

INTERIM REPORT, JANUARY – SEPTEMBER 2024

Executing on our efficiency agenda

July – September 2024

- Net sales decreased by 2 percent to SEK 7,150m (7,265).
- Gross profit decreased by 1 percent to SEK 2,406m (2,433).
- EBITDA decreased by 6 percent to SEK 799m (848).
- Adjusted EBITDA decreased by 2 percent to SEK 923m (943).
- An impairment of goodwill of SEK 6,000m had negative impact on quarterly results and Sinch is reporting a loss after tax of SEK -6,095m (46).
- Basic earnings per share were SEK -7.22 (0.05) and diluted earnings per share were SEK -7.22 (0.05).
- Cash flow from operating activities amounted to SEK 437m (862).

Significant events during the quarter

- Sinch updated its leverage policy to: Net debt over time shall be below 2.5 times Adjusted EBITDA (measured on a rolling twelve-months basis).
- Sinch issued a bond of SEK 500m and initiated a call for early redemption of the outstanding bond 2019/2024.
- Impairment testing of goodwill resulted in a total impairment of SEK 6,000m. The charge is attributable to the product category Applications and primarily relates to MessageMedia.

January – September 2024

- Net sales decreased by 1 percent to SEK 20,983m (21,213).
- Gross profit grew by 1 percent to SEK 7,103m (7,015).
- EBITDA rose by 5 percent to SEK 2,359m (2,256).
- Adjusted EBITDA decreased by 2 percent to SEK 2,584m (2,642).
- The loss after tax for the period was SEK -6,089m (-102).
- Basic earnings per share were SEK -7.22 (-0.12) and diluted earnings per share were SEK -7.22 (-0.12).
- Cash flow from operating activities amounted to SEK 2,039m (1,061).

Significant events earlier this year

- The new operating model, organization and management team became operational on 1 January 2024.
- Sinch was recognized as a 2024 Gartner Magic Quadrant Leader for CPaaS.

Significant events after the end of the quarter

- CFO Roshan Saldanha will be leaving Sinch for a similar position in another industry. He will continue in his current role until a successor has taken over or until March 2025 at the latest. The process of finding a replacement has begun.
- Sinch informed about goodwill impairment and preliminary results for the third quarter.

Sinch Group, SEKm	Q3		Jan-Sep		R12M	2023
	2024	2023	2024	2023		
Net sales	7,150	7,265	20,983	21,213	28,515	28,745
Gross profit	2,406	2,433	7,103	7,015	9,630	9,542
Gross margin	34%	33%	34%	33%	34%	33%
EBITDA	799	848	2,359	2,256	3,177	3,074
EBITDA margin	11%	12%	11%	11%	11%	11%
Adjusted EBITDA	923	943	2,584	2,642	3,579	3,637
Adjusted EBITDA margin	13%	13%	12%	12%	13%	13%
Cash flow from operating activities after investments	293	678	1,620	585	2,194	1,159
Net debt/Adjusted EBITDA R12M, multiple	1.6	2.2	1.6	2.2	1.6	2.0
Adjusted EBITDA/share, SEK	1.09	1.12	3.05	3.12	4.22	4.30

COMMENTS FROM THE CEO

Executing on our efficiency agenda

In late 2023 we announced our Growth Acceleration Plan to reignite growth through a set of initiatives around Go-to-market transformation, Product integration, and Operational excellence. A key part of this plan were the upfront measures we initiated to reduce duplication and free up resources to invest in growth initiatives.

I'm pleased to conclude that we have progressed well with these efficiency measures. We set out to identify gross savings of SEK 300m, on a run-rate basis, by the end of the 2024. As we conclude the third quarter, our run-rate gross savings total SEK 335m.

Responsibly managing our cost base is of added importance as we have yet to see growth improve in revenues and gross profit. Our adjusted EBITDA margin in Q3 remained stable at 13 percent and our operating cash flow after investments was SEK 293m despite a SEK 240m reversal of invoices paid early that boosted performance in Q2. Our rolling 12-month cash conversion was 61 percent, which is comfortably above the 40-50 percent target range. We decreased our net debt by more than SEK 500m in the quarter and Net debt/adjusted EBITDA was 1.6x.

We called out in Q2 that we expected to see low-single-digit growth in gross profit during the second half of the year. Organic gross profit growth was 1 percent in Q3, matching the lower end of that range, and was helped by positive timing effects bolstering gross profit by SEK 40m. We expect headwinds to persist throughout Q4 with flat or slightly negative gross profit growth on a year-on-year basis.

Performance in Q3 varies considerably by region. Organic gross profit growth was strong in APAC, slightly positive in Americas while it declined in EMEA. In APAC, India is the primary driver of the positive development while the applications business in Australia and New Zealand saw lower growth. EMEA is declining on a year-on-year basis, but we expect to see improvement ahead. In the Americas, headwind from the 8YY reform has now come to an end and the timing effects mentioned above contribute positively to gross profit. However, gross profit growth in the region is still hampered by increased network costs for voice call termination and weakened performance of the SMS-business.

Our performance in Q3 also varies by product category. We are seeing less decline in our Network Connectivity products but this improvement has been offset by lowered growth in our API Platform and Applications offering.



Whilst we see clear green shoots from our transformation efforts, the aggregated effects are not yet large enough to materially lift our growth rate. Lower growth this Q4 also means that we foresee a slow start to 2025. Our operating expenditures will increase somewhat during the year as we execute on initiatives that drive growth in 2026 and beyond. We believe that investment in growth is the most value-accretive path forward for Sinch at this time. We are a global leader in our industry and our strong financial profile allows us to make the investments needed to capitalize on that position.

Looking across our initiatives around Go-to-market transformation and Product integration, I am glad to note an improved cross sales pipeline and two notable customer wins where existing, larger messaging customers have opted to expand their commitment and also use our email products. In the quarter, we also activated the Sinch ID functionality, began promoting the complementary products within our dashboard, and generated our first true self-serve sales through the Sinch ID.

Finally, I am also very excited about increased activity around RCS, the next-generation messaging standard that builds on SMS but adds a wealth of new functionality for businesses. We have run events together with Google across the Americas, EMEA and APAC during September and October and the interest this drives among our enterprise customers bodes well for the years ahead.

Stockholm, 6 November 2024

Laurinda Pang
CEO

Sinch overview

Sinch Group, SEKm	Q3		Jan-Sep		R12M	2023
	2024	2023	2024	2023		
Net sales	7,150	7,265	20,983	21,213	28,515	28,745
Gross profit	2,406	2,433	7,103	7,015	9,630	9,542
Gross margin	34%	33%	34%	33%	34%	33%
EBITDA	799	848	2,359	2,256	3,177	3,074
EBITDA margin	11%	12%	11%	11%	11%	11%
Adjusted EBITDA ¹	923	943	2,584	2,642	3,579	3,637
Adjusted EBITDA margin	13%	13%	12%	12%	13%	13%
Adjusted EBITDA/gross profit	38%	39%	36%	38%	37%	38%
EBIT	-5,824	184	-5,503	363	-5,373	494
EBIT margin	-81%	3%	-26%	2%	-19%	2%
Adjusted EBIT ¹	795	806	2,191	2,278	3,035	3,122
Adjusted EBIT margin	11%	11%	10%	11%	11%	11%
Profit or loss for the period	-6,095	46	-6,089	-102	-5,945	42
Cash flow from operating activities	437	862	2,039	1,061	2,766	1,788
Cash flow from operating activities after investments	293	678	1,620	585	2,194	1,159
Net debt (+) / Net cash (-)	6,473	8,832	6,473	8,832	6,473	7,987
Net debt/Adjusted EBITDA R12M, multiple ²	1.6	2.2	1.6	2.2	1.6	2.0
Equity ratio	61%	62%	61%	62%	61%	63%
Adjusted EBITDA/share, SEK	1.09	1.12	3.05	3.12	4.22	4.30
Diluted earnings per share for the period ³ , SEK	-7.22	0.05	-7.22	-0.12	-7.05	0.05
Average number of employees	3,563	3,691	3,585	3,622	3,615	3,643
Average number of employees including consultants	4,037	4,259	4,107	4,239	4,177	4,241

For a list and definitions of financial and operational measurements, please refer to page 31.

1) Adjusted EBITDA and Adjusted EBIT are reported to clarify performance in underlying operations. See Note 2.

2) In the calculation of this APM, net debt and Adjusted EBITDA are both measured excluding IFRS 16-related lease liabilities. See page 10 for comments.

3) The dilutive effect is not taken into account when financial performance is negative and outstanding warrants/stock options are not considered when the company's average share price is below the exercise price.

Adjusted EBITDA per share⁴, R12M (SEK)



4) Sinch has a financial target decided by the board to grow Adjusted EBITDA per share by at least 20 percent per year. Adjusted EBITDA is an Alternative Performance Measure (APM) that is reported to clarify performance in underlying operations. The chart above shows the development of this APM over time.

Quarterly summary

Adjusted EBITDA and Adjusted EBIT are reported below to clarify performance in underlying operations. See Note 2 for more information. From Q1 2024, the segment division reflects the new organization Sinch announced on 26 October 2023. Historical amounts according to the new segment division are presented from Q1 2023. Periods before 2023 do not report the segment division in this way, in accordance with IFRS 8 paragraph 36.

