



Sleep Cycle launches cost-efficiency measures for increased profitability and continued growth

15 May, 2023, Göteborg – Sleep Cycle (ticker: Sleep), market leader within sleep tracking, intends to launch several measures to increase efficiency and adjust the operation to current uncertain market climate. The cost efficiency program is to affect about ten positions, decreased investments in non-core activities and reduced marketing spending. Total savings are estimated to ca SEK 25m on full-year basis. The changes are expected to be fully implemented by the fourth quarter 2023. The impact on subscription growth is expected to be limited.

To ensure a sustainable and high operating margin, and to safeguard long-term revenue growth, Sleep Cycle is to launch several measures for increased efficiency. By decreasing investments in non-core product initiatives such as corporate wellness and paid user acquisition, Sleep Cycle will reach savings of about SEK 25m on full-year basis. The impact on subscription growth is expected to be limited. Employees and consultants that are affected by the reductions are mainly within these functions.

Since 2021, Sleep Cycle has accelerated the development of the company and increased investments in product development and personnel. The investments are concentrated on Sleep Cycles patented algorithms for AI-analysis of sounds and sleep, development of new features and optimization of the user journey for improved conversion and renewal rates. These investments will continue to be prioritized and the strategy going forward is concentrated on cost efficient user acquisition and subscription growth.

Sleep Cycle will, when the full impact from the cost-efficiency initiatives is known, come back with possible adjustments to the financial targets.

Sleep Cycles CEO, Carl Johan Hederöth, comments:

“The measures we intend to take is a reaction to the current market climate. The market has changed and therefore we act for increased efficiency, improved profitability and to secure long-term growth. The measures we take are decisive but are expected to strengthen the company and lead to increased focus on the core product. With continued investments in our offering, we are confident we will be able to increase the engagement and attract new users. That has always been Sleep Cycles strength, and with a more efficient organization, we now increase our focus on product-centric, profitable, growth.”

This information offered is such that Sleep Cycle AB is obliged to publish in accordance with the EU Market Abuse Regulation. The information was submitted, through the care of the below contact person, for publication on 15 May 2023 at 9:00 CET.

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About Sleep Cycle

With millions of daily active users and over two billion nights analyzed in more than 150 countries, Sleep Cycle is the leading sleep tracking application and one of the most widely used solutions worldwide to improve sleep health. Sleep Cycle's mission is to improve global health by empowering people to sleep better. Since its launch in 2009, Sleep Cycle has helped millions of people understand their sleep habits and improve their sleep. The mobile application helps users fall asleep more easily, tracks and analyses sleep during the night, wakes the user in a light sleep phase and provides insight into how sleep quality is best improved. Sleep Cycle is one of the world's most comprehensive sources for statistics on sleep and contributes to research and reporting on sleep worldwide. Sleep Cycle is listed on Nasdaq Stockholm under the ticker SLEEP. The head office is located in Gothenburg, Sweden.