



Sleep Cycle

Earnings call Interim Report January – March 2026

29 April 2026

Presenters



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Chief Executive Officer



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Agenda

- 01 The strategic opportunity
- 02 Market & TAM expansion
- 03 Our three growth pillars
- 04 Q1 2026 financial highlights
- 05 Medium-term targets
- 06 Summary & Q&A



App of the Day
Apple App Store

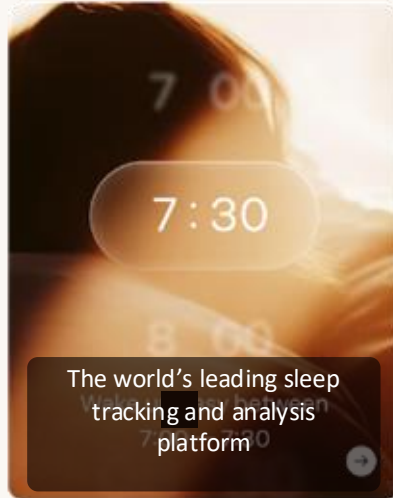


Editors Choice
Apple App Store



Our mission is to improve global health by
empowering people to take control of their sleep.

Unmatched data set and technology



+4bn

Nights analyzed

2.5m

Active users¹⁾

+82m

Installs

+60

Scientifically based sleep programs

Sleep Cycle has been built relying almost entirely on organic growth

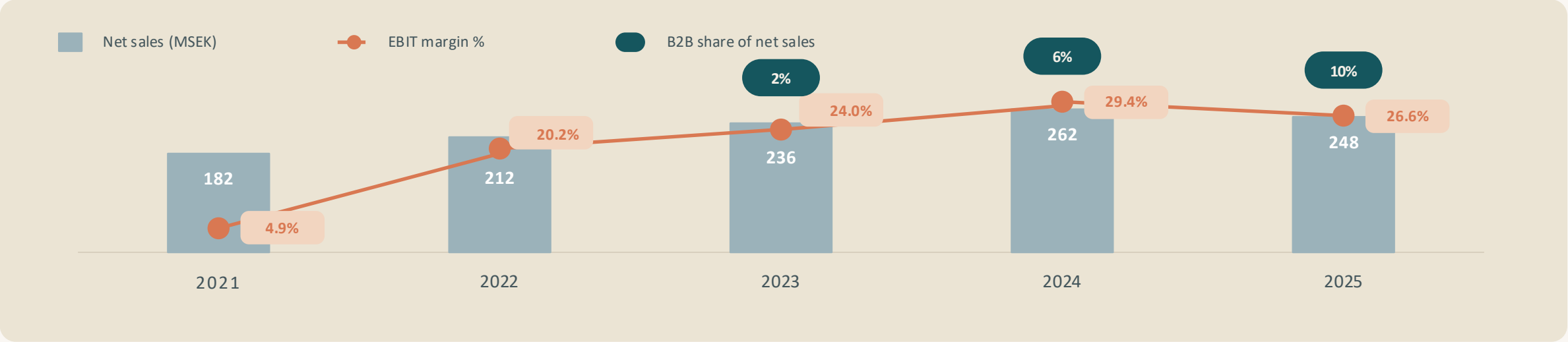
We are evolving to a more proactive and structured growth strategy

Recognized authority in sleep, trusted by millions and at the forefront of collaborative sleep research

Note(s): 1) Active users 2025. Defined as individuals with an activity in the app during the past year.

Profitable growth — funding the next phase

Five years of organic, profitable growth in mobile sleep apps. We now redeploy that profitability to build the platform and re-accelerate growth from 2027.