	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024
Net sales, SEKm									
Americas	-	-	4,337	4,389	4,523	4,651	4,247	4,460	4,554
EMEA	-	-	1,691	1,726	1,751	1,786	1,551	1,610	1,641
APAC	-	-	900	906	991	1,095	995	971	955
Total	7,196	7,361	6,927	7,021	7,265	7,532	6,792	7,041	7,150
Gross profit, SEKm									
Americas	-	-	1,392	1,469	1,514	1,633	1,443	1,490	1,482
EMEA	-	-	526	522	564	504	504	505	536
APAC	-	-	342	331	355	390	364	391	388
Total	2,361	2,416	2,260	2,322	2,433	2,526	2,312	2,386	2,406
Gross margin									
Americas	-	-	32%	33%	33%	35%	34%	33%	33%
EMEA	-	-	31%	30%	32%	28%	33%	31%	33%
APAC	-	-	38%	37%	36%	36%	37%	40%	41%
Total	33%	33%	33%	33%	33%	34%	34%	34%	34%
EBITDA, SEKm									
EBITDA, total	808	791	692	715	848	818	768	792	799
EBITDA margin	11%	11%	10%	10%	12%	11%	11%	11%	11%
Adjusted EBITDA, total	901	960	834	865	943	996	794	867	923
Adjusted EBITDA margin	13%	13%	12%	12%	13%	13%	12%	12%	13%
Adjusted EBITDA/gross profit	38%	40%	37%	37%	39%	39%	34%	36%	38%
Adjusted EBITDA/share, SEK	1.07	1.13	0.98	1.03	1.12	1.18	0.94	1.02	1.09
EBITDA adjustments, SEKm (Note 2)									
Acquisition costs	-5	1	-3	-2	-2	-2	-2	-1	-2
Restructuring costs	-18	-44	-6	-28	-14	0	-18	-55	-11
Earnouts	-	-	-18	-	-	-	-	-	-
Integration costs	-61	-67	-47	-47	-31	-23	-49	-39	-50
Costs of share-based incentive programs	-42	-38	-23	-33	-29	-52	0	-14	-27
Operational foreign exchange gains/losses	37	-25	-45	-41	-12	-63	43	34	-33
Other adjustments	-3	2	0	1	-9	-37	-1	0	-1
Total EBITDA adjustments	-93	-169	-141	-149	-95	-178	-26	-75	-124
Amortization of acquisition-related assets	-497	-587	-496	-506	-526	-535	-481	-492	-496
Impairment of goodwill	-5,000	-97	-	-	-	-	-	-	-6,000
Total EBIT adjustments	-5,590	-853	-638	-655	-621	-713	-507	-568	-6,620

July – September 2024

Sinch implemented a new operating model and organization effective 1 January 2024. The financial statements reflect this change with the three regions of Americas, EMEA and APAC as the new operating segments. A complementary view covering the three product categories, Applications, API Platform and Network Connectivity is also presented.

Net sales

Consolidated net sales decreased in Q3 by 2 percent to SEK 7,150m (7,265) compared to Q3 2023. All business is classified as organic in the quarter.

Organic net sales in local currency grew by 2 percent compared to Q3 2023. Foreign exchange movements reduced net sales by 4 percent or SEK -281m. Organic net sales increased in Americas, was unchanged in APAC and decreased in EMEA.

Net sales increased in the Applications and Network Connectivity product categories and decreased in API Platform. See Note 9.

Gross profit

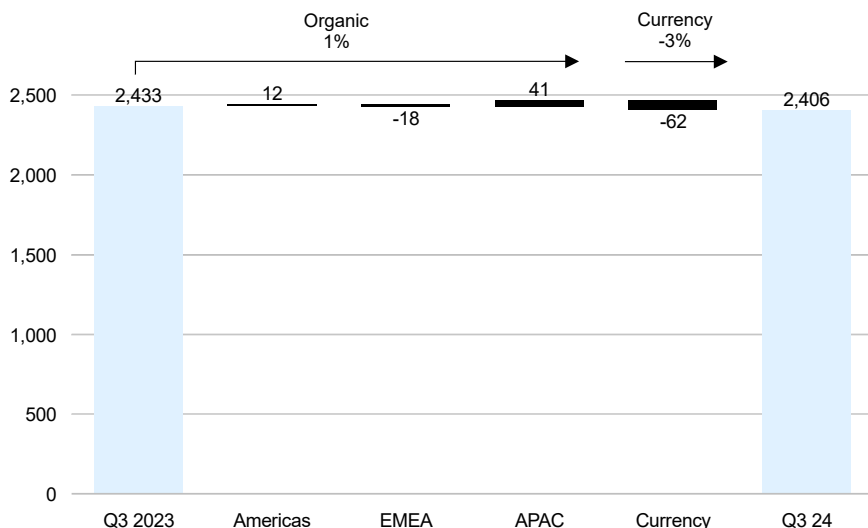
The gross margin was 34 percent (33) for the quarter.

Consolidated gross profit in Q3 decreased by 1 percent compared to Q3 2023 and amounted to SEK 2,406m (2,433). Gross profit was improved by an adjustment of SEK 40m relating to cost of services sold for Q1 and Q2.

The negative effect of currency movements was 3 percent for the quarter, corresponding to SEK -62m. Organic gross profit growth was 1 percent compared to the same quarter last year. Organic gross profit increased in APAC and Americas and decreased in EMEA.

Gross profit increased in the Applications product category, was unchanged in API Platform and decreased in Network Connectivity compared to 2023.

Change in consolidated gross profit, Q3 2023 – Q3 2024



Net sales for the quarter, SEKm

7,150

Gross margin

34%

Organic gross profit growth

1%

Operating expenses (Opex)

Operating expenses, defined as the difference between gross profit and EBITDA, increased by 1 percent to SEK 1,607m (1,585) compared to the same period in 2023. The majority of the cost base is attributable to direct and indirect employee benefits expenses. Compared to the same period last year, Opex increased in Q3 primarily due to inflation, salary revisions, increased integration costs and increased operational foreign exchange losses, which were offset by workforce reductions.

Adjusted Opex, defined as the difference between gross profit and Adjusted EBITDA, decreased slightly to SEK 1,483m (1,490) compared to the same period in 2023 and was lower than in Q2 2024. Foreign exchange movements reduced Opex by 3 percent, or SEK -52m, Q3 compared to the same period last year.

The integration process evolved in 2024 from the platform integrations of previous years to the creation of a common IT infrastructure that makes it possible to execute the growth acceleration plan. Consequent upon that change, internal work previously classified as integration is no longer reported as integration. This means that reported integration costs now consist primarily of the costs of external resources. See Note 2 for more information.

See Note 11 and the definitions on page 31 for more information about Opex distributed by function

EBITDA

EBITDA decreased by 6 percent to SEK 799m (848). Foreign exchange movements reduced EBITDA by 1 percent or SEK -6m.

The consolidated EBITDA margin was 11 percent (12).

In total, Adjusted EBITDA was SEK 124m (95) higher than EBITDA for the quarter. The adjustments include, among other items, restructuring costs of SEK -11m (-14), integration costs of SEK -50m (-31) and operational foreign exchange gains/losses of SEK -33m (-12). See the quarterly summary and Note 2 for more information.

Consequently, Adjusted EBITDA was SEK 923m (943). Foreign exchange movements reduced Adjusted EBITDA by 1 percent or SEK -10m.

The Adjusted EBITDA margin was 13 percent (13).

The Group has a financial target to achieve growth of Adjusted EBITDA per share by at least 20 percent per year. Adjusted EBITDA per share was SEK 1.09 (1.12) for the quarter and SEK 4.22 (4.26) for the rolling twelve months, corresponding to a decrease of 1 percent R12M. Adjusted EBITDA/gross profit was 38 percent (39) in Q3.

EBIT

EBIT amounted to SEK -5,824m (184).

EBIT was reduced by acquisition-related amortization and non-cash goodwill impairment charges of SEK -6,496m (-526), of which the impairments amounted to SEK -6,000m (see Note 5). The amortization refers mainly to straight-line amortization of acquired customer relationships and acquired software.

Adjusted EBIT (EBIT excluding EBITDA adjustments and amortization of acquisition-related assets) amounted to SEK 795m (806). See the quarterly summary on page 4 and Note 2 for specifications.

Growth acceleration plan

Sinch presented its growth acceleration plan in connection with the introduction of the new operating model at the end of 2023. The plan has three parts: Go-to-market transformation, Product integration, and Operational excellence. A key part is the measures we initiated to reduce duplication and free up resources to invest in growth initiatives.

Harmonizing the company's IT environment to achieve efficiency is important to realizing the opportunities created by the new operating model. Sinch estimates the cost of IT initiatives over the next three years at approximately SEK 350m. Sinch also estimates the company's total integration and restructuring costs at about SEK 300m in 2024. These costs amounted to SEK 61m in Q3, including restructuring costs of SEK 11m. During the first

EBITDA margin

11%

Adjusted EBIT, SEKm

795

three quarters of the year, these costs were SEK 222m in total out of which SEK 84m were restructuring costs.

These measures are expected to produce gross savings of more than SEK 300m on a run-rate basis by the end of the year. The savings counteract cost increases related to inflation and salary revisions and the majority is being reinvested in new initiatives to drive organic growth. Execution is outpacing the original plan and these measures achieved gross savings of SEK 84m in Q3, corresponding to SEK 335m on a run-rate basis.

Other income and expense items

Net financial expenses were SEK -139m (-210) including net interest expense of SEK -114m (-159) and foreign exchange differences of SEK -17m (-47).

The loss for the period was SEK -6,095m (46).

Investments

Net investments in property, plant and equipment and intangible assets amounted to SEK -143m (-184).

The investments include capitalized development expenditure of SEK 87m (100).

Cash flow

Cash flow before the change in working capital amounted to SEK 692m (487). Cash flow was reduced by tax paid of SEK -99m (-127) and net interest paid and received of SEK -117m (-159).

Cash flow from operating activities amounted to SEK 437m (862) and was reduced by the change in working capital of SEK -255m (375). The early payments of about SEK 240m that improved performance in Q2 were not repeated in Q3 and thus had a negative impact on working capital for the quarter.

Cash used in investing activities was SEK -141m (-182) and was affected by net investments of SEK -143m (-184), primarily capitalized development expenditure.

Cash flow from financing activities was SEK 87m (-581) for the period, where the change in borrowings increased net cash by SEK 108m (-540). Net cash flow for the period was SEK 382m (99).

Employees

At the end of the quarter, the Group employed 4,041 (4,277) people, including consultants. The average number of employees and consultants was 4,037 (4,259) in Q3. The average number of employees was 3,563 (3,691), of whom 33 percent (31) women.

Cash flow from operating activities,
SEKm

437

January – September 2024

Net sales

Consolidated net sales for the period decreased by 1 percent to SEK 20,983m (21,213), compared to the corresponding period in 2023. Net sales for the period increased in APAC, were unchanged in Americas and decreased in EMEA. All business during the period is classified as organic.

The currency effect was -1 percent for the period, corresponding to SEK -211m. Organic net sales in local currency was unchanged compared to the same period in 2023.

Net sales increased in the Applications product category, decreased in API Platform and were unchanged in Network Connectivity. See Note 9.

Gross profit

The gross margin was 34 percent (33) for the period.

Consolidated gross profit grew during the period by 1 percent to SEK 7,103m (7,015). The growth is due primarily to the higher gross margin resulting from a changed product mix. Organic gross profit for the period increased in APAC and Americas and decreased in EMEA.

