



NOT FOR PUBLICATION, DISTRIBUTION OR RELEASE, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES OF AMERICA, AUSTRALIA, CANADA, JAPAN OR ANY OTHER JURISDICTION IN WHICH THE PUBLICATION, DISTRIBUTION OR RELEASE WOULD BE UNLAWFUL OR REQUIRE REGISTRATION OR ANY OTHER MEASURES. PLEASE SEE IMPORTANT INFORMATION AT THE END OF THE PRESS RELEASE.

*Gothenburg, Sweden — 28 May 2021*

## **Sleep Cycle AB (publ) publishes prospectus and announces the price of its initial public offering on Nasdaq Stockholm**

**Following the announcement of its intention to float on 19 May 2021, Sleep Cycle AB (publ) ("Sleep Cycle" or the "Company"), a market leading sleep tracking application, today publishes its prospectus and announces the price for the offering (the "Offering") and listing of its shares on Nasdaq Stockholm. The first day of trading is expected to be 8 June 2021.**

Sleep Cycle was founded in 2009 with a mission to empower people to sleep better to improve global health. Sleep Cycle uses a patented AI-based audio technology to measure users' sleep and provide personalized insights based on the Company's sleep database. In 2015, Sleep Cycle launched the world's first audio-based sleep tracking application and transformed the business model from one-off purchases of the mobile application to a subscription-based revenue model. Sleep Cycle's market benefits from several long-term trends including increased consumer empowerment of, and focus on, health and wellness, growth of the mobile health market and increasing prevalence of subscription-based applications. Sleep Cycle has seen a considerable increase of its subscriber base and is the largest sleep tracking application globally, with a market share of more than 50 percent of the highly fragmented sleep tracking application market.<sup>1</sup>

---

<sup>1</sup> Sleep Cycle has during 2021 obtained certain market and competitive positioning information from a market report commissioned and paid for by the Company and performed by Strategy& ("Strategy& market report"). Sleep Cycle is pursuant to the Strategy& market report the leading sleep tracking application globally based on Sleep Cycle's estimated net revenue relative to total market size in 2020.

Carl Johan Hederoth, CEO of Sleep Cycle, comments:

*“Since inception in 2009, Sleep Cycle has continuously worked towards its goal of empowering people to sleep better to improve global health. Today, we are the leading sleep tracking platform, with more than 2.1 million monthly active users in over 150 countries globally. With an appreciated product and a business model that has enabled high growth and profitability, we are ready to take the next step in scaling up our product offering as well as accelerate our product development. For these reasons, we have applied for a listing on Nasdaq Stockholm. The listing will strengthen our profile and brand as well as provide new shareholders, including our personnel, with the opportunity to take part in our continued growth journey.”*

Lars Berg, Chairman of the Board of Sleep Cycle, comments:

*“Sleep Cycle has an impressive history of entrepreneurship, creativity and positive financial development. The Company has during the past years made rapid progress and with a leading market position, competent employees and a stable technical platform, Sleep Cycle is well positioned for the future. There are good prospects for future expansion and growth in Sleep Cycle, supported by global trends within eHealth as well as growing global challenges such as stress and sleep disorders.”*

### **The Offering in brief**

- The final price in the Offering is SEK 70 per share, corresponding to a total market value of all issued shares of the Company of SEK 1,260 million prior to the Offering.
- The Offering comprises of 3,441,600 existing shares in the Company which will be offered by the Selling Shareholders (as defined below) and of 1,428,571 newly issued shares, which together corresponds to approximately 25.1 percent of the total number of shares in the Company following the Offering.
- In order to cover any over-allotment in connection with the Offering, the Selling Shareholders have committed to sell up to 730,525 additional existing shares to the Joint Global Coordinators, corresponding to approximately 15 percent of the total number of shares in the Offering (the **“Over-Allotment Option”**).
- If the Over-Allotment Option is exercised in full, the Offering will comprise a total of 5,600,696 shares, corresponding to approximately 28.8 percent of the total number of shares outstanding in the Company following the Offering.
- The Company, the Selling Shareholders, the members of the board of directors and the executive management team have agreed on customary lock-up undertakings for the benefit of the Joint Global Coordinators for a period of (i) 180 days after the first day of trading for the Selling Shareholders and the Company, and (ii) 360 days after the first day of trading for members of the board of directors, CEO and the executive management team.

- The Offering includes (i) an offer to the general public in Sweden and (ii) an offer to institutional investors in Sweden and other jurisdictions.
- The application period for the general public in Sweden and to institutional investors is expected to be 31 May 2021 – 7 June 2021.
- The first day of trading is expected to be 8 June 2021 under the trading symbol “SLEEP”.
- A prospectus (in Swedish with an English translation), containing the Offering’s complete terms and conditions, will be published on Sleep Cycle’s ([www.sleepcycle.com](http://www.sleepcycle.com)), SEB’s ([www.seb.se](http://www.seb.se)) and Carnegie’s ([www.carnegie.se](http://www.carnegie.se)) respective websites today.

