

INTERIM REPORT, JANUARY – JUNE 2024

## Stable performance and strong cash flow

### April – June 2024

- Net sales increased marginally to SEK 7,041m (7,021).
- Gross profit increased by 3 percent to SEK 2,386m (2,322).
- EBITDA rose by 11 percent to SEK 792m (715).
- Adjusted EBITDA increased slightly to SEK 867m (865).
- Profit after tax for the quarter was SEK 95m (-70).
- Basic earnings per share were SEK 0.11 (-0.08) and diluted earnings per share were SEK 0.11 (-0.08).
- Cash flow from operating activities was SEK 1,049m (-13).

### Significant events during the quarter

- Sinch implemented new segment reporting and released restated historical segment reporting.
- Sinch established an MTN program for borrowing on the capital market with a framework amount of SEK 6bn. The base prospectus has been approved and registered by Finansinspektionen.
- Johan Stuart stepped down from the board of directors for personal reasons.
- Sinch was recognized as a 2024 Gartner Magic Quadrant Leader for CPaaS.

### Significant events earlier this year

- The new operating model, organization and management team became operational on 1 January 2024.

### January – June 2024

- Net sales decreased by 1 percent to SEK 13,833m (13,948).
- Gross profit increased by 3 percent to SEK 4,698m (4,582).
- EBITDA rose by 11 percent to SEK 1,560m (1,408).
- Adjusted EBITDA decreased by 2 percent to SEK 1,661m (1,698).
- Profit after tax for the period was SEK 5m (-148).
- Basic earnings per share were SEK 0.01 (-0.18) and diluted earnings per share were SEK 0.01 (-0.18).
- Cash flow from operating activities amounted to SEK 1,602m (199).

### Significant events after the quarter

- Sinch's IT organization will be brought together under Chief Data and Transformation Officer Sibito Morley. The change means that Sinch's CIO Cristina David will leave the Global leadership team on 12 August.
- Sinch plans to hold a Capital Markets Day for investors on 20 November at which management will provide in-depth information about the business, growth opportunities and the market. The event will be held in Stockholm and available via webcast. Further information will be provided in Q3.

Sinch Group, SEKm	Q2		Jan-Jun		R12M	2023
	2024	2023	2024	2023		
Net sales	7,041	7,021	13,833	13,948	28,630	28,745
Gross profit	2,386	2,322	4,698	4,582	9,657	9,542
Gross margin	34%	33%	34%	33%	34%	33%
EBITDA	792	715	1,560	1,408	3,226	3,074
EBITDA margin	11%	10%	11%	10%	11%	11%
Adjusted EBITDA	867	865	1,661	1,698	3,600	3,637
Adjusted EBITDA margin	12%	12%	12%	12%	13%	13%
Cash flow from operating activities after investments	903	-151	1,327	-93	2,579	1,159
Net debt/Adjusted EBITDA R12M, multiple	1.7	2.4	1.7	2.4	1.7	2.0
Adjusted EBITDA/share, SEK	1.02	1.03	1.96	2.01	4.25	4.30

## COMMENTS FROM THE CEO

# Record cash flow

In the second quarter we again delivered robust financial results with year-on-year improvements in both gross margin and EBITDA margin. Cash flow reached an all-time-high level and organic gross profit grew by low single-digits.

Net sales were flat year-on-year at SEK 7,041 million. Our gross margin improved to 34 percent, which resulted in an organic gross profit increase of 2 percent. Growth is still lower than our longer-term aspirations, but I expect these low single-digit growth rates to remain until our growth acceleration plan delivers results or customers again start to increase their investments in customer experience and digital communications.

Our growth acceleration plan is progressing as planned with initiatives around go to market transformation, product integration, and operational excellence. We are also identifying efficiencies and reducing unnecessary overlaps. Unfortunately, this has meant that a number of colleagues were made redundant during the quarter, which has allowed us to reallocate our spend towards growth initiatives without impacting our overall profitability. Both EBITDA and adjusted EBITDA have improved year-on-year as well as sequentially.

Cash flow reached a record level this quarter with operating cash flow at SEK 1,049 million. This is a very high level even when excluding around SEK 240 million of early payments that we received in the quarter from some of our larger customers. Cash conversion, which we measure on a rolling 12-month basis, is now at 72 percent. This is well above our target range of 40–50 percent and has helped reduce Net debt/EBITDA to 1.7x, down from 2.0x in the first quarter.

Our operational performance varies considerably by region. APAC continued to develop well in the quarter; EMEA saw decline and the Americas region developed closer to the group's average. Within APAC, India performed well and contributed significantly. The increased network costs that we highlighted in the first quarter affected our North American voice business also in Q2, but I am pleased to report good progress in our negotiations with our vendors which reduces the risk of future cost increases. We are also reducing our reliance on legacy connectivity through service virtualization.

Our product mix varies greatly by region but overall, a generally slow market for SMS resulted in low year-on-year gross profit growth for our API Platform. A strong comparison quarter reduced the year-on-year growth rate within Applications as some marketing campaign activities that benefited us in 2023 did not make a corresponding contribution this year.

There is tremendous opportunity for businesses to improve how they service their customers and leverage cloud-based, digital communications to deliver a better customer experience. The rate of adoption depends partly on technology but also on the digital maturity of businesses and their willingness to invest and innovate. So far this year, we have experienced our market as quite stable and we do not expect any rapid changes in the near term.



However, we are enthusiastic about the recent developments in mobile messaging and the prospects for new, more advanced use cases as Apple adds support for RCS in the next version of iOS.

Rich Communications Services (RCS) leverages the same apps now used for SMS but adds a number of valuable new features. Businesses can send messages using branded and verified sender IDs, include high-quality pictures and video, and leverage read receipts for vastly improved analytics. There is support for advanced two-way conversations, action buttons, and suggested replies. This functionality is already turned on by default on new Android phones, and the beta version of iOS 18 supports RCS for both personal and business use.

Another important aspect of RCS is the role of the mobile operators. Mobile operators determine the pricing, terms and conditions that apply for a sender to reach a mobile subscriber on its network – just as things work today with SMS messaging. This allows us to leverage our relationships and agreements with more than 600 operators, all over the world, to extend our strong position in SMS messaging to the emerging market for RCS Business Messaging. Our recognized leadership in CPaaS, which Gartner recently reconfirmed, also positions us as a natural partner for any business customer who wants to explore the opportunities of RCS.

We are now in an intense phase of rapid transformation where we are sharpening our focus, identifying efficiencies, and more actively reallocating our capital towards the areas where we see the highest potential. Although growth remains lower than our long-term aspirations, we are proud to deliver solid profitability and record cash flow. We are strengthening our business and investing in our future.

Stockholm, 19 July 2024

Laurinda Pang  
CEO

# Sinch overview

Sinch Group, SEKm	Q2		Jan-Jun		R12M	2023
	2024	2023	2024	2023		
Net sales	7,041	7,021	13,833	13,948	28,630	28,745
Gross profit	2,386	2,322	4,698	4,582	9,657	9,542
Gross margin	34%	33%	34%	33%	34%	33%
EBITDA	792	715	1,560	1,408	3,226	3,074
EBITDA margin	11%	10%	11%	10%	11%	11%
Adjusted EBITDA <sup>1</sup>	867	865	1,661	1,698	3,600	3,637
Adjusted EBITDA margin	12%	12%	12%	12%	13%	13%
Adjusted EBITDA/gross profit	36%	37%	35%	37%	37%	38%
EBIT	170	92	321	179	635	494
EBIT margin	2%	1%	2%	1%	2%	2%
Adjusted EBIT <sup>1</sup>	738	747	1,395	1,472	3,046	3,122
Adjusted EBIT margin	10%	11%	10%	11%	11%	11%
Profit or loss for the period	95	-70	5	-148	196	42
Cash flow from operating activities	1,049	-13	1,602	199	3,191	1,788
Cash flow from operating activities after investments	903	-151	1,327	-93	2,579	1,159
Net debt (+) / Net cash (-)	6,976	9,442	6,976	9,442	6,976	7,987
Net debt/Adjusted EBITDA R12M, multiple <sup>2</sup>	1.7	2.4	1.7	2.4	1.7	2.0
Equity ratio	66%	62%	66%	62%	66%	63%
Adjusted EBITDA/share, SEK	1.02	1.03	1.96	2.01	4.25	4.30
Diluted earnings per share for the period <sup>3</sup> , SEK	0.11	-0.08	0.01	-0.18	0.23	0.05
Average number of employees	3,531	3,623	3,595	3,587	3,647	3,643
Average number of employees including consultants	4,086	4,253	4,142	4,229	4,197	4,241

For a list and definitions of financial and operational measurements, please refer to page 30.