The currency headwind was 1 percent for the period, corresponding to SEK -50m. Organic gross profit grew by 2 percent compared to the same period last year.

Gross profit for the period increased in the Applications and API Platform product categories and decreased in Network Connectivity compared to 2023.

Operating expenses (Opex)

Operating expenses, defined as the difference between gross profit and EBITDA, decreased by 0 percent to SEK 4,745m (4,759) compared to the same period in 2023. The majority of the cost base is attributable to direct and indirect employee benefits expenses. Compared to the same period last year, the operating costs decreased in spite of inflation related increases, salary revisions and increased restructuring and integration costs which were offset by workforce reductions, operational foreign exchange gains, reduced costs of share-based incentive programs and other savings.

Adjusted Opex, defined as the difference between gross profit and Adjusted EBITDA, increased by 3 percent to SEK 4,520m (4,374) compared to the same period in 2023. Foreign exchange movements contributed with -1 percent change in the period.

The integration process evolved in 2024 from the platform integrations of previous years to the creation of a common IT infrastructure that makes it possible to execute the growth acceleration plan. Consequent upon that change, internal work previously classified as integration is no longer reported as integration. This means that reported integration costs now consist primarily of the costs of external consultants. See Note 2 for more information.

EBITDA

EBITDA increased by 5 percent to SEK 2,359m (2,256). Foreign exchange movements contributed SEK -6m, or 0 percent.

The consolidated EBITDA margin was 11 percent (11).

Total Adjusted EBITDA was SEK 225m (385) higher than EBITDA for the period. The adjustments include, among other items, integration costs of SEK -138m (-124), operational foreign exchange gains/losses of SEK 44m (-98), and restructuring costs of SEK -84m (-47). See the quarterly summary and Note 2 for more information.

Consequently, Adjusted EBITDA amounted to SEK 2,584m (2,642), corresponding to a 2 percent decrease compared to the same period in 2023. Foreign exchange movements contributed SEK -9m, or 0 percent.

The Adjusted EBITDA margin was 12 percent (12).

Net sales for the period, SEKm

20,983

Gross margin

34%

The Group has a financial target to achieve growth of Adjusted EBITDA per share by at least 20 percent per year. Adjusted EBITDA per share amounted to SEK 3.05 (3.12) for the period. Adjusted EBITDA/gross profit was 36 percent (38) for the period.

EBIT

EBIT amounted to SEK -5,503m (363).

EBIT was reduced by acquisition-related amortization and non-cash goodwill impairment charges of SEK -7,469m (-1,528), of which the impairments amounted to SEK -6,000m (0). The amortization refers mainly to straight-line amortization of acquired customer relationships and acquired software.

Adjusted EBIT (EBIT excluding EBITDA adjustments and amortization of acquisition-related assets) amounted to SEK 2,191m (2,278). See the quarterly summary and Note 2 for specifications.

Growth acceleration plan

Sinch presented its growth acceleration plan in connection with the introduction of the new operating model at the end of 2023. The plan has three parts: Go-to-market transformation, Product integration, and Operational excellence. A key part is the measures we initiated to reduce duplication and free up resources to invest in growth initiatives.

Harmonizing the company's IT environment to achieve efficiency is important to realizing the opportunities created by the new operating model. Sinch estimates the cost of IT initiatives over the next three years at approximately SEK 350m. Sinch also estimates the company's total integration and restructuring costs at about SEK 300m in 2024. These costs amounted to SEK 222m during the period, including restructuring costs of SEK 84m.

These measures are expected to produce gross savings of more than SEK 300m on a run-rate basis by the end of the year. The savings counteract cost increases related to inflation and salary revisions and the majority is being reinvested in new initiatives to drive organic growth. Execution is outpacing the original plan and these measures achieved gross savings corresponding to SEK 335m on a run-rate basis.

Other income and expense items

Net financial expenses were SEK -399m (-488) including net interest expense of SEK -371m (-448) and foreign exchange differences of SEK -8m (-27). The Group's effective tax rate was -3 percent (18). Excluding impairments, acquisition-related amortization and related deferred tax assets, the Group's effective tax rate for the period was 33 percent (24). The higher tax rate is driven by current and deferred tax in previous years and non-capitalized loss carryforwards.

The loss for the period was SEK -6,089m (-102).

Investments

Net investments in property, plant and equipment and intangible assets amounted to SEK -418m (-476). The investments include capitalized development expenditure of SEK 282m (287).

Cash flow

Cash flow before the change in working capital amounted to SEK 1,717m (1,279). Cash flow was reduced by tax paid of SEK -303m (-552) and net interest paid and received of SEK -378m (-431).

Cash flow from operating activities amounted to SEK 2,039m (1,061) and was increased by the total change in working capital of SEK 322m (-218).

Cash used in investing activities was SEK -421m (-502) and was affected by net investments of SEK -418m (-476), primarily capitalized development expenditure.

Cash used in financing activities was SEK -1,467m (-1,207) for the period, where the change in borrowings reduced net cash by SEK -1,388m (-1,148). Net cash flow for the period was SEK 150m (-648).

Liquidity and financial position

Consolidated cash and cash equivalents as of 30 September 2024 amounted to SEK 1,108m (1,620).

Net debt amounted to SEK 6,473m (8,832), including IFRS 16-related lease liabilities of SEK 813m (1,000). One of Sinch's financial targets is net debt over time below 2.5 times Adjusted EBITDA (measured on a rolling twelve-month basis). Excluding IFRS 16-related lease liabilities, net debt in relation to Adjusted EBITDA R12M was 1.6x.

As of 30 September, Sinch had total available credit facilities of SEK 11,123m (12,810), of which the company had used SEK 5,074m (8,719). These consisted of:

- A used loan of SEK 1,500m that matures in February 2025
- A used loan of USD 110m that matures in February 2025
- Credit facilities of SEK 7,610m that mature in February 2027, of which SEK 2,463m had been used as of 30 September 2024.
- Bank overdraft facilities of SEK 903m (925), of which SEK 0m (0) had been used as of 30 September 2024.

In addition, there is a bond loan of SEK 673m (750) that originally matured in November 2024 but was prematurely redeemed after the end of the quarter, a bond loan raised of SEK 500m (0) maturing in September 2027 and issued commercial paper of SEK 513m (0) maturing in less than 12 months.

Financial liabilities increased by SEK 108m in Q3 2024. During the same period, the company's net debt decreased by SEK 503m.

In total, Sinch had cash and cash equivalents of SEK 1,108m and unused loans, credit facilities and overdraft facilities of SEK 6,050m as of 30 September 2024.

Shares were issued in relation to employee stock options/warrants under the Group's incentive programs. See Note 4.

Equity at 30 September 2024 amounted to SEK 27,770m (35,813), corresponding to an equity ratio of 61 percent (62).

Employees

The average number of employees and consultants during the period was 4,107 (4,239). The average number of employees was 3,585 (3,622), of whom 32 percent (31) women.

Americas

Americas is Sinch's largest operating segment and contributes more than 60 percent of consolidated net sales and gross profit. The region includes both North and Latin America with the US and Brazil being the largest contributing countries.

Americas, SEKm	Q3		Jan-Sep		R12M	2023
	2024	2023	2024	2023		
Net sales	4,554	4,523	13,260	13,249	17,912	17,900
Gross profit	1,482	1,514	4,415	4,375	6,048	6,008
Gross margin	33%	33%	33%	33%	34%	34%

Net sales by product category, SEKm	Q3		Jan-Sep		R12M	2023
	2024	2023	2024	2023		
Applications	305	281	848	754	1,172	1,078
API Platform	3,022	3,057	8,827	8,912	11,981	12,067
Network Connectivity	1,227	1,185	3,586	3,583	4,758	4,755
Total	4,554	4,523	13,260	13,249	17,912	17,900

Gross profit by product category, SEKm	Q3		Jan-Sep		R12M	2023
	2024	2023	2024	2023		
Applications	205	204	599	567	828	796
API Platform	863	862	2,567	2,382	3,521	3,337
Network Connectivity	413	449	1,249	1,425	1,699	1,875
Total	1,482	1,514	4,415	4,375	6,048	6,008

Significant events

- The company held the inaugural Sinch RCS Innovation Day. The event was arranged in partnership with Google at their headquarters in Mountain View, California, where activities included strategy sessions with about 20 customers.
- This year's virtual Email Camp was held during the quarter with more than 7,000 registered customer representatives who received training in email, SMS, RCS and AI.

Net sales

Net sales were SEK 4,554m (4,523), corresponding to growth of 1 percent compared to Q3 2023. The corresponding organic growth was 5 percent. All business during the quarter is classified as organic.

Gross profit

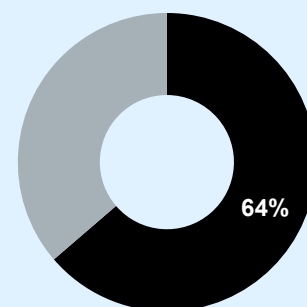
The gross margin was 33 percent (33). The gross margin was improved by an adjustment of SEK 40m relating to cost of services sold for Q1 and Q2.

Gross profit in Q3 amounted to SEK 1,482m (1,514), corresponding to a decrease of 2 percent compared to Q3 2023. The decrease in gross profit is due primarily to a lower gross margin. The corresponding organic growth was 1 percent. Adjusted for the non-recurring effect noted above, organic gross profit growth was negative at -2 percent which reflects weaker development in API Platform and specifically SMS.

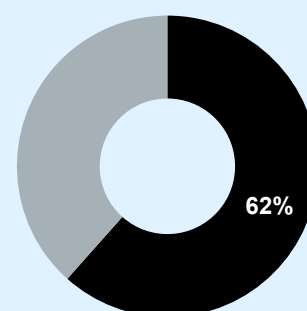
Gross profit was unchanged in Applications and API Platform and decreased in Network Connectivity compared to Q3 2023. The previously reported increased network costs in Network Connectivity had an adverse impact on gross profit.

The regulation of charges in the American toll-free market (the 8YY Reform) specifically reduced gross profit in Network Connectivity by SEK -11m in Q3, corresponding to 1 percentage point. The negative impact of the 8YY Reform on growth will cease entirely as of Q4.

