



Interim report April – June 2025

Sleep Cycle AB (publ)

“With Powered by Sleep Cycle, we're taking the next step - making our world-leading sleep technology available for integration into products and services around the world.”

ERIK JIVMARK, CEO

Second quarter

April – June 2025

- Net sales totaled tSEK 63,559 (65,442) and decreased by -2.9% (+12.9%). Currency-adjusted net sales growth amounted to -0.6% (10.5%).
- Operating profit amounted to tSEK 18,019 (20,964), with an operating margin of 28.4% (32.0%). The quarter has not been affected by any costs affecting comparability.
- The total number of paying subscribers at end of period was 878k (898k).
- ARPU in the quarter totaled SEK 271 (282). Currency-adjusted ARPU amounted to SEK 277.
- Earnings per share before and after dilution for the quarter amounted to SEK 0.71 (0.84).

Period

January – June 2025

- Net sales totaled tSEK 128,484 (128,899) and decreased by -0.3% (+13.0%). Currency-adjusted net sales growth amounted to 0.5% (10.8%).
- Operating profit amounted to tSEK 35,110 (34,807), with an operating margin of 27.3% (27.0%). The previous year was affected by costs of tSEK 5,756 and the adjusted operating margin was 31.5%.
- The total number of paying subscribers at end of period was 878k (898k).
- ARPU for the period totaled SEK 272 (279). Currency-adjusted ARPU amounted to SEK 274.
- Earnings per share before and after dilution amounted to SEK 1.39 (1.40) for the period.

Significant events during the quarter

- In June, Sleep Cycle initiated a clinical trial for AI-based sleep apnea screening, targeting a billion-dollar market.
- In June, Sleep Cycle launched an in-app collaboration with HelloFresh, Factor, and YouFoodz.

Significant events after the end of the quarter

- No significant events took place after the end of the period.

Group key performance indicators

	Apr - Jun		Jan - Jun		Jan - Dec
tSEK	2025	2024	2025	2024	2024
Net sales	63,559	65,442	128,484	128,899	261,529
Net sales growth (%)	-2.9%	12.9%	-0.3%	13.0%	10.7%
Currency-adjusted net sales growth (%)	-0.6%	10.5%	0.5%	10.8%	9.8%
Operating profit/loss	18,019	20,964	35,110	34,807	76,962
Operating margin (%)	28.4%	32.0%	27.3%	27.0%	29.4%
Items affecting comparability	-	-	-	-5,756	-5,756
Adjusted operating profit/loss	18,019	20,964	35,110	40,563	82,718
Adjusted operating margin (%)	28.4%	32.0%	27.3%	31.5%	31.6%
Profit/loss for the period	14,488	16,960	28,280	28,485	62,642
Operational key performance indicators					
Total subscriptions (Thousands)	878	898	878	898	918
ARPU (SEK)	271	282	272	279	278
Currency-adjusted ARPU (SEK)	277	277	274	273	276
Average number of employees (#)	35	30	34	34	33

For definitions, justifications, and deductions see pages 15-16.

Strong margin and growth in partnerships

With a strong margin of 28.4 percent for the quarter, we are further consolidating our position as a technology leader in sleep and health. We are making progress in both clinical validation – as in our study for screening sleep apnea – and commercialization, with growing revenues from partnerships. Revenue from partnerships now accounts for over 9 percent of our net sales. At the same time, the quarter was impacted by a tougher market environment with slower customer growth and a two percent decline in paying subscribers. Market trends show that our long-term strategy is the right way forward, with a diversified offering and more verticals based on our sleep technology.



Partnerships as growth drivers

Partnership sales is a key part of our strategy – and it is yielding results. Revenue from partnerships has increased by over 68 percent compared to the same quarter in prior year and now accounts for more than 9 percent of our total net sales, which for the quarter amounted to SEK 63.6 million. During the quarter, we welcomed HelloFresh, Factor and YouFoodz as part of Sleep Cycle's partner program and opened up a new platform of in-app offerings, tailored to our health-conscious target audience.

Screening for sleep apnea enters clinical phase

In June, we initiated our clinical study with over 700 participants for our AI-based screening of obstructive sleep apnea. The study is an important milestone towards medical certification and future approval by the US Food and Drug Administration (FDA).