Sleep is emerging as a growing core pillar of global health

There is a growing recognition of sleep as a critical component of overall health, with insufficient sleep linked to various chronic conditions such as obesity, diabetes, and cardiovascular diseases



Sleep is a high-growth category across health and lifestyle

- Sleep is a large and rapidly growing trend across medicine, lifestyle, recovery, longevity and overall health
- Expanding relevance across consumers, employers, and healthcare
- ~1bn people affected by sleep apnea
- Growth not reflected in Apple's App Store dynamics, where sleep apps are deprioritized compared to other categories

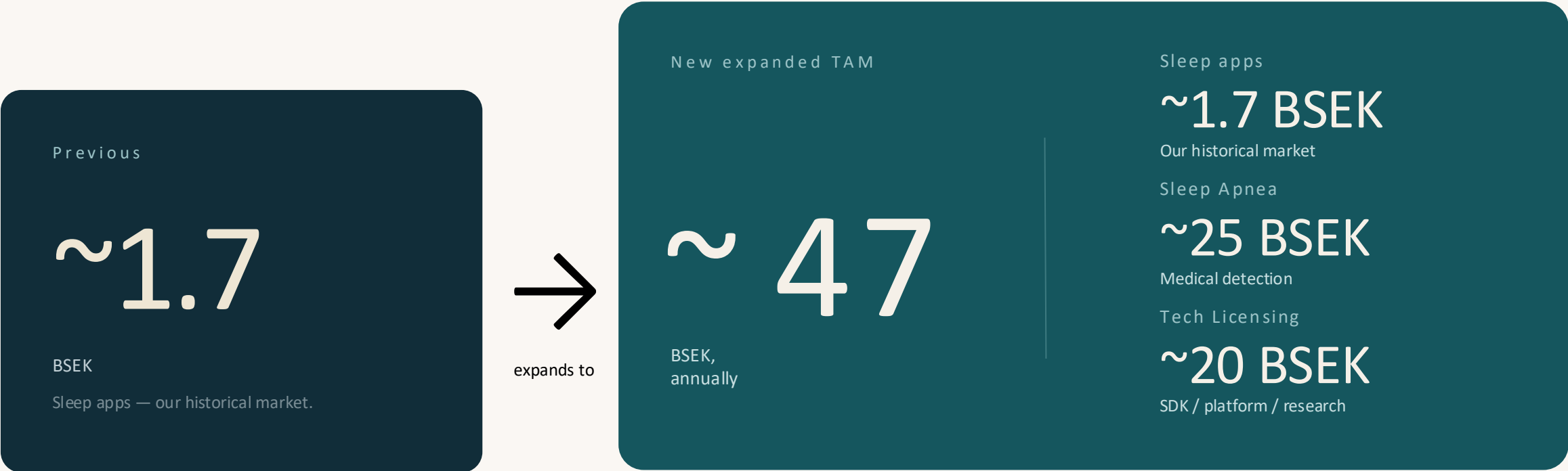


The health economy is shifting

- Health is moving toward integrated ecosystems and value is shifting toward platforms and embedded capabilities
- Demand for continuous, passive, and embedded health insights
- Increasing need for scalable, data-driven solutions

Our addressable market expands from ~1.7 to ~47 BSEK

Previously we addressed only the mobile sleep-app market. The expansion into medical applications and tech licensing opens a new ~45 BSEK opportunity.



BSEK. Source(s): Estimates are based on analysis conducted by Arkwright Consulting on behalf of Sleep Cycle, using a combination of public data sources, industry reports and internal assumptions. The total addressable market (TAM) represents an estimate of the potential market opportunity for Sleep Cycle’s current and future offerings and does not reflect current revenues or realized market size.

Unlocking the company's next phase by leveraging the tech platform and powering three business areas

Transitioning from a single-product app to a multi-product sleep tech platform, shifting towards more predictable, scalable revenue models

Pillar 1 — B2C / B2B

Sleep Cycle App

Our cash-generating consumer engine. Focused growth through pricing, conversion and AI-powered product innovation (Luma, Sleep Quality Score).

1.5M

MAU for Q1'26

Pillar 2 — B2C / B2B

Sleep Apnea

Clinical validation on track for September 2026. 150,000 people have already registered interest. Our largest upside opportunity.