Share of net sales



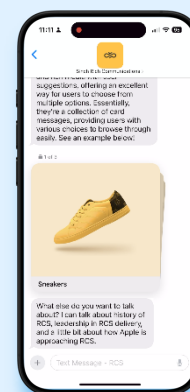
Share of gross profit



More on Email Camp:

→ [Get ready for MessageMania!](#)

During the quarter, Apple introduced support for RCS messaging through the release the iOS 18 operating system:



EMEA

The EMEA operating segment serves Sinch customers across Europe, the Middle East and Africa with the largest contributing countries being the UK and France.

EMEA, SEKm	Q3		Jan-Sep		R12M	2023
	2024	2023	2024	2023		
Net sales	1,641	1,751	4,802	5,168	6,587	6,953
Gross profit	536	564	1,546	1,613	2,049	2,116
Gross margin	33%	32%	32%	31%	31%	30%

Net sales by product category, SEKm	Q3		Jan-Sep		R12M	2023
	2024	2023	2024	2023		
Applications	228	215	676	639	922	884
API Platform	1,260	1,385	3,666	4,084	5,017	5,435
Network Connectivity	153	151	459	446	648	635
Total	1,641	1,751	4,802	5,168	6,587	6,953

Gross profit by product category, SEKm	Q3		Jan-Sep		R12M	2023
	2024	2023	2024	2023		
Applications	160	153	467	440	632	605
API Platform	310	340	885	999	1,153	1,267
Network Connectivity	66	72	194	174	264	244
Total	536	564	1,546	1,613	2,049	2,116

Significant events

- In the quarter, Sinch and Dutch MINDD presented its cooperation to develop an AI-solution to safely pre-triage patients.
- During October, Sinch and Google have executed common customer events in Europe to inform about RCS.

Net sales

Net sales in Q3 decreased by 6 percent compared to the corresponding quarter in 2023 and amounted to SEK 1,641m (1,751). The corresponding organic decrease in local currency was 4 percent. All business during the quarter is classified as organic.

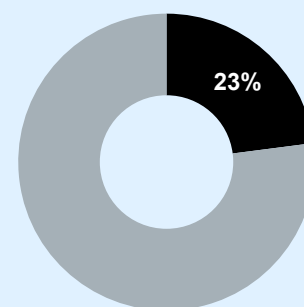
Gross profit

The gross margin was 33 percent (32) for the quarter.

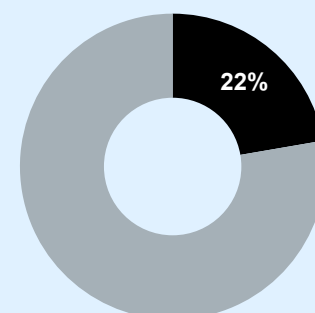
Consolidated gross profit decreased in Q3 by 5 percent compared to Q3 2023 to SEK 536m (564). Organic gross profit decreased by 3 percent.

Gross profit improved in Applications compared to Q3 2023 but deteriorated in API Platform and Network Connectivity.

Share of net sales



Share of gross profit



Customer case



→ [How MINDD built an AI-enabled voice chatbot to safely triage patients](#)

APAC

The APAC operating segment serves Sinch customers throughout the Asia-Pacific region, with India and Australia as the largest contributing countries.

APAC, SEKm	Q3		Jan-Sep		R12M	2023
	2024	2023	2024	2023		
Net sales	955	991	2,920	2,796	4,016	3,892
Gross profit	388	355	1,142	1,028	1,532	1,418
Gross margin	41%	36%	39%	37%	38%	36%

Net sales by product category, SEKm	Q3		Jan-Sep		R12M	2023
	2024	2023	2024	2023		
Applications	299	296	895	865	1,219	1,188
API Platform	628	676	1,948	1,845	2,693	2,589
Network Connectivity	28	19	77	87	104	114
Total	955	991	2,920	2,796	4,016	3,892

Gross profit by product category, SEKm	Q3		Jan-Sep		R12M	2023
	2024	2023	2024	2023		
Applications	189	180	558	524	756	723
API Platform	195	169	563	472	741	650
Network Connectivity	3	6	22	32	35	44
Total	388	355	1,142	1,028	1,532	1,418

Significant events

- Sinch announced a partnership with Singtel to become the first provider of Rich Communication Services (RCS) to businesses in Singapore.
- After the end of the quarter, Sinch conducted a Rich Communication (RCS) event tour for customers in the region.

Net sales

Net sales decreased by 4 percent compared to Q3 2023 and amounted to SEK 955m (991). All business during the quarter is classified as organic. The change in organic net sales in local currency was 0 percent.

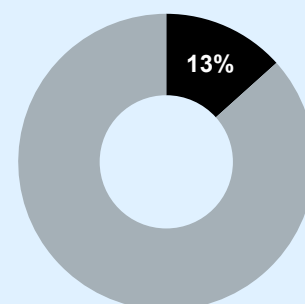
Gross profit

The gross margin was 41 percent (36) for the quarter. The improved gross margin is mainly attributable to a changed product and customer mix.

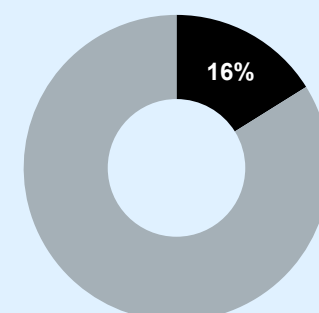
Gross profit for the quarter amounted to SEK 388m (355).

Gross profit grew by 9 percent compared to the same quarter last year. Organic gross profit grew by 12 percent. The gross profit growth was primarily attributable to India and an improved gross margin.

Share of net sales



Share of gross profit



Sinch and Singtel RCS cooperation::



→ [Singtel partnership](#)

Income statement

Sinch Group, SEKm	Note	Q3		Jan-Sep		R12M	2023
		2024	2023	2024	2023		
Net sales		7,150	7,265	20,983	21,213	28,515	28,745
Other operating income		75	127	287	337	429	479
Work performed by the entity and capitalized		87	100	282	287	377	383
Cost of services sold		-4,744	-4,832	-13,879	-14,198	-18,885	-19,204
Other external expenses ¹		-575	-592	-1,718	-1,697	-2,356	-2,336
Employee benefits expenses		-1,087	-1,083	-3,355	-3,270	-4,456	-4,371
Other operating expenses ¹		-109	-137	-241	-416	-447	-623
EBITDA		799	848	2,359	2,256	3,177	3,074
Depreciation/amortization and impairment	5	-6,623	-665	-7,862	-1,893	-8,549	-2,580
EBIT		-5,824	184	-5,503	363	-5,373	494
Financial income		937	854	2,022	2,066	3,236	3,280
Financial expenses		-1,076	-1,064	-2,421	-2,555	-3,791	-3,926
Profit or loss before tax		-5,963	-26	-5,902	-125	-5,928	-152
Current tax		-193	-114	-358	-460	-217	-319
Deferred tax		61	186	171	483	200	513
Profit or loss for the period		-6,095	46	-6,089	-102	-5,945	42
Attributable to:							
Owners of the parent		-6,094	46	-6,089	-103	-5,944	42
Non-controlling interests		0	0	0	0	0	0

1) Costs for expected credit losses and actual credit losses have been reclassified from Other operating expenses to Other external expenses in all periods.

Earnings per share

Sinch Group, SEK	Q3		Jan-Sep		R12M	2023
	2024	2023	2024	2023		
Basic	-7.22	0.05	-7.22	-0.12	-7.05	0.05
- Diluted ²	-7.22	0.05	-7.22	-0.12	-7.05	0.05

2) The dilutive effect is not taken into account when financial performance is negative and outstanding warrants/stock options are not considered when the company's average share price is below the exercise price.

Statement of comprehensive income

Sinch Group, SEKm	Q3		Jan-Sep		R12M	2023
	2024	2023	2024	2023		
Profit or loss for the period	-6,095	46	-6,089	-102	-5,945	42
Other comprehensive income						
Items that may subsequently be reclassified to profit or loss for the period						
Translation differences	-1,135	-434	162	1,148	-1,849	-863
FX changes on increased net investments	-219	-11	-33	222	-394	-138
Tax effect items in other comprehensive income	45	0	7	-18	53	28
Other comprehensive income or loss for the period	-1,309	-445	136	1,352	-2,190	-973
Comprehensive income or loss for the period	-7,404	-399	-5,954	1,250	-8,135	-931
Attributable to:						
Owners of the parent	-7,404	-399	-5,953	1,249	-8,134	-931
Non-controlling interests	0	0	-1	0	0	0

Balance sheet

Sinch Group, SEKm	Note	30 Sep		31 Dec
		2024	2023	2023
ASSETS				
Non-current assets				
Goodwill	5	19,207	26,735	25,160
Customer relationships		12,246	14,263	13,058
Operator relationships		150	200	177
Proprietary software		4,453	5,193	4,706
Other intangible assets		327	428	394
Property, plant and equipment		931	981	928
Right-of-use-asset		719	923	818
Financial assets		83	83	72
Deferred tax assets		1,158	1,150	957
Total non-current assets		39,273	49,956	46,269
Current assets				
Accounts receivable	7	4,182	4,611	4,669
Tax assets		286	297	238
Other current receivables		264	308	265
Prepaid expenses and accrued income	8	508	855	681
Cash and cash equivalents		1,108	1,620	1,012
Total current assets		6,348	7,692	6,866
TOTAL ASSETS		45,621	57,649	53,134
EQUITY AND LIABILITIES				
Equity				
Share capital		8	8	8
Other capital contributions		32,442	32,351	32,382
Reserves		4,430	6,620	4,294
Retained earnings including profit for the year		-9,111	-3,166	-3,022
Equity attributable to owners of the parent	4	27,770	35,813	33,663
Non-controlling interests		0	1	1
Total equity		27,770	35,813	33,663
Non-current liabilities				
Deferred tax liability		4,834	5,252	4,750
Provisions		56	43	55
Non-current liabilities, interest-bearing		3,336	7,340	6,637
Non-current liabilities, non-interest-bearing		21	32	25
Total non-current liabilities		8,247	12,667	11,467
Current liabilities				
Contract liabilities/Advance payments from customers		314	281	262
Accounts payable		1,418	1,621	1,849
Tax liability		139	333	64
Other current liabilities, interest-bearing		4,245	3,113	2,362
Other non interest bearing current liabilities		220	236	231
Accrued expenses and prepaid income		3,268	3,586	3,235
Total current liabilities		9,604	9,170	8,004
TOTAL EQUITY AND LIABILITIES		45,621	57,649	53,134
Financial instruments measured at fair value				
Derivative instruments with positive value		12	25	13
Derivative instruments with negative value		-	-	-