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 9 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 share<sup>4</sup>, R12M (SEK)



4) Sinch has a financial target decided by the board to grow Adjusted EBITDA per share by more than 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.

	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024
<b>Net sales, SEKm</b>									
Americas	-	-	-	4,337	4,389	4,523	4,651	4,247	4,460
EMEA	-	-	-	1,691	1,726	1,751	1,786	1,551	1,610
APAC	-	-	-	900	906	991	1,095	995	971
<b>Total</b>	<b>6,615</b>	<b>7,196</b>	<b>7,361</b>	<b>6,927</b>	<b>7,021</b>	<b>7,265</b>	<b>7,532</b>	<b>6,792</b>	<b>7,041</b>
<b>Gross profit, SEKm</b>									
Americas	-	-	-	1,392	1,469	1,514	1,633	1,443	1,490
EMEA	-	-	-	526	522	564	504	504	505
APAC	-	-	-	342	331	355	390	364	391
<b>Total</b>	<b>1,937</b>	<b>2,361</b>	<b>2,416</b>	<b>2,260</b>	<b>2,322</b>	<b>2,433</b>	<b>2,526</b>	<b>2,312</b>	<b>2,386</b>
<b>Gross margin</b>									
Americas	-	-	-	32%	33%	33%	35%	34%	33%
EMEA	-	-	-	31%	30%	32%	28%	33%	31%
APAC	-	-	-	38%	37%	36%	36%	37%	40%
<b>Total</b>	<b>29%</b>	<b>33%</b>	<b>33%</b>	<b>33%</b>	<b>33%</b>	<b>33%</b>	<b>34%</b>	<b>34%</b>	<b>34%</b>
<b>EBITDA, SEKm</b>									
EBITDA, total	528	808	791	692	715	848	818	768	792
EBITDA margin	8%	11%	11%	10%	10%	12%	11%	11%	11%
Adjusted EBITDA, total	503	901	960	834	865	943	996	794	867
Adjusted EBITDA margin	8%	13%	13%	12%	12%	13%	13%	12%	12%
Adjusted EBITDA/gross profit	26%	38%	40%	37%	37%	39%	39%	34%	36%
Adjusted EBITDA/share, SEK	0.61	1.07	1.13	0.98	1.03	1.12	1.18	0.94	1.02
<b>EBITDA adjustments, SEKm (Note 2)</b>									
Acquisition costs	1	-5	1	-3	-2	-2	-2	-2	-1
Restructuring costs	-	-18	-44	-6	-28	-14	-0	-18	-55
Earnouts	-	-	-	-18	-	-	-	-	-
Integration costs	-66	-61	-67	-47	-47	-31	-23	-49	-39
Costs of share-based incentive programs	-27	-42	-38	-23	-33	-29	-52	0	-14
Operational foreign exchange gains/losses	117	37	-25	-45	-41	-12	-63	43	34
Other adjustments	-	-3	2	0	1	-9	-37	-1	0
<b>Total EBITDA adjustments</b>	<b>25</b>	<b>-93</b>	<b>-169</b>	<b>-141</b>	<b>-149</b>	<b>-95</b>	<b>-178</b>	<b>-26</b>	<b>-75</b>
Amortization of acquisition-related assets	-464	-497	-587	-496	-506	-526	-535	-481	-492
Impairment of goodwill	-	-5,000	-97	-	-	-	-	-	-
<b>Total EBIT adjustments</b>	<b>-439</b>	<b>-5,590</b>	<b>-853</b>	<b>-638</b>	<b>-655</b>	<b>-621</b>	<b>-713</b>	<b>-507</b>	<b>-568</b>

## April – June 2024

Sinch implemented a new operating model and organization effective 1 January 2024. The financial statements reflect this change with the three regions 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 in Q2 increased marginally to SEK 7,041m (7,021) compared to the corresponding quarter in 2023.

Organic net sales in local currency decreased by 1 percent compared to Q2 2023. Foreign exchange movements contributed 1 percent, or SEK 63m. All business is classified as organic.

Organic net sales increased in APAC but decreased in Americas and EMEA. Net sales rose in the Applications and Network Connectivity product categories and fell in API Platform. See Note 9.

### Gross profit

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

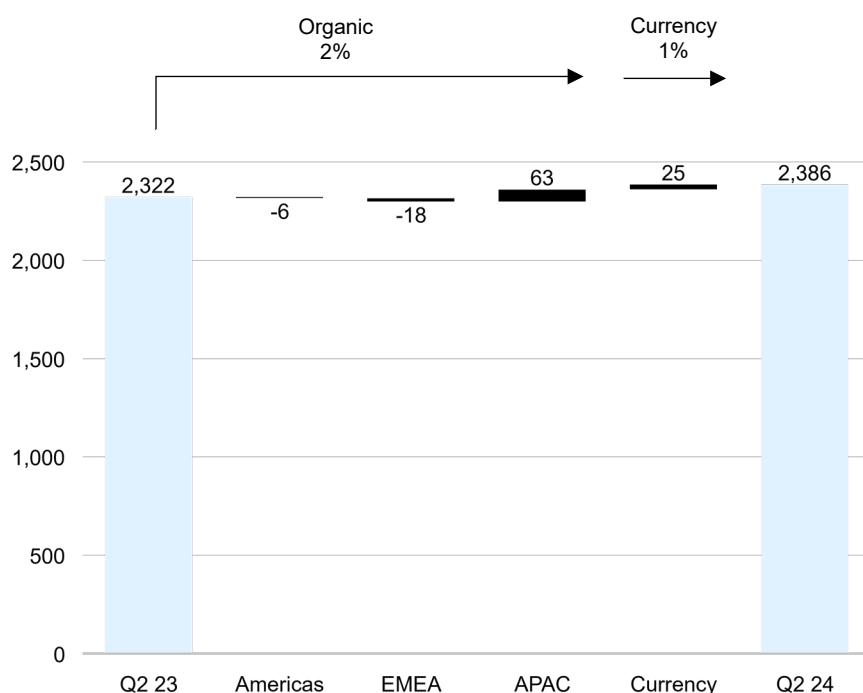
Consolidated gross profit increased in Q2 by 3 percent to SEK 2,386m (2,322), compared to Q2 2023. The increase is due primarily to the higher gross margin generated by the changed product mix.

The currency tailwind was 1 percent for the quarter, corresponding to SEK 25m. Organic gross profit growth was 2 percent compared to the same quarter last year.

Organic gross profit increased in APAC and decreased in Americas and EMEA.

The Applications and API Platform product categories generated a positive contribution to gross profit. Although gross profit for Network Connectivity declined compared to Q2 2023, it improved compared to Q1 2024.

### Change in consolidated gross profit, Q2 2023 – Q2 2024



Net sales for the quarter, SEKm

# 7,041

Gross margin

# 34%

Organic gross profit growth

# 2%

### Operating expenses (Opex)

Operating expenses, defined as the difference between gross profit and EBITDA, decreased by 1 percent to SEK 1,594m (1,606) 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 cost base increased due to inflation, salary revisions and restructuring costs, which were offset by workforce reductions, operational foreign exchange gains/losses and reduced costs of share-based incentive programs during the period.

Adjusted operating expenses, defined as the difference between gross profit and Adjusted EBITDA, increased by 4 percent to SEK 1,519m (1,457) compared to the same period in 2023 but were unchanged compared to Q1 2024. Foreign exchange movements contributed 1 percent growth in Q2 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 external consultancy expenses. See Note 2 for further disclosures.

See Note 11 and the definitions on page 30 for more information about operating expenses distributed by function.

### EBITDA

EBITDA increased by 11 percent to SEK 792m (715). Foreign exchange movements contributed 2 percent, or SEK 11m.

The consolidated EBITDA margin was 11 percent (10).

In total, Adjusted EBITDA was SEK 75m (149) higher than EBITDA for the quarter. The adjustments include restructuring costs of SEK -55m (-28), integration costs of SEK -39m (-47) and operational foreign exchange gains/losses of SEK 34m (-41). See the quarterly summary and Note 2 for more information.

Consequently, Adjusted EBITDA was SEK 867m (865). Foreign exchange movements contributed 1 percent, or SEK 11m.