The goal is to offer a simple and accessible solution without expensive hardware or the need for a sleep clinic. We envisage both a service for consumers and offers to partners available in part through licensing.

Targeted growth initiatives

Despite a challenging market situation for sleep apps, the demand for sleep aid is high and predicted to grow in the coming years. The renewal rate is gradually improving and development is outperforming competitors thanks to targeted product development such as Sleep Stages. The number of paying subscribers is down two percent from prior year and totals 878,000 for the quarter. Developments in the sleep app segment in the

AppStore demonstrate the need to expand our business and that our strategy is the right way forward. We are working decisively on new customer acquisition, activation, partnerships, and tech licensing under the Powered by Sleep Cycle concept to reverse the trend and build an even stronger Sleep Cycle.

This marks a new chapter for us, and although sales cycles in B2B are longer than in the consumer business, we are confident that our technology meets a real need. We are building for long-term impact — and for a future where our technology becomes an integral part of the digital health ecosystem.

The market is changing — and we are changing with it. We are not only building for better sleep, but for a greater role in digital health, public health, research, and data analysis.

Thank you for your continued support and belief in our vision!

A handwritten signature in blue ink, reading "Erik Jivmark".

ERIK JIVMARK, CEO

Sleep Cycle's product offering

With more than three billion nights analyzed, Sleep Cycle is helping people around the world understand and improve their sleep. Our patented AI technology enables advanced sleep analysis and personalized insights, promoting better sleep hygiene - one night at a time. Our subscription-based business model creates stable, predictable revenue, while low customer acquisition costs ensure strong profitability and sustainable cash flow.



Upgraded audio model for deeper analysis

During the quarter, we launched an upgraded audio model – the result of a year of focused development. The aim has been to identify and interpret subtle audio signals that often go unnoticed by the user but play a crucial role in understanding sleep patterns. This upgrade has significantly improved the model's accuracy and deepened insights into sleep structure, an important step in solidifying our position as a leader in advanced sleep analysis.

New platform for in-app offers

We have strengthened our partner program with a new platform for in-app offers. It gives external brands the opportunity to reach our health-conscious and engaged user base. During the quarter, we have entered into partnerships with HelloFresh, Factor and YouFoodz, which are now offering exclusive offers to Sleep Cycles users. The platform not only creates new revenue streams, but also helps increase daily usage and deepen engagement with Sleep Cycle.

Sleep Aid expanded with video courses

Our Sleep Aid library for premium users has been updated with new video courses from our sleep expert. The courses focus on common sleep problems in children, teenagers, and women going through menopause. By offering content that meets specific needs, we strengthen both daily use and long-term engagement with the app.

Development of a Sleep Test

As part of our product development, we have developed a sleep test based on the established RU-SATED concept*. The test provides users with insight into their sleeping habits and presents concrete suggestions for improvement. This initiative is an important part of our new acquisition strategy and contributes to a more personalized and engaging user experience.

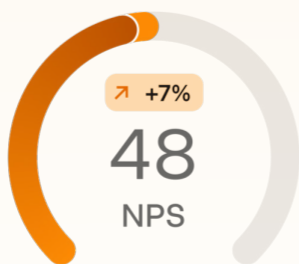
Cough Radar launches online

Sleep Cycle has launched its first stand-alone web feature: Cough Radar. The feature makes community-level cough data available to everyone, free of charge and in real time. Users and partners can monitor global cough trends using an interactive map in the browser. Cough Radar is a key component of our Powered by Sleep Cycle initiative, enabling proactive public health interventions using real-time data on respiratory conditions.

New revenue opportunities in sleep apnea

Obstructive sleep apnea affects an estimated 950 million adults worldwide, nearly 80 percent of whom are undiagnosed. The condition is linked to serious health problems and is driving demand for more effective diagnostics. The home testing market is expected to grow from \$712 million in 2025 to \$966 million by 2035, clearly demonstrating the need for scalable and cost-effective solutions.

Sleep Cycle's upcoming sleep apnea feature is based on our smartphone technology and proprietary algorithms to offer an affordable and easy home test. As an initial step towards medical certification, we are now conducting a study to validate the technology's capabilities. The solution enables new revenue streams both through in-app subscriptions and through licensing of our technology.



*RU-SATED is a standardized questionnaire that measures six key dimensions of sleep health: Regularity, Satisfaction, Alertness, Timing, Efficiency, and Duration.