Condensed statement of changes in equity

Sinch Group, SEKm	Attributable to owners of the parent						Total equity
	Share capital	Other capital contributions	Reserves	Retained earnings	Total	Non-controlling interests	
Opening balance 1 Jan 2023	8	32,219	5,268	-3,064	34,431	1	34,432
Profit or loss for the period				-103	-103	0	-102
Other comprehensive income			1,352		1,352	0	1,352
Issued warrants		4			4		4
Share-based payments		87			87		87
Shares issued for warrants	0	44			44		44
Issue expenses, net of tax		-3			-3		-3
Closing balance 30 Sep 2023	8	32,351	6,620	-3,166	35,813	1	35,813
Opening balance 1 Jan 2024	8	32,382	4,294	-3,022	33,663	1	33,663
Profit or loss for the period				-6,089	-6,089	0	-6,089
Other comprehensive income			136		136	0	136
Issued warrants		3			3		3
Share-based payments		41			41		41
Shares issued for warrants	0	18			18		18
Issue expenses, net of tax		-1			-1		-1
Closing balance 30 Sep 2024	8	32,442	4,430	-9,111	27,770	0	27,770

Condensed statement of cash flows

Sinch Group, SEKm	Note	Q3		Jan-Sep		R12M	2023
		2024	2023	2024	2023		
Profit or loss before tax		-5,963	-26	-5,902	-125	-5,929	-152
Adjustment for non-cash items ¹		6,754	640	7,922	1,956	8,825	2,859
Income tax paid		-99	-127	-303	-552	-351	-600
Cash flow before changes in working capital		692	487	1,717	1,279	2,545	2,107
Change in working capital		-255	375	322	-218	221	-319
Cash flow from operating activities		437	862	2,039	1,061	2,766	1,788
Net investments in property, plant and equipment and intangible assets		-143	-184	-418	-476	-571	-629
Change in financial receivables		2	2	-3	-2	3	4
Acquisition of Group companies	6	-	-	-	-24	-	-24
Cash flow from (-used in) investing activities		-141	-182	-421	-502	-568	-649
Change in borrowings		108	-540	-1,388	-1,148	-2,494	-2,254
Amortization lease liability		-31	-42	-98	-104	-130	-136
New issue/warrants	4	10	1	19	45	22	48
Cash flow from (-used in) financing activities		87	-581	-1,467	-1,207	-2,602	-2,342
Cash flow for the period		382	99	150	-648	-404	-1,203
Opening balance cash and cash equivalents for the period		734	1,545	1,012	2,173	1,620	2,173
Exchange rate differences in cash and cash equivalents		-9	-24	-55	95	-108	42
Closing balance cash and cash equivalents for the period		1,108	1,620	1,108	1,620	1,108	1,012
Additional cash flow disclosures							
Net interest paid ²		-117	-159	-378	-431	-534	-587
Cash flow from operating activities after investments		293	678	1,620	585	2,194	1,159

1) Comprised mainly of depreciation, amortization and impairments and unrealized foreign exchange gains and losses.

2) Interest paid and received is included in cash flow from operating activities.

Other disclosures

Sinch Group, SEKm	Q3		Jan-Sep		R12M	2023
	2024	2023	2024	2023		
Share information						
Basic earnings per share, SEK	-7.22	0.05	-7.22	-0.12	-7.05	0.05
Diluted earnings per share, SEK ¹	-7.22	0.05	-7.22	-0.12	-7.05	0.05
Basic weighted average number of shares	844,127,485	842,924,180	843,721,625	840,486,750	843,550,386	841,130,408
Diluted weighted average number of shares ²	844,127,485	846,101,399	843,721,625	840,486,750	843,550,386	845,416,837
Total number of shares at the end of the period	844,183,424	842,934,488	844,183,424	842,934,488	844,183,424	843,069,811
Financial position						
Equity attributable to owners of the parent	27,770	35,813	27,770	35,813	27,770	33,663
Equity ratio	61%	62%	61%	62%	61%	63%
Net investments in property, plant and equipment and intangible assets	-143	-184	-418	-476	-571	-629
Cash and cash equivalents	1,108	1,620	1,108	1,620	1,108	1,012
Net debt (+) / Net cash (-)	6,473	8,832	6,473	8,832	6,473	7,987
Net debt/Adjusted EBITDA R12M, multiple	1.6	2.2	1.6	2.2	1.6	2.0
EBIT margin	-81%	3%	-26%	2%	-19%	2%
EBITDA margin	11%	12%	11%	11%	11%	11%
Employee information						
Average number of employees	3,563	3,691	3,585	3,622	3,615	3,643
Average number of employees, women	1,173	1,148	1,156	1,136	1,161	1,146
Percentage female	33%	31%	32%	31%	32%	31%

1) The dilutive effect is not taken into account when financial performance is negative and outstanding warrants/stock options are not considered when the company's average share price is below the exercise price.

2) If results had been positive, the weighted number of dilutive warrants would have been 3,832,239 (4,907,793) for the interim reporting period.

Segment reporting

An operating segment is defined as a business activity that is able to generate revenues and incur costs, whose operating results are regularly reviewed by the entity's chief executive officer, and for which separate financial information is available. The Group's operating segments are Americas, EMEA and APAC. These three regions represent the domiciles of our customers. See also Definitions. Note that items below Gross profit are not allocated to the segments. See Note 2 for more information.

Q3 2024, SEKm	Americas	EMEA	APAC	Other	Group
Net sales	4,554	1,641	955	-	7,150
Gross profit	1,482	536	388	-	2,406
Opex	-	-	-	-1,607	-1,607
EBITDA	-	-	-	799	799
EBITDA adjustments	-	-	-	-124	-124
Adjusted EBITDA	-	-	-	923	923
Depreciation/amortization and impairment	-	-	-	-	-6,623
EBIT	-	-	-	-	-5,824
Net finance income or expense	-	-	-	-	-139
Profit or loss before tax	-	-	-	-	-5,963

Q3 2023, SEKm	Americas	EMEA	APAC	Other	Group
Net sales	4,523	1,751	991	-	7,265
Gross profit	1,514	564	355	-	2,433
Opex	-	-	-	-1,585	-1,585
EBITDA	-	-	-	848	848
EBITDA adjustments	-	-	-	-95	-95
Adjusted EBITDA	-	-	-	943	943
Depreciation/amortization and impairment	-	-	-	-	-665
EBIT	-	-	-	-	184
Net finance income or expense	-	-	-	-	-210
Profit or loss before tax	-	-	-	-	-26

Jan-Sep 2024, SEKm	Americas	EMEA	APAC	Other	Group
Net sales	13,260	4,802	2,920	-	20,983
Gross profit	4,415	1,546	1,142	-	7,103
Opex	-	-	-	-4,745	-4,745
EBITDA	-	-	-	2,359	2,359
EBITDA adjustments	-	-	-	-225	-225
Adjusted EBITDA	-	-	-	2,584	2,584
Depreciation/amortization and impairment	-	-	-	-	-7,862
EBIT	-	-	-	-	-5,503
Net finance income or expense	-	-	-	-	-399
Profit or loss before tax	-	-	-	-	-5,902

Jan-Sep 2023, SEKm	Americas	EMEA	APAC	Other	Group
Net sales	13,249	5,168	2,796	-	21,213
Gross profit	4,375	1,613	1,028	-	7,015
Opex	-	-	-	-4,759	-4,759
EBITDA	-	-	-	2,256	2,256
EBITDA adjustments	-	-	-	-385	-385
Adjusted EBITDA	-	-	-	2,642	2,642
Depreciation/amortization and impairment	-	-	-	-	-1,893
EBIT	-	-	-	-	363
Net finance income or expense	-	-	-	-	-488
Profit or loss before tax	-	-	-	-	-125

R12M, MSEK	Americas	EMEA	APAC	Other	Group
Net sales	17,912	6,587	4,016	-	28,515
Gross profit	6,048	2,049	1,532	-	9,630
Opex	-	-	-	-6,453	-6,453
EBITDA	-	-	-	3,177	3,177
EBITDA adjustments	-	-	-	-403	-403
Adjusted EBITDA	-	-	-	3,579	3,579
Depreciation/amortization and impairment	-	-	-	-	-8,549
EBIT	-	-	-	-	-5,373
Net finance income or expense	-	-	-	-	-556
Profit or loss before tax	-	-	-	-	-5,928

2023, SEKm	Americas	EMEA	APAC	Other	Group
Net sales	17,900	6,953	3,892	-	28,745
Gross profit	6,008	2,116	1,418	-	9,542
Opex	-	-	-	-6,468	-6,468
EBITDA	-	-	-	3,074	3,074
EBITDA adjustments	-	-	-	-563	-563
Adjusted EBITDA	-	-	-	3,637	3,637
Depreciation/amortization and impairment	-	-	-	-	-2,580
EBIT	-	-	-	-	494
Net finance income or expense	-	-	-	-	-646
Profit or loss before tax	-	-	-	-	-152

Distribution of net sales

Q3 2024, SEKm

Net sales by product category	Americas	EMEA	APAC	Group
Applications	305	228	299	832
API Platform	3,022	1,260	628	4,910
Network Connectivity	1,227	153	28	1,408
Total	4,554	1,641	955	7,150

Net sales allocation per point in time

Over time	2,219	239	49	2,508
At one point in time	2,335	1,401	905	4,642
Total	4,554	1,641	955	7,150

Q3 2023, SEKm

Net sales by product category	Americas	EMEA	APAC	Group
Applications	281	215	296	792
API Platform	3,057	1,385	676	5,117
Network Connectivity	1,185	151	19	1,356
Total	4,523	1,751	991	7,265

Net sales allocation per point in time

Over time	2,173	381	87	2,640
At one point in time	2,351	1,370	904	4,625
Total	4,523	1,751	991	7,265

Jan-Sep 2024, SEKm

Net sales by product category	Americas	EMEA	APAC	Group
Applications	848	676	895	2,419
API Platform	8,827	3,666	1,948	14,441
Network Connectivity	3,586	459	77	4,122
Total	13,260	4,802	2,920	20,983

Net sales allocation per point in time

Over time	6,597	707	190	7,494
At one point in time	6,663	4,095	2,731	13,488
Total	13,260	4,802	2,920	20,983

Jan-Sep 2023, SEKm

Net sales by product category	Americas	EMEA	APAC	Group
Applications	754	639	865	2,257
API Platform	8,912	4,084	1,845	14,840
Network Connectivity	3,583	446	87	4,116
Total	13,249	5,168	2,796	21,213

Net sales allocation per point in time

Over time	6,365	1,123	246	7,734
At one point in time	6,885	4,045	2,550	13,479
Total	13,249	5,168	2,796	21,213

R12M, MSEK

Net sales by product category	Americas	EMEA	APAC	Group
Applications	1,172	922	1,219	3,313
API Platform	11,981	5,017	2,693	19,691
Network Connectivity	4,758	648	104	5,510
Total	17,912	6,587	4,016	28,515

Net sales allocation per point in time

Over time	8,831	1,025	269	10,125
At one point in time	9,081	5,562	3,746	18,390
Total	17,912	6,587	4,016	28,515

2023, SEKm

Net sales by product category	Americas	EMEA	APAC	Group
Applications	1,078	884	1,188	3,151
API Platform	12,067	5,435	2,589	20,091
Network Connectivity	4,755	635	114	5,504
Total	17,900	6,953	3,892	28,745

Net sales allocation per point in time

Over time	8,598	1,441	326	10,365
At one point in time	9,302	5,512	3,565	18,380
Total	17,900	6,953	3,892	28,745

Parent company

Sinch AB (publ) owns and manages the shares attributable to the Sinch Group. The group's operational and strategic management functions have been centralized to the parent company. At the end of the period, the parent company had 4 (5) employees. The parent company has no external business activities, and the risks are mainly related to the operations of the subsidiaries.