150k

Registered interest from potential B2C customers

Pillar 3 — B2B

Tech Licensing

SDK platform for wearables, pharma, clinical research and digital health. Q1 delivered the developer portal, new SDK capabilities (Smart Alarm, real-time staging, dual sensing) and an expanded multi-vertical pipeline.

0.6m

Tech licensing revenue in Q1'26 (+100% QoQ)

Our Sleep App - A cash-generating B2C engine

Commercial execution

In March we raised iOS prices 15% on new subscriptions, partially offsetting FX. Android and Web continue to develop positively on both subscribers and sales. The bigger opportunity now is conversion: more engaged users than ever.

Product innovation

Luma (AI sleep coach) and an updated Sleep Quality Score shipped in Q1. The app is prepared for integration with external AI platforms — positioning us for where the consumer-AI wave is heading.

Activation

45%

First-night activation on the new soft-paywall — materially higher than the prior hard-paywall.

+15%

iOS new-sub price increase
Implemented in March 2026

Sleep Apnea – Our largest upside opportunity

Sleep apnea affects ~1 billion people globally — the majority undiagnosed. Existing solutions are expensive and clinically inaccessible at scale.

Sleep Cycle's contactless, AI-based detection is clinically benchmarked at **84.5% sensitivity** — comparable to incumbents — and can be delivered at substantially lower price point compared to traditional testing.

Sep 2026

Target completion of clinical validation study (US CRO).

150,000+

People registered interest for the B2C offering

Well-progressed on the regulatory path to commercial launch

- 1

De-risked regulatory approach

External specialist consultants engaged to validate approach and ensure alignment with all relevant 510(k) and CE-marking standards.
- 2

Quality system being put in place

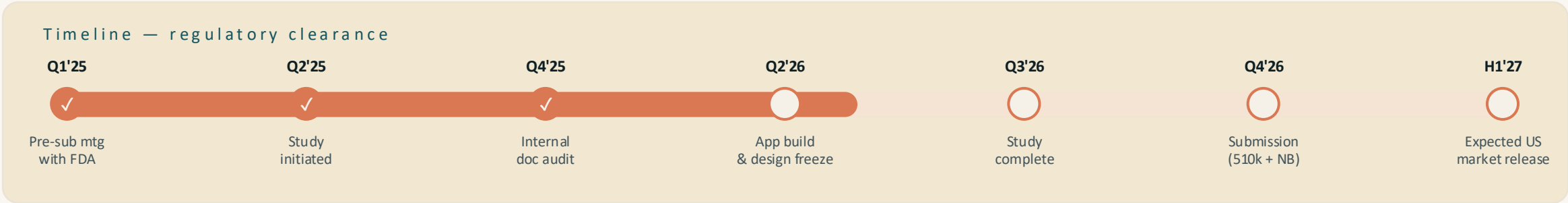
Processes operating under ISO 13485, ISO 14971, IEC 62366-1 and ISO 62304 to meet regulatory requirements.
- 3

Documentation audit passed

External pre-audit of all existing documentation has confirmed that our approach is sound and we are on the right regulatory path.
- 4

Study status on track

Development study concluded Q1 2026. Validation study began early Q2 — off to a solid start, on schedule.



Building the SDK platform for partners

Our SDK turns Sleep Cycle's core technology into building blocks for partner products — across wearables, pharma, clinical research, and digital health.