### **Cornerstone investors**

Handelsbanken Fonder, Skandia Fonder AB and E. Öhman J:or AB have, subject to certain conditions, undertaken to acquire shares amounting to a total of SEK 150 million in the Offering.

### **Background and reasons for the Offering**

The Board of Directors and the executive management of Sleep Cycle, together with the selling shareholders (GLA Invest S A (a company directly controlled by Pierre Siri), MCGA AB and h265 AB (companies directly controlled by Maciek Drejak), and Petter Wallin) (“**the Selling Shareholders**”), consider the Offering and listing of the Company’s shares to be a logical and important step to strengthen Sleep Cycle’s global brand, increase credibility with potential partners to pursue growth opportunities and remain at the forefront of sleep tracking applications. The Offering and listing will support the Company’s continued growth and provide Sleep Cycle with access to the capital markets, as well as a diversified base of Swedish and international shareholders. The Company also believes that a listing will increase the profile of Sleep Cycle and allow the Company to attract, retain and invest in talented people to achieve Sleep Cycle’s long-term mission. For these reasons, the Board of Directors has applied for listing on Nasdaq Stockholm.

### **About Sleep Cycle**

Sleep Cycle is a market leading sleep tracking application with a mission to empower people to sleep better to improve global health. Sleep Cycle uses a patented AI-based audio technology to measure users’ sleep and provide personalized insights based on the Company’s sleep database. Sleep Cycle was founded in 2009 and is headquartered in Gothenburg, Sweden.

Sleep Cycle offers a digital subscription service that gives users access to its sleep tracking application and can be accessed on both smartphones and smartwatches. The subscriptions to the application are sold through Apple App Store, Google Play Store, Huawei App Gallery and the Company’s website. Sleep Cycle offers both a

freemium and premium version of the application. The premium version is accessed through a 12-month subscription and includes broader functionality compared to the freemium version such as expanded sleep tracking and insights features.

As of 31 March 2021, Sleep Cycle had 2.1 million monthly active users and 820 thousand subscribers and was available in 13 different languages to users across over 150 countries. As of 31 March 2021, Sleep Cycle had 28 employees and recorded a net revenue of SEK 163 million during the twelve-month period ended 31 March 2021. Adjusted operating profit (adjusted for items affecting comparability related to development of and preparations linked to future strategic initiatives, as well as the transition to IFRS) amounted to SEK 57 million for the same period, corresponding to an adjusted operating profit margin of 35 percent.

### **Prospectus and application**

A prospectus (in Swedish with an English translation), containing the Offering's complete terms and conditions, will be published on Sleep Cycle's ([www.sleepcycle.com](http://www.sleepcycle.com)), SEB's ([www.seb.se](http://www.seb.se)) and Carnegie's ([www.carnegie.se](http://www.carnegie.se)) respective websites today. A summary of the prospectus will also be available on Sleep Cycle's website. Applications from the general public should be made through Nordnet's internet service ([www.nordnet.se](http://www.nordnet.se)).

### **Preliminary timetable**

Application period	31 May – 7 June 2021
First day of trading in Sleep Cycle's share	8 June 2021
Settlement date	10 June 2021

### **Stabilization measures**

In connection with the Offering, SEB may carry out transactions aimed at supporting the market price of the shares at levels above those which might otherwise prevail in the open market. Such stabilization transactions may be effected on Nasdaq Stockholm, in the over-the-counter market or otherwise, at any time during the period starting on the date of commencement of trading in the shares on Nasdaq Stockholm and ending not later than 30 calendar days thereafter. SEB is, however, not required to undertake any stabilization and there is no assurance that stabilization will be undertaken. Also, if stabilization does commence, it may be suspended at any time without notice. Under no circumstances will transactions be carried out at a price higher than the one set in the Offering. Not later than by the end of the seventh day of trading after stabilization transactions have been carried out, SEB will disclose that the stabilization measures have been carried out in accordance with article 5(4) of the EU Market Abuse Regulation 596/2014. Within one week of the end of the stabilization period, SEB will disclose whether or not stabilization measures were carried out, the date on which stabilization started, the date on which stabilization was last carried out

as well as the price range within which stabilization was carried out for each date on which stabilization transactions were carried out.

### **Advisors**

Skandinaviska Enskilda Banken AB (publ) and Carnegie Investment Bank AB (publ) are acting as Joint Global Coordinators and Joint Bookrunners. Advokatfirman Vinge KB is legal advisor to Sleep Cycle and the Selling Shareholders. White & Case Advokat AB is legal advisor to the Joint Global Coordinators. Skandinaviska Enskilda Banken AB (publ) and Nordnet AB (publ) are acting as Retail Distributors in connection with the Offering.