Growth through *innovation*

Sleep Cycle's mission is to improve global health by helping people sleep better. In 2024, we launched an updated business strategy. It takes off from the trends that drive the market and creates opportunities for Sleep Cycle to achieve strong and profitable growth.



Increased focus on health and well-being, understanding the importance of sleep to people's well-being, and the increased acceptance of subscription-based applications are all examples of structural global trends driving the sleep health market.

Sleep Cycle's strategy consists of three main areas – User Growth, User engagement, and Platform & Data – within which we implement a range of tactical activities to achieve our goals. The new strategy aims to aggressively focus on increased growth and to explore new revenue streams based on the unique technology and vast amount of data Sleep Cycle possesses.

Our strategy has an aggressive objective: Doubled income over the medium term with an annual profitability of at least 25% operating margin. With a strong core business as a foundation and a competent team, we are convinced that these goals can be achieved.

Strategic focus areas



User growth

This strategic initiative focuses on increasing visibility in earned channels through media exposure, simplified onboarding, continuous branding, new pricing strategy, and product development. With 80 percent of new users coming from referrals, thus demonstrating the quality and reputation of the product.

Partnerships play a central role in reaching new customer segments and growing the user base, with tailored approaches to maximize performance for both the company and our partners.



User engagement

Retaining users is crucial to our subscription-based business model, and active users mean increased retention opportunities. This part of the strategy focuses on developing our capabilities to improve data quality and further increase trust in Sleep Cycle. There are many meeting points along the customer journey where we can help our users not only to create good habits, but also to maintain them. In this work, personalization is key. Launches such as Sleep Stages are a clear example of how we employ our unique technology and collected data to make Sleep Cycle an important part of people's everyday lives and contribute to their well-being. This type of personalized functionality increases user engagement and is also important for increasing conversion to paying users.



Platform and Data

Sleep Cycle's platform processes over 300,000 hours of sleep data every hour. This means a large volume of health data that in itself has great value but also enables product improvements and business opportunities.

The new technology behind Sleep Stages combines sound analysis of respiratory patterns and movements with AI and machine learning based on extensive polysomnographic data. This unique technology is also used to explore solutions for breathing disorders, such as sleep apnea, which is a major public health problem.

Thanks to our proprietary technology, Sleep Cycle has full control over the platform and its use, creating opportunities to broaden our commercial offering – something we strive to further develop.

Financial overview

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, 2024.

Second quarter April – June 2025

Sales and earnings

The Group's net sales during the second quarter totaled tSEK 63,559 (65,442), a decrease of -2.9% (+12.9%) from prior year. Currency-adjusted net sales growth amounted to -0.6% (10.5%) for the quarter. Revenue growth is attributable to lower sales through the AppStore and Google Play platforms, while sales through the web and partnerships are growing. Revenues generated from partnerships represented 9.3% of revenues during the quarter. The corresponding figure for the previous year was 5.4%, which shows that revenue generated from partnerships is growing at a rapid pace. While the second quarter is seasonally weaker for new customer acquisitions, sales to existing customers remain stable and continue to improve gradually.

Average Revenue Per Subscription (ARPU) decreased to SEK 271 (282), while currency-adjusted ARPU amounted to SEK 277. The decrease is explained by a lower inflow of new customers and negative exchange rate trends.

The number of paying users totaled 878k (898k). This decrease is explained by a lower inflow of new subscribers, while the proportion renewing their subscription remains stable with gradual improvement.

The company continued to show good profitability, although earnings were negatively affected by lower revenues compared with the previous year and by increased costs related to growth-promoting initiatives in line with the company's strategy to continue developing the product and find additional revenue streams. Operating profit for the second quarter totaled tSEK 18,019 (20,964) and the margin 28.4% (32.0%). The second quarter has not been affected by costs affecting comparability.

Currency fluctuations had some negative impact on results during the quarter. As sales are made in foreign currency but payments from the AppStore, for example, are made in Swedish kronor, revenues are affected by currency fluctuations – especially when the krona strengthens. Additional earnings effects occur when the exchange rate changes between sale and payment. During the quarter, the profit impact was tSEK -1,886, mainly related to price development in USD.