SDK CAPABILITIES

What the SDK does

- Sleep staging (real-time)
- Smart Alarm
- Dual sensing
- Cough detection
- Snoring detection
- Sleep apnea screening
- Movement & breathing

NEW Q1

NEW Q1

NEW Q1

UKHSA-validation

0.6 MSEK

SDK revenue (Q1 2026)

ADDRESSABLE VERTICALS

Where the SDK plugs in

- Wearables (rings, watches)
- Pharma & clinical trials
- Clinical research
- Digital health platforms
- Smart home / IoT
- Insurance & wellness
- Sleep clinics

2×

SDK revenue growth Q-o-Q

PARTNER-READY

Q1 2026 milestones

- ✓ Developer portal launched
Self-service for partners
- ✓ Three new SDK capabilities
Smart Alarm, real-time staging, dual sensing
- ✓ Multi-vertical pipeline expanded
Asia-led across verticals
- ✓ UKHSA cough-data validation
Early-warning, finalising April

~20 BSEK

Addressable Tech Licensing market

A transitional quarter, executing on strategy

Top-line pressured by lower consumer acquisition and FX — profitability impacted on short-term due to planned investments, B2B accelerating.

52.6

Net sales, MSEK · -12.2% YoY FX-adjusted

8.2

EBITDA, MSEK · 15.6% margin

6.7

EBIT, MSEK · 12.8% margin

14.5%

B2B revenue share

715k

Paying subscribers · -21% YoY

255 SEK

ARPU · +3% FX-adjusted

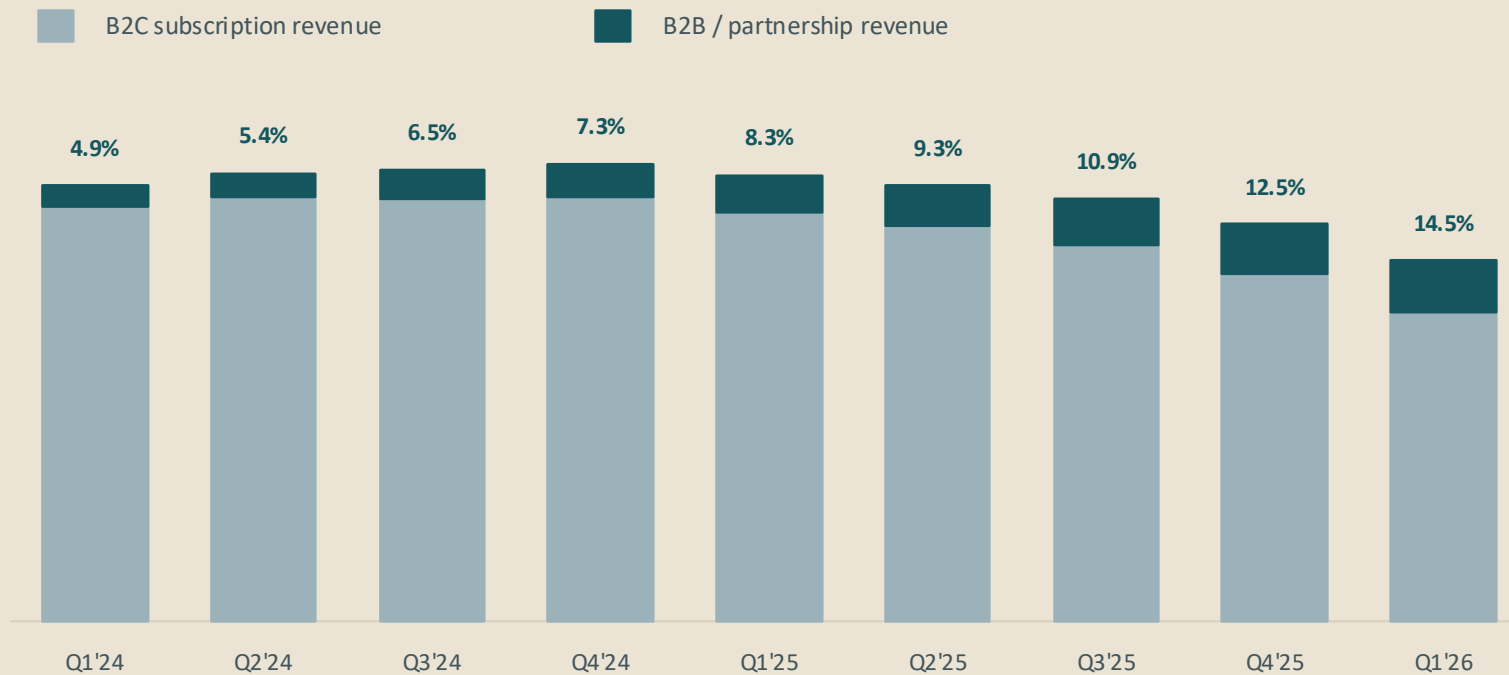
115 MSEK

Liquidity at period end

40

Average no. of employees Q1'26

The pivot is already visible in the revenue mix



B2B share of revenue

4.9% → 14.5%

Q1'24 vs Q1'26 · ~3× over 8 quarters

B2B subscribers

12k → 37k

Q4'23 to Q1'26 · ~3× growth

B2C FX-adj. ARPU

~277 SEK

Stable — FX is the headwind, not willingness-to-pay. +3

Financial performance – Q1 2026

SEK M	Q1-26	Q1-25	CHANGE
Net sales	52.6	64.9	-19%
Capitalized work for own account	1.4	0.4	248%
Distribution costs	-9.7	-13.9	-30%
Other external costs	-18.8	-17.9	5%
Staff costs	-16.9	-13.8	23%
Other operating expenses	-1.0	-1.6	-38%
EBITDA	8.2	18.4	-55%
EBITDA-margin	15.6%	28.3%	
D&A	-1.5	-1.3	17%
EBIT	6.7	17.1	-61%
EBIT-margin	12.8%	26.3%	
Adjusted EBIT	6.7	17.1	-61%
Adjusted EBIT-margin	12.8%	26.3%	

