



Remuneration report 2025

Introduction

This report describes how the guidelines for executive remuneration of Sleep Cycle AB (publ), adopted by the annual general meeting 2025, were implemented in 2025. The report also provides information on remuneration to the CEO and a summary of the company's outstanding share-related and share price-related incentive plans. The report has been prepared in accordance with the Swedish Companies Act and the Rules on remuneration of the board and executive management and on incentive programs administered by the Stock Market Self-Regulation Committee (ASK).

Further information on executive remuneration is available in note 11 (Average number of employees, salaries and other remuneration and social charges) on pages 70-71 in the annual report 2025. Information on the work of the remuneration committee in 2025 is set out in the corporate governance report available on pages 50-53 in the annual report 2025.

Remuneration of the board of directors is not covered by this report. Such remuneration is resolved annually by the annual general meeting and disclosed in note 11 on page 71 in the annual report 2025.

Key developments 2025

The CEO summarizes the company's overall performance in his statement on pages 12-13 in the annual report 2025.

The company's remuneration guidelines: scope, purpose and deviations

A prerequisite for the successful implementation of the company's business strategy and safeguarding of its long-term interests, including its sustainability, is that the company can recruit and retain qualified personnel. To this end, the company must offer competitive remuneration. The company's remuneration guidelines, adopted by the annual general meeting, enable the company to offer executives a competitive total remuneration.

Under the remuneration guidelines, executive remuneration shall be on market terms and may consist of the following components: fixed cash salary, variable cash remuneration, pension benefits and other benefits. The variable cash remuneration shall be linked to financial or non-financial criteria. They may be individualized, quantitative or qualitative

objectives. The criteria shall be designed to contribute to the company's business strategy and long-term interests, including its sustainability, by for example being clearly linked to the business strategy or promote the executive's long-term development.

The remuneration guidelines are found on pages 52-53 in the annual report 2025. During 2025, the company has complied with the applicable remuneration guidelines adopted by the annual general meeting. No deviations from the guidelines have been decided and no derogations from the procedure for implementation of the guidelines have been made. The auditor's report regarding the company's compliance with the guidelines is available on investors.sleepcycle.com. No remuneration has been reclaimed. In addition to remuneration covered by the remuneration guidelines, the annual general meetings of the company have resolved to implement long-term share-related incentive plans.

Total CEO remuneration in 2025 (tSEK)¹ - Table 1

Name of director (position)	1 Fixed remuneration		2 Variable remuneration		3	4	5	6
	Base salary	Other benefits	One-year variable	Multi-year variable	Extraordinary items	Pension expense	Total remuneration	Proportion of fixed and variable remuneration ²
Erik Jivmark (CEO)	2,820	5	1,128	-	-	716	4,670	76/24

¹ Except for Multi-year variable remuneration and remuneration during notice period and severance pay to the former CEO, the table reports remuneration earned in 2025. Multi-year variable remuneration is reported if vested in 2023, as set out in Table 2. Disbursement of any payments may or may not have been made the same year.

² Pension expense (column 4), which in its entirety relates to Base salary and is premium defined, has been counted entirely as fixed remuneration

Share-based remuneration

Outstanding share-related and share price-related incentive plans

The company has implemented one warrant program (2024/2027) for all employees. A warrant program has previously been implemented for the former CEO (2021/2026 CEO LTIP). Furthermore, the company has introduced a warrant program for the current CEO (2023/2027 CEO LTIP). The warrants are issued against payment corresponding to the fair value of the warrant at the time of allocation. The fair value has been calculated on the basis of Black-Scholes valuation model. The CEO has been granted 200,000 warrants, which gives him the right to subscribe for 200,000 shares. In total, 1,240,909 warrants have been granted, corresponding to 1,319,318 shares, which corresponds to 6.5% of the shares in the company before dilution.

Warrant program (CEO) – Table 2

The main conditions of warrant programs

1	2	3	4	5	6	7	8	
Name of program	Award date	Exercise period	Exercise price (SEK)	Warrants held at beginning of year	Warrants acquired during the year	Expired program during the year	Warrants held at end of year	
2023/2027 (CEO LTIP)	2023-11-23	2026-12-01 – 2027-01-02	52.60	100,000	-	-	100,000	
Erik Jivmark (CEO)	2024/2027	2024-05-14	2027-05-15 – 2027-06-15	59.20	100,000	-	-	100,000
Total				200,000	-	-	200,000	

Cash-based bonus performance program

In 2024, the Board decided on a short-term cash-based incentive program covering executive management (“2025 STI”). The 2025 STI program ran from January 1, 2025, to December 31, 2025, and enabled variable compensation based on the achievement of the targets specified below, with a discretionary component to reward performance and behavior.

The performance-based component amounted to up to 60% of the fixed annual salary and was based on the development of recurring sales and operating profit, before the cost of the STI program. The criteria are described in the table below.

Operating profit, adjusted for costs related to the STI program (mSEK)					
Recurring sales (mSEK)		<85	85	94	103
	<278	0%	0%	0%	0%
	278	18%	36%	42%	48%
	309	24%	42%	48%	54%
	340	30%	48%	54%	60%

Based on the performance during 2025, the targets for the performance-based component were not met, and therefore no compensation related to it was paid out.

The discretionary component was capped at 40% of the fixed annual salary and was based on a holistic assessment of the CEO’s contributions and performance in relation to the Board’s expectations. Based on this assessment, the Board decided to award the CEO the full bonus, corresponding to 40% of the fixed annual salary. The bonus amounted to tSEK 1,128.

The total bonus under the 2025 STI for the CEO thus amounted to tSEK 1,128, equivalent to 40% of the fixed annual salary.

Application of performance criteria

The performance measures for the CEO's cash-based variable remuneration, as set out above, have been selected to deliver the company's strategy and to encourage behavior which is in the long-term interest of the company.

Performance of the CEO in the reported financial year: variable cash remuneration (tSEK) – Tabel 3

2025 STI			
Namn of Director (position)	Description of criteria related to the compensation component	Relative weighting of performance criteria	a) Measured performance b) Compensation outcome
Erik Jivmark (CEO)	Performance-based component	60%	a) - b) -
	Discretionary component	40%	a) 40.00% b) 1,128 Tkr

Comparative information on the change of remuneration and company performance

Remuneration and company performance over the last five reported financial years (tSEK) – Table 4

	2025	2024*	2023*	2022	2021
CEO remuneration	4,670	5,805	4,912 ¹	2,937	3,419
Group operating profit	65,960	76,962	56,606	42,807	8,945 ³
Average remuneration on a full time equivalent basis of employees ² of the parent company	820	903	816	692	662

* During 2024, a total of tSEK 4,962 has been adjusted related to reorganization during the year. During 2023, a total of tSEK 4,450 has been adjusted related to the cost optimization program implemented in 2023.

¹ CEO remuneration includes remuneration to former CEO, including severance pay, and remuneration to current CEO Erik Jivmark.

² Excluding members of the group executive management.

³ In 2021, costs affecting comparability amounted to tSEK 26,061 related to the IPO