019**	**-805**	**35,110**	**65,960**
EBIT margin	**-15.1%**	**28.4%**	**-0.8%**	**27.3%**	**26.6%**
Depreciation and impairment of tangible and intangible assets	1,549	1,347	3,027	2,615	6,089
EBITDA	**-5,987**	**19,366**	**2,222**	**37,725**	**72,049**
EBITDA margin	**-12.0%**	**30.5%**	**2.2%**	**29.4%**	**29.1%**

AdjustedEBIT and adjusted EBITmargin

	Apr - Jun		Jan - Jun		Jan – Dec
tSEK	**2026**	**2025**	**2026**	**2025**	**2025**
EBITDA	**-5,987**	**19,366**	**2,222**	**37,725**	**72,049**
EBIT	**-7,536**	**18,019**	**-805**	**35,110**	**65,960**
Items affecting comparability					
Other external expenses	-8,615	-	-8,615	-	-
Personnel expenses	-2,298	-	-2,298	-	-
Total items affecting comparability	**-10,913**	**-**	**-10,913**	**-**	**-**
Adjusted EBITDA	**4,926**	**19,366**	**13,134**	**37,725**	**72,049**
Adjusted EBITDA margin	**9.9%**	**30.5%**	**12.8%**	**29.4%**	**29.1%**
Adjusted EBIT	**3,377**	**18,019**	**10,107**	**35,110**	**65,960**
Adjusted EBIT margin	**6.8%**	**28.4%**	**9.9%**	**27.3%**	**26.6%**

ARPU and currency-adjusted ARPU

	Apr - Jun		Jan - Jun		Jan – Dec
tSEK	**2026**	**2025**	**2026**	**2025**	**2025**
Subscription revenue, B2C	42,363	57,617	87,307	117,172	222,616
Currency-adjusted subscription revenue, B2C	46,192	58,819	94,996	118,837	227,750
Number of B2C subscriptions, previous period (thousands)	677	874	732	892	892
Number of B2C subscriptions, current period (thousands)	640	840	640	840	732
ARPU (SEK)	**257**	**269**	**254**	**271**	**274**
Currency-adjusted ARPU (SEK)	**280**	**274**	**277**	**274**	**280**

ARPU

Definition of ARPU, clarified

As of the previous quarter, the company has updated its definition of ARPU in order to more accurately reflect trends in the consumer business. The new definition applies only to revenue from consumer subscriptions and excludes revenue from partnerships.

The former definition included, in addition to consumer revenue, certain partnership revenue as well, which meant that ARPU was affected by changes in the revenue mix rather than solely by underlying trends in the consumer business. The updated definition thus provides a more transparent and relevant picture of actual monetization per user.

The tables below show the difference between the definitions on a quarterly basis, including adjustments for currency effects.

ARPU

	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
SEK	**2024**	**2024**	**2024**	**2024**	**2025**	**2025**	**2025**	**2025**	**2026**
ARPU, new definition	275	282	279	278	270	269	269	266	255
ARPU, former definition	276	282	280	279	272	271	271	269	259
Difference	-1	0	-1	-1	-2	-2	-2	-3	-4

Currency-adjusted ARPU

	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
SEK	**2024**	**2024**	**2024**	**2024**	**2025**	**2025**	**2025**	**2025**	**2026**
Currency-adjusted ARPU, new definition	270	276	282	283	272	274	276	277	277
ARPU, former definition	271	277	284	276	270	277	276	279	280
Difference	-1	-1	-2	7	2	-3	0	-2	-3