- **FX-adjusted net sales** growth of -12.2%.
- **B2B revenue** growth was +42
- **ARPU for new subscription sales** coming in at SEK 282 (+20% YoY FX-adjusted)
- **Investments in staff**, mainly in tech but also in sales and regulatory capabilities to support the strategic direction
- **EBIT-margin** of 12.8% for Q1
- **Adjusted EBIT** equals reported — no NRIs this quarter

Strong cash position, Investing for tomorrow

Operating cashflow remains positive — the total swing reflects deliberate investment in mainly Sleep Apnea.

SEKm	Q1-26	Q1-25	CHANGE
Cashflow, operating activities	7.2	16.7	-57%
Cashflow, investments	-12.0	-3.8	215%
Cashflow, financing	-0.8	-1.1	-27%
Total cashflow for the period	-5.6	11.8	-147%
Liquidity at period end	115	157	-27%

Disciplined, funded internally

- Operating cashflow 7.2 MSEK — still positive.
- Investment activity +215% — all deliberate: sleep-apnea CRO, SDK engineering, product development.
- Liquidity ~115 MSEK — funded internally; no external capital required.
- SEK 0.53/share dividend paid after period end (10.7 MSEK in total).

Unchanged medium-term ambition

Capital discipline, growth and profitability — anchored in through-cycle targets.

Capital return

40–60%

of profit after tax, paid out to shareholders

Growth

2×

revenue doubling ambition, medium-term

Profitability

≥25%

EBIT margin per annum, through-cycle

Dividend of SEK 0.53 per share for FY2025 approved at the AGM on 13 April 2026.

Q1 Takeaways

01

A transition quarter, not a trend

Headline numbers reflect deliberate investment — profitability maintained in double digits.

02

Platform is the moat

2.5M active users · 4B nights of data · 16 years of patented technology — structurally hard to replicate.

03

TAM expands from 1.7 to 45 BSEK

A 27× addressable market through sleep apnea and tech licensing.

04

B2B is compounding

+42% YoY in Q1, now 14.5% of net sales — up from 2% in 2023.

05

Targets unchanged

40–60% payout · revenue-doubling ambition · ≥25% EBIT margin p.a.

Questions & Answers