Net financial items for the quarter totaled tSEK 246 (426) and taxes on profit for the quarter totaled tSEK -3,777 (-4,429).

Profit for the quarter totaled tSEK 14,488 (16,960). Earnings per share before and after dilution amounted to SEK 0.71 (0.84).

Cash flow and financial position

Cash flow from operating activities in the first quarter amounted to tSEK 19,917 (16,221).

Cash flow from investment activities amounted to tSEK -2,971 (-912) related to capitalization of development expenses. The clinical study related to screening for sleep apnea was initiated during the quarter.

Cash flow from financing activities in the quarter amounted to tSEK -61,585 (-45,734) related to dividends paid, amortization of lease liabilities and option premiums in 2024. The change is mainly explained by higher dividends in 2025. The dividend paid amounted to tSEK 60,833 (46,638).

Cash flow for the quarter totaled tSEK -44,639 (-30,065). The group's cash and cash equivalents at the end of the period totaled tSEK 112,431 (120,443).

Consolidated equity totaled tSEK 46,904 as of June 30. Opening balance on January 1 was tSEK 79,457.

Period January – June 2025

Changes in net sales, profit, cash flow and financial position for the 2025 period compared to the previous year are largely explained by the same reasons as for the second quarter. Development over a 6-month period is indicated below, with comments in cases where there are causes for development other than for the second quarter.

Sales and earnings

Consolidated net sales for the period amounted to tSEK 128,484 (128,899), a decrease of -0.3% (+13.0%) compared to the previous year. Currency-adjusted net sales growth amounted to 0.5% (10.8%). Average revenue per user (ARPU) decreased, totaling SEK 272 (279). Currency-adjusted ARPU amounted to SEK 274. The number of paying users totaled 878k (898k).

Operating profit totaled tSEK 35,110 (34,807) and the margin was 27.3% (27.0%). The 2025 period has not been affected by any costs affecting comparability. The previous year was affected by costs affecting comparability of tSEK 5,756 related to the reorganization and consolidation of operations to the head office in Gothenburg. The adjusted operating margin in the prior year was 31.5%.

Currency fluctuations had some negative impact on results during the period. As sales are made in foreign currency but payments from the App Store, for example, are made in Swedish kronor, revenues are affected by currency fluctuations – especially when the krona strengthens. Additional earnings effects occur when the exchange rate changes between sale and payment. During the period, the profit impact was tSEK -3,176, mainly related to price development in USD.

Net financial items for the period totaled tSEK 553 (1,113) and taxes on the profit for the period totaled tSEK -7,383 (-7,435).

Profit for the period totaled tSEK 28,280 (28,485). Earnings per share before and after dilution amounted to SEK 1.39 (1.40).

Cash flow and financial position

Cash flow from operations for the period amounted tSEK 36,629 (34,494).

Cash flow from investment activities amounted to tSEK -6,774 (-1,097) related to capitalization of development expenses. The change is explained by higher activation of development spending linked to sleep apnea screening, along with initiatives in line with the company's strategy.

Cash flow from financing activities amounted to tSEK -62,658 (-46,401) during the period, mainly related to dividend payments.

Cash flow for the period amounted to tSEK -32,803 (-13,004). The group's cash and cash equivalents at the end of the period totaled tSEK 112,431 (120,443).

Consolidated equity totaled tSEK 46,904 as of June 30. Opening balance on January 1 was tSEK 79,457.

Other information

Employees

The average number of employees in the Group for the quarter from April to June 2025 was 35 (30) and for the six months from January to June 2025 was 34 (34).

Information on 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 2024. No significant events have occurred during the period that affect or change the descriptions of the Group's risks and their management.

Parent Company

The Group's operations are essentially conducted in the parent company, which is why reference is made to the information above for the Group.

Related party transactions

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

Other information

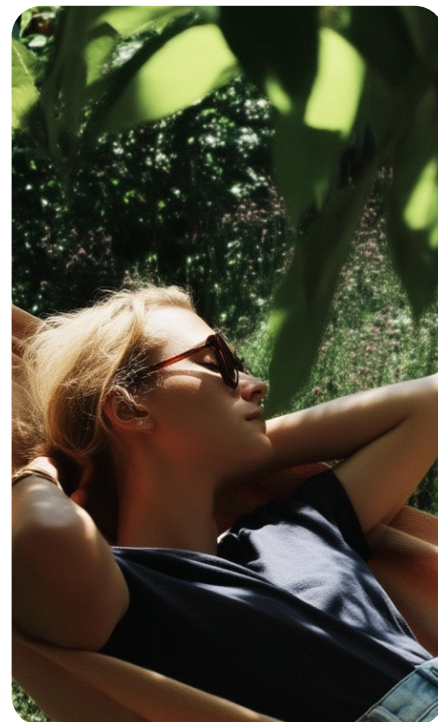
This report has not been reviewed by the Company's auditors.