The Adjusted EBITDA margin was 12 percent (12).

The Group has a financial target to achieve growth of Adjusted EBITDA per share of 20 percent on an annual basis. Adjusted EBITDA per share was SEK 1.02 (1.03) for the quarter and SEK 4.25 (4.22) for the rolling twelve months, corresponding to an increase of 1 percent R12M. Adjusted EBITDA/gross profit was 36 percent (37) in Q2.

### EBIT

EBIT amounted to SEK 170m (92).

Acquisition-related amortization, which does not affect cash flow, reduced EBIT by SEK -492m (-506). 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 738m (747). See the quarterly summary and Note 2 for specifications.

### Growth acceleration plan

Harmonizing the company's IT environment to achieve efficiency is a key component of realizing the opportunities created by the new operating model. Sinch estimates the cost of IT initiatives over the next three years at about SEK 350m. Sinch also estimates the company's total integration and restructuring costs at about SEK 300m in 2024. These costs amounted to SEK 94m in Q2, including restructuring costs of SEK 55m.

These measures are expected to produce gross savings of about SEK 300m on a run-rate basis by the end of the year. These savings mitigate cost increases relating to merit and inflation, and are reinvested in new initiatives to drive organic growth. Progress is according to plan, and in the quarter these measures resulted in gross savings of SEK 58 million, corresponding to SEK 232 million on an annual run-rate basis.

EBITDA margin

11%

Adjusted EBIT, SEKm

738

**Other income and expense items**

Net financial expenses were SEK -148m (-117) including net interest expense of SEK -126m (-156) and foreign exchange differences of SEK -16m (44).

Net profit for the period was SEK 95m (-70).

**Investments**

Net investments in property, plant and equipment and intangible assets amounted to SEK -146m (-138).

The investments include capitalized development expenditure of SEK 95m (92).

**Cash flow**

Cash flow before the change in working capital amounted to SEK 468m (382). Cash flow was reduced by tax paid of SEK -147m (-226) and net interest paid and received of SEK -130m (-145).

Cash flow from operating activities amounted to SEK 1,049m (-13) and was increased by the change in working capital of SEK 581m (-395). Working capital was improved by early payments from a few customers of about SEK 240m.

Cash used in investing activities was SEK -149m (-137) and was affected by net investments of SEK -146m (-138), primarily capitalized development expenditure.

Cash used in financing activities was SEK -909m (-292) for the period, where the change in borrowings reduced net cash by SEK -881m (-300). Net cash flow for the period amounted to SEK -9m (-442).

**Employees**

At the end of the quarter, the Group employed 4,065 (4,280) people, including consultants. The average number of employees and consultants was 4,086 (4,253) in Q2. The average number of employees was 3,531 (3,623), of whom 32 percent (31) women.

Cash flow from operating activities,  
SEKm

1,049

# January – June 2024

## Net sales

Consolidated net sales for the period decreased by 1 percent to SEK 13,833m (13,948), compared to the corresponding period in the preceding year. Net sales increased in APAC during the quarter but decreased in Americas and EMEA.

The Applications product category made a positive contribution to net sales, while net sales declined for API Platform and Network Connectivity. See Note 9.

The currency effect was 0 percent for the period, corresponding to SEK 41m. Organic net sales in local currency decreased by 1 percent compared to the same period in 2023. All business during the period is classified as organic.

## Gross profit

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

Consolidated gross profit rose during the period by 3 percent to SEK 4,698m (4,582). The increase is due primarily to the higher gross margin generated by the changed product mix. Gross profit increased in the Americas and APAC operating segments and decreased in EMEA.

The Applications and API Platform product categories generated a positive contribution to gross profit growth, while gross profit declined for the Network Connectivity category.

The currency tailwind was 0 percent for the period, corresponding to SEK 5m. Organic gross profit increased by 2 percent compared to the same period last year.

## Operating expenses (Opex)

Operating expenses, defined as the difference between gross profit and EBITDA, decreased by 1 percent to SEK 3,138m (3,174) 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 cost base increased due to inflation and pay adjustments, which were offset by workforce reductions and other cost savings.

Adjusted operating expenses, defined as the difference between gross profit and Adjusted EBITDA, grew by 5 percent to SEK 3,037m (2,884) compared to the same period in 2023. Foreign exchange movements contributed 0 percent growth 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 11 percent to SEK 1,560m (1,408). Foreign exchange movements contributed 0 percent, or with a negative impact of SEK 7m.

The consolidated EBITDA margin was 11 percent (10).

Total Adjusted EBITDA was SEK 101m (290) higher than EBITDA for the period. The adjustments include integration costs of SEK -88m (-94), operational foreign exchange gains/losses of SEK 77m (-86) and restructuring costs of SEK -73m (-33). See the quarterly summary and Note 2 for more information.

Consequently, Adjusted EBITDA amounted to SEK 1,661m (1,698), corresponding to a 2 percent decrease compared to the same period in 2023. Foreign exchange movements contributed 0 percent, or SEK 6m to the decrease.

The Adjusted EBITDA margin was 12 percent (12).

The Group has a financial target to achieve growth of Adjusted EBITDA per share of 20 percent on an annual basis. Adjusted EBITDA per share amounted to SEK 1.96 (2.01) for the period. Adjusted EBITDA/gross profit was 35 percent (37) for the period.

Net sales for the period, SEKm

# 13,833

Gross margin

# 34%



**EBIT**

EBIT amounted to SEK 321m (179).

Acquisition-related amortization, which does not affect cash flow, reduced EBIT by SEK -973m (-1,002). 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 1,395m (1,472). See the quarterly summary and Note 2 for specifications.

**Growth acceleration plan**

Harmonizing the company's IT environment to achieve efficiency is a key component of realizing the opportunities created by the new operating model. Sinch estimates the cost of IT initiatives over the next three years at about SEK 350m. Sinch also estimates the company's total integration and restructuring costs at about SEK 300m in 2024. These costs amounted to SEK 161m during the period, including restructuring costs of SEK 73m.

These measures are expected to produce gross savings of about SEK 300m on a run-rate basis by the end of the year. These savings mitigate cost increases relating to merit and inflation, and are reinvested in new initiatives to drive organic growth. Progress is according to plan, and in the period these measures resulted in gross savings of SEK 75 million.

**Other income and expense items**

Net financial expenses were SEK -260m (-279) including net interest expense of SEK -257m (-289) and foreign exchange differences of SEK 9m (18). The Group's effective tax rate was 91 percent (-49). The tax rate in the comparison period was negative because the company reported a loss in that period. Excluding acquisition-related amortization and related deferred tax assets, the Group's effective tax rate for the period was 29 percent (32).

Net profit for the period was SEK 5m (-148).

**Investments**

Net investments in property, plant and equipment and intangible assets amounted to SEK -275m (-292). The investments include capitalized development expenditure of SEK 194m (187).

**Cash flow**

Cash flow before the change in working capital was SEK 1,025m (792). Cash flow was reduced by tax paid of SEK -204m (-425) and net interest paid and received of SEK -261m (-272).

Cash flow from operating activities amounted to SEK 1,602m (199) and was improved by the total change in working capital of SEK 577m (-593). Working capital was improved by early payments from a few customers of about SEK 240m.

Cash used in investing activities was SEK -280m (-320) and was affected by net investments of SEK -275m (-292), primarily capitalized development expenditure.

Cash used in financing activities was SEK -1,554m (-626) for the period, where the change in borrowings reduced net cash by SEK -1,496m (-607). Net cash flow for the period was SEK -232m (-748).

**Liquidity and financial position**

Consolidated cash and cash equivalents at 30 June 2024 amounted to SEK 734m (1,545).

Net debt amounted to SEK 6,976m (9,442), including IFRS 16-related lease liabilities of SEK 914m (988). One of Sinch's financial targets is that net debt over time shall be below 3.5 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 1.7x.

As of 30 June, Sinch had total available credit facilities of SEK 11,253m, of which SEK 6,282m (9,272) had been used, specified as follows:

- 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 7,667m that mature in February 2027, of which SEK 3,251m had been used as of 30 June 2024.
- Bank overdraft facilities of SEK 918m (926), of which SEK 364m (0) had been used as of 30 June 2024.

In addition, senior unsecured bonds have been issued in the amount of SEK 750m (750) that will mature in November 2024, as well as issued company certificates of SEK 125m (0) that will mature in less than 12 months.

