



## Sleep Cycle AB (publ)

### Statement by the Board of Directors pursuant to Chapter 18, Section 4 of the Swedish Companies Act

The Board of Directors of Sleep Cycle AB (publ) has proposed that the Annual General Meeting (the "**AGM**") 2024 shall resolve on an allocation of profits entailing a dividend to the shareholders of SEK 2.30 per share, of which SEK 1.30 per share is ordinary dividend for 2023 and SEK 1.00 per share is extraordinary dividend. Accordingly, the dividend amounts to a total of MSEK 46.6. In light of the Board of Directors' proposed dividend, the Board of Directors hereby makes the following statement pursuant to Chapter 18, Section 4 of the Swedish Companies Act.

The share premium reserve, retained profits and the year's result amount to SEK 56,151,437 of which the year's result for the financial year 2023 amounts to SEK 46,349,605. Provided that the AGM 2024 approves the Board of Directors' proposed allocation of profits, SEK 9,513,042 will be carried forward. The company's restricted shareholders' equity is fully covered after the proposed dividend.

Pursuant to the Board of Directors' assessment, the company's and the group's shareholders' equity will, after the proposed dividend, be sufficient in relation to the nature, scope and risks of the business. In this context, the Board of Directors has considered factors such as the company's and group's historical development, budgeted development and the cyclical situation.

The Board of Directors has considered the company's and the group's position and the company's and the group's prospects of fulfilling their commitments in the short and long term. The proposed dividend amounts to 76 per cent of the company's and the group's shareholders' equity, respectively, as of 31 December 2023. The group's shareholders' equity has neither increased nor decreased as a result of valuation of assets or liabilities at fair value pursuant to Chapter 4, Section 14 a of the Swedish Annual Accounts Act.

The proposed dividend will not have a detrimental impact on the company's or the group's capacity to fulfill their payment commitments or to fulfill the company's plans. Sleep Cycle has a history of good profitability, strong cash flow and limited investment needs. The Company has, in addition to available cash on hand, ready access to short as

well as long term credits that can be drawn down at short notice. Accordingly, the Board of Directors considers that the company and the group are well prepared to respond to changes as regards liquidity as well as unexpected events.

In addition to the above, the Board of Directors has considered other known circumstances that may be significant to the company's and the group's financial position. In this context, no circumstance has arisen implying that the proposed dividend would not appear justifiable.

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Gothenburg in February 2024

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*The Board of Directors*