



THE BOARD OF DIRECTORS OF SLEEP CYCLE UNANIMOUSLY RECOMMENDS THE SHAREHOLDERS NOT TO ACCEPT THE PUBLIC CASH OFFER BY ALTOR

Following an overall assessment, the Board is of the opinion that the Offer does not adequately reflect the value of Sleep Cycle, particularly in light of a strong cash generating subscription-based business and the significant investments made to support future growth and value creation, the benefits of which the Board believes are yet to be fully realised.

Background

This statement is made by Sleep Cycle AB (publ)'s ("Sleep Cycle" or the "Company") independent members of the Board of Directors (the "Board") pursuant to section II.19 of the Nasdaq Stockholm takeover rules (the "Takeover Rules"). Maciej Drejak has not participated and will not participate in the Board's handling of or decisions related to the Offer due to conflict of interest.

On 11 May 2026, Snark BidCo AB^[1] (the "Offeror"), a company controlled by Altor Fund V (No.1) AB and Altor Fund V (No.2) AB, announced a public takeover offer to the shareholders of Sleep Cycle at a price of SEK 24.50 in cash per share (the "Offer"). The Offer has been preceded by contacts between the Offeror and the Board during a longer period.

The total value of the Offer, based on all outstanding shares in Sleep Cycle, amounts to approximately SEK 497 million.^[2]

The Board notes that the price per share in the Offer represents a premium of:

- approximately 47 per cent compared to the closing price of SEK 16.7 on 8 May 2026 (the last trading day prior to the announcement of the Offer);
- approximately 46 per cent compared to the volume-weighted average price during the last 30 trading days prior to the announcement of the Offer; and
- approximately 49 per cent compared to the volume-weighted average price during the last 60 trading days prior to the announcement of the Offer.

The Offeror has obtained irrevocable undertakings to accept the Offer from Maciej Drejak, through holding companies h265 AB and MCGA AB, and GLA Invest SA, representing approximately 62.9 per cent of the shares and votes in Sleep Cycle. For further information about the irrevocable undertakings and the conditions to which they are subject, please refer to the Offeror's offer announcement.



The acceptance period of the Offer is expected to commence around 28 May 2026 and expire around 22 June 2026, subject to any extensions. Settlement is expected to commence on or around 30 June 2026.

At the written request of the Offeror, the Board has permitted the Offeror to conduct a limited confirmatory due diligence review of Sleep Cycle. No inside information regarding Sleep Cycle has been shared in connection with the due diligence review, except for information published by the Company on 29 April 2026 through a press release containing Sleep Cycle's interim report for January – March 2026.

For further information about the Offer, see www.building-for-wellness.se.

The Board has engaged SEB Corporate Finance as financial advisor and Mannheimer Swartling as legal advisor in connection with the Offer.

The Board's evaluation of the Offer

The Board's opinion regarding the Offer is based on an assessment of a number of factors that it has considered relevant for the evaluation of the Offer. These factors include, but are not limited to, the Company's strategic and financial position, current and anticipated market conditions, and the Company's expected future performance and long-term value creation, including the associated opportunities and risks.

Sleep Cycle is currently undergoing a strategic transformation and is making significant investments to accelerate growth in areas such as Medical Applications and Technology Licensing. These initiatives, which are being financed through the Company's operating cash flows, remain at a relatively early stage but are expected to materially enhance the Company's growth profile, diversification of revenues, and long-term earnings potential.

In Medical Applications, the Company has already demonstrated early traction, with more than 150,000 individuals having registered interest in its sleep apnea offering, while clinical validation is ongoing and supported by an established regulatory pathway, including interactions with the FDA. At the same time, Technology Licensing is increasingly contributing to revenue growth, with B2B revenues in Q1 2026 growing by 42% year-on-year and now represents 14.5% of total revenues, reflecting early success in building a more scalable and diversified business model, supported by a continuously expanding partner pipeline, which is expected to drive further growth in scalable, high-margin and recurring revenue streams.