The loan of SEK 1,500m that matured in May 2024 has been repaid through the use of liquid funds, available credit facilities and the issuance of company certificates.

During the second quarter, repayment of financial debt totaled SEK 881m.

In total, Sinch had cash and cash equivalents of SEK 734m and unused loans, credit facilities and overdraft facilities of SEK 4,971m as of 30 June 2024.

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

Equity at 30 June 2024 amounted to SEK 35,145m (36,181), corresponding to an equity ratio of 66 percent (62).

### **Employees**

The average number of employees and consultants during the period was 4,142 (4,229). The average number of employees was 3,595 (3,587), of whom 32 percent (32) 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	Q2		Jan-Jun		R12M	2023
	2024	2023	2024	2023		
Net sales	4,460	4,389	8,707	8,726	17,881	17,900
Gross profit	1,490	1,469	2,933	2,861	6,080	6,008
Gross margin	33%	33%	34%	33%	34%	34%

Net sales by product category, SEKm	Q2		Jan-Jun		R12M	2023
	2024	2023	2024	2023		
Applications	276	249	543	473	1,149	1,078
API Platform	2,985	2,959	5,805	5,855	12,017	12,067
Network Connectivity	1,199	1,180	2,359	2,398	4,716	4,755
<b>Total</b>	<b>4,460</b>	<b>4,389</b>	<b>8,707</b>	<b>8,726</b>	<b>17,881</b>	<b>17,900</b>

Gross profit by product category, SEKm	Q2		Jan-Jun		R12M	2023
	2024	2023	2024	2023		
Applications	202	193	394	364	826	796
API Platform	848	787	1,703	1,521	3,520	3,337
Network Connectivity	441	490	837	977	1,735	1,875
<b>Total</b>	<b>1,490</b>	<b>1,469</b>	<b>2,933</b>	<b>2,861</b>	<b>6,080</b>	<b>6,008</b>

## Significant events

- Sinch was recognized as a 2024 [Gartner Magic Quadrant Leader](#) for CPaaS.
- Sinch published a [new report on customer engagement](#) showing how businesses can more effectively meet their customers' expectations and enhance the digital customer experience.

## Net sales

Net sales were SEK 4,460m (4,389), corresponding to an increase of 2 percent compared to Q2 2023. The corresponding organic growth was 1 percent. All business during the quarter is classified as organic.

## Gross profit

The gross margin was 33 percent (33).

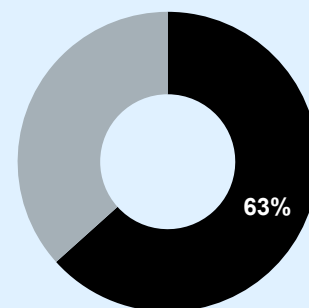
Gross profit amounted to SEK 1,490m (1,469), corresponding to an increase of 1 percent compared to Q2 2023. The corresponding organic growth was 0 percent.

Applications and API Platform made a positive contribution to gross profit growth, while Network Connectivity was a negative contributor. The growth rate in Applications slowed compared to Q1 when several marketing-related promotional campaigns made a strong contribution in the comparison quarter. Gross profit within API Platform was in line with Q1 but the growth rate was lower than in 2023. Specifically, the growth rate was weak in SMS, although this was partly offset by higher growth in email and number verification products.

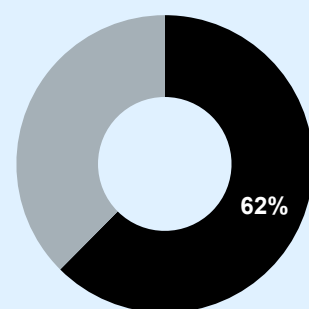
The regulation of charges for American toll-free numbers (the 8YY Reform) specifically reduced gross profit in Network Connectivity by SEK -38m in Q2, corresponding to 3 percentage points. The adverse impact of the 8YY Reform on growth will reduce in Q3 and disappear completely from the fourth quarter.

In Q1, rising network costs had a significant negative impact on gross profit in Network Connectivity. Commercial negotiations with multiple North American telecom operators has reduced the risk of future increases.

Share of net sales

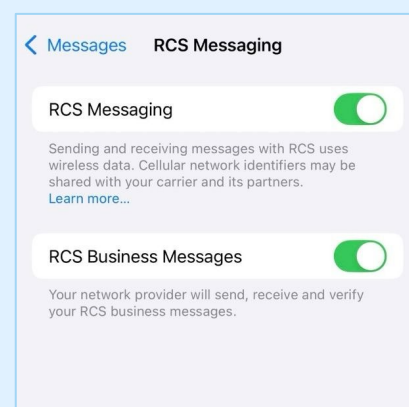


Share of gross profit



New report on effective customer engagement

→ [The art and heart of meaningful customer connections](#)



Apple released the beta version of its new iOS 18 operating system, which supports RCS Business Messages, in Q2.

# 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	Q2		Jan-Jun		R12M	2023
	2024	2023	2024	2023		
Net sales	1,610	1,726	3,161	3,417	6,697	6,953
Gross profit	505	522	1,010	1,049	2,077	2,116
Gross margin	31%	30%	32%	31%	31%	30%

Net sales by product category, SEKm	Q2		Jan-Jun		R12M	2023
	2024	2023	2024	2023		
Applications	228	224	448	423	909	884
API Platform	1,228	1,365	2,407	2,699	5,142	5,435
Network Connectivity	154	137	306	295	646	635
<b>Total</b>	<b>1,610</b>	<b>1,726</b>	<b>3,161</b>	<b>3,417</b>	<b>6,697</b>	<b>6,953</b>

Gross profit by product category, SEKm	Q2		Jan-Jun		R12M	2023
	2024	2023	2024	2023		
Applications	156	150	307	287	625	605
API Platform	287	321	575	659	1,183	1,267
Network Connectivity	62	51	127	102	269	244
<b>Total</b>	<b>505</b>	<b>522</b>	<b>1,010</b>	<b>1,049</b>	<b>2,077</b>	<b>2,116</b>

## Significant events

- Customer cases published during the quarter include EasyPark Group and MINDD. Read more at [sinch.com](https://sinch.com).

## Net sales

Net sales in Q2 decreased by 7 percent to SEK 1,610m (1,726).

Net sales decreased by 7 percent compared to Q2 2023. The corresponding organic decrease in local currency was 8 percent. All business during the quarter is classified as organic.

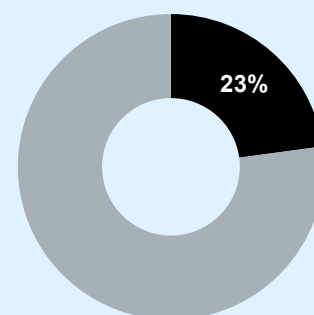
## Gross profit

The gross margin was 31 percent (30) for the quarter. The gross margin improvement was driven mainly by the changed product mix.

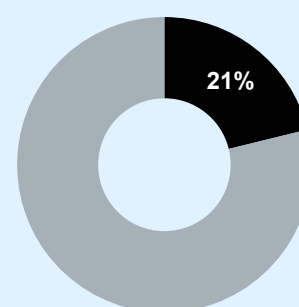
Gross profit decreased in Q2 by 3 percent to SEK 505m (522), compared to Q2 2023. Organic gross profit decreased by 4 percent but has improved sequentially.

Gross profit in Applications and API Platform was in line with Q1. The growth rate was lower in Applications compared to Q1 2024 while the API Platform shows less of a decline. Network Connectivity is delivering persistently strong performance in the region.

Share of net sales



Share of gross profit



Customer case

**easypark**

→ [How EasyPark Group keeps millions of users informed with SMS and RCS](#)

# APAC

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

APAC, SEKm	Q2		Jan-Jun		R12M	2023
	2024	2023	2024	2023		
Net sales	971	906	1,966	1,805	4,052	3,892
Gross profit	391	331	755	673	1,500	1,418
Gross margin	40%	37%	38%	37%	37%	36%

Net sales by product category, SEKm	Q2		Jan-Jun		R12M	2023
	2024	2023	2024	2023		
Applications	305	290	596	569	1,216	1,188
API Platform	640	580	1,320	1,169	2,740	2,589
Network Connectivity	26	36	50	68	96	114
<b>Total</b>	<b>971</b>	<b>906</b>	<b>1,966</b>	<b>1,805</b>	<b>4,052</b>	<b>3,892</b>

Gross profit by product category, SEKm	Q2		Jan-Jun		R12M	2023
	2024	2023	2024	2023		
Applications	190	178	368	345	747	723
API Platform	190	142	367	302	715	650
Network Connectivity	10	11	19	25	38	44
<b>Total</b>	<b>391</b>	<b>331</b>	<b>755</b>	<b>673</b>	<b>1,500</b>	<b>1,418</b>

## Significant events

- Sinch entered into a new agreement with Foxtel, an Australian pay TV company that uses Sinch MessageMedia's integration with Adobe.
- Sinch further developed its partnership with Australian mobile operator TPG and signed contracts with companies including AutoMed, a supplier of software for patient administration.