Parent company income statement

SEKm	Q3		Jan-Sep		R12M	2023
	2024	2023	2024	2023		
Net sales	155	163	454	435	607	588
Other operating income	4	0	12	6	13	7
Operating expenses						
Other external expenses	-134	-90	-401	-298	-440	-336
Employee benefits expenses	-13	-4	-31	-14	-38	-22
EBIT before other operating expenses, depreciation/amortization and impairment losses	11	70	34	129	143	237
Other operating expenses	-5	-10	-11	-13	-12	-14
Depreciation/amortization and impairment	-1	-1	-2	-2	-3	-3
EBITDA	6	59	21	114	128	221
Interest income and similar profit items	883	870	2,394	2,334	3,505	3,445
Interest expenses and similar loss items	-983	-915	-2,445	-2,225	-3,698	-3,477
Profit after financial items	-94	14	-30	223	-64	189
Appropriations	-	-	-	-	-120	-120
Profit or loss before tax	-94	14	-30	223	-184	69
Tax on profit for the period	19	7	6	-41	32	-15
Profit or loss for the period	-74	21	-24	182	-151	54

Parent company balance sheet

SEKm	30 Sep		31 Dec
	2024	2023	2023
ASSETS			
Non-current assets			
Intangible assets	2	4	3
Property, plant and equipment	0	1	1
Investments in group companies	16,173	16,173	16,173
Non-current receivables, Group companies	5,321	1,959	5,348
Other long-term receivables	1	-	-
Total financial assets	21,494	18,132	21,521
Deferred tax assets	-	5	-
Total non-current assets	21,497	18,142	21,525
Current assets			
Receivables from Group companies	20,682	26,695	21,767
Tax assets	88	5	31
Other current receivables	27	36	13
Prepaid expenses and accrued income	89	106	86
Cash and cash equivalents	261	405	20
Total current assets	21,147	27,247	21,917
TOTAL ASSETS	42,644	45,388	43,442
EQUITY AND LIABILITIES			
Share capital	8	8	8
Total restricted equity	8	8	8
Share premium reserve	34,204	34,174	34,176
Retained earnings	-3,964	-4,018	-4,018
Profit or loss for the year	-24	182	54
Total non-restricted equity	30,216	30,338	30,213
Total equity	30,224	30,347	30,221
Untaxed reserves	94	95	94
Deferred tax liability	2	-	3
Total untaxed reserves and provisions	97	95	97
Non-current liabilities			
Liabilities to credit institutions	2,595	6,441	5,841
Total non-current liabilities	2,595	6,441	5,841
Current liabilities			
Accounts payable	5	4	9
Liabilities to Group companies	5,525	5,426	4,973
Liabilities to credit institutions	4,148	2,997	2,248
Other current liabilities	2	2	2
Accrued expenses and prepaid income	48	78	51
Total current liabilities	9,727	8,506	7,283
TOTAL EQUITY AND LIABILITIES	42,644	45,388	43,442

Note 1. Accounting Policies

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). The interim report has been prepared in accordance with IAS 34 Interim Financial Reporting and the applicable provisions of the Annual Accounts Act. Disclosures in accordance with IAS 34 Interim Financial Reporting are provided in notes and elsewhere in the interim report. The interim report for the parent company has been prepared in accordance with the Annual Accounts Act, which is in accordance with RFR 2 Accounting of Legal Entities. The accounting policies and estimation methods are unchanged from those applied in the 2023 annual report. The financial statements are presented in SEKm unless otherwise specified. Amounts and calculations presented in the tables are rounded off and may not precisely match the figures presented in the financial statements and notes.

The new or amended IFRS standards applicable in 2024 and later have not had a material impact on Sinch financial statements. Risks and uncertainties relevant to Sinch are described in the 2023 Annual Report.

Pillar 2 legislation on top-up taxes on large multinational groups is effective from 1 January 2024. Sinch does not believe that there will be any material impact on the results of the Group's operations for the annual reporting period ending 31 December 2024 in any of the jurisdictions in which Sinch currently operates.

Change of cash-generating units

Effective 1 January 2024, financial reporting has been changed to reflect the new operating model, organization and management team. The new operating segments consist of three regions: Americas, EMEA and APAC, and have replaced the previous operating segments of Messaging, Voice, Email and SMB. The previous operating segments also constituted Sinch's cash-generating units. From an organizational management perspective, the CEO monitors and reviews Sinch's financial performance based on three regions, which constitute our operating segments.

Note 2. Operating profit

EBITDA and EBIT adjustments are intended to clarify performance in underlying operations. The adjustments include acquisition costs, integration costs, operational foreign exchange gains/losses, restructuring costs, costs of share-based incentive programs and non-recurring adjustments.

The costs of incentive programs are clarified and divided into payroll costs and social insurance costs, where payroll costs are, in accordance with IFRS 2, an estimated cost that does not affect cash flow and social insurance costs fluctuate with Sinch's price per share. Excluding these costs from Adjusted EBITDA ensures

A complementary view comprising the three product categories, Applications, API Platform and Network Connectivity is presented in addition to Sinch's new operating segments. These three product categories are considered to have alignment in sales channels and platforms, similar technology, and a shared organizational structure that is largely independent of cash flows from other assets and groups of assets. The product categories are the level at which goodwill is internally monitored and constitute Sinch's cash-generating units as of 1 January 2024.

Receivables and accrued revenues

Accounts receivable (both billed and unbilled) have an unconditional right to payment. Revenues based on an unconditional right to payment must be reported as unbilled receivables if the amounts have not been billed as of the reporting date, while revenues that have been billed are shown as billed receivables on the balance sheet. Most customers are billed monthly in arrears (after services are rendered) and the unbilled receivables are converted to billed receivables a few days after the close of books.

Contract assets referring to accrued revenue have a conditional right to payment, which means for example that Sinch must first satisfy a final contractual obligation before an unconditional right to payment is established.

Financial assets and liabilities

Financial assets and liabilities are recognized at amortized cost which is assessed to be their fair value since the majority of loan financing is carried at a three-month rate.

Related-party transactions

There have been no significant changes in the relationships and transactions with related parties compared to that reported in the 2023 Annual Report.

that short-term changes in the share price do not impede analysis of the underlying business and makes it easier to relate Adjusted EBITDA to Sinch's cash flow.

Sinch's financial target is defined as growth in Adjusted EBITDA per share. The future cost of Sinch's incentive programs to existing shareholders is reflected there as dilution, through an increased number of shares. By applying the new definition of Adjusted EBITDA, we ensure that the cost to shareholders in Sinch is not counted twice. Sinch's definition of Adjusted EBITDA also becomes more directly comparable with other listed competitors.

Reconciliation items related to operating profit

EBITDA adjustments, SEKm	Q3		Jan-Sep		R12M	2023
	2024	2023	2024	2023		
Acquisition costs	-2	-2	-4	-6	-6	-8
Restructuring costs	-11	-14	-84	-47	-84	-47
Earnouts	-	-	-	-18	-	-18
Integration costs	-50	-31	-138	-124	-161	-148
Costs of share-based incentive programs	-27	-29	-41	-84	-93	-136
Operational foreign exchange gains/losses	-33	-12	44	-98	-19	-161
Other adjustments	-1	-9	-2	-8	-39	-45
Total EBITDA adjustments	-124	-95	-225	-385	-403	-563
Amortization of acquisition-related assets	-496	-526	-1,469	-1,528	-2,004	-2,063
Impairment of goodwill	-6,000	-	-6,000	-	-6,000	-
Total EBIT adjustments	-6,620	-621	-7,694	-1,914	-8,407	-2,627

Integration costs, SEKm	Q3		Jan-Sep		R12M	2023
	2024	2023	2024	2023		
Employee benefits expenses, own employees	-	-21	-	-93	-15	-108
Employee benefits expenses, external resources	-11	-6	-22	-25	-30	-32
External consultants	-37	-1	-113	-5	-114	-6
Other	-1	-2	-3	-2	-3	-2
Total integration costs per category¹	-50	-31	-138	-124	-161	-148

1) Reported as other external expenses and employee benefits expenses.

Costs of share-based incentive programs, SEKm	Q3		Jan-Sep		R12M	2023
	2024	2023	2024	2023		
Cost of vested employee stock option	-18	-30	-42	-88	-69	-115
Social insurance costs	-9	2	1	4	-24	-21
Total costs for share-based incentive programs per category²	-27	-29	-41	-84	-93	-136

2) Reported as employee benefits expenses.

Operational foreign exchange gains/losses, SEKm	Q3		Jan-Sep		R12M	2023
	2024	2023	2024	2023		
Realized foreign exchange gains/losses	-13	-52	4	-34	-33	-70
Unrealized foreign exchange gains/losses	-20	40	40	-64	14	-91
Total operational foreign exchange gains/losses per category³	-33	-12	44	-98	-19	-161

3) Reported as other operating income or other operating expenses.