### **Media contacts**

Carl Johan Hederöth

CEO

[cj@sleepcycle.com](mailto:cj@sleepcycle.com)

Per Andersson

CFO and Head of Investor Relations

[per.andersson@sleepcycle.com](mailto:per.andersson@sleepcycle.com)

+46 70 939 5327

Malin Abrahamsson

Head of PR

[press@sleepcycle.com](mailto:press@sleepcycle.com)

+46 73 972 6424

### **Important information**

This announcement is not an offer to sell or a solicitation of any offer to buy any securities of Sleep Cycle AB (publ) (the “**Company**”).

The contents of this announcement have been prepared by and are the sole responsibility of the Company.

The information contained in this announcement is for background purposes only and does not purport to be full or complete. No reliance may be placed by any person for any purpose on the information contained in this announcement or its accuracy, fairness or completeness.

Copies of this announcement are not being made and may not be distributed or sent into the United States, Australia, Canada, Japan or any other jurisdiction in which such distribution would be unlawful or would require registration or other measures.

Any offering of the securities referred to in this announcement will be made by means of a prospectus. This announcement is not a prospectus for the purposes of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC (together with any related implementing and delegated regulations, the “**Prospectus Regulation**”). Investors should not invest in any securities referred to in this announcement except on the basis of information contained in the aforementioned prospectus.

In any EEA Member State other than Sweden, this communication is only addressed to and is only directed at qualified investors in that Member State within the meaning of the Prospectus Regulation, i.e., only to investors who can receive the offer without an approved prospectus in such EEA Member State.

The securities referred to in this announcement have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”), and accordingly may not be offered or sold in the United States absent registration or an exemption from the registration requirements of the Securities Act and in accordance with applicable U.S. state securities laws. The Company does not intend to register any offering in the United States or to conduct a public offering of securities in the United States. Any public offering of securities to be made in the United States will be made by means of a prospectus that will contain detailed information about the Company and its management, as well as financial statements. Copies of this announcement are not being, and should not be, distributed in or sent into the United States.

The securities described herein have also not been and will not be registered under the applicable securities laws of Australia, Canada or Japan and, subject to certain exemptions, may not be offered or sold in or into or for the account or benefit of any person having a registered address in, or located or resident in Australia, Canada or Japan. There will be no public offering of the securities described herein in Australia, Canada or Japan.

In the United Kingdom this announcement is being distributed only to, and directed exclusively at, qualified investors (i) who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the “**Order**”) or (ii) who fall within Article 49(2)(A) to (D) of the Order; and (iii) to whom it may otherwise lawfully be communicated (all such persons together being referred to as “**Relevant Persons**”). This announcement and any investment or investment activity to which it relates will only be engaged in within the United Kingdom, by persons who are Relevant Persons. This announcement should not be acted on or relied on by anyone other than Relevant Persons in the United Kingdom.

Matters discussed in this announcement may constitute forward-looking statements. Forward-looking statements are statements that are not historical facts and may be identified by words such as “believe,” “expect,” “anticipate,” “intends,” “estimate,” “will,” “may,” “continue”, “should” and similar expressions. The forward-looking statements in this release are based upon various assumptions, many of which are based, in turn, upon further assumptions. Although the Company believes that these assumptions were reasonable when made, these assumptions are inherently subject to significant known and unknown risks, uncertainties, contingencies and other important factors which are difficult or impossible to predict and are beyond its control. Such risks, uncertainties, contingencies and other important factors could cause actual events to differ materially from the expectations expressed or implied in this release by such forward-looking statements. The information, opinions and forward-looking statements contained in this announcement speak only as at its date, and are subject to change without notice. The Company does not undertake any obligation to review, update, confirm or release publicly any revisions to any forward-looking statements to reflect events that occur or circumstances that arise in relation to the content of this communication.

None of the Joint Global Coordinators, the Company, the Company’s shareholders, or any of their respective affiliates, or their or their affiliates’ directors, officers, employees, advisors or agents, accepts any responsibility or liability whatsoever for or makes any representation or warranty, express or implied, in relation to the truth, fairness, reasonableness, adequacy, accuracy or completeness of the information, statements or opinions, whichever their source, contained in this announcement (or whether any

information has been omitted from the announcement) or any oral information provided in connection herewith, or any data it generates and accepts no responsibility, obligation or liability (whether direct or indirect, in contract or otherwise) in relation to any of such information.

In connection with the offer or sale of securities referred to herein, the Joint Global Coordinators and/or their affiliates may over allot securities/conduct stabilization or effect transactions with a view to supporting the market price of the securities at a level higher than that which might otherwise prevail. Any stabilization action or over-allotment will be conducted by the Joint Global Coordinators and/or their affiliates in accordance with all applicable laws and rules.