## Net sales

Net sales increased by 7 percent compared to the corresponding quarter in 2023 to SEK 971m (906). All business during the quarter is classified as organic. The corresponding organic growth in local currency was also 7 percent. Growth was driven primarily by sustained positive development of API Platform in India.

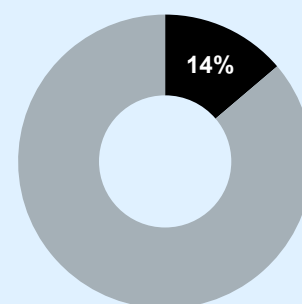
## Gross profit

The gross margin was 40 percent (37) for the quarter. The improved gross margin is primarily attributable to a changed product and customer mix.

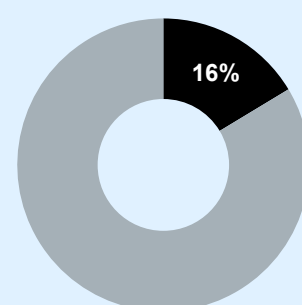
Gross profit for the quarter amounted to SEK 391m (331).

Gross profit increased by 18 percent compared to the same quarter in 2023. Organic gross profit increased by 19 percent. The gross profit growth was generated by higher net sales and an improved gross margin.

Share of net sales



Share of gross profit



Sinch integrated with leading cloud services:



→ [Sinch MessageMedia Adobe integration](#)

# Income statement

Sinch Group, SEKm	Note	Q2		Jan-Jun		R12M	2023
		2024	2023	2024	2023		
Net sales		7,041	7,021	13,833	13,948	28,630	28,745
Other operating income		90	112	212	210	481	479
Work performed by the entity and capitalized		95	92	194	187	390	383
Cost of services sold		-4,655	-4,699	-9,135	-9,366	-18,973	-19,204
Other external expenses <sup>1</sup>		-577	-555	-1,143	-1,105	-2,374	-2,336
Employee benefits expenses		-1,148	-1,117	-2,268	-2,187	-4,453	-4,371
Other operating expenses <sup>1</sup>		-54	-138	-133	-280	-475	-623
<b>EBITDA</b>		<b>792</b>	<b>715</b>	<b>1,560</b>	<b>1,408</b>	<b>3,226</b>	<b>3,074</b>
Depreciation and amortization	5	-622	-624	-1,239	-1,228	-2,591	-2,580
<b>EBIT</b>		<b>170</b>	<b>92</b>	<b>321</b>	<b>179</b>	<b>635</b>	<b>494</b>
Financial income		732	775	1,085	1,212	3,153	3,280
Financial expenses		-881	-892	-1,345	-1,491	-3,780	-3,926
<b>Profit or loss before tax</b>		<b>21</b>	<b>-25</b>	<b>61</b>	<b>-99</b>	<b>9</b>	<b>-152</b>
Current tax		-28	-201	-165	-346	-138	-319
Deferred tax		102	156	109	297	325	513
<b>Profit or loss for the period</b>		<b>95</b>	<b>-70</b>	<b>5</b>	<b>-148</b>	<b>196</b>	<b>42</b>
<b>Attributable to:</b>							
Owners of the parent		95	-70	6	-148	196	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	Q2		Jan-Jun		R12M	2023
	2024	2023	2024	2023		
Basic	0.11	-0.08	0.01	-0.18	0.23	0.05
- Diluted <sup>2</sup>	0.11	-0.08	0.01	-0.18	0.23	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	Q2		Jan-Jun		R12M	2023
	2024	2023	2024	2023		
<b>Profit or loss for the period</b>	<b>95</b>	<b>-70</b>	<b>5</b>	<b>-148</b>	<b>196</b>	<b>42</b>
<b>Other comprehensive income</b>						
<b>Items that may subsequently be reclassified to profit or loss for the period</b>						
Translation differences	-275	1,693	1,297	1,583	-1,150	-863
FX changes on increased net investments	-105	240	186	233	-185	-138
Tax effect items in other comprehensive income	25	-22	-38	-18	9	28
<b>Other comprehensive income or loss for the period</b>	<b>-354</b>	<b>1,911</b>	<b>1,445</b>	<b>1,797</b>	<b>-1,327</b>	<b>-973</b>
<b>Comprehensive income or loss for the period</b>	<b>-259</b>	<b>1,840</b>	<b>1,450</b>	<b>1,649</b>	<b>-1,131</b>	<b>-931</b>
<b>Attributable to:</b>						
Owners of the parent	-259	1,840	1,450	1,649	-1,131	-931
Non-controlling interests	0	0	0	0	0	0

# Balance sheet

Sinch Group, SEKm	Note	30 Jun		31 Dec
		2024	2023	2023
<b>ASSETS</b>				
<b>Non-current assets</b>				
Goodwill		26,139	27,028	25,160
Customer relationships		13,069	14,679	13,058
Operator relationships		163	224	177
Proprietary software		4,736	5,330	4,706
Other intangible assets		372	454	394
Property, plant and equipment		956	967	928
Right-of-use-asset		821	922	818
Financial assets		80	83	72
Deferred tax assets		1,176	1,084	957
<b>Total non-current assets</b>		<b>47,511</b>	<b>50,770</b>	<b>46,269</b>
<b>Current assets</b>				
Accounts receivable	7	4,242	4,614	4,669
Tax assets		240	285	238
Other current receivables		316	356	265
Prepaid expenses and accrued income	8	400	846	681
Cash and cash equivalents		734	1,545	1,012
<b>Total current assets</b>		<b>5,933</b>	<b>7,646</b>	<b>6,866</b>
<b>TOTAL ASSETS</b>		<b>53,443</b>	<b>58,416</b>	<b>53,134</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Share capital		8	8	8
Other capital contributions		32,414	32,320	32,382
Reserves		5,739	7,065	4,294
Retained earnings including profit for the year		-3,016	-3,212	-3,022
<b>Equity attributable to owners of the parent</b>	4	<b>35,145</b>	<b>36,181</b>	<b>33,663</b>
Non-controlling interests		1	1	1
<b>Total equity</b>		<b>35,145</b>	<b>36,181</b>	<b>33,663</b>
<b>Non-current liabilities</b>				
Deferred tax liability		5,065	5,395	4,750
Provisions		56	44	55
Non-current liabilities, interest-bearing		2,980	7,877	6,637
Non-current liabilities, non-interest-bearing		18	20	25
<b>Total non-current liabilities</b>		<b>8,120</b>	<b>13,336</b>	<b>11,467</b>
<b>Current liabilities</b>				
Contract liabilities/Advance payments from customers		313	279	262
Accounts payable		1,730	1,646	1,849
Tax liability		43	354	64
Other current liabilities, interest-bearing		4,730	3,111	2,362
Other non interest bearing current liabilities		251	302	231
Accrued expenses and prepaid income		3,111	3,207	3,235
<b>Total current liabilities</b>		<b>10,178</b>	<b>8,899</b>	<b>8,004</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>53,443</b>	<b>58,416</b>	<b>53,134</b>
<b>Financial instruments measured at fair value</b>				
Derivative instruments with positive value		0	-	13
Derivative instruments with negative value		-	25	-



# 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	
<b>Opening balance 1 January 2023</b>	8	32,219	5,268	-3,064	34,431	1	34,432
Profit or loss for the period				-148	-148	0	-148
Other comprehensive income			1,797		1,797	0	1,797
Issued warrants		4			4		4
Share-based payments		58			58		58
Shares issued for warrants	0	42			42		42
Issue expenses, net of tax		-2			-2		-2
<b>Closing balance 30 June 2023</b>	8	32,320	7,065	-3,212	36,181	1	36,181
<b>Opening balance 1 January 2024</b>	8	32,382	4,294	-3,022	33,663	1	33,663
Profit or loss for the period				6	6	0	5
Other comprehensive income			1,445		1,445	0	1,445
Share-based payments		23			23		23
Shares issued for warrants	0	10			10		10
Issue expenses, net of tax		-1			-1		-1
<b>Closing balance 30 June 2024</b>	8	32,414	5,739	-3,016	35,145	1	35,145