The Board further notes that, in a hypothetical scenario where ongoing investments and marketing efforts are scaled back and the business is operated with a focus solely on cash generation, i.e. in a "run-off" scenario with limited operational risk, the underlying value of the Company is assessed to be in line with or exceed the value implied by the Offer. This implies that the Offer attributes limited or no value to the Company's potential significant future growth opportunities currently being pursued through ongoing investments. On this basis the total value of the Offer does not reflect the intrinsic value of the Company.



The Board has, together with its financial advisor, also considered valuation methods typically applied in evaluating public takeover offers for listed companies, including the value of the Offer relative to comparable listed companies and comparable transactions, the stock market's expectations in respect of the Company, the Board's view of the Company's long-term value based on expected future cash flows and premiums observed in previous public takeover offers.

Further, the Board has taken into account the premium implied by the Offer, the support for the Offer from shareholders representing approximately 62.9 per cent of the shares in the Company who have undertaken to accept the Offer, as well as views expressed by other shareholders, where some have indicated to the Board and in public settings that the Offer does not fully reflect the value of the Company.

The Board notes that the Offer represents a premium to the Company's share price prior to the announcement and recognises that the Offer provides shareholders with immediate liquidity and certainty in cash consideration and may be attractive from a short-term financial perspective. However, the Board does not believe that the Offer adequately reflects the value of the Company.

While the Board has a positive view of the Company's future prospects, it wishes to emphasise that the realisation of long-term value is associated with both operational and market-related risks, and that it is not possible to guarantee the future value of the Company's shares.

In summary, the Board's view is that neither the current market valuation nor the Offer sufficiently captures the Company's existing cash flow-generating subscription-based business in combination with the additional value creation potential embedded in its ongoing strategic initiatives including the future cash flows they are expected to generate. The Board remains focused on the successful execution of the Company's strategy and to achieve its financial targets.

In view of the above, the Board has unanimously resolved to recommend the shareholders not to accept the Offer.

The Offer's impact on employees etc.

Under the Takeover Rules, the Board is required, on the basis of the Offeror's statements in the Offer, to present its opinion regarding the impact that the implementation of the Offer may have on Sleep Cycle, particularly in terms of employment, and its opinion regarding the Offeror's strategic plans for Sleep Cycle and the anticipated effects such plans will have on employment and on the locations where the Company conducts its business. In its press release, the Offeror stated the following:

"There are currently no decisions on any material changes that may impact Sleep Cycle's employees and management or the existing organization and operations. However, the integration of Sleep Cycle in a future wellness group may give rise to organisational and operational changes, including changes affecting management and employees in Sleep Cycle. Any such measures would be determined following completion of the Offer and a comprehensive evaluation of the combined operations."



PRESS RELEASE
22 May 2026 08:00:00 CEST

The Board assumes that this description is accurate and has in relevant aspects no reason to take a different view.

Other

This statement shall in all respects be governed by and construed in accordance with substantive Swedish law. Any dispute arising out of or in connection with this statement shall be settled exclusively by Swedish courts.

Gothenburg on 22 May 2026
Sleep Cycle AB (publ)
The Board of Directors

For further information, please contact:

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This information is information that Sleep Cycle AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, at 08:00 CEST on 22 May 2026.

About Sleep Cycle

Sleep Cycle is dedicated to making healthy sleep accessible to everyone. Our app helps users to build hero habits, identify potential sleep issues, and gain valuable insights into their sleep patterns. Leveraging patented sound technology and over 3 billion analyzed sleep sessions, Sleep Cycle provides unparalleled accuracy and personalized guidance. As part of its broader partnership program, Sleep Cycle offers company partnerships including in-app promotions, tailored SDK solutions, and an extensive data library, enabling businesses to expand their offerings with sleep solutions and insights. Sleep Cycle is listed on Nasdaq Stockholm under the ticker SLEEP, with its headquarters in Gothenburg, Sweden.

[1] Pending name change from Goldcup 39639 AB.

[2] Based on 20,277,563 outstanding shares in Sleep Cycle.

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