Note 3. Pledged assets and contingent liabilities

Pledged assets and contingent liabilities amounted to SEK 159m (229). Pledged assets and contingent liabilities amounted to SEK 221m at 31 December 2023.

Note 4. Incentive programs

Within the framework of the LTI 2024 incentive program adopted by the AGM on 16 May 2024, 532,451 warrants and 6,409,559 employee stock options have been granted to senior executives and key employees within Sinch. Participants purchase warrants at market price corresponding to subscription prices of SEK 5.22, SEK 5.25 and SEK 5.79 for each series. Through the warrants, Sinch has gained SEK 3m. The employee stock options are granted against no monetary consideration. The maximum number of instruments in LTI 2024 is 17,100,000.

Within the framework of the LTI 2023 incentive program adopted by the AGM on 17 May 2023, 355,000 employee stock options have been granted to senior executives and key employees within Sinch. The employee stock options are granted against no monetary consideration. The maximum number of instruments in LTI 2023 is 8,385,000.

During the third quarter, 35,328 options from LTI 2019 were exercised, each carrying 10 shares, and 84,568 options from LTI 2022 were exercised, each carrying 1 share. The exercise prices were SEK 17.41 per share for LTI 2019 and SEK 14.654 per share for

LTI 2022. Sinch gained SEK 7m in equity through the exercise of options.

Total costs for the incentive programs recognized on the income statement amount to SEK -41m (-84) for the period of January to September. Payroll costs for vested employee stock options are included in profit or loss in the amount of SEK -42m (-88) with a corresponding increase in equity and social insurance costs based on the share price, improving profit by SEK 1m (4), with a corresponding reduction of provisions in the balance sheet.

The potential dilutive effect, calculated based on the exercise price of the options in relation to the average share price during the period, is 0.5 percent (0.6) upon exercise of all warrants and employee stock options in all programs. See Note 9 of the 2023 Annual Report for further disclosures regarding the Group's incentive programs LTI 2019, LTI 2020, LTI II 2020, LTI 2021, LTI II 2021, LTI 2022 and LTI 2023.

Note 5. Depreciation and amortization

Goodwill is tested for impairment annually or when there are indications that an impairment loss has occurred. A description of the change of cash-generating units compared to previous periods is given in Note 1 in this quarterly report. The recoverable amount for a cash-generating unit is determined based on estimated value in use. These estimates are based on cash flow projections, which are based on financial budgets approved by the management covering a five-year period. In the assessment of future cash flows assumptions are made, primarily concerning sales growth, gross profit or loss and the operating margin, based on the current year and discount rate (WACC). The estimated growth rate and the forecast operating margin are based on the company's budgets and forecasts for each unit.

The growth rate after the forecast period coincides with the Group's long-term assumptions about inflation and long-term market growth. The discount rate reflects the risk-free rate in the cash-generating units' functional currencies, the country-specific market risk premiums, the business risk represented by an estimated beta, and the cost of borrowing. The company has

determined that all cash-generating units can mainly be categorized as companies in a growth phase but with strong and stable cash flows based on existing business relationships. All cash-generating units are characterized by their continuous development of new services that complement the current business.

Sinch's cash generating units consist of the three product categories, Applications, API Platform and Network Connectivity. Impairment testing was carried out for the entire Sinch Group in Q3, resulting in an impairment of goodwill of SEK 6,000m. The impairment refers to the Applications product category and primarily to MessageMedia which was acquired in 2021. In Sinch's operating segments, which are comprised of the three regions, Americas, EMEA and APAC, the majority of the impairment charge is allocated to APAC, with a minor portion allocated to the Americas segment. The impairment of the Applications cash generating unit is consequent upon a lower growth outlook for gross profit.

The table below presents the goodwill per cash-generating unit and the key assumptions used to calculate the recoverable amount.

30 Sep 2024 Cash generating units	Goodwill, SEKm	Discount rate before tax	Long-term growth rate	Annual gross profit growth over the five-year forecast period
Applications	4,070	11.9%	2.0%	7 - 15%
API Platform	11,341	12.3%	2.0%	5 - 12%
Network Connectivity	3,797	8.8%	2.0%	-2 - 7%
Total	19,207			

Sensitivity analysis

A sensitivity analysis of the impairment test has been carried out to evaluate the impact of changes in key assumptions. Following impairment of the Applications cash-generating unit, the carrying amount equals the recoverable amount and is therefore sensitive to any changes in key assumptions, including the discount rate or assumptions used in the business plan. The discount rate for the Applications CGU is largely affected by changes in the risk-free rate, but also by other factors such as country-specific market risk premiums, the business risk represented by estimated beta and the borrowing cost. With all other variables constant, a reasonably possible increase of 1 percentage point in the WACC would indicate an impairment of SEK 1,100m. Similarly, with all other variables constant, a

reasonably possible decrease of 1 percentage point in the annual gross profit growth over the five-year forecast period would indicate an impairment of SEK 1,200m.

An impairment would not be necessitated for Network Connectivity in a reasonably possible increase of 1 percentage points in the WACC, or changes of other key assumptions, it would however largely impact the headroom. For API platform, no impairment need is identified if a reasonably possible change in key assumptions occur.

Depreciation, amortization and impairment, SEKm	Q3		Jan-Sep		R12M	2023
	2024	2023	2024	2023		
Amortization acquired customer relationships	-319	-322	-939	-937	-1,256	-1,254
Amortization acquired operator relationships	-8	-19	-26	-57	-39	-70
Amortization acquired trademarks	-23	-23	-69	-68	-69	-68
Amortization acquired software	-145	-162	-435	-467	-639	-671
Impairment of goodwill	-6,000	-	-6,000	-	-6,000	-
Total acquisition related amortization and write-downs	-6,496	-526	-7,469	-1,528	-8,004	-2,063
Amortization proprietary software	-51	-39	-148	-101	-213	-167
Amortization licenses	-1	-7	-4	-10	-7	-12
Amortization other intangible assets	1	0	0	-1	-1	-1
Total amortization intangible assets	-6,547	-572	-7,621	-1,640	-8,225	-2,244
Depreciation property, plant and equipment	-42	-44	-128	-131	-171	-174
Depreciation right-of-use assets	-34	-39	-103	-111	-141	-149
Impairments	0	-10	-10	-10	-13	-13
Total amortization/depreciation and impairment of intangible assets and property, plant and equipment	-6,623	-665	-7,862	-1,893	-8,549	-2,580

Note 6. Acquisition of Group companies

There were no acquisitions in 2023 or 2024, but a contingent earnout of SEK 24m was paid in Q1 2023 in relation to the acquisition of TWW.

Note 7. Accounts receivable

Accounts receivable, SEKm	30 Sep		31 Dec
	2024	2023	2023
Unbilled receivables	1,920	1,969	1,921
Receivables, billed	2,396	2,815	2,897
Expected credit loss allowance	-133	-173	-149
Total accounts receivable	4,182	4,611	4,669

Note 8. Prepaid expenses and accrued income

Prepaid expenses and accrued income, SEKm	30 Sep		31 Dec
	2024	2023	2023
Accrued revenue from contracts with customers	48	68	36
Other accrued income and prepaid expenses	460	787	645
Total accrued income and prepaid expenses	508	855	681

Note 9. Net sales by product category

Net sales by product category, SEKm	Q3		Jan-Sep		R12M	2023
	2024	2023	2024	2023		
Applications	832	792	2,419	2,257	3,313	3,151
API Platform	4,910	5,117	14,441	14,840	19,691	20,091
Network Connectivity	1,408	1,356	4,122	4,116	5,510	5,504
Total net sales	7,150	7,265	20,983	21,213	28,515	28,745

Note 10. Gross profit by product category

Gross profit by product category, SEKm	Q3		Jan-Sep		R12M	2023
	2024	2023	2024	2023		
Applications	554	536	1,624	1,532	2,217	2,125
API Platform	1,369	1,370	4,014	3,853	5,415	5,254
Network Connectivity	483	527	1,465	1,631	1,998	2,163
Total gross profit	2,406	2,433	7,103	7,015	9,630	9,542

Note 11. Adjusted Opex by function

Sinch reports Group costs by nature; see the Income Statement on page 14. Further information is provided in Note 11, in which operating expenses are distributed by function. The R&D expenses described below include the costs of technical operations. See page 31 for more information about the function definitions applied by Sinch.

Adjusted Opex by function, SEKm	Q3		Jan-Sep		R12M	2023
	2024	2023	2024	2023		
Sales & marketing expenses	-421	-426	-1,331	-1,266	-1,765	-1,699
Research & development expenses	-723	-727	-2,189	-2,155	-2,929	-2,896
General & administrative expenses	-338	-337	-1,000	-953	-1,357	-1,310
Total adjusted Opex	-1,483	-1,490	-4,520	-4,374	-6,051	-5,905
EBITDA adjustments	-124	-95	-225	-385	-403	-563
Total Opex	-1,607	-1,585	-4,745	-4,759	-6,453	-6,468

Definitions

Regions

Effective 1 January 2024, the new Sinch operating model and operating segments are based on three geographical regions: Americas, EMEA and APAC. The regions represent the domiciles of our customers.

Product categories

Sinch discloses supplementary financial information across three product categories.

Applications

This product category targets business users and consists of software applications for customer engagement, supporting use cases across marketing, operations and customer care.

API Platform

Products within this category target developers and product managers. APIs allow businesses to trigger mobile messaging, voice calling, and emails from their own internal or third-party IT systems.

Network Connectivity

Network Connectivity products target telecom operators and wholesale voice buyers. The portfolio primarily includes voice and messaging interconnect services, operator software and services.

Financial measurements defined under IFRS:

Earnings per share, basic and diluted

Net profit for the period attributable to owners of the parent divided by the volume-weighted average number of shares outstanding in the period before/after dilution.

Financial measures not defined under IFRS:

The company presents certain financial measurements that are not defined under IFRS. The company believes that these measurements provide useful supplemental information to investors and the company's management for reasons including that they enable evaluation of the company's performance. Because not all companies calculate financial measurements in the same way, these are not always comparable to measurements used by other companies. These financial measurements should therefore not be considered a substitute for measurements defined under IFRS. Please refer to investors.sinch.com for a reconciliation of these financial measurements and organic growth.

Gross profit

Net sales less the cost of services sold.

A large share of Sinch's cost of services sold consists of traffic fees paid to mobile operators. Operator traffic fees differ significantly from one country to the next. Consequently, changes in traffic patterns and the volume mix can have high impact on net sales and the gross margin even though there is no effect on gross profit in absolute numbers.