# Condensed statement of cash flows

Sinch Group, SEKm	Note	Q2		Jan-Jun		R12M	2023
		2024	2023	2024	2023		
Profit or loss before tax		21	-25	61	-99	8	-152
Adjustment for non-cash items <sup>1</sup>		594	633	1,168	1,316	2,711	2,859
Income tax paid		-147	-226	-204	-425	-379	-600
<b>Cash flow before changes in working capital</b>		<b>468</b>	<b>382</b>	<b>1,025</b>	<b>792</b>	<b>2,340</b>	<b>2,107</b>
Change in working capital		581	-395	577	-593	851	-319
<b>Cash flow from operating activities</b>		<b>1,049</b>	<b>-13</b>	<b>1,602</b>	<b>199</b>	<b>3,191</b>	<b>1,788</b>
Net investments in property, plant and equipment and intangible assets		-146	-138	-275	-292	-612	-629
Change in financial receivables		-3	1	-5	-4	3	4
Acquisition of Group companies	6	-	-	-	-24	-	-24
<b>Cash flow from (-used in) investing activities</b>		<b>-149</b>	<b>-137</b>	<b>-280</b>	<b>-320</b>	<b>-609</b>	<b>-649</b>
Change in borrowings		-881	-300	-1,496	-607	-3,143	-2,254
Amortization lease liability		-33	-38	-67	-62	-141	-136
New issue/warrants	4	4	46	9	44	13	48
<b>Cash flow from (-used in) financing activities</b>		<b>-909</b>	<b>-292</b>	<b>-1,554</b>	<b>-626</b>	<b>-3,270</b>	<b>-2,342</b>
<b>Cash flow for the period</b>		<b>-9</b>	<b>-442</b>	<b>-232</b>	<b>-748</b>	<b>-687</b>	<b>-1,203</b>
Opening balance cash and cash equivalents for the period		756	1,902	1,012	2,173	1,545	2,173
Exchange rate differences in cash and cash equivalents		-13	85	-46	119	-123	42
<b>Closing balance cash and cash equivalents for the period</b>		<b>734</b>	<b>1,545</b>	<b>734</b>	<b>1,545</b>	<b>734</b>	<b>1,012</b>
<b>Additional cash flow disclosures</b>							
Net interest paid <sup>2</sup>		-130	-145	-261	-272	-576	-587
Cash flow from operating activities after investments		903	-151	1,327	-93	2,579	1,159

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

2) Net interest paid is included in cash flow from operating activities.

## Other disclosures

Sinch Group, SEKm	Q2		Jan-Jun		R12M	2023
	2024	2023	2024	2023		
<b>Share information</b>						
Basic earnings per share, SEK	0.11	-0.08	0.01	-0.18	0.23	0.05
Diluted earnings per share, SEK <sup>1</sup>	0.11	-0.08	0.01	-0.18	0.23	0.05
Basic weighted average number of shares	843,676,521	839,886,328	843,516,465	839,247,835	843,247,916	841,130,408
Diluted weighted average number of shares <sup>2</sup>	846,583,256	839,886,328	847,215,189	839,247,835	846,709,938	845,416,837
Total number of shares at the end of the period	843,745,576	842,776,438	843,745,576	842,776,438	843,745,576	843,069,811
<b>Financial position</b>						
Equity attributable to owners of the parent	35,145	36,181	35,145	36,181	35,145	33,663
Equity ratio	66%	62%	66%	62%	66%	63%
Net investments in property, plant and equipment and intangible assets	-146	-138	-275	-292	-612	-629
Cash and cash equivalents	734	1,545	734	1,545	734	1,012
Net debt (+) / Net cash (-)	6,976	9,442	6,976	9,442	6,976	7,987
Net debt/Adjusted EBITDA R12M, multiple	1.7	2.4	1.7	2.4	1.7	2.0
EBIT margin	2%	1%	2%	1%	2%	2%
EBITDA margin	11%	10%	11%	10%	11%	11%
<b>Employee information</b>						
Average number of employees	3,531	3,623	3,595	3,587	3,647	3,643
Average number of employees, women	1,135	1,141	1,148	1,131	1,155	1,146
Percentage female	32%	31%	32%	32%	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 6,096,730 in the preceding interim 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.

Q2 2024, SEKm	Americas	EMEA	APAC	Other	Group
<b>Net sales</b>	<b>4,460</b>	<b>1,610</b>	<b>971</b>	-	<b>7,041</b>
<b>Gross profit</b>	<b>1,490</b>	<b>505</b>	<b>391</b>	-	<b>2,386</b>
Opex	-	-	-	-1,594	-1,594
<b>EBITDA</b>	-	-	-	<b>792</b>	<b>792</b>
EBITDA adjustments	-	-	-	-75	-75
<b>Adjusted EBITDA</b>	-	-	-	<b>867</b>	<b>867</b>
Depreciation and amortization	-	-	-	-	-622
<b>EBIT</b>	-	-	-	-	<b>170</b>
Net finance income or expense	-	-	-	-	-148
<b>Profit or loss before tax</b>	-	-	-	-	<b>21</b>

Q2 2023, SEKm	Americas	EMEA	APAC	Other	Group
<b>Net sales</b>	<b>4,389</b>	<b>1,726</b>	<b>906</b>	-	<b>7,021</b>
<b>Gross profit</b>	<b>1,469</b>	<b>522</b>	<b>331</b>	-	<b>2,322</b>
Opex	-	-	-	-1,606	-1,606
<b>EBITDA</b>	-	-	-	<b>715</b>	<b>715</b>
EBITDA adjustments	-	-	-	-149	-149
<b>Adjusted EBITDA</b>	-	-	-	<b>864</b>	<b>864</b>
Depreciation and amortization	-	-	-	-	-624
<b>EBIT</b>	-	-	-	-	<b>92</b>
Net finance income or expense	-	-	-	-	-117
<b>Profit or loss before tax</b>	-	-	-	-	<b>-25</b>

Jan-June 2024, SEKm	Americas	EMEA	APAC	Other	Group
<b>Net sales</b>	<b>8,707</b>	<b>3,161</b>	<b>1,966</b>	-	<b>13,833</b>
<b>Gross profit</b>	<b>2,933</b>	<b>1,010</b>	<b>755</b>	-	<b>4,698</b>
Opex	-	-	-	-3,138	-3,138
<b>EBITDA</b>	-	-	-	<b>1,560</b>	<b>1,560</b>
EBITDA adjustments	-	-	-	-101	-101
<b>Adjusted EBITDA</b>	-	-	-	<b>1,661</b>	<b>1,661</b>
Depreciation and amortization	-	-	-	-	-1,239
<b>EBIT</b>	-	-	-	-	<b>321</b>
Net finance income or expense	-	-	-	-	-260
<b>Profit or loss before tax</b>	-	-	-	-	<b>61</b>

<b>Jan-June 2023, SEKm</b>	<b>Americas</b>	<b>EMEA</b>	<b>APAC</b>	<b>Other</b>	<b>Group</b>
<b>Net sales</b>	<b>8,726</b>	<b>3,417</b>	<b>1,805</b>	-	<b>13,948</b>
<b>Gross profit</b>	<b>2,861</b>	<b>1,049</b>	<b>673</b>	-	<b>4,582</b>
Opex	-	-	-	-3,174	-3,174
<b>EBITDA</b>	-	-	-	<b>1,408</b>	<b>1,408</b>
EBITDA adjustments	-	-	-	-290	-290
<b>Adjusted EBITDA</b>	-	-	-	<b>1,698</b>	<b>1,698</b>
Depreciation and amortization	-	-	-	-	-1,228
<b>EBIT</b>	-	-	-	-	<b>179</b>
Net finance income or expense	-	-	-	-	-279
<b>Profit or loss before tax</b>	-	-	-	-	<b>-99</b>