A presentation of Sleep Cycle's interim report for April-June 2025 for shareholders, media, and other stakeholders will be held on August 22 at 9:30 a.m. Participants will be able to follow the presentation via a webcast.

This is a translation of the original Swedish Sleep Cycle interim report April-June 2025. In the event of any discrepancies between the two versions, the original Swedish version shall apply.

Upcoming reporting dates

Interim report July-September 2025
October 24, 2025



The share

The Company's share has been listed on Nasdaq Stockholm under the ticker SLEEP since June 8, 2021. Share capital on the balance sheet date totaled tSEK 563.

Outstanding warrant program

Warrant program	Number warrants	Corresponding number of shares	% of total number of shares	Exercise price	Exercise period
2021/2026 (CEO LTIP)	340,909	419,318	2.1%	196.87	2026
2022/2025	53,700	54,774	0.3%	69.58	2025
2023/2027 (CEO LTIP)	100,000	100,000	0.5%	52.60	2027
2024/2027	800,000	800,000	3.9%	59.20	2027
Total	1,294,609	1,374,092	6.8%		

Main shareholders in Sleep Cycle AB (publ) as of June 30, 2025

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	1,038,529	5.1%
Nordnet Pensionsförsäkring	892,524	4.4%
Lancelot Asset Management AB	650,000	3.2%
Cancerfonden - The Swedish Cancer Society	339,993	1.7%
Handelsbanken Fonder	179,712	0.9%
Johan Qviberg	170,000	0.8%
Storebrand Funds	148,373	0.7%
Strandberg Asset Management	145,822	0.7%
Other	3,956,940	19.5%
Total	20,277,563	100%

Consolidated statement of comprehensive income

tSEK	Note	Apr - Jun		Jan - Jun		Jan - Dec
		2025	2024	2025	2024	2024
Operating income						
Net sales	4	63,559	65,442	128,484	128,899	261,529
Other operating income		47	45	253	245	355
Operating expenses						
Capitalized work for own account		916	164	1,316	164	447
Distribution costs		-13,301	-14,444	-27,194	-28,750	-57,862
Other external expenses		-16,125	-13,557	-34,055	-28,530	-58,489
Personnel expenses		-13,698	-14,489	-27,448	-32,824	-60,104
Depreciation and impairment of tangible and intangible assets		-1,347	-2,127	-2,615	-4,251	-8,624
Other operating expenses		-2,033	-70	-3,631	-147	-290
Operating profit/loss		18,019	20,964	35,110	34,807	76,962
Financial items						
Financial income		354	654	786	1,513	2,868
Financial expenses		-108	-228	-233	-400	-685
Profit before tax		18,265	21,390	35,663	35,920	79,145
Tax on profit for the period		-3,777	-4,429	-7,383	-7,435	-16,504
Profit for the period attributable to the parent company's shareholders		14,488	16,960	28,280	28,485	62,642
Other comprehensive income		-	-	-	-	-
Comprehensive income for the period attributable to the parent company's shareholders		14,488	16,960	28,280	28,485	62,642
Earnings per share before dilution, SEK		0.71	0.84	1.39	1.40	3.09
Earnings per share after dilution, SEK		0.71	0.84	1.39	1.40	3.09
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	06/30/2025	06/30/2024	12/31/2024
ASSETS				
Intangible fixed assets				
Capitalized development expenditures		10,788	3,724	4,787
Patent		-	-	-
Total intangible fixed assets		10,788	3,724	4,787
Tangible fixed assets				
Right-of-use assets		8,453	13,432	10,799
Cost of improvement on other's property		771	651	917
Equipment and computers		1,013	1,559	1,316
Total tangible fixed assets		10,238	15,642	13,032
Financial assets				
Other long-term receivables		24	435	24
Total financial assets		24	435	24
Deferred tax				
Deferred prepaid tax		143	105	148
Total deferred tax		143	105	148
Current assets				
Accounts receivable		28,785	32,190	41,199
Other receivables		1,314	784	678
Current tax assets		1,318	3,793	-
Prepaid expenses and accrued income		29,620	34,464	31,391
Cash and cash equivalents		112,431	120,443	145,234
Total current assets		173,468	191,674	218,502
TOTAL ASSETS		194,661	211,580	236,493
EQUITY AND LIABILITIES				
Equity				
Share capital		563	563	563
Other contributed capital		2,744	2,590	2,744
Retained earnings, including profit for the year		43,597	41,993	76,150
Total equity attributable to the parent company's shareholders		46,904	45,146	79,457
Long-term liabilities				
Leasing liabilities		5,808	9,585	7,379
Total long-term liabilities		5,808	9,585	7,379
Current liabilities				
Leasing liabilities		3,104	4,268	4,364
Accounts payable		11,868	14,519	14,704
Current tax liabilities		-	-	518
Other liabilities		5,111	4,436	3,257
Accrued expenses and deferred income		121,865	133,625	126,815
Total current liabilities		141,948	156,848	149,658
TOTAL EQUITY AND LIABILITIES		194,661	211,580	236,493