Gross margin

Gross profit in relation to net sales.

The gross margin reflects the percentage of sales that comprises internal value creation and is not passed on to suppliers.

Operating expenses (Opex)

Operating expenses are defined as the difference between gross profit and EBITDA and consist of the following items: Other operating income, Work performed by the entity and capitalized, Other external expenses, Employee benefits expenses and Other operating expenses.

EBITDA

Profit for the period before financial income, financial expenses, tax and depreciation, amortization and impairment of intangible assets and property, plant and equipment.

Enables comparisons of profitability over time, regardless of the effects of the rate of depreciation and amortization of non-current assets, financing structure and the corporation tax rate.

EBIT

Profit for the period before financial income, financial expenses and tax.

Adjusted operating expenses (Adjusted Opex)

Adjusted operating expenses are defined as the difference between gross profit and Adjusted EBITDA and consist of the following items: Other operating income, Work performed by the entity and capitalized, Other external expenses, Employee benefits expenses, Other operating expenses and EBITDA adjustments.

Sales & marketing expenses

Expenditures associated with promoting and selling our products, including acquiring new customers and managing existing customer relationships.

Research & development expenses

Expenditures associated with the development, improvement and technical operations of our products, net of capitalized software development.

General & administrative expenses

Expenditures for support functions such as finance, human resources, facilities, information technology and other administrative functions.

Integration costs

Integration costs arise mainly in connection with business combinations. The nature of the costs consists of alignment of processes, brands and technical systems. The costs are of a non-recurring nature but, unlike restructuring costs, they are connected to the entity's current and future operations.

Restructuring costs

Restructuring costs comprise direct costs related to restructuring and have no connection with the company's current operations. Restructuring costs include mainly the costs of laying off employees and indirect costs related to the layoffs.

Adjusted EBITDA

EBITDA excluding acquisition costs, integration costs, restructuring costs, operational foreign exchange gains/losses, costs of share-based incentive programs and non-recurring adjustments.

Enables comparison of profitability over time in underlying operations.

Adjusted EBITDA per share

Adjusted EBITDA divided by the volume-weighted average number of shares outstanding for the period after dilution.

Measures the earnings per share generated by the business adjusted for acquisition costs, integration costs and other adjustment items. Sinch's financial targets, which have been set by the board of directors, are based on growth in Adjusted EBITDA per share.

Adjusted EBITDA/gross profit

The measure shows the company's Adjusted EBITDA margin as a percentage of gross profit. In addition to net sales, the cost of services is included in gross profit.

Amortization of acquisition-related assets

Amortization of acquired intangible assets/depreciation of acquired property, plant and equipment. Depreciation of property, plant and equipment and amortization of other intangible assets are included in acquisition-related amortization and depreciation, as this is a measure of the use of resources necessary to generate profit.

Adjusted EBIT

EBIT after the same adjustments as for Adjusted EBITDA and excluding depreciation, amortization and impairment of non-cash acquisition-related property, plant and equipment and intangible assets.

Enables comparison of profitability over time, regardless of amortization and impairment of acquisition-related property, plant and equipment and intangible assets and independently of financing structure and the corporation tax rate.

EBIT margin/Adjusted EBIT margin

EBIT/Adjusted EBIT in relation to net sales.

EBITDA margin /Adjusted EBITDA margin

EBITDA/Adjusted EBITDA in relation to net sales,

Interest-bearing liabilities

Bond loans, bank loans, overdraft facilities and lease liabilities.

Used to calculate net debt.

Net debt

Interest-bearing liabilities less cash and cash equivalents.

Used to track the debt trend and visualize the size of refinancing requirements.

Net debt/Adjusted EBITDA R12M

Net debt divided by adjusted EBITDA, past 12 months. Net debt and Adjusted EBITDA are both measured excluding IFRS 16-related lease liabilities.

Shows how many years it would take to pay off the company's debts presuming that net debt and Adjusted EBITDA are constant and with no consideration of other cash flows.

Equity ratio

Equity as a percentage of total assets.

Illustrates the company's financial position. A good equity/assets ratio equips the company to manage periods of economic downturn and the financial basis for growth.

Net investments in property, plant and equipment and intangible assets

Investments in property, plant and equipment and intangible assets during the period less divested property, plant and equipment and intangible assets.

Cash flow from operating activities after investments

Cash flow from operating activities adjusted for net investments in property, plant and equipment and intangible assets during the period.

Operational measurements**Percentage female**

Average number of women in relation to the average total number of employees during the period, recalculated as full-time equivalents.

Average number of employees and consultants

Average number of employees and consultants during the period, recalculated as full-time equivalents.

Organic growth

Growth in local currency and excluding acquisitions.

Sinch's presentation currency is SEK, while a large portion of revenues and costs are in other currencies. Growth adjusted for acquired entities and currency effects shows underlying growth. Acquisitions are considered part of organic operations after 12 months.

R12M

Sales, earnings or other results for the past 12 months.

Total shares outstanding

Total number of ordinary shares and preference shares at the end of the period.

Terms and acronyms

See the Annual Report for Sinch AB (publ) for definitions of terms and acronyms, available at investors.sinch.com.

About Sinch

Sinch is pioneering the way the world communicates. More than 150,000 businesses – including many of the world’s largest tech companies – rely on Sinch’s Customer Communications Cloud to improve customer experience through mobile messaging, voice and email. Sinch has been profitable and fast-growing since it was founded in 2008. It is headquartered in Stockholm, Sweden, with shares traded on NASDAQ Stockholm: XSTO:SINCH. XSTO:SINCH. Read more at sinch.com.

Forthcoming reporting dates

Year-end report, Jan–Dec 2024	13 Feb
Interim report Q1, Jan–Mar 2025	8 May
Interim report Q2, Jan–Jun 2025	22 Jul
Interim report Q3, Jan–Sep 2025	5 Nov

Annual Report and Sustainability report

Annual Report and Sustainability Report 2024 April 2025

Annual General Meeting

The Annual General Meeting will be held at 10:00 CEST on 22 May 2025 at Sinch headquarters, Lindhagensgatan 112, Stockholm.

Nominating Committee

The members of the Sinch AB Nominating Committee are:

- Jonas Fredriksson – representing Neqst D2 AB
- Thomas Wuolikainen – representing Fjärde AP-fonden
- Patricia Hedelius – representing AMF Pension och Fonder
- Monica Åsmyr – representing Swedbank Robur Fonder
- Erik Fröberg – Board Chair, Sinch AB

Capital Markets Day

Sinch will hold a Capital Markets Day on 20 November 2024. Interested parties will be able to attend in person in Stockholm or via webcast.

See also the [press release](#) and investors.sinch.com for more information.

Risk assessment

Sinch is, like all businesses, exposed to various types of risks in its operations. Growth in combination with rapid and continuous changes in the business environment has made it necessary to increase focus on risks and risk management. Sinch has created an Enterprise Risk Management (ERM) process to identify and control risks, and to ensure that required controls and procedures are established to safeguard the assets and interests of the

company. Sinch has defined five types of risks under this framework: Strategic, Operational, Legal & Compliance, Financial and External. More information about risks and risk management is provided in the 2023 Annual Report.

Outlook

The impacts of geopolitical uncertainty and changes in the macroeconomic environment, specifically inflation, interest rates and demand, are expected to persist in 2024. In spite of significant macroeconomic change during the past couple of years, Sinch has remained an industry leader with good underlying profitability and robust cash flows. Sinch launched a growth acceleration plan in 2023 and a new operating model was implemented effective 1 January 2024. The Group’s exposure to Ukraine and Russia is limited to less than 1 percent of annualized gross profit. Although Sinch does not publish forecasts, the company recognizes that the effects of the prevailing macroeconomic situation will persist.

Forward-looking statements

This report contains statements concerning, among other things, Sinch’s financial position and earnings as well as statements regarding market conditions that may be forward-looking. Sinch believes that the expectations reflected in these forward-looking statements are based on reasonable assumptions. Forward-looking statements, however, include risks and uncertainties and actual outcomes or consequences may differ materially from those expressed. Other than as required by applicable law, forward-looking statements apply only on the day they are presented and Sinch does not undertake to update any of them in light of new information or future events.

Assurance

The board of directors and the CEO certify that the interim report gives a true and fair view of the company’s and the Group’s operations, position and results, and describes significant risks and uncertainties faced by the company and the companies included in the Group.

Headquarters

Sinch AB (publ)
Lindhagensgatan 112
112 51 Stockholm, Sweden

Corporate ID 556882-8908

sinch.com

Invitation to webcast and phone conference

Sinch will present the interim report in a webcast and phone conference on Wednesday, 6 November 2024 at 14:00 CET. Watch the presentation at investors.sinch.com/webcast.

To participate via phone conference, register using the following link:
<https://conference.financialhearings.com/teleconference/?id=50048793>.

After you register, you will be given a phone number and conference ID to log into the conference.

For additional information, please contact:

Ola Elmeland, Investor Relations
+46 72 143 34 59
investors@sinch.com

Thomas Heath, Chief Strategy Officer and Head of Investor Relations
+46 72 245 50 55
investors@sinch.com

Roshan Saldanha, Chief Financial Officer
+46 73 660 24 19
investors@sinch.com

Stockholm, 6 November 2024

Erik Fröberg
Board Chair

Björn Zethraeus
Director

Lena Almfelt
Director

Mattias Stenberg
Director

Renée Robinson Strömberg
Director

Laurinda Pang
President and CEO

Note: Sinch AB (publ) is required to publish the information in this interim report pursuant to the EU Market Abuse Regulation. The information was released for publication by the contact person above on 6 November 2024 at 07:30 CET.

This report is published in Swedish and English. In case of any differences between the English version and the Swedish original text, the Swedish version shall apply.



Review Report

Introduction

We have reviewed the interim report for Sinch AB (publ) for the period January 1 – September 30, 2024. The Board of Directors and the President are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review has a different focus and is substantially less in scope than an audit conducted in accordance with ISA and other generally accepted auditing practices. The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Therefore, the conclusion expressed based on a review does not give the same level of assurance as a conclusion expressed based on an audit.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not, in all material respects, prepared for the Group in accordance with IAS 34 and the Annual Accounts Act, and for the Parent Company in accordance with the Annual Accounts Act.

Stockholm den 6 november 2024

Deloitte AB

Signature on Swedish original

Johan Telander

Authorized Public Accountant