<b>R12M, MSEK</b>	<b>Americas</b>	<b>EMEA</b>	<b>APAC</b>	<b>Other</b>	<b>Group</b>
<b>Net sales</b>	<b>17,881</b>	<b>6,697</b>	<b>4,052</b>	-	<b>28,630</b>
<b>Gross profit</b>	<b>6,080</b>	<b>2,077</b>	<b>1,500</b>	-	<b>9,657</b>
Opex	-	-	-	-6,431	-6,431
<b>EBITDA</b>	-	-	-	<b>3,226</b>	<b>3,226</b>
EBITDA adjustments	-	-	-	-374	-374
<b>Adjusted EBITDA</b>	-	-	-	<b>3,600</b>	<b>3,600</b>
Depreciation and amortization	-	-	-	-	-2,591
<b>EBIT</b>	-	-	-	-	<b>635</b>
Net finance income or expense	-	-	-	-	-627
<b>Profit or loss before tax</b>	-	-	-	-	<b>9</b>

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

# Distribution of net sales

## Q2 2024, SEKm

Net sales by product category	Americas	EMEA	APAC	Group
Applications	276	228	305	809
API Platform	2,985	1,228	640	4,854
Network Connectivity	1,199	154	26	1,378
<b>Total</b>	<b>4,460</b>	<b>1,610</b>	<b>971</b>	<b>7,041</b>

## Net sales allocation per point in time

Over time	2,228	234	71	2,533
At one point in time	2,231	1,376	900	4,508
<b>Total</b>	<b>4,460</b>	<b>1,610</b>	<b>971</b>	<b>7,041</b>

## Q2 2023, SEKm

Net sales by product category	Americas	EMEA	APAC	Group
Applications	249	224	290	764
API Platform	2,959	1,365	580	4,904
Network Connectivity	1,180	137	36	1,353
<b>Total</b>	<b>4,389</b>	<b>1,726</b>	<b>906</b>	<b>7,021</b>

## Net sales allocation per point in time

Over time	2,172	354	79	2,605
At one point in time	2,217	1,373	827	4,416
<b>Total</b>	<b>4,389</b>	<b>1,726</b>	<b>906</b>	<b>7,021</b>

## Jan-June 2024, SEKm

Net sales by product category	Americas	EMEA	APAC	Group
Applications	543	448	596	1,587
API Platform	5,805	2,407	1,320	9,531
Network Connectivity	2,359	306	50	2,714
<b>Total</b>	<b>8,707</b>	<b>3,161</b>	<b>1,966</b>	<b>13,833</b>

## Net sales allocation per point in time

Over time	4,378	468	140	4,987
At one point in time	4,328	2,693	1,825	8,846
<b>Total</b>	<b>8,706</b>	<b>3,161</b>	<b>1,966</b>	<b>13,833</b>

## Jan-June 2023, SEKm

Net sales by product category	Americas	EMEA	APAC	Group
Applications	473	423	569	1,465
API Platform	5,855	2,699	1,169	9,723
Network Connectivity	2,398	295	68	2,760
<b>Total</b>	<b>8,726</b>	<b>3,417</b>	<b>1,805</b>	<b>13,948</b>

## Net sales allocation per point in time

Over time	4,192	742	159	5,094
At one point in time	4,534	2,675	1,646	8,854
<b>Total</b>	<b>8,726</b>	<b>3,417</b>	<b>1,805</b>	<b>13,948</b>

**R12M, MSEK**

<b>Net sales by product category</b>	<b>Americas</b>	<b>EMEA</b>	<b>APAC</b>	<b>Group</b>
Applications	1,149	909	1,216	3,273
API Platform	12,017	5,142	2,740	19,899
Network Connectivity	4,716	646	96	5,458
<b>Total</b>	<b>17,881</b>	<b>6,697</b>	<b>4,052</b>	<b>28,630</b>

**Net sales allocation per point in time**

Over time	8,784	1,167	307	10,258
At one point in time	9,096	5,530	3,744	18,373
<b>Total</b>	<b>17,881</b>	<b>6,698</b>	<b>4,052</b>	<b>28,630</b>

**2023, SEKm**

<b>Net sales by product category</b>	<b>Americas</b>	<b>EMEA</b>	<b>APAC</b>	<b>Group</b>
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
<b>Total</b>	<b>17,900</b>	<b>6,953</b>	<b>3,892</b>	<b>28,745</b>

**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
<b>Total</b>	<b>17,900</b>	<b>6,953</b>	<b>3,892</b>	<b>28,745</b>

# 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 5 (4) 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	Q2		Jan-Jun		R12M	2023
	2024	2023	2024	2023		
Net sales	149	148	299	271	616	588
Other operating income	5	5	8	6	9	7
<b>Operating expenses</b>						
Other external expenses	-207	-166	-267	-208	-395	-336
Employee benefits expenses	-8	-5	-18	-10	-30	-22
<b>EBIT before other operating expenses, depreciation/amortization and impairment losses</b>	<b>-61</b>	<b>-19</b>	<b>23</b>	<b>59</b>	<b>201</b>	<b>237</b>
Other operating expenses	-7	-2	-6	-3	-17	-14
Depreciation and amortization	-1	-1	-1	-1	-3	-3
<b>EBITDA</b>	<b>-69</b>	<b>-22</b>	<b>15</b>	<b>55</b>	<b>181</b>	<b>221</b>
Interest income and similar profit items	803	910	1,511	1,464	3,492	3,445
Interest expenses and similar loss items	-851	-747	-1,462	-1,310	-3,630	-3,477
<b>Profit after financial items</b>	<b>-117</b>	<b>141</b>	<b>64</b>	<b>210</b>	<b>43</b>	<b>189</b>
Appropriations	-	-	-	-	-120	-120
<b>Profit or loss before tax</b>	<b>-117</b>	<b>141</b>	<b>64</b>	<b>210</b>	<b>-77</b>	<b>69</b>
Tax on profit for the period	24	-30	-13	-48	20	-15
<b>Profit or loss for the period</b>	<b>-93</b>	<b>111</b>	<b>50</b>	<b>161</b>	<b>-56</b>	<b>54</b>



# Parent company balance sheet

SEKm	30 Jun		31 Dec
	2024	2023	2023
<b>ASSETS</b>			
<b>Non-current assets</b>			
Intangible assets	2	4	3
Property, plant and equipment	1	2	1
Financial assets			
Investments in group companies	16,173	15,764	16,173
Non-current receivables, Group companies	5,585	2,414	5,348
<b>Total financial assets</b>	<b>21,758</b>	<b>18,178</b>	<b>21,521</b>
<b>Total non-current assets</b>	<b>21,761</b>	<b>18,184</b>	<b>21,525</b>
<b>Current assets</b>			
Receivables from Group companies	20,864	26,582	21,767
Tax assets	33	2	31
Other current receivables	58	39	13
Prepaid expenses and accrued income	78	104	86
Cash and cash equivalents	-	164	20
<b>Total current assets</b>	<b>21,032</b>	<b>26,890</b>	<b>21,917</b>
<b>TOTAL ASSETS</b>	<b>42,793</b>	<b>45,074</b>	<b>43,442</b>
<b>EQUITY AND LIABILITIES</b>			
Share capital	8	8	8
<b>Total restricted equity</b>	<b>8</b>	<b>8</b>	<b>8</b>
Share premium reserve	34,186	34,172	34,176
Retained earnings	-3,965	-4,018	-4,018
Profit or loss for the year	50	161	54
<b>Total non-restricted equity</b>	<b>30,272</b>	<b>30,316</b>	<b>30,213</b>
<b>Total equity</b>	<b>30,281</b>	<b>30,324</b>	<b>30,221</b>
Untaxed reserves	94	95	94
Deferred tax liability	0	5	3
<b>Total untaxed reserves and provisions</b>	<b>94</b>	<b>100</b>	<b>97</b>
<b>Non-current liabilities</b>			
Liabilities to credit institutions	2,148	6,986	5,841
<b>Total non-current liabilities</b>	<b>2,148</b>	<b>6,986</b>	<b>5,841</b>
<b>Current liabilities</b>			
Accounts payable	13	32	9
Liabilities to Group companies	5,228	4,541	4,973
Liabilities to credit institutions	4,969	3,000	2,248
Other current liabilities	9	28	2
Accrued expenses and prepaid income	52	63	51
<b>Total current liabilities</b>	<b>10,270</b>	<b>7,665</b>	<b>7,283</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>42,793</b>	<b>45,074</b>	<b>43,442</b>

## 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 Swedish 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 for 2024 have had no material impact on Sinch's 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.