Consolidated statement of changes in equity

tSEK	Attributable to the parent company's shareholders		
	06/30/2025	06/30/2024	12/31/2024
Opening balance	79,457	60,998	60,998
Comprehensive income for the period	28,280	28,485	62,642
Dividend	-60,833	-46,638	-46,638
Warrant premiums	-	2,302	2,456
Closing balance	46,904	45,146	79,457

Consolidated cash flow statement

tSEK	Note	Apr - Jun		Jan - Jun		Jan - Dec
		2025	2024	2025	2024	2024
Cash flow from operating activities						
Operating profit/loss		18,019	20,964	35,110	34,807	76,962
Adjustments for items not included in cash flow:						
Depreciation and impairment		1,347	2,127	2,615	4,251	8,624
Other items not affecting cash flow		-1	-	-52	-	-
Interest received		354	654	786	1,513	2,868
Interest paid		-108	-228	-233	-400	-685
Tax paid		-4,435	-3,920	-9,214	-9,102	-13,903
Cash flow from operating activities before changes in working capital		15,175	19,596	29,012	31,069	73,866
Change in working capital						
Change in operating receivables		16,802	12,803	13,548	4,474	-1,355
Change in operating liabilities		-12,061	-16,178	-5,932	-1,049	-8,853
Cash flow from operating activities		19,917	16,221	36,629	34,494	63,657
Investment activities						
Capitalization of development expenses		-2,971	-912	-6,774	-912	-3,261
Acquisition of tangible fixed assets		-	-	-	-185	-661
Cash flow from investment activities		-2,971	-912	-6,774	-1,097	-3,923
Financing activities						
Repayment of leasing liabilities		-753	-1,038	-1,826	-2,065	-4,175
Warrant premiums		-	2,302	-	2,302	2,456
Dividend		-60,833	-46,638	-60,833	-46,638	-46,638
Cash flow from financing activities		-61,585	-45,374	-62,658	-46,401	-48,358
Cash flow for the period		-44,639	-30,065	-32,803	-13,004	11,377
Liquid funds at the beginning of the period		157,071	150,532	145,234	133,471	133,471
Reclassification of cash and cash equivalents		-	-24	-	-24	387
Liquid funds at the end of the period		112,431	120,443	112,431	120,443	145,234

Parent company income statement

tSEK	Note	Apr - Jun		Jan - Jun		Jan - Dec
		2025	2024	2025	2024	2024
Operating income						
Net sales		63,559	65,442	128,484	128,899	261,529
Other operating income		47	45	200	245	355
Capitalized work for own account		916	164	1,316	164	447
Operating expenses						
Distribution costs		-13,301	-14,444	-27,194	-28,750	-57,862
Other external expenses		-16,985	-14,754	-35,643	-30,918	-63,733
Personnel expenses		-13,698	-14,489	-27,448	-32,824	-60,104
Depreciation and impairment of tangible and intangible assets		-578	-1,041	-1,222	-2,079	-3,818
Other operating expenses		-2,033	-70	-3,631	-147	-290
Operating profit/loss		17,928	20,852	34,863	34,591	76,524
Profit from financial items						
Interest income and similar income		354	654	786	1,513	2,868
Interest expenses and similar expenses		-	-68	-	-68	-68
Profit after financial items		18,281	21,438	35,649	36,036	79,324
APPROPRIATIONS						
Group contributions		-	-	-	-	-50
Profit before tax		18,281	21,438	35,649	36,036	79,274
Tax on profit for the period		-3,780	-4,439	-7,378	-7,458	-16,539
Profit/loss for the period		14,501	16,999	28,270	28,579	62,736
Comprehensive income for the period		14,501	16,999	28,270	28,579	62,736

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	06/30/2025	06/30/2024	12/31/2024
ASSETS				
Intangible fixed assets				
Capitalized development expenditures		10,788	3,724	4,787
Patent		-	-	-
Total intangible fixed assets		10,788	3,724	4,787
Tangible fixed assets				
Cost of improvement on other's property		771	651	917
Equipment and computers		1,013	1,559	1,316
Total tangible fixed assets		1,784	2,210	2,233
Financial assets				
Participations in group companies		50	50	50
Deferred prepaid tax		49	18	49
Other long-term receivables		24	435	24
Total financial assets		123	503	123
Total fixed assets		12,695	6,437	7,143
Current receivables				
Accounts receivable		28,785	32,190	41,199
Other receivables		1,314	784	678
Current tax assets		1,318	3,793	-
Prepaid expenses and accrued income		29,620	34,464	31,391
Total current receivables		61,037	71,231	73,267
Short-term investments				
Other short-term investments		80,000	80,000	80,000
Total short-term investments		80,000	80,000	80,000
Cash and bank balances		32,292	40,344	65,136
Total current assets		173,329	191,575	218,404
TOTAL ASSETS		186,024	198,012	225,547
EQUITY AND LIABILITIES				
Restricted equity				
Share capital		563	563	563
Fund for development expenditures		10,788	3,724	4,787
Total restricted equity		11,351	4,287	5,350
Unrestricted equity				
Share premium fund		2,744	2,590	2,744
Retained earnings		4,815	9,975	8,913
Profit/loss for the period		28,270	28,579	62,736
Total unrestricted equity		35,829	41,144	74,392
Total equity		47,180	45,432	79,742
Current liabilities				
Accounts payable		11,868	14,519	14,704
Liabilities to group companies		-	-	50
Current tax liabilities		-	-	518
Other liabilities		5,111	4,436	3,257
Accrued expenses and deferred income		121,865	133,625	127,276
Total current liabilities		138,844	152,580	145,805
TOTAL EQUITY AND LIABILITIES		186,024	198,012	225,547

Notes

Note 1 General information

The address of the company's registered office is Drakegata 10, 412 50 Gothenburg, Sweden. Sleep Cycle is developing of 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. The parent company's holding of shares in group companies as of June 30, 2025 consists of the wholly owned subsidiary Sleep Cycle Sverige AB (559278–9688). Sleep Cycle's interim report for January-June 2025 was approved for publication on August 22 per Board decision on August 21, 2025.

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 Financial 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 2024. New standards and interpretations that came into force on January 1, 2025 have not had any effect on the group's or the parent company's financial reports 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

tSEK	Apr - Jun		Jan - Jun		Jan - Dec
	2025	2024	2025	2024	2024
Subscription income	60,324	63,181	122,204	124,759	252,100
Other income	3,234	2,261	6,280	4,139	9,429
Total	63,559	65,442	128,484	128,899	261,529

For the second quarter, 9.3% (5.4%) of net sales were generated from partnerships. For the period January to June, 8.8% (5.1%) of net sales were generated from partnerships.