### 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.

### Related-party transactions

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

## 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

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	Q2		Jan-Jun		R12M	2023
	2024	2023	2024	2023		
Acquisition costs	-1	-2	-2	-5	-6	-8
Restructuring costs	-55	-28	-73	-33	-87	-47
Earnouts	-	-	-	-18	-	-18
Integration costs	-39	-47	-88	-94	-142	-148
Costs of share-based incentive programs	-14	-33	-14	-55	-94	-136
Operational foreign exchange gains/losses	34	-41	77	-86	2	-161
Other adjustments	0	1	-1	1	-46	-45
<b>Total EBITDA adjustments</b>	<b>-75</b>	<b>-149</b>	<b>-101</b>	<b>-290</b>	<b>-374</b>	<b>-563</b>
Amortization of acquisition-related assets	-492	-506	-973	-1,003	-2,034	-2,063
<b>Total EBIT adjustments</b>	<b>-568</b>	<b>-655</b>	<b>-1,074</b>	<b>-1,293</b>	<b>-2,408</b>	<b>-2,627</b>

	Q2		Jan-Jun		R12M	2023
	2024	2023	2024	2023		
<b>Integration costs, SEKm</b>						
Employee benefits expenses	-10	-44	-11	-89	-61	-139
External consultants	-27	-3	-75	-4	-78	-6
Other	-2	-	-2	-	-4	-2
<b>Total integration costs per category<sup>1</sup></b>	<b>-39</b>	<b>-47</b>	<b>-88</b>	<b>-94</b>	<b>-142</b>	<b>-148</b>

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

	Q2		Jan-Jun		R12M	2023
	2024	2023	2024	2023		
<b>Costs of share-based incentive programs, SEKm</b>						
Cost of vested employee stock option	-11	-31	-23	-58	-81	-115
Social insurance costs	-3	-1	9	2	-14	-21
<b>Total costs for share-based incentive programs per category<sup>2</sup></b>	<b>-14</b>	<b>-33</b>	<b>-14</b>	<b>-55</b>	<b>-94</b>	<b>-136</b>

2) Reported as employee benefits expenses.

	Q2		Jan-Jun		R12M	2023
	2024	2023	2024	2023		
<b>Operational foreign exchange gains/losses, SEKm</b>						
Realized foreign exchange gains/losses	3	29	17	18	-72	-70
Unrealized foreign exchange gains/losses	31	-70	60	-104	74	-91
<b>Total operational foreign exchange gains/losses per category<sup>3</sup></b>	<b>34</b>	<b>-41</b>	<b>77</b>	<b>-86</b>	<b>2</b>	<b>-161</b>

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 239m (195). 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 of Sinch. 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 of Sinch. The maximum number of instruments in LTI 2023 is 8,385,000.

During the second quarter, 19,011 options from LTI 2019 were exercised, each carrying 10 shares, and 192,168 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 6m in equity through the exercise of warrants.

Total costs for the incentive programs recognized on the income statement amount to SEK -14m (-55) for the period of January to June. Payroll costs for vested employee stock options are included in profit or loss in the amount of SEK -23m (-58) with a corresponding increase in equity and social insurance costs, improving profit by SEK 9m (2), 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 0.4 percent (0.7) 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, amortization and impairments

Sinch determined in Q2 2024 that no indications of impairment of goodwill exist for any cash-generating units.

Depreciation, amortization and impairments, SEKm	Q2		Jan-Jun		R12M	2023
	2024	2023	2024	2023		
Amortization acquired customer relationships	-314	-311	-620	-615	-1,259	-1,254
Amortization acquired operator relationships	-9	-19	-17	-37	-50	-70
Amortization acquired trademarks	-23	-23	-46	-45	-69	-68
Amortization acquired software	-146	-154	-290	-305	-656	-671
<b>Total acquisition-related amortization</b>	<b>-492</b>	<b>-506</b>	<b>-973</b>	<b>-1,003</b>	<b>-2,034</b>	<b>-2,063</b>
Amortization proprietary software	-51	-35	-96	-62	-201	-167
Amortization licenses	-1	-2	-3	-3	-13	-12
Amortization other intangible assets	0	-1	-1	-1	-2	-1
<b>Total amortization intangible assets</b>	<b>-545</b>	<b>-543</b>	<b>-1,074</b>	<b>-1,068</b>	<b>-2,249</b>	<b>-2,244</b>
Depreciation property, plant and equipment	-43	-43	-86	-87	-173	-174
Depreciation right-of-use assets	-35	-37	-70	-73	-146	-149
Impairments	0	0	-10	0	-23	-13
<b>Total amortization/depreciation of intangible assets and property, plant and equipment</b>	<b>-622</b>	<b>-624</b>	<b>-1,239</b>	<b>-1,228</b>	<b>-2,591</b>	<b>-2,580</b>

## 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 Jun		31 Dec
	2024	2023	2023
Unbilled receivables	1,892	1,995	1,921
Receivables, billed	2,508	2,791	2,897
Expected credit loss allowance	-158	-172	-149
<b>Total accounts receivable</b>	<b>4,242</b>	<b>4,614</b>	<b>4,669</b>

## Note 8. Prepaid expenses and accrued income

Prepaid expenses and accrued income, SEKm	30 Jun		31 Dec
	2024	2023	2023
Accrued revenue from contracts with customers	44	73	36
Other accrued income and prepaid expenses	357	773	645
<b>Total accrued income and prepaid expenses</b>	<b>400</b>	<b>846</b>	<b>681</b>

## Note 9. Net sales by product category

Net sales by product category, SEKm	Q2		Jan-Jun		R12M	2023
	2024	2023	2024	2023		
Applications	809	764	1,587	1,465	3,273	3,151
API Platform	4,854	4,904	9,531	9,723	19,899	20,091
Network Connectivity	1,378	1,353	2,714	2,760	5,458	5,504
<b>Total Net sales</b>	<b>7,041</b>	<b>7,021</b>	<b>13,833</b>	<b>13,948</b>	<b>28,630</b>	<b>28,745</b>

## Note 10. Gross profit by product category

Gross profit by product category, SEKm	Q2		Jan-Jun		R12M	2023
	2024	2023	2024	2023		
Applications	548	520	1,069	996	2,198	2,125
API Platform	1,325	1,250	2,646	2,483	5,417	5,254
Network Connectivity	513	551	983	1,104	2,042	2,163
<b>Total Gross profit</b>	<b>2,386</b>	<b>2,322</b>	<b>4,698</b>	<b>4,582</b>	<b>9,657</b>	<b>9,542</b>

## Note 11. Adjusted Opex by function

Adjusted Opex by function, SEKm	Q2		Jan-Jun		R12M	2023
	2024	2023	2024	2023		
Sales & marketing expenses	-451	-418	-910	-840	-1,769	-1,699
Research & development expenses	-746	-721	-1,465	-1,429	-2,932	-2,896
General & administrative expenses	-323	-318	-662	-615	-1,356	-1,310
<b>Total Adjusted Opex</b>	<b>-1,519</b>	<b>-1,457</b>	<b>-3,037</b>	<b>-2,884</b>	<b>-6,057</b>	<b>-5,905</b>
EBITDA adjustments	75	149	101	290	374	563
<b>Total Opex</b>	<b>-1,594</b>	<b>-1,606</b>	<b>-3,138</b>	<b>-3,174</b>	<b>-6,431</b>	<b>-6,468</b>

Sinch reports Group costs by nature; see the Income Statement on page 11. Further information is provided in Note 11, in which operating expenses are distributed by function. The R&D expenses described above include the costs of technical operations. See page 30 for more information about the function definitions applied by Sinch.

# 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](https://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](https://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. Read more at [sinch.com](https://sinch.com).

**Forthcoming reporting dates**

Interim report Q3, Jan–Sep 2024

6 November

**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. Further information will be published well in advance of the event.

**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 have made it necessary for management 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**

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112 51 Stockholm, Sweden

Corporate ID 556882-8908

[sinch.com](https://sinch.com)



**Invitation to webcast and phone conference**

Sinch will present the interim report in a webcast and phone conference on Friday, 19 July 2024 at 14:00 CEST. Watch the presentation at [investors.sinch.com/webcast](https://investors.sinch.com/webcast).

To participate via phone conference, register using the following link:  
<https://conference.financialhearings.com/teleconference/?id=50048792>.

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

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Stockholm, 19 July 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 and the Swedish Securities Market Act. The information was released for publication by the contact person above on 19 July 2024 at 07:30 CEST.*

*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.*