Note 5 Financial instruments

tSEK	06/30/2025	06/30/2024	12/31/2024
Financial assets valued at amortized cost			
Accounts receivable	28,785	32,190	41,199
Other receivables	25	435	24
Accrued income	774	1,711	696
Cash and cash equivalents	112,431	120,443	145,234
Total financial assets	142,016	154,779	187,153
Financial liabilities valued at amortized cost			
Accounts payable	11,868	14,519	14,704
Accrued expenses	5,919	2,478	4,264
Total financial liabilities	17,788	16,997	18,968

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	06/30/2025	06/30/2024	12/31/2024
Contractual liabilities (deferred income)	108,037	121,631	116,782
Accrued staff-related costs	9,876	9,950	6,389
Other items	3,952	2,044	3,644
Total	121,865	133,625	126,815

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 net sales for the year divided by net sales for the previous year translated at average exchange rates for the year.	Used to measure the company's underlying net sales growth adjusted for currency effects.
Operating profit/loss	Operating profit before interest and tax.	Operating profit is used to understand the company's earning capacity.
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, and reorganization in 2024.	The measure is used to understand the company's development and comparison between the years.
Adjusted 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 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 (closing balance).	The measure indicates how many subscribers the company has at the end of the period.
Subscription income	Income attributable to a paying subscriber.	Subscription revenue is used to measure the company's revenue generation from subscribers.
ARPU	Average annual subscription revenue per subscriber during the period. Quarters and periods are annualized.	The measure indicates the company's subscription income per subscription on average during the period.
Currency-adjusted ARPU	Average annual subscription revenue per subscriber during the period converted at the previous year's average exchange rates. Quarters and periods are annualized.	The metric indicates the company's average subscription revenue per 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

tSEK	Apr - Jun		Jan - Jun		Jan - Dec
	2025	2024	2025	2024	2024
Net sales previous period	65,442	57,952	128,899	114,114	236,146
Net sales current period	63,559	65,442	128,484	128,899	261,529
Net sales growth	-2.9%	12.9%	-0.3%	13.0%	10.7%
Currency-adjusted net sales previous period	63,942	59,223	127,845	116,335	238,186
Net sales current period	63,559	65,442	128,484	128,899	261,529
Currency-adjusted net sales growth	-0.6%	10.5%	0.5%	10.8%	9.8%

Operating profit and operating margin

tSEK	Apr - Jun		Jan - Jun		Jan - Dec
	2025	2024	2025	2024	2024
Net sales	63,559	65,442	128,484	128,899	261,529
Other operating income	47	45	253	245	355
Capitalized work for own account	916	164	1,316	164	447
Distribution costs	-13,301	-14,444	-27,194	-28,750	-57,862
Other external expenses	-16,125	-13,557	-34,055	-28,530	-58,489
Personnel expenses	-13,698	-14,489	-27,448	-32,824	-60,104
Depreciation and impairment of tangible and intangible assets	-1,347	-2,127	-2,615	-4,251	-8,624
Other operating expenses	-2,033	-70	-3,631	-147	-290
Operating profit/loss	18,019	20,964	35,110	34,807	76,962
Operating margin	28.4%	32.0%	27.3%	27.0%	29.4%

Adjusted operating profit and adjusted operating margin

tSEK	Apr - Jun		Jan - Jun		Jan - Dec
	2025	2024	2025	2024	2024
Operating profit/loss	18,019	20,964	35,110	34,807	76,962
Items affecting comparability					
Other external expenses	-	-	-	-794	-794
Personnel expenses	-	-	-	-4,962	-4,962
Total items affecting comparability	-	-	-	-5,756	-5,756
Adjusted operating profit/loss	18,019	20,964	35,110	40,563	82,718
Adjusted operating margin	28.4%	32.0%	27.3%	31.5%	31.6%

During the first quarter of 2024, a total of tSEK 5,756 has been adjusted for related to reorganization, of which tSEK 794 relates to other external costs and tSEK 4,962 relates to personnel costs.

ARPU and currency-adjusted ARPU

tSEK	Apr - Jun		Jan - Jun		Jan - Dec
	2025	2024	2025	2024	2024
Subscription income	60,324	63,181	122,204	124,759	252,100
Currency-adjusted subscription income	61,665	61,932	123,138	122,447	250,220
Number of subscriptions previous period (thousands)	904	893	918	893	893
Number of subscriptions current period (thousands)	878	898	878	898	918
ARPU (SEK)	271	282	272	279	278
Currency-adjusted ARPU (SEK)	277	277	274	273	276

Submission of the interim report Jan - Jun 2025

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 21, 2025

Anne Broeng
Chairman of the Board

Hans Skruvfors
Board member

Mathias Høyer
Board member

Maciej Drejak
Board member

Erik Jivmark
CEO

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